

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2019**

**QUESTION:**

**2019.  Mr T B Mabhena (DA) to ask the Minister for Public Enterprises:**  ***[Interdepartmentally transferred from Transport with effect 3 September 2021]***

(1)       Whether, given the recent alleged cyber-attack at Transnet that occurred on 22 July 2021 and the resultant notice of declaration of a force majeure event on 26 July 2021 by Transnet which has resulted in a ports crisis, (a) his department and (b) the Ports Regulator of South Africa have been informed that no import containers have left South African ports since the crisis ensued; if not, what is the position in this regard; if so,

(2)      Whether there are any plans to engage the relevant stakeholders to resolve this; if not, why not; if so, what are the relevant details;

(3)       Whether any penalties will be imposed on Transnet by the Ports Regulator of South Africa; if not, why not; if so, what will be the nature and scope of the penalties?

(4)      Whether, in view of the fact that vessels have started to omit South African ports altogether and are dumping containers at other ports in Africa, there are any plans in place to avert the resultant massive delays in the receipt of goods affecting all industries; if not, why not; if so, what are the relevant details of the plans?    NW2255E

**REPLY:**

**According to the information received from Transnet:**

(1)(a) The Shareholder Ministry - the Department of Public Enterprises (DPE) - has been kept abreast of all developments pertaining to the declaration of a force majeure, following the incursion on Transnet systems that occurred on 26July 2021. It is not accurate to suggest that the force majeure has resulted in a ports crisis. The current status of the global shipping environment has been as a result of a number of factors which are more often than not, exogenous to Transnet’s operations. The current perception of Transnet as the fault-line and the cause for a “ports crisis” is factually incorrect. 1a

(1)(b) Transnet National Ports Authority (TNPA) has engaged with the Ports Regulator of South Africa on measures to follow in the event of a similar incident recurring. 1b

(1)(c) We have provided a detailed analysis of the number of import containers that have left the country since 26 July 2021, to-date. **(*see the attached annexure A)***

(2)(a) Transnet has engaged all affected stakeholders following the incursion on the systems.

(2)(b) Since the ICT challenges first began on Thursday 22 July 2021, Transnet Port Terminals has continued to keep all customers and stakeholders informed of the progress made, both on the ICT side and on the operational recovery. This has taken the form of daily meetings and letters, among others.

(2)(c) Whilst the frequency has declined as the crisis was addressed, as at 20 September 2021, Transnet still conducts the following stakeholder engagements:

* A daily operational meeting with port stakeholders (shipping lines, transporters, freight forwarders, TNPA, TFR, TPT)
* A weekly engagement with the citrus stakeholders
* A weekly engagement with members of Business Unity South Africa

(2)(d) Transnet will continue to engage in dedicated recovery forums, until all operations and the entire supply chain have normalised.

(3) The question should be directed to the Department of Transport as the Port Regulator of South Africa is an entity under its authority.

(4) There are a number of reasons for Shipping Lines omitting South Africa from their schedules, these include:

4.1. Omissions for shipping line convenience (trying to catch-up on schedule integrity/make the next window in the following port; profitability; inability to complete the customer’s voyage, e.g. when the vessel plans to omit a destination port in Europe).

4.2 Blank voyages (lack of vessels on a line service network e.g. there should be 7 vessels in a row to make a weekly call in every port, but due to shortages of vessels the line plans to only have 6 vessels, in order to save costs and effectively balance supply with anticipated logistics delays which may impact any one of the number of ports within the schedule).

4.3 Omissions because of delays in the port (caused by TPT operational inefficiencies/delays; wind delays; port congestion; landside congestion. It is worthwhile to note that it becomes difficult to quantify the percentage of TPT’s responsibility because all incidents (wind, operational, congestion etc) have a combined impact on the total terminal delay, resulting in decisions by the shipping line to omit. It is worthwhile to note that it becomes difficult to quantify the percentage of Transnet Port Terminals (TPT) responsibility because all incidents (wind, operational, congestion etc.) have a combined impact on the total terminal delay resulting in decisions by the shipping line to omit.

* TPT is undertaking initiatives to reduce congestion at the ports. This includes increasing equipment availability to improve productivity. The initiatives are tracked through the Durban Decongestion Workstreams, where all stakeholders participate. These include:
* Decongesting Durban Container Terminal (DCT) imports through promoting prompt evacuation in partnership with the shipping lines (carrier haulage).
* Working closely with citrus exporters to ensure the export reefers arrive within the terminal in time to make the vessel sailing deadlines.
* Mass evacuation of imports through Transnet Freight Rail (TFR) supporting the short-haul evacuation to back-of-port facilities in the greater Durban precinct.