

Cargo movement update¹

Date: 14 July 2023

Weekly Snapshot

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

Flows	Current ²			Previous ³			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	25 506	29 377	54 883	22 088	26 898	48 986	↑12,0%
Air Cargo (tons)	2 977	1 876	4 852	3 029	1 826	4 855	↓0,1%

Monthly Snapshot

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

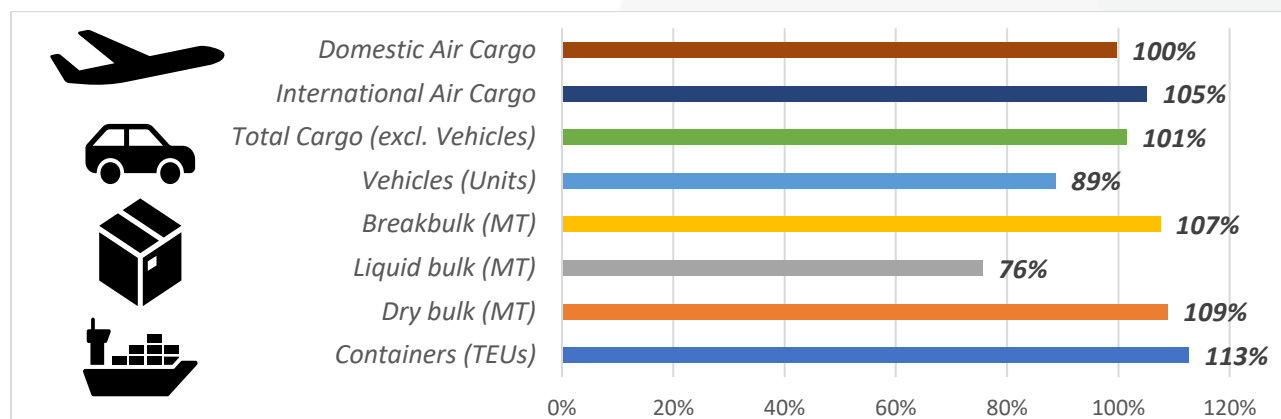
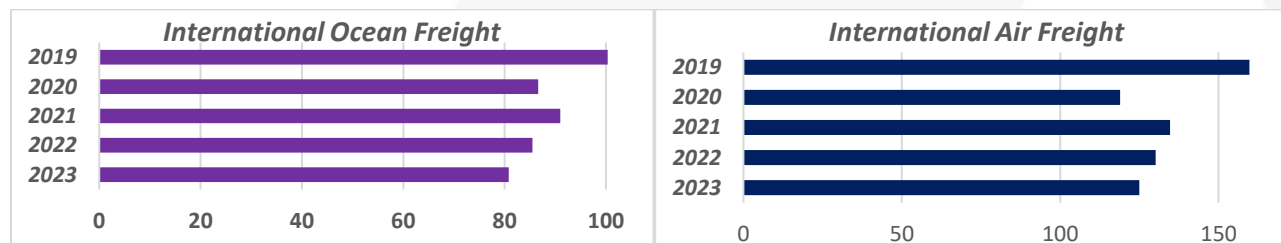


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 840 containers** was handled per day, with **~10 698 containers** projected for next week.
- TNPA stats for June: containers are up by **↑8%** (m/m) but down by **↓9%** (y/y) and down YTD by **↓4,5%** (y/y). All bulk sectors are up versus May; total bulk cargo is up by **↑50%** (m/m) but down by **↓6%** (y/y).
- Rail cargo handled out of Durban amounted to **2 471 containers**, **↑6%** compared to last week.
- Cross-border queue times were **↓0,1 hours** (w/w), with transit times **↓1,0 hours** (w/w); SA borders decreased **by two hours** – averaging **~12 hours** (**↓15%**); Other SADC borders averaged **~10,2 hours** (**↑4%**).
- Shippers are experiencing global reliability by a weighted average of **4-8% worse** than pre-pandemic.
- Global freight rates finally bucked the trend and are up by **↑0,9%** (or **\$14**) to **\$1 488** per 40ft this week.
- Global air cargo demand further decreased – this week by **↓4%** (w/w), with rates around **\$2,33 per kg**.

¹ This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the 145th update.

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

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

⁴ 'Monthly' means the last months' worth of available data compared to the same month in the previous year; Air: May vs May, Ocean: May vs May.

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

Executive Summary

This update – *the 145th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this week were characterised by adverse weather, persistent equipment breakdowns and shortages, congestion, and load-shedding. Load-shedding returned primarily to the Maydon Wharf precinct as stage-6 made its unwelcome return. Weather conditions in Cape Town improved this week; however, the latest reports suggest that berthing delays for the latest vessel arrivals go up to four days, while delays for older arrivals stretch to nine and ten days. The Port of Durban's marine fleet operated with four tugs for most of the week before returning to a complement of five tugs on Friday. The Port of Richards Bay seemingly received a "stop-order" on Friday because port regulations were not followed. Furthermore, a cable theft incident on the rail network near Lions River in the early hours of Wednesday morning ensured that the movement of locomotives was halted.

The trajectory of the global container industry has seemingly continued to improve for shippers, with low rates, high capacity, and improved schedule reliability in the recent trends. The idle fleet has remained stable (but low), with some pockets of capacity reductions in place, but still a generally low level of cancelled sailings evident in the market in general. As rates remain low, more aggressive capacity cuts will be needed to bring about rate stability. Nevertheless, this week's analysis further shows the current level of complexity in the market, with many moving parts exerting their impact in a weak market. Other developments included **(1)** Canadian port strike finally ends as ILWU and BCMEA accept mediator's terms, **(2)** detention and demurrage charges drop by **↓25%** (y/y), and **(3)** Ever Given report highlights Suez Canal pilots' role in grounding.

International air cargo remains relatively low, as our industry handled the same level of cargo as last week, with yearly movement currently trending around **↓4%**. Domestically, the weekly change comes in at around (**↓5%**), as the weak demand – as is the case internationally – persists. Indeed, global air cargo tonnages and rates continued their long-term decline in the first full week of July, with the pace of the fall in chargeable weight picking up again after briefly slowing in June.

In regional cross-border road freight trade, average queue and transit times were similar to last week, as many cross-border constraints persisted – notably with massive queues inhibiting transporters from approaching the border smoothly. The median border crossing times at South African borders decreased by **more than two hours**, averaging **~12,9 hours (↓15%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) experienced a slight increase by **~30 minutes** and averaged **~10,2 hours (↑4%, w/w)**. On average, several SADC land borders took more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa, and Katima/Mulilo (the worst affected, with crossings taking **nearly two days**). Further delays came in the form of **(1)** transport unrest throughout the country, **(2)** fires at the Sakania border, and **(3)** constraints persisting at Groblersbrug.

In summary, the country's recent (and seemingly ongoing) truck violence emphasises the current discord between stakeholders in the extended supply chain. The events put significant strain on the relationships being built up, as we need all parties – public and private – to work together in unison to stitch our supply chains together, and the current conditions do not lend themselves to any kind of unity. For a public-private partnership to thrive, we need a clear and shared vision between the sectors, robust legal and regulatory frameworks (which have come into significant question recently), transparent decision-making processes, effective risk-sharing and mitigation mechanisms, open communication and collaboration, mutually beneficial incentives, adequate financial resources, and a commitment to long-term sustainability. Indeed, many of these conditions have not been satisfied recently, and this will consequently not assist parties in

achieving their common goals. Therefore, we must turn the current situation around, build trust and accountability, and remain flexible to the needs of all parties – as long as they speak to the common good of the industry and the country. These non-negotiables are essential for successful collaboration in delivering high-quality services and achieving common goals: moving goods quicker, cheaper, safer, and more secure.

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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 8 to 14 July⁶

7-day flow forecast (08/07/2023 – 14/07/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 210	4 143
DURBAN CONTAINER TERMINAL PIER 2:	11 405	12 742
CAPE TOWN CONTAINER TERMINAL:	5 009	5 626
NGQURA CONTAINER TERMINAL:	4 757	5 474
GQEBERHA CONTAINER TERMINAL:	1 125	1 392
TOTAL:	25 506	29 377

Source: Transnet, 2023. Updated 14/07/2023.

Table 3 – Container Ports – Weekly flow predicted for 15 to 21 July

7-day flow forecast (15/07/2023 – 21/07/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 631	7 527
DURBAN CONTAINER TERMINAL PIER 2:	13 496	16 139
CAPE TOWN CONTAINER TERMINAL:	5 194	8 045
NGQURA CONTAINER TERMINAL:	6 938	4 819
GQEBERHA CONTAINER TERMINAL:	2 715	3 383
TOTAL:	34 974	39 913

Source: Transnet, 2023. Updated 14/07/2023.

