

Cargo movement update¹

Date: 7 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)	22 183	26 826	49 009	21 540	28 423	49 963	↓2%
Air Cargo (tons)	3 029	1 826	4 855	2 884	1 795	4 679	↑4%

Monthly Snapshot

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

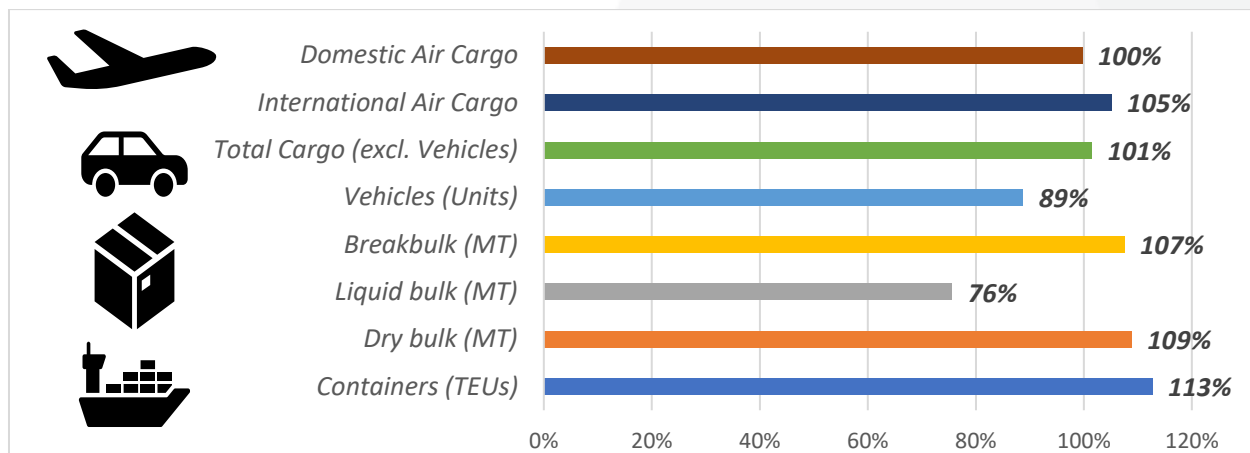
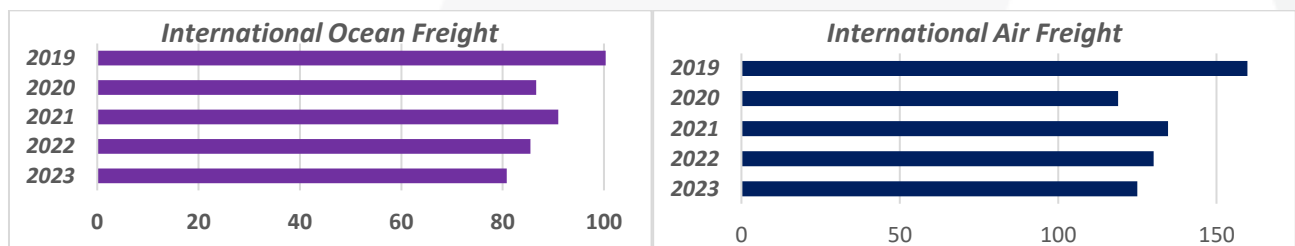


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 001 containers** was handled per day, with **~9 141 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 330 containers**, **↑12%** compared to last week.
- Cross-border queue times were **↑0,5 hours** (w/w), with transit times **↓1,0 hours** (w/w); SA borders increased by **almost an hour** – averaging **~15,2 hours** (**↑6%**, w/w); Other SADC borders averaged **~9,8 hours**.
- CTS container throughput in May (dry & reefer) is up by **↑5,2%** (m/m) and down by **↓3,0%** (y/y).
- Container deliveries are set to reach **2,2 million TEU** in 2023 and significantly add to the over-supply.
- Global container rates keep dropping by **↓1,3%** (or **\$20**) to **\$1 474** per 40 ft this week.
- Global air cargo demand (measured in industry-wide tonne-kilometres) was **↓5,2%** (y/y) in May.

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 144th 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 144th 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 COSATU's National Day of Action. For the most significant part of the week, Cape Town experienced some favourable weather conditions but could unfortunately not clear the existing backlog. Over the weekend, the Port of Port Elizabeth also joined the "*Port Congestion Watch*", with a high queue-to-berth ratio of **4,36**. Fortunately, no significant incidents were reported on the rail network this week; however, DCTs Pier 1 was forced to cease rail operations briefly due to congestion in the terminal. Furthermore, the only terminal that reported a staff shortage on COSATU's National Day of Action was DCTs Pier 2, with 50% staff attendance on the landside and 75% on the waterside.

Despite better-than-expected throughput numbers reported for May this week in the international container industry, the industry is still significantly over-supplied, as record deliveries of new buildings in 2022 are set to further tip the scales in favour of shippers in the current subdued market. Demolitions are also at a recent low, resulting in a continuation of freight rates discounts – now approaching pre-pandemic averages as liners are fighting for market space on many trades despite operating at a loss. Other developments included **(1)** State funding of **\$1,5 billion** allocated to Californian port improvement projects and **(2)** Nagoya port reopens following a crippling cyber-attack.

South Africa's domestic market in the air freight sector was slightly down this week (**↓2%**), as the international market bounced back by **↑4%**. Internationally, IATA this week reported that despite another month's decline in air cargo demand registered in May, the annual decline in global air cargo has narrowed from **16,8%** in January to **9,0%** year-to-date in May. More frequent statistics by Market ACD show that global air cargo tonnages in June continue the improving year-over-year trend that we have seen since May, characterised by a slowing rate of decline. In other air cargo news, Amazon Air is reducing the number of flights it completes in Europe after rapidly ramping up operations over the last few years.

In regional cross-border road freight trade, average queue and transit times were similar to last week, as many cross-border constraints persisted. The median border crossing times at South African borders increased slightly and averaged **~15,2 hours (↑6%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) experienced a significant **decrease by ~90 minutes** and averaged **~9,8 hours (↓12%, w/w)**. On average, several SADC land borders took more than a day to cross, including Beitbridge (the worst affected, with crossings taking **almost a day and a half**), Groblersbrug, Kasumbalesa, Kazungula OSBP, and Santa Clara. Further delays came in the form of **(1)** minor issues with the SARS EDI system, **(2)** recent heavy rain near Vioolsdrif rendered the access road inaccessible, and **(3)** border challenges at Kasumbalesa continue.

In summary, the low port throughput numbers – as highlighted by *Figure 2* and Section 1. (a) each week – continue the worrying trend in our maritime industry. Flourishing maritime trade plays a pivotal role in the success and development of any open economy – especially South Africa, being far away from key international trading partners. The significance of maritime trade is crucial due to its ability to enhance global connectivity, stimulate trade and commerce, provide resource accessibility, generate employment and industry support, create revenue, and foster cultural exchange. And simply put, our maritime industry is not performing at any level resembling excellence whatsoever, which must be reversed by focusing on key elements within the network and making minor improvements to the collective benefit of the system. Ultimately, a robust maritime trade and related industries are absolutely fundamental in our country's quest for economic growth and development.

Contents

Weekly Snapshot	1
Monthly Snapshot.....	1
Key Notes	1
Executive Summary.....	2
Contents.....	3
1. Ports Update	4
a. Container flow overview.....	4
b. Summary of port operations.....	7
i. Weather and other delays	7
ii. Cape Town.....	7
iii. Durban and Richards Bay	8
iv. Eastern Cape ports.....	9
v. Saldanha Bay	10
vi. Transnet Freight Rail (TFR).....	10
vii. COSATU National Day of Action.....	10
2. Air Update	11
a. International air cargo	11
b. Domestic air cargo	12
3. Road and Regional Update	13
a. Cross-border and road freight delays	13
4. International Update	15
a. Global shipping industry	15
i. Global container throughput, capacity, and congestion	15
ii. Global container freight rates.....	18
iii. Further developments of note.....	19
b. Global air cargo industry.....	20

1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 1 to 7 July⁶

7-day flow forecast (01/07/2023 – 07/07/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 846	4 826
DURBAN CONTAINER TERMINAL PIER 2:	9 766	13 395
CAPE TOWN CONTAINER TERMINAL:	3 231	4 179
NGQURA CONTAINER TERMINAL:	4 963	2 949
GQEBERHA CONTAINER TERMINAL:	377	1 477
TOTAL:	22 183	26 826

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

Table 3 – Container Ports – Weekly flow predicted for 8 to 14 July

7-day flow forecast (08/07/2023 – 14/07/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 411	6 407
DURBAN CONTAINER TERMINAL PIER 2:	9 719	9 928
CAPE TOWN CONTAINER TERMINAL:	5 933	8 194
NGQURA CONTAINER TERMINAL:	7 293	7 506
GQEBERHA CONTAINER TERMINAL:	1 356	2 238
TOTAL:	29 712	34 273

