

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

**Date: 3 March 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)	20 501	23 315	43 816	19 769	31 001	50 770	↓14%
Air Cargo (tons)	4 277	3 003	7 279	4 459	3 037	7 496	↓3%

## Monthly Snapshot

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

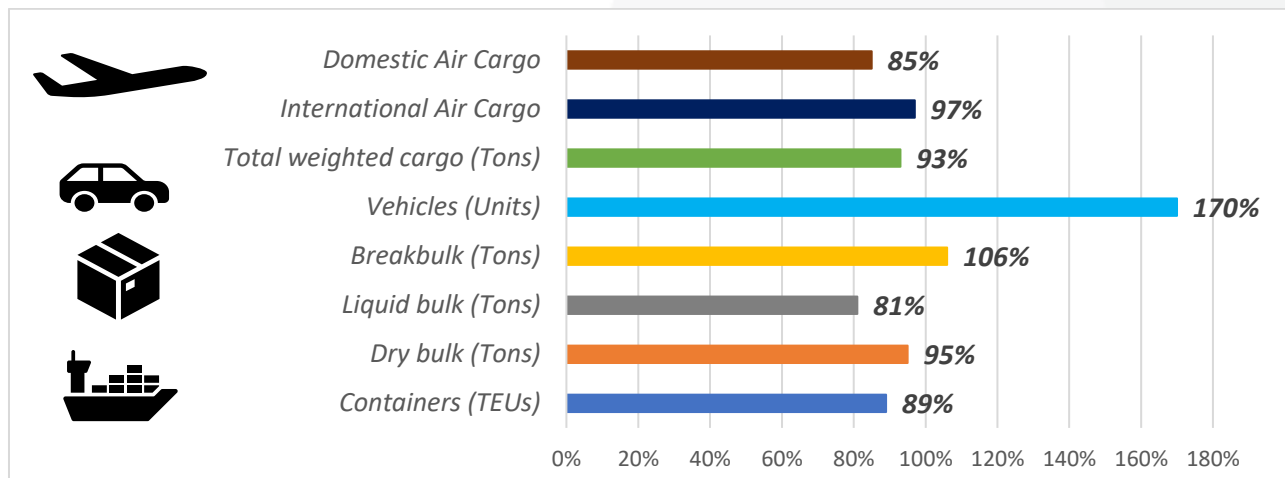
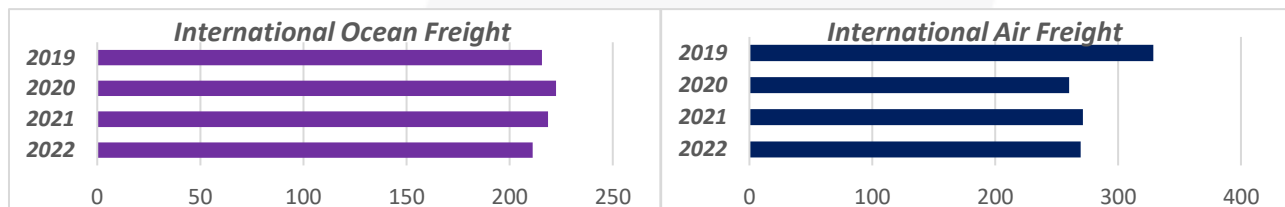


Figure 2 – Global year-to-date flows 2019-2022<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~6 259 containers** was handled per day, with **~9 403 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 824 containers**, **↓6%** compared to last week.
- Cross-border queue times were **↑2,2 hours**, with transit times **↓1,5 hours**, SA borders **12,5 hours (↑26%)**.
- The *RWI/ISL* container throughput index decreased by **↓2,2** from December's revised **122,4 points**.
- Liner schedule reliability decreased by **↓3,8% (m/m)** to **52,6%**, with average late arrivals at **5,26 days**.
- Global freight rates continue to fall, as the "*WCI*" is down by **↓2% (\$39)** this week to **\$1 859** per 40 ft.
- Air cargo is stable with tonnage (**↓1%**), capacity (**↑2%**) and yield (**↑0%**) versus two weeks ago.

<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 126<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: Jan vs Jan.

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

## Executive Summary

This update – *the 126<sup>th</sup> of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Operational port delays this week included adverse weather, frequent equipment breakdowns and shortages, system challenges, delays, and congestion. Cape Town was revisited by the difficulties of a fortnight ago, with the most notable operational delays stemming from the container terminal being windbound for the whole of Monday. The marine fleet in Durban remained stable and continued its improved performance over the past week, as five tugs serviced waterside operations for the most significant part of the week. Additionally, crisis meetings were called in Richards Bay this week after the situation reached a really low point late last week, when up to 600 coal trucks piled up next to the main entrance to Richards Bay, bringing traffic to a standstill along sections of the N2. Reports this week suggested that NCT and GCT are no longer sharing tugs and that both ports are conducting operations with a complement of two tugs. Furthermore, intermittent cable theft continued to disrupt rail operations this week, with reports suggesting that TFR is no closer to finding a solution on the matter just yet.

Container activity globally is currently in very poor health, as demand remains subdued and throughput low (except in China), with rates continuing to fall (incidentally across all major trade lanes) as capacity management has been unsuccessful managing the decline. Consequently, vessels worldwide are sailing slower and slower in part to offset the decline in activity. However, despite these efforts, schedule reliability remains way below pre-pandemic standards, even though throughput has returned to equivalent levels. These realities indicate that South Africa is not alone in its difficult maritime trade economy – most nations face similar challenges. However, the key is to mitigate these challenges – something in which South Africa has signally failed recently, despite boasting of "*exceptional*" returns in some sub-sectors<sup>6</sup>, when, in reality, neither of our two critical sectors – containers and total bulk cargo - has shown any material growth since 2009. Indeed, from this period, containers (measured in TEU) have returned a *negative* GACR of **↓0,5%**, whereas total bulk cargo (measured in metric tonnes) has returned a GACR of a *mere* **↑1,5%**<sup>7</sup>. Other developments include **(1)** FIATA calls for reasonable free time for container usage, and **(2)** DP World continues its global expansion.

In the air freight market, weekly international trade decreased somewhat (**↓3%**), as domestic (**↓0,5%**) volumes remained very low. Overall, there has been a significant decrease in volume amid a very slow start to the year. The sentiments were confirmed last week at the Air Cargo Africa event in Johannesburg, where many delegates confirmed the shift away from air freight, particularly since sea freight rates have returned to "*normal*" levels and service reliability had been restored somewhat<sup>8</sup>. Internationally, air cargo has mostly stabilised but remains pretty subdued. Air cargo rates are currently trending at an average of **US\$2,81 per kilo** in week 8, despite the effects of higher fuel surcharges, but they remain significantly above pre-COVID levels. Despite the stressed industry, the overall sentiment remains optimistic; however, the outlook is more favourable for the passenger than cargo segment.

Regional cross-border road flows slowed this week. South African land border crossing in the region has averaged **~12,5 hours** (**↑26%**, w/w) for the week, while the greater SADC region (excluding ex-South Africa) decreased by the same magnitude, averaging **~14,0 hours** (**↑10%**, w/w). The most significant change this week comes from the Kasumbalesa control zone on the Zambia side, as rules have been amended only to allow trucks to stay there for one day (down from 48 hours). Incidentally, the average crossing times last week was **~37 hours**. Other congested SADC borders this week included Beitbridge, Katima/Mulilo,

<sup>6</sup> Matshoba, A. 01/03/2023. [Automotive, break-bulk sectors at record volumes: Transnet Port Terminals.](#)

<sup>7</sup> Calculated from TNPA data. Between 2009 and 2022, container throughput went from **4,33 million TEU** to **4,25 million TEU**, whereas total bulk moved from **174 million metric tonnes** to **210 million metric tonnes**.

<sup>8</sup> Lennane, A. 02/03/2023. [South African trade moves away from air cargo as ocean rates tumble.](#)

Oshikango, and Santa Clara. Further notable developments included **(1)** impounded HGVs in Mpumalanga, **(2)** Mufulira municipality instituting a "levy" on transporters, and **(3)** poor road conditions in Zimbabwe due to Cyclone Freddy.

In concluding this week's report, it is worth reiterating the importance of maintaining a logistics network that can function optimally at all times. And at an aggregate level, national logistics systems are the providers of infrastructures and spatial connectivity, whereas business logistics systems are the users. As a result, national logistics systems are involved in developing and providing infrastructures, while business logistics systems focus on optimising supply chain decisions based on the infrastructures provided by national logistics systems. However, the current restrictions of the Public Finance Management Act (PFMA) — which forces state-owned companies to have capital-intensive procurement approved by the National Treasury — are cumbersome to the functioning of the logistics system at a national level. (Indeed, with Eskom, Transnet sits at the heart of our current economic predicament.<sup>9,10</sup>) As a result, infrastructure failures and equipment breakdowns have plagued the industry for far too long, whether at our ports or on our rail lines. Some positive developments have occurred recently; however, these need to be accelerated. Private capital will rush in; however, swift regulatory changes are required to allow capital to be incentivised. Transnet should be a lever to growth but can only be seen as an obstacle at the moment<sup>11</sup>. South Africa Inc. needs to close the current gap between the system's design capabilities and the system's current capabilities based on its recently demonstrated performance.

