

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

## Date: 28 April 2023

### Weekly Snapshot

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

Flows	Current <sup>2</sup>			Previous <sup>3</sup>			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	24 072	32 547	56 619	25 139	31 430	56 569	↑0,2%
Air Cargo (tons)	2 703	1 860	4 563	2 693	2 007	4 700	↓3%

### Monthly Snapshot

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

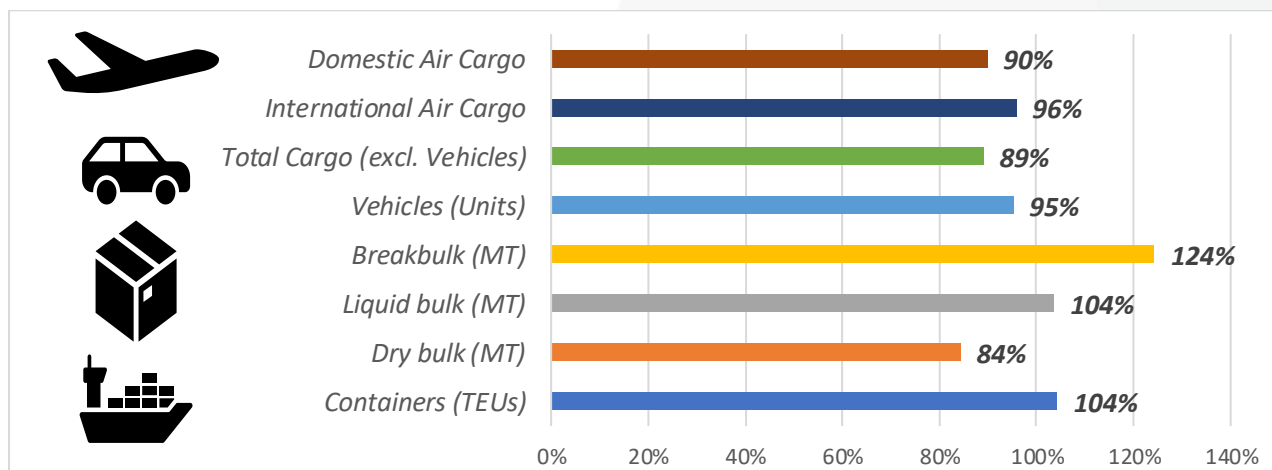
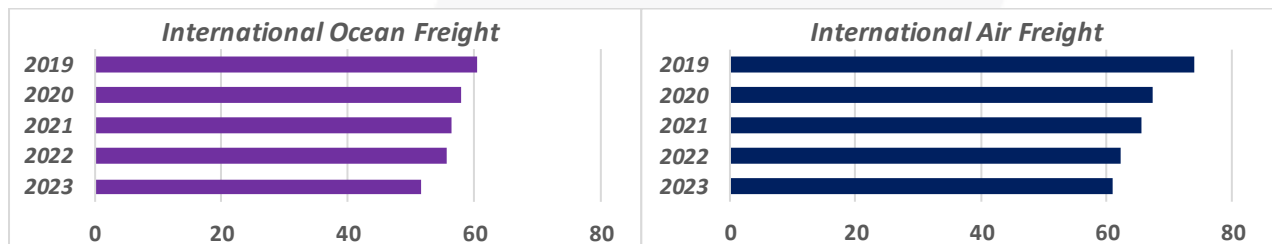


Figure 2 – Global year-to-date flows 2019-2023<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



### Key Notes

- An average of **~8 088 containers** was handled per day, with **~9 514 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 315 containers**, **↓9%** compared to last week.
- "Land Transport Survey" for February show that the payload increased by **↑7,7%** (y/y). Road/Rail at **85/15**.
- Cross-border queue times were **↑0,1 hours**, with transit times **↑1,6 hours**, SA borders **~11,7 hours (↑30%)**.
- Global container throughput dropped by a significant **↑1,2%** in February (against a predicted **↓5,6%**).
- Global container freight rates per the "WCI" have fallen by **↓2%** (or **\$34**) to **\$1 740** per 40 ft.
- Global air cargo tonnages decreased by **↓5%**, and average worldwide rates decreased by **↓3%**.

<sup>1</sup> This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the 134<sup>th</sup> update.

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

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

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

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

## Executive Summary

This update – *the 134<sup>th</sup> of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Again, smooth port operations were hampered due to adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, long-service awards, roadshows, and congestion. Backlogs at the Port of Cape Town have primarily been cleared, with vessels berthing upon arrival when the weather allows it. The Port of Durban hosted its "long-service awards" on Wednesday, which delayed operations at the port. At the same time, the crane situation at Pier 2 again created concerns across the industry this week as only two cranes were operational. On Wednesday, roadshows were planned and executed across all shifts while a tug and a crane at the Port of East London went out of commission. Cable theft incidents continued this week, with the most notable incidents occurring on several sections of the ConCor line. Finally, DCTs Pier 1 will be operational on Monday, 01 May 2023, while Pier 2 is still seeking volunteers to assist with operations at the terminal.

Despite an increase in February in the containerised cargo industry, transpacific container volumes have fallen sharply in the first quarter of 2023. Fortunately, accompanying port congestion has also declined sharply, with the total containership capacity waiting at global ports currently hovering around 2 million TEU. However, freight rates are expected to seesaw in the coming weeks as the general rate increases and contractual capacity has not yet been finalised, given the market's volatility. In the MPV market, the latest headline trends show that containers and dry bulk were slightly down in 2022, whereas other cargoes' level was steady. Looking ahead, the MPV market demand appears to be stuck at very low demand, with the expectation of a **1-2%** increase for 2023, given the negative macroeconomic trends. Other developments included **(1)** a planned fourth container terminal for Vancouver and **(2)** a rarity for shipping with the addition of the 47 528 dwt ConRo GREAT ANTWERP.

Air cargo continues to trend lower than cyclical norms, as international volume is down by **3%** this week, with domestic cargo significantly up (**↑25%**), but still lower than long-term trends. Internationally, air connectivity is close to the pre-pandemic levels, as air cargo tonnages and average rates have almost stabilised since mid-April after declining significantly for several weeks. However, the latest figures show that overall tonnages decreased by **↓5%** versus their combined total in the last two weeks. In addition, the average worldwide rates decreased by **↓3%** (currently at **\$2,56 per kg**), with stable capacity.

In regional cross-border road freight trade, average queue and transit times increased across the board this week. South African border times increased significantly this week, averaging **~11,7 hours (↑30%, w/w)** for the week. In contrast, the greater SADC region (excluding South Africa) decreased by around an hour, averaging **~11,0 hours (↑12%, w/w)**. Congested SADC borders this week included Beitbridge, Kasumbalesa, Katima/Mulilo (the worst affected – at around **two days**), Kazungula OSBP, and Muloza. Further developments of note included **(1)** boom gate, systems delays, and Container Depot issues at Beitbridge, and **(2)** Kasumbalesa struggles to continue, with the worst affected transporters taking nearly two weeks to cross into the DRC!

As we celebrated Freedom Day last week, perhaps we can remind our industry of the historic address made by President Nelson Mandela to Parliament<sup>6</sup>:

---

<sup>6</sup> Pres. Mandela. 27/04/1994. [Parliamentary address: 27 April 1994](#).

*As a new dawn ushered in this day, the 27<sup>th</sup> of April 1994, few of us could suppress the welling of emotion as we were reminded of the terrible past from which we come as a nation, the great possibilities that we now have, and the bright future that beckons us. And so, we assemble here today, and in other parts of the country, to mark a historic day in the life of our nation. Wherever South Africans are across the globe, our hearts beat as one as we renew our common loyalty to our country and our commitment to its future.*

Our trade, logistics, and transport industry should be reminded of the President's words, not least to assemble and provide a collective commitment to its future and the great possibilities that we now have. Indeed, trade and logistics – as we have reiterated many times – occur on a shared infrastructure with shared responsibilities between all parties, public and private. We should revisit those responsibilities to ensure that all role players do their part to increase the efficiency of our trade flows – providing the necessary growth and development initiatives that our country desperately needs!

## Contents

Weekly Snapshot .....	1
Monthly Snapshot.....	1
Key Notes .....	1
Executive Summary .....	2
Contents .....	4
<b>1. Ports Update .....</b>	<b>5</b>
a. Container flow overview .....	5
b. Summary of port operations .....	8
i. Weather and other delays .....	8
ii. Cape Town.....	8
iii. Durban and Richards Bay .....	9
iv. Eastern Cape ports .....	10
v. Saldanha Bay .....	11
vi. Transnet Freight Rail (TFR) .....	11
<b>2. Air Update .....</b>	<b>11</b>
a. International air cargo .....	11
b. Domestic air cargo .....	12
<b>3. Road and Regional Update .....</b>	<b>13</b>
a. Stats SA land border survey .....	13
b. Cross-border and road freight delays .....	13
<b>4. International Update .....</b>	<b>16</b>
a. Global shipping industry .....	16
i. Multi-purpose shipping industry .....	16
ii. Global container throughput, capacity, and port congestion .....	17
iii. Global container freight rates and carriers' profits .....	18
iv. Further developments of note .....	19
b. Global air cargo industry .....	20

## 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 22 to 28 April <sup>7</sup>

7-day flow forecast (22/04/2023 – 28/04/2023)		
TERMINAL	NO. OF CONTAINERS <sup>8</sup> TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 458	3 818
DURBAN CONTAINER TERMINAL PIER 2:	10 560	14 922
CAPE TOWN CONTAINER TERMINAL:	4 275	6 449
NGQURA CONTAINER TERMINAL:	4 764	6 458
GQEBERHA CONTAINER TERMINAL:	1 015	900
<b>TOTAL:</b>	<b>24 072</b>	<b>32 547</b>

Source: Transnet, 2023. Updated 28/04/2023.

