

Cargo movement update¹

Date: 7 April 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)	18 112	28 093	46 205	20 291	25 865	46 156	↑0,1%
Air Cargo (tons)	3 202	2 085	5 287	3 269	1 852	5 121	↑3%

Monthly Snapshot

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

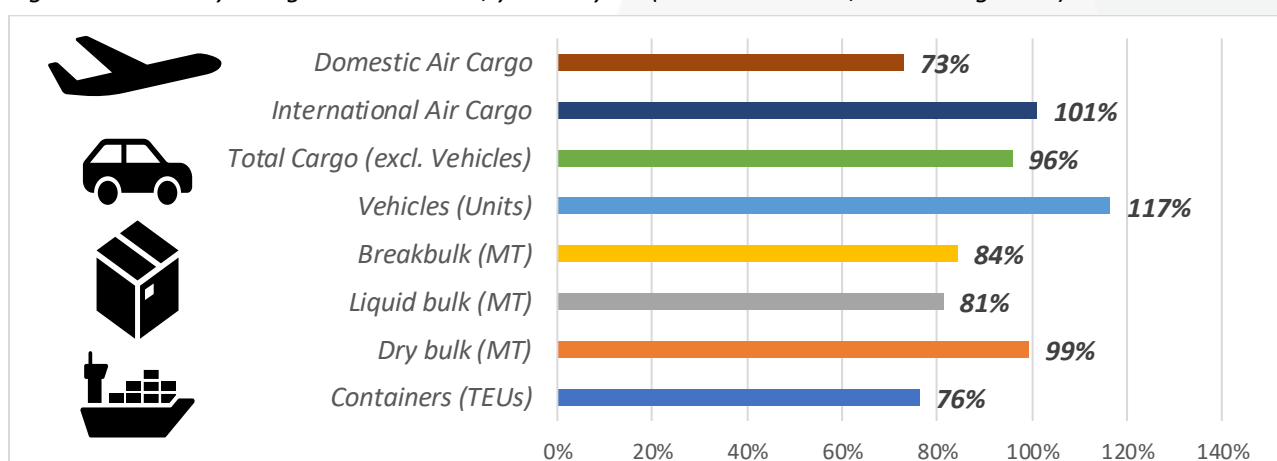
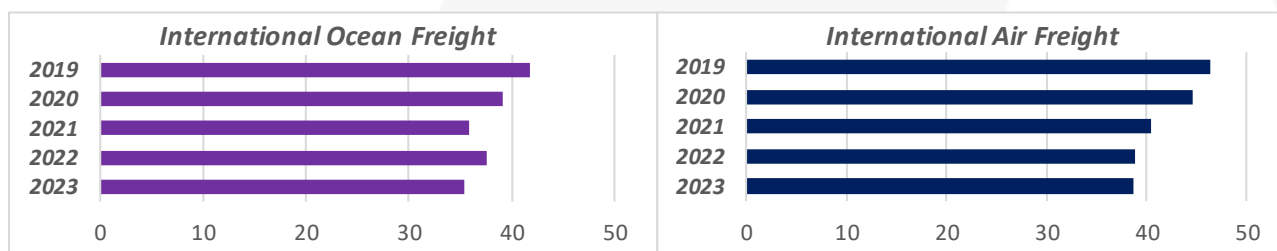


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 601 containers** was handled per day, with **~8 792 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 829 containers**, **↓24%** compared to last week.
- Cross-border queue times were **↑8,8 hours**, with transit times **↓1,1 hours**, SA borders **~11,6 hours (↑10%)**.
- According to the WTO, trade growth will slow to **↑1,7%** in 2023, following a **↑2,7%** expansion in 2022.
- Liner schedule reliability improved by **↑7,7%** (m/m) to **60,2%**, with average late arrivals at **5,29 days**.
- Global freight rates per the "WCI" were stable (**↓0,4%** or **\$7**) at **\$1 710** per 40 ft this week.
- The latest global air cargo analysis shows annual tonnages are down by **↓8%** (y/y) in March.

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 131st 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](http://www.transnet.co.za) is used, while for air, Jan-Mar cargo to and from ORTIA is used.

Executive Summary

This update – *the 131st of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this week revolved around challenges stemming from adverse weather, frequent equipment breakdowns and shortages, load-shedding, backlogs, delays, and congestion. Weather conditions in Cape Town remained favourable this week, with minimal delays reported; however, congestion worsened over the latter stages as the average berthing delays exceeded **10 days** compared to **8** at the start of the week. TNPA communicated their operational plans at the Port of Durban for the Easter weekend. Additionally, the first phase of the Bayhead bypass road was opened on Monday morning as part of the effort to ease the frequent congestion experienced on Bayhead Road in Durban. Furthermore, on Tuesday, Transnet called for partners to help it establish a company to lease rolling stock, such as wagons and locomotives, to the market with a deadline of 30 June 2023.

The outlook for international trade remains sub-par, despite a slight upgrade to GDP projections since last fall, according to WTO economists. Trade is currently weighed down by the ongoing effects of the war in Ukraine, stubbornly high inflation, tighter monetary policy, and financial market uncertainty. In addition, further pessimism in manufacturing sentiment data has added to a gloomier outlook for global trade. This outlook is valid despite China's economic rebound helping to raise some hopes that economies across Asia and the globe can avoid recession. The latest signals have sent the "*Bloomberg Trade Tracker*" slightly lower, with a measure of US exports slipping into below-normal territory in March. At the start of April, six measures on the Tracker were in that category, while four clung to "*normal*" status, and none were seen above their long-run normal range⁶.

Market sentiment in the international maritime industry turned positive for the first time since September 2022, with expectations rising of a mid-April rate increase on some key routes. Carriers are making a last-ditch effort to raise spot rates, with contract rates significantly down on last year, as expected. As a result, container shipping lines will post profits of about **\$43 billion** this year, almost **80% lower** than their record net income in 2022. A global trade slowdown creates surplus capacity and torpedoes freight rates. Elsewhere, congestion continues to ease as carrier schedule reliability continues to improve. Other developments include **(1)** the MPV index going down to **\$9 175** per day, **(2)** carriers back-pedal on D&D charges, and **(3)** the sale of Korean carrier HMM imminent.

In the air freight markets, weekly international cargo volumes remained steady from last week, as domestic volumes increased markedly (**↑63%**) from their recent low levels and are now similar to last year. In the global market, internationally flown air cargo tonnages for March indicate rising demand and pricing may start to stabilise, with average rates holding firm at around **↑50%** above pre-pandemic levels and annual tonnages down just **↓8%** in March – compared with double-digit percentage declines in the final quarter (Q4) of 2022 and in early 2023.

For regional cross-border road freight, average queue times increased significantly, as transit times remained stable this week. Unfortunately, border times remained stubbornly high, with South African land border crossings in the region averaging **~11,6 hours (↑10%, w/w)** for the week, while the greater SADC region (excluding ex-South Africa) went in the opposite direction by the same magnitude, averaging **~12,4 hours (↓10%, w/w)**. Congested SADC borders this week included Beitbridge, Kasumbalesa, Katima/Mulilo

⁶ Murray, B. 05/04/2023. [Europe Sees Free-Trade Deal, with Australia by July](#).

(the worst affected – slightly more than **three days**), Oshikango, and Zobue/Mwanza. Further notable developments included **(1)** visa and visa waiver applications have been extended to 31 December, **(2)** CBRTA have increased their permit fees this week, **(3)** Zimra is experiencing country-wide network downtime, and **(4)** Kasumbalesa to operate 24/7 on the DRC side.

In concluding this edition, the private sector applauds President Ramaphosa for accepting the proposed formulation of a national logistics crisis committee. The President said: *"We need to take urgent measures to resolve the logistics backlog that continues to undermine economic growth. I deeply appreciate the constructive manner in which all the impacted sectors have approached the resolution of this crisis. Government will consider some of the proposals presented and act on them quickly in order to unlock much needed investments into the economy"*⁷.

Indeed, we need to urgently address the worrying performance of South Africa's ports and rail system – so often a feature of these weekly reports. If South Africa wants to grow at a rate conducive to widespread socioeconomic growth and development, we need a world-class logistics system facilitating trade. Goods need to move fluidly to satisfy our high freight demand, as persistent challenges in the logistics and transport industry are not currently allowing our system to function at any level near its demonstrated capacity. Simply put, the short- and medium-term solutions are **(1)** infrastructure expansion and asset rehabilitation, **(2)** optimisation of performance (with transparent KPIs across all nodes of the network), and **(3)** market liberalisation in defining clear governance models, policies, and regulations to enable private participation in investment and operation. The industry commends the engagement with the President and will hold him against these commitments made to the industry. But it must also be said that verbal commitments are no longer adequate. The situation demands that concrete, achievable plans be published as a top priority.

