Authored by:
www.saaff.org.za

Distributed by:
www.busa.org.za

Cargo movement update #158[1]

Date: 13 October 2023

Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	25 746	23 708	**49 454**	26 462	27 290	**53 752**	↓8%
Air Cargo (tons)	3 654	2 315	**5 968**	3 271	1 880	**5 151**	↑16%

Monthly Snapshot

Figure 1 – Monthly[4] cargo volume levels, year on year (100% = baseline; >100% = growth)

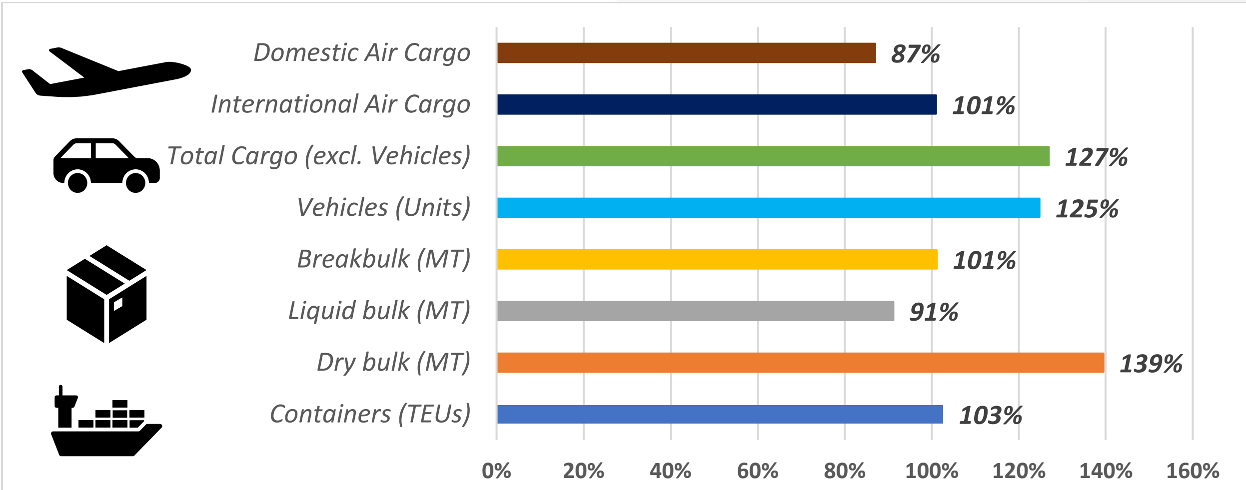
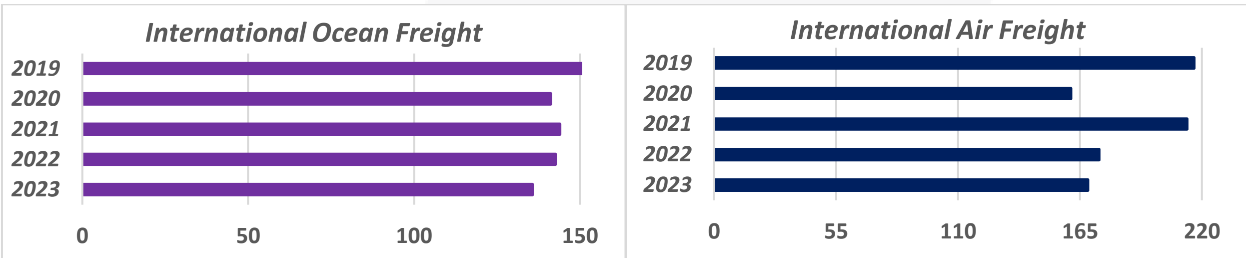


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 065 containers** was handled per day, with **~8 232 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 499** containers for the week, ↑6% (w/w).
- Cross-border queue times were **↑3,2 hours** (w/w), with transit times **↑0,9 hours** (w/w); SA borders increased by **~2,6 hours**, averaging **~10,2 hours** (**↑34%**); Other SADC borders averaged **~10,0 hours** (**↑3%**).
- CTS container throughput in August (dry & reefer) is up by **↑1,5%** (m/m) and up by **↑3,7%** (y/y).
- Global freight rates decreased by **↓1,5%** (or **$21**) to **$1 369** per 40-ft container this week. YTD: **$1 729**.
- Global air tonnages dropped by **↓2%**, with capacity slightly down and rates continuing to creep up.

[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 *158th* update.
[2] '*Current*' means the last 7 days' (a week's) worth of available data.
[3] '*Previous*' means the preceding 8-14 days' (a week's) worth of available data.
[4] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year; Ocean: Aug vs Aug. Air: Aug vs Aug.
[5] For ocean, total Jan-Jul cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Aug cargo to and from ORTIA 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 **7 065 containers** per day, significantly down compared to the **7 679** last week. This week's operational constraints revolved around network challenges, adverse weather conditions, frequent equipment breakdowns and shortages, and congestion inside the terminal gates, mainly due to insufficient usable equipment. The Ports of Cape Town and Durban returned to the *Port Congestion Watch* this week with more than **23 800 –** and **47 000 TEUs** stuck at outer anchorage, respectively. G-course system upgrades were conducted at the Ro-Ro terminal in Durban, the Maydon Wharf MPT, and the Agri-bulk terminal during the week, while the FPSO incoming vessel operation in Durban took place on Monday, 10 October 2023, and delayed operations for approximately eight hours. In addition, cable theft and vandalism occurred on the line between Durban and Newcastle towards the latter end of the week and delayed operations for approximately 12 hours.

Globally, the latest IMF reports a slow and uneven global recovery from COVID-19 and the Ukraine conflict. The baseline forecast indicates a decline in global growth from **3,5%** in 2022 to **3,0%** in 2023 and **2,9%** in 2024, well below the historical average. Advanced economies are expected to slow down due to policy tightening while emerging markets and developing economies will experience a modest decline in growth. The IMF projects a "stable and slow" growth outlook, with several factors, including the ongoing pandemic's impact, geopolitical tensions, monetary policy changes, fiscal support withdrawal, high debt levels, and extreme weather events, hampering the recovery. However, the Bloomberg "*Trade Tracker*" shows tentative signs of a global trade recovery, with indicators improving in early October compared to previous months. Consumer demand shows resilience and key ports' shipping volumes have increased. China's manufacturing sector has expanded, and the contraction is easing in other industrial centres. Manufacturers are expected to be cautious about accumulating inventory. Elevated oil and food prices are increasing input costs, and sentiment is subdued pending more convincing signs of recovery.

In the global container shipping industry, container throughput volumes for August have come in much better than expected, ostensibly confirming that the worst of the downturn is past us. Despite increased throughput and gradual economic improvement, container shipping lines are struggling to align their ample capacity with weak consumer spending. Shipping giants MSC and Maersk have announced the cancellation of several scheduled sailings between Europe and Asia through December. The scheduling adjustment trend is expected to continue after MSC and Maersk decided to end their 2M alliance in 2025. Meanwhile, the European Commission has decided not to extend the Consortia Block Exemption Regulation (CBER), allowing major shipping industry players to operate without antitrust rules. The end of CBER will usher in a period of uncertainty as carriers adjust to new legal structures. Capacity projections for November indicate increases on the Transpacific and Asia-Europe routes, reversing capacity reductions in October. The idle fleet remains at **0,9%** of the total, with port congestion affecting around **5,3%** of the industry. Other developments include **(1)** Carriers' green ambitions push orderbook to record high, **(2)** CMA CGM invests **$600 million** in NY/NJ box terminals, **(3)** Israel/Hamas conflict, and **(4)** shipping line (MSC and CMA CGM) continues to expand logistics operations in Africa.

On the air freight front, international air cargo to and from South Africa had a bumper week and increased significantly by **↑16%** in the last seven days. Both imports (**↑12%**) and exports (**↑23%**) registered positive returns, as the latest figures are closer to pre-pandemic levels (**~90%**) than they have been for some time. Internationally, global air cargo tonnages decreased by **↓5%** (w/w) in the first full week of October, primarily due to China's National Day Golden Week holiday. However, this drop was less severe than the previous year's **↓9%** decline, influenced by sporadic zero-COVID lockdowns in various regions of China. In week 40, inbound tonnages to China rebounded by ↑**10%,** following a ↓**23%** drop the previous week. Overall, chargeable weight was down ↓**1%** (y/y) in weeks 39 and 40, while capacity increased by ↑**10%**. Despite the short-term drop, rates continued to rise, trading at **$2,41 per kg**.

In regional cross-border road freight trade, average queue times increased by **three and a quarter hours,** while transit times increased by **an hour** compared to last week. The median border crossing times at South African borders increased by **two and a half hours**, averaging **~10,2 hours** (↑**34%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by approximately **20 minutes** and averaged **~10,2 hours** (↑**3%**, w/w). On average, several SADC border posts took more than a day to cross, notably Beitbridge, Kasumbalesa, Katima/Mulilo (the worst affected from the Zambia side, taking more than two days to cross), and Kazungula OSBP. Further notable developments included **(1)** a tragic accident near Mara/Mabalel on the N4, **(2)** the DRC President visiting the Katanga and Lualaba provinces, leading to restricted movement, and **(3)** Beitbridge also temporarily shut down.

In summary, our port economy continues to operate with something of a cloud above it, as the narrative of low volumes and recurring problems (such as frequent equipment breakdowns and shortages) is preventing anything remotely resembling peak performance. Based on this, we cannot expect any increases in throughput – similar to 2009 levels as far as containers are concerned and similar to 2013 levels with bulk cargo. This reality must lend some urgency to our turnaround strategy, especially considering South Africa is gradually losing market share in the container industry, as showcased this week. Economic actors – whether policymakers, regulatory authorities, cargo owners, or logistics service providers – will not accept these facts, which are available on a daily basis; however, the longer-term reality is quite clear based on available evidence. Ultimately, South Africa needs to improve all aspects of its trade, transport, and logistics industry, and the responsibility must be shared by all role players.