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

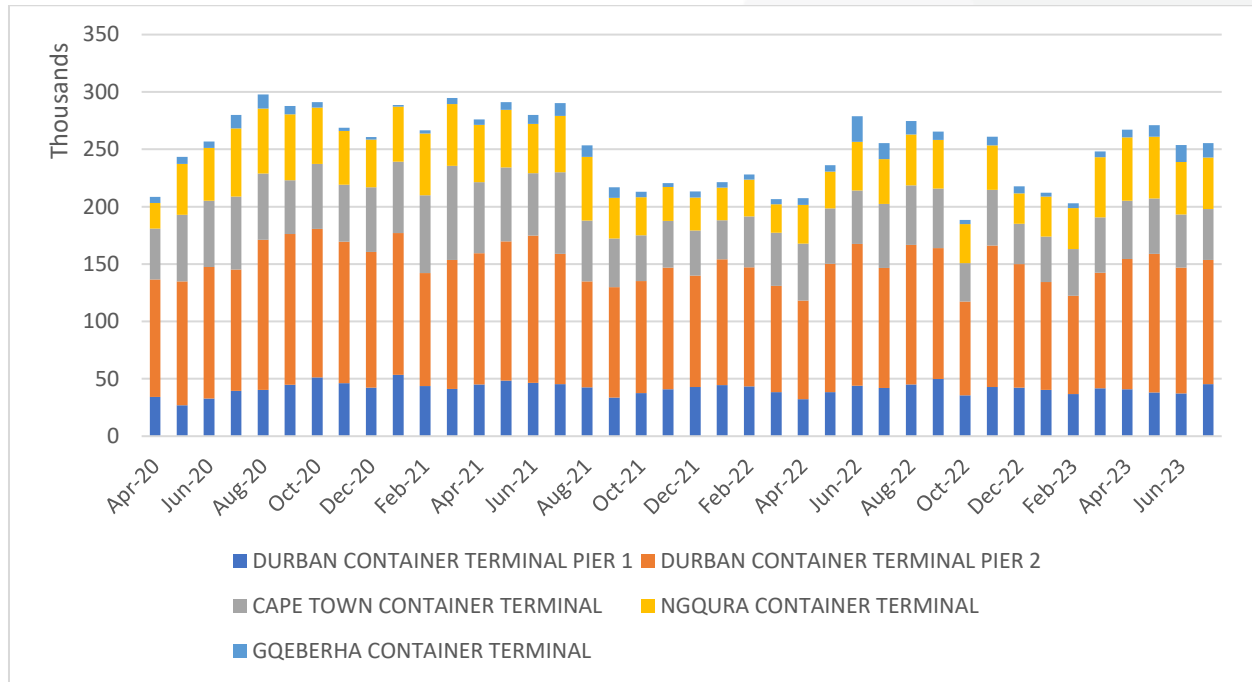
An average of **~7 001 containers (↓2%)** was handled per day for the last week (1 to 7 July, Table 2), compared to the projected average of **~9 589 containers ↓27%** actual versus projected) noted in last week's report. Incidentally, analysing last week's projected numbers, we see that – similar to last week – all terminals failed to reach the predicted numbers, with the most significant negative difference at GCT (**↓60%**). In comparison, DCT performed 'best' at **↓60%**. Simply put, our container terminals are not performing at any level resembling excellence whatsoever. It is also interesting to wonder what might have happened to the missing containers because every week, without fail, the actuals are well below the forecasts produced. For this week, an increased average of **~9 141 containers (↑34%)** is predicted to be handled (8 to 14 July, Table 3). Several typical operational constraints inhibited peak port performance, primarily adverse weather, persistent equipment breakdowns and shortages, congestion, and COSATU's National Day of Action.

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.

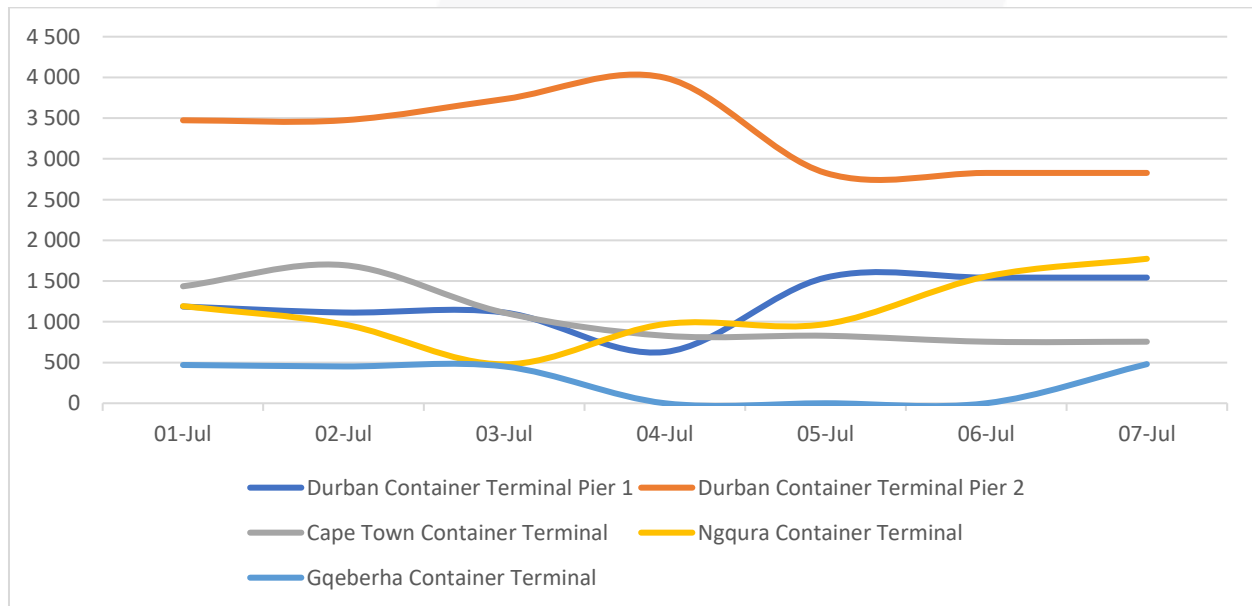
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



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

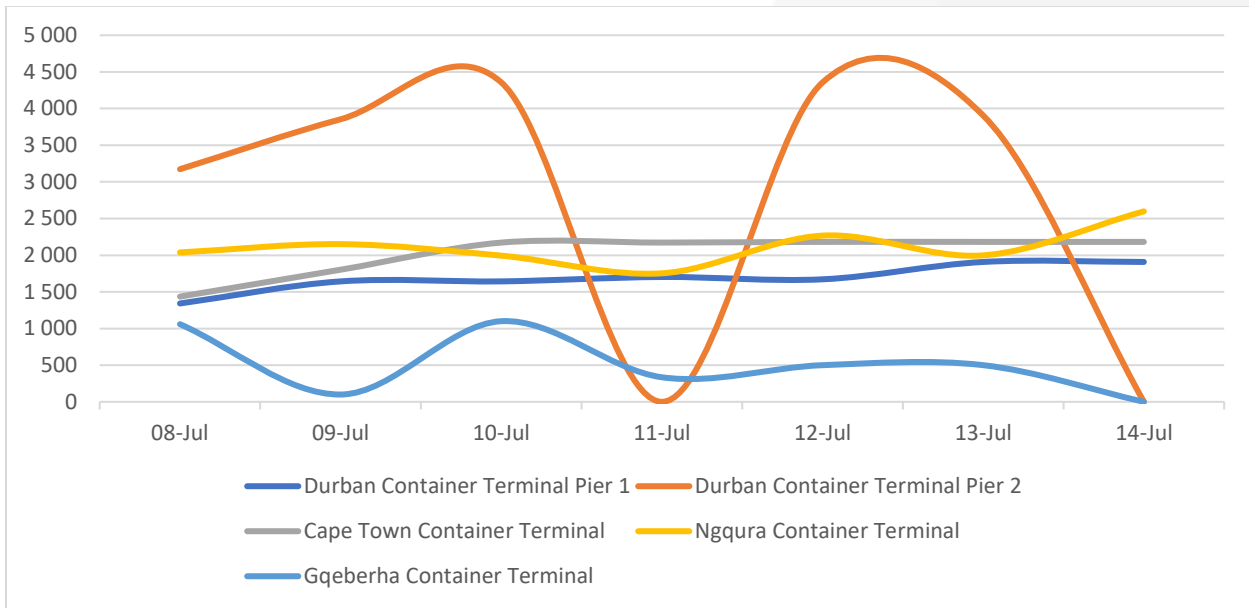
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (1 to 7 July; per port; day on day)