⁷ Ramaphosa, C. 06/04/2023. [President Ramaphosa meets large exporters on the state of South Africa's logistics system.](#)

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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 1 to 7 April ⁸

7-day flow forecast (01/04/2023 – 07/04/2023)		
TERMINAL	NO. OF CONTAINERS ⁹ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 999	4 977
DURBAN CONTAINER TERMINAL PIER 2:	7 247	12 564
CAPE TOWN CONTAINER TERMINAL:	2 549	5 171
NGQURA CONTAINER TERMINAL:	4 660	4 451
GQEBERHA CONTAINER TERMINAL:	657	930
TOTAL:	18 112	28 093

Source: Transnet, 2023. Updated 07/04/2023.

Table 3 – Container Ports – Weekly flow predicted for 8 to 14 April

7-day flow forecast (08/04/2023 – 14/04/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 204	5 483
DURBAN CONTAINER TERMINAL PIER 2:	12 546	14 966
CAPE TOWN CONTAINER TERMINAL:	3 673	6 881
NGQURA CONTAINER TERMINAL:	4 767	7 123
GQEBERHA CONTAINER TERMINAL:	421	480
TOTAL:	26 611	34 933

Source: Transnet, 2023. Updated 07/04/2023.

An average of **~6 601 containers** (**↑0,1%**) was handled per day for the last week (1 to 7 April, Table 2) compared to the projected average of **~8 533 containers** (**↓26%** actual versus projected) noted in last week's report. An increased average of **~8 792 containers** (**↑33%**) is predicted to be handled next week (8 to 14 April, Table 3). Worth iterating is that these projections are based on the recently demonstrated capacity of our ports and the berthing vessel schedules. Unfortunately, as has been the case throughout the year, the actual throughput has been, on average, **↓14%** versus the projected throughput. This reality is very concerning, as the projected averages are comfortably within bounds of the targets hit throughout the 2010s and even the recovery year of 2021. What happened to the cargo that consistently appears in the forecasts but never materialises is even more concerning. And this week, the usual suspects of weather,

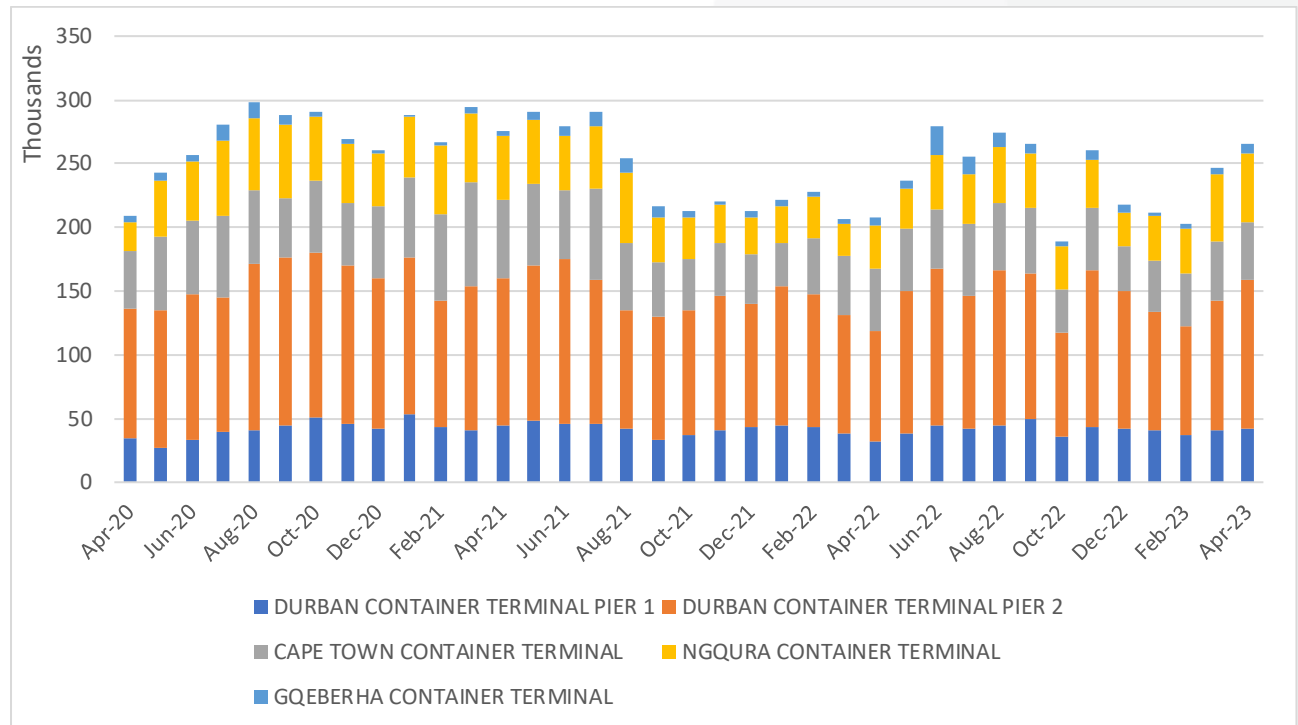
⁸ It remains important to note that a large percentage (approximately 39% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

⁹ 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.

frequent equipment breakdowns and shortages, load-shedding, backlogs, delays, and congestion did not help, either.

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.

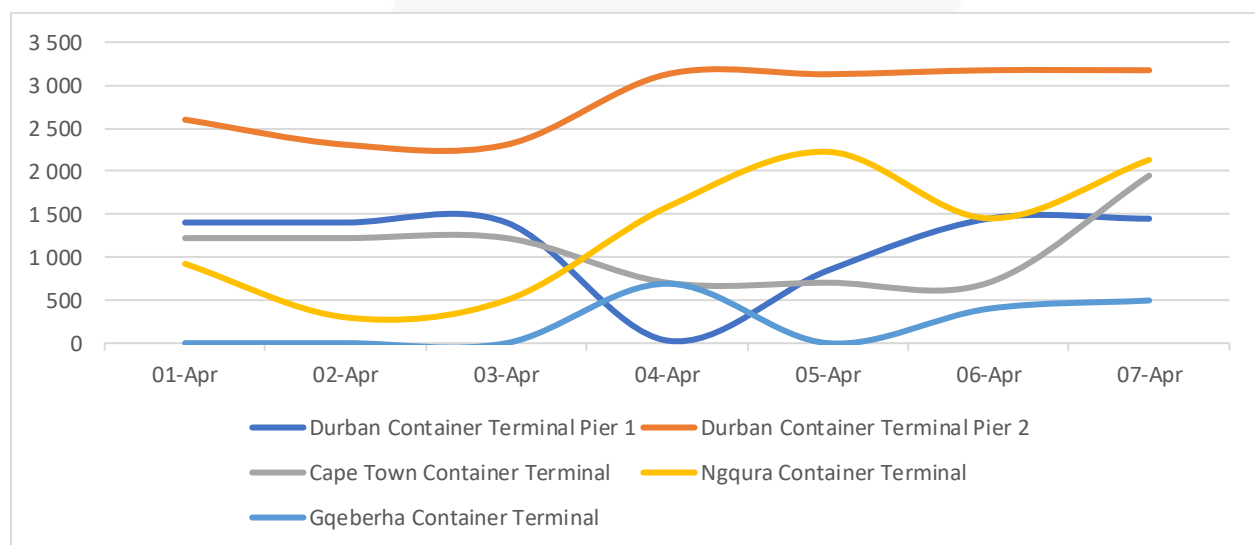
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 07/04/2023.

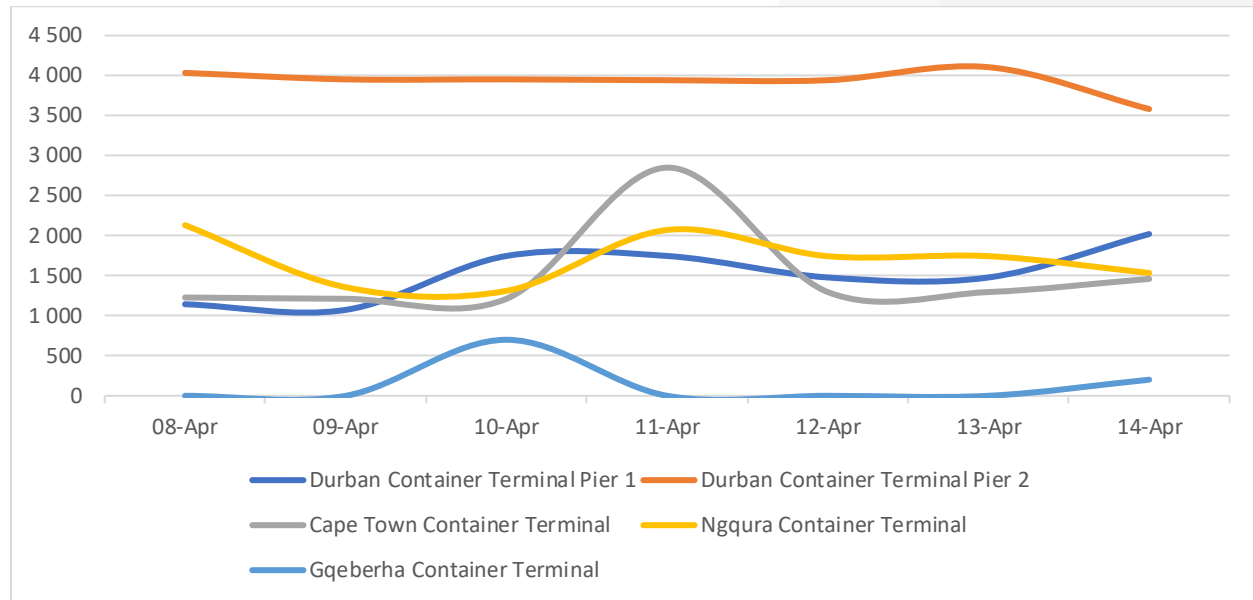
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (1 to 7 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 07/04/2023.

