

Cargo movement update¹

Date: 31 March 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)	20 291	25 865	46 156	22 260	27 189	49 449	↓7%
Air Cargo (tons)	4 670	2 646	7 316	4 375	2 909	7 284	↑0,4%

Monthly Snapshot

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

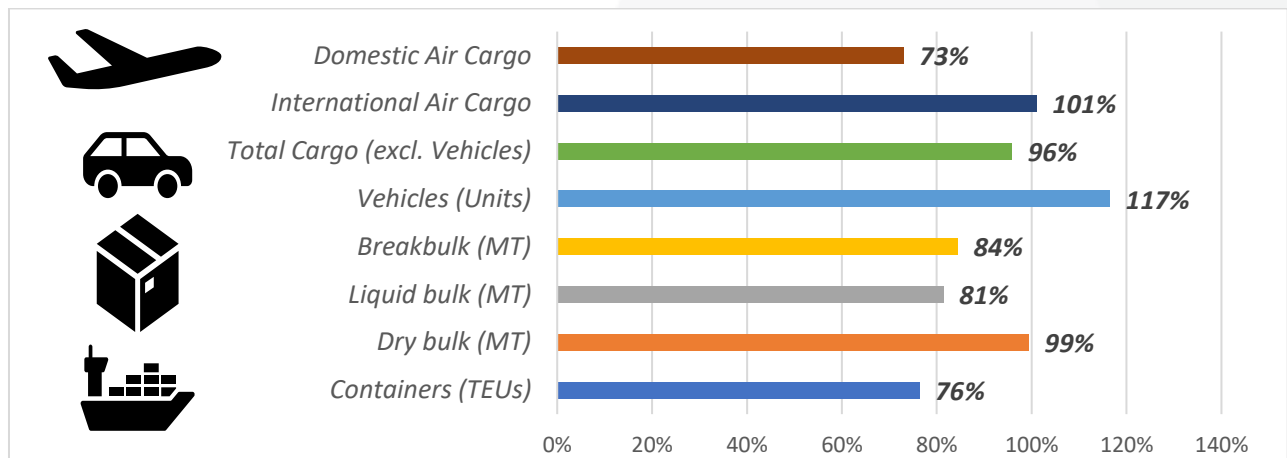
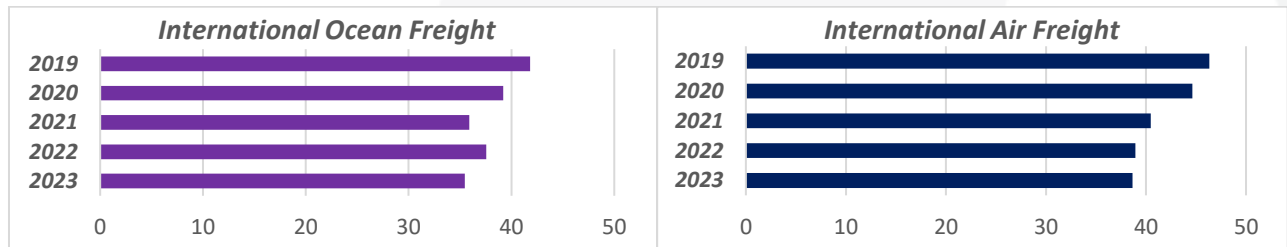


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 594 containers** was handled per day, with **~8 533 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 462 containers**, **↓22%** compared to last week.
- The latest Ctrack "Transport Freight Index" increased by **↑1,7%** in February (m/m) and is **↑2,5%** (y/y).
- Cross-border queue times were **↓1,2 hours**, with transit times **↓0,1 hours**, SA borders **~10,4 hours (↓25%)**.
- SARS merchandise trade (January): exports (**↑10,7%**, m/m), imports (**↓14,8%**); surplus: **R16,1 billion**.
- Global freight rates as per the "WCI" are again down by **↓2%** (or **\$40**) this week to **\$1 717** per 40 ft.
- Global air cargo tonnages continue struggling (**↓2%**) despite increasing capacity and yields (**↑1%**).

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 130th 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: Feb vs Feb.

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

Executive Summary

This update – *the 130th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. This week, operational delays were caused by poor weather, recurrent equipment failures and shortages, extensive employee engagements, backlogs, delays, and congestion. Inclement weather conditions reduced this week at the Port of Cape Town, lessening congestion in the latter stages. Average berthing delays are down to just over **8 days** compared to **12** at the start of the week. The Port of Durban was challenged on many fronts this week, the most notable being employee engagements delaying up to 15 vessels on Tuesday. For rail, the latest reports suggest that extensive security incidents still occur between Durban and Lions River – mainly in terms of vandalism and cable theft. However, on a more positive note, the Ro-Ro terminal in Durban should be commended, as it surpassed its installed throughput capacity of 520 000 units by more than 100 000 units during the 2022/23 financial year. Finally, the industry should be reminded of the increased storage fees, which are set to be implemented from Saturday, 1 April 2023.

Globally, the international maritime industry is attempting to find an equilibrium as rates continue to decrease. Merchandise trade activity has been subdued for several months, as retail, manufacturing, and other industries are not restocking their inventories as quickly as hoped by the shipping lines. Despite this, idle capacity has continued to ease without impacting port congestion too much. Only a few congested pockets globally remain, notably in Shanghai/Ningbo, Qingdao, Singapore, and Busan (with Cape Town also featuring). Other developments include **(1)** ONE becoming a joint-owner of Seaspan Corp, **(2)** shippers and carriers opposing the US Ocean Shipping Anti-trust Enforcement Act, and **(3)** MSC rebrands Bolloré as "*Africa Global Logistics*" (AGL).

In the air freight market, weekly international cargo volumes remained stable from last week, as domestic volumes decreased significantly (**↓30%**), which is a stark reminder of our current domestic economic climate. In the global market, internationally flown air cargo tonnages unexpectedly softened in the last full week of the first quarter, following a brief period of stability since the end of the Lunar New Year holidays. However, global average rates have remained stable with a slight upwards tilt – primarily outbound from Asia. Elsewhere, IATA this week shows that there has been a substantial re-commissioning of previously stored aircraft to support the passenger market recovery. As a result, the number of operational aircraft had recovered to **98%** of pre-pandemic levels (compared to the same month in 2019).

For regional cross-border road freight, average queue times decreased slightly, as transit times remained stable this week. But border times remained stubbornly high, with South African land border crossings in the region averaging **~10,4 hours** (**↓25%**, w/w) for the week, while the greater SADC region (excluding ex-South Africa) increased slightly, averaging **~13,9 hours** (**↑4%**, w/w). Congested SADC borders this week included Beitbridge, Kasumbalesa, Katima/Mulilo, Oshikango (the worst affected – at nearly **five days**), Santa Clara, and Zobue/Mwanza – all taking more than a day on average to cross. Further notable developments included **(1)** SARS maintenance, **(2)** BMA coming into force on 1 April, and **(3)** delays due to the slow release of Namibian import permits to convey animal products.

Lastly, ongoing discussions continue around the rail system, as the South African merchandise trade industry desperately needs a rail solution to complement and balance the multi-modal approach. Over the last five years, Transnet has lost nearly a third of its rail volumes, and a clear framework to implement private sector

involvement is desperately required⁶. Unfortunately, the rail policy proposals presented thus far are a long way off anything that would interest any serious contenders. To attract private sector involvement, the willingness to invest will depend on the degree of privatisation and unfettered (albeit regulated) competition that the potential opportunities will create. Cessation of monopoly control, a transparent business registration process, separation of track ownership and rail operating companies and establishing an economic regulator are the fundamental next steps that must be considered urgently. Furthermore, South Africa's freight demand remains high and will continue to increase. Therefore, failure to address the rail bugbear will result in unintended (and unacceptable) consequences for the rest of our transport network. As can be seen with the massive increase in HVGs traversing our road network, together with the resultant traffic congestion and damage, the impact is worsening daily.

⁶ Steyn, L. 30/03/2023. [Calls for urgent action as nearly a third of freight rail volumes lost in 5 years.](#)

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. 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
vii. TPT Tariff Increases	11
2. Air Update	12
a. International air cargo	12
b. Domestic air cargo	13
3. National Update	14
a. Ctrack Transport and Freight Index	14
b. SARS Merchandise Trade Statistics.....	15
4. Road and Regional Update	15
c. Cross-border and road freight delays	15
5. International Update	18
a. Global shipping industry	18
i. Global container capacity and port congestion.....	18
i. Global container freight rates.....	19
ii. Further developments of note.....	20
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 25 to 31 March⁷

7-day flow forecast (25/03/2023 – 31/03/2023)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 042	3 570
DURBAN CONTAINER TERMINAL PIER 2:	8 246	10 483
CAPE TOWN CONTAINER TERMINAL:	4 325	7 601
NGQURA CONTAINER TERMINAL:	2 471	3 351
GQEBERHA CONTAINER TERMINAL:	207	860
TOTAL:	20 291	25 865

Source: Transnet, 2021. Updated 31/03/2023.

