

SOUTHERN AFRICA SHIPPERS TRANSPORT and LOGISTICS COUNCIL

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SASC CEO

AGIZ GRAIN LOGISTICS WORKSHOP

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I will share with you:

- Else where in the world
- Elements of importance in South Africa
- Issues of concern in SA supply chains
- SASC industry survey - what is expected
- World best practice
- Our transformation mandate
- Collaborative advocacy vs “lobbying”



Canada Grain -



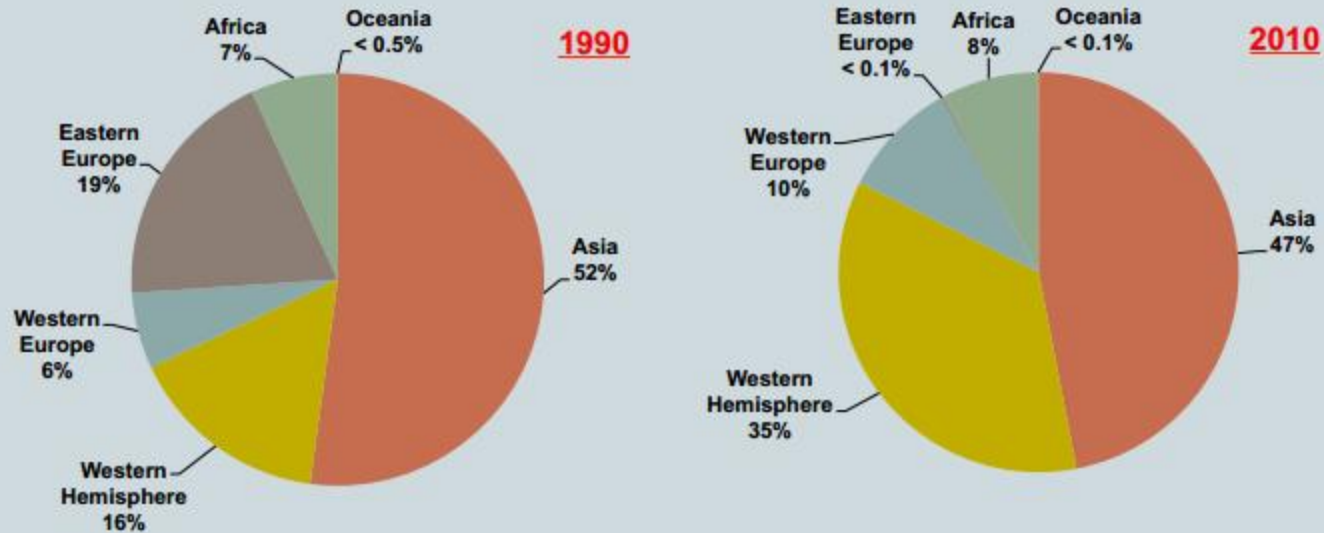
As of March 10, 2014 actual **rail car shipments were about 60,000 cars behind planned movements**. These shipping delays have resulted in more **than fifty ships waiting** at the ports of Vancouver and Prince Rupert, with **costs associated with demurrage, dispatch, commercial penalties, and loss of reputation accumulating every day**. The Federal government recently announced it will now require the railways to move an additional 1000 rail cars per week beyond the rail (Fall 2013) shipping plan. Even with this action, it will take **approximately 60 weeks to make up the current handling backlog**

<http://www.grainsummit2014.ca/>

ECONOMIC IMPACT OF LOGISTICS

The lack of grain movement has **increased the gap between port** and prairie grain prices. The situation has limited delivery opportunities and caused **significant drops in grain prices putting many farmers in a very difficult financial squeeze**. With basis levels increasing by over \$50 per tonne for this crop year and next, the costs at the farm level in Western Canada could exceed \$5 billion dollars. Given the large impact on farm income the **transportation crisis will ripple through the agricultural industry, rural economies, the and the provincial economies and impacting taxpayers all across Canada.**

Changing Markets



Last 20 years has seen the decline of trade with Europe and growth of Western Hemisphere

Increased focus on West Coast ports



2014 Grain Handling & Transportation
Summit

3/27/14



GHTS Performance



2014 Grain Handling & Transportation
Summit

3/27/14

GMP Dashboard

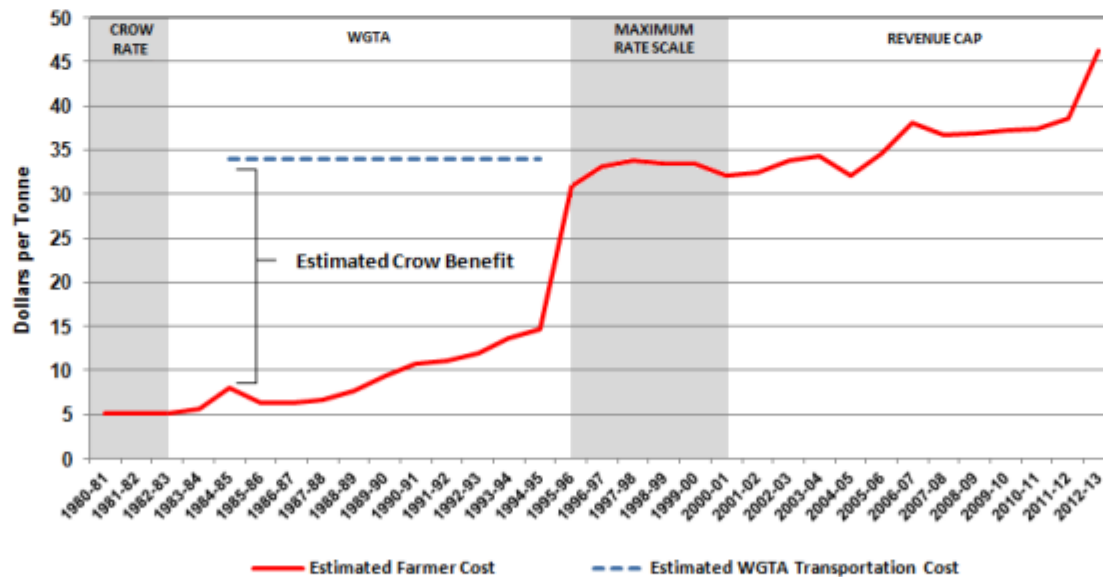
	2010-11	2011-12	2012-13	Year/Year Change
Total Time in System:	52.3	47.1	46.2	↓ -1.9%
Loaded Transit Time:	6.0	5.6	5.4	↓ -3.7%
Time In Store – Country:	30.8	27.6	26.5	↓ -4.0%
Time in Store – Terminal:	15.5	13.9	14.3	↑ +2.9%
Vessel Time in Port:	9.9	6.6	9.7	↑ +47.0%
Elevator Turnover Ratio:				
Country:	5.7	6.0	5.8	↓ -3.3%
Terminal:	9.9	11.1	11.1	-
Total Car Cycle:	14.3	13.9	14.0	↑ +0.9%



