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Cargo movement update #169[1]

Date: 19 January 2024

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)	28 846	25 046	**53 892**	27 035	22 209	**49 244**	↑9%
Air Cargo (tons)	2 212	1 671	**3 883**	1 713	1 186	**2 899**	↑34%

Monthly Snapshot

Figure 1 – Monthly[4] cargo volume, year on year (% growth)

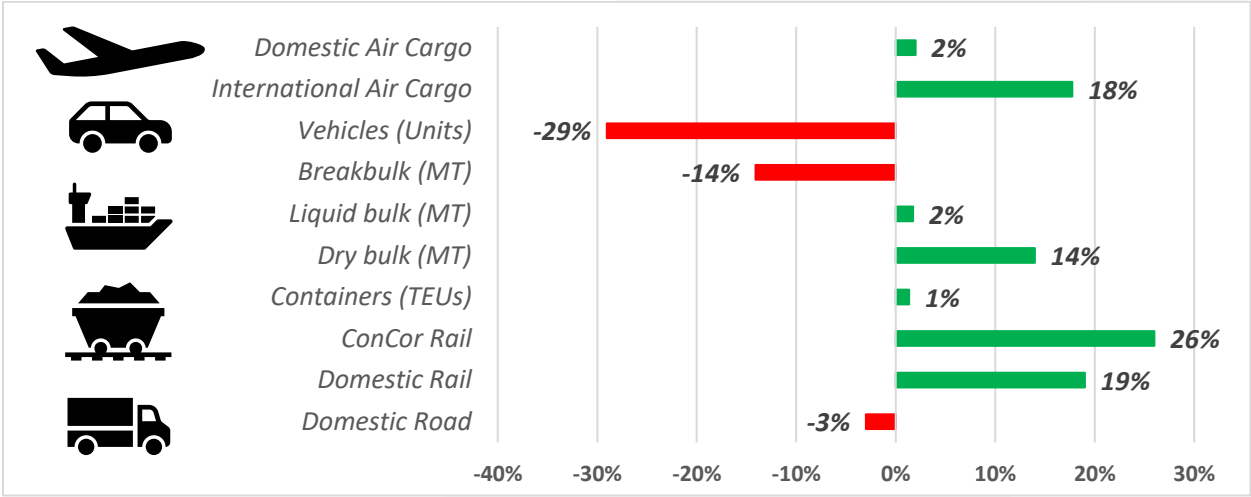
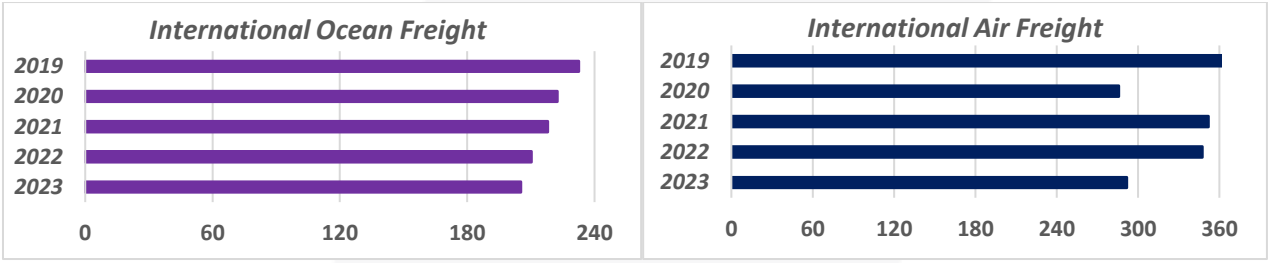


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 699 containers** was handled per day, with **~8 282 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 876** containers, down **↓36%** from last week.
- Cross-border queue times were **↑0,2 hours** (w/w), with transit times **↑4,8 hours** (w/w); SA borders increased by **~2,3 hours**, averaging **~9,3 hours** (**↑32%**); Other SADC borders averaged **~6,0 hours** (**↓5%**).
- Tradeshift shows that global trade activity recovered to **four points below** the baseline of 2019.
- Global freight rates have again sharply increased by **↑23%** (or **$705**) to **$3 777** per 40-ft container.
- Global air cargo experienced its customary cyclical rebound, up by **↑24%** (w/w); rates **@ $2,34 per kilo**.

[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 *169th* update.
[2] '*Current*' means the last seven days (a week's) worth of available data.
[3] '*Previous*' means the preceding 8-14 days (a week's) worth of available data.
[4] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year; All metrics: Dec vs Dec.
[5] For ocean, total Jan-Dec cargo in metric tonnes, as reported by Transnet, is used, while for air, Jan-Dec cargo to and from all airports is used.

Executive Summary

This update contains a consolidated overview of the South African supply chain and the current state of international trade. Commercial ports handled an average of **7 699 containers** per day, significantly up down from the **7 131 containers** last week. The usual operational constraints persisted this week, including adverse weather conditions and continuous equipment breakdowns and shortages. The Port of Cape Town went windbound this week for approximately 36 hours in succession. Meanwhile, approximately 48 operational hours were disrupted in Richards Bay due to bad weather and marine resource challenges. In Durban, concerns from industry arose this week as berth 202 has still not reached the desired depth after seven failed dredging attempts. After the encouraging reports received last week regarding the new conveyor belt installation at the Port of Richards Bay, disaster struck this week as two trains collided on the crucial coal export line. Furthermore, the rail line between Durban and Johannesburg was reopened in the 24 hours between Tuesday and Wednesday after another washaway occurred on Monday evening.

In the global shipping industry, the Red Sea crisis remained very much in focus this week, leading to continued re-routing of traffic away from the troubled area. The affected shipping lane supports over **11%** of global maritime trade volume, impacting economies in the Middle East, Europe, Asia, and Africa. Rerouting around the Cape of Good Hope adds significant nautical mileage, potentially leading to longer transit times and increased costs (which is clearly reflected in the massive increase in freight rates) – but even then, carriers are unlikely to be able to recoup all expenses incurred because of faster steaming, among other issues). The disruption is expected to influence the oversupplied market and may drive ongoing freight rate inflation. While global pirate attacks have decreased, ongoing vigilance and comprehensive strategies, especially in piracy-prone regions like the Gulf of Guinea, remain crucial to maintaining maritime security. Other developments this week included **(1)** Gemini (Maersk and Hapag-Lloyd) cooperation to set off an alliance domino effect, **(2)** capacity concerns over Maersk's Panama Canal rail bypass, and **(3)** Australian port strike peace talks fail.

In the air freight market, international cargo from South Africa continues to pick up after the low festive season volumes, as inbound cargo is up by **↑29%** (w/w) and outbound cargo is up by **↑41%** (w/w). These returns have exceeded the international volumes, which are up by **↑24%** compared to the previous week. This recovery follows a decline of around **↓30%** in the second half of the preceding month and **↓3%** in the first week of the year. Domestically, consolidated numbers for December show that locally handled cargo is up by **↑2%** (m/m) and up by **↑5%** (y/y). Internationally, global air cargo tonnages have bounced back in the second week of 2024, following their typical slowdown in the second half of December and the first week of January.

In regional cross-border road freight trade, average queue times increased by **approximately 15 minutes**, while transit times increased by a **more substantial five hours** from last week. The median border crossing times at South African borders increased by **two and a half hours**, averaging **~9,3 hours** (**↑32%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by **around 20 minutes** and averaged **~6,0 hours** (**↓5%**, w/w). On average, three SADC border posts took more than a day to cross, including Beitbridge, Kasumbalesa, and Tunduma OSBP (the worst affected at around **two days** to cross). Other developments this week included **(1)** the Beitbridge border access fee increase, **(2)** the Likasi bypass road closure, and **(3)** the Zambia carbon tax payment update at Kasumbalesa. Lastly, monthly cross-border road figures for December at key border posts show the following (mostly downward) changes: Beitbridge is down by **↓10%**, Skilpadshek is also down by **↓10%**, Ramatlhabama is up by **↑80%**, Kopfontein is down by **↓11%**, and Groblersbrug also down by **↓13%** (all m/m).

In summary, the improved port throughput numbers are encouraging – as are the increased air cargo handled in the last week. These developments give us some cause for optimism and also indicate that Transnet's recovery plans may be bearing some fruit. Only hard evidence in the form of regular improving numbers will convince the market that recovery is on track. Unfortunately, as has been previously pointed out, the rail modality remains the most significant cause for concern and must improve by an order of magnitude if South Africa's extended logistics network is to have any hope of functioning at the levels we have seen in the not-too-distant past. Throughput volumes from both our iron ore and coal export lines indicate that volume remains down by some **20%** when compared to only a few years back. And this is not due to any downturn in international markets; our producers would be moving the cargo if they could! The continued high truck volumes through the Lebombo border post towards Maputo is further evidence of that – with the situation even receiving some satirical commentary in the news this week[6]. With the current influx of cargo vessels passing our shores because of the Red Sea crisis and consequent diversion from the Suez Canal, it is a necessary realisation to ponder why these vessels are passing in transit (apart from the minor business in bunkering) and not calling at our ports because of increase supply and demand, as, ultimately, the evidence is clear. South Africa has unfortunately become a second (or even third) tier port. And we only have a small window of opportunity to turn matters around, or else the likes of Maputo, Beira, Walvis Bay, Lobito, Luanda, and others will continue to mop up trade previously handled by South Africa.

[6] Business Maverick. 17/01/2024. Cartoon Thursday with Rico.

Contents

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 13 to 19 January[7]

7-day flow forecast (13/01/2024 – 19/01/2024)		
TERMINAL	**NO. OF CONTAINERS[8] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 400	5 217
DURBAN CONTAINER TERMINAL PIER 2:	10 610	8 143
CAPE TOWN CONTAINER TERMINAL:	5 313	3 850
NGQURA CONTAINER TERMINAL:	8 063	4 781
GQEBERHA CONTAINER TERMINAL:	460	3 055
TOTAL:	**28 846**	**25 046**

Source: Transnet, 2024. Updated 19/01/2024.