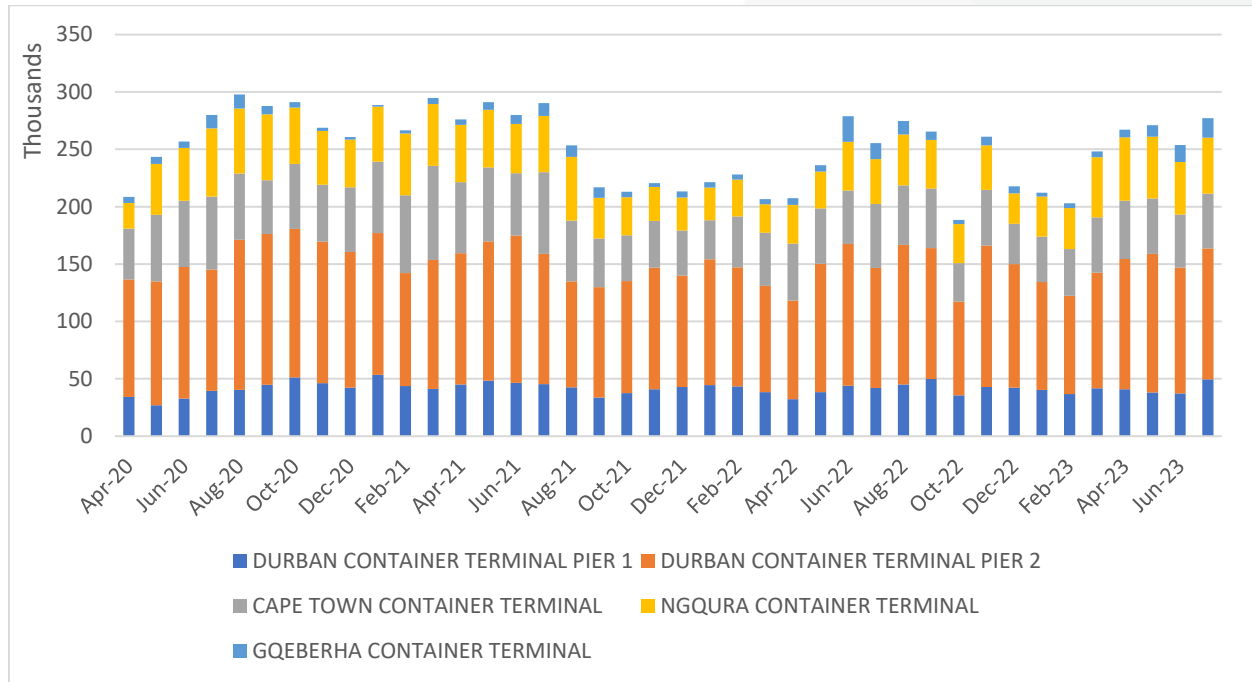
An average of **~7 840 containers** (**↑12%**) was handled per day for the last week (8 to 14 July, Table 2), compared to the projected average of **~9 141 containers** (**↓14,2%** actual versus projected) noted in last week's report. Once again, this week, we are falling woefully short of projections, which are not even based on best practices or peak performance. Instead, the projections are based on recent demonstrated capacity. However, it seems that even "averages" are currently unattainable in the current climate. For this week, an increased average of **~10 698 containers** (**↑36,4%**) is predicted to be handled (15 to 21 July, Table 3); however, our ports have collectively only handled more than **10 thousand containers** on a limited number of occasions in the last 18 months. Therefore, this target is improbable to be achieved. Several familiar operational constraints inhibited peak port performance this week, primarily adverse weather, persistent equipment breakdowns and shortages, congestion, and load-shedding.

⁶ It remains important to note that a large percentage (approximately 37% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

⁷ 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.

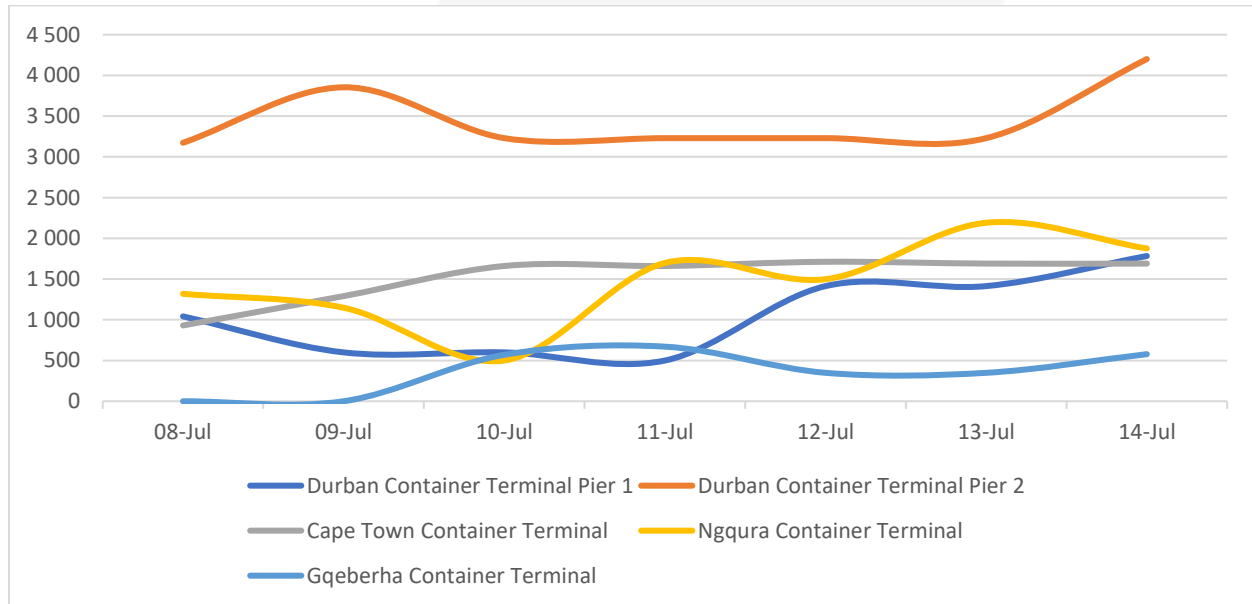
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 14/07/2023.

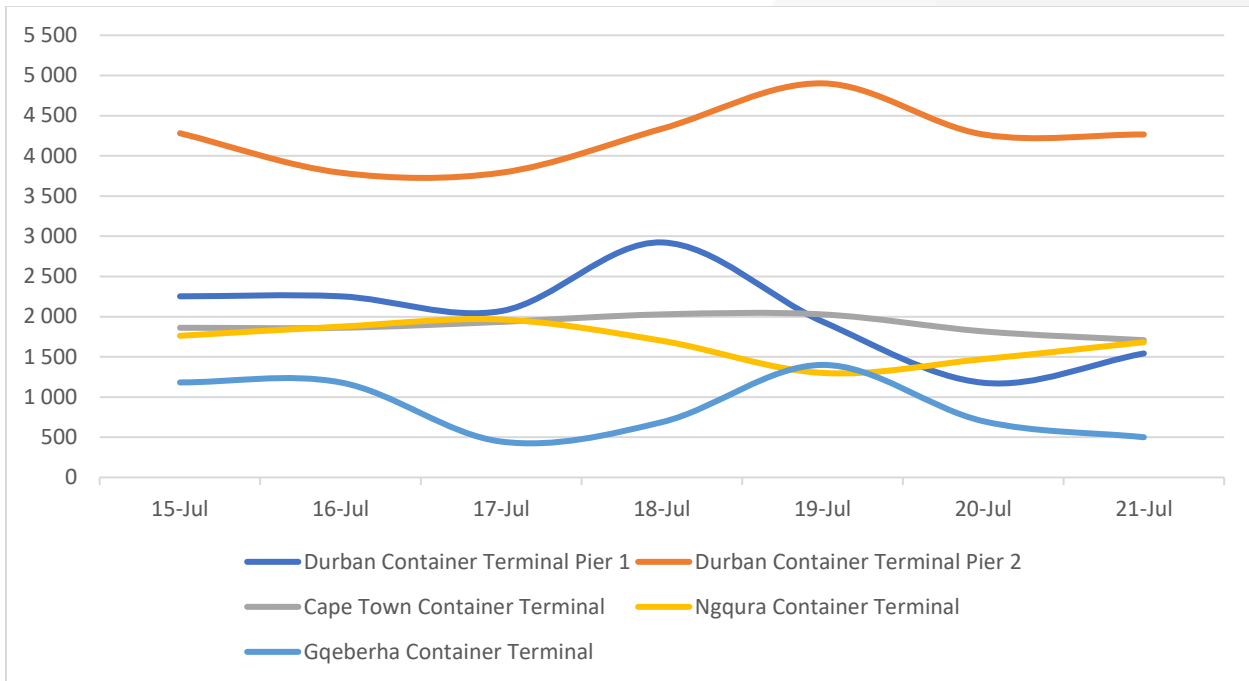
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (8 to 14 July; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/07/2023.