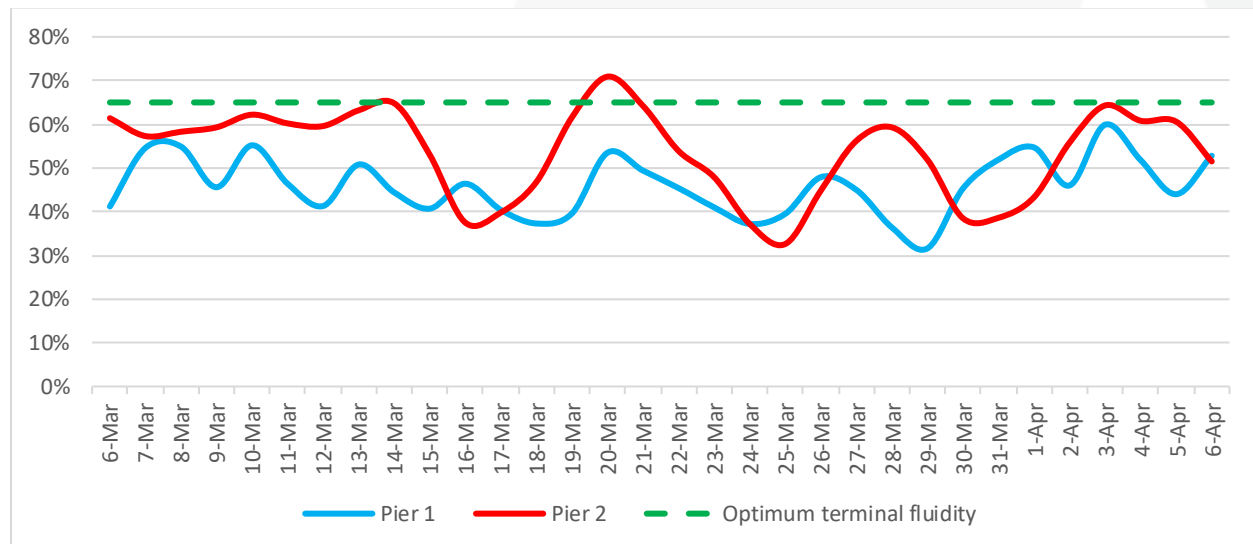
Figure 5 – 7-day forecast reported for total container movements (8 to 14 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 07/04/2023.

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

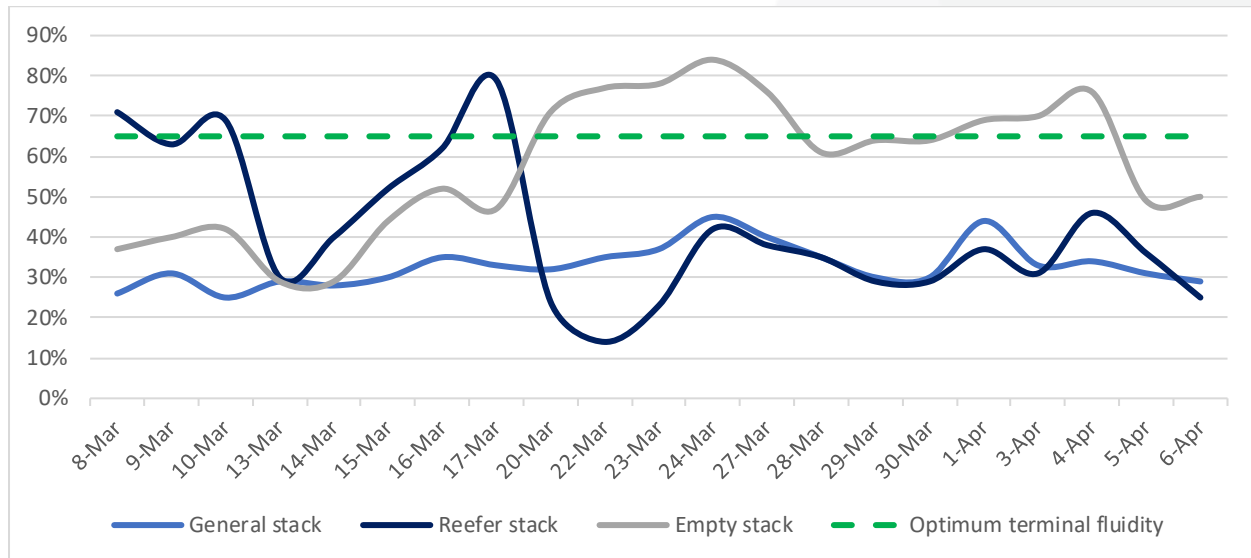
Figure 6 – Stack occupancy in DCT, general-purpose containers (6 March to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 07/04/2023.

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 (8 March to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 07/04/2023.

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

Cape Town experienced no delays, but equipment breakdowns and shortages continue to hamper operations.

Durban was more challenged by poor weather and equipment breakdowns.

Lastly, the Eastern Cape ports improved somewhat; however, operations still suffered intermittent delays due to several issues.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and seven at anchor, as berthing delays remained high during the week. Stack occupancy for GP containers was 29%, reefers 25%, and empties 50%. In the latest 24-hour period to Thursday, the terminal handled 2 013 TEUs across the quay. On the landside, 1 411 trucks were serviced while executing 21 rail moves on Tuesday.

The congestion at Cape Town worsened over the latter stages of the week as the average berthing delays exceeded **10 days** compared to **8** at the start. However, as reported over the last few weeks, Cape Town remains on the "Port Congestion Watch" as more than **52 200 TEUs** were stuck at anchorage on Wednesday, with the queue-to-berth ratio experiencing a rather significant setback remaining very high at **2,29¹⁰**. This reinforces our earlier comment implying that even in perfect weather conditions, there are still serious deficiencies in container terminal operations.

¹⁰ Linerlytica. 06/04/2023. [Global Containership Port Congestion – as of 06 April 2023](#).

On Wednesday, Cape Town MPT recorded one vessel at anchor and one at berth. In the 24 hours to Thursday, the terminal managed to service 103 external trucks at a truck turnaround time of ~17 minutes while handling 305 TEUs on the landside. Stack occupancy was recorded at 15% for GP containers, 30% for reefers and 9% for empties.

iii. Durban and Richards Bay

The latest reports suggest it will be "operations-as-usual" at the Port of Durban over Easter weekend except for no night shift operations. The operating hours at Durban terminals will be as follows:

- Friday 7 April 2023 – 07:00 to 18:00
- Saturday 8 April 2023 – 07:00 to 18:00
- Sunday 9 April 2023 – 07:00 to 18:00
- Monday 10 April 2023 – 07:00 to 18:00

Pier 1 on Monday recorded one vessel at berth, operated by five gangs, and zero vessels at anchor. Stack occupancy was 40% for GP containers, with 2 678 imports on hand and 296 unassigned units. The terminal recorded 778 landside gate moves, with 297 cancelled slots and 38 wasted.

Pier 2 had three vessels at berth and two at anchorage on Thursday. In the most recent 24 hours to Thursday, stack occupancy was 51% for GP containers and 88% for reefers. The terminal operated with 11 gangs and moved 3 961 TEUs across the quay. On Friday, there were 2 800 gate moves on the landside with a truck turnaround time of ~69 minutes and a staging time of ~71 minutes. Lastly, 274 rail import containers were on hand, with 252 moved by rail.

