



Transnet denounces World Bank Container Port Performance Index factual errors

[Johannesburg, 12 June 2024] On 10 June 2024, Transnet met with World Bank representatives to discuss factual errors in its recent 2023 Container Port Performance Index (CPPI).

The Bank incorrectly uses the duration of a vessel's stay as a measure of container port cargo handling performance, relied on third party sample data and failed to give a measured terminal access to the data sample for verification prior to publication.

Upon entering a port, a vessel is serviced by many role players before the actual loading and offloading of cargo, and these services contribute to the length of its stay. The Bank's measurement of vessel stay in port does not take into consideration throughput and other factors that determine the duration of a stay.

While the World Bank does not guarantee the accuracy of the data in the report, the results purport to be an indicative measure of port performance. In the meeting, the Bank's Transport Specialists advised that the CPPI is not a comprehensive indicator of container terminal performance and that it only seeks to advise on the stay of a vessel in a port. Transnet is of the opinion that the index is, therefore, not correctly titled.

The report is based on available data from Automatic Identification System (AIS) and liner shipping data. An accurate performance index can have a positive and constructive impact on plans to improve port cargo handling performance. On the other hand, an inaccurate index has damaging reputational impact on measured terminals. Accordingly, it is key to afford measured terminals an opportunity to assess the sample data for verification. Transnet has not been afforded any opportunity to comment or verify the accuracy of the data or the facts attributed to it in the report. Transnet Port Terminals (TPT) has been requesting access to this data over the past few years, without any success. In the meeting, it was agreed that this data would now be made available to allow Transnet an opportunity to interrogate the data. There was also a general acceptance that the report should have been made available to measured terminals to provide them an opportunity to comment, with commitment that this would happen going forward. We are of the opinion that we should be given a right of reply before any report relating to our performance is finalised or published. Transnet only became aware of this report through the media.

Transnet, through several roadshows by the Group Chief Executive, Michelle Phillips and the Transnet executive team have been transparent with the industry and have explained the challenges in the ports and the interventions being implemented to address the root causes of these challenges.

The industry is aware that as a result of inclement weather and equipment challenges, TPT's Durban Container Terminal (DCT) Pier 2 and the Cape Town Container Terminal experienced severe backlogs in the last quarter of 2023. However, since October 2023, Transnet has been implementing a Recovery Plan to improve operational and financial performance across the business. As a result of various tactical initiatives pursued as part of the Recovery Plan specifically targeted at improving productivity and optimising the operations, it is clear that there has been a stabilisation in the business as well as real improvement in rail and port operations.

The Recovery Plan initiatives include the acquisition of cargo handling equipment and contracted original equipment manufacturers that are onsite to provide technical support and supply critical spares for the existing terminal fleets. A 24-hour maintenance regime is also in place to secure the availability and reliability of existing equipment. While weather continues to disrupt operations, contingency plans are in place and integrated planning and collaboration engagements with customers and industry are ongoing. TPT has also enhanced its container management system with the help of US-based NAVIS.

Transnet continues to work with its partners, customers and all stakeholders including academic institutions and industry bodies to improve its overall performance and make its customers globally competitive. We continue to collaborate with all our partners to ensure that we remain on course in the implementation of the Recovery Plan and necessary reforms despite historical underinvestment in equipment and maintenance across the business. As a business, we prioritise handling cargo and moving all the volumes we can to serve South Africa's economic needs and our recovery efforts are yielding tangible results.

ENDS

Issued on behalf of the Group Chief Executive, Michelle Phillips.

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