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<sup>9</sup> Steyn, L. 26/02/2023. [Sasol hit on three fronts by Transnet troubles.](#)

<sup>10</sup> McKay, D. 02/05/2023. [South32: wedged between the worst failures of Transnet and Eskom.](#)

<sup>11</sup> McKay, D. 24/02/2023. [SA's mining sector saved stumbling Transnet R1.6bn with just one intervention last year.](#)

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## 1. Ports Update

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

### a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 25 February to 3 March<sup>12</sup>

7-day flow forecast (25/02/2023 – 03/03/2023)		
TERMINAL	NO. OF CONTAINERS <sup>13</sup> TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 068	2 961
DURBAN CONTAINER TERMINAL PIER 2:	10 019	10 562
CAPE TOWN CONTAINER TERMINAL:	2 434	3 578
NGQURA CONTAINER TERMINAL:	3 208	4 914
GQEBERHA CONTAINER TERMINAL:	772	1 300
<b>TOTAL:</b>	<b>20 501</b>	<b>23 315</b>

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

Table 3 – Container Ports – Weekly flow predicted for 4 to 10 March

7-day flow forecast (04/03/2023 – 10/03/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 907	7 067
DURBAN CONTAINER TERMINAL PIER 2:	11 309	10 311
CAPE TOWN CONTAINER TERMINAL:	6 416	10 609
NGQURA CONTAINER TERMINAL:	5 971	8 001
GQEBERHA CONTAINER TERMINAL:	528	700
<b>TOTAL:</b>	<b>29 131</b>	<b>36 688</b>

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

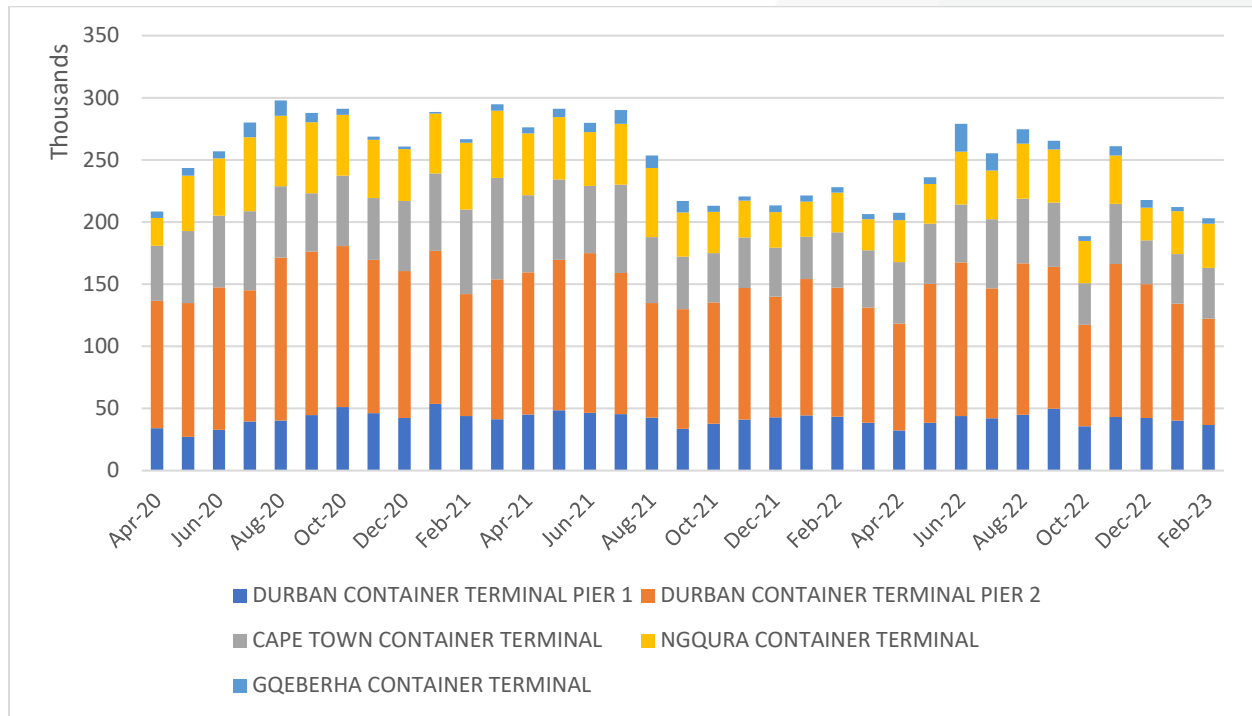
A poor average of ~6 259 containers (↓14%) was handled per day for the last week (25 February to 3 March, Table 2) compared to the projected average of ~7 824 containers (↓20% actual versus projected) noted in last week's report. An increased average of ~9 403 containers (↑50%) is predicted to be handled next week (4 to 10 March, Table 3); however, this elevated figure is unlikely to be achieved, given the usual gap between predictions and actual performance. Port operations this week were as usual impacted by adverse weather, frequent equipment breakdowns and shortages, system challenges, delays, 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. Again, the continued decline in throughput volumes is evident.

<sup>12</sup> 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.

<sup>13</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.

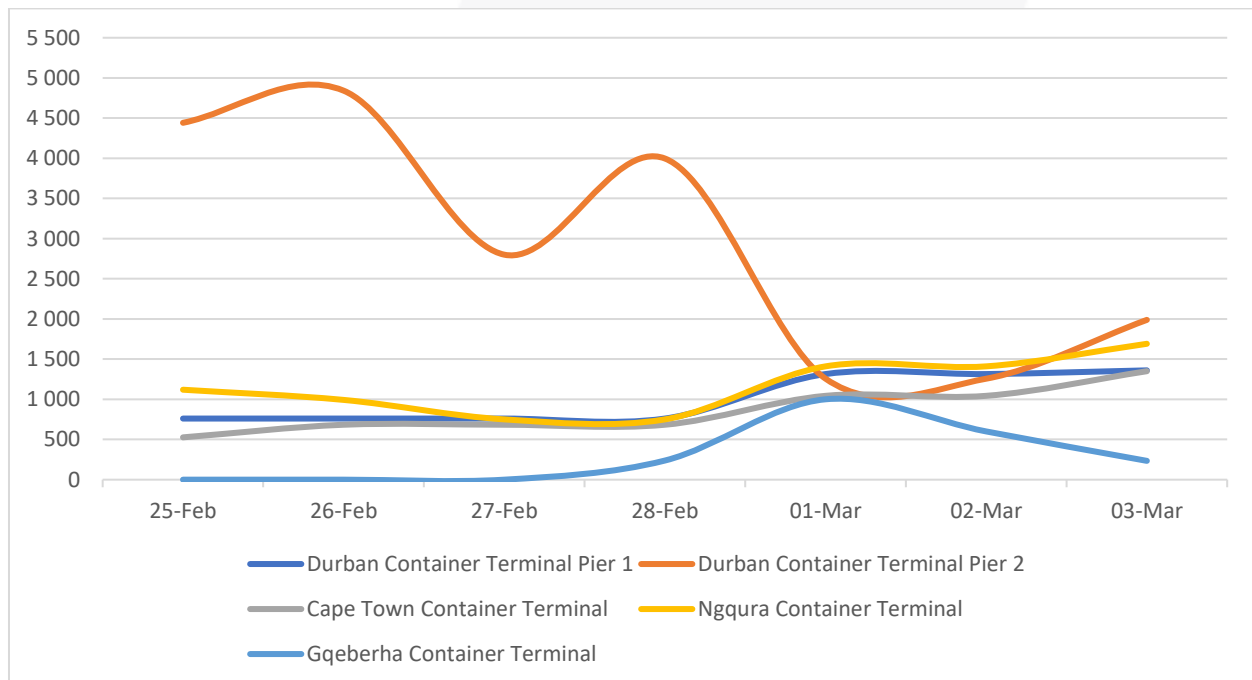
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



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

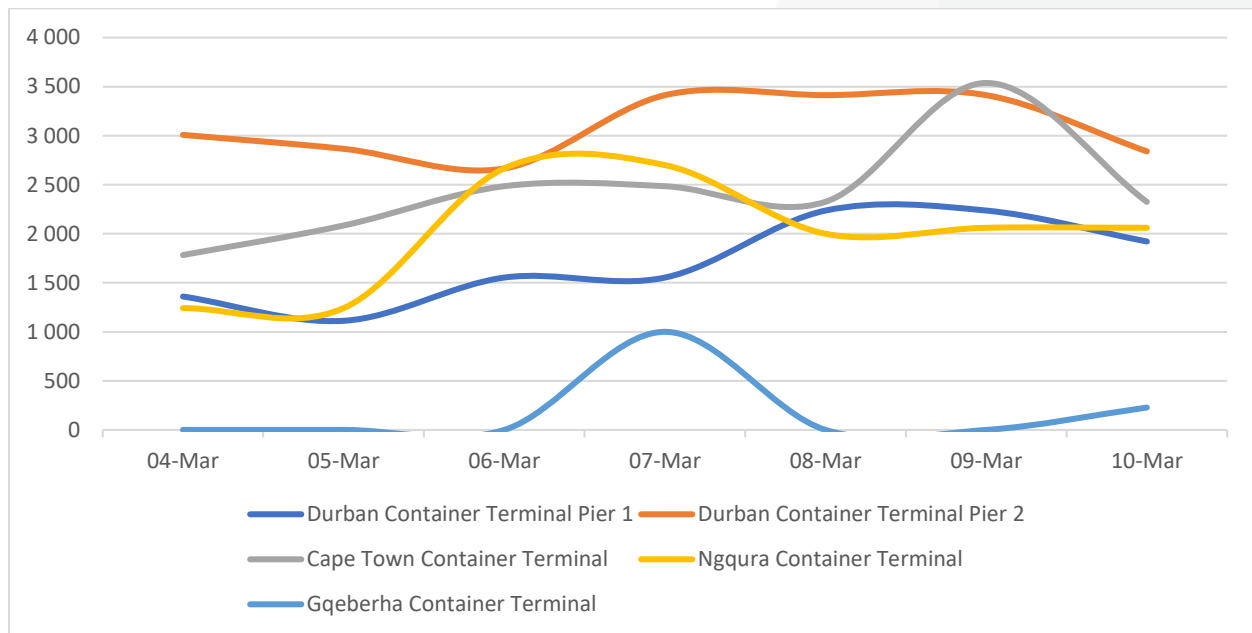
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (25 February to 3 March; per port; day on day)