Table 3 – Container Ports – Weekly flow predicted for 29 April to 5 May

7-day flow forecast (29/04/2023 – 05/05/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 557	7 314
DURBAN CONTAINER TERMINAL PIER 2:	11 769	13 842
CAPE TOWN CONTAINER TERMINAL:	3 752	8 791
NGQURA CONTAINER TERMINAL:	5 677	8 405
GQEBERHA CONTAINER TERMINAL:	542	950
<b>TOTAL:</b>	<b>27 297</b>	<b>39 302</b>

Source: Transnet, 2023. Updated 28/04/2023.

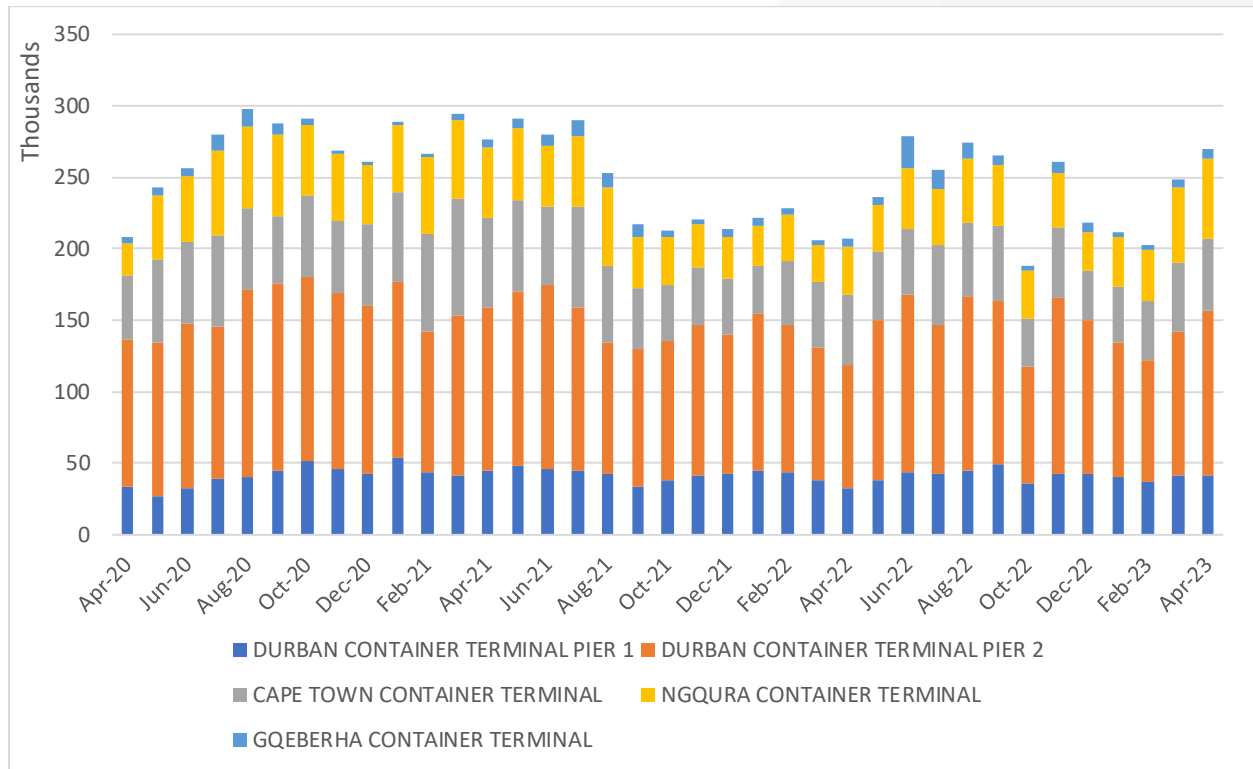
An average of **~8 088 containers** (**↑0,2%**) was handled per day for the last week (22 to 28 April, *Table 2*), compared to the projected average of **~8 555 containers** (**↓6%** actual versus projected) noted in last week's report. An increased average of **~9 514 containers** (**↑18%**) is predicted to be handled next week (29 April to 5 May, *Table 3*). Delays experienced at our commercial ports this week can be attributed to adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, long-service awards, roadshows, and congestion.

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

<sup>7</sup> It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

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

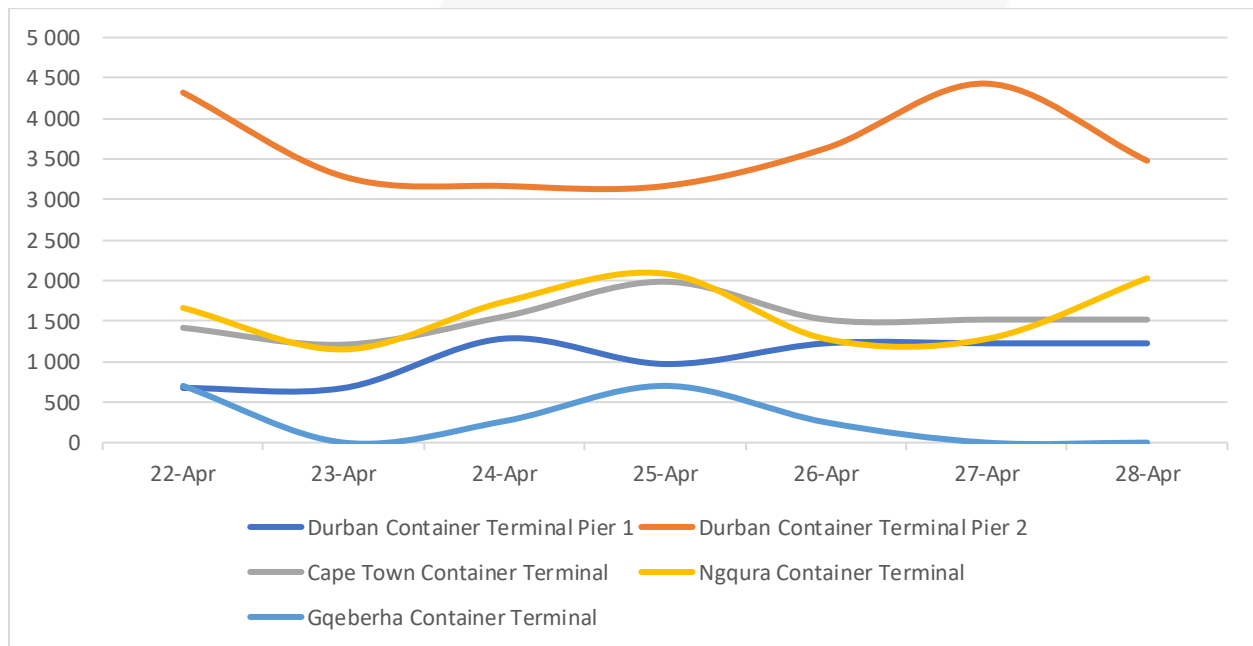
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 28/04/2023.

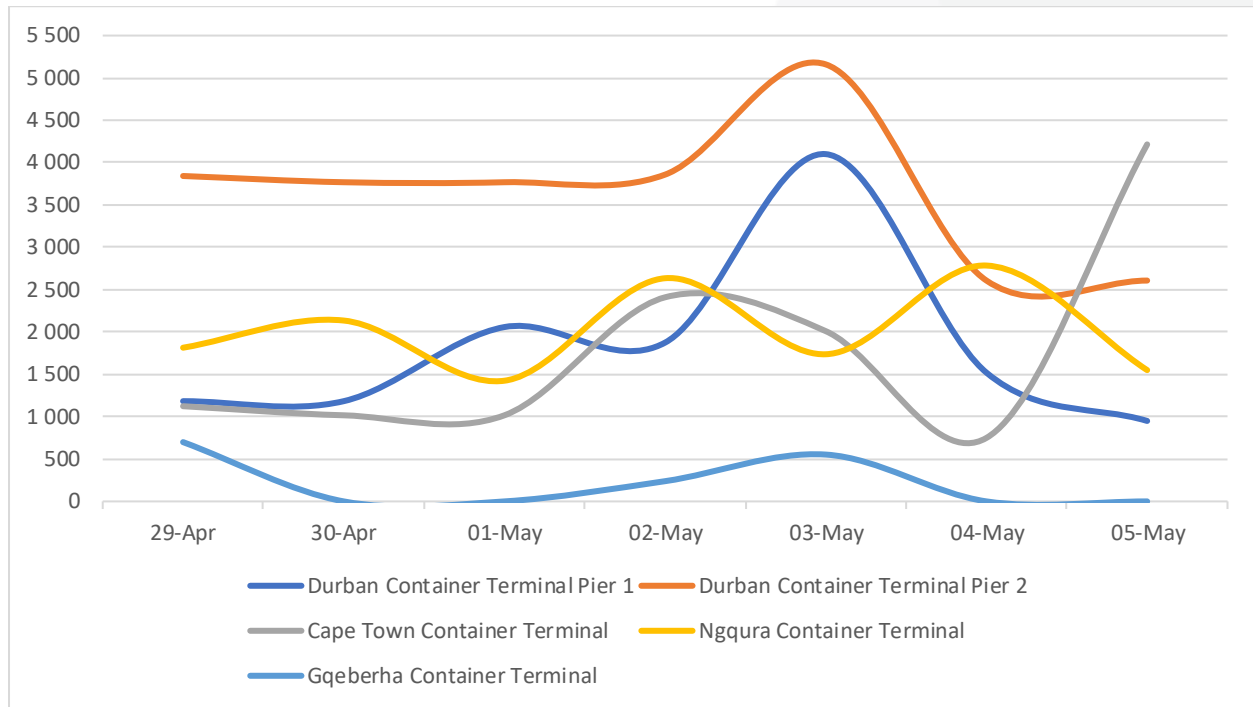
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (22 to 28 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 28/04/2023.

