

Cargo movement update¹

Date: 26 May 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)	25 674	29 308	54 982	18 951	29 823	48 774	↑13%
Air Cargo (tons)	2 806	2 202	5 008	2 624	2 061	4 685	↑7%

Monthly Snapshot

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

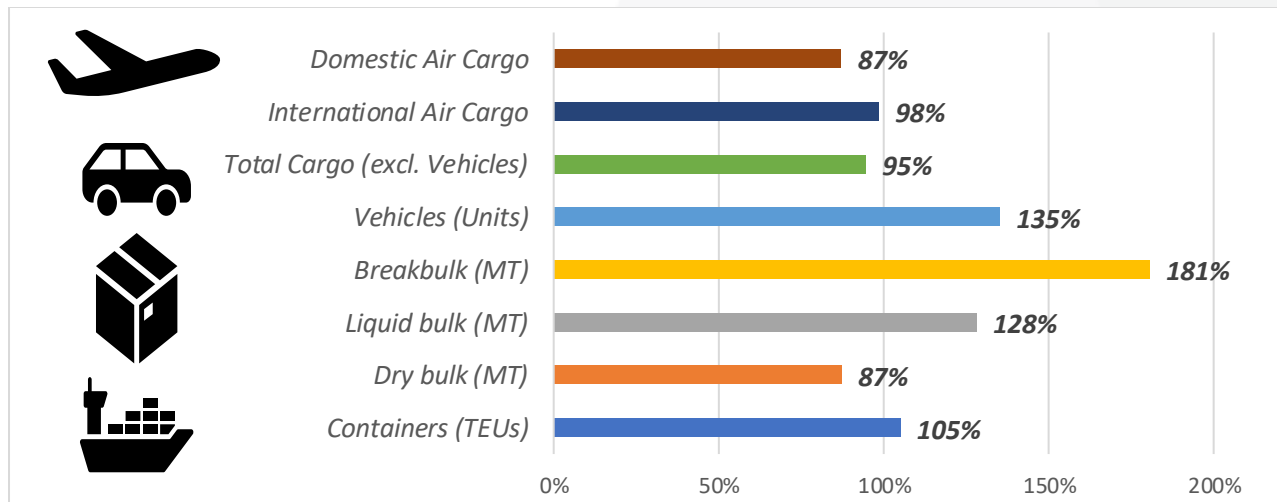
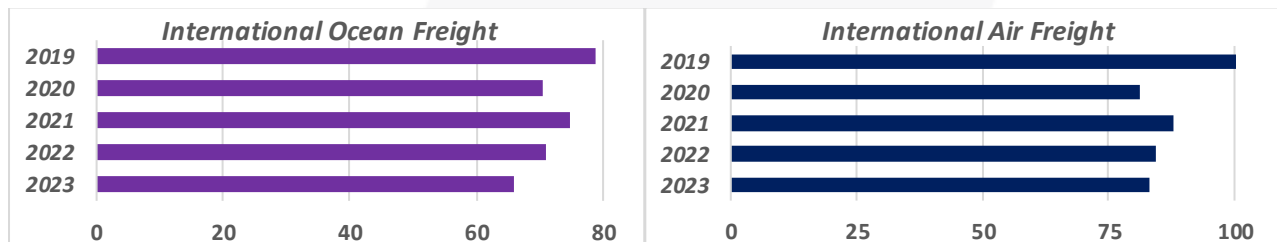


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 855 containers** was handled per day, with **~9 064 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 819 containers**, **↑46%** compared to last week.
- The latest Ctrack "Transport Freight Index" increased by **↑1,4%** in May (m/m) and is also **↑5,6%** (y/y).
- "Land Transport Survey" for March shows that the payload increased by **↑4,9%** (y/y). Road/Rail at **87/13**.
- Cross-border queue times were **↑0,3 hours**, with transit times **↑15,9 hours**, SA borders **~14 hours (↑12%)**.
- Average global container rates pierced the **\$1 700 barrier** for the first time in three years (down by **↓2%**).
- Global air cargo handled remains low despite increased capacity – average freight rates are **\$2,49/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 138th 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; Air: Apr vs Apr, Ocean: Apr vs Apr.

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

Executive Summary

This update – *the 138th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Operational delays at our ports were shaped by adverse weather, all-too-frequent equipment breakdowns and shortages, severe vessel ranging, and congestion. Vessel ranging dominated operations at the Eastern Cape ports this week, as more than 24 operational hours were lost, which was primarily due to the fact that the Mooring Master system at the Port of Ngqura's berth D100 remains out of commission as five of the 11 units still require repairs. Technicians from Ireland came to assist with the repairs of crane QC 5 at DCTs Pier 1 after being on a lengthy outage. The Bypass Road en route to the Durban port remains closed due to additional construction; however, the road is anticipated to be opened once more over the weekend. Lastly, cable theft and vandalism on the rail system improved somewhat this week, with the most notable incident delaying operations for around four hours on Tuesday.

In the global maritime industry, the top 12 carriers had collectively added **↑5%** of additional capacity since January 2022, when spot freight rates peaked. During the same period, demand has fallen by the corresponding magnitude, as excess supply keeps driving freight rates down. Port congestion continues to ease, with carriers' attempts at supply management not having the desired effects of maintaining rates. All-in-all, the industry is much more stable compared to last year. Other developments included **(1)** containers lost at sea down to pre-pandemic levels, **(2)** bulk carrier grounds along the Suez Canal, and **(3)** global container production to slump to a 14-year low.

International (**↑7%**) and domestic air (**↓8%**) had opposite weekly movements but continues to trend below the relative levels of last year. In the international market, global air cargo tonnages have dropped again in the third week of May after recovering from the dip at the beginning of the month. However, capacity remains way above 2022 (or anytime during the pandemic), as the market failed to pick up fully during 2023.

In regional cross-border road freight trade, average queue and transit times increased significantly this week. South African border crossing times increased by around **an hour and a half** – averaging **~14 hours**, and in contrast, the greater SADC region (excluding South Africa) increased exponentially, averaging **~30 hours** (**↑146%**, w/w). A whole host of SADC land borders took – on average – more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa, Katima/Mulilo, Kazungula, Oshikango, Santa Clara, and Zobue. Further developments of note included **(1)** network challenges, increased traffic, and the single-lane bridge causing delays in Groblersbrug, **(2)** new procedures concerning transits at Lebombo, and **(3)** SARS Customs' bid to discontinue CN2 documents expanded to Kopfontein, Ramatlabama, and Skilpadshek.

In summary, the extended industry welcomes the various mentions made by Minister Gordhan in the DPE budget address⁶. These include **(1)** getting more locomotives into service, **(2)** repairing infrastructure, **(3)** tackling cable theft and vandalism, and **(4)** digitisation of operations to improve business processes to boost efficiencies. And encouragingly, the talk was extended to Transnet investing **R122 billion** over the next five years. Whether this happens or not remains to be seen. The industry is increasingly encouraged by the public-private sector engagement – especially under OV and the Presidency, but it is too early to celebrate anything yet, as we need to see tangible successes and sustainability in maintaining and improving our logistics network (especially considering that the World Bank once again rated South African container terminals as some of the most unproductive globally).

⁶ Gordhan, P. 23/05/2023. DPE Budget '23 - Minister Pravin Gordhan Speech.

Contents

Weekly Snapshot	1
Monthly Snapshot.....	1
Key Notes	1
Executive Summary	2
Contents	3
1. Ports Update.....	4
a. Container flow overview	4
b. Summary of port operations	7
i. Weather and other delays	7
ii. Cape Town.....	7
iii. Durban and Richards Bay	8
iv. Eastern Cape ports	9
v. Saldanha Bay	10
vi. Transnet Freight Rail (TFR)	10
vii. General	10
2. Air Update	11
a. International air cargo	11
b. Domestic air cargo	11
3. National Update	12
a. Ctrack Transport and Freight Index	12
b. Stats SA land border survey	13
4. Road and Regional Update	14
a. Cross-border and road freight delays	14
5. International Update.....	16
a. World Bank Container Port Performance Index	16
b. Global shipping industry	18
i. Global container capacity	18
ii. Global container lost at sea	19
iii. Global container freight rates	19
iv. Further developments of note	20
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 20 to 26 May⁷

7-day flow forecast (20/05/2023 – 26/05/2023)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 675	4 575
DURBAN CONTAINER TERMINAL PIER 2:	10 069	13 754
CAPE TOWN CONTAINER TERMINAL:	4 358	6 380
NGQURA CONTAINER TERMINAL:	6 024	3 651
GQEBERHA CONTAINER TERMINAL:	548	948
TOTAL:	25 674	29 308

Source: Transnet, 2023. Updated 26/05/2023.

Table 3 – Container Ports – Weekly flow predicted for 27 May to 2 June

7-day flow forecast (27/05/2023 – 02/06/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 424	5 276
DURBAN CONTAINER TERMINAL PIER 2:	12 428	15 455
CAPE TOWN CONTAINER TERMINAL:	5 093	7 336
NGQURA CONTAINER TERMINAL:	4 138	6 909
GQEBERHA CONTAINER TERMINAL:	889	1 500
TOTAL:	26 972	36 476

Source: Transnet, 2023. Updated 26/05/2023.

