

# Cargo movement update<sup>1</sup>

**Date: 12 May 2023**

## Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current <sup>2</sup>			Previous <sup>3</sup>			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	27 481	34 249	61 730	25 225	32 246	57 471	↑8%
Air Cargo (tons)	2 701	1 791	4 492	3 170	1 885	5 055	↓11%

## Monthly Snapshot

Figure 1 – Monthly<sup>4</sup> cargo volume levels, year on year (100% = baseline; >100% = growth)

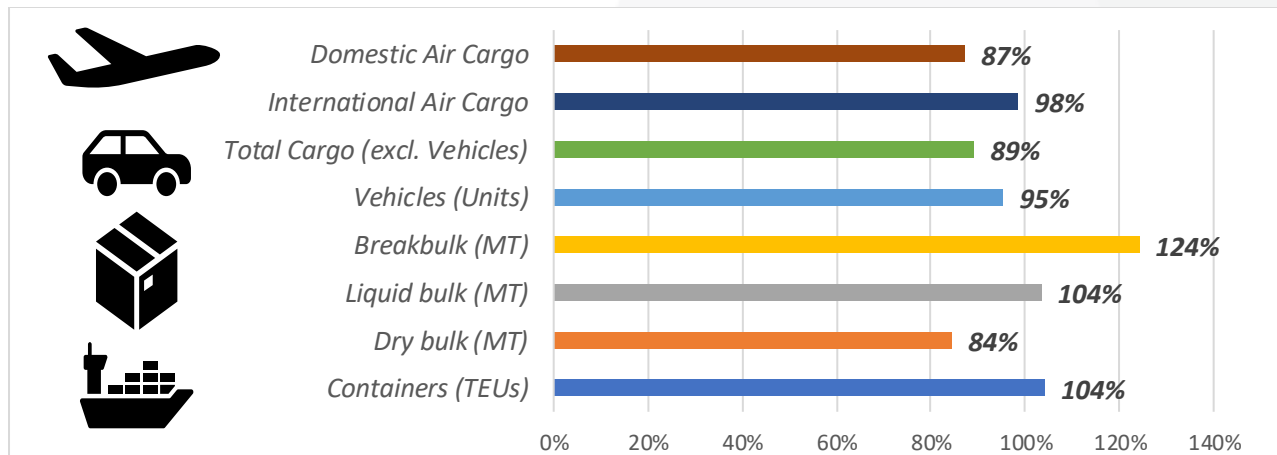
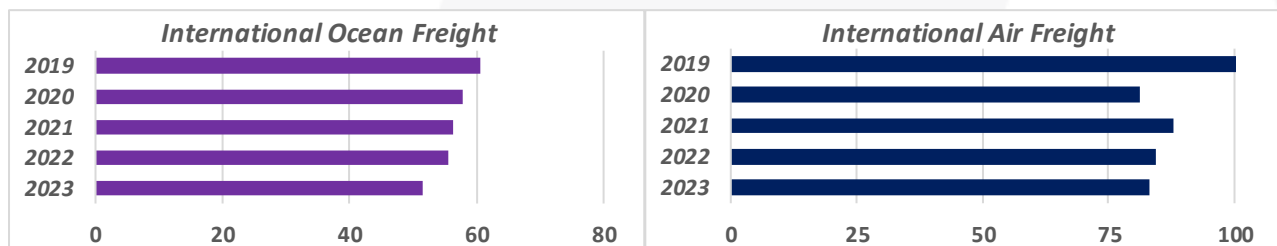


Figure 2 – Global year-to-date flows 2019-2023<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~8 819 containers** was handled per day, with **~8 620 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 147 containers**, **↑25%** compared to last week.
- Cross-border queue times were **↑0,9 hours**, with transit times **↑3,0 hours**, SA borders **~8,2 hours (↓29%)**.
- CTS container throughput (dry & reefer) is up by a massive **↑22,4%** (m/m) but down **↓3,1%** (y/y).
- Global container freight rates decreased slightly by **↓1%** (or **\$22**) to **\$1 741** per 40 ft this week.
- Liner schedule reliability improved by **↑2,4%** (m/m) to **62,6%**, with average late arrivals at **5,03 days**.
- Air cargo demand continues to weaken (**↓1%**, w/w) as capacity (**↑13%**, y/y) drives rates down.

<sup>1</sup> This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the 136<sup>th</sup> update.

<sup>2</sup> 'Current' means the last 7 days' (a week's) worth of available data.

<sup>3</sup> 'Previous' means the preceding 8-14 days' (a week's) worth of available data.

<sup>4</sup> 'Monthly' means the last months' worth of available data compared to the same month in the previous year; Air: Apr vs Apr, Ocean: Mar vs Mar.

<sup>5</sup> For ocean, total Jan-Mar cargo in metric tonnes, as reported by [Transnet](http://www.transnet.co.za) is used, while for air, Jan-Apr cargo to and from ORTIA is used.

## Executive Summary

This update – *the 136<sup>th</sup> of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. After some improvements last week, number-wise, domestic port operations this week reverted to the well-known pattern involving adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, operational incidents, and congestion. Once again, East London could not escape the clutches of load-shedding this week. At the same time, equipment challenges in the form of straddle carrier breakdowns and a gearbox malfunction on one of the cranes also ensured operational delays. During the earlier stages of the week, DCT's Pier 2 only had 51 available straddle carriers out of a total of 108, and they ended the week with a minor improvement to a range of 61-65. Once again, TFR was hit by several major incidents of cable theft and vandalism, dampening recovery prospects for operations on the rail network.

In the global container shipping industry, the latest throughput figures show a robust recovery after the cyclical annual lows recorded in February. The bounce-back is much stronger than expected, despite more frequent data indicating a strong recovery. As a result, the industry is much more stable than at any time in the last two years – especially for shippers. Elsewhere, aggressive freight rate cuts by some lines have undermined the planned 1 May rate increase, but carriers will make another attempt on 15 May to raise rates despite the weak market sentiment. Port congestion has almost dissipated as capacity restrictions are eased, with carriers already reversing the slow-steaming programs implemented in the 1<sup>st</sup> quarter. Furthermore, the idle fleet continues to shrink as the merchandise trade grows steadily. Other developments included **(1)** CMA CGM bids €5 billion for Bolloré Logistics, **(2)** Evergreen is the latest carrier under investigation by the FMC, and **(3)** 1 200 km UAE rail line open for business.

After some decent air freight volumes were posted last week, international air cargo flows decreased by **↓11%** this week. However, domestic volumes picked up significantly (**↑19%**) after several poor weeks, as volumes to Johannesburg continued to drift way below cyclical trends. Internationally, weak demand and increased capacity are driving lower air cargo rates.

In regional cross-border road freight trade, average queue and transit times increased significantly this week – primarily due to blockages in Zambia and the DRC. South African border crossing times decreased by nearly **3-and-a-half hours** this week, which was welcomed – averaging **~8,2 hours (↓29%, w/w)** for the week. The decrease comes despite several instances of truck protests around South Africa, including on the N3/N4/N12/N17 and R21. In contrast, crossing times in the greater SADC region (excluding South Africa) increased by four hours, averaging **~13,1 hours (↑44%, w/w)**. This week's busiest SADC land borders included Kasumbalesa, Katima/Mulilo, Oshikango (the worst affected – at around **two days**), Santa Clara, and Zobue/Mwanza. Further developments of note included **(1)** regional driver protests in Zambia relating to poor conditions, resulting in **(2)** the SADC Drivers Association President calling for all borders between the DRC and Zambia to be closed.

Finally, we focus on the dire need for our ports to function and for all role players to play their part. Several key elements must be considered to achieve international best practices in port performance. Firstly, efficient infrastructure and state-of-the-art facilities are crucial, including deep-water berths, advanced cargo handling equipment, and seamless connectivity with road, rail, and inland waterways. Secondly, streamlined and digitised processes are essential, encompassing automated systems for vessel scheduling, cargo tracking, and customs procedures. Thirdly, effective port management practices should be implemented, focusing on optimising vessel turnaround times, minimising berth congestion, and ensuring swift and reliable cargo operations. Additionally, fostering collaboration between stakeholders, such as port

authorities, shipping lines, terminal operators, and customs agencies, is vital for coordinated and integrated operations. Lastly, adherence to international standards and compliance with safety, security, and environmental regulations are paramount to achieving sustainable and globally recognised port performance.

Currently, we are miles from international best practices. As SA Inc., we cannot afford and accept this reality. We need to improve our logistics performance, which means that all parties must align with international best practices and aim to achieve much greater success and performance than the current reality.

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## 1. Ports Update

This section provides an overview of the flow of containerised cargo through our commercial ports.

### a. Container flow overview

The following tables indicate the container flows reported for the last seven days and projections for the next seven days.

Table 2 – Container Ports – Weekly flow reported for 6 to 12 May<sup>6</sup>

7-day flow forecast (06/05/2023 – 12/05/2023)		
TERMINAL	NO. OF CONTAINERS <sup>7</sup> TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 555	3 132
DURBAN CONTAINER TERMINAL PIER 2:	12 647	15 147
CAPE TOWN CONTAINER TERMINAL:	3 381	8 719
NGQURA CONTAINER TERMINAL:	6 191	5 779
GQEBERHA CONTAINER TERMINAL:	1 707	1 472
<b>TOTAL:</b>	<b>27 481</b>	<b>34 249</b>

Source: Transnet, 2023. Updated 12/05/2023.

Table 3 – Container Ports – Weekly flow predicted for 13 to 19 May

7-day flow forecast (13/05/2023 – 19/05/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 105	4 700
DURBAN CONTAINER TERMINAL PIER 2:	12 087	13 006
CAPE TOWN CONTAINER TERMINAL:	3 719	8 550
NGQURA CONTAINER TERMINAL:	5 718	7 188
GQEBERHA CONTAINER TERMINAL:	680	1 590
<b>TOTAL:</b>	<b>25 309</b>	<b>35 034</b>

Source: Transnet, 2023. Updated 12/05/2023.