Table 3 – Container Ports – Weekly flow predicted for 1 to 7 April

7-day flow forecast (01/04/2023 – 07/04/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 838	5 350
DURBAN CONTAINER TERMINAL PIER 2:	9 040	14 843
CAPE TOWN CONTAINER TERMINAL:	3 771	7 213
NGQURA CONTAINER TERMINAL:	6 960	7 126
GQEBERHA CONTAINER TERMINAL:	427	1 165
TOTAL:	24 036	35 697

Source: Transnet, 2021. Updated 31/03/2023.

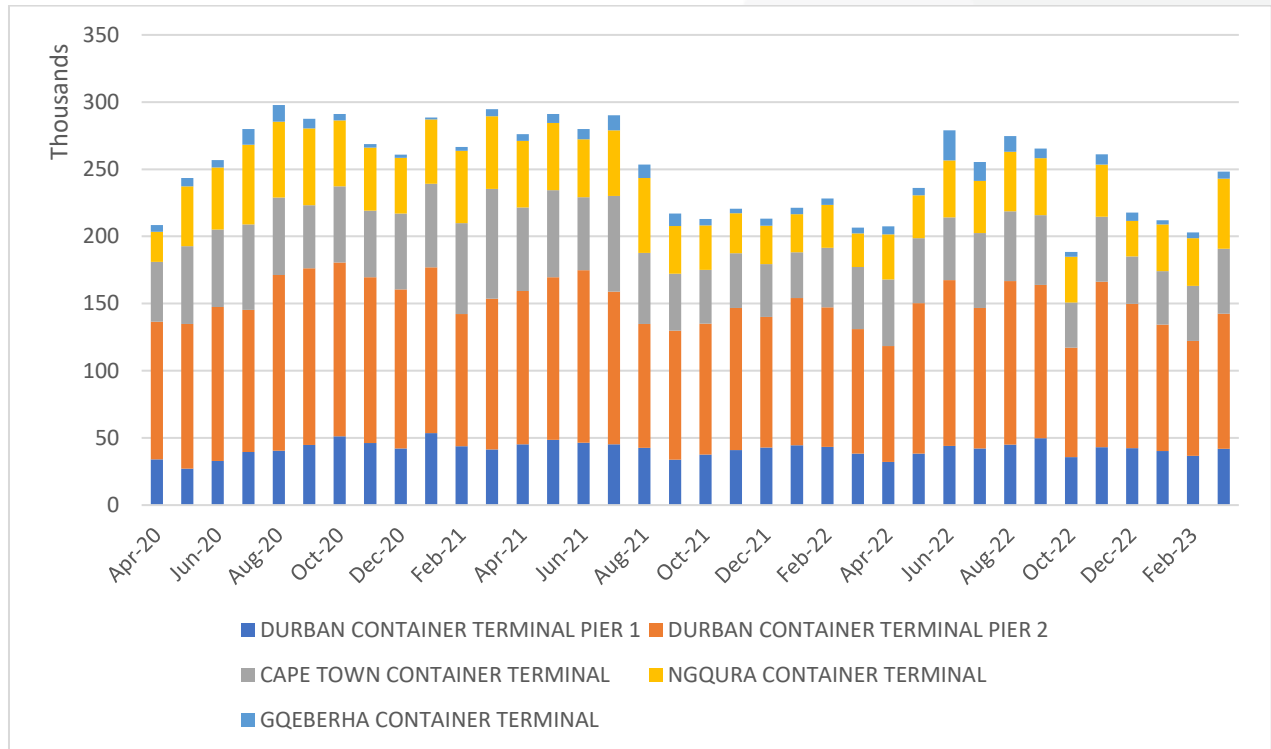
An average of ~6 594 containers (↓6%) was handled per day for the last week (25 to 31 March, Table 2) compared to the projected average of ~8 953 containers (↓26% actual versus projected) noted in last week's report. An increased average of ~8 533 containers (↑29%) is predicted to be handled next week (1 to 7 April, Table 3). Port operations this week were impacted by inclement weather, frequent equipment breakdowns and shortages, extensive employee engagements, backlogs, delays, and congestion. It is a concern that we report every week that volumes achieved in each port are substantially lower than what was predicted, often by several thousand TEU. The delayed cargo handling simply adds additional days to the supply chain – pushing schedules out further and ultimately rendering the South African market less attractive for major shipping lines to call at.

⁷ It remains important to note that a large percentage (approximately 39% 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.

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.

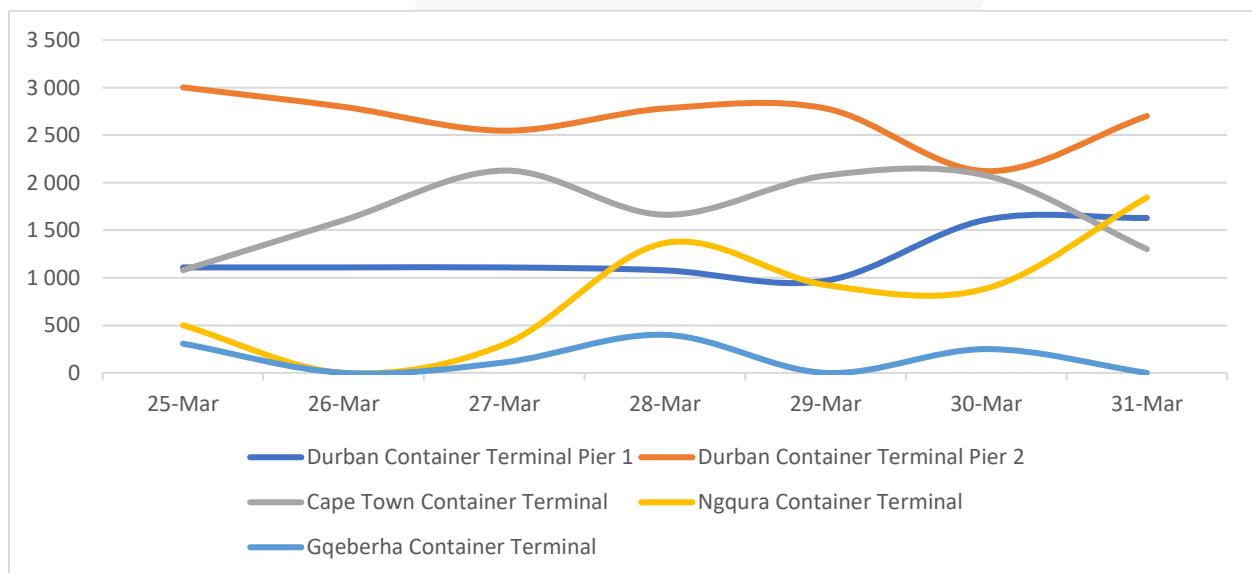
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 31/03/2023.

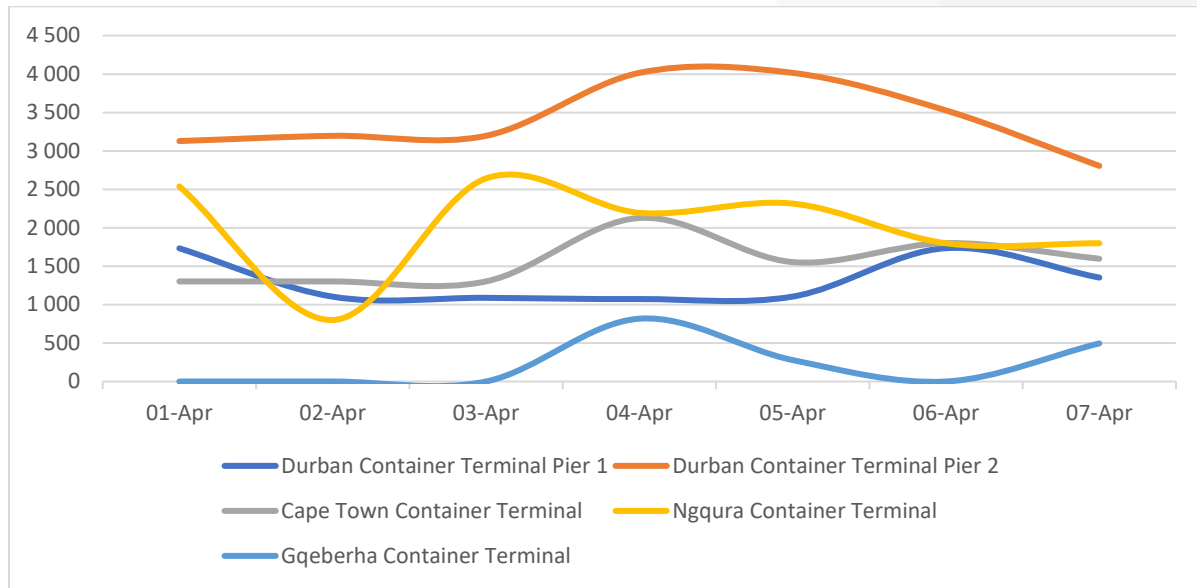
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (25 to 31 March; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 31/03/2023.

