

Cargo movement update¹

Date: 29 September 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)	23 126	25 941	49 067	33 927	26 359	60 286	↓19%
Air Cargo (tons)	2 986	2 103	5 089	3 332	2 173	5 504	↓8%

Monthly Snapshot

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

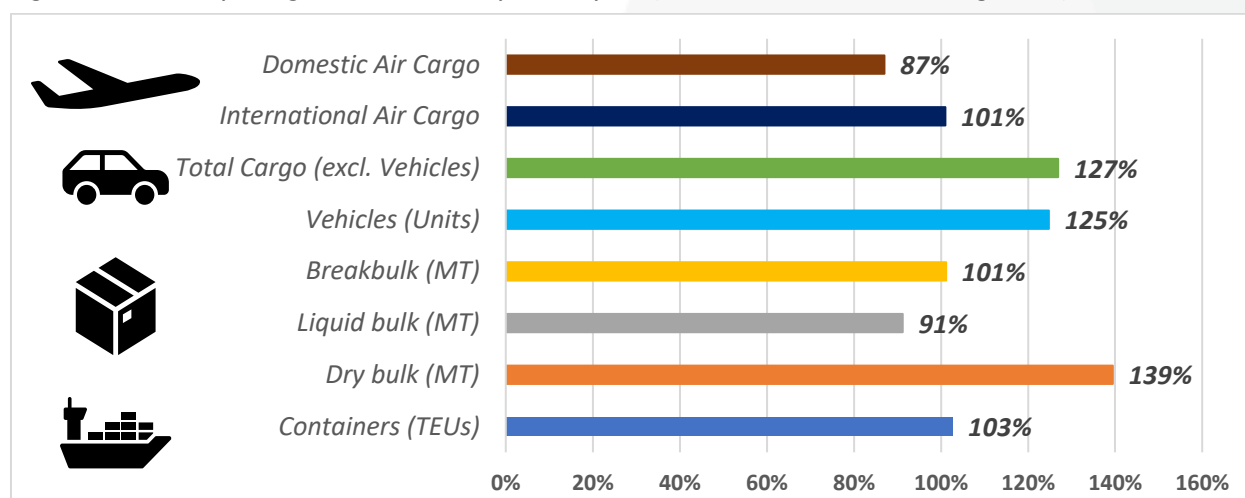
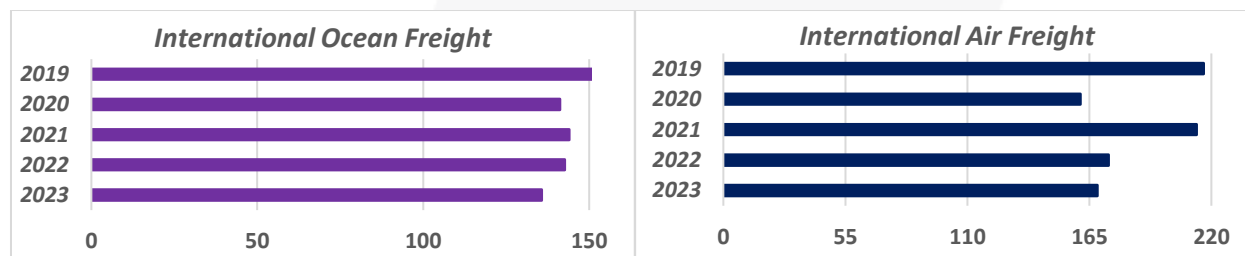


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 010 containers** was handled per day, with **~7 945 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 371 containers** for the week, **↓5%** (w/w).
- Cross-border queue times were **↓0,1 hours** (w/w), with transit times **↓1,7 hours** (w/w); SA borders decreased by **~5 hours**, averaging **~6,0 hours** (**↓44%**); Other SADC borders averaged **~8,8 hours** (**↓11%**).
- Global container capacity has been growing at an average rate of over **190 000 TEU/month** since April.
- Global freight rates decreased by another **↓5,1%** (or **\$75**) to **\$1 404** per 40-ft container this week.
- Global air cargo is up by **↑1%** (w/w) and **↑5%** (2w/2w), with rates also up and trading around **\$2,32/kg**.

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 156th 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](http://www.transnet.co.za) is used, while for air, Jan-Aug cargo to and from ORTIA is used.

Executive Summary

This update – *the 156th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Commercial ports handled an average of **7 010 containers** per day – significantly down versus the solid rebound of **8 612** last week. This week, port operations were characterised by inclement weather conditions, frequent equipment breakdowns and shortages, vessel ranging, and congestion episodes. The Port of Cape Town lost approximately 64 operational hours this week due to adverse weather, while the same peril caused structural damage at NCT. The port of Durban's helicopter went out of commission this week, citing "EDU Snags", with no estimated time of return communicated yet. Intermittent cable theft occurred again over the weekend, with the worst incident delaying operations on the affected line for about eight hours. Additionally, the latest reports suggest that four sets of shore tensioners are en route to South Africa and will arrive towards the end of October. These shore tensioners will be divided equally between our container handling ports.

In September 2022, there was a marked shift in global trade optimism. Rising inflation and interest rates dampened demand for cheap imports, leading to excess inventory and plummeting cargo flows through US ports. This trend of declining trade volumes, illustrated by the Dallas Fed's factory survey and global trade indices, presents challenges and opportunities for adaptation and innovation in the evolving global trade landscape.

The global container shipping industry faces ongoing overcapacity issues on major East-West trade routes, with carriers choosing between further rate drops or significant blank sailings. However, 62 neo-Panamax ships on North-South routes, representing **928 000 TEU** or **39%** of new TEU slots in 2023, are set to enter service, challenging carriers' capacity management abilities. Global container ship capacity has been growing at a record pace since April, with limited scrapping, which puts pressure on rates. Despite some service suspensions, capacity management remains a challenge for carriers. Other developments include **(1)** MSC eyes joint ownership of Spanish intermodal operator Renfe Mercancías, **(2)** thousands of containers are stranded in Russia, and **(3)** CMA CGM orders another eight methanol-fuelled containerships.

On the air freight front, international air cargo to and from South Africa decreased in the last week (**↓10%**) – led by inbound cargo (**↓8%**). On the domestic front, cargo increased by **↑1%** (m/m) and remains significantly down on last year (**~86%**). Internationally, air cargo tonnages and average rates have continued their slow rise into the third full week of September, taking tonnages to within **2%** of their level this time last year. In other air cargo news, slot reduction at Schiphol sees a US lobbying group launching an official complaint with the US Department of Transport.

In regional cross-border road freight trade, average queue times were almost unchanged (**↓6 minutes**), while transit times decreased by **an hour and a half** compared to last week. The median border crossing times at South African borders decreased by **nearly five hours**, averaging **~6,0 hours** (**↓44%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by approximately **an hour** and averaged **~8,8 hours** (**↓11%**, w/w). On average, three SADC border posts took more than a day to cross, notably Beitbridge, Kasumbalesa (the worst affected from the Zambian side), and Katima Mulilo. Further notable developments included **(1)** rising hijackings on the R49 route between South Africa and Botswana, **(2)** Lebombo queues reaching 25 km, and **(3)** Zambia's Non-preferential Certificate of Origin has been modified.

In summary, the ongoing reduced throughput is just one manifestation of the structural problems persisting in trade, transport, and logistics in South Africa – notably the extremely poor performance of Transnet, a primary player in our trading economy. The fact that South Africa is a relatively small (less than **0,5%** of

global GDP) and open economy (around **60%** of our GDP is trade), we are highly dependent on a smooth and uninterrupted functional logistics network. Therefore, a sense of urgency in fixing the structural problems is desperately required, starting with the eagerly awaited Logistics Roadmap. Most stakeholders have now agreed on what must be done at our ports and railway network; it is time to expedite these changes and claw back some hugely damaging lost time. Logistics acts as the heartbeat of the South African economy – and it needs all of its modalities to work in unison before we can dream of attaining any level of real growth in the foreseeable future.

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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 23 to 29 September⁶

7-day flow forecast (23/09/2023 – 29/09/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 266	5 322
DURBAN CONTAINER TERMINAL PIER 2:	9 120	10 583
CAPE TOWN CONTAINER TERMINAL:	3 977	3 871
NGQURA CONTAINER TERMINAL:	4 823	5 042
GQEBERHA CONTAINER TERMINAL:	940	1 123
TOTAL:	23 126	25 941

Source: Transnet, 2023. Updated 29/09/2023.

Table 3 – Container Ports – Weekly flow predicted for 30 September to 6 October

7-day flow forecast (30/09/2023 – 06/10/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 562	5 667
DURBAN CONTAINER TERMINAL PIER 2:	10 413	10 407
CAPE TOWN CONTAINER TERMINAL:	4 166	5 156
NGQURA CONTAINER TERMINAL:	5 929	5 989
GQEBERHA CONTAINER TERMINAL:	1 778	1 550
TOTAL:	26 848	28 769

Source: Transnet, 2023. Updated 29/09/2023.