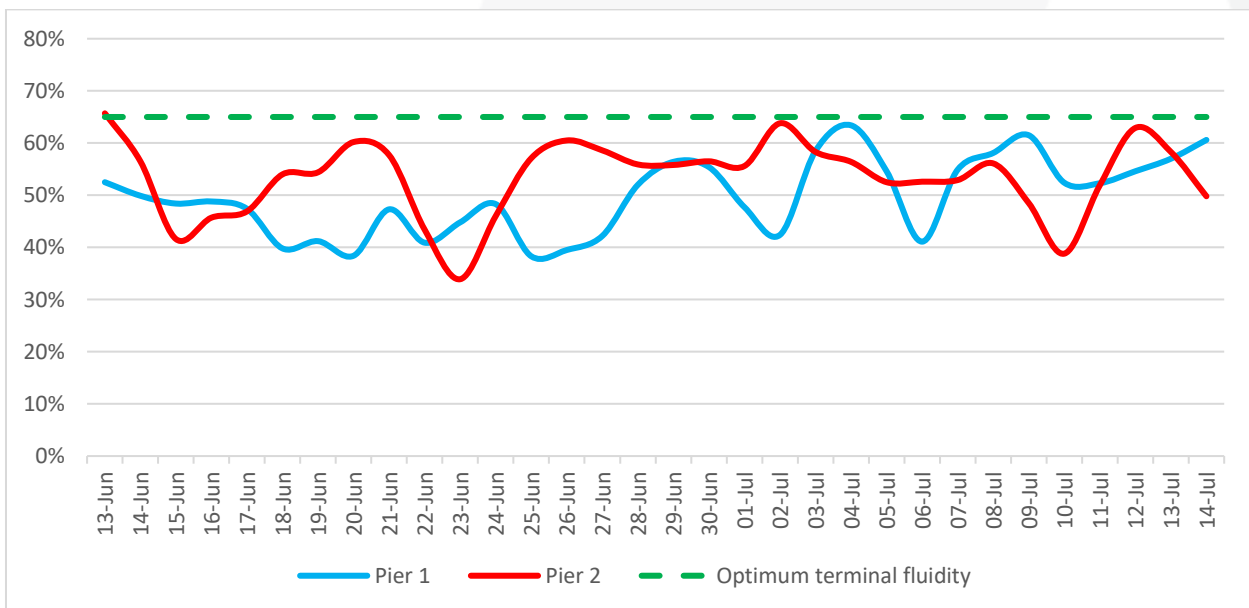
Figure 5 – 7-day forecast reported for total container movements (15 to 21 July; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/07/2023.

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

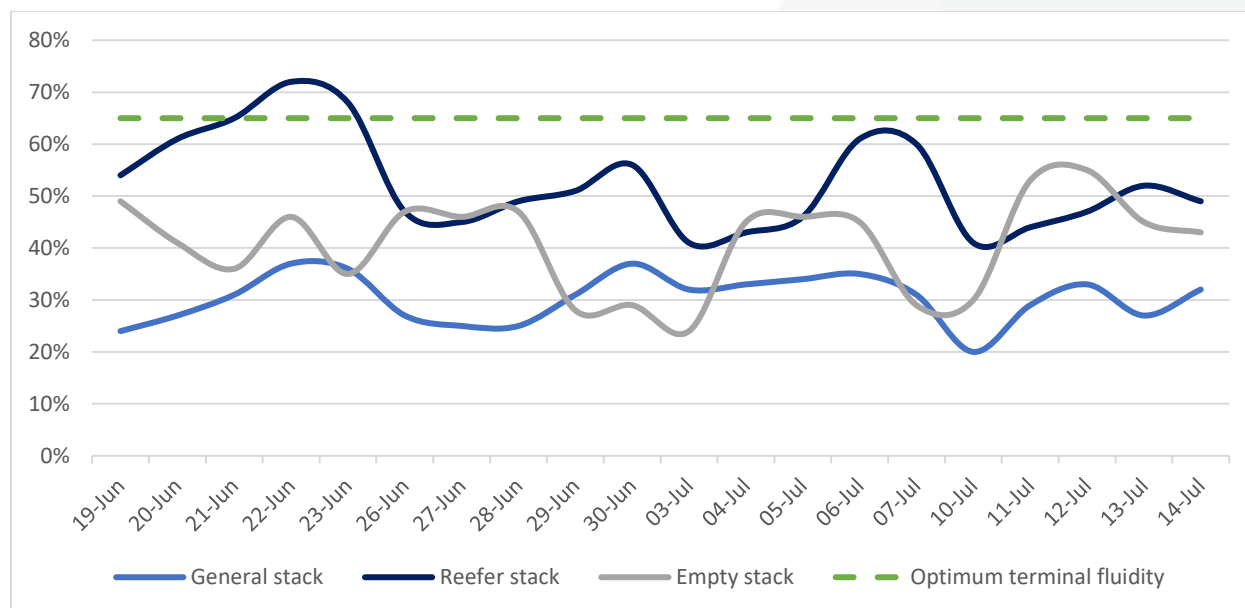
Figure 6 – Stack occupancy in DCT, general-purpose containers (13 June to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/07/2023.

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 (19 June to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/07/2023.

b. TNPA: June update

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for June⁸, with positive monthly returns registered in all metrics compared to a very depressed May. The headline figures show that container throughput increased by **↑8%** (m/m), the second consecutive month of growth after also increasing in May (**↑6%** - although April was very low). All container terminals bar Cape Town saw increases in throughput, as CTCT had a significant reduction in throughput this month (**↓23%**), emphasising the impact of the operational constraints and poor weather on the terminal. The case of CTCT is interesting, as the terminal has had a real see-saw year so far, with significant monthly changes from February onwards (-16%, +48%, -29%, +26%, -23%, respectively.) Bulk cargoes, on the other hand, saw significant increases across the board this month – dry bulk up by **↑47%**, liquid bulk up by **↑63%**, and breakbulk up by **↑26%**. At the same time, vehicle trade remains relatively high and registered at almost the same level as last month (**↑4%**). Here is the respective movement in cargoes handled in June:

Table 4 – TNPA – Volume and Growth: June 2023

	May	June	Movement	Monthly growth
Containers (TEUs)	351 383	378 649	27 266	8%
Landed	176 357	187 299	10 942	6%
Shipped	175 026	191 350	16 324	9%
Dry bulk (MT)	9 800 585	14 421 902	4 621 317	47%
Liquid bulk (MT)	2 838 592	4 613 689	1 775 097	63%
Breakbulk (MT)	523 299	661 738	138 439	26%

⁸ Transnet. 2023. Port statistics. [TNPA](https://www.tnpa.co.za)

Vehicles (Units)	54 645	57 018	2 373	4%
Total cargo (excl. Vehicles)	13 162 476	19 697 329	6 534 853	50%

Source: [TNPA](#), updated 14/04/2023.

Despite the positive change across the board in the bulk sectors, the growth is really only making up for poor throughput in the preceding months. Indeed, handling nearly **20 million metric tonnes** is only slightly above the 10-year monthly average of **18,3 million metric tonnes**. Nevertheless, the change is a positive one. Also, despite the positive change in containers last month, cyclically, June is typically a strong month for containers, with the average handled at around **394 380 TEUs** in the three years preceding the pandemic. Consequently, June 2023 is only around **~96%** of pre-pandemic volume, which shows that the monthly increase is not as pronounced as initially thought. The following table shows the comparative overview for June 2023, compared to the same month in 2022, 2021 and 2020:

Table 5 – TNPA – Volume and Growth: June 2020-2023

	2020	2021	2022	2023	Growth: '22-'23	Growth: '21-'23	Growth: '20-'23
Containers (TEUs)	342 280	394 041	415 219	378 649	-9%	-4%	11%
Landed	164 220	209 676	227 048	187 299	-18%	-11%	14%
Shipped	178 060	184 365	188 171	191 350	2%	4%	7%
Dry bulk (MT)	14 716 454	16 470 521	17 631 591	14 421 902	-18%	-12%	-2%
Liquid bulk (MT)	3 445 156	3 061 549	2 873 069	4 613 689	61%	51%	34%
Breakbulk (MT)	203 281	461 814	601 122	661 738	10%	43%	226%
Vehicles (Units)	21 391	71 791	72 636	57 018	-22%	-21%	167%
Total cargo (excl. Vehicles)	18 364 891	19 993 884	21 105 782	19 754 347	-6%	-1%	8%

Source: [TNPA](#), updated 14/04/2023.

Although container trade is up on last month's number, June's throughput is the lowest since the pandemic. Bulk cargo volumes are also down versus last year's bumper month of June and are somewhat similar to 2021. Yearly figures for the primary industries indicate the following: containers (**↓9%**, y/y), total cargo handled (**↓6%**, y/y), dry bulk (**↓18%**, y/y), liquid bulk (a healthy **↑61%**, y/y), breakbulk (**↑10%**, y/y), and vehicles (**↓22%**, y/y). Ultimately, the current discourse remains focused on "average" and "similar", showing that there has been no real and sustainable growth. This lack of real growth is particularly evident in container trade when looking at the year-to-date views – starting with the pre-pandemic levels of 2019:

Table 6 – TNPA – Volume: YTD January-June 2019-2023: Containerised cargo

	2019	2020	2021	2022	2023
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
LANDED:					
DEEPSEA	894 220	786 786	913 676	887 193	853 834
COASTWISE	24 533	23 976	20 495	30 393	27 192
TRANSHIPPED ⁹	215 709	185 354	180 752	194 098	138 944
TOTAL LANDED	1 134 462	996 116	1 114 923	1 111 684	1 019 970
SHIPPED:					

⁹ 'Transhipped' means an act of off-loading cargo from one ship (generally at a hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transshipment port for a period.

DEEPSEA	838 950	778 894	892 215	856 308	858 510
COASTWISE	17 821	23 782	20 897	23 757	32 359
TRANSHIPPED	210 349	180 387	188 928	147 721	131 959
TOTAL SHIPPED	1 067 120	983 063	1 102 040	1 027 786	1 022 828
GRAND TOTAL	2 201 582	1 979 179	2 216 963	2 139 470	2 042 798

Source: [TNPA](#), updated 14/04/2023.