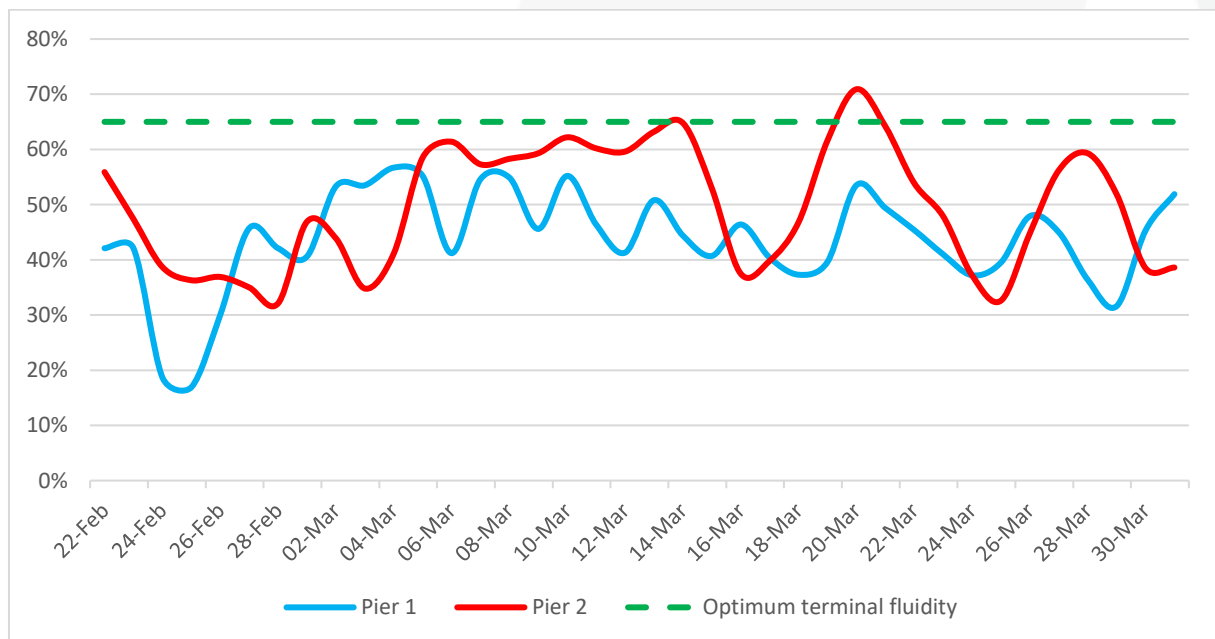
Figure 5 – 7-day forecast reported for total container movements (1 to 7 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 31/03/2023.

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

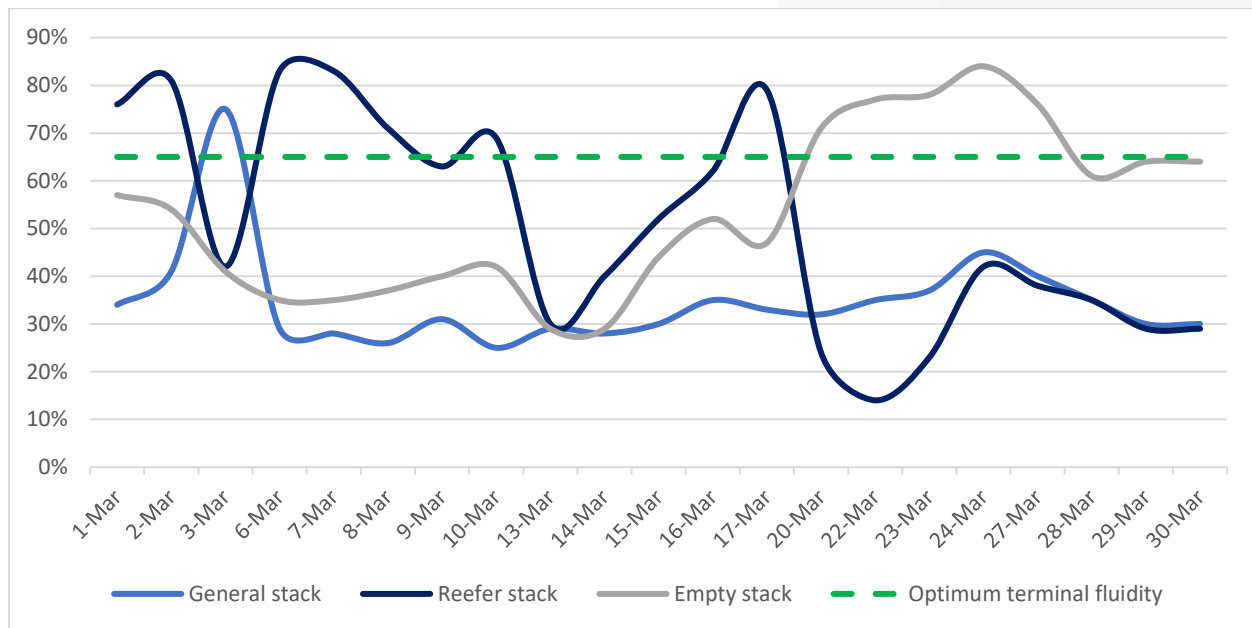
Figure 6 – Stack occupancy in DCT, general-purpose containers (22 February to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 31/03/2023.

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 (1 March to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 31/03/2023.

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 in Cape Town this week and minimal delays were reported.

Durban was challenged on many fronts this week, the most notable being employee engagements delaying up to 15 vessels on Tuesday. In addition, adverse weather ensured operational delays at Richards Bay for an average period of 13 hours on Tuesday.

To this, we can add that the Eastern Cape ports were, unfortunately, badly affected by equipment breakdowns, shortages, and extended adverse weather conditions.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and six at anchor, as berthing delays remained very high during the early stages of the week. Stack occupancy for GP containers was 30%, reefers 29%, and empties 64%. In the latest 24-hour period to Thursday, the terminal handled 2 484 TEUs across the quay. On the landside, 1 584 trucks were serviced while executing 58 rail moves.

The congestion at Cape Town improved over the latter stages of the week as the average berthing delays were down to just over **8 days** compared to **12** at the start of the week. However, as reported over the last few weeks, Cape Town remains on the "Port Congestion Watch" as more than **56 000 TEUs** were stuck at

anchorage on Tuesday, with the queue-to-berth ratio experiencing a rather significant setback remaining very high at **2.33**⁹.

Fortunately, the CTCT has been slightly less affected by wind, surging, and Navis delays in March after experiencing a record number of delays in February. Hourly delays are down by **↓58%** (m/m) versus 2022 (after a mammoth **↑83%** increase in February) and are now approximately similar year-to-date compared to last year.

On Monday, Cape Town MPT recorded two vessels at anchor and one at berth. In the 24 hours to Tuesday, the terminal managed to service 120 external trucks while handling 512 TEUs and 4 275 tons of manganese on the landside. Stack occupancy was recorded at 27% for GP containers, 32% for reefers and 30% for empties.

iii. Durban and Richards Bay

Pier 1 on Wednesday recorded one vessel at berth, operated by three gangs, and zero vessels at anchor. Stack occupancy was 32% for GP containers, with 893 imports on hand and 140 unassigned units. The terminal recorded 1 307 landside gate moves on Thursday, with 630 cancelled slots and 250 wasted.

Pier 2 had two vessels at berth and none at anchorage on Thursday. In the most recent 24 hours to Thursday, stack occupancy was 39% for GP containers and 37% for reefers. The terminal operated with ten gangs and moved 2 311 TEUs across the quay. On Friday, there were 3 030 gate moves on the landside with a truck turnaround time of ~64 minutes and a staging time of ~61 minutes. Lastly, 333 rail import containers were on hand, with 246 moved by rail.

The Durban MPT terminal, on Wednesday, recorded three vessels at berth and one at outer anchorage while handling 542 containers and 796 breakbulk tons on -the waterside. Stack occupancy for breakbulk worsened this week to 65%, while stack occupancy on the container side was recorded at 46%. On the landside, the terminal managed to handle 365 containers while servicing 25 breakbulk RMTs. On Thursday, two cranes, six reach stackers, one empty handler, seven forklifts and 18 ERFs were in operation. According to the latest reports, there is cautious optimism that the third crane at the multipurpose terminal in Durban will return to service on Monday, 03 April. However, the estimated return time was again revised as no supplier could meet the desired targets, according to TPT. As a result, Transnet returned to the market and eventually managed to award the tender to a supplier who could meet the stipulated targets. However, caution should be exercised as conflicting reports suggest that repairs have not started yet. Furthermore, once administrative formalities have been completed on the fourth crane, eight weeks will be needed to procure spares, and four weeks will be needed to install the spares, so there is still a gap estimated at a minimum of 3 months!