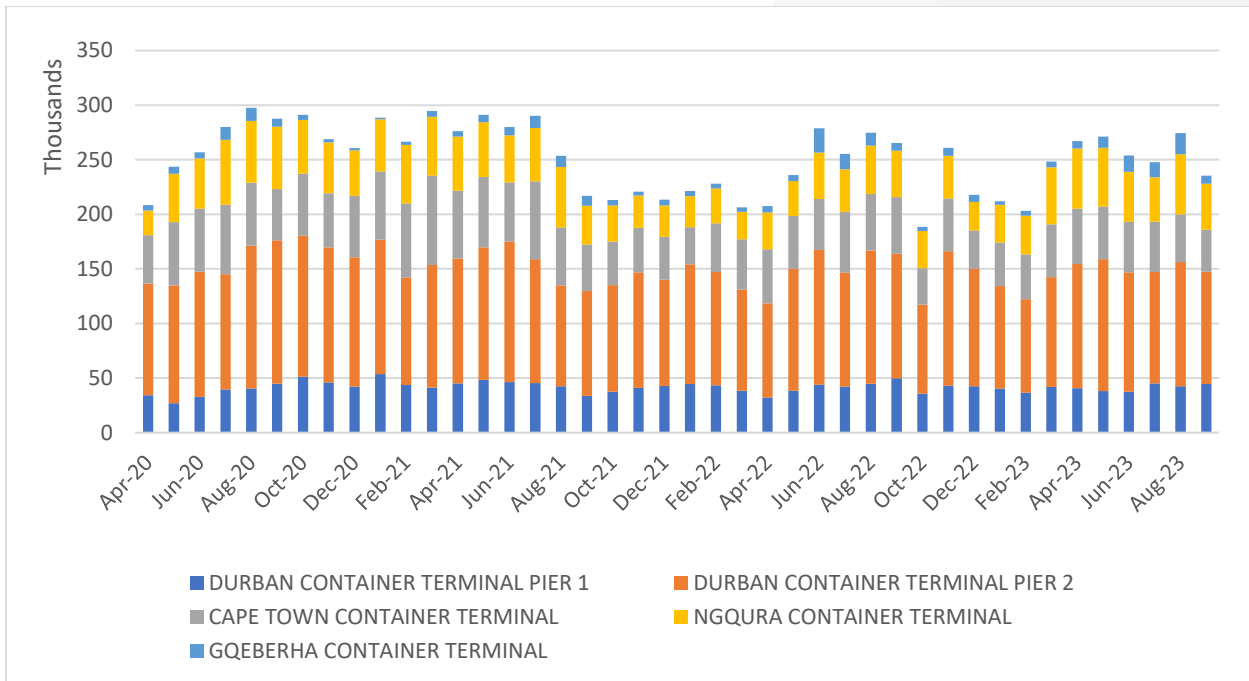
An average of **~7 010 containers** (↓19%) was handled per day for the last week (23 to 29 September, Table 2), compared to the projected average of **~8 612 containers** (↓17% actual versus projected) noted in last week's report. For this week, an increased average of **~7 945 containers** (↑13%) is predicted to be handled (30 September to 6 October, Table 3). Port operations were defined by inclement weather conditions, frequent equipment breakdowns and shortages, vessel ranging, 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 37% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

⁷ As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as “TEUs”, when it should have been noted as containers (20’ and 40’). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container and this figure will probably increase as the shift towards more 40’ containers continues. Incidentally, the US uses 1,5 to 1,8, depending on the port.

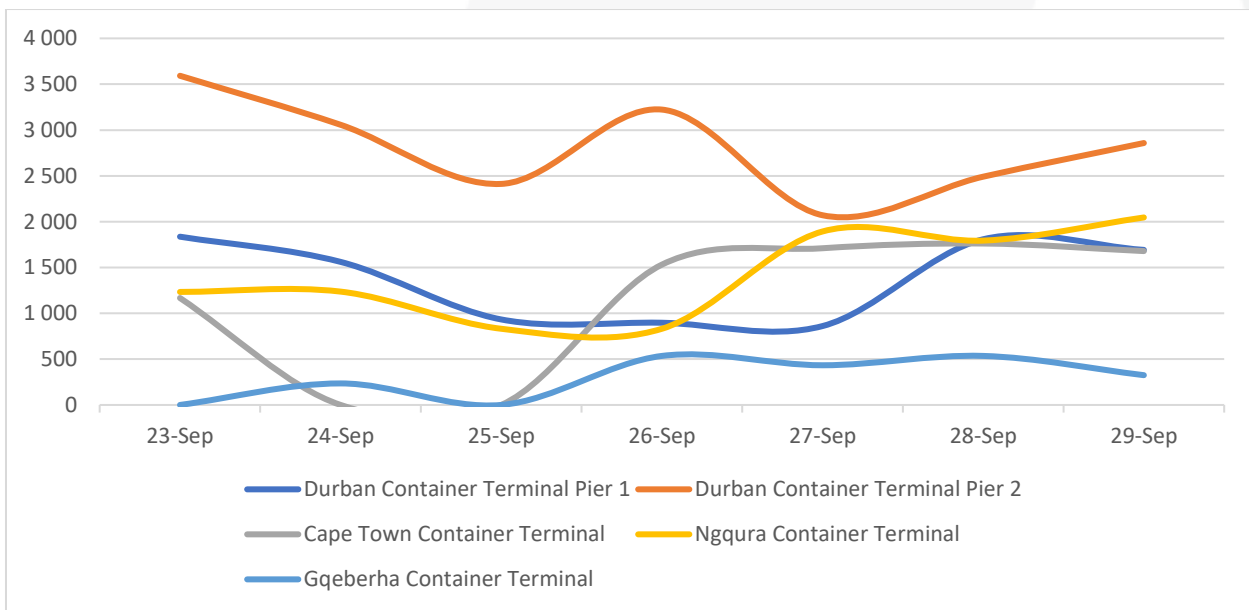
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 29/09/2023.

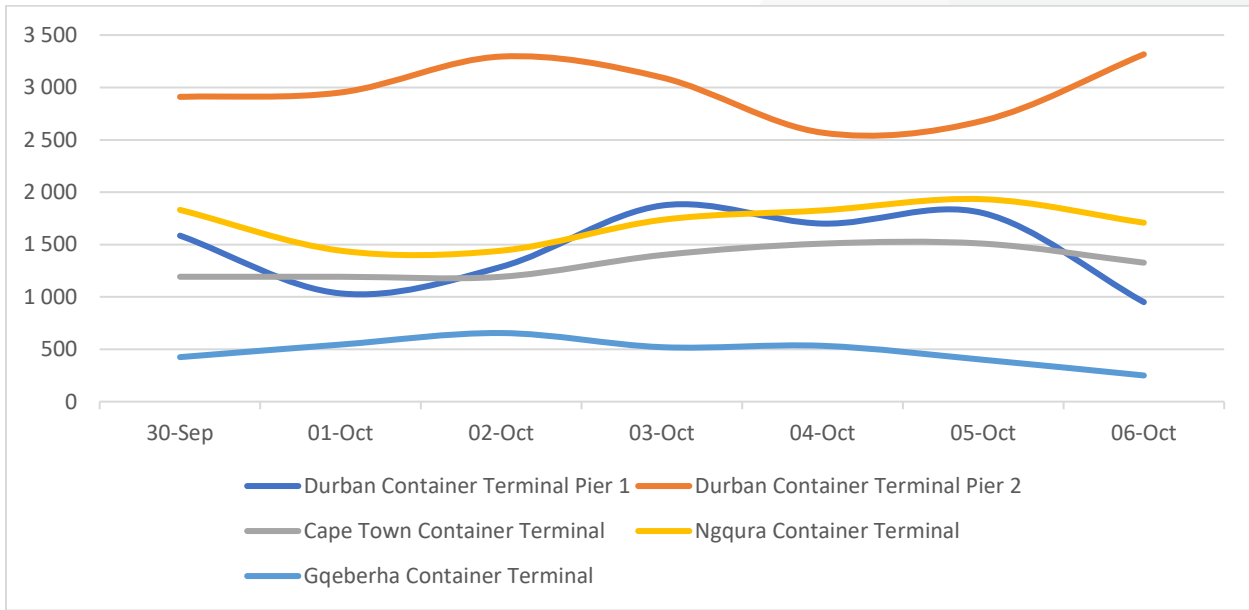
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (23 to 29 September; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 29/09/2023.

