

Cargo movement update¹

Date: 21 July 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)	27 029	29 483	56 512	25 210	28 575	53 785	↑5%
Air Cargo (tons)	2 837	1 801	4 638	2 977	1 876	4 852	↓4%

Monthly Snapshot

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

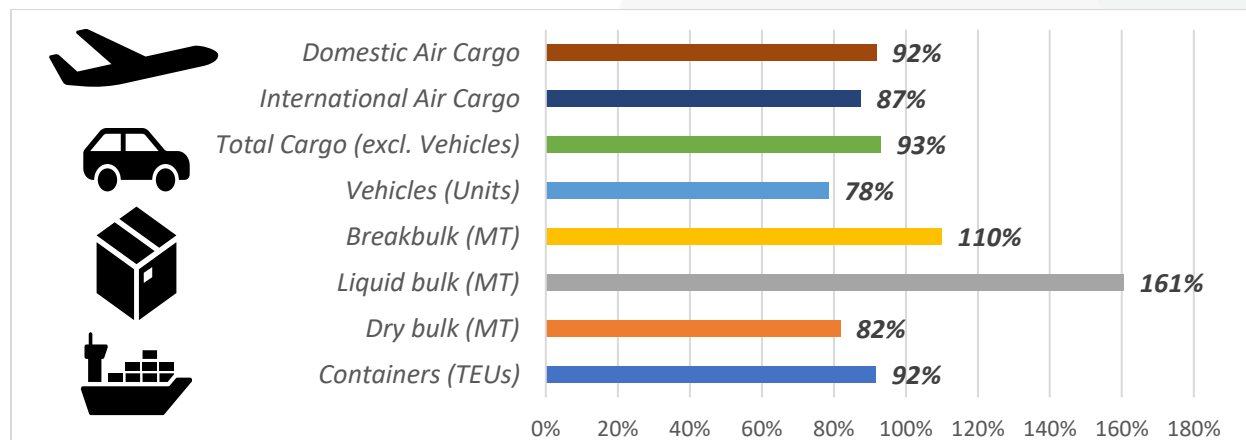
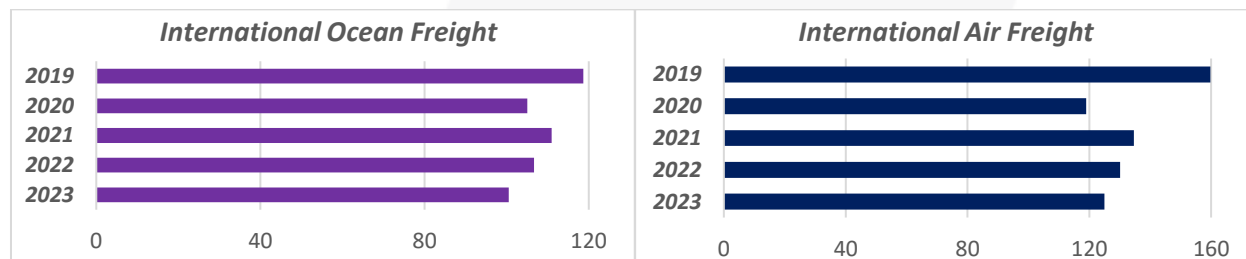


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 073 containers** was handled per day, with **~9 570 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 260 containers**, **↓9%** compared to last week.
- Cross-border queue times were **↓9,9 hours (w/w)**, with transit times **↑3,2 hours (w/w)**; SA borders decreased by **~90 minutes**, averaging **~10,5 hours**; Other SADC borders averaged **~14,3 hours (↑40%)**.
- Global trade transactions improved in Q2, but activity levels are **4 points below** the expected range.
- Port congestion has further eased and is only affecting **5,7% (1,57 million TEU)** of the global fleet.
- Global freight rates followed last week's trend and shot up by **↑3,3% (or \$49)** to **\$1 537 per 40ft**.
- Global air cargo demand increased slightly this week by **↑2% (w/w)**, with rates down to **\$2,29 per kg**.

¹ This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the **146th** 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; Air: June vs June, Ocean: June vs June.

⁵ For ocean, total Jan-May cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Jun cargo to and from ORTIA is used.