A word of congratulations should be extended to the Ro-Ro terminal in Durban as it surpassed its installed throughput capacity of 520 000 units by more than 100 000 units during the 2022/23 financial year, increasing its capacity to more than 620 000 units without any expenditure on expansion. The newly demonstrated capacity is lauded and raises the bar for subsequent years.

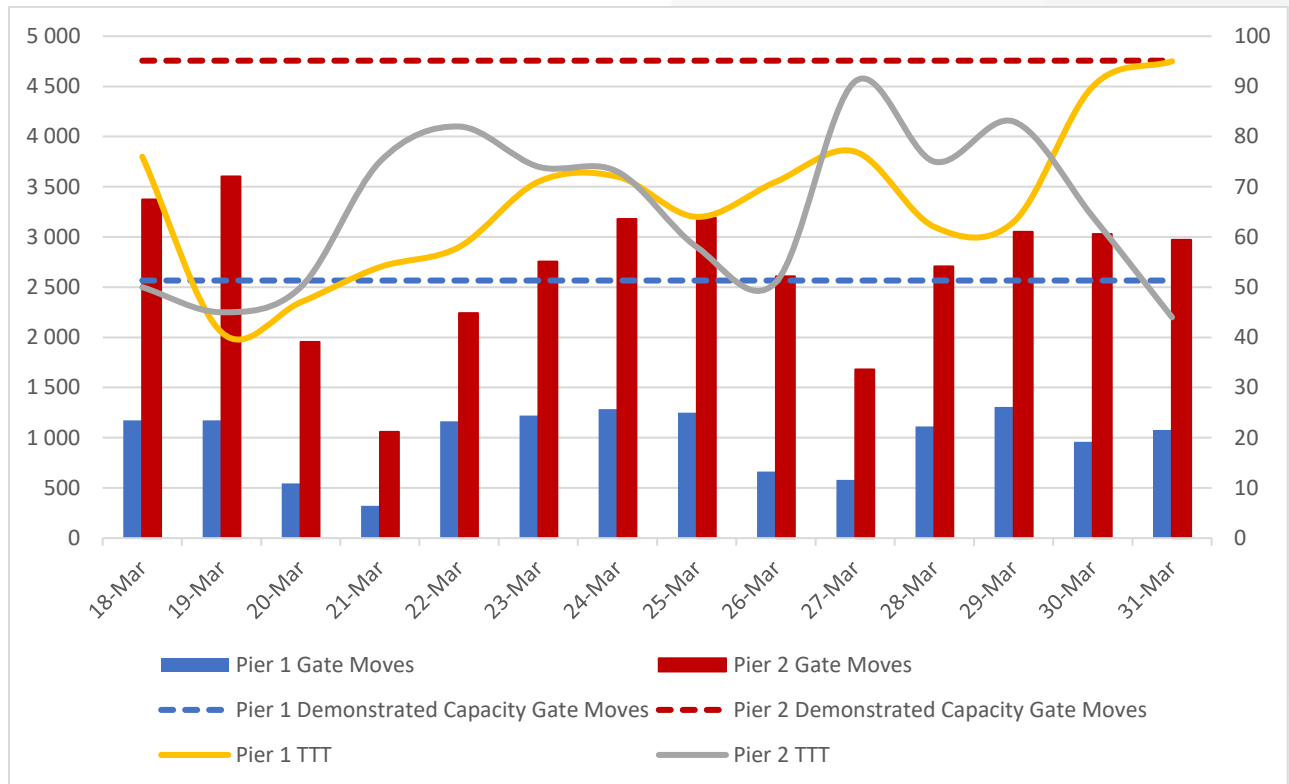
On Thursday, Richards Bay recorded 20 vessels at anchor: five bulk, eight coal, five general, one bunker, and one tanker vessel. In addition, there were 11 vessels on berth, two at DBT, seven at MPT, one at RBCT, and

⁹ Linerlytica. 24/03/2023. [Global Containership Port Congestion – as of 20 March 2023.](#)

one at the liquid bulk terminal. 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. Alarming – as has been the case for some time, our container terminals in Durban are not coming anywhere near their demonstrated capacity in recent weeks. This reality, coupled with the longer-term port efficiency statistics shared last week, causes grave concern to the industry.

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



Source: Calculated using data from Transnet, 2022. Updated 31/03/2023.

iv. Eastern Cape ports

NCT on Monday recorded two vessels on berth and five vessels at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation 24 hours before Tuesday. In the same period, stack occupancy was 25% for GP containers and 16% for reefers. On Tuesday, 1 291 TEUs were handled across the quay. Additionally, 590 trucks were serviced on the landside, with a truck turnaround time of ~29 minutes. The shore tensioning unit was out of commission for most of the week and will remain so until the team has received and replaced the sling, which is necessary to ensure the unit's safety and that of the team using it.

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 before Thursday. In the same period, stack occupancy was 20% for GP containers, 5% for reefers, and 23% for reefer ground slots while moving 236 TEUs across the quay. On the landside, 234 trucks were serviced at a truck turnaround time of ~30 minutes.

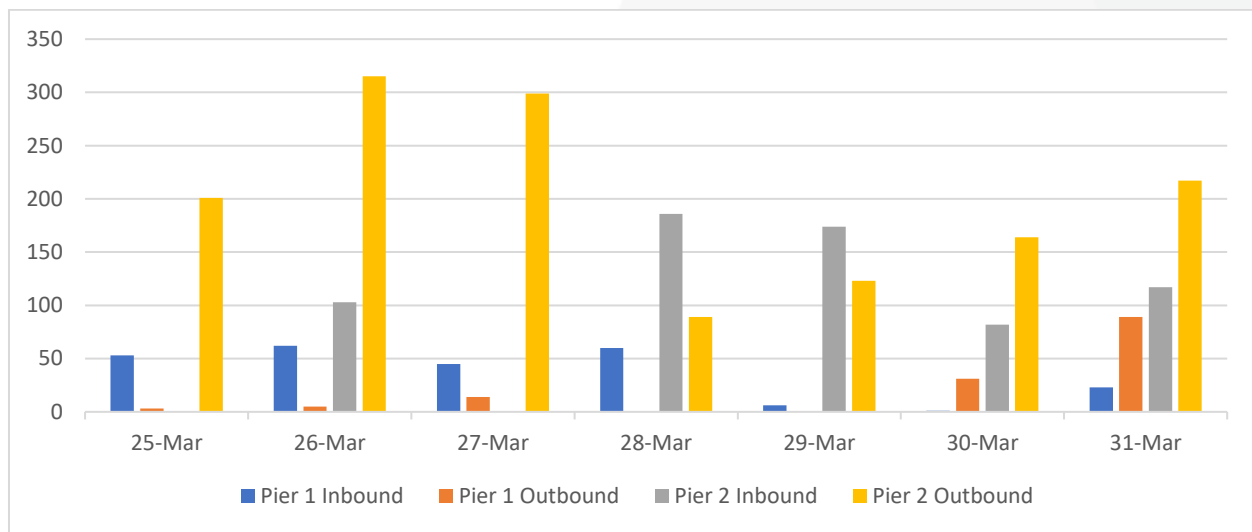
v. Saldanha Bay

On Thursday, the Iron Ore terminal had four vessels at anchorage and two on the berth, while the multipurpose terminal had none at anchor and two on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-4 days, while the vessels at berth have been on berth for approximately 2-5 days.

vi. Transnet Freight Rail (TFR)

The latest reports suggest that extensive security incidents still occur on the rail line between Durban and Lions River, which present themselves mainly as vandalism and cable theft. Additionally, the private sector, through BUSA, will submit comments and recommendations on the private sector participation framework issued by the Department of Trade on Friday, 31 March 2023.

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



Source: Calculated using data from Transnet, 2022. Updated 31/03/2023.

In the last week (25 to 31 March), rail cargo handled out of Durban was reported at **2 462** containers, down by **↓22%** from the previous week's **3 158** containers.

vii. TPT Tariff Increases

With the start of the new financial year approaching, the industry should be reminded of the increased storage fees, which are set to be implemented from Saturday, 01 April 2023. (A more detailed breakdown of the increased tariffs can be viewed on the SAAFF [website](#)). TPT referenced unexpected cost increases in 2022 (including inflation and expected ZAR depreciation), explaining the higher tariff increases for the respective terminals. The headline shows that TPT will increase handling charges at the Container and Ro-Ro, Breakbulk and Agricultural Terminals by **↑8%**.

Additionally, the following adjustments have been made:

- Reefer power supply charges have been increased by **↑18,65%** - to recover ESKOM's tariff increase.
- The Fuel Neutrality and the Operations Stabilisation cost recovery tariffs will be removed, as the contribution during 2022 has now been included in TPT's newly announced tariffs.
- TPT will charge a penalty of R170 000 for every mis-declared hazardous container.