Table 3 – Container Ports – Weekly flow predicted for 20 to 26 January

7-day flow forecast (20/01/2024 – 26/01/2024)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	5 250	5 185
DURBAN CONTAINER TERMINAL PIER 2:	11 110	10 189
CAPE TOWN CONTAINER TERMINAL:	4 085	7 066
NGQURA CONTAINER TERMINAL:	6 032	8 010
GQEBERHA CONTAINER TERMINAL:	200	850
TOTAL:	**26 677**	**31 300**

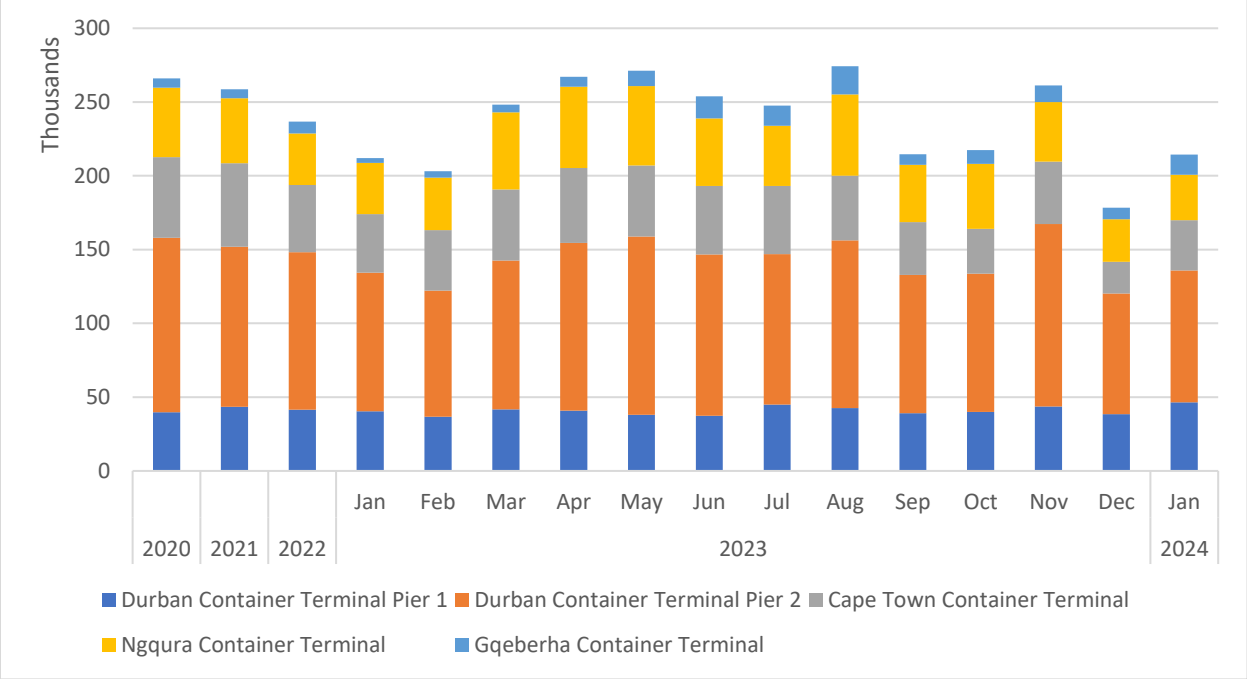
Source: Transnet, 2024. Updated 19/01/2024.

An average of **~7 699 containers** (↑9%) was handled per day for the last week (*13 to 19 January*, *Table 2*), compared to the projected average of **~8 878 containers** (↓13% actual versus projected) noted in last week's report. For this week, an increased average of **~8 282 containers** (↑8%) is predicted to be handled (*20 to 27 January Table 3*). Poor weather and continuous equipment breakdowns and shortages continue to impede operational fluidity.

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

[7] It remains important to note that a large percentage (approximately 36% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transhipments.
[8] As mentioned before, the measurement is 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 continue. Incidentally, the US uses 1,5 to 1,8, depending on the port. The privately operated FPT terminal in Cape Town works on 1,6.

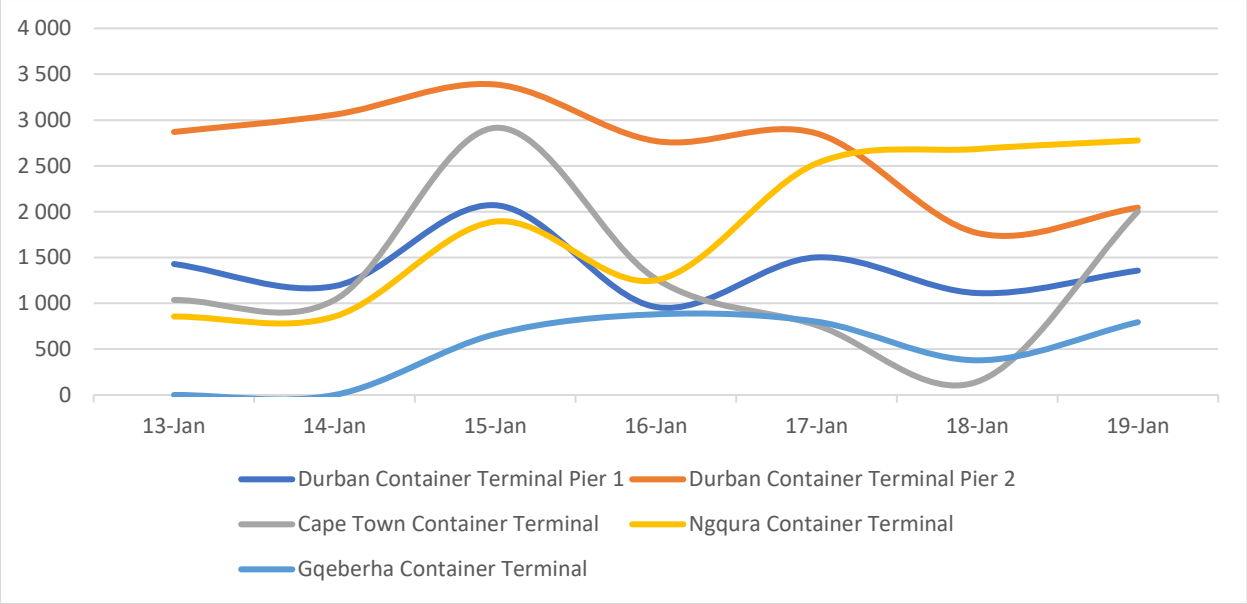
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

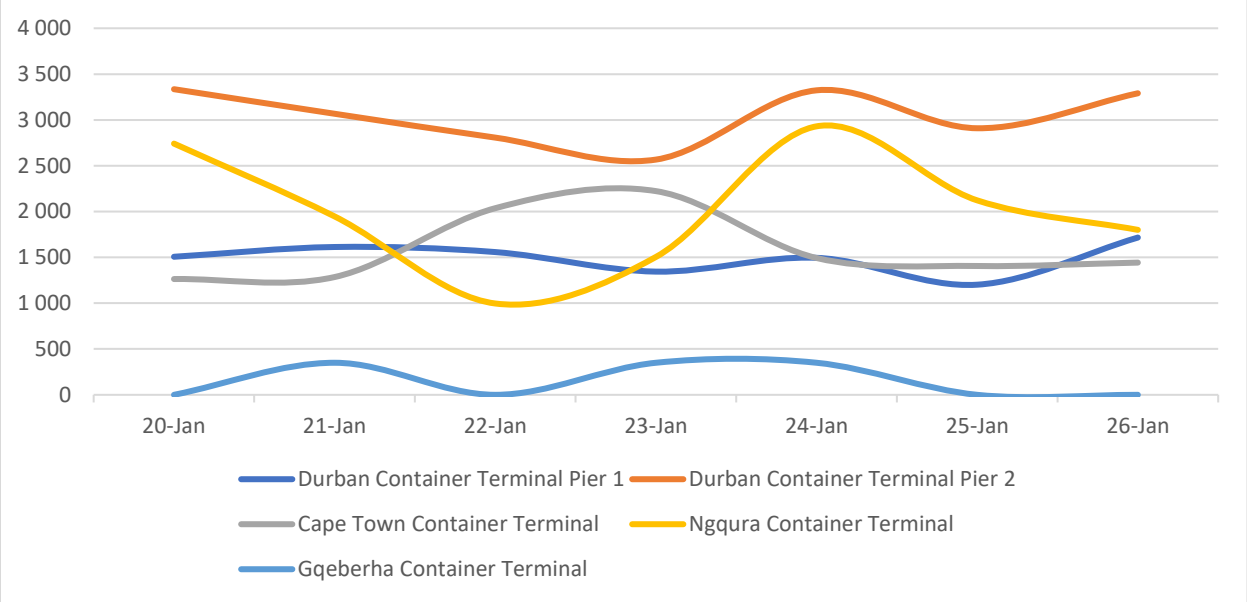
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (13 to 19 January; per port; day on day)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

