

NEWSLETTER

March 2013

Weather Conditions

Cape Town is emerging from one of its more windy summers and hopefully looking forward to a couple of calm months before the winter storms. As beautiful as the city is, it is also subjected to heavy South-Easter winds in summer and stormy Westerly and North-Westerly winds in the winter. Sadly these windy conditions affect port operations all too regularly, and are the source of much frustration for Importers and their agents. Other ports such as Durban, East London, Coega and Port Elizabeth are not immune from buffeting by the elements, although perhaps not as much as "The Cape of Storms".

When a port is "windbound" all operations are ceased until it is deemed safe to resume. At a certain level, the wind speed will render the port windbound which almost immediately starts a backlog that can result in the release of containers and LCL cargo being delayed for a protracted period. The resumption of operations when the wind abates will not mean that a client's cargo will become immediately available, much as they might wish. The setback caused by wind disruptions affects the entire chain of events that is required for ships to be piloted into the harbour, safely berthed and for containers to be offloaded, sorted, stacked, passed through customs and distributed.

It is not uncommon for vessels to bypass a port that is windbound for more than a day or two, which will require the cargo to be retrieved from the next port of call. Sea Freight, despite all that modern technology might throw at it, is still very much subjected to the vagaries of the weather and weather delays and other unforeseen disruptions need to be accepted as very much the nature of the beast.

Rates Increase

It is at this time of year that shipping lines announce their annual General Rates Increase (GRI) and already we have received notice that these take effect from 15th March and 1st April at about \$300 a container. The time and the extent of the increase vary from carrier to carrier.

It is also at about this time that Portnet will increase their landside charges, the details of which your client services manager will be able to inform you of. Also, due to the painful increase in the petrol price, B&D's fuel surcharge is now at 14% for deliveries and 22% for airfreight. As we are bound by the mandatory increases as laid down by the Road Freight Association there will be a slight increase in our cartage rate.

On a brighter note (for Exporters) the Transport National Ports Authority (TNPA) are set to dramatically reduce port tariffs for locally manufactured exported goods, bringing these charges more in line with international norms, as well as with the government's industrial policy to promote local manufacturing. Although yet to be exactly determined, these reductions could be around the 49% mark.

These reduced costs of port charges for locally manufactured exports will be at the expense of exported unbeneficiated and dry bulk goods. The DTI is wishing that agricultural exports would also benefit from these port charge reductions and this would apply in any case to agricultural exports that are in refrigerated containers (reefers).

Estimates

B&D has compiled an estimate request sheet that stipulates the information required for an effective estimate to be generated by us.

A comprehensive set of data is needed for an estimate and it is our experience that those requesting an estimate often fail to provide the information needed, such as the Incoterm, the dimensions of the cartons etc. Sometimes basic information, such as the port of discharge is assumed to be immaterial. However, this sort of detail is necessary. For example: goods that are exported from Shanghai will have different freight costs from goods that are exported from Hong Kong, even though they are both in China.

This estimate request sheet is available on our website in MS WORD and PDF format.

Also available on our website are Sea freight vessel schedules that are updated twice a day for ships arriving in Cape Town, Durban and Port Elizabeth. The Schedules provide the original Estimated Time of Arrival (ETA), the latest ETA (these dates can change in transit) and the Actual Time of Arrival (ATA) as well as the date of discharge. To find these schedules click on the "Tracking" menu button on our website at www.berrydon.co.za.

National Regulator for Compulsory Standards

Importers should be aware of the requirements of the National Regulator for Compulsory Standards, the NRCS, which is the public entity responsible to the Minister of Trade and Industries for administration of technical regulations. These include COMPULSORY SPECIFICATIONS based on STANDARDS that protect human health and safety, and the environment.

The perception of many is that the NRCS concerns itself with mainly imported electronic and electrical goods. However, the products which are regulated by the NRCS range across a whole spectrum of commodities including foodstuffs, construction material, firearms etc. For more details, check their website at <http://www.nrsc.org.za>

Certificate of Origin

The Certificate of Origin (C.O.O.) is now increasingly being requested by Customs for import clearance of clothing and textiles. As is well known local manufacturing of clothing and apparel is, and has been for some time, under pressure and is particularly vulnerable to cheap imports from China.

A Certificate of Origin is issued by the Chamber of Commerce of the producing country.

This certificate is usually required by the importing authorities (SA Customs) as proof of where the goods are produced and that goods are not passed through a 3rd party country and passed off as a product of that country in an attempt to pay lesser duties that are applicable.

Getting to know us...

Zoliswe Madikane is our Sales Co-ordinator at the Cape Town Head Office. In a supportive role to the sales team, Zoli (as she is fondly known) administers sea and airfreight estimates as well as sorting out operational queries and responding to sales requests over the phone.

Zoli joined us about a year ago from another agent where she performed a similar role for about nine years.

A graduate with a Business Management Diploma from Montrose Business College, Zoli prefers the organisational and problem solving skills requires as the Sales Co-ordinator, rather than go out on 'the road'.

She is a full time Mom to an eleven year old daughter, Unathi and is yet another Manchester United and Khosi fan – "for life".

