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Cargo movement update #174[1]

Date: 23 February 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)	23 276	31 005	**54 281**	26 340	29 483	**55 823**	↓3%
Air Cargo (tons)	2 800	1 719	**4 519**	2 597	1 578	**4 174**	↑8%

Monthly Snapshot

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

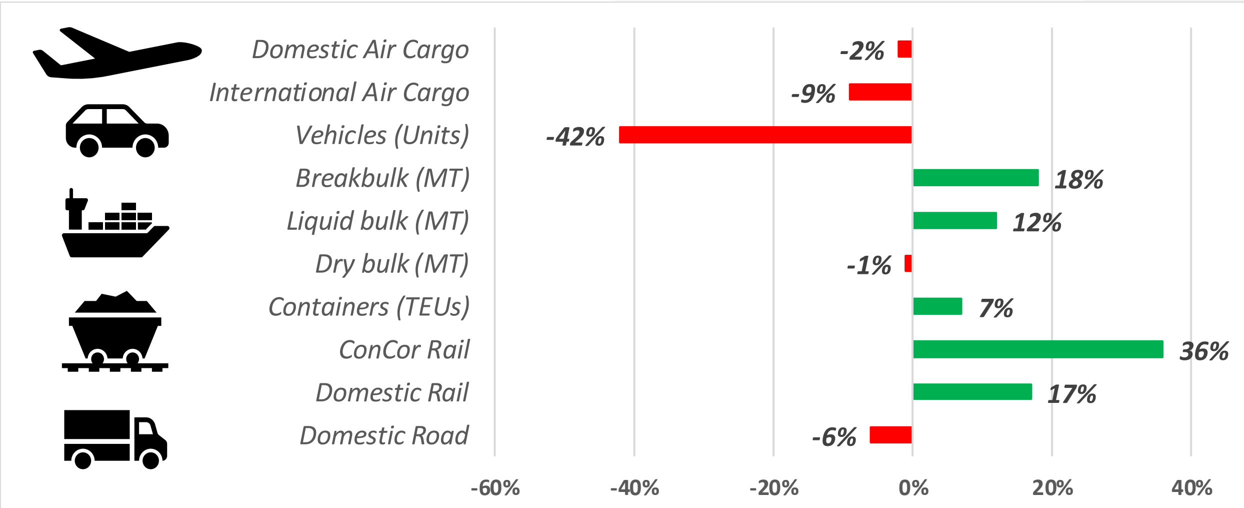
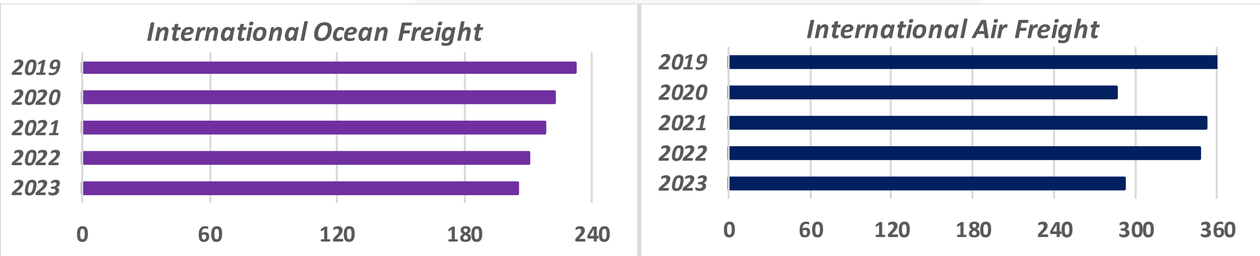


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 754 containers** was handled per day, with **~8 103 containers** projected for next week.
- Cross-border queue times were **↓0,2 hours** (w/w), with transit times **↓5,1 hours** (w/w); SA borders increased slightly by **~0,2 hours**, averaging **~12,0 hours** (**↑2%**); Other SADC borders averaged **~4,2 hours** (**↓35%**).
- In the charter market, rates are trending at ***1 158 points***, up by **↑3,4%** (w/w) and up by **↑10%** (y/y).
- Global freight rates have again decreased this week – by **↓2,0%** (or **$74**) to **$3 659** per 40-ft container.
- Average worldwide air cargo rates are **$2,24 per kg**, down by **↓16%** (y/y) but still **↑26%** pre-COVID.

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[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 *174th* 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. For air and ocean: Jan vs Jan; for domestic road and rail: 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 **7 754 containers** per day, slightly down from the **7 827** containers last week. Adverse weather, union engagements, system challenges, and equipment breakdowns were the main inhibitors to port operations. Strong winds delayed operations in Cape Town for approximately eight hours towards the end of the week, while cranes 520 and 521 at DCT Pier 2 South Quay are anticipated to return to service by the end of June and end of August, respectively. Dense fog coupled with strong winds ensured operational delays in the Eastern Cape, while operations were delayed for around eight hours in Richards Bay due to marine crafts being out of service.

During the Red Sea crisis spanning four months, Suez Canal weekly merchant traffic plummeted by around **↓55%**, with nearly 300 fewer ships crossing weekly since February. Rerouting via the Cape of Good Hope surged by **↑98%**. Container ships bore the brunt, with traffic through the Suez Canal dropping by almost **↓80%** over 13 weeks, notably affecting ULCS Megamax class carriers, which saw a **↓94%** reduction. Tankers and gas carriers also avoided the Canal, experiencing a **↓41%** year-on-year drop. Dry bulk traffic dipped below 2022 levels, with Ultramax vessels suffering the most. Despite the Lunar New Year break, carriers maintained rate gains, anticipating tight capacity in March due to Red Sea diversions. Global port congestion affected **~4,9%** of the fleet, with Durban being the only South African port remaining heavily congested. Transpacific eastbound container volumes surged by **↑16,9%** in January, with freight rates exceeding last year's by over 200%. From a South African perspective, the worrying steady decline in container volumes over the last five years continues to be a concern. But it must be said that if our volumes were still at 2019 levels, then our congestion would probably be far worse than it currently is.

In the air cargo industry, the daily average volume of air cargo handled at ORTIA the previous week is up by **↑8%** for inbound cargo and up by **↑9%** for outbound cargo. With that said, the industry remains well down on cyclical levels (**↓14%** versus February 2023 and an alarming **↓27%** versus February 2020). Internationally, several key Asia-Europe sea-air hubs have recorded a strong surge in tonnages in the last few weeks as shippers continue to seek alternative logistics solutions due to the disruptions to container shipping caused by the attacks on ships in the Red Sea. Indeed, in the first seven weeks of 2024, analysis by World ACD's data shows a significant increase in sea-air traffic to Europe from key hubs, with Dubai, Colombo, and Bangkok experiencing rises of over **↑50%** compared to the same period in 2023. In other air cargo news, Trade Union Ver.di has initiated a strike warning for Lufthansa ground staff, encompassing Lufthansa Cargo AG employees.

In regional cross-border road freight trade, average queue times remained **relatively unchanged**, while transit times decreased by **around two hours** from last week. The median border crossing times at South African borders were **relatively unchanged**, averaging **~12,0 hours** (**↑2%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by more than **two hours** and averaged **~4,2 hours** (**↓35%**, w/w). On average, two SADC border posts took more than a day to cross, being the usual suspects of Beitbridge and Kasumbalesa. Other developments this week included **(1)** increased scanner use at Beitbridge to aid risk management and **(2)** alternative payment options at Zambian borders.

In conclusion, the national budget made significant reference to the current logistics crisis, with the Finance Minister mentioning the approval of the Freight Logistics Roadmap and steps needed to improve port equipment, locomotive availability, network security, enhancing efficiencies, and, importantly, facilitating the introduction of competition and leveraging the financial and technical support of the private sector[6]. However, the budget did not introduce anything new. Instead, it highlighted what the industry already knew and had desperately called to be fast-tracked, namely a workable third-party rail access and private sector partnerships in our ports. Indeed, as we have been advocating for a very long time, the government cannot go at it alone – it needs private sector involvement to get our logistics network functioning once again. Still, so far, hardly any concrete proposals have been received from the government. It is becoming even more evident that the involvement and effectiveness of other vital role players – including an expanded and enhanced role of the private sector – has become indispensable for South Africa's economic success since fiscal policy alone cannot provide the solutions[7].

[6] Godongwana, 21/02/2024. Budget Speech – 2024.
[7] Parsons, R. 21/02/2024. Tackling South Africa's economic challenges head-on.

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 17 to 23 February [8]

7-day flow forecast (17/02/2024 – 23/02/2024)		
TERMINAL	**NO. OF CONTAINERS[9] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 688	5 536
DURBAN CONTAINER TERMINAL PIER 2:	8 448	10 629
CAPE TOWN CONTAINER TERMINAL:	5 099	8 300
NGQURA CONTAINER TERMINAL:	4 701	5 087
GQEBERHA CONTAINER TERMINAL:	340	1 453
TOTAL:	**23 276**	**31 005**

Source: Transnet, 2024. Updated 23/02/2024.