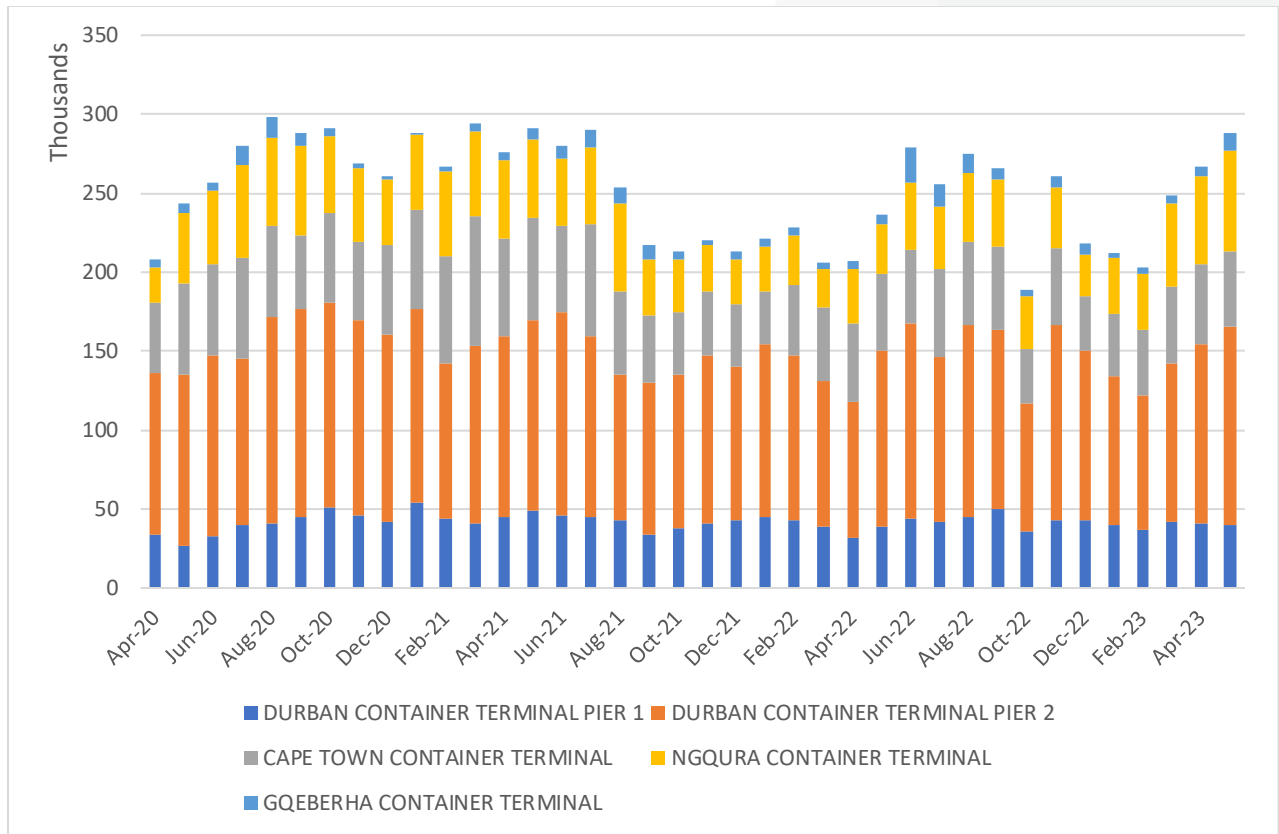
An average of **~8 819 containers** (↑7%) was handled per day for the last week (6 to 12 May, Table 2), compared to the projected average of **~8 784 containers** (↑1% actual versus projected) noted in last week's report. A slightly decreased average of **~8 620 containers** (↓2%) is predicted to be handled next week (13 to 19 May, Table 3). Port operations were hampered by the usual culprits of adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, operational incidents, and congestion.

The following figure illustrates the rolling *monthly* average flow of aggregate containerised cargo passing through our commercial ports since our records began during the nationwide lockdown.

<sup>6</sup> It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

<sup>7</sup> As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container and this figure will probably increase as the shift towards more 40' containers continues. Incidentally, the US uses 1,5 to 1,8, depending on the port.

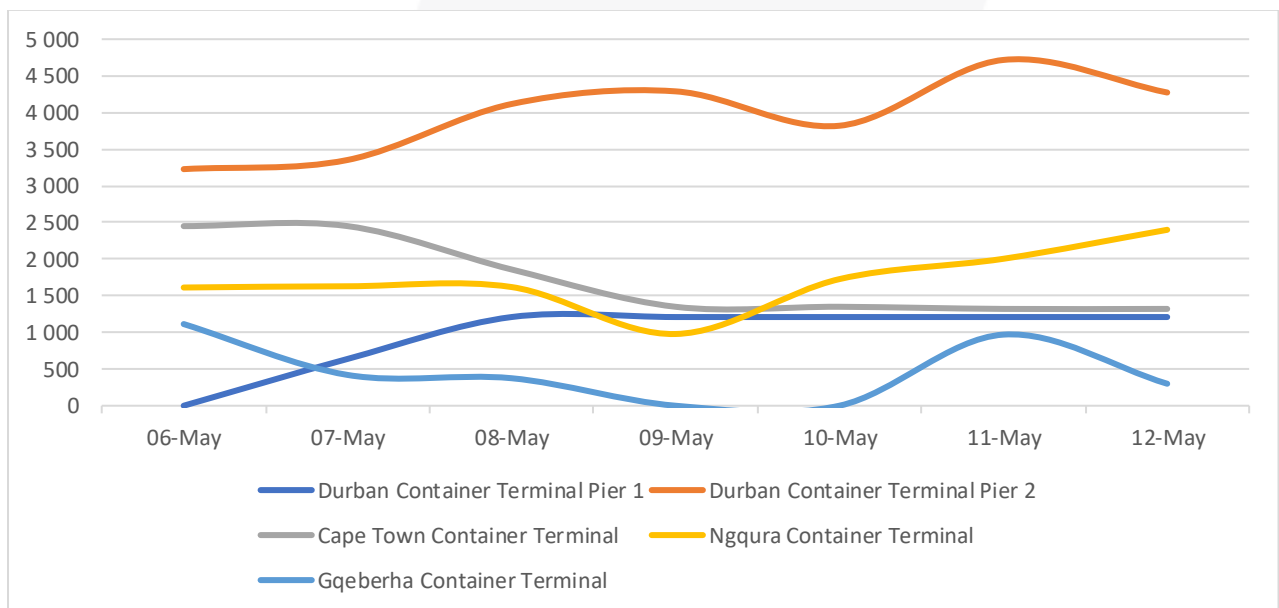
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 12/05/2023.

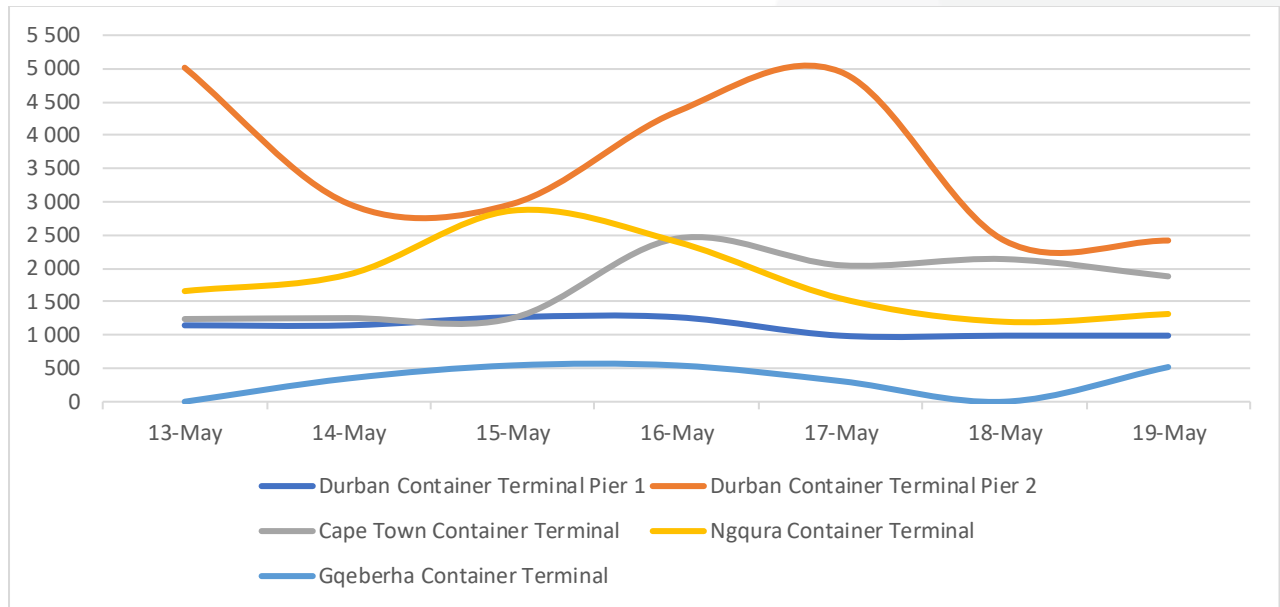
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (6 to 12 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 12/05/2023.