- TPT will endeavour to work other bays in the vessel, but where this is not possible, and the respective crane goes on standby due to unavailability of cargo, the shipping line will be charged a fee of R35 000 per crane, per hour (or part thereof) for each crane which is placed on standby.
- Where the container terminal permits break bulk, TPT will levy a crane hire of R35 000 per crane per hour (or part thereof) to compensate for the lost revenue from standard container movements. Standard tariff charges for the breakbulk tonnage will still apply.
- Storage charges at DCT have also been revised, with industry role players encouraged to review them and the ongoing encouragement to transporters to honour their booking slots.

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 20 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *March 2022* averaged **~753 222 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

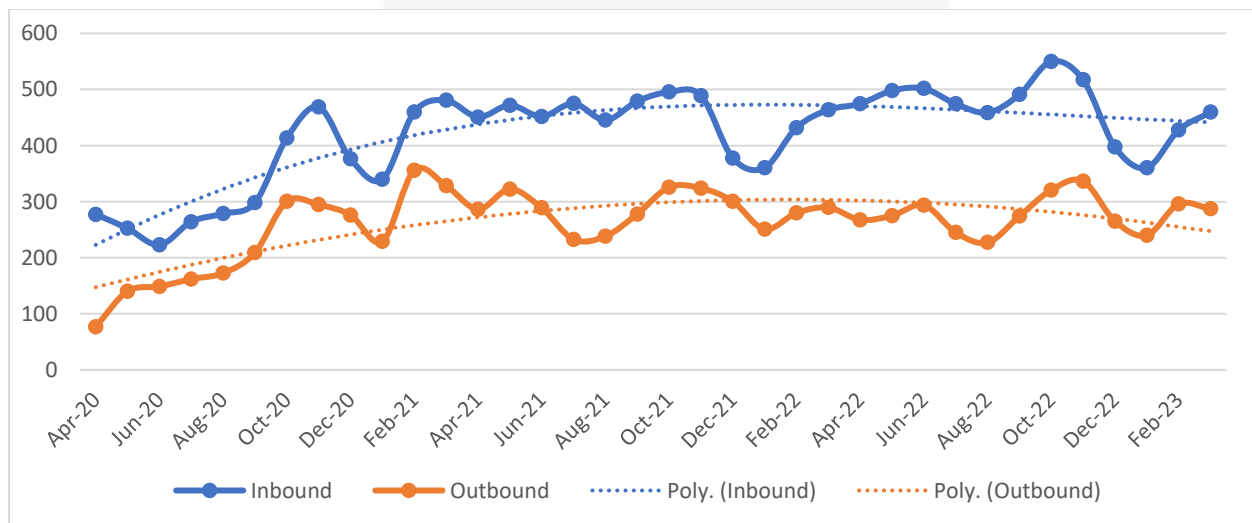
Flows	20-Mar	21-Mar	22-Mar	23-Mar	24-Mar	25-Mar	26-Mar
Volume inbound	549 747	453 969	493 317	249 657	441 742	317 914	762 547
Volume outbound	278 668	134 147	168 294	195 883	233 900	284 664	556 742
Total	828 415	588 116	661 611	445 540	675 642	602 578	1 319 289

Courtesy of ACOC. Updated: 27/03/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **466 985 kg** inbound and **264 614 kg** outbound, resulting in an average of **731 599 kg per day** or **~97%** compared with March 2022. Also, the level is currently at **~82%** compared with the same period pre-pandemic in 2019.

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak. The trendlines indicate a rapid volume increase post the immediate hard lockdown, with significant tapering and flatlining since.

Figure 10 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 27/03/2023.

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 *February 2022* was ~**64 131 kg** per day.

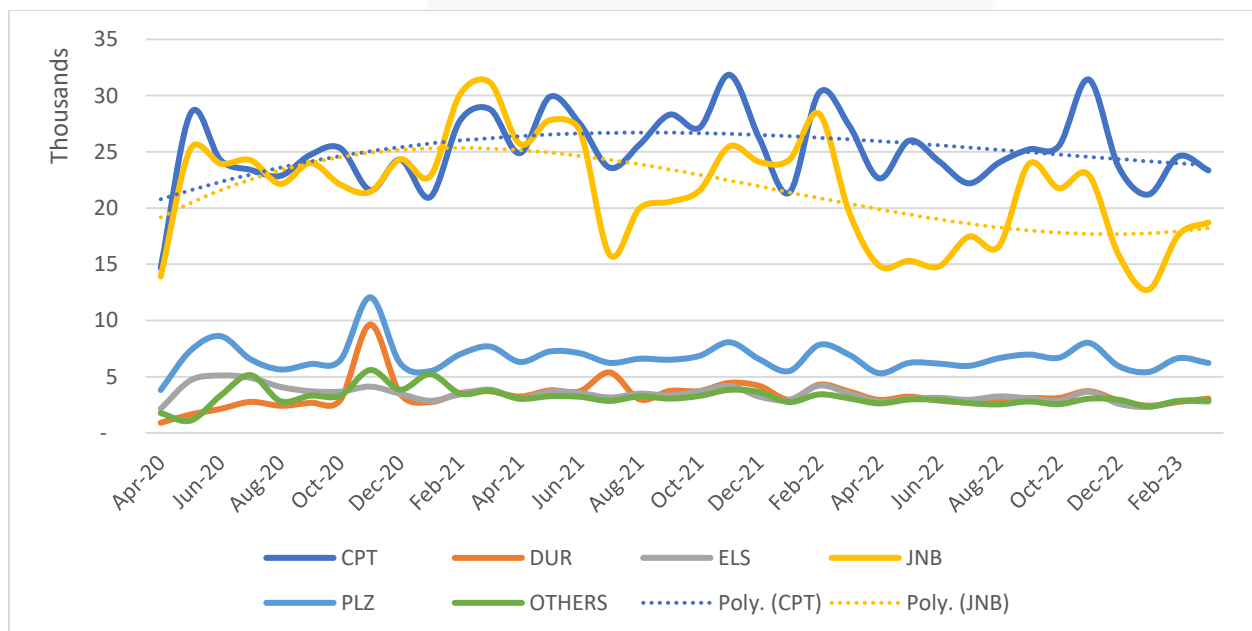
Table 5 – Total domestic inbound and outbound cargo

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.	23 341	3 056	2 785	18 716	6 215	2 857	56 970
20-Mar	2 778	1 590	363	3 601	1 507	274	10 113
21-Mar	3 332	837	403	705	622	332	6 230
22-Mar	49 972	6 297	6 115	32 284	13 719	6 360	114 746
23-Mar	40 543	4 608	4 992	28 907	10 600	4 278	93 928
24-Mar	16 665	4 263	2 552	20 424	4 680	2 816	51 402
25-Mar	1 067	719	67	3 125	262	15	5 255
26-Mar	1 272	282	384	3 764	515	606	6 822
Total for 2023:	2 039 574	240 530	235 786	1 460 538	544 269	238 231	4 758 927

Courtesy of BAC. Updated: 30/03/2023.

The average domestic air cargo moved last week was ~**41 214 kg** per day, which is a massive **↓30%** compared with the previous week and *a mere ~64%* of what was moved in March 2022. The air freight industry is truly in a slump of late.

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



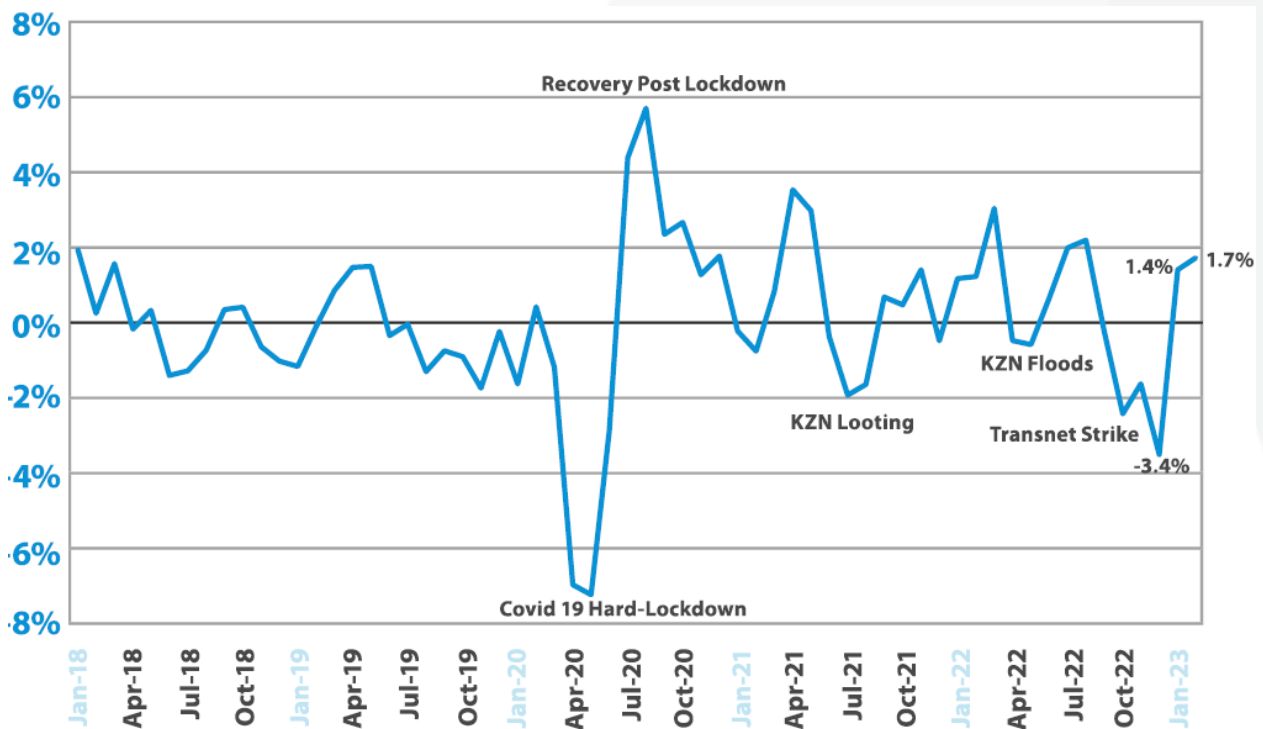
Courtesy of BAC. Updated: 30/03/2023.