Table 3 – Container Ports – Weekly flow predicted for 24 February to 1 March

7-day flow forecast (24/02/2024 – 01/03/2024)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	5 431	5 805
DURBAN CONTAINER TERMINAL PIER 2:	10 345	10 224
CAPE TOWN CONTAINER TERMINAL:	3 929	5 637
NGQURA CONTAINER TERMINAL:	6 524	4 590
GQEBERHA CONTAINER TERMINAL:	2 416	2 000
TOTAL:	**28 645**	**28 256**

Source: Transnet, 2024. Updated 23/02/2024.

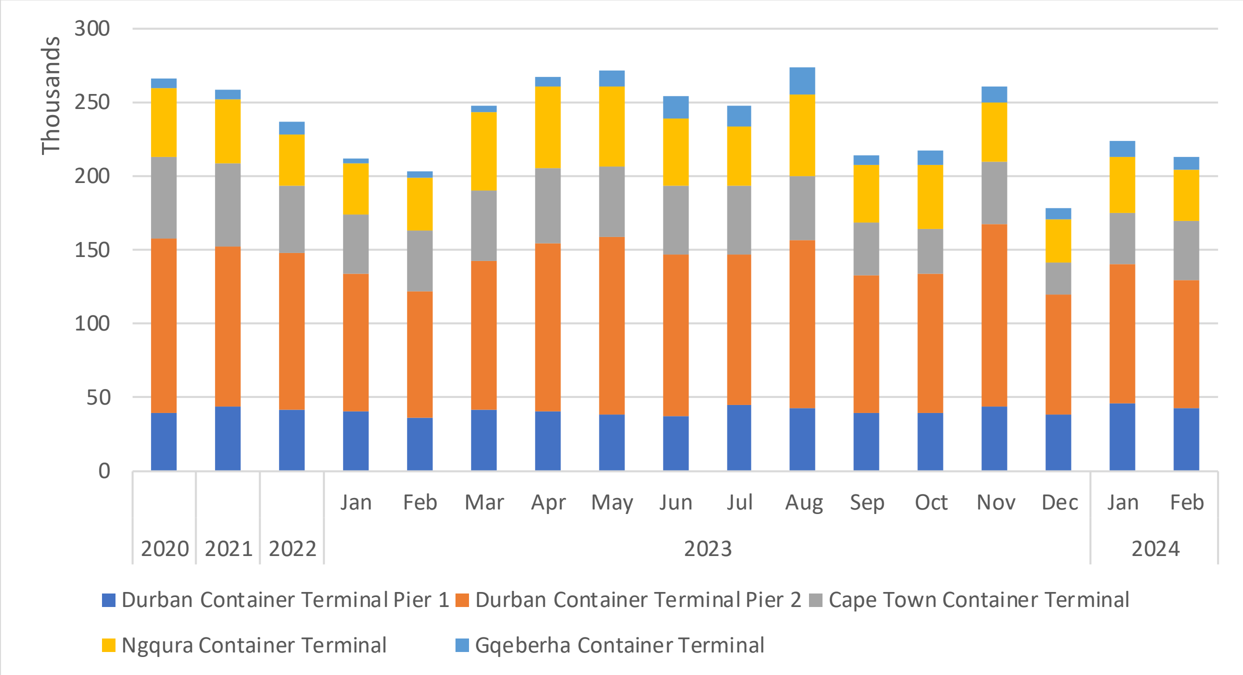
An average of **~7 754** containers (**↓3%**) was handled per day for the last week (*10 to 16 February*, *Table 2*), compared to the projected average of **~8 103 containers** (**↓4%** actual versus projected) noted in last week's report. For this week, an increased average of **~8 129 containers** (**↑5%**) is predicted to be handled (*17 to 23 February*, *Table 3*) in a best-case scenario. Several factors curtailed peak performance given the current conditions, notably adverse weather, union engagements, system challenges, and equipment breakdowns; however, one can say that the weather is the only uncontrollable factor among these, which shows where our efforts should go.

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.

[8] It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transhipments.

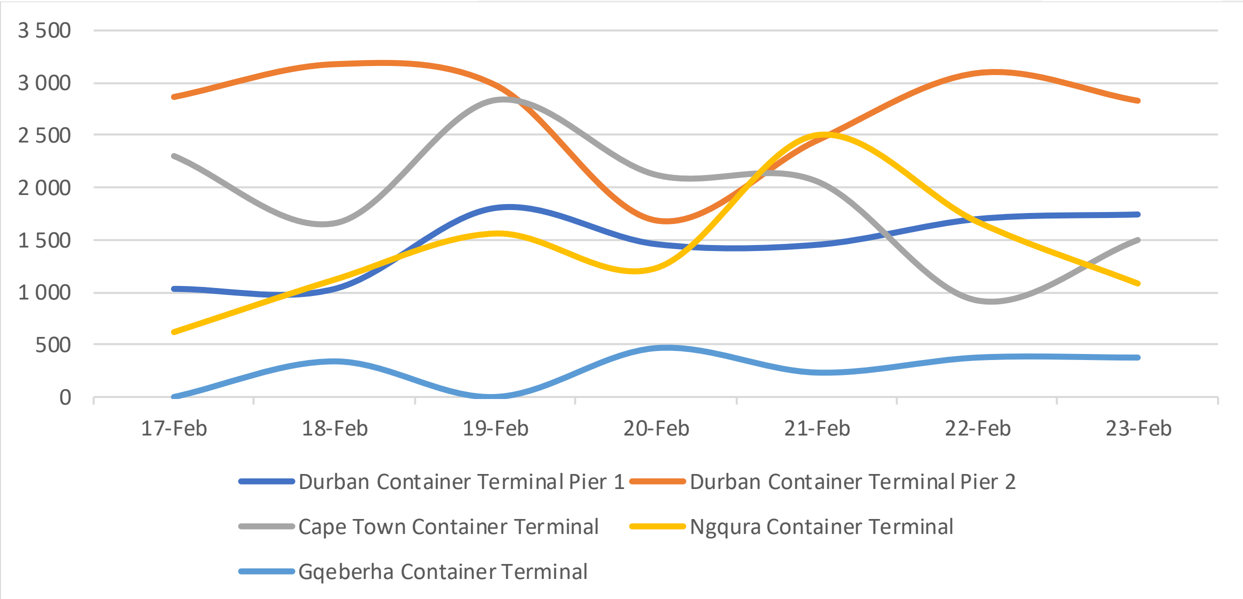
[9] As mentioned before, the measurement is noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container, and this figure will probably increase as the shift towards more 40' containers continues. Elsewhere, the US uses 1,5 to 1,8, depending on the 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)



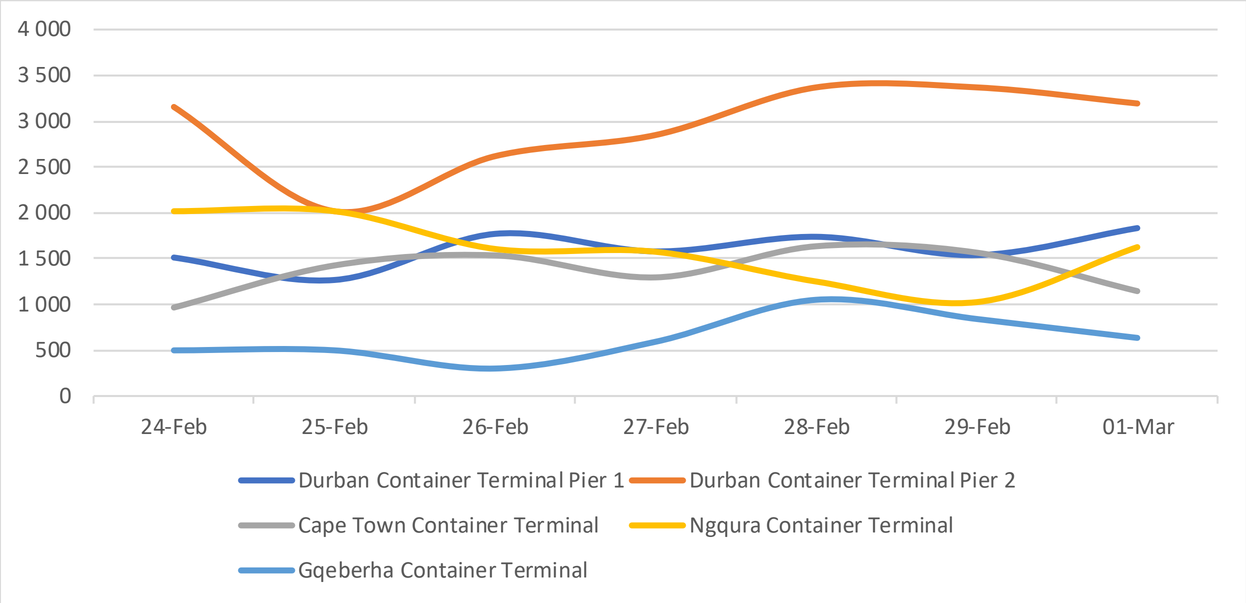
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

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



Source: Calculated using data from Transnet, 2024 and updated 23/02/2024.

