

COVID-19: Cargo movement update¹

Date: 9 December 2022

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)	22 602	28 499	51 101	27 008	36 922	63 930	↓20%
Air Cargo (tons)	5 168	3 121	8 288	5 527	3 285	8 812	↓6%

Monthly Snapshot

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

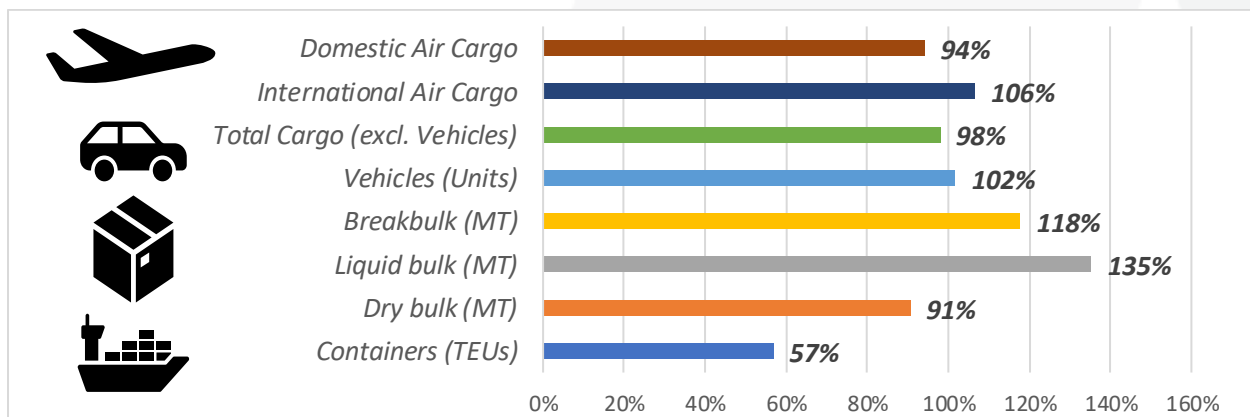
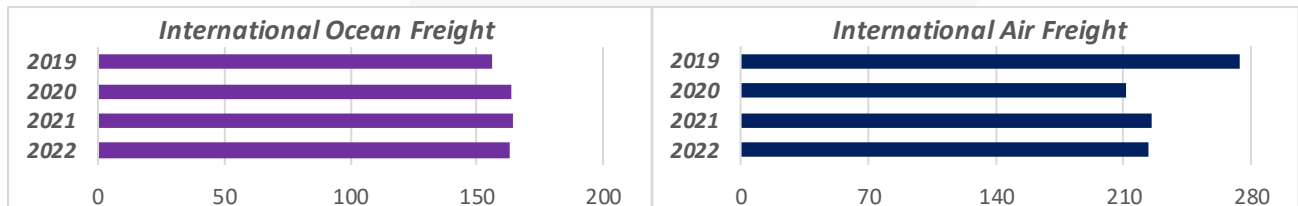


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 300 containers** was handled per day, with **~8 867 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 983 containers**, **↓30%** compared to last week.
- Cross-border queue times were **↓0,4 hours**, with transit times **↑2,3 hours**, SA borders **~8,0 hours (↑14%)**.
- CTS container throughput (dry & reefer) is up by **↑2,2% (m/m)**, down by **↓9,3% (y/y)** for October.
- Container capacity utilisation continues to decrease, as cancelled sailings remain high, this week at **14%**.
- The "WCI" decreased for the **41st consecutive week**, with spot rates down **↓6% (\$145) to \$2 139** per 40ft.
- Air cargo (chargeable weight) is down by **↓17% (y/y)** despite a slightly increased capacity (**↑2%**).
- Against trends, air cargo rates are **↓26% (y/y)**, but still **↑85%** higher than pre-pandemic levels of 2019.

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 117th 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: Oct vs Oct.

⁵ For ocean, total Jan-Oct cargo in metric tonnes, as reported by [Transnet](#) is used, while for air, Jan-Oct cargo to and from ORTIA is used.

Executive Summary

This update – *the 117th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this past week were characterised by adverse weather conditions, frequent equipment breakdowns and shortages, system challenges, congestion, and road shows. The Eastern Cape ports experienced a relatively good week, as the most significant reported delay occurred when the Ngqura port was subject to load shedding from 16:00 to 18:00 on Wednesday. Durban kicked off Friday morning with only two tugs as one experienced electrical faults. Additionally, the Durban helicopter went out of commission earlier this week due to suspected water in the fuel tank. Furthermore, this week, TFR was, as usual, on the receiving end of frequent overhead power failures on the line between Johannesburg and Durban, causing minor delays. However, the movement of trains on the container corridor is much improved as the incidence of cable theft is declining.

Globally, weekly container capacity deployment keeps on decreasing as carriers suffer from the growing trough in the global economy. Consequently, strategic "schedule management" remains a controversial topic, with cancellations and missed calls once again a feature of the week. In South Africa, we've also had the misfortune (or as a consequence of our operations) of seeing some vessels omit our ports lately. With the drastic reductions in rates, some lines are already operating at a loss in order to maintain reliability and keep what market share they've still got – especially for the smaller liners. The latest throughput numbers further confirm the state of the market, although there was a slight uptick in September's volumes. Collectively, the outlook remains bleak, as a global economy characterised by high inflation, low growth, and widespread civil unrest (and war) does not bode well for global trade in goods and the maritime economy! The main risks for the segment include a potential deeper-than-expected recession and the continuation of pandemic-related lockdowns in China, leading to further weakness in demand and manufacturing. Though not likely, any port capacity restrictions in China over lockdown-related production limitations could be positive for container freight rates, according to an assessment by Fitch⁶. Further developments of note included **(1)** industrial action continues globally, and **(2)** MSC faces further D&D sanctions at the FMC.

The South African airfreight industry experienced a slight increase – albeit not as dramatic as in pre-pandemic times – in volumes as the retailers gear up for Christmas. Nevertheless, as is the case with the international market, a significant peak season is not envisaged by the market, as the industry is also influenced by the various macro-economic and political factors playing out globally. Consequently, this week, international cargo volumes decreased slightly (↓6%, w/w), as domestic volumes are also slightly down at ↓1%. Operationally, the drive to improve security and compliance to the cargo precinct at ORTIA and Cape Town International continues with the implementation of the IVS system.

Internationally, global air cargo tonnages have continued to slide downwards at the end of November and the beginning of December, with no sign of any last-minute pick-up ahead of the end-of-year holiday season. The drop in volumes is despite a significant increase in available capacity, which has resulted in a massive slump in freight rates. Compared to last year, air cargo rates are way down on their usually elevated levels at this time of year and currently trading at an average of **\$3,34 per kg**, as the industry continues to moderate after the massive increases experienced during the pandemic.

In the cross-border road freight market, several regional border posts continue to experience average border crossings in excess of 24 hours, including Beitbridge, Groblersbrug, Kasumbalesa, Katima/Mulilo, Oshikango, and Santa Clara. In addition, South African borders have experienced an increase in crossing times as the industry braces itself for the increase in passenger traffic during the festive period. In an attempt to deal with this, the BMA has extended the operating hours of several border crossings. Additional regional

⁶ Fitch. 07/12/2022. [Global Shipping Outlook 2023](#).

developments included **(1)** the adoption of Electronic Certificates of Origin in Malawi, Zambia, and eSwatini, and **(2)** clearing agent strikes in the DRC.

In concluding this edition – *the second last of 2022* – we turn our attention to the latest GDP growth figures for Q3, which this week came in at **↑1,6%**⁷. Although the figure is slightly better than expected, we cannot even begin to celebrate such meagre growth figures, which will not go anywhere towards dealing with our socio-economic challenges of inequality, poverty, and unemployment. On the other hand, it appears that the trade sectors performed well – growing at **↑4,2%** (exports) and **↑0,6%** (imports), respectively – owing to some supply chain improvements of late. Nevertheless, these figures do not include the 11-day strike, which caused havoc to our industry and country as a whole. Ultimately, if we are serious about economic growth and development in our industry and our country, all role players must pull their respective weight in Q4 and onwards into the new year.

⁷ Stats SA. 06/12/2022. [Gross Domestic Product \(GDP\), 3rd Quarter 2022](#).

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1. Ports Update

This section provides an overview of the flow of containerised cargo through South Africa's 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 3 to 9 December⁸

7-day flow forecast (03/12/2022 – 09/12/2022)		
TERMINAL	NO. OF CONTAINERS ⁹ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 790	3 811
DURBAN CONTAINER TERMINAL PIER 2:	11 013	13 719
CAPE TOWN CONTAINER TERMINAL:	5 364	5 906
NGQURA CONTAINER TERMINAL:	3 228	4 913
GQEBERHA CONTAINER TERMINAL:	207	150
TOTAL:	22 602	28 499

Source: Transnet, 2021. Updated 09/12/2022.

Table 3 – Container Ports – Weekly flow predicted for 10 to 16 December

7-day flow forecast (10/12/2022 – 16/12/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 241	7 045
DURBAN CONTAINER TERMINAL PIER 2:	12 678	13 875
CAPE TOWN CONTAINER TERMINAL:	5 844	6 336
NGQURA CONTAINER TERMINAL:	3 028	4 825
GQEBERHA CONTAINER TERMINAL:	1 070	1 130
TOTAL:	28 861	33 211

Source: Transnet, 2021. Updated 09/12/2022.

