



## SAASOA MEDIA RELEASE

### EFFECTS OF THE TRANSNET STRIKE ACTION TO SAASOA MEMBERS.

SUITE 4, LAKESIDE OFFICE PARK  
DERBY DOWNS, UNIVERSITY RD  
WESTVILLE, DURBAN

P. O. BOX 1653, DURBAN, 4000

TEL: +27 31-2661384

FAX: +27 31-2661447

EMAIL: [INFO@SAASOA.COM](mailto:INFO@SAASOA.COM)

[WWW.SAASOA.ORG.ZA](http://WWW.SAASOA.ORG.ZA)

The strike since Monday has already had a severe impact on Shipping Lines and Cargo Owners with vessels lying idle at South African ports. The real bad news however is that even if the strike is resolved within a day or two, which seems unlikely at this point, the losses will not stop when labour gets back to work because there will be a lengthy recovery period during which ships will keep coming, including those vessels that have been diverted past South Africa this week in order to contain losses.

With the strike being an indefinite one and an apparent hard line being taken by both sides in the negotiation process, it looks unlikely that it will be resolved within a few days. Shipping Lines are now stopping the loading of South African destined cargoes at the foreign load ports until such time as the dispute is resolved in order to prevent an unmanageable back log of vessels with cargo for discharge at the South African ports when the strike is over. Similarly, there are Bulk vessel operators that have to decide whether or not to fix vessels to load bulk exports from South Africa because they often first have to reposition those vessels empty in ballast to the South African load ports at considerable cost and may then be unable to load when they arrive due to the strike.

These may be sensible actions from a practical view in order for our members to try and minimize their losses but the message it sends to our global trading partners and potential investors is not encouraging.

Our association has conveyed these concerns to the DPE, Transnet and the two Unions concerned with the request that they resolve the deadlock as soon as possible. We have also requested that they incorporate a mutual commitment from Transnet as managers and from the Union as workers to improve productivity in all port and rail operations in line with the Quantum Leap objectives Transnet have set for themselves. Poor productivity in our ports remains a burden and is preventing the realization of the benefits of the substantial capital investments Transnet have made in recent years and have planned for the next 5 years. A commitment to improved productivity will not only bring about a realisation of those benefits, but will also facilitate a quicker recovery period after the strike and could also possibly provide the justification for a more generous wage settlement than might otherwise be considered fair in the current economic climate.



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We need to ensure a complete recovery from this strike in the ports before the world cup. The usual peak season for our ports starts shortly after the World Cup at which time Ports are naturally stretched and the last thing they need is to still be trying to recover from the backlogs from the strike and the World Cup. Such a situation would result in substantial losses to Shipping Lines which would inevitably be passed on to local consumers in one way or another which is a burden that the people of South Africa can do without as we try to recover from the hardship and job losses over the past 18 months.