Contents

Weekly Snapshot **1**

Monthly Snapshot **1**

Key Notes **1**

Executive Summary **2**

Contents **4**

1. Ports Update **5**

a. Container flow overview 5

b. Summary of port operations 8

i. Weather and other delays 8

ii. Cape Town 8

iii. Durban 9

iv. Richards Bay 10

v. Eastern Cape ports 10

vi. Saldanha Bay 11

vii. Transnet Freight Rail (TFR) 11

2. Air Update **11**

a. International air cargo 11

b. Domestic air cargo 12

3. Road and Regional Update **13**

a. Cross-border and road freight delays 13

4. International Update **16**

a. World economic outlook and global trade update 16

b. Global shipping industry 18

i. Global container port throughput 18

ii. Vessel sharing, capacity update, and container industry summary 20

iii. Global container freight rates 20

iv. Further developments of note 21

c. Global air cargo industry 22

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 7 to 13 October [6]

7-day flow forecast (07/10/2023 – 13/10/2023)		
TERMINAL	**NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 436	6 067
DURBAN CONTAINER TERMINAL PIER 2:	12 925	8 934
CAPE TOWN CONTAINER TERMINAL:	2 639	2 850
NGQURA CONTAINER TERMINAL:	5 456	5 418
GQEBERHA CONTAINER TERMINAL:	290	439
TOTAL:	**25 746**	**23 708**

Source: Transnet, 2023. Updated 13/10/2023.

Table 3 – Container Ports – Weekly flow predicted for 14 to 20 October

7-day flow forecast (14/10/2023 – 20/10/2023)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 853	6 150
DURBAN CONTAINER TERMINAL PIER 2:	10 757	10 753
CAPE TOWN CONTAINER TERMINAL:	5 545	5 251
NGQURA CONTAINER TERMINAL:	7 712	5 686
GQEBERHA CONTAINER TERMINAL:	484	436
TOTAL:	**29 351**	**28 276**

Source: Transnet, 2023. Updated 13/10/2023.

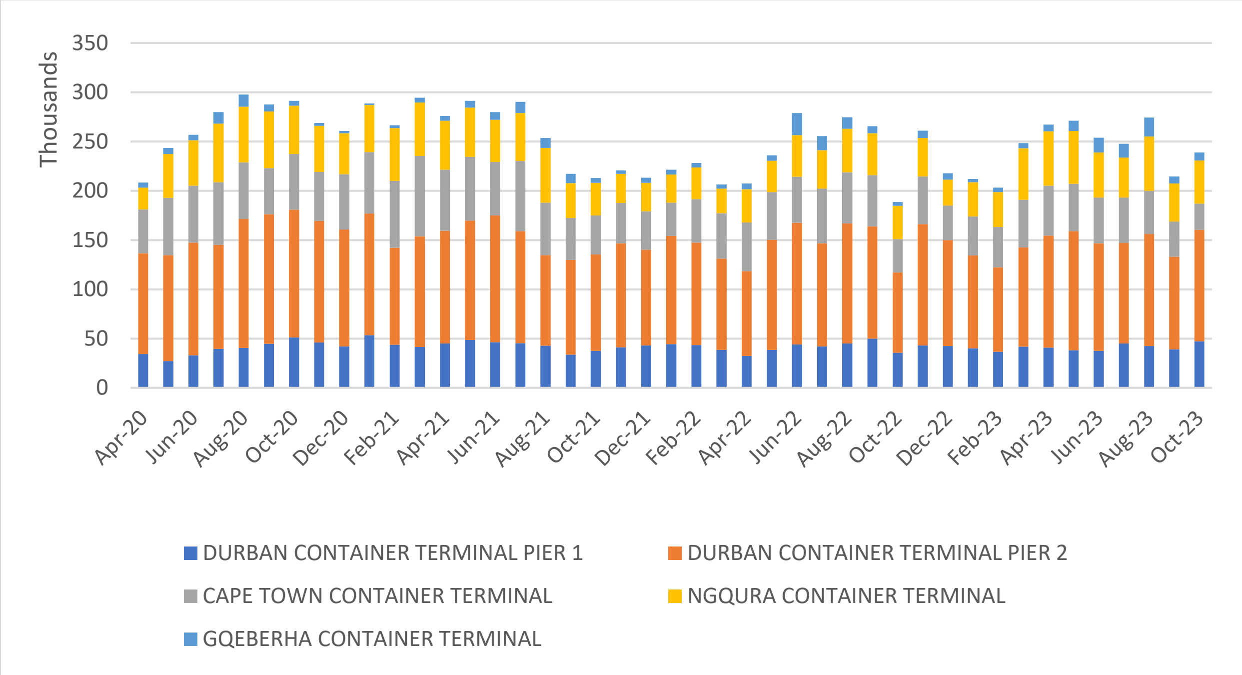
An average of **~7 065 containers** (↓8%) was handled per day for the last week (7 to 13 October, *Table 2*), compared to the projected average of **~6 672 containers** (↑6% actual versus projected) noted in last week's report. For this week, an increased average of **~8 232 containers** (↑17%) is predicted to be handled (14 to 20 October, *Table 3*). This week's operational constraints revolved around network challenges, adverse weather conditions, frequent equipment breakdowns and shortages, and congestion.

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 36% 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, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container and this figure will probably increase as the shift towards more 40' containers continues. Incidentally, the US uses 1,5 to 1,8, depending on the port.

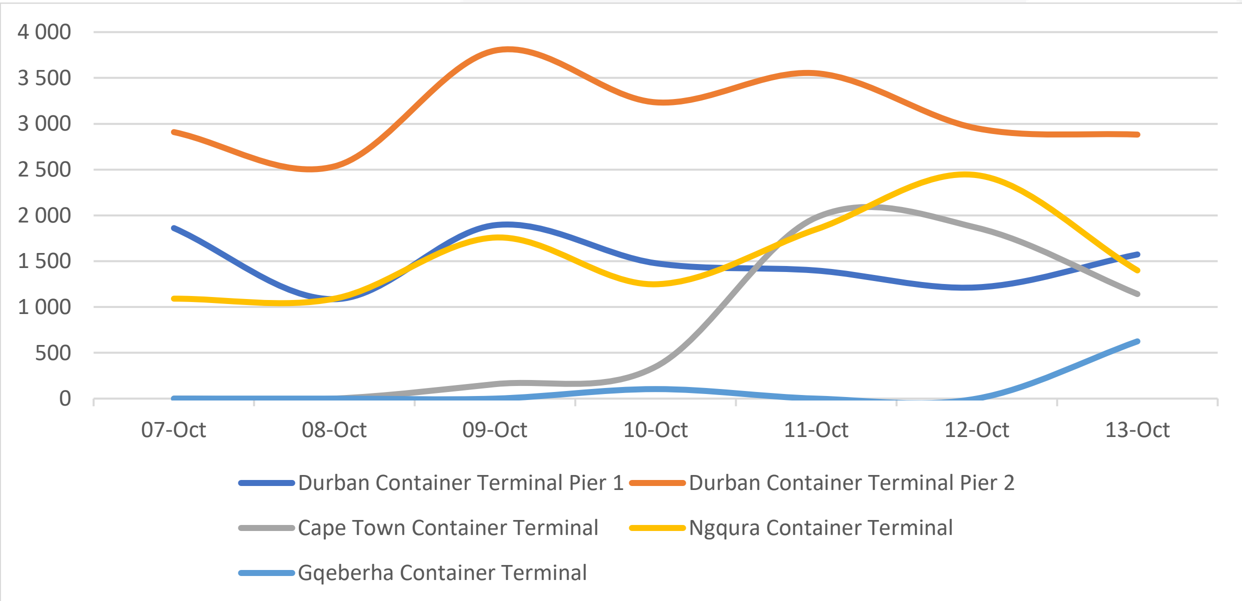
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 13/10/2023.

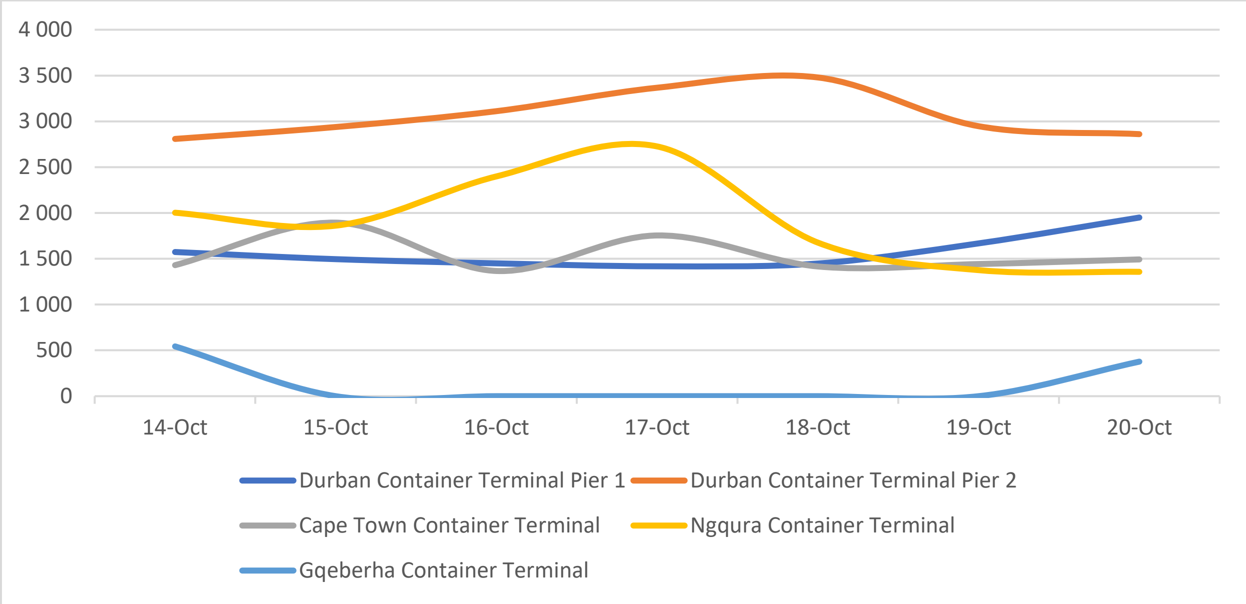
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

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



Source: Calculated using data from Transnet, 2023. Updated 13/10/2023.