3. National Update

a. Ctrack Transport and Freight Index

The South African logistics sector bounced back somewhat during January 2023, and that momentum was sustained during February, according to the latest Ctrack "Transport Freight Index"¹⁰. The Ctrack TFI increased by **↑1,7%** in February (m/m) on the back of a revised monthly increase of **↑1,4%** in January (after declines in the preceding four months). Annually, the Ctrack TFI increased by **↑2,5%**, which is a welcome improvement even though the increases are far below the annual growth rate of **↑13,7%**, which Ctrack recorded as recently as August 2022. However, all indications are that the industry is on a sustained positive trajectory, meaning that South Africa's freight demand will continue to increase – needing a multi-modal approach on all fronts. The following figure illustrates this current trajectory and highlights the recent major events in transport and logistics:

Figure 12 – Average domestic inbound and outbound cargo (thousands)



Source: [Ctrack](#).

All the sub-sectors of the logistics sector continue to reflect vastly different performances, which proved to be a significant factor in the overall industry's resilience. Compared to this time last year, rail (surprisingly – at **↑6,4**), pipeline (**↑4,3%**), road (**↑2,4%**), and air (**↑0,9%**) all increased, as sea (**↓0,2%**) and storage (**↓5,7%**) trended negatively. Looking ahead, Ctrack CEO Hein Jordt says that "While a lot of focus remains on short-term challenges, with many sectors and companies in survival mode, government and stakeholders must remain focused on structural reforms to improve the efficiency and competitiveness of the transport

¹⁰ Ctrack. 30/03/2023. [Transport and Freight Index – February](#).

sector in the long term and return to thriving mode". These sentiments largely echo those often reiterated in the BUSA Cargo Movement Updates.

b. SARS Merchandise Trade Statistics

SARS released its latest "Merchandise Trade Statistics" for February¹¹, with the headline showing a preliminary trade surplus of **R16,1 billion**. Monthly trade shows that exports increased from January by **↑10,7%** (m/m), whereas imports decreased by **↓14,8%** (m/m). Despite the surplus in February, the YTD figures show a surplus of **R6,6 billion**, a significant deterioration from the **R17,1 billion** positive trade balance recorded in 2022. Nevertheless, export flows for February 2023, at **R154,3 billion**, were **↑7,9%** (y/y) higher compared to February 2022, whilst import flows were **↑5,8%** (y/y) higher, having increased to **R138,2 billion** in the current period.

Regionally, trade with BELN countries for February resulted in a trade surplus of **R9,1 billion** from exports of **R14,03 billion** and imports of **R4,94 billion**. Exports to our neighbouring countries increased by **↑12%** (m/m) between February and January, with imports decreasing – by **↓7,4%** (m/m) – over the same period. The cumulative figures for the year point to a substantial positive trade balance with BELN countries, similar to last year – from **R16,37 billion** in 2022 to **R16,29 billion** in trade balance surplus for 2023.

4. Road and Regional Update

c. Cross-border and road freight delays

This week, the following points are worth mentioning 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 **~10,4 hours** (**↓25%**, w/w).
- The transport industry experienced several delays last week due to the national shutdown on Monday; fortunately, no damage to property was reported.
- Elsewhere, SARS' system maintenance last week had minor effects.
- Long queues continue to be the norm at Lebombo, with several bugbears touted, including turning a blind eye to queue jumping and double lane queues. As a result, the transport industry has requested a traffic management system to tackle the issues.
- Also, the ongoing network issues in Groblersbrug persist as the transport industry is waiting for the BMA to announce changes for Groblersbrug.
- Regionally, several transporters reported delays due to waiting for a Namibian Import Permit to convey animal goods. The permits were instituted on 6 December last year. However, the SOP has not yet been streamlined, as documents must be couriered to the shippers, with the originals sent back to the cargo agents in Namibia.
- Some positive news was shared by Botswana Revenue Authority last week, as the Mamuno border is set to operate on a 24-hour basis from 1 April.
- 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

¹¹ SARS. 31/03/2023. [Trade Statistics: February 2023](#).

questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their [TRANSIST Bureau](#)¹², which has arguably achieved much greater success.

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

Table 6 – Delays¹³ summary – South African borders

Border Post	Direction	HGV ¹⁴ 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	5	5	29	11730	2 737
Beitbridge	Zimbabwe-SA	410	5	4	17	12300	2 870
Groblersbrug	SA-Botswana	248	2	4	13	7440	1 736
Groblersbrug	Botswana-SA	157	0	0	2	4710	1 099
Violsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	0	1	600	140
Nakop	SA-Namibia	30	0	2	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 552	0	1	10	46560	10 864
Ressano Garcia	Mozambique-SA	133	0	1	3	3990	931
Skilpadshek	SA-Botswana	200	1	1	3	4800	1 400
Pioneer Gate	Botswana-SA	100	1	1	3	2400	700
Average/Sum		3 291	01:00	02:00	07:00	96 930	23 037

Source: TLC, FESARTA, & Crickmay, week ending 26/03/2023.

Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time (hh:mm)	Border Time – Best 5% (hh:mm)	Border Time – Median (hh:mm)	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	2	13	9 600	2 240
Dar Es Salaam Corridor	1 819	4	3	11	54 570	12 733
Maputo Corridor	1 685	0	1	7	50 550	11 795
Nacala Corridor	127	0	4	4	3 810	889
North/South	3 278	3	5	13	74 850	22 946
Trans Caprivi Corridor	116	0	3	34	3 480	812
Trans Cunene Corridor	100	0	13	76	3 000	700
Trans Kalahari Corridor	330	1	1	3	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Average/Sum	7 875	02:00	04:00	13:24	210 780	55 125

Source: TLC, FESARTA, & Crickmay, week ending 26/03/2023.

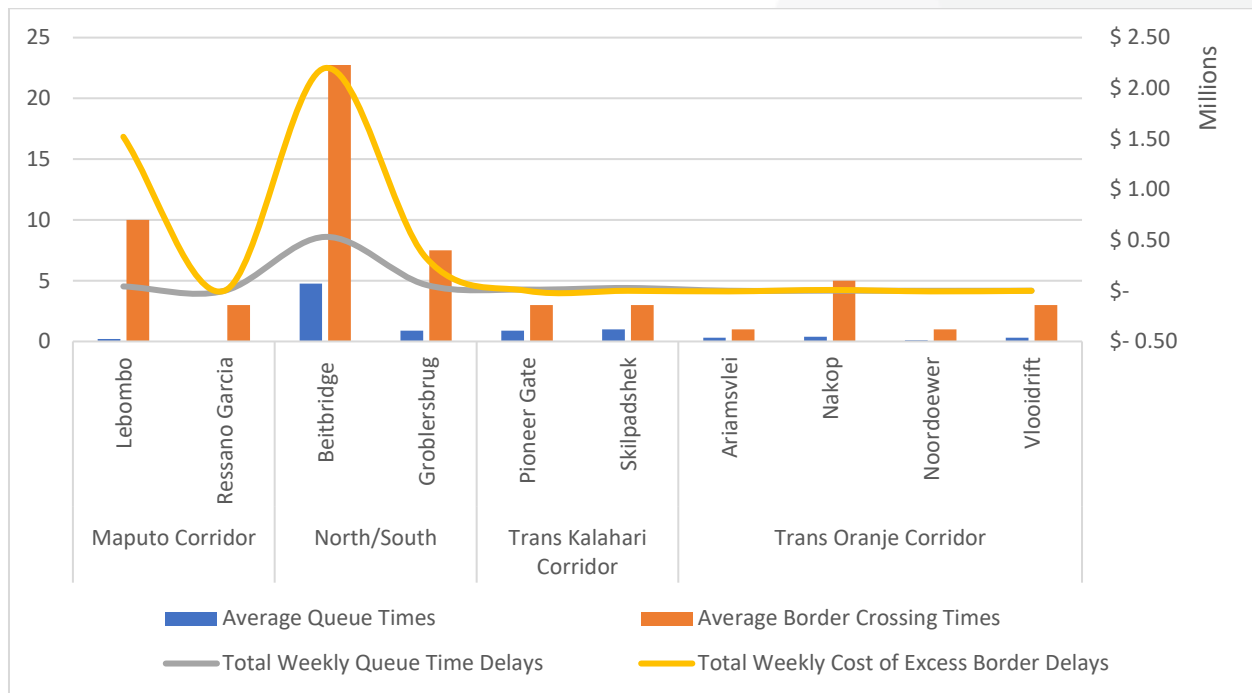
The following graph shows the weekly change in cross-border times and associated estimated costs:

¹² [FESARTA TRANSIST Bureau](#).