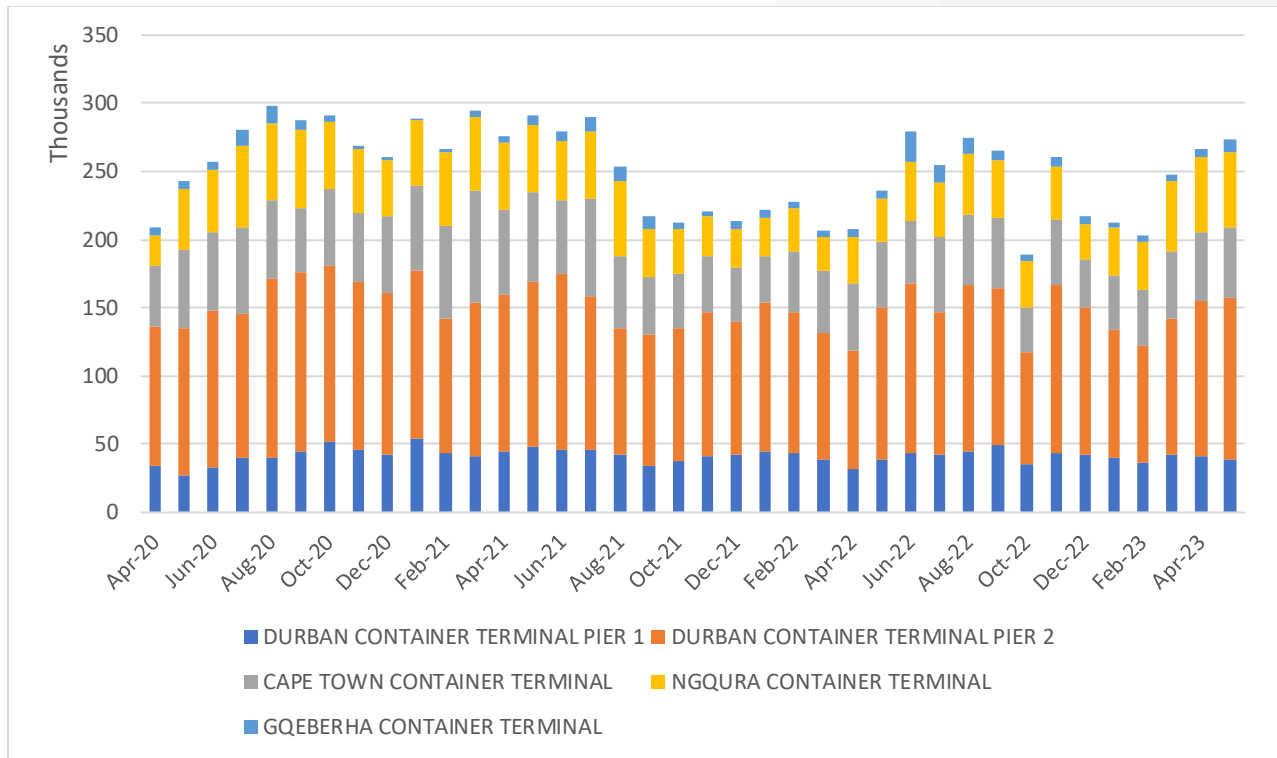
An average of **~7 855 containers** (**↑13%**) was handled per day for the last week (20 to 26 May, Table 2), compared to the projected average of **~9 474 containers** (**↓17%** actual versus projected) noted in last week's report. An increased average of **~9 064 containers** (**↑15%**) is predicted to be handled next week (27 May to 2 June, Table 3). The usual culprits of adverse weather, all-too-frequent equipment breakdowns and shortages, severe vessel ranging, 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 37% 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.

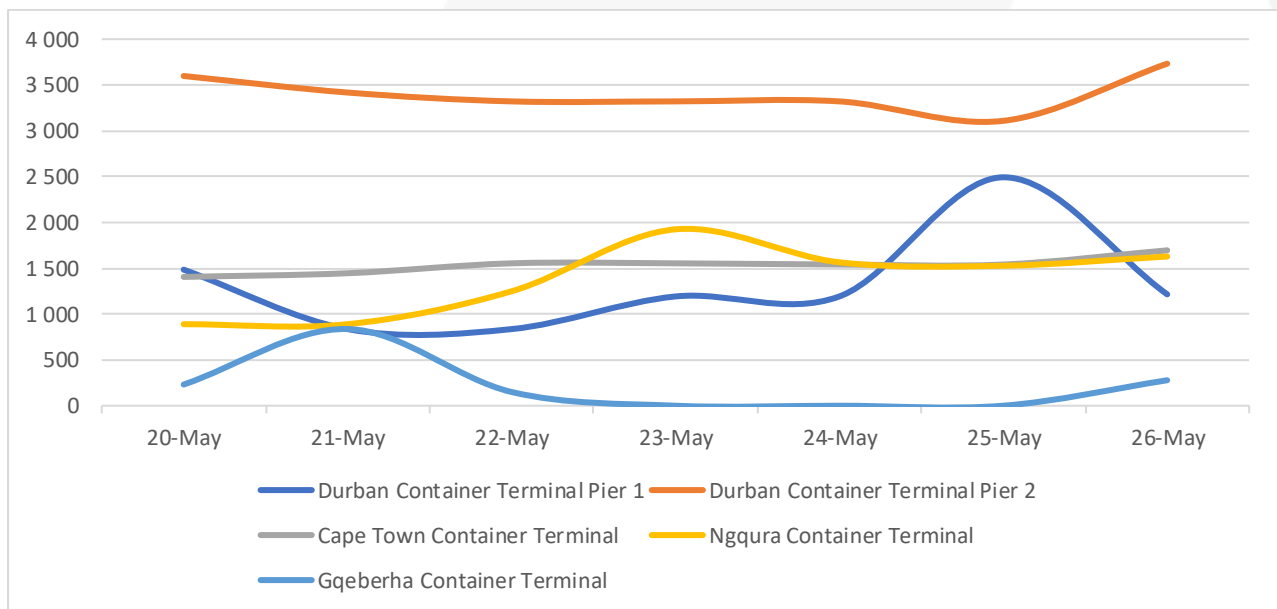
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 26/05/2023.

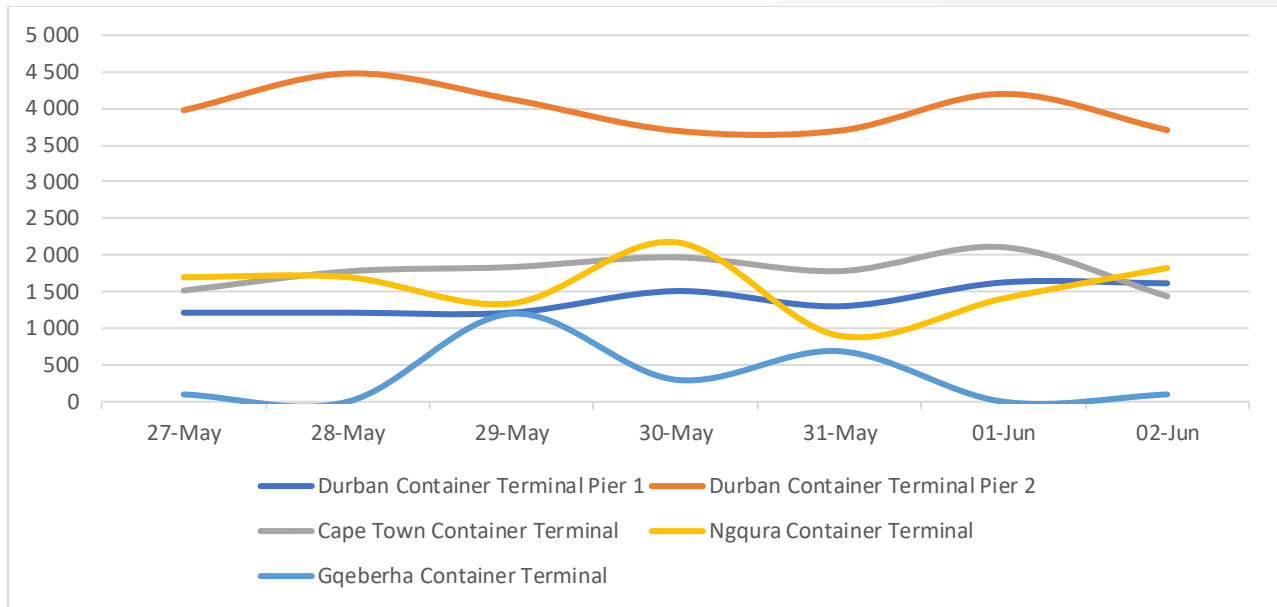
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (20 to 26 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 26/05/2023.

