



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



SUBMISSION TO THE EXECUTIVE AND MANAGEMENT STRUCTURE OF THE MPUMALANGA FREIGHT AND LOGISTICS FORUM 14 AUGUST 2007

1. PURPOSE

To elevate matters that emanated from modal workgroup and to request for directives and or intervention on matters as contained herein from the Executive and Management Structure on the 14 of August 2007.

2. BACKGROUND

On Thursday the 25th of January 2007, decision was taken at the Executive Structure of the MFLF that should the Working Groups wish to elevate matters to the Executive and Structure, they should do so in a clustered and well packaged manner in order to keep them at a strategic level.

From the combined Workgroup meetings the following items appeared to be prominent and thus warrant the attention of the Executive Structure and Management Structure:-

- Truck Stops/Rest Stops
- Congestion at the Border Post
- Border Monitoring Programme
- One Stop Border Post
- Multilateral engagement with stakeholders of Mozambique and Swaziland



3. DISCUSSION

3.1. Truck Stops/Rest Stops

The former M.E.C of Roads and Transport has on many occasions emphasized the importance of investigating the question of Truck Stops/Rest Stops in the Province. By visual observation one can easily recognize that most truck drivers remain stranded along corridors, especially during the evening.

The Combined Work Group meetings of the MFLF identified this as one of the concerns raised by stakeholders. Attempts by TRAC to acquire permission to utilize the available space at various weigh bridges proved to be unsuccessful. The owner, SANRAL, is of the opinion that this move will compromise law enforcement.

The operational plans of the Department of Roads and Transport for the financial year 2007/2008 did not make any provision of truck or rest stops.

From the discussions between Makgalemane of Roads and Transport and Mr. Hannes Van Wyk of TRAC, the following came to light:-

- Most drivers prefer to use Toll Plaza than available facilities provided for by oil companies.
- Some drivers prefer places where there is lighting and visible policing.
- The available facilities provided by oil companies are under utilized. The reason being that some of them have discount arrangements with specific fuel dealers. Drivers do not like the intrusion by sex workers and criminals.
- The availability of rest rooms and refreshment facilities plays a significant role.

The MFLF has set up a Maputo Truck Stop Committee to look into the feasibility of establishing truck stop facilities along the N4. The team comprises of the following stakeholders: - TRAC, DoT, MDRT, LBD, RFA, USTRADHUB, CBRTA, SANRAL, and

MCLI. This committee met on the 18 July 2007 to produce a comprehensive project plan and the terms of reference to conduct the feasibility study.

TRAC informed the meeting that companies such as Rheinhardt Transport- Chrome, Lukas Potgieter Transport – Chrome, Truck Africa – Sugar, RBF Trust – Citrus, Intercooler,- Perishables, Vaal Maseru, City to City, Intercape, Panthera Azul, Translux and Greyhound are making use of toll plazas on regular basis. Other stakeholders at this meeting submitted statistics to justify the need for these facilities.

It was further revealed that from a commercial point of view the operation of a truck stop without selling any diesel is not viable. This state of affairs is compromised by the capital outlay that is required to purchase land and set up the facility. Lebombo Dry Port reported that their facility is fully equipped with services necessary for a truck stop. At the moment the facility is handling between 50 and 75 trucks per day. During peak period this increases to 100 trucks. Unlike other facilities on the N3 which are charging R60 to R110 per truck, Lebombo Dry Port is charging a nominal fee of R10 per truck.

The meeting agreed that terms of reference for the conducting of a full feasibility study should be properly drafted and another session be convened to finalise these. The US Trade Hub in Botswana has indicated that there is a possibility of funding being available for the feasibility study and that an application must be submitted before the 13th of September.

RECOMMENDATION

The Executive Structure is requested to:-

Take note of this development.