¹³ 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.

¹⁴ Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

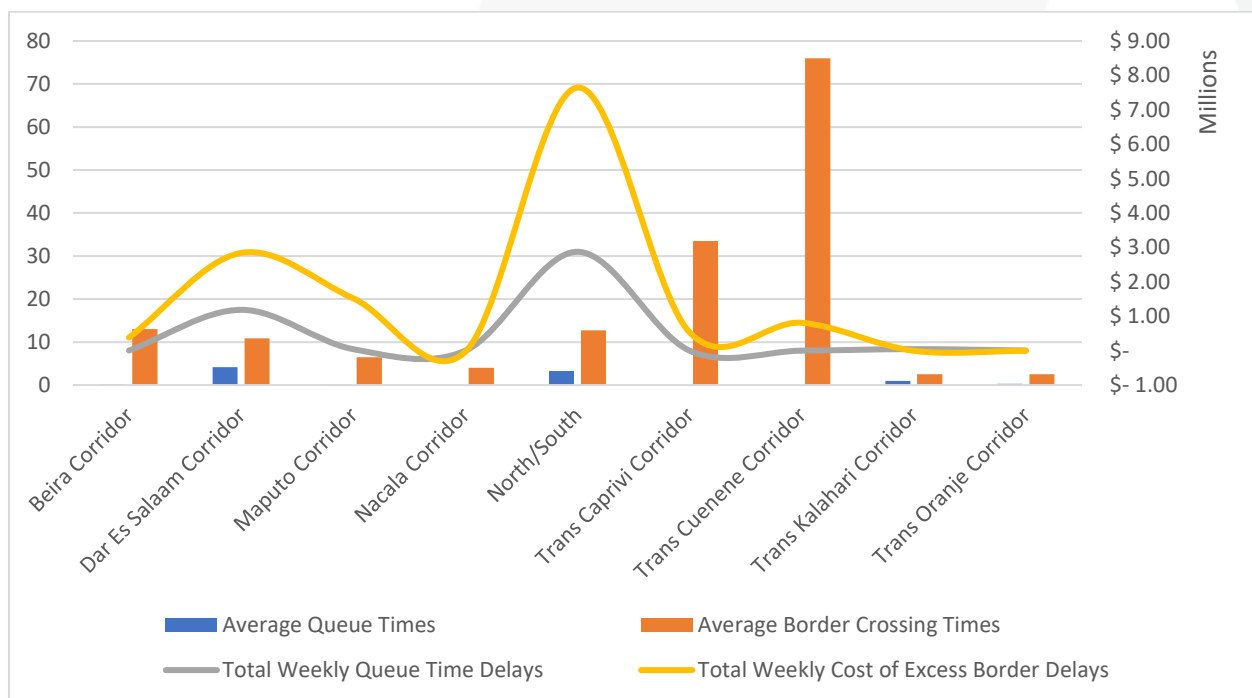
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 26/03/2023.

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 26/03/2023.

In summary, cross-border queue time has averaged **~2,0 hours** (down by **~1,2 hours** from the previous week's **~3,2 hours**), indirectly costing the transport industry an estimated **\$4 million (R73 million)**.

Furthermore, the week's average cross-border transit times hovered around **~13,4 hours** (down by **~0,1 hours** from the **~13,5 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$14 million (R241 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R314 million** (down by **~R69 million** or **↓18%** from **R383 million** in the previous report).

5. International Update

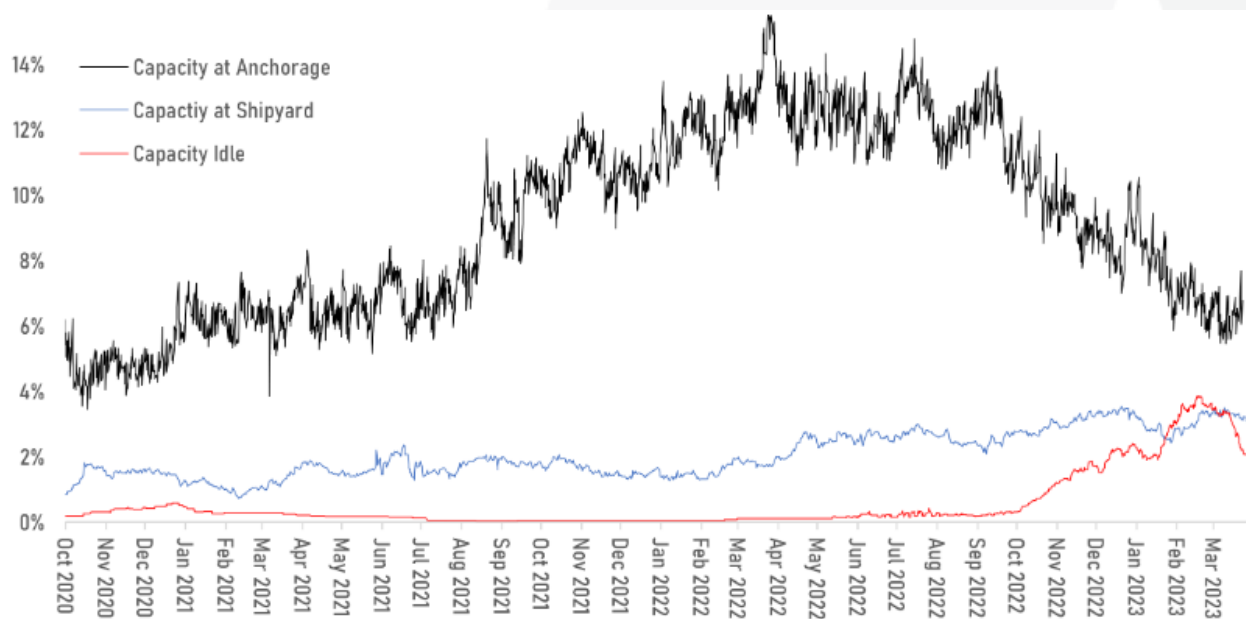
The following section provides some context around the global economy and its impact on trade, including an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Global container capacity and port congestion

The number of idled ships is quickly diminishing. Carriers are gearing up for the summer deployment that begins in earnest from April to May, picking up charter units and adding to the increasing number of new buildings entering the market¹⁵. Carriers have not committed to cutting vessel capacity to match the reduced market demand. Although the idle capacity has been rising steadily since October 2022, this has not yet been sufficient to match the increase in the active fleet due to decongestion:

Figure 15 – Inactive global container capacity (% of total fleet)



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

As illustrated, the idle fleet has reduced since February. It is scheduled to fall even further as carriers gear up for new services to be launched in April and May, ahead of what is expected to be a relatively weak peak shipping season. The decrease shown above coincided with the steady drop in cancelled sailings, which remain a factor, but less so when compared with the last three months. This week, Drewry's "Cancelled

