



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



**MPUMALANGA FREIGHT LOGISTICS FORUM
MINUTES OF THE MEETING OF THE WORKING GROUP
WEDNESDAY 13 June 2007 AT 10H00
BUNDU COUNTRY LODGE, NELSPRUIT**

1. Call to Order

The Chairperson welcomed everyone to the meeting and thanked them for their attendance.

2. Attendance Register

All present introduced themselves. The attendance register was circulated for signature and is attached as Appendix 1 of these minutes and apologies are attached as Appendix 2.

3. Acceptance of Agenda

The agenda was accepted subject to the following corrections:

- Item 5.4 was removed from the agenda.
- Item 5.6 could not be reported on at the meeting due to the public sector strike and absence of the relevant official from the Mpumalanga Department of Roads and Transport (MDRT).
- Item 7.2 was removed as it was dealt with by Barney Curtis's presentation under point 7.3 which addressed self regulation as a whole, not only regulation within the coal and forestry industry.
- An additional item was added in point 7.5 Report Back on Multilateral Meeting of the 22nd of May

The agenda was accepted as proposed by Piet van Dyk and seconded by Clement Manyungwana.

4. Approval of Minutes – 23 May 2007

The minutes of the meeting of the 23rd of May were approved as proposed by Sisa Tanda and seconded by Wim van Wetten, subject to the following corrections:

Page 2 Item 5.2: The second line to read as follows: "the policy and that until he was satisfied with the policy"

Page 3 Item 5.3.1: The second line of the third paragraph to read as follows: "..South Africa on the 3rd of May..."



Working together to implement the National Freight Logistics Strategy in Mpumalanga
"Seamless movement of goods & services whilst reducing cost of doing business through a corridor approach"

The first line of the fourth paragraph to read as follows: "With regard to the commercial cargo clearing facility, he reported that the South African government..."

Page 6 Item 5.10.1: The fourth line of the fourth paragraph to read as follows: "...noted that at present the weigh bridge facilities could be used at night."

5. Matters Arising from the Minutes

5.1 Informal Traders at the Border Post

5.1.1 Signage Prohibiting Hawking

Aaron Makgalemane reported on discussions held with TRAC and the Roads section of MDRT to determine a location for the signage. He undertook to bring all the relevant authorities together to clarify who would be responsible for the signage.

ACTION: Aaron Makgalemane

Arthur Coy indicated that TRAC was not responsible for the 2km area around the border post but that SANRAL previously had jurisdiction. He undertook to place this on the agenda of an imminent meeting between TRAC and SANRAL.

ACTION: Arthur Coy

Arthur Coy requested that this item be placed high on the agenda of the One Stop Border Post Planning Committee to be discussed in the planning of the facility. Brenda Horne pointed out that this issue was the responsibility of MDRT and that it should be tabled at the Provincial BCOCC and requested Aaron Makgalemane to table the issue there so that it could be raised at the National BCOCC. She proposed that MDRT participate in the Border Operational meetings and that the issue should be tabled there as well.

ACTION: Aaron Makgalemane

5.1.2 Engagement with Taxi Industry, Nkomazi Municipality and SANRAL

Aaron Makgalemane reported that he had not engaged with the Taxi Industry directly as they fell under a different directorate within the MDRT and had requested his colleague to deal with this. A meeting was held with the Nkomazi Municipality following a written request to them and to SANRAL regarding the taxi rank. Nkomazi Municipality had indicated that they did not support the erection of a taxi rank and preferred a drop off and pick up point.

Arthur Coy requested that this item also be put on the agenda of the One-Stop Border Post Planning Committee as taxis could not operate in a drop and go fashion. He emphasised that this matter must form part of the early planning of the new border post facility so that it formed part of the design criteria of the border post.

ACTION: Aaron Makgalemane

Aaron Makgalemane requested that Clement Manyungwana take this issue to BCOCC and provide the MFLF with feedback. Clement Manyungwana indicated that inputs informed by the needs of taxi operators and users must go via the provincial BCOCC at speed, and requested that this matter be fed back into the planning committee of the One Stop Border Post.