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

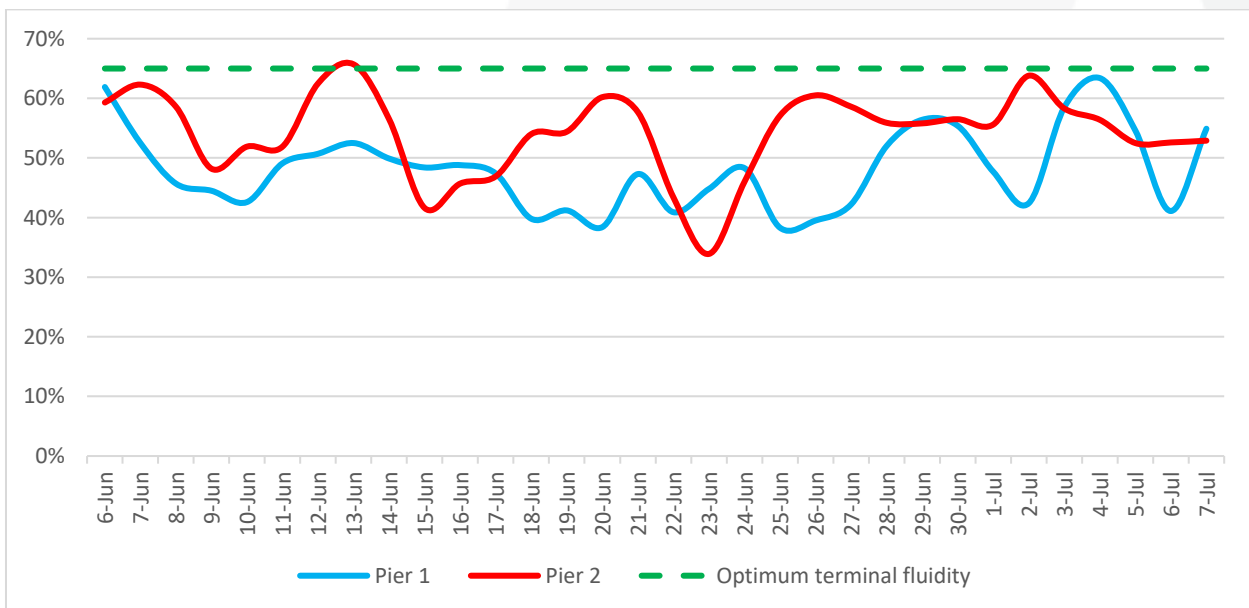
Figure 5 – 7-day forecast reported for total container movements (8 to 14 July; per port; day on day)



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

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

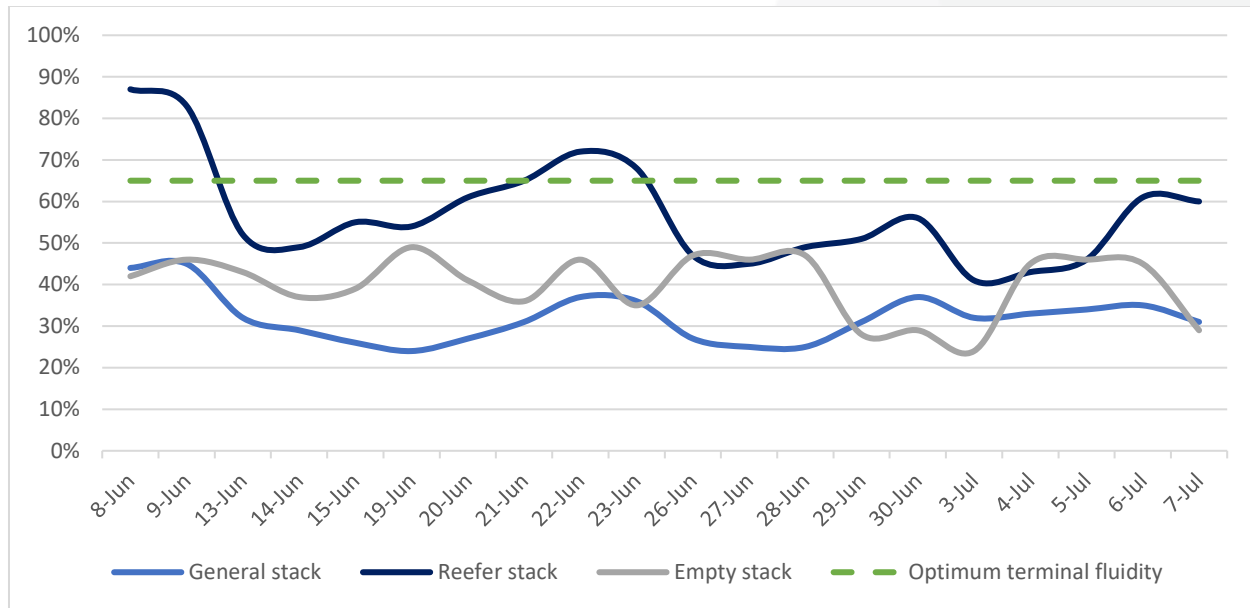
Figure 6 – Stack occupancy in DCT, general-purpose containers (6 June to present; day on day)



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

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 (8 June to present, day on day)



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

b. Summary of port operations

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

i. Weather and other delays

- Cape Town experienced some weather delays during the latter stages of the week.
- As usual, the main culprit of operational delays in Durban was equipment breakdowns and shortages.
- Once more, Richards Bay seemingly had a good week, as minimal delays were reported.
- In the Eastern Cape, several operational delays were caused due to poor weather.

ii. Cape Town

On Tuesday, CTCT recorded three vessels at berth and five at anchor as inclement weather conditions and vessel ranging continued to haunt operations at the port. Stack occupancy for GP containers was recorded at 33%, reefers at 43%, and empties at 45%. In the latest 24-hour period to Wednesday, the terminal handled 1 991 TEUs across the quay. 1 293 trucks were serviced on the landside, and eight rail import containers were on hand. During the week, more than 20 000 TEUs were stuck at outer anchorage, according to the "Port Congestion Watch". For the most significant part of the week, weather conditions were favourable, but unfortunately, backlogs could not be cleared before the next bout of adverse weather arrived. The slow handling rates and constant equipment breakdowns seriously compromise recovery time after stoppages. The multi-purpose terminal, on Tuesday, recorded zero vessels at anchor and two at berth. In the 24 hours leading to Wednesday, the terminal managed to service 241 external trucks at an undisclosed truck turnaround time on the landside. On the waterside, 175 TEUs and 3 261 tons of wheat were moved across the quay. Stack occupancy was recorded at 16% for GP containers, 5% for reefers, and 7% 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 3 279 breakbulk tons on the waterside while servicing 241 trucks on the landside. During the same period, reefer stack occupancy was recorded at 52%.

iii. Durban and Richards Bay

Pier 1 on Tuesday recorded two vessels at berth, operated by five gangs, and one vessel at anchor. Stack occupancy was 63% for GP containers and 83% for reefers. During the same period, 1 355 imports were on hand, with 166 units having road stops and 155 unassigned. The terminal recorded 1 197 landside gate moves, with an undisclosed number of cancelled slots and 21 wasted. The truck turnaround was also recorded at ~66 minutes, with an average staging time of ~80 minutes.

Pier 2 had four vessels at berth and two at anchorage on Wednesday. In the 24 hours to Wednesday, stack occupancy was 53% for GP containers and 53% for reefers, with 46% of reefer plug points utilised. The terminal operated with 11 gangs while moving 2 732 TEUs across the quay. During the same period, there were 3 425 gate moves on the landside with a truck turnaround time of ~70 minutes and a staging time of ~42 minutes. Of the landside gate moves, 1 708 (49%) were for imports and 1 717 (51%) for exports. Additionally, 309 rail import containers were on hand, with 304 actually moved by rail.

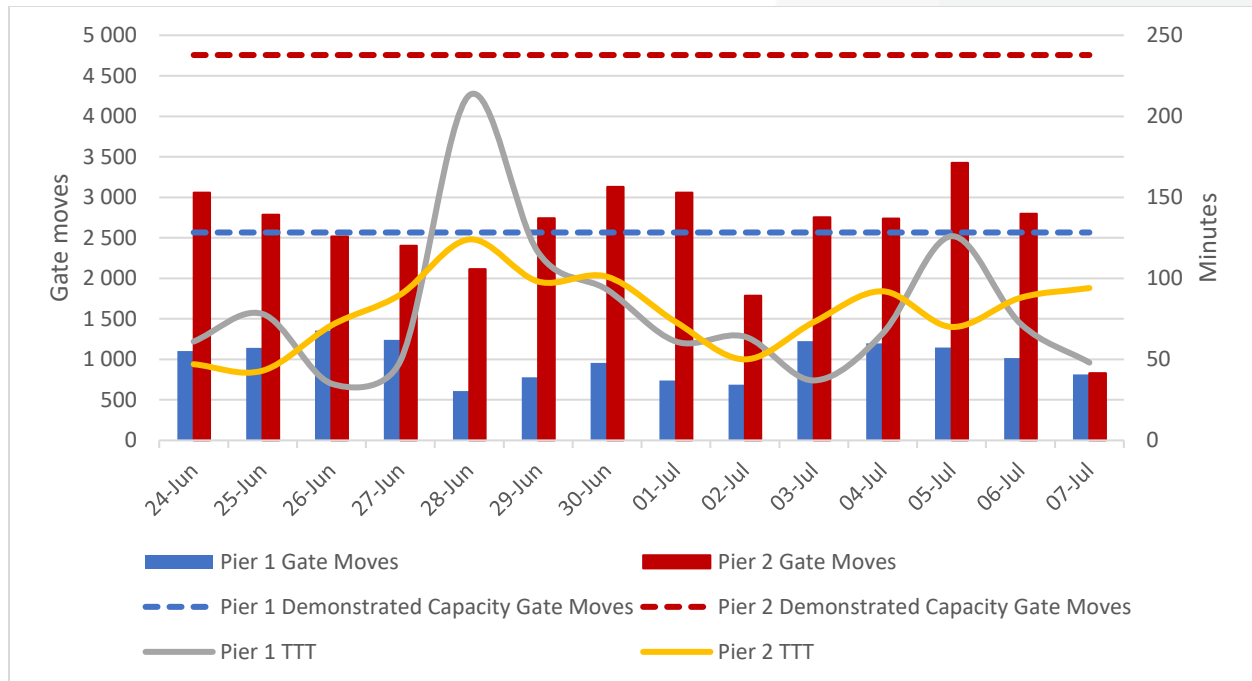
Durban's MPT terminal recorded one vessel at berth on Wednesday, with none at the outer anchorage, while handling 230 containers and 351 breakbulk tons on the waterside. Stack occupancy for breakbulk improved to 45% in that time, and it was 15% for containers, with 199 reefer plug points available. The terminal managed to handle 179 containers on the landside while servicing 32 breakbulk RMTs translating to 960 tons. During the same period, three cranes, nine reach stackers, one empty handler, seven forklifts and 20 ERFs were in operation.

