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Cargo Movement Update #187[1]

Date: 24 May 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)	25 980	29 632	**55 612**	25 094	32 619	**57 713**	↓4%
Air Cargo (tons)	3 717	2 189	**5 906**	4 035	2 253	**6 288**	↓6%

Monthly Snapshot

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

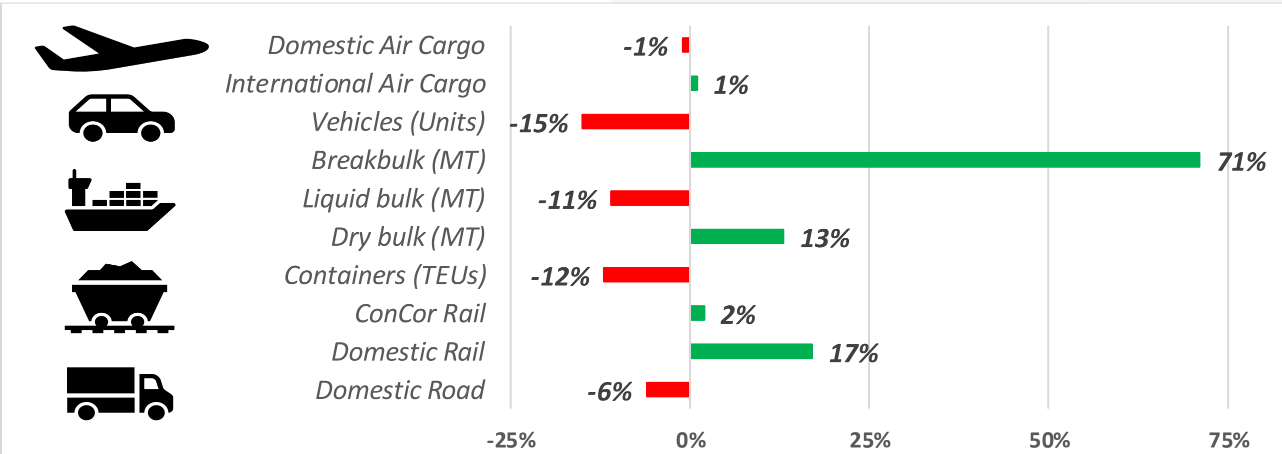
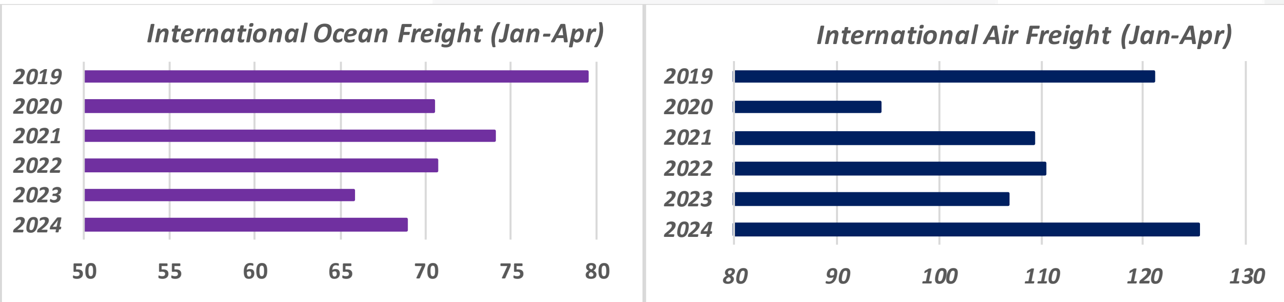


Figure 2 – Year-to-date flows 2019-2024[5]: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 945 containers** was handled per day, with **~8 176 containers** projected for next week.
- TNPA stats for April: containers: down by ↓26% (m/m) and down by ↓12% (y/y). Total bulk: down by ↓10% (m/m) but up by ↑10% (y/y). Vehicle trade is up by ↓1% (m/m) but down by ↓15% (y/y).
- Cross-border queue: **↓6,0 hrs**; transit: **↓2,4 hrs**; SA borders: **7,0 hrs** (**↓38%**); SADC borders: **0,5 hrs** (**↓85%**).
- Rail cargo handled out of Durban was reported at **2 904** containers, up ↑17% from last week.
- Global freight rates have increased by another significant **↑16%** (or **$561**) to **$4 702** per 40-ft container.
- Global air cargo increased by **↑2%**, continuing a recovery from an **↓8%** decline at the beginning of May.

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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 *187th* 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 most metrics: Apr vs Apr.
[5] Total YTD Jan-Mar; ocean = bulk cargo in million metric tonnes, as reported by TNPA; air = cargo to and from all airports in million kilograms.

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 **7 945 containers** per day, down from **8 245 containers** last week. Port operations this week were primarily constrained by adverse weather, vessel ranging, equipment breakdowns, and -shortages. Over 30 operational hours were lost in Cape Town due to strong winds and vessel range. At the same time, equipment breakdowns and shortages, coupled with dredging and sounding operations, constituted the majority of delays in Durban. This week, vessel ranging and adverse weather ensured operational delays at our Eastern Cape Ports. Further, TNPA and Mnambithi Liquid Bulk Terminals have signed a terminal operation agreement for a new **R1,1 billion liquid bulk terminal** that will be built at the Port of Durban. At the same time, TNPA indicated that all rendered services will continue as normal on National Election Day, 29 May 2024. Additionally, the latest reports from TPT suggest that one of the longest trains on our rail network arrived at DCT Pier 2 from Limpopo, carrying 48 forty-foot containers of citrus fruit destined for export markets.

The global shipping industry continues grappling with geopolitical tensions, climate change, and pandemic aftermaths. Conflicts in Ukraine and Gaza, alongside U.S.-China economic disputes, threaten maritime trade routes, while climate impacts exacerbate port congestion. Notable disruptions, such as the Ever Given Suez Canal blockage and the Baltimore Bridge collapse, underline the fragility and vulnerability of critical choke points, significantly affecting global trade flows. Current issues include persistent port congestion, with **5,3%** of the global fleet affected, primarily due to geopolitical crises like the Red Sea conflict, which has increased transit times on Asia-Mediterranean routes by **↑39%**. Financially, the industry sees rising spot rates driven by strong U.S. imports and reduced European capacity, recently boosting the WCI by ↑28,8%. Stocks of shipping firms like ZIM and COSCO have surged, reflecting these higher rates. European shippers face increasing frustrations due to sharp spot freight rate hikes, with actual rates significantly exceeding reported values. This stresses the supply chain, highlighting the industry's struggle with vessel shortages and the preference for lucrative spot cargo, impacting long-term customer relationships and market stability. Other developments included **(1)** detention and demurrage claims at FMC hit well over **$67 million**.

In our international air market, the daily average of air cargo handled at ORTIA in the previous week amounted to **530 983 kg** inbound (**↓8%**, w/w) and **312 782 kg** outbound (**↓3%**), resulting in an average of **843 765 kg per day**. Consequently, the industry remains up versus last year (**↑10%** versus May 2023) and slightly down compared to pre-pandemic times (**↓11%** versus May 2019). Internationally, air cargo tonnages and rates from key Middle Eastern and Asian markets to Europe remain significantly high due to strong demand and disruptions in ocean freight services, combined with limited capacity on crucial routes. This situation has caused a dramatic increase in rates on several major intercontinental routes.

In the regional cross-border road freight trade, the average queue times decreased by **six hours**, while transit times decreased by around **two and a half hours** from last week. Some decreases have been welcomed; however, not all of the crossing times at all SADC borders were captured this week, hence a note of caution that these figures may not be truly representative, so they should not bet celebrated too widely. The median border crossing times at South African borders decreased by around **four hours**, averaging **~7,0 hours** (**↓38%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by almost **three hours** and averaged **~0,5 hours** (**↓85%**, w/w). On average, only one SADC border post took more than a day to cross, namely Beitbridge at around a day and a half. Other developments included (1) a local driver strike averted, (2) a cooperation agreement signed, and **(3)** regulatory changes in Zambia.

In summary, the continued stagnant growth of our bulk sectors illustrated this week elucidates the ongoing current fragility of our logistics network. This is important, as bulk exports transported by rail to South African ports are pivotal in bolstering the South African economy. These exports are fundamental in supporting local production and sustaining employment. South Africa, which heavily relies on imports to meet domestic consumption, finds its economic prosperity closely tied to the performance of its export sector. Despite a global lag in export growth compared to other nations—a factor that hampers overall economic expansion—enhancing export capabilities is a critical strategy for improving national economic outcomes. Structural factors such as the responsiveness of exports to changes in the real exchange rate and the dichotomy between SMEs and large corporations, which dominate export sales, continue to influence export dynamics significantly. Strengthening export competitiveness and fostering regional trade integration is essential for driving South Africa's economic growth, underscoring the strategic importance of the bulk sector to the national economy – and the desperate need to move these commodities to the ports (preferably by rail) and ship them to the world. Collaboration in achieving these shared goals remains in every stakeholder's interest.

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 18 to 24 May [6]

7-day flow forecast (18/05/2024 – 24/05/2024)		
TERMINAL	NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 266	5 162
DURBAN CONTAINER TERMINAL PIER 2:	7 906	9 632
CAPE TOWN CONTAINER TERMINAL:	5 148	7 032
NGQURA CONTAINER TERMINAL:	8 560	6 429
GQEBERHA CONTAINER TERMINAL:	1 100	1 377
TOTAL:	**25 980**	**29 632**

Source: Transnet, 2024. Updated 24/05/2024.

Table 3 – Container Ports – Weekly flow predicted for 25 to 31 May

7-day flow forecast (25/05/2024 – 31/05/2024)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 756	5 146
DURBAN CONTAINER TERMINAL PIER 2:	10 100	9 988
CAPE TOWN CONTAINER TERMINAL:	4 532	6 702
NGQURA CONTAINER TERMINAL:	4 395	6 461
GQEBERHA CONTAINER TERMINAL:	1 470	2 682
TOTAL:	**26 253**	**30 979**

Source: Transnet, 2024. Updated 24/05/2024.