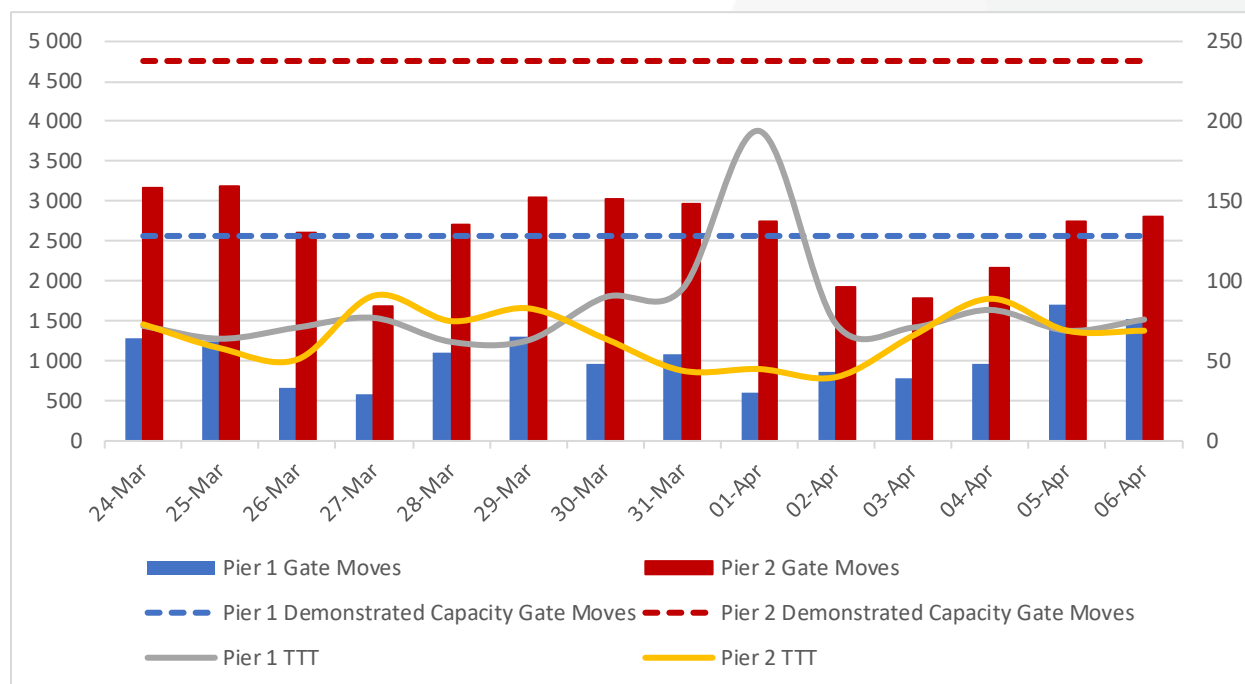
The Durban MPT terminal, on Tuesday, recorded three vessels at berth and one at outer anchorage while handling 281 containers and 1 057 breakbulk tons on the waterside. Stack occupancy for breakbulk worsened this week to 75%, while stack occupancy on the container side was recorded at 46%. On the landside, the terminal managed to handle 429 containers while servicing 37 breakbulk RMTs. On Thursday, three cranes, eight reach stackers, one empty handler, six forklifts and 20 ERFs were in operation. According to the latest reports, the third crane at the multipurpose terminal in Durban made its anticipated and welcome return on Tuesday after undergoing repairs. These reports further indicate a strong possibility that one of the working cranes will soon be taken out of service for routine maintenance, leaving the terminal with two operational cranes again.

On Tuesday, the Ro-Ro terminal in Durban recorded three vessels at berth and one at outer anchorage while handling 1 772 moves at a UPH of 151 on the waterside. Over the 24 hours to Wednesday, general stack occupancy was recorded at 78%, while stack occupancy at the abnormal QR- and G-berths, respectively, was worryingly high at 95% each. Nevertheless, the terminal managed to handle 1 834 road- and 468 rail units on the landside while having 443 out-of-gauge import units on hand.

The first phase of the Bayhead bypass road opened on Monday morning, as reported last week. Unfortunately, no results have yet been reported, but it is hoped that the 1,6km bypass road will significantly reduce traffic on Bayhead Road and ease congestion in the port. The bypass road was initially constructed on the back of the floods experienced in Durban last year to facilitate the movement of heavy vehicles. This initiative is widely welcomed across the industry as the congestion-bound Bayhead Road has created mammoth challenges at the port in recent months.

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. The average spread between the actual and projected throughput mentioned above is evident here:

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



Source: Calculated using data from Transnet, 2022. Updated 07/04/2023.

iv. Eastern Cape ports

NCT on Tuesday recorded two vessels on berth and five vessels at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation 24 hours before Wednesday. In the same period, stack occupancy was 27% for GP containers and 16% for reefers. On Tuesday, 1 758 TEUs were handled across the quay. Additionally, 494 trucks were serviced on the landside, with a truck turnaround time of ~33 minutes.

GCT on Wednesday recorded one vessel at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours before Thursday. In the same period, stack occupancy was 34% for GP containers, 21% for reefers, and 35% for reefer ground slots while executing 267 moves across the quay. On the landside, 156 trucks were serviced at a truck turnaround time of ~20 minutes.

v. Saldanha Bay

On Thursday, the Iron Ore terminal had four vessels at anchorage and one on the berth, while the multipurpose terminal had four at anchor and two on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-8 days, while the vessels at berth have been on berth for around 2-4 days.

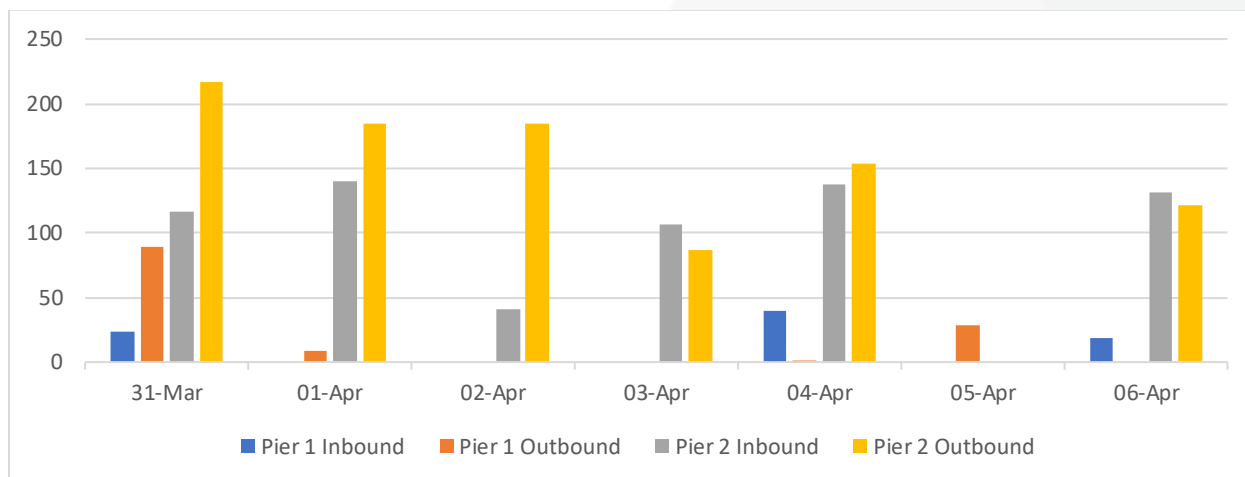
vi. Transnet Freight Rail (TFR)

Extensive cable theft was experienced at the Mooi River precinct during the week's early stages, which ensured operational delays of up to six hours. Intermittent cable theft continued on the container corridor

between Durban and Johannesburg this week, ensuring further delays. According to reports, four suspects were taken into custody regarding cable theft crimes this week.

Additionally, on Tuesday, Transnet called for partners to help it establish a company to lease rolling stock, such as wagons and locomotives, to the market with a deadline of 30 June 2023. The move comes in response to domestic and regional demand and is aligned with the policy directive for rail reform after Transnet met with the President. Although this changed approach is most welcome, it must be implemented urgently as our supply chain needs some positive change in this regard.

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



Source: Calculated using data from Transnet, 2022. Updated 07/04/2023.

In the last week (1 to 7 April), rail cargo handled out of Durban was reported at **1 829** containers, down by **↓24%** from the previous week's **2 462** 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 27 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 4 – International inbound and outbound cargo from OR Tambo