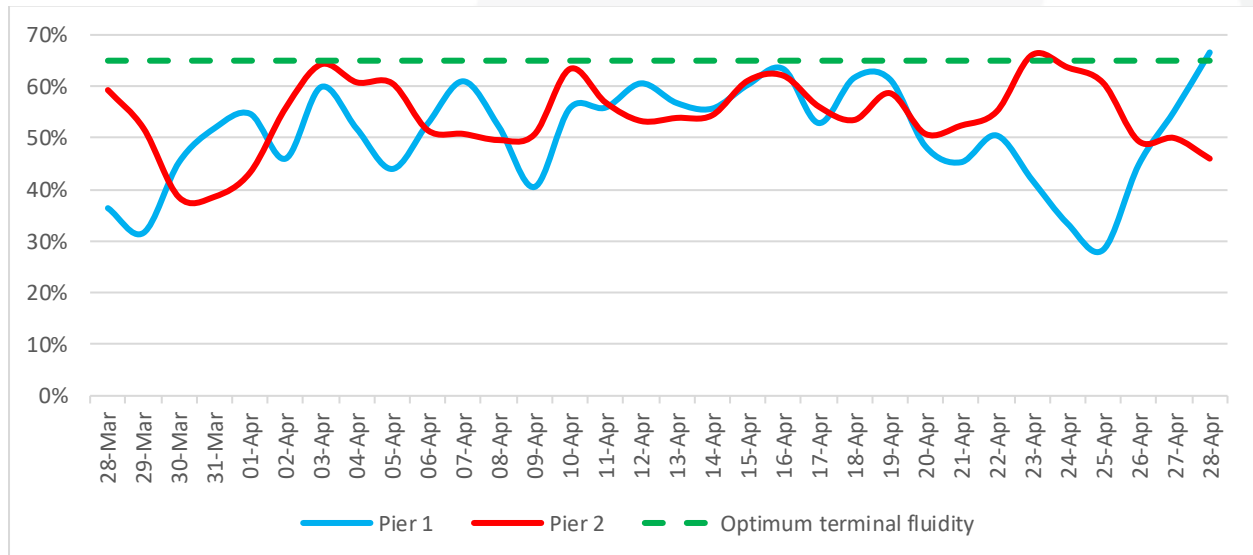
Figure 5 – 7-day forecast reported for total container movements (29 April to 5 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 28/04/2023.

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

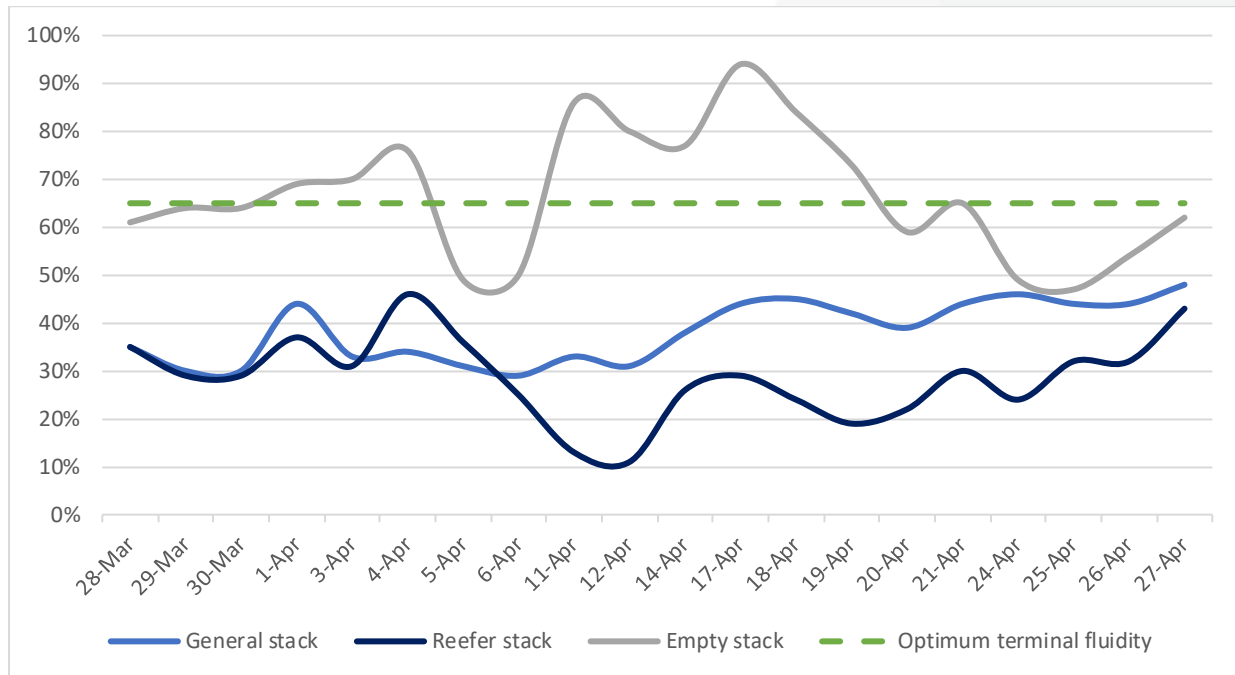
Figure 6 – Stack occupancy in DCT, general-purpose containers (28 March to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 28/04/2023.

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 (28 March to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 28/04/2023.

## b. Summary of port operations

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

### i. Weather and other delays

This week, the main culprits causing operational delays at the Port of Cape Town were vessel ranging and fog delays.

The Port of Durban hosted its "long-service awards" on Wednesday, which delayed operations at the port, accompanied by the usual equipment breakdowns and shortages throughout the week. Fortunately, the Port of Richards Bay had minimal operational delays this week.

The Eastern Cape Ports were subject to inclement weather conditions and load-shedding this week.

### ii. Cape Town

On Monday, CTCT recorded three vessels at berth and one at anchor as berthing delays continued their resurgence over the week. Stack occupancy for GP containers was 46%, reefers 24%, and empties 49%. In the latest 24-hour period to Thursday, the terminal handled 2 020 TEUs across the quay. On the landside, 660 trucks were serviced while executing 80 rail moves. After weeks of industry concerns regarding the operational performance at the Port of Cape Town, they managed to keep themselves off the "Port Congestion Watch" for a second consecutive week. The backlogs have been cleared, and vessels berthed upon arrival this week when weather conditions allowed.

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and one at berth. In the 24 hours leading to Thursday, the terminal managed to service 202 external trucks at an undisclosed truck



turnaround time while handling 143 TEUs on the landside. Stack occupancy was recorded at 43% for GP containers, 40% for reefers and 42% for empties.

### iii. Durban and Richards Bay

Pier 1 on Friday recorded two vessels at berth, operated by four gangs, and zero vessels at anchor. Stack occupancy was 67% for GP containers, with 2 195 imports on hand and 168 unassigned units. The terminal recorded 555 landside gate moves, with 324 cancelled slots and 113 wasted.

Pier 2 had four vessels at berth and one at anchorage on Wednesday. In the most recent 24 hours to Thursday, stack occupancy was 49% for GP containers and 25% for reefers, with 28% of reefer plug points utilised. The terminal operated with 12 gangs and moved 3 870 TEUs across the quay. On Thursday, there were 2 706 gate moves on the landside with a truck turnaround time of ~99 minutes and a staging time of ~110 minutes. Additionally, 100 rail import containers were on hand, with 150 moved by rail. The crane situation again created concerns across the industry this week, as only two cranes were operational. Crane 521 remains on a prolonged outage and will return to service once the spares have been procured and installed. Crane 522 experienced a lift breakdown, which the technical team still attended to this week. There was an anticipation that the crane would return to service by the end of the week. However, no confirmation of the crane's return could be provided yet. Industry concerns, in this regard, are justified as the Cosco Wellington berthed on 24 April and is only anticipated to complete on Saturday, 29 April, highlighting the inefficiencies at the berth.