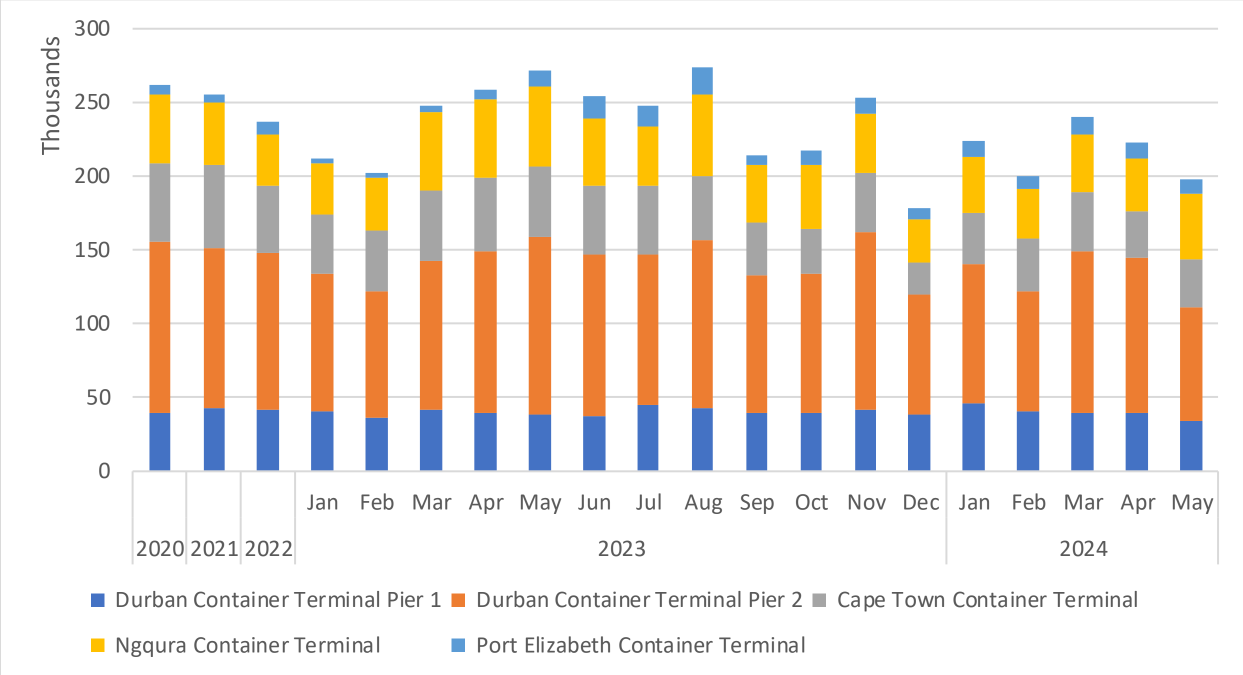
An average of **~7 945 containers** (↓4%) was handled per day for the last week (*18 to 24 May*, *Table 2*), compared to the projected average of **~8 090 containers** (↓2% actual versus projected) noted in last week's report. For the coming week, a slightly increased average of **~8 176 containers** (↑3%) is predicted to be handled (*25 to 31 May*, *Table 3*) in a best-case scenario. Adverse weather, vessel ranging, equipment breakdowns, and -shortages primarily constrained port operations. The time lost to vessels ranging in the ports is a matter of concern, given the investment that has recently been made in line tensioning equipment.

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.

[6] 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.

[7] 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.

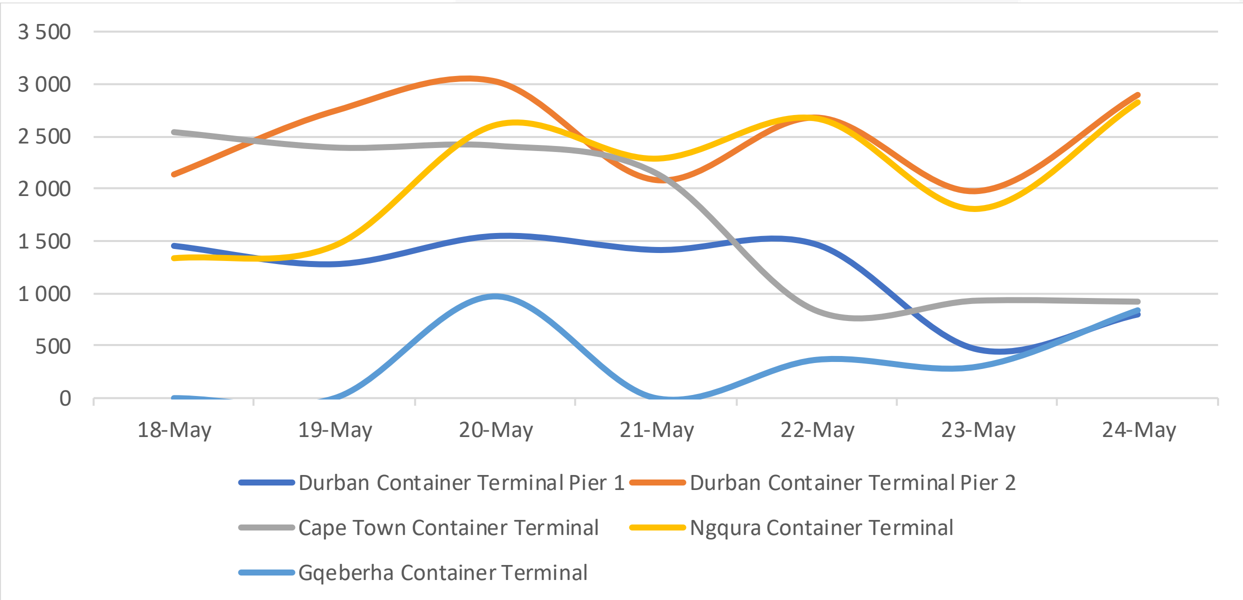
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

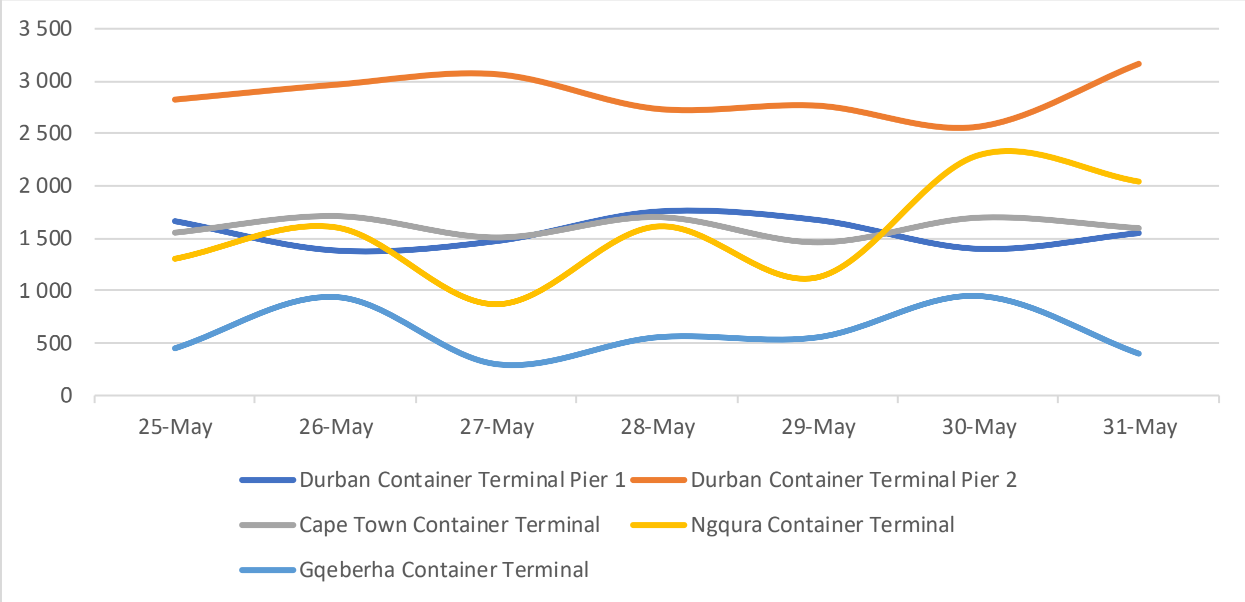
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (18 to 24 May; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

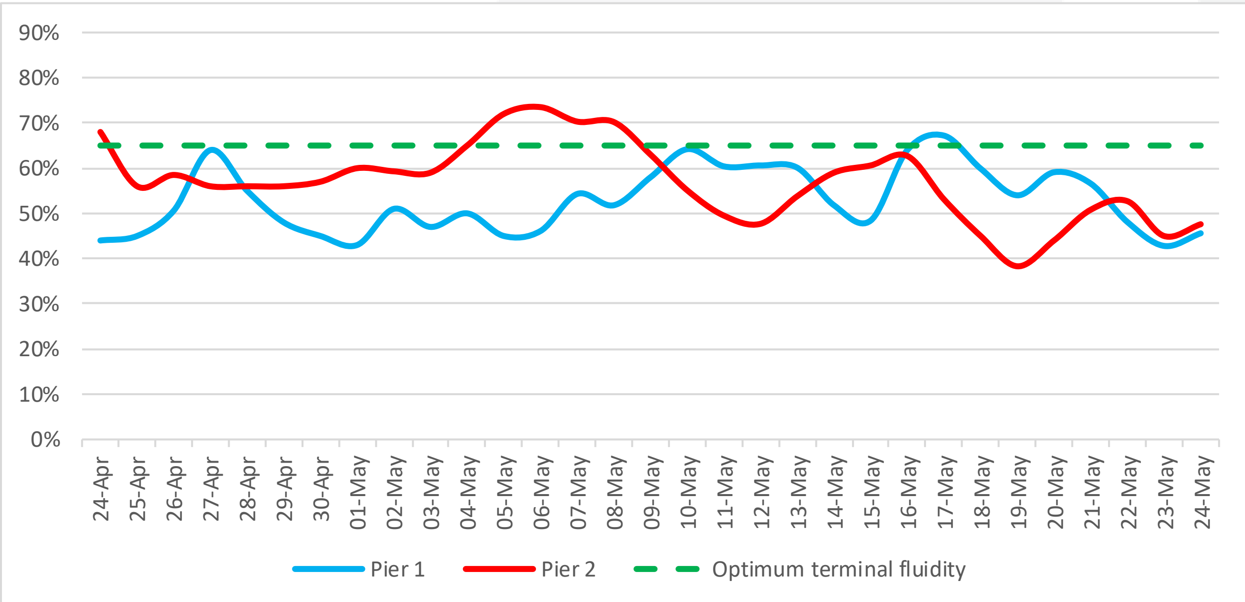
Figure 5 – 7-day forecast reported for total container movements (25 to 31 May; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

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

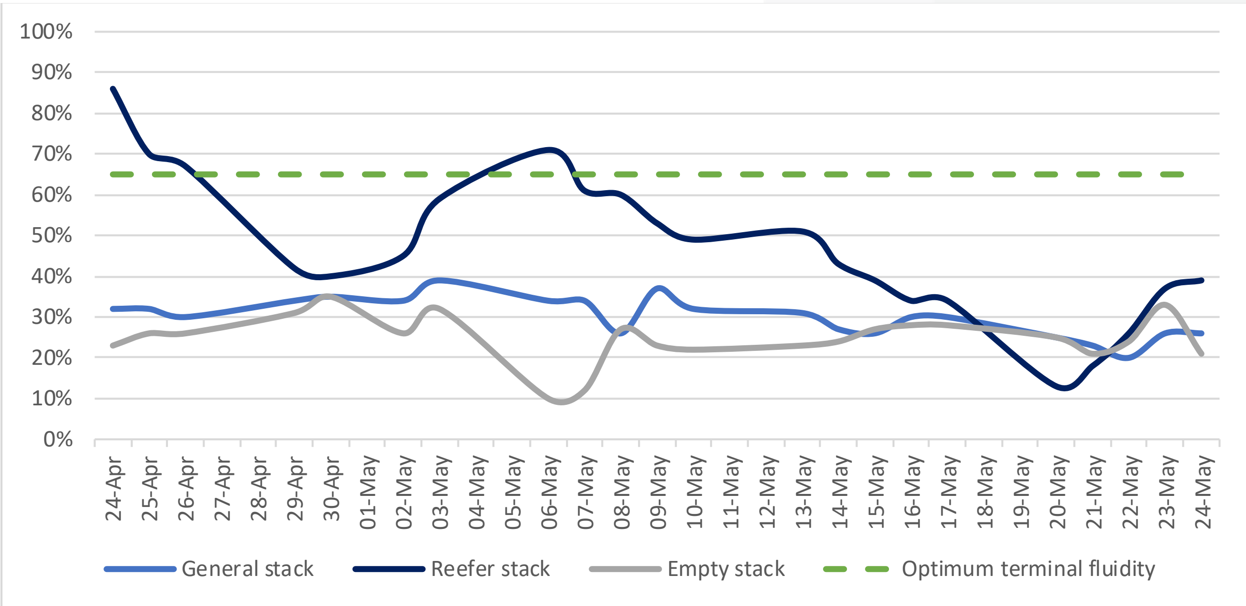
Figure 6 – Stack occupancy in DCT, general-purpose containers (24 April to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