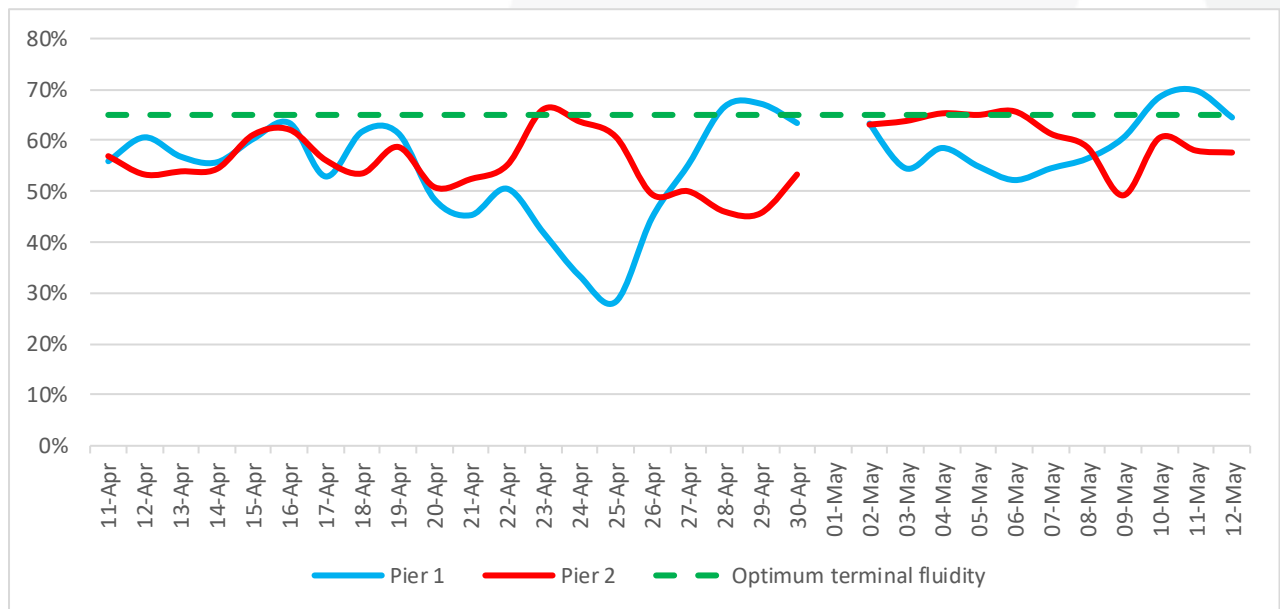
Figure 5 – 7-day forecast reported for total container movements (13 to 19 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 12/05/2023.

The following figure shows daily stack occupancy in both Durban terminals over the last five weeks.

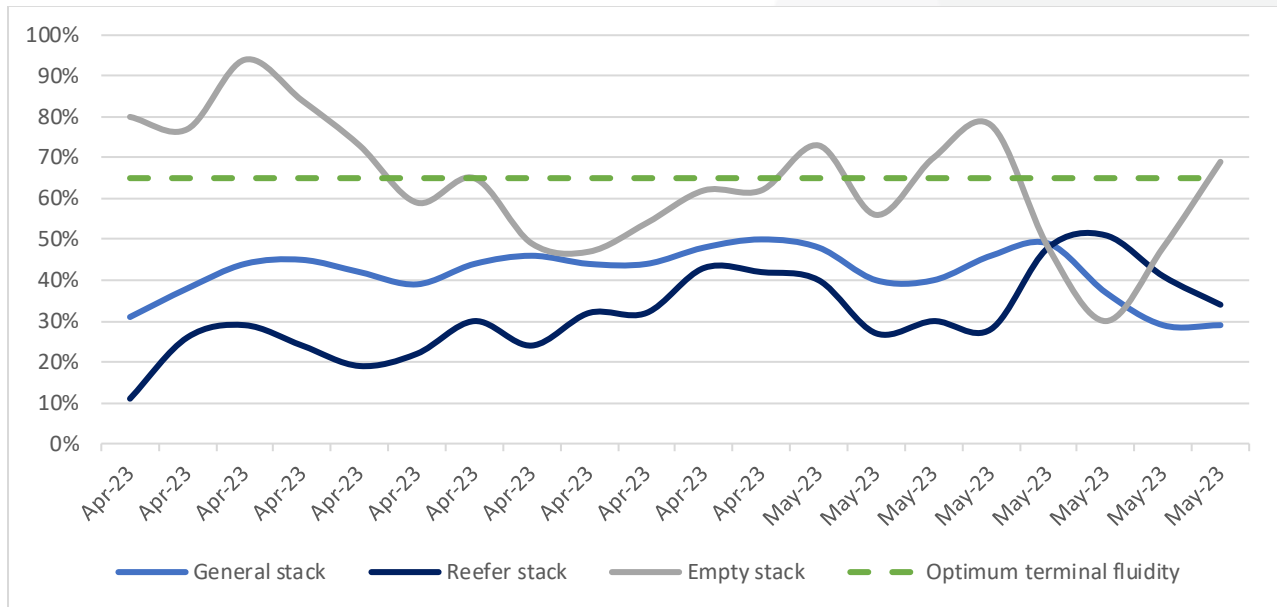
Figure 6 – Stack occupancy in DCT, general-purpose containers (11 April to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 12/05/2023.

The following figure shows daily stack occupancy in Cape Town over a similar period.

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (11 April to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 12/05/2023.

**b. Summary of port operations**

The following sections provide a more detailed picture of the operational performance of our commercial ports over the last seven days.

**i. Weather and other delays**

This week, equipment breakdowns and some inclement weather conditions served as port operations' Achilles heel at the Port of Cape Town.

At the Port of Durban, equipment breakdowns and shortages ensured extensive operational delays and headaches this week. At Richards Bay, unconfirmed reports of a fatality and a serious injury clouded operations.

This week, the Eastern Cape ports were challenged as load-shedding, adverse weather, and equipment breakages delayed operations.

**ii. Cape Town**

On Wednesday, CTCT recorded three vessels at berth and one at anchor, as vessels are mostly berthing upon arrival at the port. Stack occupancy for GP containers was 29%, reefers 34%, and empties 69%. In the latest 24-hour period to Friday, the terminal handled 2 151 TEUs across the quay. On the landside, 998 trucks were serviced while executing 79 rail moves. Routine operations seem to have resumed after recent struggles, and a high number of vessels at anchorage left the port featured in the list of the world's worst-performing ports (from which it has now been removed).

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and one at berth. In the 24 hours leading to Monday, the terminal managed to service 93 external trucks at an undisclosed truck turnaround time while executing 181 moves on the landside on Wednesday. Stack occupancy was recorded at 17% for GP containers, 17% for reefers and 1% for empties by the end of the week.



The FPT private terminal reported zero vessels at anchorage while servicing one vessel at berth on Thursday. During the 24 hours leading to Friday, the terminal managed to handle 648 pallets of fruit on the waterside while servicing 89 trucks on the landside. During the same period, reefer stack occupancy was recorded at a very low 1%.

### iii. Durban and Richards Bay

Pier 1 on Thursday recorded two vessels at berth, operated by four gangs, and one vessel at anchor. Stack occupancy was 70% for GP containers, with 2 200 imports on hand and only 800 import units being released for collection, emphasising the extensive equipment breakdowns experienced at the terminal. The terminal recorded 685 landside gate moves, with an undisclosed number of cancelled slots and 129 wasted. During the week's latter stages, the terminal deployed minimal resources on the waterside to balance equipment availability.

Pier 2 had four vessels at berth and one at anchorage on Thursday. In the most recent 24 hours to Friday, stack occupancy was 58% for GP containers and 57% for reefers, with 29% of reefer plug points utilised. The terminal operated with 12 gangs while moving 3 755 TEUs across the quay. On Thursday, there were 3 256 gate moves on the landside with a truck turnaround time of ~88 minutes and a staging time of ~132 minutes. Additionally, 685 rail import containers were on hand, with 187 moved by rail. During the week's earlier stages, the terminal merely had 51 available straddles out of a total of 108. By the end of the week, this number increased to between 61 and 65 straddles which is still well below the baseline of 76. On a lighter note, it would seem as if the crane situation at south quay berth 108 improved slightly during the latter stages of the week, as the berth had three operational cranes. Crane 521 remains on an extended outage and is anticipated to return to service by 28 May 2023.

The Durban MPT terminal, on Wednesday, recorded two vessels at berth and none at outer anchorage while handling 207 containers and 507 breakbulk tons on -the waterside. Stack occupancy for breakbulk improved substantially this week to 65%, while stack occupancy on the container side was recorded at 21%, with 14 reefer plug points available. On the landside, the terminal managed to handle 124 containers while servicing 92 breakbulk RMTs. On Thursday, two cranes, eight reach stackers, one empty handler, six forklifts and 21 ERFs were in operation. Unfortunately, the third crane's maintenance operations experienced a setback, and a revised return time was issued for next week, Friday, 19 May 2023. In addition, a setback was experienced in the repair operations of the fourth crane, with its revised return time shifting to the end of August.