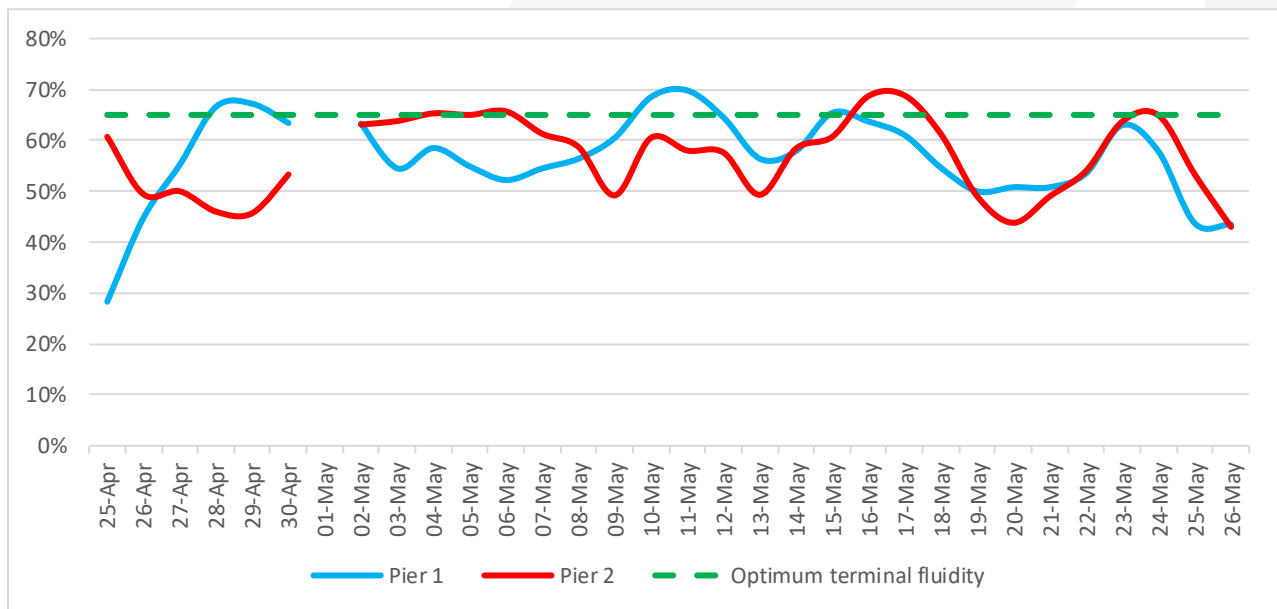
Figure 5 – 7-day forecast reported for total container movements (27 May to 2 June; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 26/05/2023.

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

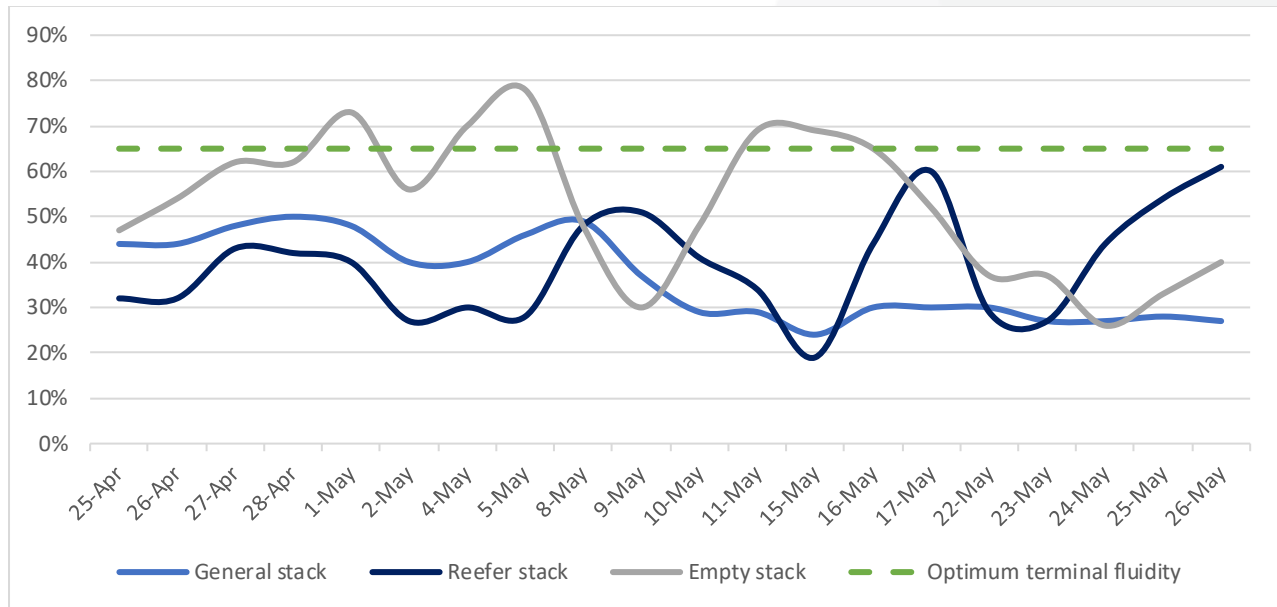
Figure 6 – Stack occupancy in DCT, general-purpose containers (25 April to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 26/05/2023.

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 (25 April to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 26/05/2023.

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

Weather conditions at the Port of Cape Town were more favourable this week, as the most significant delay stemmed from navigation equipment being out of commission on Monday. Inclement weather and more equipment woes ensured operational disruptions in Durban. Adverse weather conditions were also felt in the Richards Bay area and were the main culprit of disrupted operational performance. Lastly, more than 24 operational hours were lost at the Eastern Cape ports due to vessel ranging.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and one at anchor, as operations at the port largely remain fluid. Stack occupancy for GP containers was 27%, reefers 44%, and empties 26%. In the latest 24-hour period to Wednesday, the terminal handled 2 667 TEUs across the quay. On the landside, 1 209 trucks were serviced while executing seven rail moves. The poor execution of rail moves this week can largely be attributed to the entrenched criminal activity affecting the entire South African rail network.

The multi-purpose terminal, on Thursday, recorded zero vessels at anchor and one at berth. In the 24 hours leading to Thursday, the terminal managed to service 156 external trucks at an undisclosed truck turnaround time on the landside. The terminal also managed to move 333 TEUs on the waterside. Stack occupancy was recorded at 14% for GP containers, 58% for reefers and 1% for empties by the end of the week.

The FPT private terminal reported zero vessels at anchorage while servicing four vessels at berth on Thursday. During the 24 hours before Friday, the terminal managed to handle 3 361 tons of dry bulk cargo and 1 074 tons of dry bulk (direct ops) on the waterside while servicing 236 trucks on the landside. During the same period, reefer stack occupancy was recorded at an improved 34%.

iii. Durban and Richards Bay

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.

Pier 1 on Wednesday recorded two vessels at berth, operated by four gangs, and two vessels at anchor. Stack occupancy was 44% for GP containers, with 1 078 imports on hand and all import units being released for collection. The terminal recorded 1 163 landside gate moves, with an undisclosed number of cancelled slots and 71 wasted. The latest reports suggest that the wasted slots over the last fortnight have improved compared to the previous fortnight. Additionally, on Sunday (21 May), the terminal was windbound from approximately 19:45 to midnight. Furthermore, technicians from Ireland came to assist with the repairs of crane QC 5 after being on a lengthy outage. At the end of the week, the terminal had six cranes in operation, with crane QC2 the only crane remaining out of commission.

Pier 2 had four vessels at berth and none at anchorage on Thursday. In the most recent 24 hours to Friday, stack occupancy was 53% for GP containers and 49% for reefers, with 30% of reefer plug points utilised. The terminal operated with ten gangs while moving 3 815 TEUs across the quay. On Thursday, there were 2 818 gate moves on the landside with a truck turnaround time of ~108 minutes and a staging time of ~128 minutes. Of the landside gate moves, 1 890 moves (67%) carried import cargo, while the remaining 928 (43%) moves were for exports. Additionally, 890 rail import containers were on hand, with 278 moved by rail. For the most significant part of the week, the terminal operated with three gangs; however, crane 522 was taken out of service briefly for scheduled maintenance.

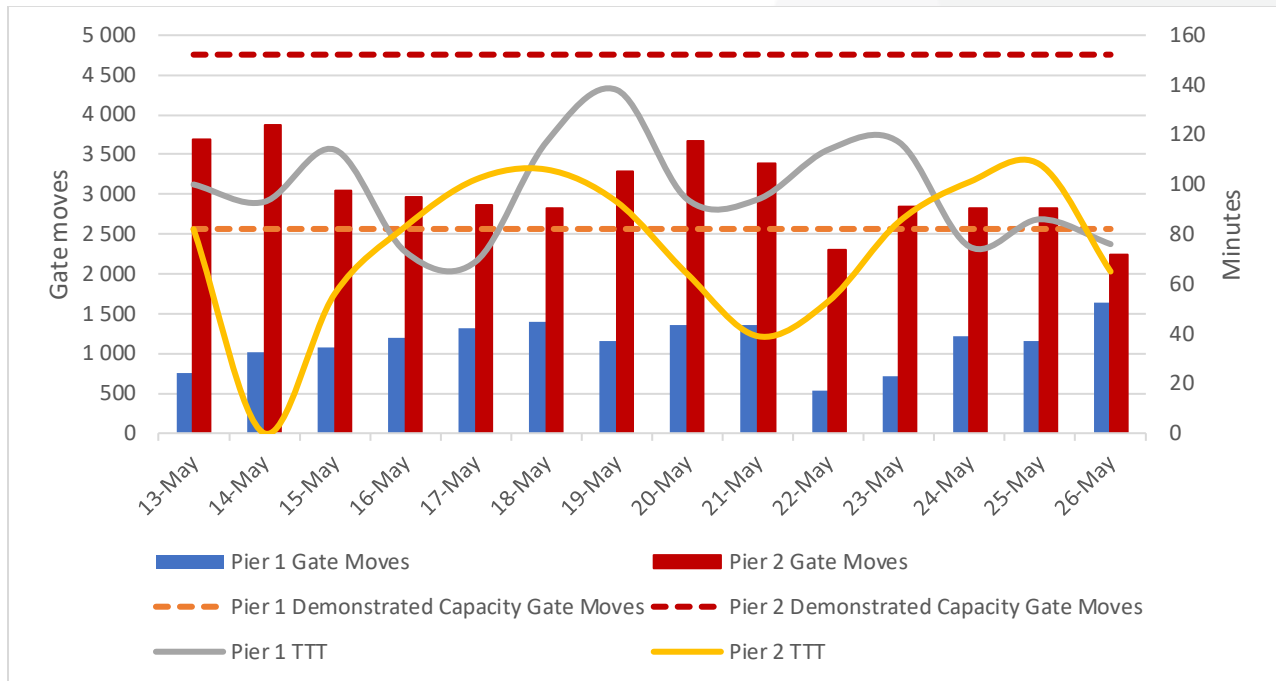
The Durban MPT terminal recorded two vessels at berth on Tuesday, with none at the outer anchorage, while handling 403 containers and 1 251 breakbulk tons on the waterside. Stack occupancy for breakbulk improved further this week to 40%, while stack occupancy on the container side was recorded at 10%, with 186 reefer plug points available. On the landside, the terminal managed to handle 84 containers while servicing 60 breakbulk RMTs. On Wednesday, one crane, eight reach stackers, one empty handler, five forklifts and 18 ERFs were in operation. The second mobile harbour crane was removed from service for routine maintenance with assurances that it would be back in operation in time to service the next arriving vessel on 26 May. Due to more repair difficulties, the third crane's revised return time was shifted to 02 June. Industry concerns are increasing as this crane was supposed to be back in operation by 19 May.