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

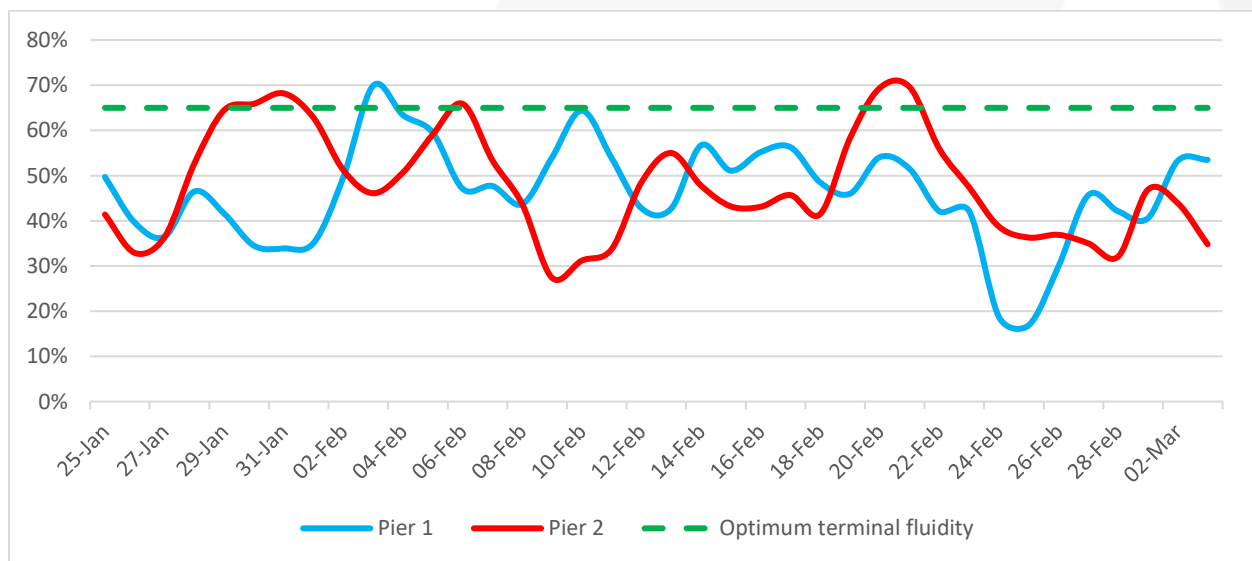
Figure 5 – 7-day forecast reported for total container movements (4 to 10 March; per port; day on day)



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

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 (25 January to present; day on day)

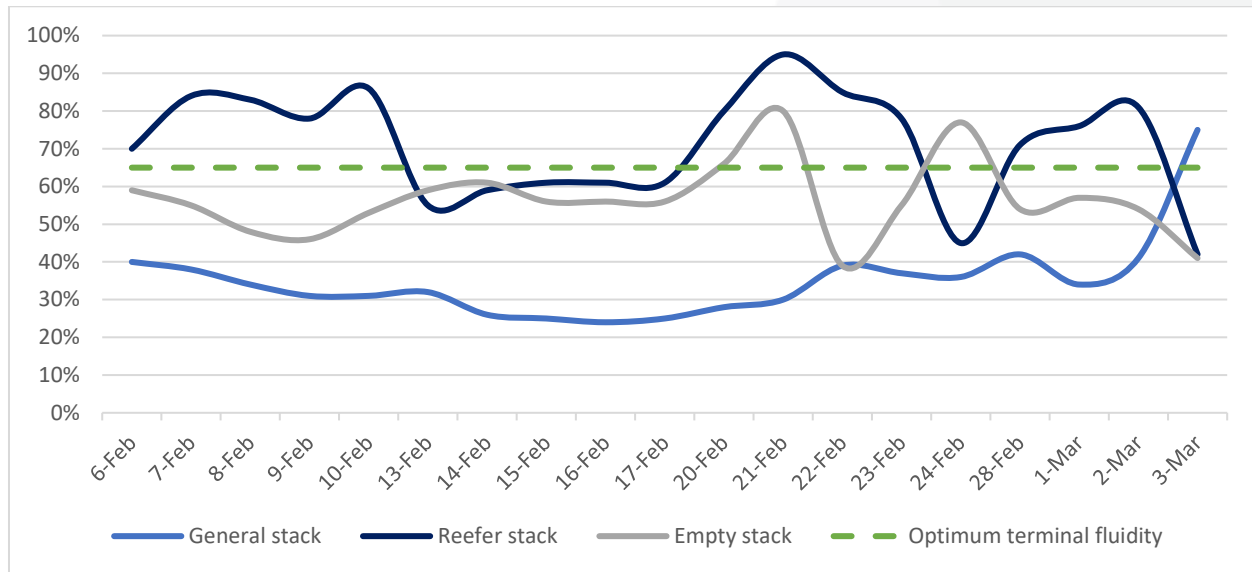


Source: Calculated using data from Transnet, 2023. Updated 03/03/2023.

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



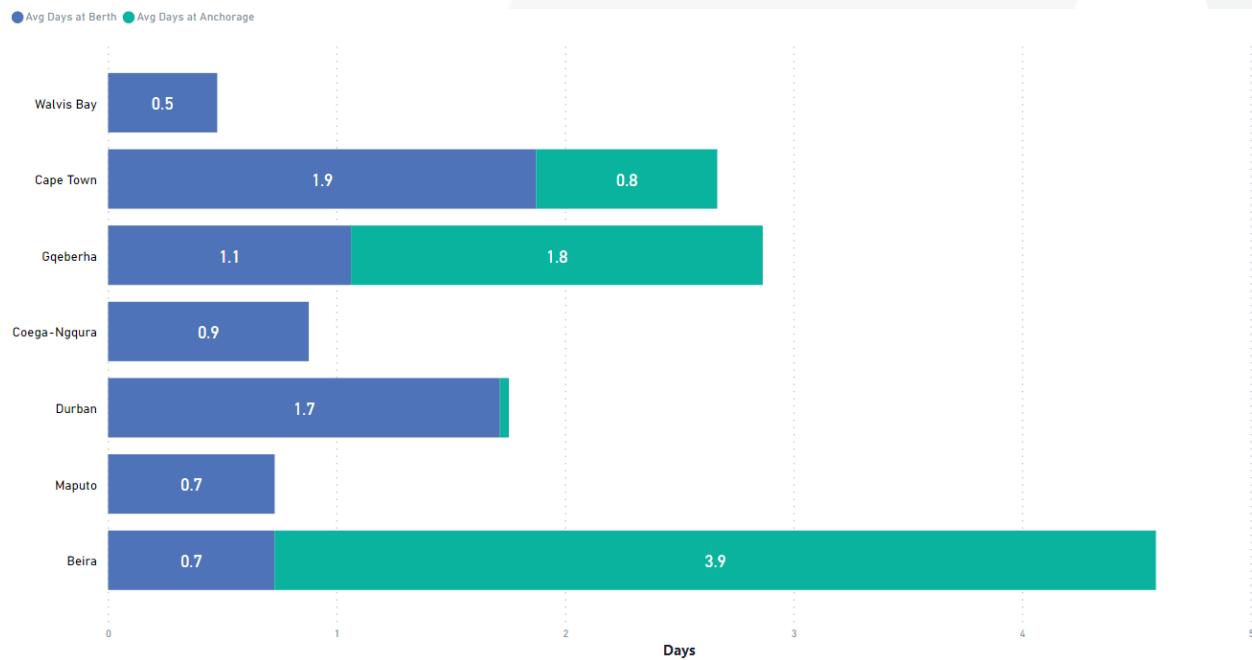
Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (6 February to present, day on day)



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

The following two figures, new additions to the report, show the weekly average days at berth and average days at anchorage for South African and selected regional ports.

