Lyse Comins

The Administrative Adjudication of Road Traffic Offences (Aarto) Amendment Bill 2015, and its controversial demerit system passed by parliament earlier this month, should go some way to clear the roads of dangerous fly-by-night operators but there will also be challenges for law abiding fleet owners.

Road traffic and transport consultant Alta Swanepoel said the Road Traffic Infringement Authority (RTIA) was aiming to roll out the legislation before 31 March 2018 – which in her view was feasible – and a new set of draft regulations dealing with the details of the law was expected to be published soon.

The amendments contained in the bill pave the way for the implementation of a points-demerit system and remove the courts from the Aarto process, replacing them with the right to make written representations to the RTIA and to appeal its adverse decisions to a new tribunal. However, critics such as Justice Project South Africa have noted that the SOE is almost entirely funded by traffic fine revenues, which comprised 95.47% of its 2015/16 revenue.

Demerit-points will be recorded onto the vehicle licences of juristic entities such as companies which are the registered owners of vehicles, for infringements committed by people who drive their vehicles and where the infringement notices are not redirected to the drivers. Once a driver has accumulated 12 points, any additional points added to the licence will result in the disqualification of the driver for three months, and if a driver’s licence is suspended three times he/she will then have to reapply by re-sitting the learner’s and driver’s licence tests.

“Most driving infringements carry demerit points. The existing Schedule 9 classifies the infringements and the demerit points range from zero to six. Drivers and operators will both be charged for certain infringements (such as overweight or unroadworthy vehicles and non-compliance to dangerous goods regulations). The driver will receive a fine and the operator will be charged for (an infringement of) section 49 of the National Road Traffic Act, 1996,” Swanepoel explained.

She said existing lists allocate four demerit points to operators and driver’s points vary depending on the infringements.

“As far as I know, the new schedule that will be published with the new amendments to the legislation will allocate the same points for drivers and operators but this has not been published for comment yet,” Swanepoel said.

Swanepoel said owners were compelled under the Act to know who was driving their vehicles at all times.

“The company must have the driver’s address details to enable the company to redirect the traffic infringement to the driver,” she said.

Swanepoel pointed out that the removal of the courts would prevent companies from managing transactions, Balance Sheet & Management Accounts ess. to discuss strengthening trade relations as Britain continues its negotiations to exit the European Union (Brexit).

Fox explained that this meant that an additional £1.75 billion would be available for UK companies exporting to South Africa and for South African buyers of UK goods and services.

Brexit boost: UK doubles trade support

The United Kingdom Export Finance (UKEF), Britain’s export credit agency, will double support for trade with South Africa to up to £3.5 billion.

This was announced by British international trade secretary, Dr Liam Fox, as part of his visit to South Africa and Mozambique this week.

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To page 12
EPA phase-down - Comment due
On 15 September 2017, the South African Revenue Service (Sars) published the draft tariff amendments in Part 1 of Schedule No.1 to the Customs and Excise Act, 1964 (Ordinary Customs Duty) the 2018 Economic Partnership Agreement (EPA) phase-downs, as well as various technical amendments which comes into effect on 01 January 2018. Comment is due by 13 October 2017.

Sugar variable tariff increase
On 15 September 2017, Sars published the increase in the rates of customs duty for tariff subheading 1701.12 (Beet sugar), tariff subheading 1701.13 (Cane sugar specified in Subheading Note 2 to this Chapter), tariff subheading 1701.14 (Other cane sugar), tariff subheading 1701.91 (Containing added flavouring or colouring matter), and tariff subheading 1701.99 (Other).

Container Depot Rule amendment
On 15 September 2017, Sars published the amendment of the Rule 200.08 of the Act, 1964, which substitutes the locations where container depots may be established, specified in the Rule to be Cape Town, Durban, East London, Germiston, Johannesburg, Port Elizabeth, Pretoria, Richards Bay, and Saldanha Bay.

Duty Calls - Watch list
Comment to ITAC on the proposed creation of a Rebate Item for stainless steel fasteners is due by 22 September 2017.

WTO Members Resume Fisheries Subsidies Negotiations
At the 11 to 12 September informal meeting of the Negotiating Group on Rules (NGR), the World Trade Organisation (WTO) members started to comb through a compilation matrix of seven proposals to limit harmful fisheries subsidies.

Line-by-line topical discussions based on the matrix are aimed at paving the way for a well-supported, draft decision text for submission to the WTO’s 11th Ministerial Conference (MC11) in December.