2014 Grain Handling & Transportation
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Rail Freight Rates since 1980

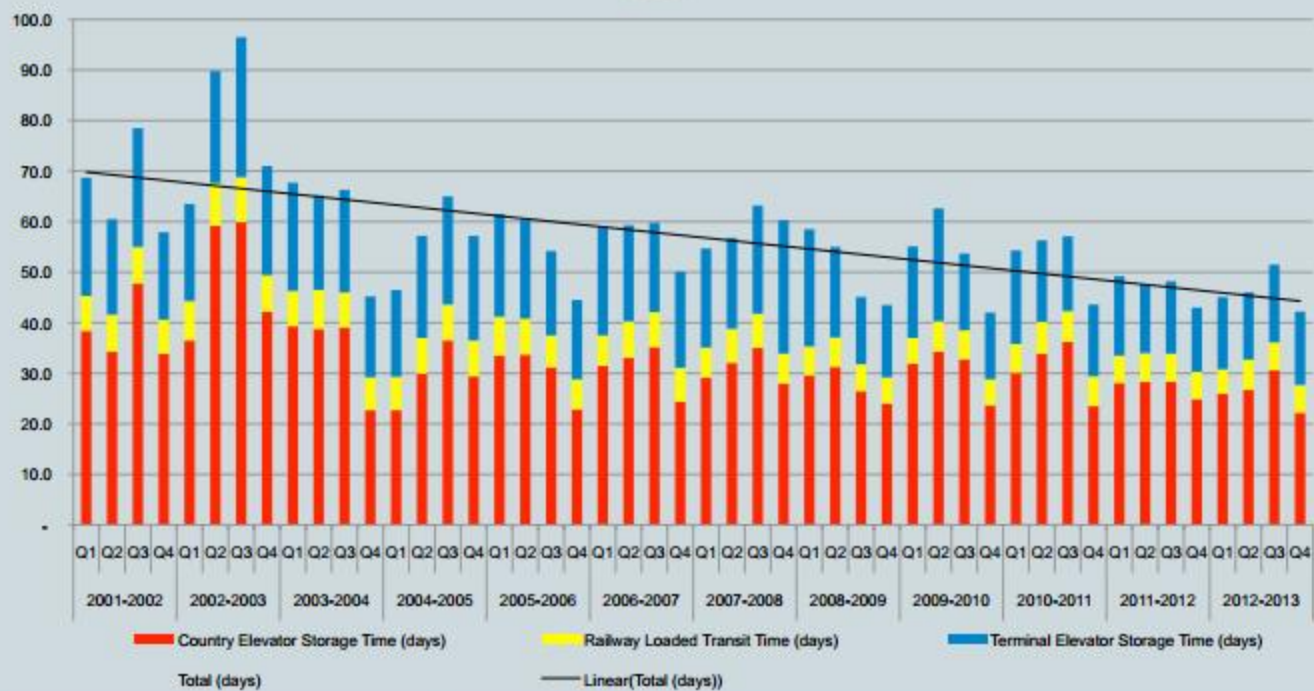


What is The Maximum Revenue Entitlement? (Cap)

- The term “Revenue Cap” is a misnomer as the MRE does NOT place an absolute “cap” on railway revenues.
- What it does do is:
 - ...Provide a statutory limit on the amount of revenue a prescribed railway can earn from the movement of regulated grain in western Canada.
 - ...Provide an effective dynamic control mechanism limiting the amount of revenue per tonne that a railway company may derive from the movement of regulated grain
- ... It does not penalize the railways for:
 - Handling more grain; length of haul
 - Inflationary effects (VRCPI)



Time in the System



Aggregation across Southern Africa supply chain requires a national/regional freight transport and logistics council to engage all relevant stakeholders around Key Performance Areas i.e.



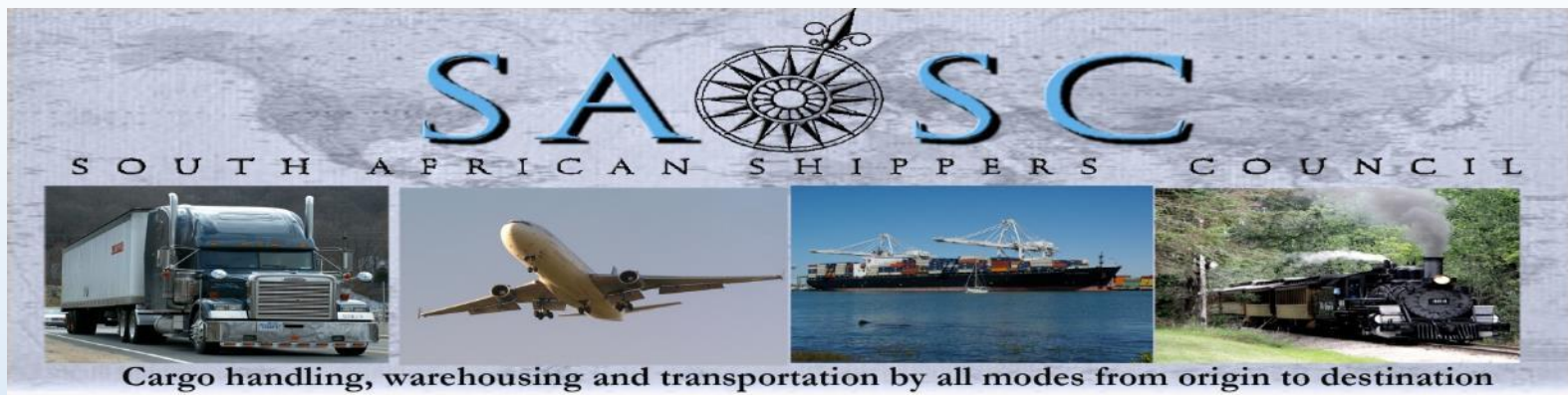
- Transformation
- Promotion and Advocacy
- Knowledge and Research
- Capacity building,
- Industry Networking
- Services – legal, transport and trade facilitation, consulting, training, conferences