Figure 8 – Average days at berth and average days at anchorage – Container vessels (25 February to 3 March)

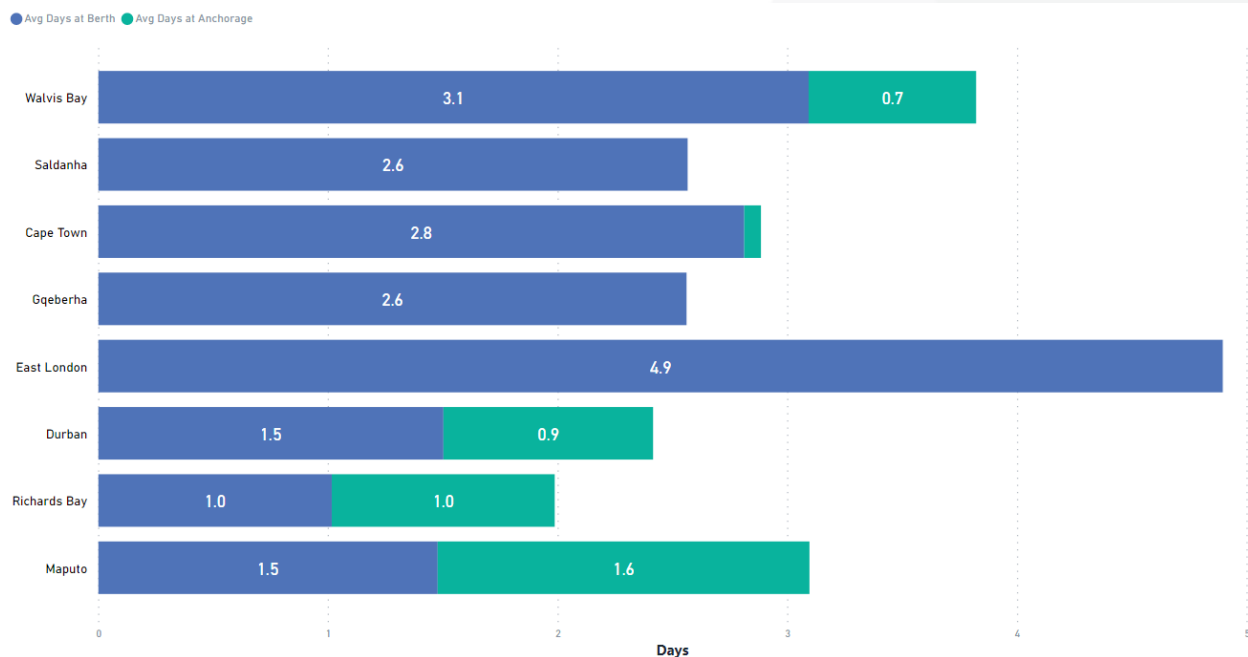


Source: Powered by the [Crickmay Platform](#)<sup>14</sup>. Updated 03/03/2023.

<sup>14</sup> These insights – and many others – are part of the development of a Transport Monitoring System between Crickmay and SAAFF. Parties interested in subscribing to the TMS are welcome to contact Crickmay or SAAFF. Worth mentioning is how these calculations are determined. The data comes from international Automatic Identification System (AIS) data. Once the vessel enters the port's outer limits, the vessels get tracked. Therefore, these graphs – still WIP – show the minimum time at anchorage, as some vessels, which may be further out at anchorage, will not yet be recorded. As the methodology is refined, the figure will become more accurate. Nevertheless, the figure is the best current real-time tracker of regional comparisons..



Figure 9 – Average days at berth and average days at anchorage – Bulk<sup>15</sup> vessels (25 February to 3 March)



Source: Powered by the [Crickmay Platform](#). Updated 03/03/2023.

## 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

Cape Town was revisited by their difficulties of a fortnight ago, with the most notable operational delays stemming from the container terminal being windbound for the whole of Monday. However, in the terminal's defence, it must be noted that there was a total of over 230 hours of wind stoppage for the month of February – an all-time record!

Challenges persisted in Durban as adverse weather, equipment breakdowns, and system challenges were the most prominent causes of operational delays throughout the week. Conversely, Richards Bay reported minimal delays this week.

The Eastern Cape ports also had some operational delays due to poor weather.

### ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and eight at outer anchorage, as berthing delays remain very high. Incidentally, Cape Town remains on the "Port Congestion Watch" as more than **40 000 TEUs** are currently stuck at anchorage, with a queue-to-berth ratio at a high of **1,5<sup>16</sup>**. Stack occupancy for GP containers was 41%, reefers 81%, and empties 54%. In the latest 24-hour period to Thursday, the terminal handled 1 992 TEUs across the quay. On the landside, 876 trucks were serviced while executing 58 rail moves.

On Tuesday, Cape Town MPT recorded zero vessels at anchor and one at berth. In the 24 hours to Wednesday, despite being windbound for approximately seven hours, the terminal managed to service 180

<sup>15</sup> The regional comparators on the break-bulk side should be read with caution, since ports like Walvis Bay, (in particular), Maputo and Beira tend to handle smaller parcel sizes than our ports, so the time on berth will naturally be less.

<sup>16</sup> Linerlytica. 03/03/2023. [Global Containership Port Congestion – as of 2 March 2023](#).

external trucks while handling 260 TEUs on the landside. It should, however, be noted that this terminal is not nearly as badly affected by wind as CTCT on the other side of the harbour. Stack occupancy was captured at 44% for GP containers, 45% for reefers and 78% for empties.

### iii. Durban and Richards Bay

Pier 1 on Thursday recorded no vessels at anchor and two at berth. Stack occupancy was 53% for GP containers, with 1 346 imports on hand and 157 unassigned units. The terminal recorded 1 269 landside gate moves on Wednesday, with 782 slots cancelled and 77 slots wasted. In addition, on Friday, five gangs were in operation and managed to move 1 764 TEUs across the quay against a target of 1 929.

Pier 2 had four vessels at berth and one at anchorage on Thursday. In the most recent 24 hours to Friday, stack occupancy was 44% for GP containers and 33% for reefers. The terminal operated with 11 gangs while having 2 432 imports on hand. On Friday, there were 2 798 gate moves on the landside with a truck turnaround time of ~65 minutes and staging time of ~72 minutes. Lastly, 97 rail import containers were on hand, with 353 moved by rail.

The marine fleet in Durban remained stable and continued its recovery over the past week as five tugs serviced waterside operations for the most significant part of the week. Early in the week, one tug briefly went out of commission but swiftly returned to operations. Additionally, the launch in Durban briefly went out of commission to undergo a filter change. The engineering team, however, ensured that the launch returned to operations efficiently. The NAVIS system's secondary link was offline from 23:45 on Monday to approximately 05:00 on Tuesday morning. The outage did not affect the primary link, and the system remained online throughout the night shift.

Durban MPT terminal, on Wednesday, recorded three vessels at berth and zero at outer anchorage while handling 476 containers and 334 breakbulk tons on the waterside. Stack occupancy for breakbulk improved once more this week but remained high at 75%, while stack occupancy on the container side was recorded at 50%. On Thursday, two cranes, seven reach stackers, one empty handler, seven forklifts and 18 ERFs were in operation. One of the cranes went on a short-term outage this week due to gearbox troubles. The engineering team ordered a new gearbox from Germany which is anticipated to arrive during the week of 13 March.

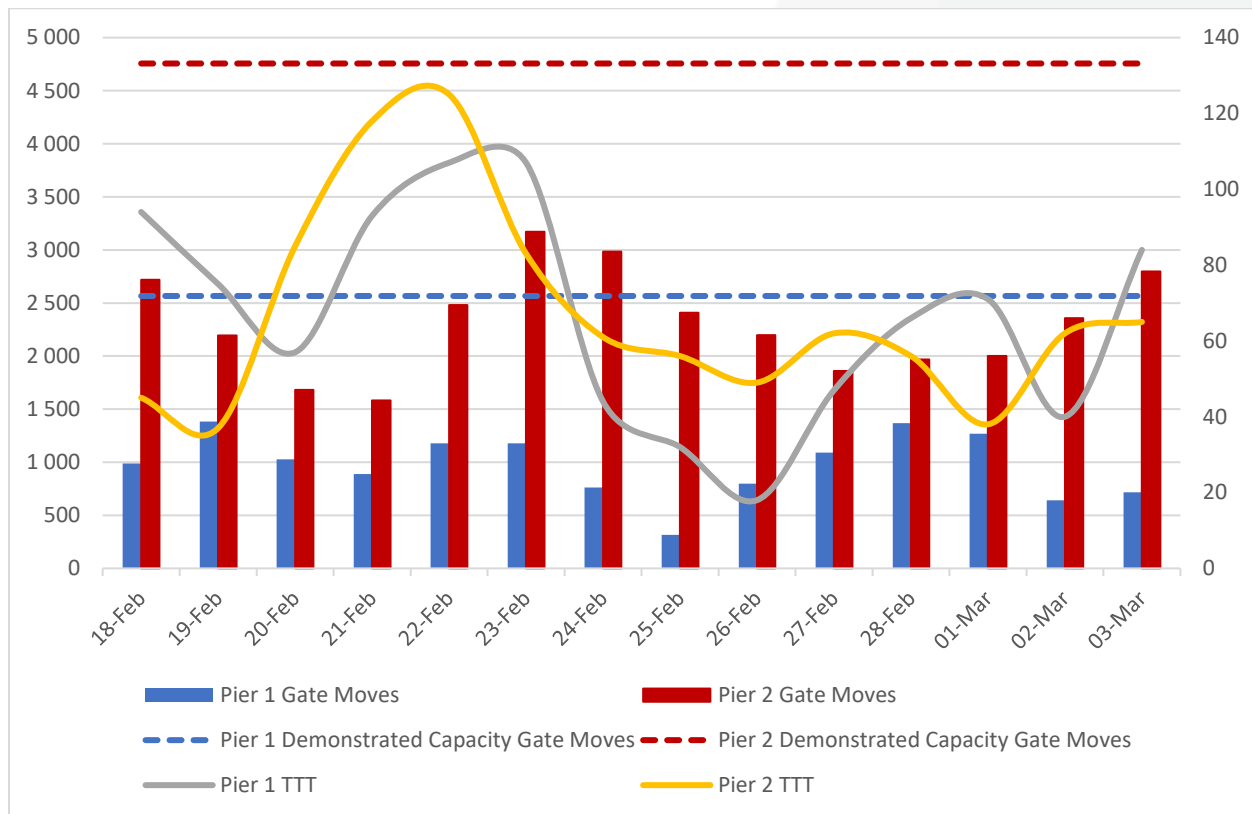
On Thursday, Richards Bay recorded 24 vessels at anchor: four bulk, ten coal, six general, two bunker, and two tanker vessels. In addition, there were 11 vessels on berth, five at DBT, five at MPT, one at RBCT, and none at the liquid bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Friday. Furthermore, crisis meetings were called in Richards Bay this week after the situation reached a crescendo late last week, when up to 600 coal trucks piled up next to the main entrance to Richards Bay, bringing traffic to a standstill along sections of the N2<sup>17</sup>.

