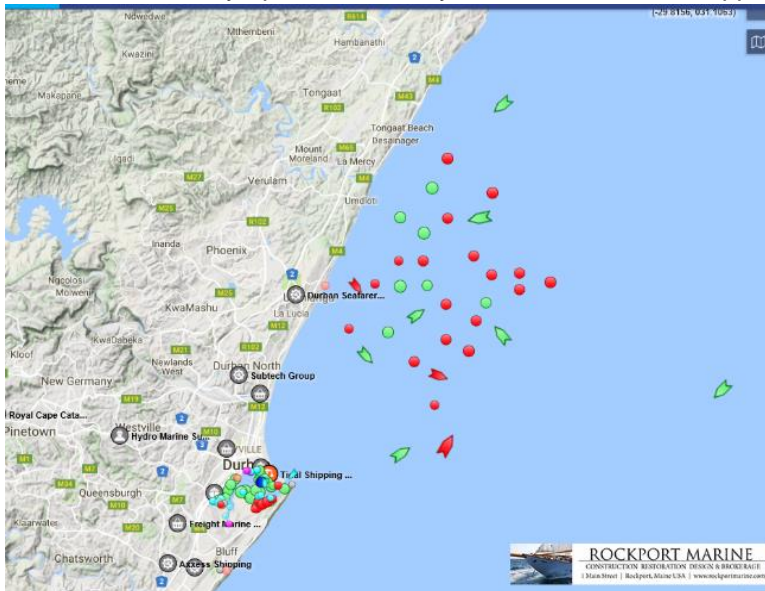


DURBAN PORT UPDATE

Sadly, we report very little change from our last Newsflash with regard to the crippling status of Durban port. Up to 14-day delays are still being experienced in scheduled berthing. The impact on industry is staggering in magnitude and the key to managing this as best as possible is forecasting and facts which are still increasingly difficult to pin down. With shipping lines still publishing ETA's as dates when vessels are anchored off limits outside Durban (which is sometimes 14 days before they get given a berthing slot), the only semi trustworthy data on actual berthing is the Transnet published berthing schedules which only operate 5-10 days in advance. Before appearing on these plans, we are at the



mercy of shipping line information which is seldom accurate.

A satellite tracking image of Durban port left gives one a sense of the backlog still being experienced. There is little sign that these backlogs will be dealt with in the foreseeable short term. We continue to leave no stone unturned in securing as accurate data as possible with regard to berthing however we still find these dates changing by a significant number of days over a period of hours. Please be

assured we are doing all we can to support accurate updates in this crisis.

SHUT DOWN PLANNING OVER THE DECEMBER MONTH

As a result of the Durban port delays, more than ever we are faced with detailed operational plans being required to cover consignments arriving over shut down periods. Can we please appeal to all our valued clients who have not yet completed the attached form sent out last week to do so as soon as possible and send back to Samantha Jones (Samantha.jones@sctsolutions.co.za) so that we can endeavour to support your imports over this period.

POSSIBLE DURBAN PORT CONGESTION SURCHARGE

Please see below article published today in the Freight Weekly.

Is a congestion surcharge on the cards?

The freight industry is bracing itself for a congestion surcharge as port delays continue unabated.

"At the moment there are no indications as such that surcharges will be instituted but if the situation continues I am not sure how they can be ruled out," Mike Walwyn, chairman of the Cape's Port Liaison Forum, told FTW. "Already the freight rate out of the port of Durban to certain destinations is around \$100 more than out of Cape Town – and whilst this has not been instituted as a surcharge, it is an increased freight rate which one can only assume is based on delays and congestion at Durban."

In October MSC announced the implementation of a port congestion surcharge of \$300 per container for all imports to Chittagong from South Africa and Mozambique. Most lines reassess the surcharges when congestion improves.

In Durban, ongoing delays due to the lack of equipment both land



and sea side are affecting operations – a situation exacerbated by the recent storm.

Last week an MOL vessel waited 11 days for a berth at the port. According to Terry Gale, chairman of the Exporters' Club Western Cape, the impact of the congestion in Durban is being felt across the country.

"In Cape Town, we have had no US sailing again this week," he said.

Walwyn said there were also no sailings to Europe from Cape Town on normal schedules as vessel planning remained chaotic

due to the delays.

"It depends on how long it takes for Durban to recover and how much time has to be made up," he said.

Industry stakeholders agree that a surcharge would not be surprising as carriers have had to deal with extraordinary costs due to the congestion.

The Saacs service, for example, had to introduce an additional vessel into its rotation in an attempt to maintain schedule integrity due to delays in Durban. Making up the time lost at the Durban port also increases cost.

– Liesl Venter

SCT STAFF CHRISTMAS LUNCHEON

We wish to advise that we are taking our staff out for their Christmas Luncheon next Friday 8th December from 12:00. As a result, our offices will be shut for the afternoon and we thank you for your consideration. If there are any emergencies please do not hesitate to contact Gary, Graeme, Colleen or Andrew on our Cell phones as per below:

Gary: 082 4962674

Graeme: 071 4140472

Colleen: 081 795 0895

Andrew: 084 413 6332

Tariff Amendments for 1 December 2017:

None



We thank you for your continued support and partnership

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