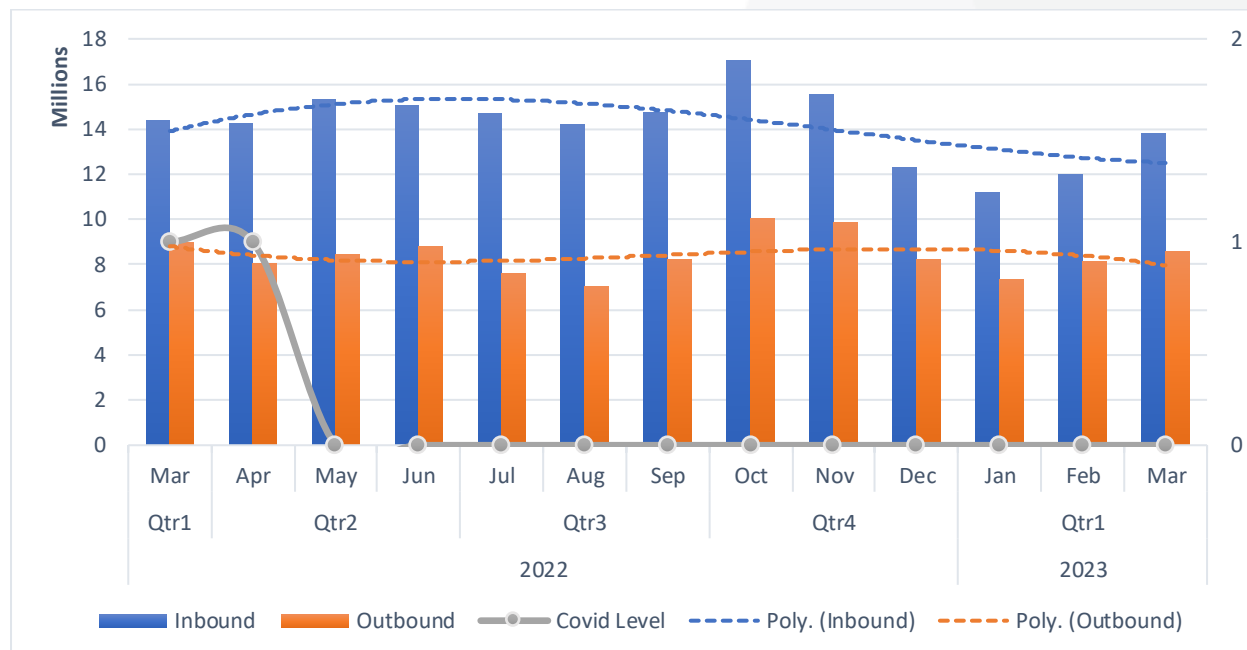
Flows	27-Mar	28-Mar	29-Mar	30-Mar	31-Mar	01-Apr	02-Apr
Volume inbound	487 244	337 958	336 584	313 585	399 484	423 263	903 866
Volume outbound	210 120	219 950	197 416	213 624	260 928	242 408	740 676
Total	697 364	557 908	534 000	527 209	660 412	665 671	1 644 542

Courtesy of ACOC. Updated: 04/04/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **457 426 kg** inbound and **297 875 kg** outbound, resulting in an average of **755 301 kg per day** or approximately the same compared with March 2022. However, the level is currently at **~85%** compared with the same period pre-pandemic in 2019. Therefore, when comparing our international market with the global one (and indeed our domestic market), the industry is experiencing low volumes but levels not too far outside the international trends.

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak.

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



Courtesy of ACOC. Updated: 04/04/2023.

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 March 2022 was ~64 131 kg per day.

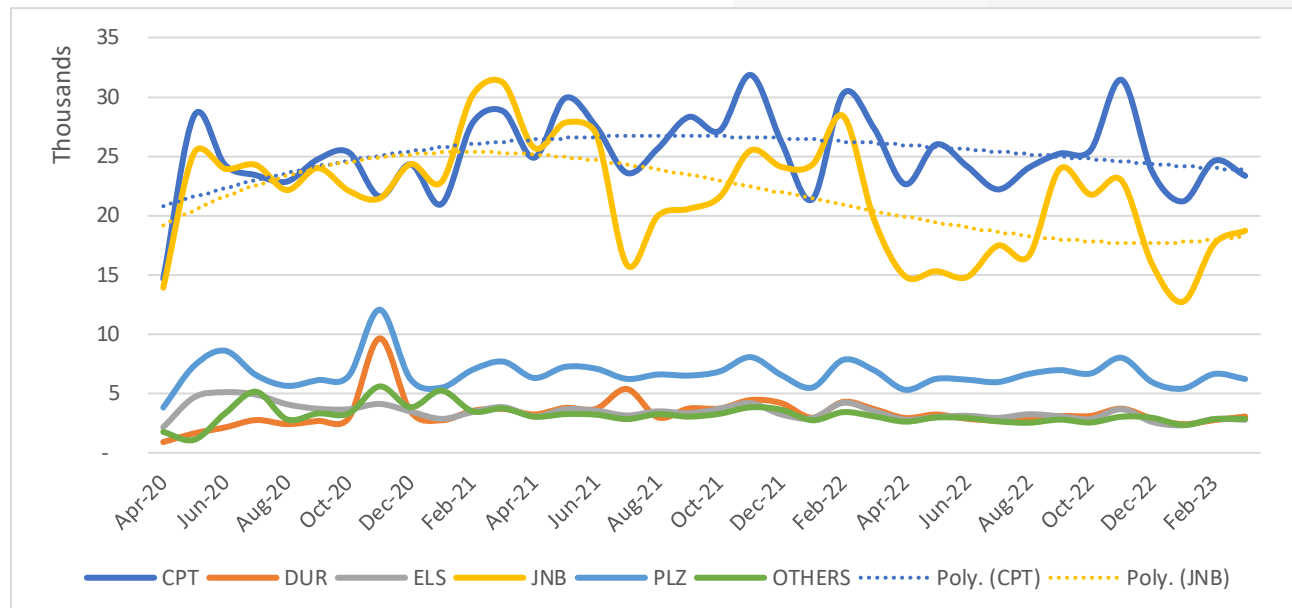
Table 5 – Total domestic inbound and outbound cargo

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
March Ave.	23 341	3 056	2 785	18 716	6 215	2 857	56 970
23-Mar	40 543	4 608	4 992	28 907	10 600	4 278	93 928
24-Mar	16 665	4 263	2 552	20 424	4 680	2 816	51 402
25-Mar	1 067	719	67	3 125	262	15	5 255
26-Mar	1 272	282	384	3 764	515	606	6 822
27-Mar	39 307	4 537	4 723	32 354	10 573	5 145	96 639
28-Mar	40 010	5 920	5 948	37 663	9 536	4 608	103 686
29-Mar	41 058	4 111	3 876	38 158	11 607	4 813	103 624
Total for 2023:	2 039 574	240 530	235 786	1 460 538	544 269	238 231	4 758 927

Courtesy of BAC. Updated: 06/04/2023.

The average domestic air cargo moved last week was **~65 908 kg** per day, which is a massive **↑63%** compared with the previous week and similar to this time last year (**~103%**) of what was moved in March 2022.

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



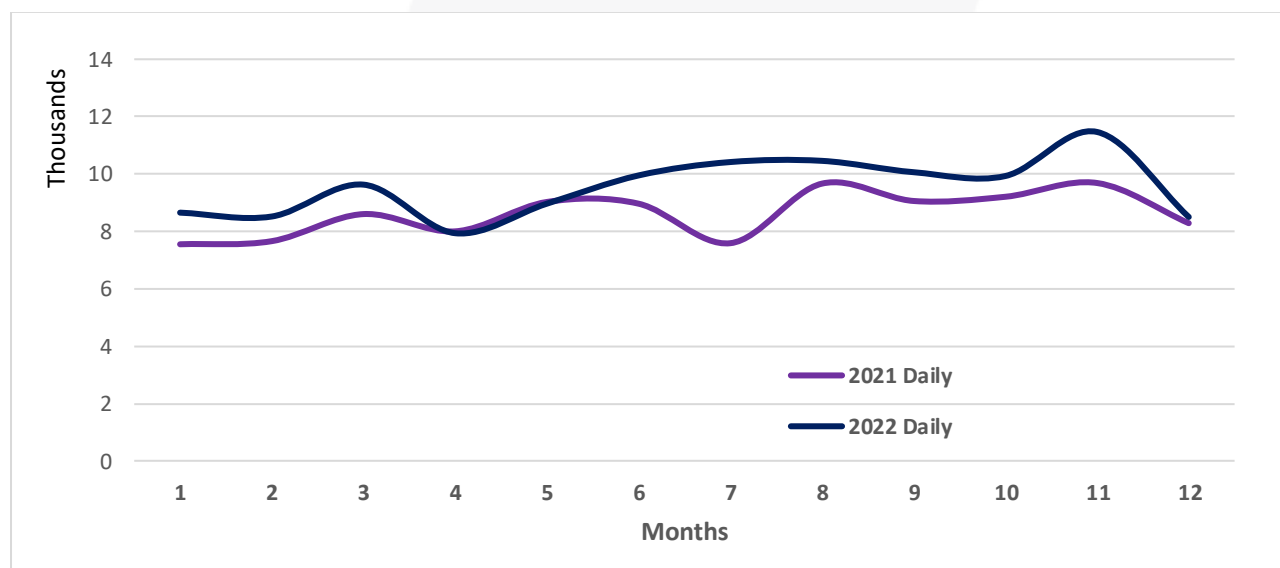
Courtesy of BAC. Updated: 06/04/2023.