Long-service awards took place at the Port of Durban on Wednesday, which impacted operations at the port. These awards took place for the first time since the COVID-19 pandemic and are seen as an important event for the port. Subsequently, TNPA implemented two 12-hour shifts on the public holiday on Thursday to compensate for lost time. Additionally, DCTs Pier 1 will be operational on Monday, 01 May 2023, while Pier 2 is still seeking volunteers to assist with operations at the terminal. TNPA will send out official communication in this regard.

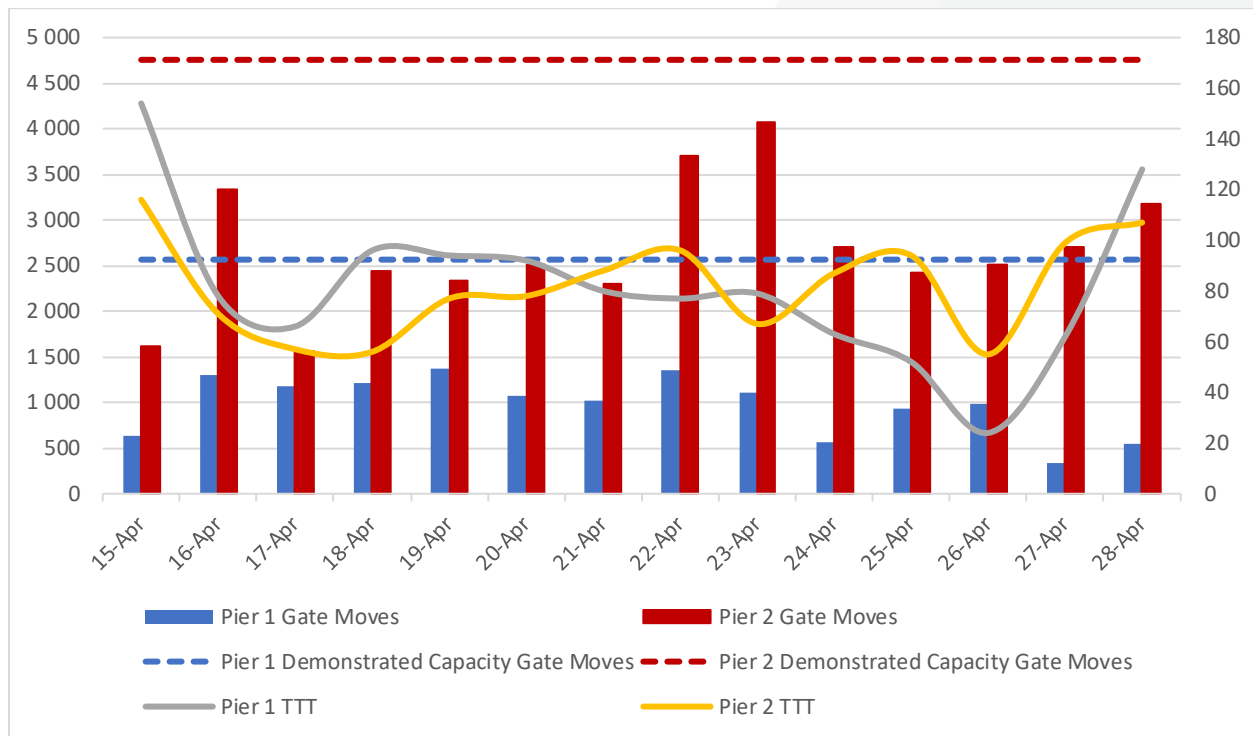
The Durban MPT terminal, on Tuesday, recorded one vessel at berth and none at outer anchorage while handling 372 containers and 1 059 breakbulk tons on -the waterside. Stack occupancy for breakbulk improved this week to 85%, while stack occupancy on the container side was recorded at 33%. On the landside, the terminal managed to handle 120 containers while servicing 70 breakbulk RMTs. On Tuesday, three cranes, seven reach stackers, one empty handler, six forklifts and 22 ERFs were in operation.

On Tuesday, the Ro-Ro terminal in Durban recorded two vessels at berth and none at outer anchorage while handling 673 units at a UPH of 140 on the waterside. Unfortunately, these waterside volumes did not exceed targets due to scanner problems at the terminal and a vessel arriving late. Over the 24 hours to Wednesday, general stack occupancy was 71%, while stack occupancy at the abnormal QR- and G-berths was worryingly high at 85% and 90%, respectively. Nevertheless, the terminal managed to handle 1 210 road- and 196 rail units on the landside.

On Wednesday, Richards Bay recorded 12 vessels at anchor, translating to eight vessels awaiting berth availability at DBT, three awaiting berth availability at RBCT, and one Tanker vessel. 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 Thursday.

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 28/04/2023.

**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 27% for GP containers and 24% for reefers. In the same 24-hour period, 1 978 TEUs and 120 reefers were handled across the quay. Additionally, 515 trucks were serviced on the landside, with a truck turnaround time of ~31 minutes. On Wednesday, roadshows were planned and executed across all shifts, which caused operational delays. Furthermore, the latest reports also suggest that the port is losing a substantial number of operational hours due to vessel ranging.

GCT on Wednesday 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 Thursday. In the same period, stack occupancy was 38% for GP containers, 30% for reefers, and 41% for reefer ground slots while executing 462 moves (797 TEUs) across the quay. On the landside, 210 trucks were serviced at a truck turnaround time of ~40 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, no containers were moved across the quay; however, 59 external trucks were serviced at a truck turnaround time of ~9 minutes. Stack occupancy on the container side was captured at 51% on Tuesday. The Ro-Ro terminal managed to handle 436 units, while stack occupancy at the car terminal was 50%. One breakbulk vessel worked during the same period and managed to handle 2 235 tons across the quay at 211 tons per hour. On the landside, 76 trucks containing breakbulk cargo were serviced. One of the tugs and a crane at the port went out of commission on Wednesday, ensuring operational delays.

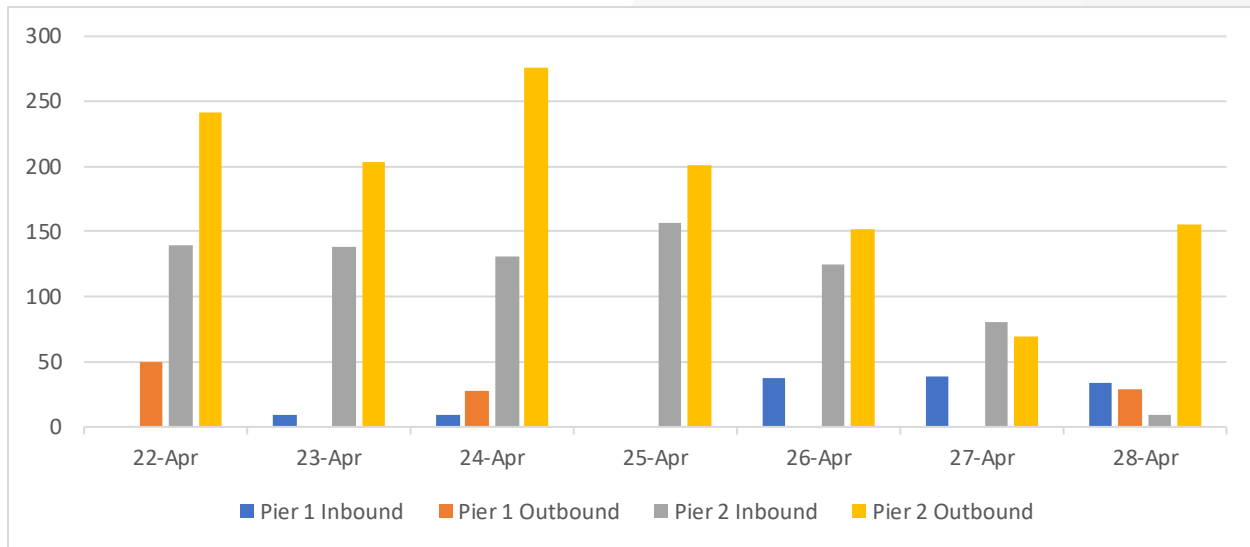
## v. Saldanha Bay

On Thursday, the iron ore terminal had two vessels at anchorage and two on the berth, while the multi-purpose terminal had three at anchor and one on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-9 days, while the vessels at berth have been on berth for around 2-5 days.

## vi. Transnet Freight Rail (TFR)

Cable theft incidents continued this week, with the most notable incidents occurring on several sections of the ConCor line. The latest trends indicate that cable theft and vandalism are rising again. Additionally, DCTs Pier 2 currently had 18 ConCor rail units on hand with a dwell time of 32 hours and 94 over-border units with a five-day dwell time on Wednesday.

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



Source: Calculated using data from Transnet, 2022. Updated 28/04/2023.