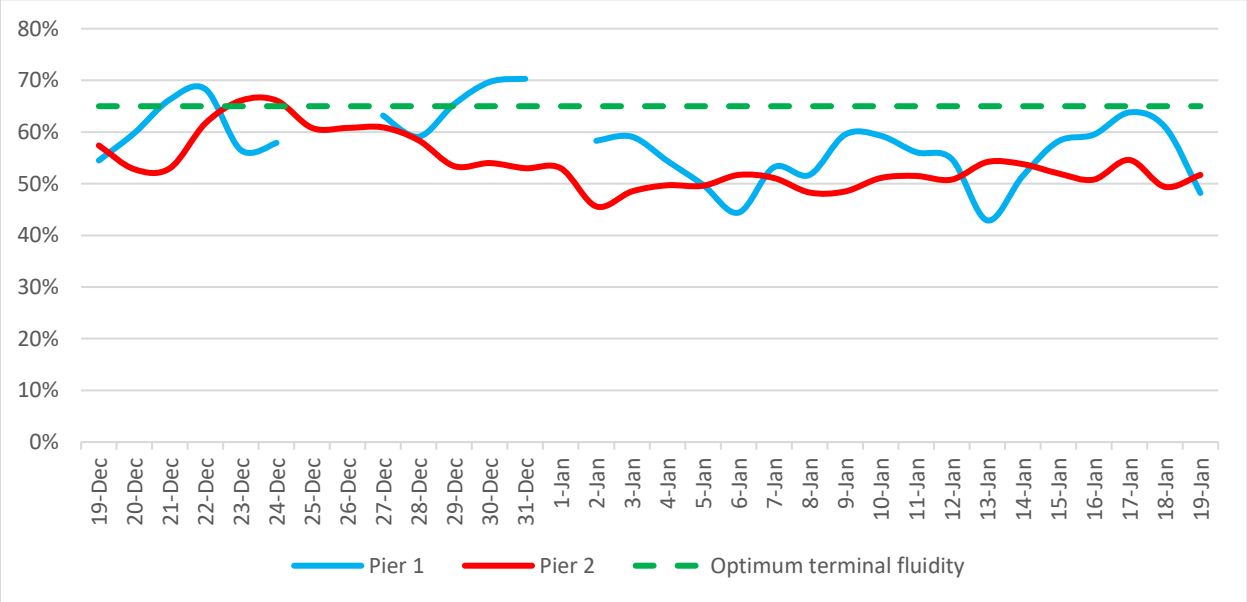
Figure 5 – 7-day forecast reported for total container movements (20 to 26 January; per port; day on day)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

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

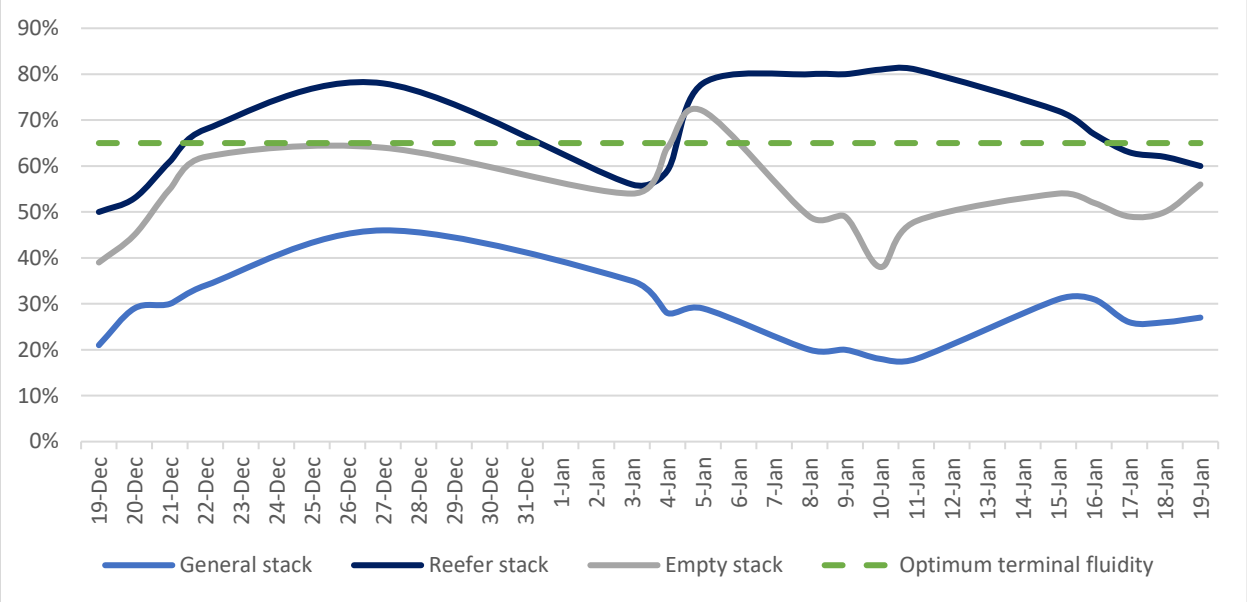
Figure 6 – Stack occupancy in DCT, general-purpose containers (19 December to present; day on day)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

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 December to present, day on day)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

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 suffered from lengthy periods of being windbound this week, with one extensive stint of 36 hours of ceased operations.
- The main operational challenges in Durban could be seen in the familiar form of adverse weather and equipment breakdowns.
- Strong winds in the Eastern Cape ensured operational delays at the start of the week.
- Approximately 48 operational hours were disrupted in Richards Bay this week due to bad weather and the unavailability of marine resources.

ii. Cape Town

On Tuesday, CTCT recorded three vessels at berth and four at anchor, as the strong winds subsided during the earlier stages of the week. In the preceding 24 hours, stack occupancy for GP containers was recorded at 31%, reefers at 62%, and empties at 52%. In this period, the terminal handled a welcome 2 352 TEUs across the quay before going windbound for approximately 36 consecutive hours. On the landside, 1 338 trucks were serviced while having 22 rail import units on hand. The latest reports indicate that the generators destined for CTCT and CT MPT will be delivered within the next seven days. Towards the end of the week, on Thursday, no trucks were serviced on the landside between 06:00 and 14:00 due to landside resources being reallocated to the waterside. This decision came after a potential cut-and-run threat emerged. Additionally, two of the RTGs that arrived from LA were integrated into service earlier this week and have bolstered the available RTG tally up to a possible 24, but at the quarterly review meeting on Friday it was stated that the actual number available was 21.

The multi-purpose terminal recorded one vessel at anchor and one at berth on Tuesday. In the 24 hours leading to Wednesday, the terminal managed to service 260 external trucks at an undisclosed truck turnaround time on the landside. During the same period, only 73 moves were executed across the quay on the waterside due to being windbound from 13:00 the previous day. Stack occupancy was recorded low at 18% for GP containers, 26% for reefers, and 94% for empties during the same period. Towards the latter end of the week, Liebherr crane 600 made a welcome return to service.

During the first week of 2024, the FPT terminal serviced two vessels comprising one container vessel and one multi-purpose vessel. During that period, 3 115 TEUs were handled at 8,03 containers per hour, and 42 tons of breakbulk cargo were handled at 29,65 tons per hour. The terminal planned to handle six vessels between 08-14 January and to handle another six vessels between 15-21 January. The MSC Ishyka berthed on 01 January around 06:00. It set sail on 08 January around 11:54, with the total delays on this vessel stretching to approximately 5 hours in total due to a container being stuck in the cell guide and an overheating crane. This vessel handled 2 895 TEUs at 8,85 container moves per hour. The Golden Karoo berthed around 04:08 on 02 January and sailed around 01:10 on 03 January and managed to handle 220 TEUs at 7,20 Crane moves per hour and 42 tons at 29,65 tons per hour. The figures produced by this private terminal are admirable, given that it is not set up as a container handling facility.

iii. Durban

Pier 1 on Wednesday recorded two vessels at berth, operated by four gangs, and two vessels at anchor. Stack occupancy was 64% for GP containers and remained undisclosed for reefers. During the same period, the terminal recorded 1 572 gate moves on the landside, with an undisclosed number of cancelled slots and 135 wasted. The truck turnaround time was recorded at ~70 minutes, with an average staging time of ~36 minutes. At the beginning of this week, the terminal had 2 473 imports on hand, with 343 having road stops and 356 being unassigned. The terminal struggled with adverse weather throughout the week, which caused some congestion on the landside and hampered productivity on the waterside.

Pier 2 had three vessels at berth and nine at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 49% for GP containers and undisclosed for reefers. The terminal operated with nine gangs while moving 1 768 TEUs across the quay. During the same period, there were 2 194 gate moves on the landside with a truck turnaround time of ~96 minutes and a staging time of ~67 minutes. Of the landside gate moves, 1 211 (55%) were for imports and 933 (45%) for exports. Additionally, 300 rail import containers were on hand, with 352 moved by rail. The situation regarding the straddle carriers improved somewhat towards the end of the week, as the terminal had approximately 64 straddles in operation during this period. Thus, the terminal currently sits on an availability figure of approximately 62% when it comes to straddles and is currently approximately ↓20% below the number of machines that would be the minimum to satisfy industry demand and deliver acceptable productivity. Concerns from the industry arose this week as berth 202 has still not reached the desired depth after seven failed dredging attempts. However, reports from TNPA stated that progress is now finally being made and that only two more visits by the dredger will be needed to reach the desired depth.

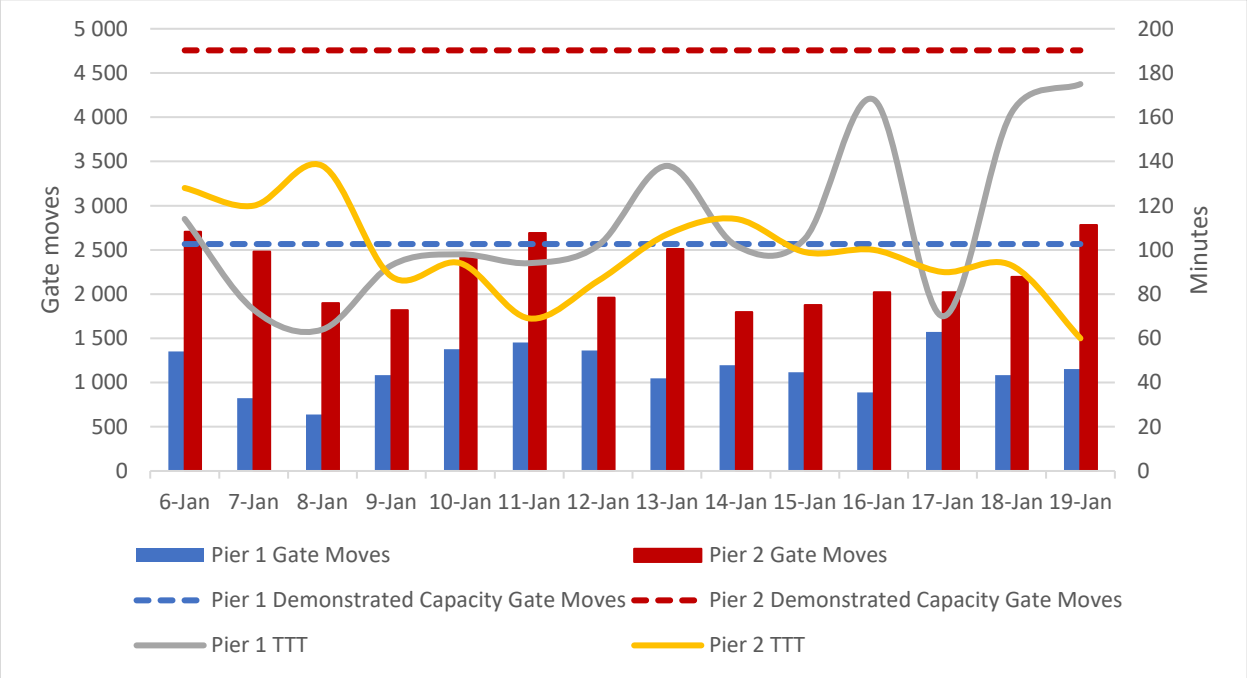
Durban's MPT terminal recorded three vessels at berth on Tuesday and one at outer anchorage while handling 296 TEUs and 3 727 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 50% during that time and at 76% for containers. The terminal handled 235 container road slots while the breakbulk road visits on the landside remained undisclosed. During the same period, three cranes, nine reach stackers, one empty handler, seven forklifts and 15 ERFs were in operation. One of the three cranes