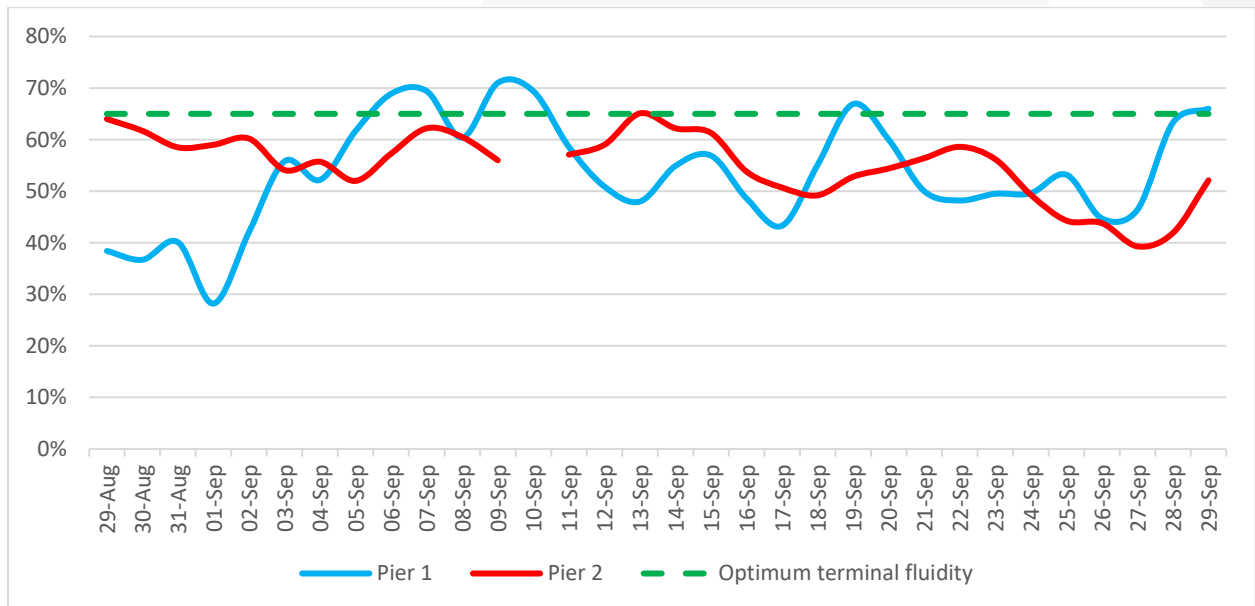
Figure 5 – 7-day forecast reported for total container movements (30 September to 6 October; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 29/09/2023.

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

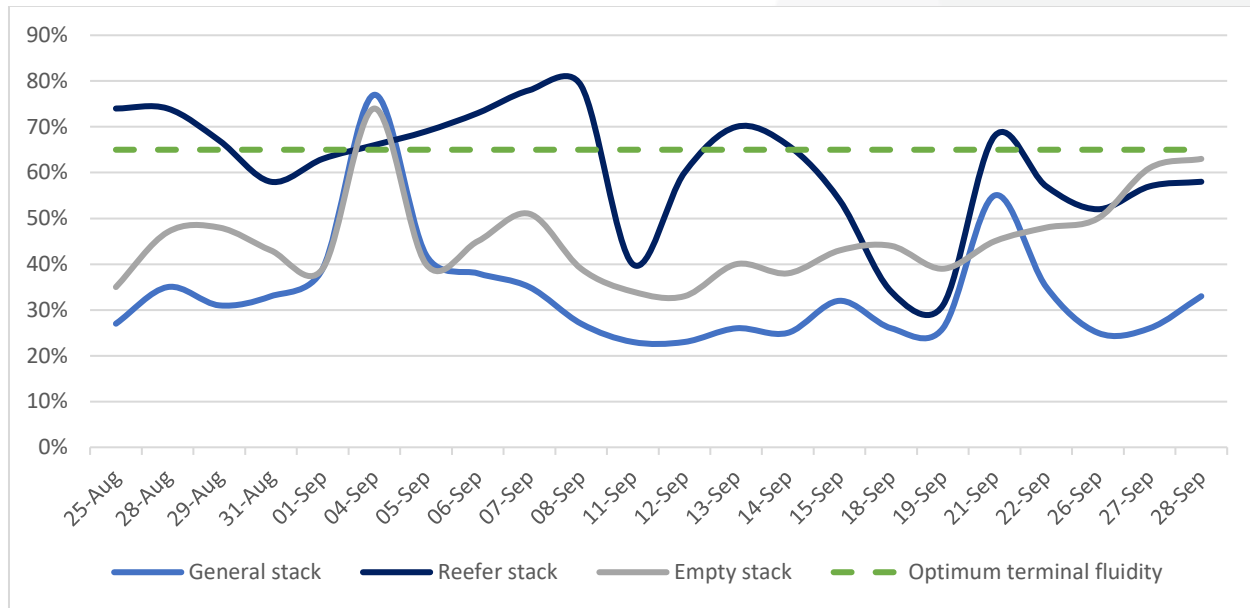
Figure 6 – Stack occupancy in DCT, general-purpose containers (29 August to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 29/09/2023.

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 (25 August to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 29/09/2023.

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

The Port of Cape Town lost approximately 64 operational hours this week due to poor weather, with delays in Durban and the Eastern Cape ports also registered – notably leading to structural damages and system failures at several terminals.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and four at anchor. Operations at the port were overshadowed by severe weather conditions this week as the port gates were closed for no less than 64 hours this week. More than ten stack areas were affected as several containers fell over and caused havoc within the terminal. Stack occupancy for GP containers was recorded at 26%, reefers at 57%, and empties at 61%. In the latest 24-hour period to Thursday, the terminal handled an undisclosed number of TEUs across the quay as bad weather extensively impacted operations. 543 trucks were serviced on the landside, while no rail import containers were on hand.

With the damage of a set of shore tensioners at the Port of Cape Town and recent delays experienced at the Container Terminal, the issue of shore tensioners resurfaced this week. The latest reports suggest that four sets of shore tensioners are en route to South Africa and will arrive towards the end of October. These shore tensioners will be divided equally between a selection of our national ports. Additionally, on Tuesday, CTCT experienced issues on one of their berths, causing cranes LC7, LC8, and LC9 to be unable to operate for a portion of the evening shift. Crane LC4 is still being tested, but no estimated time of return is available yet.

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and one at berth. In the prior 24 hours, the terminal managed to service 257 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 432 TEUs were handled across the quay on the waterside. Stack

occupancy was recorded at 80% for GP containers, 10% for reefers, and 2% for empties during the same period.

The FPT private terminal reported zero vessels at anchorage while servicing three vessels at berth on Wednesday. During the 24 hours leading to Thursday, the terminal handled 575 TEUs, 713 pallets of breakbulk cargo, and 2 578 tons of dry bulk cargo on the waterside while servicing 289 trucks on the landside. At the same time, reefer stack occupancy was recorded at 60%.

It can be seen that even when conditions are near perfect, the port's performance remains very poor, and the terminal cannot handle the normal volumes of cargo presented to it. The result is the regular closure of gates due to congestion inside the terminal. This, in turn, creates a nightmare for truckers, who are unable to rotate through the terminal at any reasonable rate. During the last week, there are records of trucks being stuck in the terminal for five to six hours. The most significant cause is the very sad lack of operational landside equipment. The effects of this can also be seen in the serious berthing delays experienced.

iii. Durban

Pier 1 on Tuesday recorded three vessels at berth, operated by five gangs, and two vessels at anchor. Stack occupancy was 46% for GP containers and remained undisclosed for reefers. During the same period, 787 imports were on hand, with 107 units having road stops and 99 unassigned. Despite losing a few hours to strong winds, the terminal recorded 711 landside gate moves, with an undisclosed number of cancelled and wasted slots. The truck turnaround time was recorded at ~128 minutes, with an average staging time of ~152 minutes.

Pier 2 had three vessels at berth and six at anchorage on Wednesday. In the prior 24 hours, stack occupancy was 39% for GP containers and 55% for reefers, with 20% of reefer ground slots utilised. The terminal operated with eight gangs while moving 2 070 TEUs across the quay despite losing a few hours to adverse weather. During the same period, there were 1 696 gate moves on the landside with a truck turnaround time of ~95 minutes and a staging time of ~13 minutes. Of the landside gate moves, 895 (53%) were for imports and 801 (47%) for exports. Additionally, 536 rail import containers were on hand, with 209 moved by rail. During the same period, the terminal had 11 out-of-gauge import containers on hand. Additionally, at the start of the morning shift on Wednesday, approximately 60-65 straddles were in service at the terminal. Some breakdowns, however, brought this number down somewhat as the day progressed.

For the most significant part of the week, the port operated with five gangs and even had six tugs available during this period. However, towards the end of the week, the Palmiet tug went out of commission due to alternator challenges. The port helicopter also went out of commission this week again, citing: "EDU Snags". No estimated time of return to service was initially communicated. However, after a lengthy outage, the helicopter returned to service and has already sustained additional damages, which does not bode well for marine operations going forward.