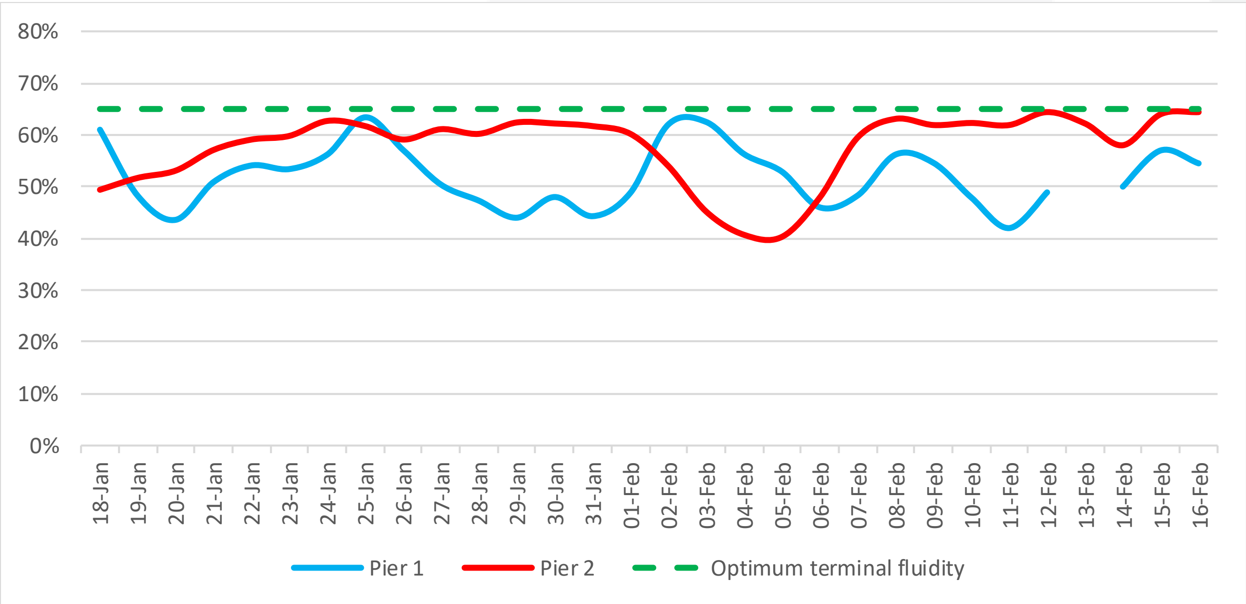
Figure 5 – 7-day forecast reported for total container movements (24 February to 1 March; per port; a day on the day)



Source: Calculated using data from Transnet, 2024 and updated 23/02/2024.

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

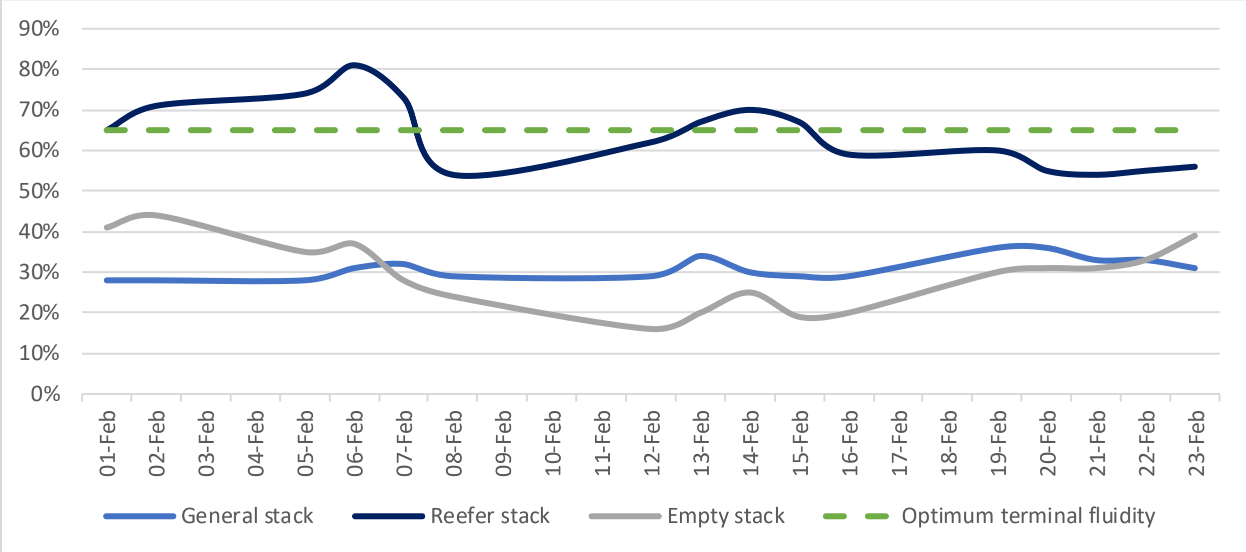
Figure 6 – Stack occupancy in DCT, general-purpose containers (18 January to present; a day on the day)



Source: Calculated using data from Transnet, 2024 and updated 23/02/2024.

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 (1 February to present, day on day)



Source: Calculated using data from Transnet, 2024 and updated 23/02/2024.

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

- Strong winds delayed operations in Cape Town for approximately eight hours towards the end of the week.
- Equipment challenges remained the primary operational constraint in Durban.
- Dense fog coupled with strong winds ensured operational delays in the Eastern Cape.
- Operations were delayed for around eight hours in Richards Bay due to the marine craft being out of service.

ii. Cape Town

On Thursday, CTCT recorded two vessels at berth and one at anchor as the terminal experienced a more challenging week with respect to operational delays. In the preceding 24 hours, stack occupancy for GP containers was recorded at 33%, reefers at 55%, and empties at 33%. In this period, the terminal moved 576 containers across the quay while operating with eight STS cranes and 24 RTGs. The low volumes can largely be attributed to the terminal being windbound for eight hours, accompanied by a union engagement, further delaying operations by two hours. LC7 remained out of service for the most significant part of the week and is only anticipated to return to service on 24 February. On the landside, 643 trucks were serviced, while six rail import units were handled.

The multi-purpose terminal recorded zero vessels at anchor and one at berth on Wednesday. In the 24 hours leading to Thursday, the terminal managed to service 123 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 333 TEUs were handled across the quay on the waterside. Stack occupancy was only 11% for GP containers, 37% for reefers, and 15% for empties during the same period. The tender for a new supplier to supply new generators should be awarded by the end of the week. The lead time for delivery of these generators is between five and six weeks.

During the week of 12 to 18 February 2024, the FPT terminal serviced eight vessels comprising two container vessels, three multi-purpose vessels, two dry bulk vessels and a break bulk refrigerated vessel loading fruit. Berth occupancy during this week was recorded at 78%. During that period, 2 571 TEUs were handled at ~ eight containers per hour, as well as 856 tons of breakbulk at ~53 tons per hour. Additionally, 31 008 tons of dry bulk was handled at ~182 tons per hour, and 6 998 pallets of fruit were handled at ~24 pallets per hour. FPT planned to handle seven vessels between 19 and 25 February, with another seven planned between 26 February and 3 March. Crane breakdowns and the late arrival of cargo constituted the majority of operational delays experienced at the terminal during the week. It is pleasing to note that the terminal met or exceeded all its CTOC KPI targets.

iii. Durban

Pier 1 on Wednesday recorded two vessels at berth, operated by five gangs, and zero vessels at anchor. Stack occupancy was 59% for GP containers and remained undisclosed for reefers. During the same period, the terminal recorded 1 267 gate moves on the landside, with an undisclosed number of cancelled slots and 105 wasted. Truck turnaround time was recorded at ~121 minutes, with an average staging time of ~143 minutes. Additionally, the terminal had 2 392 imports on hand, with 244 of these units having road stops and 205 units being unassigned. In the 24 hours between Monday and Tuesday, the issuance of new appointment slots was suspended for at least two shifts.