On Thursday, the Ro-Ro terminal at Durban recorded two vessels on the berth, with none at outer anchorage. Over the 24 hours to Friday, the terminal received 657 units while despatching 855 units. During the same period, general stack occupancy increased to 90%, with a composition of 26% for imports, 64% for exports, and 10% for transhipments. The terminal had 2 780 import units on hand, 6 844 units destined for export markets, and 1 085 units subject to transhipments.

On Thursday, Richards Bay recorded 14 bulk vessels at anchor. There were 16 vessels on berth, six at DBT, three at MPT, five at RBCT, one at the liquid bulk terminal, and one undergoing repairs. For marine resources, two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Tuesday. The port's pilot boat continued to aid marine operations in Durban this week and is anticipated to return once the Durban pilot boat is repaired.

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 26/05/2023.

iv. Eastern Cape ports

NCT on Wednesday recorded two vessels on berth and zero vessels at outer anchorage. Marine resources of two tugs, a pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. The port stopped sharing marine resources with the Port of Port Elizabeth. In the same period, stack occupancy was 37% for GP containers and 52% for reefers. And in that period, 2 644 TEUs and 213 reefers were handled across the quay.

Additionally, 584 trucks were serviced on the landside at a truck turnaround time of ~39 minutes. Equipment challenges persisted this week; however, a silver lining is that three RTGs are set to return to service soon. Unfortunately, the Moormaster at Ngqura's berth D100 remains out of commission, as five of the 11 units still require repairs. Additionally, one of the two shore tensioning units remains out of commission with no clear indication of when it will return to service. These equipment outages indicate why vessel ranging has affected the port extensively this week.

GCT on Thursday 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 Friday. In the same period, stack occupancy was 25% for GP containers, 19% for reefers, and 29% for reefer ground slots while moving 234 TEUs across the quay and handling 85 reefers. On the landside, an undisclosed number of trucks were serviced at a truck turnaround time of ~21 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 Thursday, the terminal managed to handle 889 units at a UPH of 189. During the same period, the terminal recorded a stack occupancy figure of 26%

At the Port of East London on Monday, 97 TEUs were moved across the quay at a GCH of 18, while 105 external trucks were serviced at a truck turnaround time of ~10 minutes on Tuesday. Stack occupancy on the container side was captured at 53% on Tuesday. During the same period, 561 units were received at the

Ro-Ro terminal, while stack occupancy at the car terminal significantly improved to 48%. On the landside, 48 trucks containing 1 715 tons of bulk cargo were serviced, leading to a stack occupancy of 28%.

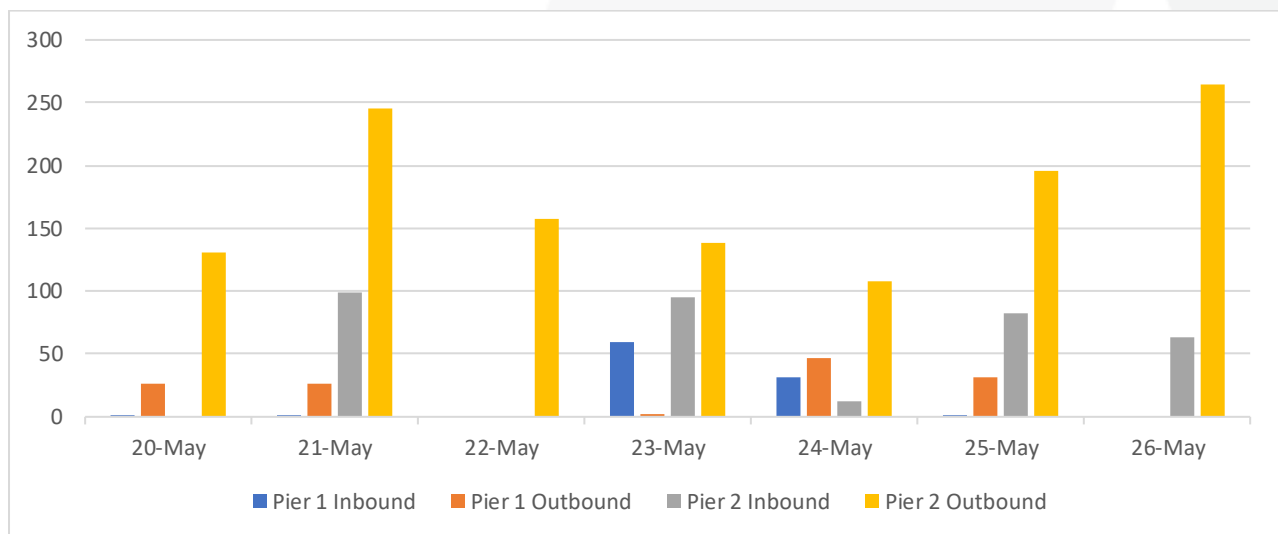
v. Saldanha Bay

On Wednesday, the iron ore terminal had five vessels at anchorage and two on the berth, while the multi-purpose terminal had four at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 2-8 days, while the vessels at berth have been on berth for around 2-3 days.

vi. Transnet Freight Rail (TFR)

Cable theft and vandalism improved on the rail network this week, with the most significant incident delaying operations for approximately four hours on Tuesday. Reports received this week indicated that a total of 41 security incidents took place during last week, with 18 arrests being made. A total of 122 operational hours were lost during this period, leading to a backlog of 14 trains. The cause for some optimism is that only 11 staged loads were present on the network during the early stages of the week, down **↓72%** from the 39 staged loads recorded last week. However, during the latter parts of the week, 14 trains still had to be loaded from Durban. On Thursday, DCTs Pier 2 had 706 ConCor rail units on hand with a dwell time of 432 hours (18 days) and 184 over-border units with a similar dwell time of 18 days.

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



Source: Calculated using data from Transnet, 2022. Updated 26/05/2023.

In the last week (20 to 26 May), rail cargo handled out of Durban was reported at **1 819** containers, up significantly by **↑46%** from the previous week's **1 246** containers. This seems to indicate that some bottlenecks have been cleared on the ConCor. Nevertheless, these figures are still well short of the targeted **2 500 – 3 000** range the network has previously demonstrated it can achieve.

vii. General

Several depots at Bayhead Road and Rotterdam Road intersection in Durban caused congestion en route to the port during the latter parts of the week. Furthermore, the latest reports suggest that the Bypass Road remains closed due to additional construction on the road, But it does seem that the road will be opened once more over the weekend.

