

Cargo movement update¹

Date: 23 June 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)	26 998	32 728	59 726	23 292	29 257	52 549	↑14%
Air Cargo (tons)	3 011	1 928	4 939	2 988	2 220	5 208	↓5%

Monthly Snapshot

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

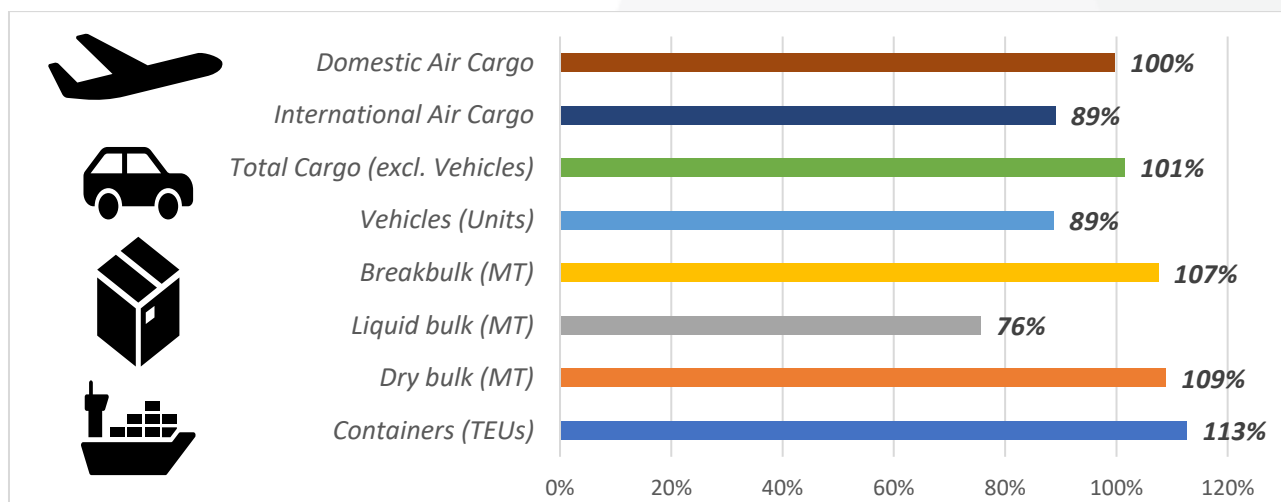
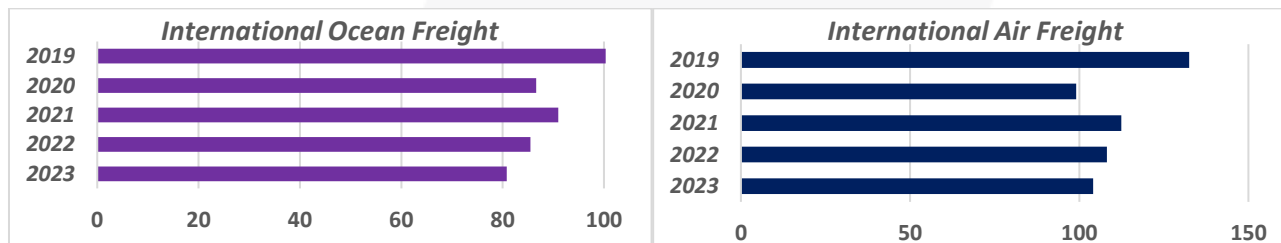


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 532 containers** was handled per day, with **~9 737 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 932 containers**, **↑37%** compared to last week.
- Cross-border queue times were **↑0,7 hours (w/w)**, with transit times **↓2,1 hours (w/w)**; SA borders increased by more than **four hours** – averaging **~17,5 hours (↑32%, w/w)**.
- According to the Bloomberg "Trade Tracker", trade remains subdued, with six indicators below normal.
- Global container rates decreased again significantly this week, falling **↓3,5%** (or **\$56**) to **\$1 536** per 40 ft.
- The gap between global air cargo tonnages in 2022 and 2023 has narrowed to just **↓4%** in June.

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 142nd 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-Apr cargo in metric tonnes, as reported by [Transnet](http://www.transnet.co.za) is used, while for air, Jan-May cargo to and from ORTIA is used.

Executive Summary

This update – *the 142nd 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, vessel ranging, and load-shedding. Adverse weather conditions and vessel ranging persisted in Cape Town during the earlier stages of the week but subsided somewhat later. Subsequently, backlogs were mostly cleared, and the port was removed from the "Port Congestion Watch". The shore tensioning units at the Port of Cape Town were previously installed permanently at berths 602 and 604, but the utilisation of these units will change soon. The latest reports from TNPA in the Eastern Cape region suggest that berth D100 at NCT is available for TPT to use. The Moormaster and its units are out of commission but not the berth. Additionally, a minor incident, unrelated to cable theft and vandalism, occurred during the 24 hours leading up to Wednesday as a train hook-up delayed operations for approximately three hours.

The Bloomberg "*Trade Tracker*" shows that trade flows struggle to sustain a significant global trade and maritime industry resurgence. Much like the sentiments for trade, throughput volumes in the global container industry remain weak. The capacity on offers continues to significantly outweigh the current demand (as the idle fleet continues to shrink and port congestion remains low), with the general freight rate levels continuing to collapse. Other developments included **(1)** controversy in the US, as Senator says striking dock unions should pay **\$2 billion** a day, and **(2)** many ships targeted for engine retrofits to offset emissions.

In the air freight sector, South African international volumes (**↓5%**) continue to trend very low, despite some resurgence in the outbound cargo flows. Domestic volumes dropped by the same magnitude as international, with air cargoes to Johannesburg finally bottoming out – trending at around two-thirds of pre-pandemic levels. In the international market, the global air cargo industry sentiment has slightly improved after a long spell of weak tonnages and low rates. The gap between global air cargo tonnages in 2022 and 2023 continues to narrow in June, down from **↓6%** at the end of May, **↓10%** in April, and **↓11%** in the first quarter. At the same time, average rates in May and June have stabilised at around **↓37%** below their level last year. In other air cargo news, Dutch cargo associations warned about the government's plan to reduce slots at Schiphol Airport, calling it overly political and potentially illegal.

In regional cross-border road freight trade, average queue and transit times decreased on average this week. However, South African border crossing times increased by more than **four hours** – averaging **~17,5 hours** (**↑32%**, w/w). In contrast, the greater SADC region (excluding South Africa) experienced a significant decrease – by **three hours**, averaging **~13,7 hours** (**↓18%**, w/w). Several SADC land borders took – on average – more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa (the worst affected, with crossings taking two-and-a-half days!), Katima/Mulilo, Oshikango, and Santa Clara. Further delays came in the form of **(1)** a new scanner creating an eight-day long queue to Kasumbalesa, **(2)** typical challenges at Groblersbrug extended the queue to **2,6 km** from the border last week, and **(3)** charging of random toll fees by town councils in Zambia further adding to the NTBs for regional trade.

In summary, the challenges with customs declarations and related EDI-gateway issues at SARS – and accompanying constraints this week – further highlight the need for continued collaboration in the extended logistics and transport environment. Fortunately, a mutually collaborative environment has been established between customs, trade, technical service providers, and all related agencies, which has primarily meant that a complete disaster has been averted. Nevertheless, it is crucial to continue with these engagements and learn the lessons presented, as the trading landscape – and the economy in general – remains in a precarious position without any significant growth spurts expected soon.

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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 17 to 23 June⁶

7-day flow forecast (17/06/2023 – 23/06/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 644	4 305
DURBAN CONTAINER TERMINAL PIER 2:	13 459	13 987
CAPE TOWN CONTAINER TERMINAL:	3 559	6 762
NGQURA CONTAINER TERMINAL:	4 144	5 332
GQEBERHA CONTAINER TERMINAL:	2 192	2 342
TOTAL:	26 998	32 728

Source: Transnet, 2023. Updated 23/06/2023.

Table 3 – Container Ports – Weekly flow predicted for 24 to 30 June

7-day flow forecast (24/06/2023 – 30/06/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 183	5 730
DURBAN CONTAINER TERMINAL PIER 2:	11 946	16 980
CAPE TOWN CONTAINER TERMINAL:	5 795	7 448
NGQURA CONTAINER TERMINAL:	7 280	5 944
GQEBERHA CONTAINER TERMINAL:	907	1 948
TOTAL:	30 111	38 050

Source: Transnet, 2023. Updated 23/06/2023.