The following figure summarises the performance of Durban's container terminals for the last two weeks, focusing on gate moves and time spent in the terminals. As has been the case lately, throughput figures are way down on the demonstrated capacity of the terminals.

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<sup>17</sup> T. Carnie. 26/02/2023 - [Crisis meeting called after trucks block N2 highway and trash local airfield](#)

Figure 10 – Gate moves (left axis), and time spent in the terminal (in minutes, right axis)



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

**iv. Eastern Cape ports**

NCT on Wednesday recorded three vessels on berth, with one at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading into Thursday. Reports this week suggested that NCT and GCT are no longer sharing tugs and that each port is conducting operations with a complement of two tugs. In the same period, stack occupancy was 23% for GP containers and 6% for reefers, while 41 reefers were handled with five gangs in operation. On the landside, 407 trucks were serviced at a truck turnaround time of ~30 minutes.

GCT on Thursday recorded no 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 Friday. In the same period, stack occupancy was 40% for GP containers and 18% for reefers while moving 793 TEUs across the quay. In addition, 43 trucks were serviced at an undisclosed truck turnaround time on the landside.

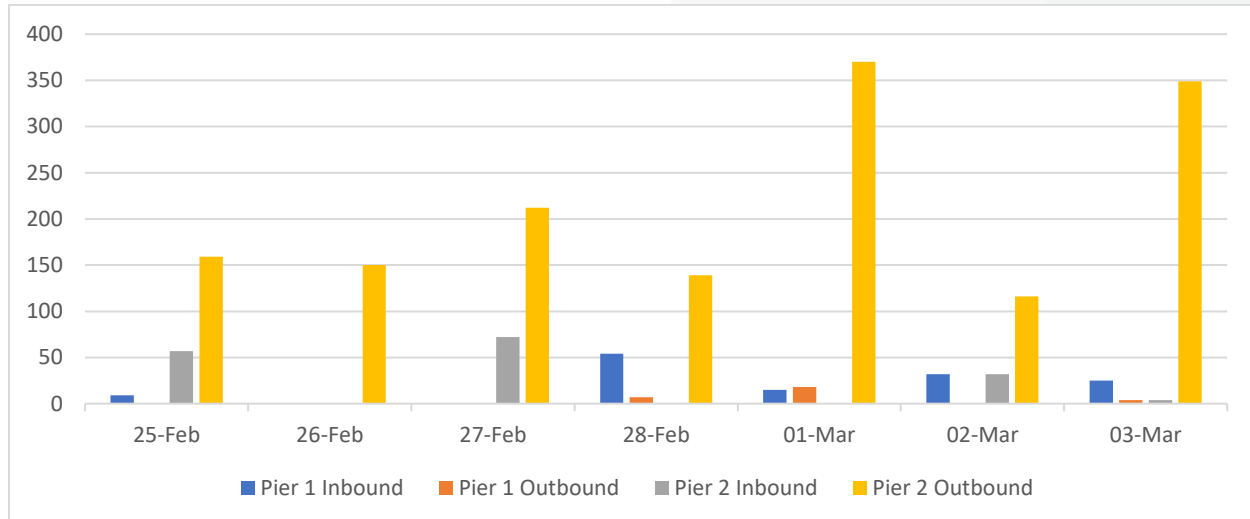
**v. Saldanha Bay**

On Thursday, the Iron Ore terminal had two vessels at anchorage and one on the berth, while the multipurpose terminal had two at anchor and four on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-5 days, while the vessels at berth have been on berth for the same amount of time.

## vi. Transnet Freight Rail (TFR)

Intermittent cable theft continued to disrupt rail operations this week, with reports suggesting that TFR is no closer to finding a solution to this problem anytime soon. TFR communicated that due to extensive damage done to the line on Wednesday evening, service on the ETR section of the Concor line had been disrupted. The criminality and seeming sabotage of our national industry speak volumes about the socio-economic state of the country and the failure of good governance and policing. The following figure shows the rail cargo evacuated from DCT in the last week.

Figure 11 – TFR: Rail handled (Pier 1 and Pier 2)



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

In the last week (25 February to 3 March), rail cargo handled out of Durban was reported at **1 824** containers, down by **↓6%** from the previous week's **1 935** 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 13 February. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *February 2022* averaged **~711 659 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

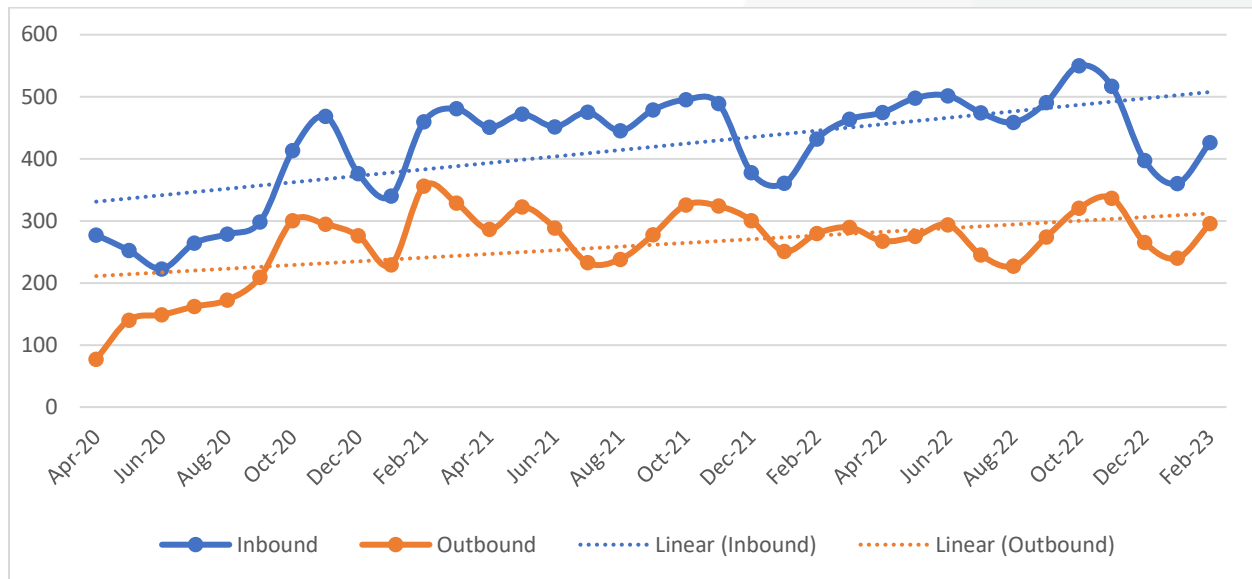
Flows	20-Feb	21-Feb	22-Feb	23-Feb	24-Feb	25-Feb	26-Feb
<b>Volume inbound</b>	600 228	254 301	393 647	346 181	308 284	376 705	714 298
<b>Volume outbound</b>	284 495	264 488	220 435	211 420	234 280	224 539	662 325
<b>Total</b>	<b>884 723</b>	<b>518 789</b>	<b>614 082</b>	<b>557 601</b>	<b>542 564</b>	<b>601 244</b>	<b>1 376 623</b>

Courtesy of ACOC. Updated: 28/02/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **427 663 kg** inbound and **300 283 kg** outbound, resulting in an average of **727 947 kg per day** or **~102%** compared with February 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.

Figure 12 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 28/02/2023.