Executive Summary

This update – *the 146th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Operational constraints in and around South Africa's commercial ports this week and week were typified by delays resulting from adverse weather, persistent equipment breakdowns and shortages, system challenges, congestion, load-shedding, and roadshows. At the end of the week in Cape Town, berthing delays stretched up to nine days which does not represent good reading for the port's productivity as adverse weather made an unwelcome return. The marine fleet in Durban experienced some minor challenges this week as the waterside started operations on Wednesday with just three tugs. The container corridor experienced some electrical issues in the control room in Durban between Tuesday and Wednesday, which impacted the movement of trains in and out of Durban. Additionally, South Africa's commercial ports experienced widespread NAVIS system issues in the 24 hours between Tuesday and Wednesday, which caused extensive delays. TNPA in Durban also communicated that they were experiencing intermittent ICT network issues, impacting certain transactional platforms such as OTC.

Global trade transactions slightly improved in Q2, but activity levels are still significantly below the baseline. Moreover, those searching for a bottom in the global goods trade outlook might have to accept things getting at least a bit worse before they get better despite some green shoots in container handling and merchandise trade in general. Data suggest an improving outlook, easing inflationary pressures against low consumer demand, the determinants to look out for. Market normalisation in the container industry appears to be closer than previously, as the supply gap is narrow with improved container throughput, some labour resolutions, and very little congestion. The revived freight rate market – at least for carriers – also points to an improved equilibrium, as the low rates of the last couple of months are unsustainable in the long term. Nevertheless, there still appears to be significant regional variation, as most trades will still linger in negative territory for now – including to and from South Africa. Other developments included **(1)** Canadian West Coast port strike-off and **(2)** smart container fleet to expand six-fold over the next five years.

International air cargo to and from South Africa is trending around **92%** of last year's levels and **82%** versus 2019, which is quite alarming. This week, the air cargo handled at ORTIA was down by **↓4%**. Domestically, the weekly change is even worse, as cargo dropped by **↓11%** from last week. Indeed, the domestic industry is even further down versus 2019 – currently trending around **86%** versus then. Internationally, global air cargo tonnages increased slightly in the second full week of July after lately declining for several weeks. The changes were mainly driven by stabilising volumes ex-Asia Pacific, whereas rates continued their long-term decline – now only up by **↑29%** versus pre-pandemic levels. In other air cargo news, Liege Airport is set to benefit again from increased cargo operations, as an imminent ban on night flights at Brussels will divert further traffic. Regulatory changes at Schiphol have already increased flights to Liege.

In regional cross-border road freight trade, average queue time decreased significantly while transit times were slightly more than last week. The median border crossing times at South African controlled borders decreased by **more than 90 minutes**, averaging **~10,5 hours (↓19%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) experienced a significant increase by **four hours** and averaged **~14,3 hours (↑40%, w/w)**. On average, several SADC land borders took more than a day to cross, including Katima/Mulilo (the worst affected, with crossings taking **nearly four days**), Kasumbalesa, Kazungula OSBP, and Santa Clara. Further notable stories include **(1)** protests along the N12W and **(2)** the latest number of burnt trucks, now up to 30, as economic sabotage continues in our road transport industry. Lastly, monthly truck volumes for June indicate that our busiest borders saw a slight reduction in crossings, with Beitbridge (**↓3%**) and Lebombo (**↓17%**) slightly down on May volumes, while HGVs through Groblersbrug increased (**↑9%**).

This week's major news in our industry revolved around the announcement of International Container Terminal Services (ICTSI) as the preferred bidder for a joint venture to develop and upgrade the flagship Durban Container Terminal Pier 2. Despite the need for caution at this juncture, the industry welcomes the development. Indeed, SAAFF – in conjunction with key business organisations and industry leaders – has long been a proponent of bringing the private sector into the maritime economy in South Africa. The change is but one critical change in our port environment, as we also need others, notably (but not limited to): **(1)** introducing and enforcing performance targets for operating licenses, **(2)** introducing inter-port competition through performance and pricing mechanisms, and **(3)** integrating ports with hinterland systems, such as creating freight villages and dry ports/backup port facilities, among others. Flourishing maritime trade plays a pivotal role in the success and development of any open economy – especially South Africa, being far away from key international trading partners.