Outward Selling and Investment Mission to Toronto
The dti extended an invitation extended an invitation to participate in the Outward Selling and Investment Mission to Toronto, Canada to take place from 4 to 7 March 2018.

The closing date for applications is 29 September 2017.

The dti 2016/17 Annual Report
The dti informed that, on release of its 2016/17 Annual Report, it had obtained clean audit reports from the Auditor General for the 2016/2017 financial year for both the department and most of its agencies.

During the year, the dti provided financial support of approximately R7 billion, supporting more than 1 400 companies which will leverage total private sector investment of approximately R30 billion into the South African economy.
Ambitious automotive manufacturing growth plans revealed

Tristan Wiggill

South Africa is developing a post Automotive Production and Development Programme (APDP) Masterplan in the pursuit of deeper localisation, improved global vehicle assembly competitiveness and enhanced economic opportunities.

This emerged during the ‘Critical assessment of the APDP and its impact on demand for South Africa’s metals and engineering sector products’ plenary session at the 2017 Southern African Metals and Engineering Indaba (MEI), held in partnership with the Industrial Development Corporation (IDC) in Sandton last week.

Addressing attendees, director of the National Association of Automobile Manufacturers of South Africa (Naamsa), Nico Vermuelen, said the objective of the Masterplan was to grow South Africa’s vehicle production capacity to 1% of global output by 2035.

He said South African vehicle production had grown from 357,000 vehicles in 2000 to 617,000 in 2015, adding that the automotive industry contributed 35% to the country’s total manufacturing output in 2016.

However, the degree of local content in vehicles assembled in the country stood at an average of just 37.6% in 2016, which did not compare favourably with rival vehicle assembly nations such as Thailand, which boasts an average local content figure of over 60%.

Vermuelen explained that the Masterplan would have to double total employment in the automotive value chain in South Africa, while also completely transforming it.

The country had to improve the automotive industry’s global competitiveness and ramp up vehicle exports into Africa.

He said he was expecting incentives to be announced shortly. “We need investment support and must develop R&D centres in South Africa.”

According to Vermuelen, two of the seven local vehicle assemblers are considering manufacturing affordable cars in South Africa.

Renai Moothilal from the National Association of Automotive Components and Allied Manufacturers (Naacam) added that the APDP had been a success, saying it had maintained domestic automotive production, including the demand for metal and other engineered products, despite difficult sector and economic circumstances.

He said Naacam wanted an average 60% of local content in vehicles assembled or built here by 2035, as well as a stable and competitive production base.

Moothilal stated there had been a 8% compound annual growth rate (CAGR) in catalytic converter demand and a CAGR of 17% in body panel demand. The number of assembled engines in South Africa was also up 30% in the last five years.

Dineshan Moodley, an executive at the Automotive Industry Development Corporation (AIDC), said there had been a radical shift by original equipment manufacturers in the sector from steel to aluminium, as the motor industry prioritised weight reduction.

He further revealed the AIDC was working with Nissan South Africa in Rosslyn, Pretoria, on an incubation programme to develop local component suppliers.

The automotive industry contributed 33% to the country’s total manufacturing output in 2016.

BIP programme makes headway

The Black Industrialists Programme (BIP) – an initiative by the Department of Trade and Industry (dti) – has supported 62 projects since its inception in November 2015.

“We now have passed the halfway mark of the first 100. The target is for us to reach 100 by the end of this financial year,” said the Minister of Trade and Industry, Dr Rob Davies, during a media briefing last week.

The projects have attracted R26 billion in private-sector investment and created 19,859 jobs to date. To support localisation, 21 products and sectors have been designated for local production.

We need investment support and must develop R&D centres in South Africa. – Nico Vermuelen

R74m funding for drought relief

Government has allocated R74 million in relief funding in response to the persistent drought in the Western Cape.

The Inter-Ministerial Task Team on Drought – led by the Department of Cooperative Governance and Traditional Affairs – continues to monitor the drought conditions and offer the required support through relevant sector departments to mitigate the situation.

The Department of Water and Sanitation is reportedly also making progress with preparations for the implementation of the Berg River to Voelvlei Augmentation Scheme.

“A record of the decision for the Environmental Impact Assessment should be available by the end of September,” a Cabinet spokesperson said.