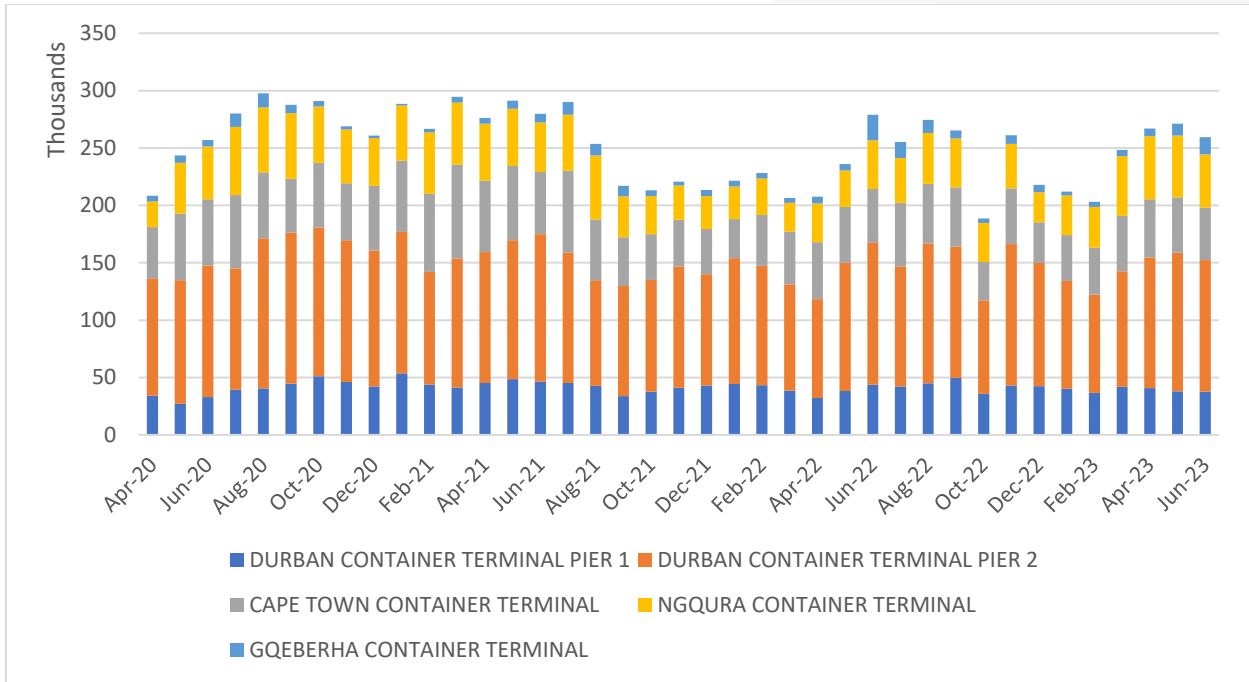
An average of **~8 532 containers** (**↑14%**) was handled per day for the last week (17 to 23 June, Table 2), compared to the projected average of **~9 770 containers** (**↓13%** actual versus projected) noted in last week's report. Incidentally, analysing last week's projected numbers, we see that all terminals failed to reach the predicted numbers – some significantly more than others – with the most significant negative difference at NCT (**↓28%**), while PECT showed a substantial increase for the week (**↑59%**). For this week, an increased average of **~9 737 containers** (**↑14%**) is predicted to be handled (24 to 30 June, Table 3). Several typical operational constraints inhibited peak port performance, primarily adverse weather, persistent equipment breakdowns and shortages, vessel ranging, and load-shedding.

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.

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.

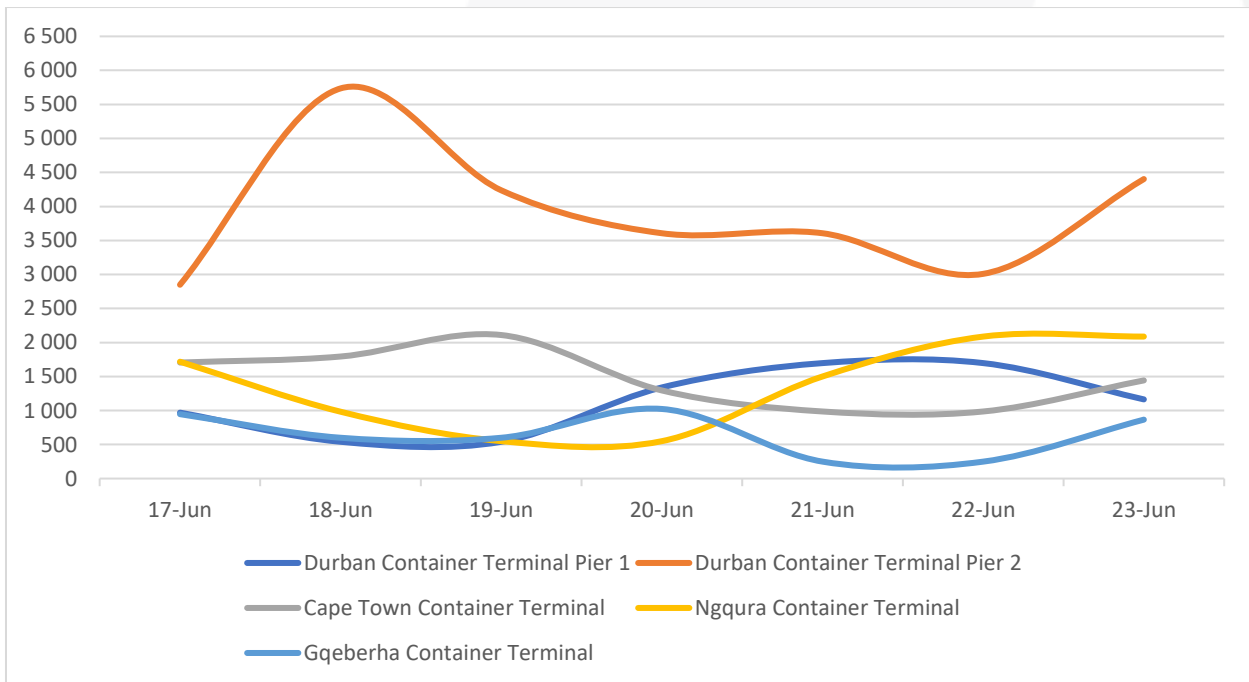
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 23/06/2023.

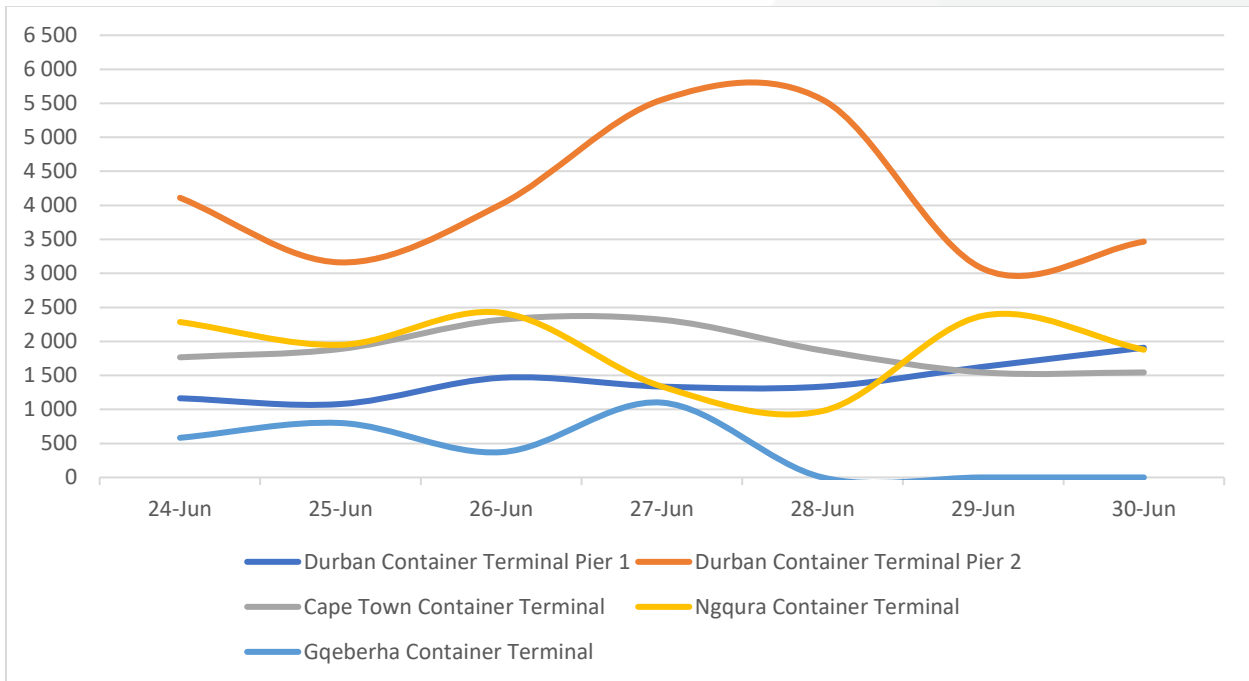
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (17 to 23 June; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 23/06/2023.

