



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

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Report of the Standing Committee on Agriculture, Economic Development and Tourism on its oversight visit to the Port of Cape Town on 18 March 2025, as follows:

Delegation

The delegation consisted of the following members:

Brinkhuis, G (Al Jama-ah)
Bryant, D (DA)
Constable, N (PA)
Masipa, NP (DA: Chairperson)
Mbombo, N (DA)
Nkondlo, ND (ANC)
Wessels, DJ (DA)

1. Introduction and background

Section 114 (2)(b)(i) of the Constitution of the Republic of South Africa mandates provincial legislatures to provide for mechanisms to maintain oversight over the Provincial Executive Authority in the province.

The Committee undertook an oversight visit to the Port of Cape Town to assess progress on challenges that were identified in the previous parliamentary term, particularly regarding the impact of port conditions on operations and infrastructure readiness for imports and exports.

This report highlights the Committee's findings and recommendations stemming from the visit.

2. Overview

The Port of Cape Town was a critical economic hub for both the Western Cape and South Africa, handling substantial volumes of containerised cargo, bulk goods, and perishable exports. However, ongoing inefficiencies, weather-related disruptions, and equipment shortages continued to hinder its performance. Recognising the importance of the port to the economy, the Western Cape Government prioritised it as a key intervention area under its Growth for Jobs (G4J) Strategy, committing to improving efficiency and unlocking economic opportunities.

The sixth Parliament's Legacy Report raised serious concerns about inefficiencies at the port. This visit was a direct response to those concerns, providing an opportunity to evaluate the progress made since then.

The visit commenced with a welcome by the Managing Executive: Transnet Port Terminal (Western Region). The discussions were focused on Hortgro's 2024/25 fruit export season; Maersk's integrated cold chain and Cape Town services; Transporters in the logistics ecosystem; The Western Cape Transnet Port Terminals (TPT); The South African Revenue Service's (SARS) role in trade facilitation and customs control; and The Transnet National Ports Authority's (TNPA) operational progress and strategic initiatives.

The Committee observed port operations from the vantage point of the rooftop.

2.1. Hortgro – 2024/25 fruit export seasons

2.1.1 Findings

- 2.1.1.1 Hortgro highlighted key industry perspectives, logistical challenges, and growth opportunities. South Africa remained a major player in the global fruit export market, with a diverse range of fruit products contributing significantly to the economy. The South African fruit industry encompassed deciduous fruits, citrus, table grapes, berries, and subtropical fruits. The sector played a crucial role in economic development, employment, and trade.
- 2.1.1.2 The supply chain for fruit exports involved multiple stages, from farming and packaging to transportation and distribution. Major export ports included Cape Town, Port Elizabeth, and Durban, with Cape Town handling the largest share of fruit exports.
- 2.1.1.3 The industry faced several challenges that included port congestion and delays, particularly due to wind disruptions at the Cape Town Terminal; fluctuating demand in key export regions; limited capacity at key ports and transport bottlenecks; and Year-on-year export volume changes, with some fruit categories, such as berries, seeing a decline of 32%.
- 2.1.1.4 The industry presented significant opportunities for economic growth, investment, and job creation. Key focus areas for sustainable development included enhancing port infrastructure and logistics to improve efficiency; strengthening global market access through trade agreements and quality assurance; encouraging industry collaboration and partnerships to boost competitiveness; and expanding research and innovation in fruit production and preservation technologies.
- 2.1.1.5 The 2024/25 fruit export season had seen significant improvements compared to the 2023/24 season, which itself was better than the previous year. While progress was made, challenges remained. Early-season performance was strong, with terminal operations and logistics systems managing cargo flow efficiently. A sudden temperature spike in late January and early February led to simultaneous grape ripening, overwhelming the system with higher-than-expected volumes. End-of-season challenges have resulted in frustrations among farmers, despite the overall season being an improvement.
- 2.1.1.6 The South African fruit export sector remained a key contributor to the national economy. Addressing logistical and infrastructure challenges while leveraging growth opportunities was essential for sustaining long-term success in the global market.

2.2 Maersk – Cape Town services and integrated cold chain

2.2.1 Findings

2.2.1.1 The presentation highlighted Maersk's cold storage footprint, logistics network, and global trade connections. Maersk operated three interconnected cold storage facilities in South Africa, with a combined capacity of over 30 000 pallet positions. These facilities supported the export and import of perishable goods by ensuring temperature-controlled logistics.

Maersk's Cape Town network facilitates traded between South Africa and key global markets. The top destinations for Maersk's cold chain exports included the Netherlands, United States of America, United Kingdom, United Arab Emirates; China, Saudi Arabia, Egypt, Chile, Peru, and South Africa.

2.2.1.2 Maersk's cold chain operations in South Africa were supported by the Belcon Logistics Park, a key hub for perishable goods storage and distribution.