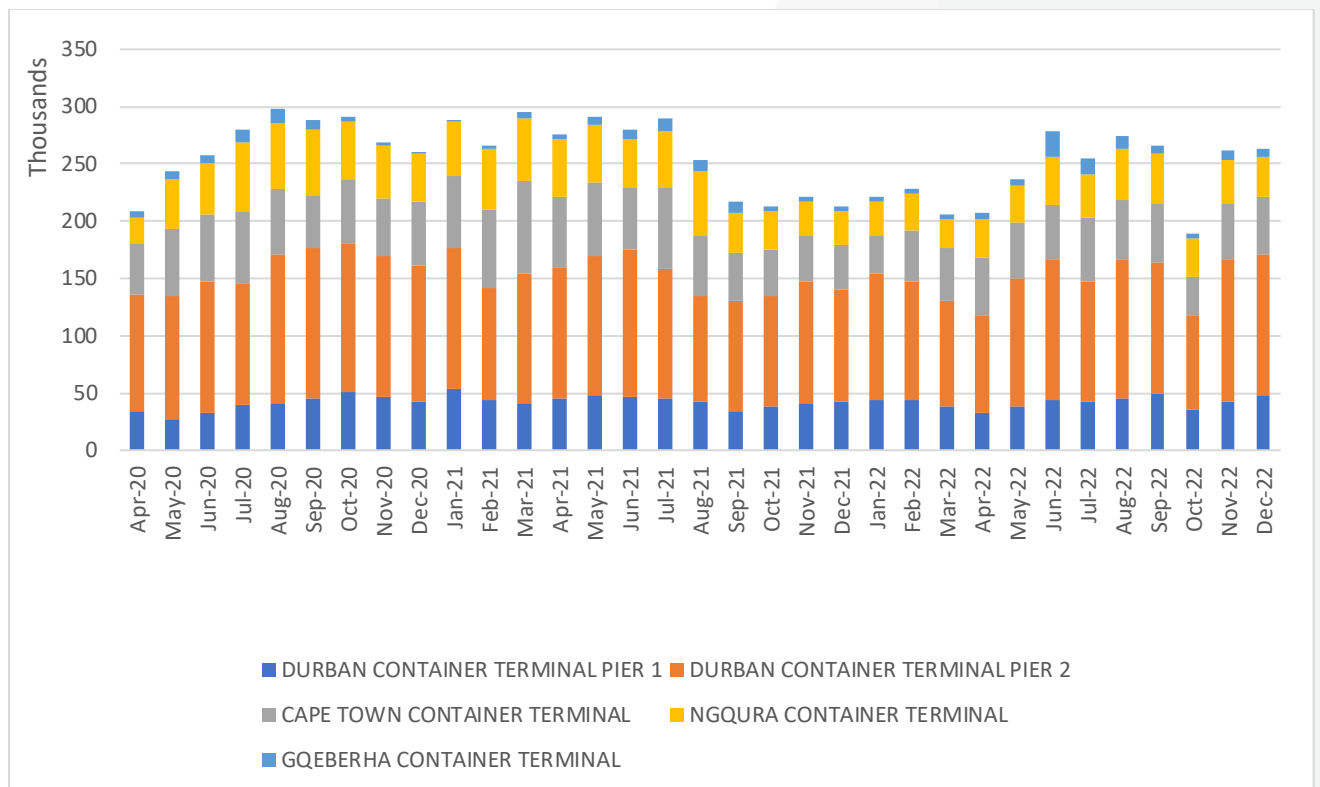
An average of **~7 300 containers** (↓20%) was handled per day for the last week (3 to 9 December, Table 2), compared to the projected average of **~8 300 containers** (↓12% actual versus projected) noted in last week's report. An increased average of **~8 867 containers** (↑21%) is predicted to be handled next week (10 to 16 December, Table 3). Port operations this past week were characterised by adverse weather conditions, frequent equipment breakdowns and shortages, system challenges, congestion, and road shows.

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

⁸ 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. Due to the ongoing container imbalances, this proportion is fluctuating more than usual and has increased since December 2020. In recent months, empty numbers have dropped, a reflection of an improvement in worldwide container imbalances.

⁹ 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.

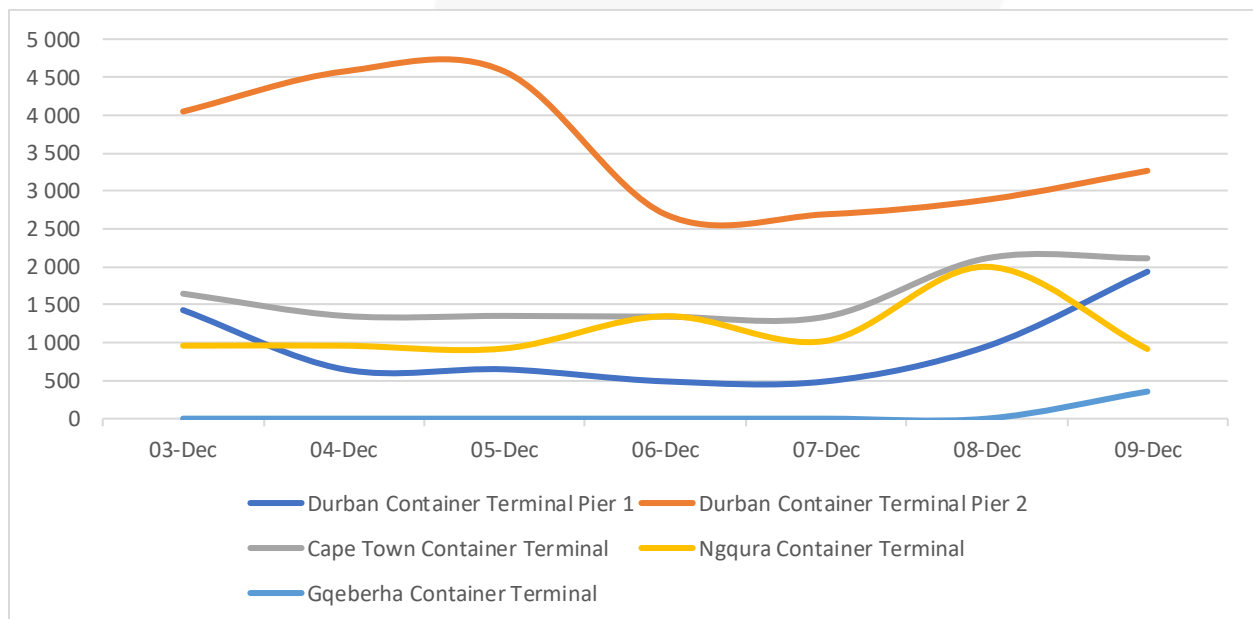
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

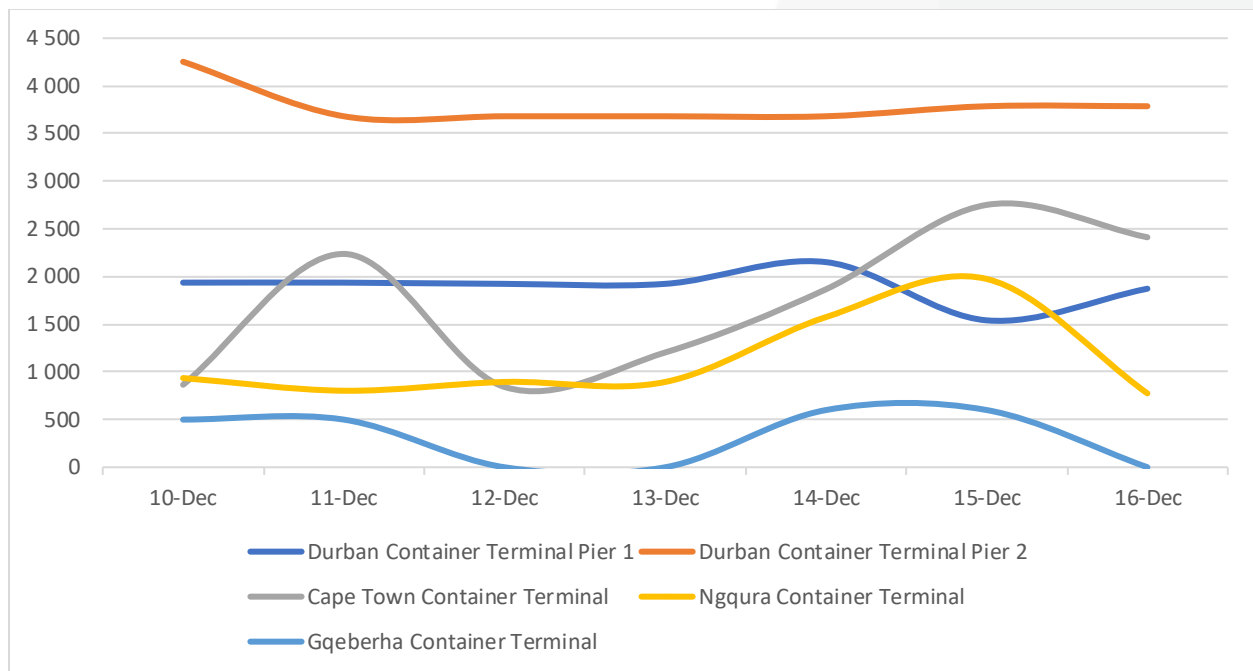
The figures below show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (3 to 9 December; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

