

Port of Cape Town misses recovery targets, threatens citrus exports

Collaborative efforts between the industry and the Western Cape Government (WCG) have been focused on working with Transnet Port Terminals to establish a reliable and effective recovery plan aimed at stabilising operations in the short term.



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As May 2024 approaches, there is an expectation for a significant surge in South African citrus exports, with projections indicating a need to transport 16.6 million 15kg cartons of fruit through various ports, including the Port of Cape Town.

Port performance below expectations

Despite these preparations, there are growing concerns regarding the efficiency of the Cape Town Container Terminal (CTCT). The terminal has not achieved its recovery targets, and its primary productivity metric, Ship Working Hours—which tracks the average number of container movements per vessel per hour—currently averages 25 hours, falling short of the 30-hour goal. This shortfall raises questions about the Port of Cape Town's capacity to effectively process and ship these exports.

"The WCG has been repeatedly raising our concerns with national government and stakeholders across the logistics sector about the inefficiencies in the operations at the Port of Cape Town. I am deeply frustrated that despite commitments from the Minister of Public Enterprises, Transnet and leadership at the port since early last year, once again another critical harvest season is in jeopardy.

"We cannot allow this to happen again to our agriculture sector, a key economic driver and employer not just for our province but the rest of the country too. While we welcome the longer-term discussions about bringing in private sector role players, right now Transnet should be bringing in the top team to support port operations," says Premier of the Western Cape, Alan Winde.

Detailed performance indicators highlight urgency

Provincial Minister of Finance and Economic Opportunities, Mireille Wenger, expressed deep concern, saying that "the targets set in the Transnet and container terminal recovery plan for the Port of Cape Town, designed to be conservative and achievable, are not even being achieved.

"I am especially concerned that, with the citrus season fast approaching, we are heading towards another export crisis. Citrus yields are up, but all indicators show that performance at the port will not be able to handle the increased volumes this year."

In terms of the operational performance recovery plan, the ship working hours actual performance versus the target at the CTCT for the first four months of 2024 were:

- January 2024: 22.5 actual ship working hours against a target of 26 hours
- February 2024: 23.4 actual ship working hours against a target of 27 hours
- March 2024: 24.5 actual ship working hours against a target of 28
- April 2024: 25 actual ship working hours against a target of 30

In addition, average performance indicators at the CTCT for April 2024 show:

- Average total vessel turnaround time for April 2024 was 8.9 days against a target of 4 days;
- Average time at berth during April 2024 was 4.3 days against a target of 3; and
- Average waiting time to berth during April 2024 was 4.6 days against a target of 1 day

"Fundamentally, these indicators show that the current terminal performance will not be sufficient to accommodate cargo volumes during the upcoming peak citrus season.

"It is therefore imperative that there be an urgent review of the targets in the improvement plan so that they are functional, credible, reliable, and achievable – and so that our exporters can trust in the commitments made to enable making alternative arrangements well in advance, if needed, to

mitigate the negative impacts this crisis would have on their businesses,” continues Minister Wenger.

She adds: “Our research shows that an efficient and properly equipped PoCT has the potential to contribute an additional R6bn in exports, roughly 20,000 direct and indirect jobs, and over R1.6bn in additional taxes by 2026 if there is significant investment in key infrastructure.

A unified call for action

"To achieve this goal, we need the private sector to be brought in to improve the efficiency of the port. While there have been encouraging signs recently of a willingness to invite the private sector in, the fact of the matter is that we must work together to urgently review the current recovery plan."

"As part of this, our technical team are available to assist in identifying key areas of underperformance and action steps towards improved and efficient operations. Put simply, when our ports work, the whole of South Africa's economy works, and South Africa cannot wait any longer.

"It is high time that the private sector is brought in to boost the efficiency of operations at the Port of Cape Town so we can work together to achieve the kind of breakout economic growth we need to create thousands of new jobs in the province, and in South Africa" concludes Minister Wenger.

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