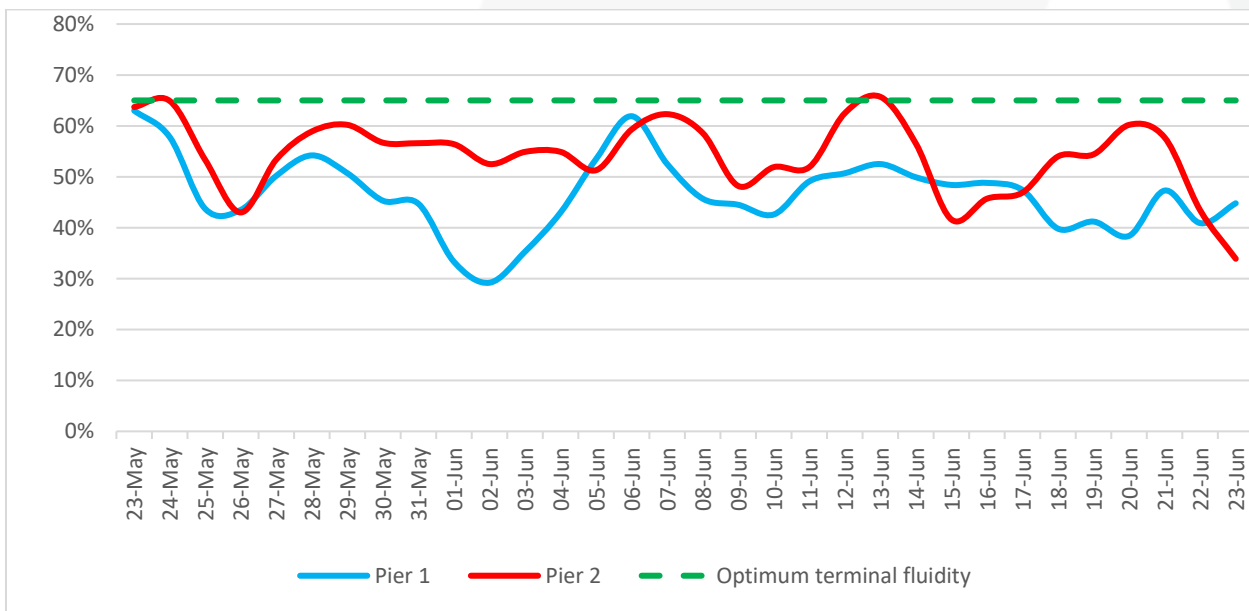
Figure 5 – 7-day forecast reported for total container movements (24 to 30 June; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 23/06/2023.

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

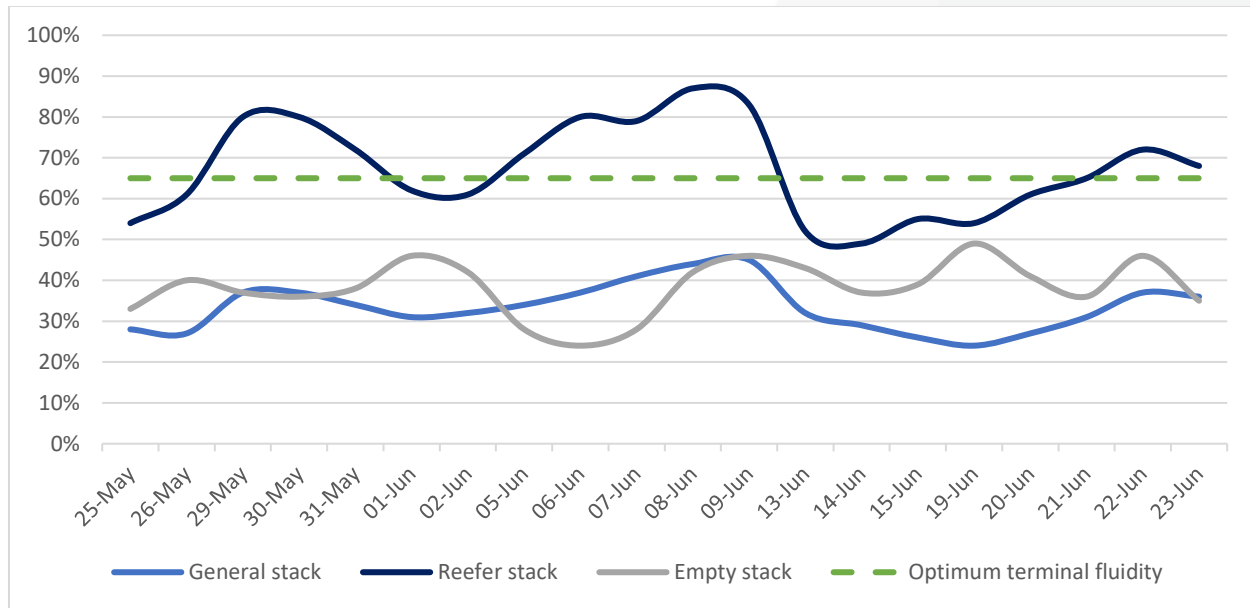
Figure 6 – Stack occupancy in DCT, general-purpose containers (23 May to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 23/06/2023.

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 (23 May to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 23/06/2023.

b. Summary of port operations

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

i. Weather and other delays

- Adverse weather conditions and vessel ranging persisted at Cape Town during the earlier stages of the week but subsided somewhat towards the latter parts.
- The main operational challenges experienced in Durban stemmed from equipment breakdowns and inclement weather.
- Good fortune persisted at Richards Bay this week as minimal delays were reported.
- Unfortunately, the Eastern Cape ports could not escape the effects of adverse weather this week, which markedly impacted operations.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and two at anchor as inclement weather conditions and vessel ranging persisted during the earlier stages of the week. Stack occupancy for GP containers was 37%, reefers at 72%, and empties at 46%. In the latest 24-hour period to Thursday, the terminal handled 1 919 TEUs across the quay. On the landside, 916 trucks were serviced, 153 rail import containers were on hand, and 87 were destined for export markets. By the end of last week, more than **13 000 TEUs** were stuck at outer anchorage as the port remained on the "Port Congestion Watch". The adverse weather experienced over the weekend further amplified the situation. However, as the week progressed, weather conditions subsided, which enabled some of the backlogs to be cleared and the port removed from the congestion watch.

The shore tensioning units at the Port of Cape Town were previously installed permanently at berths 602 and 604; however, the utilisation of these units will change soon. From now on, the units will be utilised on

a "first-come-first-serve" basis. The units will be installed where vessel ranging is the most severe, with safety as the primary consideration.

The multi-purpose terminal, on Thursday, recorded zero vessels at anchor and two at berth. In the 24 hours leading to Thursday, the terminal managed to service 113 external trucks at an undisclosed truck turnaround time on the landside. On the waterside, 256 TEUs were moved across the quay. Stack occupancy was recorded at 26% for GP containers, 57% for reefers and 1% for empties by the end of the week.

The FPT private terminal reported zero vessels at anchorage while servicing three vessels at berth on Thursday. During the 24 hours before Thursday, the terminal managed to handle 528 breakbulk tons of fruit and 158 TEUs on the waterside while servicing 199 trucks on the landside. During the same period, reefer stack occupancy was recorded at 47%.

iii. Durban and Richards Bay

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.

Pier 1 on Wednesday recorded two vessels at berth, operated by five gangs, and no vessels at anchor. Stack occupancy was 41% for GP containers. During the same period, 938 imports were on hand, with 77 units having road stops and 70 unassigned. The terminal recorded 970 landside gate moves, with 334 cancelled slots and 111 wasted. On Sunday, a truck broke down in cubicle 3 of the terminal and was finally removed from the terminal around 13:00 on Monday.

Pier 2 had four vessels at berth and four at anchorage on Thursday. In the 24 hours to Thursday, stack occupancy was 43% for GP containers and 62% for reefers, with 41% of reefer plug points utilised. The terminal operated with 11 gangs while moving 3 739 TEUs across the quay. During the same period, there were 2 855 gate moves on the landside with a truck turnaround time of ~106 minutes and a staging time of ~105 minutes. Of the landside gate moves, 2 089 (56%) were for imports and 766 (20%) for exports. Additionally, 418 rail import containers were on hand, with 332 actually moved by rail.