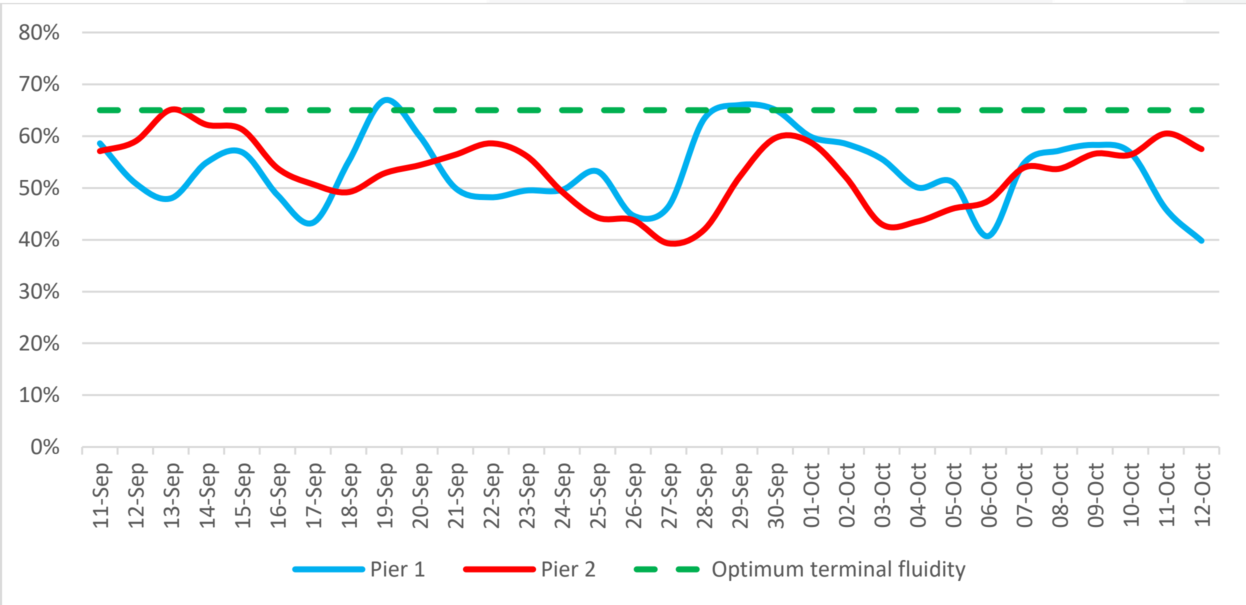
Figure 5 – 7-day forecast reported for total container movements (14 to 20 October; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 13/10/2023.

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

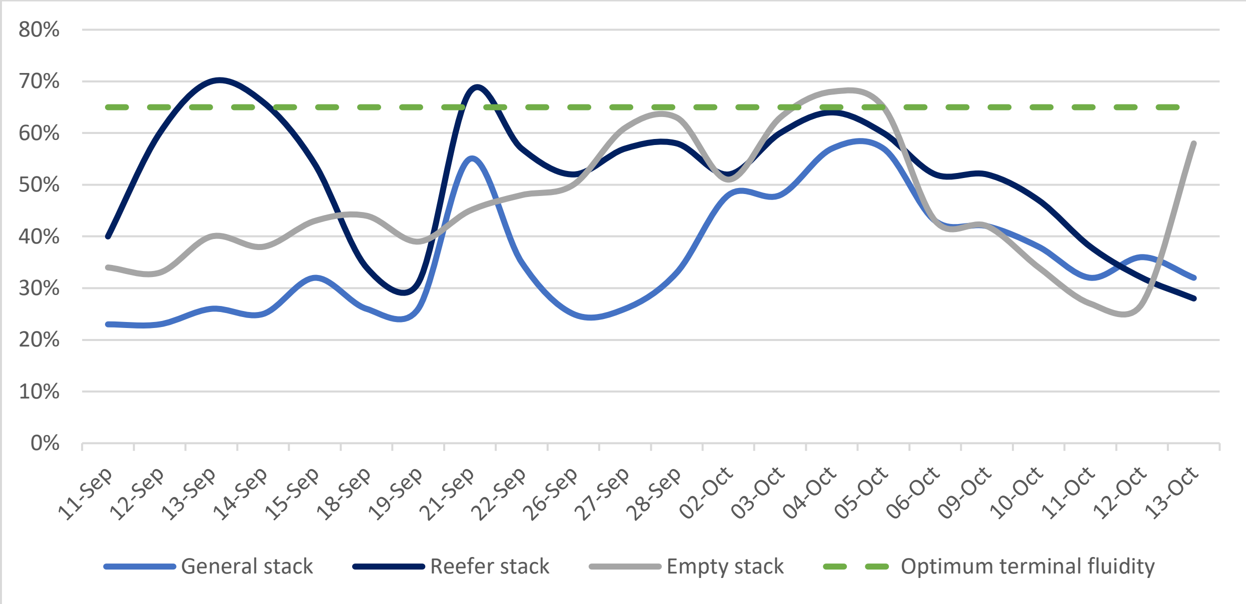
Figure 6 – Stack occupancy in DCT, general-purpose containers (11 September to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 13/10/2023.

The following figure shows daily stack occupancy in Cape Town over a similar period.

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (11 September to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 13/10/2023.

b. Summary of port operations

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

i. Weather and other delays

- Strong winds during the early stages of the week caused operational delays in Cape Town.
- Adverse weather conditions and equipment breakdowns constituted the most delays in Durban.
- Network challenges and inclement weather at our Eastern Cape Ports ensured operational delays.
- Minimal operational delays were reported by TNPA in Richards Bay this week.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and six at anchor. The terminal went windbound several times during the earlier parts of the week, ensuring that backlogs were formed. Stack occupancy for GP containers was recorded at 36%, reefers at 32%, and empties at 27%. In the latest 24-hour period to Friday, the terminal handled 1 865 TEUs across the quay while 960 trucks were serviced on the landside, with 39 rail containers on hand. As previously alluded to, the terminal went windbound for nine hours on Monday, which added to the woes experienced over the weekend. According to industry reports, berthing delays at the port are already captured around ten days, fuelling further concerns that dredging operations commencing soon will take any berth out of commission for an estimated six days. Furthermore, the terminal operated with 15 RTGs for most of the week.

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and two at berth. In the 24 hours leading to Thursday, the terminal managed to service 182 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 264 TEUs and 1 380 tons were handled across the quay on the waterside. Stack occupancy was recorded at 50% for GP containers, 51% for reefers, and 4% for empties during the same period.

The FPT private terminal reported zero vessels at anchorage while servicing three at berth on Tuesday. During the prior 24 hours, the terminal handled 247 TEUs and 275 pallets of fruit on the waterside while servicing 204 trucks on the landside. At the same time, reefer stack occupancy was very low at 1%.

iii. Durban

Pier 1 on Wednesday recorded two vessels at berth, operated by five gangs, and five vessels at anchor. Stack occupancy was 46% for GP containers and remained undisclosed for reefers. During the same period, 1 237 imports were on hand, with 176 units having road stops and 49 unassigned. The terminal recorded 755 gate moves on the landside, with an undisclosed number of cancelled slots and 62 wasted. The truck turnaround time was recorded at ~119 minutes, with an average staging time of ~110 minutes. Terminal holds were placed on blocks E2 and G2 towards the latter end of the week due to the high number of trucks within the terminal. As a result, the congestion led to the suspension of slots on several occasions.

Pier 2 had four vessels at berth and ten at anchorage on Thursday. In the prior 24 hours, stack occupancy was 56% for GP containers and 13% for reefers, with 17% of reefer ground slots utilised. The terminal operated with ten gangs while moving 2 950 TEUs across the quay. During the same period, there were 2 725 gate moves on the landside with a truck turnaround time of ~111 minutes and a staging time of ~140 minutes. Of the landside gate moves, 1 433 (53%) were for imports and 1 292 (47%) for exports. Additionally, 248 rail import containers were on hand, with 386 moved by rail. During the same period, the terminal had 11 out-of-gauge import containers on hand. Furthermore, the terminal had between 55 and 65 straddle carriers available throughout the week. The number of available straddles fluctuates widely due to frequent breakdowns.