3. Road and Regional Update

a. N3 Heavy Goods Vehicle traffic

This week, the N3 Toll Concession shared some traffic data across the last two calendar years. Heavy Goods Vehicle (HGV) through the Mooi River Plaza increased by **↑11%** in 2022:

Figure 12 – Average Daily HGVs at the N3 Mooi River Plaza (2021 & 2022)



Source: N3TC.

b. 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 **~11,6 hours (↑10%, w/w)**.
- Some positive developments for drivers come from Home Affairs, as a blanket concession for all foreign nationals for long-term visa and – waiver applications have been extended to 31 December.
- The BMA has taken over all ports of entry with a welcoming message by Commissioner Dr Mike Masiapato shared with the industry. Elsewhere, CBRTA has increased permit fees this week.
- Regionally, transporters were told that both sides of Kasumbalesa would now be operating 24/7. Until recently, the DRC side has been closing the office at 20:00 and re-opening at 06:00. The change will hopefully be implemented soon, as queue times for Kasumbalesa northbound are very high (more than 50km currently).
- Zimra experienced country-wide network issues on Wednesday, which affected crossing times. Further intermittent downtimes were reported towards the weekend.
- 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 6 – Delays¹² 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	7	6	28	11 730	2 737
Beitbridge	Zimbabwe-SA	410	6	3	13	12 300	2 870
Groblersbrug	SA-Botswana	248	1	7	22	7 440	1 736
Groblersbrug	Botswana-SA	157	1	1	2	4 710	1 099
Vioolsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	0	3	600	140
Nakop	SA-Namibia	30	0	1	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 552	0	1	8	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	0	2	3 990	931
Skilpadshek	SA-Botswana	200	1	1	4	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	3	2 400	700
Average/Sum		3 291	01:30	01:48	07:48	96 930	23 037

Source: TLC, FESARTA, & Crickmay, week ending 02/04/2023.

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. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay.

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

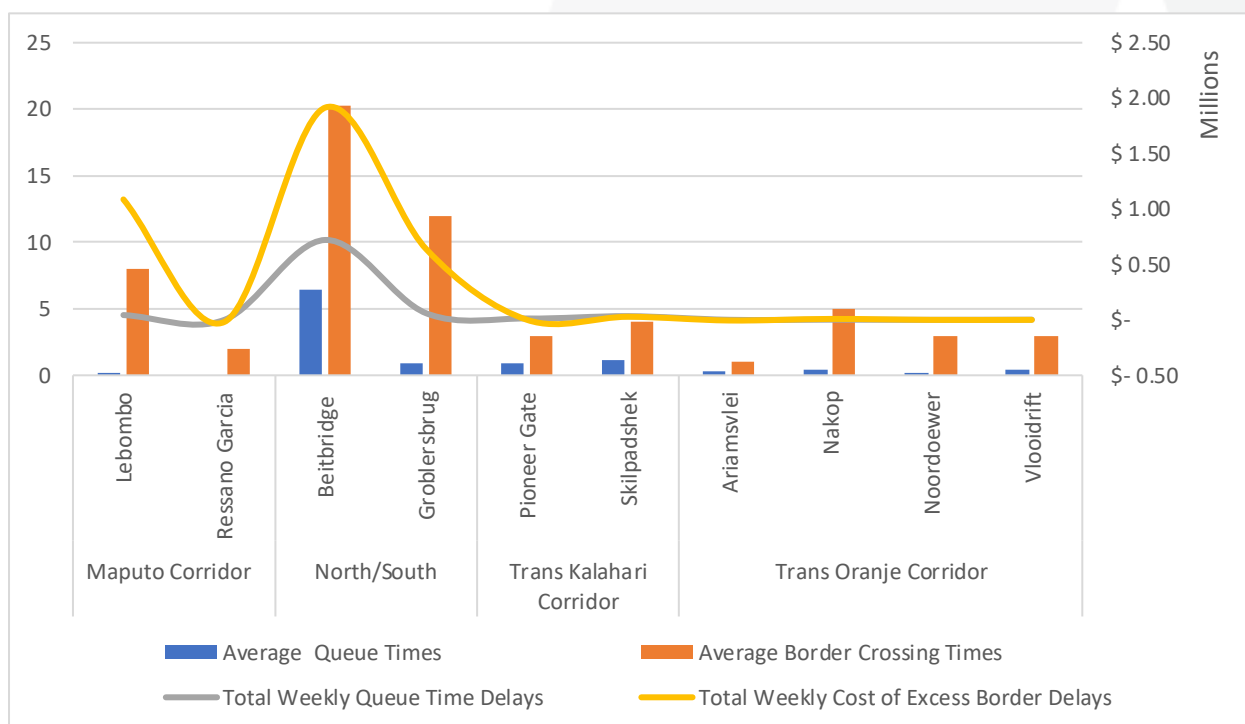
Table 7 – Delays summary – Corridor perspective

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	14	9 600	2 240
Dar Es Salaam Corridor	1 819	36	2	15	54 570	12 733
Maputo Corridor	1 685	0	1	5	50 550	11 795
Nacala Corridor	127	0	0	2	3 810	889
North/South	3 278	14	4	15	74 850	22 946
Trans Caprivi Corridor	116	0	5	42	3 480	812
Trans Cunene Corridor	100	0	2	15	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	10:50	02:27	12:18	210 780	55 125

Source: TLC, FESARTA, & Crickmay, week ending 02/04/2023.

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

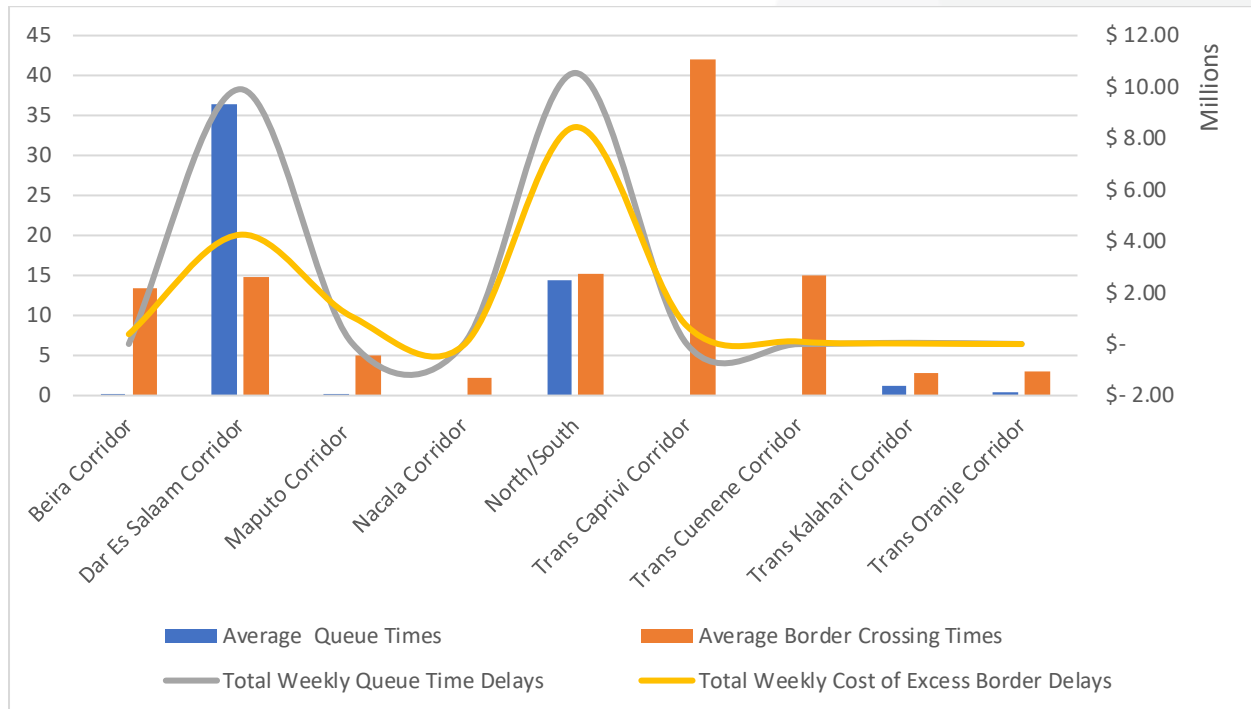
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 02/04/2023.

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, & Crickmay, week ending 02/04/2023.

In summary, cross-border queue time has averaged **~10,8 hours** (up by **~8,8 hours** from the previous week's **~2,0 hours**), indirectly costing the transport industry an estimated **\$21 million (R362 million)**. Furthermore, the week's average cross-border transit times hovered around **~12,3 hours** (down by **~1,1 hours** from the **~13,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$15 million (R263 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R624 million** (up by **~R242 million** or **↑63%** from **R314 million** in the previous report).