As has been the case lately, the port once more had its fair share of equipment challenges this week. **(1)** Earlier in the week, one of the tugs went out of commission; however, by the end of the week, waterside operations were serviced by five tugs once more. **(2)** The port still has no pilot boat in service as some technical faults were uncovered with the Richards Bay pilot boat, and the Durban pilot boat is still suffering from a burst pipe leading to the main engine. **(3)** The helicopter went out of commission on Thursday because some spares were still unavailable to carry out the required repairs. As a result, the Richards Bay helicopter headed to Durban on Thursday to aid waterside operations in the absence of the pilot boat. **(4)** The external link of the NAVIS system was also down on Thursday morning due to a power outage in Durban. On a more positive note, reports suggest that the Palmiet tug is being readied for certification to return to service after an absence of three years. In a "best-case scenario", the tug could return to service as early as the weekend.

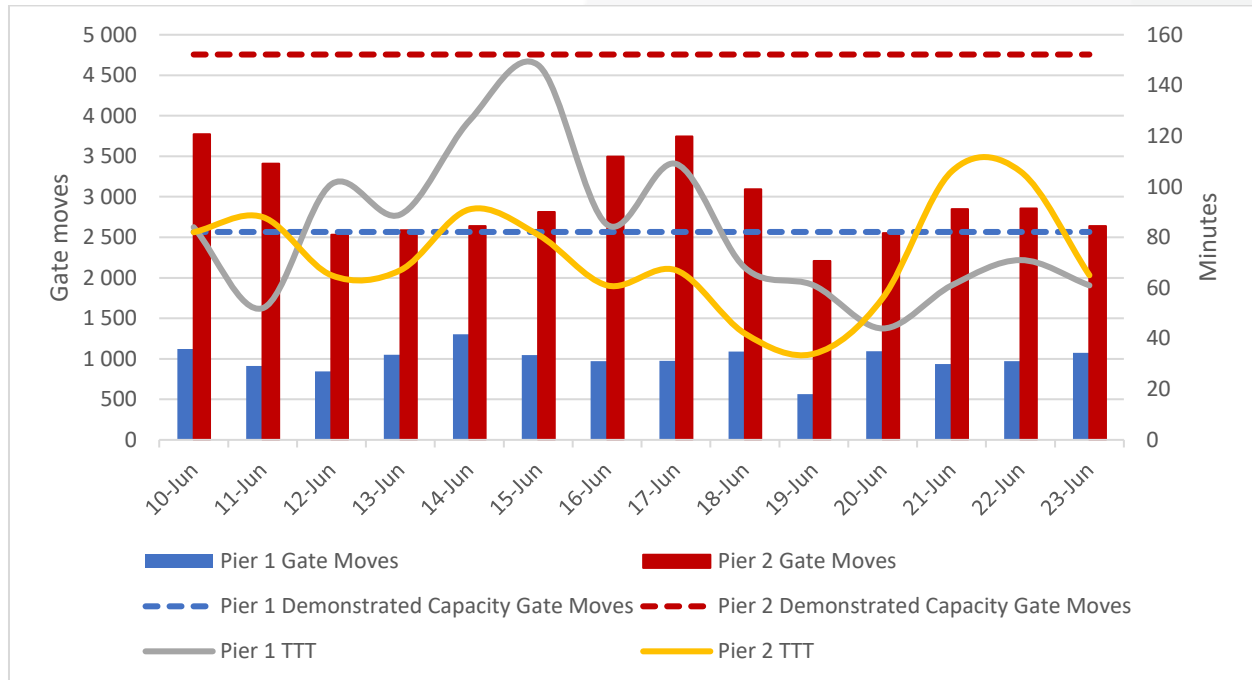
The Durban MPT terminal recorded one vessel at berth on Tuesday, with none at the outer anchorage, while handling no containers and 1 242 breakbulk tons on the waterside. Stack occupancy for breakbulk improved to 75% this week, while stack occupancy on the container side was recorded at 38%, with 168 reefer plug points available. The terminal managed to handle 245 containers on the landside while servicing 94 breakbulk RMTs translating to 2 316 tons. During the same period, three cranes, nine reach stackers, one empty handler, five forklifts and 16 ERFs were in operation. According to the latest reports, the fourth crane is still anticipated to return by the end of August.

On Tuesday, the Ro-Ro terminal in Durban recorded three vessels on the berth, with none at outer anchorage. Over the 24 hours to Wednesday, the terminal received 2 534 units while despatching 2 101. During the same period, general stack occupancy was very high at 83%, with a composition of 39% for imports, 50% for exports, and 11% for transhipments. Stack occupancy at G-berth was also high at 70%, while stack occupancy at QR improved to 60%. The terminal had 3 840 import units on hand, 5 030 units destined for export markets, and 1 038 units subject to transhipments.

On Thursday, Richards Bay recorded 11 vessels at anchor, translating to seven bulk, one liquid, and three vessels destined for RBCT. There were 14 vessels on berth, four at DBT, six at MPT, four at RBCT, and none at the liquid bulk terminal. Two tugs and a pilot boat were in operation for marine resources in the 24 hours leading up to Friday. The port helicopter was called to Durban during the latter stages of the week to aid their waterside operations as the Durban helicopter and pilot boat were out of commission.

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 23/06/2023.

iv. Eastern Cape ports

NCT on Wednesday recorded one vessel on berth and two vessels at outer anchorage. Marine resources of two tugs, a pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. The tug with the faulty winch returned to service this week after being taken out of commission last week. In the same period, stack occupancy was 33% for GP containers, 44% for reefers, and 66% for reefer ground slots. And in that period, 1 621 volumes were processed at a GCH of ~14 and SWH of ~32. Additionally, 518 reefers were handled across the quay, while 465 trucks were serviced on the landside at a truck turnaround time of ~39 minutes.

The latest reports from TNPA in the Eastern Cape region suggest that berth D100 at NCT is available for TPT to use. The Moormaster and its units are out of commission, but the berth remains operational.

GCT on Thursday recorded one vessel 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 42% for GP containers, 76% for reefers, and 71% for reefer ground slots while moving 931 TEUs across the quay and handling 97 reefers. Additionally, 373 trucks were serviced on the landside at a truck turnaround time of ~25 minutes.

The Ro-Ro terminal at the Port of Port Elizabeth did not have any vessel to service this week, while the next vessel is anticipated to arrive on Wednesday, 28 June. Thus, on Thursday, they recorded no vessel at berth and zero at anchorage. Over the 24 hours leading to Thursday, the terminal had approximately 1 192 import units on hand, leading to a stack occupancy figure of 12%.

At the Port of East London on Monday, no container volumes were moved across the quay, while 75 external trucks were serviced at a truck turnaround time of ~11 minutes. Stack occupancy on the container side was captured at 49%. During the same period, at the Ro-Ro terminal, 1 117 units were processed at a UPH of 203, while stack occupancy at the car terminal was captured at 71%. A total of 600 breakbulk units were handled at a UPH of 189. On the bulk side of the terminal, 288 bulk tons were processed at a TPH of 78. The terminal is starting to receive cargo destined for the next wheat vessel.

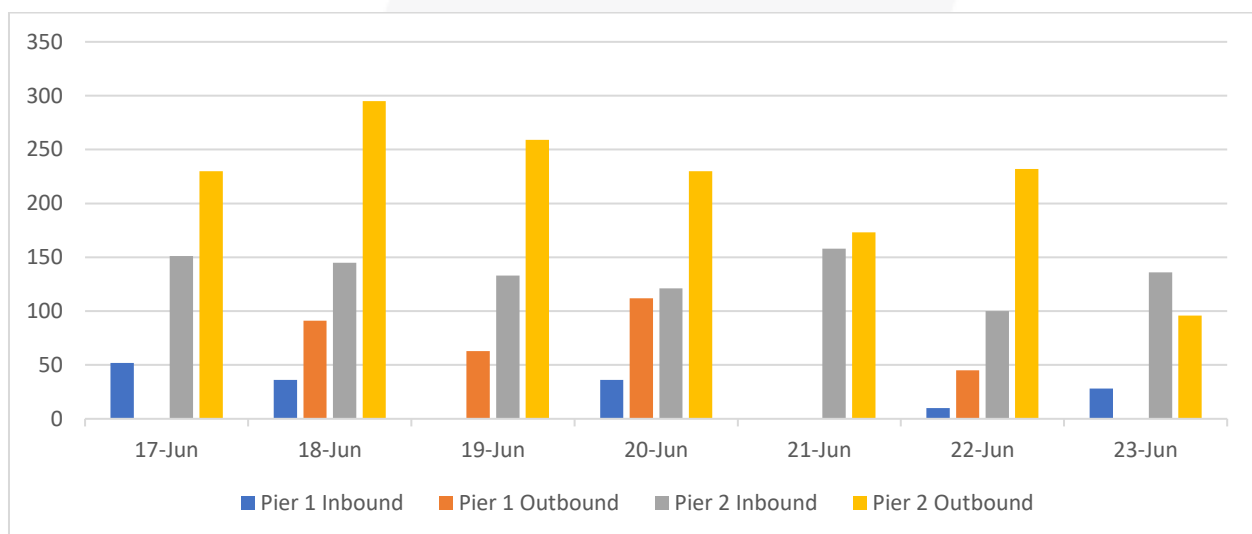
v. Saldanha Bay

On Tuesday, the iron ore terminal had four vessels at anchorage and one on the berth, while the multi-purpose terminal had five vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 2-12 days, while the vessels in port have been on berth for around 2- 4 days.

i. Transnet Freight Rail (TFR)

No significant incidents were reported on the rail network over the long weekend or throughout the rest of the week. However, there were minor incidents that were sorted out rapidly and which did not cause any significant disruptions. A minor incident, unrelated to cable theft and vandalism, occurred during the 24 hours leading up to Wednesday when a train hook-up delayed operations for approximately three hours. Additionally, on Thursday, DCT's Pier 2 had 230 Container Corridor units on hand with a dwell time of 72 hours (3 days) and 128 over-border units with a dwell time of 16 days.