Compared to last year, total containers shipped are down by **↓0,5%** (y/y), with total containers landed down by a considerable **↓8,3%** (y/y), with total container trade down by **↓4,5%** (y/y). Versus the pre-pandemic year of 2019, the picture becomes bleaker, as total containers shipped are down by **↓4,2%** (y/y), with total containers landed down by **↓10,1%** (y/y), with total container trade down by **↓7,2%** (y/y). It is a sad commentary on our container trade industry that poor port efficiency and productivity continue to hamper South Africa's foreign trade in a climate of tumbling volumes. Although the global market is also down in its year-to-date levels versus last year, it has jumped by leaps and bounds versus pre-pandemic times – a stark contrast to South Africa's case.

c. 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 were much improved; however, equipment breakdowns dampened operational performance.
- Inclement weather was the main culprit of operational delays at the Port of Durban this week.
- Adverse weather persisted in Richards Bay for most of the week.
- The Eastern Cape ports also fell victim to poor weather conditions and vessel ranging, impacting operations.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and three at anchor as backlogs due to unfavourable weather conditions as vessel ranging continued to haunt operations at the port. Stack occupancy for GP containers was recorded at 27%, reefers at 52%, and empties at 45%. In the latest 24-hour period to Thursday, the terminal handled 2 312 TEUs across the quay. 1 323 trucks were serviced on the landside, and 45 rail import containers were on hand. On Thursday, more than **22 000 TEUs** were stuck at outer anchorage, according to the "*Port Congestion Watch*" with a queue-to-berth ratio of around **0,83**. For the most significant part of the week, weather conditions were favourable, but unfortunately, backlogs remain as operational performance remains below par, with a GCH of ~10 and SWH of ~20. Despite the poor performance at the port, the port still found time to facilitate union meetings which took approximately two hours away from operations this week. The latest reports suggest that berthing delays for the latest vessel arrivals have gone up to four days, while some earlier arrivals have been waiting between nine and ten days.

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and zero at berth. In the 24 hours leading to Wednesday, the terminal managed to service 49 external trucks at an undisclosed truck turnaround time on the landside. No volumes were moved across the quay on the waterside because no vessel was on berth. Stack occupancy was recorded at 7% for GP containers, 45% for reefers, and 1% for empties by the end of the week. There are serious concerns around the under-utilisation of this terminal, especially in view of the poor performance at CTCT.

The FPT private terminal reported zero vessels at anchorage while servicing two vessels at berth on Thursday. During the 24 hours before Thursday, the terminal managed to handle 801 TEUs and 106 pallets of fruit on the waterside while servicing 158 trucks on the landside. During the same period, reefer stack occupancy was recorded at 64%.

iii. Durban

Pier 1 on Wednesday recorded two vessels at berth, operated by five gangs, and two vessels at anchor. Stack occupancy was 55% for GP containers and 85% for reefers. During the same period, 1 290 imports were on hand, with 205 units having road stops and 185 unassigned. The terminal recorded 882 landside gate moves, with an undisclosed number of cancelled slots and 22 wasted. The truck turnaround was also recorded at ~39 minutes, with an average staging time of ~35 minutes.

Pier 2 had four vessels at berth and three at anchorage on Thursday. In the 24 hours to Thursday, stack occupancy was 58% for GP containers and 78% for reefers, with 76% of reefer plug points utilised. The terminal operated with 11 gangs while moving 4 472 TEUs across the quay. During the same period, there were 2 785 gate moves on the landside with a truck turnaround time of ~86 minutes and a staging time of ~89 minutes. Of the landside gate moves, 1 707 (61%) were for imports and 1 078 (39%) for exports. Additionally, 613 rail import containers were on hand, with 270 moved by rail. The terminal reported system issues from 15:00 to 16:30, which affected internal operations.

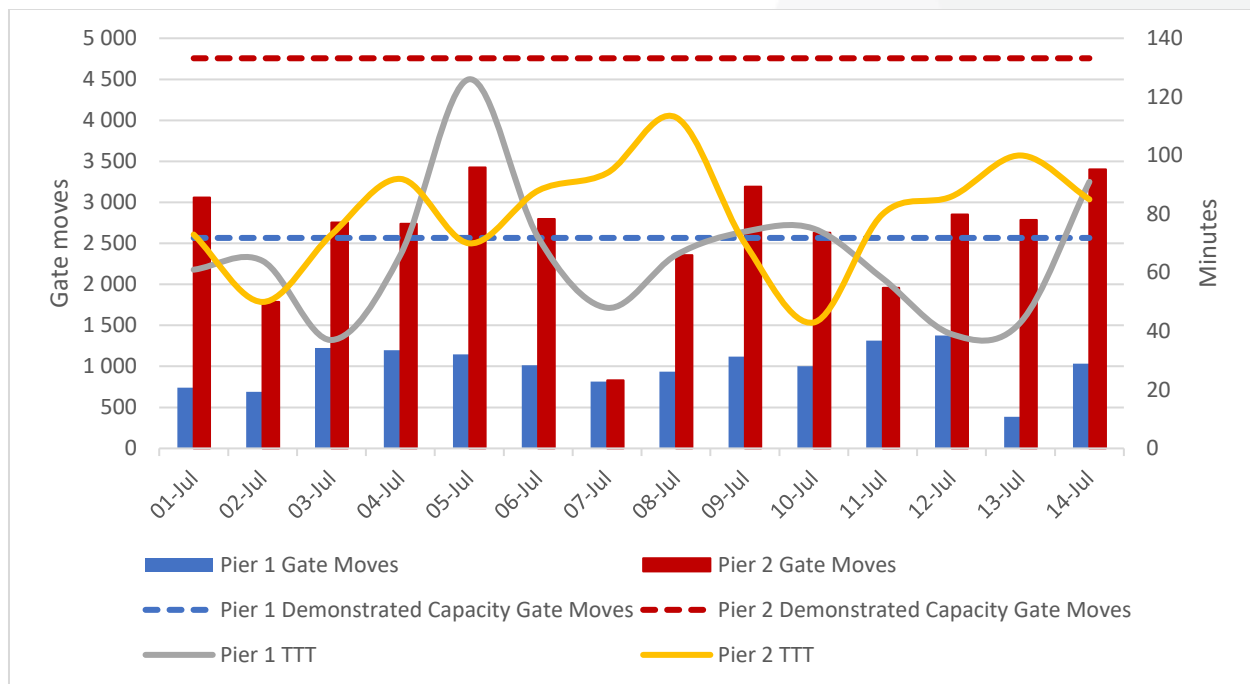
The port's marine fleet operated with four tugs for most of the week before returning to a complement of five tugs on Friday. Additionally, the Richards Bay pilot boat is still aiding with marine services in Durban, while the helicopter went out of commission for maintenance during the latter part of the week. The latest reports suggest that the two second-hand tugs are set to arrive at the port by the end of August. Furthermore, between 70 and 75 straddle carriers operate at DCTs Pier 2.

Durban's MPT terminal recorded two vessels at berth on Friday, with none at the outer anchorage, while handling 167 containers and 3 124 breakbulk tons on the waterside. Stack occupancy for breakbulk improved to 40% during that time, and it was recorded at 40% for containers, with 169 reefer plug points available. The terminal managed to handle 109 containers on the landside while servicing 112 breakbulk RMTs translating to 1 382 tons. During the same period, three cranes, eight reach stackers, one empty handler, six forklifts and 19 ERFs were in operation. Additionally, the early forecast for the return to service of the fourth crane at the terminal is mid-September. The parts needed to repair the crane should be shipped by next week, Friday, 21 July 2023 and should arrive by mid-August. The spares took so long to procure because they were "custom-made" for the crane's structural repairs.

On Tuesday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with none at outer anchorage. Over the 24 hours to Wednesday, the terminal handled 1 175 units on the waterside and 819 on the landside. During the same period, general stack occupancy was recorded at 40%, with a composition of 67% for imports, 25% for exports, and 8% for transshipments. Stack occupancy at G-berth was high at 75%, while stack occupancy at QR was low at 10%. The terminal had 3 187 import units on hand, 1 127 units destined for export markets, and 426 units subject to transshipments.

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 14/07/2023.

iv. Richards Bay

On Friday, Richards Bay recorded 11 vessels at anchor, consisting of three breakbulk and eight dry bulk vessels. There were 17 vessels on berth, six at DBT, five at MPT, five at RBCT, and one at the liquid bulk terminal. Two tugs and a helicopter were in operation for marine resources in the 24 hours leading up to Friday, with the pilot boat still assisting Durban. Late news on Friday was a reported "stop-order" served on the port due to non-adherence to port regulations.

v. Eastern Cape ports

NCT on Wednesday recorded three vessels on berth and two vessels at outer anchorage. Marine resources of one tug, a pilot boat, two pilots, and one berthing gang were in operation 24 hours before Thursday. One of the tugs experienced a starter unit failure which ensured that the tug was taken out of commission during the early stages of the week. In the same period, stack occupancy was 29% for GP containers, 63% for reefers, and 2% for reefer ground slots. And in that period, 2 449 TEUs were processed at a GCH of ~17 and SWH of ~43. Additionally, 387 reefers were handled across the quay, while 796 trucks were serviced on the landside at a truck turnaround time of ~36 minutes.

Earlier this week, the Maersk Cotonou was berthed in distress because a fire broke out on board. The vessel was en route to Ghana and Nigeria but berthed at the Port of Ngqura due to the incident. The cause of the fire remains unknown as investigations continue.

GCT on Wednesday recorded zero vessels at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Thursday. In the same period, stack occupancy was 63% for GP containers, 82% for reefers, and 64% for reefer ground slots. On the waterside, 552 TEUs were moved across the quay. Additionally, 317 trucks were serviced on the landside at a truck turnaround time of ~25 minutes.