### 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 ~78 412 kg per day.

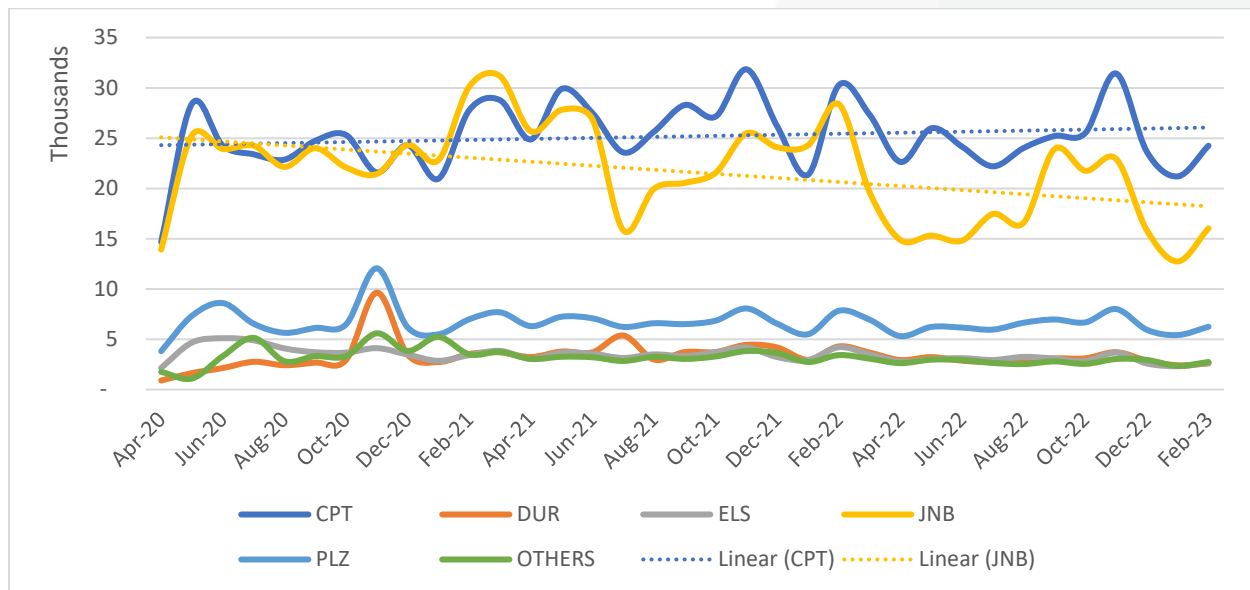
Table 5 – Total domestic inbound and outbound cargo

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.	23 803	2 681	2 706	16 630	6 379	2 723	54 922
20-Feb-23	32 252	4 307	4 128	25 315	13 664	3 932	83 597
21-Feb-23	36 828	4 333	4 431	26 408	10 193	3 945	86 138
22-Feb-23	34 024	4 647	4 300	25 846	8 853	4 037	81 707
23-Feb-23	36 303	3 345	4 300	26 221	9 014	3 535	82 719
24-Feb-23	16 683	2 999	2 571	21 624	4 525	2 815	51 218
25-Feb-23	1 066	311	86	2 157	67	15	3 702
26-Feb-23	937	484	103	151	815	390	2 880
<b>Total for 2023:</b>	<b>1 351 845</b>	<b>159 023</b>	<b>150 729</b>	<b>923 241</b>	<b>350 045</b>	<b>162 131</b>	<b>3 096 984</b>

Courtesy of BAC. Updated: 28/02/2023.

The average domestic air cargo moved last week was ~55 995 kg per day, which is ↓0,5% compared with the previous week, but only ~72% of what was moved in February 2022.

Figure 13 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 28/02/2023.

### 3. Road and Regional Update

#### a. 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 somewhat and averaged **~12,5 hours (↑26%, w/w)** for the week.
- Locally, several HGVs have been impounded in Mashishing (Lydenburg), Mpumalanga, for failing to adhere to road regulations only permitting in-town deliveries or movements to depots.
- Rules have been amended at the Kasumbalesa control zone on the Zambia side, allowing trucks to stay for 24 hours (down from 48 hours) only.
  - The change is now in-line with the DRC control zone.
  - Elsewhere, Mfulira municipality has instituted a "levy" on transporters using the area. Naturally, Transporters are unhappy as this is an extra added cost. Transporters have also been advised to refuse to pay since this is not legislated.
  - Moreover, the operating hours have been extended from 06:00 to 20:00 to 24 hours, which has been applauded by the industry and will hopefully alleviate the ongoing congestion issues there.
- Poor road conditions were reported in Zimbabwe along the EN6 between Mutua and Dondo, which Cyclone Freddy has caused in Mozambique.
- 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>18</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>19</sup> summary – South African borders

Border Post	Direction	HGV <sup>20</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	10	37	11 730	2 737
Beitbridge	Zimbabwe-SA	410	7	3	17	12 300	2 870
Groblersbrug	SA-Botswana	248	2	3	20	7 440	1 736
Groblersbrug	Botswana-SA	157	0	0	1	4 710	1 099
Violsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	1	1	2	600	140
Nakop	SA-Namibia	30	0	1	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	2	600	140
Lebombo	SA-Mozambique	1 552	0	1	6	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	1	2	3 990	931
Skilpadshek	SA-Botswana	200	3	1	4	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	3	21	700
<b>Average/Sum</b>		<b>3 291</b>	<b>02:00</b>	<b>02:00</b>	<b>09:00</b>	<b>94 551</b>	<b>23 037</b>

Source: TLC, FESARTA, & Crickmay, week ending 26/02/2023.

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	3	20	9 600	2 240
Dar Es Salaam Corridor	1 819	12	5	22	54 570	12 733
Maputo Corridor	1 685	0	1	4	50 550	11 795
Nacala Corridor	127	0	2	6	3 810	889
North/South	3 278	6	6	13	74 898	22 946
Trans Caprivi Corridor	116	0	1	22	3 480	812
Trans Cunene Corridor	100	0	4	52	3 000	700
Trans Kalahari Corridor	330	2	1	3	5 541	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
<b>Average/Sum</b>	<b>7 875</b>	<b>04:00</b>	<b>04:00</b>	<b>14:00</b>	<b>208 449</b>	<b>55 125</b>

Source: TLC, FESARTA, & Crickmay, week ending 26/02/2023.

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

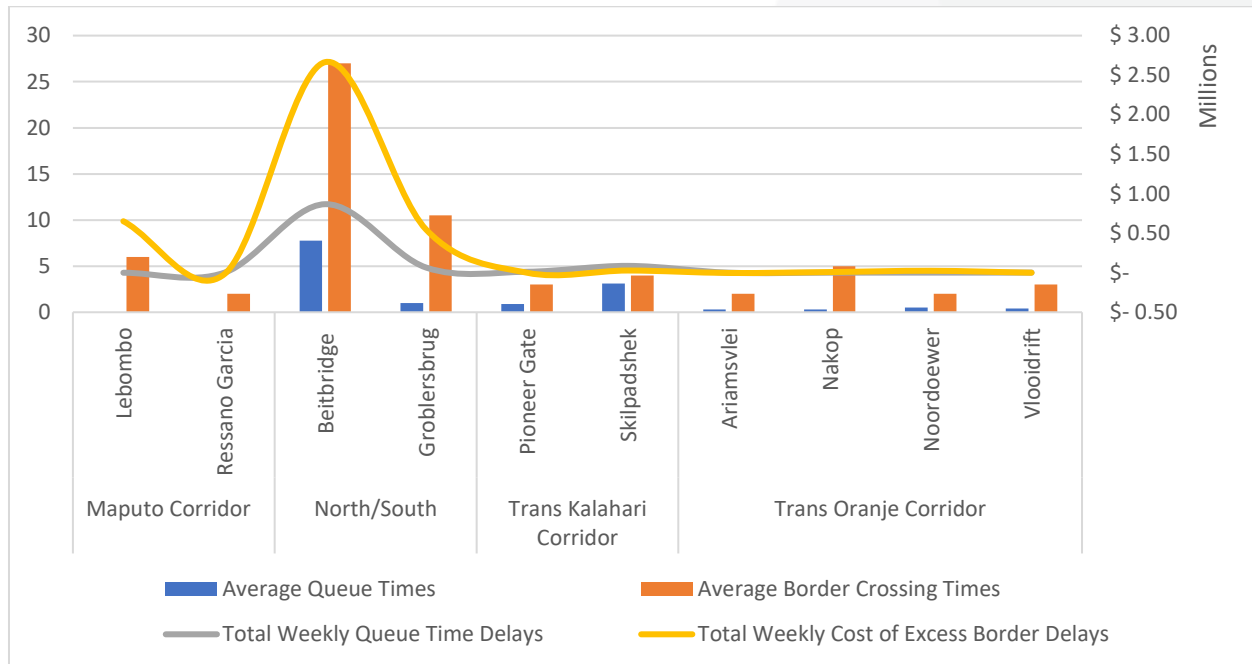
<sup>18</sup> [FESARTA TRANSIST Bureau](#).

<sup>19</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.

<sup>20</sup> Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.