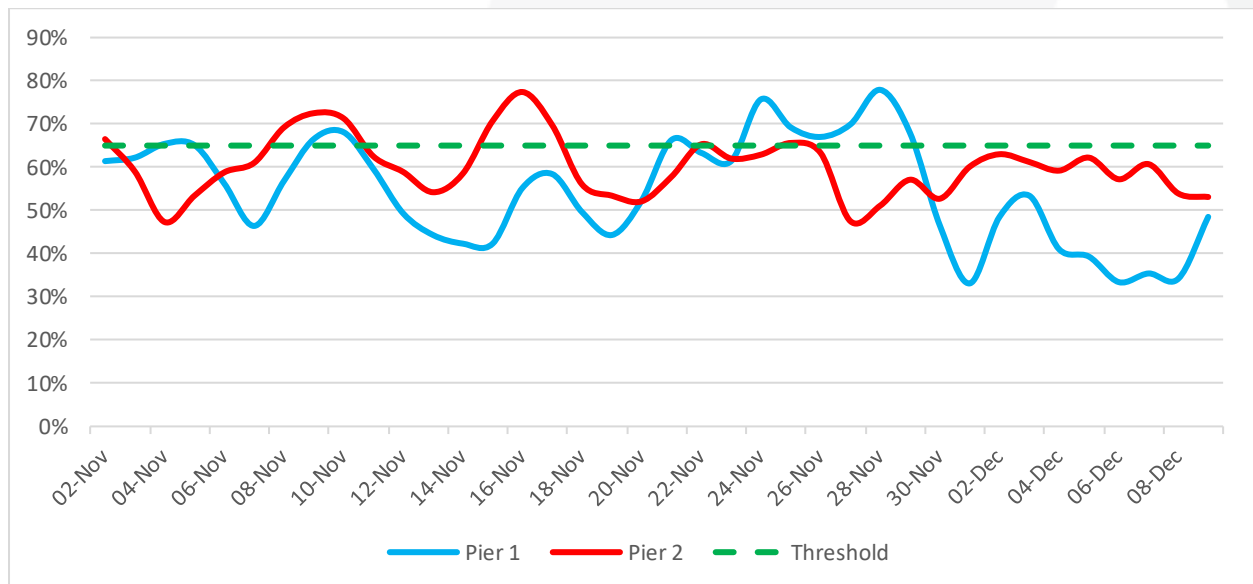
Figure 5 – 7-day forecast reported for total container movements (10 to 16 December; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

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

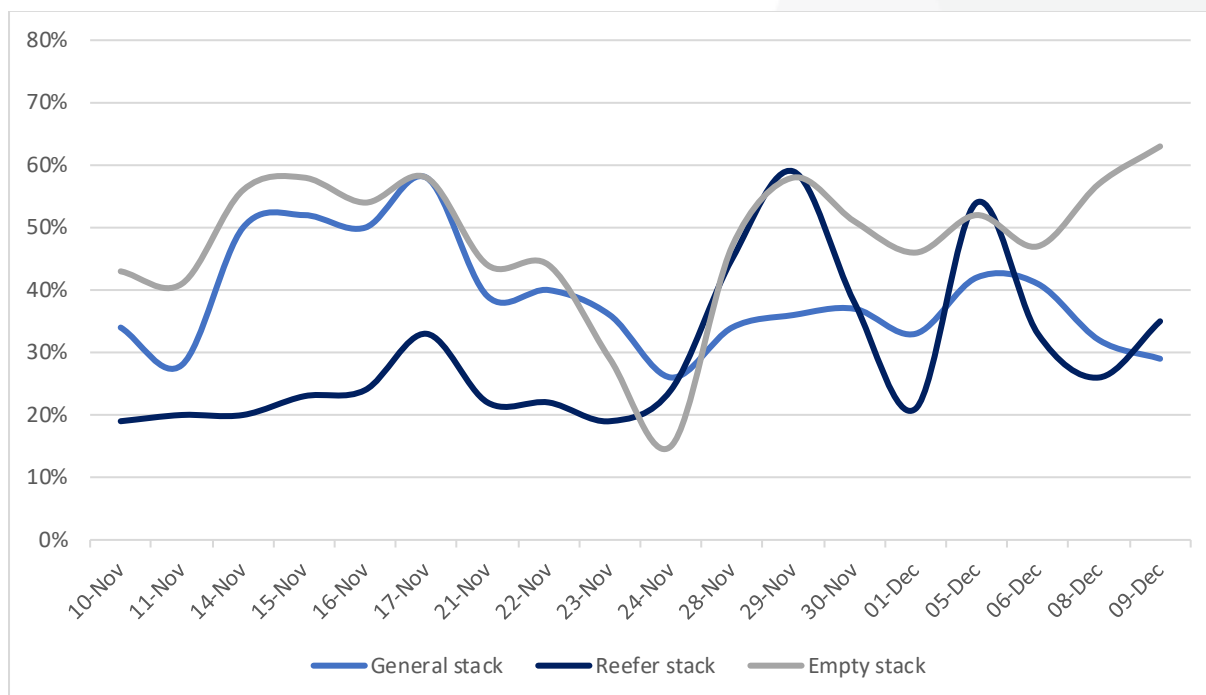
Figure 6 – Stack occupancy in DCT, general-purpose containers (2 November to present; per Pier; day on day)



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

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 (10 November to present, day on day)



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

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 experienced an improved week; the only delays reported were two hours on Friday due to fog at CTCT, and over the weekend, CTCT was windbound.

In contrast, Durban experienced another challenging week as adverse weather conditions, frequent equipment breakdowns, system challenges, and congestion ensured operational delays.

Richards Bay's experience was similar to Cape Town's, as the only reported delay entailed three vessels that could not work for relatively short periods due to adverse weather conditions.

Lastly, the Eastern Cape ports experienced a relatively good week, as the only significant reported delay was when the Ngqura port was subject to load shedding from 16:00 to 18:00 on Wednesday.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and one at outer anchorage. Stack occupancy for GP containers was 29%, reefers 35%, and empties 63%. In the latest 24-hour period to Friday, the terminal handled 2 115 TEUs across the quay while servicing 1 299 external trucks and 83 trains on the landside. Crane LC7 briefly went out of commission during the early stages of the week due to a cracked Perspex window. However, the terminal reacted swiftly and commendably, bringing the crane back into action by the start of the morning shift on the following day.

On Wednesday, Cape Town MPT recorded zero vessels at anchor and one at berth. In the 24 hours to Thursday, the terminal managed to service 221 external trucks at a truck turnaround time of ~4 minutes. Stack occupancy increased to 43% for GP containers, 50% for reefers and 96% for empties. Having said that, it must be noted that vessels calling at MPT have been minimal, with carriers seeming to avoid the terminal if they can.

On Friday, Mediterranean Shipping Company (MSC) advised that the MSC Adelaide would omit Cape Town on her southbound journey. More details will be communicated once received.

iii. Durban and Richards Bay

Pier 1 on Thursday recorded two vessels at berth, operated by six gangs, and one vessel at anchor. Stack occupancy was 38% for GP containers, with 846 imports on hand and 145 unassigned units. The terminal recorded 946 landside gate moves on Thursday, with 62 wasted slots.

Pier 2 had four vessels at berth and three at anchorage on Thursday. In the most recent 24 hours to Friday, stack occupancy was 53% for GP containers and 43% for reefers while moving 3 798 TEUs across the quay. The terminal had between 79 and 86 straddles in operation throughout the week, operated by 11 gangs. On Wednesday, there were 3 038 gate moves on the landside with a truck turnaround time of ~60 minutes and a staging time of ~54 minutes. In addition, 122 rail import containers were on hand, with 247 moved by rail.

This week, the Transnet engineering team reported their intention to complete the upgrades of the cranes situated at south key berth 108. In light of this endeavour, crane 521 is still out of commission, undergoing repairs. Once this crane returns, the other cranes at berth 108 (520, 522, and 523) will rotationally be taken out of commission to complete the upgrades of each respective crane. Transnet explained that the intention was never to have more than one crane out of commission at a time. The Transnet engineering team aims to have the upgrades finalised by the end of February, while they are anticipating some of the cranes to be replaced as early as the 2024/25 financial year. The lead time for delivery of one crane is reportedly 18 months from the date of order. Additionally, Durban started Friday morning with only two tugs, as the third was experiencing electrical faults. The tug has since been returned to operation, and the terminal is now operating with three tugs. Furthermore, the Durban helicopter went out of commission earlier this week due to suspected water in the fuel tank.

Durban MPT terminal, on Tuesday, recorded three vessels at berth and five at outer anchorage while handling 347 containers on the waterside. Stack occupancy improved for breakbulk and was recorded at 60%, while stack occupancy on the container side dropped to 40%. On the landside, 74 breakbulk trucks were serviced in the 24 hours leading to Thursday, while 121 containers were handled. In addition, two cranes, eight reach stackers, 24 ERFs and five forklifts were in operation in the 24 hours leading to Wednesday, complemented by six gangs operating breakbulk and container operations.