went out of commission towards the end of the week for a planned service but luckily made a swift return to service. No reports for the Maydon Wharf nor the Agri-bulk terminals were received.

On Thursday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with two at anchorage. In the 24 hours leading to Thursday, the terminal handled 1 225 units on the landside while handling 2 315 units on the waterside. During the same period, general stack occupancy was recorded at 59%, comprising 23% imports, 55% exports, and 22% transhipments. Stack occupancy at Q/R was 20%, while the G-berth stack was recorded at 50%. The terminal had 1 633 import units on hand; 3 884 units were destined for export markets, and 1 542 were to be transhipped.

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.

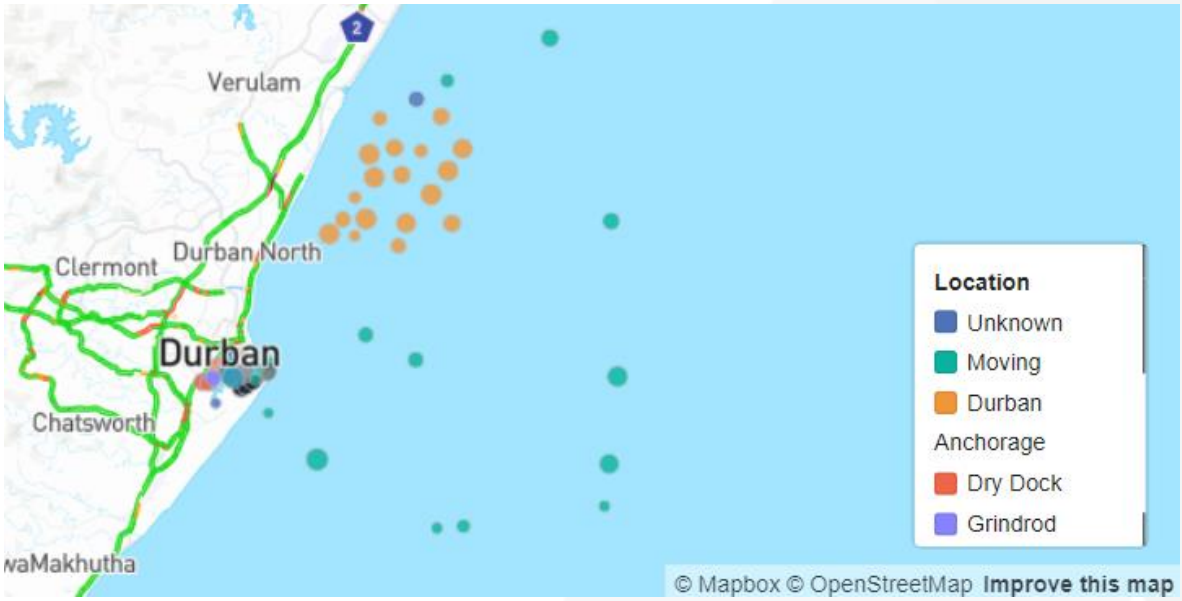
Figure 8 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

The recovery from port congestion continues, as all hands are on deck to alleviate the situation. At the end of Friday, 14 vessels were at anchorage, with the following image painting a concerning picture:

Figure 9 – Durban vessel view (per vessel group)



Source: Crickmay LMS, 2024. Updated 15/01/2024 at 12:00.

iv. Richards Bay

On Thursday, Richards Bay recorded ten vessels at anchor and ten vessels on the berth, translating to four at DBT, four at MPT, two at RBCT, and none at the liquid bulk terminal. Two tugs and one pilot boat were in operation for marine resources in the 24 hours leading to Friday, while the helicopter remained out of service. During the same period, the coal terminal had three vessels at anchor and two at berth while handling 106 119 tons on the waterside and 0 trains on the landside. After the encouraging reports received last week regarding the new conveyor belt installation, disaster struck this week as two trains collided on the crucial coal export line. The affected coal export line, runs from Mpumalanga, descending from the Highveld through rural KwaZulu-Natal and terminating at Richards Bay, and is vital for the mining industry. This may result in a surge in coal trucks making their way to the port to ensure that they reach their international destinations. And we should bear in mind that the road link is already heavily overused because of the failings of the rail system. A significant increase in road traffic on that link could be catastrophic.

v. Eastern Cape ports

On Thursday, NCT recorded two vessels on the berth and zero vessels at the outer anchorage, with one vessel drifting. Marine resources of two tugs, two pilots, and one berthing gang were in operation in the 24 hours leading up to Friday. The latest reports indicate that the pilot boat remains out of commission, with the procurement of spares expected to take up to four months. TNPA has subsequently appointed a service provider to supply an alternative pilot boat to ease the strain on Ngqura and PE. Stack occupancy was 41% for GP containers and 55% for reefer ground slots, as a total of 2 684 TEUs were processed on the landside. Additionally, 689 trucks were serviced on the landside at a truck turnaround time of ~36 minutes. One train was also serviced on the landside at a rail turnaround time of ~5 hours.

GCT on Thursday recorded zero vessels at outer anchorage with one on the berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the prior 24 hours. The port continued to share its pilot boat with the Port of Ngqura this week. Stack occupancy was recorded at 66% for GP containers and 53% for reefer ground slots. On the waterside, 794 TEUs were handled across the

quay. Additionally, 278 trucks were serviced on the landside at a truck turnaround time of ~25 minutes. Towards the end of the week, crane 4 made a welcome return to service.

On Thursday, the Ro-Ro terminal recorded one vessel at berth but none at outer anchorage. During this period, 1 575 volumes were handled on the waterside, resulting in a stack occupancy figure of 20%.

At the Port of East London, zero vessels were on berth on Tuesday, with none at outer anchorage. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the preceding 24 hours. The terminal continued to operate with three operational straddles this week after experiencing one breakdown last week. During the same period, the terminal didn't handle any TEUs on the waterside but managed to handle 64 trucks at a truck turnaround time of ~11 minutes on the landside. Stack occupancy on the container side of the terminal was recorded at 60%. Additionally, 287 units were handled at a UPH of 202.

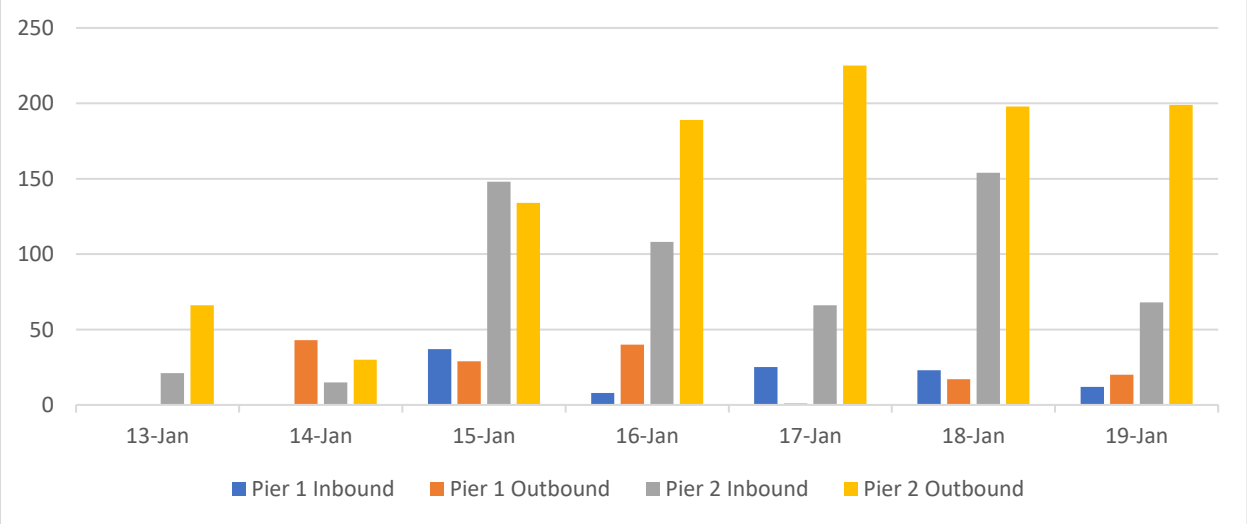
vi. Saldanha Bay

On Thursday, the iron ore terminal had three vessels at anchorage and one on the berth, while the multi-purpose terminal had three vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 2-8 days, while the vessels in port have been on berth for between 2 and 5 days.

vii. Transnet Freight Rail (TFR)

The line between Durban and Johannesburg was reopened in the 24 hours between Tuesday and Wednesday after another washaway occurred on Monday evening. However, despite this line being returned to service, some system challenges towards the end of the week ensured further delays on the line. A derailment also occurred on the line between Vryheid and Richards Bay; however, no containers were transported on that train. Earlier this week, two trains collided on the crucial coal export line, which ensured that the entire line in both directions was closed. Furthermore, the latest reports indicate that DCT Pier 2 had 238 over-border units on hand with a dwell time of 50 days and 64 ConCor units on hand with a dwell time of 48 hours towards Friday. Rail containers on hand are split as follows: Pier 1: 18, Pier 2: 310.