On Wednesday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at outer anchorage. Over the 24 hours to Wednesday, the terminal received 557 units while despatching 465. During the same period, general stack occupancy was recorded as high at 77%, with a composition of 22% for imports, 73% for exports, and 5% for transshipments. Stack occupancy at G-berth was exceptionally high at 90%, while stack occupancy at QR was relatively high at 70%. The terminal had 2 041 import units on hand, 6 759 units destined for export markets, and 405 units subject to transshipments.

On Wednesday, Richards Bay recorded ten vessels at anchor, translating to two breakbulk and eight dry bulk vessels. There were 12 vessels on berth, two at DBT, five at MPT, four at RBCT, and one at the liquid bulk terminal. Three tugs and a helicopter were in operation for marine resources in the 24 hours leading up to Thursday, with the pilot boat still aiding marine operations in Durban.

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 07/07/2023.

iv. Eastern Cape ports

NCT on Wednesday recorded two vessels on berth and two vessels at outer anchorage while anticipating five vessels to arrive over the following 72 hours. Marine resources of two tugs, a pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Friday. In the same period, stack occupancy was 34% for GP containers, 62% for reefers, and 86% for reefer ground slots. And in that period, 1 404 units were processed at a GCH of ~14 and SWH of ~33. Additionally, 138 reefers were handled across the quay, while 396 trucks were serviced on the landside at a truck turnaround time of ~41 minutes. In other news, Transnet Port Terminals (TPT), Transnet Freight Rail (TFR), and Maersk have successfully collaborated on a road-to-rail initiative during the citrus season in the Eastern Cape Terminals. This joint effort aims to reduce congestion at the Ngqura Container Terminal (NCT) and improve business efficiency by using rail transport for empty reefer containers.

GCT on Tuesday 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 Wednesday. In the same period, stack occupancy was 40% for GP containers, 81% for reefers, and 71% for reefer ground slots. On the waterside, 234 TEUs were moved across the quay at a GCH of ~18 and SWH of ~16. Additionally, 149 trucks were serviced on the landside at a truck turnaround time of ~21 minutes. Over the weekend, the Port of Port Elizabeth also joined the "Port Congestion Watch", with more than 16 000 TEUs stuck at anchor with a high queue-to-berth ratio of 4,36.

The next Ro-Ro vessel is anticipated to arrive on Tuesday, 11 July 2023.

At the Port of East London on Wednesday, 158 container volumes were moved across the quay at a GCH of ~15, while 68 external trucks were serviced at a truck turnaround time of ~8 minutes. Stack occupancy on the container side was captured at 56%. During the same period, at the Ro-Ro terminal, 580 units were received at a UPH of 200, while stack occupancy at the car terminal was captured at 59%. 4 704 bulk tons

were handled on the waterside at a TPH of 234 while 54 bulk trucks (1 901 tons) were received on the landside. Stack occupancy on the bulk side of the terminal was captured at 40%. Furthermore, no breakbulk volumes were handled on the waterside; however, one truck carrying 30 tons of cargo was received on the landside resulting in a stack occupancy figure of 3%.

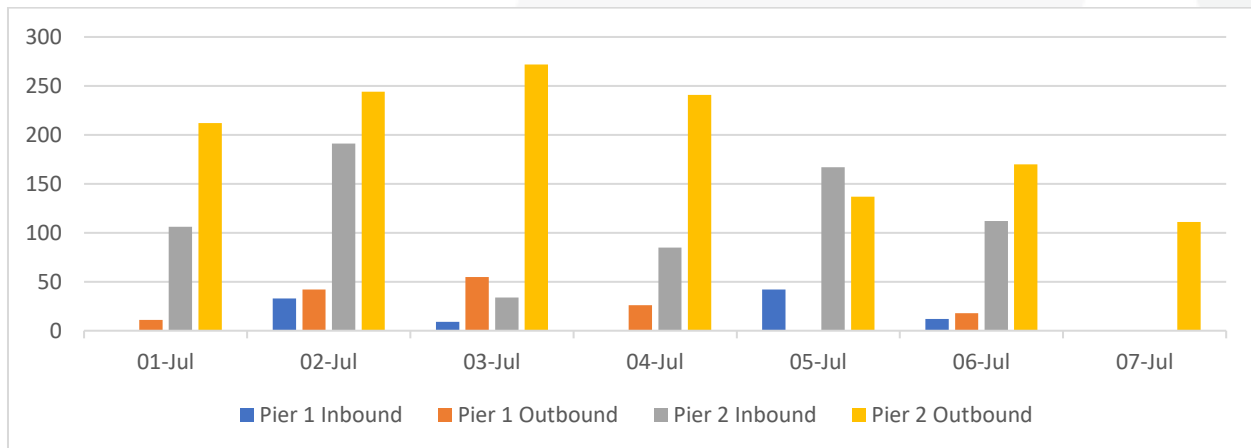
v. Saldanha Bay

On Friday, the iron ore terminal had three vessels at anchorage and two on the berth, while the multi-purpose terminal had two vessels at anchor and two on the berth. The vessels at anchor have been waiting outside for approximately 3-9 days, while the vessels in port have been on berth for around 2- 6 days.

vi. Transnet Freight Rail (TFR)

This week, no significant incidents were reported on the rail network, as the core focus was on reopening the lines affected by last week's sand washing. At the beginning of the week, TFR indicated that they had a shortage of locomotives over the weekend, which impacted operations. Additionally, Pier 1 did not have adequate resources available to load out Import rail containers for a brief period of the week due to the congestion experienced at the terminal. Resources were reallocated to deal with that congestion, which unfortunately took resources away from rail operations. Furthermore, during the week, DCTs Pier 2 had 191 ConCor units with a dwell time of 192 hours (8 days) and 111 over-border units with 12 days. Rail import containers for Durban are Pier 1: 35 containers, Pier 2: 293 containers, and Point: 0 containers.

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



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

In the last week (1 to 7 July), rail cargo handled out of Durban was reported at **2 330** containers, up by **↑12%** from the previous week's **2 075** containers.

vii. COSATU National Day of Action

Earlier this week, labour union COSATU indicated their intention to hold a legal strike on Thursday, 06 June 2023, to voice their concerns about high unemployment, poverty, and income inequality. COSATU subsequently invited affiliate unions, such as SATAWU, to join them in the strike to make their collective voices heard. This week's reports indicated that most Transnet employees would not participate in the strike, which was a massive positive for our national ports. Thus, the impact of the strike appears to be quite limited with the reports received as follows:

- Western Cape - No impact on operations for the Cape Town Container Terminal, Cape Town Multi-purpose terminal or TNPA.

- Central Region - No impact on operations for the Ngqura Container Terminal, Port Elizabeth Container Terminal, Port Elizabeth Auto Terminal, East London Port, and TNPA for the entire region.
- KwaZulu-Natal Region - No impact on operations at the Port of Durban's Maydon Wharf, Pier 1, Multi-Purpose, Agri-Bulk, Auto Terminals, or TNPA. Similarly, no impact on operations for Richards Bay TNPA.
- The only terminal reporting a staff shortage was Durban's Pier 2, with 50% staff attendance on the landside and 75% on the waterside.
- No impact was reported on TFR operations.

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 26 June. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in June 2022 averaged **~795 488 kg** per day.