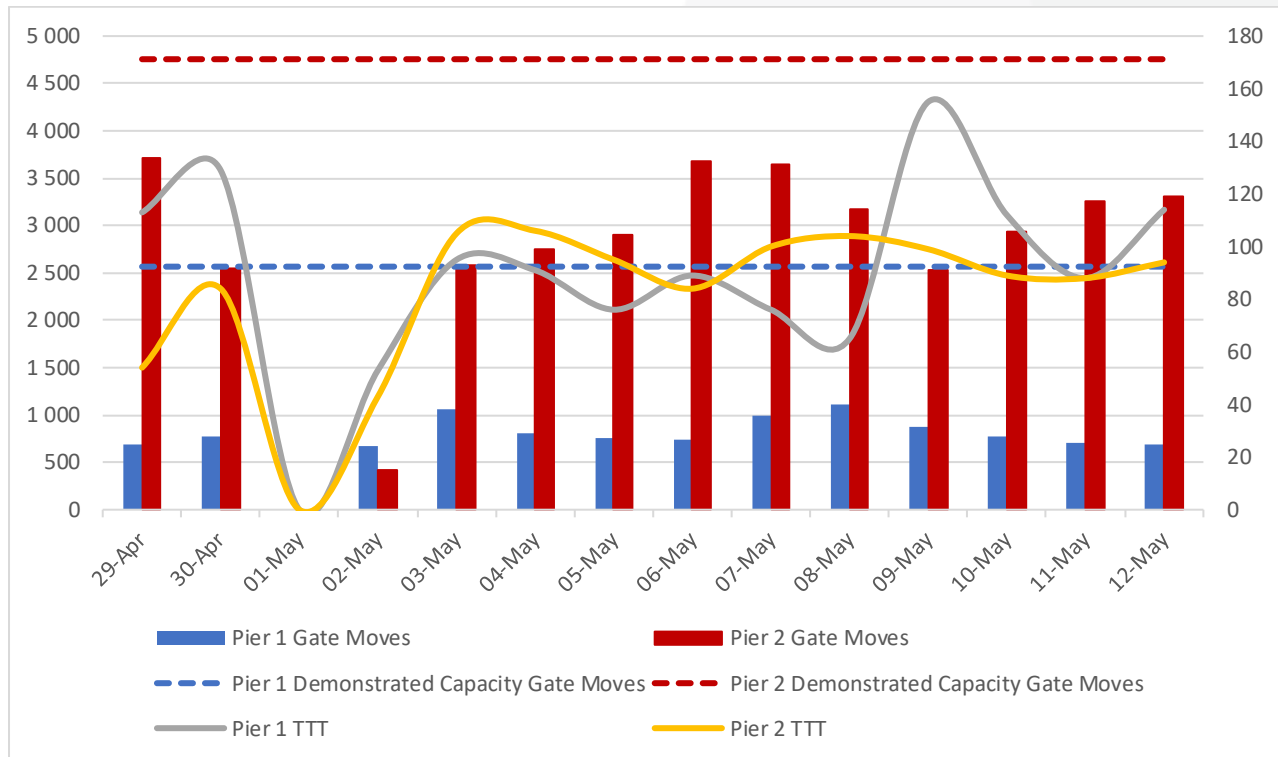
On Tuesday, the Ro-Ro terminal in Durban recorded three vessels at berth and none at outer anchorage while handling 1 297 units on the waterside. Unfortunately, these waterside volumes did not exceed targets due to late export volumes and scanner issues at the terminal. Over the 24 hours to Wednesday, general stack occupancy improved to 49%, while stack occupancy at the abnormal QR- and G-berths also improved significantly to 25% and 75%, respectively.

On Thursday, Richards Bay recorded 17 vessels at anchor, translating to six vessels awaiting berth availability at DBT, four awaiting berth availability at RBCT, four awaiting berth availability at MPT, and three liquid vessels. On berth, they recorded 14 vessels, five at DBT, four at MPT, three at RBCT, and one at the liquid bulk terminal. For marine resources, two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Friday. Unfortunately, the coal situation in Richards Bay is getting worse every day. According to some social media groups, the situation is so dire that there is now a suggestion from locally affected businesses that the High Court should be approached to deny trucks access to roads for parking. With dire predictions that the Port of Richards Bay's handling of coal trucks is grinding to a halt, Transnet National Port Authority (TNPA) has confirmed that they will address the issue of failing to deliver coal by rail.

TNPA said it will hold a press conference to shed light on how it intends to clear up the road backlog but has yet to announce a date for this media briefing.

The following figure summarises the performance of Durban's container terminals for the last two weeks, focusing on gate moves and time spent in the terminals. As has been the case of late – and despite slightly improved numbers this week – the Durban terminals have struggled to reach any notable highs equivalent to anything close to demonstrated capacity, despite a full supply of vessels on the berth.

Figure 8 – Gate moves (left axis), and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2022. Updated 12/05/2023.

#### iv. Eastern Cape ports

NCT on Thursday recorded two vessels on berth and three vessels at outer anchorage. Marine resources of one tug, a pilot boat, two pilots, and one berthing gang were in operation 24 hours before Thursday. The port continued to share marine resources with the Port of Port Elizabeth. In the same period, stack occupancy was 33% for GP containers and 34% for reefers. In the same 24-hour period, 2 821 TEUs and 278 reefers were handled across the quay. Additionally, 520 trucks were serviced on the landside, with a truck turnaround time of ~42 minutes. During the week's latter stages, the port was extensively challenged with RTG outages as four RTGs went out of commission for structural repairs.

GCT on Tuesday recorded zero vessels at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Wednesday. In the same period, stack occupancy was 33% for GP containers, 13% for reefers, and 37% for reefer ground slots while moving 994 TEUs across the quay and handling 57 reefers. On the landside, 232 trucks were serviced at a truck turnaround time of ~28 minutes.

On Wednesday, the Ro-Ro terminal at the Port of Port Elizabeth recorded one vessel at berth and zero vessels at anchorage. Over the 24 hours leading to Wednesday, the terminal managed to handle 1 905 units

while having approximately 3 677 units on hand. During the same period, the terminal recorded a stack occupancy figure of 42%.

At the Port of East London on Wednesday, 230 TEUs were moved across the quay at a GCH of 11; 100 external trucks were serviced at a truck turnaround time of ~15 minutes. Stack occupancy on the container side was captured at 63% on Thursday. During the same period, the Ro-Ro terminal managed to handle 1 735 units at a UPH of 203, while stack occupancy at the car terminal was 59%. On the landside, 28 trucks containing 1 003 tons of bulk cargo were serviced, leading to a stack occupancy of 7%. The port still borrows a tug from the Port of Ngqura to aid waterside operations. Additionally, the port could not escape the clutches of load-shedding this week. At the same time, equipment challenges in the form of straddle carrier breakdowns and a gearbox malfunction on one of the cranes also ensured operational delays.

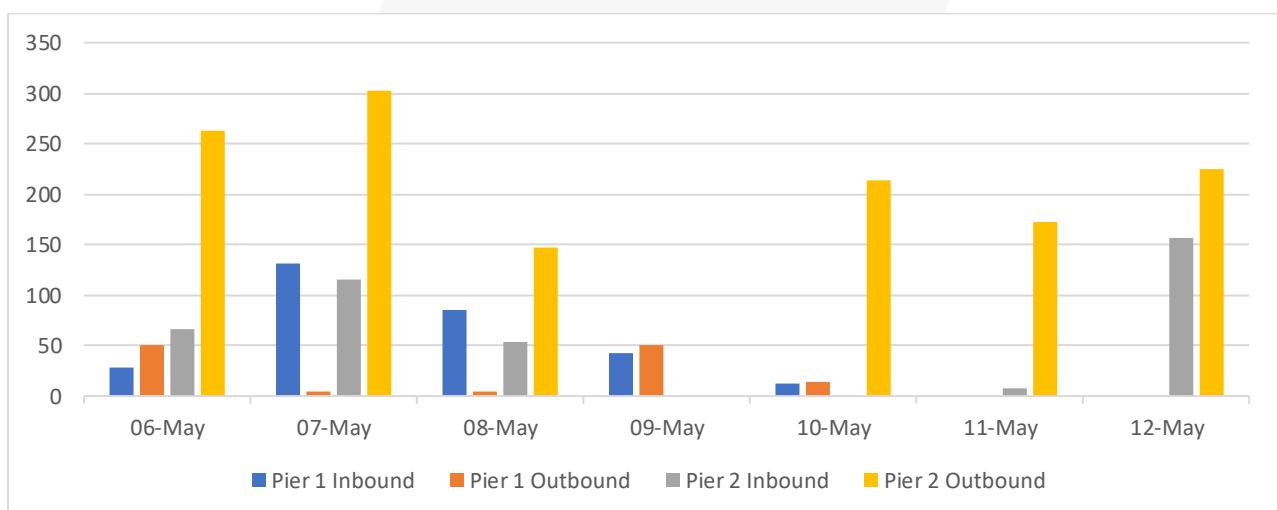
**v. Saldanha Bay**

On Thursday, the iron ore terminal had one vessel at anchorage and one on the berth, while the multi-purpose terminal also had one at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 1-2 days, while the vessels at berth have been on berth for around 3-4 days.

**vi. Transnet Freight Rail (TFR)**

This week was another challenging one for TFR as several major incidents of cable theft and vandalism were reported, dampening recovery prospects for operations on the rail network. The most serious incidents over the latter stages of the week occurred on the Mooi River section of the line. Approximately 15 container trains with import loads were waiting for dispatch at Kings Rest marshalling yard in Durban on Wednesday. This week's latest reports widely suggest that loading operations from the respective terminals are suspended until further notice. The situation is revised by TFR each day to establish when operations can resume. However, the early indications are that operations will resume once the King's Rest marshalling yard has been evacuated. As a stop-press comment, we can record that this did actually happen on Friday. On Thursday, DCT's Pier 2 had 513 ConCor rail units on hand with a dwell time of 216 hours and 172 over-border units with a dwell time of 13 days. Additionally, adding insult to injury, network challenges were experienced on certain rail network sections during the week. Furthermore, according to this week's latest reports, TFR indicated that no Diesel locomotives are available as they have been withdrawn from service operations.

Figure 9 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2022. Updated 12/05/2023.

In the last week (6 to 12 May), rail cargo handled out of Durban was reported at **2 147** containers, up by **↑25%** from the previous week's **1 711** containers.

**vii. General**

MSC initially instituted an operational port surcharge in a circular earlier in the week. The Geneva-based shipping giant said: "Due to a recent revision of the tariff charges by Transnet Port Terminals, with the aim to penalise additional operations in the Terminals which will limit the space available on our vessels to load export cargo out of South Africa, MSC regrets to advise that it has no alternative but to introduce a port operational surcharge of USD 50/cntr." The surcharge relates to TPT changing restow rules, which impacts MSC particularly as the carrier tends to do many restows. Section 2.4 of the tariff saw big increases from previous charges to discourage restows. However, after some discussions with TNPA, TPT and SAASOA, MSC suspended the surcharge for a few weeks. Hopefully, a resolution can be reached somewhere in the middle. All role players in the extended South African supply chain are impacted – including MSC and Transnet – which could ultimately mean that the charges would be passed onto the shippers, their customers, and the end consumer. As SA Inc., we cannot afford and accept this reality. We need to improve our logistics performance, which means that all parties must align with international best practices and aim to achieve much greater success and performance than the current reality.