Minister of Water and Sanitation, Nomvula Mokonyane, has since directed the Trans-Caledon Tunnel Authority to raise the funding needed and implement the project.

“They have already started engaging with major users and will shortly be approaching our department for concurrence with the Minister of Finance on the lending limits for the project,” she said.

Standing committee chairperson on economic opportunities, tourism, and agriculture in the Western Cape Beverley Schäfer, highlighted that a potential drop of 10% in agricultural production due to the drought could lead to 17,000 job losses in the province, warning that the current drought will have the biggest impact on seasonal employment in December.

“Between 2003 and 2016, climate-related extreme events cost the Western Cape approximately R7.12 billion,” she said.
Companies join forces to service Mozambican oil and gas industry

A joint venture company is being established by three of Mozambique's longest-established logistics and marine services companies to support gas and oil companies setting up operations in the north of the country.

Subtech Mozambique, Alpha Logistics and LBH Mozambique have signed a memorandum of understanding to be able to offer a holistic logistics and marine services solution for materials handling, clearing and forwarding, ships agency, waste management and environmental services, according to Emerton.

“We have no doubt that bigger and more efficient facilities will be built with better draft solutions but right now it is the most convenient logistics hub,” says LBH Mozambique MD, Athol Emerton.

“It just makes good sense to combine our capabilities in the strategic port of Mocimboa da Praia, literally the closest port to the oil and gas development at Palma,” says LBH Mozambique’s Athol Emerton.

“We are confident that between the three alliance partners we can create a rapid logistics solution for materials in and out of Northern Mozambique”.

Subtech has been identified as a critical avenue of gas exportation. Palma, one of the most northern cities in Mozambique, has been identified as a critical avenue of gas exportation.

There is renewed interest in the Mozambican gas industry with the launch in August of the Coral South LNG project implementation phase in a consortium headed up by Italian company Eni.

It will be an offshore platform.

“Subtech has been established in Mozambique for 15 years and has developed a world class maritime services offering through local investment and skills development”.

— Ed Richardson
European business is closely monitoring political and economic developments in South Africa – particularly in the run-up to 2019.

According to Stefan Sakoschek, regional director of the European Union (EU) Chamber of Commerce and Industry in South Africa, the chamber continues to work closely with government, lobbying and advocating for economic growth – but there is growing concern.

“The EU remains a trusted trading and investment partner in South Africa representing 77% of foreign direct investment in the country. The chamber represents 2 000 odd European companies actively trading, manufacturing and operating locally,” he said. “A stable political environment is essential to us and there has been a lot of change in South Africa in the past 18 months. Companies are watching developments closely – especially in light of the election in 2019.”

He said the current macro economic indicators only added to the concerns over political instability.

“We are hoping that business confidence will improve and that there will be some positive developments in 2018 that will see economic improvement, but at present the outlook is not positive.”

He said it was important that South Africa ensured its house was in order, especially with increased competition from the region. “South Africa has real competition in the region with many of the big international players already looking at other economies should things further deteriorate here.”

Business ownership remains a contentious issue for larger European manufacturers with operations in South Africa, since ceding 51% ownership is just not an option – but it also means they are out of the running for many government tenders.

According to the European Union (EU) Chamber of Commerce and Industry in Southern Africa, an increasing number of tenders by state-owned companies (SOEs) include a requirement of 51% black ownership for their suppliers.

“This is becoming a major barrier to trade,” said Stefan Sakoschek, regional chair of the chamber. “The EU Chamber fully supports continued economic transformation in South Africa through B-BBEE but one also has to take cognizance of the fact that a company listed in Europe – be it Frankfurt or Paris or London – is not going to cede 51% of its shares simply to get 25 points on a score card.”

He said many European companies wanted to invest in South Africa and were committed to seeing transformation happen – but the new B-BBEE rules were making it very difficult for them to operate.

He said with so much uncertainty over the new ownership scorecard there were several companies that had put investments on hold.

– Liesl Venter

"South Africa has real competition in the region."

– Stefan Sakoschek

Investments on hold pending new B-BBEE ownership rules

EU partners looking beyond SA

Liesl Venter

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SA/EU freight rates 'not sustainable'

Freight rates on the Europe/South Africa service are not sustainable, putting pressure on shipping lines to deliver a reliable and dependable service. Persistently difficult market conditions have been impacting the cargo shipping sector at large with falling freight rates a global concern.