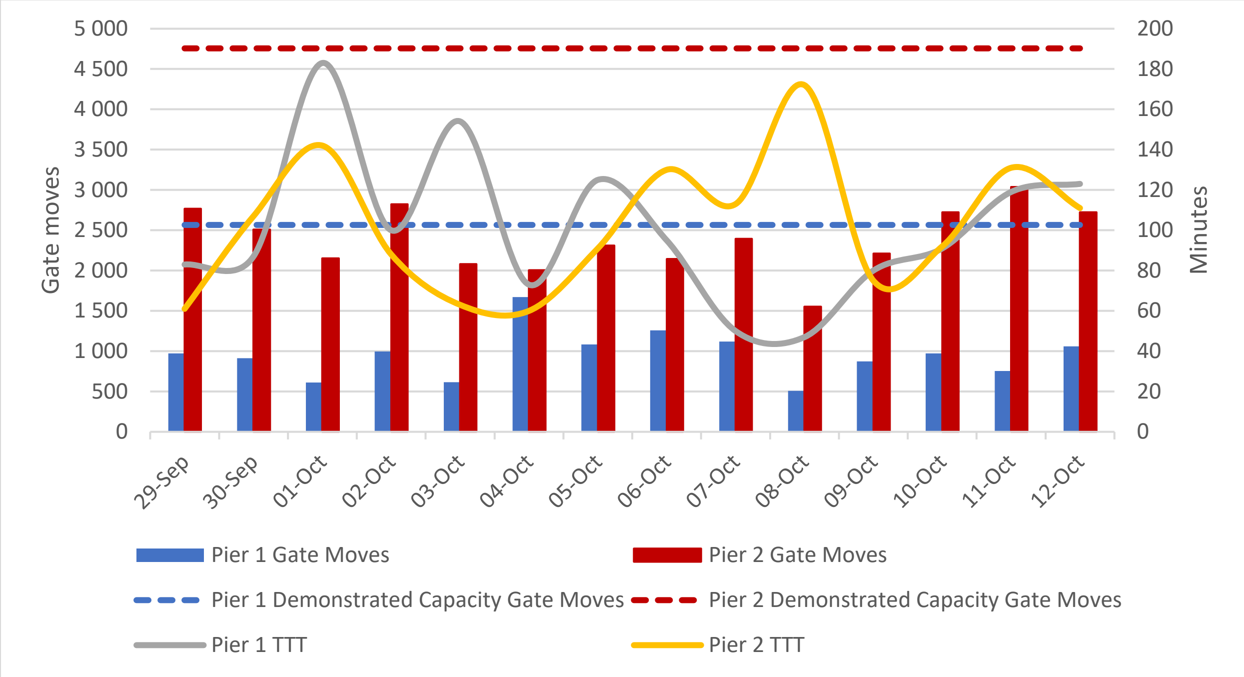
Durban's MPT terminal recorded one vessel at berth on Thursday and two at outer anchorage while handling 85 TEUs and 2 972 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 40% during that time and at 36% for containers. The terminal handled 105 container road slots and 84 breakbulk RMTs containing 2 344 tons on the landside. During the same period, two cranes, seven reach stackers, one empty handler, seven forklifts and 20 ERFs were in operation. The latest reports suggest that the estimated return time for the third and fourth cranes has been pushed back to 31 October due to procurement issues for some of the spares.

On Tuesday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with none at outer anchorage. The late arrival of carriers ensured that operational targets at the terminal could not be met earlier on n the week. During the same period, the terminal handled 1 167 units on the landside while handling 1 850 on the waterside. Over the prior 24 hours, general stack occupancy was recorded at 47%, comprising 24% imports, 71% exports, and 5% transhipments. Stack occupancy at Q/R was 10%, while the G-berth stack was 30%. The terminal had 1 407 import units on hand, 4 198 units were destined for export markets, and 282 were subject to transhipments.

During the week, g-course system upgrades were conducted at the Ro-Ro terminal in Durban, the Maydon Wharf MPT, and the Agri-bulk terminal. All terminals' respective IT teams are on standby and ready to assist should any challenges arise. Additionally, the FPSO incoming vessel operation in Durban occurred on Monday, 10 October 2023, because unforeseen circumstances halted the intended operation to be executed on 7 October 2023. All marine resources were utilised for this particular operation, which caused delays of up to eight hours.

The following figure summarises the performance of Durban's container terminals for the last two weeks, focusing on gate moves and time spent in the terminals.

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



Source: Calculated using data from Transnet, 2022. Updated 13/10/2023.

iv. Richards Bay

On Tuesday, Richards Bay recorded 25 vessels at anchor, with 11 destined for DBT, eight destined for MPT, three for RBCT, and three for liquid. Additionally, 15 vessels were recorded on the berth, translating to six at DBT, six at MPT, one at RBCT, and two at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources in the 24 hours leading to Saturday. The pilot boat remains out of commission.

v. Eastern Cape ports

NCT on Wednesday recorded three vessels on the berth and two vessels at the outer anchorage, with five drifting. Marine resources of two tugs, a pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading up to Thursday. In the same period, stack occupancy was 34% for GP containers, 24% for reefers, and 40% for reefer ground slots, as a total of 2 596 TEUs were processed. Additionally, 465 trucks were serviced on the landside at a truck turnaround time of ~39 minutes. STS Crane 3 remained out of commission this week, while STS Crane 5 also briefly went out of service towards the end of the week.

GCT on Monday recorded one vessel at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Tuesday. In the same period, stack occupancy was recorded at 52% for GP containers, 12% for reefers, and 57% for reefer ground slots. On the waterside, 585 volumes were handled across the quay at an undisclosed GCH and SWH. Additionally, 199 trucks were serviced on the landside at a truck turnaround time of ~62 minutes.

The Ro-Ro terminal had one vessel on berth and none at anchor on Monday. 705 units were handled on the waterside in the 24 hours before Tuesday. During the same period, an undisclosed number of units were on hand, leading to a stack occupancy figure of 27%.

At the Port of East London on Monday, no containers were moved across the quay, but 49 external trucks were serviced at a truck turnaround time of ~20 minutes. Stack occupancy on the container side was recorded at 17%. During the same period, at the Ro-Ro terminal, no units were processed on the waterside, but 396 units were received, while stack occupancy at the car terminal was captured at 72%. Additionally, 36 bulk trucks containing 1 270 tons of cargo were handled, leading to a stack occupancy figure of 18%.

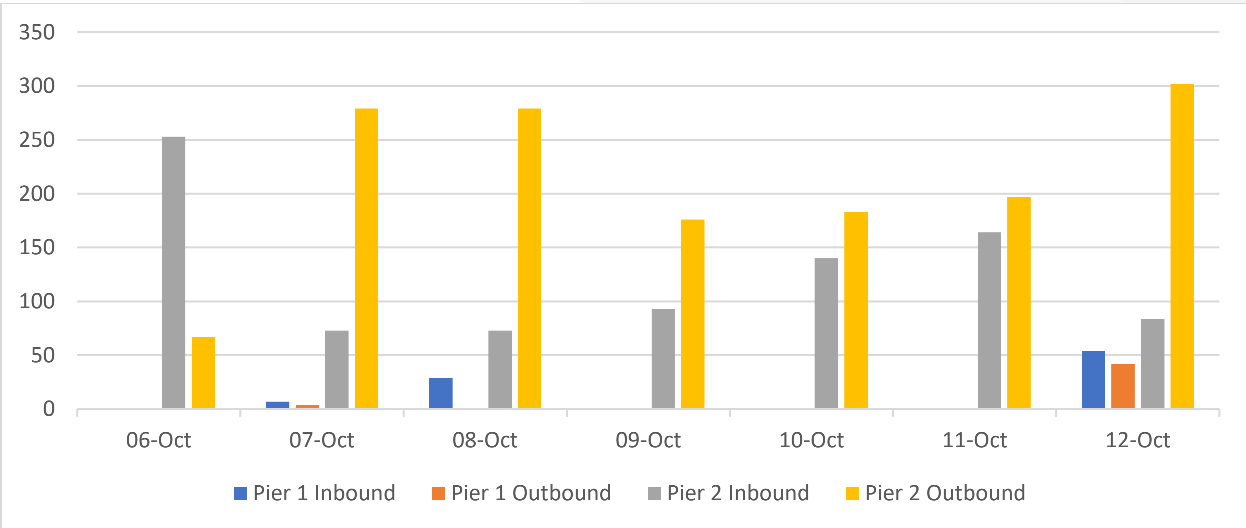
vi. Saldanha Bay

Thursday, the iron ore terminal had zero vessels at anchorage and zero on the berth, while the multi-purpose terminal had five vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 3-16 days, while the vessels in port have been on berth for around 3-8 days.

vii. Transnet Freight Rail (TFR)

Cable theft and vandalism occurred on the line between Durban and Newcastle towards the latter end of the week and delayed operations for approximately 12 hours. The latest reports indicate that DCT Pier 2 had 58 ConCor units on hand with a dwell time of 24 hours and 190 over-border units with a dwell time of 74 days on Thursday. 0

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



Source: Calculated using data from Transnet, 2022. Updated 13/10/2023.

In the last week (*6 to 12 October*), rail cargo handled out of Durban was reported at **2 499** containers, up ↑**6%** from the previous week's **2 335** 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 2 October. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *October 2022* averaged **~798 578 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[8]

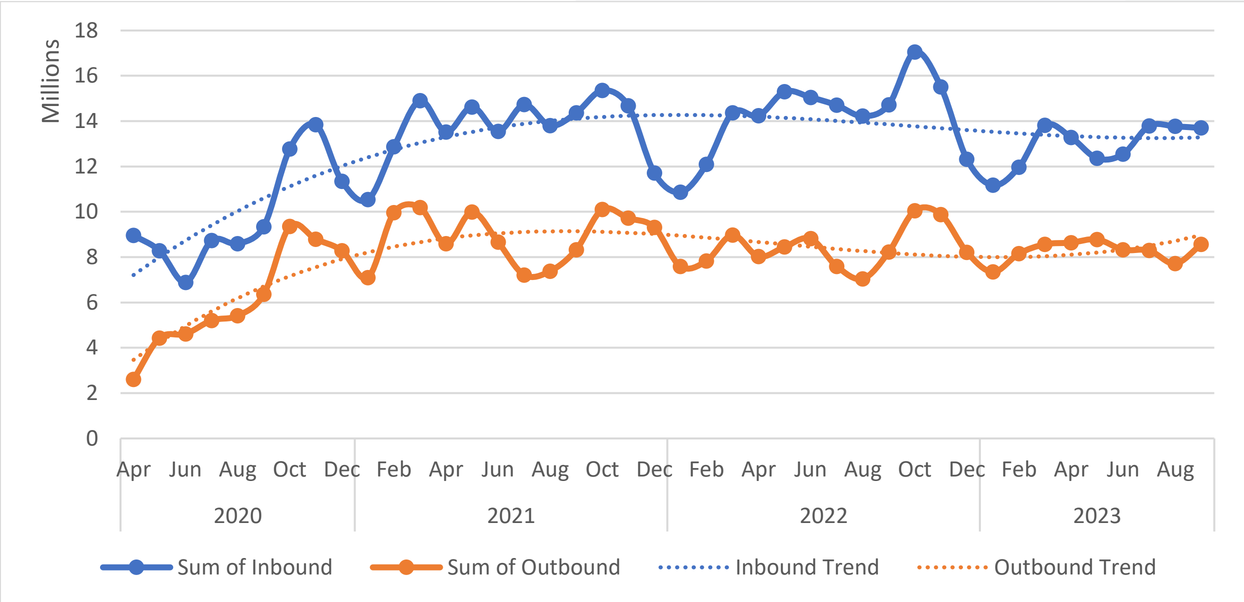
Flows	02-Oct	03-Oct	04-Oct	05-Oct	06-Oct	07-Oct	08-Oct	Week
Volume inbound	443 246	438 632	400 000	377 838	549 398	321 674	1 122 732	**3 653 520**
Volume outbound	236 518	305 243	269 343	261 577	297 573	228 275	716 350	**2 314 879**
Total	**679 764**	**743 875**	**669 343**	**639 415**	**846 971**	**549 949**	**1 839 082**	**5 968 399**

Courtesy of ACOC. Updated: 09/10/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **521 931 kg** inbound (**↑12%**, w/w) and **330 697 kg** outbound (**↑23%**), resulting in an average of **852 628 kg per day** or around **~107%** compared with in October 2022. This week is the closest that the industry has come to the pre-pandemic levels, as the current level registers at around **~90%** compared with the same period pre-pandemic in 2019.