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



Source: Calculated using data from Transnet, 2022. Updated 23/06/2023.

In the last week (17 to 23 June), rail cargo handled out of Durban was reported at **2 932** containers, up by **↑37%** from the previous week's **2 173** 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 12 June. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in June 2022 averaged **~795 488 kg** per day.

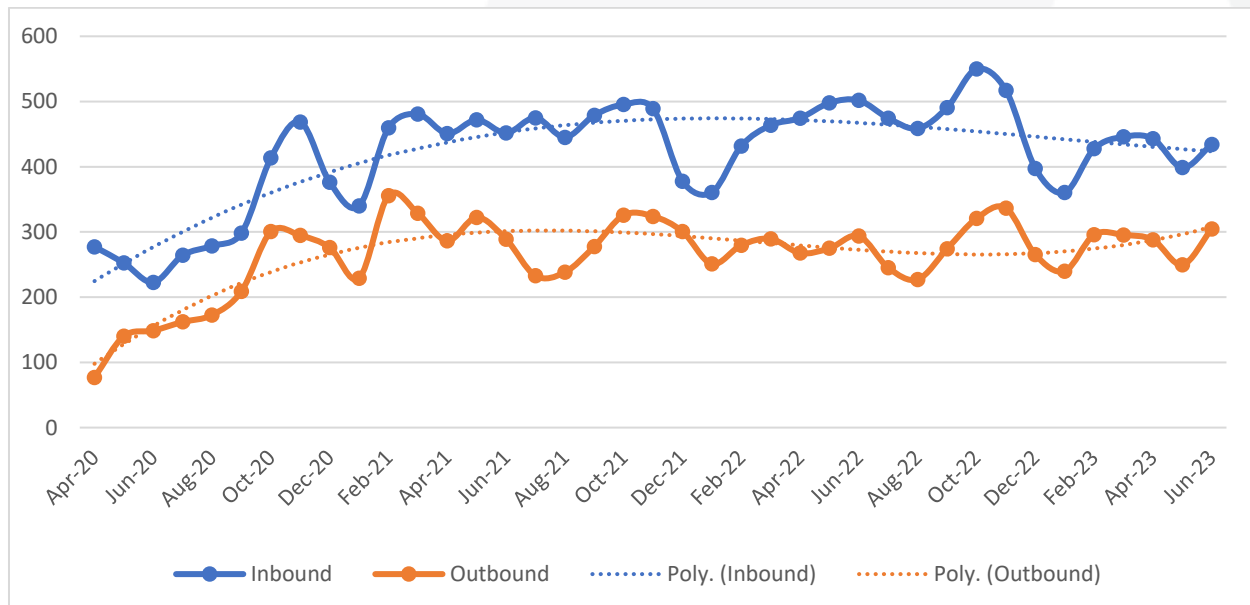
Table 4 – International inbound and outbound cargo from OR Tambo

Flows	12-Jun	13-Jun	14-Jun	15-Jun	16-Jun	17-Jun	18-Jun	Week
Volume inbound	512 492	308 324	409 347	258 359	370 435	301 709	850 543	3 011 209
Volume outbound	252 592	187 149	252 043	279 827	291 783	234 940	429 294	1 927 628
Total	765 084	495 473	661 390	538 186	662 218	536 649	1 279 837	4 938 837

Courtesy of ACOC. Updated: 19/06/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **430 173 kg** inbound and **275 375 kg** outbound, resulting in an average of **705 548 kg per day** or **~92%** compared with June 2022. However, the level is currently at only **~78%** compared with the same period pre-pandemic in 2019; however, there has been a slight uptick in export cargoes recently, which is a positive sign, and we hope it signals the start of a trend!

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



Courtesy of ACOC & BAC. Updated: 19/06/2023.

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 June 2022 was **~54 048 kg** per day.

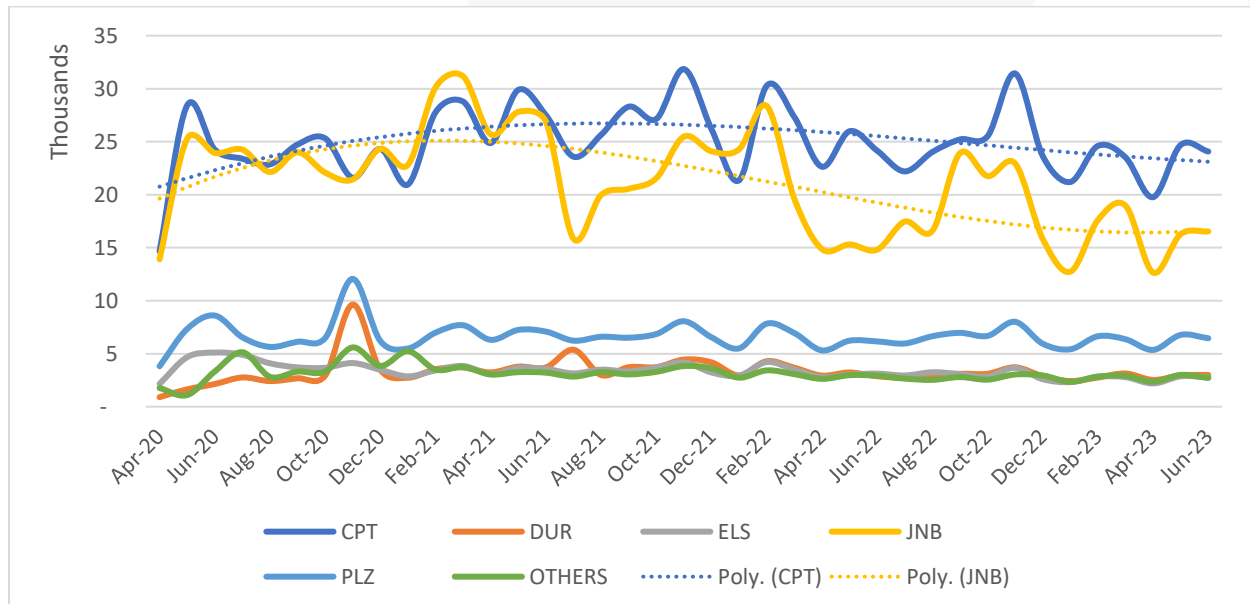
Table 5 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Dec '22 Ave.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
January Ave.	23 644	2 881	2 593	15 834	5 942	2 946	53 839
February Ave.	36 199	3 738	4 843	28 654	11 342	3 958	88 735
March Ave.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	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.	24 072	2 996	2 757	16 538	6 456	2 714	55 533
09-Jun	15 778	2 631	1 898	19 699	4 953	2 274	47 233
10-Jun	1 700	374	23	479	92	98	2 765
11-Jun	1 501	326	138	171	740	454	3 328
12-Jun	41 275	4 153	5 472	21 350	10 023	3 893	86 166
13-Jun	37 560	4 707	4 460	25 176	11 058	4 583	87 545
14-Jun	36 673	6 256	3 856	30 027	9 949	3 574	90 334
15-Jun	19 326	3 576	2 761	16 742	4 522	2 836	49 764
Total for 2023:	3 811 179	461 144	437 483	2 637 709	1 028 921	449 948	8 826 384

Courtesy of BAC. Updated: 19/06/2023.

The average domestic air cargo moved last week was ~52 448 kg per day, up by ↓5% compared to the previous week and slightly up compared to last year (~90%).