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 15 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

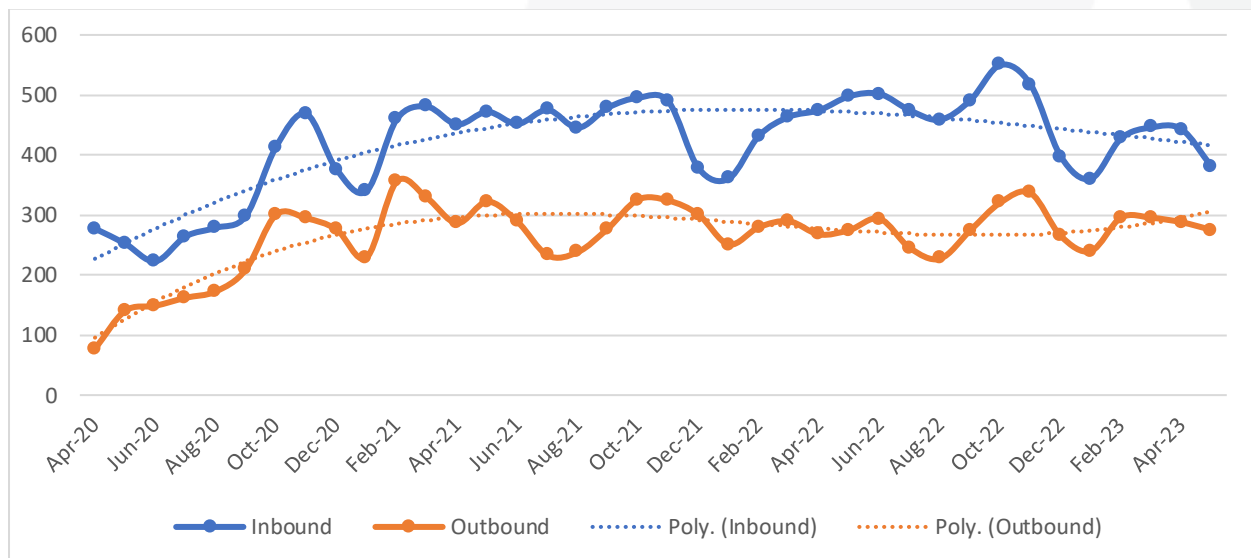
Flows	15-May	16-May	17-May	18-May	19-May	20-May	21-May	Week
Volume inbound	421 159	402 775	372 844	242 980	323 213	354 882	687 653	2 805 506
Volume outbound	219 597	196 281	223 033	180 691	229 375	278 537	874 842	2 202 356
Total	640 756	599 056	595 877	423 671	552 588	633 419	1 562 495	5 007 862

Courtesy of ACOC. Updated: 25/05/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **400 787 kg** inbound and **314 622 kg** outbound, resulting in an average of **715 409 kg per day** or ~93% compared with May 2022. However, the level is currently at only ~76% 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 (kg millions)



Courtesy of ACOC. Updated: 25/05/2023.

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

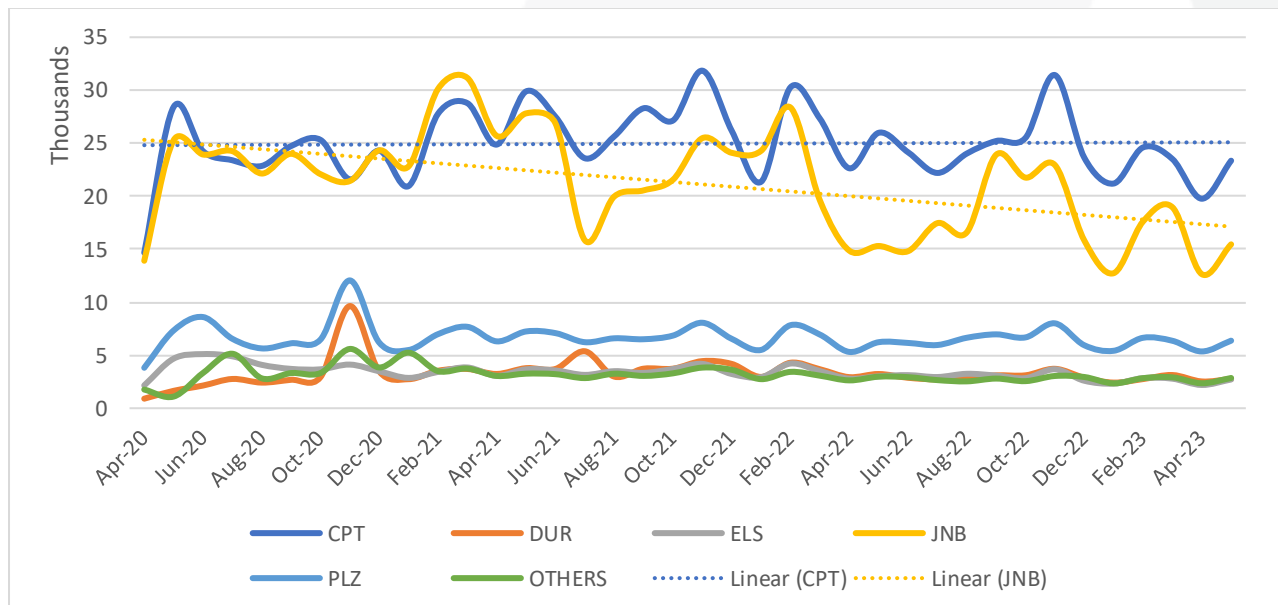
DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
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.	23 355	2 762	2 712	15 462	6 373	2 853	53 516
15-May	39 018	3 491	4 190	22 327	11 720	4 272	85 018
16-May	38 289	3 595	3 494	22 303	10 094	3 679	81 454
17-May	32 982	3 119	3 793	26 296	8 898	3 581	78 669
18-May	35 325	5 589	4 206	23 082	8 766	3 921	80 890
19-May	18 688	2 198	1 760	11 614	4 377	2 666	41 303
20-May	2 026	404	29	462	197	13	3 130
21-May	948	790	118	569	1 025	961	4 410
Total for 2023:	3 175 087	382 677	364 144	2 209 832	855 829	376 300	7 363 868

Courtesy of BAC. Updated: 25/05/2023.

The average domestic air cargo moved last week was ~53 554 kg per day, which is down by ↓8% compared to the previous week but also remains down compared to last year (~94%).

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



Courtesy of BAC. Updated: 25/05/2023.

3. National Update

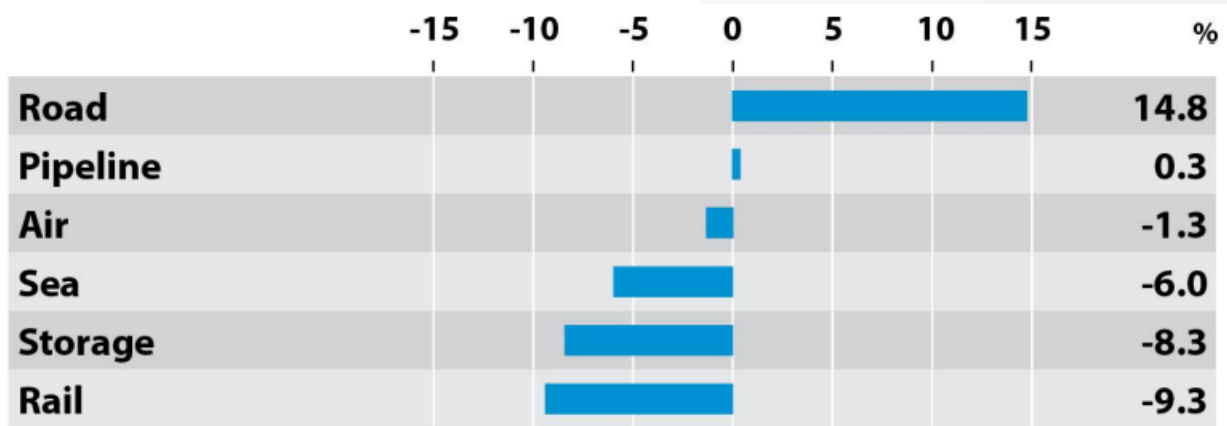
a. Ctrack Transport and Freight Index

In the latest Ctrack "Transport and Freight Index" (TFI) for May, published on Wednesday⁹, the South African logistics sector shows continued recovery and growth, as the TFI reached its highest level since August 2022

⁹ Ctrack. 24/05/2023. [The South African logistics sector continued its recovery during April.](#)

at **121,5 points**. Consequently, the index increased by a notable **↑1,4%**, the fourth consecutive monthly increase, reflecting sustained growth. In addition, four of the six sub-sectors measured by the Ctrack TFI increased monthly, accelerating much-needed momentum in the sector. However, despite the monthly growth, only road freight is trending significantly higher than last year:

Figure 12 – Annual growth in sub-components of the Ctrack TFI (%)



Source: [Ctrack](#)

Collectively, the Ctrack analysis notes that the performance of three of the four sub-sectors, including Rail Freight, Storage & Warehousing and Sea Freight, which remain below levels of a year ago, is indicative that the cumulative negative impact of the KZN flooding in April 2022 and Transnet strike in October 2022 is still being felt. Airfreight performed well last year but has recently moderated somewhat on an annual basis. This analysis – read in conjunction with the land border survey below – shows that South Africa desperately needs all of its modalities to perform synchronously if we are to overcome the existing logistics crisis we face.

b. Stats SA land border survey

In the latest Stats SA "Land Transport Survey" for March published on Monday¹⁰, the headline figure indicates that the volume of goods transported (payload) increased by **↑4,9%** (y/y) in March 2023. The corresponding income increased by **↑8,5%** over the same period, again indicating the strength and resilience of the domestic transport and logistics industry. Seasonally adjusted payload increased by **↑0,2%** in the three months ended March 2023 compared with the previous three months. Rail freight continued its growth from a very low base and increased by a welcome **↑18%** (contributing **↑2,3%**), whereas road freight decreased by **↓2,4%** (contributing **↓2,1%**). Despite the welcome increase in rail, the volumes handled are still way short of what is required to satisfy our domestic freight demand; however, the change in trend serves as something of a relief to the industry, but of course, it remains to be seen if this is the start of a trend or just an outlier. For the moment, the industry remains acutely aware of the ongoing shortcomings of the rail so often reported on. Ultimately, the road/rail split remains lopsided in road transport's favour for this publication – currently at **87/13**, which is shocking given the extensive available rail network.

¹⁰ Stats SA. 22/05/2023. [SA land transport survey – March 2023](#).