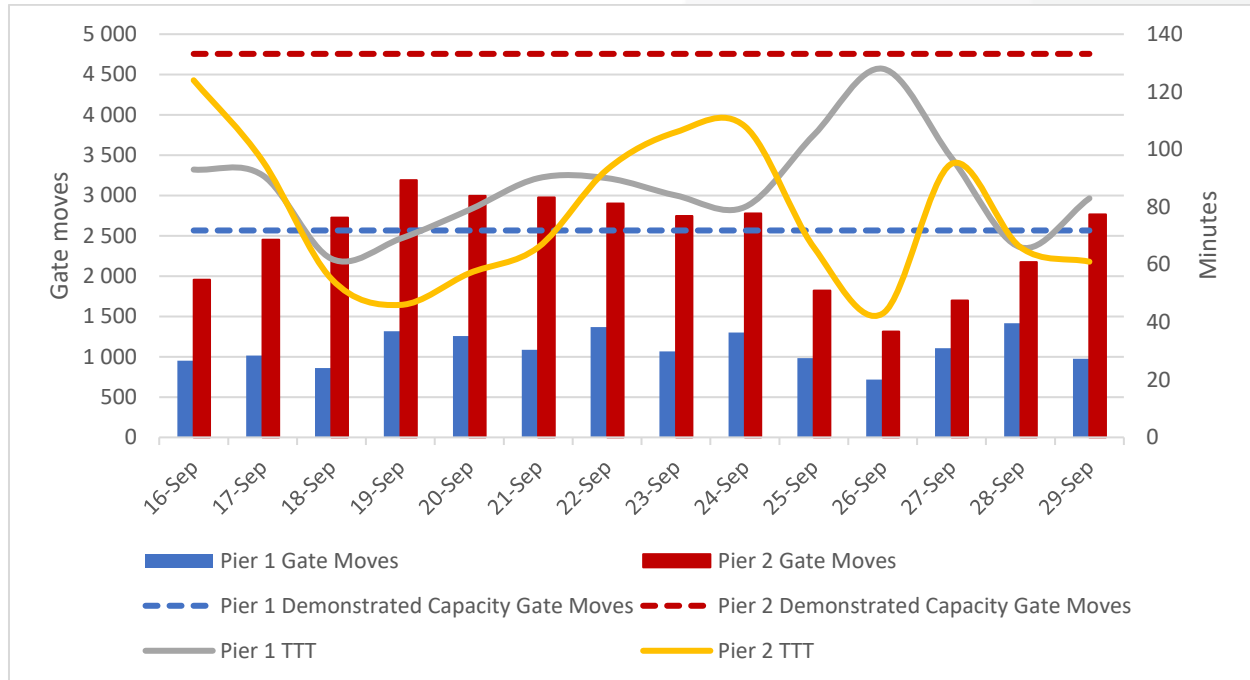
Durban's MPT terminal recorded three vessels at berth on Tuesday and one at outer anchorage while handling 322 TEUs and 2 295 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 70% during that time and at 57% for containers. The terminal handled 250 container road slots and 72 breakbulk RMTs containing 2 111 tons on the landside. During the same period, two cranes, six reach stackers, seven forklifts and 21 ERFs were in operation. The fourth crane at Durban MPT is still on course to return to service by mid-October, while no information on the return of the third crane is available yet.

On Monday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with one at the outer anchorage. Adverse weather and high swells ensured operational delays during the week. Over the prior 24

hours, the terminal received 462 units and dispatched 868 units. During the same period, general stack occupancy was recorded at 71%, comprising 41% imports, 55% exports, and 4% transshipments. Stack occupancy at Q/R was 70%, while the G-berth stack was 50%. The terminal had 3 500 import units on hand, 4 683 units were destined for export markets, and 325 were subject to transshipments.

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 29/09/2023.

iv. Richards Bay

On Tuesday, Richards Bay recorded 20 vessels at anchor and 14 on the berth, translating to seven at DBT, four at MPT, two at RBCT, and one at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources in the 24 hours leading to Wednesday. The pilot boat remains in Durban for repairs, with no estimated time of return available yet.

v. Eastern Cape ports

NCT on Tuesday recorded one vessel on the berth and no vessels at the outer anchorage but two 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 Wednesday. In the same period, stack occupancy was 33% for GP containers, 35% for reefers, and 53% for reefer ground slots. In that period, despite the adverse weather experienced, 515 TEUs were processed at a poor GCH of ~11 and SWH of ~36. Additionally, 146 trucks were serviced on the landside at a truck turnaround time of ~39 minutes. The MoorMaster at NCT remains out of commission as it could not undergo testing operations due to the adverse weather experienced. Additionally, the poor weather conditions caused structural damage at the terminal. Several plugs at the terminal were impacted, leading to several machines not operating properly.

GCT on Wednesday recorded zero vessels at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Thursday. In the

same period, stack occupancy was recorded at 72% for GP containers, 54% for reefers, and 71% for reefer ground slots. On the waterside, 393 volumes were handled across the quay. Additionally, 78 trucks were serviced on the landside at a truck turnaround time of ~36 minutes. Additionally, this week marked the official launch and first operational day of utilising the Navis Booking System at the terminal. Truckers are advised to make bookings through the system, as truckers without bookings will not be accepted into the terminal.

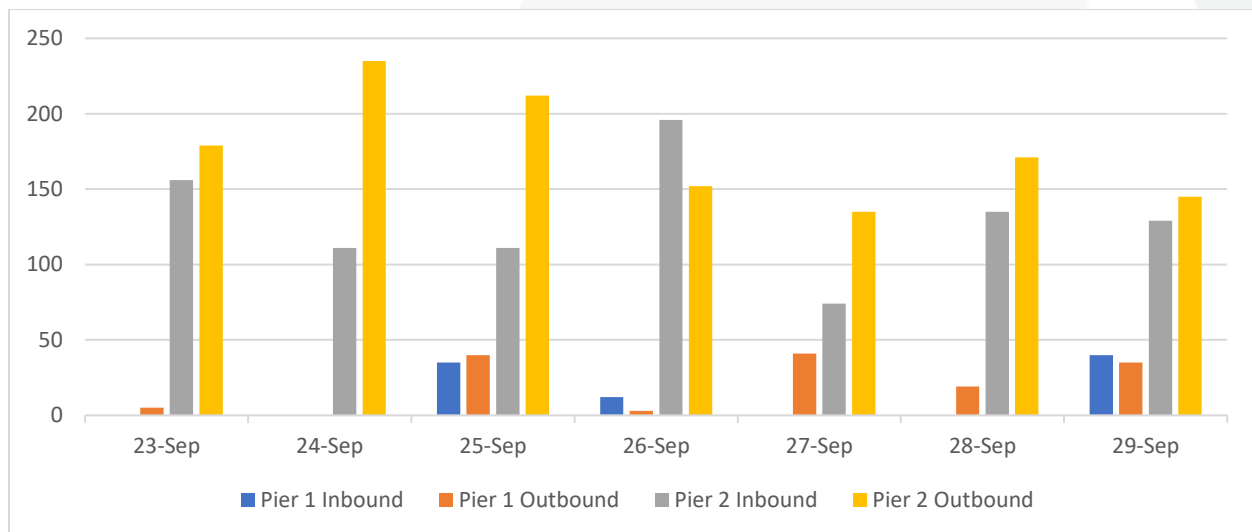
vi. Saldanha Bay

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

vii. Transnet Freight Rail (TFR)

Intermittent cable theft occurred once more over the weekend, with the worst incident delaying operations on the affected line for about eight hours. The latest reports indicate that DCT Pier 2 had 344 ConCor units on hand with a dwell time of 36 hours and 192 over-border units with a dwell time of 59 days towards the end of the week. Hopefully, the recently announced departure of the Transnet CEO will lead to some immediate and urgent action to resolve the problems described above.

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



Source: Calculated using data from Transnet, 2022. Updated 29/09/2023.

In the last week (23 to 30 September), rail cargo handled out of Durban was reported at **2 371** containers, down **↓5%** from the previous week's **2 505** 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 18 September. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *September 2022* averaged **~764 378 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo⁸

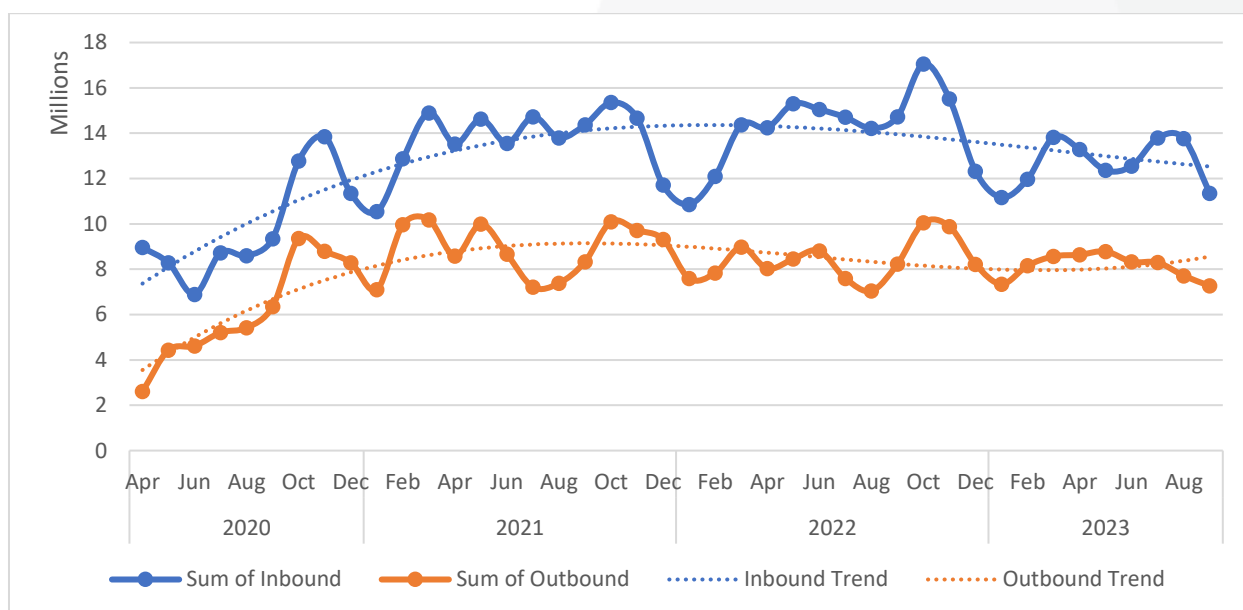
Flows	18-Sep	19-Sep	20-Sep	21-Sep	22-Sep	23-Sep	24-Sep	Week
Volume inbound	379 774	311 288	188 084	282 494	407 159	279 502	1 137 711	2 986 012
Volume outbound	286 247	257 054	199 845	248 561	247 430	185 773	678 328	2 103 238
Total	666 021	568 342	387 929	531 055	654 589	465 275	1 816 039	5 089 250