Pier 2 had four vessels on berth and nine at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 68% for GP containers and undisclosed for reefers. The terminal operated with 11 gangs while moving 3 093 TEUs across the quay. During the same period, there were 2 630 gate moves on the landside with a truck turnaround time of ~117 minutes and a staging time of ~114 minutes. Additionally, 260 rail import containers were on hand, with 343 moved by rail. Towards the end of the week, the terminal had a reported 46 straddles in operation. The current availability of straddle carriers in the terminal stands at approximately **~48%**, which is around **↓40%** below the minimum number required to meet industry demand and achieve acceptable terminal performance. It appears that improvements in procurement timing and maintenance practices could positively influence the consistency of straddle availability, which has been subject to significant fluctuations.

The Port of Durban returned to a complement of five tugs this week, with the pilot boat anticipated to return to service next week. The mechanical issues on the floating crane have been resolved; however, the technical team is currently finalising some steel work on deck. After that, SAMSA will come in to survey the crane before it can return to service. Additionally, crane 521 at DCT Pier 2 South Quay is anticipated to return to service by the end of June, while crane 520 is only expected to be back in service by the end of August.

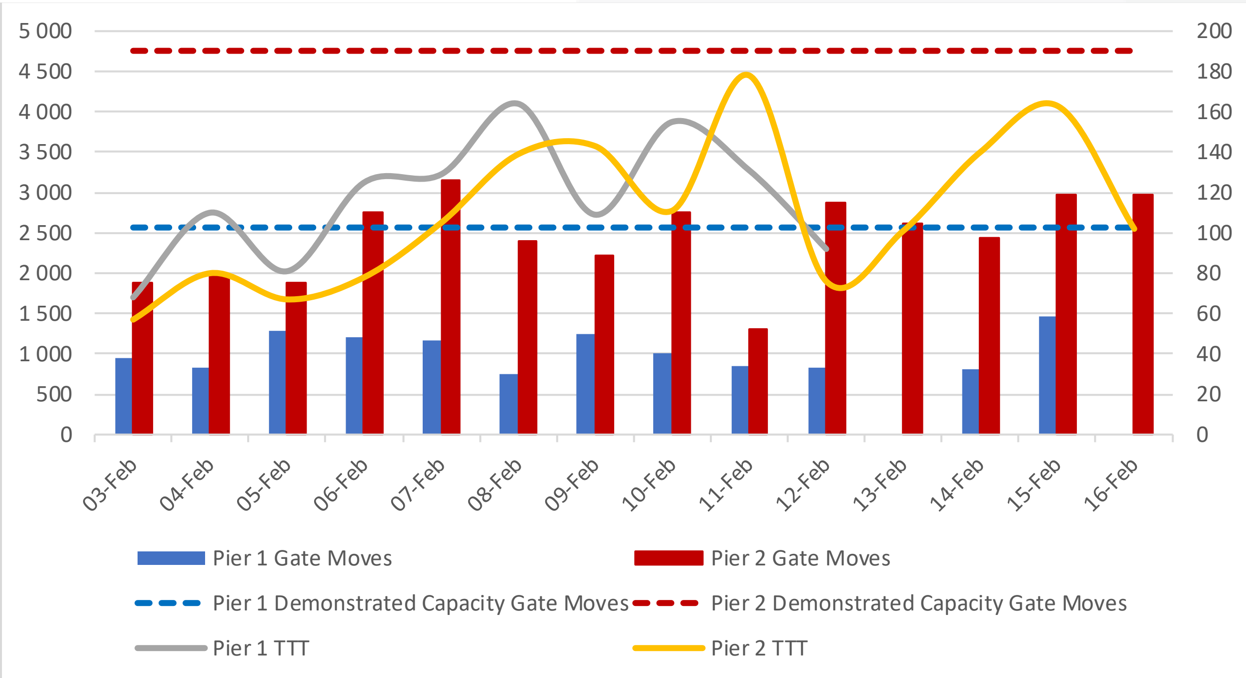
Durban's MPT terminal recorded two vessels at berth on Tuesday and none at outer anchorage while handling 419 TEUs on the waterside. Stack occupancy for breakbulk was recorded at 50% during that time and at 61% for containers. The terminal handled 305 container road slots, while 89 breakbulk road visits containing 2 722 tons were facilitated on the landside. During the same period, three cranes, five reach stackers, one empty handler, seven forklifts and 17 ERFs were in operation. Towards the end of the week, the third crane went out of service due to a burst pipe. On Tuesday, at the Maydon Wharf MPT, 1 722 tons of coal were handled on the waterside. The terminal also managed to service 83 RMTs containing 2 763 tons on the landside. At the Agri-bulk facility, no volumes were moved across the quay on the waterside, as the next vessel is anticipated to arrive on 25 February. Conversely, 54 trucks containing 3 042 tons were handled on the landside.

As a measure to reduce berthing delays in Durban, E-berth at Durban MPT will be utilised to service vessels that have been waiting at anchor for an extended period. This berth will be linked directly to DCT Pier 2 and should have the capacity to handle around 600 TEUs. TPT will absorb the shifting costs associated with vessels shifting from E-berth to Pier 2. However, TPT strongly request shipping lines who do not wish to utilise this berth to communicate their intentions and preferences in advance.

On Wednesday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at anchorage. In the 24 hours leading to Thursday, the terminal handled 1 459 road unit as well as 71 rail units on the landside while handling 3 189 units on the waterside. During the same period, overall stack occupancy was recorded as high at 80% (comprising 44% exports, 28% imports, and 28% transshipments), Q/R was recorded at 20%, and the G-berth stack was recorded at 60%. The terminal had 235 high-and-heavies (abnormal loads) on hand.

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 and updated 23/02/2024.

The recovery from port congestion continues, as all hands are on deck in an attempt to recover the situation. At midday on Friday, seven vessels were waiting for Pier 2, two vessels for Pier 1 and three for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 9 – Durban vessel view (per vessel group)

Source: Crickmay LMS, 2024. Updated 23/02/2024 at 14:00.

iv. Richards Bay

On Thursday, Richards Bay recorded nine vessels at anchor, consisting of two vessels destined for DBT, two for MPT, four vessels for RBCT, and one for the liquid bulk terminal. A further 12 vessels were recorded on the berth, consisting of four at DBT, five at MPT, three at RBCT, and none at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources, while the pilot boat remained out of service. During the same period, the coal terminal had three vessels at anchor and two at berth while handling 207 654 tons on the waterside. On the landside, 25 trains were serviced, which exceeded the target of 22. Additionally, on Wednesday, operations were delayed for around eight hours due to various marine craft being out of service.

v. Eastern Cape ports

On Tuesday, NCT recorded two vessels on the berth and three vessels at the outer anchorage, with two vessels drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading up to Wednesday. The Tsitsikamma pilot boat remains out of service; however, the port is utilising the outsourced pilot boat. Stack occupancy was 22% for GP containers, 24% for reefers, and 45% for reefer ground slots, as a total of 2 500 TEUs (1 532 containers) were processed on the waterside. Additionally, 317 trucks were serviced on the landside at a truck turnaround time of ~37 minutes. During this period, the terminal was windbound while expecting strong winds to return over the weekend.

No reports were received for GCT this week.

On Wednesday, the Port of East London recorded three vessels at berth and one at anchor. In the 24 hours leading to Thursday, the terminal handled 146 TEUs at a GCH of ~13 on the waterside. On the landside, the terminal discharged 66 entire rail skips and received 116 container trucks at a truck turnaround time of ~13 minutes, resulting in a stack occupancy figure of 37% on the container side. The Ro-Ro terminal handled 1 865 units at a UPH of 203 and further received 177 units, resulting in a stack occupancy figure of 79%. Stack occupancy on the grain elevator was recorded at 3%. The port operated with three straddles throughout the week.

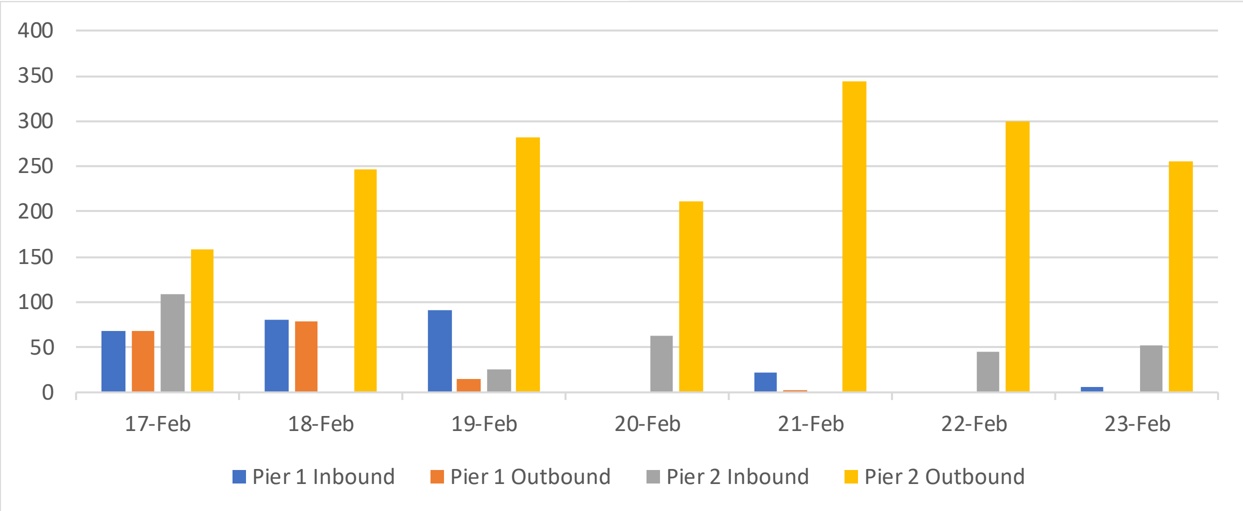
vi. Saldanha Bay

On Thursday, the iron ore terminal had two vessels at anchorage and two on the berth, while the multi-purpose terminal had two vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 1-5 days, while the vessels in port have been on the berth for between 1 and 4 days.

