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The South
African
Express Parcel
Association's
Newsletter

NEWS DELIVERY

September 2017

Fasten your seat belts

The peak period is on its way with the usual panics and scrambles and worries about available capacity.

Just to make matters even more interesting and challenging this year, the national carrier has announced schedule cuts of up to 37% in domestic services. This follows on instances of aircraft grounded for lack of maintenance funds and others left on the tarmac after intervention on the part of the South African Civil Aviation Authority. Then there is always the possibility of technical issues. Fortunately, courier and

express operations do have access to reliable and successful domestic carriers – including British Airways, kulula.com, Mango and Airlink - who deserve our support.

Given disruptions to local regional aviation, it's small wonder everyone in our industry is fit and lean and constantly on their toes to find instant solutions in a business characterised by its relentless pace. We'll find a way – we always do. While we may be a competitive industry there has always been an encouraging spirit of co-operation and give-and-take.

In fact, we focus so much on urgent issues that sometimes it's possible to lose sight of important matters that have a profound effect

on the longer term in the way we operate.

That's why I'd like to pay tribute to a vital behind-the-scenes operation. It's my pleasure to introduce members to the Co-Chairs of the SAEPA Customs Committee, Jason and Marius who are featured in our People and Profiles section. SAEPA is indebted to these committed members for the personal time and expertise they devote to improving our industry conditions for the benefit of all of us. I'd like you to join me in thanking them for their sterling work.



Garry

People and Profiles

SAEPA Customs Committee



Jason Blackman



Marius Volschenk

This vital committee sustains high visibility among the Regulatory Authorities to ensure the voice of our industry is heard and taken into account. Thus we pushback on regulatory trade barriers and work to implement beneficial provisions of the New Customs Act programme (NCAP). We engage with them on the De minimis provisions, we review proposed legislation changes and provide commentary and co-operate with SARS on projects such as the DA306 electronic manifests submission. The Committee Chairs also

attend the National Stakeholders Forum as SAEPA representatives to ensure that agenda items are tabled and discussed. Further the SAEPA Customs Committee also provides support and resolution on specific industry issues that arise from time to time.

The two Co-Chairs are the Administrative and Regulatory Chair, Jason Blackman and the Technical and Supporting Regulatory Chair, Marius Volschenk.

Marius Volschenk is highly experienced with over 34 years Customs Experience in various portfolios. He started working at Customs and Excise in the Cape

Town Office in 1983, where he conducted various assignments during his employ, i.e. Beitbridge, Head Office and the Cape Town Airport office (Refunds). In 1991 he accepted promotion at the Customs Johannesburg International office where he witnessed the inception of the "Courier Concessions" as it was known at the time. After promotion to Assistant Director he left the service of SARS, to take up an Import Manager role at DHL International in 1996. In 2003 he joined the TNT Express team as Customs

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World Trade Facilitation Agreement

South Africa update

by Jason Blackman

The history of the World Trade Organisation (WTO) Trade Facilitation Agreement (TFA) is rooted in concerns raised by traders from developing and developed countries regarding the bureaucracy that still governs moving goods across borders. This is particularly burdensome to SME's. To address this, WTO Members concluded negotiations on a landmark Trade Facilitation Agreement (TFA) at their 2013 Bali Ministerial Conference.

The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It sets out measures for effective co-operation between customs and other appropriate authorities on trade facilitation and customs compliance issues. Furthermore, it contains provisions for technical assistance and capacity-building in this area. The Agreement will help improve transparency, increase possibilities to participate in global value chains, and reduce the scope for corruption.

The three primary components of TFA include an expedited clearance process and - most important for developing and least developed countries - the ability to determine when they will implement individual provisions of the Agreement. It allows them to identify provisions that they will be able to implement only upon the receipt of technical assistance and support for capacity building. To benefit from special and differential treatment (SDT), a Member must categorize each provision of the Agreement - referred to as Category A, B or



C notifications. A further important provision is the establishment of a national committee to facilitate domestic co-ordination and implementation of the provisions of the Agreement.

Where does South Africa stand currently?