David McCallum, managing director of DAL Agency, said the current rates were simply not sustainable. "It becomes a very real challenge for us to continue delivering a reliable and dependable service while at the same time engaging with shippers to responsibly move the achieved freight rates upwards."

He said an encouraging development was the personal service, and the value thereof, was making a comeback. "We are noticing our clients on the trade to/from Europe are increasingly assigning greater value and importance once again to personal interactions and service levels, rather than simply focusing on the relevant freight rate," he said. "When there is a question or concern on a shipment, they want to have a local contact that is easily accessible and able to assist in providing relevant, accurate information."

He said DAL had, over the past few months, strengthened its office network in Europe and the whole Mediterranean area thus enabling it to expand its market coverage, improve service levels, intensify sales efforts and increase the frequency of face-to-face customer interactions.

Asked about the outlook for the SA/Europe trade McCallum said they were cautiously optimistic about the level of trade at present. "The looming question is how and to what extent Brexit is going to impact inter-European trade and trade between Europe and Southern Africa going forward."

He said at present the volume of cargo moving to Europe had remained relatively stable over the past few months. "The recent strength of the South African Rand has not negatively influenced the export volumes. Furthermore, despite the low levels of rain fall experienced in certain fresh produce producing regions, the volumes are up on last year," said McCallum. "We expect that trade will remain reasonably stable in the forthcoming months. The continued lack of rain experienced in certain regions in South Africa will most likely have an impact on the volumes of certain perishable cargo exported into Europe next year."

The relative strengthening of the Euro in recent months may have a negative influence on import volumes from Europe; this movement does however present opportunities in the European market for South African exporters.

-Liesl Venter

SA traders shoul... prepare' for Brexit

Lyse Comins

South African importers, exporters and logistics companies should make the most of the inevitable Brexit transition period to conduct a macro review of their businesses, including an audit of existing and anticipated future contracts, and review opportunities and potential markets in the EU and in a post-Brexit UK.

This was the advice of Garlick & Bousfield consultant and international lawyer, Richard Cookson, who is also a director of Cape International, a global business advisory firm that specialises in international business and finance.

"Brexit is fluid, it's happening, it's changing. Businesses are going to be impacted and the problem is there is very little guidance and the only way to be able to understand and to guide businesses is to be on top of this fluid situation," Cookson said. Cookson said Brexit issues and positions changed almost daily and negotiations between the UK and the EU were almost like two ships passing in the night.

He pointed out however that it appears there is going to be a transition period which would give SA businesses the time they need to adjust and prepare. Cookson said firms would have to assess international contracts, the country law governing business relationships, taxation, currency of payments, and accept that they may have to renegotiate some deals.

He said companies would also have to consider the impact of competition and intellectual property laws.

"As an example, a winery that ships wine to the UK in bulk, has it bottled there and from there sells bottled wine...
to continental Europe, all of a sudden is going to find more regulation in getting the wine to the EU,” Cookson said. “UK corporate tax is not that high, so if you set up in the UK to service the whole of the EU and (post-Brexit) you have to go and set up another office, say in Amsterdam or Paris which has higher corporate tax, you are going to get higher costs of overall operations,” he explained.

“We have some highly talented companies in this country and they need to look where the vibrant business is in the UK and also where are areas in the UK that have been neglected because of the EU,” Cookson said.

He advised SA companies to explore opportunities in UK business fields that are making great strides, such as in the fields of biotechnology, smart energy, and machine manufacturing, adding that there could also be “great growth opportunities” for agricultural products, like apples, to be sold at lower cost in the UK.

However, companies would have to review how different rules and regulations – such as product labelling conformity – will apply in a post-Brexit scenario. “We have a lot of logistics companies and they will need to analyse how they are handling logistics between the EU and the UK,” Cookson said.

Cookson added that it was important for the Department of Trade and Industry to play a strong role in researching Brexit and to advise companies how to prepare for post-Brexit trade.

“Airfreight capacity ‘a challenge’

Airfreight capacity between South Africa and Europe remains a challenge, according to Stephen Bishop, CFR general manager for airfreight.

“Demand continues to exceed supply and it is a trend that will continue into the New Year.”

According to Bishop it is a competitive operating environment, putting margins under pressure.

“We have a solid network through the AirCargoGroup with capacity agreements set up for our major import routes which provides some reassurance for our clients in this tough period,” he said.