vii. Transnet Freight Rail (TFR)

Finance Minister Enoch Godongwana announced to Parliament during his Budget Speech for the 2024/25 financial year that some TFR lines will be opened to third-party operators from May. Minimal reports were received regarding the cable theft and vandalism issues faced on our rail network. However, towards the end of the week, DCT Pier 2 had 170 over-border units on hand with a dwell time of 30 days and 87 ConCor units on hand with a dwell time of 84 hours. Rail containers on hand were split as follows: Pier 2: 257, Cape Town: 77.

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



Source: Calculated using data from Transnet, 2024. Updated 23/02/2024.

In the last week (*17 to 23 February*), rail cargo handled out of Durban was reported at **2 519** containers, up by **↑49%** from the previous week's **1 480** 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 5 February. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *February 2023* averaged **~754 516 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[10]

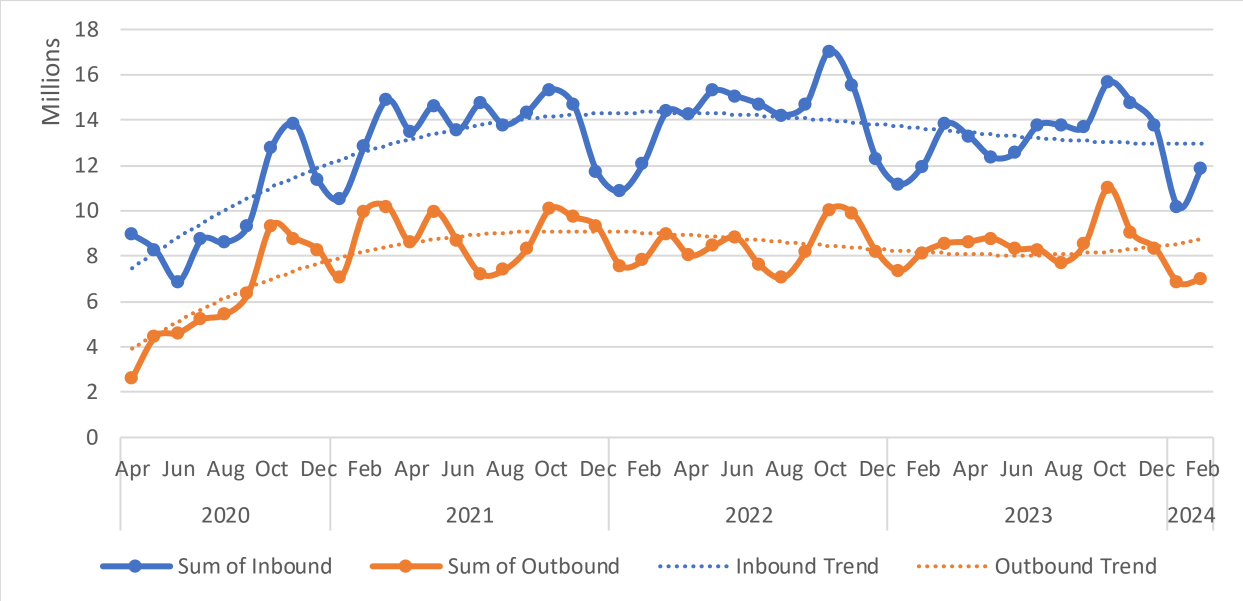
Flows	12-Feb	13-Feb	14-Feb	15-Feb	16-Feb	17-Feb	18-Feb	Week
Volume inbound	455 318	190 108	335 012	206 069	416 155	248 369	949 451	**2 800 482**
Volume outbound	241 058	182 344	220 198	199 601	196 105	191 924	487 530	**1 718 760**
Total	**696 376**	**372 452**	**555 210**	**405 670**	**612 260**	**440 293**	**1 436 981**	**4 519 242**

Courtesy of ACOC. Updated: 19/02/2024.

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

The daily average volume of air cargo handled at ORTIA the previous week amounted to **400 069 kg** inbound (**↑8%**, w/w) and **245 537 kg** outbound (**↑9%**), resulting in an average of **645 606 kg per day**. The industry remains well down on cyclical levels (**↓14%** versus February 2023 and an alarming **↓27%** versus February 2020). The following graphs show the movement since the pandemic's onset for ORTIA, with the recent drop-off noticeable – albeit slightly picking up in February:

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

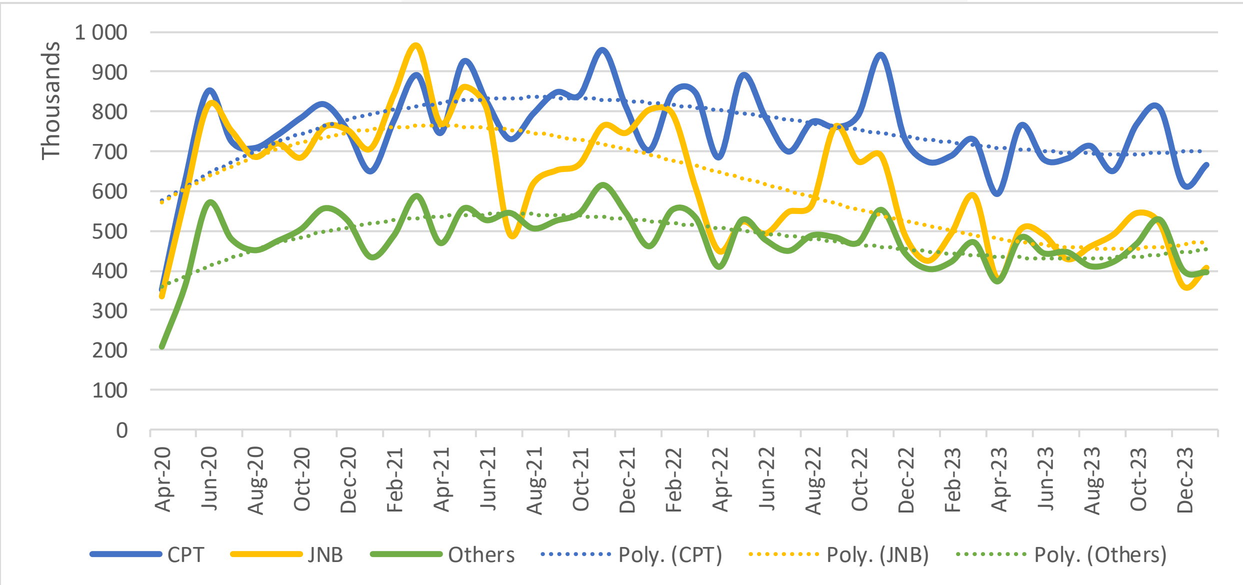


Courtesy of ACOC. Updated: 19/02/2024.

b. Domestic air cargo

The following graphs show the domestic movement at our main airports since the pandemic's onset:

Figure 12 – Domestic inbound and outbound cargo (thousands)



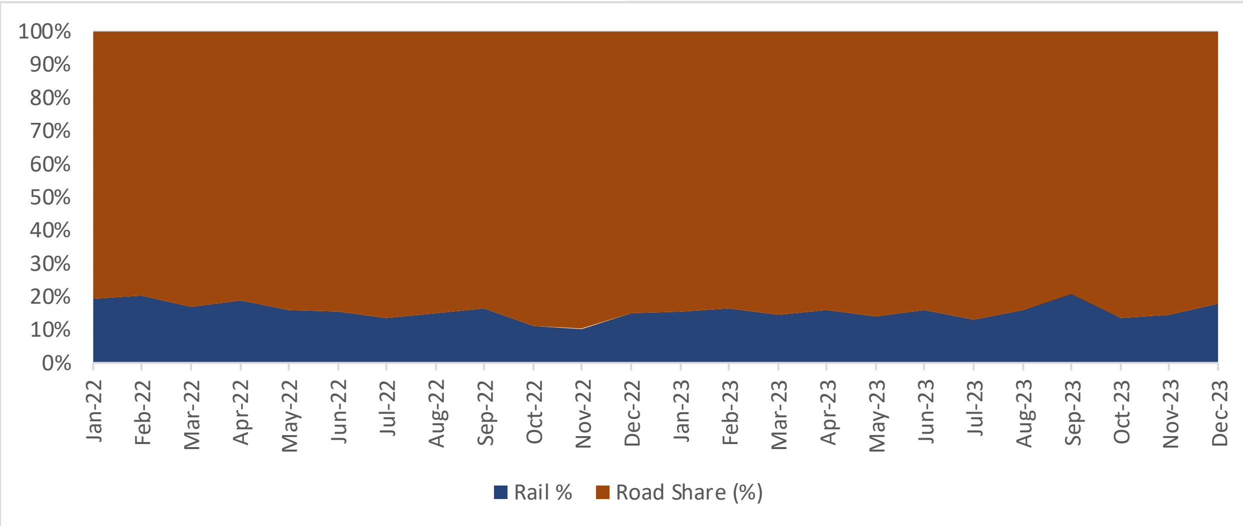
Courtesy of ACOC. Updated: 22/02/2024.