4. 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 increased slightly and averaged **~14 hours (↑12%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) increased markedly by almost half a day, averaging **~30 hours (↑146%, w/w)**.
- Queue times for Groblersbrug Northbound have increased exponentially due to network challenges, increased traffic, and the single-lane bridge.
- At Lebombo, the Kudumba team at KM4 received new procedures at customs concerning transits.
 - The drivers of vehicles will now have to collect the image of their scanned trucks and present them to Customs; this will even be applied to chrome and other minerals.
 - Kudumba says this will not add extra time as all transit trucks are already scanned; however, the industry has already reported some additional delays caused by Customs.
 - Fortunately, there has been an increase in the visibility of police along the road, which has traffic flowing more smoothly.
- Due to the weakening Rand, fees through Beitbridge have increased from 16 May onwards. In addition, Zimra systems have seen some severe connectivity issues of late, with the network continuously dropping, causing long delays.
- Lastly, SARS Customs' bid to discontinue the use of the CN2 document has expanded to Kopfontein, Ramatlabama, and Skilpadshek.
- 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 arguably provides better and more reliable information.

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

Table 6 – 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	10	8	34	12 390	2 891
Beitbridge	Zimbabwe-SA	387	5	2	13	11 610	2 709
Groblersbrug	SA-Botswana	235	6	5	26	7 050	1 645
Groblersbrug	Botswana-SA	148	0	0	1	4 440	1 036
Vioolsdrif	SA-Namibia	30	1	1	3	900	210
Noordoewer	Namibia-SA	20	0	1	1	600	140
Nakop	SA-Namibia	30	1	2	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 610	5	2	9	48 300	11 270

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.

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
Ressano Garcia	Mozambique-SA	89	0	1	2	2 670	623
Skilpadshek	SA-Botswana	200	3	1	7	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	2	2 400	700
Weighted Average/Sum		3 282	3	2	9	96 660	22 974

Source: TLC, FESARTA, & Crickmay, week ending 21/05/2023.

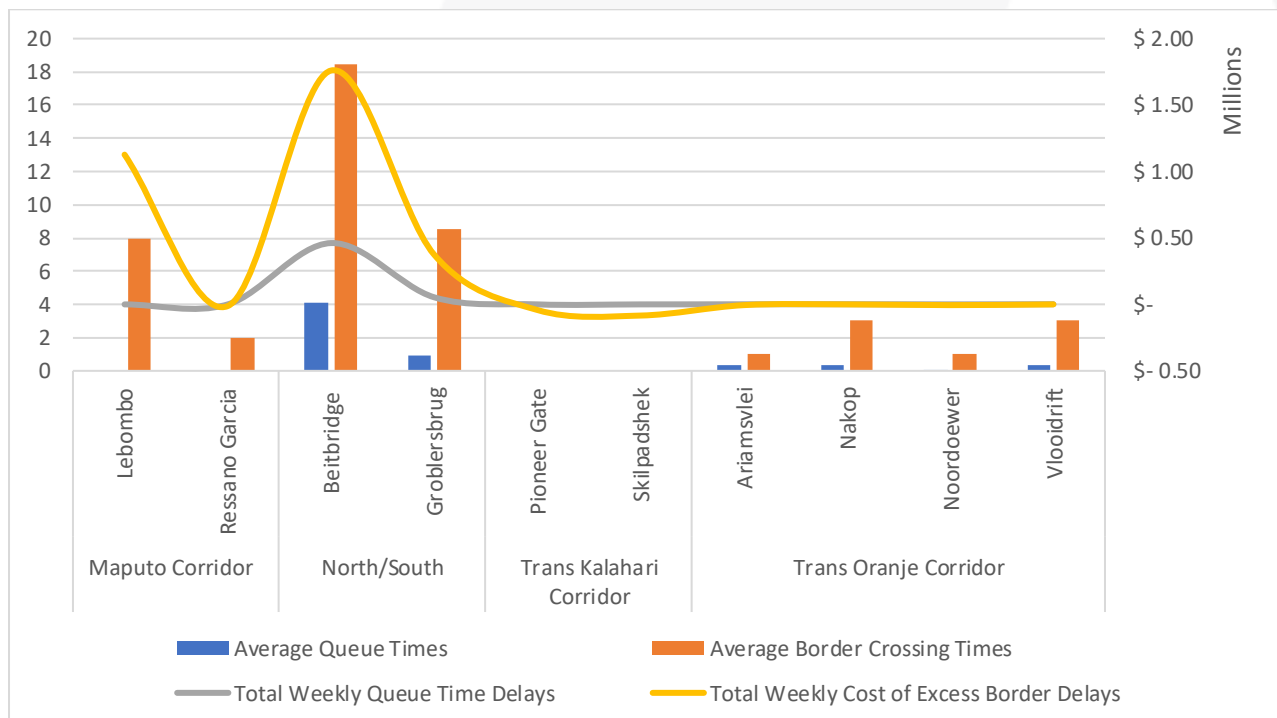
Table 7 – Delays summary – Corridor perspective

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	39	4	19	54 570	12 733
Maputo Corridor	1 699	3	2	6	50 970	11 893
Nacala Corridor	127	0	2	2	3 810	889
North/South	3 255	16	3	18	74 160	22 785
Trans Caprivi Corridor	116	0	5	326	3 480	812
Trans Cunene Corridor	100	0	8	33	3 000	700
Trans Kalahari Corridor	330	1	1	4	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Weighted Average/Sum	7 866	11,8	3	28,2	210 510	55 062

Source: TLC, FESARTA, & Crickmay, week ending 21/05/2023.

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

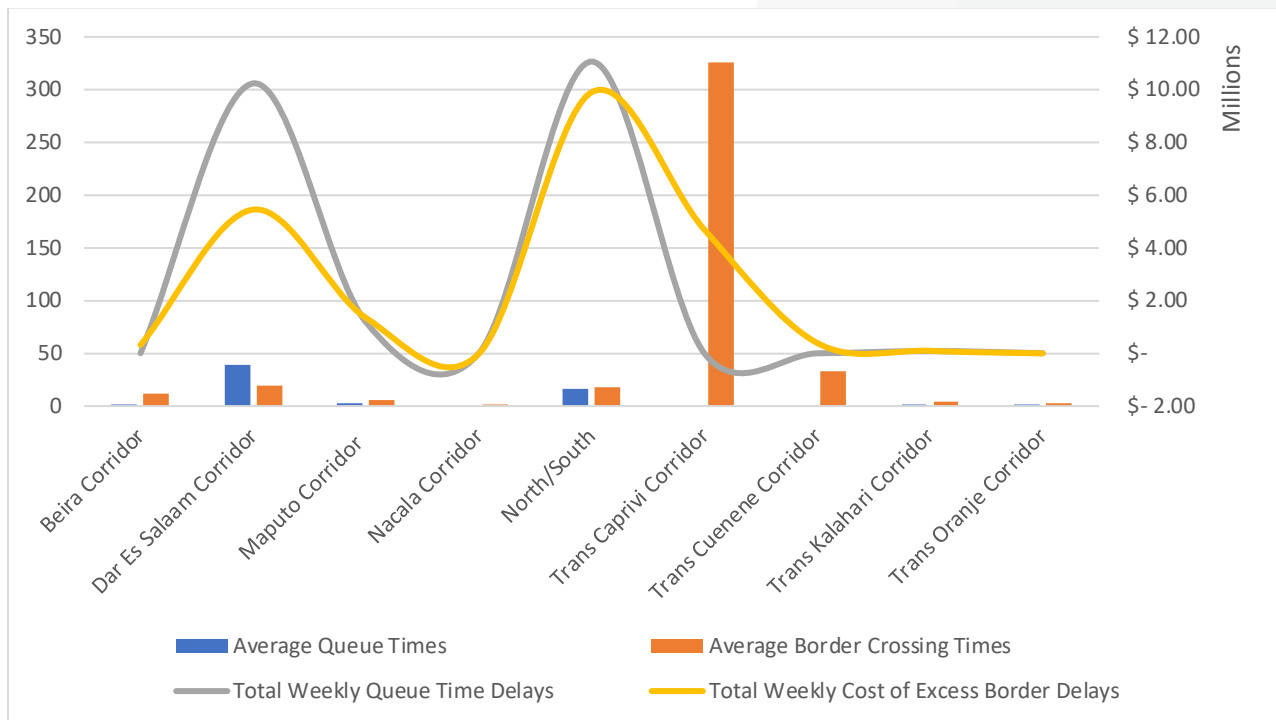
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 21/05/2023.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 21/05/2023.0

In summary, cross-border queue time has averaged **~11,8 hours** (up by **~0,3 hours** from the previous week's **~11,5 hours**), indirectly costing the transport industry an estimated **\$23 million (R397 million)**. Furthermore, the week's average cross-border transit times hovered around **~28,2 hours** (significantly up by **~15,9 hours** from the **~12,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$16 million (R390 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R787 million** (up by **~R122 million** or **↑15%** from **R664 million** in the previous report).

5. International Update

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

a. World Bank Container Port Performance Index

Last week, the World Bank released its latest edition of the "Container Port Performance Index" for 2022¹⁴, with South African ports again bringing up the rear of the rankings. The following table shows our rankings since the report's inception:

¹⁴ WB. 2022. [World Bank Container Port Performance Index 2022](https://www.worldbank.org/en/publications/cpi).