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 (24 April to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

b. TNPA: April update

TNPA has released consolidated port statistics for April[8], with most sub-sectors significantly down on the excellent returns registered in February and March. For April, the two main sectors show that containers are slightly down by a significant **↓26%** (m/m), and total bulk cargo shipped is down by **↓10%** as the following table shows the respective changes versus March:

Table 4 – TNPA – Monthly volume and growth: April 2024

	Mar	Apr	Movement	Monthly growth
Containers (TEUs)	**396 763**	**292 747**	**-104 016**	**-26%**
Landed	208 109	165 457	-42 652	-20%
Shipped	188 654	127 290	-61 364	-33%
Dry bulk (MT)	13 939 469	12 588 393	-1 351 076	-10%
Liquid bulk (MT)	3 355 185	2 575 117	-780 068	-23%
Breakbulk (MT)	379 318	786 072	406 754	107%
Vehicles (Units)	60 735	61 495	760	1%
Total cargo (excl. Vehicles)	**17 673 972**	**15 949 582**	**-1 724 390**	**-10%**

Source: TNPA, updated 20/05/2024.

Transnet Port Terminals handled **15,9 million metric tonnes** of bulk cargo during April, down by nearly **1,7 million metric tonnes** from last month but up by **↓10%** from last year's April volumes – despite being significantly lower compared to 2019 levels. The following table shows the comparative overview for March versus last year, including the view versus the same month in the pre-pandemic year of 2019:

[8] Transnet. 2024. Port statistics.

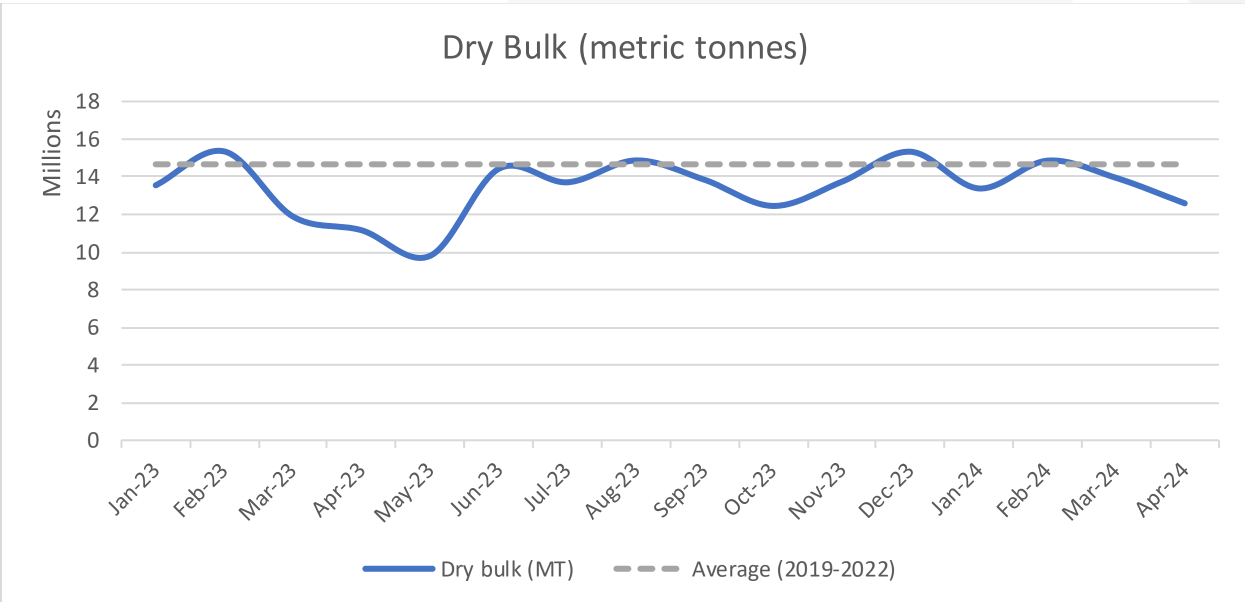
Table 5 – TNPA – Cyclical volume and growth: April 2019, 2023, and 2024

	2019	2023	2024	Growth: '19-'24	Growth: '23-'24
Containers (TEUs)	**384 428**	**331 884**	**292 747**	**-24%**	**-12%**
Landed	199 568	162 145	165 457	-17%	2%
Shipped	184 860	169 739	127 290	-31%	-25%
Dry bulk (MT)	14 014 477	11 158 045	12 588 393	-10%	13%
Liquid bulk (MT)	3 615 686	2 891 948	2 575 117	-29%	-11%
Breakbulk (MT)	606 783	458 702	786 072	30%	71%
Vehicles (Units)	63 198	72 071	61 495	-3%	-15%
Total cargo (excl. Vehicles)	**18 236 946**	**14 508 695**	**15 949 582**	**-13%**	**10%**

Source: TNPA, updated 20/05/2024.

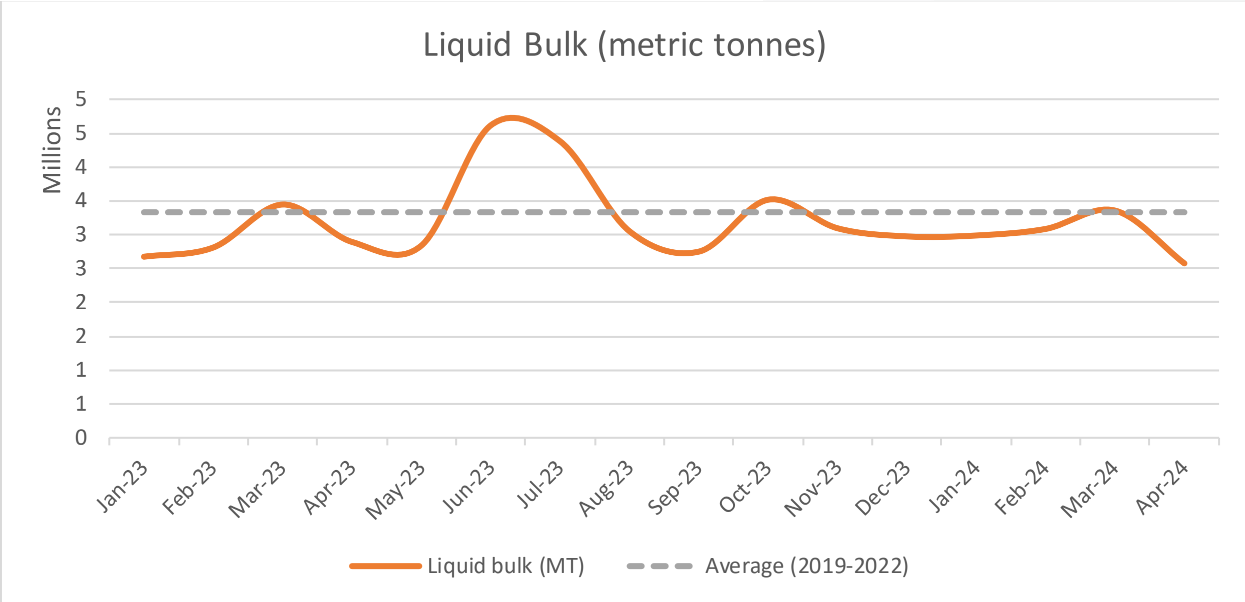
Despite the low monthly throughput volumes, annual figures for the primary industries show some improvement on last year's April in dry bulk (**↑13%**) and breakbulk (**↑71%**). There has, however, been a marked drop in total containers (**↓12%** - led by exports at **↓25%**) and a significant decrease in vehicle trade (**↓15%**). Versus 2019, the picture becomes bleaker, as containers are down by **↓24%**) and total bulk figures by **↓13%**, while vehicle trade is also down. The following figures show the respective bulk trade since the private sector called for the establishment of a National Logistics Crisis Committee in South Africa:

Figure 8 – Total dry bulk cargo handled by South African Ports (metric tons)



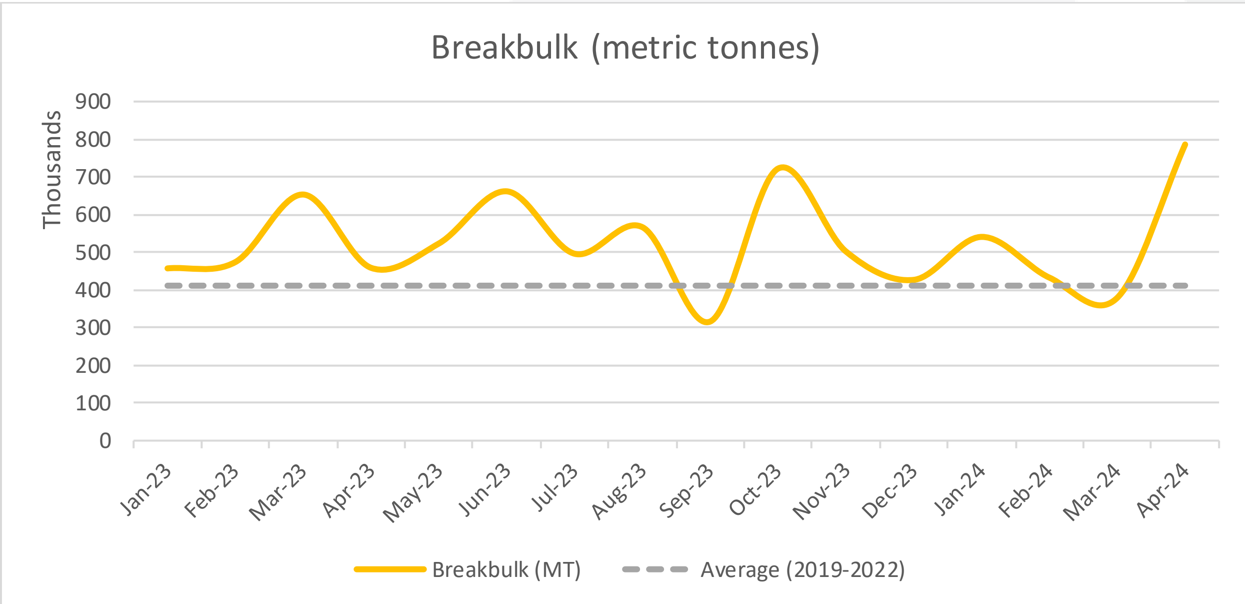
Source: Calculated using data from TNPA, updated 20/05/2024.

Figure 9 – Total liquid bulk cargo handled by South African Ports (metric tons)



Source: Calculated using data from [TNPA](), updated 20/05/2024.