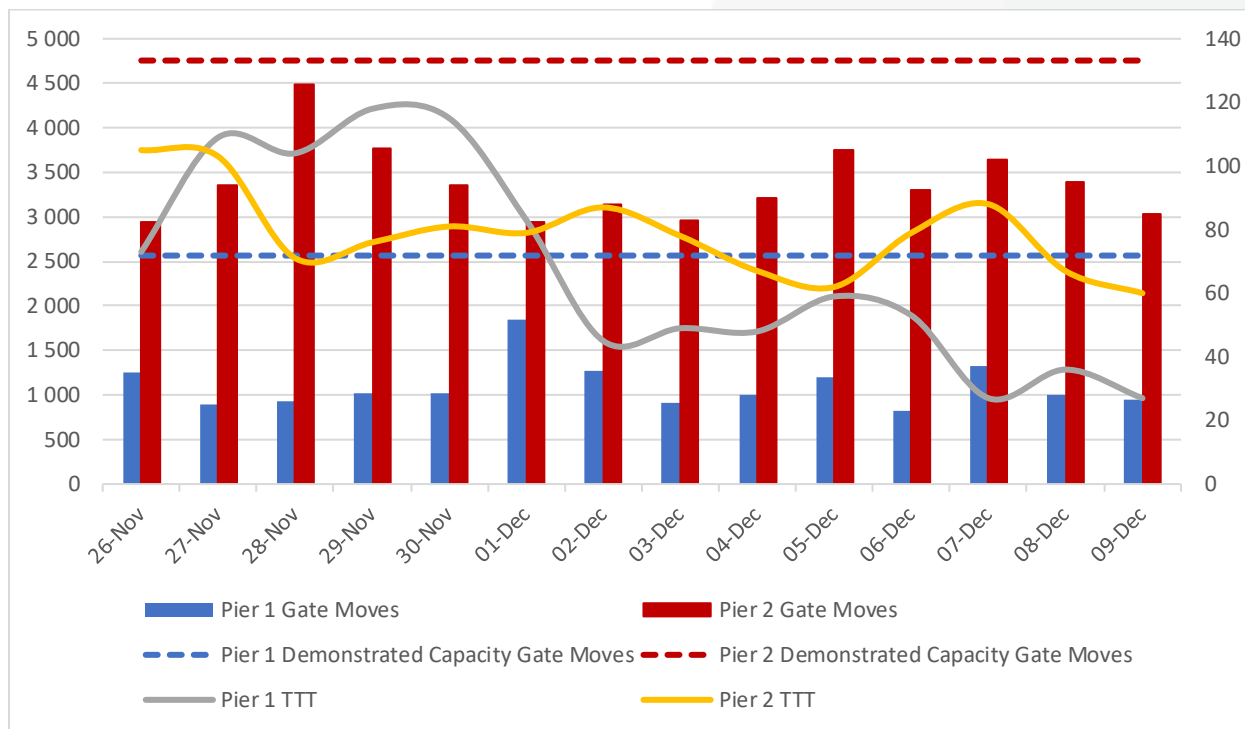
On Wednesday, Richards Bay recorded 20 vessels at anchor, which translates to four bulk, 11 coal, two general, two bunkers, and one tanker cargo vessel. On berth, they recorded 13 vessels, four at DBT, six at MPT, two at RBCT, and one at the liquid bulk terminal. For marine resources, two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading to Thursday.

Also, the Richards Bay Coal Terminal has cancelled the valuable export allocation held by the formerly Gupta-owned Optimum Coal Mine¹⁰, prompting an outcry from mining contractors who claim some 2 000 jobs are at risk. Politics aside, Maputo keeps ramping up the coal volumes, as the demand for coal in Europe, no doubt driven higher by the crisis in Ukraine and related energy pressures was the main driver of increased

¹⁰ Steyn, L. & Neethling, B. 07/12/2022. [Protests as Richards Bay Coal Terminal cancels former Gupta mine Optimum's export allocation](#).

volume exiting through the port. The Port of Maputo's concessionaire is on track to record throughput figures 18% higher than last year¹¹, while Richards Bay languishes at only around 60% of its design capacity. 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 09/12/2022.

iv. Eastern Cape ports

GCT on Tuesday recorded zero vessels at outer anchorage and one at berth. For marine resources, two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Wednesday. In the same period, stack occupancy was 44% for GP containers, 7% for reefers, and 43% for reefer ground slots. In addition, 366 trucks were serviced at a truck turnaround time of ~24 minutes, while the terminal handled 209 TEUs on the landside. On Friday, one tug and one pilot boat went out of commission, resulting in the expectation that NCT and GCT will again have to share resources to service vessels next week.

NCT on Tuesday recorded two vessels on berth and one vessel at outer anchorage. Marine resources of one tug, one shared pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading into Wednesday. One tug went out of commission on Monday due to a leakage in its fuel tank. In the same period, stack occupancy was 28% for GP containers and 2% for reefers. On Thursday, 1 541 TEUs were handled across the quay. Additionally, 321 trucks were serviced on the landside, with a truck turnaround time of ~34 minutes.

v. Saldanha Bay

On Wednesday, Saldanha Bay recorded zero vessels at the outer anchorage and eight on the berth. Two tugs, one pilot boat, one pilot, and two VTS staff were operating the one-berth operation at the port for marine resources.

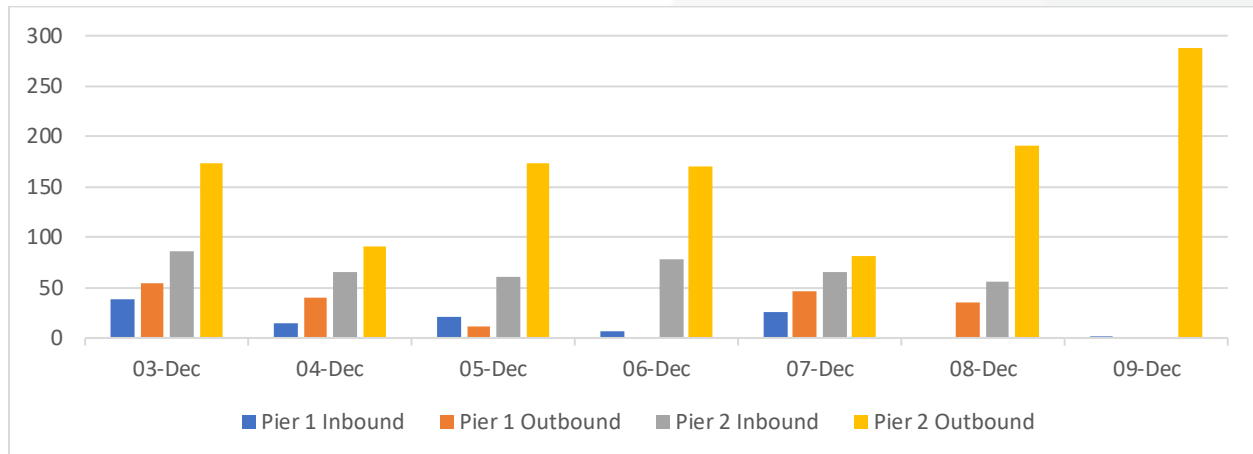
¹¹ Freight News. 07/08/2022. [Maputo port pushes volume thanks to coal.](#)

vi. Transnet Freight Rail (TFR)

This week, TFR were once again on the receiving end of frequent overhead power failures on the line between Johannesburg and Durban, causing minor delays. In addition, the movement of trains on the Concor line is much better as the frequency of cable theft is dropping. Furthermore, there has still not been any cargo movement to Cato Ridge via TFR. However, there has been an improvement in volumes moving between Durban and City Deep over the past few days.

The following figure shows the rail cargo evacuated from DCT in the last week.

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



Source: Calculated using data from Transnet, 2022. Updated 09/12/2022.

In the last week (3 to 9 December), rail cargo handled out of Durban was reported at **1 983** containers, down by **↓30%** from the previous week's **3 309** 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 28 November. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *November 2021* averaged **~813 045 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

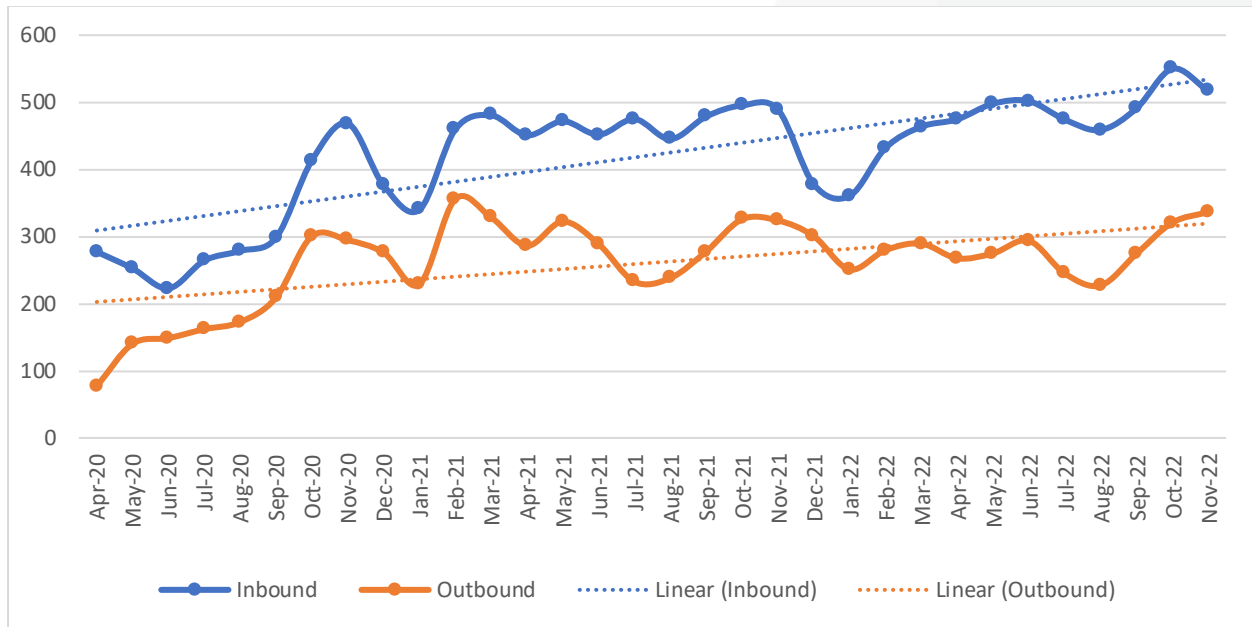
Flows	28-Nov	29-Nov	30-Nov	01-Dec	02-Dec	03-Dec	04-Dec
Volume inbound	500 012	381 354	422 818	438 145	386 328	356 379	1 132 241
Volume outbound	314 046	273 666	208 552	265 062	188 387	224 493	710 243
Total	814 058	655 020	631 370	703 207	574 715	580 872	1 842 484

Courtesy of ACOC. Updated: 07/12/2022.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **516 754 kg** inbound and **312 064 kg** outbound, resulting in an average of **828 818 kg per day** or **~102%** compared with November 2021. Also, the level is currently at **~110%** compared with the same period in 2020.