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

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



Courtesy of ACOC. Updated: 09/10/2023.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in *October 2022* was **~62 446 kg** per day.

Table 5 – Total domestic inbound and outbound cargo (average daily)

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Apr-Dec '20 Ave.	**22 928**	**2 514**	**3 441**	**21 890**	**5 818**	**3 141**	**59 733**
2021 Average	**26 852**	**3 776**	**3 474**	**24 379**	**6 828**	**3 309**	**68 619**

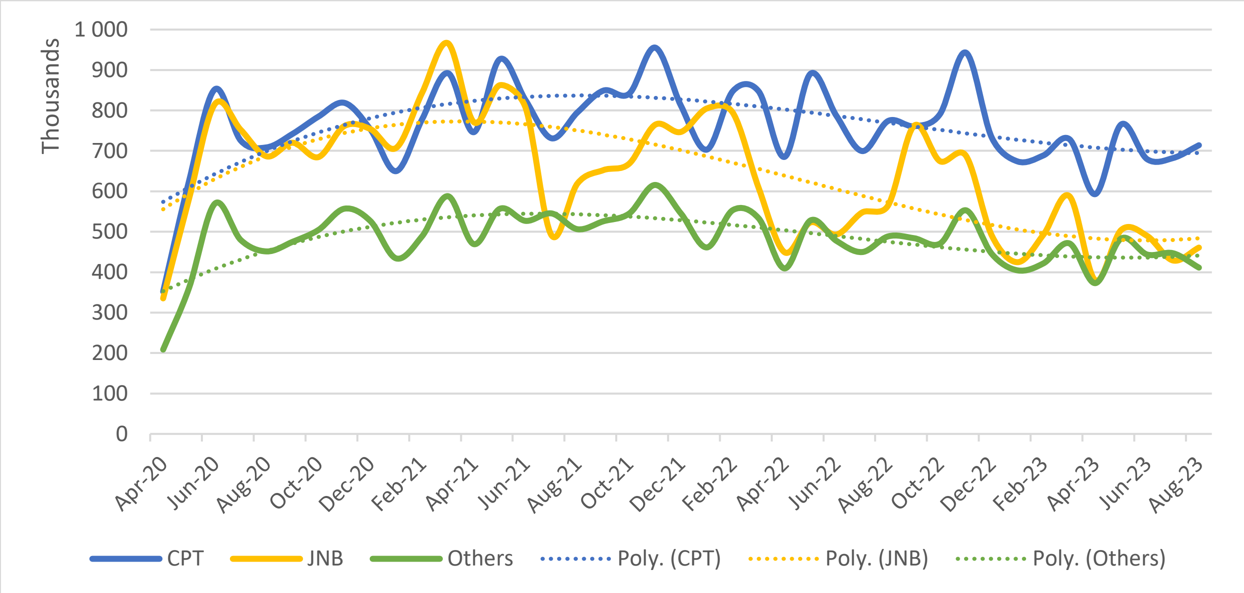
[8] Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and from South Africa.

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
2022 Average	25 922	3 263	3 232	20 278	6 633	2 909	62 237
Jan-Jun '23 Ave.	22 690	2 770	2 632	15 821	6 177	2 691	52 781
July Ave.	22 006	2 645	2 737	13 836	6 513	2 517	50 255
Aug Ave.	23 029	2 477	2 505	14 863	5 709	2 573	51 157
Sep Ave.	2 226	2 544	2 322	15 659	5 787	20 730	49 268
Total for 2023:	6 075 397	731 667	704 252	4 191 814	1 659 421	717 552	14 080 103

Courtesy of ACOC. Updated: 12/10/2023.

The average domestic air cargo moved in September was **~49 268 kg** per day, significantly down compared to last year's level (**~74%**). The following graphs show the domestic movement since the pandemic's onset:

Figure 11 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 12/10/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders increased by **two and a half hours**, averaging **~10,2 hours** (**↑34%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by approximately **20 minutes** and averaged **~10,2 hours** (**↑3%**, w/w).
- A tragic accident occurred near Mara/Mabalel on the N4 road, resulting in a temporary road closure as both involved trucks caught fire, and sadly, both drivers lost their lives[9].

[9] Citizen. 05/10/2023. UPDATE: N4 between Mara Road and Mabalel Lodge reopened.

- The President of the DRC visited the Katanga and Lualaba provinces, leading to restricted movement around the border.
    - However, there's a suggestion that showing the President the border chaos may provide a more realistic perspective of the situation.
- Beitbridge was also temporarily "shut down" to allow the Presidents of Zimbabwe and South Africa to tour the border.
- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[10], which arguably provides better and more reliable information.

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

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

Border Post	Direction	HGV[12] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	455	30,0	8,3	30,0	13 650	3 185
Beitbridge	Zimbabwe-SA	395	16,4	2,5	16,4	11 850	2 765
Groblersbrug	SA-Botswana	272	0,6	0,6	15,6	8 160	1 904
Martins Drift	Botswana-SA	187	0,3	0,3	1,4	5 610	1 309
Ramatlabama	Botswana-SA	18	0,2	0,2	0,5	540	126
Ramatlabama	SA-Botswana	120	1,3	1,3	2,5	3 600	840
Kopfontein	SA-Botswana	20	0,2	0,2	0,3	600	140
Tlokweng	Botswana -SA	201	1,3	1,3	7,3	6 030	1 407
Noordoewer	Namibia-SA	20	0,3	0,3	1,4	600	140
Vioolsdrift	SA-Namibia	30	1,3	1,3	2,6	900	210
Ariamsvlei	Namibia-SA	20	0,4	0,4	1,3	600	140
Nakop	SA-Namibia	30	0,5	0,5	4,3	900	210
Skilpadshek	Botswana -SA	54	1,1	1,1	2,1	1 296	378
Pioneer Gate	SA-Botswana	219	2,4	2,4	14,6	5 256	1 533
Lebombo	SA-Mozambique	125	0,4	0,4	4,6	3 750	875
Ressano Garcia	Mozambique-SA	1 446	2,5	2,5	11,5	43 380	10 122
Weighted Average/Sum		**3 612**	**3,7**	**1,5**	**7,3**	**106 722**	**25 284**

Source: TLC, FESARTA, & Crickmay, week ending 08/10/2023.

Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Beira Corridor	320	3,4	3,4	15,7	9 600	2 240
Dar Es Salaam Corridor	1 819	47,3	3,6	15,1	54 570	12 733

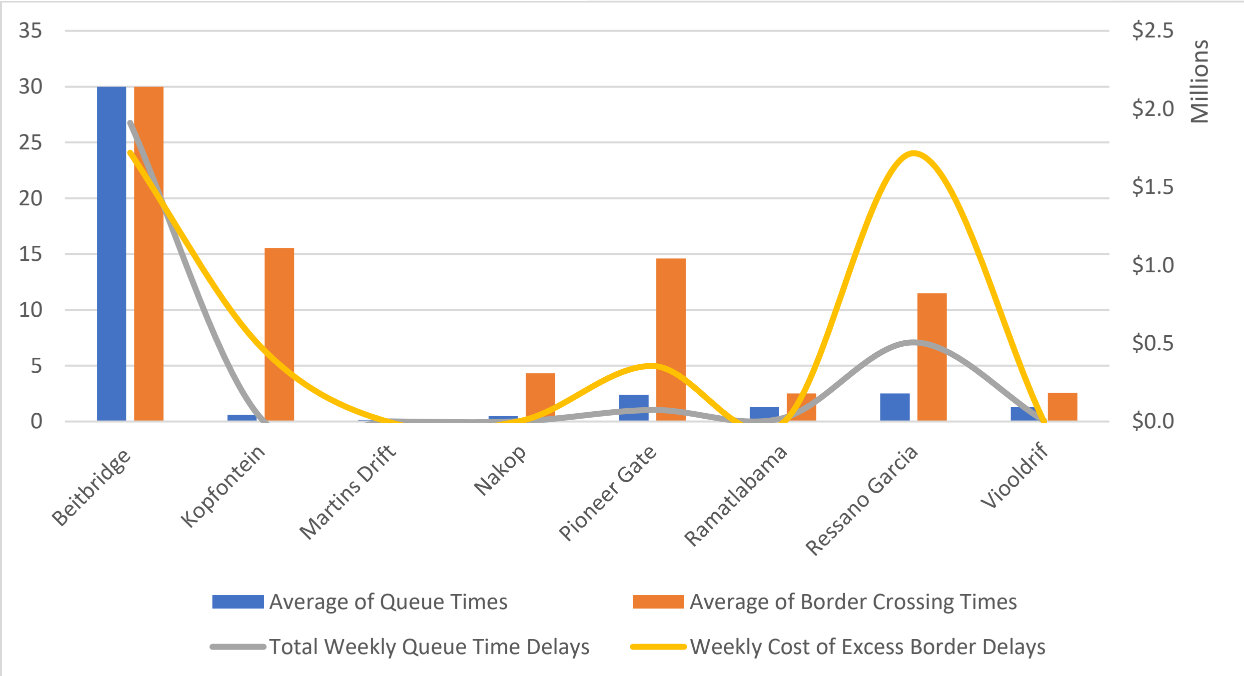
[10] FESARTA TRANSIST Bureau.
[11] It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent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

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Maputo Corridor	1 571	1,4	1,4	8,0	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 740	16,5	1,7	10,3	88 710	26 180
Trans Caprivi Corridor	116	1,3	1,3	42,0	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	303	1,1	1,1	5,6	7 272	2 121
Trans Oranje Corridor	100	0,6	0,6	2,4	3 000	700
Weighted Average/Sum	**8 196**	**13,8**	**1,6**	**10,0**	**220 572**	**57 372**

Source: TLC, FESARTA, & Crickmay, week ending 08/10/2023.