In the last week (22 to 28 April), rail cargo handled out of Durban was reported at **2 315** containers, down by **↓9%** from the previous week's **2 534** 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 17 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 4 – International inbound and outbound cargo from OR Tambo

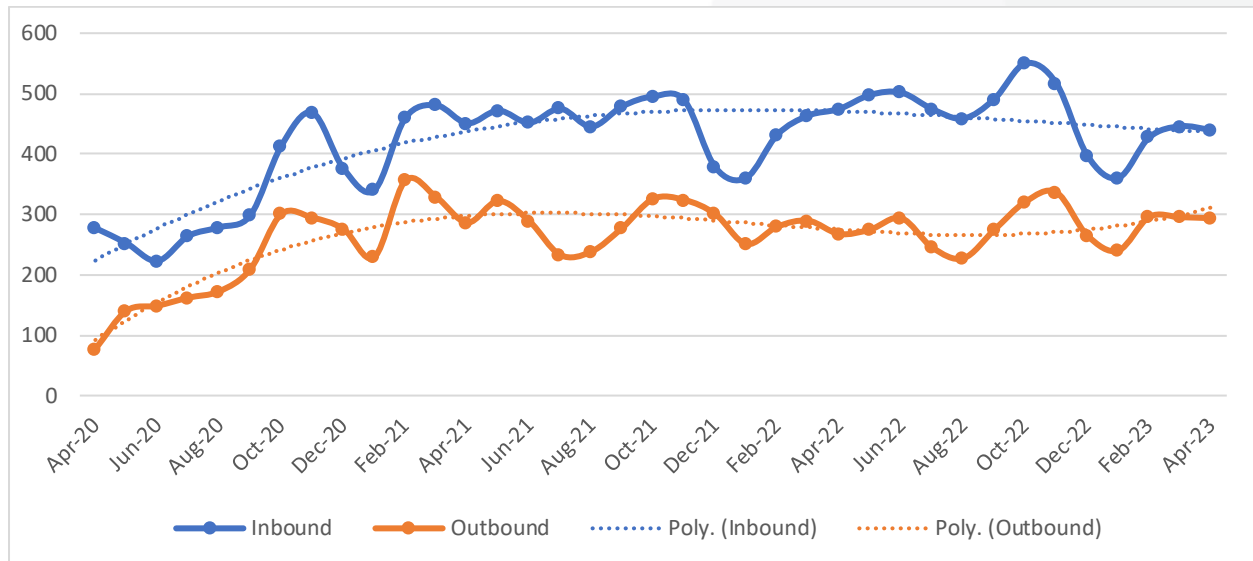
Flows	17-Apr	18-Apr	19-Apr	20-Apr	21-Apr	22-Apr	23-Apr	Week
Volume inbound	499 679	393 555	301 435	248 811	291 768	299 587	668 462	<b>2 703 297</b>
Volume outbound	293 984	184 388	229 933	211 499	205 493	214 759	519 702	<b>1 859 758</b>
<b>Total</b>	<b>793 663</b>	<b>577 943</b>	<b>531 368</b>	<b>460 310</b>	<b>497 261</b>	<b>514 346</b>	<b>1 188 164</b>	<b>4 563 055</b>

Courtesy of ACOC. Updated: 26/04/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **386 185 kg** inbound and **265 680 kg** outbound, resulting in an average of **651 865kg per day** or **~88%** compared with April 2022. However, the level is currently at **~67%** 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: 26/04/2023.

### 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.

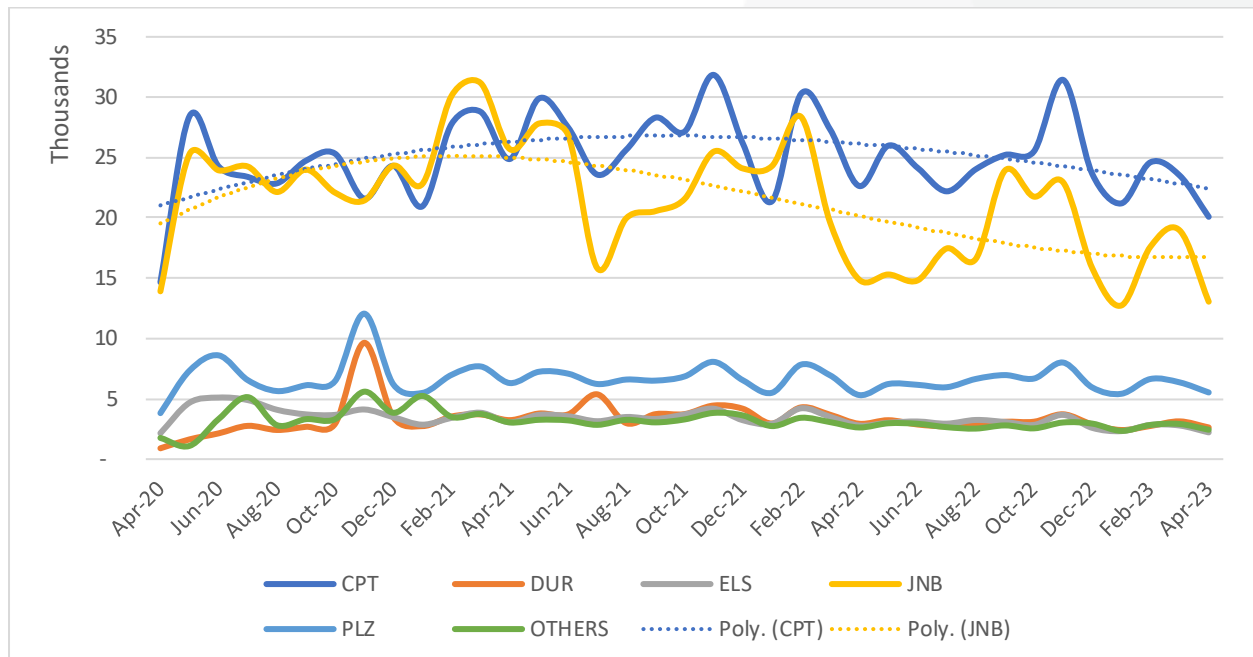
Table 5 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Dec '22 Ave.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
January Ave.	23 644	2 881	2 593	15 834	5 942	2 946	53 839
February Ave.	36 199	3 738	4 843	28 654	11 342	3 958	88 735
March Ave.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	20 084	2 626	2 218	13 049	5 526	2 439	45 942
17-Apr	36 249	3 807	4 557	30 747	11 275	3 914	90 549
18-Apr	38 811	4 956	3 998	22 186	12 161	4 063	86 176
19-Apr	35 016	4 039	4 154	22 665	9 525	3 782	79 181
20-Apr	41 902	3 480	4 199	28 607	9 895	4 175	92 258
21-Apr	15 007	3 698	2 007	14 998	4 405	2 944	43 059
22-Apr	789	320	12	381	367	11	1 879
23-Apr	762	365	277	266	583	547	2 799
<b>Total for 2023:</b>	<b>2 553 546</b>	<b>309 340</b>	<b>292 443</b>	<b>1 805 776</b>	<b>688 395</b>	<b>301 863</b>	<b>5 951 363</b>

Courtesy of BAC. Updated: 26/04/2023.

The average domestic air cargo moved last week was ~56 558 kg per day, which is up by **↑25%** compared to the previous week and slightly up compared to last year (~110%).

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



Courtesy of BAC. Updated: 26/04/2023.

### 3. Road and Regional Update

#### a. Stats SA land border survey

In the latest Stats SA "Land Transport Survey" for February published on Monday<sup>9</sup>, the headline figure indicates that the volume of goods transported (payload) increased by **↑7,7%** (y/y) in February 2023. The corresponding income increased by **↑11,5%** over the same period, again indicating the resilience of the domestic transport and logistics industry. Seasonally adjusted payload increased by **↑2,4%** in the three months ended February 2023 compared with the previous three months. Rail freight increased by a welcomed **↑15,4%** (contributing **↑2,0%**), and road freight increased by **↑0,5%** (contributing **↑0,4%**). Despite the welcome increase in rail, the volumes handled are still way short of what is required to satisfy our domestic freight demand. Indeed, the road/rail split remains lopsided in road transport's favour – currently at **85/15**.

#### b. 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 **~11,7 hours (↑30%, w/w)**.

<sup>9</sup> Stats SA. 24/04/2023. [SA land transport survey – February 2023](https://www.statssa.gov.za/publications/landtransportsurvey/landtransportsurvey-february2023.pdf).

- Crossings into South Africa via Beitbridge from the Zimbabwe side are running well despite some incidents with boom gates not operating.
  - Furthermore, the recent systems issues continue to result in delays, as power surges have been listed as the culprit. Zimborders have procured surge protectors, which, once installed, should fix the said issues by June/July.
  - Lastly, issues at the Container Depot continue to plague smooth border flows.
- Regionally, queue time at Kasumbalesa remains a significant concern, as the worst 5% of crossing times indicate that it takes some transporters more than 12 days to cross into the DRC.
- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) [online tool](#) developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their [TRANSIST Bureau](#)<sup>10</sup>, which has arguably achieved much greater success.

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

Table 6 – Delays<sup>11</sup> summary – South African borders

Border Post	Direction	HGV <sup>12</sup> Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	391	8	13	34	11 730	2 737
Beitbridge	Zimbabwe-SA	410	4	3	13	12 300	2 870
Groblersbrug	SA-Botswana	248	0	7	18	7 440	1 736
Groblersbrug	Botswana-SA	157	0	0	1	4 710	1 099
Violsdrif	SA-Namibia	30	0	2	3	900	210
Noordoewer	Namibia-SA	20	0	0	2	600	140
Nakop	SA-Namibia	30	1	2	6	900	210
Ariamsvlei	Namibia-SA	20	0	1	2	600	140
Lebombo	SA-Mozambique	1 552	0	2	10	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	0	2	3 990	931
Skilpadshek	SA-Botswana	200	0	0	0	4 800	1 400
Pioneer Gate	Botswana-SA	100	0	0	0	2 400	700
<b>Weighted Average/Sum</b>		<b>3 291</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>96 930</b>	<b>23 037</b>

Source: TLC, FESARTA, & Crickmay, week ending 23/04/2023.