- Ratification processes have been finalised and passed by the legislature in May 2016 but have not yet been officially ratified with the WTO.
- Cabinet approved the establishment of the National Committee on Trade Facilitation (NCTF) led principally by the DTI and including seven governmental departments including SARS. So far it does not include any private sector representation.
- The NCTF has developed SA's categorisation list and the Cabinet approved SA's categorisation list in April 2017.
- The process is under way for the simultaneous depositing to the WTO of SA's Instrument of Acceptance of the Protocol and SA's Category A commitments.

What is SAEPA doing to support the TFA and its implementation?

- SAEPA is pressing for private sector representation on the NCTF. It is critical for our Industry to play its part in implementation. The cross-sectoral

nature of trade facilitation requires co-ordination mechanisms and hence the importance of public-private partnerships in this process.

- We are looking at key provisions of the NCA that can provide immediate benefit such as the de minimis provisions set at R500 per shipment.
- We are pledging support for the establishment of a single window clearance system.
- We are promoting key performance indicators (KPI) and service level agreements (SLA) against which the implementation and benefits can be measured. We are also proposing mutually-agreed timings for clearance processes such as Customs Border Control Unit stops (CBCU) stops as well as listing priorities for ensuring tangible outcomes.
- SAEPA provides feedback and input on barriers to trade (Non-Tariff barriers) and the practicality of implementation as well as ensuring continuous engagement with all stakeholders.
- We assist with effective communication to their members and ensuring SAEPA has a unified and harmonised approach to engagement with the relevant Governmental Stakeholders.
- Finally, SAEPA is offering trade consultancy to importers and exporters regarding questions on the TFA and how it can assist their business.

Further information on this subject is available from Jason by emailing jason@saepa.org.za

Jason Blackman is Director Compliance, Customs and Regulatory Affairs Sub Saharan Africa for DHL Express Regional Services (Pty) Ltd.

Continued from Page 1

SAEPA Customs Committee

Clearance Manager and in 2012 he rejoined DHL International, where he is currently responsible for the Customs Regularity Affairs portfolio.

Jason Blackman is also an industry veteran with a track record spanning over 22 years in the courier and logistics industry. He started working at DHL in Durban in 1994, fulfilling various roles including Claims and Risk Management, Export Management, Head of Customer Operations for Sub Saharan Africa and Head of Customs for DHL Global Forwarding Sub-Saharan Africa. Jason is currently Director of Customs, Compliance and Regulatory Affairs for DHL Express Sub Saharan Africa. He holds a Bachelor of Commerce Degree in Economics, Marketing and Commercial Law. With a strong focus on a liberalised competitive market environment coupled with simplified, transparent customs processes to promote free trade, Jason's focus is on regulatory engagement and collaboration between SAEPA and SARS and the Department of Trade and Industry (DTI)

Snippets

Congratulations to Comair

In its annual financial results released this month Comair reported a 54% increase in profits to R297m.

It's encouraging to see success like this in the challenging aviation sector.

Comair operates under its low-cost airline brand, kulula.com, as well as under the British Airways livery with both services carrying their share of same-day express parcels.

Comair Limited

Dangerous Goods Seminars

Professional Aviation Services recently conducted sponsored Dangerous Goods seminars in Johannesburg and Cape Town. The keynote speaker was Thami Zembe, Manager: Dangerous Goods at the South African Civil Aviation Authority (SACAA).

The subject matter focused on the risks of hidden, undeclared and misdeclared Dangerous Goods and the safe transport of Lithium Batteries.

Mr Zembe stressed that Dangerous Goods training was mandatory for all personnel in the supply chain. Everyone who may deal with Dangerous Goods in any way - including documentation - or who had unaccompanied access to a warehouse required Dangerous Goods awareness training. This training must be presented in accordance with the guidelines set out in IATA Table 1.5.a

He made the point as the cornerstone of the safe transport of Dangerous Goods, training must be taken seriously as an essential, potentially life-saving element of the corporate responsibility of ethical, responsible organisations. It must not be performed as a "box ticking" exercise simply to comply with Regulations. "Training saves lives," said Mr Thembe.

Accordingly, SACAA Inspectors are carrying out inspections to ensure that all companies which handle air freight are training compliant. That means that training must have been carried out by a training company approved by the SACAA, listed on the SACAA website.