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

Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions[13])

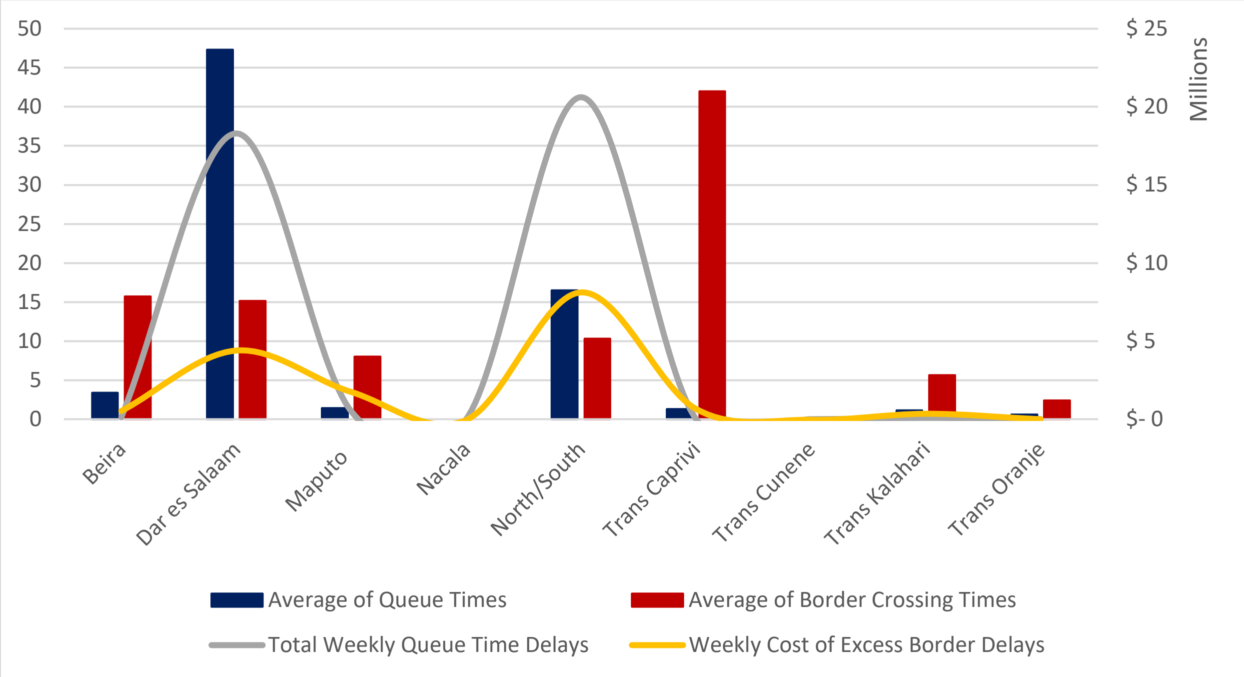


TLC, FESARTA, & Crickmay, week ending 08/10/2023.

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

[13] Currency adjusted weekly. The prevailing ZAR/US$ exchange rate at noon every Friday is used.

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



Source: TLC, FESARTA, & Crickmay, week ending 08/10/2023.

In summary, cross-border queue time averaged **~13,8 hours** (up by **~3,2 hours** from the previous week's **~10,5 hours**), indirectly costing the transport industry an estimated **$39,7 million** (**R753 million**). Furthermore, the week's average cross-border transit times hovered around **~10,0 hours** (up by **~0,9 hours** from the **~9,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **$15,7 million** (**R298 million**). As a result, the total indirect cost for the week amounts to an estimated **~$55,3 million** (**~R1,05 billion**, up by **~R659 million** or **↑168,1%** from **~R392 million** in the previous report).

4. International Update

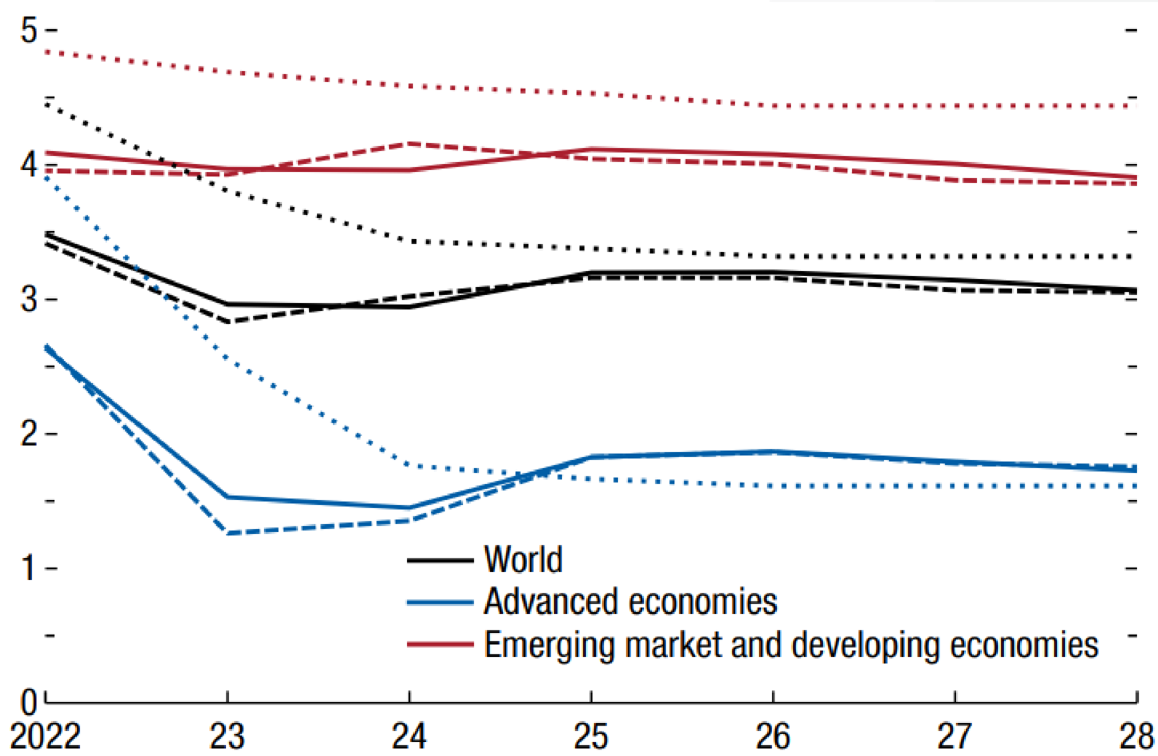
The following section provides some context around the global economy and its impact on trade, including an update on **(a)** the world economic outlook and global trade update, **(b)** the global shipping industry, and **(c)** the global aviation industry.

a. World economic outlook and global trade update

The global economic recovery from COVID-19 and the impact of the Ukraine conflict is slow and uneven, according to the IMF's latest "*World Economic Outlook*"[14]. The baseline forecast is for global growth to slow from **3,5%** in 2022 to **3,0%** in 2023 and **2,9%** in 2024, well below the historical (2000–19) average of **3,8%**. Advanced economies are expected to slow from **2,6%** in 2022 to **1,5%** in 2023 and **1,4%** in 2024 as policy tightening starts to bite. Emerging markets and developing economies are projected to have a modest decline in growth from **4,1%** in 2022 to **4,0%** in both 2023 and 2024. Ultimately, the IMF says growth is expected to be "stable and slow", with the medium-term outlook significantly worse compared to recent editions of the WEO:

[14] IMF. 10/10/2023. World Economic Outlook – October 2023.

Figure 14 – Growth Outlook: Stable and Slow (%; dashes = April 2023; dots = January 2022)



Source: IMF

While there was resilience earlier this year, with reopening efforts and reduced inflation, economic activity still lags behind pre-pandemic levels, especially in emerging markets. Multiple factors, including the ongoing impact of the pandemic and war, geoeconomic fragmentation, monetary policy changes, withdrawal of fiscal support, high debt, and extreme weather events, continue to hamper the recovery. Incidentally, South Africa's forecast has been revised upwards from July (by **0,6%** for this year) and put at **0,9%** in 2023 and **1,8%** in 2024. Although these are seemingly welcome developments, they are certainly nothing worth celebrating, as we continue to have innumerable economic challenges ahead of us – evident also in our logistics network.

For global trade, it appears that there are tentative signs that the worst of the downturn may be behind us, according to the latest Bloomberg "*Trade Tracker*"[15]. The tracker indicates that, in early October, only four out of ten metrics remained below the normal range, a notable improvement compared to the six in August. The signals are a noteworthy step towards recovery from the beginning of 2023, when as many as nine out of ten indicators were severely negative. Although consumer demand is in its early stages of revival, it displays signs of resilience. Shipping volumes have seen an uptick in key ports such as Los Angeles, and early export data from South Korea exhibits a rare annual increase. This reality has provided a stabilising effect on global manufacturing. China's manufacturing sector has rebounded into expansion mode following substantial stimulus measures introduced by Beijing. The contraction is gradually abating in other industrial centres like the United States and Taiwan. Manufacturers, having learned from the swift deflation of the post-pandemic boom, are likely to be cautious about accumulating excessive inventory in anticipation of the peak holiday season. The resurgence of elevated oil and food prices amplifies input costs and erodes profit

[15] Jiao et al. 09/10/2023. Global trade poised to turn a corner, Bloomberg Tracker Signals.

