

Cargo movement update¹

Date: 21 April 2023

Weekly Snapshot

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

Flows	Current ²			Previous ³			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	25 760	32 197	57 957	26 615	30 450	57 065	↑2%
Air Cargo (tons)	2 693	2 007	4 700	3 393	1 903	5 296	↓11%

Monthly Snapshot

Figure 1 – Monthly⁴ cargo volume levels, year on year (100% = baseline; >100% = growth)

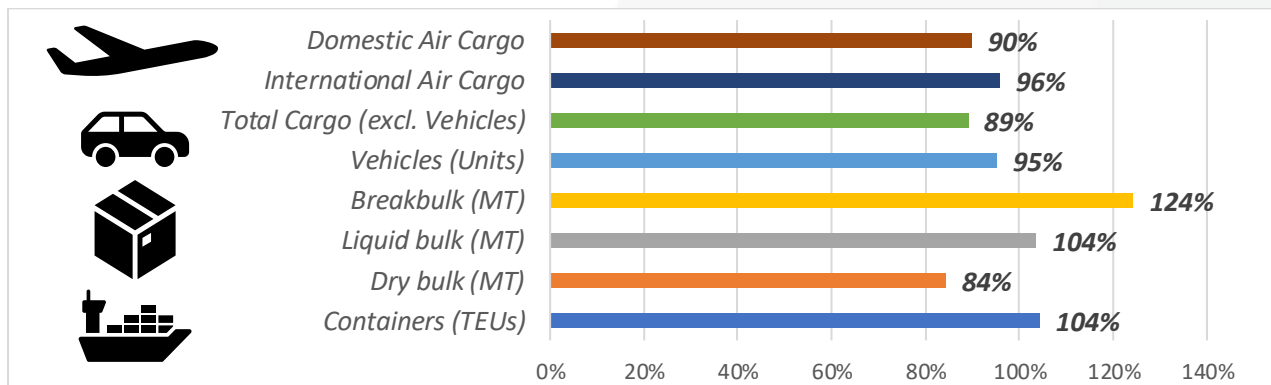
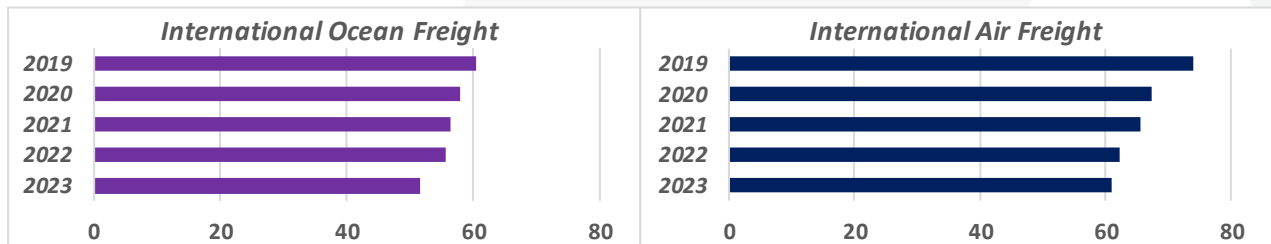


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 280 containers** was handled per day, with **~8 555 containers** projected for next week.
- TNPA stats for March: containers are up by **↑17%** (m/m) and **↑3%** (y/y). Unfortunately, YTD remains low: exports are **↓9%**, with imports at **↓5%**. Total bulk cargo is down by **↓14%** (m/m) and **↓11%** (y/y).
- Rail cargo handled out of Durban amounted to **2 534 containers**, **↑12%** compared to last week.
- Cross-border queue times were **↓0,4 hours**, with transit times **↓1,2 hours**, SA borders **~9,0 hours (↓20%)**.
- The IMF notes that global growth will bottom out at **↑2,8%** in 2023 – rising to a modest **↑3%** next year.
- Bunker fuel is down by **↓46%** from the all-time high of **\$1 126** per ton reached on 14 June 2021.
- After bottoming out last week, the "WCI" freight rates have risen by **↑4%** (or **\$65**) to **\$1 774** per 40 ft.
- Global air cargo is down by **↓2%** (w/w), with capacity high at **↑12%** (y/y) and rates at **\$2,56/kg**.

¹ 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 133rd update.

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

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

⁴ 'Monthly' means the last months' worth of available data compared to the same month in the previous year; all metrics: Mar vs Mar.

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

Executive Summary

This update – *the 133rd of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this week were characterised by adverse weather, continuous equipment breakdowns and shortages, load-shedding, backlogs, and congestion. A much-improved week was experienced in Cape Town this week as minimal delays were reported due to adverse weather. Moreover, Cape Town has now (fortunately) dropped from the first page of *Linerlytica's "Port Congestion Watch"*, as backlogs were eventually cleared and vessels at anchorage were reduced. An intoxicated truck driver was involved in an incident in Durban this week, which ensured extensive delays, while two other intoxicated drivers were denied entry at the Port. The Port of East London fell victim to load-shedding again this week as Eskom's stage 6 load-shedding schedule persists. Additionally, multiple cable theft incidents disrupted rail operations this week, with the most significant incident causing extensive delays of between eight and ten hours on Wednesday.

In the maritime freight shipping industry, freight rates have rebounded strongly due to the mid-April general rate increase. Capacity utilisation has dropped this week, with more capacity returning to the market as new ship deliveries continue. Idled capacity has dropped to its lowest levels since November and currently stands at just **1%** of the total fleet compared to its recent peak at **2,5%** in February. Port congestion increased slightly this week; however, the overall balance in the ocean economy is in a much better place compared with where it was only a few weeks ago. Other developments include demolition sales trending much slower than expected in early 2023.

In the air freight market, weekly international cargo volumes dropped somewhat (**↓11%**), as did domestic volumes (**↓6%**). Operationally, several issues remain in and around the ORTIA airport and cargo precinct, most notably **(1)** the functioning of the IVS system, **(2)** the desperate need for a contingency plan in case of a total grid collapse, and **(3)** a required amendment of the age restriction at the cargo precinct to be aligned with the Basic Conditions of Employment Act. Internationally, the air cargo narrative remains much the same, with volumes low after a languid start to the year. However, some signs of green shoots are evident, with order volumes finally gaining momentum. Nevertheless, the past six months have seen low trade activity – leaving fragility in air freight markets.

In regional cross-border road freight trade, average queue and transit times decreased slightly this week. South African border times decreased again this week, averaging **~9,0 hours (↓20%, w/w)** for the week. In contrast, the greater SADC region (excluding South Africa) decreased by around an hour, averaging **~9,8 hours (↓9%, w/w)**. Congested SADC borders this week included Beitbridge, Kasumbalesa (the worst affected – at around **two days**), Oshikango, Santa Clara, and Zobue/Mwanza. Further notable developments included **(1)** systems issues at Groblersbrug, Beitbridge, and Zimra's Asycuda World platform and **(2)** electricity accidents in Pretoria, causing some concerns and accompanying delays.

In conclusion, the latest consolidated monthly TNPA statistics and the consolidated air statistics for March show that headline merchandise volume has decreased year-to-date for the last four consecutive years (as shown in *Figure 2*). The reality – along with the frequent reference to the logistics and transport industry as being in a crisis – paints a sorry picture of the state of trade, transport, and logistics in the country. Many agree that urgent structural reforms are needed, especially concerning privatisation in our industry. However, the government has always relied on public investment to drive growth. Still, fiscal constraints and the incapacity of SOEs have closed this route, leaving an acceleration of private sector demand and

investment as the only alternative⁶. Therefore, we need a collaborative public-private partnership to overcome the current constraints, as trade is essential to drive economic growth and development in South Africa.

⁶ Bisseker, C. 20/04/2023. [Has South Africa run out of time on the doomsday clock?](#)

Contents

Weekly Snapshot	1
Monthly Snapshot.....	1
Key Notes	1
Executive Summary	2
Contents.....	4
1. Ports Update.....	5
a. Container flow overview	5
b. TNPA: March update	8
c. Summary of port operations	10
i. Weather and other delays	10
ii. Cape Town.....	10
iii. Durban and Richards Bay	11
iv. Eastern Cape ports	12
v. Saldanha Bay	12
vi. Transnet Freight Rail (TFR)	13
2. Air Update	13
a. International air cargo.....	13
b. Domestic air cargo	14
c. Air cargo operations	15
3. Road and Regional Update	15
a. Cross-border and road freight delays	15
4. International Update.....	18
a. Global Economy – IMF April update	18
b. Global shipping industry	19
i. Bunker fuel prices	19
i. Global container freight rates	20
ii. Further developments of note	21
c. Global air cargo industry.....	21

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 15 to 21 April ⁷

7-day flow forecast (15/04/2023 – 21/04/2023)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 959	4 383
DURBAN CONTAINER TERMINAL PIER 2:	11 581	14 010
CAPE TOWN CONTAINER TERMINAL:	5 890	5 775
NGQURA CONTAINER TERMINAL:	4 852	7 589
GQEBERHA CONTAINER TERMINAL:	478	440
TOTAL:	25 760	32 197

Source: Transnet, 2023. Updated 21/04/2023.