Figure 10 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2024. Updated 12/01/2024.

In the last week (*13 to 19 January*), rail cargo handled out of Durban was reported at **1 876** containers, unfortunately significantly down by **↓33%** from the previous week's **2 926** 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 8 January. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *January 2023* averaged **~605 287 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[9]

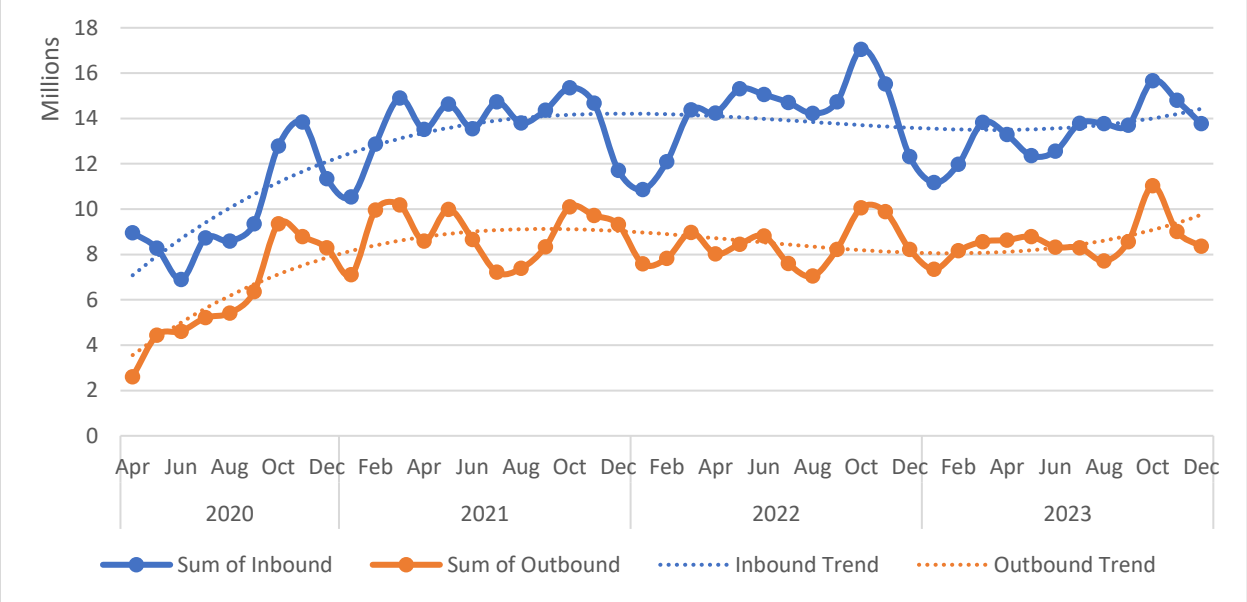
Flows	8-Jan	9-Jan	10-Jan	11-Jan	12-Jan	13-Jan	14-Jan	Week
Volume inbound	330 183	194 256	283 892	220 633	371 084	260 911	550 888	**2 211 847**
Volume outbound	134 466	174 882	203 565	193 278	258 287	222 853	484 029	**1 671 360**
Total	**464 649**	**369 138**	**487 457**	**413 911**	**629 371**	**483 764**	**1 034 917**	**3 883 207**

Courtesy of ACOC. Updated: 12/12/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **315 978 kg** inbound (**↑29%**, w/w) and **238 766 kg** outbound (**↑41%**), resulting in an average of **554 744 kg per day**. As is customary during this time of the year, the volume handled is starting to pick up. In fact, outbound averages are already close to the typical daily averages for year-round cargo, potentially indicating that a slight modal shift has happened due to the ongoing delays at our commercial ports and also because of the Red Sea crisis. Consequently, the total volumes are getting close to the comparative period last year (**~92%**) but remain significantly down on the pre-pandemic levels of January 2019 (**~80%**).

The following graphs show the movement since the pandemic's onset for ORTIA:

Figure 11 – International cargo from OR Tambo – volumes per month (kg millions)



Courtesy of ACOC. Updated: 04/12/2023.

[9] Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and from South Africa.

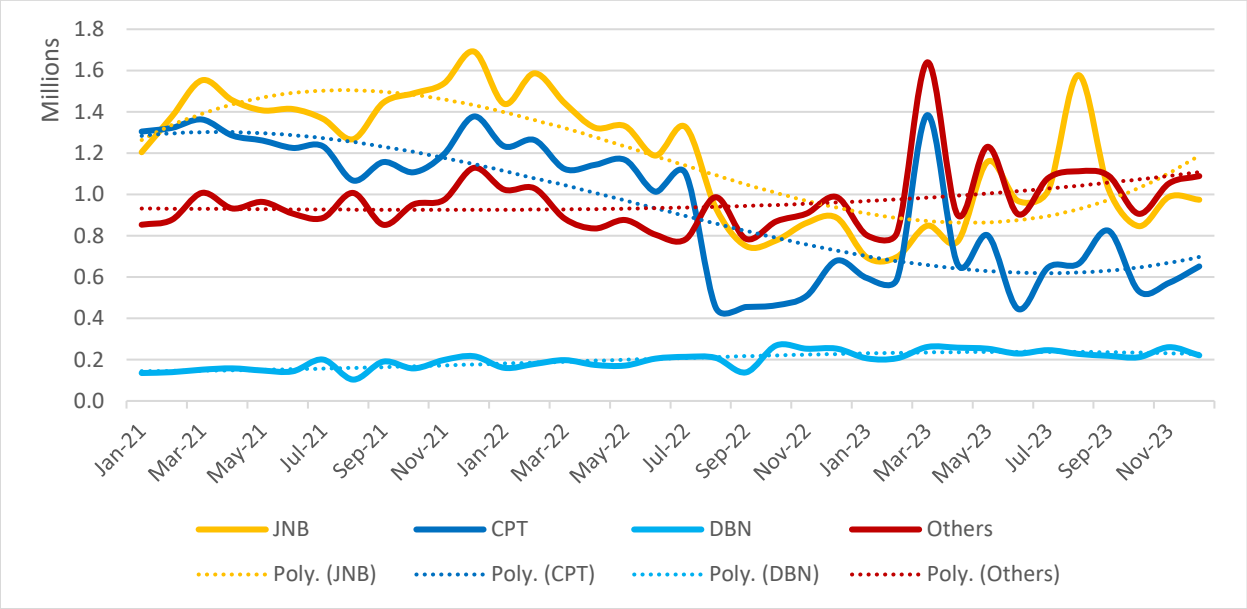
b. Domestic air cargo

For our three primary airports, domestic cargo handled in December shows the following:

- Johannesburg cargo decreased monthly by ↓**1%** (m/m) but increased annually by ↑**10%** (y/y).
- Cape Town cargo increased monthly by ↑**14%** (m/m) but decreased annually by ↓**4%** (y/y).
- Durban cargo decreased monthly by ↓**15%** (m/m) and decreased annually by ↓**13%** (y/y).
- Other airports collectively increased monthly by ↑**3%** (m/m) and increased annually by ↑**10%** (y/y).

The following table shows the cargo movement since 2021, with the drop-off in domestic air cargo very evident:

Figure 12 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 23/10/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

Monthly cross-border road figures for December at key border posts show the following changes:

Table 5 – November cross-border road freight movements – South African borders

Border Post	Northbound	(%, m/m)	Southbound	(%, m/m)	Total	(%, m/m)
Beitbridge	13 363	-6%	11 479	-13%	**24 842**	**-10%**
Skilpadshek	6 643	-14%	1 737	11%	**8 380**	**-10%**
Ramatlhabama	8 853	73%	1480	135%	**10 333**	**80%**
Kopfontein	6 971	-8%	476	-40%	**7 447**	**-11%**
Groblersbrug	7 276	-1%	5 506	-25%	**12 782**	**-13%**

Source: TLC, FESARTA, & Crickmay

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.

- The median border crossing times at South African borders increased by **two and a half hours**, averaging **~9,3 hours** (**↑32%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by **around 20 minutes** and averaged **~6,0 hours** (**↓5%**, w/w).
    - Zimborders has increased the Beitbridge border access fees, effective from 1 February.
- Likasi bypass road closure:
    - FESARTA & DRC Authorities negotiations led to the closure of the Likasi bypass road.
    - Closure due to inadequate security for road users.
    - Transporters are advised to use the old road through Likasi town until security measures are established.
- Zambia carbon tax payment update at Kasumbalesa:
    - ZRA at Kasumbalesa now allows Zambia Carbon Tax payment via the MOBILE MONEY APP.
    - Cash payments are considered only in the event of system failures.
    - Currently applicable to Kasumbalesa.
- Lastly, SARS schedule maintenance for its Digital Platform from Friday 22:00 to Saturday 02:00.
- Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) 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[10], which arguably provides better and more reliable information.