**2. Air Update**

**a. International air cargo**

The following table shows the in- and outbound air cargo flows to and from ORTIA for the week beginning 1 May. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in May 2022 averaged **~766 276 kg** per day.

*Table 4 – International inbound and outbound cargo from OR Tambo*

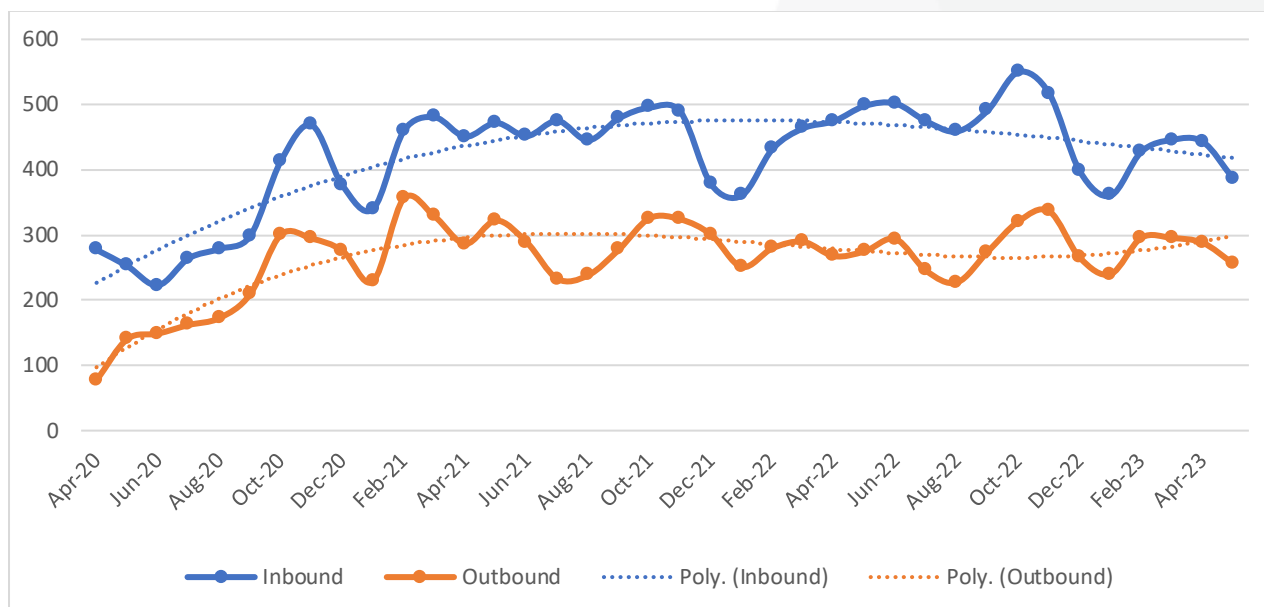
Flows	01-May	02-May	03-May	04-May	05-May	06-May	07-May	Week
<b>Volume inbound</b>	563 156	314 938	274 641	200 180	337 125	274 670	735 937	<b>2 700 647</b>
<b>Volume outbound</b>	94 197	263 985	184 317	172 714	192 461	196 566	687 106	<b>1 791 346</b>
<b>Total</b>	<b>657 353</b>	<b>578 923</b>	<b>458 958</b>	<b>372 894</b>	<b>529 586</b>	<b>471 236</b>	<b>1 423 043</b>	<b>4 491 993</b>

*Courtesy of ACOC. Updated: 10/05/2023.*

The daily average volume of air cargo handled at ORTIA the previous week amounted to **385 807 kg** inbound and **255 907 kg** outbound, resulting in an average of **641 716 kg per day** or **~84%** compared with April 2022. However, the level is currently at only **~68%** compared with the same period pre-pandemic in 2019.

The following figure shows the relative monthly freight movement at ORTIA since the pandemic outbreak.

Figure 10 – International cargo from OR Tambo – volumes per month (millions)



Courtesy of ACOC. Updated: 10/05/2023.

### b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in *May 2022* was ~56 733 kg per day.

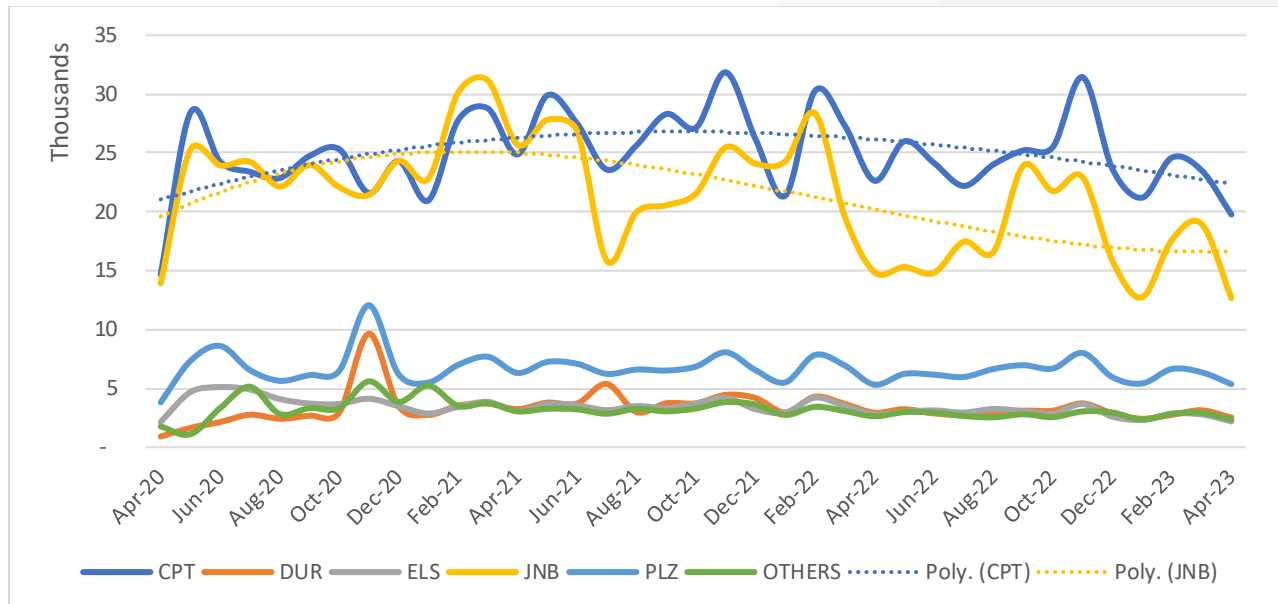
Table 5 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Dec '22 Ave.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
January Ave.	23 644	2 881	2 593	15 834	5 942	2 946	53 839
February Ave.	36 199	3 738	4 843	28 654	11 342	3 958	88 735
March Ave.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	19 767	2 525	2 192	12 650	5 357	2 354	44 844
May Ave.	21 211	2 457	2 724	14 098	5 736	2 697	48 924
01-May	1 095	455	134	220	646	474	3 025
02-May	43 222	4 074	5 164	27 677	10 709	5 222	96 068
03-May	39 871	3 857	4 565	23 105	11 542	4 907	87 847
04-May	39 056	4 538	5 344	24 437	9 978	4 502	87 855
05-May	19 201	3 691	2 704	22 393	4 828	2 635	55 452
06-May	2 588	311	656	399	1 618	608	6 180
07-May	3 442	271	504	457	833	533	6 040
<b>Total for 2023:</b>	<b>2 833 104</b>	<b>341 882</b>	<b>326 261</b>	<b>1 983 821</b>	<b>762 160</b>	<b>335 265</b>	<b>6 582 495</b>

Courtesy of BAC. Updated: 10/05/2023.

The average domestic air cargo moved last week was ~48 924 kg per day, which is down by ↑19% compared to the previous week but remains down compared to last year (~86%).

Figure 11 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 10/05/2023.

### 3. Road and Regional Update

#### a. Cross-border and road freight delays

This week, the following points should be noted in terms of challenges and delays on roads in South Africa and the surroundings in the SADC region.

- This week, the median border crossing times at South African borders decreased significantly and averaged **~8,2 hours (↓29%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) increased by four hours, averaging **~13,1 hours (↑44%, w/w)**.
- As reported last week, the news over the last week has mostly centred around several truck protests around South Africa. These include:
  - Incidents of driver intimidation on the N12 on Monday
  - Petrol bombings on the N3 near Harrismith
  - Blockages in and around the R21/N3/N17 in Gauteng
  - Closure of the N4 at Emalahleni due to a protest involving arson
- Driver strikes were also prevalent in the region, with strikes in the DRC relating to the terrible conditions drivers face at most facilities in the country.
  - The protests are related to the news of police in Kolwezi assaulting and arresting drivers.
  - In response, the SADC Drivers Association President, Stephen Mande, called last Monday for closed borders between the DRC and Zambia. In contrast, other transport associations called for regional transport to continue.
  - FESARTA continues to engage with officials to alleviate the current constraints and flashpoints.
  - Fortunately, traffic in and out of the DRC appears unaffected and currently flows.
- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) [online tool](#) developed by UNCTAD and the AfCFTA Secretariat. However, given the

questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their [TRANSIST Bureau](#)<sup>8</sup>, which arguably provides better and more reliable information.

The following table shows the changes in bidirectional flows through South African borders:

Table 6 – Delays<sup>9</sup> summary – South African borders

Border Post	Direction	HGV <sup>10</sup> Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	413	4	6	22	12 390	2 891
Beitbridge	Zimbabwe-SA	387	5	3	9	11 610	2 709
Groblersbrug	SA-Botswana	235	1	4	12	7 050	1 645
Groblersbrug	Botswana-SA	148	0	0	2	4 440	1 036
Violsdrif	SA-Namibia	30	0	2	4	900	210
Noordoewer	Namibia-SA	20	0	0	2	600	140
Nakop	SA-Namibia	30	0	1	4	900	210
Ariamsvlei	Namibia-SA	20	0	1	2	600	140
Lebombo	SA-Mozambique	1 610	4	1	7	48 300	11 270
Ressano Garcia	Mozambique-SA	89	1	1	2	2 670	623
Skilpadshek	SA-Botswana	200	0	0	0	4 800	1 400
Pioneer Gate	Botswana-SA	100	0	0	0	2 400	700
<b>Weighted Average/Sum</b>		<b>3 282</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>96 660</b>	<b>22 974</b>

Source: TLC, FESARTA, & Crickmay, week ending 07/05/2023.

Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	3	13	9 600	2 240
Dar Es Salaam Corridor	1 819	36	4	16	54 570	12 733
Maputo Corridor	1 699	3	1	5	50 970	11 893
Nacala Corridor	127	0	0	0	3 810	889
North/South	3 255	14	5	14	74 160	22 785
Trans Caprivi Corridor	116	2	3	28	3 480	812
Trans Cunene Corridor	100	3	12	47	3 000	700
Trans Kalahari Corridor	330	1	1	1	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
<b>Weighted Average/Sum</b>	<b>7 866</b>	<b>11</b>	<b>3</b>	<b>12,4</b>	<b>210 510</b>	<b>55 062</b>

Source: TLC, FESARTA, & Crickmay, week ending 07/05/2023.

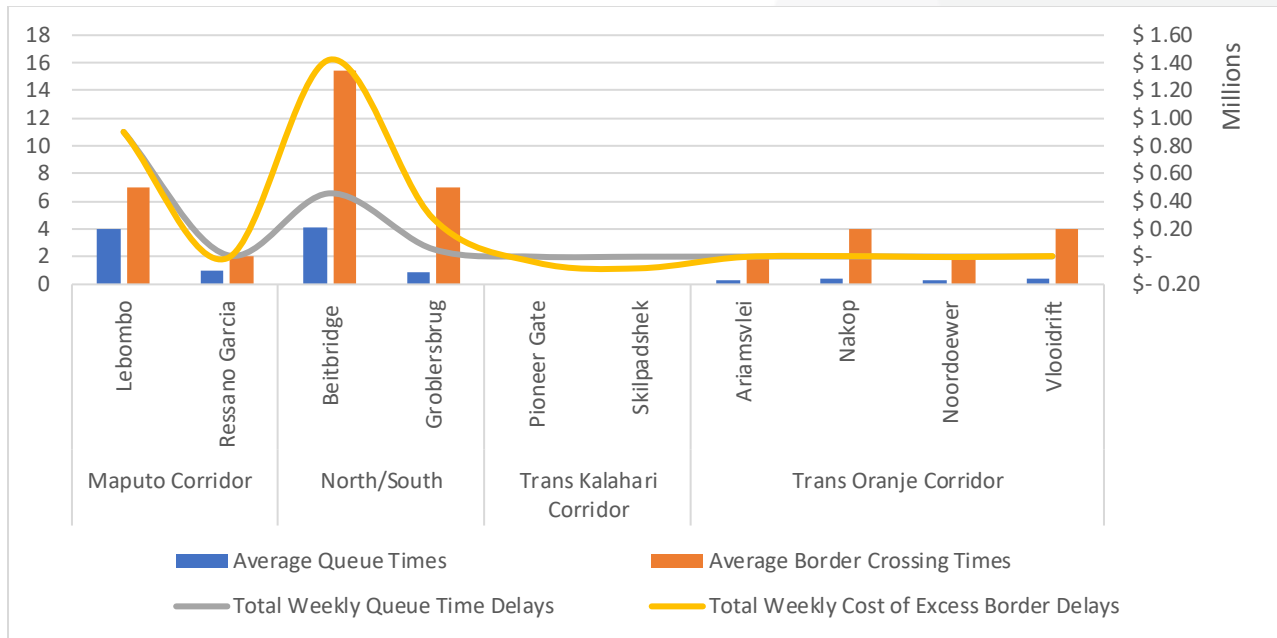
The following graph shows the weekly change in cross-border times and associated estimated costs:

<sup>8</sup> FESARTA TRANSIST Bureau.

<sup>9</sup> It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay in collaboration with SAAFF.

<sup>10</sup> Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

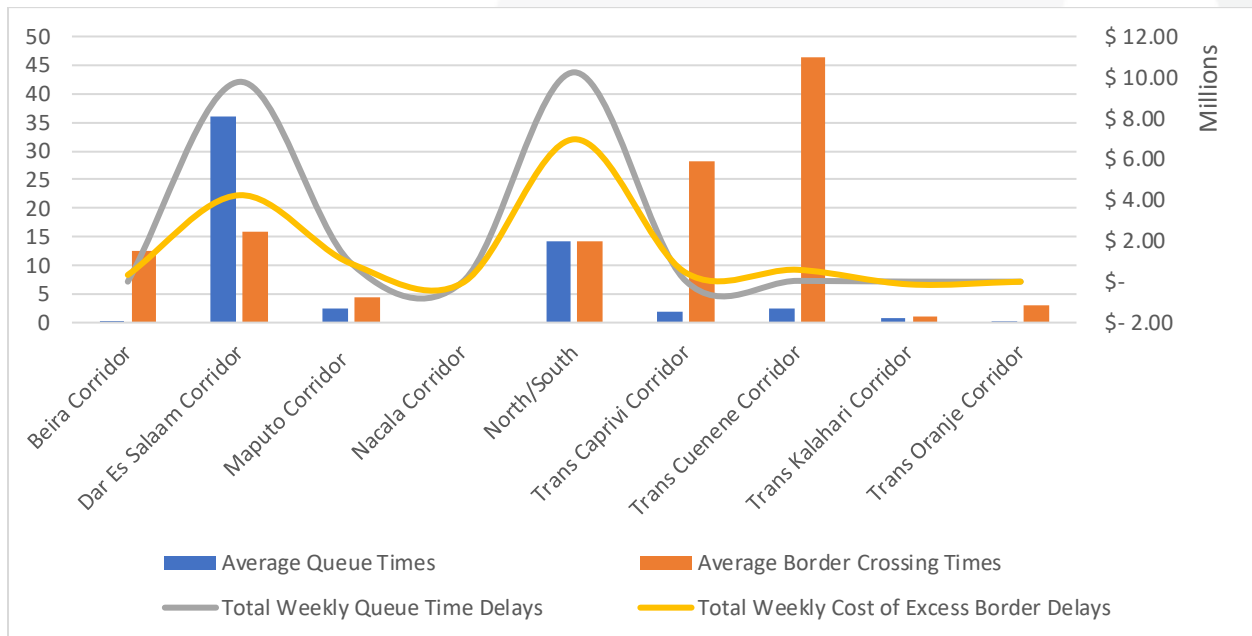
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 07/05/2023.

The following figure echoes those above, this time from a corridor perspective.

Figure 13 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 07/05/2023.

In summary, cross-border queue time has averaged **~11 hours** (up by **~0,9 hours** from the previous week's **~10,1 hours**), indirectly costing the transport industry an estimated **\$21 million (R370 million)**. Furthermore, the week's average cross-border transit times hovered around **~12,4 hours** (up by **~3,0 hours** from the **~9,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13 million (R233 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R603 million** (up by **~R30 million** or **↑5%** from **R573 million** in the previous report).



## 4. International Update

The following section provides some context around the global economy and its impact on trade, including an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

### a. Global shipping industry

#### i. Global container throughput

As the Drewry and RWI/ISL index predicted, as reported earlier, total global container throughput increased significantly in March. The latest container throughput figures from CTS show that volume is up by a massive **↑22,4%** (m/m) after a significant slowdown last month (**↓8,9%**). Nevertheless, the volume remains down annually (**↓3,1%**). Fortunately – and similar to the index reported weekly by Drewry – the price index (reefer and dry) continues to moderate. It is down by **↓3,1%** (m/m) and a considerable **↓52%** (y/y) versus a year ago:

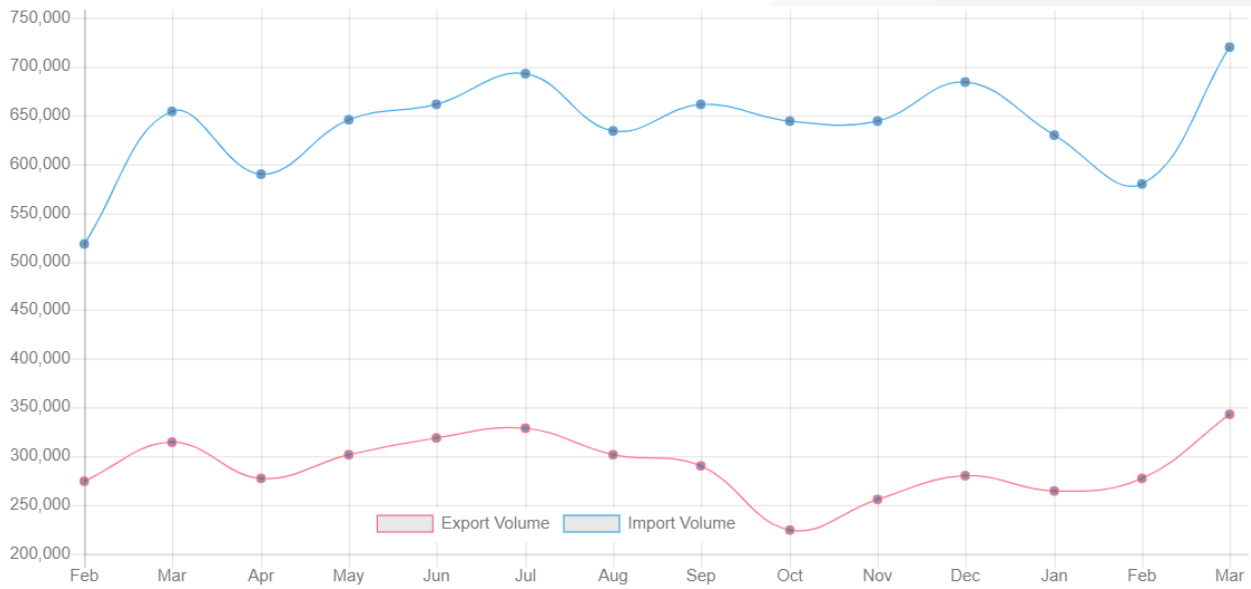
Figure 14 – Global Containerised Throughput (TEUs) and price index