Across areas such as:

- Legislation,
- Policy, rules, processes and procedures debate
- Planning and implementation
- Infrastructure provision, maintenance, efficiency and sustainability
- Tariffs as matter of principle, i.e. “user pay principle”, surcharges, levies, etc.
- Economic regulation
- Private sector investment in transport projects
- Transport safety across all modes
- Moving rail friendly cargo back from road to rail
- Operational efficiencies across modes and clusters

The SASC as Aggregator of
Innovative Collaboration Across all
Modes of Transport





Issues of concern to your organization/supply chain?

Costs, operations, HR, infrastructure, law enforcement

1. Increasing transport costs (94%) (72% to a large extent)
2. Operational inefficiencies SA (92%) (55% to a large extent)
3. Labour relations in industry (88%) (76% to a large extent)
4. HR problems (80%)
5. Increasing toll roads & e-tolling (78%) (57% to a large extent)
6. Infrastructure quality SA (78%)

UNISA SASC



Issues of concern to your organization/supply chain?

Costs, operations, HR, infrastructure, law enforcement

- 7. Cross-border inefficiencies (76%)**
- 8. Private sector engagement with government (72%)**
- 9. Lack of regional integration/harmonisation (70%)**
- 10. Rail vs road options (70%)**
- 11. Shortage skills / experienced SC staff (68%)**
- 12. Introduction of carbon tax (68%)**