Maersk played a crucial role in South Africa's integrated cold chain logistics, ensuring efficient transportation and storage of perishable goods for both local and international markets. Their extensive network and infrastructure enabled seamless global trade connections.

2.3 Transporters in the logistics ecosystem

2.3.1 Findings

2.3.1.1 Transporters were critical in ensuring efficient cargo movement within the supply chain. Key aspects included rates that were set according to geographic zones to optimise cost efficiency. Transporters aimed to maximise daily cycles to remain profitable. Operating costs included capital, maintenance, driver wages, and office expenses. The break-even point for transporters was two cycles per day. Truck turnaround time was a key metric affecting transporter efficiency and costs.

2.3.1.2 Data from 1 January to 13 March 2025 highlighted variations in truck turnaround times across different zones. Digital Logistics Planning Platforms were used to streamline and monitor truck movement efficiency. Key challenges affecting transport efficiency included delays within terminals and ports impacting scheduling; lack of representation for transporters in decision-making processes; and port congestion reducing the number of cycles transporters could complete daily.

2.3.1.3 Interventions proposed included improved scheduling and coordination to reduce waiting times, enhanced communication platforms to address real-time inefficiencies, and increased engagement with transport stakeholders to ensure fair representation and operational support.

2.3.2.4 The efficiency of transporters was vital for maintaining a smooth logistics chain at the Cape Town Container Terminal (CTCT). Addressing challenges through better planning, technology adoption, and stakeholder engagement would improve truck turnaround times and overall port efficiency.

2.4 Western Cape Transnet Port Terminals (TPT)

2.4.1 Findings

- 2.4.1.1 Year-on-year data indicated fluctuating reefer container volumes. External factors such as weather conditions and port congestion impacted container flow. Wind-related stoppages significantly affected vessel berthing and cargo handling. Increased vessel queuing at CTCT led to delays in cargo movement and extended waiting times.
- 2.4.1.2 To improve efficiency and resilience in the supply chain, the following initiatives were discussed, inter-regional vessel and volume diversions to optimise cargo distribution; better coordination with exporters and cold storage partners to streamline truck appointment scheduling; implementation of rail and road solutions to reduce truck congestion and improve reefer deliveries; enhanced communication; and integrated planning across the supply chain.
- 2.4.1.3 In terms of growth strategy and capacity expansion, the Committee was informed that the following was needed: Equipment upgrades in terms of the progressive deployment of new rubber tyred gantry cranes and ship-to-shore cranes to improve handling efficiency; The alignment of CTCT's berthing capacity with expanded landside terminal capacity to accommodate growing demand; and Encouraging a shift from road to rail to ease congestion and lower transport costs. In addition, addressing weather-related disruptions, optimising logistics through collaboration, and investing in infrastructure upgrades would be essential for sustaining long-term port performance and trade growth.
- 2.4.1.4 A short-term predictive wind model was developed by the University of Cape Town, in collaboration with the University of the Western Cape. While the model was shared with terminal operators, it was not made publicly available due to academic liability concerns.
- Key objectives of the predictive model included, forecasting wind patterns that predicted when wind conditions would intensify and how long they would last; optimising recovery plans by developing the best strategies for resuming port operations after wind-related disruptions; assessing equipment resilience by determining whether global advancements in port equipment could improve operations under extreme weather conditions.; the consideration of terminal redesign by exploring potential redesigns of port infrastructure and vessel docking procedures to better withstand wind disruptions, and undertaking an economic impact study by analysing how weather affects port efficiency and use the findings to guide future capital investments.

2.5 South African Revenue Service (SARS) - Role in trade facilitation and customs control

2.5.1 Findings

- 2.5.1.1 SARS considered itself an integral part of South Africa's economic system, ensuring smooth trade operations while also collecting taxes and customs duties. Its primary objective was trade facilitation, ensuring minimal disruption while maintaining compliance with regulations. SARS followed a risk-based approach, where cargo was only inspected if flagged by their risk engine.
- 2.5.1.2 SARS prioritised education and compliance assistance for traders, importers, and clearing agents before taking enforcement action and processed between 450 and 500 declarations daily at the Port of Cape Town, of which 6% were flagged for additional scrutiny, and 3% resulted in cargo being physically stopped.

- 2.5.1.3 The following challenges in port operations were highlighted and included the following: Depot compliance matters - some depots failed to cooperate with SARS inspections leading to unnecessary delays; Unauthorized release of cargo - certain importers and clearing agents circumvented customs procedures, leading to compliance violations; Low penalties versus cargo value - some businesses accepted penalties as a cost of doing business, undermining SARS enforcement efforts; Multi-Agency co-ordination - delays in container movement resulted from the involvement of multiple agencies, sometimes doubling the processing time beyond the three-day target.
- 2.5.1.4 SARS introduced automated tracking systems to monitor staff efficiency and improve turnaround times. The goal was to achieve a 36-hour processing time, with Cape Town leading in sea modality efficiency.