ACTION: Clement Manyungwana, Aaron Makgalemane

Aaron Makgalemane pointed out the complexity of the matter and indicated that he would meet with CBRTA on the 18th of June to look at it from a law enforcement point of view. Signage would form part of the discussions as law enforcement would depend upon the presence of the signage. Mahashi Mtsweni proposed that the matter be referred to the planning section within MDRT.

ACTION: Aaron Makgalemane

Brenda Horne pointed out the need for stakeholder participation and consultation with BCOCC across all stakeholders. She proposed that through the Secretariat, the MFLF should get in

touch with the chairperson of the border planning meeting and place this issue on the agenda to discuss with all stakeholders.

ACTION: Aaron Makgalemane

5.1.3 Tabling of Issue at Border Operational Meeting

The issue was dealt with in point 5.1.2 above.

5.2 Truck Stop Facilities on the N4

5.2.1 Engagement between MDRT and TRAC

Aaron Makgalemane reported that he had met with Hannes van Wyk of TRAC and some discussion was held regarding the under utilization of the current facilities. It had been suggested that the weigh bridge facilities could be used overnight. However, the necessary approval would be required.

Arthur Coy indicated that TRAC had written to SANRAL with this request, but had been told that truck stop facilities should not be mixed with law enforcement. The letter to SANRAL is attached as Appendix 3, and the response from SANRAL attached as Appendix 4.

ACTION: Secretariat

It was agreed that facilities along the whole of the N4 should be investigated. Arthur Coy indicated that TRAC would continue to look into the matter

ACTION: TRAC

Wim van Wetten also undertook to raise the issue at the meeting between the RFA and TRAC to be held on the 22nd of June.

ACTION: Wim van Wetten

5.2.2 Formation of the Planning Committee

This matter was dealt with in point 5.2.1 above.

5.3 Inputs on the Incorporation and Identification of Other Corridors

Clement Manyungwana suggested that this item be removed from the agenda and proposed that MDRT should identify other corridors and provide feed back to the MFLF periodically.

ACTION: Aaron Makgalemane

5.4 Cable Theft

5.4.1 Tabling of the Issue with BCOCC

This item was removed from the agenda.

5.5 Status of BCOCC

Clement Manyungwana reported that the agenda of the last EXCO meeting had been overshadowed by the public sector strike and the contingency plans for immigration. He indicated that his report to the National BCOCC had included the three projects identified by the MFLF Working Group, namely the One Stop Border Post, the taxi rank and truck stop facilities. He reported on the meeting on the 7th of June of the infrastructure committee of the BCOCC which is driving the One Stop Border process, where it had been agreed that the old plans for the One Stop Border Post will be changed by the consultants and new plans drafted. He said that the plans would be all inclusive and that when approved, would be the final comprehensive design and planning. He asked for clarity regarding the projects identified and Brenda Horne pointed out that these projects must be incorporated into the planning and the necessary needs analyses done. He urged the meeting to ensure that needs identified by the Forum should not be lost and must be placed on those plans.

ACTION: Aaron Makgalemane

The issue of the 24 hour operation of the border post and the need for taxi ranks and truck stops was discussed and the issue of guaranteed usage of the facilities raised. He acknowledged the current processes underway in the MFLF with regard to the proposed taxi rank and truck stops which would provide key inputs into the process. He also reported that the land adjacent to the border post belonged to Spoornet, and that they would give guidelines with regard to the possibilities for utilization of that land.

On the issue of congestion, he reported that Parliament's Transport Portfolio Committee had cautioned that there should be no differentiation between passenger traffic and freight. He reiterated that it was crucial that the MFLF provide input into the planning committee in terms of the needs for the new facility and pointed out that the time frames were tight and that feedback was urgent. He also reported that the bilateral agreement on the One Stop Border Post would be signed by the heads of state in July.

ACTION: MFLF Stakeholders

Sisa Tanda pointed out that airports were leading in terms of border control and safety and security and suggested that experts be requested to advise the forum on the solutions. He offered his assistance with providing contacts with the relevant experts.

5.6 Incorporation of Smaller Freight Forums

5.6.1 Update on District Municipality Forums

This matter is to be held over to the next meeting.

ACTION: Secretariat

5.6.2 Mechanisms for Linkages and Information Sharing with District Municipality Forums

This matter is to be held over to the next meeting.