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



Courtesy of BAC. Updated: 19/06/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- This week, the median border crossing times at South African borders increased significantly and averaged **~17,5 hours (↑32%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) experienced a significant decrease by **three hours** and averaged **~16,7 hours (↓18%, w/w)**.
- Some significant challenges with SARS' tax system upgrades, which created many unintended consequences on the customs declaration and cargo processing sides, were experienced towards the end of the week.
 - The EDI gateway was consequently very slow, as SARS created an escalation desk for priority LRNs.
 - SARS and related stakeholders continued to work on the challenges throughout the weekend.
- Deliberations between FESARTA and the Zambian Minister of Transport concerning issues at Kasumbalesa took place this week, with the proposed establishment of a working committee involving the private sector suggested.
- As of this week, there is little to no queue at Kasumbalesa Zambia side (which should reflect in the statistics next week), as the queue is now on the DRC side.
 - However, it further concentrated inland at Mutaka, where the new scanner is creating an eight-day long queue and the 264 km to the border – taking as much as five days to cover.
 - So, the queue technically has not left; it has just changed sides.
- Some queues (up to 2,6 km) were experienced at Groblersbrug last week, with the typical challenges of network issues and single-lane bridge provided as the root cause.
- The recent charging of random toll fees by town councils in Zambia – which are random, opportunistic, and not regulated or properly managed – have transporters up in arms.
 - The Truckers Association of Zambia recently lost a case they had brought against the town councils for these toll fees, which sets a dangerous precedent.
 - The effect is that revenue-starved town councils across Zambia could charge transporters whatever they wanted without transporters having much recourse.
- Zimra's System was down again last week, which added to the queue on the Zimbabwe side, as scanning continued on almost every vehicle – including empty ones for smuggling.
 - So, while Northbound traffic was still flowing, Southbound was almost at a standstill.
- 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](#)⁸, which arguably provides better and more reliable information.

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

⁸ [FESARTA TRANSIST Bureau](#).

Table 6 – Delays⁹ summary – South African borders

Border Post	Direction	HGV ¹⁰ 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	10	6	31	13 350	3 115
Beitbridge	Zimbabwe-SA	392	8	3	15	11 760	2 744
Groblersbrug	SA-Botswana	224	24	10	49	6 720	1 568
Groblersbrug	Botswana-SA	136	0	1	1	4 080	952
Vioolsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	1	2	600	140
Nakop	SA-Namibia	30	1	1	7	900	210
Ariamsvlei	Namibia-SA	20	0	1	2	600	140
Lebombo	SA-Mozambique	1 602	24	2	14	48 060	11 214
Ressano Garcia	Mozambique-SA	102	1	1	2	3 060	714
Skilpadshek	SA-Botswana	200	1	1	1	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	2	2 400	700
Weighted Average/Sum		3 301	6	2	11	97 230	23 107

Source: TLC, FESARTA, & Crickmay, week ending 18/06/2023.

Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	5	17	9 600	2 240
Dar Es Salaam Corridor	1 819	45	4	19	54 570	12 733
Maputo Corridor	1 704	13	2	8	51 120	11 928
Nacala Corridor	127	0	0	0	3 810	889
North/South	3 269	19	4	19	98 070	22 883
Trans Caprivi Corridor	116	2	6	27	3 480	812
Trans Cunene Corridor	100	0	9	30	3 000	700
Trans Kalahari Corridor	330	1	1	2	7 920	2 310
Trans Oranje Corridor	100	0	1	4	3 000	700
Weighted Average/Sum	7 885	15	3	14	234 570	55 195

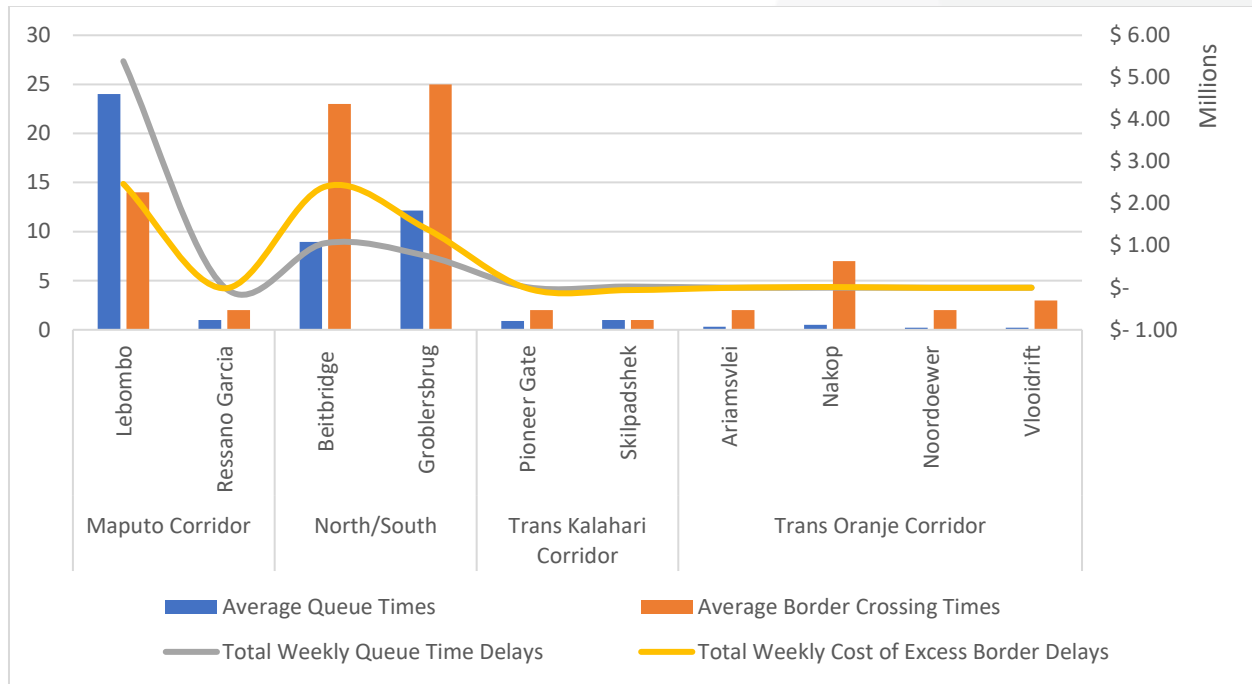
Source: TLC, FESARTA, & Crickmay, week ending 18/06/2023.

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

⁹ 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.

¹⁰ Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

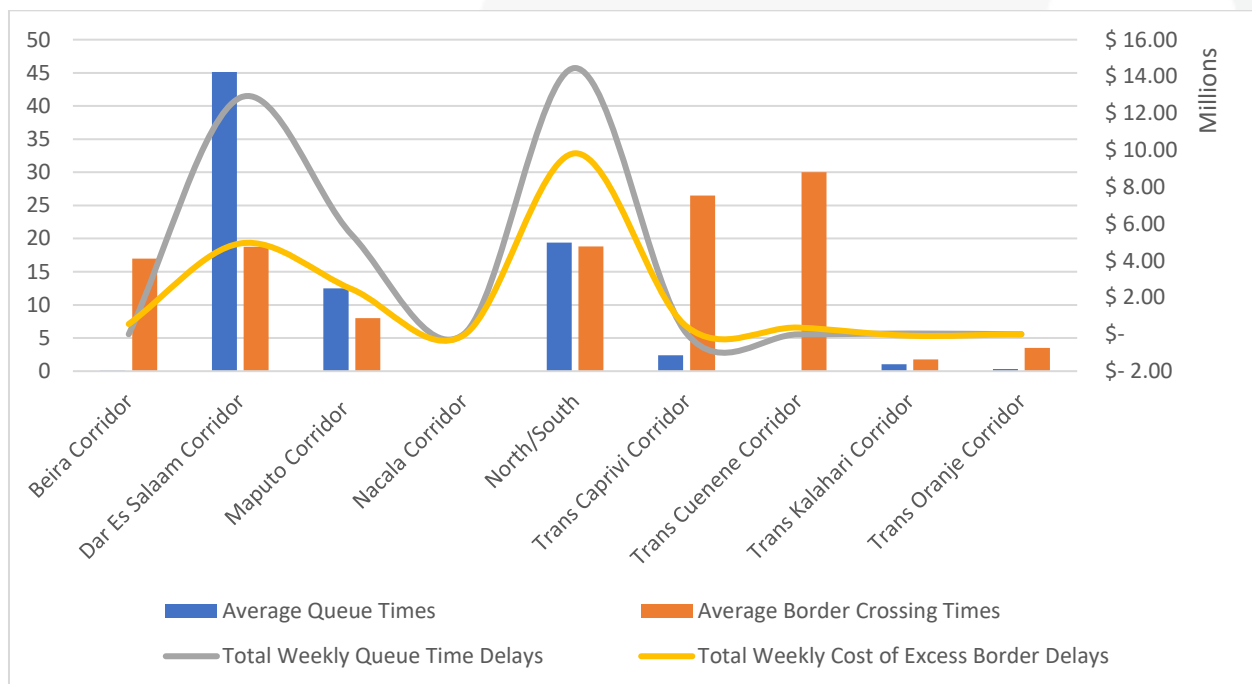
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 18/06/2023.

