

Bulk exports soared 23.9% y/y in May: TNPA

SA's bulk export volumes soared by 23.9% year-on-year (y/y) in May, data from the Transnet National Ports Authority (TNPA) showed.

Bulk exports rose by 6.6% in 2011 to a record 141.493 million tonnes (Mt) after a 9.0% jump in 2010. In the first five months of 2012 the y/y increase was 9.9%.

The slower growth last year was in part due to weather-related disruptions as well as cable theft on the Mpumalanga-Richards Bay coal line, which resulted in derailments and other disruptions to traffic.

The coal line was closed for 20 days in May and June 2011 to do necessary maintenance and in October exports out of Richards Bay exceeded 8 Mt or an annualised 96 Mt, but this eased to 7.3 Mt in November before rising to 7.5 Mt in December and 7.7 Mt or an annualised 92 Mt in January 2012. In May 2012 Richards Bay shipped 6.8 Mt, a 32.0% y/y surge. Shipments for the first five months were up 17.8% y/y.

Last year shipments out of Richards Bay, which are mostly coal, disappointed with a 1.4% rise to 76 Mt in 2011, while mostly iron ore shipments out of Saldanha Bay increased by 12.3% to 53.3 Mt. In January 2012 the y/y increases were 34.4% and 25.0% respectively, indicating that demand for these commodities remained very strong despite the global growth concerns.

The star performer last year was agricultural and manganese exports out of the other South African ports, such as Durban and Port Elizabeth, which jumped by 18.7% to 12.2 Mt. In May 2012, there was a 16.3% y/y increase to 1.3 Mt.

The majority of bulk exports go to Asia as China, India and Japan require South African coal and iron ore to feed their steel mills and thermal coal power stations.

As all nuclear power stations in Japan have now been closed down following safety concerns after the March 2011 earthquake, Japan requires more coal to burn in their thermal power stations, as nuclear power supplied about 30% of Japan's electricity in 2010.