4. International Update

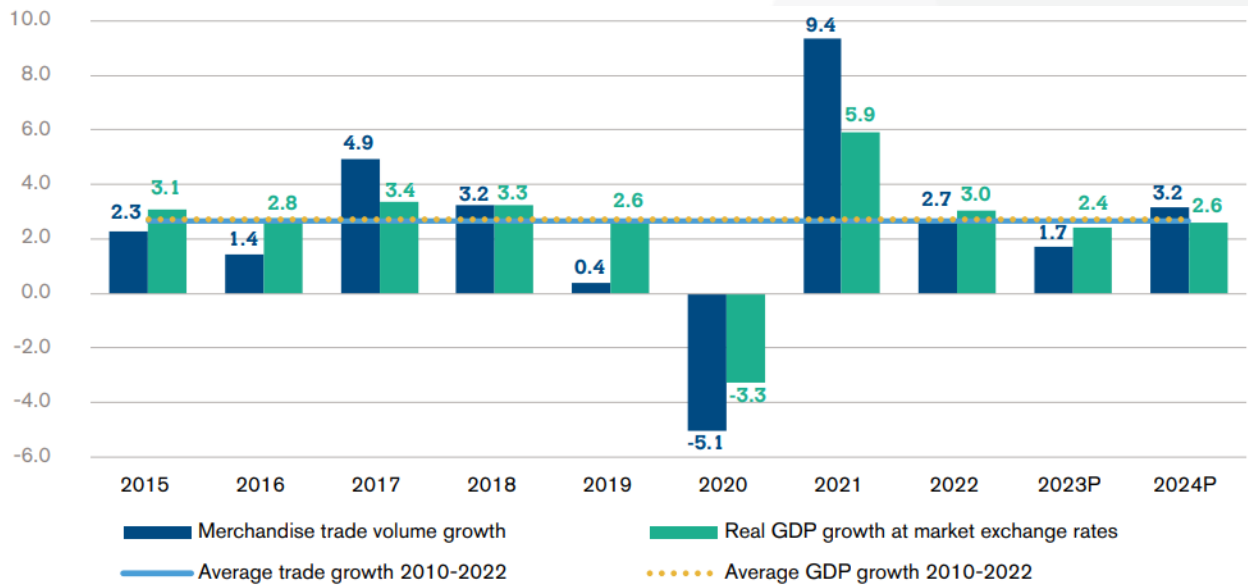
The following section provides some context around the global economy and its impact on trade, including an update on **(a)** global trade, **(b)** the global shipping industry and **(c)** the global aviation industry.

a. Global trade

In an update from the WTO this week, the volume of world merchandise trade is expected to grow by **↑1,7%** in 2023, following a **↑2,7%** expansion in 2022. The forecast is a smaller-than-expected increase pulled down by a sharp slump in the fourth quarter. The WTO's trade projections, set out in the new "Global Trade Outlook and Statistics" report¹⁴, estimate real global GDP growth at market exchange rates of **↑2,4%** for 2023. Projections for both trade and output growth are below the averages for the past 12 years of **↑2,6%** and **↑2,7%**, respectively:

¹⁴ WTO. 05/04/2023. [Global Trade Outlook and Statistics](https://www.wto.org/publications/default.aspx?lang=en).

Figure 15 – World merchandise trade volume and GDP growth (2015-2024)



Source: [WTO](http://www.wto.org)

The **↑2,7%** increase in world trade volume in 2022 was weaker than the WTO's October forecast of **↑3,5%**. Several factors contributed to that slump, including elevated global commodity prices, monetary policy tightening in response to inflation, and outbreaks of COVID-19 that disrupted production and trade in China.

Notably, trade growth last year turned out to be in line with the **↑2,4%** to **↑3,0%** baseline scenario in the WTO's March 2022 initial report on the war in Ukraine and well above its more pessimistic scenario in which trade would have grown just **↑0,5%** as countries started to split into competing economic blocs. In the event, international markets remained broadly open. For South Africa, the WTO shows that merchandise exports retracted by **↓1%** in 2022, with imports increasing by **↑19%**.

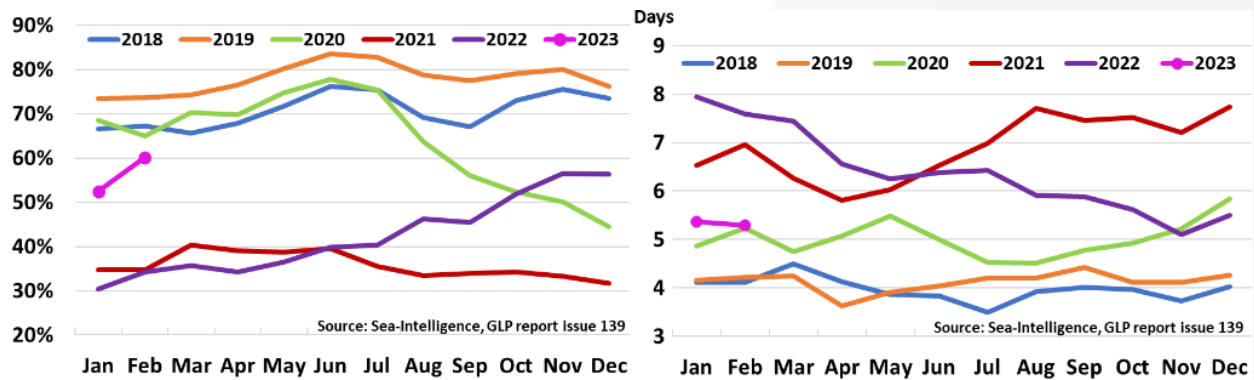
b. Global shipping industry

i. Schedule reliability and port congestion

Global schedule reliability increased sharply by **↑7,7%** (m/m) to **60,2%**¹⁵ in February 2023, meaning yearly schedule reliability was a staggering **↑26%** higher than in 2022. The average delay for LATE vessel arrivals has dropped marginally by **↓0,07 days** (m/m) to **5,29 days** in February. In relative terms, the average delay for LATE vessel arrivals is now closer to the 2019 level than to the highs of 2021-2022:

¹⁵ Murphy, A. 04/04/2023. [Sharp M/M increase in schedule reliability in February 2023.](#)

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



Source: Sea-Intelligence

Maersk was the most reliable top-14 carrier in February 2023 with **64,9%**, followed by MSC with **64,4%**. Hamburg Süd was the only other carrier with a reliability of over **60%**. The remaining carriers all had schedule reliability of **50%-60%**. ZIM was the least reliable carrier in February 2023, with a schedule reliability of **52%**. All top-14 carriers recorded an M/M increase in schedule reliability in February 2023, with PIL, ZIM, and Wan Hai recording double-digit improvements.

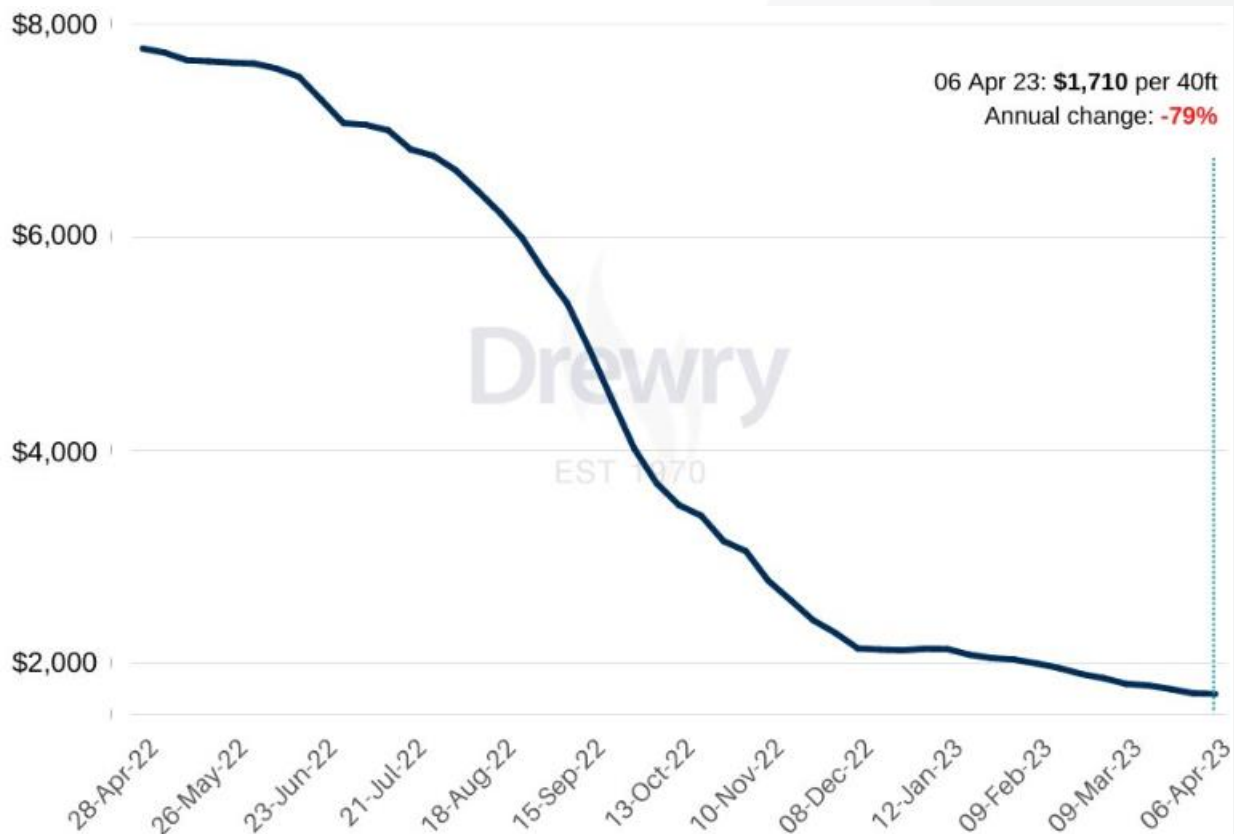
In the overall picture, it can be said that shippers are receiving improved service across the board this year. Transit times are twice as fast as a year ago, and congestion at major ports has reduced by **↓50%** (in North America) and **↓60%** (in Europe). Indeed, Drewry's "Cancelled Sailings Tracker" again remains at an **8% cancellation rate**¹⁶ (**↓8%**, w/w). However, despite the general easing of port congestion, some ports remain clogged, notably at Shanghai/Ningbo, Qingdao, Singapore, and Shenzhen, according to the latest figures from Linerlytica (Cape Town remains on the list, currently in ninth place based on TEUs at anchorage).

i. Global container freight rates and carrier profits

As per the "World Container Index", container rates have stabilised (**↓0,4%** or **\$7**) at **\$1 710** per 40-ft container this week – much as expected. Nevertheless, The composite index continues to hover around **↓79%** (y/y) versus last year, **↓83%** below the peak in September 2021, and still **↓36%** lower than the 10-year average of **\$2 689**:

¹⁶ Drewry. 31/03/2023. Cancelled Sailings Tracker - 31 March.