ACTION: Secretariat

5.7 Inputs into the Mpumalanga Freight Data Bank

Clement Manyungwana suggested that the Mpumalanga Freight Databank should be marketed to other government departments and pointed out that every government department had a different objective when looking for data and encouraged transporters to give information according to the requirements of the particular departments. He indicated that the annual update of the Freight Data Bank would be carried out in November and that the National Freight Information System would be launched later.

5.8 Participation of MDRT in the Provincial BCOCC

Aaron Makgalemane indicated that he would participate fully in the Provincial BCOCC and would report back to the MFLF.

ACTION: Aaron Makgalemane

5.8 Border Operational Efficiencies

5.9.1 Congestion and Traffic Control to be tabled at Border Operational Meeting

Mahashi Mtsweni reported that during the Easter period the Traffic section had deployed staff to that area and indicated that the Department would attempt to ensure that the route is covered for 24 hours in future during anticipated congestion periods. He also requested that they be notified of the future border operational meetings so that they could attend.

ACTION: Aaron Makgalemane

5.9.2 Tabling of issue with the Provincial BCOCC

Aaron Makgalemane had been informed that twenty additional staff had been employed during Easter. A question had been addressed to the forum at the meeting in May regarding the periods in between the peak periods, and he undertook to table the issue at the next meeting of the provincial BCOCC during July.

ACTION: Aaron Makgalemane

5.10 Inputs into the Proposed Ring Road around Nelspruit

No inputs have been received from stakeholders. Arthur Coy reported that the EIA had commenced and that the consultants were close to finalizing the design of the road. Once completed TRAC and SANRAL would have to source funds for the road to be built. It was envisaged that the project would begin in January 2008 for completion by the end of 2009.

5.11 Pipeline Working Group

Brenda Horne reported on information received from Petroline indicating that the basic route engineering had been completed, which was the critical for the next round of the EIA. Following this, Petroline was busy with the next round of customer discussions on loading, storage and volumes. The Department of Minerals and Energy was again briefed the previous week and the cross-border agreement would be handled by them. In addition, discussions with Petronet on connection at Kendal had also taken place.

5.12 Customs Duties on Cars

No representative was present from SARS to update the meeting on this issue. Wim van Wetten informed the meeting that the concession applied for by Daimler Chrysler was not granted and that the status quo remained.

5.13 Review of Stakeholders

Barbara Mommen requested all present to scrutinize the stakeholders list and to identify additional stakeholders who should be participating in the MFLF. The list will be forwarded to stakeholders for inputs by next Wednesday, the 20th of June.

ACTION: B Mommen

5.14 Inputs into the Transport Month

Brenda Horne pointed out that InWEnt were offering two training and capacity building tools to MFLF members. The first was for long term training for management candidates in freight logistics. InWEnt would fund full tuition for a six month period. Employers would be responsible only for the employee's air ticket to Germany.

The second was that transport management of InWEnt was prepared to bring a technical specialist to South Africa to present a two or three week programme for freight logistics participants on the corridor. She noted that this could be linked to transport month and suggested that three or four candidates should be selected from South Africa, Mozambique and Swaziland from both the public and private sector. She pointed out that a mandate was required in order for her to move ahead and engage with the relevant officials at InWEnt to come up with the curriculum. Clement Manyungwana asked if they would be willing to present the freight village concept at the Transport Month conference. The meeting agreed that both these training options should be pursued.

Piet van Dyk asked for this proposal to be forwarded to him and to TSB for consideration.

ACTION: Secretariat

5.15 Shortage of Staff at the Border Post

The item was covered under item 5.9.

6 New Business

6.1 Modes Discussion

6.1.1 Border:

Piet van Dyk reported on an email received from Simon Avis giving an indication of the problems caused by the bar coding immigration system at the Ressano Garcia border post, where he had cited an instance of a three hour queue, and gave a clear message that business could not be carried out on the corridor in such a manner.

Rodney Cresswell requested that urgent attention be given to this issue in view of the extensive delays being experienced. Eddie Ferreira confirmed the seriousness of the situation and requested that the matter be acted upon immediately.