Table 3 – Container Ports – Weekly flow predicted for 22 to 28 April

7-day flow forecast (22/04/2023 – 28/04/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 376	4 688
DURBAN CONTAINER TERMINAL PIER 2:	9 939	15 366
CAPE TOWN CONTAINER TERMINAL:	6 337	6 907
NGQURA CONTAINER TERMINAL:	5 142	6 548
GQEBERHA CONTAINER TERMINAL:	885	700
TOTAL:	25 679	34 209

Source: Transnet, 2023. Updated 21/04/2023.

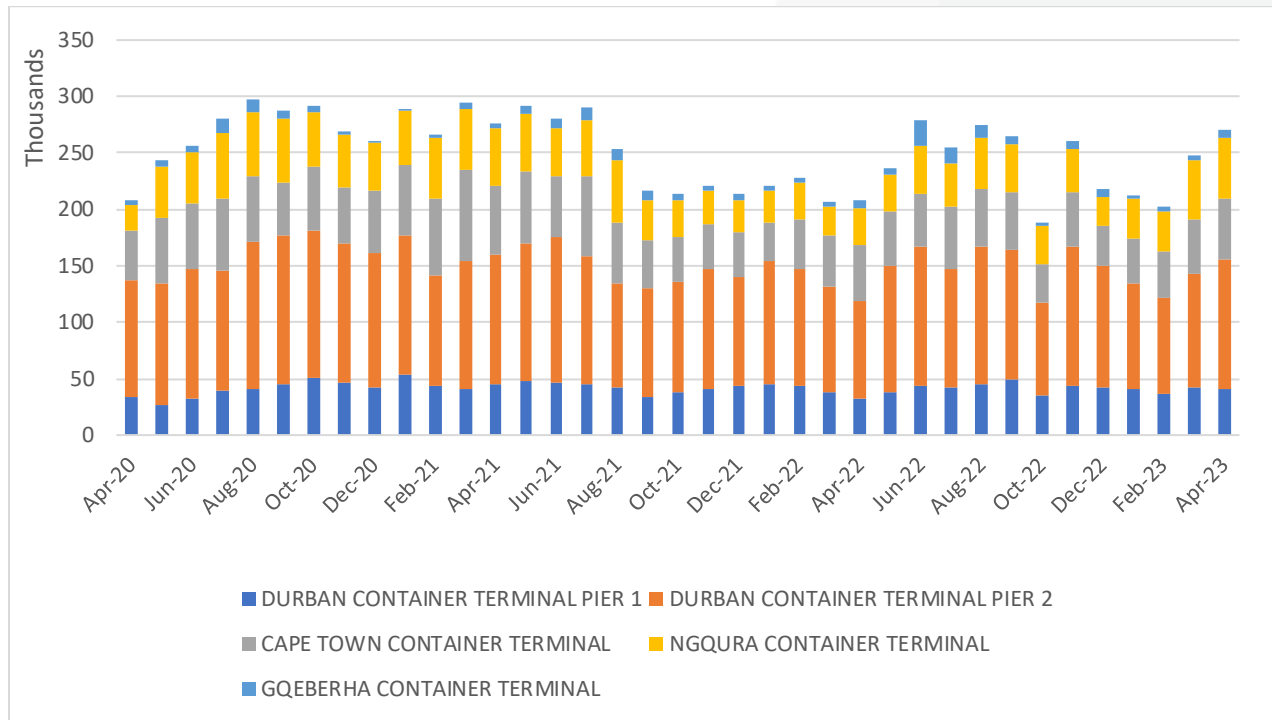
An average of **~8 280 containers (↑9%)** was handled per day for the last week (15 to 21 April, Table 2), compared to the projected average of **~8 792 containers (↓6% actual versus projected)** noted in last week's report. An increased average of **~8 555 containers (↑3%)** is predicted to be handled next week (22 to 28 April, Table 3). Adverse weather, continuous equipment breakdowns and shortages, load-shedding, backlogs, and congestion typified port operations.

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.

⁷ 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.

⁸ 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.

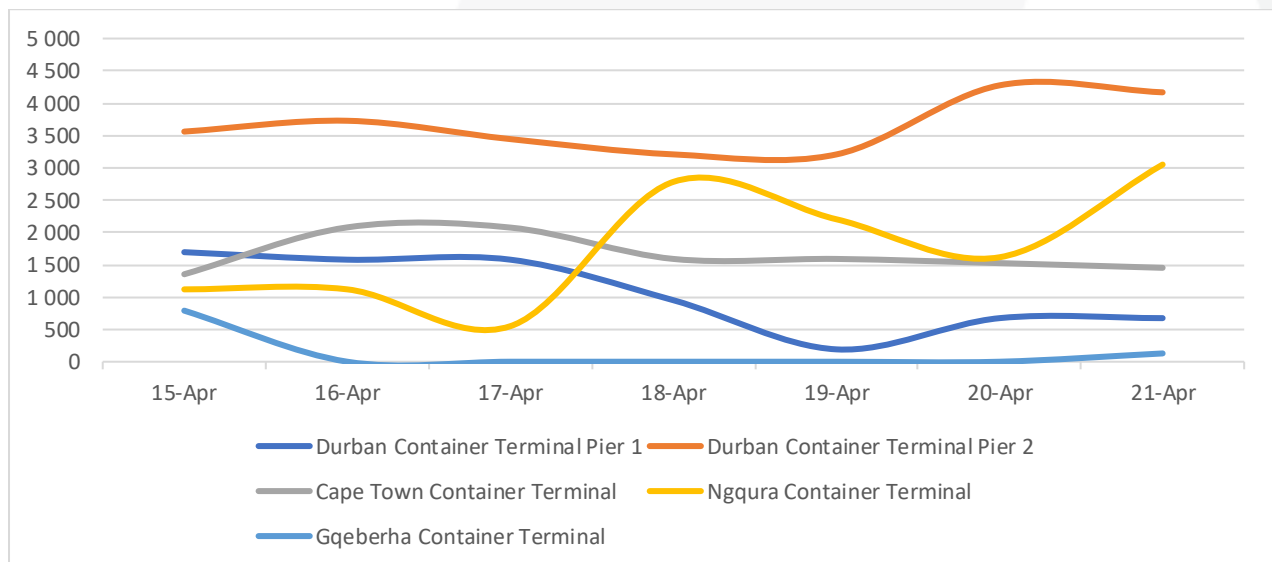
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 21/04/2023.

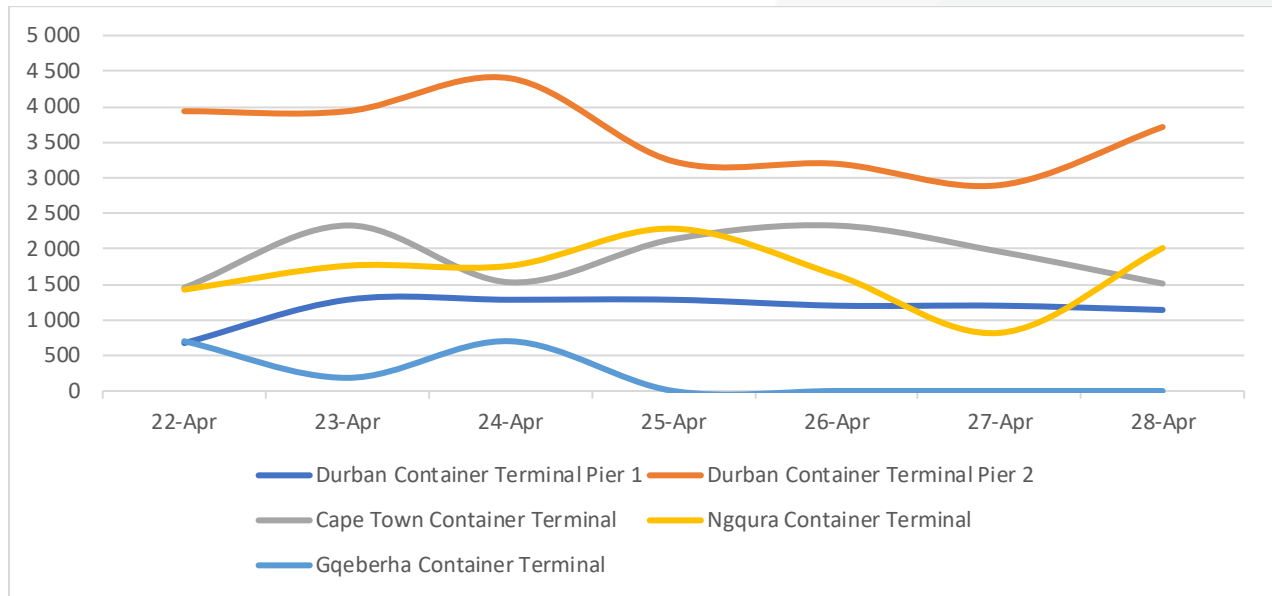
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (15 to 21 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/04/2023.

