

Gauteng's clogged arteries



Where to from here?

Key logistics issues facing Gauteng shippers

Freeway 'heaven' soon a reality



ROCK SOLID SYSTEMS FOR ROCK SOLID COMPANIES



Arnold Garber
Executive Chairman
Compu-Clearing Outsourcing

Nachi Mendelow
Marketing representative

Waldo Coetsee
Product manager
Cargowise

Jonathan Davis
Product manager
financial systems

Tel: 011 012 8700
www.compu-clearing.com

FTW4394

“Professionalism, reliability, competitiveness, adaptability - MACS gives us all we need”*



Quote by MACS client

MACS Customer Support Team
Johannesburg



Cindy Kate Lindy Mark



MARITIME CARRIER SHIPPING (Pty) LTD

Cape Town: 021 405 3400 • Durban 031 365 6800 • Johannesburg 011 340 0499 • Richards Bay 035 797 9161 • Walvis Bay 064 201 2911
macship@macship.com • www.macship.com

For top service and efficiency, ship with MACS

FTW1540SD



Editor Joy Orlek
 Consulting Editor Alan Peat
 Assistant Editor Liesl Venter
 Advertising Carmel Levinrad (Manager)
 Yolande Langenhoven
 Gwen Spangenberg
 Jodi Haigh
 Division Head Anton Marsh
 Managing Editor David Marsh

Correspondents

Durban Terry Hutson
 Tel: (031) 466 1683
 Cape Town Ray Smuts
 Tel: (021) 434 1636
 Carrie Curzon
 Tel: (021) 674 6935
 Port Elizabeth Ed Richardson
 Tel: (041) 582 3750
 Swaziland James Hall
 jhall@realnet.co.sz

Advertising

Co-ordinators Tracie Barnett, Paula Snell
 Layout & design Lindy Fobian
 Circulation ftwsubs@nowmedia.co.za
 Printed by JUKA Printing (Pty) Ltd

Annual subscriptions

Combined Print & Internet - (SA only) R485.00
 Southern Africa (Free Internet) - R890.00
 International Mail (Free Internet) - R1 160.00

Publisher: NOW MEDIA

Phone + 27 11 327 4062
 Fax + 27 11 327 4094
 E-mail carmell@nowmedia.co.za
 Web www.cargoinfo.co.za

Now Media Centre
 32 Fricker Road, Illovo Boulevard,
 Illovo, Johannesburg.
 PO Box 55251, Northlands,
 2116, South Africa.



Cover photo: Shannon Hill.



Photo: Shannon Hill

Despite the significant logistics challenges, Gauteng's resilient shipping industry is making the most of the opportunities in South Africa's economic heart. FTW takes a closer look.

Page 2

Gauteng's clogged arteries hamper export growth

Page 4

'Rail is the way forward'



Page 5

Unexpected growth stretches supply chain to the limit

Page 7

Systems help mitigate challenges faced by Gauteng shippers



Seafreight connection supports growing trade with Canada

Page 8

Power panel – What are the key logistics issues facing Gauteng shippers?

Page 10

Gauteng freeway 'heaven' will be reality by April

Page 12

Gauteng holds key to Safmarine's SA growth



Page 14

Range of initiatives speeds flow on Trans Kalahari Corridor



Page 15

'Trade with Europe back to decent numbers'



Page 16

Core Freight customers ready for Sars modernisation switch

Page 17

New service package ramps up exports to US



Page 18

Agents concerned over impact of toll roads on tariffs



Shipping & General adds merchant haulage option

Page 19

Systems will be 'Ship-Shape' ahead of Sars modernisation launch

'The market is beginning to turn'

Page 20

Expansion plans await end of recession

'Steady increase in property enquiries'

Gauteng's clogged arteries hamper export growth

Tambo Springs development offers some respite

BY Alan Peat

The supply chain in and out of the country's main trade hub of Gauteng is growing old and creaky – with this year's Transnet strike highlighting just how quickly this artery gets blocked up.

When the railways ground to a three-week halt as Transnet Freight Rail (TFR) workers downed tools along with those from all the other subsidiaries of the parastatal transport group, the City Deep inland harbour was soon clogged up with full and empty boxes. It was a disease that very quickly spread to all the other Gauteng container facilities and down the line to the major port of Durban – which already had its own post-strike backlog of boxes.

And there was an obviously weak link in the supply chain, one

that had already seen SA Revenue Service (Sars) customs raising the red warning flag. In a largely ignored paragraph printed in the draft Customs Control Bill, Sars had recommended to government that City Deep in Johannesburg be downgraded from being an "inland port" to just a container terminal.

And the reason for this, according to Pat Corbin, transport specialist at the Johannesburg Chamber of Commerce and Industry (JCCI), was that there was no room for the urgently needed expansion of City Deep. Over the years the city expansion in Johannesburg had slowly enveloped all the free space round the inland port, and suddenly it found itself strangled by the rapidly growing influx of import containers.

Facilities at the inland port and the private container depots just



Congestion ... a fact of life for all Gauteng container facilities.

Need a PA

for all your logistics needs?

SEA • AIR • IMPORTS • EXPORTS
WAREHOUSING • DISTRIBUTION

132 8th Avenue Edenvale Johannesburg
Tel: +2711 609-3289 +2711 609-3290 +2711 609-3292
Fax: +2711 609-3285

WORLD GROUPAGE SERVICES (PTY) LTD

LEADING NVOCC OPERATOR

Now Global

Johannesburg +27 11 608 0190
Cape Town +27 21 421 5549
Durban +27 31 584 6566
Email: info@wgs.co.za
www.wgs.co.za

FTW1895SD

We believe the difference in our website is the human touch

PEOPLE MAKING THE DIFFERENCE

Safmarine S.A.
Tel: +27 21 408 6911 • Fax: +27 21 408 6037
info@za.safmarine.com
For local contact details please go to: www.safmarine.com

FTW1923SD

could not cope as the incoming flow of 40-foot (12-metre) containers into Gauteng continued week by week.

It was caused by a major imbalance in incoming and outgoing boxes, David Williams, MD of the major sea carrier, Maersk Line, told FTW. "This because it's SA's peak import season, and more 40-ft's were just pouring into the country – far faster than empty boxes could be moved out."

The City Deep situation was also putting paid to a lot of SA exporters' activities, according to Roger Phillip of Deutsche Afrika Linien (DAL).

"When the terminal became utterly congested, it even had to close for exports until it got some of the mess cleared up," he said. "And even after that the inland port was not accepting any empties for rail out of Johannesburg." A situation, Phillip added, which was exacerbating the already glaring shortage of boxes for exports out of the Far East.

This immediately saw all the lines getting into a huddle with TFR to try to plan out a method of overcoming the problem. "But," said Williams, "this is only aimed at the long-term solution, as there is just no short-term answer."



And the probable solution has already been put before parliament in Transnet's recent presentation of its transport master plan, according to Dr Willie Els, of the development company, Inframax Holdings, which has plans for a new billion rand inland port on a 630-hectare site south of Johannesburg.

This Tambo Springs development was one of three highlighted to

parliament by Transnet – joining other proposed schemes at Centre Rand, north-east of Johannesburg and Pyramid, north of Tshwane.

It also confirmed the original thinking at Inframax, where it saw the other developments intended to be supplementary to City Deep.

"It still has a role to play," Els told FTW. "But the time has come to have it operating in tandem with a larger inland port or ports located

on the new city periphery and able to accommodate a large, efficient, intermodal capability for road, rail and air transport.

"This is fundamental to any 21st century freight operation."

These proposed logistics gateways are designed to help meet Gauteng's need to increase the current capacity in and out of Johannesburg to 3-million TEUs by 2015 and 4-m by 2020.

FRITS KROON TRANSPORT
ABNORMAL LOWBED SERVICES

CELL +27(0)12 884 1600
TEL +27(0)12 811 0171 / FAX +27(0)12 811 2169
fritskroon@nwweb.co.za / www.fk.co.za

NATIONWIDE / CROSS BORDER / UP TO 100 TONS

Looking to save costs on your next airfreight shipment out of Gauteng?

We can tailor-make any corrugated pallet-box to suit your needs ... and save you money

CONTAINS NO WOOD
✓ ISPM 15

- **Lightweight**
- **Fully recyclable**
- **No fumigation**
- **Robust strength**

Manufacturers of Corrugated Pallets and Pallet-Box Combinations

Tel: 011 822 8656
Cell: 084 202 2007
Email: info@cxpallets.co.za
www.cxpallets.co.za

FTW4879

'Rail is the way forward'

SACD's new siding capable of accommodating a 50-wagon train

BY Joy Orlek

The way forward for the Gauteng shipping industry has to be rail, says SACD Freight regional director Dennis Trotter.

