Feedback Report
Operational Transport Management (OTM611S)
Assignment 1, 2019

Dear students
Thank you for the effort and congratulations in completing your first assignment for this semester.

There are still students that do not follow instructions, all assignments should be TYPED, some students handed in assignment that are hand written and are really not legible, and this makes the marking very difficult. I am aware that some of you might have experienced difficulties or challenges; please try all means to submit typed assignments. There are also students whom did not include the table of contents; introduction; title on the cover page; page numbers; conclusion and references. These students have lost marks allocated to these aspects. A comprehensive assignment report should cover all these sections.

The biggest problem is that students are not referencing (in text referencing) their work. Please use the APA referencing guide to cite the sources of the information used in your assignments.

Finally, you should always make sure you read your assignment carefully before attempting to answer any question, and also, be guided by the marks allocated per question when answering questions.

Best regards,
Ms Ester Kalipi
OTM611S Marker Tutor
**Question 1**

Which mode of transport will be the most appropriate to transport the following products? Justify your answer?

*Tips to answer question 1:* students should consider the criteria for selecting a mode as well as the products attributes of the shipment before deciding on which mode(s) of transport will be used to transport the products in sub-question a –d. Hence a student can present his arguments based on the criteria in the table below.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td>This are all cost associated with transporting the shipment via a specific mode. There is a need to understand the cost implication for choosing a specific mode of transportation.</td>
</tr>
<tr>
<td><strong>Physical attributes of shipment</strong></td>
<td>Below attributes must be consider before choosing a mode;</td>
</tr>
<tr>
<td></td>
<td>✓ Volume to weight ratio</td>
</tr>
<tr>
<td></td>
<td>✓ Value to weight ratio</td>
</tr>
<tr>
<td></td>
<td>✓ Packaging and product dimensions</td>
</tr>
<tr>
<td></td>
<td>✓ Individual characteristics of shipment (hazard, fragility, perishability, time constraints, security)</td>
</tr>
<tr>
<td></td>
<td>All in the above attributes determines what modes of transportation is ideal to ensure good get delivered in the right conditions and time</td>
</tr>
<tr>
<td><strong>Distribution of shipment</strong></td>
<td>The shipment frequency and distance will also impact the mode of transportation.</td>
</tr>
<tr>
<td><strong>Modal characteristics</strong></td>
<td>Below modal attributes influence the selection of modes of transportation</td>
</tr>
<tr>
<td></td>
<td>✓ Carrying capacity</td>
</tr>
<tr>
<td></td>
<td>✓ Transit time</td>
</tr>
<tr>
<td></td>
<td>✓ Weather</td>
</tr>
<tr>
<td></td>
<td>✓ Trip time and reliability of mode</td>
</tr>
<tr>
<td></td>
<td>✓ Equipment availability, e.g. handling equipment for loading and offloading consignment</td>
</tr>
<tr>
<td></td>
<td>✓ Safety in terms of shipment damages and theft</td>
</tr>
<tr>
<td><strong>Topography</strong></td>
<td>Due to geographical constraints shippers might be limited to specific modes of transportations. E.g. intercontinental shipments are limited to sea and air transportations.</td>
</tr>
</tbody>
</table>
a) Sand from Walvis Bay to Windhoek

Intermodal transportation consisting of Road & Rail mode of transport.

The road transport is required to carry products from the factory to the railway station this is because of its ability and flexibility to deliver the goods to the railway station and to their final destination. Hence there is *door to door services* as road is not limited to a fixed route or fixed terminals. Consignments can be conveyed directly from a shipper to a receiver without the need for special attention. *Secondary*, deliveries are prompt especially in Namibia as road carriers can deliver in Windhoek, hence accessibility is high. Thirdly, because of the ability to supply door to door service, there is little handling and few transhipments taking place between the railway station in Walvis Bay and customer in Windhoek. There is freight protection as feeding/collection and line hauling are often not necessary.

Besides the convenient service of road transport, there are challenges that will affect the delivery services, namely:

- **Shared right of way:** the right of way is shared with other traffic, which increases safety and security risks and the occurrence of unexpected delays.
- **Vulnerability to external factors:** increment weather conditions and traffic congestion can impact on reliability and punctuality of road transportation.