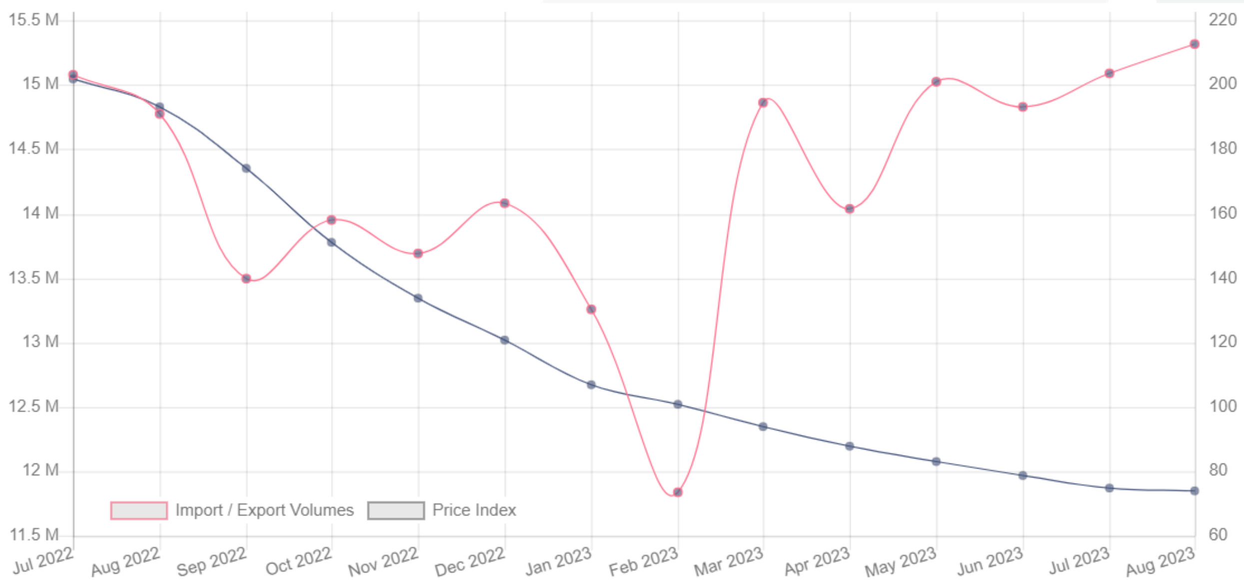
margins. As a result, sentiment is expected to remain subdued until more convincing signals of a turnaround emerge.

b. Global shipping industry

i. Global container port throughput

The latest container throughput figures for August from Container Trade Statistics (CTS) – an online statistics portal measuring global containerised trade – show that container volume has increased by **↑1,5%** (m/m) this month after global volume decreased in July (**↑0,1%**). The change should be welcomed, as it is significantly more positive than initial predictions led to believe, notably those made by Drewry, which expected throughput to decrease by a massive **↓4,1%**[16]. Yearly, throughput is now up by **↑3,7%** (y/y) versus August 2022. Concerning freight rates, the upbeat narrative continues for shippers – similar to the index reported weekly by Drewry – the price index (reefer and dry) continued to moderate in August. It is down by another **↓1,3%** (m/m) and a considerable **↓61,7%** (y/y) versus a year ago. However, as we have seen with the more frequent data, global freight rates have seemingly bottomed out, as no more room is left for manoeuvring. Nevertheless, the following figure illustrates the global container throughput and price index over the last 13 months:

Figure 15 – Global Containerised Throughput (TEUs) and price index



Source: CTS

As illustrated, container throughput has continued its slight upward tendency in the last three months, with total throughput handling **15,3 million TEUs** in August. This figure is edging closer to the record of May last year when global throughput hit **15,6 million TEUs**. Concerning geographical disparity, six out of the seven regions registered increases in imports, with Australasia and Oceania imports (as was the case in the last two months – up by **↑6,8%**) showing the most significant changes. With exports, the returns are more mixed, with three regions up (the Indian Sub-continent and the Middle East most – up by **↑4,9%**) and four

[16] Drewry. 22/09/2023. Port Throughput Indices – July 2023.

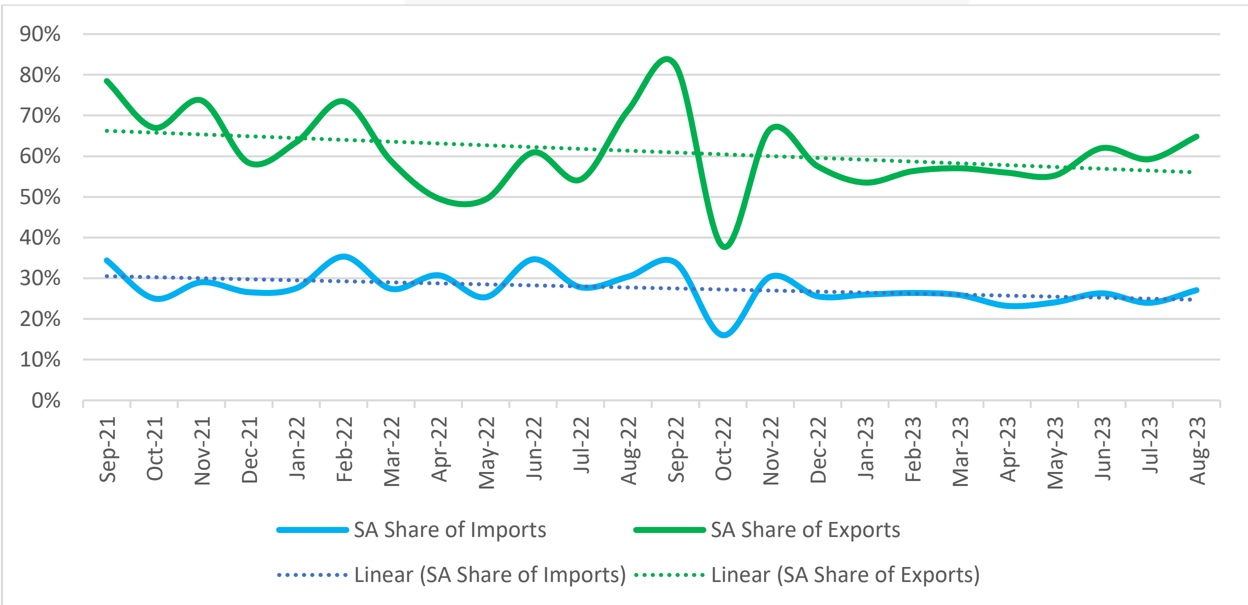
down (Australasia and Oceania most – down by ↓**6,2%**). For our region, the following figure shows Sub-Saharan Africa imports and exports over the same period:

Figure 16 – Sub-Saharan Africa Containerised Throughput (TEUs)

Source: CTS

Sub-Saharan African trade shows increases in exports (up by **↑1,6%**) but decreases in imports (down by **↓3,8%**) during August. Yearly trade shows that imports continue to grow substantially (**↑18,6%**, y/y), while exports are also significantly up versus August 2022 (by **↑9,7%**). Incidentally, South Africa accounted for **27,1%** of SSA imports and **64,8%** of SSA exports in August when measuring these versus TNPA figures. However, these metrics have steadily declined since our records began in September 2021, showing that regional competition continues to gather steam, albeit gradually:

Figure 17 – South Africa's share of Sub-Saharan Africa Containerised Throughput (%)



Source: Calculated from TNPA & CTS

ii. Vessel sharing, capacity update, and container industry summary

Despite increased throughput and slowly improving economic conditions, container shipping lines are still struggling to match their ample capacity with sluggish shipper demand, and fresh evidence landed early Wednesday suggesting European demand will stay weak through the year-end holidays. In separate customer advisories, MSC[17] and Maersk[18] said several scheduled sailings between Europe and Asia would be cancelled seven weeks into heading into December (Drewry's "Cancelled Sailings Tracker" is descending and trending at a **6% cancellation rate**[19] this week). According to Maersk's note, among the vessels affected is the MSC Tessa, billed as the world's largest container ship when delivered earlier this year.

Scheduling adjustments for the top carriers are set to increase in the current years after MSC and Maersk decided to discontinue their 2M alliance in 2025. Indeed, these alliances will face refocused scrutiny with the European Commission's decision to end a framework explicitly applied to the shipping industry[20]. After a year-long review, the commission's director-general for competition said Tuesday that the Consortia Block Exemption Regulation, or CBER, will be allowed to expire on 25 April. That's the mechanism under which the major players – despite being competitors – have been operating exempt from antitrust rules in three major alliances over several years. The CBER came under fire during the pandemic as shipping rates skyrocketed and service deteriorated amid massive supply-chain disruptions. Four of the world's top five carriers are based in Europe and control about half of the global container capacity.

But the alliances won't be illegal after CBER lapses, the commission said. Instead, carriers operating to or from the European Union must ensure their agreements comply with antitrust rules that apply to all sectors under the "*Horizontal Block Exemption Regulation and Specialisation Block Exemption Regulation*." Ultimately, the shift to general EU antitrust rules will create a period of uncertainty as carriers adjust to the new legal structure.

Elsewhere, early projections for November show capacity increases on the Transpacific and Asia-Europe routes of between **7%** to **17%** (m/m), which essentially reverses the capacity reductions in October[21]. Moreover, MSC has taken delivery of three new ships of **16 000 – 24 000 TEU** over the past two weeks that will remain idle for 3-4 weeks until early November before they are phased in. But the excess capacity pressure remains unrelenting, with over **500 000 TEU** of new capacity still due for delivery before the end of the year, and that's already adjusted for delivery slippage.