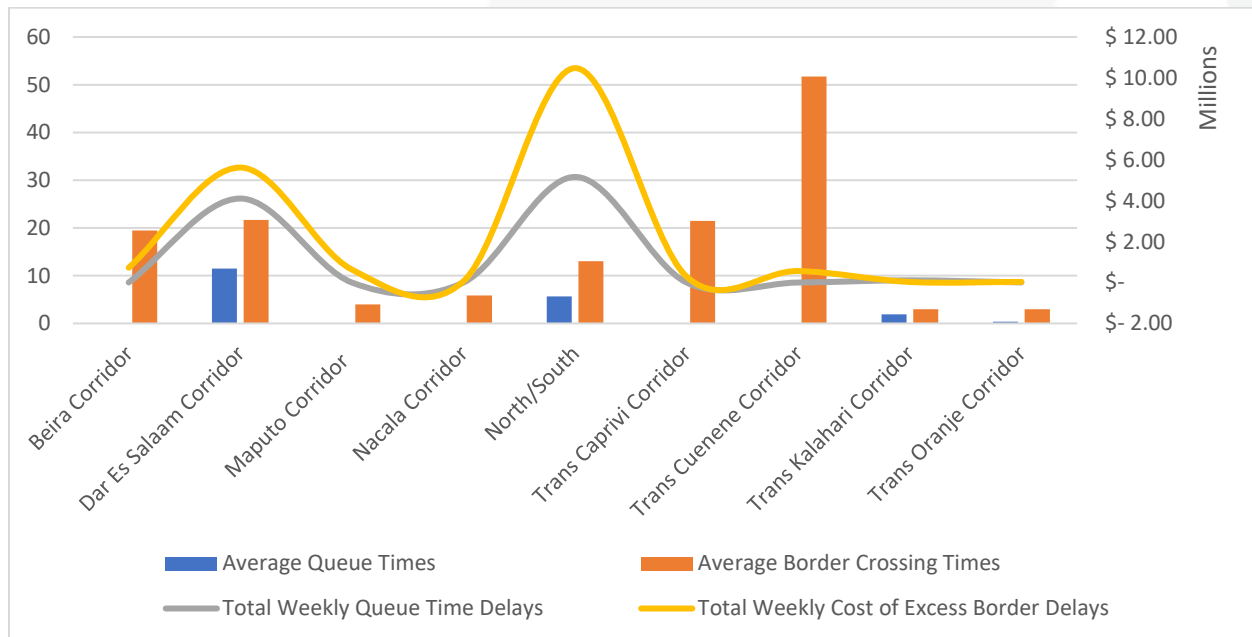
Figure 14 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 26/02/2023.

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

Figure 15 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 26/02/2023.

In summary, cross-border queue time has averaged **~4,0 hours** (up by **~2,2 hours** from the previous week's **~1,8 hours**), indirectly costing the transport industry an estimated **\$9 million (R164 million)**. Furthermore, the week's average cross-border transit times hovered around **~13,8 hours** (up by **~1,5 hours** from the **~12,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$18 million (R324 million)**.

million). As a result, the total indirect cost for the week amounts to an estimated ~R489 million (up by ~R157 million or ↑47% from R332 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.

##### b. Global shipping industry

###### i. Container throughput

The latest *RWI/ISL*<sup>21</sup> figures emphasised the weak start to the year regarding global container throughput. For January, the index decreased to **120,2 points** (down by a significant ↓2,2 from December's revised **122,4 points**)<sup>22</sup>. The decrease was mainly influenced by the significant decrease in European ports, which saw the *North Range Index* drop from **109,0** in December to **96,6** in January – below the 2015 baseline! The *Chinese Index* reached **133,3** in January after **134,2** in December. However, as *RWI/ISL* notes, the index values always need cautious interpretation around the Chinese New Year holidays. Incidentally, *Drewry's "Container Port Throughput"* – for December – decreased monthly by ↓3,0% and estimated a further ↓0,5% decline in January. Annual figures indicate that *Drewry's* index ended the year in negative territory (↓0,7%, y/y); whereas looking back further, the *RWI/ISL* below shows that there has been no growth since the pandemic broke out.

Figure 16 – *RWI/ISL* Container throughput index (2015 = 100)



Source: [RWI/ISL](http://www.rwi.isl)

For Africa, incidentally, *Drewry* reports that monthly movement was significantly down (↓7,6% versus November) and remained down versus last year, at ↓6,0%.

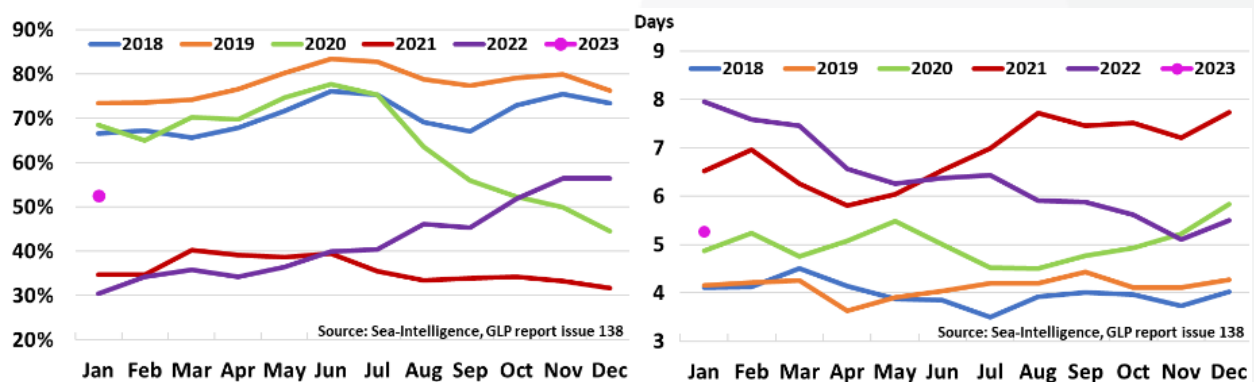
<sup>21</sup> Container Throughput Index of *RWI* – Leibniz Institute for Economic Research and the Institute for Shipping Economics and Logistics (*ISL*), which consists of data from 94 international ports, constituting approximately 66% of global container traffic, and includes the South African ports of Cape Town, Durban, and Ngqura.

<sup>22</sup> *RWI/ISL*. 28/02/2023. [RWI/ISL Container Throughput Input Index: Weak start to the new year.](http://www.rwi.isl)

## ii. Schedule reliability and cancelled sailings

Despite the significant decrease in global container throughput, global liner schedule reliability bucked that trend and decreased significantly, according to the latest January figures published by Sea Intelligence. For the month, schedule reliability declined by **↓3,8%** (m/m) to **52,6%**<sup>23</sup>. Despite the decrease, schedule reliability in January 2023 was considerably higher than in the previous two years, with an annual increase of **↑24,8%** (y/y). However, the previous two years cannot be used as a yardstick, given the dire supply chain constraints experienced during that time. Despite the slight negative movement in reliability, the average delay for LATE vessel arrivals has dropped marginally by **↓0,24 days** (m/m) to **5,26 days** in January. The following side-by-side figures illustrate reliability and delays in the last five years.

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



Source: [Sea Intelligence](#)

Maersk has again reigned supreme on an individual carrier level, continuing the monthly to-and-fro shuffle between the leading carriers at the top spot. Maersk came in at **58,3%**, with MSC trailing at **57,7%**. Additionally, there were three more carriers with schedule reliability of over **50%**, as the remaining carriers all had schedule reliability of **40%-50%**. Incidentally, Drewry's "Cancelled Sailings Tracker" continues to moderate this week, as the tracker registered an approximate **9% cancellation rate**<sup>24</sup> (**↓10%**, m/m).

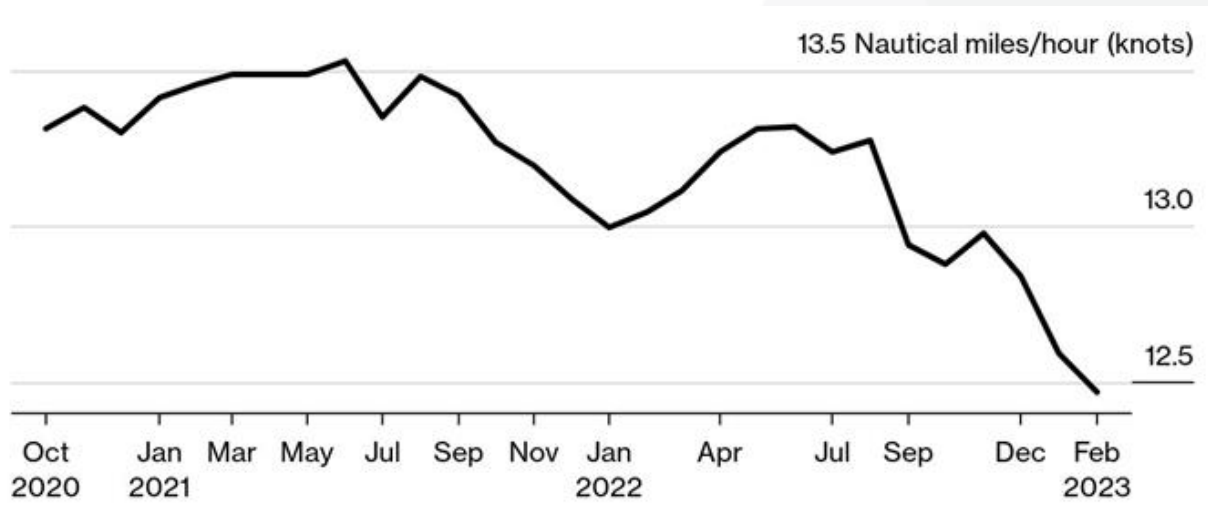
## iii. Container sailing speeds

Container activity globally is currently in very poor health, as container vessels worldwide are sailing slower and slower, according to the latest IHS Market update. The determinants of vessel speed typically rely on emission, demand (or activity), and rates – with the two former determinants currently playing the most prominent role. Spot rates for many ocean shipping lanes have fallen to pre-pandemic levels, but short-term prices for containers from Europe to the US East Coast are still more than double what they were in late-2019, according to data from Freightos. And high rates are still in place for **↑70%** of container cargo transported in containers under long-term contracts negotiated in the 'pay anything' mood of 2021 and 2022. So, in another attempt to contain the current slide in rates, container vessels are travelling at slower and slower speeds to cut costs and also to ensure better loads when they finally reach their destinations.

<sup>23</sup> Murphy, A. 01/03/2023. [Schedule reliability dips slightly M/M in January 2023](#).

