

# Co-modal service saves steel producer R100 per ton

This month saw the arrival of the first consignment of steel coils at the Natalspruit Inland Port in Alberton.

It represents the start of a new co-modal logistics concept that will see the manufacturer of the steel saving R100 per ton for delivery to final destination. And for a company that imports 3 000 tons a month, that equates to a saving of R30 000 per month.

The co-modal model is the brainchild of Trans-Med Shipping director Kuben Naicker who believes that the company's recently opened Natalspruit dry port brings to the table a unique value proposition.

While intermodal logistics involves the use of two or more different modes of transport, TMS's co-modal structure involves the merging of services to add value to the total supply chain, says Naicker.

"This ensures positive empowerment and support for all organisations involved, including the end client."

Transmed is the 'glue' that brings together all the key players, Naicker adds, integrating the services, providing a one-



**The first consignment of steel coils at the Natalspruit facility.**

stop solution from vessel discharge to consignee, including last mile delivery and exclusively using rail for the Johannesburg/Durban leg.

Through the integration of key service providers – Transnet Port Terminals, Transnet Freight Rail, shipping lines and freight forwarders – the company has structured a deal that works to the benefit of all, he says.

"It's about increasing volumes for TFR. When you look at the inland leg from Durban to Johannesburg, the cost

saving is not huge and rail costs are negatively affected by last mile delivery. Our all-in solution involves the merging of services to add value to the total supply chain.

"Currently an importer bringing containers to Johannesburg has three days to clear it out of DCT. My solution is straight to my depot – and in Johannesburg you have free storage and containers are staged for you."

The company is also currently in negotiations with a shipping line to mitigate the costs

of the turn-in fee in Johannesburg. "The idea is that we don't charge the line any fees for keeping the containers – we bring the container to Johannesburg and deliver it directly to the stack in Durban – and if we have an export we will utilise the container.

"Effectively we have created a ring-fenced solution for breakbulk and bulk cargo which includes port handling, rail handling at Natalspruit and delivery to customer.

"One rate per ton – done," says Naicker.

**– Joy Orlek**