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Cargo movement update[1]

Date: 24 March 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)	22 260	27 189	**49 449**	22 852	28 780	**51 632**	↓4%
Air Cargo (tons)	4 375	2 909	**7 284**	4 791	2 973	**7 764**	↓6%

Monthly Snapshot

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

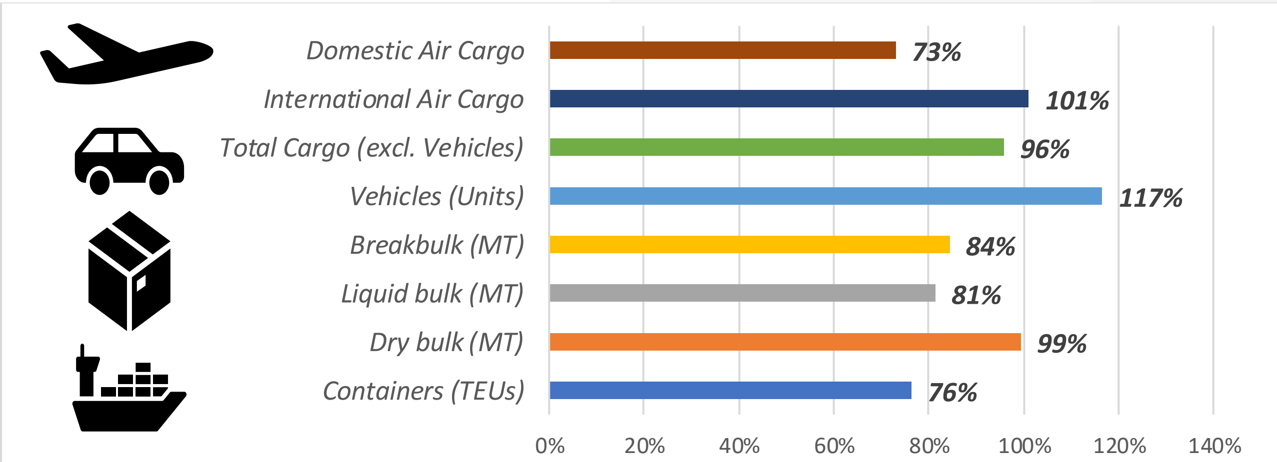


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)

Key Notes

- An average of **~7 064 containers** was handled per day, with **~8 953 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **3 158** containers, ↑45% compared to last week.
- Cross-border queue times were **↑1,4 hours**, with transit times **↓2,7 hours**, SA borders **~13,9 hours** (**↓18%**).
- UNCTAD shows global goods trade decreased by **↓3%** (q/q), as services and green goods remain robust.
- Global container throughput dropped by a significant **↓2,6%** in January (against a predicted **↓0,5%**).
- Global freight rates continue to fall, as the "*WCI*" is down by **↓2%** (**$23**) this week to **$1 757** per 40 ft.
- Flat tonnages and minor changes in capacity (**↑2%**) and yields (**↓1%**) in the global air cargo market.

[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 129th 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; all metrics: Feb vs Feb.
[5] For ocean, total Jan-Feb cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Feb cargo to and from ORTIA is used.

Executive Summary

This update *– the 129th of its kind –* contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this week were impacted by adverse weather, frequent equipment breakdowns and shortages, backlogs, delays, and congestion. The Port of Cape Town had an improved week as minimal delays were reported due to adverse weather conditions. The congestion at Cape Town has improved over the latter stages of the week as the average berthing delays are down to **10,7 days** compared to **13,5** on Monday. But the incidence of mechanical failures remains worryingly high, seriously impacting productivity. The marine fleet in Durban improved this week, as five tugs were in operation for most of the week. The Ports of Ngqura and Port Elizabeth still share tugs as the second tug remains in the drydock for repairs. Additionally, more cable theft was experienced on our national rail lines over the last week, with the most recent instance resulting in operational delays of up to four hours.

In the international maritime industry, port congestion increased over the past week, mainly driven by the French worker strikes, while the situation in China and the US remaining fluid. As a result, global container volumes remain desperately low, with immediate forecasts predicting a further drop. The outlook will not change until probably the second half of the year, as carriers are still adding more capacity despite the weak market conditions. The idle fleet continues to decline while new ship deliveries continue apace. Other developments include **(1)** industrial action at Hamburg and **(2)** a new rail link between China and Russia.

In the air freight market, weekly international cargo volumes remained low and decreased by **↓6%** from last week, as domestic volumes decreased somewhat (**↓3%**). The international air cargo industry continues to see a positive change in capacity, despite low (but stabilising) volumes. The steady decline in cargo rates has also seemingly ended – potentially paving the way for an improved outlook as predicted.

For regional cross-border road freight, average queue times increased slightly, as transit times improved markedly to ease some congestion issues this week. Nevertheless, border times remained high, with South African land border crossing in the region has averaged **~13,9 hours** (**↓18%**, w/w) for the week, as the greater SADC region (excluding ex-South Africa) decreased by the same magnitude, averaging **~13,4 hours** (**↓16%**, w/w). Congested SADC borders this week included Beitbridge, Groblersbrug, Kasumbalesa, Katima Mulilo, and Oshikango – all taking more than a day on average to cross. Further notable developments included **(1)** cross-border transporters to ensure that they comply with SARS RLA requirements, **(2)** BMA set to increase its border footprint, and **(3)** Groblersbrug network challenges persisting.

In concluding this week's report, the analysis shows that the anticipated national lockdown did not significantly impact operations. Most role players continued operations, albeit with some reduction of human and equipment resources, as some contingency plans were implemented. Consequently, the trade, transport, and logistics industry lost the opportunity to catch up on an already slow start to the year. Indeed, the latest forecasts from UNCTAD confirm the weak state of international trade; fortunately, the forward outlook is much better, emphasising the need for the South African logistics industry to get its house in order. The long-term analysis included this week shows that our port efficiency has continued to decrease from a peak experienced around 2015. Therefore, when comparing South Africa to historical performance, there has been a marked deterioration. Unfortunately, when comparing South Africa to our peers, there has been further degradation. Ultimately, all role players in the extended supply chain need to reverse the trend – and the industry is calling upon the government, led by Transnet, to lead by example. And this initiative can start with honest communication on port operations, including short staffing, equipment breakdowns, and the sharing of correct data.

Contents

1. Ports Update

This section provides an overview of the flow of containerised cargo through our commercial ports.

a. Container flow overview

The following tables indicate the container flows reported for the last seven days and projections for the next seven days.

Table 2 – Container Ports – Weekly flow reported for 18 to 24 March [6]

7-day flow forecast (18/03/2023 – 24/03/2023)		
TERMINAL	NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 996	3 836
DURBAN CONTAINER TERMINAL PIER 2:	9 196	12 253
CAPE TOWN CONTAINER TERMINAL:	4 543	3 595
NGQURA CONTAINER TERMINAL:	4 587	7 505
GQEBERHA CONTAINER TERMINAL:	938	0
TOTAL:	**22 260**	**27 189**

Source: Transnet, 2021. Updated 24/03/2023.

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

7-day flow forecast (25/03/2023 – 31/03/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 630	4 300
DURBAN CONTAINER TERMINAL PIER 2:	9 087	15 218
CAPE TOWN CONTAINER TERMINAL:	5 849	10 861
NGQURA CONTAINER TERMINAL:	4 117	7 693
GQEBERHA CONTAINER TERMINAL:	317	600
TOTAL:	**24 000**	**38 672**

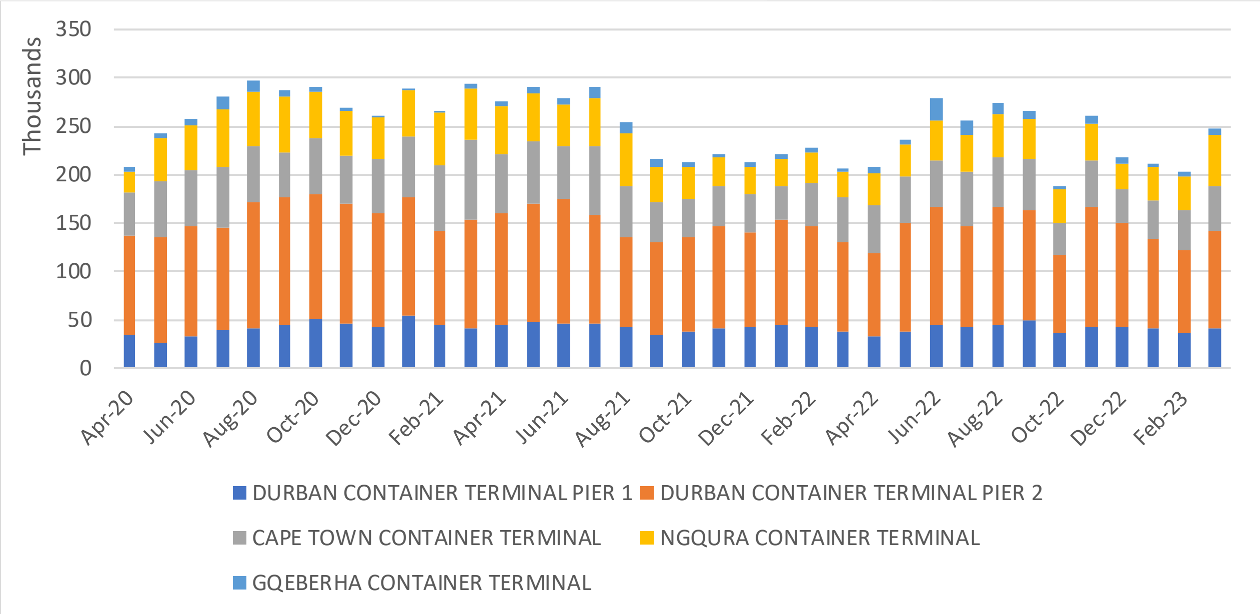
Source: Transnet, 2021. Updated 24/03/2023.