“Demand continues to exceed supply and it is a trend that will continue into the New Year.”
– Stephen Bishop

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“Demand continues to exceed supply and it is a trend that will continue into the New Year.”
– Stephen Bishop

“We are, however, finding that we are increasingly advised to rather push the premium pricing in order to get cargo here when needed for urgent orders.”

Bishop said there had been a positive increase in airfreight volumes out of the UK with similar interest on their German route – one of the company’s key products.

“Most of our import products have now matured and we are constantly investing in - along with our local teams and IT products,” he said.

– Liesl Venter
UK office creates full visibility

Liesl Venter

The decision to expand its reach and open its own office in the United Kingdom is paying off for the GoGlobal group of companies. The office, which opened its doors just over a year ago to serve the UK and Europe, has played a significant role in expanding the company reach, says logistics manager Dawid Kotze. “We are constantly building our international network and having an office in the UK has been hugely beneficial.”

Tim Cotton, the UK representative for GoGlobal, says from a customer perspective it has added significant value as it has improved communication between the exporter and the importer. “It does put us ahead of the game,” says Cotton. “A major benefit of this office is that it allows for valuable feedback from the UK and Europe directly to the South African exporter.”

He says the office also creates full visibility for the company from door-to-door. “While the majority of cargo moved was still in the perishable sector, since the opening of the office they have seen significant growth in the movement of more general commodities to the UK and Europe,” says Cotton. And he believes that despite the important role of technology, face-to-face meetings remain valuable. “Often companies don't know what solutions they want and it is through that personal interface that the bespoke and best solution for their particular needs is developed,” he points out. “We deliver the solutions that they need because of our ability to engage around the globe with our customers.”

He says his office has now also been tasked to grow volumes for the company out of the US and Canada. “The ultimate goal is to assist clients with the best possible logistics solution no matter where they are in the world. Our extensive investment into IT systems and technology continue to be a driving force, allowing us to be innovative and deliver cost-effective solutions no matter where in the world.”

The European continent has always been the stronghold of our company. – Nicholas von Flemming

Growing volumes on European routes have created further opportunities to launch new direct services, according to neutral consolidator CFR Freight. “For NVOCCs, the general market will always dictate the volume of overflow and underflow that is available to ship,” said Nicholas von Flemming, key accounts manager, who is upbeat about future growth in the sector. “The European continent has always been the stronghold of our company. We run just under 40 direct port to port services between the two continents both south and northbound,” he added. “We continue to prioritise direct sailings and optimal transit times to ensure we remain a neutral extension of our clients’ own businesses.”

Turkey and Poland identified

Turkey and Poland have been identified as markets of potential growth. “Through the regional insight of our partners in the WorldWide Alliance (WWA), we’re able to tap into these new markets. ‘We have also followed Brexit closely and the commercial implications and various threats and benefits it brings. South Africa has close relations with all parties in the old EU and this has huge implications for future trade negotiations. With our size.

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and scope in Europe, we are very well positioned.”

He said a major challenge was getting different markets to understand the operating procedures in different countries. “Europe, while falling under the EMEA region, works very differently from our market. Procurement, business culture and client relations are totally different. Through the WWA we have the benefit of regional expertise to facilitate the smooth flow of cargo.”

And that expertise would become increasingly crucial, said Von Flemming, as Europe realigned itself and individual countries sought revised trade deals. “Our logistics network is well positioned to serve our customers across our continent either through South Africa as a gateway or via our network of African partners.”

Paul Lawrence, managing director of Tigers South Africa, said the company was fairly upbeat on Europe, especially with Tigers Fresh – the perishable division of the company – expecting to see good growth. “The challenge is really in maintaining yields,” said Lawrence. “We try to stand out by paying close attention to detail. Over the past eight years, Tigers has progressed to e-commerce, giving us a competitive edge for the future. Consequently, as Africa continues to grow the omni-fulfilment and B2C sectors, opportunities across the continent are very promising.”

Lawrence said the launch of the company’s eShop in China and Malaysia had been extremely successful, with a new one on the cards for Germany. “It has had a very positive impact on the wine and perishable markets. We recently opened a temperature-controlled wine cellar storage facility in the United Kingdom, focusing on the growth of specialised products of the South Africa-EU trade lane, adding value to our customers with our unique value proposition.”

He said the company had launched the wine cellar in Banbury and obtained licences to store and distribute wine and spirits in the UK, Germany and The Netherlands. “Our Cologne e-commerce fulfilment centre that we opened only a year ago has already doubled in space due to increasing demand. Similarly, our flagship eTigers facility in Rotterdam almost doubled in space last year.”