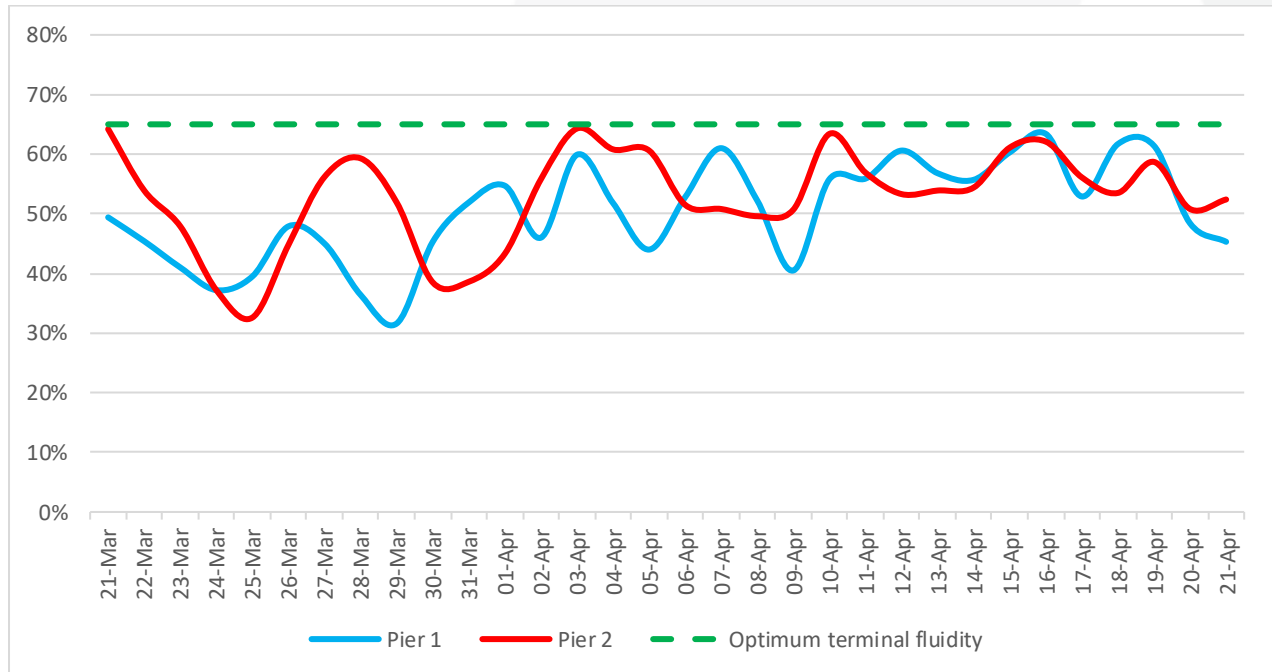
Figure 5 – 7-day forecast reported for total container movements (22 to 28 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/04/2023.

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

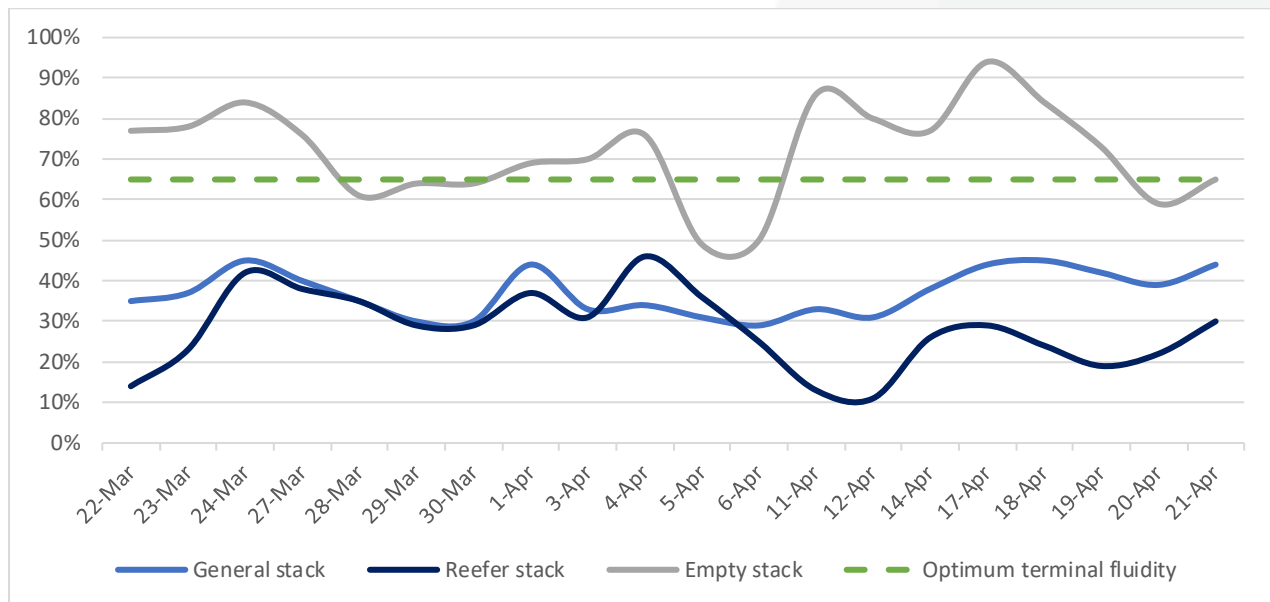
Figure 6 – Stack occupancy in DCT, general-purpose containers (21 March to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/04/2023.

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 (22 March to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/04/2023.

b. TNPA: March update

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for March⁹. The headline figures show container throughput increased substantially by **↑12%** (m/m) after a very tepid February. On the other hand, bulk cargo volumes handled at the port saw a monthly decrease of **↓14%**, as dry bulk cargoes were particularly low. The following table shows the monthly movement across the various ocean sub-sectors:

Table 4 – TNPA – Volume and growth: March 2023

	Feb	Mar	Movement	Monthly growth
Containers (TEUs)	300 927	375 569	74 642	25%
Landed	150 977	182 418	31 441	21%
Shipped	149 950	193 151	43 201	29%
Dry bulk (MT)	15 345 587	11 887 045	-3 458 542	-23%
Liquid bulk (MT)	2 810 067	3 444 780	634 713	23%
Breakbulk (MT)	474 026	653 291	179 265	38%
Vehicles (Units)	77 915	77 016	-899	-1%
Total cargo (excl. Vehicles)	18 629 680	15 985 116	-2 644 564	-14%

Source: [TNPA](https://www.tnpa.co.za), updated 18/04/2023.

Vehicle trade remains robust (though down by **↓14%**) – with several short-term throughput records broken during the last two months, which bodes well for the automotive sector and the economy. Likewise, the container throughput improved in both directions. However, the last few weeks' performances have not

⁹ Transnet. 2023. Port statistics. [TNPA](https://www.tnpa.co.za)

been exemplary, and we expect to see some weakness in April. Having said that, despite some minor improvements in March, we can still see that the overall picture is not very rosy, as shown by the comparative overview for March 2023, compared to the same month in 2022, 2021 and 2020.

Table 5 – TNPA – Volume and growth: March 2020-2023

	2020	2021	2022	2023	Growth: '22-'23	Growth: '21-'23	Growth: '20-'23
Containers (TEUs)	326 619	358 508	364 155	375 569	3%	5%	15%
Landed	157 284	179 588	179 037	182 418	2%	2%	16%
Shipped	169 335	178 920	185 118	193 151	4%	8%	14%
Dry bulk (MT)	14 974 933	16 259 504	14 113 948	11 887 045	-16%	-27%	-21%
Liquid bulk (MT)	3 430 771	3 850 571	3 265 503	3 444 780	5%	-11%	0%
Breakbulk (MT)	248 820	367 207	522 115	653 291	25%	78%	163%
Vehicles (Units)	60 352	61 327	80 843	77 016	-5%	26%	28%
Total cargo (excl. Vehicles)	18 654 524	20 477 282	17 901 566	15 985 116	-11%	-22%	-14%

Source: [TNPA](#), updated 18/04/2023.