Source: [CTS](#)

As illustrated, container throughput bounced back significantly in March after the cyclical lull in February (also visible for 2022). In total, **14,7 million TEUs** were handled in March, slightly less when compared to the same time last year. Nevertheless, it appears that the global merchandise trade is finally picking up after a prolonged trough in volume. Concerning geographical disparity, all seven major sub-regions registered increased volumes in March, with North American imports (up by **↑33,2%**, m/m) and Far East exports (up by **↑31,6%**, m/m) showing the most significant changes. These figures bode well for a global merchandise trade recovery to continue into April. For our region, Sub-Saharan Africa figures show both imports and exports are up by **↑24,2%** (m/m), largely in line with the global trend:

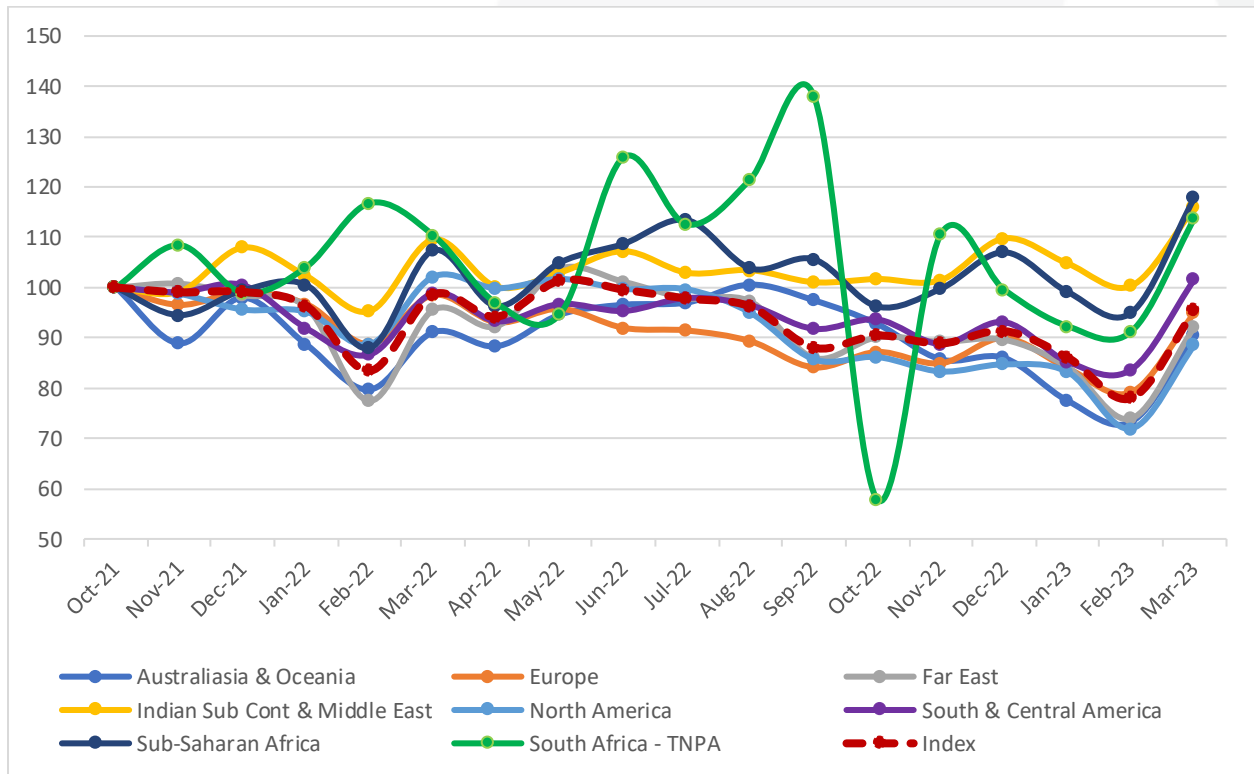
Figure 15 – Sub-Saharan Africa Containerised Throughput (TEUs)



Source: [CTS](#)

Incidentally, South Africa accounted for **25,3%** of SSA imports and **56,2%** of SSA exports when measuring these versus TNPA figures. However, when delving deeper into the numbers, a strange trend is realised:

Figure 16 – Global TEU Index (Oct 2021 = 100)



Source: Calculated with data from [CTS](#) and [TNPA](#).

When using October 2021 as a base – which was the peak of throughput after the initial hard lockdowns globally were eased – we observe interesting findings. Global throughput has yet to recover fully and remains

down by **↓4,4%** compared to October 2021. Most of the developing world has surpassed comparative levels; however, the major merchandise trading regions remain below peak levels.

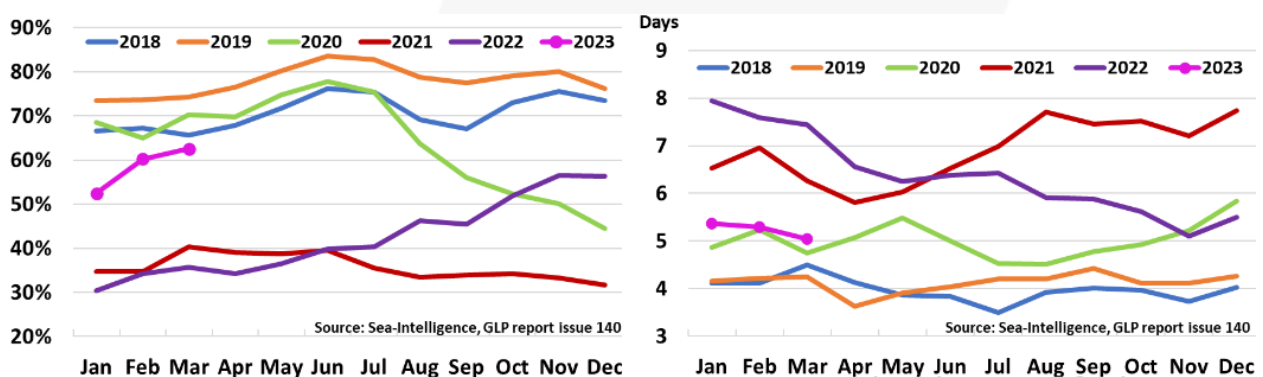
Interestingly, South Africa has improved more rapidly than most nations but often drifts in the opposite direction compared to the rest of the world. Moreover, the massive slump in October 2022 – plagued by the national strikes – is clearly visualised above. Nevertheless, it appears that – over the short term at least – trade to and from South Africa is trending positively, which is cause for optimism. We have often reported that container volumes handled in the last three years are similar to 2009. However, remaining caught in that reality helps no one in the industry. Therefore, continually improving our container terminals' handling efficiency and increasing trade is pertinent. Since logistics occurs on a shared infrastructure with shared responsibilities from all role players, we need a concerted effort to improve all functions of our containerised industry.

The increased volume of the containerised industry is showing in the utilisation figures, as Drewry's "Cancelled Sailings Tracker" decreased significantly to a year-low this week, coming to a mere **3% cancellation rate**<sup>11</sup> (**↓200%**, w/w). Capacity discipline is fast dissipating, with carriers already reversing the slow-steaming programs implemented in the 1<sup>st</sup> quarter. At the same time, the idle fleet continues to shrink, with very few global bottlenecks inhibiting merchandise flows. Indeed, global port congestion remains low this week at **1,61 million TEU** (**↑4%**, w/w)<sup>12</sup>.

## ii. Schedule reliability

Global schedule reliability saw another increase in March, as the latest figure indicates that on-time proforma performance is up by **↑2,4%** (m/m) to **62,6%**<sup>13</sup> in March 2023. The ongoing improvement means yearly schedule reliability is up by a staggering **↑26,8%** over 2022. In addition, the average delay for LATE vessel arrivals has dropped marginally by **↓0,26 days** (m/m) to **5,03 days** in March. Consequently, both schedule reliability and late arrivals for the first quarter are now close to pre-pandemic levels<sup>14</sup>.

Figure 17 – Global schedule reliability (%) and average days for late vessel arrivals (days).



Source: [Sea Intelligence](https://www.seaintelligence.com)

Maersk was again the most reliable top-14 carrier in March 2023 with **68,6%**, followed by MSC with **67,7%**. The 2M parties have been the most reliable for much of the last few months, despite their decision to end their alliance. Incidentally, MSC has significantly improved their reliability in the last year, with an improvement of more than **30%** (y/y). Five more carriers are producing reliability figures of over **60%**, which

<sup>11</sup> Drewry. 12/05/2023. [Cancelled Sailings Tracker - 12 May](https://www.drewry.com).

<sup>12</sup> Linerlytica. 09/05/2023. [Market Pulse – Week 19](https://www.linerlytica.com).

<sup>13</sup> Murphy, A. 08/05/2023. [Schedule reliability continues to increase in March 2023](https://www.seaintelligence.com).