The Ro-Ro terminal had one vessel on berth and no vessels at anchor on Thursday. 2 750 units were handled on the waterside in the 24 hours before Thursday. During the same period, 4 074 units were on hand, leading to a stack occupancy figure of 42%.

At the Port of East London on Thursday, 531 containers were moved across the quay at a GCH of ~15, while 67 external trucks were serviced at a truck turnaround time of ~17 minutes. Stack occupancy on the container side was captured at an astonishing 109%. During the same period, at the Ro-Ro terminal, 731 units were received, while stack occupancy at the car terminal was captured at 73%. 3 103 bulk tons were handled on the waterside at a TPH of 146, while 19 bulk trucks (636 tons) were received on the landside. Stack occupancy on the bulk side of the terminal was captured at 65%. Furthermore, no breakbulk volumes were handled on the waterside; however, eight trucks carrying 240 tons of cargo were received on the landside resulting in a stack occupancy figure of 3%.

vi. Saldanha Bay

On Friday, the iron ore terminal had three vessels at anchorage and one on the berth, while the multi-purpose terminal also had three vessels at anchor and two on the berth. The vessels at anchor have been waiting outside for approximately 2-5 days, while the vessels in port have been on berth for around 1-3 days.

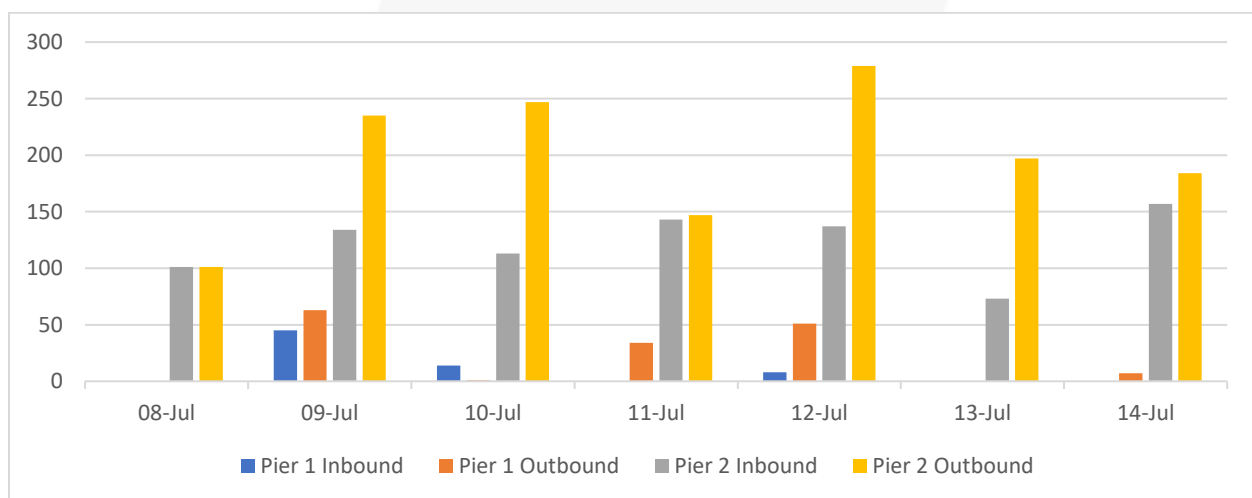
vii. Transnet Freight Rail (TFR)

A cable theft incident on the rail network near Lions River in the early hours of Wednesday morning ensured that the movement of locomotives was halted. Reports from TFR indicated that the line returned to service on Thursday evening around 22:00. Additionally, the following sections of the container corridor were also affected by cable theft incidents this week:

- Danskraal and Elandsplaagte.
- Danskraal North and Pepworth.
- Besters and Van Reenen.

Furthermore, DCTs Pier 2, on Friday, had 323 ConCor units with a dwell time of 96 hours (4 days) and 146 over-border units with a dwell time of 20 days.

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



Source: Calculated using data from Transnet, 2022. Updated 14/07/2023.

In the last week (8 to 14 July), rail cargo handled out of Durban was reported at **2 471** containers, up by **↑6%** from the previous week's **2 330** 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 3 July. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in July 2022 averaged **~719 417 kg** per day.

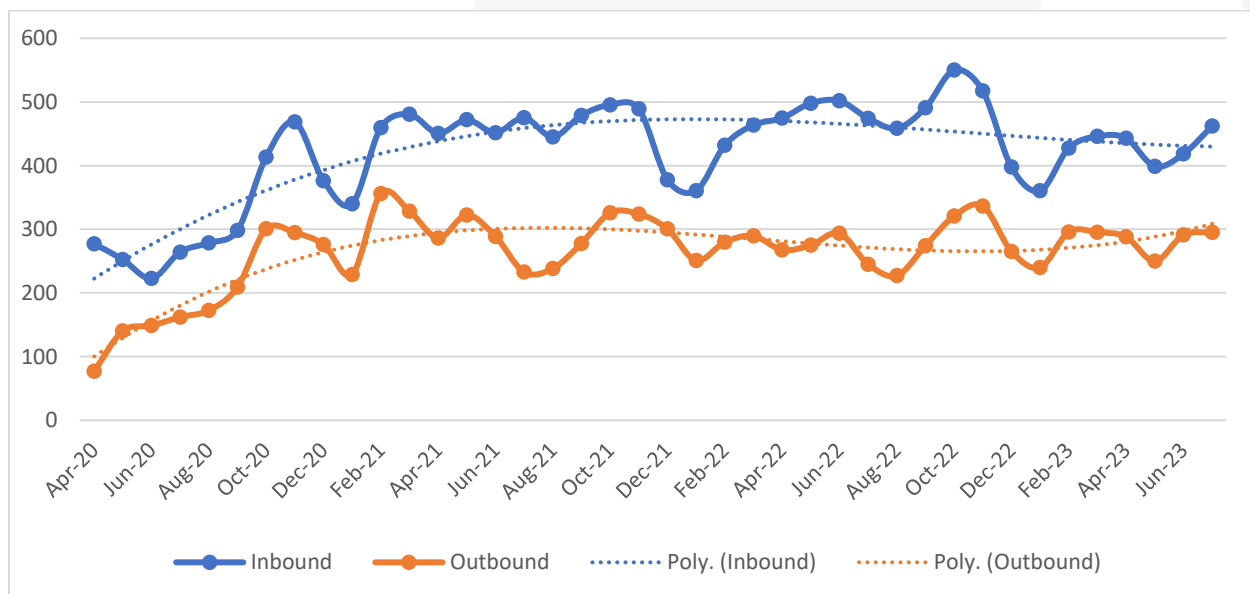
Table 7 – International inbound and outbound cargo from OR Tambo

Flows	03-Jul	04-Jul	05-Jul	06-Jul	07-Jul	08-Jul	09-Jul	Week
Volume inbound	477 119	302 891	367 895	370 344	325 793	271 077	861 531	2 976 650
Volume outbound	257 242	186 351	206 851	230 510	230 541	196 752	567 424	1 875 671
Total	734 361	489 242	574 746	600 854	556 334	467 829	1 428 955	4 852 321

Courtesy of ACOC. Updated: 10/07/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **425 236 kg** inbound and **267 953 kg** outbound, resulting in an average of **693 189 kg per day** or **~96%** compared with July 2022. However, the level is currently at only **~82%** compared with the same period pre-pandemic in 2019. As the figure illustrates, inbound cargoes have seemingly settled after an extended lull. In contrast, outbound cargo keeps creeping up, hopefully coinciding with envisaged better tidings from the international market (see below), as the global space also remains weak.

Figure 10 – International cargo from OR Tambo – volumes per month (kg millions)



Courtesy of ACOC & BAC. Updated: 10/07/2023.

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 July 2022 was **~53 929 kg** per day.