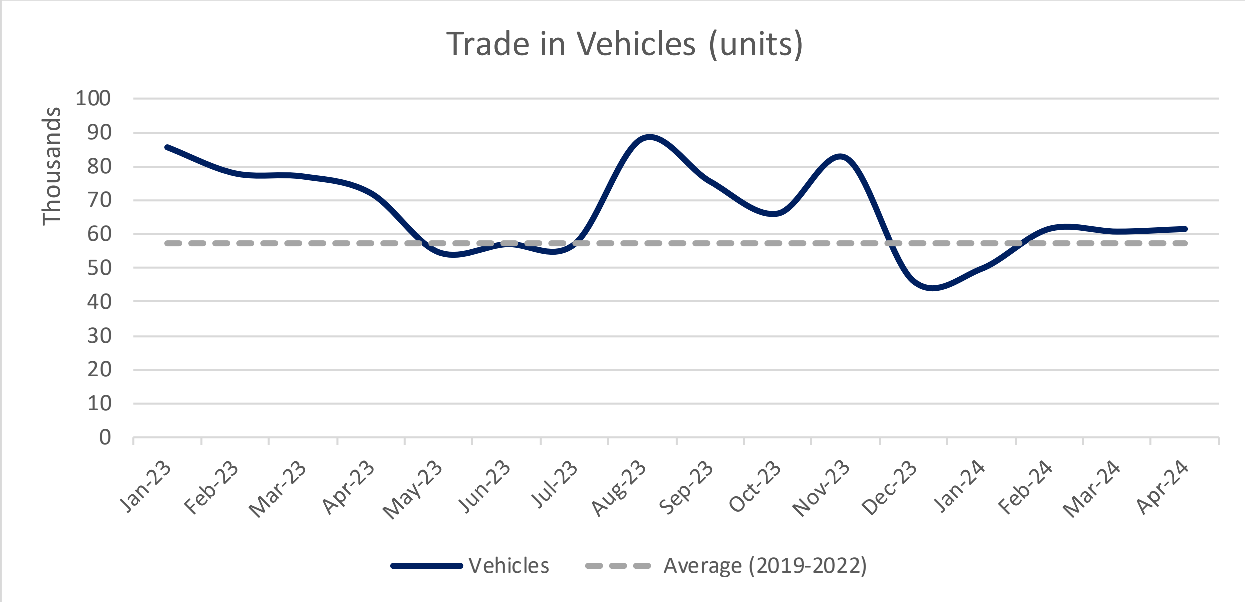
Figure 10 – Total breakbulk cargo handled by South African Ports (metric tons)



Source: Calculated using data from [TNPA](), updated 20/05/2024.

These short-term figures emphasise the current nature of our port system – especially when considering their respective realities versus longer-term averages. Dry bulk – mainly containing our major export commodities in the form of coal and iron ore exports – is a cause for concern. The other two sectors are trending slightly above the average before and throughout the pandemic. Another slight improvement comes in the form of trade in vehicles, which has seen increased volumes since the start of last year:

Figure 11 – Total vehicle trade handled by South African Ports (units)



Source: Calculated using data from TNPA, updated 20/05/2024.

c. Summary of port operations

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

i. Weather and other delays

- More than 30 operational hours were lost in Cape Town due to strong winds and vessel ranging.
- Equipment breakdowns and shortages, coupled with dredging and sounding operations, constituted the majority of delays in Durban.
- Vessel ranging and adverse weather ensured operational delays at our Eastern Cape ports.
- Minimal delays were reported at the Port of Richards Bay this week.

ii. Cape Town

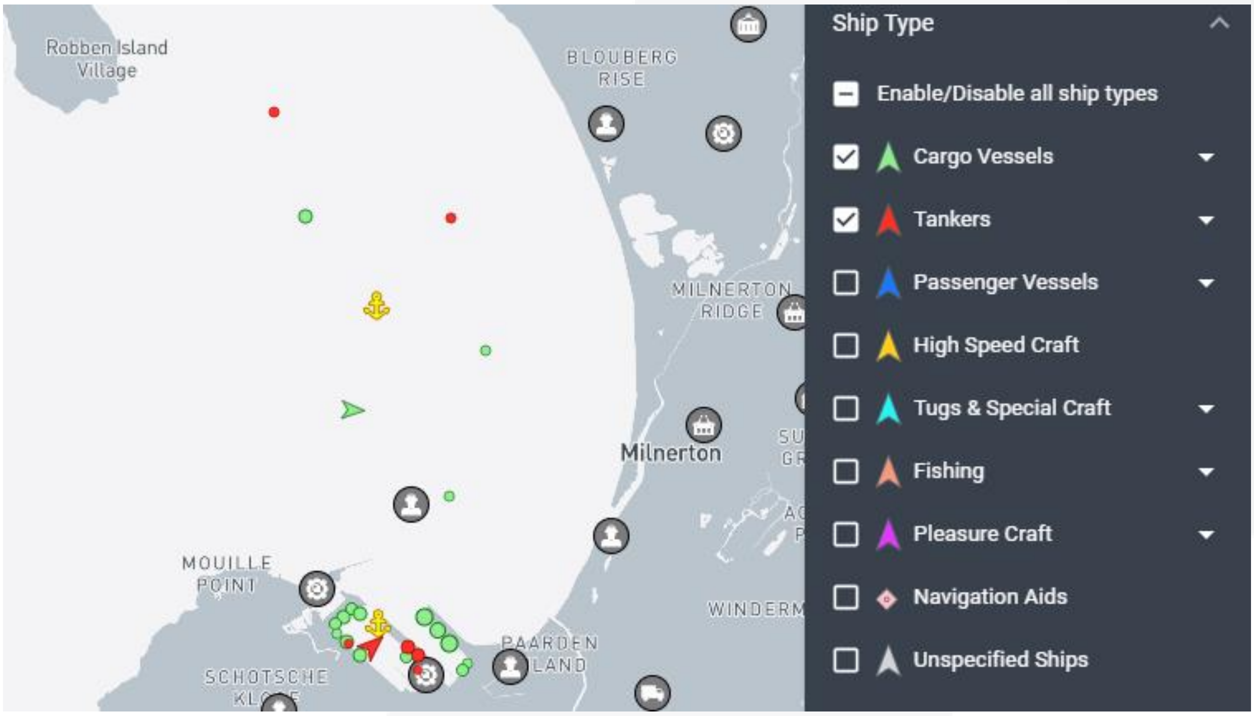
On Thursday, CTCT recorded two vessels at berth and zero at anchor as vessel ranging and adverse weather conditions disrupted operations at the terminal again this week. Between Tuesday and Thursday, the terminal handled 2 446 container moves on the waterside, translating to an average of 815 daily moves. On the landside, during the same period, the terminal managed to service 3 805 trucks, translating to an average of 1 268 trucks per day (**↑55%**) while handling 150 rail units (**↑55%**). By the end of the week, stack occupancy for GP containers was recorded at **26%**, reefers at **37%**, and empties at **33%**. Additionally, the terminal operated with seven STS cranes, 28 RTGs, and 42 hauliers. Due to strong winds and vessel ranging, the terminal lost at least 30 operational hours this week. Cranes LC1 and LC5 remain out of service with no ETR available yet. In general it is pleasing to record some improved performance from the Terminal.

The multi-purpose terminal recorded one vessel at anchor and one at berth on Thursday. In the preceding 24 hours, the terminal managed to service 40 external trucks at an undisclosed truck turnaround time on the landside. During the same period, CTMPT managed to move 3 973 tons of bulk across the quay on the waterside. Stack occupancy was recorded at **24%** for GP containers, **55%** for reefers, and **18%** for empties. Towards the end of the week, the terminal conceded 14 operational hours to strong winds.

During the week of 13 to 19 May 2024, the FPT terminal serviced eight vessels comprising four multi-purpose vessels, two dry bulk vessels, and two container vessels. Berth occupancy during this period was recorded at 84%. During the week, 2 371 TEUs were handled at ~eight container moves per hour, while 27 927 tons of dry bulk was handled at ~147 tons per hour. Additionally, 4 705 pallets of fruit were handled at ~28 pallets an hour while handling 223 tons of general cargo at ~45 tons per hour. FPT planned to handle ten vessels between 20 and 26 May, with another 11 planned between 27 May and 02 June. Adverse weather and the late arrival of cargo and transporters accounted for most of the delays at the terminal this week.

At midday on Friday, six vessels were waiting outside at anchorage in Cape Town, with the following snapshot of the port and vessels waiting to berth:

Figure 12 – Cape Town vessel view (per vessel group)



Source: Marine Traffic. Updated 24/05/2024 at 14:00.

iii. Durban

TNPA and Mnambithi Liquid Bulk Terminals have signed a terminal operation agreement for a new **R1,1 billion liquid bulk terminal** that will be built at the Port of Durban.[9] The terminal will have the capacity to store 100,000 cubic metres of liquid bulk cargo, including edible oils, caustic soda, and phosphoric acid. The latest reports suggest that 1,000 jobs will be created during one phase of construction, while more than 200 jobs will be created once the terminal is operational. Construction is expected to start in the next three months, with completion expected in mid-to-late 2026.

Additionally, TNPA indicated that all TNPA-rendered services will continue as normal on National Election Day, 29 May 2024.

[9] Parker, D. 23/05/2024. TNPA signs terminal operator agreement with Mnambithi Terminals in transformation deal.

On Friday, Pier 1 recorded one berth vessel operated by three gangs and two vessels at anchor. Stack occupancy was **43%** for GP containers and **30%** for reefers. Between Monday and Friday, the terminal executed 6 702 gate moves on the landside at an average truck turnaround time of ~100 minutes and an average staging time of ~80 minutes. Additionally, the terminal moved 5 695 TEUs across the quay on the waterside throughout the week. Towards the end of the week, the terminal experienced some extensive equipment challenges with its RTGs as the number dropped to six briefly.

Pier 2 had four vessels on berth and two at anchorage on Friday as dredging operations occupied berth 204 for a large portion of the week. In the 24 hours before Friday, stack occupancy was **48%** for GP containers and **48%** for reefer ground slots. The terminal operated with ten gangs on the waterside, moving 12 660 containers across the quay throughout the week. Between Monday and Friday, there were 11 584 gate moves on the landside at an average truck turnaround time of ~57 minutes and an average staging time of ~26 minutes. Additionally, 1 900 units were moved by rail in the same period. The number of available straddle carriers fluctuated between 53 and 60 this week. Also, Crane 533 is expected to return to service by 25 May, while Crane 525 is anticipated to return by 29 May. Finally, crane 521 is expected to be back in service by mid-June.