Lawrence said the company would continue to strategically expand its footprint in Europe even if volumes in other commodities were expected to remain low. “We are excited about the upcoming Tigers eShop plans for the EU, which will allow our customers’ brands to expand in the EU,” he said. – Liesl Venter

WE BRING THE WORLD CLOSER

Perishables, e-commerce and wine drive European growth

Despite a flat economy and lower volumes, Tigers South Africa is encouraged by growth prospects for the European market, thanks to an increased demand for perishable products.

The challenge is really in maintaining yields.

– Paul Lawrence

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Legality of B-BBEE Commission’s fronting list brought into question

Liesl Venter

Questions have been raised about the legality of a list of names published by the Broad-Based Black Economic Empowerment (B-BBEE) Commission stating they are under investigation for possible fronting practices and non-compliance with the B-BBEE act.

Attorney Gideon Gerber, also the founder and director of Serr Synergy, a company that specialises in B-BBEE structuring and compliance, told FTW he believed the companies in question could take legal action.

“The law makes provision for the B-BBEE Commission to publish names of companies and people once it has completed investigations, not before the investigations have even started. At least nine companies on this list have only been given notice that they will be investigated,” he said. “In addition, companies have 180 days to act on any findings following a completed investigation.”

The Department of Trade and Industry (dti) issued a press release on behalf of the B-BBEE Commission stating it had initiated investigations into specific entities for possible violation of the B-BBEE Act relating to the B-BBEE ownership structures and non-compliance with the codes of good practice in respect of the verification process.

Chantelle Schutzler, a director at Morris, Fuller and Williams Attorneys, said it was their view that the published list of company names could not have been sanctioned in terms of the act and it was made outside the scope and mandate of the B-BBEE Commission.

“I cannot find any section that would allow the Commission to publish a list of companies that are under investigation. This, in my view, is the first question that the Commission needs to urgently provide clarity on,” she said. “The other issue is that the B-BBEE Commission is currently investigating 182 companies for various infringements and yet it has only named 17 of these companies. That in itself is highly prejudicial to those entities listed. They are currently suffering irreparable harm to their brand. Once the investigation is complete and these companies are possibly found not to be in contravention of the act they would have undoubtedly already incurred financial loss. Potential and even current clients of the listed verification agencies will undoubtedly instruct other agencies not listed to do their verifications.”

Gerber, who represents several of the companies on the list, said steps were in place by at least one company to obtain a court order against the Commission to remove the list from the public domain.

Schutzler said while there was no doubt that the companies would be successful in obtaining such orders, the damage had already been done and they would have to consider their options in suing for their financial loss and reputational damage.

Peter Warrener, group human resources director of Netcare – one of the 17 companies named on the list – said they had been notified by the Commission that they were being investigated to determine whether the B-BBEE ownership initiative facilitated through Health Partners for Life, met the necessary ownership requirements.

“We are preparing documentation to submit and will hear from the Commission once it has had the opportunity to review,” he said.

According to Gerber there are several inaccuracies on the list – from company names being incorrect to statements that numerous letters of advice had been sent. “In some cases there has been no notification, not to mention numerous letters of advice,” he said. “The intent behind this public list is questionable.”

AQRate KZN, which operates under the same marketing banner as AQRate (Pty) Ltd, has also hit out after the publication of the list that claims AQRate Verification Agency is under investigation.

“There is no such legal entity,” said Schutzler. Dti spokesman Sidwell Medupe told FTW that to his knowledge the list was correct. Further questions posed were not answered by the time of going to print.
Co-modal service saves steel producer R100 per ton

This month saw the arrival of the first consignment of steel coils at the Natalspruit Inland Port in Alberton. It represents the start of a new co-modal logistics concept that will see the manufacturer of the steel saving R100 per ton for delivery to final destination. And for a company that imports 3 000 tons a month, that equates to a saving of R30 000 per month.

The co-modal model is the brainchild of Trans-Med Shipping director Kuben Naicker who believes that the company’s recently opened Natalspruit dry port brings the total supply chain, says Naicker.

“This ensures positive empowerment and support for all organisations involved, including the end client.”

“Transmed is the ‘glue’ that brings together all the key players, Naicker adds, integrating the services, providing a one-stop solution from vessel discharge to consignee, including last mile delivery and exclusively using rail for the Johannesburg/ Durban leg.