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak.

Figure 10 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 07/12/2022.

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 *November 2021* was ~77 853 kg per day.

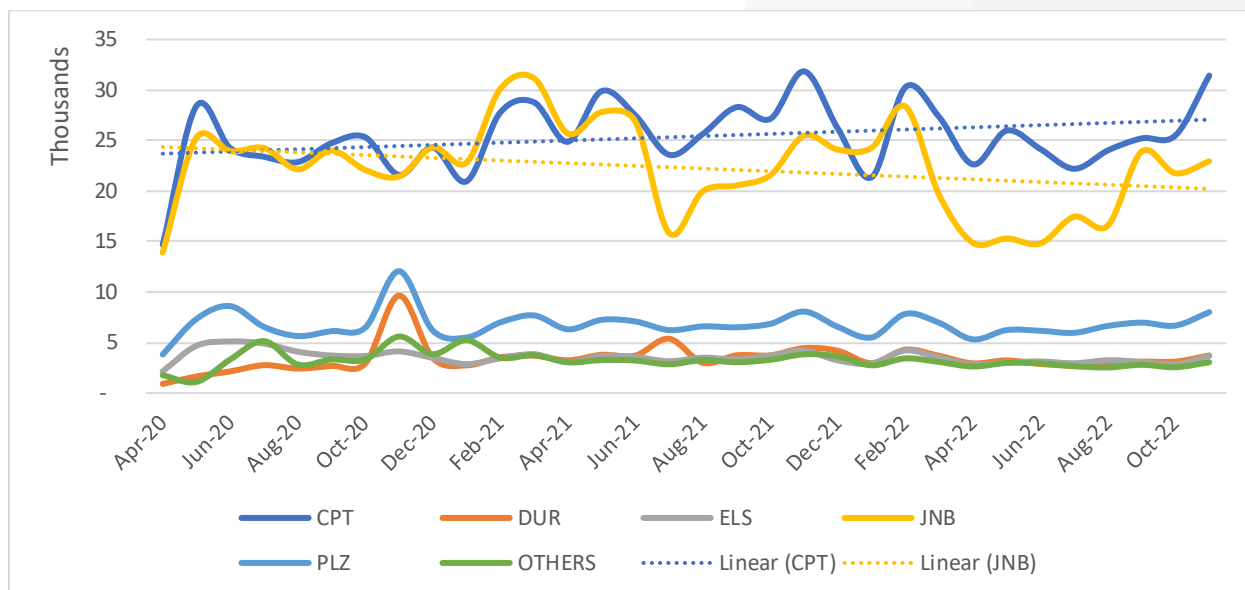
Table 5 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Av.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Av.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Jun – 22 Av.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
Jul Average	22 196	2 715	2 943	17 462	5 963	2 650	53 929
Aug Average	24 025	2 854	3 247	16 590	6 646	2 534	55 895
Sep Average	25 212	3 102	3 080	23 913	6 968	2 796	65 071
Oct Average	25 509	3 103	2 841	21 757	6 681	2 554	62 446
Nov Average	31 433	3 717	3 670	22 943	8 007	3 040	72 811
29-Nov-22	49 848	4 195	5 509	31 176	13 527	5 045	109 300
30-Nov-22	46 537	5 292	5 503	32 142	10 870	4 273	104 617
01-Dec-22	48 269	4 371	6 026	28 685	12 654	5 027	105 033
02-Dec-22	24 514	3 434	2 990	17 317	5 215	3 389	56 859
03-Dec-22	2 218	368	29	1 017	297	152	4 080
04-Dec-22	1 566	471	84	1 134	791	502	4 547
05-Dec-22	47 200	5 360	4 331	30 520	11 082	6 565	105 057
Total for 2022:	8 754 288	1 104 801	1 099 665	6 932 772	2 243 553	975 786	21 110 865

Courtesy of BAC. Updated: 07/12/2022.

The average domestic air cargo moved last week was ~77 853 kg per day, which is ↓1% compared with the previous week and ~90% compared to November 2021.

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



Courtesy of BAC. Updated: 07/12/2022.

c. Air cargo operations

There has been a continuous drive for improvement around air cargo operational matters. Initial challenges with the implementation of the IVS integration are being addressed with all SAAFF and SAEPA members to follow the process of sending pre-alerts of collections and deliveries on the system. The procedure will ensure smoother access to the Cargo Precinct at ORTIA and Cape Town International. An escalation process (messaging via email and SMS) has also been implemented in the IVS system to advise the appropriate management of authorisations not being applied by the various cargo handlers for granting access to agents on the system. This process should go a long way towards enhancing compliance and speeding up operations.

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.

- Last week, average clearing times at South African borders increased somewhat, primarily due to the increase at Beitbridge and Groblersbrug. As a result, median border crossing times averaged ~8,0 hours (↑14%, w/w) for the week.
- Locally, road transport flows have been delayed by accidents on the N3 close to Van Reenen's Pass, between Pongola and Piet Retief, where two tankers collided with a side tipper and another accident on the N3 near Heidelberg.
- The ZRA released a statement on the Electronic Certificate of Origin (ECoO) Pilot in Zambia with eSwatini.

- From 5 December 2022, there will be a pilot exchange of ECoO with Eswatini, which allows existing registered exporters to apply online for ECoO.
- Furthermore, manufacturers, producers, and exporters can electronically register products for preferential treatment in terms of the Rules of Origin.
- The move is encouraged; however, the uptake is not yet uniform across the region, as Malawi, Zambia, and eSwatini now have the ECoO, whereas South Africa, Zimbabwe, and Botswana are not participating.
- Also, in Zambia, transporters have been asked to present first aid kits when stopped in Kafue.
- There have been reports of a strike by clearing agents in the DRC.
 - Meetings were scheduled in Kinshasa to voice grievances, as arrangements were made between the government and the importers to decongest the border.
 - However, agents have accused Customs Authorities of failing to balance their books, resulting in importers and agents being left to sort out their differences. Consequently, offloading of cargo has been halted widely.
- Lastly, at our busiest land border crossing, load-shedding has caused delays due to the border running out of fuel for the generators.
 - As the country fell into Stage 6 in the week, transporters are urged to make provisions for longer crossing times – especially with the festive season resulting in increased passenger traffic into Zimbabwe.
 - With this in mind, the BMA has increased operating hours at several border posts (Kosi Bay, Mahamba, Sani Pass, Caledonspoort, Peka Bridge, and Van Rooyen's Gate).
- Transporters, traders, and cargo owners may still 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](#)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	4:00	5:00	24:00	11 730	2 737
Beitbridge	Zimbabwe-SA	410	5:48	3:00	12:00	12 300	2 870
Groblersbrug	SA-Botswana	248	3:06	3:48	26:00	7 440	1 736
Groblersbrug	Botswana-SA	157	0:18	0:00	1:00	4 710	1 099
Vioolsdrif	SA-Namibia	30	0:12	1:00	3:00	900	210
Noordoewer	Namibia-SA	20	0:12	1:00	3:00	600	140
Nakop	SA-Namibia	30	0:18	1:00	5:00	900	210
Ariamsvlei	Namibia-SA	20	0:18	1:00	2:30	600	140
Lebombo	SA-Mozambique	1 552	0:18	2:00	10:00	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0:12	1:00	4:00	3 990	931
Skilpadshek	SA-Botswana	200	1:24	1:00	2:00	4 800	1 400

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.

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
Pioneer Gate	Botswana-SA	100	0:54	1:00	4:00	2 400	700
Average/Sum		3 291	1:25	1:44	8:04	96 930	23 037

Source: TLC, FESARTA, & Crickmay, week ending 04/12/2022.

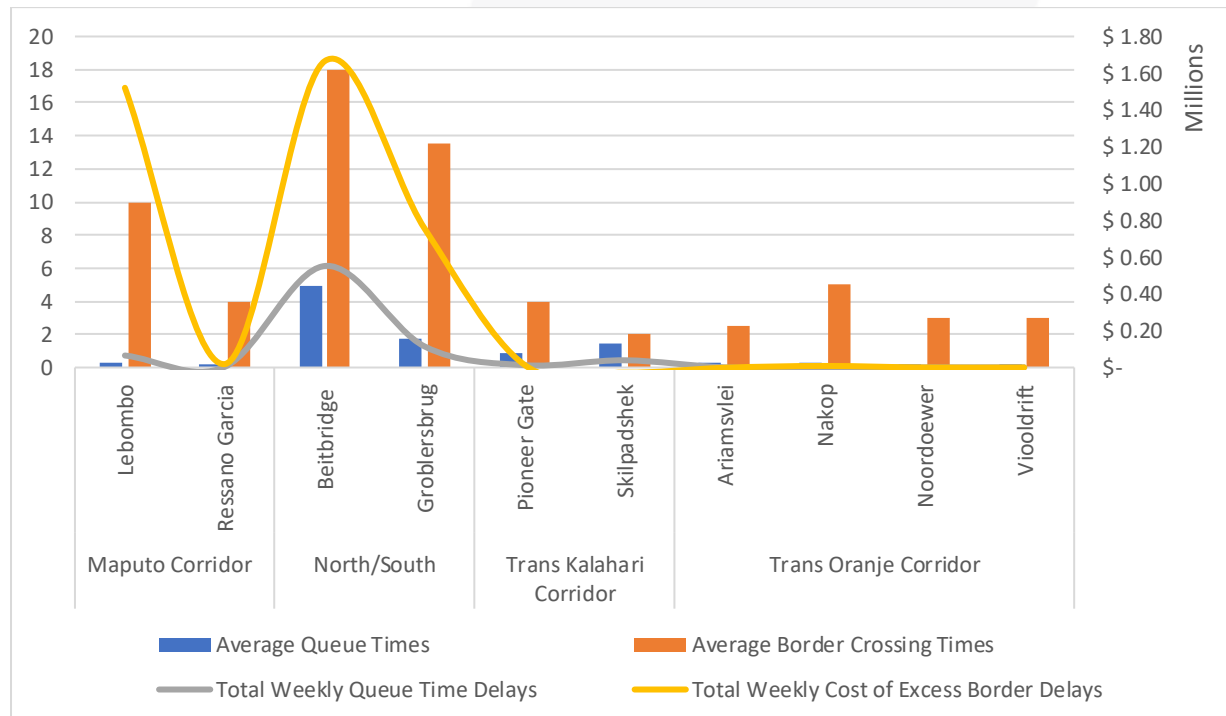
Table 7 – Delays summary – Corridor perspective