To explain the cyclical nature of trade, March container throughput typically picks up after a slow start in January and February. This was seen again this year, with volumes showing a healthy increase versus all three previous years, notably a **↑3%** (y/y) increase on last year's throughput. Bulk cargo volumes, unfortunately, remained consistently low on an annualised basis, with the low volumes in March particularly evident when viewed versus the last few years. As a result, the headline figures for the respective segments show the following changes: total cargo handled (**↓11%**, y/y), dry bulk (**↓16%**, y/y), liquid bulk (**↑5%**, y/y), breakbulk (**↑25%**, y/y), and vehicles (**↓5%**, y/y). Except for containers, these annual figures further emphasise that South Africa's merchandise trade volumes are not growing materially, leaving little room for much optimism around trade to and from South Africa. Moreover, when looking at containerised cargo from a year-to-date view, the picture becomes a bleak full circle, as our containerised throughput levels are below each of the preceding four years:

Table 6 – TNPA – Volume: YTD January-March 2019-2023: Containerised cargo

	2019	2020	2021	2022	2023
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
LANDED:					
DEEPSEA	411 848	395 871	405 643	427 716	417 067
COASTWISE	16 146	16 263	13 767	17 821	19 505
TRANSHIPPED ¹⁰	105 446	108 961	80 728	94 239	57 597
TOTAL LANDED	533 440	521 095	500 138	539 776	494 169
SHIPPED:					
DEEPSEA	409 114	428 851	421 889	446 779	418 231
COASTWISE	13 202	19 776	15 551	16 518	19 676
TRANSHIPPED	103 396	99 267	88 943	89 462	48 806

¹⁰ 'Transhipped' means an act of off-loading cargo from one ship (generally at a hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transshipment port for a period.

TOTAL SHIPPED	525 712	547 894	526 383	552 759	486 713
GRAND TOTAL	1 059 152	1 068 989	1 026 521	1 092 535	980 882

Source: [TNPA](#), updated 18/04/2023.

Compared to last year, total containers shipped are down by **↓9,1%** (y/y), with total containers landed down by **↓5,1%** (y/y). Fortunately, empty container handled has subsided somewhat (**↓13,1%**, y/y), as global containerised trade is now much more balanced than at any time since the end of 2021. It should also be noted that if we have less cargo to export, the number of empty imports will correspondingly lower. Regrettably, the South African containerised cargo landscape is in a serious state of decline based on current throughput levels. Furthermore, it is of grave concern that in a climate of falling volumes, port efficiency and productivity continue to deteriorate. Any increase in volumes will highlight this in stark relief. Ultimately, there needs to be a concerted drive for both the public and private sectors to take hands and overturn the current scenario, as South Africa's economic growth and development depend on a thriving merchandise economy.

c. 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

A much-improved week was experienced in Cape Town this week as minimal delays were reported due to adverse weather.

As usual, Durban's challenges were many and varied this week due to adverse weather, equipment breakdowns, load-shedding, and several incidents congesting the container terminals. On the other hand, Richards Bay seemingly experienced a good week, as no weather-related days were reported.

The Eastern Cape Ports could not escape the week unscathed, as inclement weather and load-shedding ensured operational delays.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and one at anchor, as berthing delays improved significantly over the week. Stack occupancy for GP containers was 44%, reefers 30%, and empties 65%. In the latest 24-hour period to Friday, the terminal handled 2 431 TEUs across the quay. On the landside, 1 688 trucks were serviced while executing 46 rail moves. After weeks of industry concerns regarding the operational performance at the Port of Cape Town, they were removed from "Port Congestion Watch" as backlogs were eventually cleared and vessels at anchorage were reduced. There was even some berthing on arrival for a short period – a welcome change!

The multipurpose terminal, on Thursday, recorded zero vessels at anchor and one at berth. In the 24 hours leading to Friday, the terminal managed to service 141 external trucks at an undisclosed truck turnaround time while handling 308 TEUs and 37 tons of general cargo on the landside. Stack occupancy was recorded at 29% for GP containers, 21% for reefers and 13% for empties.

According to reports this week, the two hydraulic shore tensioning units in Cape Town have permanently been connected to berths 602 and 604 at the container terminal, respectively. TNPA and TPT are confident that all outstanding SOPs will be signed by the end of next week. Additionally, they are in the process of procuring six additional units to be installed at the Port. The procurement process should be completed by

the end of May/June after the assigned supplier is responsible for manufacturing and supplying the units. The management team is optimistic that the first six units will be available by the end of December 2023.

iii. Durban and Richards Bay

Pier 1 on Wednesday recorded two vessels at berth, operated by four gangs, and one vessel at anchor. Stack occupancy was 48% for GP containers, with 1 359 imports on hand and 68 unassigned units. The terminal recorded 1 073 landside gate moves, with an undisclosed number of cancelled slots and 96 wasted. DCTs Pier 1 had an incident on Thursday as an intoxicated truck driver managed to access the terminal. Upon loading a container, the driver allowed the truck to move, ensuring that the container was placed unevenly on the truck and ultimately fell off. Intensive investigations into how the driver managed to pass the gate check are ongoing. In addition, two other intoxicated truck drivers were prohibited from entering the Port.

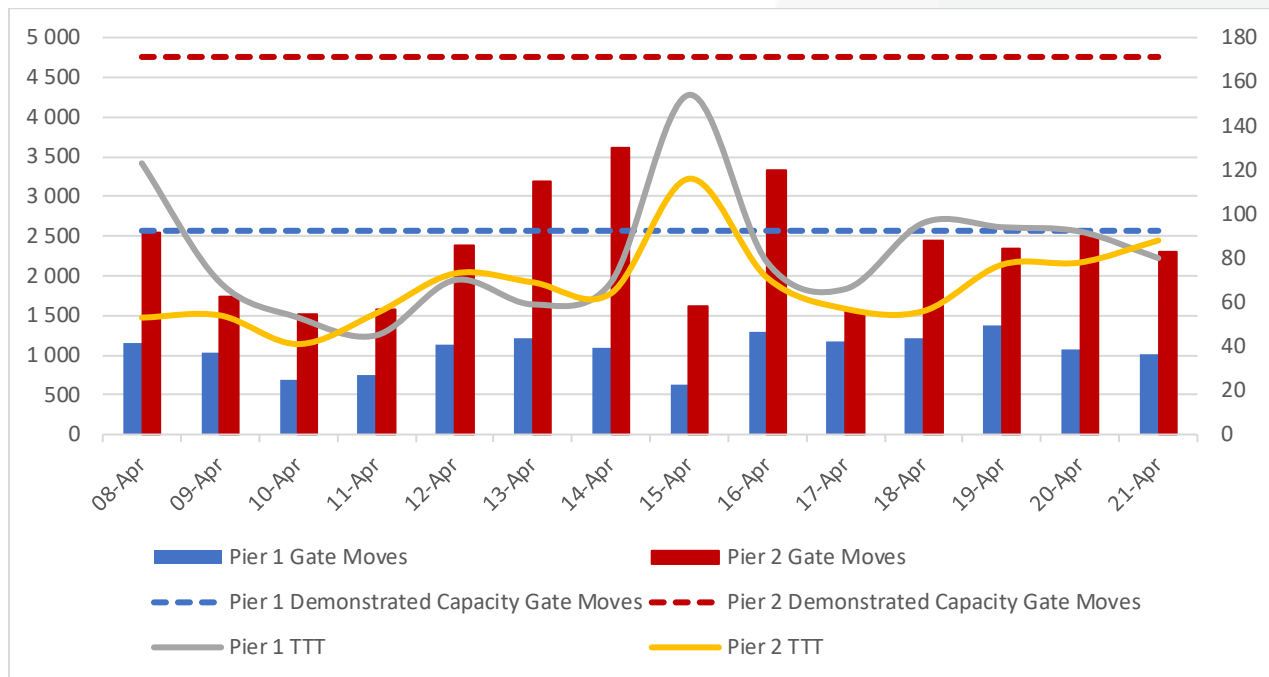
Pier 2 had two vessels at berth and one at anchorage on Tuesday. In the most recent 24 hours to Wednesday, stack occupancy was 59% for GP containers and 71% for reefers. The terminal operated with 12 gangs and moved 2 974 TEUs across the quay. On Thursday, there were 2 294 gate moves on the landside with a truck turnaround time of ~78 minutes and a staging time of ~99 minutes. Additionally, 220 rail import containers were on hand, with 366 moved by rail. Earlier this week, an incident at the terminal's Tower 202 ensured operational delays as most of the remaining trucks in the queue were redirected to Tower 109. This incident caused significant backlogs, ultimately leading to no slots being issued until the backlog was cleared.

