



Huge coastal swells required vessel rescheduling

Hot EU market outweighs tariff impact on South African oranges

Two cold fronts back to back and a spring tide wreaked havoc along the South African coastline, the South African Weather Service said on Monday, and the huge swells caused "major headaches" for them, a source at a shipping line says.

"On the past weekend there were swells of 6 or 7 m in Table Bay so then the vessels go up to St Helena Bay where it's protected from the ocean swells," he says, adding that in themselves the cold fronts were nothing major.

"If your vessel is not outside Cape Town today, you will not make the duty deadline"



The timing is delicate: from October until 30 November a duty of 4.3% applies to South African oranges arriving in the European Union.

"As a result of the swells we've had to reschedule services for the oranges to the EU. We have to be in by 14 October, so that means normally sailing on the 27th or the 28th. That gives you a week still to go but with the bad weather there's significant congestion in ports," the shipper continues.

"The waiting time for vessels outside Cape Town is four or five days so that already means you've lost much of the week, and then dry cargo (electronics, vehicle parts, etc) still needs to be offloaded."

Because of congestion Cape Town has been bypassed by some shipping lines on some vessels.

"So really, if your vessel is not outside Cape Town today, you will not berth on time and sail on time to make the duty deadline. We're confident of our vessel sailing in time."

So buyers in Europe shouldn't fret? "Absolutely not."

Buyers don't mind the tariff

"Keep in mind that the market in Europe is very hot and the duty is just on oranges, not on soft citrus and lemons, and oranges is exactly where the market is hottest," an exporter observes.

"And the duty on South African oranges has come down, so many import agents have told us to keep loading, despite the duty."

However, he points out, there are not a lot of oranges left.



The European Union tariff on South African orange imports between April and November to be eliminated by 2026

The tariff on South African oranges will be gradually phased out until fully eliminated in 2026. Next year the duty on South African oranges will be 2.88% and in its final year it will be 1.44% before elimination in 2026.

A 16% tariff from the beginning of December until the end of March remains in place.

"Therefore the impact if vessels don't make it because of delays and congestion is not that huge because the market is so hot."

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