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	0:33	3:00	11:30	9 600	2 240
Dar Es Salaam Corridor	1 819	5:06	2:54	13:20	54 570	12 733
Maputo Corridor	1 685	0:15	1:30	7:00	50 550	11 795
Nacala Corridor	127	0:00	0:00	0:00	3 810	889
North/South	3 278	2:52	4:16	14:13	98 340	22 946
Trans Caprivi Corridor	116	2:33	4:06	35:30	3 480	812
Trans Cunene Corridor	100	5:33	14:48	71:00	3 000	700
Trans Kalahari Corridor	330	1:12	1:00	2:27	7 920	2 310
Trans Oranje Corridor	100	0:15	1:00	3:23	3 000	700
Average/Sum	7 875	2:24	3:21	13:51	234 270	55 125

Source: TLC & FESARTA, week ending 04/12/2022.

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

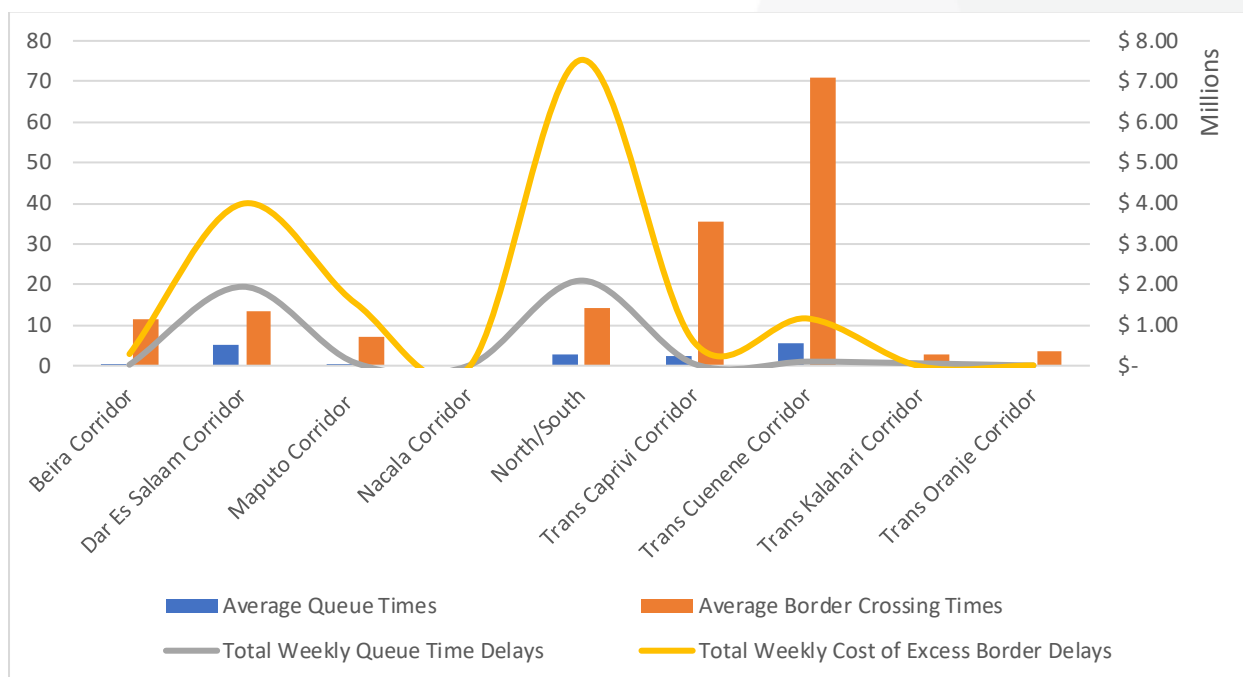
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 04/12/2022.

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, week ending 04/12/2022.

In summary, cross-border queue time has averaged **~2,4 hours** (down by **~0,4 hours** from the previous week's **~2,8 hours**), costing the transport industry an estimated **\$4 million (R76 million)**. Furthermore, the week's average cross-border transit times hovered around **~13,9 hours** (up by **~2,3 hours** from the **~11,6 hours** recorded in the previous report), costing the transport industry **\$15 million (R264 million)**. As a result, the total cost for the week amounts to an estimated **~R340 million** (down by **~R44 million** or **↓11%** from **R384 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. Global port throughput volume and price index

After a massive slump of **↓9,5%** in September, global container port throughput recovered somewhat in October, increasing by **↑2,2%** (m/m), according to CTS's latest container throughput volumes¹⁵. However, despite the increase, annual figures reported are still way down on last year's levels, currently at **↓9,3%** (y/y), which provides further sobering confirmation that global goods trade is in a slump. Indeed, it is a sign of the times with the world's newest largest ship – the "Ever AtoP" – sailing its maiden voyage at apparently three-quarters empty¹⁶. Nevertheless, the current throughput volumes are slightly better than in February when COVID-lockdowns in China resulted in a substantial reduction in maritime volumes handled. The figure below shows the global volume and price index of total container volumes across all trade routes (dry and reefer containers):

¹⁵ CTS. 07/12/2022. [Container throughput volume and price index.](#)

¹⁶ Wackett, M. 06/12/2022. [Sign of the times as world's largest box ship sails light on its maiden voyage.](#)

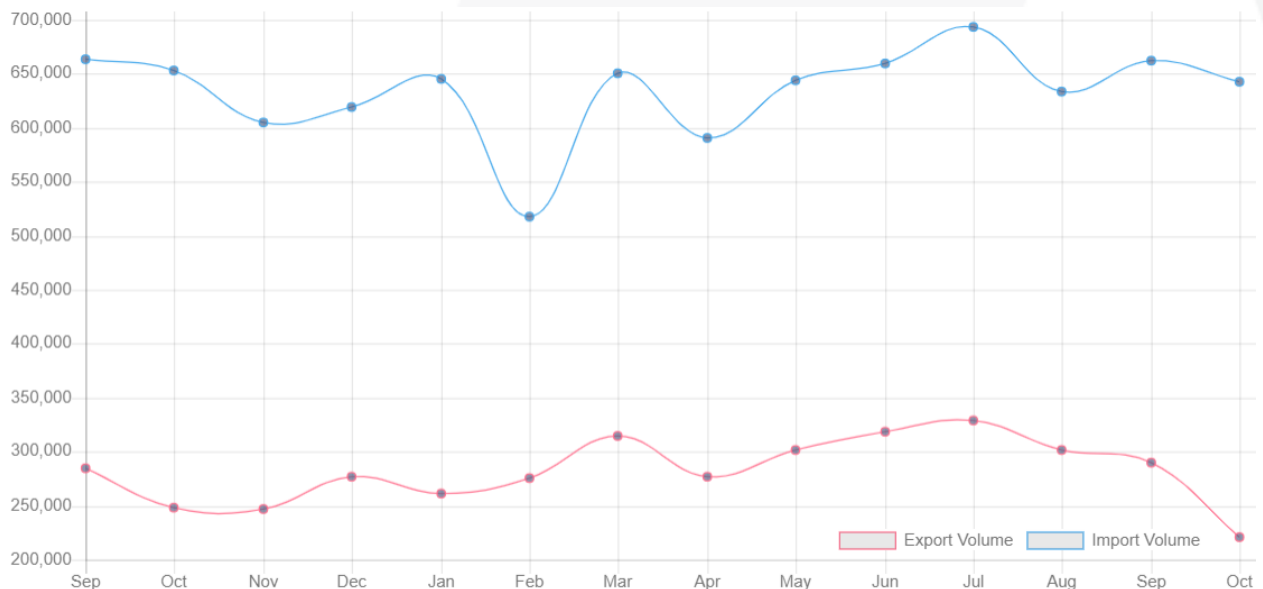
Figure 14 – Global container volume (millions of TEU) and price index



Source: [CTS](#)

As shown in the graph, the CTS version of the price index loosely follows Drewry's assessment, with the index dropping by some **↓13,2%** this month and is substantially below the same time last year (**↓17,9%**, y/y). Worth noting is the fact that the CTS index includes dry and reefer numbers and prices. Regionally, for Sub-Saharan Africa, container throughput volume decreased somewhat in October, with exports significantly down – primarily due to the weight that South Africa carries in these volumes:

Figure 15 – Sub-Sahara Africa container volume (imports and exports)



Source: [CTS](#)