Through the integration of key service providers – Transnet Port Terminals, Transnet Freight Rail, shipping lines and freight forwarders – the company has structured a deal that works to the benefit of all, he says.

“It’s about increasing volumes for TFR. When you look at the inland leg from Durban to Johannesburg, the cost saving is not huge and rail costs are negatively affected by last mile delivery. Our all-in solution involves the merging of services to add value to the total supply chain.

“Currently an importer bringing containers to Johannesburg has three days to clear it out of DCT. My solution is straight to my depot – and in Johannesburg you have free storage and containers are staged for you.”

The company is also currently in negotiations with a shipping line to mitigate the costs of the turn-in fee in Johannesburg. “The idea is that we don’t charge the line any fees for keeping the containers – we bring the container to Johannesburg and deliver it directly to the stack in Durban – and if we have an export we will utilise the container.

“Effectively we have created a ring-fenced solution for breakbulk and bulk cargo which includes port handling, rail handling at Natalspruit and delivery to customer.

“One rate per ton – done,” says Naicker.

– Jey Orlek

TFTA negotiations near conclusion

Trade Ministers of the Southern African Customs Union (Saccu) and the East African Community (EAC) have agreed to conclude the Tripartite Free Trade Area (TFTA) negotiations before the end of the year.

Speaking on behalf of Saccu at the 11th TFTA bilateral meeting in Johannesburg last week, Minister of Trade and Industry Dr Rob Davies, underscored the importance of the negotiations providing new markets in important sectors such as automobiles, beef, wines and dairy products amongst others. He pointed out that the EAC countries produced “high quality products” such as coffee, cut flowers and tea, amongst others.

“The TFTA presents South Africa with an opportunity to further diversify its export base,” said Davies.

The TFTA agreement, has, to date, been signed – Joy Orlek

German shipping line first Sars client to become fully electronic reporter

German logistics company appoints new CEO

Rail transportation for citrus producers gains traction

Wesgro hits back after ‘insinuations’ around trade missions

Transnet refutes allegations of retrenchment intentions

Chicken worth R700k intercepted at Beitbridge border destined for Zim

Shipping line ‘looking into’ collusion allegations

The first consignment of steel coils at the Natalspruit facility.
WC Sars manager still missing in action

Containers pile up

Liesl Venter

Cape Town industry is fed up with Customs.

Numerous complaints have been lodged over the past few months and several meetings have taken place, but many issues remain unresolved while performance continues to deteriorate.

According to Mike Walwyn, chairman of the Port Liaison Forum, one of the major issues is the lack of a regional manager of the South African Revenue Service (Sars) in Cape Town.

“It is now close on two years that Cape Town has been without a Sars regional manager,” he told FTW.

Although the position has been earmarked as a priority by customs senior management in Pretoria and an acting manager has been deployed to the city to act as regional executive for the customs portfolio in the interim, the lack of a permanent person is being felt.

“Especially in the service level on the ground,” said Walwyn. “Backlogs are not uncommon in clearing containers, which, in turn drives up costs for importers as customs simply do not have the manpower to deal with the number of examinations.”

Various forums have been called upon to take up the issue with Customs and Walwyn said several meetings had been held with the revenue authority as more and more complaints had been pouring in.

An agent sent FTW this photo of 27 containers lined up for inspection last Friday.

In one case, a clearing agent said not a single official could be found manning a desk at the customs offices in Cape Town at 08h30 in the morning, while longer queues were becoming the norm as officials struggled with the workload.

“Cape Town Customs is very close to crisis mode,” one clearing agent, who did not want to be named, told FTW. “The inexperience of officials is very clear. They simply just don’t know what they are doing in some instances. Emails are returned with sender inboxes being full, phones just ringing. It is a worrying situation.”

Sars spokesman, Sandle Menele, told FTW they were aware of the customer complaints at the Cape Town customs office and had met with industry representatives in an effort to engage on a way forward.

“We have revised our operating hours to start at 07h30 and end at 16h30 and have allocated a dedicated resource to deal with daily queries,” said Menele.

“Regular meetings will also be held to address any concerns that impact on the quality of our service in place. In addition, if clients are not satisfied with the outcome of their query, they can request for the matter to be escalated to the executive responsible for the office. Clients can also register their concerns through the Sars contact centre, where all queries are registered, monitored and resolved.”

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