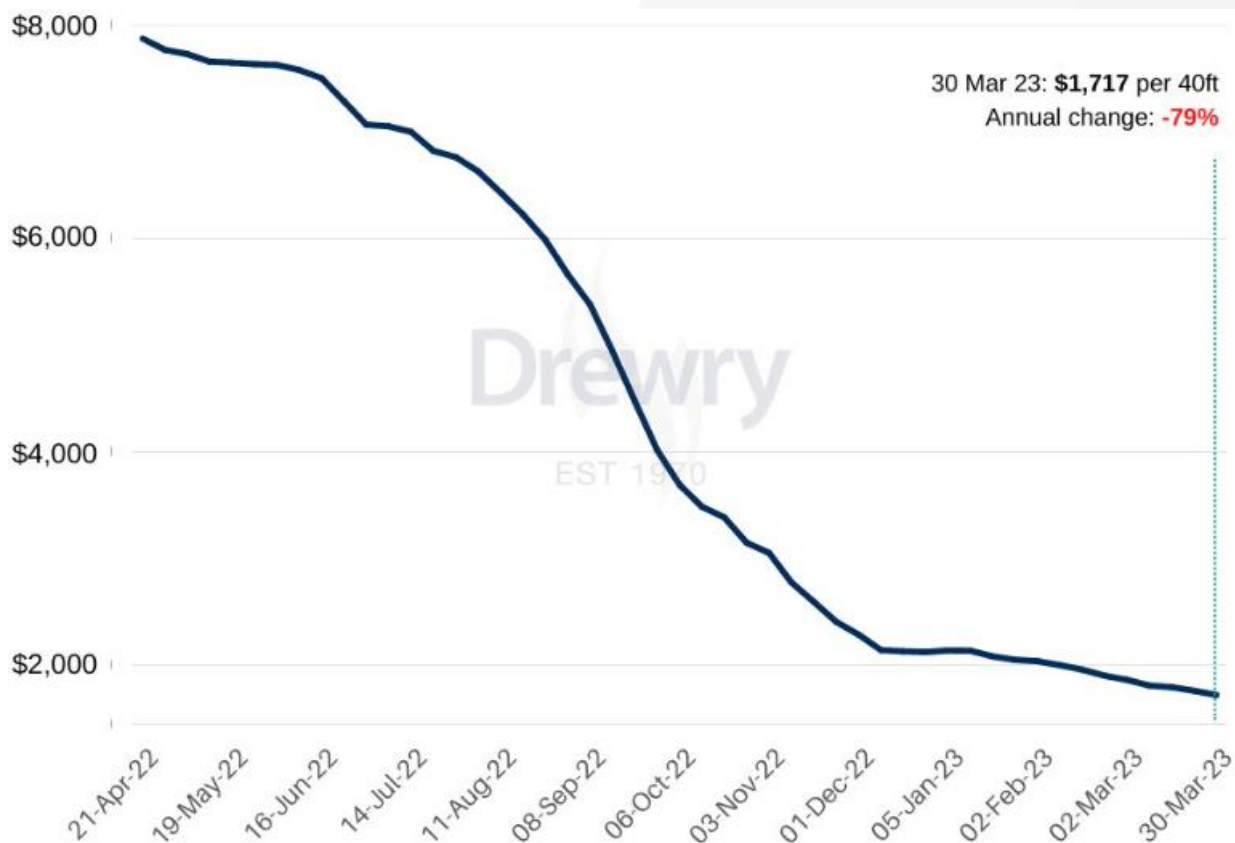
¹⁵ Linerlytica. 27/03/2023. [Market Pulse – Week 13](https://www.linerlytica.com).

Sailings Tracker" again remains at a **9% cancellation rate**¹⁶ - the level at which it appears to have settled in the last month. Port congestion has eased but remains a challenge in some key areas, notably at Shanghai/Ningbo, Qingdao, Singapore, and Busan, according to the latest figures from Linerlytica (Cape Town remains on the list, currently in seventh place based on TEUs at anchorage).

i. Global container freight rates

Container rates as per the "*World Container Index*" decreased by **↓2% (\$40)** this week to **\$1 717** per 40-ft container. The composite index continues to hover around **↓79%** below the corresponding spot price quoted last year. Furthermore, the average rate is **↓83%** below the peak in September 2021 and still **↓36%** lower than the 10-year average of **\$2 690**:

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



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

The global container industry is attempting to find some level of equilibrium as rates continue to decrease, with the Asia-Europe trade currently the only primary market in which carriers can push for rate increases. In addition, merchandise trade activity has been subdued for several months, as retail, manufacturing, and other industries are not restocking their inventories as quickly as hoped by the shipping lines. In contrast, charter rates have rebounded, with demand from carriers staying high. However, we expect further moderation and a very mild "peak season" ahead for spot rates. Nevertheless, there appears to be a

¹⁶ Drewry. 31/03/2023. [Cancelled Sailings Tracker - 31 March.](#)

migration from expensive contracts to the spot, which might further stabilise the market in the second quarter of 2023¹⁷.

ii. Further developments of note

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

1. ONE becomes joint-owner of Seaspan Corp in \$11 billion takeover:

- a. Japanese carrier Ocean Network Express (ONE) has become joint-owner of the world's largest non-operating containership owner, Seaspan Corp, in a **\$10,9 billion** deal. Consequently, ONE owns **28,7%** of the now private company¹⁸.
- b. According to Alphaliner, Seaspan has a fleet of 137 vessels, with a capacity of **1,25 million TEU**, which it leases to liner operators on long-term charters. Were it not a non-operating owner (NOO), it would rank eighth in the carrier league table, behind new joint-owner ONE's **1,5 million TEU**. Moreover, the consultant said, Seaspan had a substantial 57 ships on order that would provide a further **690 000 TEU**.

2. Shippers and liners oppose the plan to prevent US ocean carrier VSAs:

- a. Shippers and shipping lines joined forces on Monday to **oppose the US Ocean Shipping Anti-trust Enforcement Act (OSAEA)**, which they say will hit efficiency and increase costs. OSAEA seeks to repeal anti-trust exemptions for carriers but will also prevent US lines from entering into vessel-sharing agreements (VSAs)¹⁹.
- b. Sponsored by six Democrats and two Republicans, the bill was put forward in February last year at the height of supply chain congestion in the US and freight rates at historic highs. However, the landscape has changed significantly since then.
- c. Shippers, forwarders, and shipping line representatives have pushed back against the move. Nicolette van der Jagt, Director-General at Clecat, said forwarders wanted to end anti-trust immunity, but President Biden had "*turned to anti-trust enforcers*" to give the much-needed attention to the supply chain problems linked to alliance agreements; these need visibility and transparency.

3. MSC re-brands Bolloré:

- a. Mediterranean Shipping Co has rebranded its new acquisition, Bolloré Africa Logistics. The operator, bought for **\$6,3 billion**, will now be known as **Africa Global Logistics (AGL)** and will operate as an independent entity and part of the cargo division of MSC²⁰.
- b. "*MSC is excited about the AGL brand reveal and will continue to invest in all its cargo businesses that operate in Africa, while supporting the sustainable growth and development of the continent,*" the company stated in a release on Thursday.
- c. Many global liners are ramping up investments in Africa, which is seeing ever larger containership calls and a host of new terminals under construction.

b. Global air cargo industry

Despite some faint positive signs of a recovery, international air cargo volumes have again dropped this week, according to the latest World ACD analysis²¹:

¹⁷ Wackett, M. 31/03/2023. [Shippers pushed towards spot rates as contract negotiations stall.](#)

¹⁸ Wackett, M. 29/03/2023. [ONE becomes joint owner of Seaspan Corp in \\$11bn takeover.](#)

¹⁹ Savvides, N. 28/03/2023. [Shippers and liners oppose plan to prevent US ocean carrier VSAs.](#)

²⁰ Chambers, S. 31/03/2023. [MSC debuts new African brand.](#)

²¹ World ACD. 31/03/2023. [Global tonnages show signs of weakening trend.](#)

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		+1%	+22%		-3%	-3%		-1%
Asia Pacific		+5%	+20%		+1%	-7%		+3%	-39%
C. & S. America		-1%	+5%		-4%	+0%		-0%	-10%
Europe		-1%	+15%		-4%	-9%		-1%	-32%
M. East & S. Asia		+1%	+13%		+5%	-6%		-1%	-45%
North America		+1%	+10%		-5%	-23%		+0%	-17%
Worldwide		+1%	+13%		-2%	-9%		+1%	-32%

Source: [World ACD](#)

Figures for week 11 (13 to 19 March) show overall tonnages decreased by **↓2%** (2w/2w), accompanied by a **↑1%** increase in capacity, whereas average worldwide rates slightly increased by **↑1%**. Air cargo rates continue to trend way below last year's numbers (**↓32%**) and are currently trading at an average of **\$2,73 per kg**. Annual changes show that chargeable weight is trending **↓9%** below last year's levels, with space constraints now a thing of the past and capacity up by **↑13%**. The realities are the same for the South African market, as we have repeatedly reported low numbers since the start of the year. Just as with the global ocean industry, activity in the merchandise trade remains very low.

Elsewhere, IATA's "Chart of the Week" shows a massive redeployment of aircraft previously in storage returning²². The re-commissioning comes at a time of continued passenger market recovery; however, as the recent cargo statistics show, the increased capacity has little effect on the chargeable weight. The number of operational aircraft had recovered to **98%** of pre-pandemic levels (compared to the same month in 2019). Nevertheless, there are still **6 300** aircraft in storage today – roughly **2 900** aircraft (or **83%**) more than in the pre-pandemic period.

ENDS²³

²² IATA. 31/03/2023. [Parked aircraft returning to service support global recovery](#).

²³ **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](#).*