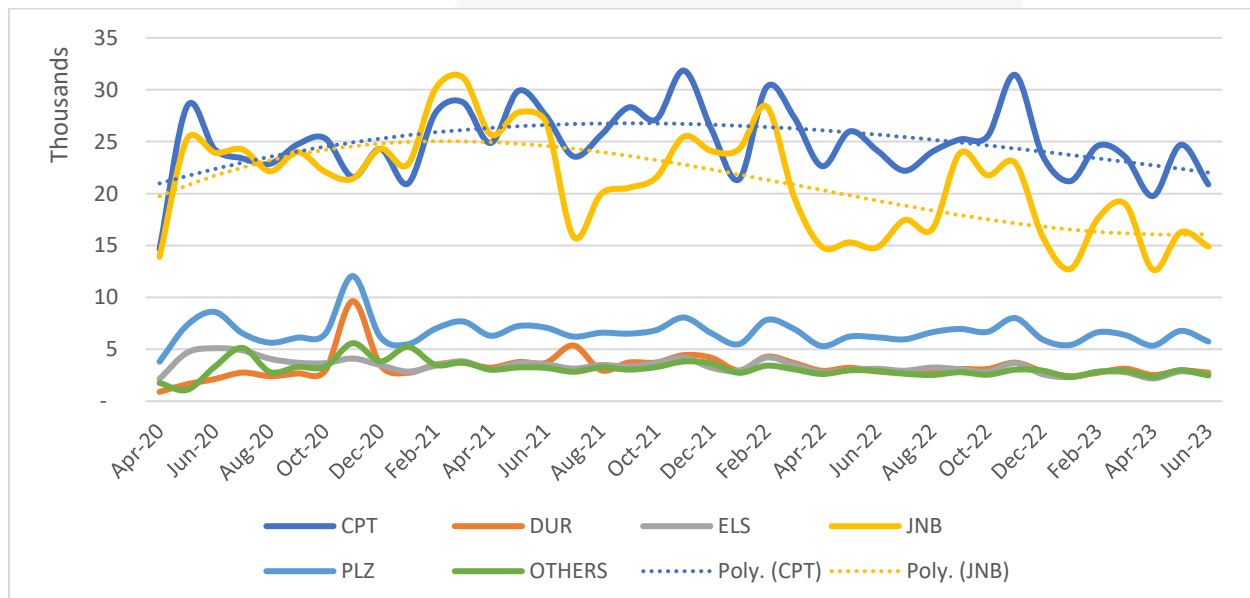
Table 8 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Dec '22 Ave.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
January Ave.	23 644	2 881	2 593	15 834	5 942	2 946	53 839
February Ave.	36 199	3 738	4 843	28 654	11 342	3 958	88 735
March Ave.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	19 767	2 525	2 192	12 650	5 357	2 354	44 844
May Ave.	24 692	2 952	2 869	16 274	6 777	2 996	56 560
June Ave.	21 128	2 776	2 570	15 405	5 846	2 502	50 225
July Ave.	18 292	2 053	2 315	11 065	5 377	2 146	41 249
03-Jul	37 825	3 477	4 162	21 465	11 979	4 334	83 243
04-Jul	38 280	3 493	4 883	24 615	10 203	3 906	85 381
05-Jul	35 693	4 560	4 968	20 227	10 689	4 354	80 491
06-Jul	33 447	3 230	4 496	19 991	9 494	3 479	74 136
07-Jul	14 213	2 644	1 811	10 909	4 583	2 142	36 303
08-Jul	1 110	322	9	538	274	119	2 371
09-Jul	2 061	300	106	177	377	287	3 307
Total for 2023:	4 294 150	522 660	499 893	2 978 934	1 172 669	509 066	9 977 374

Courtesy of BAC. Updated: 14/07/2023.

The average domestic air cargo moved last week was ~52 176 kg per day, down by ↓5% compared to the previous week and slightly down compared to last year's level (~97%).

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



Courtesy of BAC. Updated: 14/07/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

This week, the following points should be noted regarding challenges and delays on roads in South Africa and the surroundings in the SADC region.

- The median border crossing times at South African borders (outbound) decreased by **more than two hours** and averaged **~12,9 hours** (↓15%,w/w) for the week. In contrast, the greater SADC region (excluding South African borders) experienced a slight increase by **~30 minutes** and averaged **~10,2 hours** (↑4%, w/w).
- It has been a terrible week for transport, with trucks torched in various locations without any theft, fatalities, or motive.
 - At least 16 trucks were set alight in KwaZulu-Natal, Limpopo, and Mpumalanga¹⁰, with some reports quoting the number as high as 21¹¹, as drivers, representative bodies, and related industry stakeholders are pleading with the authorities to deal decisively with the economic sabotage and criminality plaguing the industry.
- Struggles at Sakania Border between DRC and Zambia continued last week, as a bush fire outbreak resulted in eight trucks in a private truck park set ablaze.
 - Sakania is used by many transporters carrying flammable cargo due to the ever-present queues at Kasumbalesa.
 - There were plans to convert Kipushi Border into a strictly Hazardous chemical border post with all the necessary equipment to avoid such incidents.
 - Happily, the border was reopened on Sunday.
- Groblersbrug queue times have increased exponentially over the last month, as network issues, inadequate infrastructure, and several other issues resulted in queue times of around **two and a half days** to cross.
 - The situation has been exacerbated with BURS also experiencing network constraints and the Botswana Northbound yard being packed with trucks, with no room for more.
- 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](#)¹², which arguably provides better and more reliable information.

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

Table 9 – Delays¹³ summary – South African borders (both directions)

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	445	1	24	25	13 350	3 115
Beitbridge	Zimbabwe-SA	392	0	3	16	11 760	2 744

¹⁰ Nkanjeni, U. 12/07/2023. [‘Companies and employees will suffer’ — Truckers Association of South Africa on truck attacks.](#)

¹¹ Comins, L. 14/07/2023. [Truck drivers condemn torchings.](#)

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. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay in collaboration with SAAFF.

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

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
Groblersbrug	SA-Botswana	224	2	6	24	6 720	1 568
Groblersbrug	Botswana-SA	136	0	0	2	4 080	952
Vioolsdrif	SA-Namibia	30	0	1	5	900	210
Noordoewer	Namibia-SA	20	0	0	2	600	140
Nakop	SA-Namibia	30	7	1	7	900	210
Ariamsvlei	Namibia-SA	20	2	0	2	600	140
Lebombo	SA-Mozambique	1 602	24	2	13	48 060	11 214
Ressano Garcia	Mozambique-SA	102	0	0	6	3 060	714
Skilpadshek	SA-Botswana	200	3	1	3	4 800	1 400
Pioneer Gate	Botswana-SA	100	2	1	2	2 400	700
Weighted Average/Sum		3 301	4	3	9	97 230	23 107

Source: TLC, FESARTA, & Crickmay, week ending 09/07/2023.

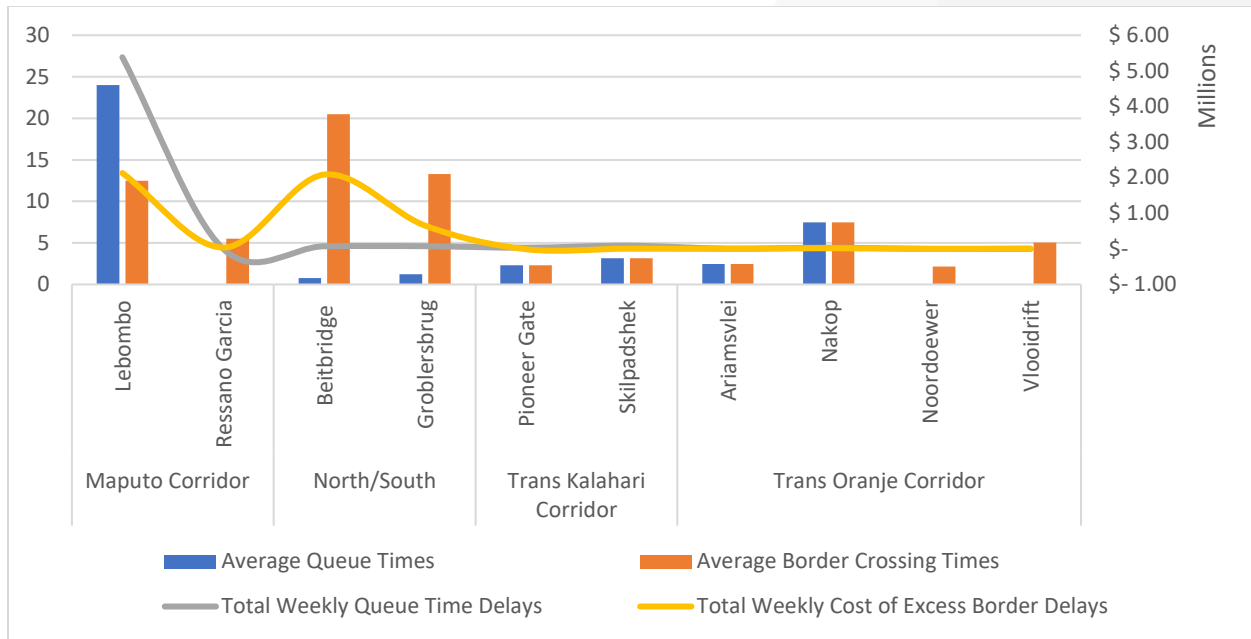
Table 10 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	1	2	18	9 600	2 240
Dar Es Salaam Corridor	1 819	69	2	13	54 570	12 733
Maputo Corridor	1 704	12	1	9	51 120	11 928
Nacala Corridor	127	0	1	3	3 810	889
North/South	3 269	26	5	13	98 070	22 883
Trans Caprivi Corridor	116	2	4	23	3 480	812
Trans Cunene Corridor	100	9	2	9	3 000	700
Trans Kalahari Corridor	330	3	1	3	7 920	2 310
Trans Oranje Corridor	100	2	1	4	3 000	700
Weighted Average/Sum	7 885	21,4	3	10,6	234 570	55 195

Source: TLC, FESARTA, & Crickmay, week ending 09/07/2023.

