

24 October 2023

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 Chief Executive Officer  
 South African Association of Ship Operators and Agents (SAASOA)  
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And

Ms Juanita Maree  
 South African Association of Freight Forwarders (SAAFF)  
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Dear Peter, Juanita, and valued Shipping Lines

**REQUIRED RECOVERY IN KWAZULU-NATAL, EASTERN CAPE AND WESTERN CAPE CONTAINER TERMINALS – MEASURES TO IMPROVE OPERATIONS, EQUIPMENT, AND BERTHING RULES (EFFECTIVE FROM 30 OCTOBER 2023)**

Following the request by the Chief Executive of Transnet Port Terminals (TPT) for an urgent engagement with shipping lines who have contracted performance targets, in terms of the Container Terminal Operations Contracts (CTOC), the below being basic meeting notes and short term changes to the berthing rules.

Meeting notes: TPT/Shipping line meeting held 19 October 2023 and 23 October 2023

Attendees:

CMA CGM	Antoine Brunet
CMA CGM	James Leeson
CMA CGM	Leon Reddy
COSCO	Tan Long
COSCO	Selvin Gramany

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**Directors:** A Sangqu (Chairperson) C Benjamin R Buthelezi M Debel B Jiya L Letsoalo PS Molefe FS Mufamadi D Patel B Sedupane MP Zambane  
 PPJ Derby\* (Group Chief Executive) H Makhathini\* (Acting Group Chief Financial Officer)  
 \*Executive

Group Company Secretary: Ms S Bopape

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**TRANSNET HAS A 'ZERO GIFTS' POLICY. NO EMPLOYEE IS ALLOWED TO ACCEPT GIFTS, FAVOURS OR BENEFITS**

COSCO	Shane Singh
Diamond Shipping/GSL	Vitesh Ramphal
Evergreen	Jackie Naidoo
Evergreen	Sanjay Bunvary
Grindrod Logistics	Kesh Naidoo
Grindrod Logistics	MD Simjee
Hapag-Lloyd	Shantanu Bhattacharya
Hapag-Lloyd	Rogelio Busto
Hapag-Lloyd	Shweta Chawla
Maersk	Amdi Krogh
Maersk	Denver Naicker
Maersk	Khadeeja Luckhun
MSC	Ian Rosario
MSC	Rosario Sarno
ONE	Allen Naidoo
ONE	Steven Naidoo
PIL	David Harvey
PIL	Ivan Naik
PIL	Louis Langley
SAAFF	Juanita Maree
SAASOA	Peter Besnard
TPT	Malixole Mahobe - Ngqura Container Terminal (NCT)
TPT	Hlubikazi Ntuli - NCT
TNPA	Nkumbuzi Ben-Mazwi - Eastern Region
TNPA	Siyabulela Mhlaluka – Central Region
TNPA	Phyllis Difeto – Western Region
TNPA	Rajesh Dana– Western Region
TNPA	Alex Miya– Western Region
TPT	Andiswa Dlanga - WC
TPT	Avril Murugan - HQ
TPT	Earle Peters - Durban
TPT	Faith Chetty – HQ
TPT	Florence Strydom – NCT
TPT	Helen Steyn Transnet - WC
TPT	Jabu Mdaki – CE TPT
TPT	Jaco Van Der Westhuizen – HQ
TPT	Lufuno Raliphada – HQ
TPT	Lulamile Mtetweni – Dbn
TPT	Lunga Qomiyana – Dbn
TPT	Michelle Van Buren Schele – HQ
TPT	Prince Magoda Manganyi – Dbn

TPT	Rochelle van Wyk – NCT
TPT	Saleem Peterson – EC
TPT	Sibuthe Mdala – WC
TPT	Siyabonga Maqabangqa - WC
TPT	Thembile Madlala – HQ
TPT	Timothy Keit – HQ
TPT	Vis Loganathan – HQ
TPT	Wandisa Vazi – EC
TPT	Yacoob Hartley – WC
TPT	Zamo Ngcobo – Dbn
TPT	Zukile Dambuza - NCT

The first meeting held 19 October 2023 was to provide customers with a status of the delays and the causes of the delays. It was also to understand the customer concerns and their plans as a result of the delays that had developed.