"It's not only the most economical way to move cargo. There's also a government drive to minimise heavy road vehicles."

But until Transnet Freight Rail can provide an efficient and predictable service, converting the industry mindset will continue to be a challenge.

"TFR has overcommitted at City Deep into areas into which they have never ventured before," says Trotter, "like storing empty containers which has taken a lot of capacity out of the terminal."

Empty boxes should be accommodated on a cheap piece of land rather than well-equipped prime property like City Deep, in his view.

The rail utility has however acknowledged that it needs help to handle the huge volumes of cargo that have switched from rail to road in the past year, and SACD is keen to help.

Its new rail siding – capable of accommodating a 50-wagon train – will be completed in October.

"We have offered to take some of the slack, and will shortly enter into negotiations with TFR in this regard," Trotter told FTW.

"There would need to be some serious planning involved, but we believe it's a workable solution."

And according to Trotter, TFR has been very amenable to the idea.

SACD packs a lot of minerals for export. "In order to qualify for an extra heavy rail concession we needed to have a full block train – and that was our motivation for renovating the siding.

"It's still in the embryonic stages but we have had commercial discussions and there's been very positive feedback from TFR as well as the industry whose main concern is that because of the current over-capacity at the rail terminal, containers are missing stacks and container bookings are not being taken."

At a recent industry forum, TFR did not hide the fact that it was having some problems and was open about wanting to find solutions in conjunction with the industry, said Trotter.

Another issue facing Gauteng shippers that will need to be addressed, in his view, is the imbalance of 6m and 12m containers.

"There's been significant growth in the export of minerals – and one of challenges we face is a shortage of 6m containers.

"Imports generally comprise finished products that are suited to 12m boxes, but exports are largely heavy raw materials best suited to 6m containers. "The whole world is going 12m – but the cost of shipping a 12m is much higher in terms of ancillary costs like terminal handling charges and cargo dues. The industry has to



Dennis Trotter ... 'There has been very positive feedback from TFR.'

find solutions to the problem.

"For us it's exciting that exports have grown, but if we can't resolve the costs of transport to the ports we risk losing business."

Trotter is however upbeat about prospects for the year ahead. "In January this year SACD took delivery of a 5 000m² extension to its warehouse.

"We've seen significant growth in exports of minerals to the Far East and have also developed our road transport operation on the import and export side which is very positive growth for us. With 33 000m² of warehousing capacity, we believe we're well placed to build on our already strong growth platform."

ASSOCIATED MARINE

Land, Sea and Air. We've got you covered.

Providing wider, flexible cover for all your marine insurance needs. Whether it's marine cargo, goods in transit, marine hull or marine liabilities - we've got it covered.

Marine Cargo Insurance being Import, Export | Advance loss of Profits | Stock Through Put
Marine Goods in Transit and liabilities attaching thereto | Hull - Private and Pleasure, Commercial and Fishing
Marine Liabilities, i.e. "Charterers" "Ship Repairers" "Stewdures" and "Marine Operators"

For more information on our marine insurance products speak to your broker or contact any of our offices across South Africa:
Cape Town 021 401 8100 | Durban 031 203 4000 | Johannesburg 011 912 8000 | Port Elizabeth 041 393 6200 | www.associatedmarine.co.za

FSP licence: 3416

Unexpected growth stretches supply chain to the limit

MSC expands vehicle and trailer fleet

BY Alan Peat

The Gauteng supply chain is under pressure, as cargo volume growth has beaten all the industry forecasts, according to Francois Blignault, Johannesburg-based GM of depots and logistics for MSC Logistics.

“The current inability of both the road and rail modes of transport to cope with volumes to and from Gauteng is a fact that probably the entire industry was awaiting at some or other stage,” he told FTW. “What surprised us all though is how fast this situation developed after the recession and the subsequent Transnet strike.”

According to company figures, volume growth experienced by the MSC Logistics since the second quarter of 2010 has exceeded all expectations – and probably left the entire industry ill-prepared, Blignault added. And, this enormous growth has stretched further than Gauteng – with a worldwide shortage of container equipment in general.

“Adapt to the change is the philosophy of MSC Logistics,” he said. “If the supply chain cannot support its importers’ and exporters’ increased volumes, then obviously world markets will source their required commodities elsewhere – and this must be avoided at all costs.”

“We have been monitoring the situation in Gauteng diligently, and engaging in areas where we felt a change could be made. But we will continue to make alternative plans to accommodate our clients’ requirements in areas where we are confident that an effort will not deliver the desired result.”

Blignault listed the current obstacles that needed to be overcome as:

- Transportation to and from coastal areas of ever-increasing container volumes;
- Accommodating ever-increasing mineral commodities not suitable to certain transport modes;
- Adapting container depots to cope with the changing environment of increasing volumes;



It's all about streamlining the supply chain from port to destination to support importers and exporters.

- Finding solutions to alleviate the container traffic in and around City Deep;
 - Finding ways of restoring the time-reliable supply chain that Gauteng clients can rely on.
- MSC Logistics is also busy enlarging its vehicle and trailer fleet to meet current cartage demands. Deliveries of new equipment are in process and will continue throughout the balance of 2010.

The company is in negotiation for additional land to expand its current

depot facilities. As far as equipment is concerned, split operations are being considered to ensure smoother operations in future.

It is intending to build on what it described as “a long-standing and strong relationship” with Transnet Freight Rail (TFR), to ensure that rail will continue to form an integral part of its supply chain.

“Further north from Johannesburg it is business as usual,” Blignault said, “with a lesser disruption than in City Deep”.

on time **as promised** **as quoted**

air cargo

- Air Freight
- Ocean Freight
- International Forwarding
- Logistics Solutions

Tel: +27(11) 822-4111 Fax: +27(11) 822-4222
Email: roland@cargoare.co.za Web: www.cargoare.co.za

Your BEE Agency of Choice

ATA

FTW4573

WAREHOUSING

Bonded • Duty paid • General Distribution

Container packing and unpacking
Specialised wine storage facility

Johannesburg	Cape Town	
Tel +27 11 979 0853	+27 21 905 1250	
Fax +27 11 979 0660	+27 21 905 0188	

Email kwelalogist@telkomsa.net

Kwela Logistics

FTW4589

When You Want It, We Make It Happen

A wholly owned South African enterprise founded on the cornerstones of service and integrity and embracing the progressive philosophy of responsible and committed black empowerment, GMA Logistics is geared to deliver the goods – across the country ... around the world.

Durban – Johannesburg – Cape Town

Our Main Services Include

- International Forwarding
- Export Forwarding (Sea, Air & Land)
- EDI Customs Clearing
- Warehousing (Bond & Free)
- Distribution
- Supply Chain Management
- Consulting
- Marine Insurance

Our Specialised Services Include

- Abnormal Out-of-Gauge Project Cargo
- Mobile Cranes & Access Equipment
- National Road Haulage
- Over Border Road Haulage

Contact Us Now

Durban	+27 31 337 5506
Johannesburg	+27 11 974 8914
Cape Town	+27 21 385 1866

www.gmalogistics.co.za

Since 1953

FTW4711

'Insurance must be a partnership solution'

Risk mitigation remains the major focus

BY Joy Orlek

As the country's economic hub continues its post-recession recovery, every cent counts – and when it comes to insurance shippers are looking for the cheapest option.

"Insurance is really a negotiable contract," says Associated Marine chief operating officer Mike Brews.

"You can always add risks depending on the insurer's appetite for the risk and the client's willingness to pay the costs of that risk – but you can usually come to some sort of middle road agreement.

"There tend to be fairly wide standards to which most insurance companies adhere, depending on the commodity and how it's moved. At the end of the day it's a negotiable contract and a lot depends on the proficiency of your insurance broker and the insurer's risk inclination."

In Gauteng, for example, strike action and congestion at City Deep are two of the recent issues that have resulted in cargo delays.

Prudent shippers will have opted for one of the products available in the market – trade disruption cover. "It caters for delayed delivery and allows for the increased cost of working due

to various risks like strike action," says Brews.

It's about finding the right mix for the client in terms of cost versus cover – and the big focus is always on risk mitigation.

"We encourage the client to take a substantial excess to increase the focus on risk control measures.

"In the movement of high value cell phones for example, the importer who understands the risk will put in the right measures.

"It's up to the client, his broker and the insurer to try to minimise the risks."

It's also crucial for the client to understand where his liability begins and ends.

When it comes to the ocean bill of lading, for example, there are certain liabilities from which the shipping line excludes itself.