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 18/06/2023.

In summary, cross-border queue time has averaged **~14,7 hours** (up by **~0,7 hours** from the previous week's **~14 hours**), indirectly costing the transport industry an estimated **\$33 million (R577 million)**. Furthermore, the week's average cross-border transit times hovered around **~14,2 hours** (down by **~2,1 hours** from the

~16,4 hours recorded in the previous report), at an indirect cost to the transport industry of \$18 million (R324 million). As a result, the total indirect cost for the week amounts to an estimated ~R901 million (up by ~R48 million or ↑6% from R854 million in the previous report).

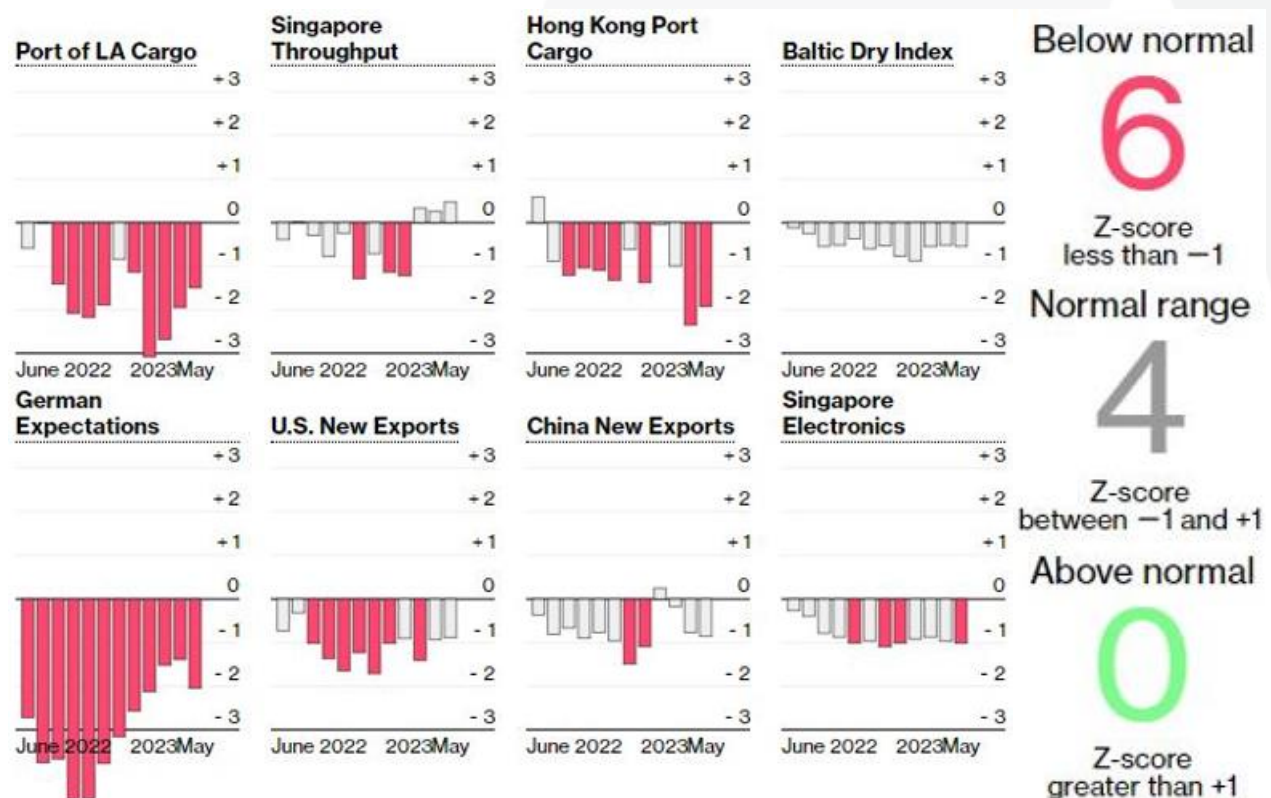
4. International Update

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

a. Global supply chain

Following on from last week's narrative brought about the GEP "Global Supply Chain Volatility Index" indicating that global suppliers have the most significant spare capacity since the height of the COVID-19 pandemic¹¹, the Bloomberg "Trade Tracker" shows that trade flows are struggling to sustain a meaningful resurgence¹². This is the current reality in international trade; despite headline numbers showing increased shipping volumes and muted input costs, the underwhelming result of China's reopening has left the world's trade engines sputtering and searching for new sources of growth. Six of the ten indicators on the Bloomberg index remained in the below-normal range in mid-June, regressing to its prior level after a slight improvement in May:

Figure 14 – Bloomberg Trade Tracker (Z-score)



Source: [Bloomberg](https://www.bloomberg.com)

¹¹ GEP. 13/06/2023. [Sharper deterioration in global demand for raw materials and components sees spare capacity at suppliers rise further in May.](https://www.gep.org.za)

¹² Bloomberg. 19/06/2023. [Global trade needs some help as China stumbles: Bloomberg Trade Tracker.](https://www.bloomberg.com)

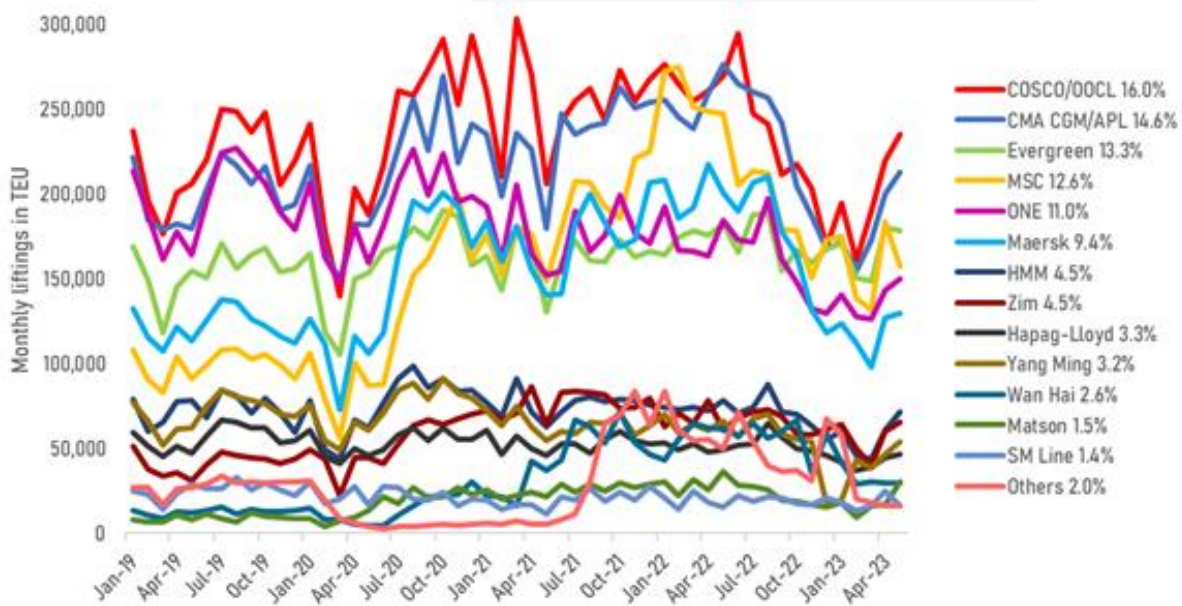
b. Global shipping industry

i. Global container industry summary

Mirroring the narrative above, throughput volumes in the global container industry remain weak. The capacity on offers continues to significantly outweigh the current demand, as new tonnage added (a new record high of **256 000 TEU** over the last four weeks) is not offsetting the removed capacity (with deletions of just **15 680 TEU** over the same period)¹³. Consequently, as noted in the last few weeks, general freight rate levels continue to collapse. Consequently, maritime analysts are bearish on the outlook for liner shipping as inventory de-stocking progress in the US and Europe disappoints¹⁴. Moreover, the ILWU contract negotiations resolution will further weaken the transpacific rate outlook as the risk of any peak season disruption to cargo flows to the US is materially reduced. Meanwhile, the idle fleet continues to shrink to just **100 000 TEU** (a mere **0,4%** of supply) compared to **~1 million TEU** inactive in February. These figures are corroborated by Drewry's "Cancelled Sailings Tracker", continuing to trend around a **5% cancellation rate**¹⁵. Furthermore, port congestion remains relatively low (**1,68 million TEU, ↓5%, w/w**).