3. National Update

a. Stats SA: Land transport survey

In the latest Stats SA "*Land Transport Survey*" for December, published on Monday[11], the headline figure indicates that the volume of goods transported (payload) decreased by **↓2,5%** (y/y). The corresponding income incidentally increased – by **↑3,0%** over the same period. Seasonally adjusted payload increased by **↑2,6%** (q/q) in the fourth quarter of 2023, with income increasing by **↑4,3%** compared with the previous three months. The current road/rail split for land transport is **82/18** in favour of road, with rail seemingly resurging in recent months after a high of **89/11** split in October 2022. The following table shows the respective share across the last 24 months:

Figure 13 – Road/Rail share (payload % of total land transport in South Africa)



Source: Calculated from Stats SA.

4. 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.

- The median border crossing times at South African borders were **relatively unchanged**, averaging **~12,0 hours** (**↑2%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by more than **two hours** and averaged **~4,2 hours** (**↓35%**, w/w).
- Cargo risk management processes are in focus again as Beitbridge implements drive-through scanners, scanning trucks in 30 seconds if drivers adhere to speed limits.
    - This approach allows for random scanning of flagged vehicles, reducing the need for scanning all vehicles and transporters.
    - However, the Vic Falls Zambia side still inspects all trucks, removing and reloading entire loads instead of using available anti-smuggling technologies.

[11] Stats SA. 19/02/202. P7162 - Land transport survey, December 2023.

- In Zambia, alternatives such as MTN's "*Mobile Money*" feature and Korridor POS for mapping bank accounts to ZRA's are being explored, offering transporters various payment options, including card swiping and cash payments at ZRA offices, now available at all Zambian borders.
- Lastly, SARS communicated some system upgrades for Friday, 23 February, from 21:00 to 23:00, which might cause intermittent service interruption on the eFiling and Customs Digital Platform.
- 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[12], 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 5 – Delays[13] summary – South African borders (both directions)

Border Post	Direction	HGV[14] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	351	6,2	7,5	30,0	11 370	2 653
Beitbridge	Zimbabwe-SA	367	6,0	3,1	16,1	11 370	2 653
Groblersbrug	SA-Botswana	179	0,0	2,4	22,4	7 080	1 652
Martins Drift	Botswana-SA	182	0,2	0,3	1,6	5 430	1 267
Kopfontein	SA-Botswana	205	2,1	1,5	9,1	6 750	1 575
Tlokweng	Botswana-SA	17	0,1	0,2	0,4	450	105
Vioolsdrift	SA-Namibia	30	0,2	1,3	4,4	900	210
Noordoewer	Namibia-SA	20	0,0	0,4	2,0	600	140
Nakop	SA-Namibia	30	0,2	1,2	2,4	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,3	1,4	600	140
Skilpadshek	SA-Botswana	203	1,1	2,2	6,5	6 420	1 498
Pioneer Gate	Botswana-SA	44	0,5	1,1	1,6	1 680	392
Lebombo	SA-Mozambique	1 446	4,2	1,4	9,4	43 380	10 122
Ressano Garcia	Mozambique-SA	125	0,4	1,0	10,4	3 750	875
Weighted Average/Sum		**3 219**	**1,5**	**1,7**	**8,4**	**100 680**	**23 492**

Source: TLC, FESARTA, & Crickmay, week ending 18/02/2024.

Table 6 – 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	3,3	2,1	12,0	9 600	2 240
Central Corridor	798	0,0	0,3	0,7	23 940	5 586
Dar Es Salaam Corridor	1 819	8,7	1,7	12,4	54 570	12 733
Maputo Corridor	1 571	2,3	1,2	9,9	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889

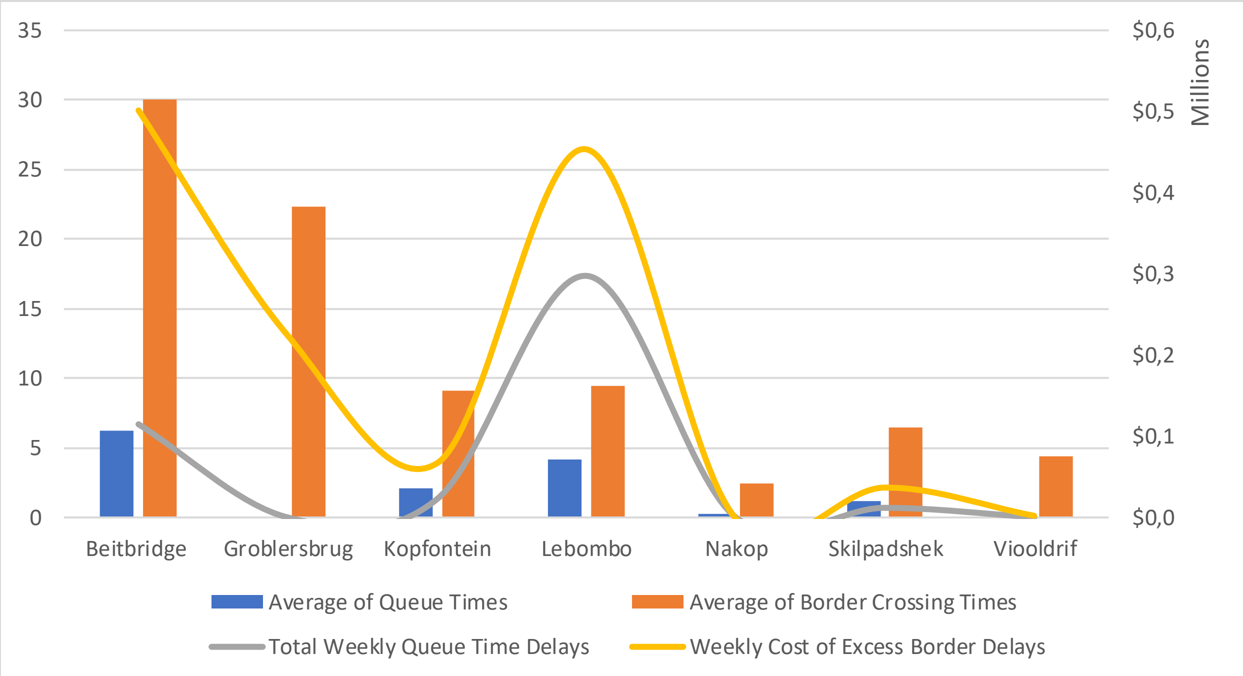
[12] FESARTA TRANSIST Bureau.
[13] It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles—data provided by the LMS (Logistics Monitoring System), which Crickmay produces in collaboration with SAAFF.
[14] Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
North/South Corridor	3 487	4,1	1,6	9,6	104 610	24 409
Northern Corridor	2 817	0,2	0,1	1,1	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,0	0,0	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	300	1,1	1,1	3,4	9 000	2 100
Trans Oranje Corridor	100	0,2	0,8	2,6	3 000	700
Weighted Average/Sum	**11 555**	**2,1**	**0,8**	**5,0**	**354 660**	**82 754**

Source: TLC, FESARTA, & Crickmay, week ending 18/02/2024.