The following table shows the changes in bidirectional flows through South African borders, with the subsequent table showing the consolidated corridor movements:

Table 6 – Delays[11] summary – South African borders (both directions)

Border Post	Direction	HGV[12] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	431	8,3	7,2	23,4	12 930	3 017
Beitbridge	Zimbabwe-SA	181	0,3	0,3	1,5	5 430	1 267
Groblersbrug	SA-Botswana	236	0,0	5,4	19,1	7 080	1 652
Martins Drift	Botswana-SA	15	0,1	0,2	0,3	450	105
Kopfontein	SA-Botswana	225	0,3	1,1	2,6	6 750	1 575
Tlokweng	Botswana-SA	15	0,1	0,2	0,3	450	105
Vioolsdrift	SA-Namibia	30	0,2	1,2	5,6	900	210
Noordoewer	Namibia-SA	20	0,2	0,2	1,6	600	140
Nakop	SA-Namibia	30	0,2	1,2	3,3	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,5	1,2	600	140
Skilpadshek	SA-Botswana	214	0,6	1,5	4,4	6 420	1 498
Pioneer Gate	Botswana-SA	56	0,6	1,1	2,2	1 680	392
Lebombo	SA-Mozambique	1 446	2,4	2,0	6,5	43 380	10 122
Ressano Garcia	Mozambique-SA	125	1,2	0,5	9,5	3 750	875
Weighted Average/Sum		**3 029**	**1,1**	**1,7**	**6,2**	**6,2**	**21 203**

Source: TLC, FESARTA, & Crickmay, week ending 14/01/2024.

[10] FESARTA TRANSIST Bureau.

[11] 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 Crickmay produces in collaboration with SAAFF.

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

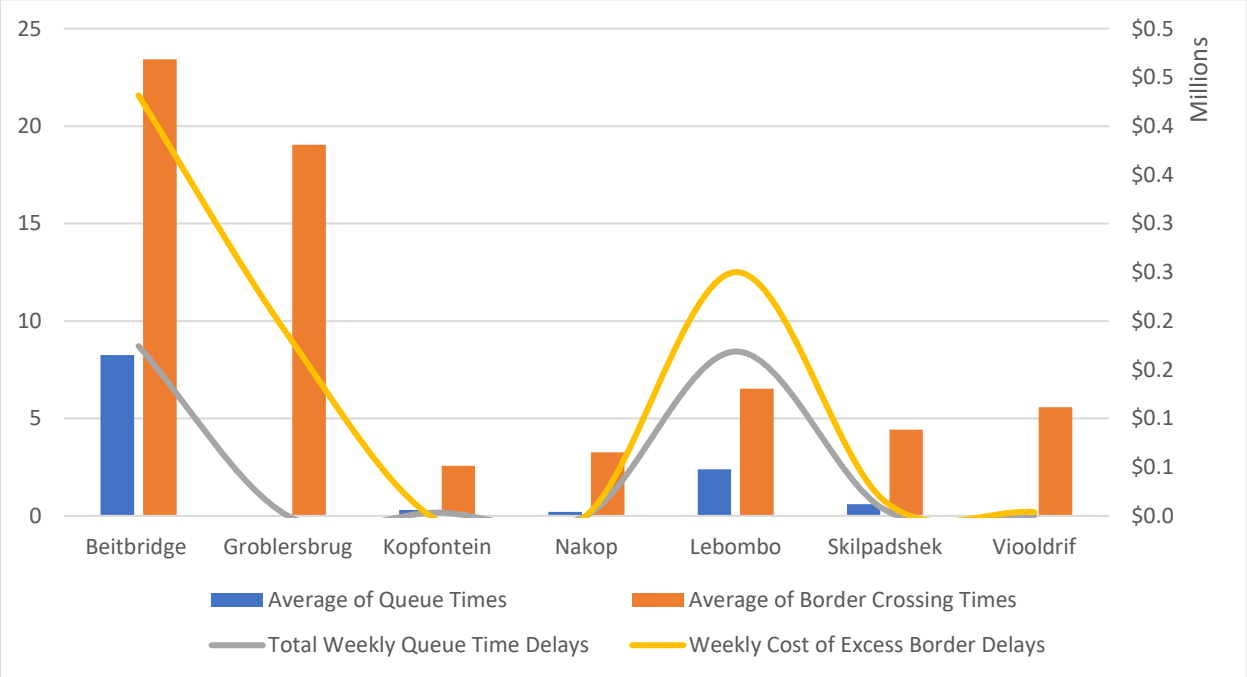
Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Beira Corridor	320	3,0	3,0	12,8	9 600	2 240
Central Corridor	798	0,0	0,5	1,9	23 940	5 586
Dar Es Salaam Corridor	1 819	10,0	0,4	16,3	54 570	12 733
Maputo Corridor	1 571	1,8	1,3	8,0	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 530	4,2	2,1	11,1	105 900	24 710
Northern Corridor	2 817	0,1	0,0	0,7	92 520	21 588
Trans Caprivi Corridor	116	0,0	1,1	17,6	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	300	1,0	0,9	3,3	9 000	2 100
Trans Oranje Corridor	100	0,2	0,8	2,9	3 000	700
Weighted Average/Sum	**11 598**	**2,2**	**0,9**	**6,3**	**355 950**	**83 055**

Source: TLC, FESARTA, & Crickmay, week ending 14/01/2024.

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

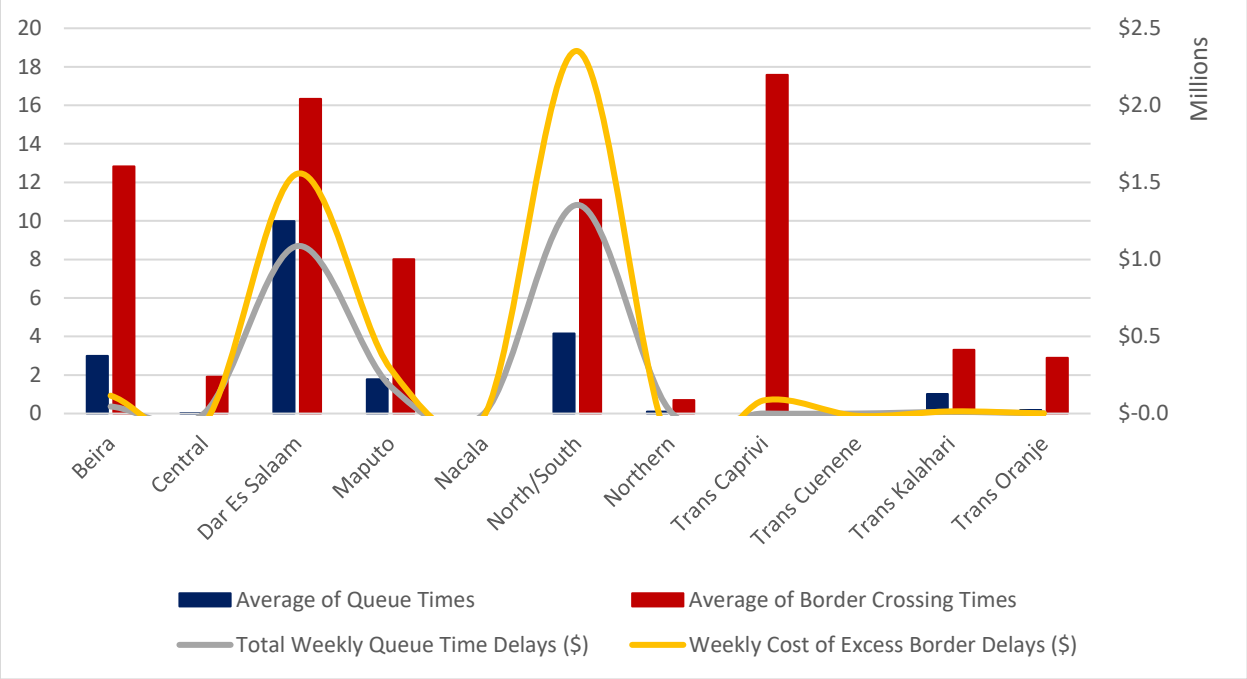
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 14/01/2024.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 14/01/2024.

In summary, cross-border queue time averaged **~2,2 hours** (up by **~0,2 hours** from the previous week's **~2,0 hours**), indirectly costing the transport industry an estimated **$2,7 million** (**R51 million**). Furthermore, the week's average cross-border transit times hovered around **~6,3 hours** (substantially up by **~4,8 hours** from the **~1,5 hours** recorded in the previous report – albeit concentrated at quieter borders), at an indirect cost to the transport industry of **$4,0 million** (**R77 million**). As a result, the total indirect cost for the week amounts to an estimated **~$6,8 million** (**~R128 million**, down by **~R6 million** or **↓4,1%** from **~R134 million** in the previous report).

4. International Update

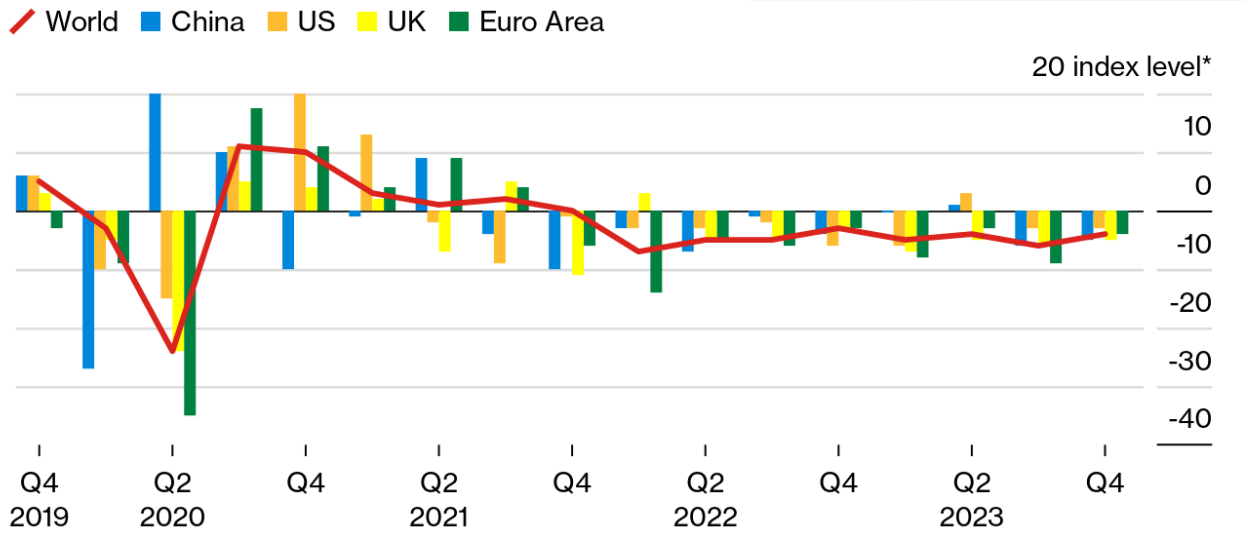
The following section provides some context around the global economy and its impact on trade, mainly an update on the **(a)** international trade environment, the **(b)** global shipping industry and the **(c)** global aviation industry.

a. International trade

Global trade rebounded during the final three months of 2023 from lows reached the previous quarter, according to Tradeshift, in a report released on Wednesday[13]. The main reason was that a surge in orders fuelled momentum in Q4, with the volume of new orders rising by a remarkable five points above the expected range. The US was the best performer. On the other end of the range were the UK and China.