The pockets of green shoots worldwide further pressure the rate drop, as throughput remains the focus in the current aggressive carrier market. The Asia-US trade has become the new battleground for carriers as the rate of war intensifies while casualties have already started to pile up. CU Lines and Pasha are the latest carriers to exit from the trade, following the earlier departure of niche carriers. The microcarriers' share of the transpacific trade will soon drop below **1%** from a peak of **5%** in December 2022. Amongst the incumbent carriers, COSCO, CMA CGM and Evergreen continue to battle for the top spot after MSC, ONE, and Maersk slipped down the rankings, as illustrated:

Figure 15 – Eastbound transpacific liftings by carrier: 2019 to 2023 (Jan-May market share, %)



¹³ Linerlytica. 19/06/2023. [Market Pulse – Week 25](#).

¹⁴ Wackett, M. 23/06/2023. [Freight rates still tumbling and a liner bear market looms](#).

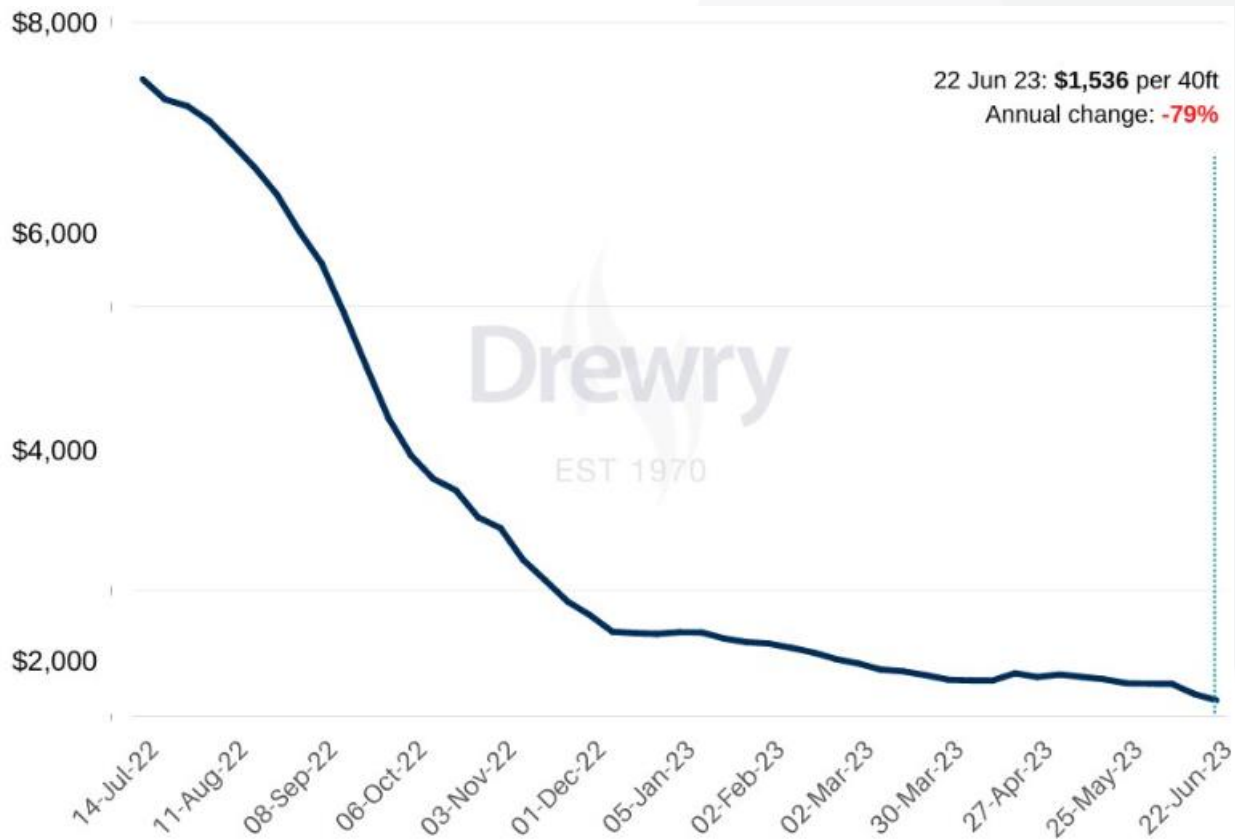
¹⁵ Drewry. 09/06/2023. [Cancelled Sailings Tracker - 23 June](#).

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

ii. Global container freight rates

The "World Container Index" declined by another significant amount this week and is down by **↓3,5%** (or **\$56**) to **\$1 536** per 40-ft container this week:

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



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

The average rate continues to tumble and is down by **↓79%** (y/y) compared to last year. The current rate is also **↓43%** lower than the 10-year average of **\$2 688**, indicating a return to more normal prices, but remains **↑8%** higher than average 2019 (pre-pandemic) rates of **\$1 420**. Nevertheless, we are approaching this level rapidly. Four of the major East-West trades saw reductions this week, with the most notable on the Shanghai – LA and Shanghai – NY trades (both were down by approximately **↓6,5% w/w**) – as was last week. The regional disparity will continue for the next few weeks; however, the expectations are for overall spot rates to remain low and potentially rise again in July.

iii. Further developments of note

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

1. Controversy in the US, as Senator says striking dock unions should pay \$2 billion a day:

- a. Republicans are bringing new legislation before the US Senate that would fine dockworker unions up to **\$2 billion daily**, making strike action practically impossible¹⁶.
- b. Introduced by Idaho senator Jim Risch and co-sponsored by fellow Idaho senator Mike Crapo and North Carolina senator Ted Budd, the bill would amend the National Labor Relations Act and Labor Management Relations Act to redefine port slowdowns by maritime workers – including no-shows and work-to-rule strikes – as unfair labour practices.
- c. The bill would also make dockworker unions financially liable for damages incurred by their members withholding labour and issue fines equivalent to double the damages. Chamber of Commerce estimates that a widespread strike along the west coast would cost approximately **\$1 billion a day**, making unions liable for **\$2 billion a day**.

2. Thousands of ships targeted for engine retrofits:

- a. Engine manufacturers are eyeing significant new business as owners recognise the possibilities of retrofits. This week's news that Maersk will retrofit one of its ships to methanol dual-fuel has others reassessing their assets¹⁷. The Copenhagen-based shipping and logistics group has selected German engine maker MAN Energy Solutions for the first engine conversion set in the middle of 2024.
- b. Detailed engineering has already started, and retrofitting the ship will also include, for instance, new fuel tanks, a fuel preparation room, and a fuel supply system. MAN estimates that 2 800 vessels with MAN two- and four-stroke engines are eligible for conversion today and could save more than **97 million tons of carbon dioxide** (CO²) emissions annually when run on green fuels.

c. Global air cargo industry

After a continuation of weak tonnages and low rates, the sentiment in the global air cargo industry has slightly improved. The gap between global air cargo tonnages this year and the equivalent period in 2022 has narrowed to just **↓4%** in the first two full weeks of June, down from **↓6%** at the end of May, **↓10%** in April, and **↓11%** in the first quarter. At the same time, average rates in May and June have stabilised at around **↓37%** below their level this time last year, according to the latest weekly figures from World ACD:

¹⁶ Bartlett, C. 23/06/2023. [Striking dock unions should pay \\$2 billion a day, say Republican senators.](#)

¹⁷ Chambers, S. 23/06/2023. [Thousands of ships targeted for engine retrofits.](#)

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		-1%	+11%		-4%	+6%		+1%
Asia Pacific		+2%	+32%		-2%	-1%		+1%	-44%
C. & S. America		-0%	-7%		-7%	-2%		-2%	-14%
Europe		+1%	+18%		-2%	-5%		-3%	-36%
M. East & S. Asia		+1%	+15%		+1%	+4%		-1%	-48%
North America		+4%	+11%		+6%	-14%		-3%	-27%
Worldwide		+2%	+15%		-1%	-4%		-1%	-37%

Source: [World ACD](#)

Figures for week 24 (12 to 18 June) show a stable trend in tonnages and average global air cargo prices, week on week (WoW), continuing to flatten the negative trend seen since the beginning of June. Weekly metrics indicate no change in chargeable weight this week, with freight rates edging up to around **\$2,40 per kilo** in week 24, as capacity slightly increased in the last five weeks (**↑5%**).

In other air cargo news, Dutch cargo associations warned about the government's plan to reduce slots at Schiphol Airport, calling it overly political and potentially illegal¹⁸. Research commissioned by the airport revealed that reducing slots from **500 000** to **440 000** would lead to a **↓29%** decrease in cargo volumes and a **↓60%** fall in freighter numbers. Moreover, cargo accounted for nearly one-quarter of the jobs at the airport, which will bring its challenges. The associations also noted that the Dutch government is "bound by the Balanced Approach ... and to international law". The process is enshrined in the Chicago Convention, they warned.

ENDS¹⁹

¹⁸ Lennane, A. 23/06/2023. [Warning to Dutch government over Schiphol Airport slot reduction plan](#).

¹⁹ **ACKNOWLEDGEMENT:**

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