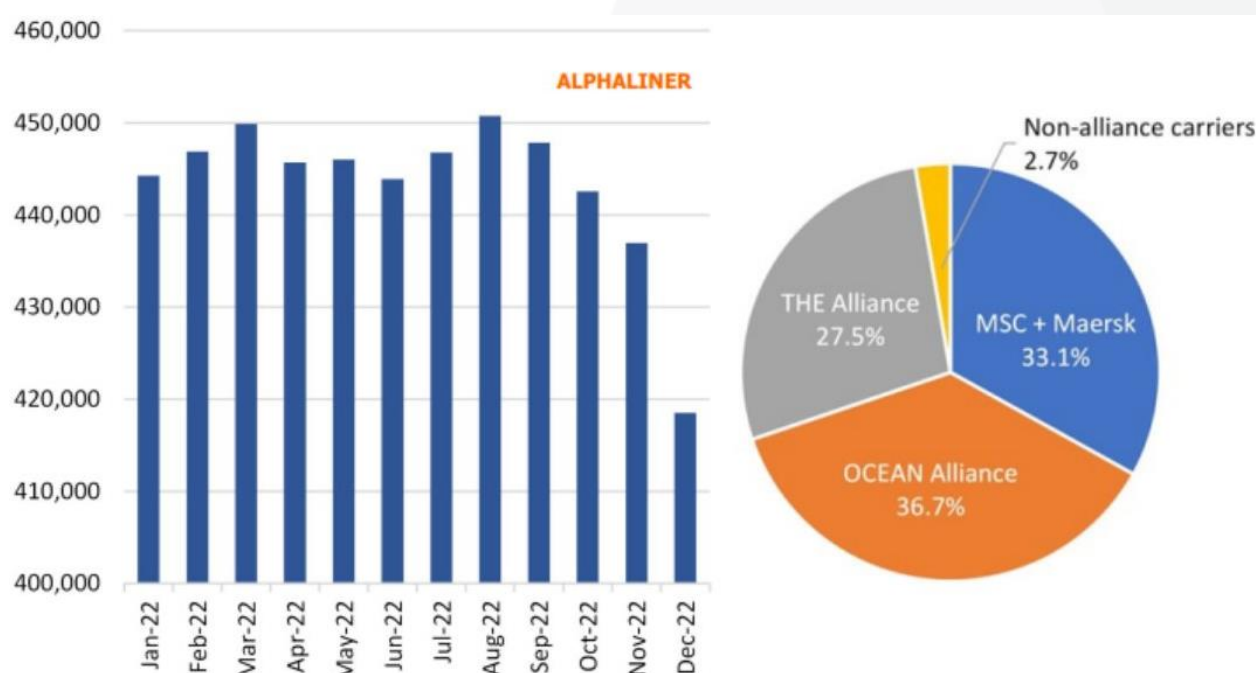
For October, import volumes are down by **↓2,8%** (m/m), with exports decreasing by a substantial **↓23,7%** (m/m). Annual throughputs follow the trend but are less pronounced. On the import side, volumes are slightly down by **↓1,6%** (y/y), whereas exports are down by a more significant **↓10,8%** (y/y). Incidentally,

when comparing these figures with TNPA's published figures for October¹⁷, South Africa only accounts for a sixth of the imports (**16,0%**) and more than two-fifths (**39,5%**) of the exports. Last month, the share was more than a third of the imports (**34,4%**) and more than four-fifths (**80,7%**) of the exports, once again showing the impact of the strikes on our ability to display regional dominance.

ii. Global container capacity utilisation

The massive drop in capacity deployment on the Asia-Europe trade speaks volumes about the current health of the global merchandise trade. This week, another recent newcomer to the route withdrew its schedules, with analysis showing utilisation is down by **↓4,2%** since November and **↓7,2%** less than August's offer of 450 750 TEU. After the exit of Allseas Shipping Company, China United Lines (CULines) has confirmed to Alphaliner¹⁸ the temporary closure of its fortnightly Asia - Europe Express service, which was jointly operated with TS Lines.

Figure 16 – Weekly capacity deployed on Asia – Europe (nominal TEU)



Source: [Alphaliner](#)

The reality is similar across most trade lanes, with Drewry's "Cancelled Sailings Tracker" hovering around a **14% cancellation rate**¹⁹ this week. However, some trade lanes – such as Asia – Europe – are suffering more acutely, with **25% of blank sailings** coming from this lane. Recently, the transpacific eastbound trade has suffered a similar fate, as rates from the US have plunged memorably. Alphaliner has referred to this reality as the "hard landing" facing liner shipping, with both cargo demand and spot ocean freight rates forcing carriers to restructure services rapidly.

iii. Global container freight rates

Global container spot rates continue their slide to obscurity this week, as Drewry's *World Container Index* decreased for a **41st consecutive week** – down by another **↓6% (\$145)** to **\$2 139** per 40-ft container this

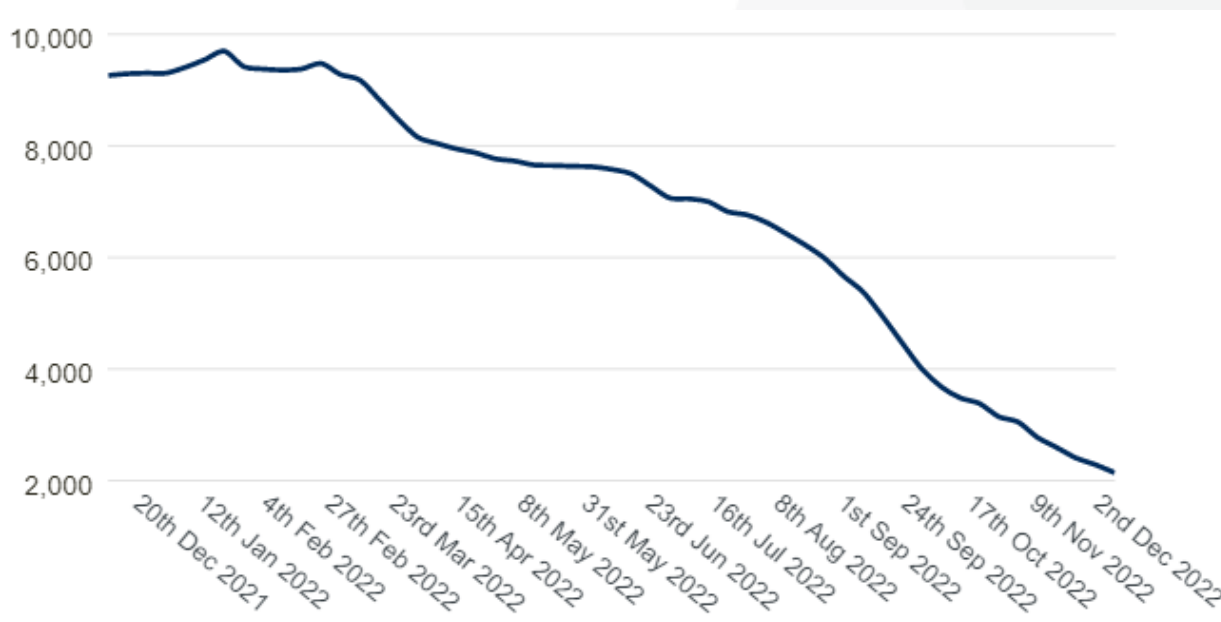
¹⁷ TNPA. 2022. [Port Statistics](#).

¹⁸ Alphaliner. 07/12/2022. [Alphaliner](#).

¹⁹ Drewry. 09/12/2022. [Cancelled Sailings Tracker - 9 Dec](#).

week²⁰. Although the drop in percentages remains significant compared with the previous week, the dollar value of the decrease is obviously less off a lower base.

Figure 17 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

The composite index is now **↓77%** below the corresponding spot price quoted last year and **↓79%** lower than the peak reached in September last year (**\$10 377**). Moreover, the rate is now **↓21%**, lower than the 10-year average, but remains **↑51%** higher than the 2019 (pre-pandemic) rate of **\$1 420**. Regionally, six of the eight major routes experienced further declines, with the other two remaining stable. Annual rates are now down on all bar the New York – Rotterdam route, and the tables have undoubtedly turned to the side of shippers and cargo owners once more. Looking ahead, Drewry expects smaller declines going forward.

iv. Further developments of note

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

1. Industrial action continues globally:

- a. In Portugal, the industry has been advised of potential strike action as Port Authority Union Workers have issued a national pre-strike notice threatening action from 22 December to 30 January. The reason for the presentation of this Prior Strike Notice, among others, is the failure of the Port Administrations to discuss several matters, such as the increase of salaries and review of labour conditions that, until now, have received no feedback.
- b. In South Korea, truckers voted to end their strike on Friday as it entered its third week with public support waning and the government refusing to budge, saying the action had caused "astronomical" damage to the economy²¹.
 - i. Many businesses prepared for the strike, which began on 24 November, and were ready to weather short-term pain; however, after almost three weeks of stoppages, the Cargo Truckers Solidarity Union said that 62% of union members voted to call off the strike, but that the union would continue its minimum wage campaign. Some say the efforts have been all for nothing.

²⁰ Drewry. 01/12/2022. [World Container Index - 08 Dec.](#)

²¹ Park, J. Yang, H. 09/12/2022. [South Korean truckers vote to end strike for minimum wage protections.](#)

- ii. Earlier in the week, the Korea Shipowners' Association (KSA) announced it had met with the Korea International Trade Association and Korea Federation of SMEs and, at their request, agreed to get its members to cut D&D charges to support shippers²².
- c. In the UK, train passengers are told to only travel next week, if necessary, even if rail worker strikes are called off at the last minute. Workers at the UK's biggest rail union, the RMT, will walk out on 13-14 and 16-17 December, causing major disruption²³. This situation is part of a long-running dispute between unions, operators and Network Rail over pay, jobs, and conditions. Disruption will be inevitable even if strikes are aborted because of how long it takes to restore a regular timetable. Network Rail, which owns and maintains Britain's railway infrastructure, said 50% of the railways would be shut down on strike days, regardless of whether the walkouts go ahead.