If the line has to cut and run it can offload at any port – and the cost of delivering the cargo to final destination is for the shipper's account.

"Shipping lines exclude liability where it's out of their control," says Brews. "The same applies to surcharges and demurrage where the container can't be moved fast enough."

Only if the line is proved to



Mike Brews ... Crucial for the client to understand where his liability begins and ends.

Photo: Shannon Hill

be negligent can any claims be entertained.

Clearly knowledge is power and if basic common sense prevails, a lot of risk can be mitigated.

Packaging, for example, is key. "Poor packaging is an exclusion in terms of any policy," says Brews. "There are international standards that must be adhered to."

Also, the longer a container remains

standing, the more potential for theft – which is why a streamlined supply chain is in everyone's best interests.

Turning to outlook, Brews is cautiously optimistic about the year ahead. With the motor industry beginning to accelerate, there's clear evidence of more dispensable income available, which will feed into a more positive outlook for the industry and the province.

Your shortest route between **Walvis Bay and Gauteng**
Streamlined procedures bring cost-saving benefits



FTW4874

www.tkcmc.com



TKCS
TRANS KALAHARI
CORRIDOR SECRETARIAT

T +264 61 250 071
F +264 61 250 074
E admin@tkcmc.com

Avoid the fright of freight management.

Transport Management Software
www.parcelperfect.com

TELEPHONE +27 21 674 2404
FAX +27 21 674 2408

SALES INFORMATION info@parcelperfect.com
TECHNICAL SUPPORT support@parcelperfect.com



PARCEL PERFECT™

Systems help mitigate challenges faced by Gauteng shippers

Although Gauteng is landlocked, it still acts as the main hub and centre for both air and seafreight in SA, according to Compu-Clearing's Nachi Mendelow.

"It is true that no ships dock in Gauteng and therefore all seafreight must first pass through one of our seaports," he told FTW. "However, most companies still have their head offices in Johannesburg. And it is imperative that there are strong lines of communication between agents' head offices and their other branches around SA."

To succeed in this, information needs to be shared, tracking details need to be updated, and all events that occur to a shipment need to be logged and available.

He also pointed out that there were many delays, hassles and challenges that faced agents in Gauteng – including everything from service delivery strikes to overcrowding and inefficiencies at City Deep.



Nachi Mendelow ... 'Imperative that there are strong lines of communication between agents' head offices and their other branches around SA.'

"Although Compu-Clearing is unable to resolve these issues," Mendelow added, "they have put in place multiple different systems to help control such eventualities."

Seafreight connection supports growing trade with Canada

BY Alan Peat

There is growing trade between Gauteng and Canada, and this fits in perfectly with Mitchell Cotts Maritime's recent launch of a direct seafreight connection between SA, Canada and the east coast of the US (EC-USA).

According to Johannesburg branch manager Lennie Devanunthan, there is increased business being generated for the Canadian CSAL shipping line's monthly roll-on roll-off (ro-ro) breakbulk and container service covering the ports of Montreal, Baltimore, Durban, Cape Town, Richards Bay and Walvis Bay.

"This multi-purpose service handles a variety of cargoes," he told FTW, "from general breakbulk to heavy-lift and oversized – and has specialised expertise in handling the International Maritime Organisation (IMO) classes 1 and 7 dangerous cargo."

"We are also doing a lot of trade between Canada and the West Coast of Africa – focusing on construction

and mining equipment, and second-hand vehicles."

Also in its product portfolio is the NYK service from the Far East via Durban, and then into West Africa – with calls at Lome, Tema and Lagos.

Mitchell Cotts Maritime also represents a number of other blue chip organisations including the Transatlantic Southern Africa Services (Swedish Orient Line); Hapag-Lloyd; Stolt Parcel Tankers Inc; ROHK Trading; Louis Dreyfus Commodities Africa; and Noble Group Limited.

"We are the local agents for the Angola National Shippers' Council (CNCA)," said Devanunthan. "We also do the Electronic Cargo Tracking Notes (ECTN) required for certain other West African countries, and represent the Congolese Shippers' Council in SA, Namibia, Swaziland, Mozambique and Zimbabwe – and are responsible for issuing the Fiche Electronique De Renseignement à L'importation (FERI) certificates for all shipments into the Democratic Republic of Congo (DRC)."

NOTHING FREIGHTENS US

SACD offers you the best end-to-end freight management solution in the country. Which means we'll get your cargo to any destination on time and in perfect condition, everytime.

 A Proud Member of the Belvest Group
A Level 4 Empowered Retail Company

GET IT RIGHT ON TIME
CONTACT 021 812 7223 OR VISIT WWW.SACD.CO.ZA

SACD
FREIGHT

What are the key logistics issues facing Gauteng shippers?



LM Pelsler, chairman SA Shippers' Council.



Pat Corbin, director International Chamber of Commerce SA.



John White, financial director Customs and finance, SA Association of Freight Forwarders.

Inadequate infrastructure and lack of capacity are the two critical challenges – and while the industry has shown resilience in the face of adversity, all our panellists agree that long-term solutions are crucial to facilitate our exports and turn South Africa into a winning nation.

Joy Orlek finds out more.

“The problems are Durban port, rail and City Deep inland port,” says Pat Corbin, “a combination of congestion and inefficiency leading to protracted delays with average time from discharge to delivery being over two weeks, and hence a shortage of containers.”

The major contributing factors, in his view, are government – particularly public enterprises, transport and dti. “All are doing little to effectively address these ‘challenges’ we have endured for years.”

The ‘monopolistic’ rail entity is a major stumbling block in LM Pelsler’s view. “Road transport has done its best to convey as much of the cargo as possible but shippers depending on exports and imports have run into a brick wall in the ports.

“Consumer goods are presently very dependent on road transport as the rail infrastructure does not connect to the major distribution depots.”

From recent press reports, says Corbin, we learn that our minister of transport’s priority is to promote a ‘Gautrain type’ passenger service to Durban. “The parliamentary standing committee has reportedly berated the CEO for not activating a feasibility study – something we in the private sector cannot take seriously either.

“It is common cause that freight rail, in the past referred to as ‘snail rail’, has an ageing infrastructure, rolling stock, signalling system and

track – all contributing to restricted train frequencies. Other aggravating factors are frequent derailments and instances of cable theft, a critical issue raised by Transnet with parliament years ago to no avail.

“But,” says Corbin, “this untenable situation has not deterred government from its efforts to promote a movement from road to rail, an initiative the private sector would support if the government would first ensure the rail service was functioning.”

Saaff’s John White agrees the question of capacity must be a priority. “I don’t believe it has been an issue, but it will raise its head in time.

“I think Gauteng shippers are very resilient, and have simply got on with the business of manufacturing and exporting, deflecting the problems as they arise. While issues like strikes, delays and the impending toll road system are aberrations – the cumulative effect of all this does however have a negative impact on efficiencies and long term profitability.”

What are the solutions?

It’s the longer term issues that should be planned for, says White.

“To an extent we need to look at the success stories elsewhere and adapt them for South Africa. We also need to adjust our facilities to cater for the changes in a global context. Here I refer specifically to the large

6000 TEU and above vessels that will want to call at SA ports.”

In addressing capacity, the obvious places to look are City Deep Terminal and OR Tambo International Airport, says White, in addition to the infrastructure and links to these terminals as a gateway to trade.

“For SA to move to a winning nation, we have to increase productivity and leapfrog the traditional way of handling trade. There are both negative and positive things on the horizon and they will play a major role and impact on our ability to make this leap of faith.”

White proposes integrating a trade centre by twinning it with an airport and a seaport.

“Dube Trade Centre has addressed this in KZN. The Springs/Tambo next generation inland port and logistics gateway is another example. This doesn’t have to replace City Deep, but it certainly will take up the additional capacity and give exporters a more holistic option to get their products to the end user.”

He is confident that Customs’ modernised system and approach to genuine trade will have benefits down the line as it is implemented while the toll road system together with AARTO have to be seen as a challenge. “We need to debate these issues with the powers that be to make sure that the implementation is done in such a way that it does not alienate the very people they rely on for support.”



Wherever you go: Service Excellence

GAC Laser delivers on its promises with day-to-day activities that represent value for money, quality, speed, innovation, and global reach; offering services that seamlessly combine its experience in shipping logistics.

Our focus is your business!

To GAC Laser, customer centricity means providing service excellence through specialist expertise in all logistics fields, representing customers from diverse sectors.