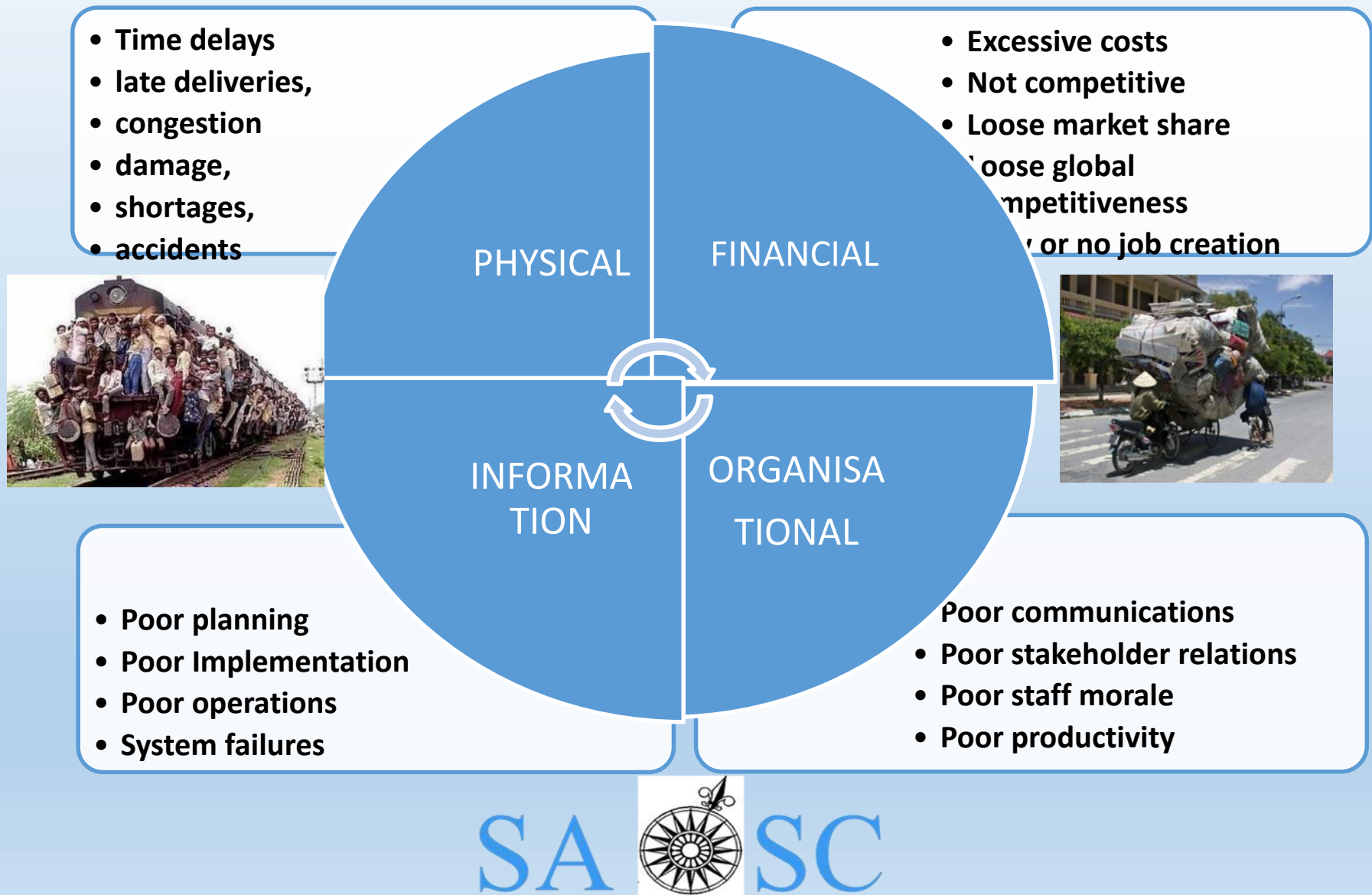


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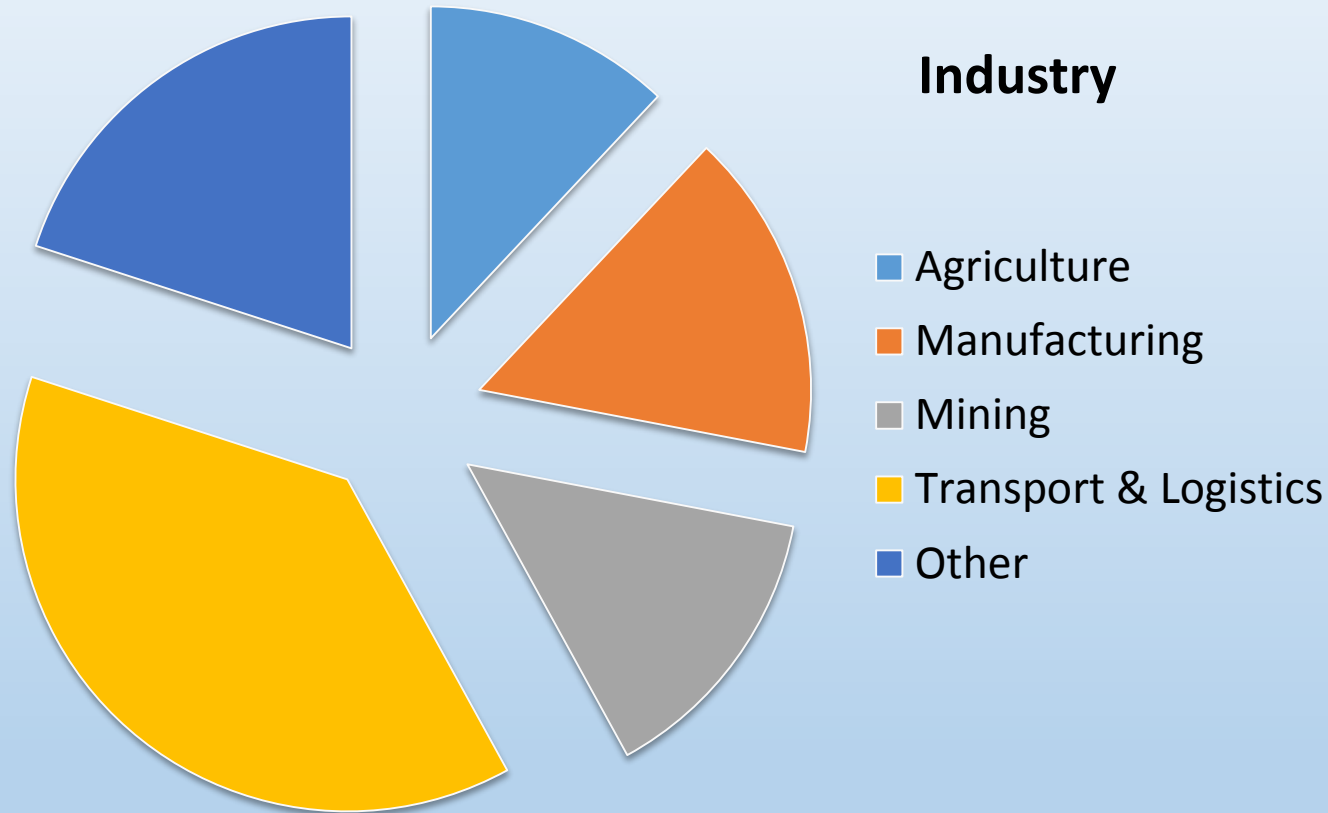
- 13. Infrastructure quality Southern Africa (68%)**
- 14. Operational inefficiencies Southern Africa (66%)**
- 15. Lack of law enforcement e.g. overloading (64%)**
- 16. BBBEE & Transport Charter (60%)**
- 17. Corruption in logistics activities in Supply Chain Southern Africa (56%)**
- 18. Customs/SARS inefficiencies (49%)**
- 19. Corruption in logistics activities in Supply Chain SA (49%)**