*The freight forwarders could avoid the peak times when traffic congestion is usually high; and also schedule convenient delivery times putting in consideration the weather forecast of the operating schedule and towns to deal with challenges.*

**The railway transport**

The capability to efficiently transport large tonnage over long distance is the main reason railroads continue to handle significant intercity tonnage (Bowersox et al, 2013). There is a reliable railway system between Windhoek and Walvis Bay. The *first argument* supporting rail transportation method is that it is cheaper and more energy efficiently. *Secondly*, the distance between Walvis Bay and Windhoek is short, hence the goods will be delivered within a day. *Thirdly*, the flexibility of rail infrastructures that allow businesses to reduce the transhipment costs and expedite shipping times by using
containers which are easily moved from one mode to another, i.e. ability to transfer the cargo from a motor carrier to rail and back to a motor carrier. Lastly, sand is a product that is in bulk, and requires transportation at once. It is also not perishable, hence it cannot lose its value once transported throughout the whole day.

The typical strength of Rail transport that yield good results in China includes:
- Rail transport generally cost less than road freight transport over long haul.
- Rail transport is less affected by increment weather conditions than other modes.
- Rail wagons cannot be easily hijacked or stolen as road vehicles.
- Rail transport is cost and energy-efficient when the carrying capacity is fully utilized.

b) Clothes (20ft container) from China to Namibia (Oshakati) 10 Marks

Intermodal transport involving Rail transportation, Sea transportation and road Transportation method

There are only two types of international shipping mode, which are air and sea transportation mode. The factors that determine the choice of using one of these modes are cost, reliability, speed, volume versus weight, infrastructure conditions and environmental impact.

Clothing would form part of the general cargos on which transportation of movement is quoted in dollars per unit of weight, and transport charges are quoted per hundredweight (CWT), therefore high density weight allows fixed cost to be spread across more weight. The combination of weight and volume placed high emphasis on economy of density. The first argument supporting sea transportation method it to reduce transportation cost, benefiting from the economy of scale as a result of economy of density.

The second argument supporting sea transport mode is that Development Group would in order to reduce cost air transportation is not a suitable method for the volumetric clothing products that needs to be transported from suppliers in China. Air transport would be an expensive mode of transportation even though faster and reliable than sea transportation mode. According to Bowersox, Closs, Cooper and Bowersox, (2013) the capability to transport large tonnage at low variable cost places sea transport in demand when low freight rates are desired and speed of transit is a secondary consideration.

According to Pienaar and Vogt, (2009) the typical strength of sea transport that encourage the choice of this mode:
- A low-cost can be supplied as large volumes of high density freight can be conveyed over long distances.
Standard intermodal containers can be utilized to facilitate freight handling and transhipments.

Traffic congestion is virtually non-existent on the open sea.

Sea transport offers a very safe and secure service.

**Rail transportation**

The capability to efficiently transport large tonnage over long distance is the main reason railroads continue to handle significant intercity tonnage (Bowersox et al, 2013). China has a well-developed and excellent railway system. The *first* argument supporting rail transportation method is that it is cheaper and more energy efficiently. *Secondly* a freight speed train is faster. *Thirdly*, the flexibility of rail infrastructures that allow businesses to reduce the transhipment costs and expedite shipping times by using containers which are easily moved from one mode to another, i.e. ability to transfer from rail to motor carrier and cargo carrier. *Lastly*, it is cost-effective to use the railroad to get freight to the warehouse as well as to port of shipment.

The typical strength of Rail transport that yield good results in China includes:

- According to the freight forwarder rail transport generally cost less than road freight transport over long haul.
- Rail transport is less affected by increment weather conditions than other modes.
- Rail wagons cannot be easily hijacked or stolen as road vehicles.
- Rail transport is cost and energy-efficient when the carrying capacity is fully utilized.

**Road Transport**

*Firstly*, Road Transport is used because of its ability and flexibility to deliver the goods from the railway station or port of arrival to their final destination and vice-versa. Hence there is *door to door services* as road is not limited to a fixed route or fixed terminals. Consignments can be conveyed directly from a shipper to a receiver without the need for special attention. *Secondary*, deliveries are prompt especially in Namibia as road carriers can deliver in Oshakati, hence accessibility is high. *Thirdly*, because of the ability to supply door to door service, there is little handling and few transhipments taking place between the port of Walvis Bay and the customer in Oshakati. There is freight protection as feeding/collection and line hauling are often not necessary.

Besides the convenient service of road transport, there are challenges that will affect the delivery services, namely:

- Shared right of way: the right of way is shared with other traffic, which increases safety and security risks and the occurrence of unexpected delays.
- Vulnerability to external factors: increment weather conditions and traffic congestion can impact on reliability and punctuality of road transportation.
The freight forwarders could avoid the peak times when traffic congestion is usually high; and also schedule convenient delivery times putting in consideration the weather forecast of the operating schedule and towns to deal with challenges.