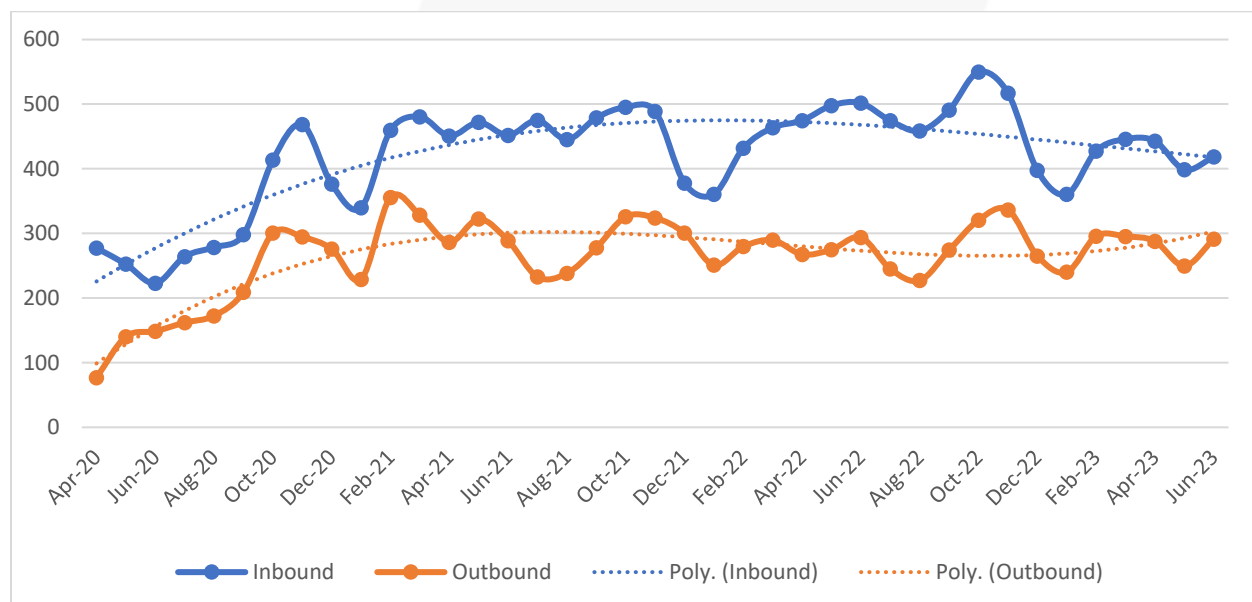
Table 4 – International inbound and outbound cargo from OR Tambo

Flows	26-Jun	27-Jun	28-Jun	29-Jun	30-Jun	01-Jun	02-Jul	Week
Volume inbound	645 059	215 780	408 538	248 195	330 576	443 437	737 513	3 029 098
Volume outbound	254 610	172 674	217 947	174 340	226 909	190 300	589 034	1 825 814
Total	899 669	388 454	626 485	422 535	557 485	633 737	1 326 547	4 854 912

Courtesy of ACOC. Updated: 03/07/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **432 728 kg** inbound and **260 831 kg** outbound, resulting in an average of **693 559 kg per day** or **~90%** compared with June 2022. However, the level is currently at only **~76%** compared with the same period pre-pandemic in 2019.

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



Courtesy of ACOC & BAC. Updated: 03/07/2023.

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 June 2022 was ~54 048 kg per day.

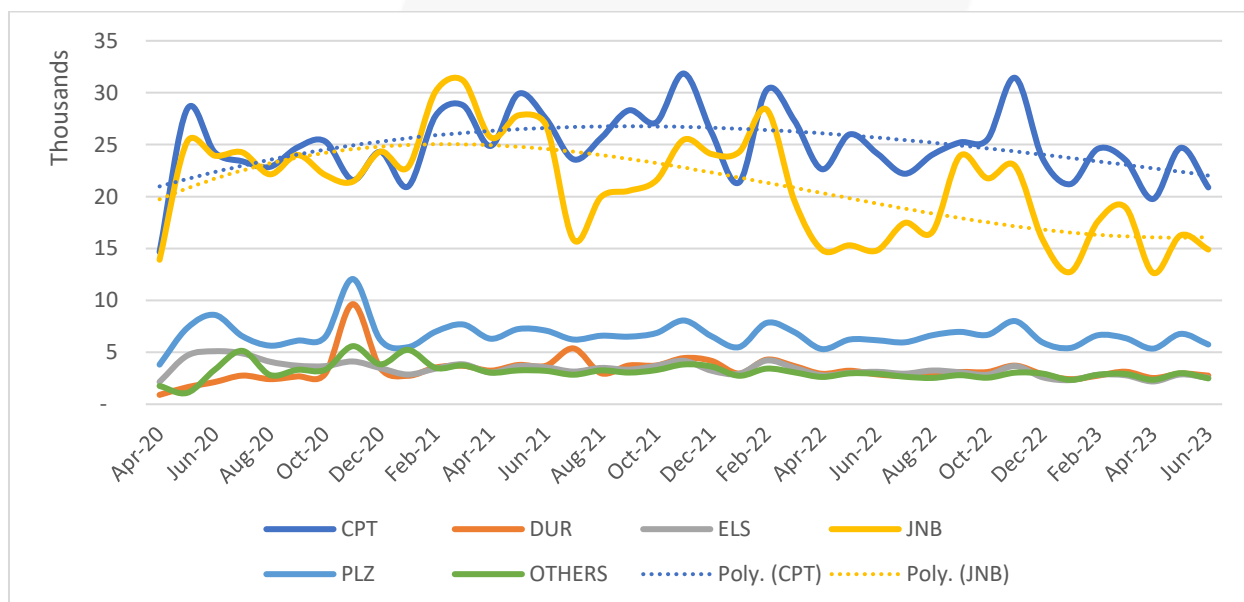
Table 5 – Total domestic inbound and outbound cargo

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.	20 880	2 756	2 535	14 895	5 749	2 486	49 300
22-Jun	36 276	4 948	3 603	29 600	9 117	3 519	87 062
23-Jun	12 648	2 928	1 882	11 907	4 723	2 322	36 409
24-Jun	642	362	861	471	825	251	3 412
25-Jun	796	210	311	195	665	374	2 550
26-Jun	34 486	4 324	4 275	19 237	11 357	3 882	77 560
27-Jul	37 439	4 346	5 060	26 795	12 414	4 952	91 007
28-Jul	36 320	4 308	4 106	26 218	10 287	4 077	85 316
Total for 2023:	4 080 328	498 068	472 946	2 834 265	1 109 854	484 312	9 479 773

Courtesy of BAC. Updated: 03/07/2023.

The average domestic air cargo moved last week was ~54 759 kg per day, down by ↓2% compared to the previous week and slightly up compared to last year (~93%).

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



Courtesy of BAC. Updated: 03/07/2023.

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 slightly and averaged **~15,2 hours (↑6%,w/w)** for the week. In contrast, the greater SADC region (excluding South African borders) experienced a significant decrease, decreasing by **~90 minutes** and averaging **~9,8 hours (↓12%)**.
- Minor issues with the SARS EDI system continued this week, but Customs created a temporary solution that has brought much-needed relief to frustrated transporters.
 - Queue and border times more than doubled at times during the week, primarily due to the system breakdown experienced by SARS.
- Challenges in Komatipoort worsened due to side tippers causing congestion in and around town, so much so that the Taxi Association stepped into the alleged void that SAPS were supposed to fill.
- Recent heavy rain near Vioolsdrif rendered the access road to the border inaccessible.
 - Consequently, Nakop was proposed as an alternative crossing, as papers prepared for Vioolsdrif could still be used there.
- Clearing agents at Kasumbalesa have been protesting on the DRC side due to border inefficiencies, including limited operations and procedural inefficiencies (such as manual Customs forms).
- On Saturday, Sakania Border was closed because eight trucks were destroyed in a fire disaster on the Zambian side in the neutral territory.
 - Consequently, transporters were encouraged to use Kasumbalesa and Mokambo to cross.
- 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:

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	6	32	6	3 115	13 350
Beitbridge	Zimbabwe-SA	392	7	18	2	2 744	11 760
Groblersbrug	SA-Botswana	224	48	32	4	1 568	6 720
Groblersbrug	Botswana-SA	136	0	2	0	952	4 080
Vioolsdrif	SA-Namibia	30	0	5	1	210	900
Noordoewer	Namibia-SA	20	0	2	0	140	600
Nakop	SA-Namibia	30	1	6	1	210	900

⁸ [FESARTA TRANSIST Bureau](#).

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.

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
Ariamsvlei	Namibia-SA	20	0	2	0	140	600
Lebombo	SA-Mozambique	1 602	24	13	2	11 214	48 060
Ressano Garcia	Mozambique-SA	102	0	5	0	714	3 060
Skilpadshok	SA-Botswana	200	1	3	1	1 400	4 800
Pioneer Gate	Botswana-SA	100	1	2	1	700	2 400
Weighted Average/Sum		3 301	7	10	2	23 107	97 230

Source: TLC, FESARTA, & Crickmay, week ending 02/07/2023.