Risks if needs & concerns for SA supply chains are not addressed

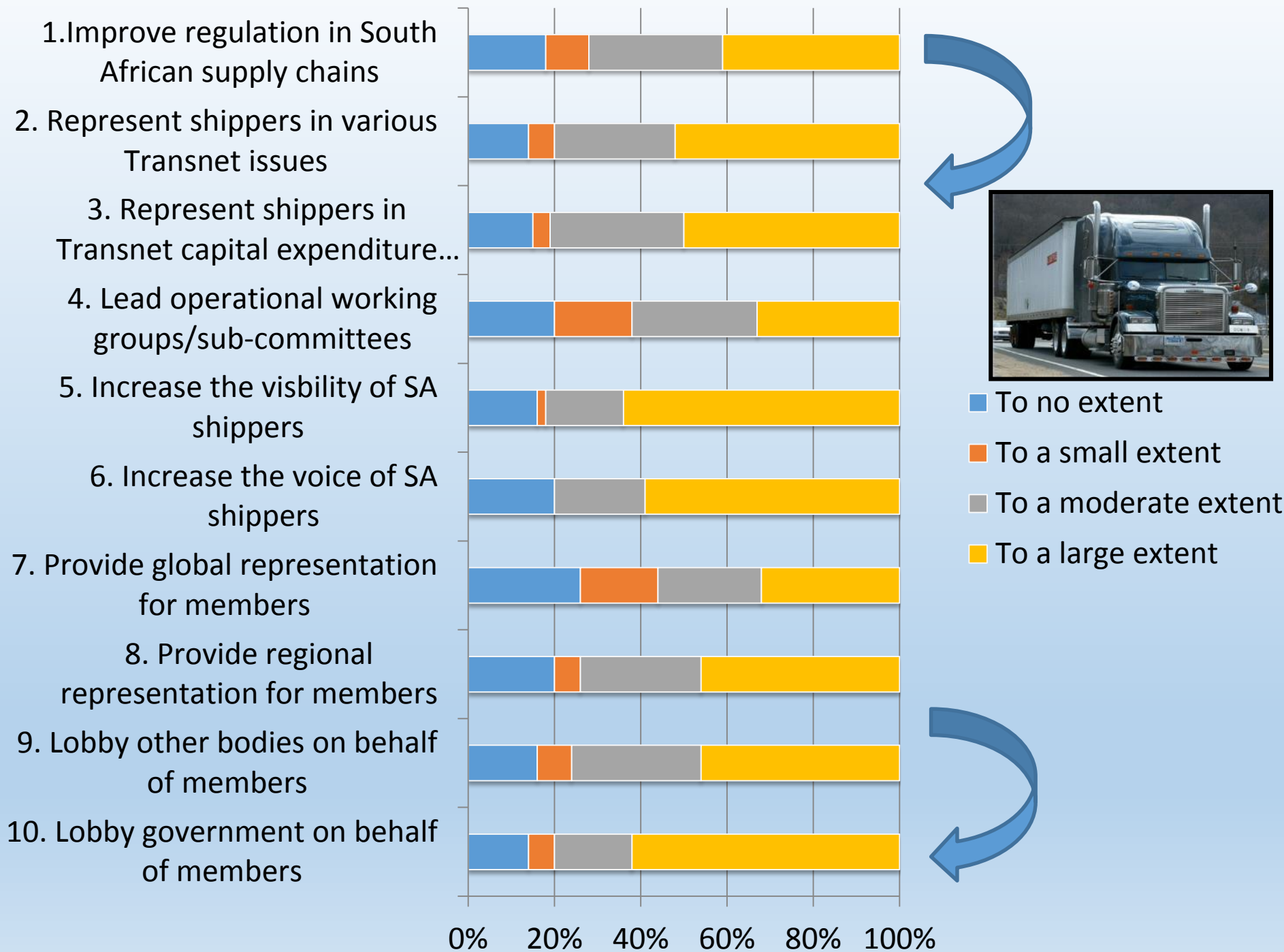


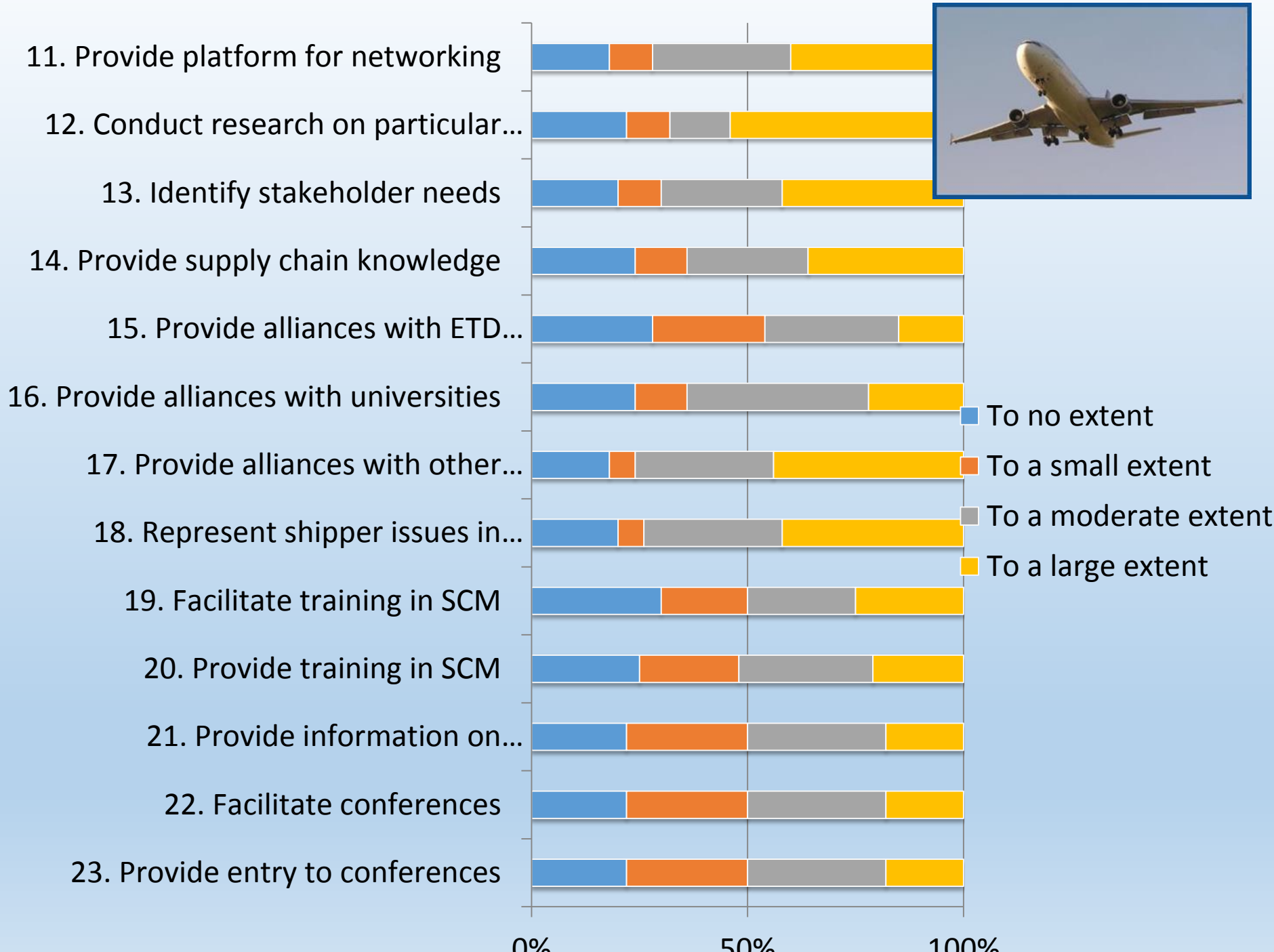
2013 SASC SURVEY –


SASC invites you, by means of this survey, to highlight the issues that you would like us to address on your behalf as cargo owners and/or logistics services providers.



Main expectations from SASC?