c) Vegetables from cape town to Windhoek 10 Marks
Road Transport Mode can be used
The road transport mode can be used to ship the vegetables products from Cape Town, South Africa to Windhoek, Namibia. Vegetables are the types of food products that are perishable in nature and they should be handled with care. The vehicle transporting the vegetables should have a temperature controlled equipment to ensure that the goods are not spoiled. It may take approximately 3-5 days to deliver the goods in Windhoek from Cape Town, and the vehicle may be delayed at the border for customs clearance depending on the queue. Companies such as FP Du Toit, SBS Trucking, Wes Bank Transport etc. Road Transport is reliable, as it offers door to door services, thought costs may be high hence there is a need to ensure that they have enough safety stock to guard the company against stock out, since the shipper will consolidate different orders to ensure full utilisation of the vehicle which may take longer.

d) A smart phone from Johannesburg to Windhoek 5 Marks
Intermodal transport consisting of air transport and road transport
Firstly road transport is used to pick up the smartphone from the supplier to the nearest international airport (OR Tambo International Airport in Johannesburg), with the flight connecting to Windhoek Namibia. This is because air transport cannot offer door-to-door services as it fixed to the airport infrastructures. The smartphone should be picked up from the supplier in South Africa to airport and also from the airport in Namibia to the customer via road transport. The reason why air transport is used is that it is faster and cheap when the product has a very low weight as it does not take up more space. A smartphone has a high value.
Question 2

Discuss the role that transport infrastructure plays in the development of the economy of Namibia?

15 Marks

Trade: transport is a means of balancing the source with demand and use

- Transport facilitates the movement of raw materials and finished products between the countries
- Transport create time and place utility

Economic function of transportation (trade)

The earth is a planet gifted with abundant non-homogeneous natural resources, each location blessed with different climate, soil and fertility (Gubbins, 2003). It is because of this variations in natural habitat that some areas are more efficient in growing certain crops, mine certain commodities and fish certain type of fish than others. Thus we all depend on various types of goods and services from all over the world to sustain our daily lives, this necessitated the need of exchanging all sorts of products and service, natural resources and movement of people from all over the world, and transport facilitated such economic exchanges. In order for societies to fulfil their ever changing demands there is an immense requirement of transporting resources from one particular society to other. This resources can be goods, natural resource, knowledge and skills etc.

The link with the market place: factories can be located where production is most efficient

- Transport caters for economies of scale and local optimization

Social interaction: promote social relationships in the communities

- Transport promote social development and welfare of human beings. It helps people to have access to basic needs and services such as schools, hospitals, employments, sport recreation, cultural events etc.
- The formation of urban society is highly influenced by transportation which are clearly seen in the formation of cities, their size, patterns and the development of societies, especially urban towns or districts.
- **Take an example of the Windhoek city**, in the beginning settlement of the city inhabitants were proximal to the city centre and other major institutions such as banks, when the city grew beyond normal walking distance, then transportation technology played a role in the formation of the now developed Windhoek city. As people migrated to Windhoek, the city grew in population and developed onto a big city and major trade centre.

- In order to match the new lifestyle, new transport ways were found for inhabitants to travel to and from work and round abounds, the increased speed of transport and reduction in the cost of transport, new public transport and construction of paved road network etc. In today’s world **people are no longer confined to geographical area**, but they are moving abroad to find better living conditions, study opportunities or for touring and recreational purposes. **Transport is required to enhance social interactions and social development.**

**National cohesion**: efficient transport links are vital for state security and identity.

- A nation is held together by the way in which separate communities are linked to a common purpose

- Political process and national identity are enhanced by the ability of policy makers and leaders to travel to different parts of a country.

- Transportation plays an important role in the functioning of political activities, an **efficient transport links are important for state security and identity**. An **efficient administration** of a country largely depends on **how effectively government could communicate information and movements of people and goods country wide**. E.g. rapid movement of troops in case of emergency depends on a good transportation system hence the political decision of construction and maintenance of roads has resulted in the development of transportation system. Regarding political role, large areas can now be governed very easily with the help of good transportation system.
Role of Transport in Production

- Transportation plays a major role in the production process.
- It enables the entrepreneur to assemble more easily the raw materials and labour input needed to make a specific product.
- The same transportation system moves intermediate goods to other producers for subsequent use in their production process, and its move finished goods to the customers.
- An efficient transportation system enable Just in Time (JIT) production Techniques.

Tourism

- The airline industry has specifically contributed to the growth in this market, due to airlines being fast, safe and relatively cheap.
- The car rental industry is part of the transport industry and has also been positively affected by tourism development.

Transport also Contributes to Economics development through job creation, which can be direct or indirect.

- Direct employment will be created in the industry itself, such as drivers, logistics manager, and pilots.
- Indirectly, jobs are created in for example the insurance and financing industry, related to the assets of transport companies.

Transport labour mobility

✓ Transport system allows workers to relocate and take advantages of better job opportunity.
References