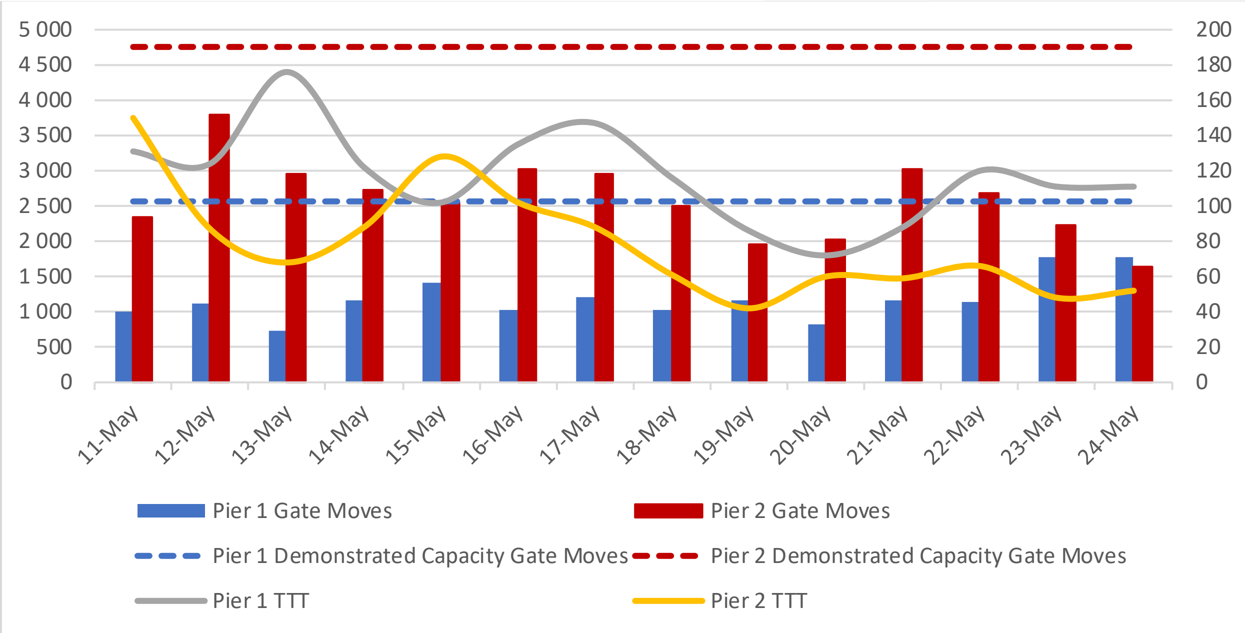
Durban's MPT terminal recorded two vessels at berth on Thursday and one at outer anchorage. 324 containers were moved across the quay on the waterside, while 125 container road slots were serviced on the landside. The next break bulk vessel is anticipated to arrive on 25 May. Stack occupancy for breakbulk was recorded at 0% and 25% for containers. During the same period, three cranes, nine reach stackers, one empty handler, seven forklifts, and 14 ERFs were in operation. Crane 01 seemingly returned to service as anticipated before the end of the week, with no ETR being available for crane 06 yet. This crane experienced some technical issues with the boom.

On Thursday, the Maydon Wharf MPT had one vessel on berth and zero at outer anchorage. 46 trucks, containing 1 634 tons, were serviced on the landside. During the same period, the Agri bulk facility had one vessel on berth and zero vessels at anchorage. 6 992 tons were handled on the waterside, while no landside activity occurred.

On Friday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with one at anchorage. In the preceding 24 hours, the terminal handled 1 507 road units and 171 rail units on the landside while handling 1 264 on the waterside. During the same period, overall stack occupancy was recorded at 89% (comprising 38% Exports, 42% Imports, and 20% Transshipments), Q/R at 80%, and the G-berth stack at 60%. During this period, 220 high-and-heavies (abnormal loads) were on hand, with 16 being discharged.

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.

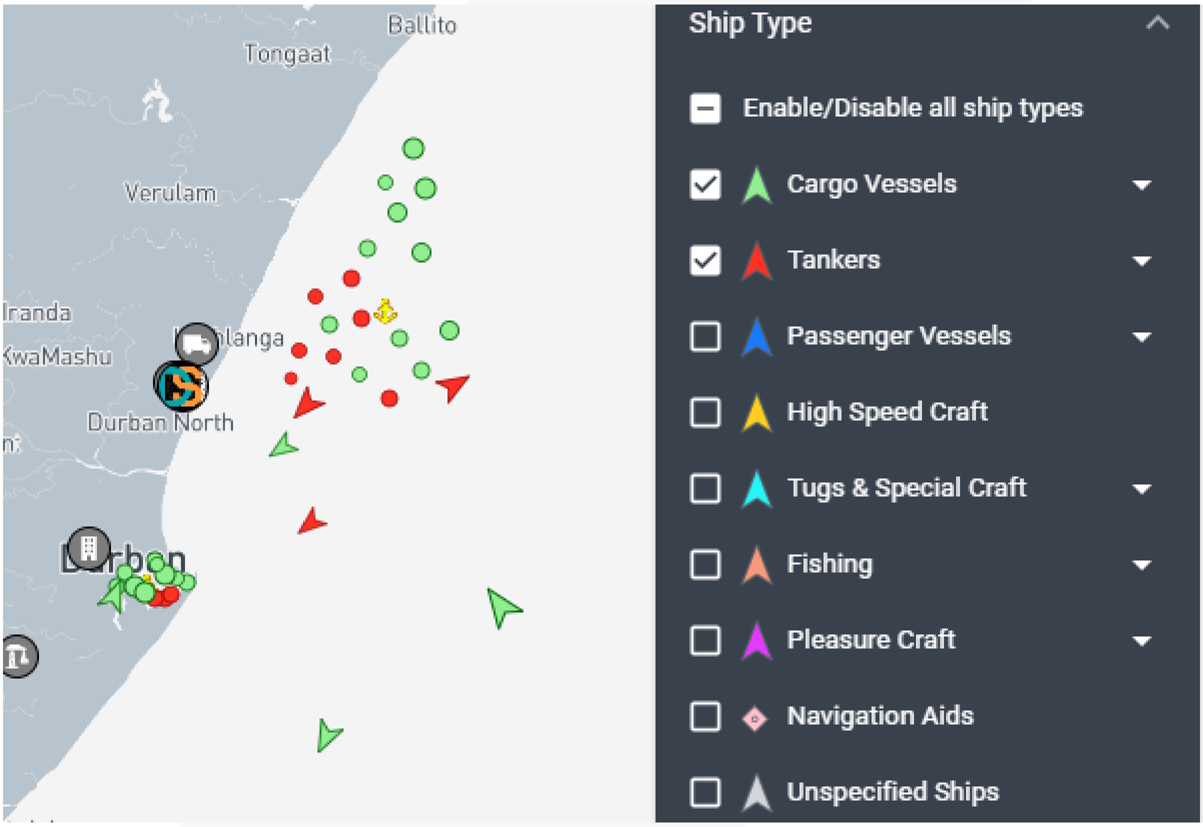
Figure 13 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 24/05/2024.

A queue of vessels waiting outside Durban remains. At midday on Friday, three vessels were waiting for Pier 2, two for Pier 1, and two for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 14 – Durban vessel view (per vessel group)



Source: Marine Traffic. Updated 24/05/2024 at 14:00.

iv. Richards Bay

On Wednesday, Richards Bay recorded 14 vessels at anchor, while nine vessels were berthed, consisting of four at DBT, four at MPT, zero at RBCT, and one at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. Towards the end of the week, the coal terminal had six vessels at anchor and two at berth while handling 96 872 tons on the waterside. On the landside, 19 trains were serviced, against the target of 22.

v. Eastern Cape ports

On Thursday, NCT recorded three vessels on the berth and one at 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 to Friday. Stack occupancy was 55% for GP containers and 48% for reefers, as a total of 2 825 TEUs were processed on the waterside. Additionally, 508 trucks were serviced on the landside at a truck turnaround time of ~13 minutes. The terminal experienced operational delays this week due to vessel ranging, adverse weather, and agents.

On Thursday, GCT recorded one vessel at berth and one at outer anchorage, with one vessel drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Friday. On the waterside, 839 TEUs were handled across the quay, while 474 trucks were processed at a truck turnaround time of ~31 minutes. Stack occupancy figures were recorded at 38% for GP containers and 40% for reefers.

No vessels were serviced at the Ro-Ro terminal this week, with stack occupancy recorded at 67%. And lastly, no reports were received for the Port of East London this week.

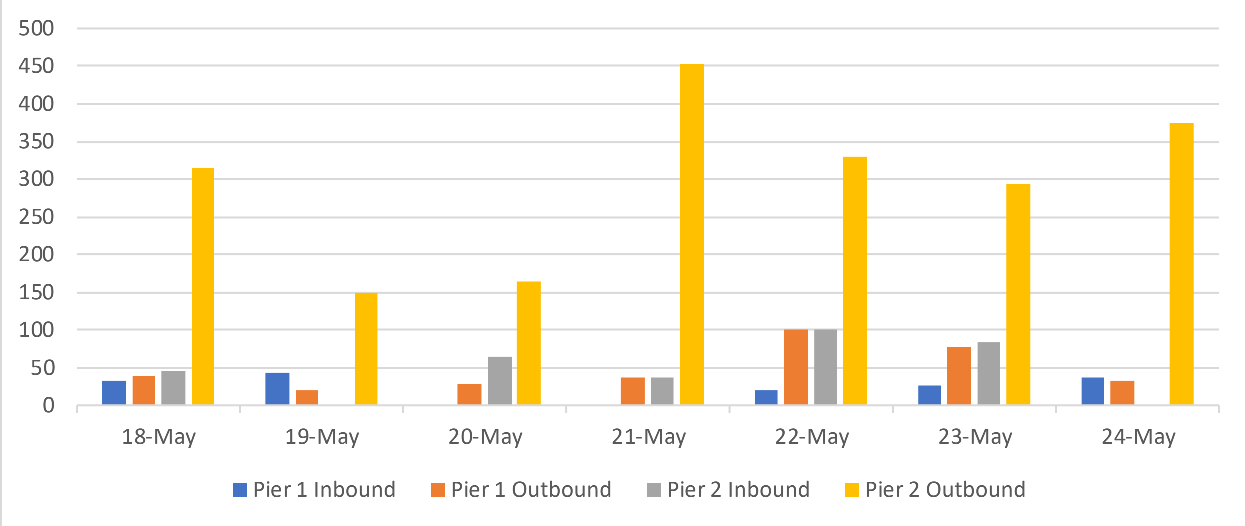
vi. Saldanha Bay

On Wednesday, the iron ore terminal had one vessel 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 0-7 days, while the vessels in port have been on the berth for 2-4 days.

vii. Transnet Freight Rail (TFR)

South Africa's citrus season kicked off this week with the arrival of one of the longest trains for offloading at the Port of Durban's Container Terminal Pier 2. The latest reports from TPT suggest that the train arrived from Limpopo carrying 48 forty-foot containers of citrus fruit destined for export markets and had already been unloaded with rail-mounted gantry cranes. The cranes loaded the containers onto hauliers, which were then moved to the reefer yard, where they would be loaded when the appropriate vessels arrived at the port. Additionally, towards the end of the week, DCT Pier 2 had 163 over-border units on hand with a dwell time of 23 days and 96 ConCor units on hand with a dwell time of 72 hours. Rail containers on hand in Durban were reported as follows: Point: 5, Pier 1: 38, Pier 2: 194.

Figure 15 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2024. Updated 24/05/2024.

In the last week (*18 to 24 May*), rail cargo handled out of Durban was reported at **2 904** containers, up by **↑17%** from the previous week's **2 483** 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 13 May. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *May 2023* averaged **~767 116 kg** per day.