EXPECTATIONS FROM SASC - SURVEY 2013					
	COLLABORATIVE ADVOCACY	KNOWLEDGE HUB	NETWORK	TRAINING & CAPACITY BUILD	REVENUE GENERATION SERVICES
KEY PERFORMANCE ACTIVITIES/AREAS					
Conduct research on particular supply chain problems	1	1			1
Facilitate conferences		1	1		1
Facilitate training in SCM		1		1	1
Identify stakeholder needs	1				
Improve regulation in South African supply chains	1	1			
Increase the visibility of SA Shippers	1				
Increase the voice of SA Shippers	1				
Lead operational working groups/sub-committees	1	1			
Lobby government on behalf of members	1				
Lobby other bodies on behalf of members	1				
Provide alliances with ETD providers	1			1	
Provide alliances with other associations	1			1	
Provide alliances with universities		1		1	
Provide entry to conferences		1	1		1
Provide global representation for members	1		1		
Provide information on conferences		1			1
Provide platform for networking	1		1		1
Provide regional representation for members	1		1		
Provide supply chain knowledge		1		1	1
Provide training in SCM		1		1	1
Represent shipper issues in national publications	1				
Represent shippers in Transnet capital expenditure planning	1				
Represent shippers in various Transnet issues	1				
Weights	14	7	7	4	5



Where are we now – November 2014 ?

Long term goals (3yrs-April 2015)

18 June 2014



- **Grow Membership to set-up full time SASC National office = seek seed funding**
- **Play a Regional role in SADC and Globally**
- **Establish SASC as Supply Chain voice in Southern Africa.**
- **= Revisit and write 3 Year Strategy**

SASC STRATEGY WAS 2012 -2014



Vision

To be the preferred voice through which SA Cargo Owners influence and improve the global supply chain.

Mission - To get to the city (3yrs)

Understand needs and requirements of members to influence relevant Stakeholders

To be the preferred entry to Cargo Owners on collective issues

To be a source of supply chain knowledge

Long term goals (3yrs-April 2015)

- Grow Membership to set-up SASC National office
- Establish SASC as Supply Chain voice in S.A.
- Play a Regional role in SADC and Globally

Medium term goals (1yr-Oct 2013)

- Formulate Market Strategy and Conferences
- Increase SASC visibility with publications
- Increase members and their participation

Short term goals (6mths-Oct 2012)

- Improve Public Relations
- Establish Committees / Work Groups
- Formalize alliance agreements with Associates/Universities



Where are we now – November 2014 ?

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PERFORMANCE MEASUREMENTS OF SASC CEO AS OF 1 JULY 2014 - KPA 1-5 ARE AS FOLLOWS:

1 Growing Membership

50 members at the end of 2015.

2 Enhancing Council's Revenue Streams

3 Becoming the face of the Council

4 Strategy development

5 Management of budget



In line with research on world best practice for shippers'/logistics' councils, which clearly indicates that every economy of note, has a strong national/regional shippers' council SASC has embarked on a transformation path. (UNCTAD = Developing countries = PPP)



We aim to establish an innovative, collaborative, all inclusive public private partnership of all role players across the Southern Africa supply chain, into local, regional and global markets, with strategic focus on transport and logistics across all modes, as we believe that together, through aggregate innovative collaboration and visibility, we shall be globally active, competitive and make a difference!

SHIPPERS COUNCILS

FMAC/Canadian Shippers Council

Vision: To be known as the national voice of the Shipper...

Mission: To support the shipper community...

Membership: 84 Members

Fees: \$1 070 - \$5 780

Shipper.com

Ghana Shippers Council/Authority

Vision: Quick, safe and reliable delivery of import & export cargoes by all modes at optimum cost...

Mission: To be a state of the art organization to... protect & promote Ghanaian Shippers...

People: Board; CEO; Deputy CEO; Secretary; Audit Unit; 7 Departments



Nigerian Shippers Council

Vision: Protecting the interest of the Nigerian Shipper

Mission: Providing adequate & up to date trade info to the Nigerian Shipper...

Membership: 96 Shippers

Fees: No fees – pay of freight stabilisation fees on imports & exports

People: Board; CEO; 5 Departments; 8 Independent Units

EVO/Dutch Shippers Council

Vision: One for all

Mission: Brings views of members to the notice of political & public authorities

Membership: Represents 20 000 companies in Netherlands

Fees: E422 - E6 033

People: Management; Presidium & Gen. Control



European Shippers Council

Mission: To contribute to the competitiveness of the European industrial & trading base...

Membership: Companies, European Sectorial Industries & National Shippers Councils

People: Board; Executive Committee; Secretariat; Chairmen



Asian Shippers Council

Vision: To be Asia's voice on trade...

Mission: Being the APEX shipper body; Ensure cost effective strategies; Facilitate efficiencies; Centre for excellence; Leverage partnerships...

Membership: 19 Council's from 17 Asian countries

People: Chairman, Convenor's; Honorary Advisors; Chairman's Office



SCEA; Kenyan Shippers Council

Vision: An efficient logistics chain that enhances competitiveness...

Mission: To offer proficient research based advocacy and value added services...

Membership: 84 Members

Fees: R6 600 – R7 800

People: Board; CEO; Staff



South African Shippers Council

Vision: To be the preferred voice through which Cargo Owners influence & improve the global supply chain

Mission: Understand needs of members; SASC as supply chain voice in SA; Play role in SADC...

Membership: 19 Members

Fees: R8 000 – R16 000

People: Board; Exec Director; COO; Exec Council; Support Staff



Council Vision 2015-2018

To be the preferred PPP membership organisation by 2018, for cargo owners, logistics service providers and government. To aggregate collaborative advocacy, knowledge and capacity building for freight- regulation, infrastructure, transport, and logistics, across all modes, in order to improve supply chain efficiency across Southern Africa that will support global competitiveness and make a difference.