Courtesy of ACOC. Updated: 26/09/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **426 573 kg** inbound (↓10%, w/w) and **300 463 kg** outbound (↓3%), resulting in an average of **727 036 kg per day** or around ~95% compared with in September 2022. However, the level is currently at only ~78% 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: 26/09/2023.

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 *September 2022* was ~66 903 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
2022 Average	25 922	3 263	3 232	20 278	6 633	2 909	62 237

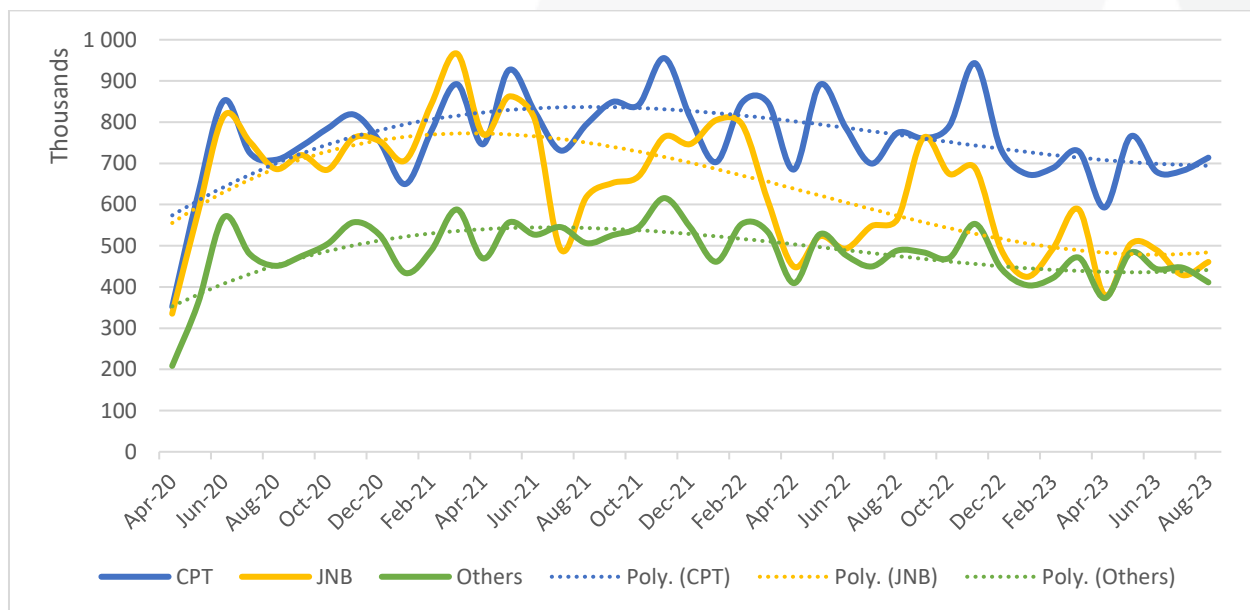
⁸ Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and from South Africa.

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
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.	21 149	2 649	2 440	16 455	6 002	2 661	51 356
18-Sep	35 030	3 656	3 747	30 764	10 664	4 142	88 003
19-Sep	35 355	3 839	4 684	33 671	10 104	4 086	91 739
20-Sep	31 881	3 858	4 233	36 189	10 304	3 920	90 386
21-Sep	36 588	4 568	3 467	27 061	10 433	4 424	86 540
22-Sep	12 724	2 840	2 595	12 168	4 649	2 704	37 680
23-Sep	2 165	555	211	1 175	432	336	4 874
24-Sep	581	434	44	280	83	63	1 484
Total for 2023:	6 033 199	726 557	700 118	4 163 933	1 647 225	711 398	13 982 429

Courtesy of ACOC. Updated: 26/09/2023.

The average domestic air cargo moved last week was ~57 244 kg per day, up by ↑1% compared to the previous week and remains slightly down compared to last year's level (~86%). However, the level is currently at ~63% compared with the same period pre-pandemic in 2019.

Figure 11 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 26/09/2023.

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 decreased by **nearly five hours**⁹, averaging **~6,0 hours (↓44%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by approximately **an hour** and averaged **~8,8 hours (↓11%, w/w)**.
- Rising hijackings on the R49 route between South Africa and Botswana, with reports of individuals posing as law enforcement officers, prompting warnings to avoid stopping in the area.
- SARS last week experienced system issues, causing delays in processing customs declarations, but the system was later restored on a secondary link.
- A queue of approximately 25 kilometres was reported at the Lebombo border crossing.
- Zambia's Non-preferential Certificate of Origin was modified, no longer accepting the previous certificate as of 22 September. Exporters must now register their products with a competent authority using the Customs Electronic Rules of Origin System (eRoO System).
- The DRC Chief of Staff to the Minister of Mines cancelled the operating rights of 29 companies in the country without providing reasons, raising concerns about potential impacts on transportation in the region.
- 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 Bureau¹⁰, which arguably provides better and more reliable information.

The following table shows the changes in bidirectional flows through South African borders – now with Kopfontein also included:

Table 6 – Delays¹¹ 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)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	Zimbabwe-SA	456	0,6	8,1	32,0	13 680	3 192
Beitbridge	SA-Zimbabwe	400	6,3	2,2	15,2	12 000	2 800
Groblersbrug	SA-Botswana	235	1,4	0,3	1,2	7 050	1 645
Martins Drift	Botswana -SA	148	0,4	7,0	19,4	4 440	1 036
Ramatlabama	SA-Botswana	39	0,4	0,1	0,3	1 170	273
Ramatlabama	Botswana -SA	126	0,1	1,0	2,4	3 780	882
Kopfontein	SA-Botswana	28	2,0	0,1	0,4	840	196
Tlokweng	Botswana -SA	217	0,1	1,1	4,5	6 510	1 519
Noordoewer	Namibia-SA	20	0,2	0,4	1,6	600	140
Violsdrift	SA-Namibia	30	1,3	0,5	2,5	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,4	1,4	600	140
Nakop	SA-Namibia	30	3,1	1,4	6,1	900	210
Skilpadshek	Botswana -SA	200	0,6	1,1	2,1	4 800	1 400

⁹ A significant contributor to the decreases in the last two weeks has been the addition of Ramatlabama and Kopfontein, which has driven the average down given that these two borders are comparatively less busy versus, say, Beitbridge. Fortunately, crossing times at Beitbridge has also slightly improved during this period, contributing to the average times improving.

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.

Border Post	Direction	HGV ¹² Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Pioneer Gate	SA-Botswana	100	1,4	2,4	12,4	2 400	700
Lebombo	SA-Mozambique	125	4,3	0,4	5,3	3 750	875
Ressano Garcia	Mozambique-SA	1 446	4,3	2,3	10,3	43 380	10 122
Weighted Average/Sum		3 620	1,7	1,8	7,3	106 800	25 340

Source: TLC, FESARTA, & Crickmay, week ending 24/09/2023.

