



The South African Association of Freight Forwarders

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Media Statement

The South African Association of Freight Forwarders

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OUR OWN INCONVENIENT TRUTH – NATIONAL LOGISTICS

National Logistics - a sector of transcendental importance to the national economy has experienced watershed moments this year. The situation intensified in the 3rd and 4th quarters, when capacity issues at all key ports reached crisis point, resulting in severe backlogs of freight and costly delays, impacting the complete supply chain – to name but two of many other severe consequences. In the main, the impacts are due to high inefficiencies and infrastructural collapse.

“The national logistics crisis is OUR OWN ‘Inconvenient Truth’, says Dr Juanita Maree, Chief Executive Officer of the South African Association of Freight Forwarders (SAAFF); the full extent of the position must be fully understood and, at the same time, it is equally important to know that the issues are being addressed by Government and the private sector as a matter of national importance of the highest priority, from a platform of shared responsibility.

“Without a functioning logistics network, 60% of our economy is at risk since trade in goods represents the major portion of our national economy and demands the uninterrupted movement of goods.

“Over the past two weeks, leaders from across the logistics, supply chain and transport sectors have supplied exhaustive detail of the situation to business and the nation, generating wide media coverage. The message from Industry highlighted the issues, while at the same time underscoring solutions which are, by and large matters covered in the logistics roadmap to recovery and the work of the National Logistics Crisis Committee (NLCC). This is all work in progress, thanks to the collective focus. But it is no secret that to fix the fundamental issues requires time and significant resources. To be sustainable, the approach requires a complete overhaul of the strategy and operational approach to the management of port and rail infrastructure – these are matters at the top of the agenda at parliamentary, institutional, national, and regional levels.

“The reality is that the issues are now with us and impact indiscriminately all sectors of the economy; the people of South Africa, other African countries, regional economies and indeed our international partners are all affected. This conversation must continue but it must be accompanied by immediate action.

“Over the last decade, our terminal efficiency has declined by 28% compared to our internal targets. Benchmarked against globally recognised best practices for ports of a similar size, current throughput at 84% of demonstrated capacity is 50% below norm.

“While the knock-on impact of the situation cannot be underestimated, I am greatly encouraged by the stage we have reached; the open conversation has widened the collaboration; great courage and determination has been apparent across all the platforms”, says Dr Maree.

The logistics sector is passionate and fully committed to the solutions and wholesale transformation that are required, this is evident in the way representative bodies have come forward and leaders from across every sub-sector are standing up, calling for reform, driving corrective action, with Government right behind the movement.

Chairperson: M du Preez | **Directors:** J Maree | BLS Pietersen | N Schwörer | J Chippendale | L Osborne
R MacKenzie | P Golden | N Smit



Beyond the crises of today, fundamental changes are required for South Africa to reclaim its rightful place as the continent's top, trusted enabler of intra-Africa trade here and a key player across global markets.

The fix demands much more than bricks, mortar and machinery, it also calls for a revolutionary approach and that is the need to rebuild Logistics on new foundations. Intra-port competition is a practice we need to embrace. This approach will bring about important, new dimensions; introducing greater efficiencies through the dynamics of increased competition and structured collaboration between all the national ports – Durban, Cape Town, Ngqura, Gqeberha, Richards Bay – while enabling the opportunity to benchmark performance among our ports, on-the-fly and in line with new world standards.

Logistics is the oxygen that breathes life into the National Economy. The renewal of an efficient multi-modal logistics network and the rehabilitation of the rail system, alongside the upgrade and maintenance of the port infrastructure and equipment are critical priorities to offer reliability of service, a principal KPI in the drive for excellence and indeed, based on the principle of shared infrastructure and shared responsibility – a KPI shared by private sector and Government alike going forward.

People are at the heart of the reconstruction. Excellence through capacity building, skills development, and a focus on enabling integrated technology are recognised as essential strategies for the Country's economy to rise again.

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