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	2	14	9 600	2 240
Dar Es Salaam Corridor	1 819	33	3	11	54 570	12 733
Maputo Corridor	1 685	0	1	6	50 550	11 795
Nacala Corridor	127	0	7	7	3 810	889

<sup>10</sup> [FESARTA TRANSIST Bureau](#).

<sup>11</sup> It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay in collaboration with SAAFF.

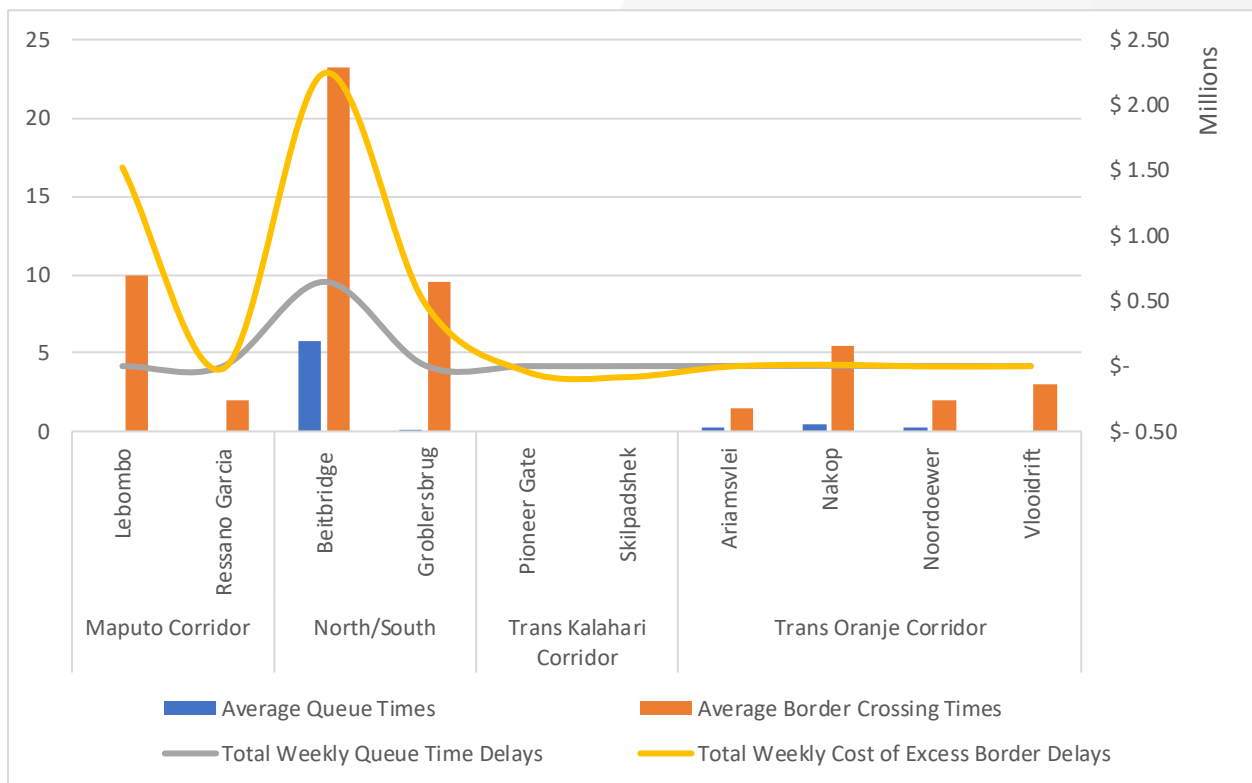
<sup>12</sup> Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
North/South	3 278	13	4	14	74 850	22 946
Trans Caprivi Corridor	116	0	1	32	3 480	812
Trans Cunene Corridor	100	0	2	17	3 000	700
Trans Kalahari Corridor	330	1	1	1	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
<b>Weighted Average/Sum</b>	<b>7 875</b>	<b>10</b>	<b>3</b>	<b>11</b>	<b>210 780</b>	<b>55 125</b>

Source: TLC, FESARTA, & Crickmay, week ending 23/04/2023.

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

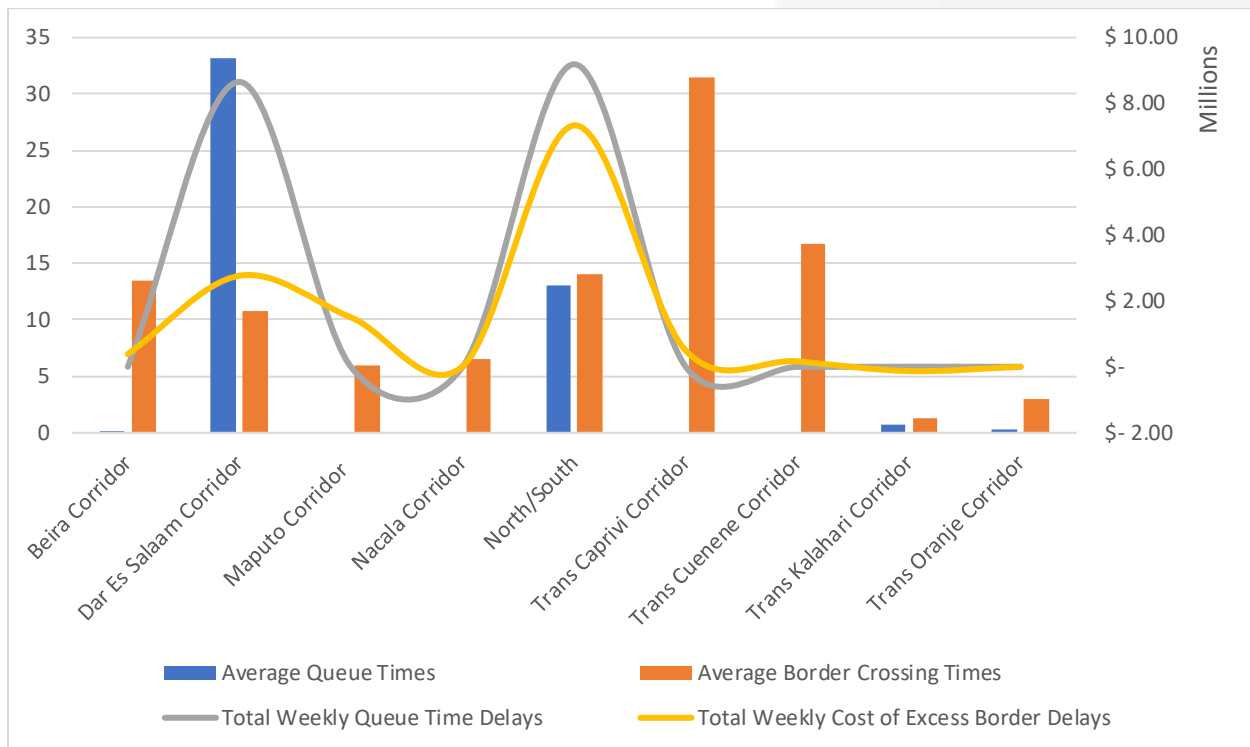
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 23/04/2023.

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 23/04/2023.

In summary, cross-border queue time has averaged **~9,8 hours** (up by **~0,1 hours** from the previous week's **~9,8 hours**), indirectly costing the transport industry an estimated **\$18 million (R314 million)**. Furthermore, the week's average cross-border transit times hovered around **~11,2 hours** (up by **~1,6 hours** from the **~9,6 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13 million (R221 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R534 million** (up by **~R20 million** or **↑4%** from **R514 million** in the previous report).

#### 4. International Update

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

##### a. Global shipping industry

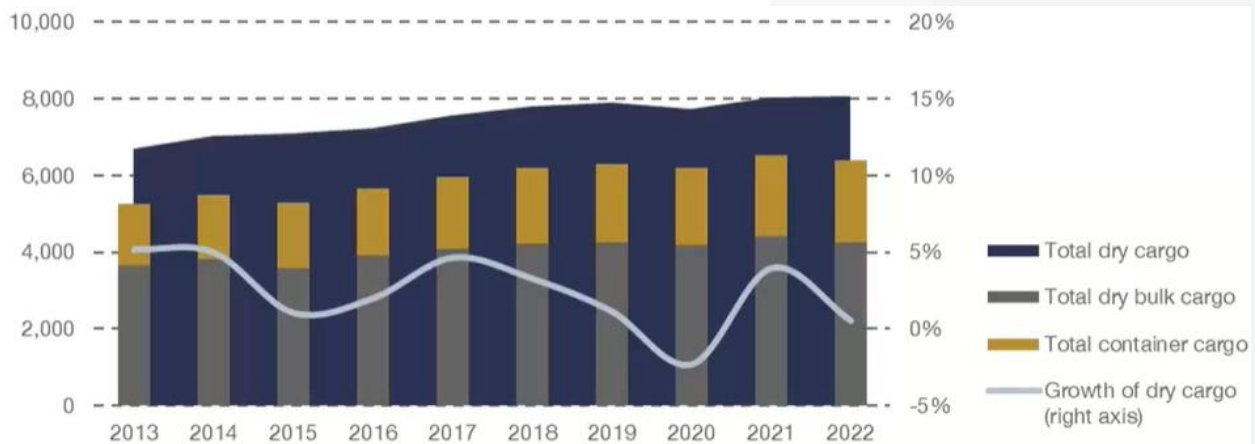
###### i. Multi-purpose shipping industry

In the latest "Ports and Multi-purpose shipping forecaster" report<sup>13</sup>, the headline trends show that for the whole year of 2022, containers and dry bulk were slightly down, whereas other cargoes' level was steady. The following illustrates the yearly trends going back to 2013:

<sup>13</sup> Drewry. 24/04/2023. [Multipurpose and Heavy Lift shipping market outlook - April 2023](#).