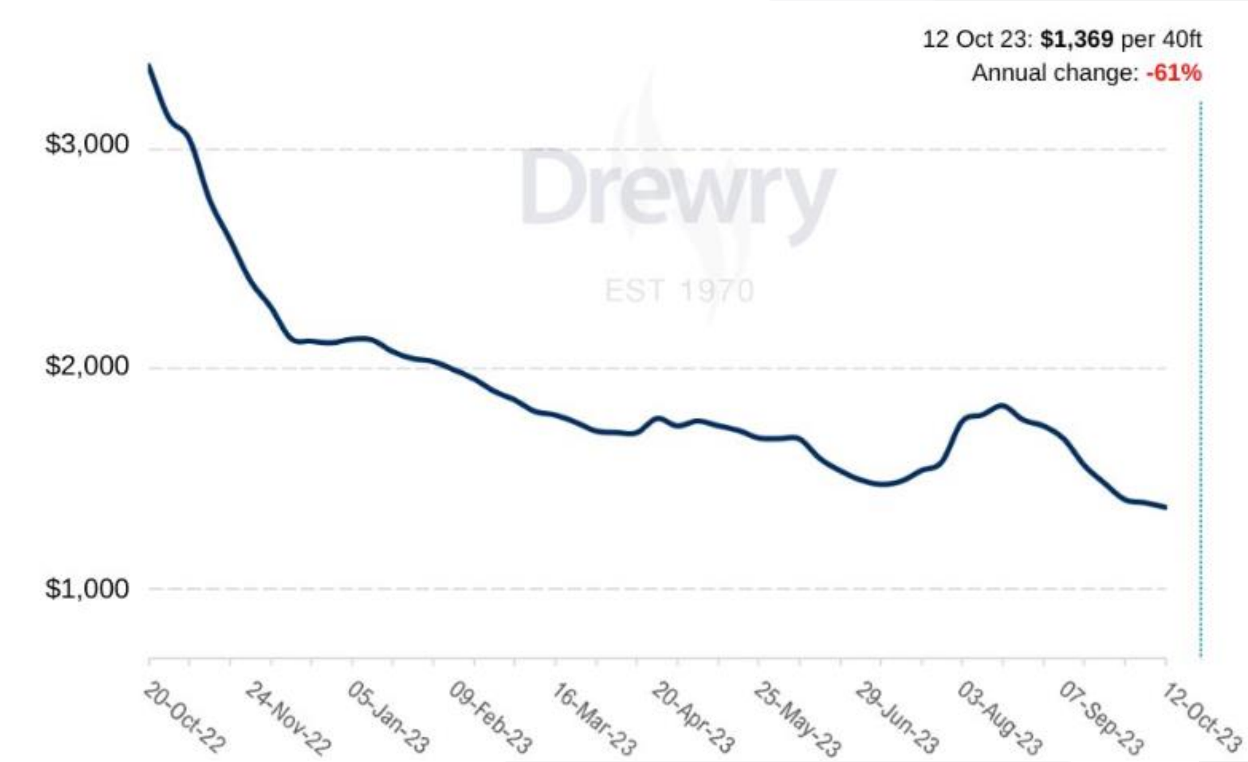
Elsewhere in the industry, the idle fleet has crept up to **0,9%** of the total fleet, as port congestion continues to be low, with congestion only affecting **~5,3%** (some **1,48 million TEU**) of the industry. These two combined remain insufficient to impact the market. Notably, two South African ports continue to feature in the top 20 worst congested ports, notably Durban with **47 400 TEU** at anchorage – up by another **9 000 TEU** (w/w), with a queue-to-berth ratio of **1,45**, and Cape Town **23 800 TEU** with a queue-to-berth ratio of **0,72**. NCT and GCT have dropped off the top 20 list but still have a combined **8 300 TEU** at anchorage.

iii. Global container freight rates

This week, the "*World Container Index*" decreased by another **↓1,5%** (or **$21**) to **$1 369** per 40-ft container[22]:

[17] MSC. 11/10/2023. 2023 Winter Schedule Update - Trade Asia to Europe.
[18] Maersk. 11/10/2023. Capacity Adjustment Changes - Far East Asia to Europe Services.
[19] Drewry. 13/10/2023. Cancelled Sailings Tracker - 13 October.
[20] Wienberg & Stolton. 10/10/2023. Shipping Lines See 'Uncertainty' in EU's Antitrust Regime Shift.
[21] Linerlytica. 09/10/2023. Market Pulse – Week 41.
[22] Drewry. 12/10/2023. World Container Index – 12 October 2023.

Figure 18 – World Container Index assessed by Drewry (last 12 months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

The composite index continues to dive and is now **↓61%** lower than the same week last year, trending below the pre-pandemic average rates of 2019 (**↓4%**). The year-to-date average continues to subside and is now **$1 729**, significantly lower than the 10-year average of **$2 677**. Regionally, six of the eight major routes experienced a rate decrease, with only LA – Shanghai (**↑1%**) rallying. Ultimately, rates will continue to fall if disproportionate capacity reductions and blankings do not offset the current capacity increases.

iv. Further developments of note

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

1. **Carriers' green planning ambitions push orderbook to record high:**
   a. Undeterred by an increasingly gloomy outlook and the spectre of structural overcapacity that appears on the horizon, carriers have continued to place orders for new container tonnage throughout the year[23].
   b. In the first nine months of 2023 alone, another **187 vessels** have been added to the global newbuilding pipeline. Predominantly ordered by the carriers themselves rather than by tonnage lessors, these vessels represent some **1,75 million TEU** of additional fleet capacity, which has brought the global vessel orderbook to a record high of **8,77 million TEU**, equivalent to almost **29%** of today's fleet capacity.

[23] Alphaliner. 12/10/2023. Carriers' green ambitions push orderbook to record high.

2. **CMA CGM invests $600 million to boost its 'under-utilised' NY/NJ box terminals:**
    a. CMA CGM is investing **$600 million** in its recently acquired terminal operation in New York and New Jersey, with plans to increase capacity by approximately **80%**[24]. This investment comes less than two months after the purchase of the Bayonne and New York terminals and is being developed in close partnership with the states of New Jersey and New York.
    b. The company aims to create **1 000 union jobs** and enhance its service offerings to customers. The move is seen as strategic, allowing CMA CGM to expand its presence in established markets without the need to develop new terminals.
3. **Israel-Hamas conflict and the impact on the container market:**
    a. The main Israeli ports of Ashdod and Haifa are operating continuously despite ongoing military operations in Gaza[25]. Israel formally declared war for the first time since 1973, but the impact on the global container shipping market is limited.
    b. Israel's container handling volumes account for just **0,4%** of global throughput, and the threat of disruptions to the container trade flow in the Mediterranean region remains minimal. Israeli carrier Zim is allocating resources to support national interests[26], but there is no additional tonnage demand at this time. However, the recent threat of some intervention by Iran would push this conflict into the global limelight when there could be worldwide effects.
4. **Shipping lines continue to expand logistics operations in Africa:**
    a. MSC's acquisition of Bolloré Africa Logistics (renamed Africa Global Logistics) for **€5,7 billion** last year provided a strong logistics and maritime presence in Africa. It offered a foothold in the air and ocean freight forwarding segment[27].
    b. The acquisition established a strategic partnership between AGL and Bolloré Logistics, a separate arm of Bolloré now owned by CMA CGM, which gives AGL access to Bolloré Logistics' international network, allowing AGL to offer international air freight shipping services to and from Africa.
    c. The collaboration further enables AGL to serve 14 African destinations with a commitment to deliver within 24-72 hours via Paris CDG. AGL is also involved in GSA and GHA services for several airlines at African airports.

c. Global air cargo industry

In the weekly data from World ACD, global air cargo tonnages dropped significantly – by **↓5%** (w/w) – in the first full week of October compared with the previous week, according to the latest figures from World ACD. The decreases can be mainly attributed to the seasonal effect of China's National Day Golden Week holiday from 29 September to 6 October. In the last five weeks, tonnages have dropped by **↓2%**, with capacity slightly down and rates continuing to creep up (now trading at **$2,41 per kg**):

[24] Whiteman, A. 12/10/2023. CMA CGM invests $600m to boost its 'under-utilised' NY/NJ box terminals.
[25] Linerlytica. 09/10/2023. Market Pulse – Week 41.
[26] Whiteman, A. 11/10/2023. Zim offers its 'ships and infrastructure' to support Israel.
[27] Todd, S. 09/10/2023. MSC and CMA CGM: rival parents, but offspring 'strategic partners' in Africa.

Figure 19 – Global capacity, weight, and yield/rate over the last five weeks (%, weekly)

Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Yield/rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-0%	+6%		+2%	-1%		+0%	-9%
Asia Pacific		-3%	+25%		-3%	+9%		+5%	-33%
C. & S. America		+1%	-3%		+3%	+3%		+0%	-13%
Europe		-0%	+7%		-1%	-9%		-0%	-32%
M. East & S. Asia		-0%	+9%		-4%	+2%		+6%	-31%
North America		-2%	+8%		-1%	-13%		-1%	-27%
Worldwide		-1%	+10%		-2%	-1%		+2%	-29%

Source: World ACD

Despite the significant short-term drop, the week-on-week drop in tonnages during China's Golden Week was less severe than the previous year when a significant ↓**9%** change occurred. The situation in China was more complicated last year due to sporadic zero-COVID lockdowns in various regions. In week 40, inbound tonnages to China rebounded by ↑**10%** after a ↓**23%** drop in the previous week. There were decreases in tonnages inbound to Asia Pacific from other regions due to the holiday impact. Overall global chargeable weight in weeks 39 and 40 was down ↓**1%** compared to the previous year's period, but overall capacity has increased by ↑**10%** (y/y).

ENDS[28]

[28]**ACKNOWLEDGEMENT:**

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