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

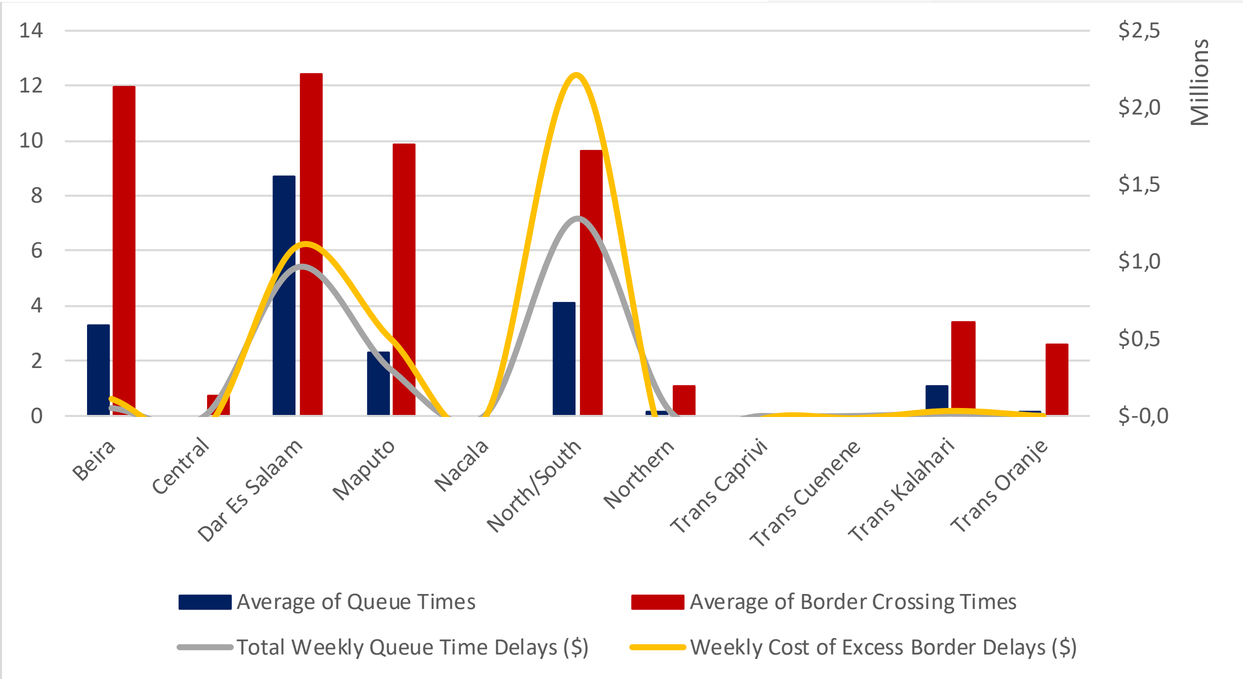
Figure 14 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 18/02/2024.

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

Figure 15 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 18/02/2024.

In summary, cross-border queue time averaged **~2,2 hours** (down by **~0,2 hours** from the previous week's **~2,4 hours**), indirectly costing the transport industry an estimated **$2,6 million** (**R50 million**). Furthermore, the week's average cross-border transit times hovered around **~5,0 hours** (down by **~2,1 hours** from the **~7,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **~$3,5 million** (**R67 million**). As a result, the total indirect cost for the week amounts to an estimated **~$6,1 million** (**R117 million**, down by **~R35 million** or **↓23%** from **~R152 million** in the previous report).

5. International Update

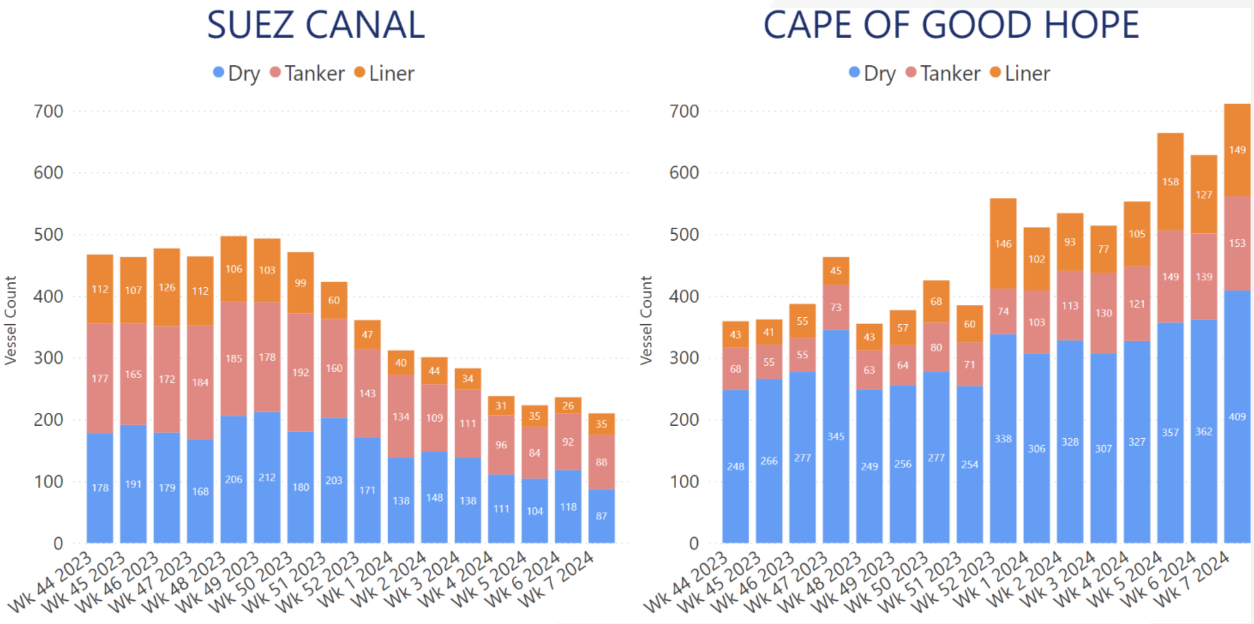
The following section provides some context around the global economy and its impact on trade, mainly an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Red Sea Crisis Update

In the four months of the Red Sea crisis, weekly merchant traffic through the Suez Canal dropped by approximately **↓55%**. In total, nearly 300 fewer ships per week crossed the Canal in either direction since the start of Feb. By comparison, rerouting via the Cape of Good Hope has increased in count by **↑98%**:

Figure 16 – Weekly vessel traffic: Suez Canal vs Cape of Good Hope (vessel count per vessel type)



Source: Alphaliner

From the graphic above, it is clear that container ships were the most heavily affected, as weekly traffic through the Suez Canal decreased by almost **↓80%** over the past 13 weeks. This is especially the case for the largest vessels, as the ULCS Megamax class carriers experienced a **↓94%** reduction of passages. Meanwhile, tankers and gas carriers have also avoided the Suez Canal over the past nine weeks, with their count in Jan-Feb 2024 registering a **↓41%** (y/y) drop. This completely reversed the increase previously seen in the aftermath of Russia's 2022 full-scale invasion of Ukraine. In the dry bulk space, traffic through the Suez Canal has been cut down to below 2022 levels, with Ultramax vessels (60k-68k metric tons deadweight) being the most affected, as the first week of February saw only six vessels of this size traverse the Canal.

ii. Global container summary

Despite the Lunar New Year break, carriers are maintaining recent rate gains and tight capacity is expected in March due to Red Sea diversions. Charter rates are firm due to limited vessel availability (see the analysis below). Unlike previous years, carriers are keeping their fleet fully employed, delaying arrivals to Asia to avoid the post-holiday window. Transpacific demand rebound adds to optimism, keeping overall capacity tight as long as Red Sea diversions continue. Moreover, ocean carriers have halted container sales and equipment returns to lessors to accommodate the increased chartering of ships due to the Red Sea crisis[15]. While carriers have managed equipment supply well in most regions, tight supply persists, especially in India. Carriers aim to avoid commercial limitations due to equipment availability issues in the evolving transit landscape around the Cape of Good Hope. Despite initial equipment shortages, global fleet contraction and surging leasing rates, notably influenced by Red Sea disruptions, have boosted major container lessors like Textainer. CEO Olivier Ghesquiere noted Textainer's high fleet utilisation amid increased demand. Global port congestion is slowly creeping up and currently affecting **~4,9%** of the total fleet, with Durban the only

[15] Wackett, M. 20/02/2024. Ocean carriers determined to hang onto containers as supply tightens.