Council Mission 2015-2018

- Our mission is to understand, support and advocate the requirements of the shippers, service providers and government on legislation, policy procedures and operational performance to ensure Southern Africa has cost effective, safe, secure, reliable, sustainable local-, regional- and internationally competitive supply chains.
- To aggregate innovative collaboration advocacy and visibility, to integrate, facilitate, coordinate, communicate and evaluate in order to influence across all role players and all modes of transport, with a structured knowledge hub, capacity building initiatives and supporting services that ensure long term sustainability

Goal/Slogan

**SASTaCL –
with innovation and collaboration, Southern Africa
will serve the world competitively and influence it positively.**

History – Practice

“Old boys club”

What is Lobbying?



Lobbying is attempting to influence legislators to support or oppose a particular issue or piece of legislation and is allowed for non-profits within certain parameters.

- **Direct lobbying** expresses a view on specific piece of legislation and that legislation.
- **Grassroots Lobbying** - encouraging the public to contact legislators about that legislation.
- This type of communication is known as a call to action.

1. What is Collaboration?

Collaboration enables individuals/organisations/stakeholders to work together to achieve a defined and common business purpose.



2. Collaboration relies on openness and knowledge sharing but also some level of focus and accountability on the part of all

3. In collaboration, there is an increase in the understanding of diverse perspectives with the development of higher-level thinking as one of the important results.

The coordinated efforts of many can accomplish more than the efforts of one or a few separately.

Note: This information is taken from the body of knowledge that comprises [AIIM's Certified Information Professional](http://www.aiim.org/What-is-Collaboration#sthash.qfGRHdhX.dpuf). - See more at: <http://www.aiim.org/What-is-Collaboration#sthash.qfGRHdhX.dpuf>

Collaboration Life-cycle



Collaboration at the conceptual level, involves:

- **Awareness** – We become part of a working entity with a shared purpose
- **Motivation** – We drive to gain consensus in problem solving or development
- **Self-synchronization** – We decide as individuals when things need to happen
- **Participation** – We participate in collaboration and expect others to participate
- **Mediation** – We negotiate and we collaborate together and find a middle point
- **Reciprocity** – We share and we expect sharing in return through reciprocity
- **Reflection** – We think and we consider alternatives
- **Engagement** – We proactively engage rather than wait and see



Your Voice

What is Advocacy?

Advocacy is educating and creating awareness among legislators and the general public of issues facing the community and the importance of aligning public policy to address the need.

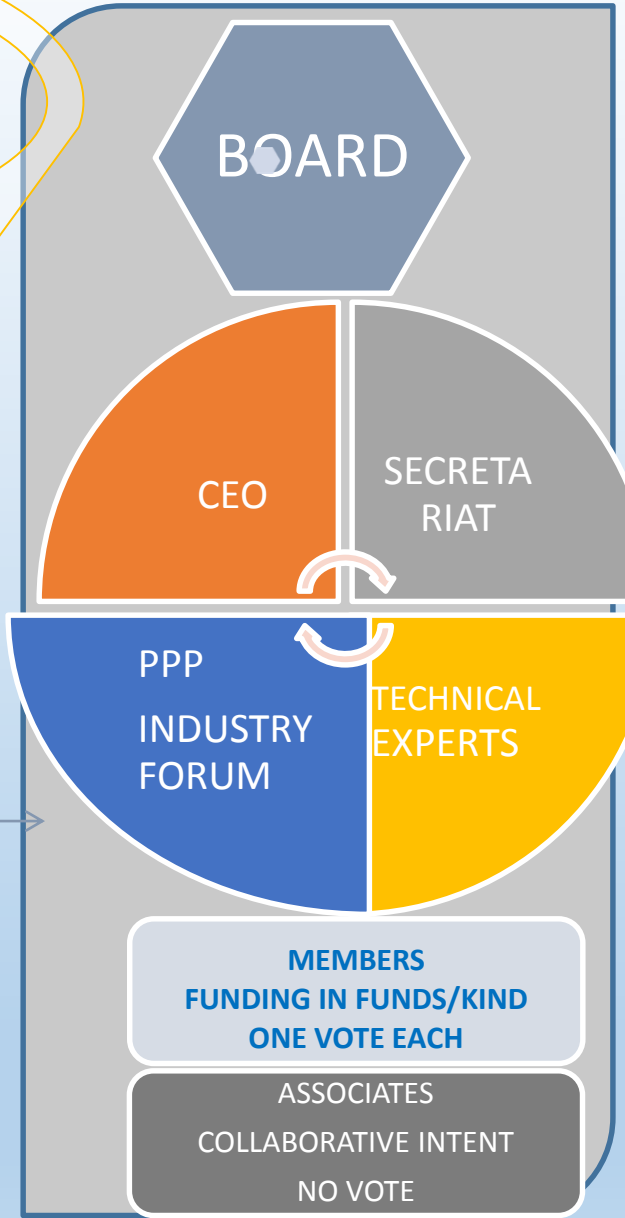
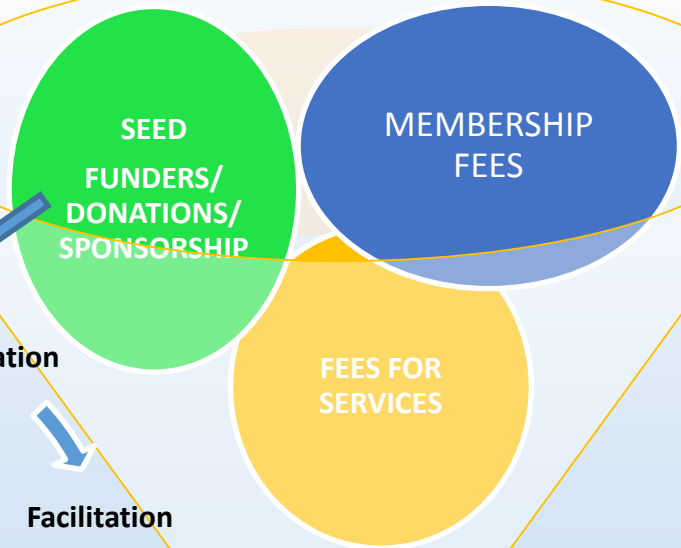
Advocacy

What is Advocacy?