Key points raised:

- Lack of equipment has negatively impacted terminal productivity. Other factors, such as poor weather, had also exacerbated the delays. In addition, delays in one terminal were creating further congestion in the complimentary terminal network within SA
- Without the customer support, the recovery would take a longer time
- Shipping lines expressed concerns in the long times that equipment took to be acquired and repaired
- Shipping lines wanted to know where they could assist especially in the short term
- TNPA was also invited into the meeting and asked if they could fast track their dredging exercise. TNPA committed to fast track as far as possible.
- TPT spoke to the OEMs strategy coming online; TPT are supplementing maintenance staff and also engaging Transnet Engineering to supplement the skills required
- Shipping lines were very concerned that the delays would impact producers and annual black Friday/festive season sales

The Chief Executive understood the level of impact of these delays and requested to hold a follow-up meeting on Monday 23 October 2023 with the same stakeholders, with further details from Transnet (what TPT expect to resolve and when).

In the meeting, dated 23 October 2023, the leadership of TPT responded with the following initiatives to address the delays:

**1. Each of the Managing Executives reported on their terminal plans for immediate recovery**

Eastern Cape Terminals:

NCT had been impacted by weather impact (up to 12 hours delay per day noted). The plan for

recovery is to implement a 3-berth operation on 13 October 2023, which is dependent on the stow and LOA of the vessel. All cranes are anticipated to be back in operation by 30 Oct 2023

PECT: all cranes would be back in operation by the first week in Nov.

#### Durban Terminals

Pier 1: will continue with 5 gangs. Have increased/accelerated training in aiming to man 17 RTGs continuously. RTG numbers have increased from 11 to 16.

As a recovery, P1 have introduced more reach stackers to operations to compliment the current equipment to manage two blocks.

Pier 2: currently manning 12 gangs and will ramp up to 13 gangs on the weekend. Pier 2 have also extended hours in the workshops to deal with breakdowns. DCT is operating 55-61 straddles but still need at least 76. Reach stacker operations have been introduced into operations. They have also activated a hauler operation on the East Quay to support straddles.

Point: this terminal is managing with the increased volumes, through ensuring sufficient reach stackers. The plan is to increase to 11 reach stackers.

#### Western Cape Terminals:

CTCT: Focus is on increasing RTGs. Terminal has already seen an increase from 15 to 17. The terminal has fitted 4 new engines and is anticipating 18 RTGs. Three more RTGS outstanding with engines. The technical teams are also focusing on the STS cranes.

TPT have acquired 7 like-new RTGs which are due for delivery in December 2023.

The yard strategy is to maximise on RTGS and haulers (which have increased from 36 to 40).

On Technical support: The OEM will be commencing 1<sup>st</sup> week Nov to give technical support.

Feedback from TNPA was positive: dredging estimate had reduced from 5 weeks to 2 weeks. Dredging at 605 completed. 603 work in progress then 602 and 601.

In line with the dredging CTCT had manned at 7 gangs

CT MPT: had increased the number of plugs from 348 to 420 to cater for the increased volumes anticipated. Liebherr crane 550 will be back in operations by the weekend.

## **2. The General Manager for Engineering, Capital Projects and Ops Technology, Mr Jaco Van Der Westhuizen laid out the equipment recovery strategies (both short term and long term):**

- The team has completed a review on equipment that is expected for planned maintenance and developed specific recovery plan for each equipment.
- They have determined the parts needed for the next four months and will expedite the procurement/contracts to bring equipment parts in sooner.
- The Asset lifecycle management is in progress, with negotiations continuing in some equipment types and further advertisement required in those procurement events which did not obtain the required bids. TPT was sourcing, on the framelist:
  - o 10 year contracts for the supply of strategic equipment, and
  - o 20 year contracts for the maintenance of strategic equipment,

- The team is also looking at all equipment offers. For existing suppliers, the team is looking at improving their supply chains (as some who are slower can be improved)
- On skilled staff: Reviewed the shortage of current skills. Also engaged with Transnet Engineering to see what skills can be developed to assist TPT immediately.
- Engaged with the OEMs to train the skilled workers.
- In the short term, have adjusted the shift patterns in accordance with current resource capability at all terminals. In response to a question on the maintenance team being fully 24-hour operations, Jaco confirmed that the team is limited after hours for unexpected breakdowns. To become fully 24-hour operations, certain training still needs to be done.
- The team is evaluating the OEMs and their agents.