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

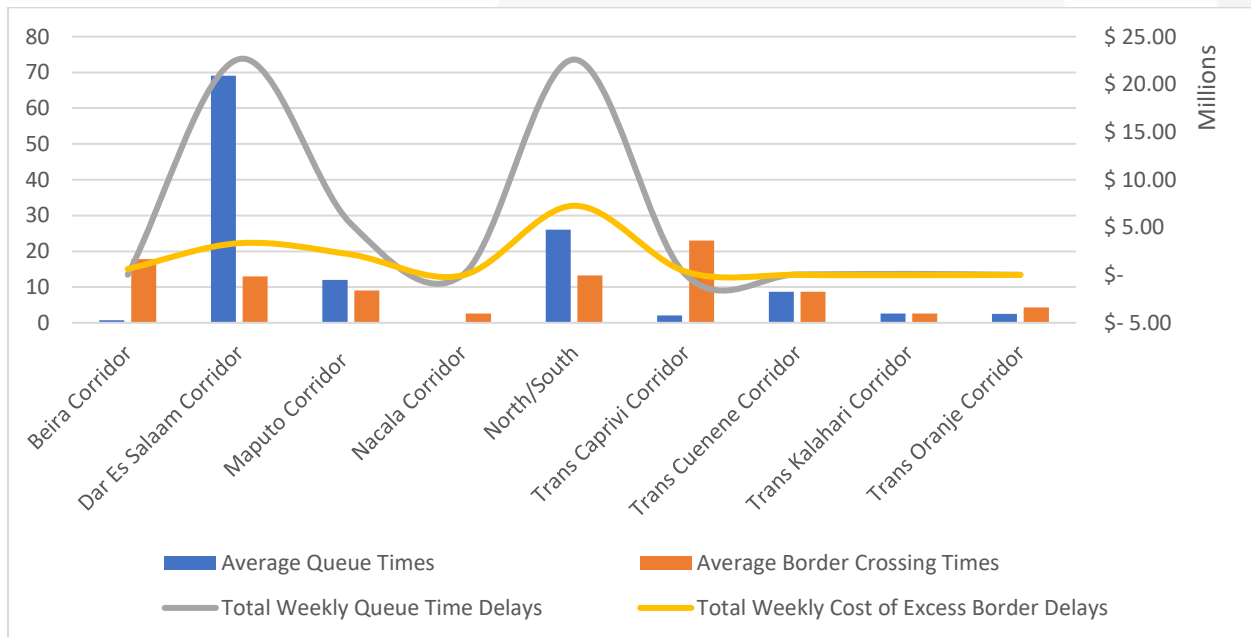
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 09/07/2023.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 09/07/2023.

In summary, cross-border queue time averaged **~21,4 hours** (down by **~0,1 hours** from the previous week's **~21,5 hours**), indirectly costing the transport industry an estimated **\$51 million (R896 million)**. Furthermore, the week's average cross-border transit times hovered around **~10,6 hours** (down by **~1,0 hours** from the **~11,5 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$14 million (R243 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R1 139 million** (down by **~R59 million** or **↓5%** from **R1 198 million** in the previous report).

4. International Update

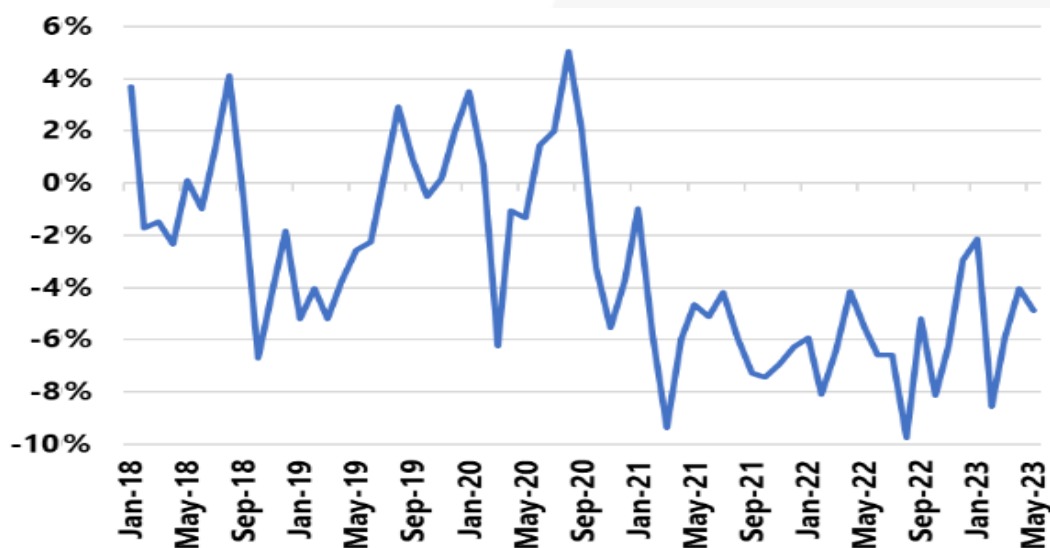
The following section provides some context around the global economy and its impact on trade, including an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Global container reliability, capacity, and congestion

The trajectory of the global container industry has seemingly continued to improve for shippers, with low rates, high capacity, and improved schedule reliability the recent trends. Indeed, in May, global schedule reliability improved to **66,8%**¹⁵, which, albeit low, falls within what can be called typical performance. Even though most shippers are exposed to only a subset of the trade lanes covered, and hence from their perspective, it is their own trade level detail that is relevant, the global figure serves the purpose of conveying a sense of the larger picture. To better reflect what the shippers are experiencing, *Sea Intelligence* has elected to weigh the reliability in each of the 34 different trade lanes, with the amount of TEU shipped in each trade lane. If the difference is positive, it means that more cargo is being shipped on trade lanes which are relatively more reliable, and vice versa:

Figure 14 – Added reliability experienced by customers



Source: [Sea Intelligence](#)

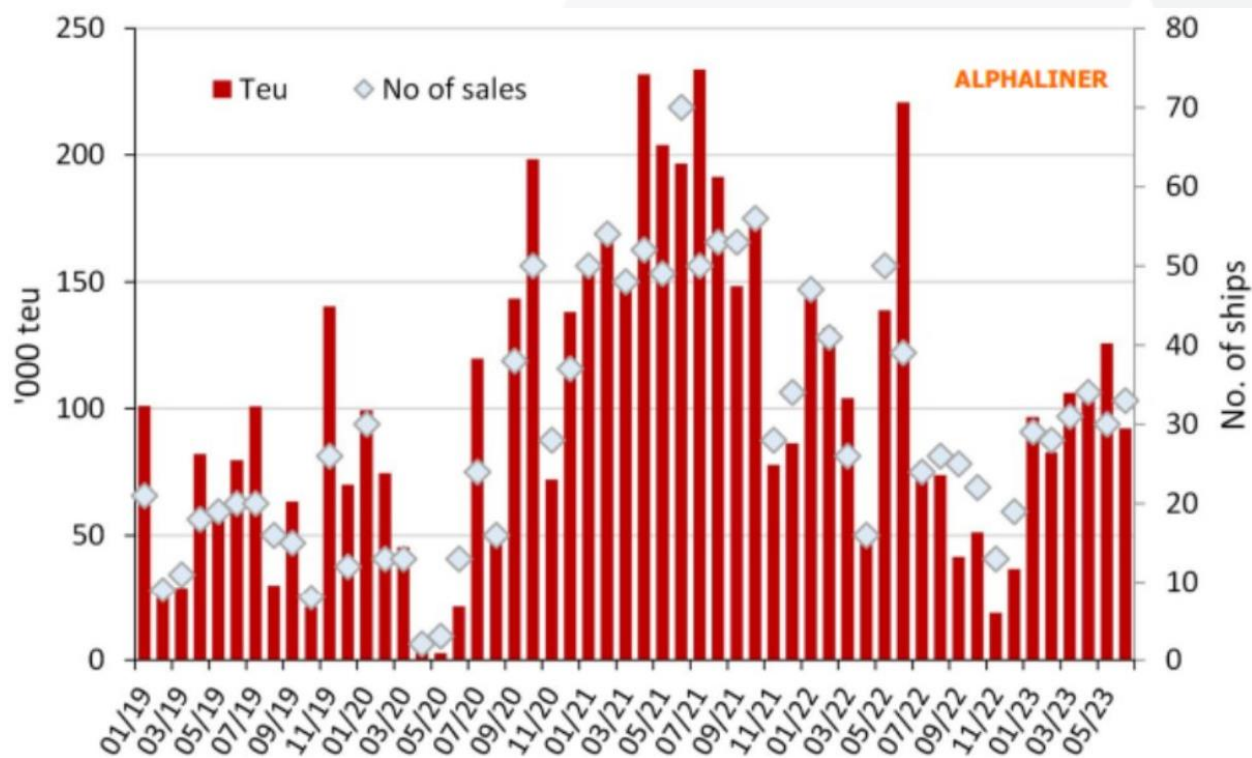
Significant inter-month volatility exists, but the level shift going into the pandemic period is very clear. And importantly, it can also be seen that despite the gradual normalisation of the reliability itself, the reliability by weighted average means that customers are experiencing global reliability, which is **4-8% worse** than indicated by the traditional global reliability number. In short, the distribution of the performance is skewed compared to the pre-pandemic era. Hence, shippers are *de facto* experiencing a level of reliability which is not yet fully normalised.

¹⁵ Murphy, A. 05/07/2023. [Schedule reliability continues to improve.](#)

Elsewhere in the international liner market, the idle fleet has remained stable this week and hovers around **91 350 TEU** (a mere **0,3%** of supply). These figures are confirmed by Drewry's "Cancelled Sailings Tracker", which is similar to last week and continues to trend around a relatively low **5% cancellation rate**¹⁶. Port congestion remains relatively low (**1,66 million TEU – 6,1%** of the fleet, **↑5%**, w/w). Therefore, for the industry to return to normality and experience any remote level of a "peak season", more aggressive capacity cuts will be needed to bring about rate stability. Fortunately, Linerlytica does report a **↓14%** (m/m) reduction in capacity bolstered by Zim's withdrawal of the ZNP service and THE Alliance's planned removal of one FE-USWC string from August¹⁷. Sea Intelligence, however, warns that an even bigger capacity issue is looming, as Asia-North America is on track to grow more than **↑20%** as we approach the later stages of the – presently invisible – peak season. A similar theme is seen on Asia-Europe, where capacity growth is currently scheduled to cross an even higher **↑40%** mark¹⁸.