Figure 14 – Global seaborne dry cargo trends (million tonnes & growth rates)



Source: [Drewry](#)

Looking ahead, the MPV market demand appears to be stuck at very low demand, with the expectation of a **1-2%** increase for 2023, given the negative macroeconomic trends. Some demand drivers in the MPV market – such as steel production – saw a significant drop in 2022, which implies lower demand for breakbulk cargo in 2023/2024. However, other demand drivers – such as upstream oil and gas – show that drilling activity is still rising. Moreover, the LNG production indicates that global liquefaction capacity is also expected to increase through 2024, which balances the negative factors. Wind farm installations are also increasing (notably in China), while other markets are stable. On the supply side, the MPV fleet continues to grow steadily, despite the age concerns, as only sporadic additions have been made in recent years. On the rates side, containership and dry bulk day rates have stabilised after a significant fall. The current rates are only around 20% compared to the peak in March 2022 – and rates are expected to fall further into 2023/2024, albeit remaining relatively stable. Finally, vessel utilisation is expected to remain high as the market remains robust.

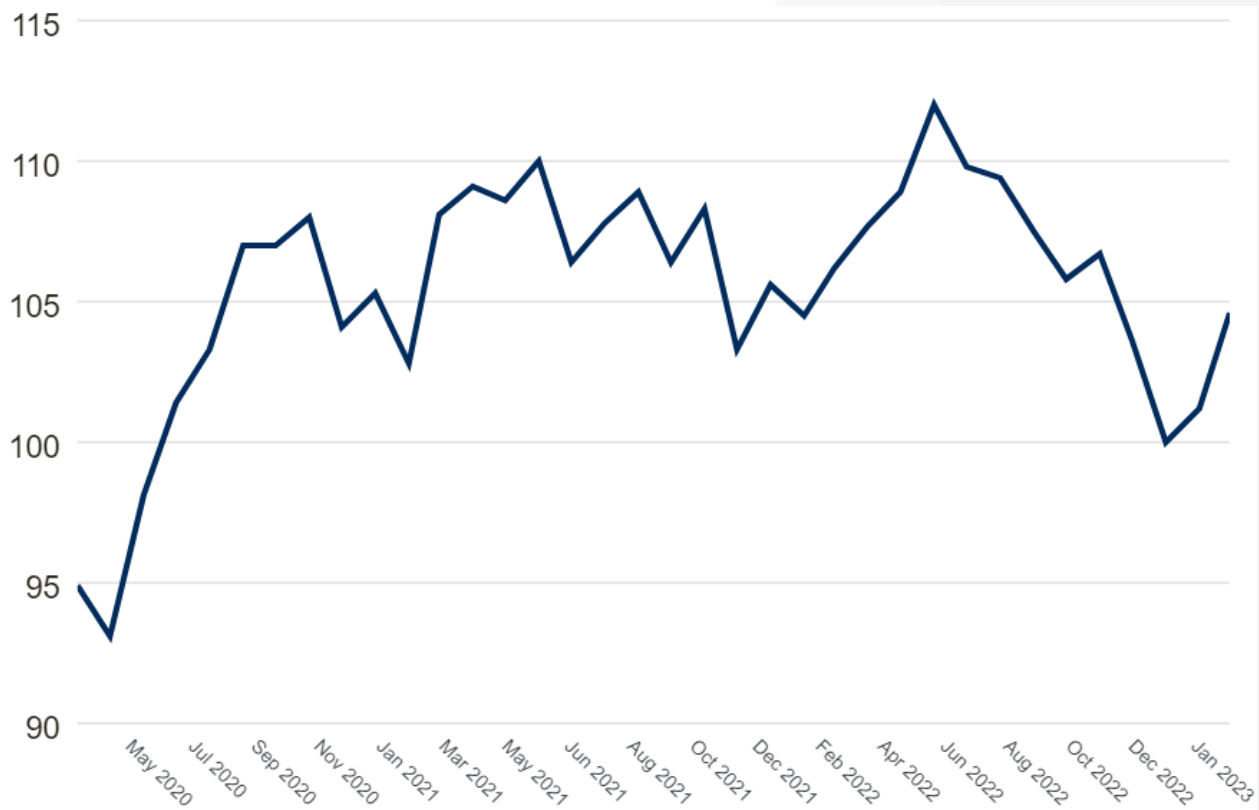
## ii. Global container throughput, capacity, and port congestion

Global container throughput rose by **↑1,2%** in February, according to the latest figures provided by Drewry's "Container Port Throughput"<sup>14</sup>. This change is in stark contrast against a predicted **↓5,6%** decline for February, showing that container throughput has bounced back after a languid start to the year. The result also indicates the level of attention one can give to these predictions. The index follows previous indices, notably the *RWI/ISL*<sup>15</sup> index, which was up by **↑4,3%** in February. Collectively, it is clear that the container industry is moving in the right direction after a prolonged slump from around June last year. Nevertheless, the annual figures indicate that Drewry's index is still down by **↓3,2%** compared to February 2022: Ultimately, the throughput figures are similar to August 2020:

<sup>14</sup> Drewry. 24/04/2023. [Global Container Port Throughput Index – 24 April](#).

<sup>15</sup> Container Throughput Index of RWI – Leibniz Institute for Economic Research and the Institute for Shipping Economics and Logistics (ISL), which consists of data from 94 international ports, constituting approximately **66%** of global container traffic, and includes the South African ports of Cape Town, Durban, and Ngqura. Drewry's index is, though, much more comprehensive and contains over 340 ports.

Figure 15 – Drewry Global Container Port Throughput Index (January 2019 = 100)



Source: [Drewry](#)

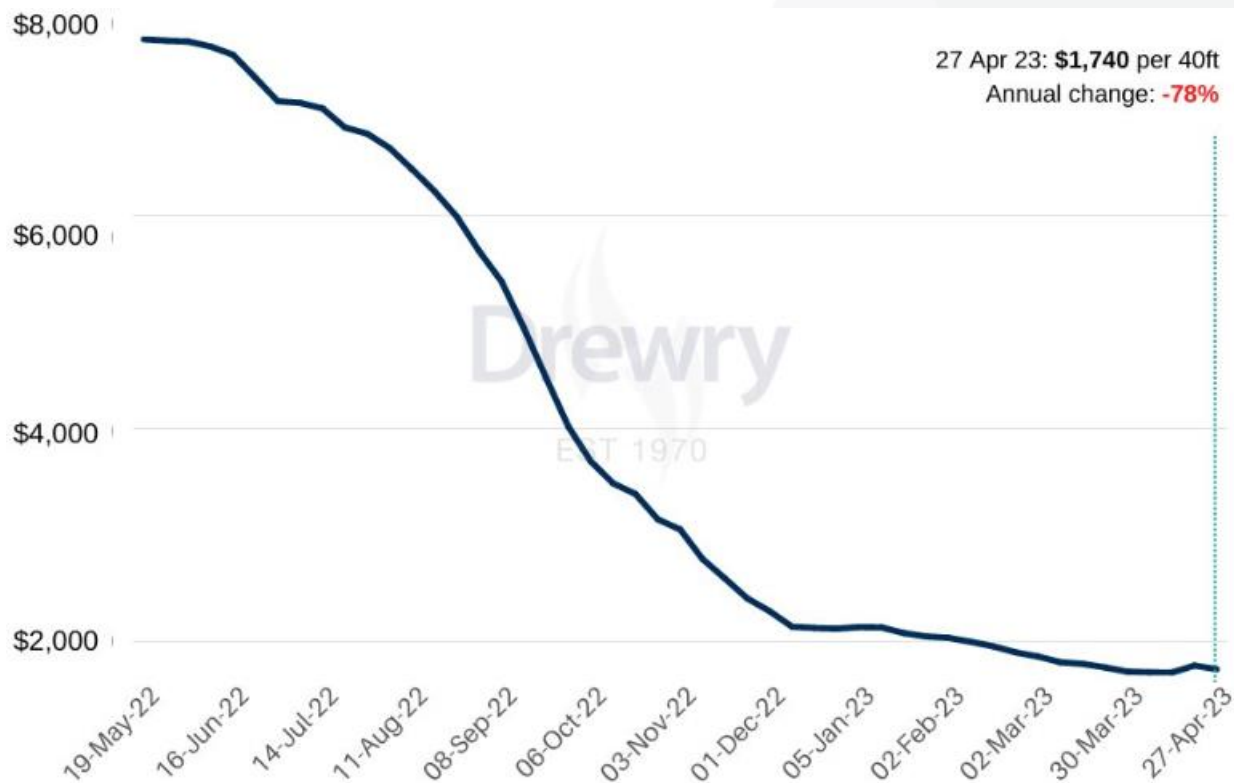
Regionally, growth in container handling across Greater China was insufficient to offset the steep YoY drops in container traffic in North America, Oceania, and Europe, as the China index showed a **↑4,7%** (y/y) increase in February. European ports rose by **↑7,1%** (m/m) in February but remained down by **↓6,6%** (y/y). The story is similar for African ports, with the monthly increase (**↑6,3%**, m/m) in February not enough to offset the yearly figures (**↓2,4%**, y/y). Expectations are for the port throughput volumes to increase by **↑3,4%** next month. All-in-all, the container industry is getting much closer to a new equilibrium, with high-frequency metrics showing a significant degree of stabilisation. For example, for this week, Drewry's "Cancelled Sailings Tracker" again remains at an **8% cancellation rate**<sup>16</sup>, which means that capacity continues to be stable. Port congestion has also moderated, with global congestion down by (**↓5%**, w/w) to **1,95 million TEU**.