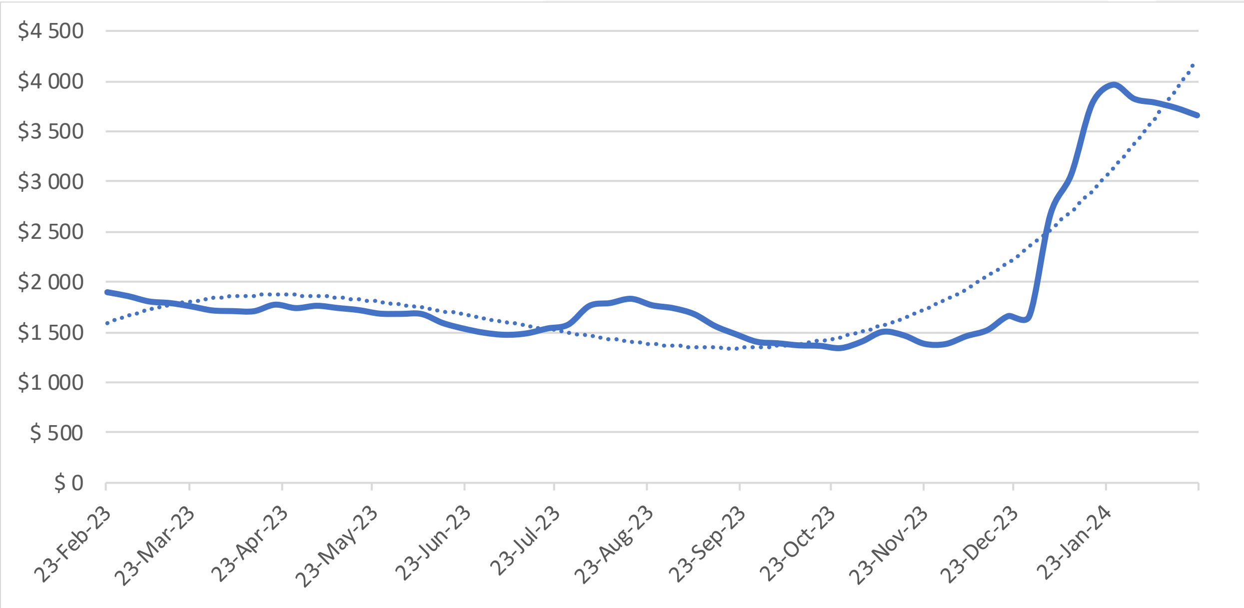
South African port featuring on the first page of the "*Port Congestion Watch*" with a queue-to-berth ratio of **0,62**[16].

Elsewhere, Transpacific eastbound container volumes surged by **↑16,9%** in January 2024, signalling a positive growth trajectory for the entire year after a **↓15,1%** decline in the previous year. Carriers have capitalised on the cargo rebound, with freight rates exceeding last year's by over 200%. The top three carriers on the Transpacific trade lanes (COSCO, CMA CGM, and Evergreen) maintained their positions in January, all members of the OCEAN Alliance, set to reinforce their dominance as the 2M alliance splits and Hapag-Lloyd departs from THE Alliance in 2025. Lastly, the "*Cancelled Sailings Tracker*" has dropped again this week and is currently trending at around **8%**[17].

iii. Global container freight rates and carrier profits

Continuing from the last couple of weeks' decrease, global container rates dropped again, as the "*World Container Index*" is down by **↓2,0%** (or **$74**) to **$3 659** per 40-ft container[18]. The weekly changes mean that the composite index remains up by **↑93%** higher compared to the same week last year and **↑158%** higher than the average 2019 pre-pandemic rates of **$1 420** – but getting closer to more stable long term levels. The following figure shows the movement of the index in the last 12 months:

Figure 17 – World Container Index assessed by Drewry (last 12 months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

In the charter market, rates have, for the first time, exceeded last year's levels, as the Harper Petersen Index (*Harpex*) is currently trending at ***1 158 points***, up by **↑3,4%** (w/w) and up by **↑10%** (y/y) versus this time last year[19].

iv. Further developments of note

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

[16] Linerlytica. 22/02/2024. Port Congestion Watch.
[17] Drewry. 23/02/2024. Cancelled Sailings Tracker.
[18] Drewry. 22/02/2024. World Container Index.
[19] Harper Petersen Index. 23/02/2024. HARPER PETERSEN Charter Rates Index.

1. **Crew abandons ship after Red Sea missile attack, despite US fight-back:**
    a. The *Rubymar*, a general cargo vessel, was abandoned after a missile attack near the Yemen coast following US naval strikes targeting Houthi capabilities[20]. US Central Command identified anti-ship cruise missiles and crewless vessels in Houthi-controlled areas, launching strikes against them.
    b. The MV Behshad, suspected of supplying Houthi militias with intelligence, was targeted in a US cyber-attack. Iranian spy ships, including the MV Behshad, play a role in Houthi intelligence-gathering and potential future risks, prompting demands for the release of 25 seafarers held captive by the Houthis.
    c. Elsewhere, despite vowing to re-route vessels around the Cape of Good Hope, CMA CGM yesterday sent an ultra-large containership through the Red Sea and Bab al-Mandeb Strait[21]. The French carrier, Jules Verne, was escorted by the French navy and reported no attacks. CMA CGM had told its customers that from 1 February, "*all services initially routed via the Red Sea passage will now follow the Cape of Good Hope routing*".
2. **Panama Canal drought nears record levels:**
    a. Water levels in Gatun Lake, vital for Panama Canal navigation, are dropping below the safe threshold, potentially surpassing last year's record lows[22]. Despite traditionally peaking in January, levels remained dismal last month, signalling a worrying trend.
    b. The Panama Canal Authority warns of indefinite delays for vessels without reservations as water deficits persist. While the El Niño phenomenon is expected to ease, a recent study suggests that manufactured climate change exacerbates the crisis. In the Amazon, water levels remain low, affecting river trade and increasing strain on limited road infrastructure, leading to soaring food costs in the region.

b. Global air cargo industry

In the global air cargo market, several key Asia-Europe sea-air hubs have recorded a strong surge in tonnages in the last few weeks as shippers continue to seek alternative logistics solutions due to the disruptions to container shipping caused by the attacks on ships in the Red Sea. Freight sources have reported, anecdotally, that some Asia-Europe sea-air hubs such as Dubai, Colombo and Bangkok have been inundated with air cargo in recent weeks as cargo owners seek to replenish stocks in Europe that have run low – because containerships that would normally transit via the Suez Canal have been forced make the longer voyage around the Cape of Good Hope. Indeed, in the first seven weeks of 2024, analysis by World ACD's data shows a significant increase in sea-air traffic to Europe from key hubs, with Dubai, Colombo, and Bangkok experiencing rises of over **↑50%** compared to the same period in 2023. Dubai-Europe traffic increased by **↑71%**, Colombo-Europe by **↑61%**, and Bangkok-Europe by **↑58%** (y/y). However, Singapore-Europe and Doha-Europe tonnages saw smaller increases of **↑10%** and **↑3%** respectively. The later timing of the Lunar New Year (LNY) in 2024 complicates direct comparisons, but the elevated tonnages from the three hubs are evident:

[20] Bartlett, C. 19/02/2024. Crew abandons ship after Red Sea missile attack, despite US fight-back.
[21] Goldstone, C. 21/02/2024. CMA CGM box ship braves Red Sea danger, with French naval escort.
[22] Bartlett, C. 20/02/2024. Praying for rain as record lows loom for Panama Canal and Amazon.

Figure 18 – Capacity, chargeable weight and rates (%, weeks two to five)

Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-1%	+6%		-2%	+2%		-1%	-6%
Asia Pacific		-8%	+18%		-25%	-1%		+2%	-7%
C. & S. America		-8%	+6%		-27%	-2%		-4%	-7%
Europe		+0%	+8%		-4%	-3%		+2%	-32%
M. East & S. Asia		-2%	+11%		+2%	+22%		+11%	+3%
North America		-3%	+5%		-4%	-7%		+1%	-21%
Worldwide		-4%	+9%		-14%	-1%		+0%	-16%

Source: World ACD

While traffic volumes remained high in week 7, the global picture showed a seasonal decline in demand ex-Asia Pacific following LNY, resulting in a **↓10%** drop in overall tonnages compared to the previous week. Average global rates also decreased by **↓6%** compared to the previous week, attributed to reduced high-yielding volumes ex-Asia Pacific. Despite this, the total worldwide tonnages for weeks 6 and 7 combined showed a **↓1%** decrease compared to last year, indicating a structural improvement in demand levels. Average worldwide rates in week 7 were **$2,24 per kg**, down by **↓16%** compared to the same period last year but still higher than pre-pandemic levels (**↑26%** compared to February 2019). Overall air cargo capacity saw a significant increase compared to last year, particularly ex-Asia Pacific (**↑18%**) and ex-Middle East and South Asia (**↑11%**). The trends suggest a complex interplay of factors influencing air cargo traffic and pricing dynamics.

In other air cargo news, Trade Union Ver.di has initiated a warning strike for Lufthansa ground staff, encompassing Lufthansa Cargo AG employees[23]. The strike commences at 20:00 on Monday, February 19, and concludes at 07:10 on Wednesday, February 21. The strike impacts all German locations, notably the Frankfurt and Munich hubs. Consequently, the majority of Lufthansa's passenger flights and a notable portion of freighter flights will be disrupted on Wednesday.

ENDS[24]

[23] Goldstone, C. 19/02/2024. Another strike hits Lufthansa Cargo services – and may not be the last.

[24] **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.*