Table 6 – International inbound and outbound cargo from OR Tambo[10]

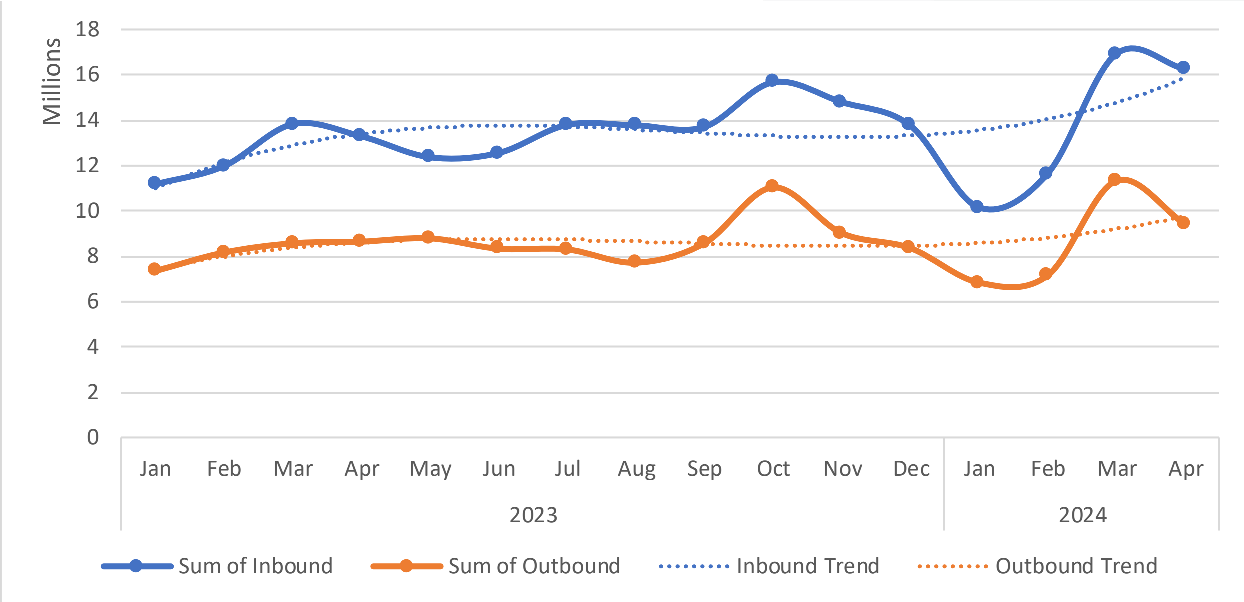
Flows	13-May	14-May	15-May	16-May	17-May	18-May	19-May	Week
Volume inbound	399 815	230 380	354 935	261 008	429 001	356 616	1 685 127	**3 716 882**
Volume outbound	108 901	123 283	187 931	143 721	210 692	219 027	1 195 918	**2 189 473**
Total	**508 716**	**353 663**	**542 866**	**404 729**	**639 693**	**575 643**	**2 881 045**	**5 906 355**

Courtesy of ACOC. Updated: 21/05/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to **530 983 kg** inbound (**↓8%**, w/w) and **312 782 kg** outbound (**↓3%**), resulting in an average of **843 765 kg per day**, which is a weekly drop, but still above longer-term averages. Consequently, the industry remains up versus last year (**↑10%** versus May 2023) and slightly down compared to pre-pandemic times (**↓11%** versus May 2019). The following graphs show the movement since the start of last year:

[10] Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and fr No noom South Africa.

Figure 16 – International cargo from OR Tambo – volumes per month (kg millions)

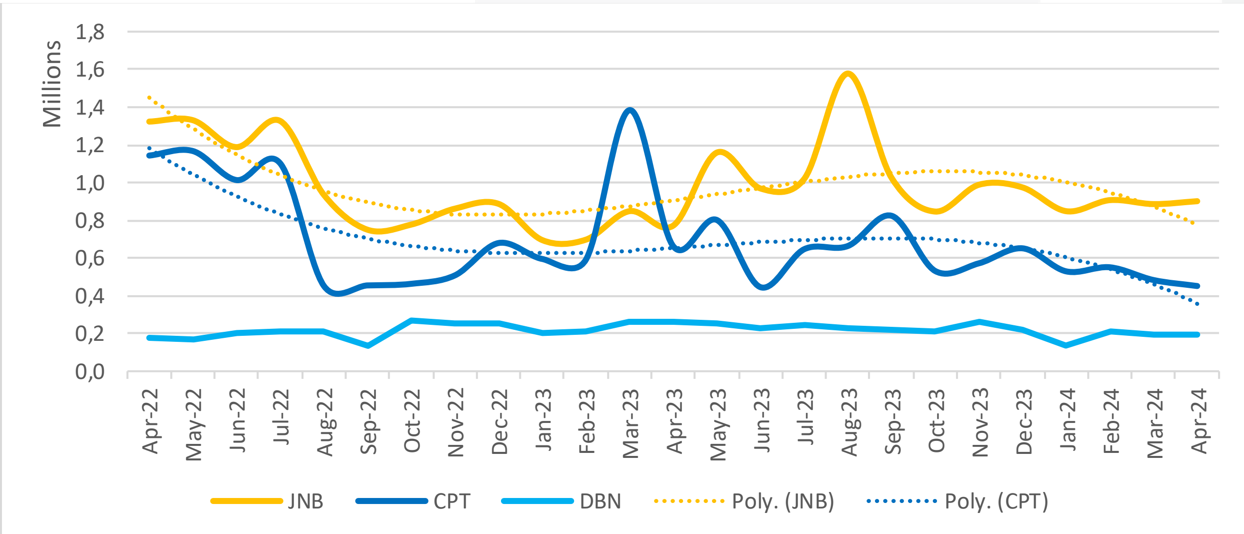


Courtesy of ACOC. Updated: 21/05/2024.

b. Domestic air cargo

The following graphs show the domestic movement at our main airports in the last two years:

Figure 17 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 16/05/2024.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders decreased by around **four hours**, averaging **~7,0 hours** (**↓38%**, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by almost **three hours** and averaged **~0,5 hours** (**↓85%**, w/w).
- Locally, the government's Justice, Crime Prevention and Security Cluster said that a planned national strike in the trucking industry had been avoided after discussions with the relevant trade unions and associations. The trucking industry had planned to hold a nationwide shutdown on Monday due to the alleged employment of illegal foreigners in the industry. The government has reached an agreement with freight and trucking stakeholders to implement necessary legislative and enforcement measures.
- Cooperation Agreement Signed: On 16 May, the Deputy Prime Minister of Interior & Security of the Democratic Republic of Congo met with Zambia's Minister of Home Affairs to sign an agreement to facilitate cross-border trade between the Southern African Development Community (SADC) nations.
- Increased Border Crossing Times at Beitbridge: Recent weeks have seen lengthier crossing times on the Zimbabwe side of Beitbridge. Investigation into the cause revealed that Zimbabwe's government, on 1 May, repealed the Open General Import License (OGIL) under Statutory Instrument 35. This change mandates importers to secure permits for goods previously covered under OGIL, leading to a new requirement by the ZIMRA for 90% scanning of northbound commercial traffic to combat smuggling.
- The introduction of a newly upgraded drive-through scanner at the end of the border and changes in procedures, such as 100% scanning of loaded southbound vehicles and delays in escorting trucks to Condep, have further contributed to increased wait times at Beitbridge.
- Zambia's government announced that as of 19 May, the new "Statutory Instrument No. 25 of 2024, The Fees & Fines Amendment Regulation," will alter Asycuda processing fees, impacting trade and customs operations.
- 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 this platform's questionable effectiveness, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[11], arguably providing 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 7 – Delays[12] summary – South African borders (both directions)

Border Post	Direction	HGV[13] 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	484	9,6	10,5	35,0	14 520	3 388
Beitbridge	Zimbabwe-SA	433	5,3	2,3	14,1	12 990	3 031
Groblersbrug	SA-Botswana	236	6,0	1,3	20,3	7 080	1 652
Martins Drift	Botswana-SA	208	0,0	1,1	3,3	6 240	1 456

[11] FESARTA TRANSIST Bureau.

[12] It should be noted that the root cause of the reported delays is uncertain and variable 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.

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

Border Post	Direction	HGV[13] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Kopfontein	SA-Botswana	226	0,6	1,2	9,2	6 780	1 582
Tlokweng	Botswana-SA	22	0,4	0,2	0,4	660	154
Vioolsdrift	SA-Namibia	30	0,0	0,0	0,0	900	210
Noordoewer	Namibia-SA	20	0,0	0,0	0,0	600	140
Nakop	SA-Namibia	30	0,0	0,0	0,0	900	210
Ariamsvlei	Namibia-SA	20	0,0	0,0	0,0	600	140
Skilpadshek	SA-Botswana	243	0,4	3,1	8,3	7 290	1 701
Pioneer Gate	Botswana-SA	45	0,4	1,0	1,4	1 350	315
Lebombo	SA-Mozambique	1 446	5,2	1,0	4,4	43 380	10 122
Ressano Garcia	Mozambique-SA	125	0,0	0,3	1,4	3 750	875
Weighted Average/Sum		**3 568**	**2,0**	**1,6**	**7,0**	**107 040**	**24 976**

Source: TLC, FESARTA, & Crickmay, week ending 19/05/2024.

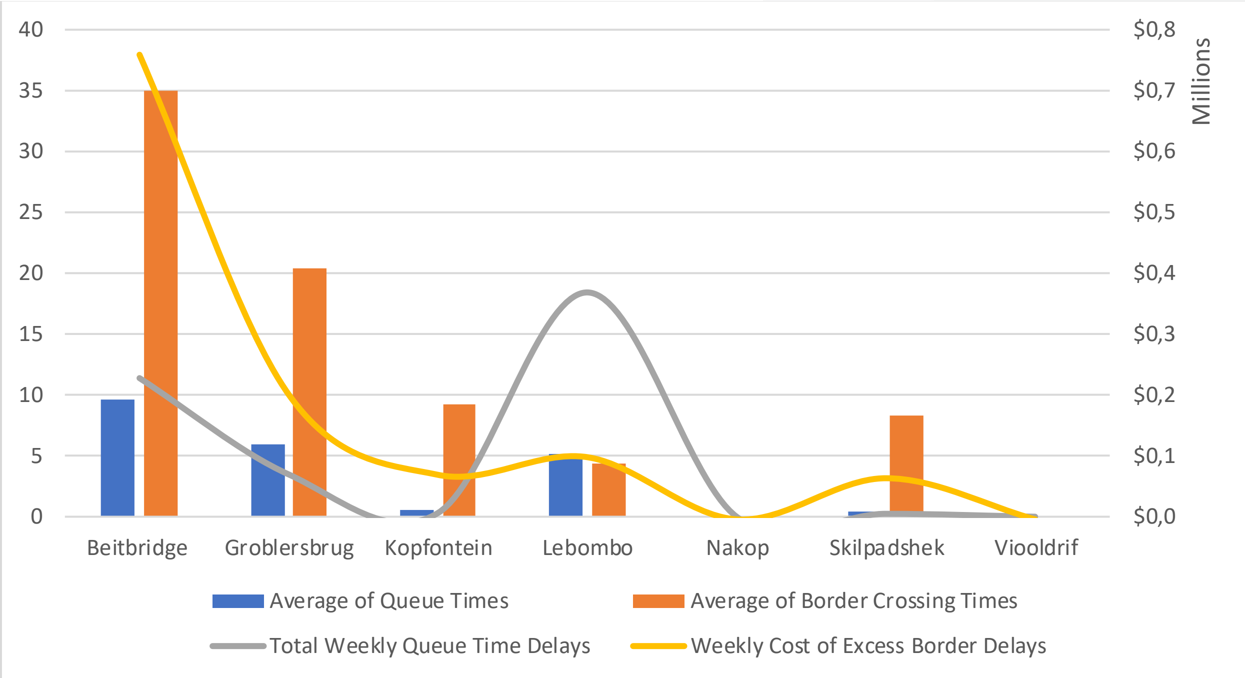
Table 8 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0,0	0,0	0,0	9 600	2 240
Central Corridor	798	0,0	0,0	0,0	23 940	5 586
Dar Es Salaam Corridor	1 819	0,6	0,0	0,0	54 570	12 733
Maputo Corridor	1 571	2,6	0,6	2,9	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 681	1,3	1,3	6,0	110 430	25 767
Northern Corridor	2 817	0,0	0,0	0,0	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	318	0,8	1,1	2,7	9 540	2 226
Trans Oranje Corridor	100	0,0	0,0	0,0	3 000	700
Weighted Average/Sum	**11 767**	**0,5**	**0,4**	**1,8**	**361 020**	**84 238**

Source: TLC, FESARTA, & Crickmay, week ending 19/05/2024.