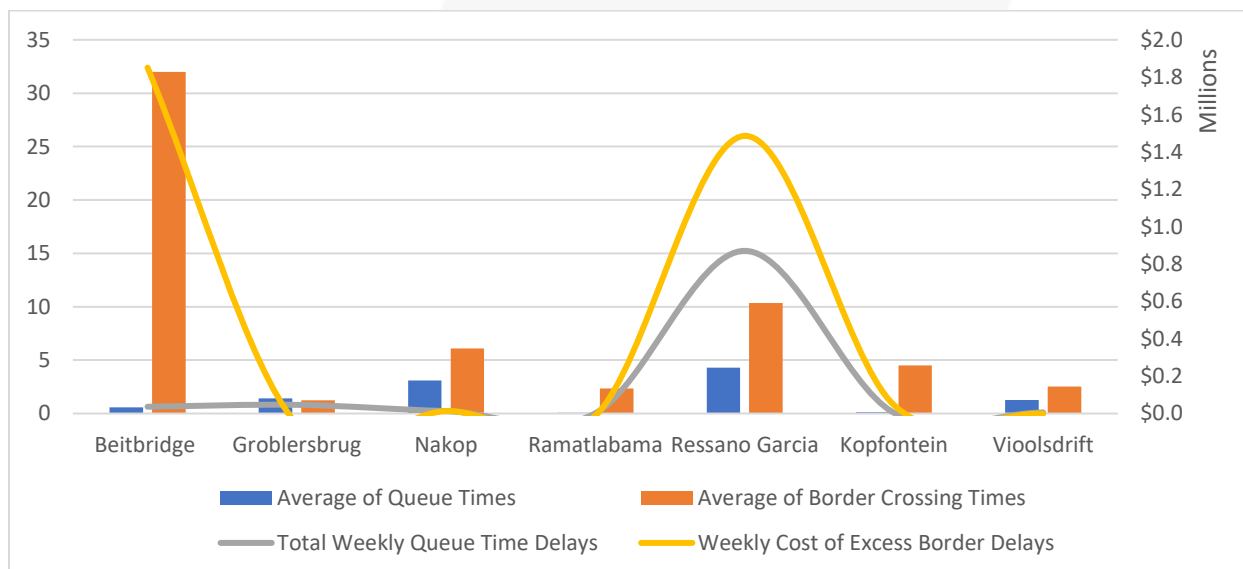
Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	9,8	2,8	19,3	9 600	2 240
Dar Es Salaam Corridor	1 819	44,6	1,3	11,8	54 570	12 733
Maputo Corridor	1 571	4,3	1,4	7,8	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South	3 721	14,3	1,4	9,1	88 140	26 047
Trans Caprivi Corridor	116	0,0	0,3	21,5	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	330	1,2	1,4	5,1	7 920	2 310
Trans Oranje Corridor	100	1,2	0,7	2,9	3 000	700
Weighted Average/Sum	8 204	12,8	1,2	8,3	220 650	57 428

Source: TLC, FESARTA, & Crickmay, week ending 24/09/2023.

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 & \$ millions¹³)

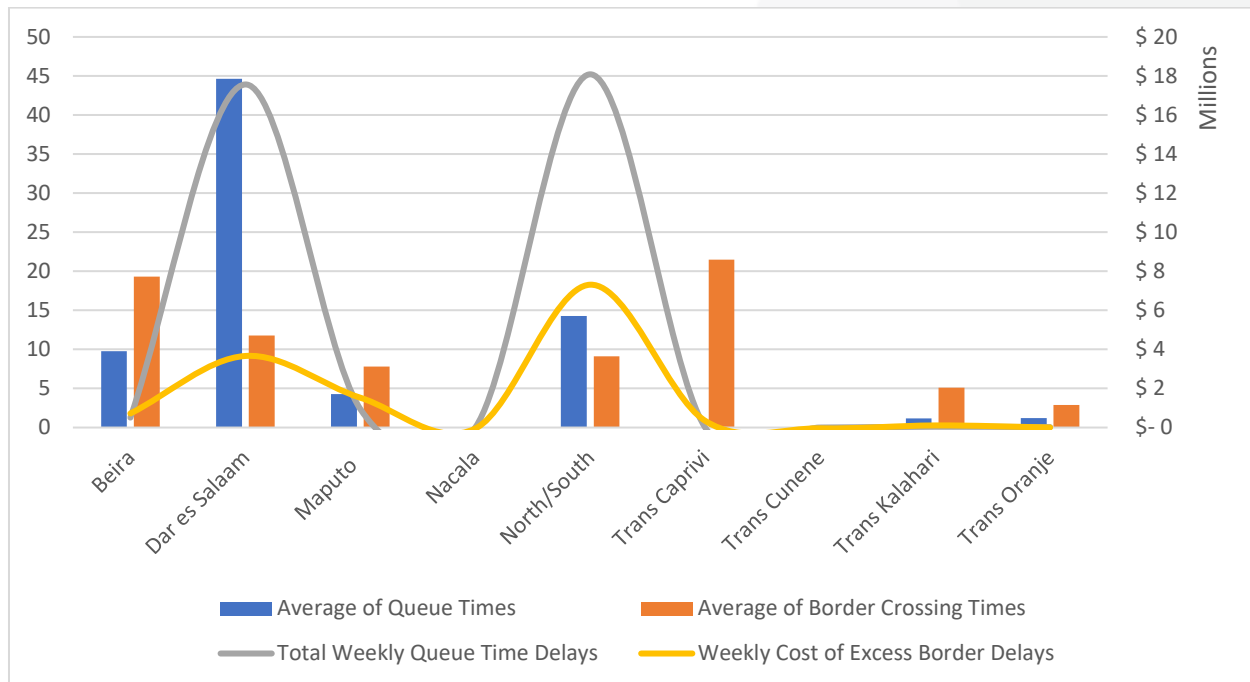


TLC, FESARTA, & Crickmay, week ending 24/09/2023.

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

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

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



Source: TLC, FESARTA, & Crickmay, week ending 24/09/2023.

In summary, cross-border queue time averaged **~12,8 hours** (down by **~0,1 hours** from the previous week's **~12,9 hours**), indirectly costing the transport industry an estimated **\$37,1 million (R698 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,3 hours** (down by **~1,7 hours** from the **~10,0 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13,6 million (255 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$50,7 million (~R953 million)**, down by **~R47 million** or **↓4,7%** from **~R1 billion** 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) an international trade update, (b) the global shipping industry and (c) the global aviation industry.

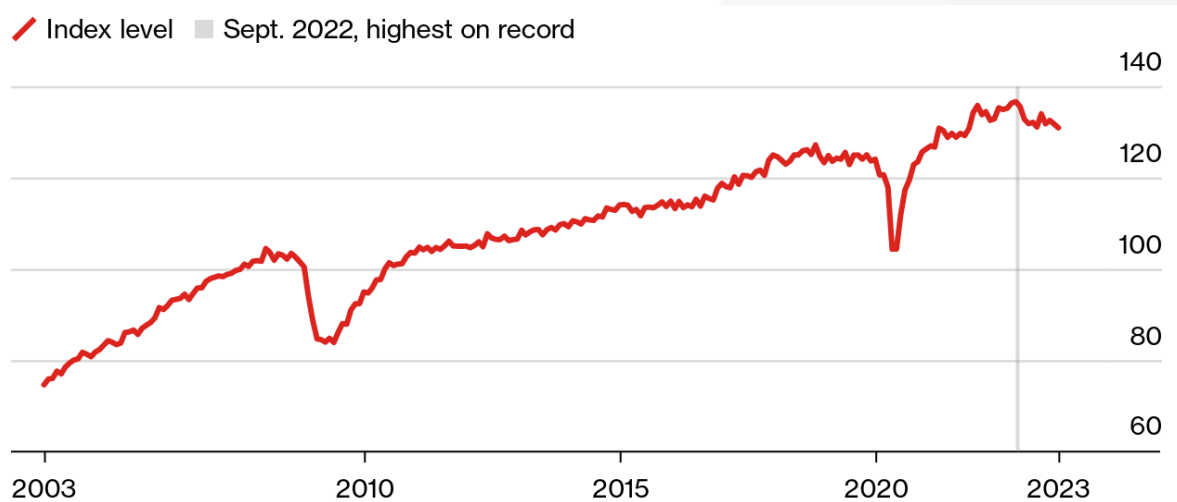
a. International trade update

Trade historians may view September 2022 as a significant moment for globalism. Previously, US consumers, buoyed by stimulus checks and PPP loans, powered a shopping boom that benefited global shipping and prevented an economic crisis. However, a change occurred in September. Increasing inflation and higher interest rates reduced demand for cheap imported goods. Companies, once wary of pandemic uncertainties, were left with excess inventory, causing cargo flows through US ports to plummet. Over the past 11 months, US inbound trade volumes consistently dropped by double-digit percentages compared to the previous year. This shift resembles a bullwhip effect, a boom-to-bust scenario, or a rollercoaster ride.

The Dallas Fed's factory survey reflects manufacturers' challenges, with one machinery maker describing the situation as a "summer funk" that persists. While there are glimpses of potential, purchase orders are slow, quantities are reduced, and sentiment remains tepid. These challenges are not exclusive to the US. The CPB

Netherlands Bureau for Economic Policy Analysis reported that its world trade volume index fell in July to its lowest point in about two years, marking a decline from the all-time high reached in September 2022.

Figure 14 – World trade index Drewry Global Container Port Throughput Index - 22 September 23



Source: [CPB Netherlands Bureau for Economic Policy Analysis via Bloomberg](#)

While these developments pose challenges, they also present opportunities for businesses and governments to adapt, innovate, and find new avenues for growth and sustainability in the evolving global trade landscape.

