



STEADY PROGRESS BEING MADE BY NATIONAL LOGISTICS CRISIS COMMITTEE

The National Logistics Crisis Committee (NLCC), established in June 2023 by the South African Government to address the country's transport and logistics crisis, is making notable headway in several project areas which are key to enhancing the competitiveness of South Africa's supply chains.

This move followed the Government's acknowledgement that there is a significant cost to the country from the inefficiencies in the transport and logistics sector; estimated by the GAIN Group to be around R1 billion each day. The NLCC, a government structure with private business participation through various workstreams, is aimed at improving this critical enabler of the economy.

Transport & Logistics is one of three focal areas in the overall public/private partnership, with the others being Energy, and Crime & Corruption.

Business participation in the NLCC is facilitated through Business for South Africa (B4SA) which is the implementation arm of Business Unity South Africa (BUSA), and B4SA's Transport & Logistics working team is headed up by three CEO Sponsors: Mxolisi Mgojo, formerly CEO of Exxaro and now President of BUSA, Andrew Kirby, President and CEO of Toyota South Africa Motors, and Mpumi Zikalala, CEO of Kumba Iron Ore.

The NLCC comprises eight workstreams which have been put in place to urgently address the complex logistical challenges in our country, from rail and ports to road corridors and border control.

However, within the framework of the NLCC, there is also a strong focus on the structural reform that is required to ensure the long-term sustainability and competitiveness of South Africa's freight logistics system.

The NLCC, Transnet and other government agencies have defined six key levers poised to transform the transport and logistics sector:

- The Transnet Recovery Plan
- The Freight Logistics Roadmap
- The Rail Private Sector Participation Framework
- National Treasury's conditional R47 billion guarantee to Transnet
- The Economic Regulation of Transport Bill
- The Draft Network Statement which details the functions of the newly created infrastructure manager and the arrangements for the use of the railway infrastructure by private sector operators, including the scheduling of rail services and proposed charges.

Cabinet approved both the Freight Logistics Roadmap and the Rail Private Sector Participation (PSP) Framework in December 2023, two important pieces of legislation that will enable a more efficient and competitive transport and logistics landscape in South Africa, and the draft Network Statement is currently out for comment as part of an extensive public consultation process.

Business' contribution to ensuring that the NLCC is successful includes financial support, and the deployment of technical skills and experienced resources into the various operational areas, alongside assistance with the implementation of best practice business improvement methodologies.

The Road Transport and Border Transit Workstream of the NLCC is managing a significant project aimed at enhancing freight flow on the N4, through to the Maputo Harbour in Mozambique. The Road Freight Association is a partner in this project alongside several key stakeholders who have all made highly valued and respected contributions. Notably, members of the Road Freight Association were quick to respond to an urgent call for assistance in late December 2023, playing a crucial role in resolving a short-term crisis.

Four key actions were identified to address the problems encountered on the N4 Corridor:

- Improve the processing and flow at the Lebombo Border post.
- Find solutions that will allow better management of congestion to create an improved flow of goods, including revisiting the effectiveness of current road transport legislation.
- Improve the security and safety on this corridor.
- Build a bank of data and information to identify and better understand problem areas and to proactively find and implement solutions as soon as possible to improve the situation.

A sophisticated simulation programme, developed by a dedicated team at the Council for Scientific and Industrial Research (CSIR) in Pretoria, is proving an important and very worthwhile tool in improving the flow of trucks on the N4 road transport corridor. The advantage lies in the ability to evaluate the effectiveness of proposed solutions within the simulation environment prior to incurring any costs, thereby ensuring cost-effective

and efficient decision-making to solve critical problem areas.

The CSIR modelling team's project is already producing several positive outcomes. A notable metric is the significant reduction in the average queue length at the Lebombo border post in Mpumalanga. The queue length has decreased from 16 km in October and November 2023, to 7 km in February 2024, and further down to just below 3 km in April 2024. This trend highlights the effectiveness of the team's work and the collaboration across a range of stakeholders who needed to be involved. The gathering of information on the various road corridors is well advanced and this data is key in the CSIR simulation processes.

Currently work is being done to ensure that accurate and relevant data is centrally available and can be easily accessed or proactively shared with the industry to assist with decision making and planning. The development of truck villages is currently under consideration to alleviate congestion, and these may be possibly integrated with border and/or port processes, potentially incorporating a "greenlane" concept. However, this is still work in progress.

Lastly, with the additional data gathering there is also a process to develop better information on security and traffic trends with the aim being to address problems proactively.

There is a process of cooperation with the various law enforcement agencies to jointly work towards a better operating environment for the transport operators. The outcomes, deliverables and lessons learnt from the N4 programme have been analysed by the B4SA team and other experts and will be carried over to the N2 and N3 in the coming weeks.