[13] Tradeshift. 17/01/2024. The Tradeshift Index of Global Trade Health Q4 2023.

Figure 15 – Tradeshift index of global trade health



Source: Trade Shift via Bloomberg

In summarising the findings, the report notes that the 2023 global economic uncertainty was marked by inflation, rising interest rates, geopolitical tensions, and extreme weather events impacting trade routes. Despite the lack of unequivocal links between macro-indicators, Tradeshift indicates a potential positive trend for 2024. Trade activity on the Tradeshift platform improved in Q4, with order volumes showing a significant late surge, hinting at a potential upturn in global trade. The rebound in orders may be attributed to businesses restocking amid disruptions at vital trade corridors like the Panama and Suez Canal. However, the overall growth in ordering volumes and invoice traffic in 2023 remains below anticipated levels, especially evident in China. Ultimately, Q4 may yet prove to be a turning point for global trade. Still, the balance of evidence suggests that we have some distance to travel before we can start making any meaningful predictions on the timing of a recovery.

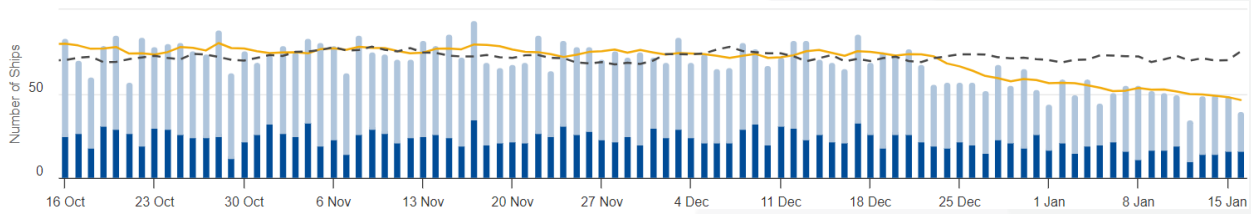
b. Global shipping industry

i. Red Sea crisis: consequences, outlook, and overview of incidents

Attacks on commercial ships prompting shipping companies to re-route traffic away from the Red Sea continue, as President Biden has pledged to continue strikes against Yemen's Houthis even as he admitted that military action against the rebel group has failed to halt attacks on commercial shipping[14]. The shipping lane facilitates about **11%** of global maritime trade volume and over **19 000 transit calls** annually, which has been drastically reduced since the first attacks took place:

[14] Al Jazeera. 19/01/2024. US says 'not at war' with Houthis; Biden admits strikes not halting attacks.

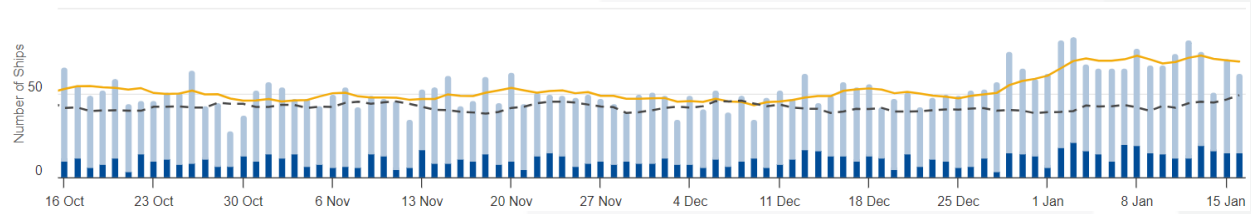
Figure 16 – Suez Canal: Daily transit calls



Source: IMF Port Watch

Many economies are affected, including countries in the Middle East, Europe, Asia, and Africa, which all rely heavily on the Red Sea shipping lane for exports and imports. It is particularly important for oil exports from the Middle East to Europe and from Russia to Asia. Consequently, the traffic flows around the Cape of Good Hope continue to increase:

Figure 17 – Cape of Good Hope: Daily transit calls



Source: IMF Port Watch

Sailing via the Cape of Good Hope means unavoidable extra nautical mileage – the distance from Singapore to Rotterdam via the Cape with no other ports in between, for example, is nearly 3 600nm longer than going via the Suez Canal at 8 300nm. However, longer distance doesn't have to mean longer transit times. If carriers want to keep sailing days close to normal when routing via the Cape of Good Hope, they can steam at faster speeds, but that will incur significant extra costs (fuel and vessel primarily), which might not be recoverable from higher freight rates[15].

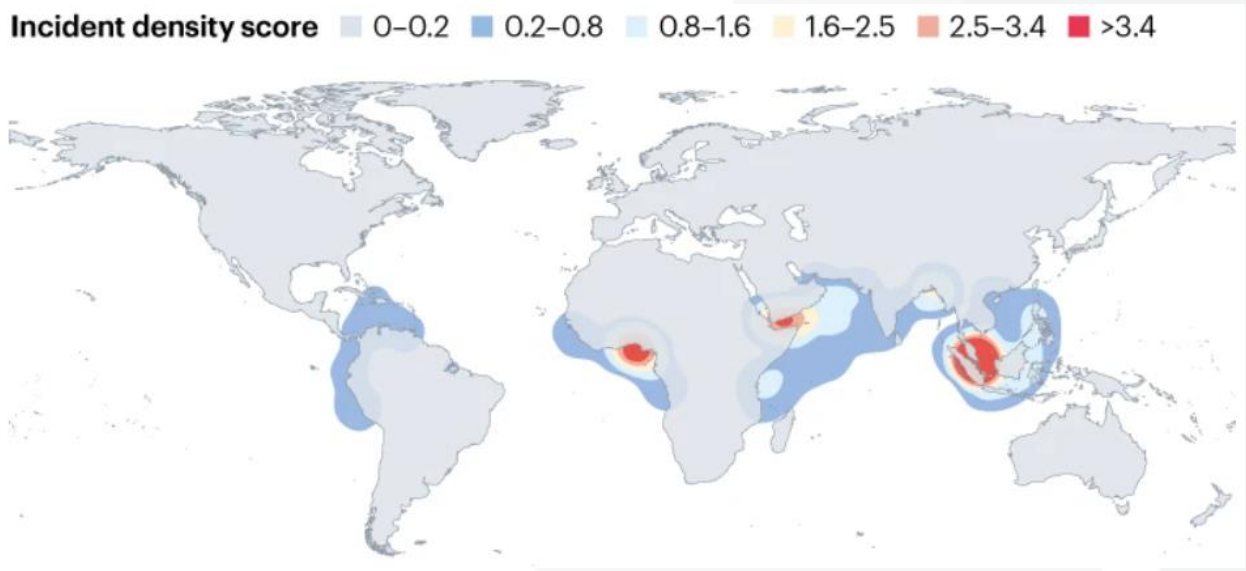
For the longer term, the disruption is expected to alter the narrative of an oversupplied market with anticipated decreases in freight rates. Disruptions drive up shipping costs, leading to potential freight rate inflation. There's a risk of port congestion and equipment shortages due to ship diversions in Europe. While affected markets may tighten temporarily, spare capacity in the system should mitigate severe impacts. In a worst-case scenario of prolonged Suez avoidance, the adequate capacity may reduce by **↓9%**, indicating a heavily oversupplied market. The impact on the global economy, if any, is more likely from higher energy costs than freight rates, contingent on potential oil price increases. Overall, the situation may affect specific trades but is unlikely to alter the global supply and demand dynamics completely.

These incidents once again emphasise the risk of traversing some trade lanes known for attacks and other forms of piracy. Fortunately, pirate attacks on the high seas have been decreasing for the past decade, with a recent study analysing thousands of attacks over 15 years indicating a notable decline[16]. Published in Ocean and Coastal Management, the study reveals that piracy, costing the global economy an estimated **$25 billion**

[15] Drewry. 18/01/2024. Red Sea crisis diverts attention back to shipping.
[16] Kreier, F. 2024. Piracy at sea is waning — But hotspots remain.

annually, is predominantly carried out by small, opportunistic groups in specific global hotspots. The number of reported pirate attacks reached its peak in 2011 and has since dropped to its lowest point in over a decade:

Figure 18 – Global piracy hotspots



Source: Kreier via Nature

The resurgence of piracy in the mid-2000s, particularly off the northeast coast of Africa, prompted a renewed interest in understanding modern piracy, especially in regions vital for commercial shipping, such as those around the Suez Canal. Researchers from the Shanghai Maritime University and colleagues analysed data from the International Maritime Organization (IMO) database, focusing on over 4,000 attacks between 2006 and 2021. The spike in piracy around 2011, with approximately 500 attacks that year, is attributed to factors like civil conflict, famine, and economic turmoil resulting from the 2008 financial crisis, particularly affecting Somalia and surrounding regions.

The decline in piracy rates since 2011, reaching a low of 131 incidents in 2022, is credited to increased stability in affected regions. Political scientist Jessica Di Salvatore emphasises the interconnectedness of onshore conditions with piracy, emphasising the need for understanding the causes and effects beyond offshore incidents.