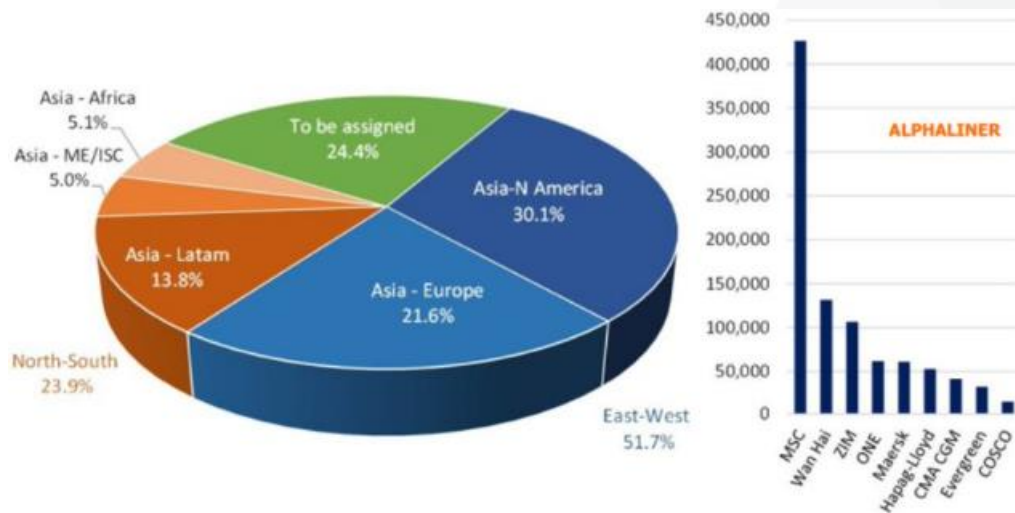
b. Global shipping industry

i. Container capacity: global growth and Neo-Panamax spread to North-South trades

On the major East-West global trades, the current narrative continues to point to major over-capacity issues. The choice to curb capacity remains between a sharp drop in already low freight rates or large-scale blank sailings (Drewry's "Cancelled Sailings Tracker" is now trending at a **15% cancellation rate**¹⁴ this week). On North-South trades, however, a total of 62 neo-panamax (NPX) ships in the size range of **13 000 to 16 550 TEU** will enter service before the end of 2023. These ships represent a capacity of **928 000 TEU** (or **39%**) of all new TEU slots being added to the container fleet this year. In the current climate, assuming some tonnage will be laid up seems reasonable.

¹⁴ Drewry. 29/09/2023. [Cancelled Sailings Tracker - 22 September](#).

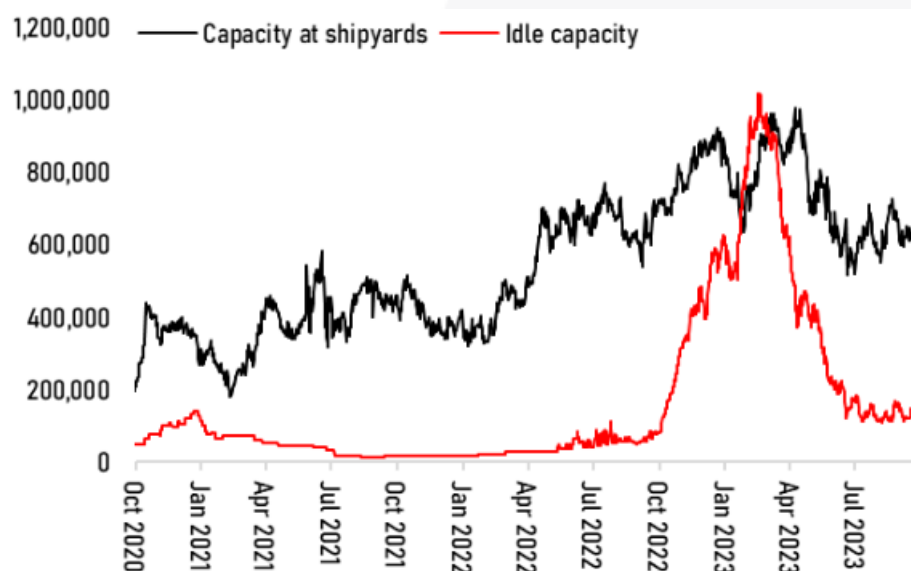
Figure 15 – 2023-built neo-Panamax capacity (TEU) per trade and carrier



Source: [Alphaliner](#)

Nineteen of these new vessels have already joined Asia—North America services (seven on the Transpacific and 12 in Asia—USEC loops), representing **30,1%** of this year's new NPX capacity. Thirteen others are now trading between Asia and Europe. They account for **21,6%** of this year's NPX new-buildings, bringing the total for East-West routes to **51,7%**. Fifteen ships (**23,9%**) have been assigned to North-South services from Asia to Latin America (nine ships), Africa (three) or the Middle East and the Indian Sub-continent (three). Ultimately, as Linerlytica notes this week, global containership capacity has been growing at an average rate of over **190 000 TEU/month** since April, after accounting for new ship deliveries and capacity upgrades and deducting scrapped capacity and other deletions¹⁵.

Figure 16 – Idle vessels (TEU thousands)



Source: [Linerlytica](#)

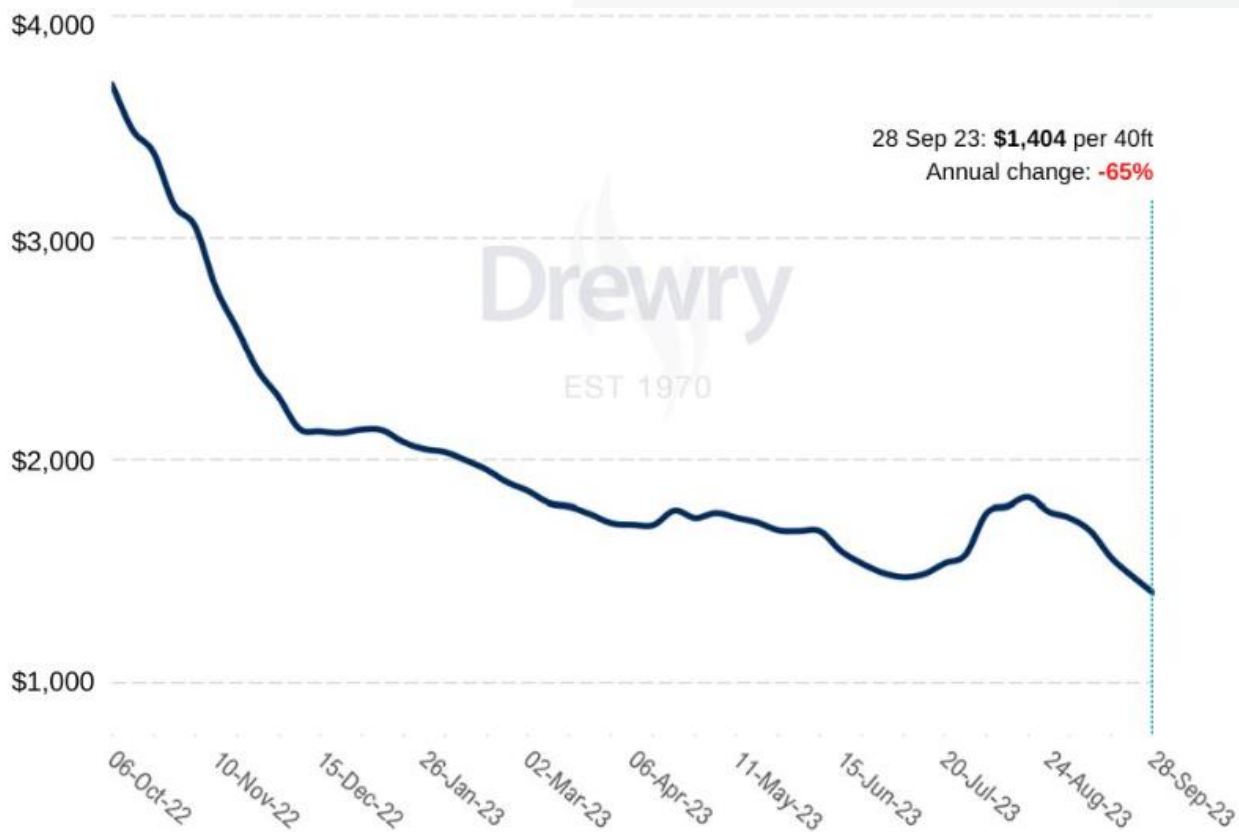
¹⁵ Linerlytica. 26/09/2023. [Containership capacity growing at fastest pace on record.](#)

The current pace of growth is the fastest rate ever recorded for the container markets and is set to continue for the next two years. Compared to the growth spurt in 2006-2008 and 2014-2015, when the average monthly growth rate was just **120 000 TEU/month**, the current growth burst will pose a significant challenge to the carriers' ability to manage the excess vessel supply. The pace of vessel scrapping remains at less than **10 000 TEU/month**, which continues to apply further downward pressure on rates and upward pressure on capacity management. Although overall capacity across the four main trades from Asia to Europe and North America is expected to fall by **14-22%** in October, mainly from blanked sailings, there have been very few actual service withdrawals, with just three services permanently suspended to the US West Coast so far¹⁶.

ii. Global container freight rates

The early end of the summer peak season has brought the container market back to reality, with the global indices retesting fresh lows even before September is over. This week, the "World Container Index" decreased by a second-consecutive **~↓5,1%** (or **\$75**) to **\$1 404** per 40-ft container¹⁷ and remained in free fall.