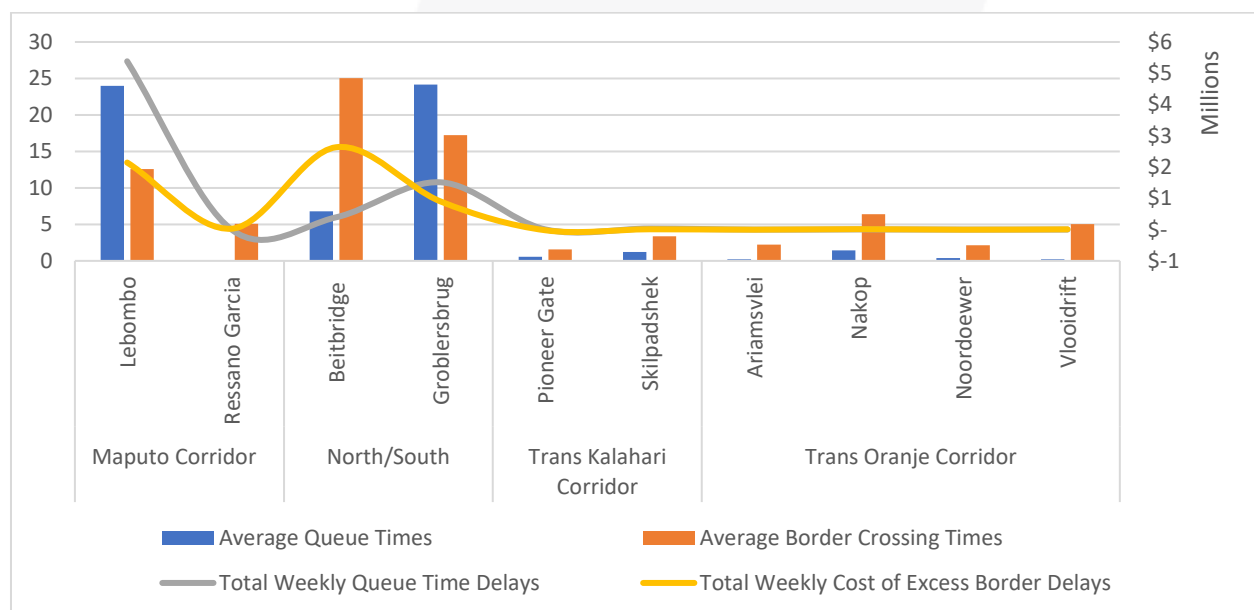
Table 7 – Delays summary – Corridor perspective

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	12	2	2 240	9 600
Dar Es Salaam Corridor	1 819	69	12	1	12 733	54 570
Maputo Corridor	1 704	12	9	1	11 928	51 120
Nacala Corridor	127	0	3	1	889	3 810
North/South	3 269	30	15	3	22 883	98 070
Trans Caprivi Corridor	116	1	13	1	812	3 480
Trans Cunene Corridor	100	0	14	2	700	3 000
Trans Kalahari Corridor	330	1	2	1	2 310	7 920
Trans Oranje Corridor	100	1	4	1	700	3 000
Weighted Average/Sum	7 885	22	11	2	55 195	234 570

Source: TLC, FESARTA, & Crickmay, week ending 02/07/2023.

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

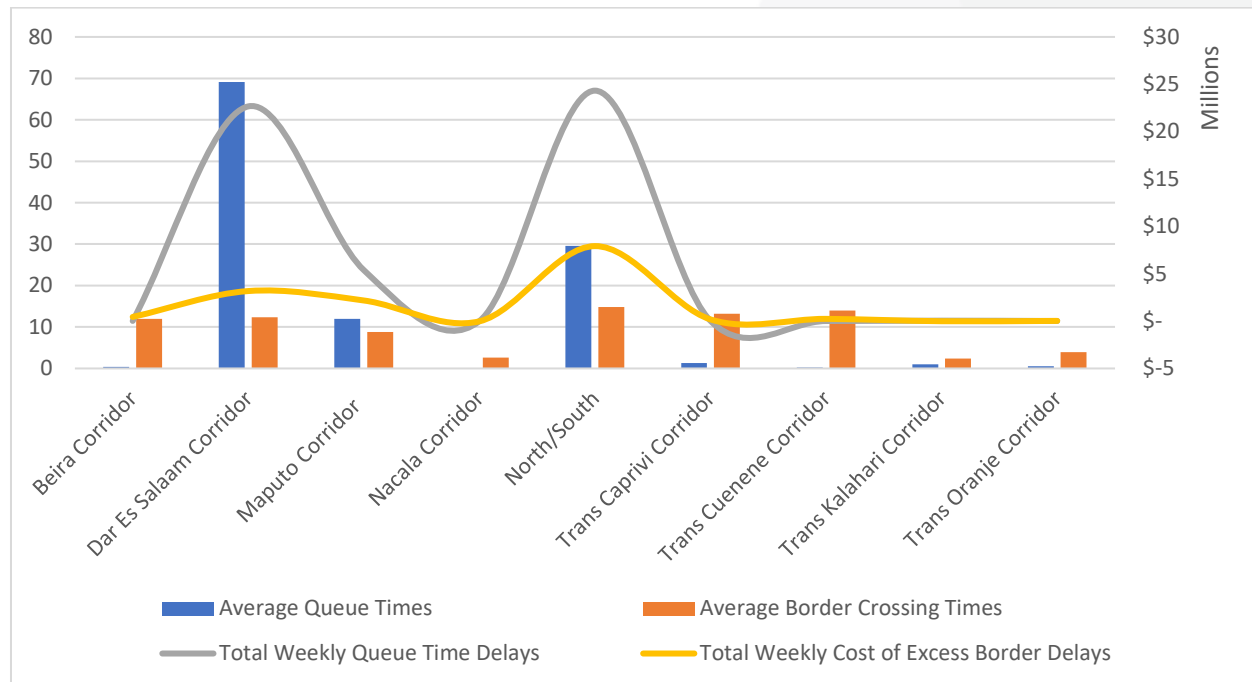
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 25/06/2023.

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 25/06/2023.

In summary, cross-border queue time averaged **~22,0 hours** (up by **~0,5 hours** from the previous week's **~21,7 hours**), indirectly costing the transport industry an estimated **\$52 million (R922 million)**. Furthermore, the week's average cross-border transit times hovered around **~10,5 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 (R248 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R1 198 million** (up by **~R28 million** or **↑2%** from **R1 170 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 throughput, capacity, and congestion

The latest container throughput figures for May from CTS show that container volume has rebounded nicely and is up by **↑5,2%** (m/m) after the significant reduction last month (**↓3,5%**). Despite the positive change in throughput, global volume remains slightly down annually (**↓3,0%**). Fortunately for shippers – similar to the index reported weekly by Drewry – the price index (reefer and dry) continues to moderate rapidly. It is down by another **↓4,6%** (m/m) and a considerable **↓58,5%** (y/y) versus a year ago:

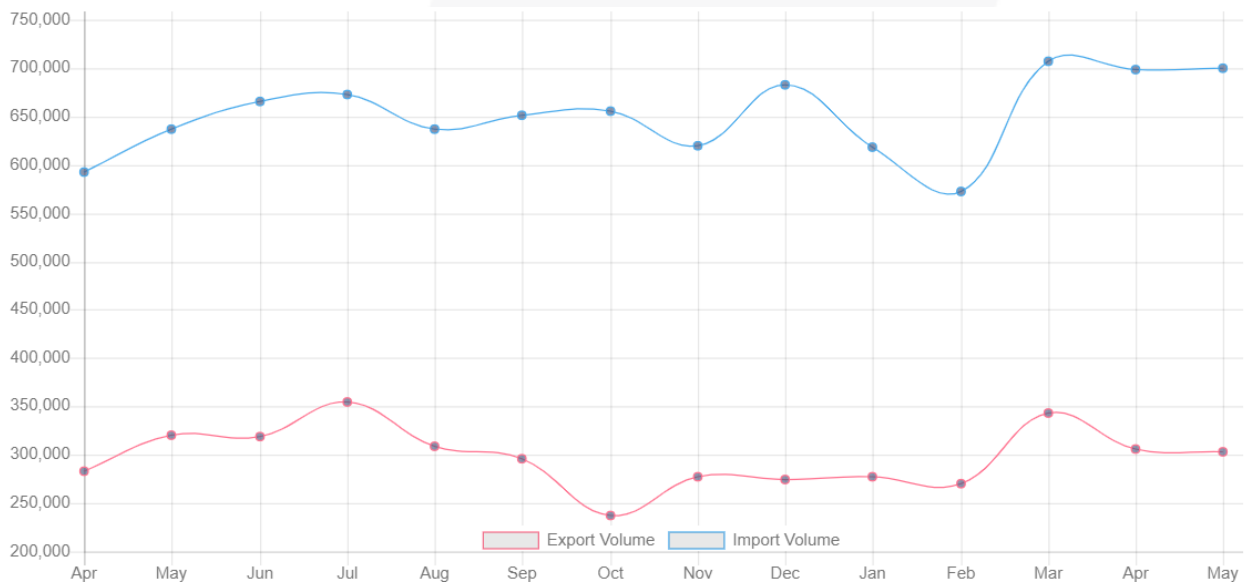
Figure 14 – Global Containerised Throughput (TEUs) and price index



Source: [CTS](#)

As illustrated, container throughput experienced a significant uptick in May this year – as was the case in 2022. Consequently, a total of **15,1 million TEUs** was handled in May, slightly less than the **15,6 million TEUs** during the same period last year. Concerning geographical disparity, most of the seven major sub-regions registered varying increases in volumes in May, with Far East exports (up by **↑10,8%**, m/m) and Far East imports (up by **↑7,8%**, m/m) showing the most significant changes. These figures suggest that the container industry has finally made a positive turn this year and continues stabilising after the year's abysmal start. The following figure shows Sub-Saharan Africa imports and exports over the same period:

Figure 15 – Sub-Saharan Africa Containerised Throughput (TEUs)