Barney Curtis undertook to take the issue to SADC from FESARTA and to sensitize SADC to the issue.

ACTION: Barney Curtis

Tracy Naik undertook to raise the matter at the joint committee of CBRTA.

ACTION: Tracy Naik

Brenda Horne undertook to engage immediately with the South Africa High Commission in Mozambique. She also undertook to forward Simon Avis's email to Barney Curtis and Tracy Naik.

ACTION: Brenda Horne

She pointed out that MCLI had received notification that the border post hours would be extended to midnight, but due to the strike this had been delayed. She added that the hours had been extended for passengers not freight, but indications received from SARS were that if freight was cleared by 10pm, trucks would be able to cross the border, and memorandums would be processed until 10pm.

6.1.2 Road:

Arthur Coy noted that there was nothing new to add to the previous report given by Hannes van Wyk.

6.1.3 Rail:

Fernando Mause of CFM reported the following:

- CFM and Spoornet were working jointly working on the mechanical and geometrical alignment of the rail line which would start on the 19th of July and will take between five and six months to complete.
- Plans are to run 7 to 10 trains average per week on general cargo and 12 trains per week on magnetite. A drop in coal trains from 22 to 14 was reported due to production problems in the coal mining industry.
- Fuel is now run on two sets of twenty four tankers, each moving on block trains between B.P Mozambique in Maputo to B.P Waltloo in Pretoria. CFM and Spoornet now have capacity for containers and are jointly marketing those containers to logistics companies and are in discussions regarding rates and hope to have them as block trains as well as general cargo.
- CFM and Spoornet are working with companies to move cement into SA as the demand is high due to preparations for infrastructure for the World Cup in 2010.

Ernest Mabe reported that the branch line from Nelspruit to Sabie and from Sabie to Graskop was defective but that Spoornet had started upgrading portions of the line. A thorough upgrade of the rail line between Nelspruit and White River was being carried out and weekly inspections and repairs carried out on the Barberton section. He informed the meeting that these branch lines were mostly used by Sappi and Mondi, and by Shell to move tankers. Aaron Makgalemane requested feedback from stakeholders with regard to the rehabilitation of branch lines.

ACTION: All

Clement Manyungwana reported that DOT had begun a process with Spoornet to develop a legal framework to transfer certain branch lines to DOT. He undertook to continue to update the MFLF continuously as the process developed.

ACTION: Clement Manyungwana

6.1.4 Intermodal

Brenda Horne pointed out that planning for the intermodal facilities needed to look to the future and emphasised the need to engage with municipalities to understand what was planned to avoid duplication. Aaron Makgalemane undertook to look at the relevant Integrated Development Plans on the internet and report to the next meeting.

ACTION: Aaron Makgalemane

Clement Manyungwana informed the meeting that DOT was in the process of developing a position via the draft policy and was in full support of enhancing and promoting intermodal facilities, particularly at strategic points.

Ernest Mabe indicated that Spoornet has intermodal facilities in Nelspruit but that their use depended on demand from private sector. He reported that there was also another intermodal facility in Phalaborwa for container cargo, but said that both facilities are underutilized because of low demand.

6.1.5 Aviation:

Sisa Tanda had nothing further to add to his report of the previous meeting.

Clement Manyungwana informed the meeting that there would be an aviation conference in Johannesburg on the 19th and 20th of July where DOT would present their position with regard to air cargo and would appreciate attendance of members. He asked if the Industrial Development Park project at KMIA should be part of the MFLF projects, or if it should stand alone. Sisa Tanda pointed out that he would not like to lead on this process and said that the Industrial Development Park and KMIA formed part of the corridor and a report has been submitted to the Department of Economic Development and Planning (DEDP) and feedback was awaited from them before he could report back to the MFLF. He indicated that he would follow up on this matter and report on these issues. Brenda Horne pointed out that the industrial park had serious transport implications and that it crossed the line functions between MDRT and DEDP. Sisa Tanda proposed that the HOD of DEDP be invited to the next meeting to present an update on the way forward.