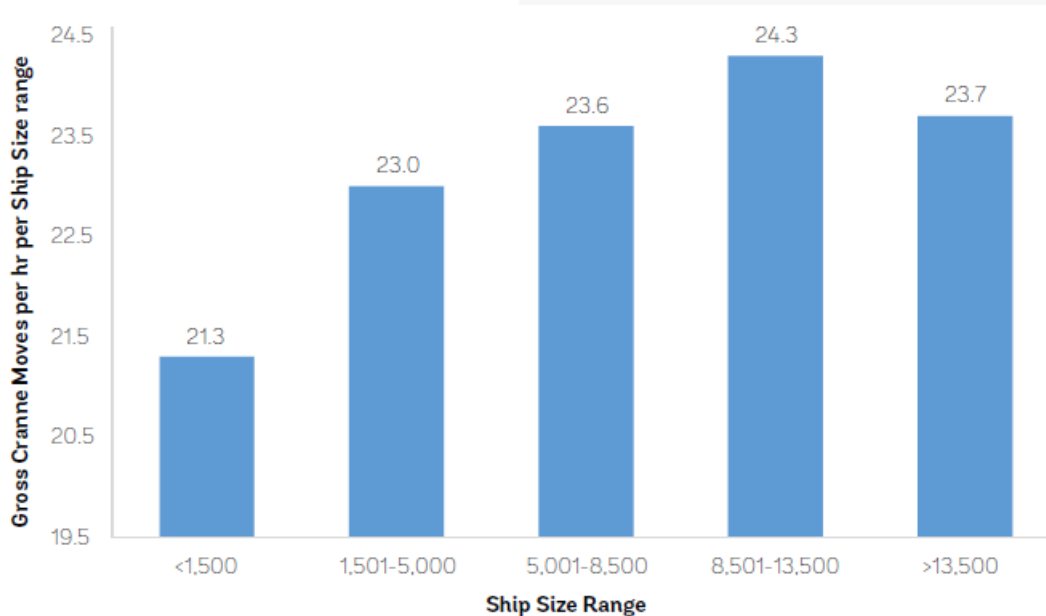
Table 8 – South African port rankings per the WB CPPI, 2020-2022

PORT	2020 Rank (out of 351)	2021 Rank (out of 370)	2022 Rank (out of 348)
CAPE TOWN	347	365	344
DURBAN	351	364	341
NGQURA	349	363	338
PORT ELIZABETH	348	312	291

Source: Compiled from [WB CPPI, 2022](#)

The struggles at Cape Town are quite concerning, as the port registered an increase of **↑29,7%** in arrival time since the last CPPI and lists it as one of the top 20 ports that most increased average arrival times. Although we can debate the methodology all day, our ports have not increased productivity – at least by the WB's metrics – since the CPPI's inception. It was pleasing to hear that Transnet plans to release some productivity statistics in the near future. The WB notes that an improvement in both port congestion and a reduction in logistical disruption has had a positive impact on the performance and ranking of some ports; where the problem was systemic, as opposed to location specific, the inherent inefficiency remains (as is the case with our ports, according to the WB). Interestingly, the global average for all ships is **23,5** container moves per gross crane hour across various ship sizes, as seen here:

Figure 15 – Container moves performed per gross crane hour across various ship sizes



Source: [WB CPPI, 2022](#)

The variation in containers handled per gross crane hour across all ship sizes is statistically minor. The smallest ships are **↓9,4%** less efficient than the average, whereas ships in the **8 501 TEU 13 500 to TEU range** are **↑3,6%** more efficient than the average. It is often implied that larger ships are more difficult to work, but the data says otherwise (South Africa primarily handles ships in the two mid-ranges between **1 501 to 8 500 TEU**). For South Africa, recent analysis has shown that our moves performed per gross crane hour at DCT Pier 1 and Pier 2 averaged **~21,5** and **~19 CGH** since 2018, respectively. These levels are way below the global average and even further away from best practice – or even the levels achieved by our terminals in the early to mid-2010s (between 2012 and 2017, DCT Pier 1 and Pier 2 averaged **~23,9** and **~24,3 CGH**).

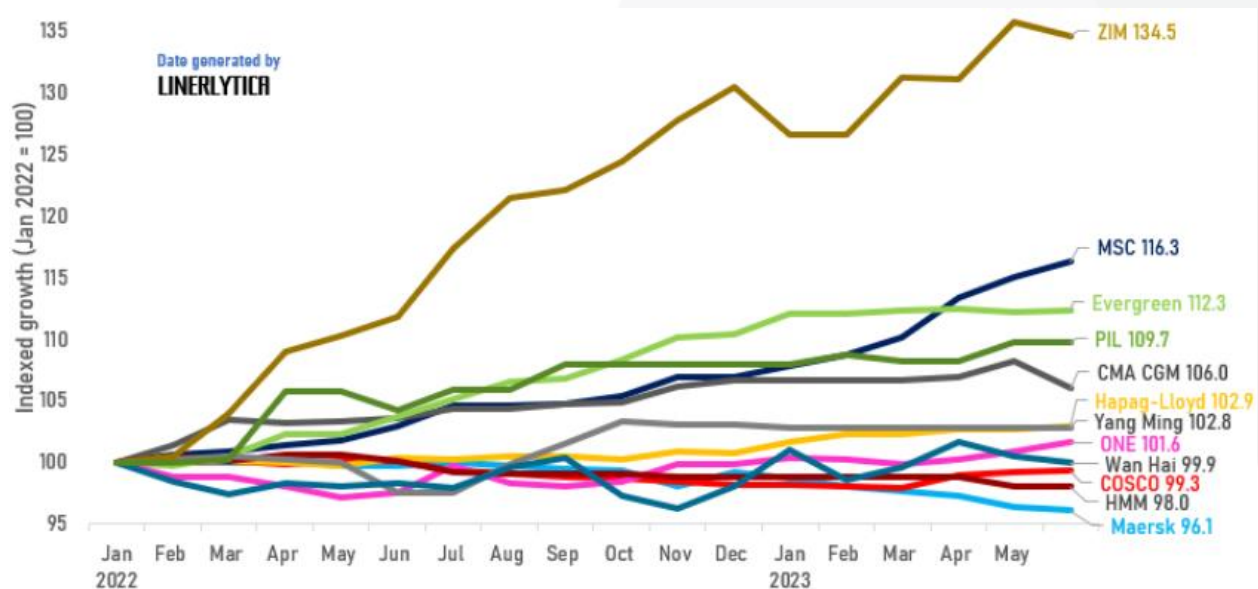
However, as the WB notes, one of the 'silver linings' of the pandemic was greater awareness and focus on the resilience and efficiency of the maritime gateways, where friction will result in tangible impacts on consumer choice, price, and economic development. At least we can point to an ongoing engagement with Transnet and related parties (such as the shipping lines, clearing agents, and cargo owners) as some of the positives coming from these reports.

b. Global shipping industry

i. Global container capacity

The top 12 carriers had collectively added **↑5%** of additional capacity since January 2022, when spot freight rates peaked. The capacity growth has been uneven across carriers, with Zim recording the highest increase in relative terms at **↑34,5%**:

Figure 16 – Top 12 carriers: Change in capacity operated (Index, Jan 2022 = 100)



Source: [Linerlytica](https://www.linerlytica.com)

The most aggressive carrier remains MSC, who has added a massive **695 000 TEU** in the last 18 months, for a **↑16,3%** growth, in stark contrast to its closest rival Maersk, who dropped **168 000 TEU** for a **↓3,9%** decline in capacity operated over the same period. MSC's capacity operated stands at **4,97 million TEU**, as noted last week, with its lead over Maersk rising to over **860 000 TEU**. Nevertheless, despite the ongoing expansion, we are yet to see an equilibrium reached, as the current supply still far outweighs the current demand – especially with low blank sailings (Drewry's "Cancelled Sailings Tracker" at a **4% cancellation rate**¹⁵ this week). Elsewhere, global port congestion is relatively low (**1,68 million TEU, ↓11%, w/w**¹⁶), and we are seeing much more stable flows than at any other time during the last three years. Despite the ongoing

¹⁵ Drewry. 26/05/2023. [Cancelled Sailings Tracker - 26 May](https://www.drewry.com/cancelled-sailings-tracker-26-may).