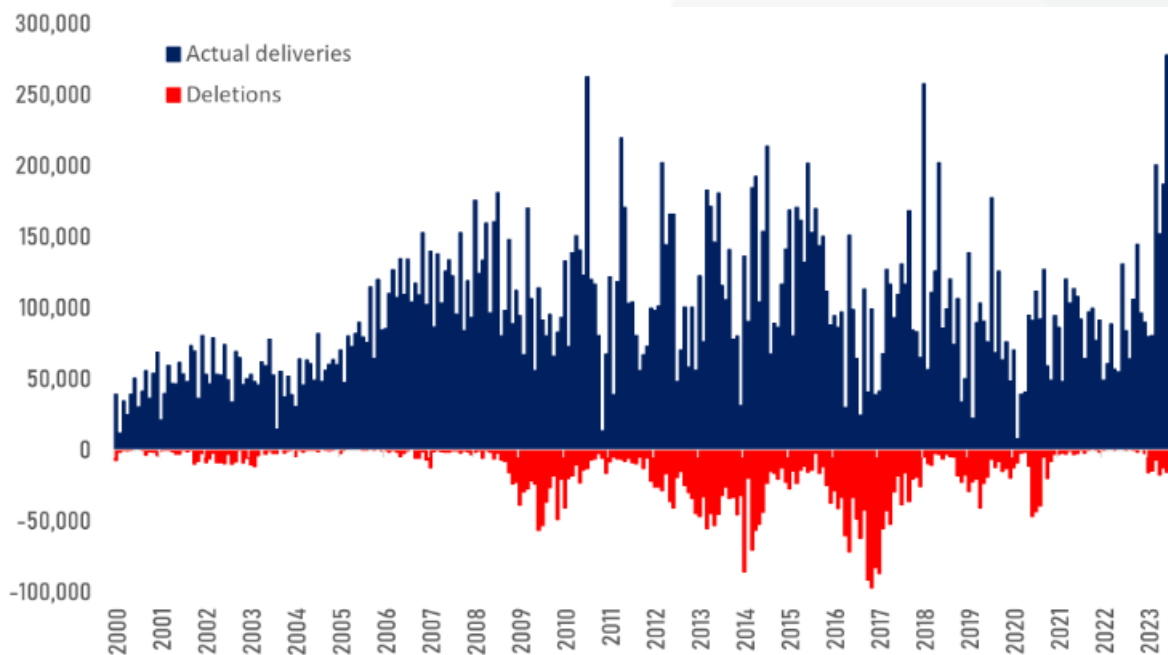
Source: [CTS](#)

Sub-Saharan African trade was less robust than the rest of the world, as exports were similar to the levels seen in April and only up by **↑0,4%**. In contrast, imports were subdued and contracted by **↓0,7%** versus last

month. Yearly trade shows that imports (**↑8,5%**, y/y) have at least grown, while exports are at similar levels (**↑0,5%**, y/y) versus last year. Incidentally, South Africa accounted for **25,2%** of SSA imports and **57,7%** of SSA exports when measuring these versus TNPA figures. In next week's report, we will provide a comprehensive overview of the updated TNPA figures for June.

Incidentally, the throughput figures quoted above might have been more than expected – especially when accounting for the corresponding liner capacity in the current market. As has been an ongoing trend, the number of deliveries continues to outweigh the number of demolitions disproportionately:

Figure 16 – New deliveries and deletions by month (2000-2023, in TEU)



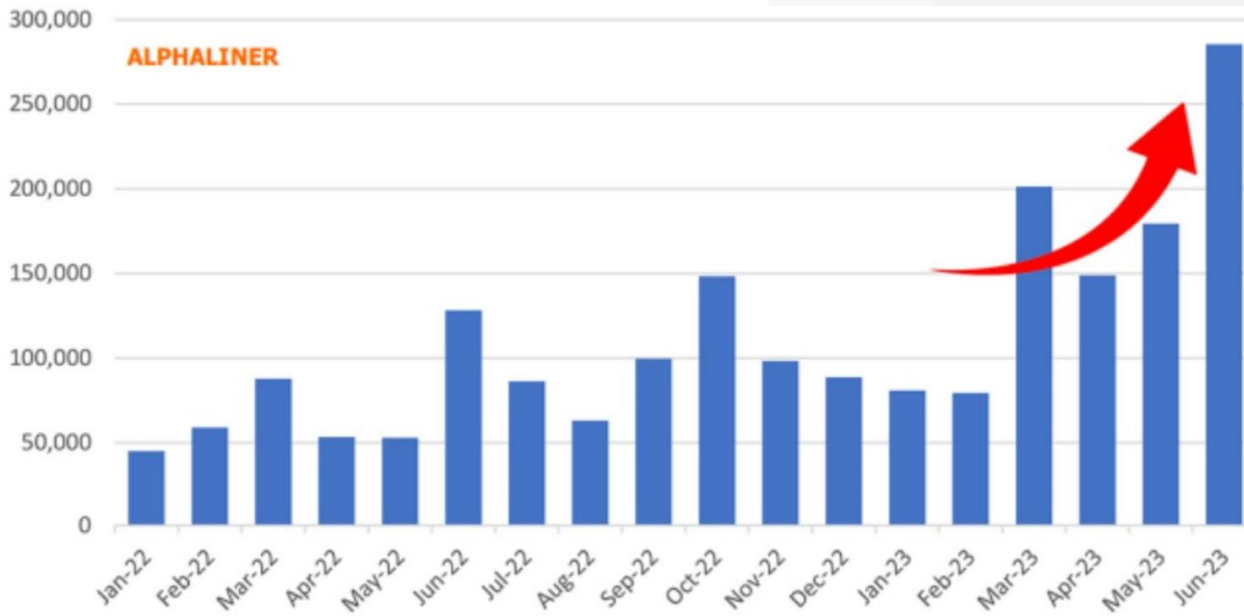
Source: [Linerlytica](https://www.linerlytica.com)

Indeed, the capacity keeps increasing, as June saw another record broken concerning TEU additions. New containership deliveries in June reached **277 873 TEU**, setting a new record for the highest new vessel capacity delivered in a single month¹¹. The number of new ships delivered in the year's first six months has reached **148 units** for **975 344 TEU**. And this figure is set to grow even more, as there are more than **1,2 million TEUs** still due in the 2nd half of the year even after provisions for delivery slippage. Full-year deliveries are set to reach **2,2 million TEU** in 2023, which will also be a new annual delivery record, beating the previous high of **1,7 million TEU** delivered in 2015.

The last eighteen months have been especially active for MSC, as the Geneva-based carrier overtook its 2M vessel-sharing partner and shot into the unequivocal lead (by approximately a million TEUs) regarding container capacity. To put these numbers into perspective, it means that, on average, MSC's lead over Maersk has grown by an astounding 12 800 TEU every week since January 2022. Not only has the fleet grown constantly in the last two decades, as shown above – the deliveries have been accelerating as of late. The following figure shows the collective deliveries since the inflated carrier balance sheets around January 2022:

¹¹ Linerlytica. 03/07/2023. [Market Pulse – Week 27](https://www.linerlytica.com).

Figure 17 – Container vessel deliveries by month



Source: [Alphaliner](#)

Elsewhere in the international liner market, the idle fleet has decreased even more this week to around **90 250 TEU** (a mere **0,3%** of supply). These figures are confirmed by Drewry's "*Cancelled Sailings Tracker*", which is slightly less than last week but continues to trend around a relatively low **5% cancellation rate**¹². Lastly, port congestion continues to plague only a few pockets in maritime trade – including some around South African shores – and remains relatively low (**1,61 million TEU, ↓5%, w/w**).