### iii. Global container freight rates and carriers' profits

After the first increase in a long while last week, the "World Container Index" decreased again this week. The "WCI" fell by **↓2%** (or **\$34**) to **\$1 740** per 40-ft container, as indications show that there is still some room for shippers to manoeuvre with freight rates yet to reach the bottom.

<sup>16</sup> Drewry. 28/04/2023. [Cancelled Sailings Tracker - 21 April](#).

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



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

With another decrease, the composite index is still down by **↓78%** (y/y) versus last year, **↓83%** below the peak in September 2021 and **↓35%** lower than the 10-year average of **\$2 688**. Regionally, all major East-West trades saw a decrease in rates, except for the slight increase on the Los Angeles – Shanghai route (**↑1%**, w/w). The immediate forecasts point to rates remaining low for the foreseeable future. This reality – coupled with the added capacity amid weak demand – will mean that the financial bumper period has most definitely expired. In a webinar last week, Drewry expects the container shipping industry to report a **\$10 billion loss** in 2024. It is an astonishing comedown from the before-tax profit of **\$296 billion** reported by carriers in 2022 and the **\$16,5 billion profit** expected from the industry this year. The estimate comes as many contractual terms have been finalised at significantly lower rates, and a flood of new ships results in effective capacity growth of **↑25%**<sup>17</sup>.

#### iv. Further developments of note

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

##### 1. Vancouver plans to add a fourth container terminal:

- a. Plans for a new container terminal at Canada's largest ocean gateway have cleared a significant hurdle. The federal government has given the thumbs-up to adding a second container facility adjacent to the port of Vancouver's Deltaport terminal at Roberts Bank<sup>18</sup>.

<sup>17</sup> Drewry. 25/04/2023. [Drewry Maritime Research Webinar](#).

<sup>18</sup> Putzger, I. 24/04/2023. [Anger as Vancouver gets the green light for fourth box terminal](#).

- b. While port officials welcomed the decision after a ten-year review process, it was met with misgivings by the local community, environmental groups, and labour unions.
- c. The plan calls for the extension of the artificial peninsula, created in the 1990s to house the Deltaport facility, to accommodate a three-berth **2,4 million TEU** terminal boosting the port's overall capacity by one-third.

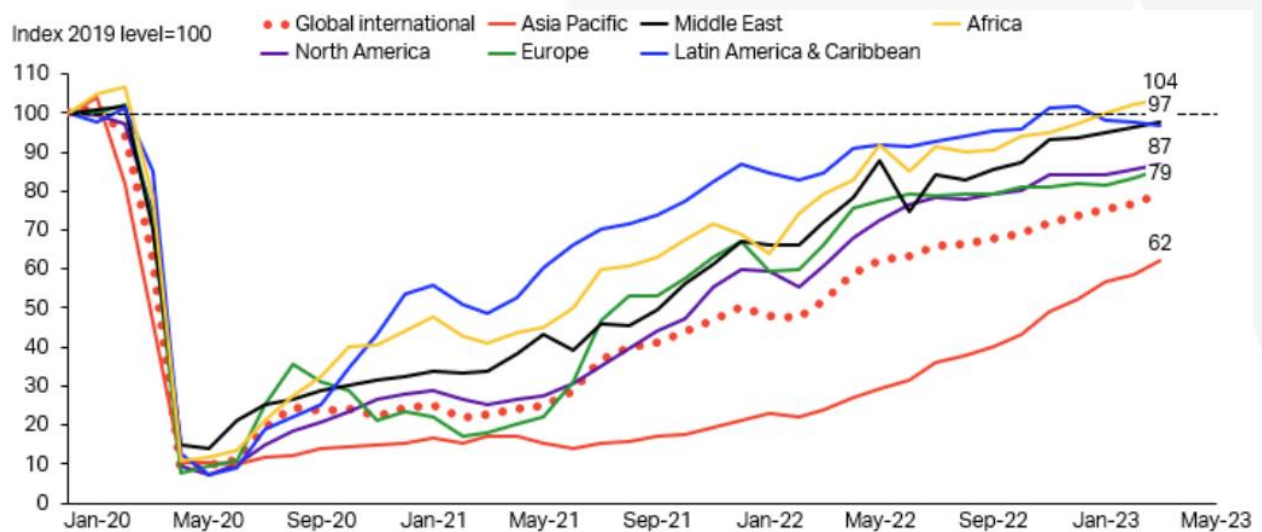
**2. ConRo ships become rarities in deep sea liner services:**

- a. The Italian operator Grimaldi last week took delivery of the 47 528 dwt ConRo GREAT ANTWERP. It was the first delivery of a ship specifically built to carry a combination of containers, vehicles, and other rolling cargo on long-haul routes in six years. This delivery followed the delivery of the 55 649 dwt ATLANTIC SUN into the transatlantic service of ACL (part of the Grimaldi Group) in May 2017<sup>19</sup>.

**b. Global air cargo industry**

In the latest "Chart of the week", IATA shows that international air connectivity is close to the pre-pandemic levels<sup>20</sup>, as measured by their "Air Connectivity Index":

Figure 17 – IATA Air Connectivity Index (2019 = 100)



Source: [IATA](http://www.iata.org)

Global international air connectivity continued to recover in the first quarter of 2023. As of March 2023, overall (global) international air connectivity stood at **79%** of its pre-pandemic (2019) level, demonstrating a steady monthly improvement despite the slowdown in economic activity through 2022 and into the start of this year. IATA notes that the recovery is broad-based across regions, with Africa being the strongest performer currently. The continent's international air connectivity in Africa has exceeded its 2019 level and was at **104%** in March 2023.

Concerning high-frequency data, global air cargo tonnages and average rates have stabilised since mid-April after declining for several weeks, according to the latest weekly figures from World ACD Market Data.

<sup>19</sup> Alphaliner. 28/04/2023. [Conro ships become rarities in deep sea liner services.](#)

<sup>20</sup> IATA. 28/04/2023. [International air connectivity closing in on pre-COVID levels.](#)

However, overall tonnages decreased by **↓5%** versus their combined total in weeks 13 and 14, and average worldwide rates decreased by **↓3%**, with stable capacity.

Figure 18 – Global capacity, weight, and yield (%), bi-weekly and annually)

Origin Regions last 2 to 5 weeks	Capacity <sup>1</sup>			Chargeable weight <sup>1</sup>			Yield/rate <sup>1</sup>		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-2%	+15%		+0%	-5%		+1%	-15%
Asia Pacific		+1%	+36%		-3%	-7%		-3%	-44%
C. & S. America		+3%	+2%		+10%	-3%		+1%	-12%
Europe		+0%	+11%		-11%	-10%		-3%	-37%
M. East & S. Asia		+1%	+12%		-6%	-6%		-5%	-48%
North America		-1%	+6%		-5%	-21%		-2%	-25%
<b>Worldwide</b>		+0%	+13%		-5%	-10%		-3%	-37%

Source: [World ACD](#)

Comparing the overall global market with this time last year, chargeable weight in weeks 15 and 16 was down **↓10%** compared with the equivalent period last year. Most notable is the decrease in year-on-year tonnages ex-North America (**↓21%**), while the only other double-digit per cent annual drop in tonnages is outbound from Europe (**↓10%**). Overall capacity has jumped by **↑13%** compared with the previous year, with double-digit percentage increases from almost all regions except North America (**↑6%**) and Central & South America (**↑2%**). The most notable increases were ex-Asia Pacific (**↑36%**) and ex-Africa (**↑15%**). Lastly, worldwide rates are currently **↓37%** below their levels this time last year, at an average of **\$2,56 per kg** in week 16, which sees no weekly change despite the effects of higher fuel surcharges. However, they remain significantly above pre-pandemic levels.

ENDS<sup>21</sup>

<sup>21</sup>ACKNOWLEDGEMENT:

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