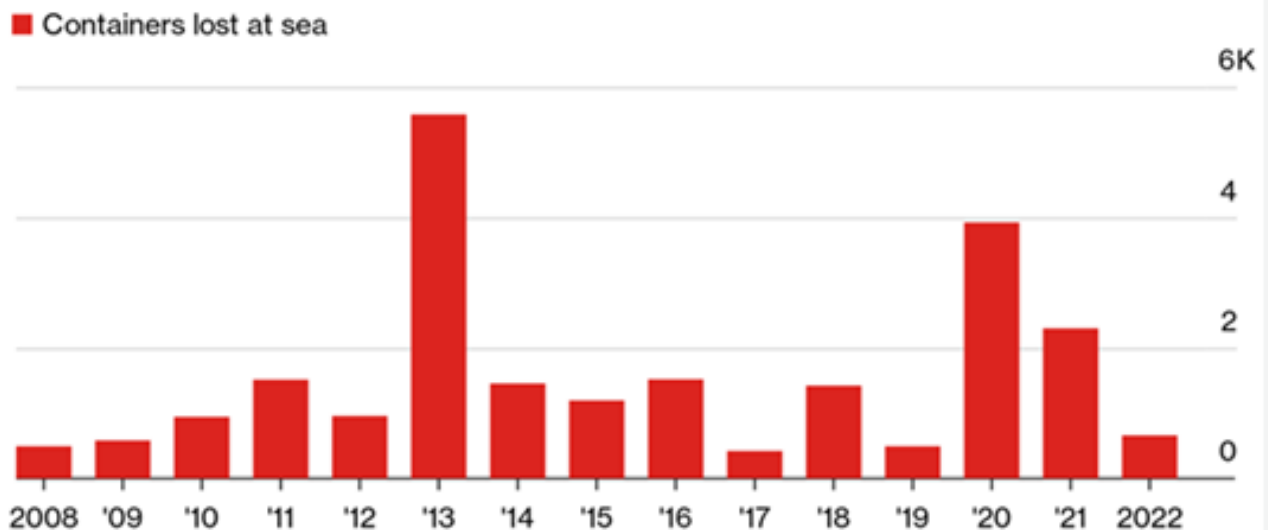
¹⁶ Linerlytica. 23/05/2023. [Market Pulse – Week 21](https://www.linerlytica.com/market-pulse-week-21).

capacity expansion, the prospect of a traditional peak season is slipping away with each week that passes, and ocean carriers are as yet unable to see any significant uptick in export orders from China¹⁷.

ii. Global container lost at sea

The World Shipping Council (WSC) has released its annual report on containers lost at sea, revealing positive developments in container safety within the international liner shipping industry. The report covers 2022, showing that **661 containers** were lost overboard, as the number of shipping containers lost overboard in 2022 returned closer to their pre-pandemic levels:

Figure 17 – Containers lost at sea (TEUs)



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

The drop represents less than one-thousandth of 1% (0,00048%) of the 250 million containers currently shipped yearly, with cargo transported valued at more than **\$7 trillion**. Reviewing the results of the total fifteen-year period surveyed (2008-2022), on average, 1 566 containers were lost at sea each year. As a percentage of the 250 million that were transported, the organisation said it was the lowest in records going back to 2008. The figures from 2020 and 2021 were skewed by two significant losses blamed on severe weather — the ONE Opus, which lost more than 1 800, and the Maersk Essen's loss of about 750.

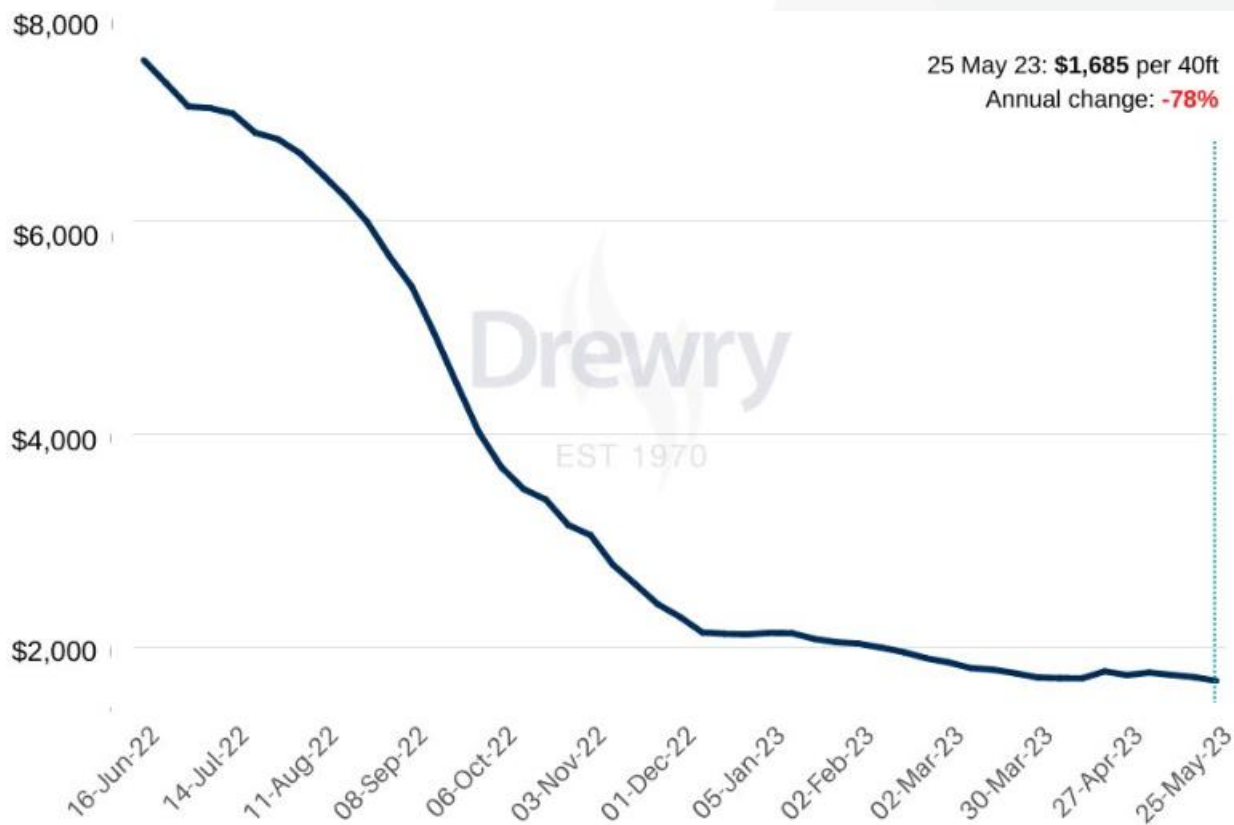
iii. Global container freight rates

Conviction around a freight market recovery is rapidly fading, with carriers failing again to push ahead with their planned rate increases on 1 June, following the two failed attempts earlier in May¹⁸. As a result, freight rates have continued to fall. In the last week, the "World Container Index" decreased again this week, albeit only slightly, by **↓2%** (or **\$35**) to **\$1 685** per 40-ft container.

¹⁷ Wackett, M. 26/05/2023. [Peak season hopes dashed as freight rates slip again](#).

¹⁸ Linerlytica. 16/05/2023. [Market Pulse – Week 21](#).

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



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

This week is the first time since the average rate has dipped below the **\$1 700 mark** in three years. The composite index remains down by **↓78%** (y/y) versus last year, **↓84%** below the peak in September 2021 and **↓37%** lower than the 10-year average of **\$2 688**. The average composite index for the year-to-date keeps getting longer and is now **\$1 859** per 40ft container. Regionally, almost all major East-West trades fell by around **~↓1%** this week, with the most significant decreases on the route from Rotterdam to New York (**↓10%**). Rates are expected to remain stable – slowly trickling back to pre-pandemic levels as elevated container rates are now a thing of the past.

iv. Further developments of note

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

1. Latest carrier profits:

- a. As noted above, Zim's aggressive capacity expansion contributed to the significant deterioration in its Q1 earnings, with an EBIT loss of **\$14 million** and a net loss of **\$58 million** as it struggled to scale back loss-making services to the US West Coast and Australia.

2. Bulk carrier grounds along the Suez Canal:

- a. A 56 708 dwt supramax bulk carrier grounded early in the morning along the Suez Canal with ships backing up behind it. The ship was refloated nearly four hours after it ran into difficulty¹⁹.

¹⁹ Chambers, S. 25/05/2023. [Bulk carrier grounds along the Suez Canal](#).

- b. According to Leth Agencies, the Hong Kong-flagged Xin Hai Tong 23 ran aground at KM 159 at the canal's southern end at around 0400 hours. Marine Traffic showed the ship's stern wedged into the eastern bank of the canal.
- c. Four tugboats were deployed to the scene and managed to free the ship at 0740. A convoy that had originally been planned to transit at 0600 hours was rescheduled to move three and a half hours later than planned.

3. Global container production to slump to 14-year low:

- a. Stagnating trade and a ballooning surplus of shipping containers, following the easing of pandemic era supply chain constraints, has led to a collapse in newbuild container output forecast by UK consultants Drewry to slump to its lowest level in 14 years.
- b. Drewry estimates that global box production contracted 71% y/y to 306 000 TEU in the first quarter of 2023, the lowest level since the same period in 2010.

c. Global air cargo industry

The latest high-frequency World ACD numbers show that global air cargo tonnages have dropped again in the third week of May, after recovering from the dip at the beginning of the month due to the 1 May public holidays. At the same time, rates have remained more or less stable throughout the month – at a very low average of **\$2,49 per kg**, some **↓37%** below their levels this time last year:

Figure 19 – 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%	+12%		+5%	-6%		-0%
Asia Pacific		+5%	+43%		+9%	-1%		-3%	-44%
C. & S. America		-11%	-9%		-24%	-4%		-4%	-11%
Europe		+1%	+11%		-1%	-15%		-2%	-36%
M. East & S. Asia		+1%	+12%		+13%	+9%		-5%	-47%
North America		+0%	+8%		+2%	-16%		-2%	-27%
Worldwide		+0%	+13%		+2%	-7%		-1%	-37%

Source: [World ACD](#)

Figures for week 20 (15 to 21 May) show a decrease of **↓4%** in tonnages after an increase of **↑10%** last week (and **↓10%** the week before). In the last five weeks, the chargeable weight is up by **↑2%**. Capacity remains mostly stable (and still elevated) as the ongoing weak demand is not getting close to the excess supply. Regionally, most origin regions showed an upward trend in tonnages on a 2w/2w basis, following the drop at the start of May.

ENDS²⁰

²⁰**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.*