Global Network – Local expertise
Customer Centric – Service excellence
Corporate Governance – Driven by systems & procedures



Cape Town
021 528 3700

Johannesburg
011 974 9297

Durban
031 533 0000

Email: gaclaser@gaclaser.co.za Website: gaclaser.co.za GAC Laser is a member of the Laser group of companies

“It is clear Gauteng is not in control of its international cargo logistics,” says Corbin. “Perhaps along with its Metro councils, Gauteng should make more strident representations to national government for these serious impediments to trade to be actively addressed.”

“City Deep inland port needs to be urgently made fully operational with guaranteed delivery times between it and coastal ports if the shift from rail to road (the more expensive mode) is to be reversed.”

Top of Pelsler’s list is privatisation of Transnet.

“Take it out of the hands of politicians and get skills into Transnet.

“Identify road and rail friendly cargo – and Transnet should not compete with road. The economies of road and rail are worlds apart.”

Pelsler also calls for more openness. “Let the shipper participate in the strategic positioning and planning process.

“Remove barriers between the shipper and Transnet. Why should government departments decide on the future of South African logistics – like the Department of Transport compiling a transport strategy. Who will implement it? Did they get the input from shippers?”

And he questions why the Department of Public Enterprises should be the major shareholder of Transnet. “Shippers are the biggest users of rail – should they not sit on the board of Transnet?”

How have the challenges affected Gauteng’s business outlook?

Business by its nature has to be optimistic, says White.

“The problems to date are seen as short term ones that certainly hinder trade, but are there to be overcome. It’s the long term capacity challenges that we need to be concerned about.”

“Having lived with the growing problems already mentioned for many years, business has had to adapt to longer lead times on both imports and exports,” says Corbin, “with attendant cost consequences and delays, making exports less internationally competitive and imports more expensive.

“The Gauteng economy pulls the rest of the country along and it does not make sense for its growth to be restricted by logistical capacity. Completion of the N17W needs to be prioritised by national government and Johannesburg needs to be funded to complete the N2W. Road congestion particularly needs to be addressed as our most economically

active community is spending on average an extra hour a day unproductively in their cars.”

Gauteng’s logistics challenges have clearly reduced economic recovery and growth as well as new job opportunities, in Pelsler’s view.

The result, he says, has been a reduction in global competitiveness and loss of global customer confidence in South Africa.

The bottom line is that industry has been unable to achieve market

growth, cost reduction and customer satisfaction.

And nor are companies able to meet customer expectations – which are reliability, dependability, flexibility cost efficiency and just in time delivery.

A thriving import/export industry is at the heart of economic growth – underpinned by an efficient and effective logistics chain. Clearly the shortcomings must be addressed sooner rather than later.



The Gauteng economy pulls the rest of the country along and it does not make sense for its growth to be restricted by logistical capacity.



In for the Long Haul

- **Transport** ● **Warehousing**
- **Project Logistics** ● **Shipping**

CONTACT US ON: 08610 SILIC (74542)
www.silic.co.za



Gauteng freeway 'heaven' will be reality by April

'No pain no gain' says Sanral's Alli

BY Anna Cox

Gauteng has become a massive construction site.

Between roadworks on the freeways and the continuation of work on the Gautrain, huge backlogs in traffic on the freeways are costing time, inconvenience and therefore money for motorists and truck drivers.

But there is no gain without pain, says the SA National Roads Agency Limited (Sanral) chief executive, Nazir Alli.

Motorists will have to endure the pain until the 185 kms of freeway are completed in April 2011, he said.

The main problems being experienced are sudden lane changes on the freeways, poorly marked roads and lane closures.

Some R23 billion is being spent on the freeway upgrade, called the Gauteng Freeway Improvement Project (GFIP).

Alli has appealed to motorists to be patient.

"Motorists must realise that they are driving through a working factory and they should show courtesy to our workers, who put their lives at risk every day by working on busy freeways," he said.

They should adhere to the advisory speed limits, he said.

Alli said eight different consortia consisting of small and medium-sized businesses were involved in the roadworks, which started in 2008.

"This has created about 7 000 jobs, as well as skills transfer," he said.

The contractors are contractually on target at this stage.

Work had to be suspended during the World Cup, but this was factored into the planning.

Alli said that so far there had only been one accident in which a worker was killed by a motorist.

An overloaded truck hit an overhead bridge on the R21 interchange causing a concrete beam to fall, which just missed a car.

"The rest are mainly minor accidents caused by poor following distance," he said.

Alli said the most significant contribution the investment will make to ordinary citizens is the improvement of their quality of life and family time, as well as less time and inconvenience for businesses and freight truck operators.

All the freeways will be tolled by 2011.

The estimated cost is 50c per kilometre according to national standards. There will be discounts, but not less than 40c per kilometre, based on usage. Those who qualify for the discount will be public transport operators, hauliers and ordinary motorists who use the freeways frequently.

High occupancy vehicle lanes, for vehicles with three or more people are included in the design. The average occupancy on the Ben Schoeman, said Alli, is 1.2 per vehicle.

There will also be extensive intelligent transport systems in place,

with cameras to monitor all the freeways. There will be a 12-minute response to accidents and breakdowns.

"We are hoping the Road Traffic Management Committee will come on board. It is a great opportunity for them to start law enforcement, with their own policing force," he said.

Motorists and truckers will be required to register as users to obtain the transponders that are fitted on windscreens. The transponders detect movement whenever the driver passes under gantries situated approximately every 10km along the freeway network.

Vehicles belonging to non-Gauteng residents, rental vehicles and those without transponders will be photographed and presented with an account. Non-payment will hence be a traffic offence in terms of the Administrative Adjudication of Road Traffic Offences legislation and it becomes a violation in terms of the act, and the points demerit system will kick in. Licences will also not be renewed



International Consolidation
Services Sea & Air



SEAFREIGHT OFFICES:

Johannesburg
Tel: +27 11 574 0600
Fax: +27 11 574 0601

Durban
Tel: +27 31 203 0100
Fax: +27 31 266 9323

Cape Town
Tel: +27 21 386 9000
Fax: +27 21 386 9009

Port Elizabeth
Tel: +27 41 582 2307
Fax: +27 41 582 2838

AIRFREIGHT OFFICES:

Johannesburg
Tel: +27 11 397 7799
Fax: +27 11 397 6648

Durban
Tel: +27 31 408 1263
Fax: +27 86 660 4679

Cape Town
Tel: +27 21 386 9000
Fax: +27 21 386 9009

Port Elizabeth
Tel: +27 41 582 2307
Fax: +27 41 582 2838

Sea & Air

0861 237 111
www.cfrfreight.co.za

FTW3961

WE HAVE AFRICA COVERED !!
WITH 17 OFFICES IN AFRICA AND 41 OF OUR OWN OFFICES WORLDWIDE - EXPOLANKA WILL BE YOUR PARTNER FOR ALL YOUR FREIGHT & LOGISTICS REQUIREMENTS

OUR OFFICES IN AFRICA:
SOUTH AFRICA • MALAWI • ZAMBIA • MOZAMBIQUE • ZIMBABWE • SWAZILAND • BURUNDI • RWANDA • TANZANIA • KENYA • UGANDA • ETHIOPIA • SOMALIA • NIGERIA • CAMEROON • SENEGAL • GUINEA • SIERRA LEONE • LIBERIA • GAMBIA • SENEGAL • MALI • CHAD • NIGERIA • CAMEROON • SENEGAL • GUINEA • SIERRA LEONE • LIBERIA • GAMBIA • SENEGAL • MALI • CHAD

exp EXPOLANKA FREIGHT (PTY) LTD
433 25, Blydenburg Road, Compton, Kensington Park, 1613
Johannesburg, South Africa
Email: exp@expolankafreight.co.za Web: www.expolankafreight.co.za

JOHANNESBURG +27 11 474 0000 174 0020 | DURBAN +27 31 204 0111 | CAPE TOWN +27 21 311 6500

FTW1418SD

we measure twice, cut once

- Local Cartage • Long Distance Road
- Rail • LCLs • Warehousing
- Breakbulk • Processing of CTOs



T +27 31 462 2250
F +27 31 462 2376
E gerald@sa-il.co.za
E roland@sa-il.co.za
www.sa-il.co.za

FTW3968(b)

if there are outstanding toll fees. The cameras will pick up false registration plates through the automatic number plate recognition system which will be coming into effect.

The police will be alerted from the call centre to stop such vehicles.

“There will be officers dotted around the networks,” he said.

“The freeway project will allow unimpeded growth in Gauteng, while paving the way for major investment into small medium and micro-enterprise as well as black economic empowerment businesses via construction,” said Alli.