ACTION: Secretariat

6.1.6 Maritime

Brenda Horne informed the meeting that Peter Lowe of MPDC had reported that the discussion on scanners was still at the highest level and that no final ruling had yet been made and a decision was still awaited. She also reported that Peter Lowe would be retiring as CEO of MPDC and his successor had indicated his commitment to the corridor and would keep Brenda Horne informed on progress regarding the scanner issue.

6.1.6 Pipelines

The matter was addressed under item 5.11

7 New Business

7.1 SAPPI Branch Lines

The matter was dealt with under Rail and need not be held over to the next meeting.

ACTION: Secretariat

7.2 Presentation on Self Regulation of Transporters

Barney Curtis gave a presentation on Self Regulation of Transporters which is attached as Appendix 5 of the minutes. Questions on the presentation can be directed to him at barneyc@rfa.co.za.

Brenda Horne asked how this matter should be viewed by the MFLF. Barney Curtis indicated that the system was still to be launched and a funding proposal submitted to DOT for the launch. He indicated that this would become far better known in the industry in the future and once launched, the benefits would be marketed throughout the country.

Arthur Coy indicated that the MFLF should welcome any form of self regulation in the industry and stay close to it and encourage regular feedback at these meetings. Brenda Horne proposed that Barney Curtis give monthly updates to the MFLF, which he agreed to do.

ACTION: Barney Curtis

7.3 Presentation on Border Post Monitoring in Africa

Mike Fitzmaurice of Transport Logistics Consultants gave a presentation on the Border Post Monitoring Programme with case studies of the Beit Bridge and Chirundu border posts. The presentation is attached as Appendix 6 of the minutes.

Barney Curtis pointed out that monitoring was key to providing performance management and comparative information. Brenda Horne confirmed that the SSATP promoted monitoring and had agreed that the Maputo Development Corridor should be part of SSATP programme. She pointed out that it was crucial to be able to quantify the efficiency of the corridor. Clement Manyungwana recommended that feedback be given to the Executive structure in this regard.

ACTION: Aaron Makgalemane

Arthur Coy suggested that a presentation on the cost be done at the next meeting and Mike Fitzmaurice undertook to forward a written quotation to Brenda Horne. He indicated that the set up cost for the programme was R35, 000 with a monthly monitoring fee of R28, 000.

ACTION: Mike Fitzmaurice

7.4 Multilateral Engagement

Brenda Horne reported on the multilateral meeting held on the 22nd of May 2007. She informed the meeting that Evans Marowa of the U.S Trade Hub had made a presentation to address the multilateral transport forum on the Maputo Corridor. She indicated that the presentation was well received by the South African, Mozambican and Swaziland representatives at the meeting and it was resolved that the three countries would go back to their respective Ministries and look at the proposal for a platform to be created. The intention was to meet quarterly and to address the issue of possibly incorporating this structure into the joint meeting of CBRTA as the CBRTA meetings were not taking place on a regular basis. She indicated that the mandates from the various ministries were awaited and once received, an institutional framework would be set up.

7.5 Report to the Executive Committee

Brenda Horne pointed out that there was a need to formalize the report into the Executive Structure meeting during July and that it should present a strong case emanating from the monthly working group meetings and be clear on what is required from Executive Structure. Aaron Makgalemane undertook to draft the report and circulate it to stakeholders for their inputs.

ACTION: Aaron Makgalemane

The meeting suggested that the following issues be included in the report:

- The impact of the new immigration system at the border and the scanner at Maputo port
- The proposed Industrial Development Park
- The Provincial Aviation Strategy

8. Date of Next Meeting

The next Combined Work Group meeting is Thursday 19 July 2007 at 10h00 and the Executive Structure meeting will take place at 14h00 on the same day to facilitate the private sector participation. Brenda Horne made a special request to all to make that day available as there was a need for the inputs of the private sector at that meeting.

9. Closure

The Chairperson thanked all for their inputs and attendance and closed the meeting 13h30.

SIGNED AND APPROVED:

Chairperson: _____ Date: _____

APPENDICES:

Appendix 1: Attendance Register

Appendix 2: Apologies

Appendix 3: Proposal by TRAC for using Weigh-bridges as Overnight Truck Stops

Appendix 4: Response from SANRAL

Appendix 5: Presentation on Self Regulation of Transporters

Appendix 6: Presentation on Border Post Monitoring in Africa