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

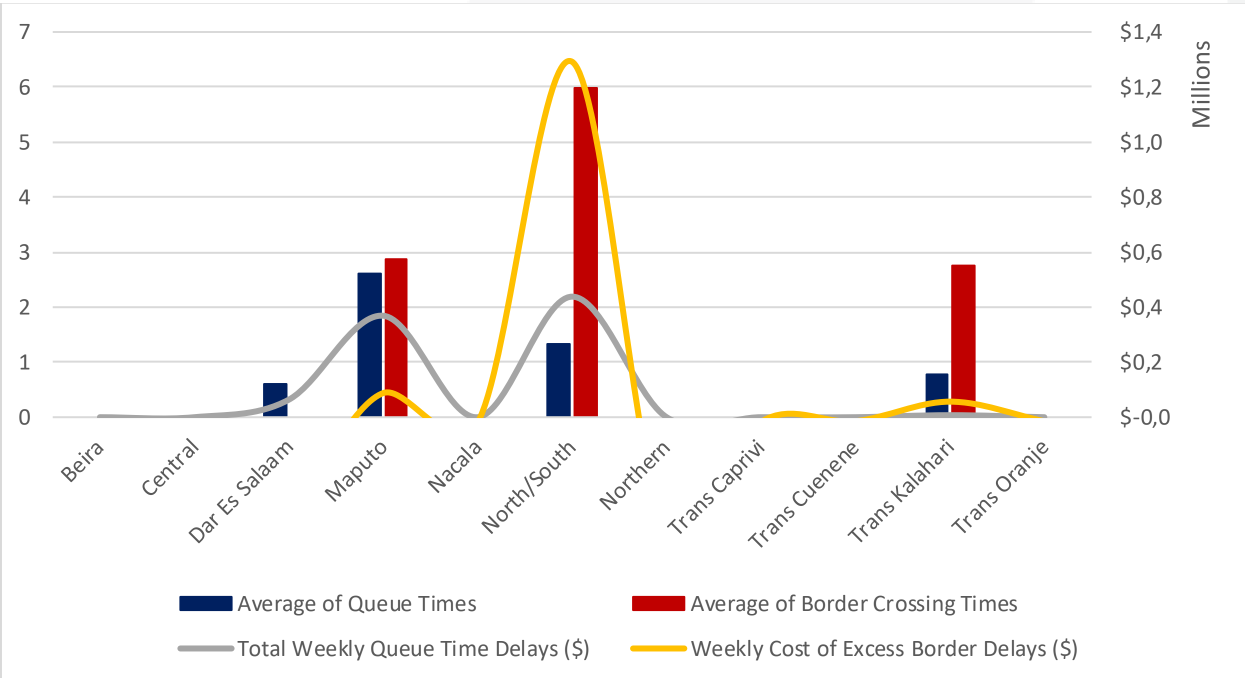
Figure 18 – Weekly cross-border delays & est. cost from an SA border perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 19/05/2024.

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

Figure 19 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 19/05/2024.

In summary, cross-border queue time averaged **~0,5 hours** (down by **~6,0 hours** from the previous week's **~6,5 hours**), indirectly costing the transport industry an estimated **$877 thousand** (**R16 million**). Furthermore, the week's average cross-border transit times hovered around **~1,8 hours** (down by **~2,4 hours** from the **~4,2 hours** recorded in the previous report), at an indirect cost to the transport industry of **~$500 thousand** (**R9 million**). As a result, the total indirect cost for the week amounts to an estimated **~$1,3 million** (**R25 million**, down by **~R139 million** or **↓85%** from **~R164 million** in the previous report).

4. International Update

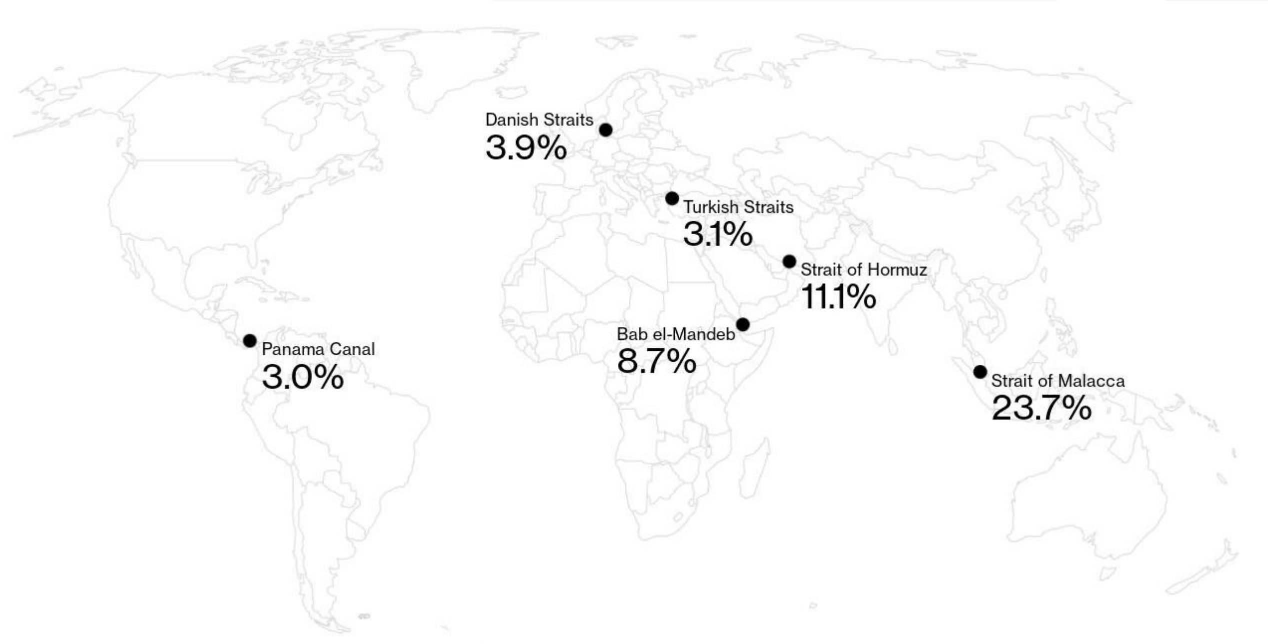
The following section provides some context around the global economy and its impact on trade, mainly an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Global shipping choke points

The global shipping industry faces numerous constraints that continue to affect international trade. Firstly, geopolitical tensions, such as the wars in Ukraine and Gaza and the ongoing economic confrontation between China and the United States, present significant risks of disruption to seaborne trade routes.[14] Additionally, climate change poses a threat to maritime operations by impacting ports and waterways. These challenges persist and potentially worsen, even as the world recovers from the supply chain interruptions caused by the pandemic, which previously led to global shortages (also in container equipment out of Northern China, lately[15]) and inflation. A new report highlights the six major choke points – shortcuts that handle a disproportionate share of maritime trade, along with the risks they face:

Figure 20 – Share of global seaborne trade volume in 2023 (%)



Source: Clarksons via Bloomberg

[14] Nightingale, A. 23/05/2024. The Six Choke Points That Can Upend Global Trade.
[15] Lennane, A. 20/05/2024. Mounting container shortages creating 'total havoc'.

Each segment of the global shipping industry is exposed to a unique set of overlapping challenges that could escalate a sudden incident—whether manufactured or a natural disaster—into a significant crisis. Consider the 2021 incident where the Ever Given container ship became lodged in the Suez Canal, blocking approximately **$10 billion** worth of global trade for nearly a week. Similarly, the bridge collapse in Baltimore in March obstructed access to a port that processed goods valued at **$80 billion** in 2023. Fortunately, the *MV Dali* that has been blocking the port of Baltimore for two months has been refloated, while Maersk has reopened some related service bookings.[16] Also, as of this month, all of the liner services affected by the limits on Panama Canal transits have returned to their regular operation.[17]These examples underscore the vulnerability of maritime trade to disruptions that can have far-reaching economic consequences.

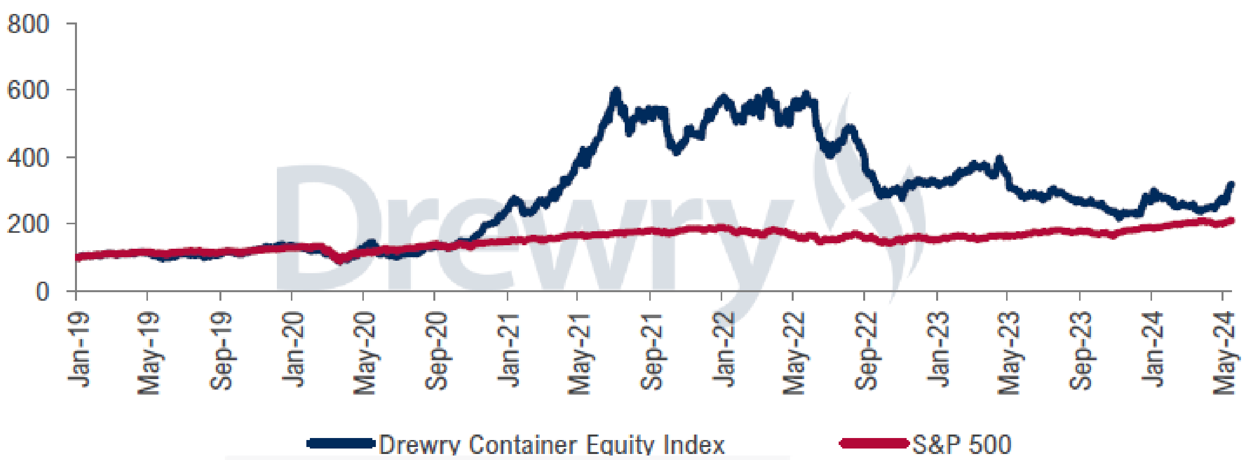
ii. Global container summary

Global container port congestion remains stable at **5,3%** of the global fleet (around **1,57 million TEU**), as the major issue remains slow transit times because of the various choke points mentioned above – not least so the Red Sea crisis. In fact, the average minimum transit times on the Asia-Mediterrenean routes are up by **↑39%** in the three months since the crisis started.[18] The Port of Durban remains on the second page of Linerlytica's "*Port Congestion Watch*". On Wednesday, the queue-to-berth ratio at Durban was **0,45** (slightly up from last week's **0,41**).[19] Lastly, there is almost no capacity sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" crept up this week to **6%**.[20]

iii. Global shipping financial insight and container freight rates

The global shipping industry is experiencing notable financial changes due to several factors, including a crisis in the Red Sea, congestion at Asian ports, robust US imports, and decreased capacity to Europe. These circumstances, coupled with early imports due to geopolitical fears, have led to a dramatic rise in spot rates. The World Container Index (WCI) significantly increased by **↑28,8%** from early May to mid-May, showing a **2,1-fold growth year-to-date in 2024** (more on this week's change below). This surge in spot rates is expected to bolster revenues for container shipping companies in Q2 2024, with related equity prices also rising. The broader shipping index outperformed the S&P 500, recording a **↑19%** increase year-to-date, compared to the S&P's **↑11,1%** rise:

Figure 21 – Drewry Container Equity Index versus S&P 500 (Index, 1 January 2019 = 100)



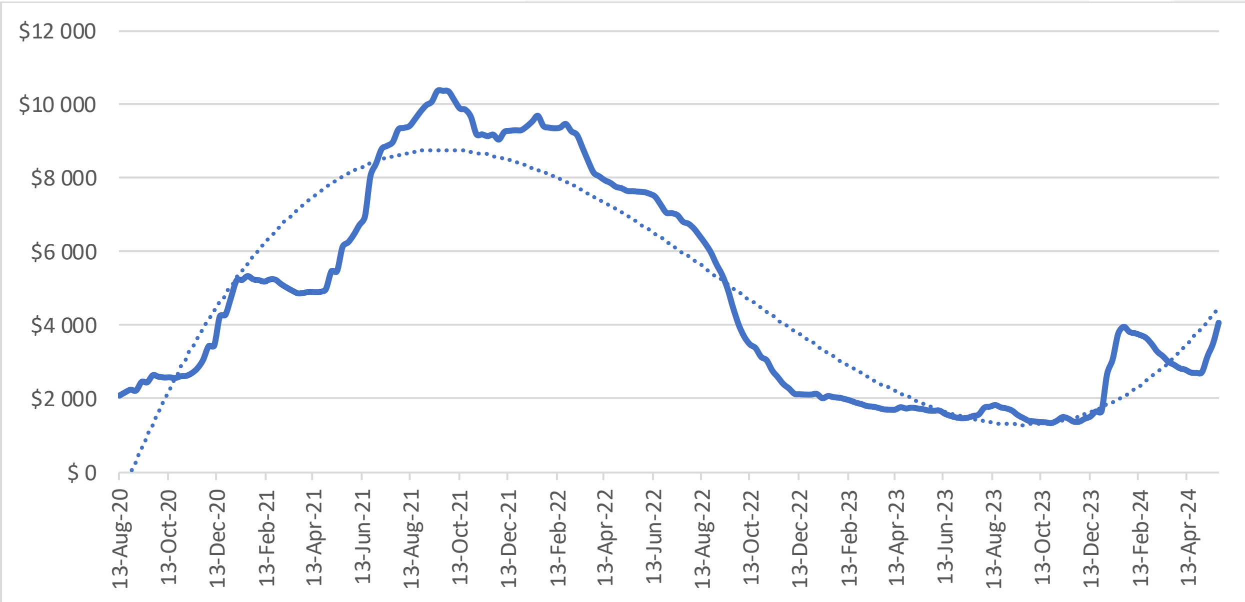
Source: Drewry

[16] Goldstone, C. 20/05/2024. Baltimore refloats and moves MV Dali, with services set to resume.
[17] Li, M. 20/05/2024. Panama Canal crossings resume, but some time before full normalisation.
[18] Murphy, A. 22/05/2024. Avg. minimum transit time up 39% on Asia-MED.
[19] Linerlytica. 21/05/2024. Port Congestion Watch.
[20] Drewry. 24/05/2024. Cancelled Sailings Tracker.

Individual stock performances vary; ZIM leads with a ↑**92%** increase due to high spot rate exposure. In Asia, companies like COSCO Shipping and Evergreen saw stock increases of ↑**20-25%** due to strong Q1 profits. Conversely, European carrier Maersk's stock dipped by ↓**1,5%** amid projected EBIT losses, while US-based Matson's stock underperformed due to its localised focus. However, Hapag-Lloyd saw a significant uptick, with the stock rising ↑**20,7%** following an upgraded profit outlook for 2024.

This week, the frustration among North European shippers and freight forwarders escalated significantly due to the sharp increase in spot freight rates. Drewry's WCI reported a ↑**20%** increase in the Shanghai-Rotterdam route, with rates climbing to **$4 999** per 40-foot container.[21] Despite this, it has been reported that actual transaction rates are considerably higher, with figures ranging between **$6 000** and **$7 500** and predictions suggesting they could reach as high as **$10 000** – which was around the average pandemic highs in September/October of 2021. The continuing tight supply of vessels and robust demand in major trading routes has exacerbated the container shortage at crucial Asian export hubs, significantly affecting secondary trade markets. Moreover, the carriers' preference for transporting higher-margin spot cargo over fulfilling contracted volumes is causing considerable discontent among longstanding customers. This week, the overall "*World Container Index*" increased by another significant amount, with the index up by ↑**16%** (or **$561**) to **$4 702** per 40-ft container.[22] The following figure shows the rollercoaster ride of the index since this report's inception:

Figure 22 – World Container Index assessed by Drewry (since mid-2020)



Source: Calculated from [Drewry]

The composite index increased by ↑**142%** compared to last year's week and is ↑**187%** higher than the 2019 pre-pandemic rates of **$1 420**. In the charter market, the rate trends mirrored those of spot rates, though

[21] Van Marle, G. 24/05/2024. Shipper fury as spot rates soar - and box lines ignore contracts.
[22] Drewry. 23/05/2024. World Container Index.

with less volatility. The Harper Petersen Index (*Harpex*) is currently trending at ***1 434 points***, up by **↑4,5%** (w/w) and up by **↑16%** (y/y) versus this time last year.[23]

iv. Further developments of note

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

1. **Detention and demurrage claims at FMC hit well over $67 million:**
   a. Since the passage of the bipartisan Ocean and Shipping Reform Act (OSRA) in mid-2022, approximately **$67 million** in claims related to unfair D&D charges have been pursued through the Federal Maritime Commission (FMC).[24]
   b. The claims have involved major carriers like Evergreen, MSC, and Yang Ming, with the most prominent being from the bankrupt retailer Bed, Bath and Beyond, seeking over **$31 million**.
   c. Amidst these disputes, Project 44 has launched a *Detention & Demurrage Optimisation* system aimed at helping shippers understand and manage D&D charges through real-time risk assessments and incurred costs. However, there is scepticism about the effectiveness of this technology in mitigating D&D charges, as without control over key points in the supply chain, such data might not prevent unfair charges.

b. Global air cargo industry

Air cargo tonnages and rates from key Middle Eastern and Asian markets to Europe remain significantly high due to strong demand and disruptions in ocean freight services, combined with limited capacity on crucial routes. This situation has caused a dramatic increase in rates on several major intercontinental routes. Recent data from WorldACD Market Data shows that worldwide air cargo tonnages increased by approximately **↑2%** in week 20, continuing a recovery from an **↓8%** decline at the beginning of May, coinciding with the Labour Day holidays. Despite these volume increases, the average global air cargo rate has remained relatively stable, slightly rising by two cents to **$2,48 per kg** in week 20 of the year. This rate is a **↑2%** (y/y) increase and **↑40%** higher than pre-pandemic levels in May 2019. The overall year-on-year tonnage growth is **↑9%** globally, with significant contributions from the Asia Pacific and Middle East & South Asia regions, which saw increases of **↑15%** and **↑16%**, respectively.

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[23] Harper Petersen Index. 24/05/2024. HARPER PETERSEN Charter Rates Index.
[24] Whiteman, A. 24/05/2024. Detention and demurrage claims at FMC hit well over $67m.

Figure 23 – Capacity, chargeable weight and rates (5w/5w)

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		-3%	+0%		+1%	+9%		+0%	-0%
Asia Pacific		+2%	+14%		+3%	+15%		-1%	+10%
C. & S. America		-10%	+13%		-23%	-2%		-3%	-4%
Europe		+1%	+6%		-3%	+3%		-1%	-21%
M. East & S. Asia		+1%	+7%		+4%	+16%		-1%	+45%
North America		-1%	+9%		+1%	+4%		+0%	-12%
Worldwide		-0%	+9%		-1%	+9%		+0%	+2%

Source: World ACD

Recent WorldACD data shows air cargo tonnages from the Middle East and South Asia (MESA) to Europe significantly increased, with an annual growth of **↑31%** in the last two weeks. Dubai led this surge with a dramatic **↑148%** growth, primarily fueled by sea-air cargo shifts due to disruptions in container shipping in the Red Sea. Other notable increases include Sri Lanka (**↑57%**) and Bangladesh (**↑28%**). Rates have also risen sharply, mainly from South Asia; for example, rates from Bangladesh to Europe reached **$4,66 per kg** in week 20, a **↑186%** (y/y) increase. Although rates from India to Europe slightly decreased, they remain high at $3,72 per kg, up by **↑163%**. In the broader Asia Pacific region, tonnages and rates to Europe also increased by **↑15%** and **↑10%,** respectively, with notable variations among origin markets.

ENDS[25]

[25] **ACKNOWLEDGEMENT:**

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

TURNERS SHIPPING

Trusted for over 125 years

FERI CERTIFICATES FOR IMPORTED AND TRANSITED GOODS TO OR THROUGH THE DRC

WAB WORLD ADVANCED BUSINESS CORPORATION

Procedure

Turners Shipping has been designated as an official Freight Certification sub-Agent for the Democratic Republic of Congo (DRC), mandated to issue the FERI (Fiche Electronique de Renseignement à l'Importation) Certificates.

1. Submit the required documents by email or online.
2. Complete the application form and provide supporting documentation.
3. You will receive an invoice with attached draft, typically within 24 hours of all documents/ information received.
4. When payment reflects, the draft approved and a copy of the final bill of lading received; the validation will be requested.
5. To avoid fines, the FERI must be validated before the vessel arrives at the destination.

Introduction

The FERI Certificate is an essential requirement for all cargo entering the Democratic Republic of Congo (DRC). It is designed to streamline customs processes and ensure compliance with the DRC's import regulations.

Turners Shipping plays a pivotal role in facilitating smoother trade flows and enhancing the efficiency of cargo movement into one of Africa's most significant economies.

The FERI Certificate is an electronic document required to clear imported and transited goods to or through the DRC.

Timeline

- The process can typically be completed within 24 hours after receipt of payment and the final bill of lading / air waybill / road manifest.

LEARN MORE

t: 031 3688000
e: certificates@turnersshipping.co.za
w: www.turnersshipping.co.za