2.6 Transnet National Ports Authority (TNPA) - Operational updates and strategic initiatives

2.6.1 Findings

- 2.6.1.1 Key updates and strategic initiatives were discussed during the engagement with the TNPA. Key focus areas included port corporatisation, infrastructure projects, operational improvements, and efficiency measures to enhance port performance. The TNPA was in the process of corporatisation, with oversight from the Minister of Transport and Minister of Finance. This transition aimed to enhance operational efficiency and governance within the ports sector. Workstreams were established to align operations with corporate governance requirements.
- 2.6.1.2 The Port had 42 berths and three ship repair facilities, making it one of the largest ship repair hubs in Southern Africa. 11 terminal operators handled cargo, with 82% of operations run by the private sector. The port operated four tugboats, two workboats, two pilot boats, and two launch boats to service vessels. Two additional launch boats were introduced in 2023 to improve maritime services. A second-hand tugboat from Durban was in the process of being acquired to stabilise marine services.
- 2.6.1.3 Key expansion and growth strategies included the following: Container terminal expansion to increase capacity; Dedicated truck staging area by constructing a 220-truck staging facility outside the port to reduce congestion; Rail optimisation by enhancing the rail corridor from Belcon to improve cargo movement; Multipurpose terminal optimisation by modifying modifications to increase container cargo handling capacity; and Plans to expand cruise liner facilities to boost tourism.
- 2.6.1.4 Challenges and mitigation plans included Weather Delays - The port experienced 1 926 hours of weather-related stoppages in the 2024/25 financial year, leading to cargo handling inefficiencies; Cargo Handling Delays - Ongoing refurbishment of dry docks, long quay, and marine infrastructure to improve service reliability; Truck Congestion - Measures such as new staging areas and automated booking verification were implemented to improve traffic flow.
- 2.6.1.5 The port was operating with aging equipment, leading to frequent breakdowns and maintenance backlogs. To address this, partnerships with Original Equipment Manufacturers were established under seven-year maintenance programs. There existed skilled workforce shortages due to retirement and voluntary severance packages that impacted operations.
- 2.6.1.6 In terms of cargo handling capacity and equipment lead times, on good days, the terminal achieved approximately 2 000 moves, but equipment limitations remained a major constraint. The new Rubber-Tyred Gantry Cranes (RTGs) at a cost of R60 million each, was ordered in December 2023, but will only arrive by the end of March 2025, highlighting long

lead times for procurement. While equipment challenges persist, strategic investments, improved planning, and better coordination with stakeholders are leading to gradual improvements in port efficiency.

3. Resolutions/Actions

3.1 The Committee RESOLVED that it would:

3.1.1 Compile a list a questions that were not responded to during the engagement, and that it would submit this to the relevant stakeholders for a response; and

3.1.2 Conduct a follow up visit where the Transnet Port Authority provides it with its Operational Plan, detailing the specific rollout of initiatives as well as its Recovery Plan inclusive of timelines; and that representatives from the South African Police Service be present at this engagement to discuss combating crime at the Port, particularly in relation to poaching. This engagement would also focus on a demonstration of the Predictive Wind Model that was developed in collaboration with the Council for Scientific and Industrial Research.

3.2 The Committee REQUESTED that the Transnet Port Authority provides it with:

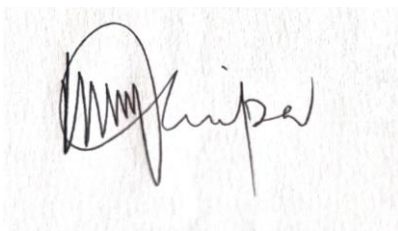
3.2.1 The quantifiable financial losses that the industry incurred as a direct result of the wind-related disruptions at the Port; and

3.2.2 The targets that its performance is measured against.

3.3 The Committee REQUESTED that the Department of Mobility provides it with a formal response indicating whether it has any plans in place to address congestion issues at the Port of Cape Town. If such plans exist, the Committee further requested that detailed information regarding these plans be included in the response.

4. Conclusion

The Committee emphasised the importance of integrated planning between port authorities, transporters, cold storage operators, and exporters to create a more synchronised and efficient logistics network. The Committee called upon Transnet and the relevant authorities to urgently address port congestion and logistical inefficiencies through better planning, infrastructure upgrades, and stakeholder collaboration.



MR NP MASIPA (MPP)

CHAIRPERSON: STANDING COMMITTEE ON AGRICULTURE, ECONOMIC DEVELOPMENT AND TOURISM

DATE: 22 April 2025