<sup>24</sup> Drewry. 03/03/2023. [Cancelled Sailings Tracker - 3 March](#).

Figure 18 – Container vessel average speeds (nautical miles/hour)



Source: [IHS Markit – Gen scape via Bloomberg](#)

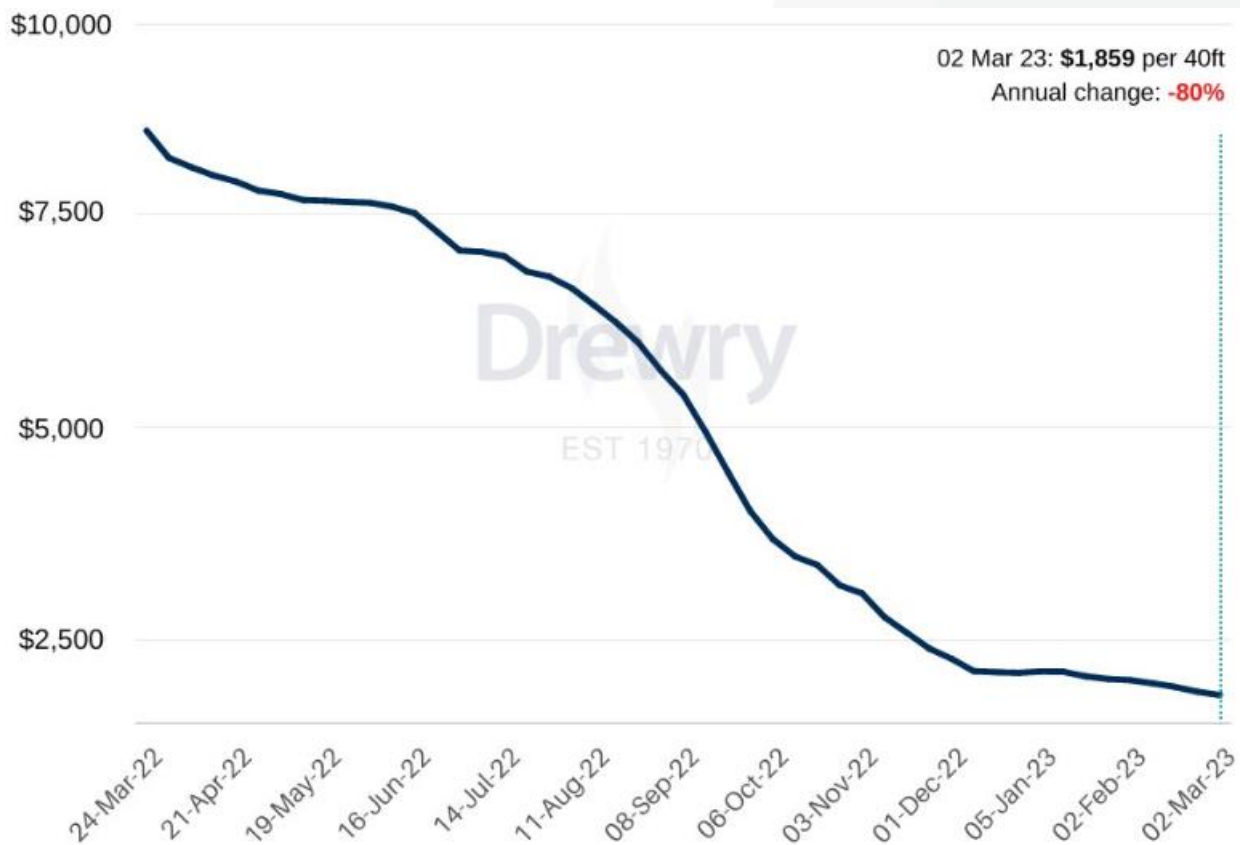
Besides the rate conundrum, higher costs for diesel, industrial equipment, and major capital expenses like new and used trucks still abound. Add to that rising wages and high cost of staff turnover across the logistics industry, together with increasing warehousing/storage costs, and you have a recipe for severe inflation<sup>25</sup>.

**iv. Container freight rates relationship**

Container rates continue to drop, as the "World Container Index" decreased by **↓2% (\$39)** this week to **\$1 859** per 40-ft container:

<sup>25</sup> Curtis, L. 26/02/2023. [Supply Chains Have Healed Yet Their Mark on Inflation to Endure.](#)

Figure 19 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

The composite index is **↓82%** below the corresponding spot price quoted last year and **↓31%** lower than the 10-year average of **\$2 691**. However, the index still hovers some **↑31%** above the average pre-pandemic rate quoted in 2019. Spot rates on all eight major trade lanes following the composite trend fell this week, meaning that spot rates on all routes are now less than what they were this time last year. The conditions in ocean freight are now much more palatable to shippers; however, the reduced activity does not make for smooth international business, as merchandise trade to and from all regions – bar China – is subdued for now. Nevertheless, despite the steady rate drop, shippers have called for "stability and service, not rock-bottom rates"<sup>26</sup>.

**v. Further developments of note**

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

**1. FIATA calls for reasonable free time for container usage:**

- a. This week, the International Federation of Freight Forwarders Associations urged shipping lines to review and reinstate the current free periods to no less than feasible pre-pandemic

<sup>26</sup> Wackett, M. 03/03/2023. [Shippers want stability and service, not rock-bottom freight rates.](#)



levels<sup>27</sup>. Moreover, whilst the decision to reduce the free periods was one-sided, market conditions have changed, and justifications for the status quo no longer remain valid.

- b. FIATA says that D&D charges are essential for container fleet owners to ensure efficient use of their container stock, which represents a substantial investment. Containers must be turned around as fast as possible by understanding the need to maintain cargo velocity. Consequently, merchants who use containers for more prolonged periods should be discouraged from this practice. Best practices on this topic can be found in FIATA's *Toolkit on Detention and Demurrage*<sup>28</sup> and the *Best Practice Guide on Container Shipping and Quality of Containers*<sup>29</sup>.

**2. DP World continues its global expansion – this time in Brazil:**

- a. Dubai-headquartered terminal operator DP World has announced a **\$38 million investment** to expand and modernise its facilities on the left bank of Brazil's Port of Santos<sup>30</sup>.
- b. The investment is expected to increase annual movement capacity from **1,2 million TEU** to **1,4 million TEU** and expand the quay from **1 100 m** to **1 300 m**. The expansion will also increase the capacity of the cellulose export complex at the port from **3,6 million tonnes** to **5,4 million tonnes** annually.

**c. Global air cargo industry**

In the frequently published air cargo data from World ACD's analysis<sup>31</sup>, international air cargo capacity, tonnages, and average rates are all fairly stable, as there has been little movement in the market lately. Nevertheless, despite a long-term increase in capacity, chargeable weight and yields were substantially down versus this time last year, and the same is true for most regions:

Figure 20 – 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%	+18%		-9%	+7%		-6%
Asia Pacific		+8%	+25%		+10%	-39%		-2%	-38%
C. & S. America		-5%	+3%		-16%	+2%		-1%	-6%
Europe		+2%	+21%		-1%	-11%		-1%	-19%
M. East & S. Asia		+3%	+20%		-1%	-13%		+1%	-43%
North America		+1%	+12%		-4%	-20%		-2%	-12%
<b>Worldwide</b>		<b>+2%</b>	<b>+17%</b>		<b>-1%</b>	<b>-21%</b>		<b>+0%</b>	<b>-27%</b>

Source: [World ACD](#)

Figures for week 8 (20 to 26 February) show a slight decrease (↓2%) in worldwide tonnages compared with the previous week. On the pricing side, global average rates increased slightly (↑1%) compared with the previous week. However, there were some substantial variations in the underlying regional trends, particularly in Asia Pacific and Africa. On a regional level, the most notable short-term changes in tonnages were recorded from Central & South America to North America (↓20%) and Africa to Europe (↓11%), linked to the annual spike in flower shipments ahead of Valentine's Day on 14 February. Elsewhere, long-term changes in tonnages outbound Africa were rising compared with the previous year (↑1%). Rates continue

<sup>27</sup> FIATA. 28/02/2023. [FIATA calls for reasonable free time for container usage.](#)  
<sup>28</sup> FIATA. 28/02/2023. [FMC final rule on detention and demurrage.](#)  
<sup>29</sup> FIATA. 28/02/2023. [Best Practice Guide on Container Shipping and Quality of Containers Vol 2.](#)  
<sup>30</sup> Ajdin, A. 03/03/2023. [DP World to invest \\$38m in Brazil's Port of Santos.](#)  
<sup>31</sup> World ACD. 17/02/2023. [Worldwide air cargo tonnages and average rates further stabilize](#)

to be subdued, currently trending at an average of **US\$2,81 per kilo** in week 8, despite the effects of higher fuel surcharges, but they remain significantly above pre-COVID levels. The overall sentiment remains optimistic despite the stressed industry, according to the latest IATA "Business Confidence Survey"<sup>32</sup>. The outlook is more favourable for the passenger than the cargo segment, with passenger demand expected to recover strongly over the year ahead. In contrast, the outlook for cargo volumes has softened over the past year, with a much more moderate expectation for growth over the next twelve months.

**ENDS<sup>33</sup>**

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<sup>32</sup> IATA. 24/02/2023. [Industry confidence remains upbeat for the year ahead.](#)

<sup>33</sup> **ACKNOWLEDGEMENT:**

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