An average of **~7 064 containers** (↓4%) was handled per day for the last week (18 to 24 March, *Table 2*) compared to the projected average of **~8 107 containers** (↓20% actual versus projected) noted in last week's report. An increased average of **~8 953 containers** (↑27%) is predicted to be handled next week (25 to 31 March, *Table 3*), but as we have noted before, it seems that these forecasts bear little relation to reality. Port operations this week were impacted by adverse weather, frequent equipment breakdowns and shortages, backlogs, delays, and congestion.

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

[6] It remains important to note that a large percentage (approximately 39% 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.

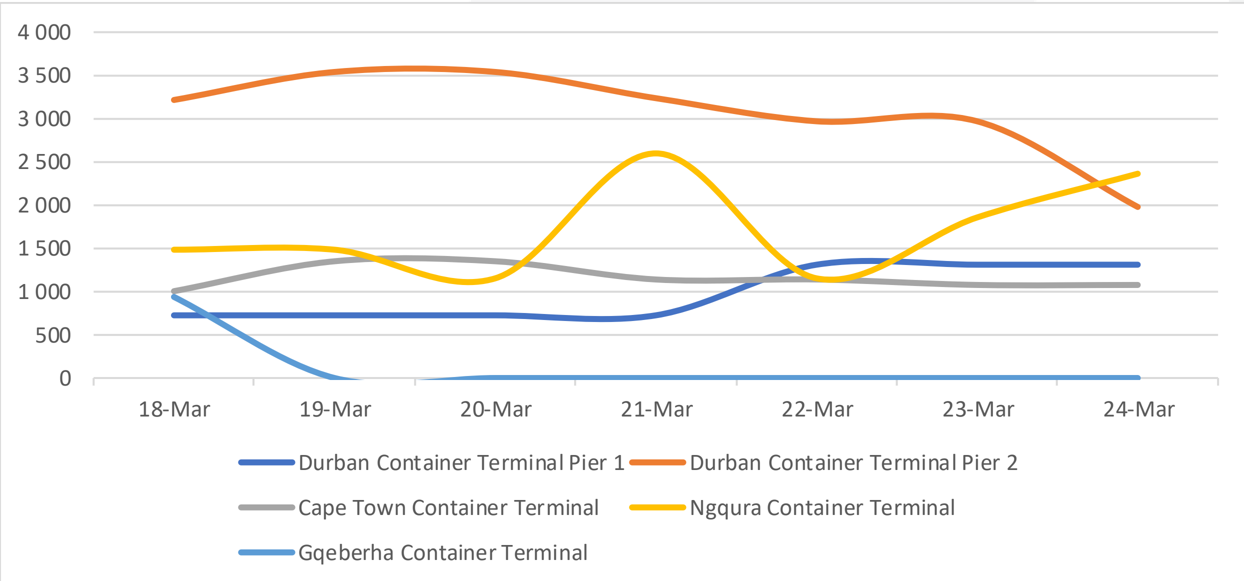
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 24/03/2023.

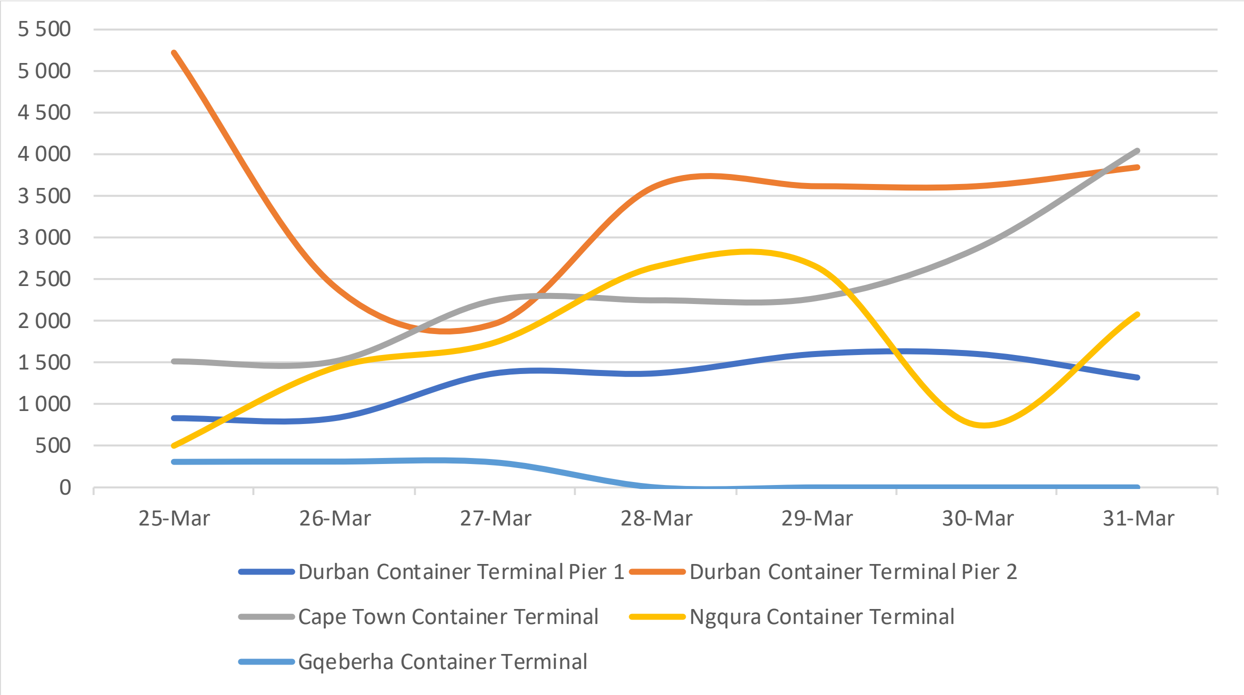
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that. The national shutdown by the EFF – followed by the public holiday – impacted container movements, as shown below.

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



Source: Calculated using data from Transnet, 2023. Updated 24/03/2023.

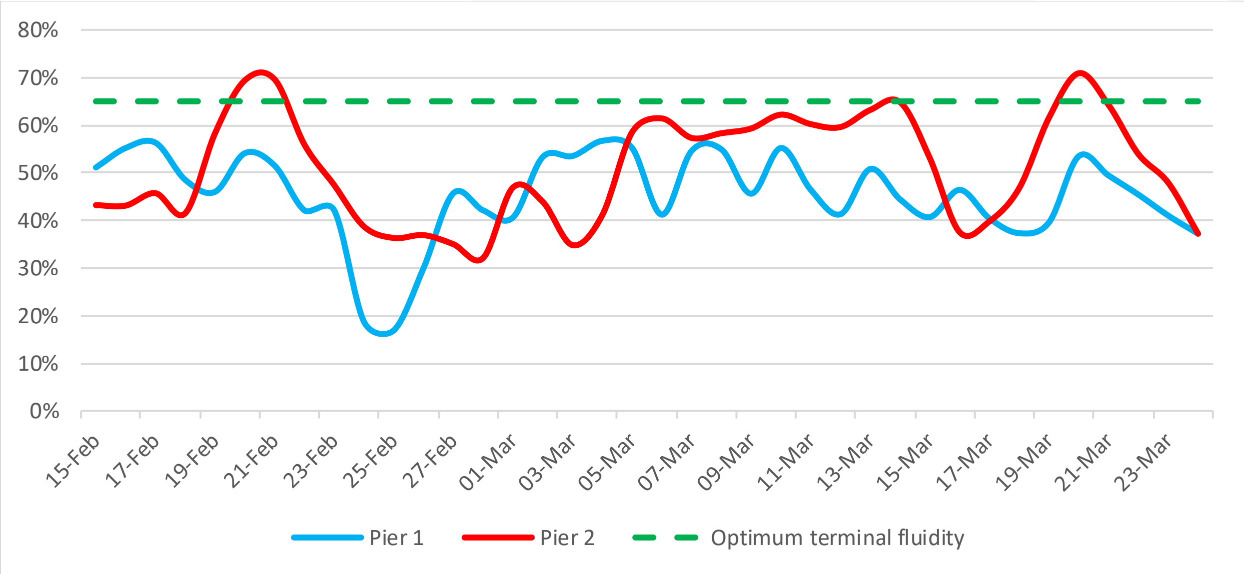
Figure 5 – 7-day forecast reported for total container movements (25 to 31 March; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 24/03/2023.

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

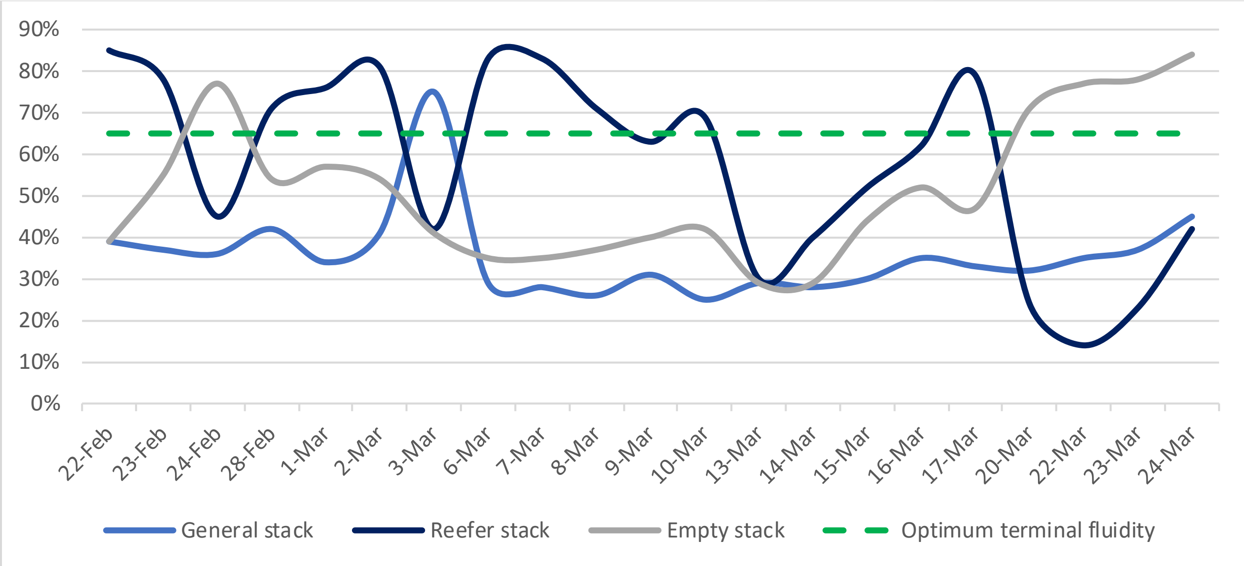
Figure 6 – Stack occupancy in DCT, general-purpose containers (15 February to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 24/03/2023.

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 (22 February to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 24/03/2023.

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 experienced an easier week as minimal delays were reported due to adverse weather conditions.

The Port of Durban was subject to another challenging week as backlogs caused by the national shutdown and equipment breakdowns ensured operational delays. However, operations at the Port of Richards Bay mainly continued seamlessly this week as no operational delays were reported apart from the national shutdown.

The Eastern Cape ports reported no weather delays.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and six at the outer anchorage. Stack occupancy for GP containers was 45%, reefers 42%, and empties 84%. In the latest 24-hour period to Friday, the terminal managed to move 2 723 TEUs across the quay despite being windbound for approximately five hours. On the landside, 893 trucks were serviced while executing 36 rail moves.

The congestion at Cape Town improved over the latter stages of the week as the average berthing delays are down to **10,7 days** compared to **13,5** at the start of the week. However, as reported over the last few weeks, Cape Town remains on the "*Port Congestion Watch*" as more than **31 000 TEUs** are currently stuck at anchorage, with the queue-to-berth ratio improving slightly but remaining high at **1,56**[8].

[8] Linerlytica. 24/03/2023. Global Containership Port Congestion – as of 20 March 2023.

On Thursday, Cape Town MPT recorded two vessels at anchor and one at berth. In the 24 hours to Friday, the terminal managed to service 349 external trucks while handling 398 TEUs and 3 383 tons of manganese on the landside. Stack occupancy was recorded at 9% for GP containers, 55% for reefers and 25% for empties.

iii. Durban and Richards Bay

Pier 1 on Friday recorded no vessels at anchor and one at berth. Stack occupancy was 37% for GP containers, with 1 317 imports on hand and 98 unassigned units. The terminal recorded 1 162 landside gate moves on Wednesday, with 75 slots wasted. In addition, on Friday, three gangs were in operation and managed to move 1 278 TEUs across the quay against a target of 1 929.

Pier 2 had three vessels at berth and two at anchorage on Wednesday. In the most recent 24 hours to Thursday, stack occupancy was 48% for GP containers and 76% for reefers. The terminal operated with ten gangs while having 4 200 imports on hand. On Friday, there were 3 178 gate moves on the landside with a truck turnaround time of ~73 minutes and staging time of ~96 minutes. Lastly, 108 rail import containers were on hand, with 319 moved by rail.

Pier 2 experienced high traffic volumes on Thursday, with stack occupancy above 70%. The bulk of the high volumes consisted of imports, resulting in many dual transactions and shifter moves, with consequently longer than usual truck turnaround times. Despite stack occupancy being recorded at 37% on Friday, all towers at the Durban container terminal remain busy and are experiencing increased volumes, with a high demand for slots. TNPA is still closely monitoring slot allocation at the container terminal to ensure that congestion is avoided.

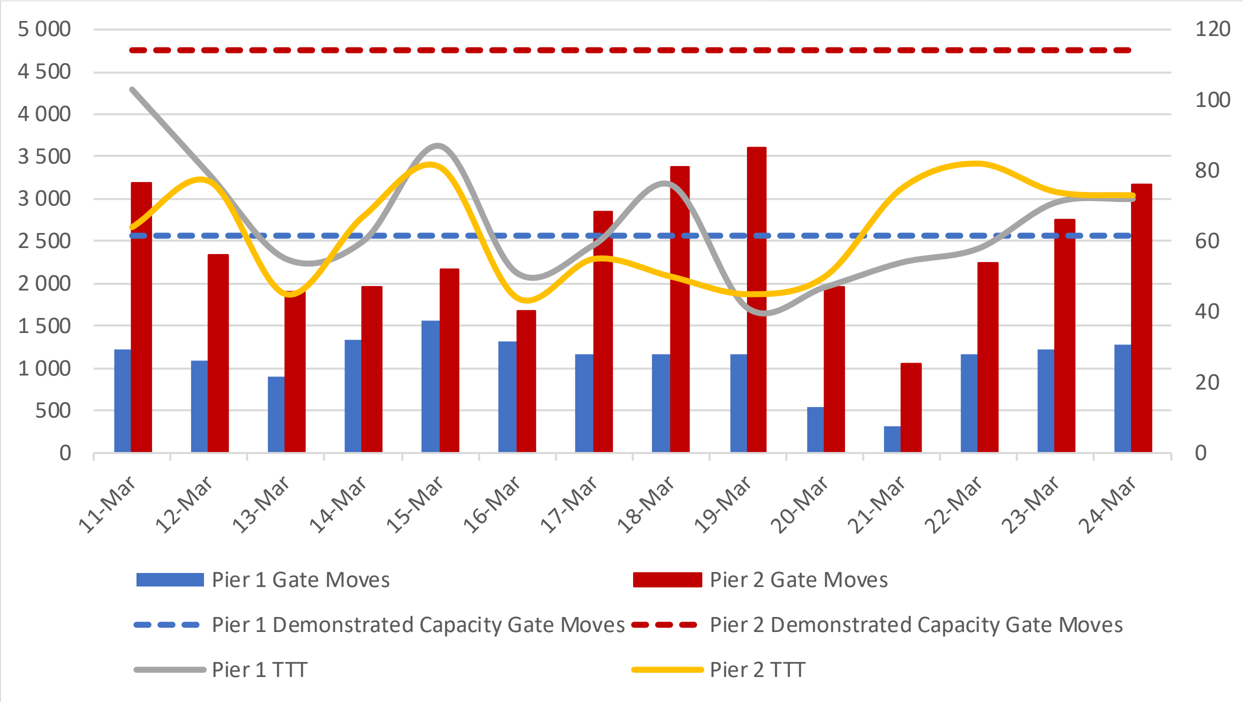
The marine fleet in Durban continued its resurgence this week, as five tugs were in operation for most of the week. However, one tug could not be deployed on Friday due to not having a master available to operate the tug.

The Durban MPT terminal, on Wednesday, recorded two vessels at berth and one at outer anchorage while handling 267 containers and 791 breakbulk tons on -the waterside. Stack occupancy for breakbulk improved this week to 50%, while stack occupancy on the container side was recorded at 45%. On the landside, the terminal managed to handle 325 containers while servicing 51 RMTs. On Friday, two cranes, eight reach stackers, one empty handler, seven forklifts and 19 ERFs were in operation. According to the latest reports, the gearbox installation process on the third crane experienced a minor setback, with the revised estimated return time being next Wednesday, 29 March 2023. On a longer-term outage, the fourth crane is anticipated to return to service in mid-June after a setback was experienced with its repairs.

On Friday, Richards Bay recorded 23 vessels at anchor: seven bulk, seven coal, seven general, one bunker, and one tanker vessel. In addition, there were 14 vessels on berth, five at DBT, five at MPT, two at RBCT, and two at the liquid bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Saturday.

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. As mentioned above – and illustrated below – the national shutdown by the EFF – followed by the public holiday – impacted container movements.

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



Source: Calculated using data from Transnet, 2022. Updated 24/03/2023.

iv. Eastern Cape ports

No reports were received for NCT during the daily port meetings this week.

GCT on Thursday recorded zero vessels at outer anchorage and none at berth. The next vessel is anticipated to arrive on Saturday, 25 March 2023. Available waterside resources were one tug, a pilot boat, two pilots, and one berthing gang in the 24 hours before Friday. In the same period, stack occupancy was 18% for GP containers, 25% for reefers, and 20% for reefer ground slots while moving no TEUs across the quay due to the lack of vessels.

The port of Ngqura and the port of Port Elizabeth are still sharing tugs as the Port Elizabeth tug remains in the drydock for repairs.

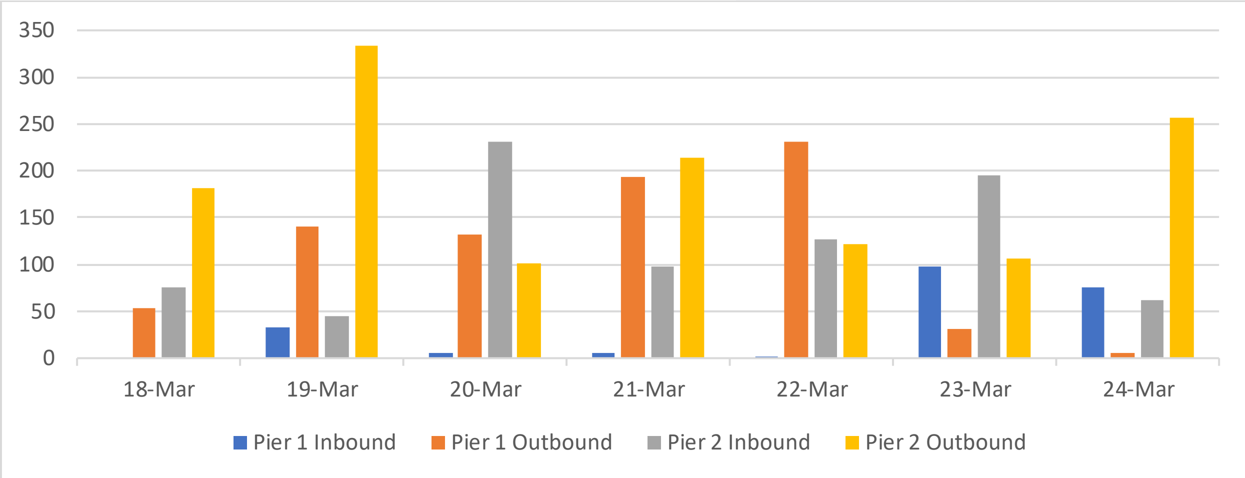
v. Saldanha Bay

On Friday, the Iron Ore terminal had two vessels at anchorage and three on the berth, while the multipurpose terminal had two at anchor and one on the berth. The vessels at anchor have been waiting at anchorage for approximately 1-5 days, while the vessels at berth have been on berth for approximately 2-6 days.

vi. Transnet Freight Rail (TFR)

More cable theft was experienced on our national rail lines over the last week, with the most recent instance resulting in operational delays of up to four hours. However, according to reports, the situation on the ConCor line seems to be improving, and TFR is "*holding its thumbs*" that the situation will not worsen anytime soon. The silver lining on our frail rail network remains that the government seems eager to involve and collaborate with the private sector in revitalising the container corridor. However, it remains to be seen to what extent the private sector participation model will be implemented and to what extent its influence and authority will stretch.

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



Source: Calculated using data from Transnet, 2022. Updated 24/03/2023.

In the last week (18 to 24 March), rail cargo handled out of Durban was reported at **3 158** containers, up by ↑**45%** from the previous week's **2 175** containers.

2. Long-term Port Efficiency

The following section will look at the longer-term port efficiency in the last 13 years with a focus on several port performance metrics[9], notably gross container moves per hour (CGH), ship working hours (SWH), and port turnaround time (PTT).

Table 4 – Durban port efficiency metrics: CGH, SWH, and PTT (2009-2020)

	GCH DCT	SWH DCT	GCH PIER 1	SWH PIER 1	PTT DCT	PTT PIER 1
TARGETS	28 MOVES	55 MOVES	30 MOVES	53 MOVES	40 HOURS	40 HOURS
2009	21,94	45,29	24,11	38,48	130,65	58,38
2010	-	-	-	-	-	-
2011	19,62	40,57	27,22	42,56	141,49	91,56
2012	24,51	54,70	22,56	43,78	126,46	95,67
2013	-	-	-	-	-	-
2014	22,84	54,69	22,89	46,78	83,52	79,89
2015	24,90	59,28	24,11	53,11	72,28	61,00
2016	23,60	53,23	25,13	45,25	83,55	74,50
2017	25,39	50,36	24,89	43,78	136,99	126,67
2018	20,88	53,91	24,30	48,67	98,59	80,22
2019	18,87	47,18	24,33	41,47	131,96	118,40
2020	19,75	48,80	21,70	45,52	135,85	112,77
2021	17,97	46,42	18,82	38,02	151,43	158,10
2022	17,40	41,82	18,14	38,29	167,43	117,10

[9] All this data is supplied to the Durban Port Committee from TPT and drawn from Navis. Some years are missing (2010 and 2013), as are selected months within the years. Nevertheless, the missing datapoints do not alter the narrative – that is of decreasing performance across all metrics across both Durban Piers.

The overall performance has rarely reached the targets[10] set out by TPT, not to mention the significant drop-off from peak performance (in the mid-2010s for most metrics). The following set of figures shows the respective performance against targets for the DCT Pier 1 and Pier 2, respectively:

Figure 10 – Durban Container Terminal Pier 2: CGH (2009-2020)

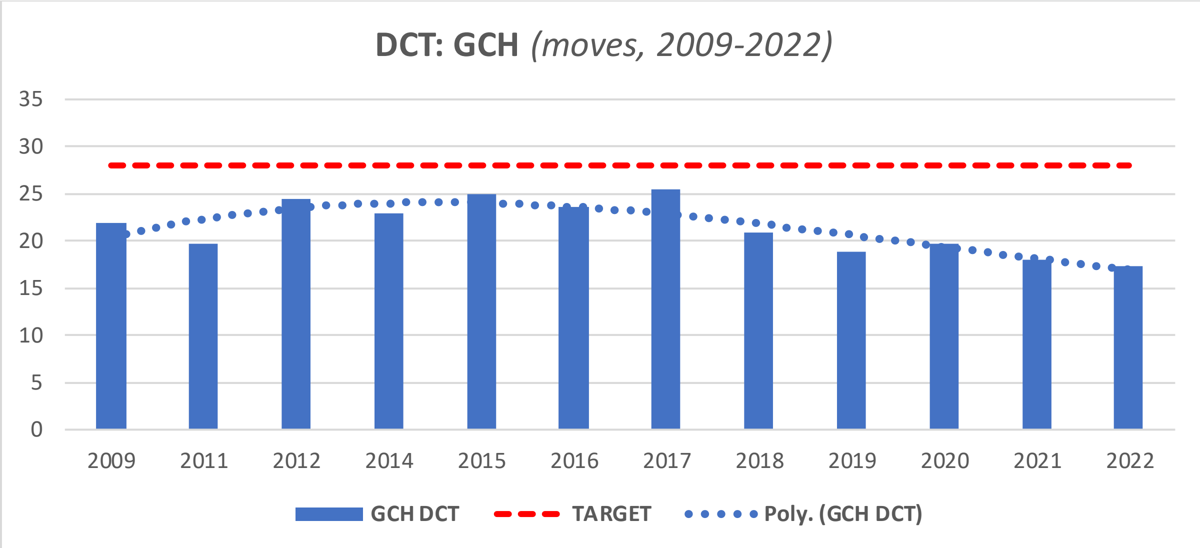
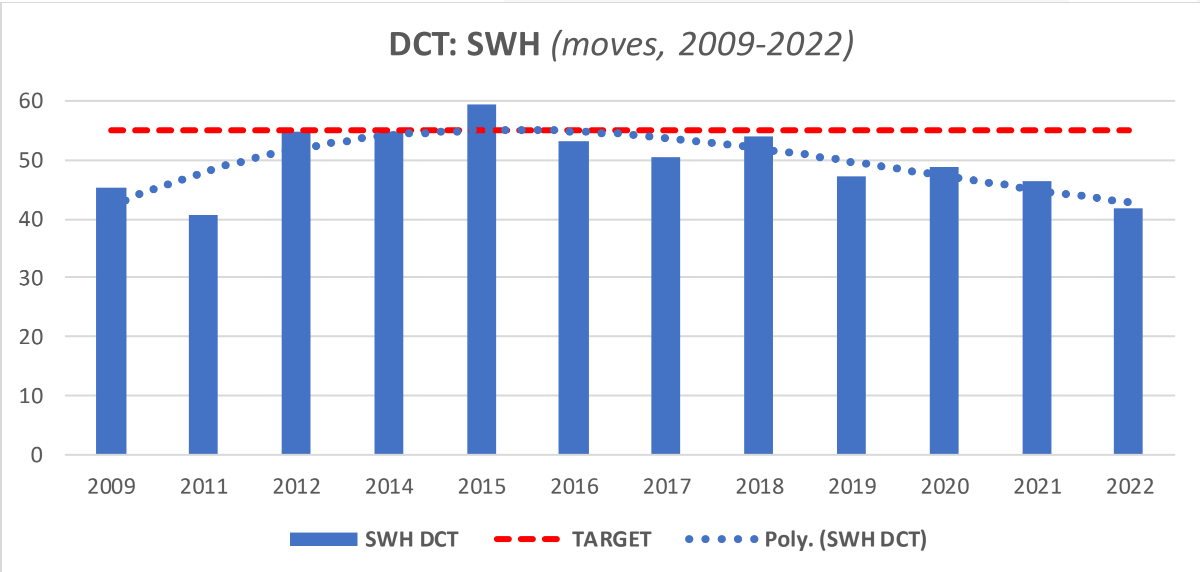


Figure 11 – Durban Container Terminal Pier 2: SWH (2009-2020)



[10] The targets mentioned above were set out in 2009 but have subsequently been revised. DCT: GCH (26), SWH (60), PTT (66); Pier 1: GCH (25), SWH (48), PTT (58).

Figure 12 – Durban Container Terminal Pier 1: GCH (2009-2020)

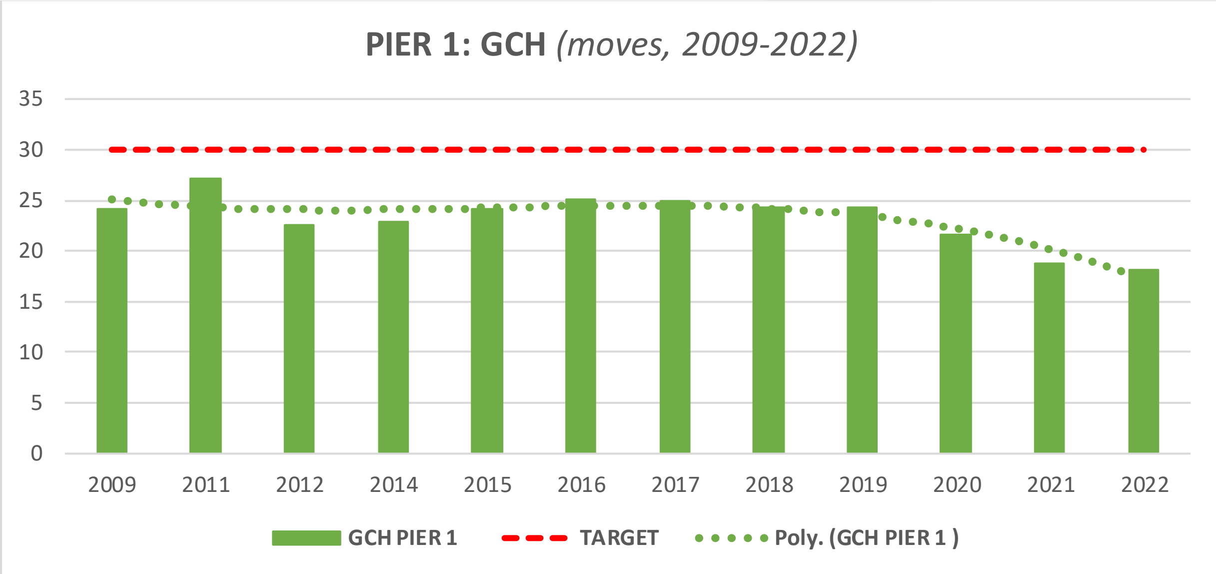


Figure 13 – Durban Container Terminal Pier 1: SWH (2009-2020)

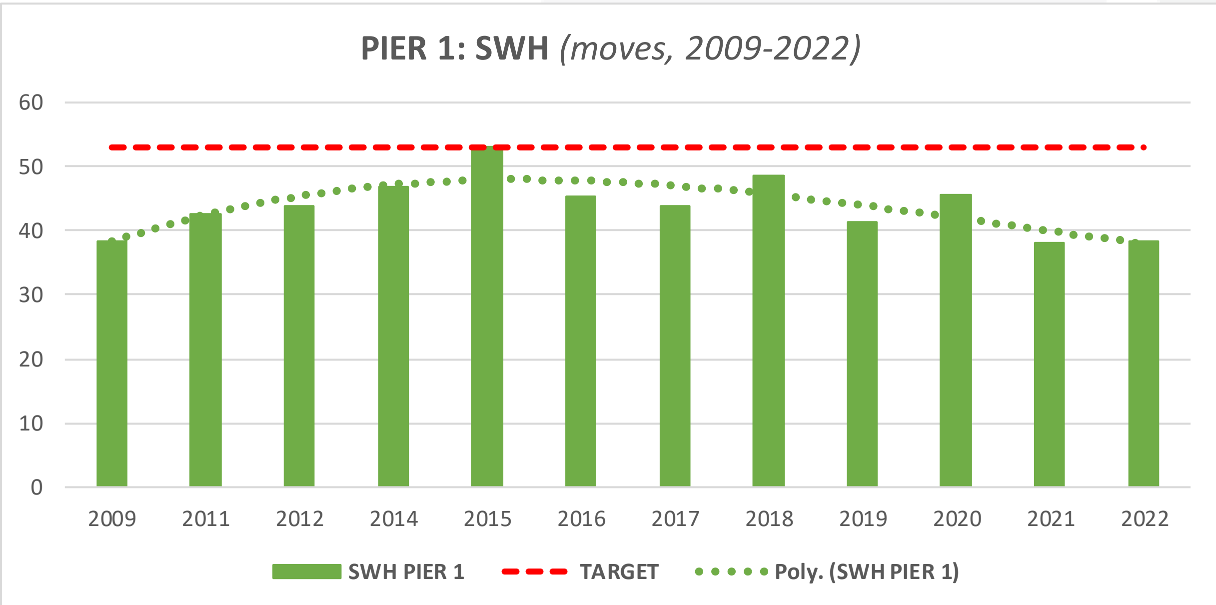
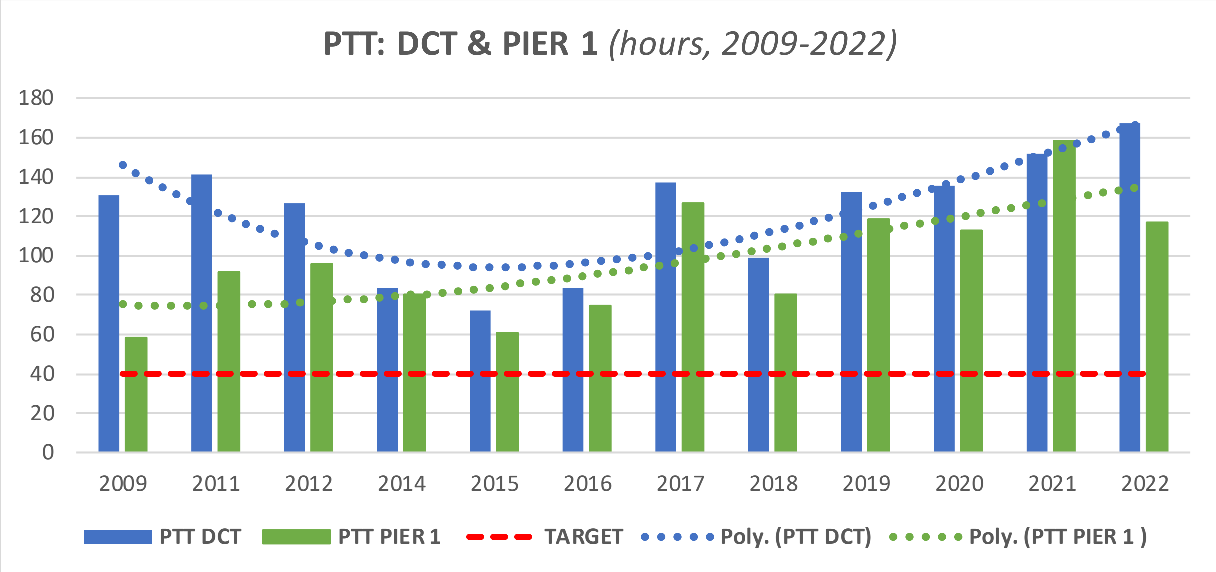


Figure 14 – Durban Container Terminal Pier 1 & Pier 2: PTT (2009-2020)



All five of these figures highlight the decrease in overall performance, with GCH (more is better) decreasing at both terminals, while PTT (less is better) trending in the opposite direction and increasing at both terminals. The following key points can be raised regarding each metric at each terminal:

- At DCT, GCH peaked in **2017** at **25,39** (still **↓9,3% below** the target of **28**) and decreased to **17,4** in 2022 (**↓33,1% below** the revised target of **26**).
- At DCT, SWH peaked in **2015** at **59,28** (**achieving ↑7,8% above** the target of **55**) but decreased to **41,82** in **2022** (**↓30,3% below** the revised target of **60**).
- At Pier 1, GCH peaked in **2011** at **27,22** (still **↓9,3% below** the target of **30**) and decreased to **18,14** in 2022 (**↓27,4% below** the revised target of **25**).
- At Pier 1, SWH peaked in **2015** at **53,11** (**achieving ↑0,2% above** the target of **53**) but decreased to **38,29** in 2022 (**↓20,2% below** the revised target of **48**).
- Neither Pier has made the PTT target of a turnaround time of ***fewer than 40 hours***, which speaks volumes to the damning WB CPPI report.
    - At DCT, PTT peaked in 2015 at **72,28** (**↑80,7% above** the target of **40**) and increased to **167,4** in 2022 (**↑153,6% above** the significantly revised target of **66**) – nearly a week!
    - At Pier 1, PTT peaked in 2009 at **53,38** (**↑33,5% above** the target of **40**) and increased to a high of **158,1** in 2021 (**↑172,6% above** the significantly revised target of **58**) – more than six days! (There has been some improvement to **117,1** in 2022 (which is still more than double the revised target of **58**).

3. Air Update

a. International air cargo

The following table shows the in- and outbound air cargo flows to and from ORTIA for the week beginning 13 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *March 2022* averaged **~753 222 kg** per day.

Table 5 – International inbound and outbound cargo from OR Tambo

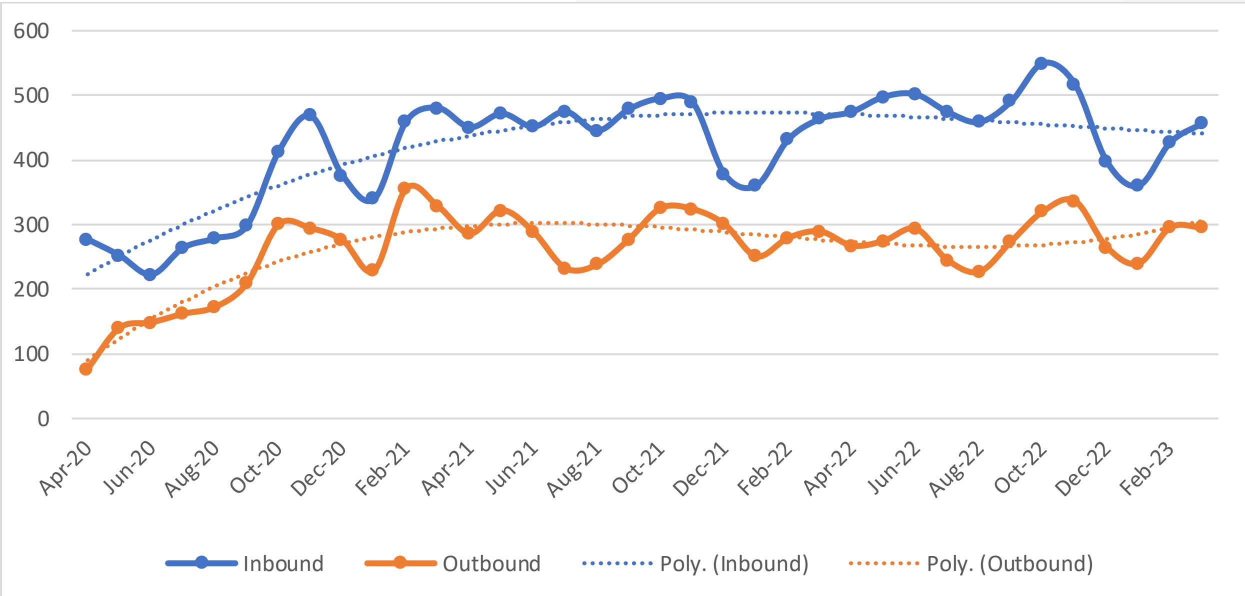
Flows	13-Mar	14-Mar	15-Mar	16-Mar	17-Mar	18-Mar	19-Mar
Volume inbound	559 229	353 865	421 105	255 992	331 348	305 958	835 008
Volume outbound	281 112	208 275	267 672	248 237	252 563	248 385	530 312
Total	**840 341**	**562 140**	**688 777**	**504 229**	**583 911**	**554 343**	**1 365 320**

Courtesy of ACOC. Updated: 20/03/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **437 501 kg** inbound and **290 937 kg** outbound, resulting in an average of **728 437 kg per day** or **~97%** compared with March 2022. Also, the level is currently at **~82%** compared with the same period pre-pandemic in 2019.

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak. The trendlines indicate a rapid volume increase post the immediate hard lockdown, with significant tapering and flatlining since.

Figure 15 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 20/03/2023.

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 *February 2022* was **~64 131 kg** per day.

Table 6 – Total domestic inbound and outbound cargo

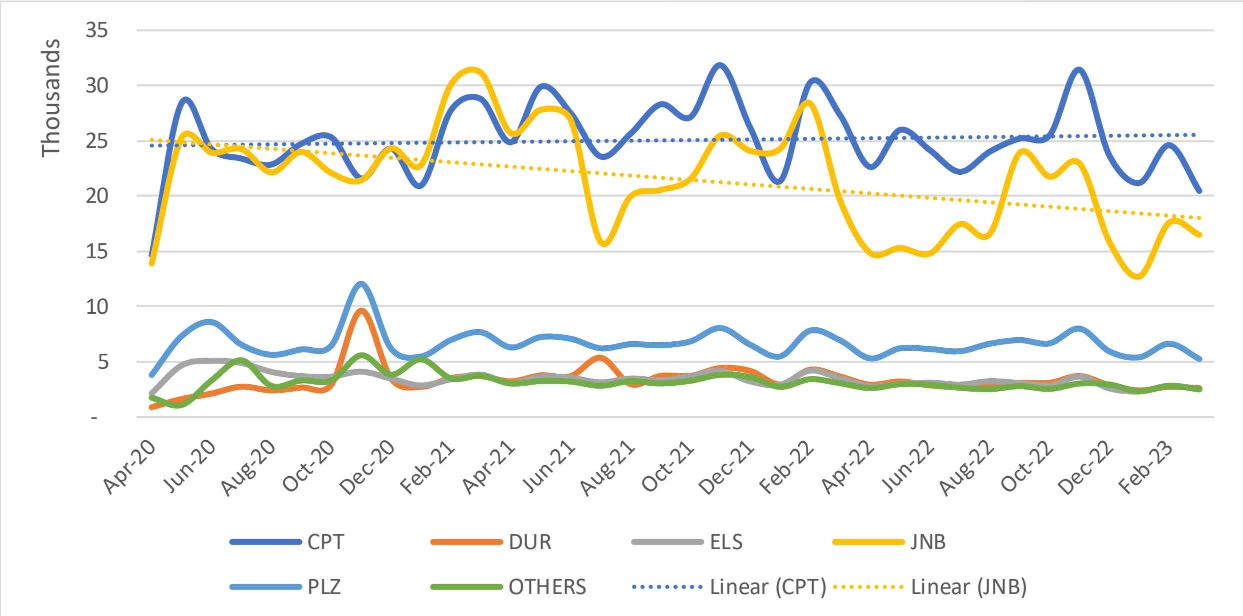
DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Ave.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Dec '22 Ave.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
January Ave.	23 644	2 881	2 593	15 834	5 942	2 946	53 839
February Ave.	36 199	3 738	4 843	28 654	11 342	3 958	88 735

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
March Ave.	23 331	2 907	2 871	18 564	6 039	2 826	56 538
Total for 2023:	1 628 794	185 942	187 980	1 132 245	432 413	187 917	3 755 292

Courtesy of BAC. Updated: 13/03/2023.

The average domestic air cargo moved last week was **~57 854 kg** per day, which is **↓3%** compared with the previous week, but *only* **~90%** of what was moved in March 2022.

Figure 16 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 13/03/2023.

4. Road and Regional Update

a. Cross-border and road freight delays

This week, the following points are worth mentioning in terms of challenges and delays on roads in South Africa and the surroundings in the SADC region.

- This week, the median border crossing times at South African borders decreased and averaged **~13,9 hours** (**↓18%**, w/w).
- As of 31 March, all cross-border transporters must be on the SARS NCAP RLA system to move cross-border. Furthermore, 1 April has been announced as the date when the BMA comes into full operation, with SARS responsible for Customs matters and the BMA for everything else. The industry has further been advised that additional border guards will be deployed in the control zones and within a 10km radius around the borders.
- Groblersbrug continues to be plagued by network issues caused by load-shedding, with the average queues extending past 2km and adding to the delays.
- Kazungula experienced increased congestion in both directions, as the longstanding issues of lack of parking on the Zambian side remain. Transporters have reported that Zambia border authorities keep vehicles on the Botswana side and only release them in small numbers since trucks are not allowed to park on the bridge.

- 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[11], which has arguably achieved much greater success.

The following table shows the changes in bidirectional flows through South African borders:

Table 7 – Delays[12] summary – South African borders

Border Post	Direction	HGV[13] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	391	5	7	28	11 730	2 737
Beitbridge	Zimbabwe-SA	410	4	2	13	12 300	2 870
Groblersbrug	SA-Botswana	248	2	3	34	7 440	1 736
Groblersbrug	Botswana-SA	157	0	0	1	4 710	1 099
Vioolsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	1	2	600	140
Nakop	SA-Namibia	30	0	2	7	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 552	0	1	9	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	1	2	3 990	931
Skilpadshek	SA-Botswana	200	1	2	3	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	3	2 400	700
	Average/Sum	**3 291**	**01:00**	**02:00**	**09:00**	**96 930**	**23 037**

Source: TLC, FESARTA, & Crickmay, week ending 19/03/2023.

Table 8 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time (hh:mm)	Border Time – Best 5% (hh:mm)	Border Time – Median (hh:mm)	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	3	12	9 600	2 240
Dar Es Salaam Corridor	1 819	7	3	17	54 570	12 733
Maputo Corridor	1 685	0	1	6	50 550	11 795
Nacala Corridor	127	0	4	4	3 810	889
North/South	3 278	3	4	16	74 791	22 946
Trans Caprivi Corridor	116	19	11	40	3 480	812
Trans Cunene Corridor	100	0	12	29	3 000	700
Trans Kalahari Corridor	330	1	1	3	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Average/Sum	**7 875**	**03:00**	**04:00**	**13:00**	**210 721**	**55 125**

Source: TLC, FESARTA, & Crickmay, week ending 19/03/2023.

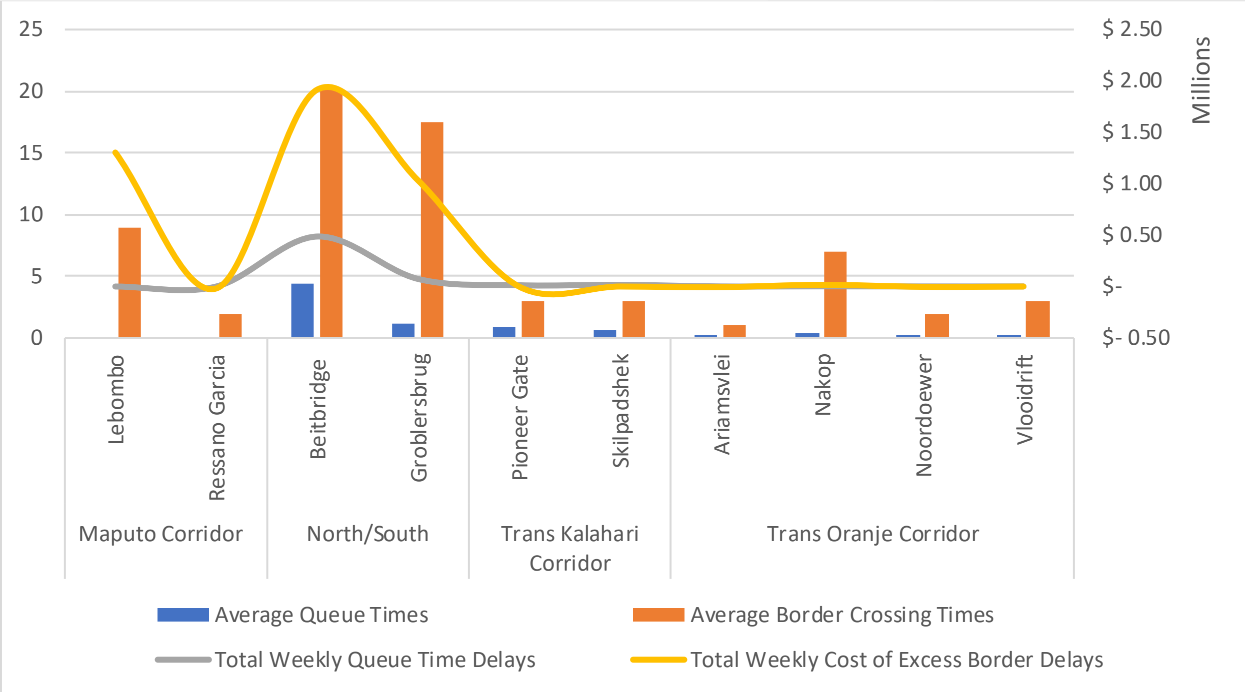
The following graph shows the weekly change in cross-border times and associated estimated costs:

[11] FESARTA TRANSIST Bureau.

[12] 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.

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

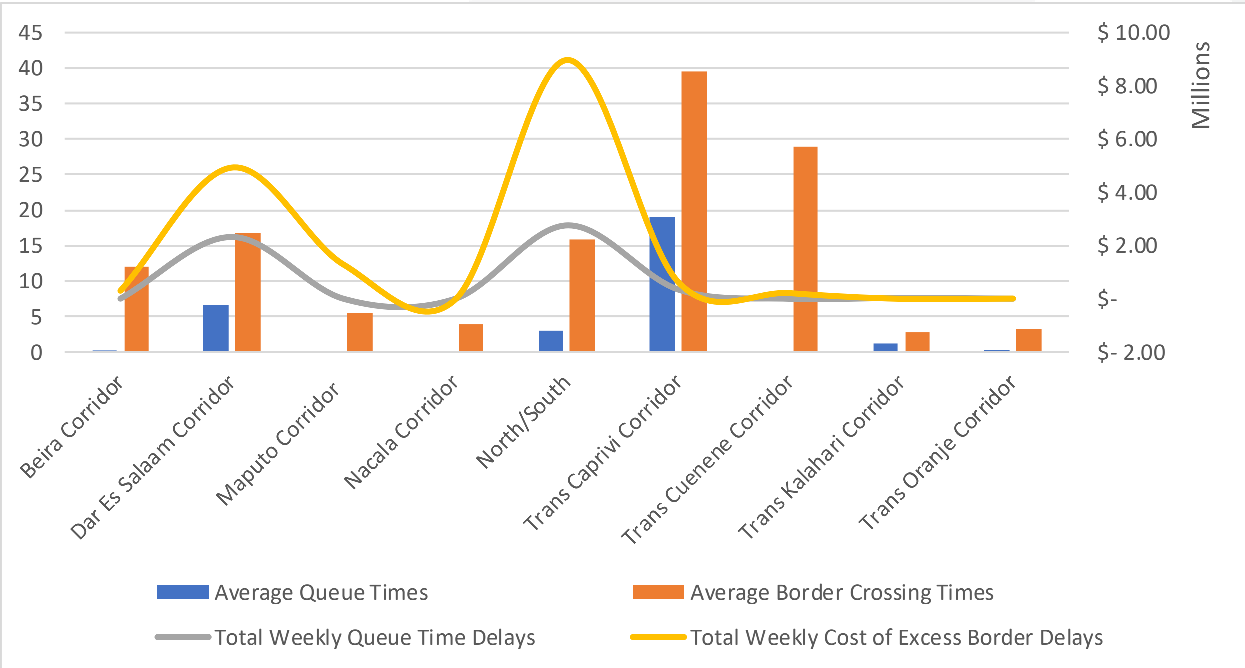
Figure 17 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 19/03/2023.

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

Figure 18 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 19/03/2023.

In summary, cross-border queue time has averaged **~3,2 hours** (up by **~1,4 hours** from the previous week's **~1,8 hours**), indirectly costing the transport industry an estimated **$5 million** (**R96 million**). Furthermore, the week's average cross-border transit times hovered around **~13,5 hours** (down by **~2,7 hours** from the **~16,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **$16 million** (**R287 million**). As a result, the total indirect cost for the week amounts to an estimated **~R383 million** (down by **~R79 million** or **↓15%** from **R462 million** in the previous report).

5. International Update

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

a. UNCTAD: Global Trade Update

In UNCTAD's latest "*Global Trade Update*", world trade hit a record **$32 trillion** in 2022 despite a significant slowdown in merchandise trade[14]. The continued "deteriorating economic conditions and rising uncertainties" persist, according to UNCTAD; however, a silver lining was the strong performance of trade in "*green goods*"[15], whose growth (up by about **↑4%**) held firm throughout the year. Most other products saw their trade start to decline in the second half of the year – and the downturn continued in the fourth quarter. The report shows that global trade in goods worth **$25 trillion** in 2022 declined by **↓3%** in the fourth quarter. But service trade remained almost constant, finishing the year at **$7 trillion**:

Figure 19 – Trends for trade in goods and services (2019 – 2023 Q1)

Source: UNCTAD

The UNCTAD forecasts for the first quarter of 2023 show that global trade in goods will increase by approximately **↑1%** in value. Meanwhile, trade in services is set to jump by about **↑3%** as demand continues to grow for information and communication technology services and travel and tourism sectors recover further. Interestingly, the transport equipment sector saw trade grow by **↑14%** in Q4 – although the result for the year was **↓6%**. On the negative side of the spectrum, energy took the biggest fall in the fourth quarter of 2022, dropping by **↓10%**; yet the sector still reported **↑24%** growth for the year. UNCTAD warns that several primary negative factors weigh on the outlook for 2023, meaning that trade remains

[14] UNCTAD. 23/03/2023. Global trade slows, but 'green goods' grow.
[15] Green goods, also called "*environmentally friendly goods*", refer to products that are designed to use fewer resources or emit less pollution than their traditional counterparts.

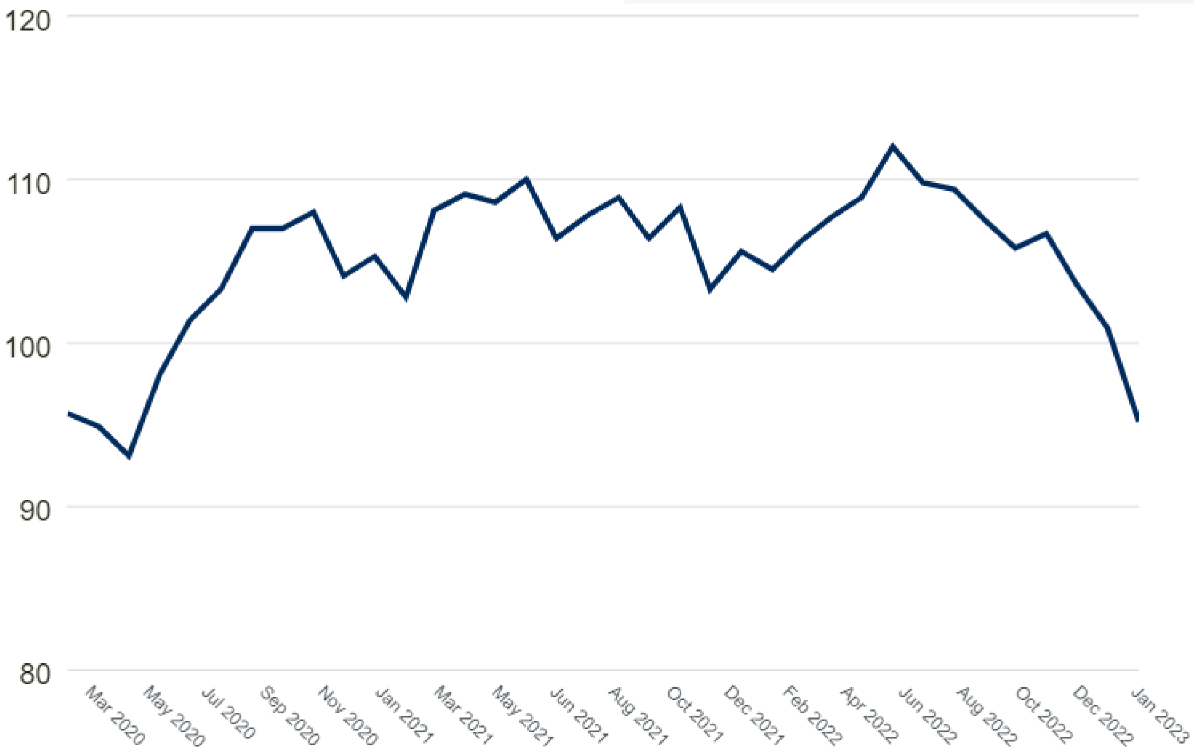
uncertain. These included ongoing geopolitical tensions and concerns about inflation, high commodity prices – especially for energy, food and metals – and the risky combination of high-interest rates and public debt.

b. Global shipping industry

i. Global container throughput, capacity, and port congestion

Global container throughput dropped by a significant **↓2,6%** in January, according to the latest figures provided by Drewry's "*Container Port Throughput*"[16]. This change is against a predicted **↓0,5%** decline in January, emphasising the waning demand, illustrated by the trade outlook above. Annual figures indicate that Drewry's index is now down by **↓4,5%** after the index ended the year in negative territory (**↓0,7%**) last month. Collectively, the throughput figures are similar to April 2020:

Figure 20 – Drewry Global Container Port Throughput Index (January 2019 = 100)



Source: Linerlytica

All sub-regions are down month-on-month except for North America (despite record drops in imports at West Coast ports[17]). Africa is down by a mammoth **↓4,3%**. Adding to the woes is February's forecast, with global throughput expected to drop by **↓5,6%**. Indeed, low throughput numbers mean that carriers will continue to strategically manage capacity, as Drewry's "*Cancelled Sailings Tracker*" remains at a **9% cancellation rate**[18]. Although the reduced activity allows some major ports to clear congestion, which is slightly up this week – mainly driven by the French worker strikes, some **6,7%** of the total fleet is still "stuck" due to congestion[19]). Nevertheless, carriers are not showing their entire hand and continue to reduce sailing speeds, among other drivers than supply and demand, impacting throughput and rates on the transatlantic trade[20]. Ultimately, capacity is nearing the pre-pandemic norm, as carriers are still adding more capacity

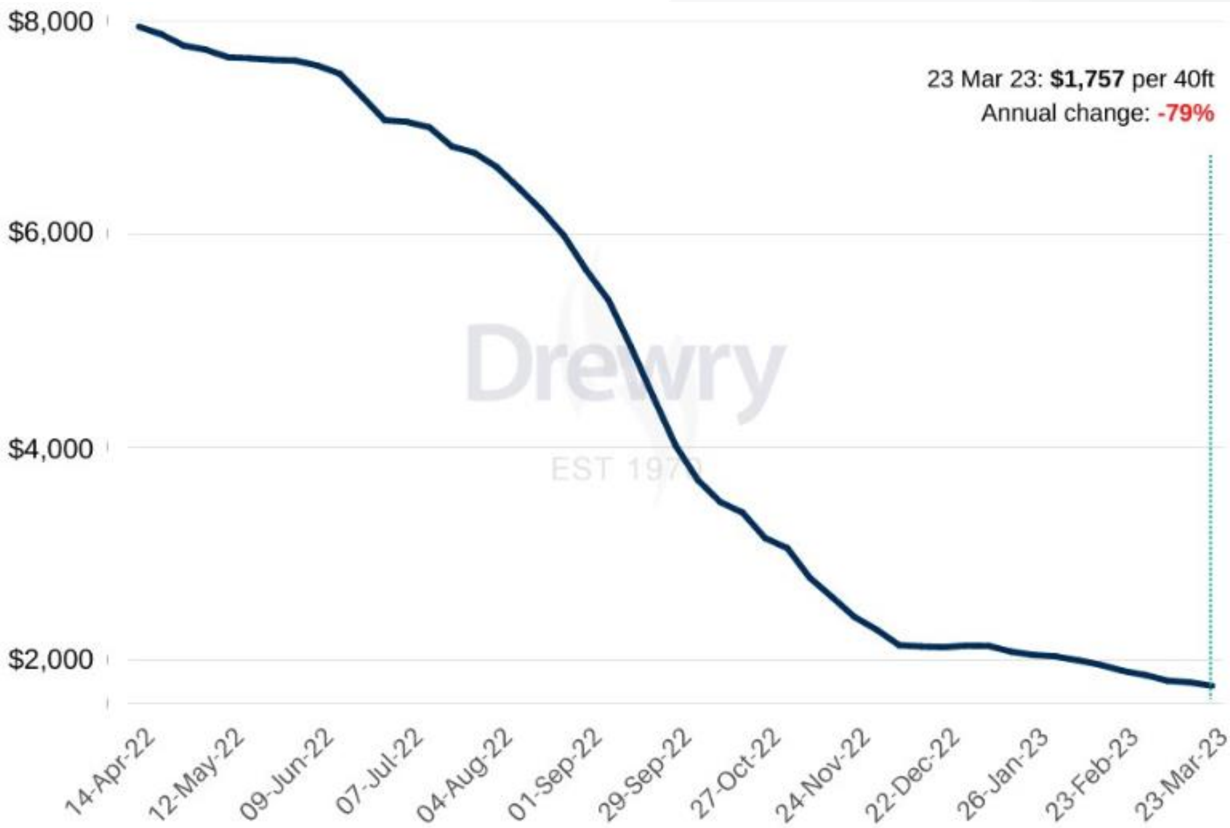
[16] Drewry. 23/03/2023. Global Container Port Throughput Index – 23 March.
[17] Wackett, M. 20/03/2023. West coast ports suffering as US container imports plunge by 37%.
[18] Drewry. 24/03/2023. Cancelled Sailings Tracker - 24 March.
[19] Linerlytica. 20/03/2023. Market Pulse – Week 12.
[20] Sea Intelligence. 23/03/2023. Capacity loss nearing pre-pandemic normal.

despite the weak market conditions. The idle fleet continues to decline while new ship deliveries continue apace.

i. Global container freight rates

Container rates decreased further this week, as the "*World Container Index*" decreased by ↓**2%** (**$23**) to **$1 757** per 40-ft container. The composite index remains ↓**79%** below the corresponding spot price quoted last year, ↓**83%** below the peak in September 2021, and ↓**35%** lower than the 10-year average of **$2 690**:

Figure 21 – World Container Index assessed by Drewry ($ per 40 ft. container)



Source: [Drewry Ports and Terminal insights]

Five of the eight major trade lanes are down this week, with the other three remaining constant. Drewry expects smaller moderations in the near future, as rates are set to stabilise around the current marks for now. Notwithstanding the massive descent, as illustrated, the spot rates remain ↑**24%** higher than average 2019 (pre-pandemic) rates of **$1 420**, so there is still some room for further decline despite very different market conditions that four years ago.

ii. Further developments of note

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

1. **Further industrial action in Europe with a strike at the Port of Hamburg:**
    a. Workers in trade unions in the port of Hamburg began a strike over pay at 17:30 on Wednesday, which means pilots cannot guide large vessels along the River Elbe to terminals[21].
    b. The strike was set to last until Friday 06:00. Due to the strike, Hamburg Port Authorities have suspended the arrival of ships with sizes lengths of 90 meters and widths of 13 meters. Currently, 18 major container vessels have been blocked from entering the port
    c. Authorities warn that further strikes are possible and advise shippers with critical cargo to consider routing freight through other ports. Discussions between the unions and employers will occur over three days from 27 March. On Friday, the two unions, Ver.di and EVG, announced further strikes, set to begin at 00:01 on Monday, 27 March, throughout Germany and end in the night from Monday to Tuesday.
2. **Beijing and Moscow develop rail trade with a new route and river bridge:**
    a. Russia's rail operators have stepped up their efforts to find new markets to offset crippling sanctions imposed by the west following the invasion of Ukraine[22]. A new RZD Logistics service links Moscow, India, and the UAE, using the 7 200km International North-South Transport Corridor (INSTC) through Turkmenistan, Kazakhstan, and Iran from the city's Agrohub terminal. And approval has been given for a China-Russia bridge that will save 2,000km on some routes.

c. Global air cargo industry

The international air cargo industry continues to see a positive change in capacity across the board. Volumes have also continued stabilising but remain subdued compared to last year, as the market remains "*soft*". However, the rate decrease has also seemingly ended – potentially paving the way for the improved outlook as predicted by UNCTAD. The latest air cargo data from World ACD's analysis[23] shows the following trends:

Figure 22 – Global capacity, weight, and yield (%, bi-weekly and annually)

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		+2%	+23%		-2%	-1%		-2%	-12%
Asia Pacific		+2%	+17%		+5%	-8%		+1%	-38%
C. & S. America		+2%	+11%		+1%	+1%		-3%	-9%
Europe		-1%	+16%		-4%	-7%		-3%	-30%
M. East & S. Asia		+2%	+15%		-0%	-9%		-5%	-45%
North America		+4%	+12%		-1%	-19%		-2%	-16%
Worldwide		**+2%**	**+14%**		**+0%**	**-9%**		**-1%**	**-32%**

Source: World ACD

Figures for week 11 (13 to 19 March) show flat tonnages, with a minor change in capacity (**↑2%**) and yields (**↓1%**). Alarmingly, worldwide rates are currently **↓32%** below their levels this time last year, at an average of **$2,73 per kg**, despite the effects of higher fuel surcharges. Still, rates remain significantly above pre-pandemic levels. At a regional level (2w/2w), there are still signs of a relatively robust (**↑5%**) recovery in air cargo tonnages ex-Asia Pacific, driven by growth in flows to the Middle East & South Asia (**↑9%**), North

[21] Savvides, N. 23/03/2023. Shippers advised to give strike-hit port of Hamburg a miss.
[22] Whiteman, A. 24/03/2023. Beijing and Moscow develop rail trade with new route and river bridge.
[23] World ACD. 17/03/2023. Global tonnages flatten as average rates further soften

America (↑**6%**), Europe (↑**4%**) and intra-Asia Pacific (↑**3%**), respectively. The most notable decreases were recorded ex-Middle East & South Asia to Asia Pacific (↓**13%**) and ex-Central & South America to Europe (↓**11%**). Capacity continues to increase annually (↑**14%**), with double-digit percentage increases from all regions. Most-notable increases were ex-Africa (↑**23%**).

ENDS[24]

[24] **ACKNOWLEDGEMENT:**

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