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



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

The ongoing decrease in spot rates has spilt over into contractual terms, as many shippers/BCOs conclude their annual tender negotiations for new transpacific contracts commencing 1 May. As the numbers show, it is becoming clear that contract rates this year in the transpacific and Asia-Europe will give exporters and importers a cut in the shipping cost of **55% to 85%** in most cases when compared with 2022 costs¹⁷. The intense competition among carriers and NVOCCs in this year's bid season has resulted in even more significant reductions than **↓50%** in some cases. Shippers have secured better terms and conditions based on discussions with shippers. BCOs in this latest bid season have set aggressive target rates – some as low as **\$1 200** per 40ft container from Asia to the US West Coast.

Consequently, container shipping lines will post profits of about **\$43 billion** this year, almost **↓80%** lower than their record net income in 2022, as a slowdown in global trade releases capacity and torpedoes freight rates. Earnings in the fourth quarter totalled **\$34,7 billion**, down almost **↓34%** from a year earlier, bringing the calendar-year tally to an all-time high of **\$215 billion**, according to Blue Alpha Capital¹⁸.

ii. Further developments of note

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

¹⁷ Damas, P. 03/04/2023. [Record cuts in container shipping costs in 2023 and what this means for shippers.](#)

¹⁸ Bloomberg. 04/04/2023. [US Logistics Mecca Flashes Signs of Slowing After Pandemic Boom.](#)

1. As with container spot and contract rates, the Multipurpose Time Charter Index also fell:

- a. The Drewry "Multipurpose Time Charter Index" fell again in March and is now at **\$9 175 per day**¹⁹. The continued drop was as expected, and the outlook is that this gradual rate of decline is set to continue. In April, Drewry expects the MPV index to decline marginally by **↓1,1%** to reach **\$9 069 p/d**. This would represent a drop of **↓18,8%** since April 2022 but remains **↑13,9%** above April 2021
- b. With containers at low levels, they have returned as competitors for breakbulk cargoes and weakening MPV rates. Nevertheless, despite waning demand, the ocean freight industry is at a much better equilibrium than at any time post the pandemic.

2. Several carriers back-pedal on D&D charges as new FMC rules approach:

- a. While US ports and container terminals still resist a regulatory drive to curtail detention and demurrage (D&D) charges, several shipping lines have stopped charging cargo owners and truckers on days when terminals are closed²⁰.
- b. The threat of further legislation against antitrust immunity may be a factor. The US Federal Maritime Commission (FMC) has been questioning container terminals and the 11 most prominent box lines serving the US on their policy of charging D&D fees when their facilities are closed.

3. Sale of the South Korean carrier HMM – the eighth largest – finally gets the go-ahead:

- a. Privatisation of South Korean ocean carrier HMM is finally set to progress; Seoul-based investment bank Samsung Securities has been appointed to find a buyer²¹. According to Alphaliner, the carrier is the eighth largest globally, with a total fleet capacity of **810 000 TEU**²².
- b. The on-and-off sale of the state's approximate 45% stake in the carrier has been in the air since 2021, but now the chairman of the largest shareholder, Korea Development Bank (KDB), has pledged it will be carried out in "*a speedy manner*".

c. Global air cargo industry

Preliminary figures for month-end March indicate that global air cargo demand and pricing may stabilise, with average rates holding firm at around **↑50%** above pre-pandemic levels, as annual tonnages were down just **↓8%** (y/y) in March. These figures compare favourably with previous months, as there were double-digit percentage declines in the final quarter (Q4) of 2022 and in early 2023, according to World ACD Market Data²³. Initial figures indicate that Q1 2023 is looking at an **↓11%** (y/y) drop in tonnages, compared with **↓13%** for Q4 2022, with March's **↓8%** (y/y) decline pointing towards a deceleration of the recent pattern of yearly volume decline. And despite softening in the last 12 months from the exceptionally high demand and pricing levels the previous year, the international air cargo market remains relatively strong in historical terms. For example, early 2023 worldwide revenues are still the third-highest achieved in the last 15 years, figures and analysis from World ACD reveal. Comparing Q1 2023 with the equivalent period in the last 15 years shows that this year's volumes in Q1 were comparable with those in Q1 2016. Average worldwide yields for March 2023 are about **↓30%** lower than March 2022:

¹⁹ Drewry. 06/04/2023. [Multipurpose Time Charter Index - Apr 23](#).

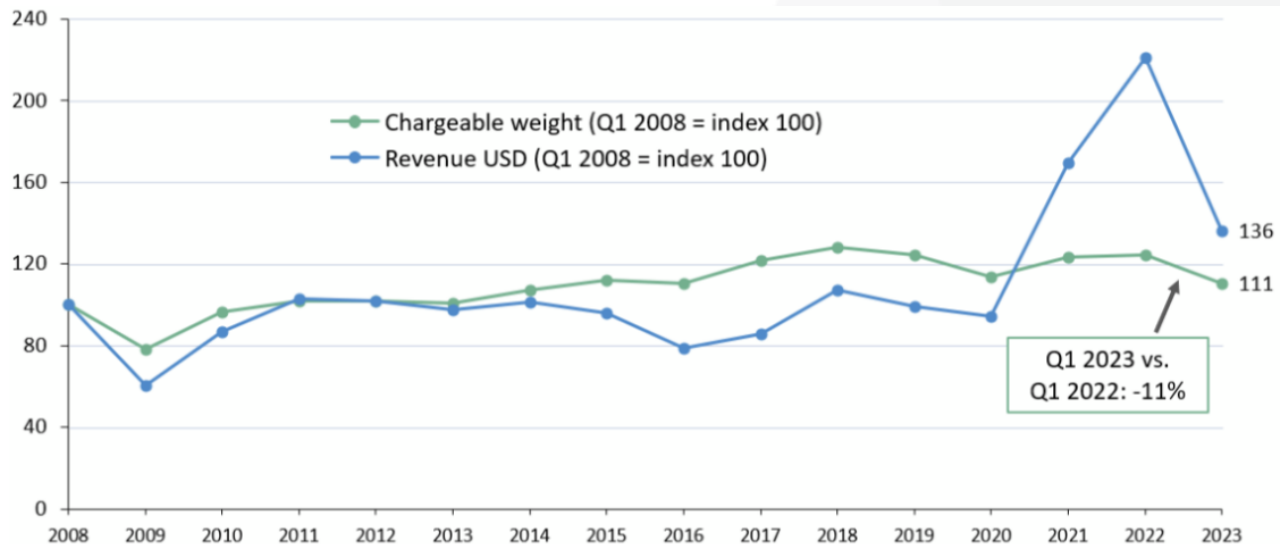
²⁰ Putzger, I. 05/04/2023. ['Nervous' box lines back-pedal on D&D charges as new rules loom](#).

²¹ Wackett, M. 05/04/2023. ['Speedy' sale of HMM finally gets the green light](#).

²² Alphaliner. 07/07/2023. [Alphaliner Top 100](#).

²³ World ACD. 04/04/2023. [March air cargo decline the 'least-worst' for 6 months, and revenues still high in historical terms](#).

Figure 18 – Chargeable weight and revenue development – Q1 for the last 16 years (index, 2008 = 100)



Source: [World ACD](#)

Air cargo tonnages have experienced monthly y/y declines since March 2022 from their elevated levels in late 2021 and early 2022, and average rates have been falling since September. However, some early indications are that demand and pricing may be stabilising. For sub-sectors, Pharma/temperature-controlled products saw revenue grow **↑11%** in 2022, mainly due to **↑9%** higher yields. Dangerous goods saw revenues rise **↑22%**, year-on-year, thanks to growth in chargeable weight (**↑8%**) and yield (**↑12%**). Revenue from flower shipments rose **↑10%**, despite a **↓3%** drop in volumes, thanks to rates rising **↑14%**. Meanwhile, revenues for general cargo shipments declined by **↓7%**, year-on-year, with volumes declining by **↓8%** and yields more or less flat at **↑2%**.

ENDS²⁴

²⁴ACKNOWLEDGEMENT:

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 Forwarders (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 [DACHSER](#).