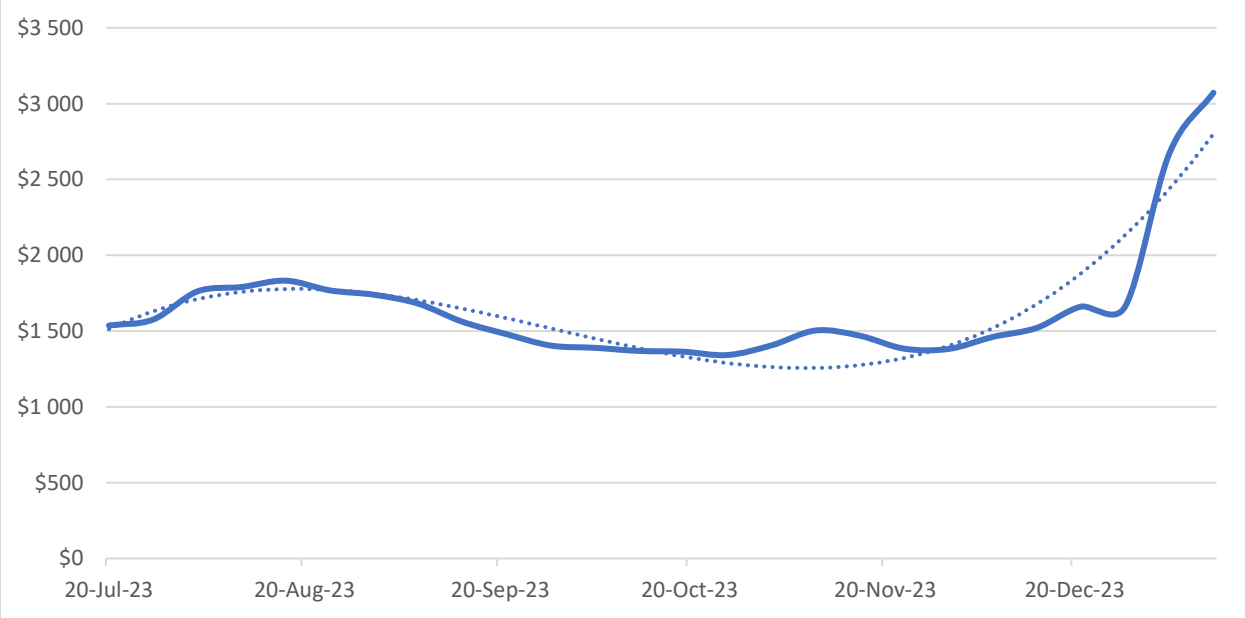
Knowledge of where, why, and how pirates are likely to strike enables better preparation and protection for ships navigating dangerous waters. The study highlights that 87% of attacks involve crews of fewer than ten people, often armed with knives or machetes, indicating opportunistic motives. Countermeasures, such as increased surveillance and security, are effective against these smaller-scale attacks. However, regions like the Gulf of Guinea, experiencing frequent piracy, may require different strategies due to larger crews armed with guns and a higher likelihood of violence.

Maintaining the overall decrease in piracy involves policies and programs supporting legitimate industries in affected countries. While the trend appears positive, vigilance is necessary to prevent complacency and ensure sustained efforts in combating piracy.

ii. Global container freight rates and carrier profits

Global container rates continue to climb at a similar pace compared to the massive space shortages circa end-2021, with some quotes for pre-Chinese New Year already hitting **$10 000** ex-China because of the Red Sea crisis[17]. The trajectory of average prices does not instil any confidence either, as the "*World Container Index*" continues to rise – this week up by **↑23%** (or **$705**) to **$3 777** per 40-ft container[18]. Looking at the trend over the last six months, the rapid ascent is quite alarming and seems set to continue its march, as illustrated:

Figure 19 – World Container Index assessed by Drewry (last six months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

Moreover, in the last month, the index has averaged an increase of nearly **↑25%** a week. Going back to the worst of the pandemic, the only remotely comparative increase occurred during December/January 2020/2021; however, the average weekly rate back then was only **↑11,2%** a week – emphasising the current desperate times, which are only set to get worse. The composite index is now **↑82%** higher compared to the same week last year and **↑166%** higher than the average 2019 pre-pandemic rates of **$1 420**. Charter rates have also rapidly caught up, as the Harper Petersen Index (*Harpex*) is currently trending at ***945 points***, up by **↑3,8%** (w/w) but still significantly down on this time last year (**↓20%**)[19].

iii. Further developments of note

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

[17] Wackett, M. 19/01/2024. Spot rates from Asia 'out of control': pre-CNY quotes of $10,000+ reported.
[18] Drewry. 18/01/2024. World Container Index.
[19] Harper Petersen Index. 19/01/2024. HARPER PETERSEN Charter Rates Index.

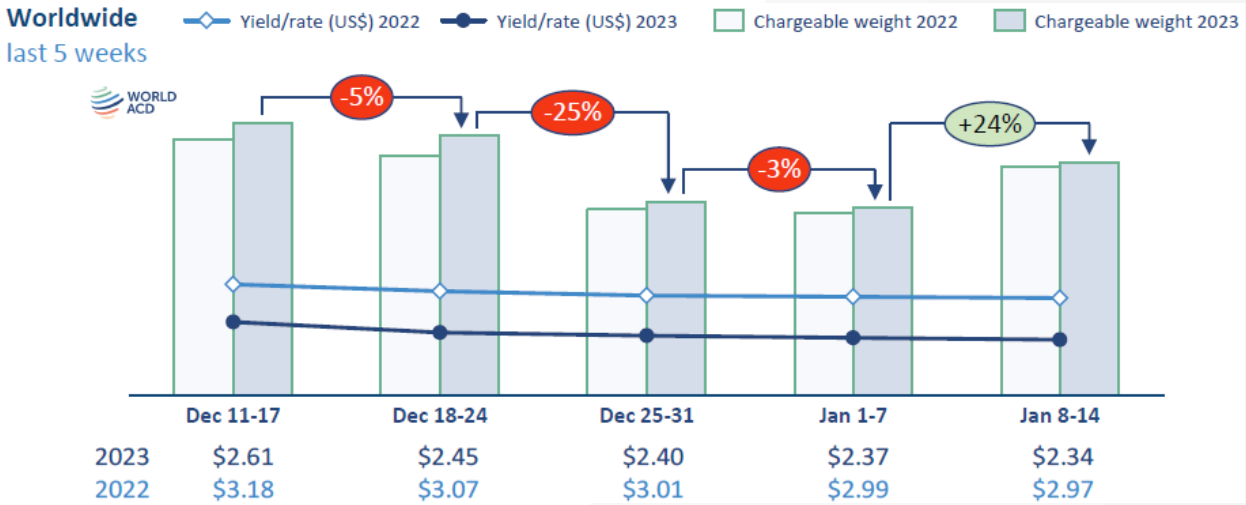
1. **Maersk and Hapag-Lloyd cooperation in setting off an alliance domino effect:**
    a. The dissolution of the 2M alliance between Maersk and MSC has prompted speculation about a realignment of the top 10 container lines, with the formation of the Gemini Cooperation seen as a potential start to this shift[20].
    b. The breakup of the 2M alliance may lead to further merger and acquisition activity among container shipping lines. However, Alphaliner asserts that Gemini is not open to other carriers, emphasising its exclusive nature.
    c. The full ramifications of these developments are yet to be seen, but the container shipping industry is likely to experience significant effects.
2. **Capacity concerns over Maersk's Panama Canal rail bypass:**
    a. Maersk's decision to reroute its OC1 service from Oceania to the US east coast, bypassing the Panama Canal, offers potential benefits for forwarders, contingent on maintaining capacity ahead of demand[21].
    b. The new route involves discharging cargo at the port of Balboa in Panama, crossing the isthmus by train to the Atlantic coast, and then loading onto a vessel bound for Philadelphia and Charleston.
    c. While there are concerns about the impact of global warming on the viability of the canal route, the 80km rail insert could become a regular feature. Adequate port and rail infrastructure are currently in place, but rail capacity may need expansion to accommodate increasing transit demand.
3. **Australian port strike peace talks fail, and government won't intervene:**
    a. The ongoing port strikes in Australia, driven by a pay dispute between dockworkers and port operator DP World, persist following an unsuccessful meeting between DP World Australia, the Maritime Union of Australia (MUA), and Australian Transport Minister Tony Burke[22].
    b. Despite DP World estimating a cost of **A$1,34 billion** to the economy due to the strikes, Burke refused to intervene, extending the strike action until the end of January.
    c. Maersk has warned of two-hour work stoppages daily at Sydney, Melbourne, Freemantle, and Brisbane ports from January 22.
    d. Burke suggested the involvement of the Fair Work Commission for conciliation, but concerns remain about the potential impact on the economy and global competitiveness.

c. Global air cargo industry

Global air cargo tonnages have bounced back in the second week of 2024, following their typical slowdown in the second half of December and the first week of January, according to the latest figures from World ACD data. Notably, there were double-digit percentage increases in demand to Europe from Asia Pacific, the Middle East and South Asia in the last two weeks that may reflect some modal shift to air due to disruptions to shipping in the Red Sea.

[20] Savvides, N. 17/01/2024. Maersk and Hapag-Lloyd cooperation to set off alliance domino effect.
[21] Putzger, I. 18/01/2024. Capacity concerns over Maersk's Panama Canal rail bypass.
[22] Goldstone, C. 18/01/2024. Australian port strike peace talks fail, and government won't intervene.

Figure 20 – Chargeable weight and yield (%, last five weeks)



Source: World ACD

In the second week of January, global air cargo tonnages experienced a notable rebound, increasing by **↑24%** compared to the previous week. This recovery follows a decline of around **↓30%** in the second half of the preceding month and **↓3%** in the first week of the year. Despite a slight drop in average worldwide rates during week two, the patterns align with historical trends, with the **↑24%** tonnage rebound surpassing last year's equivalent week (**↑19%**). Year on year, global demand has risen modestly by **↑2%**, with notable increases in demand ex-Asia Pacific (**↑6%**). However, tonnages remain down ex-North America (**↓8%**) and ex-Europe (**↓5%**) – and notably Europe to Africa (**↓24%**). Worldwide average rates currently stand at **$2,34 per kilo**, representing a **↓24%** decrease compared to the same period last year but still a substantial increase (**↑31%**) from January 2019.

ENDS[23]

[23]**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.*