These capacity injections – and the generally elevated level of market activity, as illustrated below – shows that there continue to be several moving parts playing out in the industry. Alphaliner this week showed that the containership sale and purchase market recorded 185 deals of more than **600 000 TEU** in the first six months of 2023, nearly double the volume of the previous six months:

Figure 15 – Container ships sales by month since January 2019



Source: Alphaliner

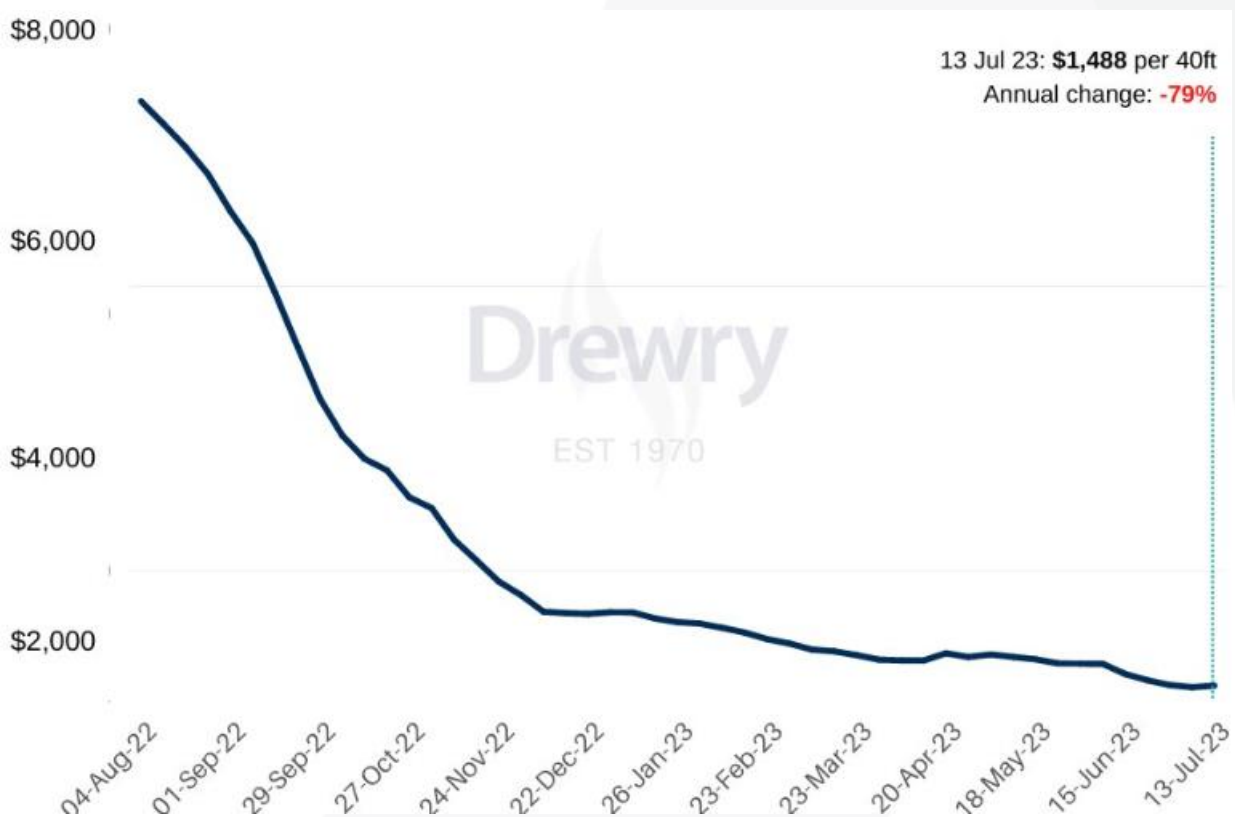
¹⁶ Drewry. 14/07/2023. [Cancelled Sailings Tracker - 14 July](#).
¹⁷ Linerlytica. 10/07/2023. [Market Pulse – Week 28](#).
¹⁸ Murphy, A. 05/07/2023. [Major capacity issue is looming](#).

Low prices continue to tempt carriers and non-operating owners back into the market. Ship prices for standard containerships were quoting at a half to a quarter of levels seen a year earlier, offering bargains for those operators with a continued appetite for tonnage – which partly explains why a general equilibrium between price and quantity is still some distance away. As of July, second-hand prices were stabilising once more. However, with disappointing cargo volumes, depressed cargo rates on many routes, massive pressure from the avalanche of new building deliveries, and a weakening charter market, further declines are expected in the coming months.

ii. Global container freight rates

Carriers' bid to raise Transpacific rates mid-July has gained traction, evidenced this week by the slight increase in container freight rates for the first time since 4 May. The "World Container Index" comes in at **\$1 488** per 40-ft container this week, having increased by **↑0,9%** (or **\$14**) since last week:

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



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

The composite index continues to hover around **↓79%** (y/y) less compared to the same week last year and **↓86%** below the peak of **\$10 377** in September 2021. Most trade lanes continue to moderate, except for the Asia-North American routes (perhaps partly explaining the Asia-North American capacity growth mentioned above), as Shanghai to LA and NY are up by **↑9%** and **↑5%**, respectively. Despite these isolated increases, Drewry expects East-West spot rates to decline marginally on most routes in the next few weeks.

iii. Further developments of note

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

1. Canadian strike ends as ILWU and BCMEA accept mediator's terms:

- a. The port strike that paralysed most cargo moves through Canadian west coast ports since 1 July moved closer to its end on Thursday¹⁹. The ILWU and British Columbia Maritime Employers Association (BCMEA) endorsed the compromise suggested by a federal mediator, opening the way to ratification by their respective members.
- b. According to an operations update by the port of Vancouver, some operations were already set to resume Thursday afternoon, hours after the two sides signalled acceptance of the proposed four-year labour agreement.

2. Detention and demurrage charges drop by ↓25% (y/y):

- a. Detention and demurrage (D&D) charges have plummeted over the past 12 months as carriers try to keep hold of their shippers in a slackening market²⁰. Container xChange's annual D&D survey found that, across 65 international gateways, average D&D charges fell ↓25% (y/y) and were below pre-pandemic levels for the first time in three years.
- b. The ongoing hardline taken by the US FMC might have influenced the change, as transparency – and consequent repercussions – around charges have significantly increased recently.

3. Ever Given report highlights Suez Canal pilots' role in grounding:

- a. The Panama Maritime Authority, acting as the authority of Ever Given's flag state, has submitted its accident report to the International Maritime Organisation, finally shedding light on the cause of arguably the most famous grounding in the modern shipping industry²¹.
- b. The report²² found that a combination of factors contributed to the grounding, notably the VTMS (Vessel Traffic Management System), SCA pilots, and the ship's captain, failure to adequately assess the risk of weather conditions, mainly strong winds and reduced visibility.
- c. Furthermore, the ship did not take preventive measures for these conditions, including requesting tugboat assistance or postponing the transit. The Panama Maritime Authority made several recommendations, including crew training, clear communication during pilotage, evaluating the pilot's actions, and paying attention during transit.

b. Global air cargo industry

Global air cargo tonnages and rates continued their long-term decline in the first full week of July, with the pace of the fall in chargeable weight picking up again after briefly slowing in June, as per the more frequent figures from World ACD. For week 27, tonnages are down by a ↓4% decrease compared with the previous week, and average worldwide air cargo prices also fell slightly (↓1%). The five-week change shows that tonnages are down by ↓6%, with capacity still relatively stable (↓1%) but significantly above last year's level:

¹⁹ Putzger, I. 14/07/2023. [Canadian strike ends as ILWU, BCMEA accept mediator's terms.](#)

²⁰ Whiteman, A. 10/07/2023. [D&D charges in freefall as carriers vie to keep shippers onboard.](#)

²¹ Schuler, M. 13/07/2023. [Ever Given Report Highlights Suez Canal Pilots' Role in Grounding.](#)

²² Panama Maritime Authority. 12/07/2023. [Marine safety investigation report grounding of MV Ever Given At Suez canal Egypt on March 23, 2021.](#)

Figure 17 – Global capacity, weight, and yield over the last five weeks (% , weekly)

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		+3%	+10%		-11%	-7%		+1%
Asia Pacific		-0%	+29%		-2%	+0%		-2%	-46%
C. & S. America		+1%	-15%		-3%	-4%		+2%	-11%
Europe		-1%	+7%		-5%	-9%		-1%	-36%
M. East & S. Asia		-1%	+10%		-17%	-12%		+2%	-44%
North America		-3%	+3%		-8%	-14%		-2%	-29%
Worldwide		-1%	+8%		-6%	-6%		-1%	-38%

Source: [World ACD](#)

Comparing the overall global market with this time last year, chargeable weight in weeks 26 and 27 were down **↓6%** compared with the equivalent period last year (y/y), mainly driven by decreases in tonnages ex-North America (**↓14%**), ex-Middle East & South Asia (**↓12%**), ex-Europe (**↓9%**) and ex-Africa (**↓7%**). On the pricing side, average rates show a slight decrease on a regional level for most lanes. The overall rate continues its downward trend and is currently around **\$2,33 per kg**, meaning worldwide average rates are **↓38%** below their levels last year, although they remain significantly above pre-pandemic levels (**↑32%** compared to July 2019).

ENDS²³

²³ACKNOWLEDGEMENT:

*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 [AIMS Global Logistics \(AGL\)](#).*