3.2. Congestion at the Border Post

One of the constraints experienced at the border gate is the congestion and health hazard which is exacerbated by the presence of hawkers selling refreshments at this facility. At the present moment there are no ablution facilities and proper infrastructure

for hawkers. Some of them are even selling in close proximity to the road, a condition which might lead to road fatalities.

It was discovered that there is a close relationship between the taxi operation and hawkers. The hawkers are trying to lure potential customers who are busy boarding taxis from this border gate. As discussed with the Cross Border Road Transportation Agency (CBRTA) there is no law that prohibits the operation of taxis at the border gate. In the past CBRTA discouraged the operation from the border gate in fear of the congestion and security concerns. The status quo at Lebombo is that taxis are operating from the border gate. The provision that taxis should operate 5 to 10 kms from the border gate seems to be impractical if not unreasonable. There is a big settlement just outside the Mozambican side of the border. Some of the commuters cross the border on foot to catch taxis on the South African side. There are also some of the taxis which are dropping and exchanging passengers at the border gate. On the South African side taxis are busy ferrying their commuters from the border to neighboring villages and the rest of the country.

Previous attempts by SANRAL to use court orders to evict these hawkers were not successful as these hawkers kept on coming back. It is obvious that as long as taxis are operating from the border gate hawkers will continue to sell from this point.

From a humanitarian point of view it is evident that hawking is providing a livelihood to the rural poor and thus must be supported as a means to alleviate poverty and unemployment. However, the question of hygiene and road safety must be thoroughly looked into.

At the bi-national workshop on the One Stop Border Post held in Maputo on the 19 and 20th of July, a submission was made to the draughtsman of this facility to take note the plight of taxi operators and hawkers. The nature and extent of these facilities will depend on:-

- The availability of land in the area

- Innovations at the disposal of draughtsman to avoid congestion and security risks.

At the present moment the taxis and hawkers have just cleared the open land next to the border where they are operating from. It is obvious that this may cause undesired health risks during the rainy season. The key question is what should be done in the interim as the construction of the new facility is only due for completion by 2009.

RECOMMENDATION

The Executive Structure is requested to:-

Take note of this development

3.3. Border Monitoring Programme/Tool

On the 13th of June, Mr. Mike Fitzmaurice of Transport Logistics Consultants made a presentation to the Combined Work Group on the Border Post Monitoring Programme. He indicated that the tool was successfully implemented at Beit Bridge and Chirundu Border Posts (Zambia). The track record of this company covers a period of four years and they believe they have perfected the tool for the past two years when monitoring for the World Bank. They have gone so far as to convert the original spreadsheet to a data capturing and reporting generation software called "Data Trax."

Members are of the opinion that the tool would be able to provide performance management and other vital information on the transportation of cargo. The tool gives an analysis of the time spent to clear each truck that goes through the border post. It is thus clear that from the efficiency point of view the tool is valuable. However members agreed that performance management was the responsibility of the South African Revenue Services and that it would be unwise to duplicate the Standard Operating Procedures. The other constraint is that the sustainability of this system depends on the buy in of cargo owners, the truckers and agents.

The cost of setting up this tool is R35 000. This amount excludes the monthly monitoring fee of R28 000. However members of the Truck Stop Committee not only raised their

reservations on the sustainability of this system but the fact that only one quote was supplied.

Border Post monitoring is a key element of the Sub Saharan Africa Transport Protocol and is a principle which has been adopted by SADC in order to improve the efficiency of the movement of freight across borders. As such there are strong imperatives for this to be implemented on the Maputo Corridor.

THE EXECUTIVE STRUCTURE IS REQUESTED TO:-

Deliberate on this item and give further directives

3.4. One Stop Border Post

A bilateral meeting between South Africa and Mozambique was held on the 3rd of May 2007 where the project of OSBP was agreed to. There are plans to appoint a consortium to design such a border post. The acceptable time frame for completion of this Border Post is August 2009 to ensure that it is ready by the 2010 World Cup. The estimated budget of this project stands at R600m. At the moment only R200m is available.