2. MSC faces further D&D at the FMC:

- a. Three shippers have filed complaints with the US Federal Maritime Commission (FMC) against container line MSC, citing grievances ranging from unfair charges to inadequate periods allowed for container movements²⁴.
- b. The first of the three complaints was filed by MVM Logistics, which now says it is insolvent. It dates back to events between August 2020 and February 2022, when the company ceased trading.

b. Global air cargo industry

i. Air cargo market trends

Global air cargo tonnages have continued to slide downwards at the end of November and the beginning of December, with no sign of any last-minute pick-up ahead of the end-of-year holiday season. These were the sentiments, according to the latest market trends by World ACD²⁵. Following weak demand in the usually buoyant early weeks of November, the latest figures are consistent with the slow progressive slide in air cargo demand throughout the second half of this year. For week 48, worldwide tonnage is down by **↓1%**:

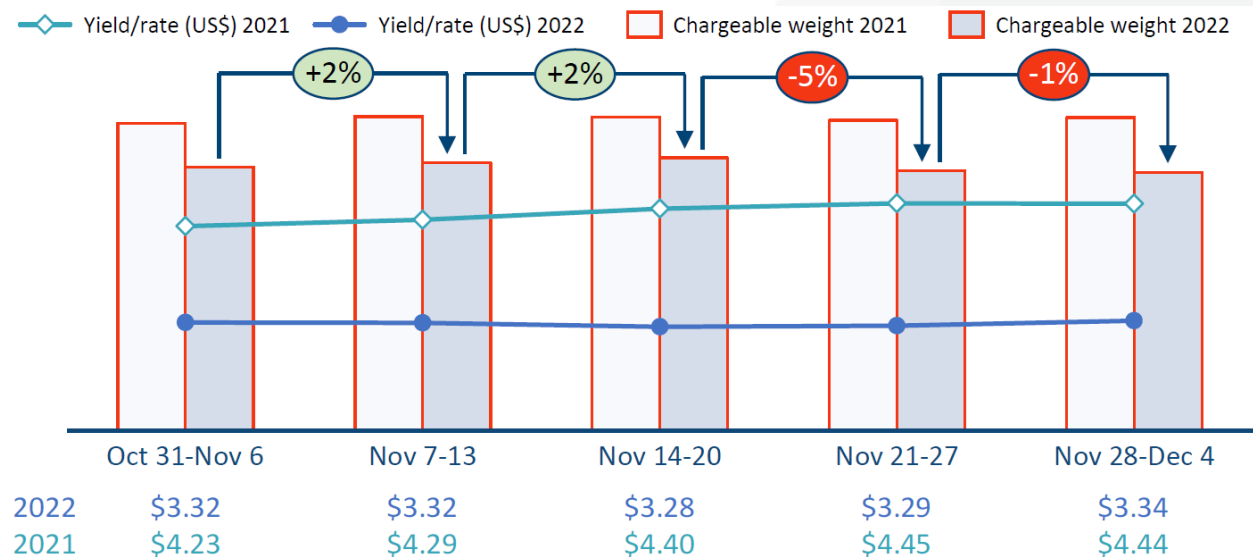
²² Li, M. 07/12/2022. [S Korean carriers ready to give D&D discounts as trucker strike eases.](#)

²³ Race, M. 08/12/2022. [Rail strikes: Passengers warned not to travel by train next week.](#)

²⁴ Savvides, N. 07/12/2022. [Complaints of unfair D&D charges against MSC pile up at the FMC.](#)

²⁵ World ACD. 09/12/2022. [Air Cargo market Trends for the past 5 weeks.](#)

Figure 18 – Air cargo market trends – last five weeks



Source: [World ACD](#)

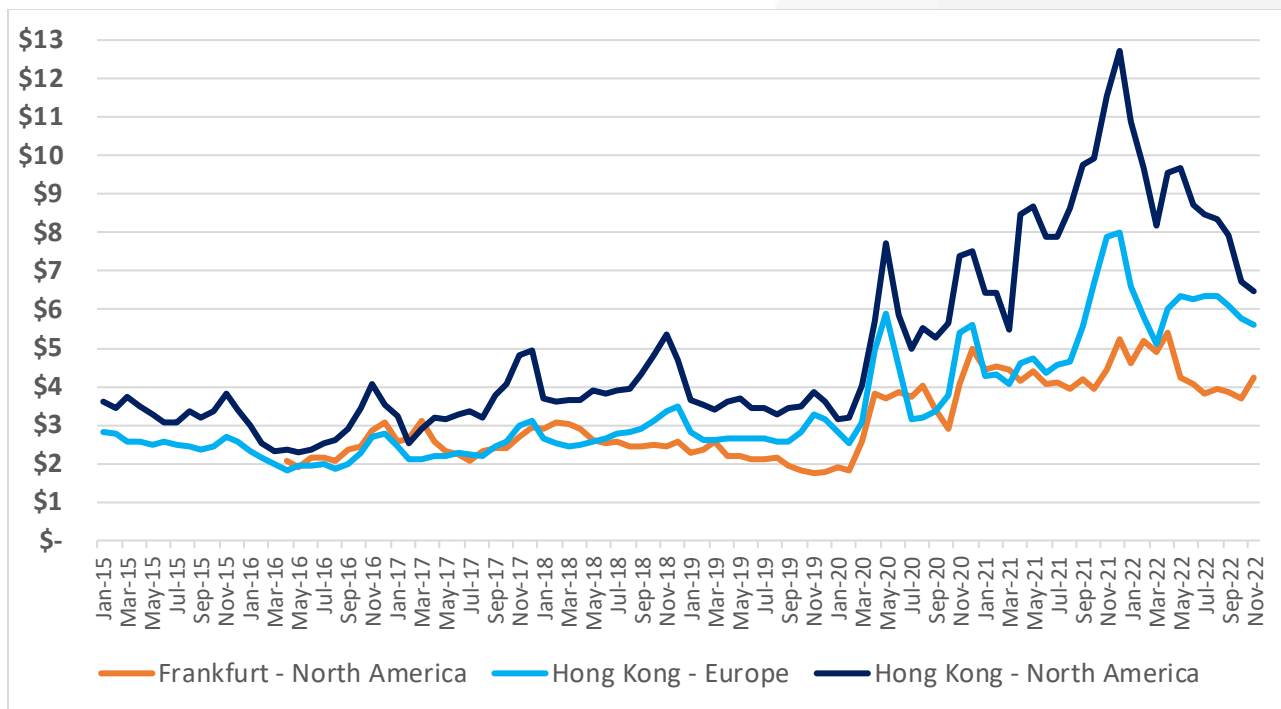
Regionally, across the last two weeks, outbound tonnages were down significantly from North America to all regions due to Thanksgiving ($\downarrow 13\%$ to Europe, $\downarrow 16\%$ to Asia, and $\downarrow 13\%$ to Central and South America, respectively). Furthermore, notable decreases were recorded on Europe to Central and South America, the Middle East and South Asia to Asia Pacific, and intra-Asia Pacific. Meanwhile, some regional lanes showed slight increases, the highest being from Europe to Asia Pacific ($\uparrow 2\%$). Collectively, compared to this time last year, the industry is way down:

Comparing the overall global market with this time last year, chargeable weight in weeks 47 and 48 was down $\downarrow 17\%$ (y/y) at a slightly increased capacity ($\uparrow 2\%$). Moreover, capacity from all the main origin regions, except for Asia Pacific ($\downarrow 11\%$) and Central & South America ($\downarrow 8\%$), is significantly above its levels this time last year: Africa $\uparrow 10\%$, Europe $\uparrow 10\%$, Middle East & South Asia $\uparrow 6\%$, and North America $\uparrow 4\%$. As a result, worldwide rates are currently $\downarrow 25\%$ below their usually elevated levels this time last year at an average of **\$3,34 per kg** (see a more detailed outline below), despite the effects of higher fuel surcharges, but they remain significantly above pre-pandemic levels.

ii. Air cargo rates

Air freight rates have not peaked this year, as is customarily the case, as two of the major three routes have, in fact, decreased for November. However, the rate structure confirms the uncertain outlook of air cargo, as the average rate per kilogram – in anticipation of the year-end rush – is only up by $\uparrow 2,8\%$ versus last month, according to the "Baltic Exchange Airfreight " below:

Figure 19 – Baltic Exchange Airfreight Index (\$ per kg)



Source: Adapted from [BAI](#)

The corresponding October to November increases in 2021 and 2020 were **↑16%** and **↑36%**, respectively, as rates typically see a spike as retailers bump up inventories of higher-end consumer goods. This year's changes confirm the subdued nature of retailers to a large extent. Moreover, annual rates are way down compared to last year (**↓25.7%**, y/y), as the industry continues to moderate after the massive increases experienced during the pandemic (rates are still **~↑85%** higher than pre-pandemic levels of 2019). On the major routes, the prevailing rates are currently:

- Frankfurt – North America is currently trending at **\$4.25** per kg – **↑14.9%** (m/m) and **↓4.5%** (y/y).
- Hong Kong – Europe is currently trending at **\$5.62** per kg – **↓2.8%** (m/m) and **↓29.0%** (y/y).
- Hong Kong – North America is currently trending at **\$6.49** per kg – **↓3.7%** (m/m) and **↓43.8%** (y/y).

In other air cargo news, IATA forecast that the world's airlines would collectively turn a small profit next year, ending three consecutive years of losses. That's despite expectations for air-cargo revenue to fall to **\$149.4 billion** in 2023, which would be **\$52 billion** less than the expected total for this year due to the continuation of rate decreases²⁶. Lastly, half of the world's air cargo capacity is now available for pricing and booking in one digital marketplace. That's one of the milestones reached after it was announced Tuesday that China Southern Airlines is linking up with WebCargo, a unit of Freightos that has more than 30 airlines offering their services for air freight globally²⁷.

²⁶ IATA, 06/12/2022. [Industry Statistics](#).

²⁷ Murray, B. 06/12/2022. [China's Top Air Cargo Carrier Links With Freightos as Bookings Jump Online](#).