The Durban MPT terminal, on Wednesday, recorded three vessels at berth and none at outer anchorage while handling 378 containers and 1 111 breakbulk tons on the waterside. Stack occupancy for breakbulk worsened this week to 98%, while stack occupancy on the container side was recorded at 37%. The very high breakbulk stack occupancy could be attributed to the challenges of obtaining permits for heavy and abnormal evacuation loads. On the landside, the terminal managed to handle 169 containers while servicing 102 breakbulk RMTs. On Tuesday, three cranes, seven reach stackers, one empty handler, five forklifts and 20 ERFs were in operation. This week, industry concerns were raised regarding the available and qualified number of crane drivers at the terminal. Transnet has subsequently stated that the terminal was left in a deficit after several crane drivers were lured away by Pier 1 and Pier 2.

On Thursday, Richards Bay recorded 16 vessels at anchor, translating to five bulk, ten coal, one general, no bunkers, and no tanker vessel. For the coal vessels, it is seriously worrying when ten coal carriers are waiting outside. That probably translates into over a million tons of coal not moving, primarily because of the queues of trucks on the N2. Until that line is fixed, this will remain a feature. And all at a time when world coal prices are at a record high! On berth, they recorded 15 vessels, five at DBT, five at MPT, three at RBCT, and two 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.

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.

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



Source: Calculated using data from Transnet, 2022. Updated 21/04/2023.

iv. Eastern Cape ports

NCT on Tuesday recorded two vessels on berth and three vessels at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation 24 hours before Wednesday. In the same period, stack occupancy was 24% for GP containers and 26% for reefers. In the same 24-hour period, 1 748 TEUs were handled across the quay. Additionally, 284 trucks were serviced on the landside, with a truck turnaround time of ~30 minutes.

GCT on Monday 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 Tuesday. In the same period, stack occupancy was 29% for GP containers, 5% for reefers, and 34% for reefer ground slots while executing 668 moves (974 TEUs) across the quay. On the landside, 262 trucks were serviced at a truck turnaround time of ~21 minutes.

The Port of East London fell victim to load-shedding again this week as Eskom's stage 6 load-shedding schedule persists. Despite this operational challenge, on Tuesday, they managed to move 422 TEUs across the quay at a GCH of ~14 hours while servicing 104 external trucks at a truck turnaround time of ~15 minutes. Stack occupancy on the container side was captured at 53% on Wednesday. The Ro-Ro terminal managed to handle 561 units, while stack occupancy at the car terminal was recorded at 63%.

v. Saldanha Bay

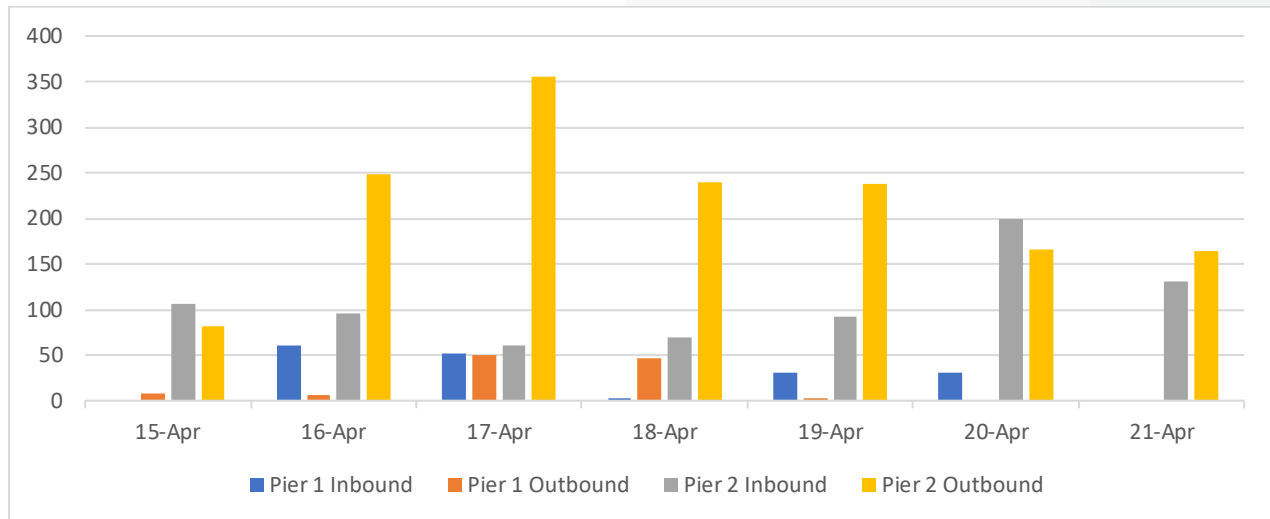
On Friday, the iron ore terminal had four vessels at anchorage and none on the berth, while the multipurpose terminal had three at anchor and two on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-6 days, while the vessels at berth have been on berth for around 1-3 days.

vi. Transnet Freight Rail (TFR)

Multiple cable theft incidents disrupted rail operations this week, with the most significant incident causing extensive delays of between eight and ten hours on Wednesday. A substantial cause for concern is that rail operators have become so accustomed to regular and continuous cable theft and vandalism that incidents delaying operations for about two hours are often considered minor and insignificant. So, it is imperative that all cable theft incidents must be put under the spotlight as part of the effort to eliminate this crippling criminal activity from our rail network.

Additionally, DCTs Pier 2, on Friday, had 135 ConCor rail units on hand with a dwell time of 72 hours and 72 over-border units with a dwell time of 10 days. The main reason for the over-border dwell time is that TFR needs to fill most of the wagons to make up complete train sets before moving them to the borders.

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



Source: Calculated using data from Transnet, 2022. Updated 21/04/2023.

In the last week (15 to 21 April), rail cargo handled out of Durban was reported at **2 534** containers, up by **↑12%** from the previous week's **2 257** containers.

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 10 April. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in April 2022 averaged **~742 194 kg** per day.

Table 7 – International inbound and outbound cargo from OR Tambo

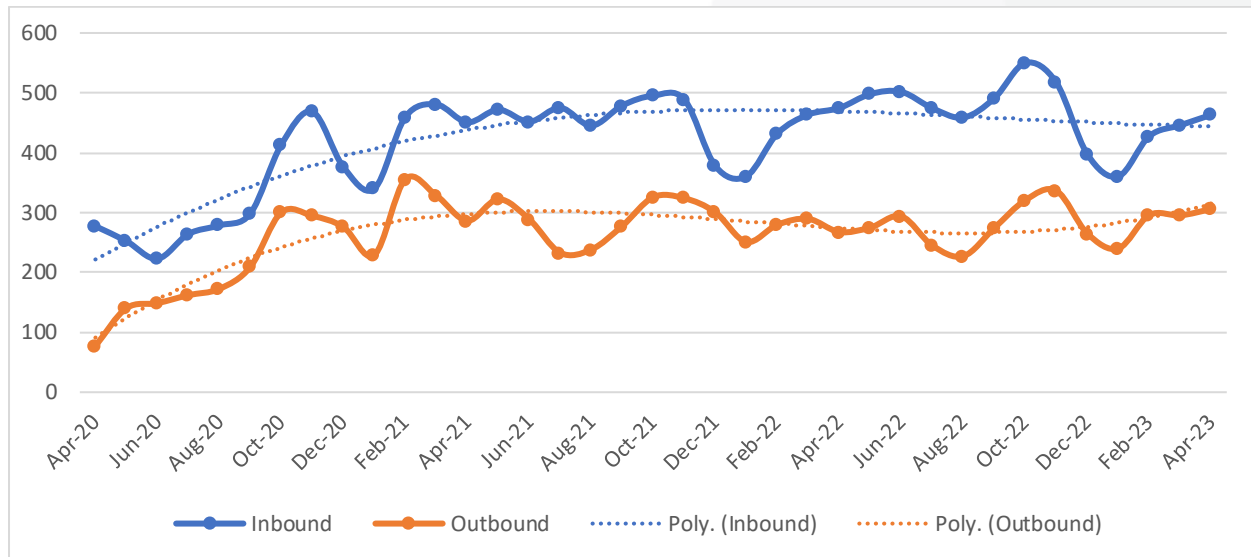
Flows	10-Apr	11-Apr	12-Apr	13-Apr	14-Apr	15-Apr	16-Apr	Week
Volume inbound	496 206	319 316	359 523	212 871	261 842	361 689	681 084	2 692 531
Volume outbound	219 641	130 691	215 237	205 649	293 745	262 646	679 527	2 007 136
Total	715 847	450 007	574 760	418 520	555 587	624 335	1 360 611	4 699 667

Courtesy of ACOC. Updated: 19/04/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **384 647kg** inbound and **286 734 kg** outbound, resulting in an average of **671 381 kg per day** or **~90%** compared with March 2022. However, the level is currently at **~69%** 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: 19/04/2023.

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 *April 2022* was **~51 453 kg** per day.