Indications are that the new design of the OSBP would include a commercial cargo clearing facility at Kilometer 4 in Mozambique and the passenger clearing facility in South Africa. Although the Department of Public Works is managing the building of this project, the South African Revenue Services remains the lead agent in terms of the border operating systems and procedures.

The July meeting of the MFLF was held over to the 14th August as a result of the Bi-National Workshop on the Lebombo Ressano Garcia One Stop Border Post which was held in Maputo on the 19th and 20th of July. The workshop was facilitated by SARS and the Mozambican Revenue Service.

Due to restrictions placed on the number of attendees, twelve private sector members of the MFLF and members of the public sector attended the Bi-National Workshop. The

purpose of this workshop was to solicit the views and inputs of the wider stakeholders so that these could be incorporated into the final design of the system. The stakeholders would also gain more insight on this matter and how it will affect their lives and business.

The first day of the workshop was graced by address by Mr. Salimo Abdula – Chairperson of the Confederation of Trade Associations in Mozambique, Dr Mathews Phosa – the Chairperson of MCLI and the Honourable Manuel Chang – Minister of Finance in Mozambique.

It is expected that the heads of both states will sign an agreement on the OSBP. Both countries should then individually internalize the agreement by ensuring that all relevant legislative requirements and regulations are streamlined. A bi-lateral border committee between the two countries must be established. The success of this concept depends on the integration of systems like scanners, exchange information and the intelligence, computers, single payment windows, and the like.

The concept on the OSBP involves a number of issues. Among them are the definition of the OSBP from a legal point of view, rights and obligation of officials as they will be sharing the same facility, the operation of the of the system in terms of working hours; duty free shops; detention cells; etc, the management of the facility in terms of the maintenance; etc.

From the various commissions the following were popular issues which were raised:-

- Extension of border operating hours to 24hrs
- Segmentation of traffic (passengers from goods) so as to avoid congestions and delays.
- The location of customs clearing facilities. At the moment they are a distance away from the Border Post.
- Legal jurisdiction in terms of offences committed within the territorial boundary of one country while still on the process of being cleared by another.

- The presence of taxis and hawkers which is a concern for congestion and health matters.

RECOMMENDATION

The Executive Structure is requested to:-

Take note of this development

3.5 Multilateral engagement with stakeholders from Mozambique and Swaziland

The first ever Multilateral Maputo Corridor Transport Committee Meeting took place on Tuesday the 22 of May 2007 in Maputo. The purpose of this meeting was to plot a way forward in giving effect to the SADC Transport, Communication and Meteorology Protocol which calls for the establishment of multimodal multilateral corridor Transport Planning Committees on the Maputo Corridor.

The meeting was well attended by just over 40 representatives of the three corridor countries, namely Mozambique, Swaziland and South Africa from both public and private sector. Representatives of the each of the three countries were given the opportunity to present their country's view on freight logistics. Evans Marowa of the U.S Global Competitiveness Hub in Botswana then presented a summary of the SADC imperatives with regard to the establishment of Corridor Transport Committees, presenting examples from the rest of Africa as well as giving an understanding of the structures which are in effect on the Maputo Corridor.

The proposal for the establishment of Corridor Planning Committees was well received by the three countries represented, with much of the post presentation discussion revolving around the mechanism for implementation within different countries. On the way forward it was agreed that the relevant document would be fine tuned within the next few weeks for presentation by the representative countries to their respective political heads for ratification, following which a further meeting of the corridor countries would be convened within the next few months.

MR M A MAKGALEMANE
CHAIRPERSON: COMBINED WORKING GROUP
DATE:

DECISIONS

- 1. TRUCK STOPS/REST STOPS**

2. CONGESTION AT THE BORDER POST

3. BORDER MONITORING PROGRAMME/TOOL

4. One Stop Border Post

MR D D MABUZA (MPL)
CHAIRPERSON: MANAGEMENT AND EXECUTIVE STRUCTURE
DATE:

