

COVID-19: Cargo movement update¹

Date: 28 October 2022

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)	25 696	32 520	58 216	5 606	6 065	11 671	↑399%
Air Cargo (tons)	5 028	3 204	8 232	5 925	3 192	9 117	↓10%

Monthly Snapshot

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

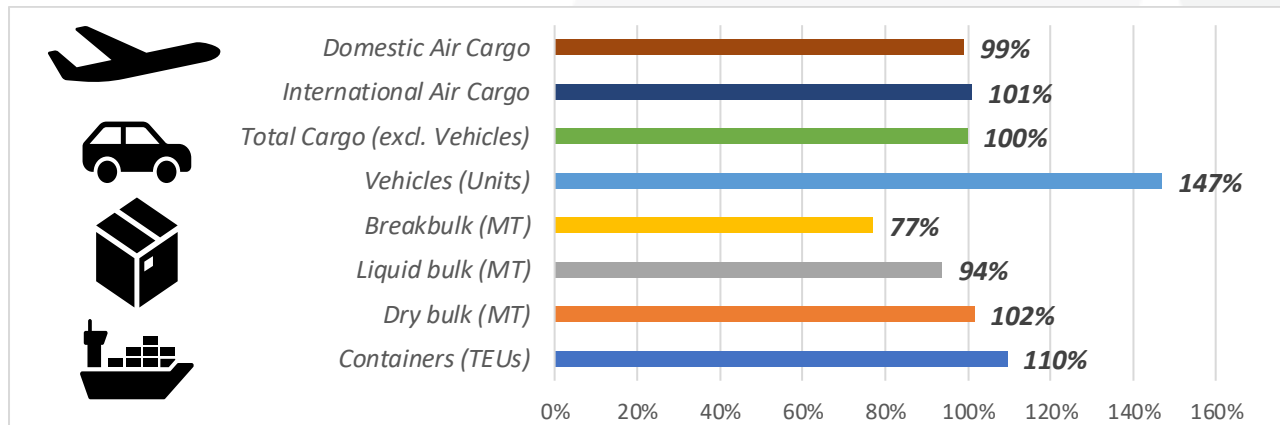
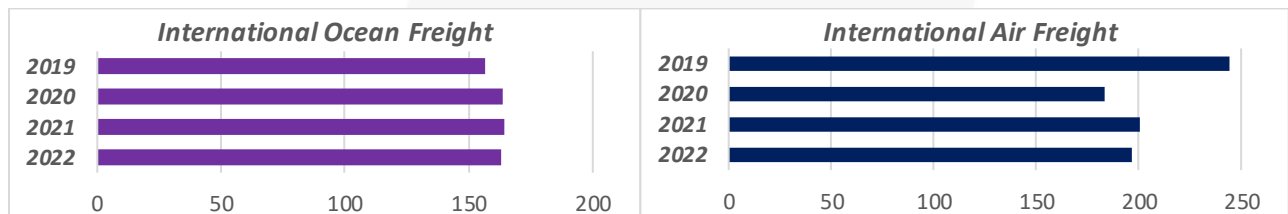


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 317 containers** was handled per day, with **~9 638 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 764 containers**, **↑259%** compared to last week.
- Stats SA shows that the volume of goods transported (payload) increased by **↑21,2%** (y/y) in August.
- Cross-border queue times were **↑0,1 hours**, with transit times **↓4,5 hours**, SA borders **~7 hours (↓7%)**.
- The RWI/ISL container throughput index increased by **↑0,9** to **126,8** points in September.
- Liner schedule reliability fell by **↓0,7%** (m/m) to **45,5%**, with average late arrivals at **5,81 days**.
- The "WCI" decreased for the **35th consecutive week**, with spot rates down **↓7%** (\$238) to **\$3 145** per 40ft.

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 111th 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: Sep vs Sep.

⁵ For ocean, total Jan-Aug cargo in metric tonnes, as reported by [Transnet](#) is used, while for air, Jan-Sep cargo to and from ORTIA is used.

Executive Summary

This update – *the 111th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. The recovery and intended rebound after the negative impact of the strike is the focus, as port operations this week were characterised by equipment breakdowns and shortages, adverse weather conditions, backlogs, and congestion. Our national ports experienced a very challenging week regarding adverse weather conditions, especially Cape Town, as approximately 47 hours were lost due to strong winds. Equipment breakdowns and shortages still overshadow the Durban port, while the Eastern Cape terminals could not make it through the week unscathed as weather conditions ensured operational delays. Furthermore, reports this week suggest that the Durban helicopter will commence night shift operations from the second week of November, while the continuous and extensive cable theft is adding insult to injury at our already-fragile railways.

In our domestic transport sector, road transport continues to eat into rail's payload share, and restoring proper rail services is now a critical need. The private sector has long called for reform in this sector, which has often been promised in various discussions, but nothing has yet materialised. Hopefully, some of the comments from Minister Enoch Godongwana in his MTBPS⁶ is cause for optimism. The Minister rightly said that *"inefficiencies in port and rail are costing the economy billions and further undermining our efforts to raise growth"*. And that *"Several steps are being taken to introduce greater competition and efficiency into ports and rail"*. These policies need to be fast-tracked with tangible and quantifiable benefits for potential suitors, as we need an integrated multimodal approach to satisfy our high freight demand.

In the global shipping industry, container throughput has shown a stable upward trend; however, there are signs of a slowdown as throughput has recorded relatively weak growth since the northern summer, especially in Europe. Elsewhere, supply chain pressures have continued to ease, even though liner reliability declined slightly. Blank sailings have increased, although new analysis shows they have been ineffective in halting the slide in freight rates on all main trades. Fears of recession, energy struggles, ongoing war, and waning new export orders are all putting downward pressure on the container market. Additional developments of note included **(1)** oversupply in the container industry is likely to continue for the next few years, **(2)** and Cosco was allowed to purchase a stake in the Hamburg container terminal.

South Africa's international air cargo volume decreased this week (**↓10%**), as domestic volumes increased by **↑7%**. Operationally, training on the IVS system is ongoing, as the ACSA service provider has now corrected the initial teething problems. Internationally, IATA reported that travel demand from the euro area to the US and the rest of the world had been damped due to the loss of purchasing power against the US dollar. Subsequently, there have been some spillover effects to the cargo segments, as air cargo handled continues to trend lower. In other cargo news, **(1)** London Heathrow will remove the cap on airline operations through the gateway, and **(2)** Amsterdam Schiphol and Maastricht airports will increase cooperation to the delight of Dutch and European shippers.

In the cross-border road freight sector, the lengthy queue times of late decreased significantly last week, although truck flows through Beitbridge, Groblersbrug, Kasumbalesa, and Noordoewer remain high. However, several other incidents did occur, notably **(1)** frivolous inspections by Zambian police **(2)** and transporters being encouraged to remain vigilant crossing through Kasumbalesa.

In conclusion, the public sector's response to our industry's crises are encouraging; however, we need to get down to action. A significant reference was made to the logistics sector and the port and rail infrastructure inefficiencies, which are aimed to be solved by passing the Economic Regulation of Transport Bill, third-party

⁶ Godongwana, E. 26/10/2022. [MTBPS Speech](#).

access to rail and PSP for Durban Pier 2 and Ngqura container terminals. In addition, Transnet has been allocated **R2,9 billion** to bring out-of-service locomotives back into service and improve rail capacity. A further **R2,9 billion** has been allocated to deal with flood damage in Kwazulu-Natal. Perhaps it is a reminder that – even in a simplified value chain – there are typically eleven parties involved with more than 27 trigger points, meaning that there are many moving parts in the complex process of moving goods. It is clear that we cannot work in isolation – all role players are interlinked and interconnected. Therefore, these interdependencies must occur on shared infrastructure, with shared responsibility from all stakeholders.

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1. Ports Update

This section provides an overview of the flow of containerised cargo through South Africa's 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 22 to 28 October ⁷

7-day flow forecast (22/10/2022 – 28/10/2022)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 920	4 919
DURBAN CONTAINER TERMINAL PIER 2:	12 440	15 498
CAPE TOWN CONTAINER TERMINAL:	5 068	6 053
NGQURA CONTAINER TERMINAL:	3 003	5 855
GQEBERHA CONTAINER TERMINAL:	265	195
TOTAL:	25 696	32 520

Source: Transnet, 2021. Updated 28/10/2022.

Table 3 – Container Ports – Weekly flow reported for 29 October to 4 November

7-day flow forecast (29/10/2022 – 04/11/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 724	7 278
DURBAN CONTAINER TERMINAL PIER 2:	14 581	15 383
CAPE TOWN CONTAINER TERMINAL:	6 372	7 183
NGQURA CONTAINER TERMINAL:	4 366	4 842
GQEBERHA CONTAINER TERMINAL:	75	662
TOTAL:	32 118	35 348

Source: Transnet, 2021. Updated 28/10/2022.

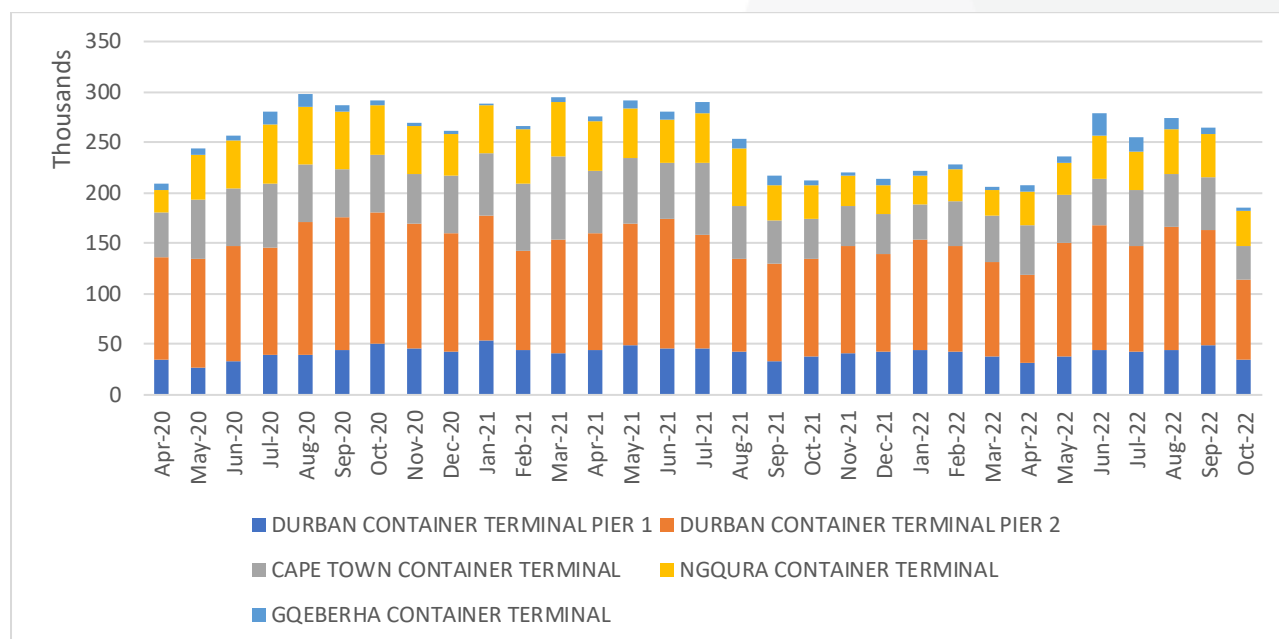
An average of **~8 317 containers** (**↑399%**) was handled per day for the last week (22 to 28 October, Table 2), compared to the projected average of **~8 160 containers** (**↑2%** actual versus projected) noted in last week's report. An increased average of **~9 638 containers** (**↑16%**) is projected to be handled next week (29 October to 4 November, Table 3). Port operations this past week ran commendably smoothly, with high throughput volumes registered. Nevertheless, some operational issues hampered efficiency, characterised by equipment breakdowns and shortages, adverse weather conditions, backlogs, and congestion.

⁷ 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 transshipments. Due to the ongoing container imbalances, this proportion is fluctuating more than usual and has increased since December 2020. In recent months, empty numbers have dropped, a reflection of an improvement in worldwide container imbalances, but there is the usual sharp increase with the importation of large numbers of empty reefers in preparation for the citrus fruit season.

⁸ 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.

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

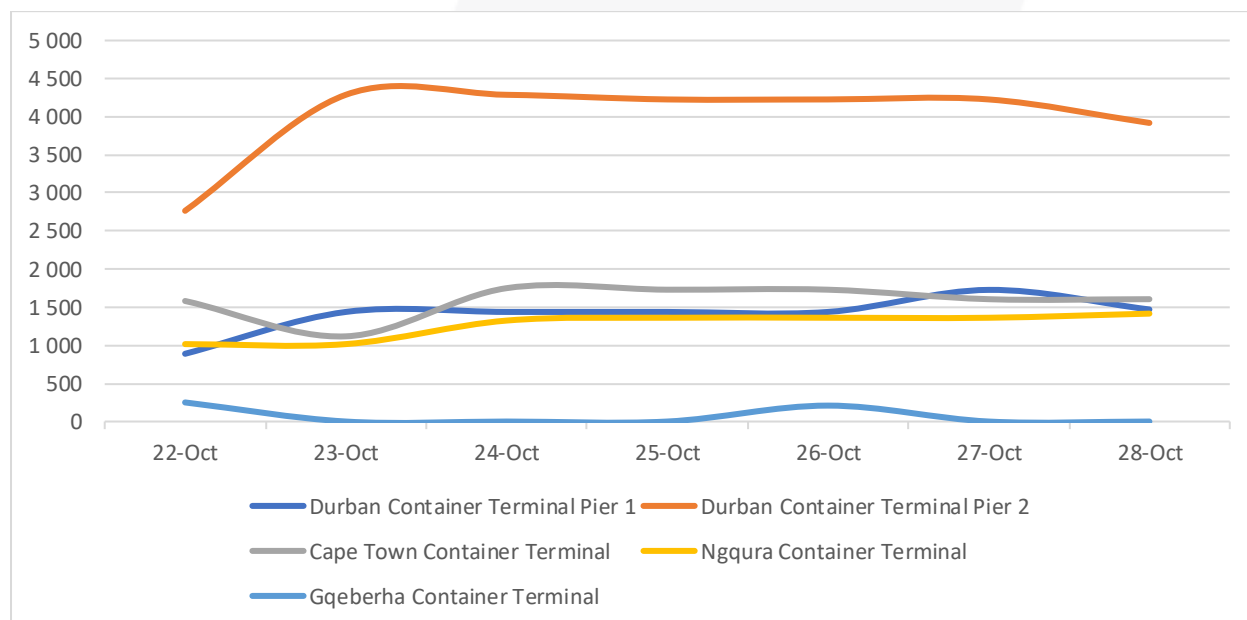
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

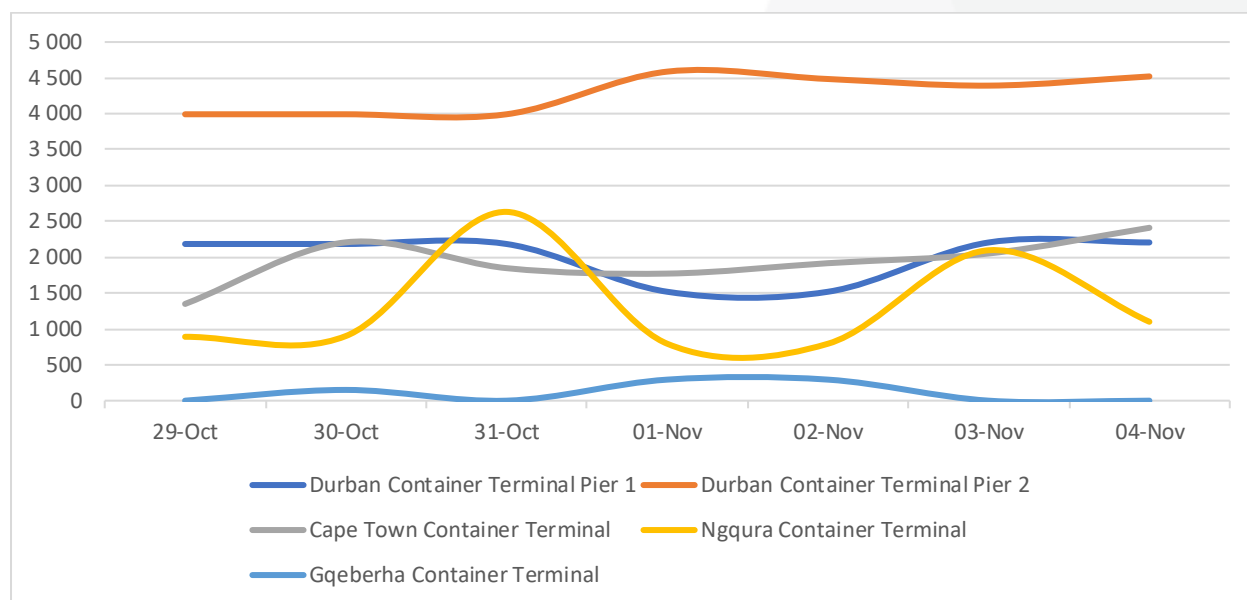
The figures below show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (22 to 28 October; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

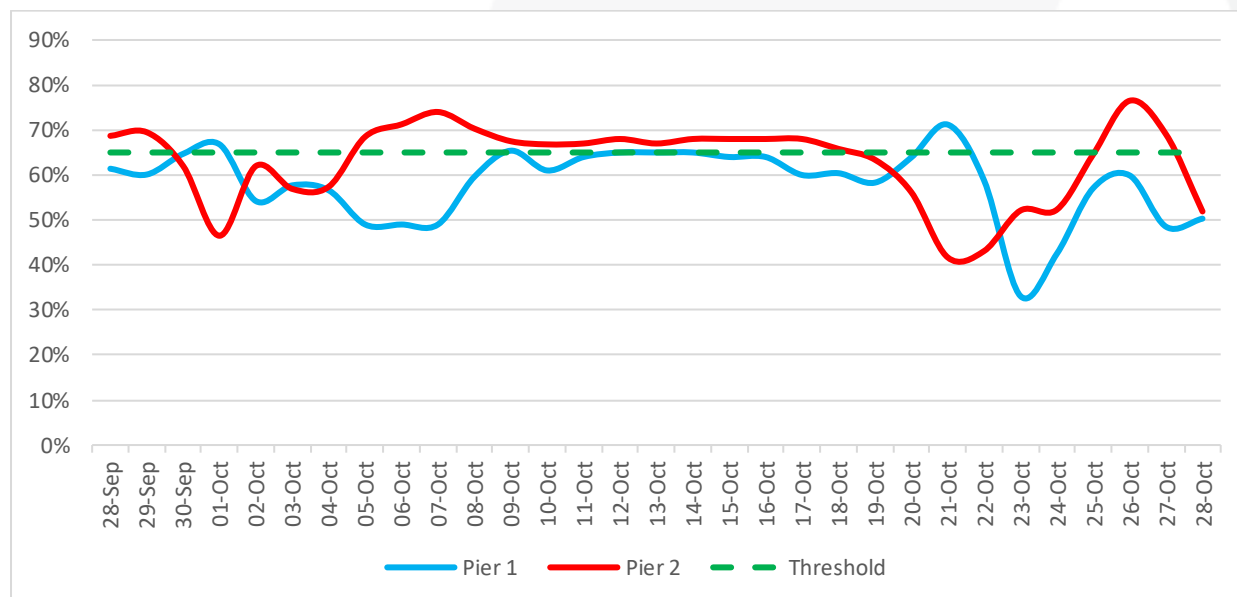
Figure 5 – 7-day forecast reported for total container movements (29 October to 4 November; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

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

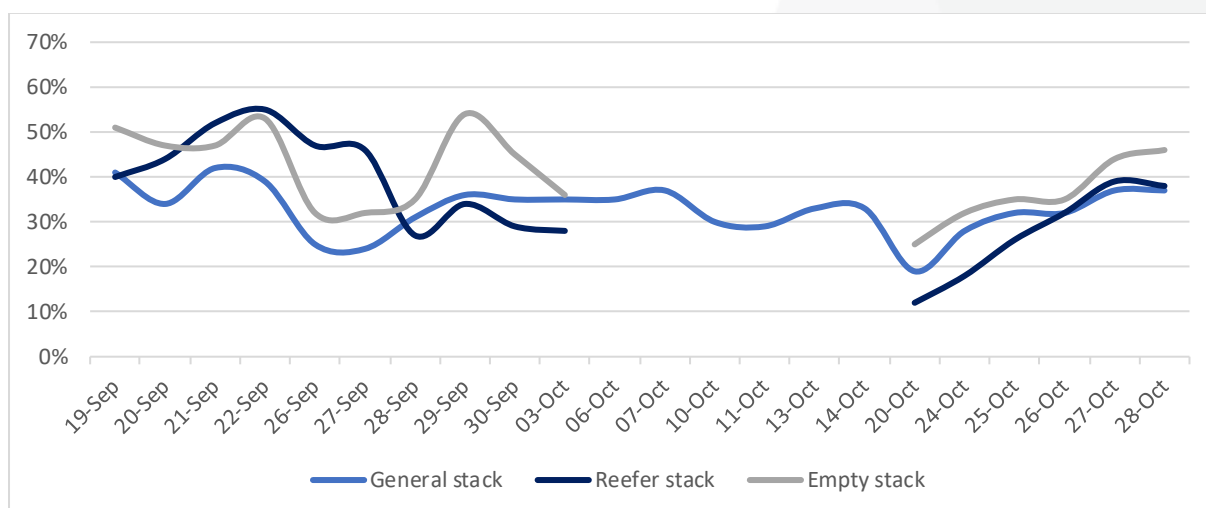
Figure 6 – Stack occupancy in DCT, general-purpose containers (28 September to present; per Pier; day on day)



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

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 (19 September to present, day on day)



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

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

Cape Town experienced a very challenging week as adverse weather conditions caused multiple operational delays. The container terminal experienced up to 17 hours of delays due to strong winds, while the multipurpose terminal lost up to 14 hours over the weekend. Additionally, the container terminal went windbound again on Thursday at 14:00, and operations only resumed at 06:00 on Friday morning.

Durban experienced a challenging week on all fronts, as adverse weather conditions, equipment breakdowns, and shortages ensured operational delays throughout the week. For example, reports indicated that eight vessel movements were delayed on Monday due to two pilot boats going out of commission, while agent changing times delayed more vessels throughout the week. Also, strong winds and rain caused operational delays at multiple terminals during the week.

Further north along the coast, Richards Bay experienced a wonderful week as no weather-related or other delays were reported besides the port helicopter that went out of commission this week.

The Eastern Cape could unfortunately not make it through the week unscathed as several delays were reported throughout the week. For example, on Monday, a vessel was delayed due to minor berthing challenges, while adverse weather conditions in the form of strong winds ensured delays of approximately eight-and-a-half hours at the Ngqura container terminal on Wednesday.

ii. Cape Town

On Wednesday, CTCT recorded two vessels at berth and three at outer anchorage. Stack occupancy for GP containers was 37%, reefers 39%, and empties 44%. In the latest 24-hour period to Thursday, despite experiencing adverse weather conditions, the terminal managed to handle an impressive 1 673 TEUs across the quay while servicing 1 344 external trucks and 98 trains on the landside.

Cape Town MPT recorded zero vessels at anchor and one at berth on Thursday, highlighting their long road to recovery after being severely impacted by the strike. However, in the latest 24-hour period to Friday, the terminal managed to service 26 external trucks. Stack occupancy was alarmingly recorded at 6% for GP containers, 2% for reefers and 1% for empties. Lastly, SAECS have suspended calling at Cape Town, citing an 8-day berthing delay there. This suspension will be catastrophic for the upcoming deciduous fruit season since SAECS forms the backbone of European trade.

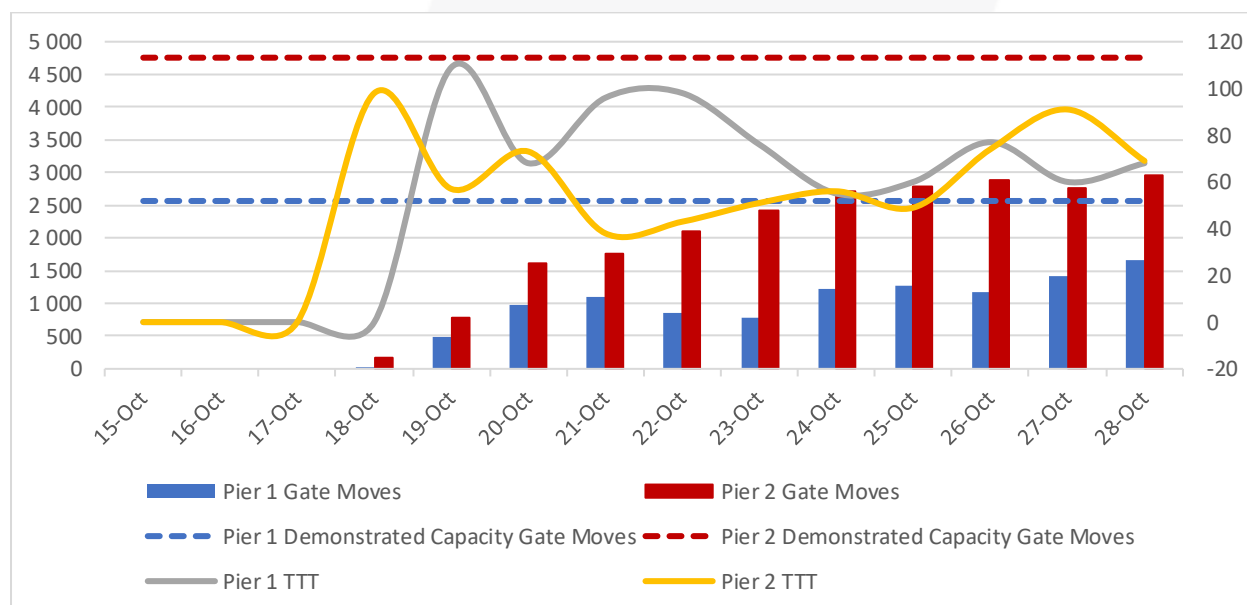
iii. Durban and Richards Bay

Pier 1 on Friday recorded two vessels at berth, manned by four gangs, and three vessels at anchor. Stack occupancy was 50% for GP containers, with 1 549 imports on hand, 105 reefers and 84 unassigned units. The terminal recorded 1 658 landside gate moves on Thursday, with 568 cancelled slots and 146 wasted.

Pier 2 had four vessels at berth and eight at anchorage on Friday. In the most recent 24 hours to Thursday, the terminal managed to handle an impressive 3 686 TEUs across the quay. Stack occupancy was 52% for GP containers. The terminal had between 79 and 86 straddles in operation throughout the week, operated by 12 gangs. On Thursday, there were 2 970 gate moves on the landside with an average TTT of 69 minutes and a staging time of 65 minutes. A total of 849 rail import containers were on hand, with 27 moved by rail, highlighting the impact of the extensive cable theft experienced and the slow restoration to complete service of the container corridor.

During the week, corrosion was found on the helicopter as it went out of commission for planned maintenance. Moreover, reports this week suggest that the Durban helicopter will undertake night shift operations from the second week in November as the pilots obtained the necessary training, certification, and qualifications to conduct night shift operations. Furthermore, the Richards Bay helicopter also went out of commission; however, no further information has been disclosed, with ongoing investigations in progress. 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 28/10/2022.

iv. Eastern Cape ports

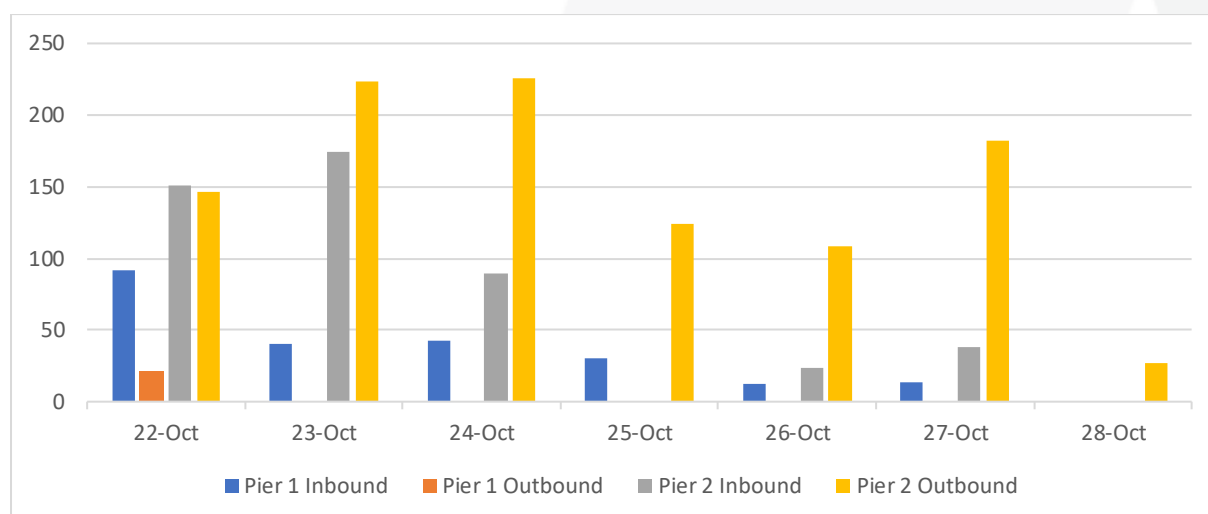
GCT on Monday recorded zero vessels at outer anchorage and one at berth manned by two gangs. For marine resources, two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Tuesday. In the same period, stack occupancy was 41% for GP containers, 1% for reefers, and 54% for reefer ground slots. In addition, no external trucks were serviced on the landside; however, the terminal managed to execute 81 moves.

NCT on Monday recorded three vessels on berth and three vessels at outer anchorage. Marine resources of two tugs, two pilots, and one berthing gang were in operation in the 24 hours leading into Friday. The pilot boat remained out of commission this week due to engine- and gearbox breakdowns. In the same period, stack occupancy was 33% for GP containers and 25% for reefers. On Monday, 2 700 TEUs were handled across the quay. Additionally, 181 trucks were serviced on the landside, with a truck turnaround time of ~31 minutes.

v. Transnet Freight Rail (TFR)

The following figure shows the rail cargo evacuated from DCT in the last week.

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



Source: Calculated using data from Transnet, 2022. Updated 28/10/2022.

In the last week (22 to 28 October), rail cargo handled out of Durban was reported at **1 764** containers, up by **↑259%** from the previous week's **491** 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 17 October. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *October 2021* averaged **~848 566 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

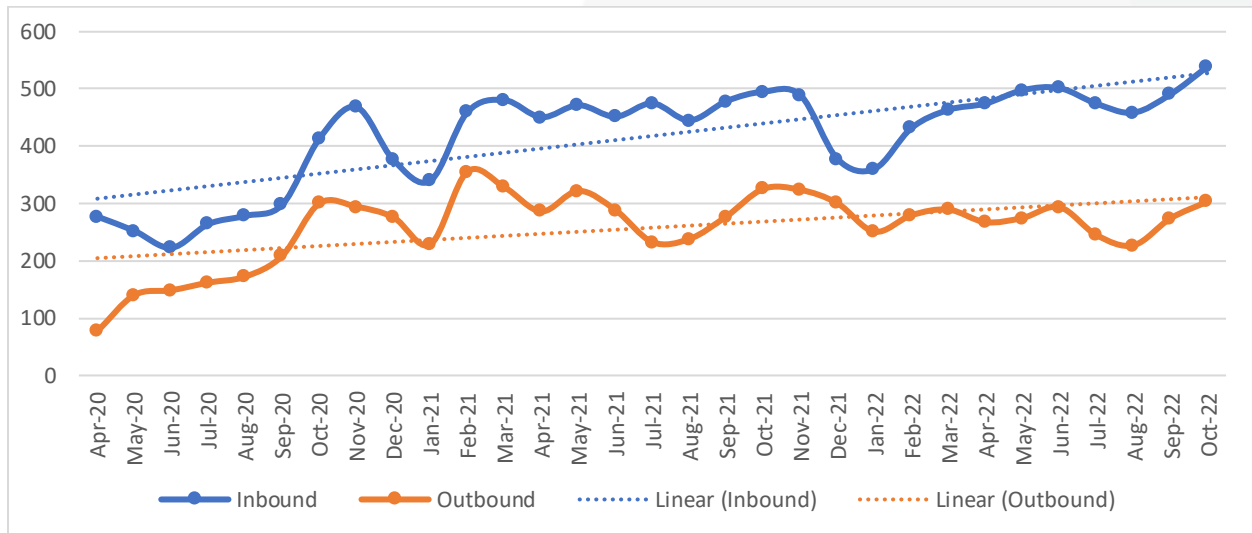
Flows	17-Oct	18-Oct	19-Oct	20-Oct	21-Oct	22-Oct	23-Oct
Volume inbound	613 821	415 865	413 502	353 895	462 154	329 566	930 975
Volume outbound	339 778	283 671	297 694	309 165	265 199	261 131	485 972
Total	953 599	699 536	711 196	663 060	727 353	590 697	1 416 947

Courtesy of ACOC. Updated: 24/10/2022.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **502 825 kg** inbound and **320 373 kg** outbound, resulting in an average of **823 198 kg per day** or **~97%** compared with October 2021. Also, the level is currently at **~115%** compared with the same period in 2020.

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak. A continued positive trend has been experienced, with another significant uptick of late, which bodes well for the industry.

Figure 10 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 24/10/2022.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows for the duration of the state of disaster period as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in *October 2021* was **~66 284 kg** per day.

Table 5 – Total domestic inbound and outbound cargo

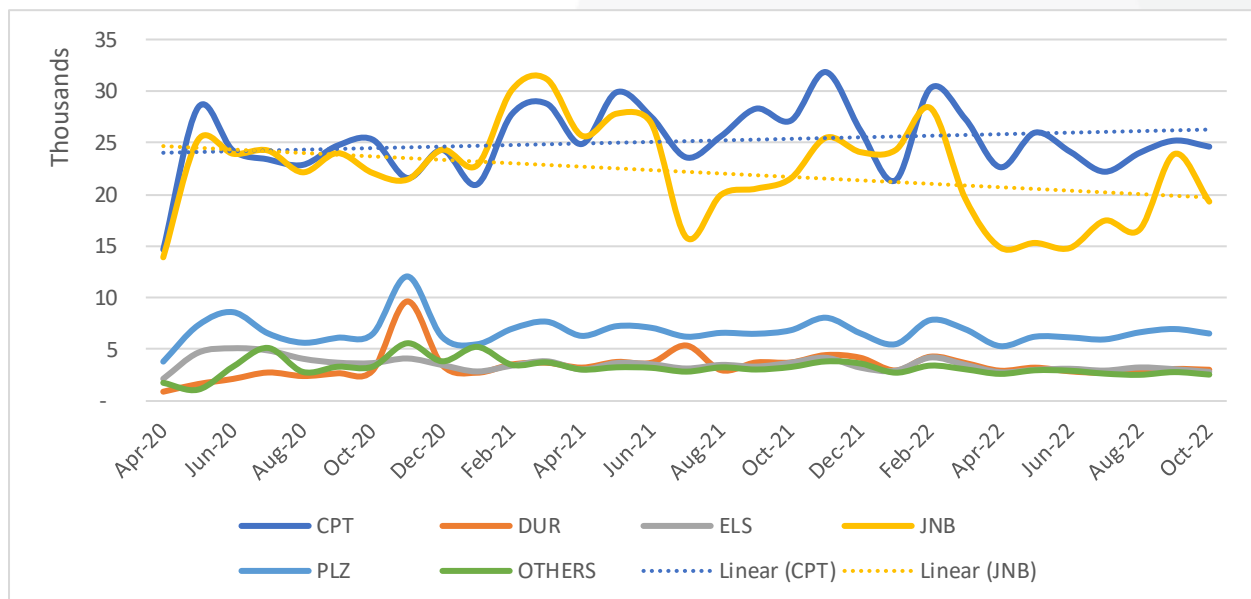
DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Av.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Av.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Jun – 22 Av.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
Jul Average	22 196	2 715	2 943	17 462	5 963	2 650	53 929
Aug Average	24 025	2 854	3 247	16 590	6 646	2 534	55 895
Sep Average	25 212	3 102	3 080	23 913	6 968	2 796	65 071

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Oct Average	24 621	3 025	2 818	19 300	6 534	2 554	58 852
18-Oct-22	40 507	4 358	4 680	23 303	9 643	4 211	86 703
19-Oct-22	37 773	4 069	4 563	37 141	10 728	3 855	98 129
20-Oct-22	37 010	3 069	4 808	34 340	10 384	4 088	93 699
21-Oct-22	19 008	3 571	3 089	27 884	5 375	2 345	61 272
22-Oct-22	2 376	535	45	1 040	141	31	4 168
23-Oct-22	2 688	440	152	316	495	69	4 159
24-Oct-22	43 349	5 907	4 573	27 998	9 781	3 920	95 528
Total for 2022:	7 487 657	955 676	955 659	5 954 548	1 922 998	851 044	18 127 582

Courtesy of BAC. Updated: 25/10/2022.

The average domestic air cargo moved last week was ~**63 380 kg** per day, which is **↑7%** compared with the previous week and **~96%** compared to October 2021.

Figure 11 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 25/10/2022.

c. Air cargo operations

Training on using the IVS system is ongoing, as the ACSA service provider has now corrected the initial teething problems. The IVS permit will be scanned from now on, bringing up the pre-alert and giving access to the vehicle at the gate. The industry has welcomed these developments, especially with the upcoming peak season.

3. National update

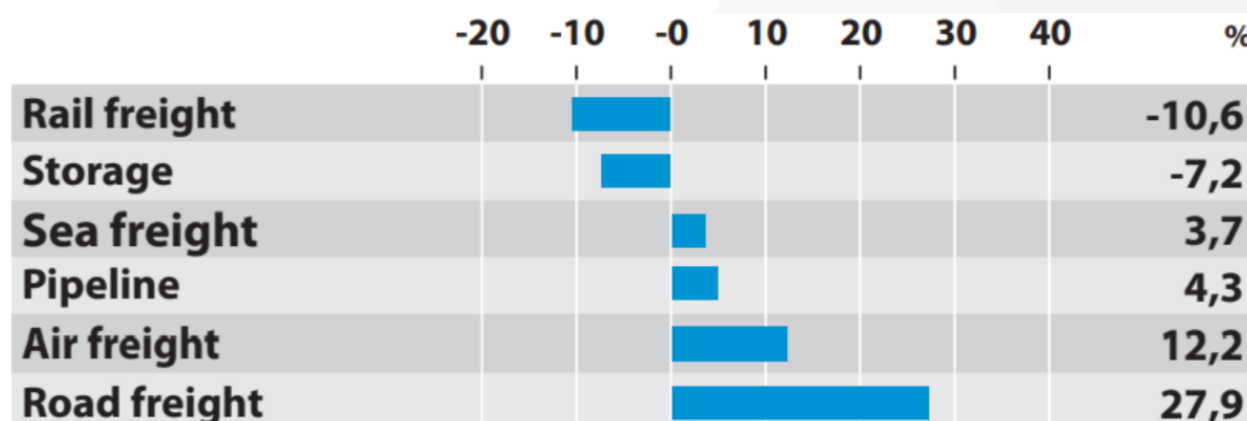
a. Ctrack TFI & Stats SA Land transport survey

This week, the latest Ctrack "Transport and Freight Index" was published⁹, showing that after three months of consecutive growth in the logistics sectors, the index declined marginally during September. However, despite the monthly decline, the third quarter still showed some growth. Across the industry, the Ctrack TFI

⁹ Ctrack. 27/10/2022. [The South African logistics sector treads water in September.](#)

declined by **↓0,1%** (m/m – from **↑2,0%** in August) but still represented a significant annual increase of **↑12,8%**. Given the strike and accompanying constraints to the sector, the picture will probably change for October. Across the various sub-sectors, the following illustration denotes the monthly change for September:

Figure 12 – Ctrack Transport and Freight Index components (% change y/y)



Source: [Ctrack](#)

In line with recent trends and, as the illustration suggests, rail cargo volumes continue to dwindle as road freight picks up the excess. So the industry has seen a significant increase in road congestion in and around our ports, as rail evacuation has not gained any momentum. In fact, rail has continued to lose market share, with various factors at play, such as the destruction of rail infrastructure due to floods, cable theft, maintenance of (infrastructure and stock) and, in general, service reliability. The reality is echoed in this month's Stats SA "Land Transport Survey"¹⁰. Although the headline figures show that the volume of goods transported (payload) increased by a healthy **↑21,2%** (y/y) in August¹¹ 2022, compared with August 2021, rail accounts for zero growth, and there was, in fact, a negative growth of **↓0,4%** in the three months ending August). Road transport, on the other hand, grew by **↑9,3%** during this time and now accounts for **83%** of the weight transported:

Table 6 – Season ally adjusted payload for the latest three months by type of transport

Payload	Mar – May '22 (000 tons)	Weight	Jun – Aug '22 (000 tons)	% Change (3-months)	Share of total change (%)
Rail	40 872	17,2	39 853	-2,5	-0,4
Road	196 196	82,8	218 115	11,2	9,3
Total	237 070	100	257 970	8,8	8,8

Source: [Stats SA](#)

The table again shows that the continued drive to increase rail's share of overland volumes has not had any noticeable effect, and, in fact, rail's share continues to move in the opposite direction. This situation is specifically apparent in the container freight sector, as shown weekly in *Figure 9* in our reports. Unfortunately, the private sector continues to have difficulties with the terms and conditions laid down by Transnet for access to rail slots, which are stringent enough to ensure that prospective operators have shown minimal interest. The business case needs to offer improved benefits and longer contracts if it is to offer any attraction at all to potential suitors. Reform in this sector is urgently required and must be prioritised.

¹⁰ Stats SA. 24/10/2022. [Land transport survey](#).

¹¹ Although Ctrack figures are for September and the Stats SA figures for August, the longer-term trends are similar, hence allow themselves for comparison.

4. Road and Regional Update

a. Cross-border and road freight delays

This week, the following events have caused some challenges and delays on roads in South Africa specifically, but also in and around the SADC region.

- Last week, clearing times at South African borders decreased substantially and averaged **~7 hours** (↓7% w/w).
- Over the last week, several transporters have complained about Zambian police inspecting first aid kits, scrutinising cross-border permits, writing fines for missing mudflaps, and other petty reasons. FESARTA have been in contact with Zambian officials and has encouraged transporters not to pay these fines.
- Kasumbalesa officials have made significant strides in clearing the queue; however, drivers are asked to stay vigilant as criminal activity remains high.
- During the last week, there were no closures of any South African borders. However, we encourage traders to stay abreast of border post communications as per the SARS [website](#).
- Transporters, traders, and cargo owners may still 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](#)¹², which has arguably achieved much greater success.

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

Table 7 – Delays¹³ summary – South African borders

Border Post	Direction	HGV ¹⁴ 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	20	00:20	01:00	05:00	600	140
Beitbridge	SA-Zimbabwe	472	07:36	07:00	25:00	14 160	3 304
Groblersbrug	SA-Botswana	410	03:12	03:00	12:00	12 300	2 870
Groblersbrug	Botswana-SA	166	00:12	00:00	01:00	4 980	1 162
Noordoewer	Namibia-SA	238	01:48	03:00	19:30	7 140	1 666
Vioolsdrif	SA-Namibia	1 553	00:20	02:00	09:00	46 590	10 871
Ariamsvlei	Namibia-SA	30	00:20	01:00	01:00	900	210
Nakop	SA-Namibia	20	00:24	01:00	03:00	600	140
Lebombo	SA-Mozambique	100	00:54	01:00	02:00	2 400	700
Ressano Garcia	Mozambique-SA	148	00:12	01:00	02:00	4 440	1 036
Skilpadshok	SA-Botswana	200	00:54	01:00	03:00	4 800	1 400
Pioneer Gate	Botswana-SA	30	00:20	00:36	02:00	900	210
Average/Sum		282	01:22	01:48	07:02	99 810	23 709

Source: TLC, FESARTA, & Crickmay, week ending 23/10/2022.

¹² FESARTA TRANSIST Bureau.

¹³ It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles.

¹⁴ Heavy Goods Vehicles.

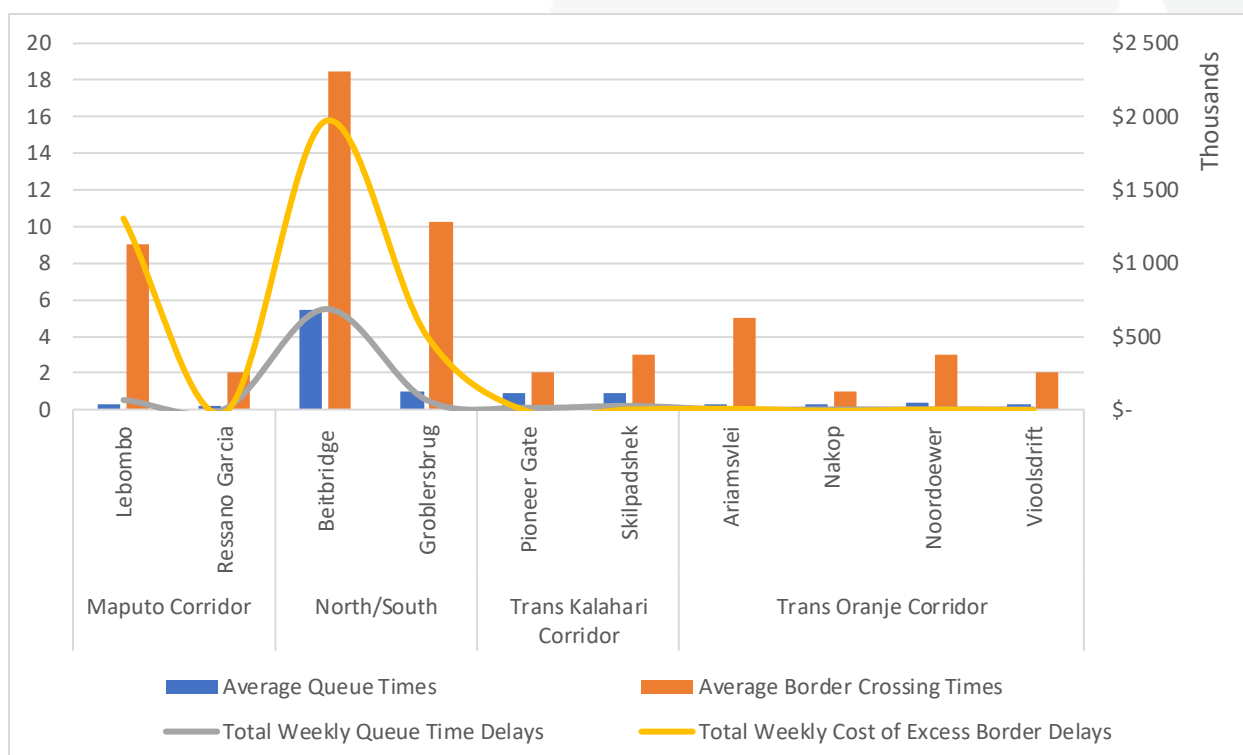
Table 8 – Delays summary – Corridor perspective

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	160	00:06	02:30	13:30	9 600	2 240
Dar Es Salaam Corridor	303	07:36	01:02	10:50	54 570	12 733
Maputo Corridor	851	00:15	01:30	05:30	51 030	11 907
Nacala Corridor	32	02:02	01:15	02:45	3 810	889
North/South	210	04:04	02:50	16:32	100 740	23 506
Trans Caprivi Corridor	58	02:57	02:42	02:30	3 480	812
Trans Cunene Corridor	50	01:21	03:17	07:45	3 000	700
Trans Kalahari Corridor	83	01:26	01:00	02:45	7 920	2 310
Trans Oranje Corridor	25	00:20	00:54	02:45	3 000	700
Average/Sum	190	03:21	02:12	11:10	237 150	55 797

Source: TLC & FESARTA, week ending 23/10/2022.

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

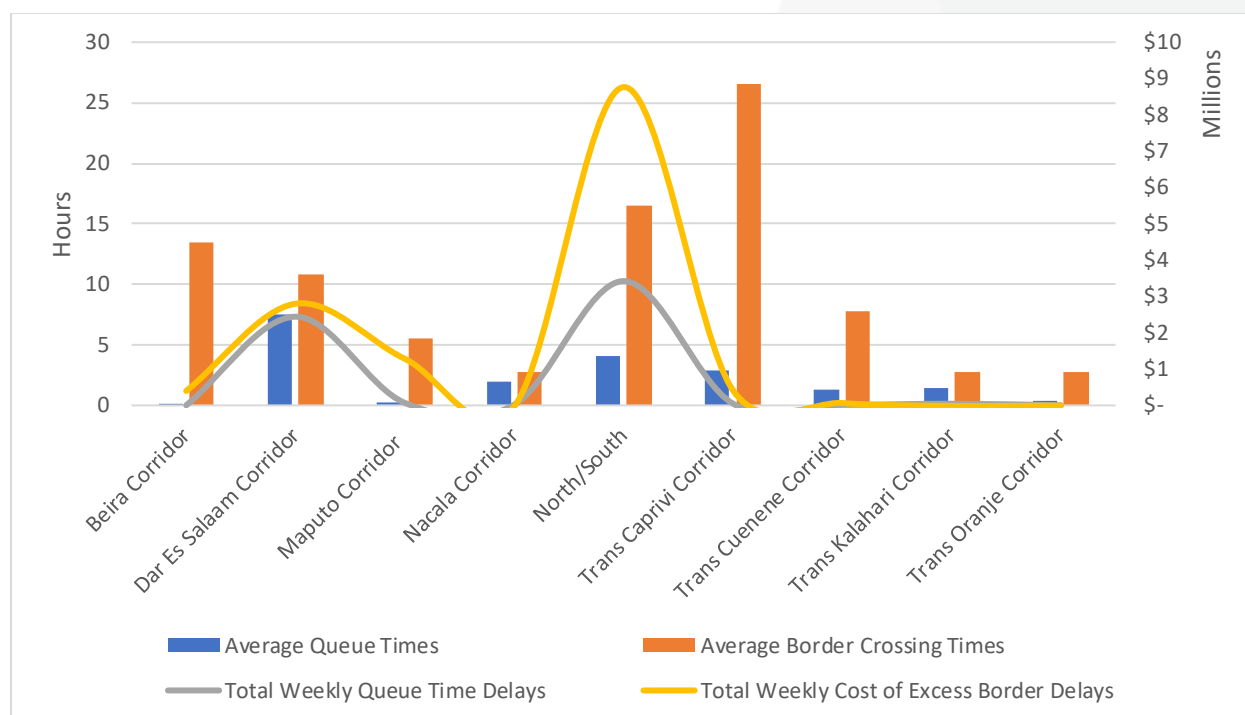
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 23/10/2022.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 23/10/2022.

In summary, cross-border queue time has averaged **~3,2 hours** (up by **~0,1 hours** from the previous week's **~3,2 hours**), costing the transport industry an estimated **\$6 million (R100 million)**. Furthermore, the week's average cross-border transit times hovered around **~11,2 hours** (down by **~4,5 hours** from the **~15,7 hours** recorded in the previous report), costing the transport industry **\$14 million (R324 million)**. As a result, the total cost for the week amounts to an estimated **~R335 million** (down by **~R173 million** or **↓34%** from **R509 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)** the global shipping industry and **(b)** the global air cargo industry.

a. Global shipping industry

i. Global port throughput

The latest *RWI/ISL*¹⁵ figures showed that global port throughput increased slightly to **126,8 points** in September (up by **↑0,9** from August's revised **125,9 points**)¹⁶. The increased activity was led by container growth in China after recording a significant decrease in the previous month. As a result, the index for Chinese ports increased from **135,1** to **136,4**. Meanwhile, Europe's growth activity has been muted and recorded a slight decrease for August – from **115,5** (revised) to **115,0**.

¹⁵ Container Throughput Index of RWI – Leibniz Institute for Economic Research and the Institute for Shipping Economics and Logistics (ISL), which consists of data from 90 international ports, constituting approximately **64%** of global container traffic, and includes the South African ports of Cape Town, Durban, and Ngqura.

¹⁶ RWI/ISL. 28/10/2022. [RWI/ISL Container Throughput Index: Global trade remains stable despite economic troubles.](#)

Figure 15 – RWI/ISL Container throughput index (2015 = 100)



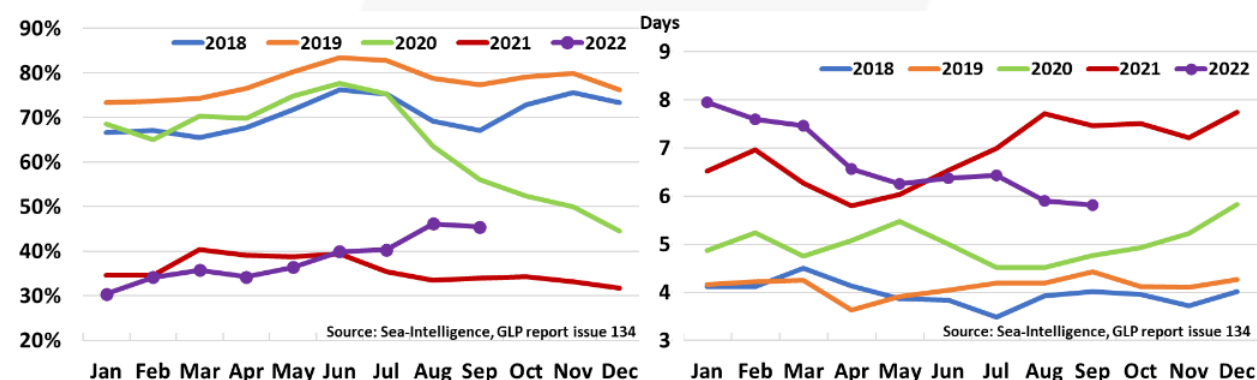
Source: [RWI/ISL](#)

Regarding the latest development outlook, worldwide container throughput has shown a stable upward trend. In Europe, however, the container throughput has recorded a relatively weak growth since summer. The economic downturn, caused primarily by rising energy prices, seems to have a more significant impact on container throughput than in other parts of the world. Recession fears, energy struggles, ongoing war, and waning new export orders are all putting downward pressure on the container market.

ii. Schedule reliability

According to the latest September figures published by Sea Intelligence, global liner schedule reliability declined slightly after several months of improvement. The latest number shows that liner schedule reliability fell by **↓0,7%** (m/m) to **45,5%**¹⁷ in September. Although liner reliability decreased somewhat (and remains far from average pre-pandemic levels of **~75%**), September finally marks the change in the recent improving trajectory of late. Furthermore, the average delay for LATE vessel arrivals has continued to improve, with September down by **0,1** to **5,81 days**. This change is the second consecutive month that the average delay figure has dropped below the **6-day mark** since April 2021

Figure 16 – Global schedule reliability (%) and average days for late vessel arrivals (days)



Source: [Sea Intelligence](#)

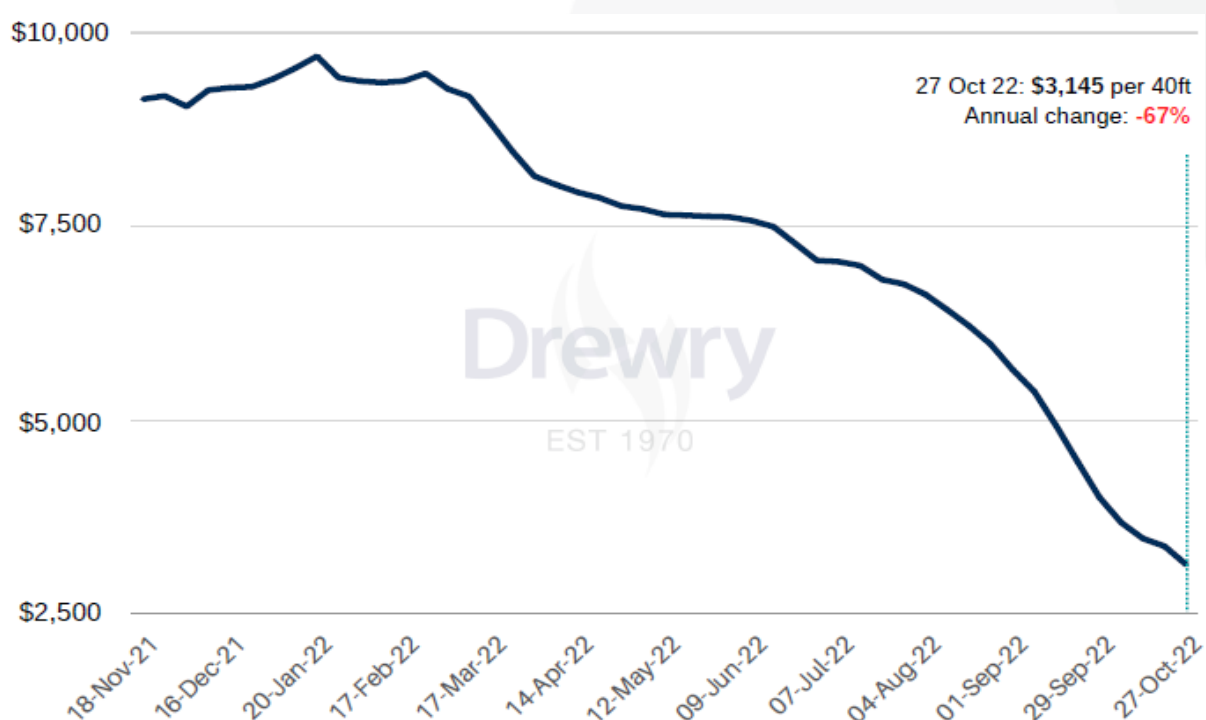
¹⁷ Murphy, A. 28/10/2022. [Schedule reliability declined slightly in September 2022.](#)

Maersk was once again in its usual place as the most reliable top-14 carrier in August 2022 on an individual carrier level, coming in at **53,2%**. CMA CGM was second at **45,5%**, with another four carriers with reliability over **40%**. Yang Ming recorded the lowest schedule reliability of 35.1%; however, Sea Intelligence notes that most of the carriers were very close to each other, with the difference between Yang Ming at the bottom and CMA CGM at second, a little over 10%. In addition, only five of the top 14 carriers recorded a m/m improvement, whereas all 14 recorded an annual improvement, with ten of those carriers recording double-digit improvements and two carriers recording improvements of over 20%. These developments bode well for future service delivery – especially given the reduced congestion and lower demand.

iii. Global container freight rates

The slide in global container freight rates continues (now for a 35th consecutive week), as the massive decrease in consumer demand cannot be escaped. Drewry's "World Container Index" decreased by **↓7%** (**\$238**) to **\$3 145** per 40-ft container this week, with the composite index now **↓67%** below the spot prices quoted this time last year and continues to trend below the five-year average (**↓16%**) of **\$3 747**:

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

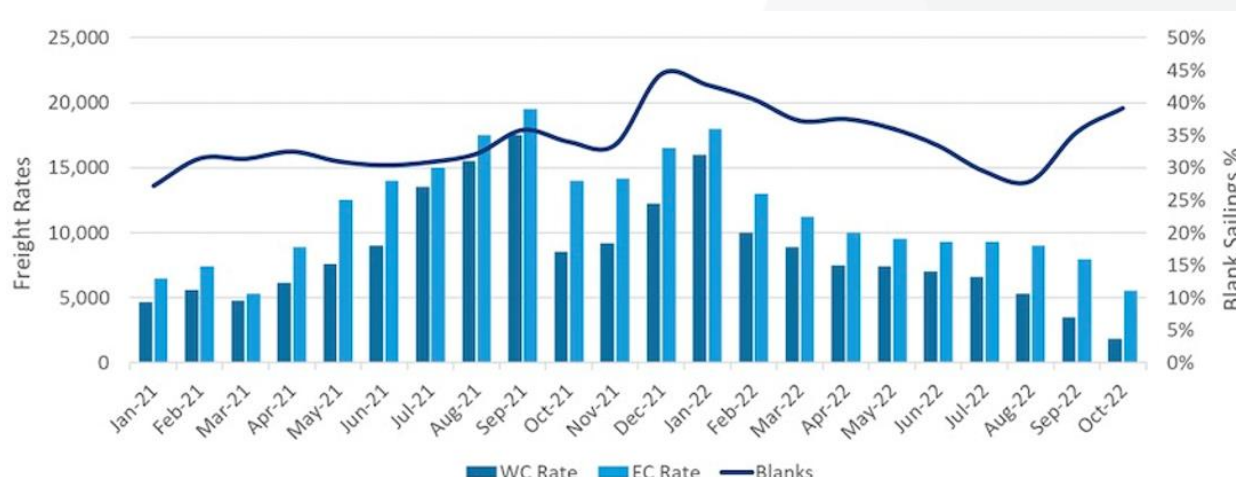


Source: [Drewry Ports and Terminal insights](#)

Despite the ongoing decrease, the rate remains **↑121%** higher than the average 2019 (pre-pandemic) rate of **\$1 420**. The average composite index for the year-to-date is **\$7 209** per 40ft container, which is **\$3 747** higher than the five-year average. Like last week, six major East-West trades decreased, with the other two staying put. As expected last week (even though it did not materialise), Drewry expects smaller rate reductions in the next few weeks. However, blankings are set to continue, as Drewry's "Cancelled Sailings Tracker" remains high, currently hovering around a **12% cancellation rate**¹⁸. Elsewhere, HSBC urged carriers to blank and suspend more services to stabilise spot freight rates ahead of the upcoming contract negotiations for the Asia-Europe route.

¹⁸ Drewry. 28/10/2022. [Cancelled Sailings Tracker - 28 Oct.](#)

Figure 18 – Nominal weekly capacity on the East-West¹⁹ trades (TEUs)



Source: [Project 44](#)

Despite this, the table below shows that blank sailings have been ineffective in preventing freight rates from sliding on all main trades, with the Middle East being the only notable exception. Ultimately, with the rollover in the leading container headline indices moderating in the past couple of weeks, most analysts believe this is a sign that the sector is getting close to bottoming out²⁰. We will continue to monitor the situation closely.

iv. Further developments of note

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

1. Oversupply in the container industry is likely to ensue for the next few years:

- This week, Alphaliner warned that the container shipping industry is at severe risk of overcapacity, as a total of **7,3 million TEU** of new building capacity – representing **28,3%** of the existing cellular fleet, is expected to enter the market by the end of 2025²¹. Fortunately, the new build prices have finally plateaued – a sign that the massive capacity expansion is ending²².
- In 2023 and 2024 alone, we will see **5,1 million TEU** joining the fleet, while the corresponding demand is predicted to be way less than that. The newbuilt additions will likely fast-track the scrapping of smaller²³, older vessels – especially considering the ongoing drive to more fuel-efficient vessels. Alphaliner listed some 500 vessels smaller than 1 500 TEU capacity, which will likely be first at risk.
- Incidentally, the world's leading carrier in volume – MSC – appears to be unperturbed by the waning demand and is consolidating its position as the most prominent carrier, as they are in the market for several more 8 000 TEU LNG dual-fuel-powered ships²⁴.

2. Cosco allowed a minor stake in Hamburg's container terminal – MSC expands US operations:

- Cosco Shipping Ports (CSP) has been allowed a minority stake in Germany's Container Terminal Tollerort (CTT), one of operator HHLA's three container terminals in the port of

¹⁹ East-West trades comprises Far East-North America (Transpacific), Far East-Europe, Europe-North America.

²⁰ Wackett, M. 25/10/2022. [Liner sector slump may bottom out soon, but carriers must carry on blanking.](#)

²¹ Alphaliner. 26/10/2022. [World containership fleet: what is the scrapping potential?](#)

²² Chambers, S. 26/10/2022. [Splash Extra: Newbuild prices show first signs of decline.](#)

²³ Wackett, M. 26/10/2022. [Box ships set for a cull, but smaller vessels the most likely to get the chop.](#)

²⁴ Wackett, M. 27/10/2022. [MSC looks to add more 8,000 TEU utility vessels as its fleet ambitions grow.](#)

Hamburg. The decision followed an investment review by the German government lasting 13 months, required for the acquisition of shares by companies from non-EU countries.

- b. In September last year, the terminal-operating unit of state-owned China Cosco Group announced its intention to invest in CTT, a hub for Cosco Shipping Lines' (CSL) European services. CSP was eventually allowed to take a 24,99% stake in CTT after an intervention by German chancellor Olaf Scholz, a former mayor of Hamburg, despite the recent furore over CSP's original bid to buy a 35% stake in the facility.
- c. Elsewhere, MSC's port operating subsidiary, Terminal Investment (TIL), is set to further expand its North American east coast port portfolio after signing up to build a new container terminal at the port of Baltimore in cooperation with local property developer Tradepoint Atlantic²⁵. The terminal will be built on a 67-ha brownfield site at Coke Point, part of the sprawling 1,335-ha Sparrows Point area of the port, which housed the Bethlehem steel works and shipyard and is under redevelopment by Tradepoint Atlantic.

b. Global air cargo industry

This week, the International Air Transport Association²⁶ (IATA) "*Chart of the Week*" has provided some further background to the sluggish recovery in the aviation industry – notably with the passenger market in the euro area. Following Russia's invasion of Ukraine in February and a slow start to the European Central Bank's (ECB) monetary policy tightening in July, the euro has depreciated by nearly **↑14%** YTD against the US dollar while losing a more modest **↑3%** on an inflation-adjusted and trade-weighted basis versus all its trading partners. The more significant loss of purchasing power against the US dollar has dampened travel demand from the euro area to the US and, to a more limited extent, as well as bookings to the rest of the world. As with the international shipping industry, the weakening demand makes airlines consider removing schedules from their usual rotation, which impacts the available cargo capacity through belly hold space. After being a lifesaver during the pandemic, it remains apparent that the recovery in the aviation space remains far from complete.

In other air cargo news, London Heathrow Airport's operator has confirmed that it will remove the cap on airline operations through the gateway from 30 October²⁷. The cap had been introduced by Heathrow Airport Limited (HAL) in the wake of significant delays and cancellations in services at the airport as it struggled to meet rapidly increasing passenger demand in a post-pandemic rush to fly. There will be spillover to the cargo industry; however, with the current demand levels being low for some time now, the change is not expected to have any material effect on air cargo just yet. Elsewhere, Dutch shippers have welcomed the prospect of closer ties between Amsterdam Schiphol and Maastricht (MST) airports, as the airports announced that slot-restricted Schiphol intends to acquire 40% of MST for €4,2m²⁸. Concerns were raised about closing MST, which accounts for 7% of the Netherlands' air cargo – with Schiphol accounting for the other 93%. Last year MST saw 128 000 tons of volume from carriers including Turkish, Saudi, Emirates, and Qatar, as well as e-commerce charter flights

²⁵ Van Marle, G. 26/10/2022. [MSC's TIL to develop new Baltimore terminal to boost east coast traffic](#)

²⁶ IATA. 28/10/2022. [How the weak euro is affecting European travel demand](#).

²⁷ Bryant, M. 27/10/2022. [London Heathrow to remove airline operations cap](#).

²⁸ Lennane, A. 26/10/2022. [Dutch air cargo shippers welcome Schiphol tie-up with Maastricht Airport](#).