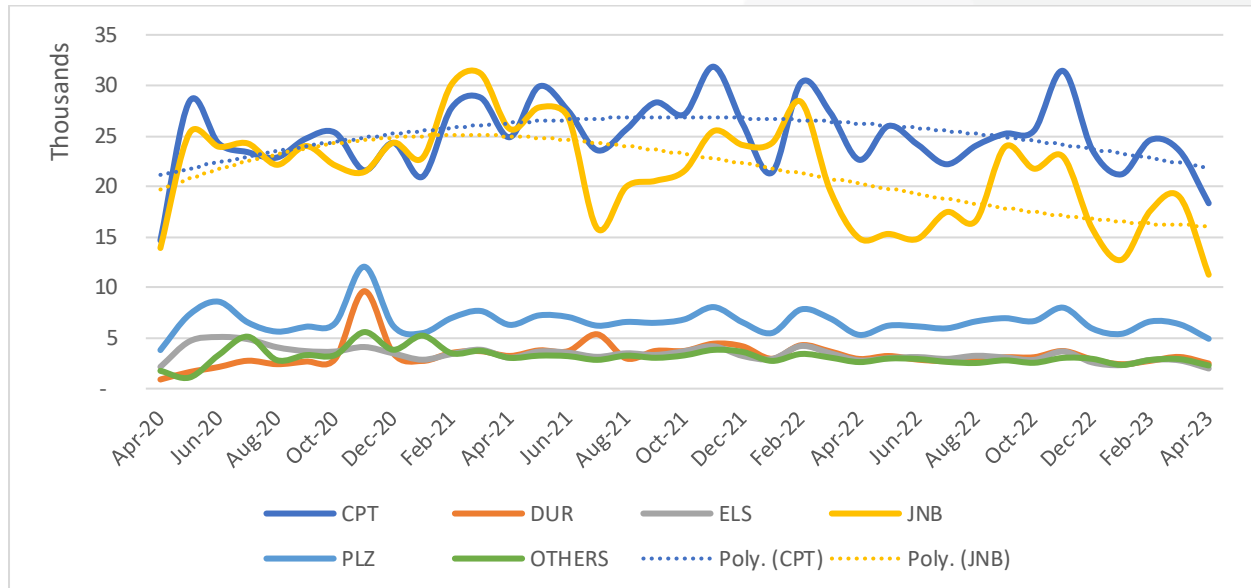
Table 8 – Total domestic inbound and outbound cargo

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.	18 337	2 483	1 989	11 268	4 930	2 291	41 298
10-Apr	2 089	140	106	427	428	403	3 592
11-Apr	41 980	4 612	4 629	23 760	10 608	4 164	89 752
12-Apr	38 102	4 370	4 199	23 861	10 110	4 348	84 989
13-Apr	40 071	5 163	4 118	26 690	9 639	3 857	89 537
14-Apr	15 961	2 463	2 623	13 602	4 183	3 328	42 159
15-Apr	1 369	297	41	959	65	316	3 046
16-Apr	1 932	478	51	376	410	501	3 746
Total for 2023:	2 385 010	288 675	273 239	1 685 927	640 183	282 426	5 555 461

Courtesy of BAC. Updated: 20/04/2023.

The average domestic air cargo moved last week was ~45 260 kg per day, which is down by ↓6% compared to the previous week and slightly down compared to last year (~88%).

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



Courtesy of BAC. Updated: 20/04/2023.

c. Air cargo operations

The following air cargo operational matters were discussed at the most recent ACOC meeting this week:

- The integration of the IVS System is working quite well at ORTIA, with some minor hold-ups at the cargo precinct gate.
- With country-wide load-shedding increasing, the industry is urging ACSA to institute a contingency plan in case of a total grid collapse. There desperately needs to be a plan put in place to combat this unwanted scenario, as the cargo precinct would need at least four large industrial-scale generators.
- Lastly, a change is required to amend the age limit rules (currently 18 years) of persons allowed to enter and operate in the cargo precinct. The amendment is required to be aligned with the Basic Conditions of Employment Act (75 of 1997).

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 and averaged ~9,0 hours (↓20%, w/w).
- Consolidated March cross-border road statistics for major borders show a general increase:
 - Beitbridge volume was significantly up (↑10,8% northbound and ↑11,6% southbound) in March, as traffic seems to be returning to elevated levels after a relatively slow start. Moreover, northbound crossing times hovered around 25,5 hours during the month (which remains too slow), with southbound crossings around 15,5 hours.

- Lebombo traffic increased **↑9,6%** to Mozambique, with returning volumes up during March (**↑5,3%**), as traffic continues to increase using the N4 to Maputo as an alternative to Durban. The average crossing times into Mozambique hovered around **9 hours**.
- Groblersbrug traffic increased by **↑11,3%**, with average crossing times very slow during March, at a paltry **25 hours**.
- Locally, heavy rains in Pretoria led to electricity pylons falling over the road, where three trucks were involved. Thankfully there were no fatalities, but roads were shut down due to live electrical cabling on the ground; all issues were rectified by Tuesday afternoon.
- Load-shedding continues to affect the network at Groblersbrug. Beitbridge confirmed they were offline on Thursday evening due to a three-hour system upgrade.
- Other system issues impacted the Zimra Asycuda World system last week; however, the problems were sorted out on the same day.
- 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](#)¹¹, which has arguably achieved much greater success.

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

Table 9 – Delays¹² summary – South African borders

Border Post	Direction	HGV ¹³ 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	4,7	6,2	25	12 390	2 891
Beitbridge	Zimbabwe-SA	387	3,5	3,0	12	11 610	2 709
Groblersbrug	SA-Botswana	235	1,4	1,9	15	7 050	1 645
Groblersbrug	Botswana-SA	148	0,4	0,0	2	4 440	1 036
Vioolsdrif	SA-Namibia	30	0,3	1,0	3	900	210
Noordoewer	Namibia-SA	20	0,1	0,3	1	600	140
Nakop	SA-Namibia	30	0,3	1,1	3	900	210
Ariamsvlei	Namibia-SA	20	0,3	1,0	1	600	140
Lebombo	SA-Mozambique	1 610	0	1,0	8	48 300	11 270
Ressano Garcia	Mozambique-SA	89	0	0	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
Weighted Average/Sum		3 282	0,9	1,3	6	96 660	22 974

Source: TLC, FESARTA, & Crickmay, week ending 16/04/2023.

¹¹ [FESARTA TRANSIST Bureau](#).

¹² 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.

¹³ Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

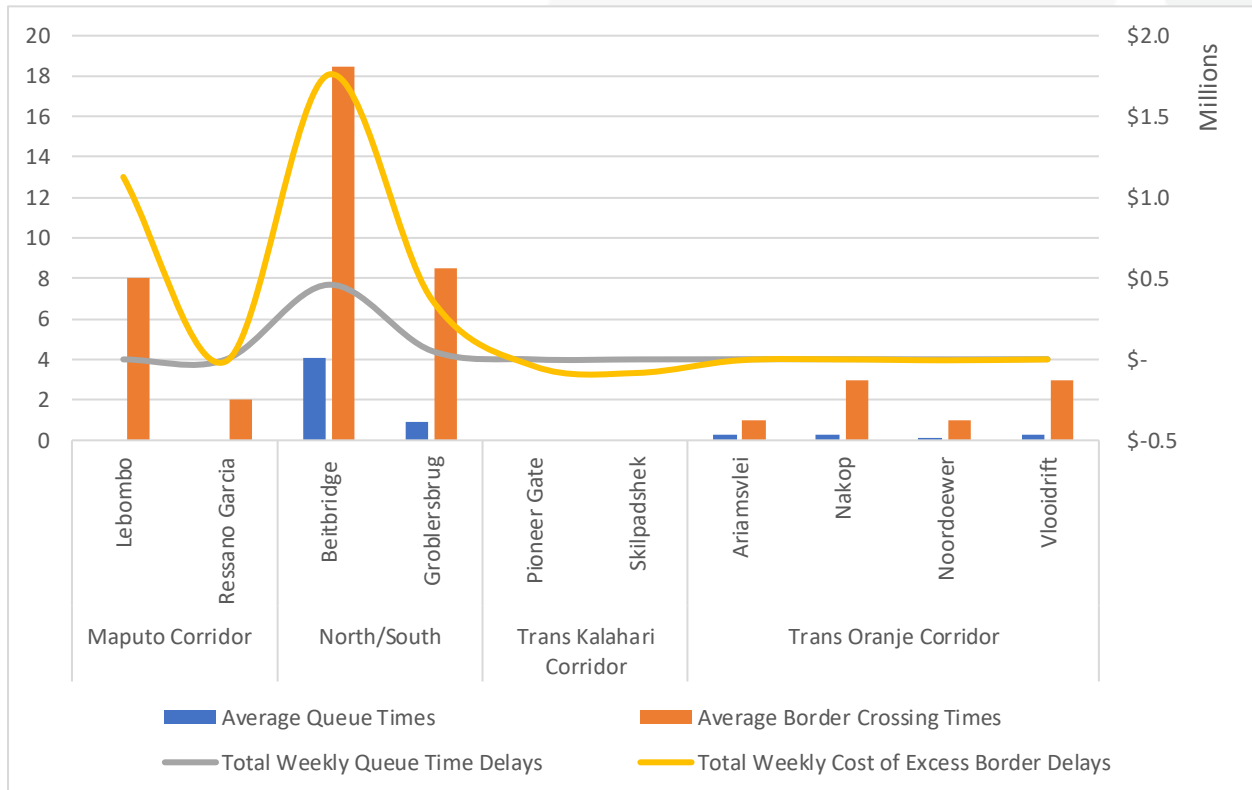
Table 10 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0,2	2	13	9 600	2 240
Dar Es Salaam Corridor	1 819	33,2	2,6	13,8	54 570	12 733
Maputo Corridor	1 699	0	0,5	5	50 970	11 893
Nacala Corridor	127	0	0	0	3 810	889
North/South	3 255	12,9	2,9	12,3	74 160	22 785
Trans Caprivi Corridor	116	0	1,2	3	3 480	812
Trans Cunene Corridor	100	0	4,2	36	3 000	700
Trans Kalahari Corridor	330	0,9	0,5	1,3	7 920	2 310
Trans Oranje Corridor	100	0,3	0,9	2	3 000	700
Weighted Average/Sum	7 866	5,3	1,6	9,6	210 780	55 125

Source: TLC, FESARTA, & Crickmay, week ending 16/04/2023.

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

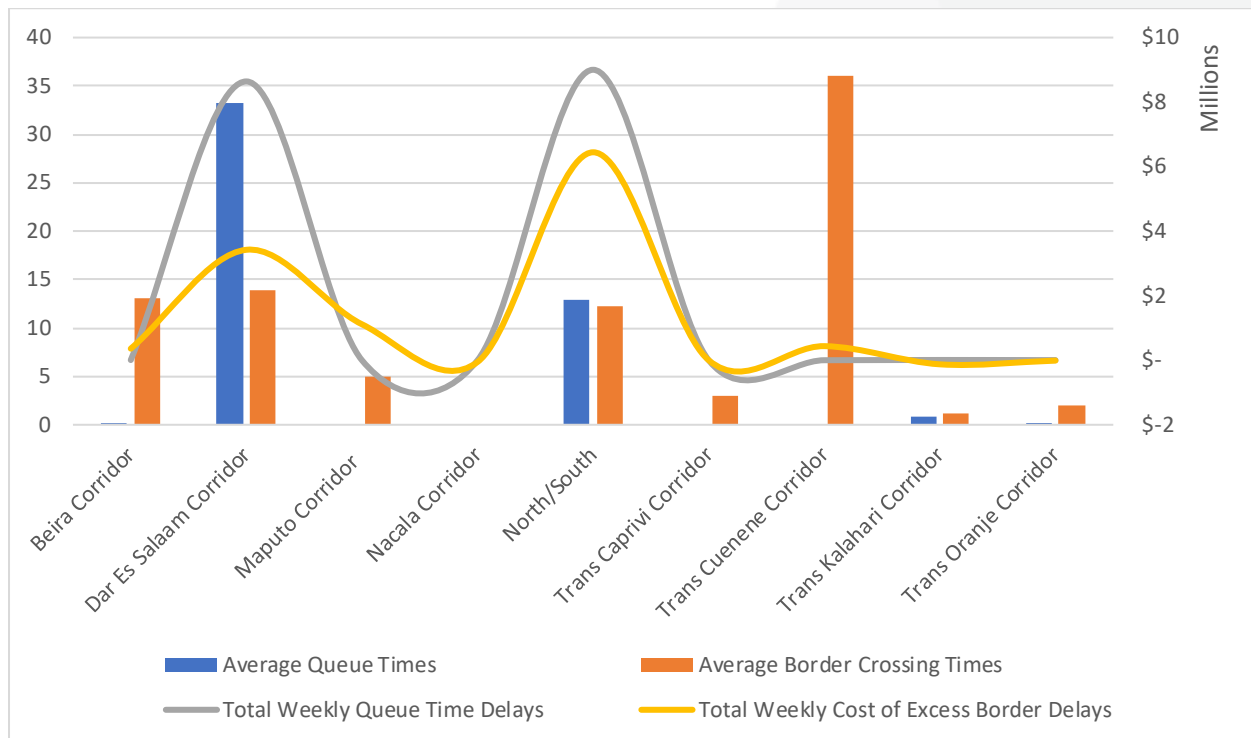
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 16/04/2023.

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 16/04/2023.

In summary, cross-border queue time has averaged **~9,8 hours** (down by **~0,3 hours** from the previous week's **~10,1 hours**), indirectly costing the transport industry an estimated **\$18 million (R310 million)**. Furthermore, the week's average cross-border transit times hovered around **~9,6 hours** (down by **~1,2 hours** from the **~10,8 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$12 million (R204 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R514 million** (up by **~R8 million** or **↓2%** from **R522 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 economy, (b) the global shipping industry and (c) the global aviation industry.

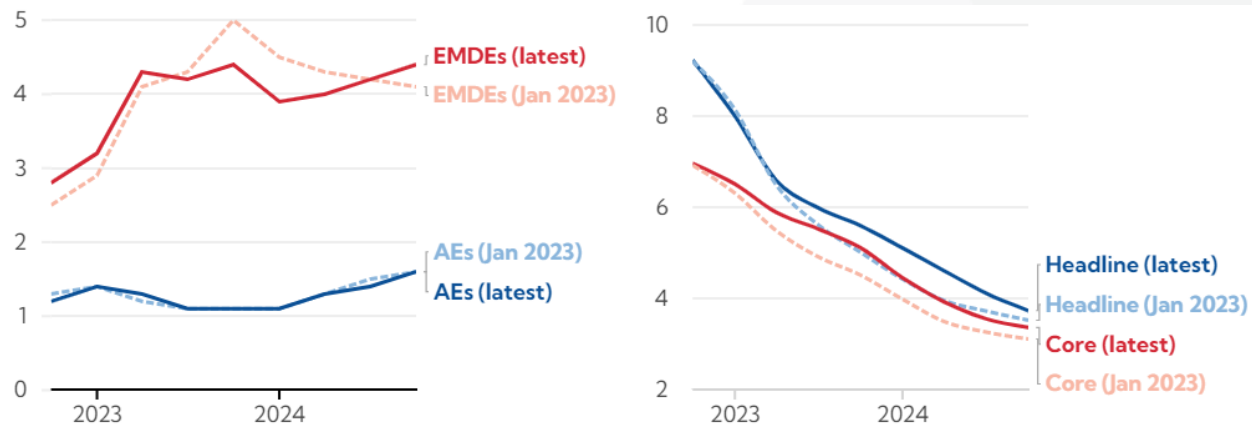
a. Global Economy – IMF April update

This week, the IMF released its latest growth forecasts for April, noting that global growth will bottom out at **↑2,8%** in 2023 – rising to a modest **↑3%** next year (downwardly revised by **↓0,1%** since January)¹⁴. The global economy's gradual recovery from the pandemic and Russia's invasion of Ukraine remains on track. China's reopened economy is rebounding strongly. Supply chain disruptions are unwinding, while dislocations to energy and food markets caused by the war are receding. Simultaneously, most central banks' tightening of strict and well-coordinated monetary policy should start to bear fruit, with inflation moving back towards targets. On the other hand, South Africa was surprised this week, as the CPI rose to **↑7,1%** in

¹⁴ IMF. 11/04/2023. [Global Economic Recovery Endures but the Road Is Getting Rocky](https://www.imf.org/en/News/Articles/2023/04/11/23-04-11-global-economic-recovery-endures-but-the-road-is-getting-rocky).

March, with food inflation at an eye-watering 14-year high in March of **↑14,4%**¹⁵. The following side-by-side figures compare the latest growth and inflation figures to the previous forecast made by the IMF in January:

Figure 14 – Growth and inflation projections¹⁶ (% , y/y)



Source: [IMF](#)

This year's economic slowdown is concentrated in advanced economies, especially the euro area and the UK, where growth is expected to fall to **↑0,8%** and **↓0,3%** this year before rebounding to **↑1,4%** and **↑1%**, respectively. By contrast, despite a **↓0,5%** downward revision, many emerging market and developing economies are picking up, with year-end-to-year-end growth accelerating to **↑4,5%** in 2023 from **↑2,8%** in 2022. Unfortunately, South Africa is not grouped as one of them, with the IMF predicting a mere **↑0,1%** growth in 2023, with a trivial improvement of **↑1,8%** forecasted for 2024.

b. Global shipping industry

i. Bunker fuel prices

The ongoing bunker fuel prices add to the improved sentiment in the global shipping industry. The price of ship fuel is now down to around half the post-Ukraine-invasion peak. Moreover, second-quarter fuel surcharges for containerised cargo shippers promise more savings ahead. But, conversely, ultimately switching from fuel oil to LNG or methanol as part of the industry's energy transition, future fuel costs will likely skyrocket back to levels seen after the invasion – or worse.