Supply chain risks

Items to be transported enter the supply chain from a large number of sources. In addition to regular customers of courier companies, these include the general public coming in "off-the-street", eCommerce retailers and businesses with a sudden but irregular need to move an urgent parcel. Many of these senders haven't the slightest knowledge of the risks to aircraft, people and cargo represented by hidden, undeclared and misdeclared Dangerous Goods. Lithium batteries, in particular, may be a high-risk item.

David Alexander of Professional Aviation Services addressed these issues. Since express supply chains are varied, complex and urgent they throw up special challenges. "Again, we turn to the necessity for fully-trained courier and front-line personnel, equipped to guide and educate customers and ensure that procedures are followed when accepting parcels for shipment."

Lithium Batteries are a particular challenge due to their proliferation in supply chains. Even smaller batteries are now becoming more powerful due to the demands of users who want their electronics to pack more punch. Mr Alexander underscored the importance of lithium battery handling systems and procedures to transport such items safely.

As the fastest-growing segment of the transportation industry, express parcel services are evolving and changing at a rapid rate. "Given consumer impatience and the rise of online purchasing, we have seen all manner of innovation in last-mile delivery," said Mr Alexander. "That means we have to be constantly vigilant and ensure that new outlets such as "Click and Collect" and "Drop Boxes" are subject to the same safeguards and procedures.

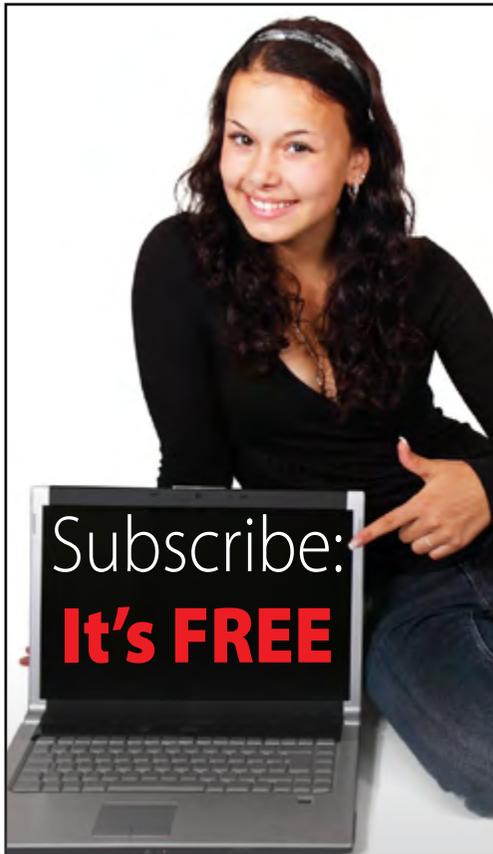
The seminars were sponsored by BidAir Cargo in the interest of aviation security .

Dangerous Goods Seminar in Cape Town

Over 70 enthusiastic industry personnel attended the Dangerous Goods seminar at Ratanga Junction conference venue. They were very attentive and participative during the presentations.

The SACAA was clear that lack of training or expired training was not permissible. The lack of necessary training could have serious consequences for a company including enforcement and in extreme cases, suspension of operations. In the high-speed and dynamic express parcel environment, change was constantly happening. Management had to ensure that training was always up to date which called for strategies such as staggering training renewal times,

Overall, the seminar feedback was highly positive. Those attending appreciated the fact that the South African Civil Aviation Authority (SACAA) Dangerous Goods Manager and the Senior Manager: AVSEC and Dangerous Goods had flown down specially to address service providers in the Cape.



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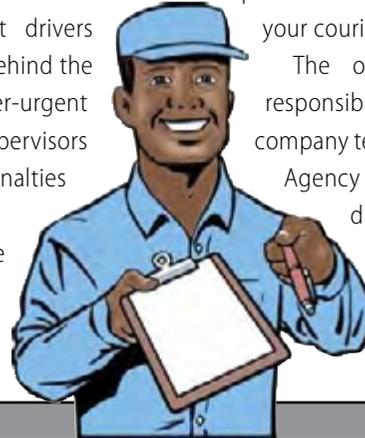


Are your drivers ready for AARTO?