**3. TPT National planning communicated the changes to the CTOC berthing rules for the interim period, while recovery was taking place.**

These rules would be applied for all vessels planned to berth from 30 October 2023, and would be reviewed for extension by 30 November 2023:

<b>UPDATED CTOC RULES APPLICABLE</b>
The berthing of vessels will follow its window rotation based on CTOC windows. TPT Reserves the right to direct a vessel to a Terminal that will assist to reduce the delays, refer to clause, 4.8 of CTOC Contract.
Vessels will maintain a weekly proforma service design.
Vessels must berth at the designated Terminal (follow its natural rotation), there will be no diversion/contingency by the Shipping Lines to other Terminals.
<p><b>NCT</b> will operate a 3-berth operation with 7 gangs dependent on the stow and LOA of the vessels effective from 13 October 2023</p> <ul style="list-style-type: none"> <li>▪ The swapping of vessels will not be allowed. In extreme cases and only for urgent transshipment connections, the Shipping Line must consult with the Terminal Manager and Planning Manager for approval.</li> <li>▪ Hot Transship Connections Boxes must be landed in order to facilitate the transshipment links. The Line must work with the terminal to ensure no laybys. No vessel will layby waiting for connections.</li> <li>• Transshipment evacuation plans: To accompany all transshipment discharge to facilitate fluidity and manage high dwell.</li> </ul>
The contracted volume per Line service will be strictly adhered to (clause 5.9 will not apply during the backlog). Any deviation will be at the express decision of the ME or GM Commercial or their designated representative.
<p>In instances where <b>urgent priority cargo</b> is required to be discharged only, the Vessel Operator must engage the National Logistics Manager 3 days prior to the commencement of the CTOC window, to plan the berthing of the vessel for the first available berth. Once the priority cargo has been discharged that vessel will return to anchorage. The cargo must be easily accessible, with minimal moves. Each request will be viewed on a case by case basis and dependent on capacity.</p> <p>The Terminal Manager, Planning Manager and National Logistics Manger will be responsible for approving such requests.</p>
<p>Transshipment containers with a dwell of 8 days must be planned and loaded first before TPT considers opening export stacks.</p> <p>Shipping Lines should consider voluntary reduction of empties to support the recovery as the loading</p>

of these transhipments should cater for the reduction in empty volume.
Stack Closure will be strictly adhered to as stipulated in the SOPCT, unless the gate is impacted due to adverse weather conditions
The load plan approval will be strictly adhered to as stipulated in the SOPCT with minimal changes to plans.
The Terminal will not accept Late Arrivals for dry cargo. Perishable cargo will be considered at the discretion of the Terminal Manager and Terminal Planning Manager. Late Arrivals must be approved 24hrs before stack closure to support vessels planned for discharge / backload. Early Arrivals will not be accepted during this period.
Out of Gauge (OOG) must be treated as direct delivery. The evacuation plan must be approved in the Preplan meeting
Breakbulk (BB) cargo: Cargo that is currently loaded on vessels at outer anchorage will be accommodated as these would have been approved based on the current BB Guidelines, however, Shipping Lines should not accept any new orders for BB cargo during the recovery period. BB cargo must be handled at MPT Terminals.
100% clearing and assigning of imports 24hrs prior to berthing to support the landside operations, i.e., Tier for Tier Release & GIR at relevant Terminals
Vessels to load all containers as per the approved plan, however, in the even of any short shipments the Shipping Line must remove these containers to a depot before the next stack opens. If the follow-on vessel is of the same line service, the short shipment will be taken as units already stacked for the follow-on vessel and the load volume will be capped to compensate for the short shipments.

TPT reserves the right to update the above rules and will communicate any changes, in writing, to all CTOC contracted shipping lines.

Further to the above interventions, TPT Commercial and Planning department will publish a report every 14 days, reflecting the status of the equipment and terminal status.

We trust that the above information is useful to your users, in planning together to address the delays, in a collaborative approach.

Kind regards



Timothy Keit

Head: Business Development

Transnet Port Terminals