



NEWSFLASH

7 January 2019

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Best wishes for 2019 to all our valuable clients. We thank you for your support in 2018 and assure you of our passion to our supply chain partnership in 2019. As most businesses open today for the new year this newsflash provides a very brief update on important issues in logistics you should be aware of. If there is any concern relative to catching up on the status of any of your shipment's, please do not hesitate to contact us.

FUEL SURCHARGE:

Fuel prices have decreased last week, and we are pleased to announce a 2% decrease in Fuel surcharge has been negotiated with local trucking contractors. As a result, new fuel surcharge applicable 7th January as follows:

Durban Local – 21%

Durban to Gauteng – 21%

PORTNETS COMPUTER SYSTEM DOWN

Transnet's online tracking system which is used by all agents and shipping lines to track berthing of vessels has been down since 23rd December and securing accurate updates on vessels ETA and berthing plans has been exceptionally difficult over this period. Please be aware that as a result of this same ETA's on your tracking report may not be as accurate as we demand, and we are doing all we can to get these updated from telephone calls to shipping lines and Portnet directly. Last week we were advised that systems would be fixed before the start of this week, but we can confirm that they are still down as of 7:30am today. If there is any concern about the ETA reported for any of your shipments, please check with our team but we do hope to have these updated more accurately during the course of the morning today Monday 7th.

TRUCKING SPACE CONSTRAINTS 7th-11th JANUARY

Our team have been working very closely with our truckers and warehouses to ensure that we have managed your freight as proactively as possible over your shut down period, doing all we can to avoid where possible any storage or demurrage. Unfortunately, the net result of so many companies unable to accept freight until this week is that there is a significant backlog in cargo that has to be delivered. We are working very closely with transporters to ensure that we manage our client's cargo effectively and at this stage believe we have all deliveries planned and under control. We do however highlight that space on vehicles, especially from Durban to Johannesburg, is at a premium this week. Again, if there are any concerns please contact us immediately.

DELAY IN DURBAN PORTS PLANNED BERTH WIDENING AND DEEPENING PROJECT

Last year we had published a warning to importers of the potential long-term congestion and delays from December as Durban port undertook a planned extensive upgrade to both landside berths and berth depths to accommodate larger vessels. We can confirm at this stage however, that Transnet have halted the R7 billion project until a dispute over the awarding of a contract is resolved. We will keep you updated on this project as further news is published.

VOLATILITY ON FAR EAST FREIGHT RATES

The last quarter of 2018 saw serious volatility on Far East Freight rates with monthly efforts by shipping lines to apply new extensive GRI's, driving increased freight rates on this route. SCT team were in constant negotiations with our preferred carriers to ensure that our client base received the most competitive rates, as well as ensuring we could secure space on vessels during serious periods of space restriction. Whilst we are very confident that our efforts did provide the necessary competitive advantage to our clients, the negative result of this was a very fluctuating rates schedule which we appreciate makes planning and costing difficult. January has been even more volatile, and our schedules show three different rates structures for the first three weeks sailings. The net result of our meetings and negotiations so far this year are very positive in that we have managed to secure a very small GRI after initial high published changes were given to use end December. We are meeting with all carriers again this week and hope to secure some more stability in the rate structures. If there is any concern on the rates applied to your shipments, please contact Gary Knight but be assured we are driving rates hard to ensure guaranteed lowest possible rates.

CHINESE NEW YEAR

Please be aware of the usual impact of Chinese New Year starting 5 February 2019 and most business shut completely for 7 days (5th to 7th February). As usual one should be aware that space constraints are serious in the week prior to Chinese New Year as well as the week following, and we advise where possible to avoid planning shipments to depart in the first two weeks of February. Our team are already reviewing all planned shipments and working with shipping lines and our team in China to ensure minimal disruption to shipping. If you have any concerns or shipments, you would like highlighted please discuss these as soon as possible with Gary or Samantha.

We thank you for your continued support and partnership



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