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



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

The composite index is now **↓65%** lower than the same week last year and only slightly (**↑1%**) higher than pre-pandemic average rates in 2019; however, this barrier should be broken next week. The year-to-date average continues to subside and is now **\$1 747**, significantly lower than the 10-year average of **\$2 678**. Further rate declines in October will follow despite the reduction in capacity next month, with carriers unable

¹⁶ Linerlytica. 26/09/2023. [Market Pulse – Week 39](#).

¹⁷ Drewry. 14/09/2023. [World Container Index – 28 September 2023](#).

to generate any significant cargo roll pools¹⁸ ahead of the Golden Week holidays in China. Severe rate discounting, especially on the Asia-Europe route, has already brought rates to below 2019 levels, with the risk of a further slump to 2016 levels a real possibility in the absence of immediate capacity reduction measures. Elsewhere, port congestion continues to be a near non-issue, as congestion only affects ~5% (some **1,6 million TEU**) of the industry. Nevertheless, two South African ports continue to feature in the top 20 congested ports, notably Durban (**29 250 TEU** at anchorage, with a queue-to-berth ratio of **0,69**) and Cape Town (**29 200 TEU** at anchorage, with a queue-to-berth ratio of **1,10**).

iii. Further developments of note

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

1. MSC eyes joint ownership of Spanish intermodal operator Renfe Mercancías:

- a. Through its logistics division Medlog, MSC is considered a potential strategic partner for Spanish state railway Renfe Group's rail freight subsidiary, Renfe Mercancías. This process follows an international tender, with Maersk and CMA CGM also shortlisted¹⁹.
- b. Renfe Group's move aims to ensure the long-term sustainability of Renfe Mercancías, expand its business, and improve its logistics operator profile, especially in ports. The jobs of Renfe Mercancías' 945 staff are guaranteed, with the option to work in the new entity or elsewhere within the rail group.
- c. Labour unions have raised concerns about the potential "privatisation in disguise" with the arrival of Medlog. The exact terms of the deal haven't been disclosed, but it's believed to involve creating a 50:50 joint-venture company between Renfe Mercancías and Medlog's rail freight arm, Medway.

2. Thousands of containers are stranded in Russia as trade imbalance grows:

- a. The China-Russia trade imbalance, driven by increased Chinese exports to Russia since the Ukraine invasion, has resulted in around 150 000 TEU of empty containers stranded in Russia²⁰.
- b. This reality has caused a crash in second-hand container prices in Russia, with 40ft high-cube containers selling for less than \$1 000 in Moscow, compared to almost double elsewhere.
- c. According to local transport managers, Chinese companies are selling containers below market price rather than sending them back to China, causing congestion at Russian rail terminals and a "critical" situation around Moscow.

3. CMA CGM orders another eight methanol-fuelled containerships:

- a. CMA CGM has ordered eight **9 200 TEU** methanol-propelled container ships from Shanghai Waigaoqiao Shipbuilding in China for **\$1 billion**. These vessels, set for delivery in 2027, will be the first methanol-fuelled containerships built by SWS and will likely be deployed on mid-haul routes such as the Far East-Persian Gulf²¹.
- b. This order is part of CMA CGM's commitment to greener practices. They have previously ordered methanol-fuelled vessels and now have 85 LNG-fuelled ships and six methanol-powered ships on order. This drive aligns with the industry's shift from conventional propulsion, with only 14% of capacity ordered in the second half of 2022 using fuel oil.

¹⁸ Rolled cargo is cargo that could not be loaded onto the vessel it was scheduled to sail on, because that vessel ran out of capacity. Vessels run out of capacity because carriers overbook spots on vessels, similar to how passenger airlines overbook seats. Essentially, with the current demand being so low as it is, carriers are (unsuccessfully) trying to manufacture price increases artificially.

¹⁹ Todd, S. 27/09/2023. [MSC eyes joint ownership of Spanish intermodal operator Renfe Mercancías.](#)

²⁰ Van Marle, G. 28/09/2023. [150,000 empty containers stranded in Russia as trade imbalance grows.](#)

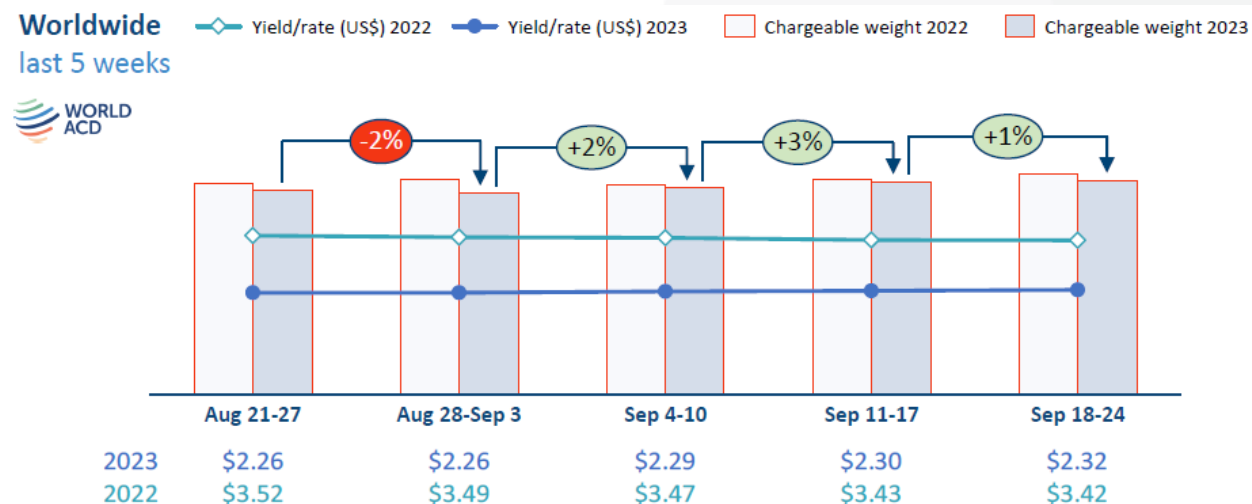
²¹ Li, M. 28/09/2023. [CMA CGM orders another eight methanol-fuelled containerships.](#)

- c. The move signifies the growing green revolution in container shipping as companies invest in sustainable fleets to reduce carbon emissions. CMA CGM stated it has already halved its carbon dioxide emissions per TEU-km compared to 2008.

c. Global air cargo industry

In the weekly data from World ACD, global air cargo tonnages and average rates have continued their slow rise into the third full week of September – their third consecutive week-on-week increase – taking tonnages to within **2%** of their level this time last year.

Figure 18 – Global yield, weight, and rates over the last five weeks (% weekly)



Source: [World ACD](http://WorldACD)

Week 38 (18 to 24 September) saw a small **↑1%** increase in tonnages and rates compared to the previous week. In weeks 37 and 38, global air cargo tonnages increased by **↑5%** compared to the preceding two weeks, with rates and capacity rising by **↑2%**. Significant tonnage increases were observed in inflows from North America to Europe (**↑11%**), intra-Asia Pacific (**↑9%**), and North America to Asia Pacific (**↑9%**). Rates increased, notably from Asia Pacific to Europe and North America (**↑5%**) and from the Middle East and South Asia to Asia Pacific (**↑4%**). In comparison, there was a notable drop in rates from North America to Asia Pacific (**↓5%**). Compared to last year, overall chargeable weight decreased by **↓2%**, with significant declines from North America (**↓12%**) and Europe (**↓11%**). Capacity has risen by **↑11%** (y/y), primarily due to the return of passenger air services, notably in Asia Pacific (**↑32%**). However, average rates are currently **↓32%** lower than last year but remain **↑35%** higher than pre-pandemic levels and are trading at around **\$2,32 per kg**.

In other air cargo news, Dutch carriers' future on some transatlantic routes could be in doubt after powerful lobbying group Airlines for America's official complaint with the US Department of Transport, labelling the slot reduction at Schiphol "unlawful on multiple grounds"²². The Netherlands government had announced plans to limit flight movements from Schiphol Airport to a maximum of 440 000 a year in a bid to reduce noise pollution. Elsewhere, the airfreight market may be soft – but forwarders and carriers are likely to retain at least part of their own controlled networks²³.

²² Goldstone, C. 28/09/2023. [Airlines for America files complaint over Schiphol slot reduction plan.](#)

²³ Lennane, A. 25/09/2023. [Forwarders and box lines will carry on with their own air networks.](#)

²⁴**ACKNOWLEDGEMENT:**

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