¹⁵ Stats SA. 19/04/2023. [Consumer Price Index – March 2023](#).

¹⁶ Note: AEs = Advanced economies. EMDEs = Emerging market and developing economies.

Figure 15 – Marine fuel prices: VLSFO & HSFO (\$ per ton)



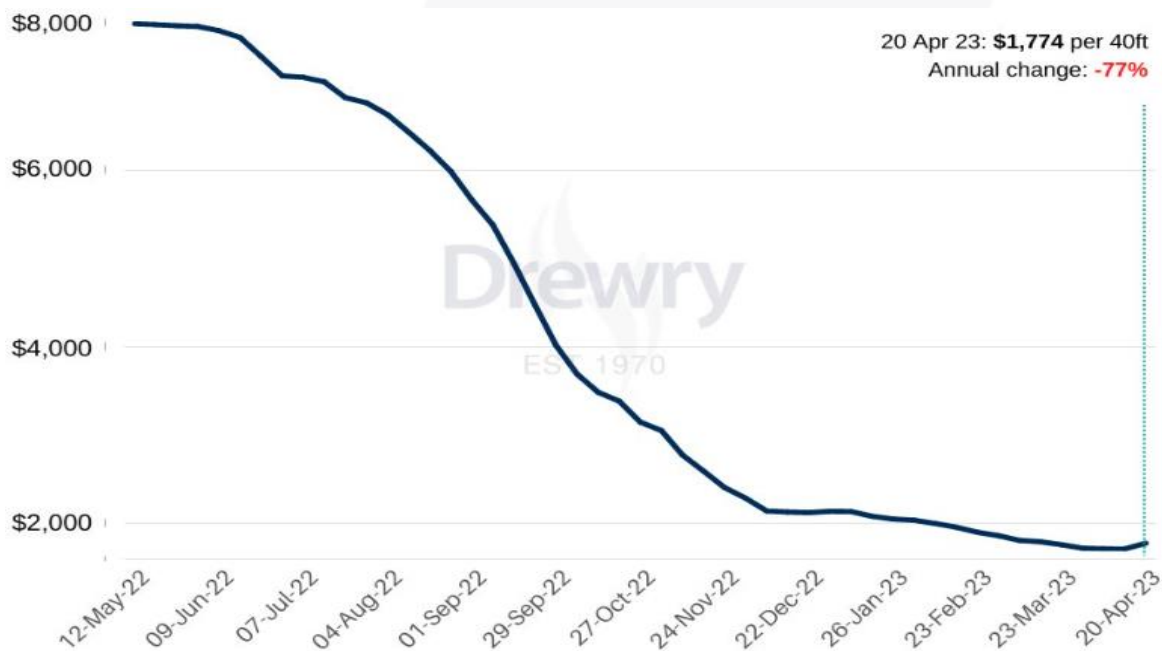
Source: [Freight Waves](#)

Most commercial ships burn 0,5% sulphur content fuel, known as very low sulphur fuel oil (VLSFO). Before implementing the IMO regulations on 1 January 2020, they burned cheaper fuel with 3,5% sulphur content, known as high sulphur fuel oil (HSFO). Ships with exhaust-gas scrubbers continue to burn HSFO. The average price of VLSFO at the top 20 marine fuel this month, ↓46% from the all-time high of **\$1 126** per ton, reached in June 2021. VLSFO pricing is back to where it was in October 2021. The average price for HSFO is currently at **\$476 per ton**, down by ↓38% from the May 2022 post-invasion high and back to September 2021 levels.

i. Global container freight rates

After a long and much-needed descent, container rates have ostensibly turned the tables. After last week's bottoming out, the "World Container Index" increased by ↑4% (or \$65) w/w to **\$1 774** per 40-ft container:

Figure 16 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

Despite the increase, the composite index is still down by **↓77%** (y/y) versus last year, **↓83%** below the peak in September 2021 and **↓34%** lower than the 10-year average of **\$2 688**. Furthermore, the industry has a long way to go before we reach the 2019 average rate of **\$1 420**, which seems like a different era, unlikely to be seen again as new and more expensive fuels gain traction. However, the industry has changed markedly since then. Regionally, some significant changes have occurred ex Shanghai to LA/LB (**↑11%**, w/w) and New York (**↑12%**, w/w). The current rates are hovering around **\$1 600** per 40ft, providing carriers with some leeway to negotiate contract rates at **\$1 400 - 1 500/40 ft.** – a level that would not be possible to achieve if spot rates had remained in the **\$1 000 - 1 200/40 ft.** level before the rate increase.

In the coming weeks, carriers' discipline will be tested to see if the higher rates would hold¹⁷, especially in improved conditions. For the last week, Drewry's "Cancelled Sailings Tracker" again remains at an **8% cancellation rate**¹⁸, which means that capacity continues to be stable. However, despite the current reality, port congestion has increased significantly by **↑18%** (w/w) to **2,05 million TEU**. Cape Town has now (fortunately) dropped from the first page of Linerlytica's "Port Congestion Watch", with the most congested ports this week mostly in Asia (Shanghai/Ningbo, Qingdao, Singapore) and Piraeus in Greece.

ii. Further developments of note

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

1. Demolition sales slower than expected in early 2023:

- a. Alphaliner data shows vessel demolition sales have increased slower than anticipated in the first months of 2023, with only 28 container ships of 500 TEU and above for a total of **48 555 TEU** sold for recycling since 1 January¹⁹.
- b. Despite worse-than-anticipated numbers, this is higher than last year at the same time, when zero vessels were sold to breakers. The average age of vessels disposed of was 28 years, with most sales concentrated in the **1 000 – 2 000 TEU** range at over 80% of transactions.

c. Global air cargo industry

Despite high-frequency data showing that air cargo (measured in chargeable weight) continues to trend downwards, there appear to be some signs of green shoots, with order volumes finally gaining momentum²⁰. Indeed, worldwide air cargo demand continued its decline in the second full week of April, albeit at a slower pace than recorded in last week's report, according to preliminary figures from World ACD Market Data indicate the following for this week:




















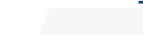
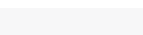
¹⁷ Linerlytica. 18/04/2023. [Market Pulse – Week 16](#).

¹⁸ Drewry. 14/04/2023. [Cancelled Sailings Tracker - 21 April](#).

¹⁹ Alphaliner. 20/04/2023. [Alphaliner](#).

²⁰ Lennane, A. 21/04/2023. [Spring-like shoots of hope for fragile air cargo markets?](#)

Figure 17 – Global capacity, weight, and yield (% , bi-weekly and annually)

Origin Regions last 2 to 5 weeks	Capacity ¹			Chargeable weight ¹			Yield/rate ¹		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
	Africa		+2%	+19%		-4%	-7%		-3%
Asia Pacific		+1%	+33%		-6%	-4%		-4%	-44%
C. & S. America		-4%	-2%		-8%	-8%		-2%	-12%
Europe		+2%	+11%		-15%	-18%		-5%	-37%
M. East & S. Asia		+0%	+11%		-5%	-6%		-7%	-48%
North America		-2%	+5%		-10%	-25%		-4%	-24%
Worldwide		-0%	+12%		-9%	-12%		-4%	-37%

Source: [World ACD](#)

Figures for week 15 (10 to 16 April) show a continuation of the decreasing trend in air cargo tonnages observed since mid-March but with a weekly drop of just **↓2%** compared to an **↓8%** decline reported in week 14. Meanwhile, average global air cargo prices declined with a further **↓2%** (w/w) drop. At a regional level, the downward trend in air cargo tonnages is visible from all of the main origin regions and on all lanes. This reality is particularly evident in flows ex-Europe – most notably to Central and South America (**↓21%**), Africa (**↓17%**), North America (**↓16%**), Asia Pacific (**↓14%**) and Middle East and South Asia (**↓14%**). This relatively strong decline ex-Europe is partially due to the Easter holidays. Furthermore, significant declines were observed in ex-Middle East and South Asia to Asia Pacific (**↓18%**) and ex-North America to Europe (**↓18%**). Annually, capacity increases remain robust at **↑12%** globally, with volume down by **↓2%** and average rates trending at **\$2,56 per kg**.

ENDS²¹

²¹ACKNOWLEDGEMENT:

*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 (SAFF) and distributed by Business Unity South Africa (BUSA). SAFF acknowledges the input of several key business partners in compiling these reports, which have become a weekly industry staple. This edition is proudly sponsored by [DACHSER](#).*