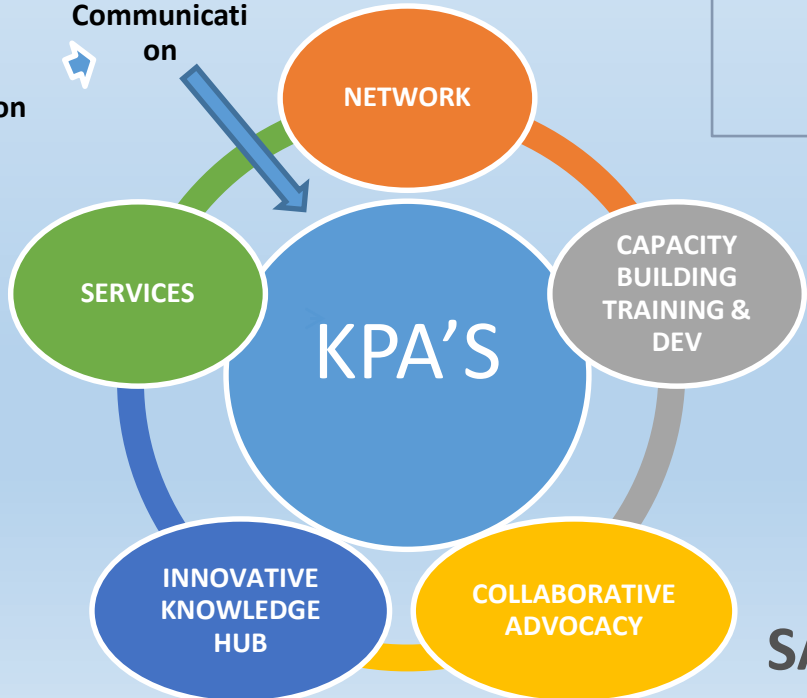
The following activities are considered advocacy, not lobbying:

- Providing technical assistance or advice to a legislative body or committee in response to a written request;
- Making available nonpartisan analysis, study or research;
- Providing examinations and discussions of broad, social, economic and similar problems;
- Communicating with a legislative body regarding matters which might affect the existence of the organization, its powers and duties, its tax-exempt status, or the deduction of contributions to the organization (the "self-defense" exception); and
- Updating the members of your own organization on the status of legislation, without a call to action.

REVENUE
SOURCES



STRATEGIC PILLARS



COUNCIL

Southern Africa Shippers Transport and Logistics Council

7 Pillar Strategy of Goals to achieve Council's vision



System
Integration
& Visibility

C
o
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Ensure Efficient Structure Governance and Programs Operations

Aggregate Innovative Collaborative Advocacy

Integration of Institutions, Regulations, Infrastructure Development & Information

Facilitation of Networking, Research, Capacity Building and Training

Coordination of Public-Private Dialogue & Interests

Communication With All Stakeholders

Evaluation of SASC & Supply Chain Performance on a Continual Basis by Enabling Visibility

COUNCIL INDUSTRY FORUM



THERE IS A LOT ON THE TABLE IN OUR INDUSTRY AND WE NEED TO BE RESPONSIBLE

- SARS Customs Rules Review – Juanita and Mike - SAAF – doing an excellent job
- One stop border post study
 - **The National Department of Transport has published the long awaited Twenty Second Regulation Amendment (previously referred to as the Twenty First Amendment) to the National Road Traffic Regulations. The Government Gazette is No 38142 published on 31 October 2014**
- *Unsupported and unjustified shipping line surcharges*
 - Association of Shipping Lines has brought an exemption application to the application of the Competition Act to their members

Mandatory weighing of containers

- **Transnet Rail and Port Market Demand Strategy**
 - **Intermodal and Road to Rail strategy**
 - **SIPS – NATCOR; Regional Integration; North South Corridor**
 - **Phakisa**
 - **PCC & NPC**
 - **Upcoming DOT – National Transport Forum**
 - **Upcoming Single economic regulator**
 - **Corridor strategy/regional integration**
-
- **SUPLHUR SURCHARGE**

From January new legal requirements will come into force in North Europe (including the Baltic Sea, North Sea and English Channel) and North America (200 nautical miles from American and Canadian shores) which will lower the maximum allowed content of sulphur in fuel burned in the ECA's to 0.1% sulphur from the current 1%.

- **Operational efficiencies**
- **Cost effectiveness**
- **Global competitive s.c.'s**

KEY PERFORMANCE AREAS - LEAD AND SUPPORT ROLES

	e.g. GAUTENG CEO	e.g. GAUTENG OR ?	e.g. DURBAN	e.g. CAPE
SPECIALIST	Legal	Trade Facilitation Customs	Transport	Knowledge Management Hub and TF
COLLABORATIVE ADVOCACY	Lead	Co-Lead & Research	Co-Lead & Research	Co-Lead & Research
KNOWLEDGE HUB	Support	Support	Support	Lead
EDUCATION TRAINING & CAPACITY BUILDING	Lead	Support	Support	Co-Lead
MEMBERS NETWORK	Co-Lead	Support	Support	Lead
SERVICES	Support	Support	Support	Lead

SASTaLC VALUES/ETHOS:



The organization in all its dealings and amongst its members, will seek to promote an ethos based on the principles of:

1. **Commitment** - to the goals objectives and values of the council
2. **Confidentiality** – to protect the individual member’s privacy and to always represent the voice of advocacy as the “council” and not in the name of any particular member
3. **Career and capacity development** – to contribute to a well capacitated and sustained career pool for the industry
4. **Effectiveness** - to deliver against expectations to the benefit of the greater community and industry
5. **Integrity** – to keep the reputation of the council above all reproach
6. **Outcomes driven** – to seek, advocate and facilitate continuous improvement which will entail member satisfaction and delight
7. **Trust** – to ensure no conflict of interest and to uphold the integrity of the council at all times
8. **Transformation and inclusivity** – to ensure no discrimination based on gender, race, religion, or nationality

CONCLUSION - INVITATION

Join us in COLLABORATIVE ADVOCACY and visibility
for shippers, service providers and associations
across all modes for freight logistics

in Southern Africa
SASTaCL –

with innovation and collaboration,
Southern Africa will serve the world
competitively and influence it positively.

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