Another major boost for business people has been the Gautrain route between OR Tambo and Sandton. The route from Johannesburg to Pretoria is expected to be complete next year.

About 400 000 passenger trips were undertaken during the first month of operations, with just under half of these passengers using the airport service. Weekends are much busier than weekdays – passengers trips on weekends range from 12 000 to 20 000 per day.

There is a pattern of stable commuters emerging between Rhodesfield and Sandton every weekday, according to statistics released by Bombela, which operates the train system.

City Deep gridlock affects transport patterns

More freight being terminated in Durban

BY **Liesl Venter**

The movement of containers in and out of Gauteng remains a major problem for the province with operations at the City Deep rail head challenged.

According to Raymond Cutts, national sales and marketing director of International Liner Agencies, this is affecting the movement of cargo into the province as it has become extremely difficult to move boxes directly to Gauteng.

“The impact of the congestion at the rail head along with the equipment challenges is resulting in a situation where freight is being terminated in Durban so that clients have more control of it.”

According to Cutts, the major concerns remain the delays on rail and the backlogs at the depots. “We are finding many clients don’t want to bring containers into Gauteng any more. It is important that we address this situation and find ways of managing the movement of containers more effectively.”

With Gauteng the heart of South

Africa’s industry, the province remains competitive and important, but as Durban grows its infrastructure it is starting to challenge Johannesburg’s capabilities.

“If the Durban airport truly becomes international and can offer the same service as the Gauteng airports it could affect the status quo.”

From an ILA perspective the company’s Durban operations are definitely growing faster than Johannesburg. So much so that moving headquarters to Durban in the future is not being ruled out as an option, says managing director Rod Taylor.

“Gauteng is however the commercial centre of the country and will always have a role to play.”

Cutts says there is much opportunity at present for the various role-players to come together and address the challenges facing the province.

“There is definitely an opportunity for investment by the different bodies involved in making the service more effective.”



Raymond Cutts ... operations at the City Deep rail head challenged.



Rod Taylor ... ‘Durban operations growing faster than Johannesburg.’

Specialists in software for

- Freight management
- Shipping
- Distribution
- Warehousing
- Logistics

Call ANTHEA +27 21 448 7203 Email: macro@macro.co.za www.macro.co.za

FTW4232

Refrigerated Transport

Domestic & Cross-border

General Cargo transport services including:

- Airfreight Forwarding
- Domestic & International Courier
- Truck &/or Bakkie Hire

Tel: 0861 101 773 Email: info@sphereair.co.za

FTW4678

For purpose built, A-grade business space.

Improvon is dedicated to property investment and development, specialising in industrial and commercial facilities, with a diverse range of services to suit any property requirement. With a reputation for timely delivery and professional construction and project management on all levels our custom built facilities are highly sought after.

Tailored industrial and commercial property developers

Should you be looking to rent purpose built, A-grade business space, contact us on 0861 33 22 22 or visit www.improvon.co.za for more information.

FTW1993SD

Gauteng holds key to Safmarine's SA growth

Safmarine's Johannesburg operation holds the key to the line's growth in South Africa, says regional executive for Safmarine Gauteng, Peter Andre.

This year Safmarine has seen its export market share increase at a higher percentage than the estimated market growth.

"This is mainly due to a greater focus on core markets and the strengthening of key customer relationships," says Andre.

While the line offers the market a wide range of products, it is always looking for new trade routes and opportunities, he told FTW.

"An example is the newly launched FEW3 service which offers weekly direct connections from key ports in China and Malaysia. The service's direct call in Durban will offer additional space to Safmarine's Southern Africa customers during the traditional high volume peak months. Direct calls are then made to Pointe Noire and Tin Can Island in West Africa."

Andre says chemicals company,

Sasol, is a strategic partner on this new service and its support for FEW3 follows that provided in 2009 for the launch of

Safmarine's 225 service, the line's first dedicated container service between South Africa and West Africa.



When Safmarine met with Sasol, a strategic partner on its South Africa-West Africa trade, in August, the line presented Sasol with a hand-carved wooden ship's model of the Safmarine Asia, a vessel deployed on the trade. The carved ship's model is the work of Ghana's Ahmed Blankson. Pictured, from left, are: André Wenzel (Sasol), Peter Andre (Safmarine), Ben Human (Sasol), Jonathan Horn (Safmarine), David Mokomela (Sasol), James Lewer (Safmarine) and Ragnie Soomar (Sasol)

Addressing container imbalance

Safmarine has made significant inroads in converting cargo traditionally shipped in 20ft containers into 40-footers, says Steven Simpson, Gauteng export sales manager.

"We've had great success in the Johannesburg market with this conversion drive," he said.

"The commodity market is an important one for Safmarine. Although lucrative, it's a highly cost-sensitive market which is why it is important to do business with customers who are partnership-minded. Aligning ourselves with the right customers allows Safmarine to maintain a steady revenue drive while still ensuring we fully utilise our assets," says Simpson.



DIRECT SERVICE
between Canada, USA and Southern Africa

CSAL
CANADA STATES AFRICA LINE

Other ports en route are being serviced on inducement basis.

Mitchell Cotts Maritime		MONTHLY MULTIPURPOSE SERVICE
Cape Town	Tel: +021 421-5580	
Durban	Tel: +031 302-7555	BREAK BULK
Johannesburg	Tel: +011 788-6302	CONTAINERS
Walvis Bay	Tel: +264 64 219550	BULK
Sales:	csalsales@mitchellcotts.co.za	HEAVY LIFTS
Operations:	durbanops@mitchellcotts.co.za	PROJECT CARGO
		RO-RO

FTW1875SD

I-S FREIGHT SERVICES

Namibia South Africa

Overnight Roadfreight

You choose the option

From 24 hour delivery

Nobody is perfect but we come pretty close

Windhoek	Johannesburg	Cape Town
+264 61 237 313	+27 11 397 6942/3	+27 21 534 1340/1
irene@isfreight.com.na		

FTW4691

For FTW subscriptions, please contact Gladys Nhlapo
011 327 4062 ext 353
gladysn@nowmedia.co.za

FTW4640

Private sector needs to step in to address skills dearth

BY Liesl Venter

Logistics companies will have to step in with in-house training programmes if they want to address the lack of skills in the industry.

According to Colette Wessels, training and development manager for Imperial Logistics, the problems around the Setas, which should be driving the skills development, are well known.

“Private companies must step in and form partnerships to address the skills shortages. Collaboration with training institutions and universities as well as with government is crucial,” she said.

According to Wessels Imperial Logistics has taken the initiative and launched a graduate development programme that sees at least 50 graduates in the disciplines of logistics, industrial engineering, accountancy and IT placed in the company for in-house training.

“We endeavour to give

experience and the graduates, while spending the bulk of their time in operations, rotate through the various departments at Imperial Logistics, so that when they exit the programme they have all-round knowledge of the business.”

Wessels said currently some 70 graduates were in the programme that has been linked to a bursary system, which sees Imperial Logistics allocating 25 bursaries per annum to students.

According to Wessels two areas that have been identified as having severe skills shortages are artisans and truck drivers. “We have opened a state of the art workshop to address this critical need. Diesel mechanic apprenticeships are offered while we are continuously looking at programmes to train truck drivers.”

Wessels said it was important for private business to join hands with learning institutions not just to upgrade skills in the logistics industry, but also to attract students and workers.



Colette Wessels ... ‘Collaboration with training institutions and universities as well as with government is crucial.’

Automation helps improve customer service

Efforts to further automate processes in order to enhance service levels to Safmarine customers are bearing fruit, says Safmarine’s Gauteng regional executive, Peter Andre.

In addition to the e-shipping options provided via www.safmarine.com – which allows customers the option of booking cargo online, receiving bills of lading electronically as well as EDI opportunities – Safmarine has also improved efficiencies and increased visibility for its key customers through the CAT (Client Action Team) initiative.

“CAT allows for the daily monitoring of cargo. By keeping a watchful eye on cargo movements, we are able to inform the customer proactively and take corrective action should an event occur (for example, sudden port closures or weather disruptions) that would impact the planned shipment of the cargo.”

FREIGHT³

BY SEA, RAIL OR ROAD,
TO THE POWER OF THREE.

It takes expertise and imagination to move freight through space and time...



MSC Logistics (Pty) Ltd

A subsidiary of Mediterranean Shipping Company

MSC House - 3rd Floor, 54 Winder Street, Durban, 4001

P.O. Box 10614, Marine Parade, 4056, South Africa

Tel: (031) 360-7811, Fax: (031) 332-9291, E-mail: logistics@clog.co.za

Range of initiatives speeds traffic flow on Trans Kalahari Corridor

One-stop border post on the cards

BY Joy Orlek

Trade facilitation is top of the agenda for the Trans Kalahari Corridor Group (TKC) as it vies for its share of the increasing volumes moving from Gauteng to Namibia, Botswana and Angola.

"More and more shippers are realising the cost-saving benefits of using an alternative routing – and we have been involved in a number of initiatives to further streamline border procedures," says TKC's executive director Bevan Simataa.

Border hours have been extended from 22:00 to 24:00 and 24-hour border operations are currently under consideration. "Discussions are at an advanced stage and it could happen any time," Simataa told FTW. "But it needs to be carefully assessed. You don't want to put resources there unless you're sure they will be used 24 hours."

Another key issue is the one-stop border concept.

"We've concluded a feasibility study and are keen to begin implementation at the Botswana – Namibia borders

of Mamuno and Trans Kalahari," said Simataa.

The first bilateral meeting between the two countries will be held shortly to establish the legal framework for the one-stop border concept as well as conclude bilateral agreement on a range of administrative issues. "For example, with officials of one country working in another country, details of how to share costs of an administrative nature need to be resolved.

"The Japanese International Co-operation Agency (JICA) has come on board and agreed to support implementation – so once we have the OSBP Legal Framework and Bilateral Agreements packaged they'll expedite JICA's technical assistance and support the practical issues like training of staff and putting systems together.

"We are determined to ensure that we put it forward as soon as possible," said Simataa.

The TKC is also looking at interfacing Customs systems along the corridor.

"The originating office will key in your declaration and that information

will be sent through to other borders so that when you arrive there they will just convert it. It will cut down significantly on duplication of paperwork."

At the moment, they're looking for a connectivity solution. All the groundwork has been done and a connectivity solution has been identified. "Once formal agreement between the Customs administrations of Botswana and Namibia has been jointly endorsed, it will be introduced," said Simataa. The USAID Southern Africa Competitiveness Trade Hub is providing technical assistance for the system and many other initiatives.

Client Service Charter

In the interests of aligning service standards along the corridor, a Client Service Charter has been developed and adopted for implementation. "This would service the entire corridor – Namibia, Botswana and South Africa – and would involve standard operating procedures for all agencies, public and private sector," said Simataa.

"We're finalising the finer details and hope to launch in February next year.



Bevan Simataa ... 'It's all about efficiency.'

The charter will cover the agencies responsible for Customs, immigration, weighbridges, transport, port, police and the like.

The Gauteng market is key for the TKC, says Simataa.

"With the many interventions designed to facilitate transport on the route, we are confident of attracting increased volumes from this lucrative market."

Agents concerned over impact of toll roads on tariffs

With infrastructure issues dominating the agenda for most Gauteng shippers, the opening of new roads has been a welcome development.

But the expected associated costs are already causing headaches.

"We are concerned about the knock-on effect of the road tolling on heavy vehicles," says operations director of Cargocare Freight Services, Sue Wood.

"There is very little that agents can actually do about this challenge except to support the Road Freight

Association in its lobby with Sanral and hope that we get some kind of rebate.

"As much as we understand the theory of charging higher rates to those road users with vehicles that generate the greatest wear and tear on the roads, at the end of the day the additional costs will have to be borne by the consumer."

It comes at a time when business is beginning to expand once again. "In fact we have certainly gained ground

across the board," says Wood.

"Our exporters are enjoying the benefits of our full Part 108 regulated agent status, while we are working hard to smooth out the projected transit delays that are likely to affect import cargo from the US due to the 100% screening regulation which came into effect on August 1."

There is no doubt, says Wood, that importers of goods from China have been impacted by the mysterious Chinese surcharges which are coming

to light on their "freight prepaid" freight bills.

"This of course will be affecting importers across the country, not just in Gauteng. We have alerted local importers to this situation and encouraged them to take the matter up with their suppliers where they have been affected," she told FTW.

Cargocare in the meantime is gearing up systems and staffing for expected good growth over the year ahead.



- Customs EDI compliant
- Complete Tariff Book with easy to use search facility
- E-mail directly out of the program in any format required
- Powerful integrated accounts system with debtors, creditors and disbursement management

clearing & forwarding software

fast & reliable • user friendly • since 1987

Tel: +27 11 975 5519 • Fax: +27 11 975 2367
E-mail: chris@shipshape.co.za • www.shipshape.co.za

software taking you into the future

'Trade with Europe back to decent numbers'

Interactive communication benefits customers

BY Joy Orlek

For independent groupage operator CFR Freight volumes have been on an upward trajectory during the recession as well as the recovery, says managing director Martin Keck.

"For the first half of the year we've seen an increase of at least 10%. Even during the recession we had no problem volume-wise, with several shippers switching from FCLs to LCLs. The challenges in the competitive Gauteng market have been issues like the Transnet strike and the impact of the Fifa World Cup.

"During the strike certain seafreight imports and exports were lost to airfreight which led to a negative distortion in May. There was a roll-over effect in June – but the bottom line is that 10-15% of seafreight consolidations had no option but to move by the speedier airfreight option."

A more stable pattern is likely to emerge over the next few months, he told FTW.

In line with customer demands for

the fastest and most cost-effective option, an emerging trend has been the manifesting to Durban of cargo whose final destination is Johannesburg.

"As a result our Durban volumes are growing faster than Johannesburg traffic – although Gauteng continues to be a good market for us."

Trade with Europe is back to decent numbers, according to Keck. "In terms of Africa and South Africa, China and India are the big growth markets – and more so in other African countries. In fact, volumes from the east are running almost parallel to volumes from traditional European markets.

"If you look at what's happening in sub Saharan Africa, Europe has lost its footprint." In line with changing trade patterns, CFR continues to increase its direct services from the east on a regular basis.

And while service upgrades are constantly under review, developing and focusing on interactive communication with customers is equally important, says Keck.

"If you use your IT services cleverly it frees up your staff to concentrate on



Martin Keck ... 'A more stable pattern is likely to emerge over the next few months.'

Photo: Shannon Hill

service level requests – and that's been a big part of our continued growth."

For the future, Keck is enthusiastic about the ultimate benefits of the Gauteng infrastructure once all the road works have been completed.

But on a practical note, he's

concerned about the impact on costs of the new toll system.

Not only is it likely to affect rates because hauliers' costs will increase – but the cost for the consumer will also become a concern that employers will need to address.



GO TRANS

FREIGHT SERVICES (PTY) LTD

Logistics, Clearing & Forwarding

Providing a total solution for your logistical and freighting requirements

Tel: +27 11 397 8788 Fax: +27 11 397 1289 www.gotrans.co.za



simpler • better • smarter

"Preparing for Customs Modernisation now ... and into the future"

Software for Freight Forwarding and Customs Clearing

+27 11 706 3545 www.corefreight.com

Core Freight customers ready for Sars modernisation switch

Preparing clients for implementation of Phase 1 of the Customs Modernisation programme has been a strong priority at Core Freight, involving considerable effort to amend the CoreFreight application and then test it externally with Sars for implementation.

"During the month of August every registered user on the CoreFreight application was provided with documentation giving both an overview of the Customs initiative and a detailed explanation of the new Procedure Codes which replace the current Purpose Codes required for declaration on entries submitted from October 1," says Core Freight's Jonathan Sims.

"In addition, the August CoreFreight deployment incorporated the major changes within the application which operators would need to be aware of in preparation for the switch-over. Since then all CoreFreight users have been able to experiment with the new declaration requirements within the

live application, using their actual files, without any disruption to their current work routine."

This was intended to give clients the opportunity to prepare themselves in the most practical manner, says Sims. "We believe that a hands-on simulation using real transaction data within their own office environment available on an ongoing basis at any time convenient to the organisation is better preparation for our clients' users than any theoretical out-of-office exercise. This experience should provide them with a relatively hassle-free transition, as they will have had six weeks within which to finalise their internal processes to accommodate the change."

The company has already started work on the requirements for Phase 2. "Based on the information to hand, combined with our modern IT design and technical expertise, we anticipate that CoreFreight clients will be able to take advantage of the further modernisation features Sars plans to introduce early next year."



Jonathan Sims ... 'All CoreFreight users have been able to experiment with the new declaration requirements within the live application.'

Centralised procurement cuts costs

There's been significant growth in imports this year, according to Safmarine's Gauteng office, which controls more than half of the line's South African import volumes.

According to Bradley Semple, import sales manager at Safmarine Johannesburg, South African importers are taking increasing control of their cargo, which has led to more negotiations with carriers taking place at destination.

"There has also been a trend for freight forwarders to centralise freight procurement in Johannesburg, a move which has allowed them to negotiate favourable rates and service conditions due to the consolidated volumes," says Semple.



Leave the fancy footwork to us international freight forwarder

dedicated to your every need

national tel: 08610 inter (46837)
website: www.interlogistics.co.za

johannesburg (head office)
Tel: +27-11-552-8901
30 Graniet Road, Jetpark,
Boksburg, 1459
e-mail: vivienne@jhb.interlogistics.co.za

cape town
Tel no: +27-21-421-4381
1 harbour road, foregate square foreshore 8000
e-mail: manager@cpt.interlogistics.co.za



"the logistical solution"

"the bitterness of poor service lingers long after the sweetness of competitive pricing"

FTW4091

Quality overnight roadfreight express service between RSA & Windhoek



- Own clearing offices at borders
- Any size cargo
- Refrigerated trucking
- 15 Years Experience
- 3 Departures per day
- Distribution in Namibia

Quality Airfreight Services & Road Specialists

Cape Town	Windhoek	Johannesburg
Tel: +27 21 951 7290	+264 61 247 250	+27 11 974 0377
Fax: +27 21 951 7299	+264 61 247 243	+27 11 974 0370

steve@qualityfreight.co.za

FTW4351



USA-SOUTH AFRICA WEEKLY SERVICE

Project Cargo Specialists

FLAT RACK | OPEN TOP | BREAK BULK SHIPMENTS
USA-SA LCL & FCL Weekly

Johannesburg • Cape Town • Durban • Port Elizabeth

Jhb. Contact Eber De Villiers • Tel: 011 452 5657 • eber@unimar.co.za
 Jhb. Contact Corinne French • Tel: 011 452 5657 • corinne@unimar.co.za
 Cpt. Contact Claude Nattall • Tel: 021 424 4500 • claude@unimar.co.za

www.unimar.co.za | www.dclusa.com





FTW1754SD

New service package ramps up exports to US

Automated quotation system catches on

BY Joy Orlek

Despite one of the most challenging years for the airfreight industry, the airfreight division of independent groupage operator CFR Freight is flying high.

"The volcano which grounded so many international flights, coupled with the port strike and then the Fifa World Cup all combined to impact on available capacity," general manager – airfreight, Dave Graham told FTW.

"But despite the difficulties, our growth in Gauteng has been exceptional.

"Regionally Africa is huge for us," says Graham, "and textiles is our fastest growing product to the US – a lot of it moving out of Lesotho."

"It's a market we've been able to penetrate because of our service, aggressive marketing and rate structures," says director, Peter Schmidt-Loffler.

"We have implemented a new US tariff, with reduced rates and nameday consol services out of Los Angeles, New York, Chicago and Atlanta," said Graham.

Technology is also playing an increasingly important role in service levels and product offerings, he added. "We have a web-based tariff engine in place which many clients are now using.

"And we recently introduced an automated quotation system which enables us to get a quote to a client within minutes of telephonic confirmation. We're also in the process of developing a track and trace system that will be available within the next few months."

Graham also believes that the dedicated airfreight sales team and customer service desk are playing a key role in the division's growth and ability to overcome the many challenges facing the airfreight industry at present.

"The airport is highly congested, so to get cargo lodged in time is a challenge.

"Roads are also an issue at the moment – we're having to allocate additional time to do collections and deliveries because the trucks spend so much longer on the roads.

"On top of that, main deck capacity is under pressure and rates are



Dave Graham ... 'We're able to get a quote to a client within minutes of telephonic confirmation.' Photo: Shannon Hill

increasing in anticipation of the year-end peak season."

But despite the challenges, Graham is confident of the outlook.

"No-one really knows what kind of peak season the industry is going to have, but we know that CFR is going to have a great one!"



Your fully independent consolidator

JOHANNESBURG
Tel: 011 450-4488
Fax: 011 455-6160

DURBAN
Tel: 031 304-3733
Fax: 031 304-3970

CAPE TOWN
Tel: 021 386-5553
Fax: 021 386-5554

FTW4315



- Customs & Excise Clearing for Imports & Exports
- Forwarding solutions
- Customs & Freight consulting
- Logistics Management

Tel: 011 331 5654 • Fax: 011 331 5674 • email: info@truro.co.za

YOUR IDEAL GLOBAL PARTNER

FTW1148SD

Service is our priority

The preferred neutral transport supplier to SA's biggest clearing + forwarding agents, importers and exporters



THE CONCIERGE DESK

T +27 11 873-4786
F +27 11 873-6066
reganm@shippingandgeneral.co.za
www.shippingandgeneral.co.za

BEE ACCREDITED

Shipping & General Transport
Nationwide Transport and Warehousing specialists

FTW4725

Shipping & General adds merchant haulage option

BY Liesl Venter

In line with the company vision to continuously grow and improve services, Gauteng-based Shipping & General Transport is now one of only six permit holders in the province endorsed by Transnet to remove Customs stopped containers from the City Deep terminal to a licensed customs depot for examination.

According to managing director Regan Moodley, this has been an important move forward for the company that also has the relevant permits in place to offer merchant haulage of containers from the City Deep terminal to clients' premises.

"This is a service we launched recently and it has taken off extremely well," says Moodley. "Under carrier haulage terms it is not uncommon for carriers or their respective in-house/nominated cartage companies to fall short of racing against the clock the moment containers are stacked at the City Deep terminal. We have,

however, found a niche in this market."

He sees it as a trump card, especially in cases where clearing and forwarding agents who have already had to contend with the delays of the rail system require an exceedingly urgent delivery the moment the container is grounded.

"The strategy we have applied has simply meant that this service offering is not a mass market model, but instead a select service to clients who need to draw on a more personalised service experience – one where a ticking stop watch is the driving force."

Moodley says they have also decided to not allow this part of the business to grow uncontrollably, but to rather retain their "niche" status.

He says a short-term project on which the company is presently working is finding ways to curb the delays in the process of stopped containers from the time of stop to the actual time of release and all the



Regan and Chantal Moodley ... catering for urgent deliveries.

logistical process in between.

"We are awaiting the finalisation of the Customs Modernisation

Programme and thereafter we will be in a position to comment further on progress in this regard," he says.



BIG on Projects into:
Namibia • Botswana • Lesotho
Mozambique • Swaziland • Zambia

20 years experience in general haulage
Containers • Breakbulk
Abnormal Loads • Full & Part Loads



Durban:
 Tel: +27 31 465 7913
 Fax: +27 31 465 7903
 E-mail: mark@rfbtrans.co.za

Johannesburg:
 Tel: +27 11 396 9067/45
 Fax: +27 86 615 1947
 E-mail: sagie@rfbtrans.co.za

www.rfbtrans.co.za

YOUR GLOBAL SPECIALISTS
 Sea • Air • Road • Rail

LAND & SEA



SHIPPING

- Containerised Shipments
- Breakbulk Shipments
- Reefers and Non-Operating Reefers
- Cross Trade Bookings
- Project Cargo
- Vessel Chartering
- Freight All Kinds
- Minerals and Metals
- Cross Border

Johannesburg Siva Pather +27 79 891 7884
 or Manju Pather +27 82 372 5508
 Tel: (+27 11) 679 1651 Fax: (+27 11) 679 1655
 info@landsea-shipping.co.za



Prestmarine International
 FSP Ref No: 165

Marine and General Short Term Insurance Specialists

Your Interest • Our Business

Tel +27 11 453 9002 • Fax +27 11 453 9022
www.prestmarine.co.za
e-mail: marine@prestmarine.co.za

Systems will be 'Ship-Shape' ahead of Sars modernisation launch

Client education drive under way

As SA Revenue Service gears up for the October 1 launch of its Customs Modernisation programme, Gauteng-based specialist freight industry software provider, Ship-Shape Software, has embarked on a nation-wide educational drive to ensure that all of its clients are adequately trained in the new changes.

In its most basic form, the Sars modernisation is part of an initiative to align South African Customs with international standards and to provide all stakeholders with an improved service, says Ship-Shape's JL Koekemoer.

"It's a massive undertaking, and of high importance to the entire industry," says Koekemoer. "Over the past couple of months Ship-Shape has been hard at work, focusing the bulk of its time and resources on preparing and upgrading its systems to ensure a smooth change-over for its clients come October 1, the official implementation date of the first phase as set by Sars."

The modernisation initiative as a whole focuses on a wide spectrum of issues – like implementation

of risk-based assessment, a single registration process for all stakeholders, the Preferred Trader programme, as well as consolidating and updating the various disparate systems within Sars. However, the area of more direct concern to systems like Ship-Shape and its user-base will be the introduction of a "Procedure Category" system, says Koekemoer.

"This system consists of a group of 12 single-character alphabetical 'category codes' (A – L), each containing various two-digit numeric 'procedure codes' ('00' – '91'). For instance, a traditional duty paid ('DP') declaration will now be referred to as 'A11-00', and a traditional 'ELG' entry will now be referred to as 'H60-00'.

"The single biggest challenge at this point is to get people to understand the relationships between the new CPC codes and the old, traditional Purpose Codes that have been with us for so many years."

Other than the introduction of Sars EDI just over ten years ago, the modernisation project can safely be considered the single biggest change



JL Koekemoer ... 'Of direct concern to customers will be the introduction of a Procedure Category.' Photo: Shannon Hill

in recent history, says Koekemoer. "After 23 years in business, Ship-Shape Software sees it as an exciting opportunity to be a part of this historical project which will certainly have a very positive impact on the industry in the long term."

Looking ahead, while Ship-Shape has certainly noticed an improvement in its customers' volumes compared to the same period last year, most agents believe there is still some way to go before a full recovery from the low of the previous 12 months, he said.

'The market is beginning to turn'

BY Alan Peat

After a real slowdown during the global recession the Gauteng market is now showing distinct signs of turning, according to Stephen van Zuthen of Gotrans Freight Services.

"The demand for freight – especially on the export side – will increase due to the recovery from the global economic slump

last year," he told FTW. "I am constantly hearing about positive results across a broad spectrum of various industries – and large requests for export requirements."

The Gotrans company records show "sustainable" increases in business, added Van Zuthen, with turnover growth on a year-to-year basis exceeding the 30% mark.

This, he said, came from offering the market personal

attention to detail and keen, competitive pricing. "The ultimate aim," he added, "is to provide customer service on a face-to-face basis."

Questioned on the challenges facing the industry, Van Zuthen highlighted the way unnecessary strikes by various unions were affecting the SA economy on an almost daily basis.

"This means that challenges are

becoming a way of life," he said. "We really need to stay positive, to ensure that we handle our resources from A-B as efficiently as possible, and assist our clients through any challenges we foresee."

To this, he added the need to sustain a suitable market share. "We must grow gradually, and maintain customer satisfaction within Gauteng."



1 on 1 service
GO WITH **EXCELLENCE**

EXCELLENCE FORWARDING (Pty) Ltd

To view our comprehensive service portfolio
visit www.excellence1.co.za

Tel: 011 869 3921 | Fax: 011 869 1959 | email: sam@excellence1.co.za
Tel: 021 934 0210/8271 | Fax: 021 934 0027 | email: ruth.ct@excellence1.co.za
Tel: 031 577 1568/1683 | Fax: 031 577 8380 | email: zain@excellence1.co.za

BBBEE Rating – Level 6

Expansion plans await end of recession

BY Alan Peat

Expansion plans are part of the thinking of Hans Houniet, MD of Excellence Forwarding, but they are not being put into play before the recession is truly over, he told FTW.

“A lot of people are talking about the ‘big recovery’,” he said, “but I’m not prepared to believe such a thing exists until I see the figures actually recorded in my accounts.

“This big recovery will only be real

when it becomes cash in the bank.”

He noted that a lot of the market was still shipping in less than container loads (LCL) whereas before they were moving in full container loads (FCL).

That’s still a sign of a recession, Houniet added. “And it’s only when it’s truly over that we will start to look at increasing our number of vehicles, and possibly opening a warehouse in Johannesburg.”

That would be added to the four truck-tractor and trailer units that

Excellence currently runs, offering its clients the service of clearing the container in Durban and delivering it direct to its customers’ premises in Gauteng, and carrying export containers down to the KwaZulu Natal port city.

It would also see a Johannesburg storage facility joining the company’s present 2 400m² warehouse and office complex in Durban, and its office and 200m² warehouse sited at the Cape Town International Airport (CTIA).

Asked about his major market areas, Houniet said: “We’re finding ourselves quite busy in Europe. And, like everybody else, we’ve added a strong focus on China – mostly forwarding and clearing imports, but with some exports as well.”

Although Excellence Forwarding concentrates primarily on moving containers by road, Houniet pointed out that it had to be able to offer the rail alternative. “Your service obviously has to meet the customer’s demands,” he said.

‘Steady increase in property enquiries’

Tailored industrial buildings for rent

BY Liesl Venter

The massive highway upgrades in and around Gauteng are sure to have a spin-off for developers and landlords, says Stefano Contardo, development executive for Improvon Developments.

Currently developing the N1 Business Park situated on the N1 highway just north of the Samrand off-ramp, Contardo says the upgrades in Gauteng will also benefit transporters, distribution and warehousing companies, hopefully influencing decision-makers to move to strategically placed parcels of developable land.

“The trend at present is to build industrial, retail and commercial parks where tenants can operate from a secure park-like environment where maintenance, landscaping and security are managed for them,” says Contardo. “Continued infrastructure spend is essential in sustaining growth in our economy which translates into business opportunities for all.”

No doubt a necessity following the 2009 recession. “Since January there has been more of an increase in enquiries as opposed to 2009.

However during the World Cup enquiries decreased as few were in a business mode,” says Contardo.

“We have seen a steady increase in enquiries again, more so in August 2010. The market is, however, still very sensitive and most companies are hesitant to make offers.”

He believes what sets Improvon Developments apart from its competitors is that they do not build tailored industrial buildings for sale, but rather for rental.

“Most of our clients are on five to ten year leases, hence we did not feel the recession as badly as most companies. Having said that the market is still expecting a backlash from the recession and therefore we have to market the properties well before the expiry of the leases. We expect a small upswing in the remaining months of the year, however a full market recovery is a long way off.”

Contardo says in Gauteng the commercial/industrial property market has many vacancies at present. “These vacancies are driving rentals lower on a daily basis. Potential tenants have a wide choice

of properties from which to select and are able to negotiate very attractive rental rates. Location and quality of building finishes are secondary selection criteria at this stage,” he says.



Improvon Developments head office in the Longmeadow Business Estate in Edenvale ... highway upgrades expected to have a positive spin-off for developers.

Advertisers' Index

Associated Marine	4	Improvon	11	SACD Freight	7
Canadian States Africa Line (Mitchell Cotts Maritime).....	12	Inter Logistics	16	Safmarine	2
Cargo Care Freight Services	5	International Liner Agencies.....	17	Shipping & General	17
CFR Freight	10	Kwela Logistics	5	Shipsape Software.....	14
Compu-Clearing.....	IFC	Land & Sea Shipping.....	18	Silic Logistics	9
Core Freight Systems.....	15	Macro 2000.....	11	South African Inland Logistics	10
CX Pallets	3	MACS Maritime Carrier Shipping	IFC	Sphere	11
Excellence Forwarding & Logistics	19	MSC Logistics	13	TKCS - Trans Kalahari	
Expolanka Freight.....	10	MSC Shipping.....	IBC	Corridor Secretariat.....	6
Frits Kroon Transport	3	PA Cargo	2	Truro Shipping	17
GAC Laser	8	Parcel Perfect	6	United Maritime Logistics.....	16
GMA Logistics.....	5	Prestmarine International.....	18	UPS	OBC
Gotrans Freight Services.....	15	Quality Airfreight Services &		World Groupage Services	2
I-S Freight Services	12	Road Specialists.....	16		
		RFB Logistics	18		

THE GLOBAL SERVICE

TRULY
WEEKLY



SWISS
PRECISION



MEDITERRANEAN SHIPPING COMPANY SA
THE DEPENDABLE INDEPENDENT
GENEVA SWITZERLAND

JOHANNESBURG
TEL: (011) 263-4000

DURBAN
TEL: (031) 360-7911

CAPETOWN
TEL: (021) 405-2000

PORT ELIZABETH
TEL: (041) 505-4800

EAST LONDON
TEL: (043) 722-6651

PRETORIA
TEL: (012) 335-6980

WALVIS BAY
TEL: (+264) 64 206-000

FTW0017SP

**“Don’t count the people you get to,
get to the people who count.”**

Advertise with Cargo Info Africa +27 11 214 7324 jodih@nowmedia.co.za

Cargo Info Africa
In conjunction with **flw**

FTW4684



IT'S NOT A BADGE

IT'S PEACE OF MIND FOR YOU & YOUR CUSTOMERS

UPS are the world's largest express carrier. We have 100 years of service and the widest portfolio of shipping solutions. From international freight to small packages, you can rest assured that when we're on the job there's nothing to worry about.

Toll free number: 0860 877 772



Deliver more