It seems that the Administrative Adjudication of Road Traffic Offences (AARTO) points system may finally be implemented in 2018, according to MasterDrive.

The company suggests that drivers should brush up on their skills behind the wheel. In particular, in our hyper-urgent business, drivers and their supervisors need to pay attention to the penalties applicable.

13 points means a three months licence suspension. If a licence is suspended three times, it may be cancelled.



If a driver is suspended, the company incurs the cost of sourcing or training new drivers or hiring contract drivers. Even if drivers accumulate points in their private capacity it will affect your courier operations.

The owner of a vehicle is held responsible for demerits unless the company tells the Road Traffic Infringement Agency (RTIA) that someone else was driving. This creates a larger administrative burden and may require changes to employment contracts.

Examples of demerits		
Driving offence	Offence details	Demerit points
Exceeding the speed limit	120 in a 60km/h zone	6 demerits
Exceeding the speed limit	120 in a 80km/h zone	6 demerits
Failure to obey a road sign	Failing to stop at a stop sign	2 demerits
Driving licence	No or expired driving licence	4 demerits
Driving under the influence	DUI or drugs	6 demerits
Overloading	Between 12 and 13,9% overloaded	5 demerits

Source: Eugene Herbert, Managing Director - MasterDrive www.masterdrive.co.za

Our Mission

SAEPA represents the interests of the express parcel transport industry and member companies by communicating positions to legislative and regulatory officials; providing a forum for the exchange of information about trends and developments within the industry; encouraging the use of express delivery services to the market place and promoting the well-being and development of industry employees through education and training and an exclusive wellness programme, **Wellness Express**.

Snippets

Fewer domestic SAA flights

SAA is reducing domestic flights by 37% before year-end, it has reported to the standing committee of finance in Parliament.

The carrier has already removed one narrow-body aircraft from its fleet and will take down four more by December.

In addition to the 37% reduction in domestic flights, there will be an 11% reduction in regional flights and 4% reduction in international flights.

Dates for your diary

PLEASE NOTE: change of date



Snippets

Aircraft grounded

State-owned airline SA Express is estimated to be losing over R5 million a month in leasing charges for aircraft that are grounded. The airline says it lacks the funds to pay suppliers for parts to service the grounded planes.

The management of SA Express told Parliament's Standing Committee on Public Accounts Scopa that like South African Airways, it's in financial distress and in need of a bailout. It is reported that the company is spending money chartering aircraft to make up for the grounded leased aircraft.



Silver Lining

These last few days, Mrs Courier has already been taking an inordinate interest in the cargo van the courier uses to deliver her chronic medication. I've been wondering why.

She's been in a state of high excitement ever since the Western Cape High Court dagga judgment in March. She had visions of drones dropping off marijuana discreetly in our back yard along with the beer and pizza and her chronic medication. "No questions asked, no nosy neighbours signing for the shipment and it would have done my sciatica the world of good."

Then she was distressed to learn that California has thrown a spanner in the works. The drug has already been legalised in the State and recreational marijuana sales will be permitted starting New Year's Day. However, the Medicinal and Adult Use Cannabis Regulation and Safety Act mandates that cannabis must be transported in commercial vehicles or trailers, such as the ones our courier uses. The law specifically prohibits among other transport methods, drones, human-powered vehicles (such as bicycles) and

rail from delivering weed. Bad news for the S A Post Office and Spoornet, then, among others.

"If that's the law in California it will soon be the law here," Mrs Courier contends." Just like the smoking ban - it started in one place and everywhere else followed."

Any vehicle used for transporting dagga must have lock boxes to keep the weed secure in transit. Nor may vehicles park in residential areas overnight. These rules apply whether the marijuana is recreational or medicinal. Plus California law also specifically states that those delivering the cannabis aren't allowed to consume the substance while out on the delivery. Hmm.

Excluding drones, bicycles and rail trucks means a whole new raft of deliveries for the express parcel industry – assuming suburban consumers take to the product.

So if and when that cloud of blue smoke hovers our suburb, that signifies more deliveries for the express parcel industry, which is always a good thing. Silver lining.

by The Mystery Courier

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