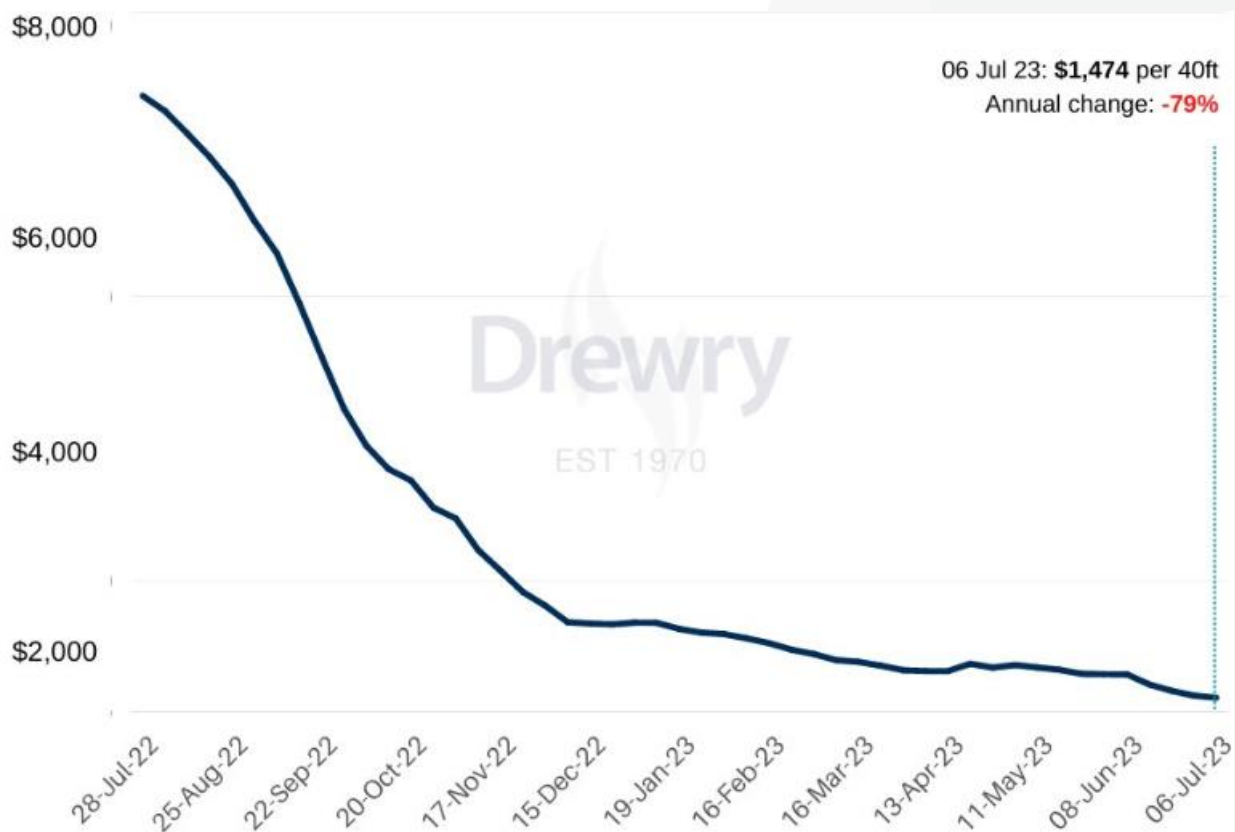
ii. Global container freight rates

The "*World Container Index*" continued to decline as anticipated this week, with some routes more affected than others. For example, spot rates on the transatlantic took a hammering this week, losing over 20% of their value, and the pressure has also started to build on other, previously resilient trade lanes into which carriers have injected more capacity¹³. For the market as a whole, the following trend emphasises the shift in favour of shippers in the current subdued market:

¹² Drewry. 07/07/2023. [Cancelled Sailings Tracker - 7 July](#).

¹³ Wackett, M. 07/07/2023. [Carriers run out of niche trades as pressure grows and freight rates tumble](#).

Figure 18 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

The composite index has decreased by $\downarrow 1,3\%$ (or $\$20$) to $\$1\,474$ per 40-ft container and has dropped by $\downarrow 79\%$ (y/y) compared to the same week last year. The latest index is now $\downarrow 86\%$ below the peak of $\$10\,377$ reached in September 2021. Moreover, the WCI is $\downarrow 45\%$ lower than the 10-year average of $\$2\,688$, indicating a return to more normal prices and remains a mere 4% higher than average 2019 (pre-pandemic) rates of $\$1\,420$. Also, the average composite index for the year-to-date continues to drop and is now $\$1\,797$ per 40-ft container, which is $\$891$ lower than the 10-year average. The most significant regional shift came on the Rotterdam – New York route, down by $\downarrow 25\%$ from last week. Drewry expects East-West spot rates to decline further 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. State funding of \$1,5 billion allocated to Californian port improvement projects:

- a. California has announced state funding of more than **\$1,5 billion** for **15 port projects** to bolster infrastructure and create some **20 000 jobs**¹⁴.
- b. Among gateways set to benefit are Long Beach, Los Angeles and Oakland, LA scooping **\$233 million** for "essential" infrastructure and sustainability improvements.

¹⁴ Whiteman, A. 07/07/2023. [State funding of \\$1,5bn allocated to Californian port improvement projects.](#)

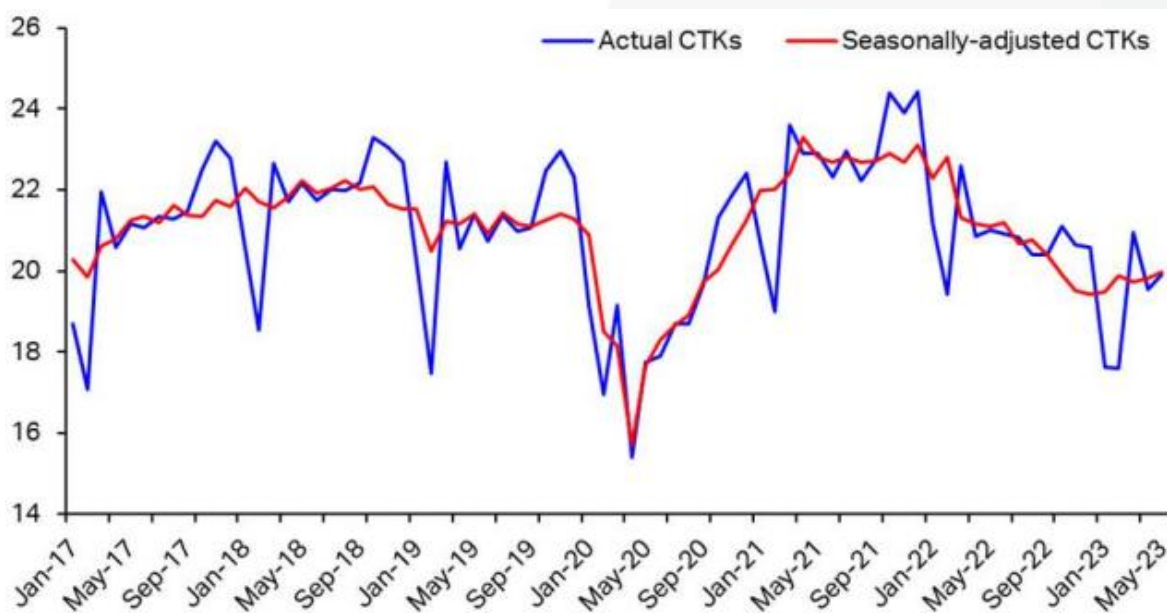
2. Nagoya port reopens following crippling cyber-attack:

- a. Operations at Japan's busiest port Nagoya resumed this afternoon, local time, after an outage of more than 48 hours, following an alleged Russian ransomware attack¹⁵.
- b. The Nagoya Harbor Transportation Association said that Nagoya United Terminal System, which operates the port's five container terminals, had its operations restored at 07:30 am on Wednesday, but the full recovery of data lost in the cyber-attack was achieved only in the afternoon.

b. Global air cargo industry

In the latest "Air Cargo Market Analysis" for May¹⁶, IATA this week reported that industry-wide air cargo demand in May was **↓5,2%** below last year's level. Nevertheless, the annual decline in global air cargo has narrowed from **16,8%** in January to **9,0%** year-to-date in May:

Figure 19 – Global Industry CTKs (billions per month)



Source: [IATA](https://www.iata.org)

Other key notes from the May analysis include the following:

- Available cargo-tonne kilometres continued to climb this month after returning to pre-pandemic levels for the first time in April. ACTKs grew by **↑14,5%** (y/y) and were **↑5,9%** above May 2019 levels, indicating ample capacity currently in the market.
- Key indicators of air cargo demand, including cross-border trade, new export orders PMI, and production PMI, were weaker in May, indicating the constraints on supply chains and the slowing global economy.

¹⁵ Li, M. 05/07/2023. [Nagoya port reopens following crippling cyber-attack](https://www.saaff.org.za).

¹⁶ IATA. 05/07/2023. [Air Cargo Market Analysis](https://www.iata.org).

- Carriers in Latin America expanded their international cargo demand in May amid falling volumes in other regions. International CTKs for African airlines declined further, from ↓1,4% (y/y) in April to ↓2,4% in May.

In the more frequent figures from World ACD, global air cargo tonnages in June show a continuation of the improving year-over-year trend that we have seen since May, characterised by a slowing rate of decline. Air cargo tonnages for the whole month of June ended at ↓4% compared to the previous year, an improvement from May at ↓6% (y/y), while April was still at ↓10% (y/y). Average rates stabilised throughout June at around ↓38% compared to the previous year. Figures for week 26 (26 June to 2 July) show a similar drop in tonnages (↓4%) and a slight increase in average worldwide air cargo prices, week on week. When comparing weeks 25 and 26 with the preceding two weeks (2w/2w), overall tonnages decreased by ↓3% versus their combined total in weeks 23 and 24, with capacity up ↑1% and average worldwide rates stable at around \$2,39 per kilogram.

Figure 20 – 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%	+13%		-9%	-6%		-0%
Asia Pacific		-0%	+30%		-2%	-5%		-0%	-44%
C. & S. America		+0%	-8%		-1%	+3%		+1%	-13%
Europe		+1%	+9%		-3%	-11%		-0%	-36%
M. East & S. Asia		+3%	+15%		-7%	-5%		+1%	-45%
North America		-1%	+4%		+0%	-13%		-2%	-29%
Worldwide		+1%	+11%		-3%	-7%		-0%	-38%

Source: [World ACD](#)

In other air cargo news, Amazon Air is reducing the number of flights it operates in Europe after rapidly ramping up operations over the last few years¹⁷. The e-commerce giant's European flights were launched in 2020 and primarily carried out by ASL Airlines using Boeing 737-800 freighters. Despite the flight reduction, Amazon said delivery times will be unaffected.

ENDS¹⁸

¹⁷ Brett, D. 07/07/2023. [Amazon Air continues to scale back flights with European reduction.](#)

¹⁸ **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 \(AGL\)](#).*