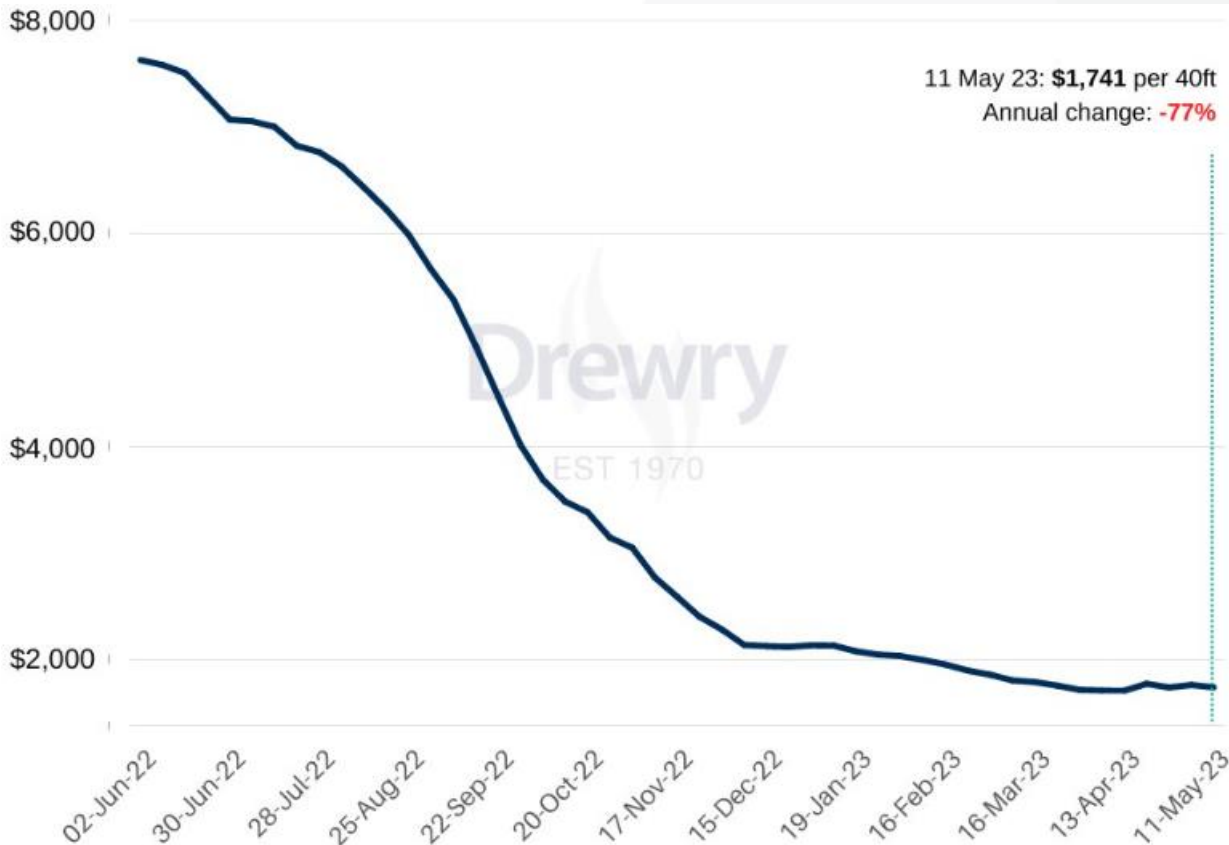
<sup>14</sup> Murphy, A. 11/05/2023. [2023-Q1 reliability rises close to pre-pandemic levels](https://www.seaintelligence.com).

is a first for almost a year. The latest update by Sea Intelligence shows that the liner industry is back to conditions akin to what most role players were used to before the massive shake-up of the last three years.

**iii. Global container freight rates**

The "World Container Index" decreased again this week, albeit only slightly, by **↓1%** (or **\$22**) to **\$1 741** per 40-ft container. The change is much as expected, as rates have stabilised significantly in the last two months, as illustrated below. Aggressive freight rate cuts by some lines have undermined the planned 1 May rate increase, but carriers will make another attempt on 15 May to raise rates despite the weak market sentiment.

Figure 18 – World Container Index assessed by Drewry (\$ per 40 ft. container)



Source: [Drewry Ports and Terminal Insights](#)

The composite index remains down by **↓77%** (y/y) versus last year, **↓83%** below the peak in September 2021 and **↓35%** lower than the 10-year average of **\$2 688**. The average composite index for the year-to-date is now **\$1 876** per 40ft container, which is **\$812** lower than the 10-year average. Regionally, most major East-West trades were either stable or saw some decreases, with the most significant being on the New York – Rotterdam (and mirror) route being down by **↓4-5%**. The outlook is for rates to remain stable in the coming weeks, which is set to ensure that the era of record-breaking profits made by the world's biggest shipping lines is over, with the industry facing losses next year as a wave of new supply hits a market in the

doldrums<sup>15</sup>. The first wave of financial results is coming in, with Maersk and Hapag-Lloyd posting profits significantly lower than the previous years<sup>16</sup>.

#### iv. Further developments of note

Apart from the overview provided above, there were some additional noteworthy developments this week:

##### 1. CMA CGM bids €5 billion for Bolloré Logistics:

- a. CMA CGM's proposed acquisition of Bolloré Logistics could be dangerous for small and medium-sized freight forwarders, squeezed in an ever-tightening market sector<sup>17</sup>.
- b. In a deal valued at **€5 billion**, the France-based transport group has offered a takeover bid to Bolloré shareholders, though the company is not publicly listed.
- c. The acquisition would boost CMA CGM supply chain subsidiary Ceva Logistics' volumes to a massive **2 million TEU** per annum and bring their combined revenue to **\$24 billion**, based on its 2022 results.

##### 2. Evergreen latest liner in the dock over shipper complaints:

- a. Taiwan's Evergreen stands accused of failing to stick to its contract, forcing a car parts firm to shift some of its shipments onto highly inflated spot terms. Evergreen has until the end of the month to respond to the case filed by CertiFit, one of many lodged at the Federal Maritime Commission (FMC) in Washington DC<sup>18</sup>.
- b. The complaint claims Evergreen "*initiated a practice of systematically failing to meet its quantity commitments*" under its service contract, leaving Utah-based CertiFit scrambling onto the costly spot market where the car parts company alleges containers were only delivered to the nearest rail yard rather than to its facilities. Evergreen's actions cost CertiFit around **\$750 000**, the complaint alleges.

##### 3. UAE's 1 200 km rail network is complete:

- a. Etihad Rail has begun operating the new 1 200 km network in the UAE. The primary customer is Abu Dhabi National Oil Co, and the service, linking the ports of Abu Dhabi and Khalifa with Jebel Ali and Sharjah will transport intermodal containers<sup>19</sup>.
- b. Spanning the coast between the border with Saudi Arabia to the west and the Oman border to the east, the network will employ at least 45 EMD diesel-electric trains of the SD70ACS design.
- c. Etihad Rail claims the new rail network will carry 60 million tonnes annually and form an "integral" component of the Gulf Cooperation Council (GCC) railway network.

#### b. Global air cargo industry

The ongoing recovery in ocean freight is completely mirrored in the air freight industry, as weak demand and increased capacity are driving air cargo rates lower. After a modest bounce during March, global air freight prices resumed their downward trend in April. According to TAC Index, a leading price reporting agency for the sector, the overall Baltic Air Freight Index (BAI00) dipped a further **↓0,8%** during the week to 1 May, to leave it lower by **↓42,5%** over 12 months<sup>20</sup>. The latest World ACD numbers point to a similar reality, as overall tonnages decreased by **↓4%** versus their combined total in weeks 15 and 16, and average worldwide rates remained stable, with flat capacity:

<sup>15</sup> Fahy, M. 05/05/2023. [Shipping lines' margins set to sink.](#)

<sup>16</sup> Wackett, M. 11/05/2023. [Hapag-Lloyd's Q1 volumes hold up better than Maersk's.](#)

<sup>17</sup> Savvides, N. 09/05/2023. [€5bn bid for Bolloré Logistics – 'another poison deal' for forwarders.](#)

<sup>18</sup> Chambers, S. 10/05/2023. [Evergreen latest liner in the dock over shipper complaints.](#)

<sup>19</sup> Bartlett, C. 09/05/2023. [It's full steam ahead as UAE's 1,200 km rail network is complete.](#)

<sup>20</sup> Wilson, N. 09/05/2023. [Weak demand and rising capacity drive air freight prices lower.](#)

Figure 19 – Global capacity, weight, and yield (% , bi-weekly and annually)

Origin Regions

last 2 to 5 weeks

	Capacity <sup>1</sup>			Chargeable weight <sup>1</sup>			Yield/rate <sup>1</sup>		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+0%	+14%		-8%	-9%		+3%	-15%
Asia Pacific		-2%	+31%		-5%	-2%		-1%	-44%
C. & S. America		+0%	+2%		+9%	+4%		+5%	-9%
Europe		+1%	+13%		-5%	-13%		-1%	-36%
M. East & S. Asia		-1%	+12%		-15%	-9%		+4%	-48%
North America		+2%	+8%		-2%	-21%		-2%	-25%
<b>Worldwide</b>		<b>+0%</b>	<b>+13%</b>		<b>-4%</b>	<b>-9%</b>		<b>-0%</b>	<b>-36%</b>

Source: [World ACD](#)

Almost all origin regions showed a downward trend in tonnages at a regional level, with Asia Pacific, Europe and Central and South America being impacted by the May 1<sup>st</sup> holiday. Comparing the overall global market with this time last year, chargeable weight in weeks 17 and 18 was down **↓9%** compared with the equivalent period last year. Overall capacity has increased by **↑13%** compared with the previous year, with double-digit percentage increases from all regions except North America (**↑8%**) and Central & South America (**↑2%**). The most notable increases were ex-Asia Pacific (**↑31%**), ex-Africa (**↑14%**) and ex-Europe (**↑13%**). In contrast to the TAC index (down by **↓42,5%**), the World ACD index is down by **↓36%** below their levels this time last year, at an average of **\$2,52 per kg** in week 18.

ENDS<sup>21</sup>

<sup>21</sup>ACKNOWLEDGEMENT:

*This initiative – **The Cargo Movement Update** – was developed collectively by Business at large to provide visibility of the movement of goods during the COVID-19 pandemic. The report is authored by the South African Association of Freight Forwards (SAAFF) and distributed by Business Unity South Africa (BUSA). SAAFF acknowledges the input of several key business partners in compiling these reports, which have become a weekly industry staple.*