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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 15 to 21 July⁶

7-day flow forecast (15/07/2023 – 21/07/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 385	3 924
DURBAN CONTAINER TERMINAL PIER 2:	11 034	12 940
CAPE TOWN CONTAINER TERMINAL:	5 220	5 762
NGQURA CONTAINER TERMINAL:	4 824	4 457
GQEBERHA CONTAINER TERMINAL:	1 566	2 400
TOTAL:	27 029	29 483

Source: Transnet, 2023. Updated 21/07/2023.

Table 3 – Container Ports – Weekly flow predicted for 22 to 28 July

7-day flow forecast (22/07/2023 – 28/07/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 033	6 558
DURBAN CONTAINER TERMINAL PIER 2:	10 526	12 141
CAPE TOWN CONTAINER TERMINAL:	6 034	8 912
NGQURA CONTAINER TERMINAL:	7 353	6 012
GQEBERHA CONTAINER TERMINAL:	1 400	2 022
TOTAL:	31 346	35 645

Source: Transnet, 2023. Updated 21/07/2023.

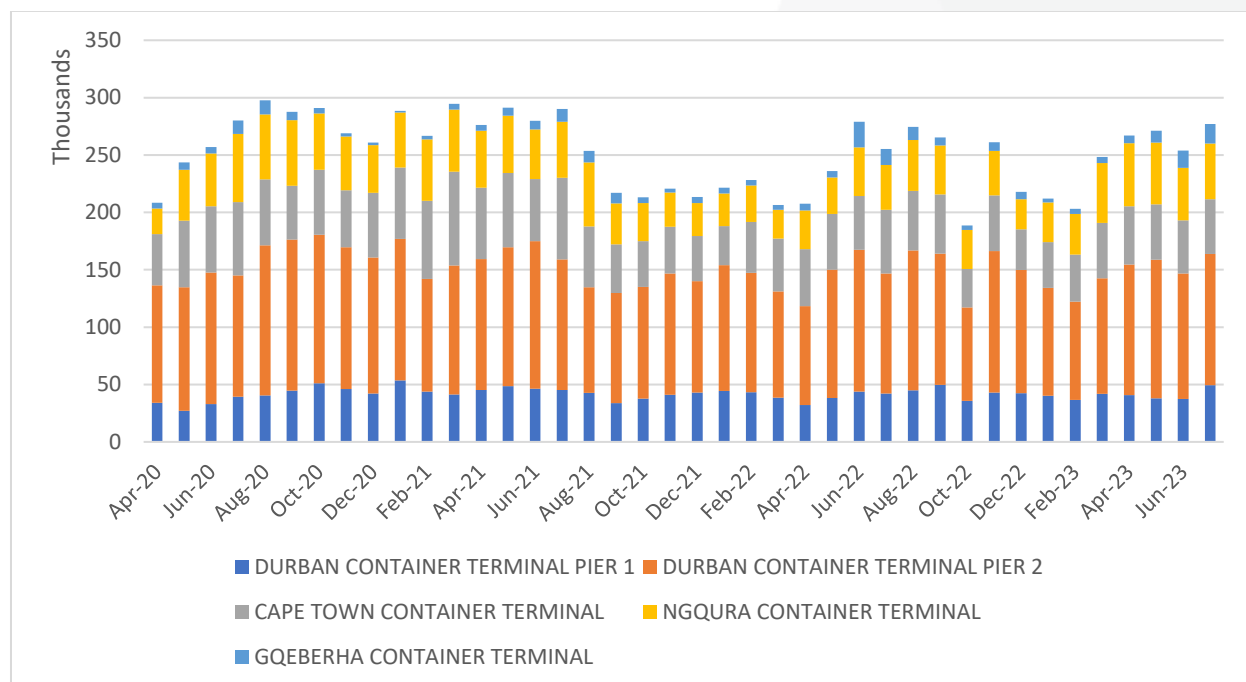
An average of **~8 073 containers** (↑5%) was handled per day for the last week (15 to 21 July, Table 2), compared to the projected average of **~10 698 containers** ↓25% actual versus projected) noted in last week's report. For this week, an increased average of **~9 570 containers** (↑19%) is predicted to be handled (22 to 28 July, Table 3). Several familiar operational constraints inhibited peak port performance this week, primarily adverse weather, persistent equipment breakdowns and shortages, system challenges, congestion, load-shedding, and roadshows.

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 37% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

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

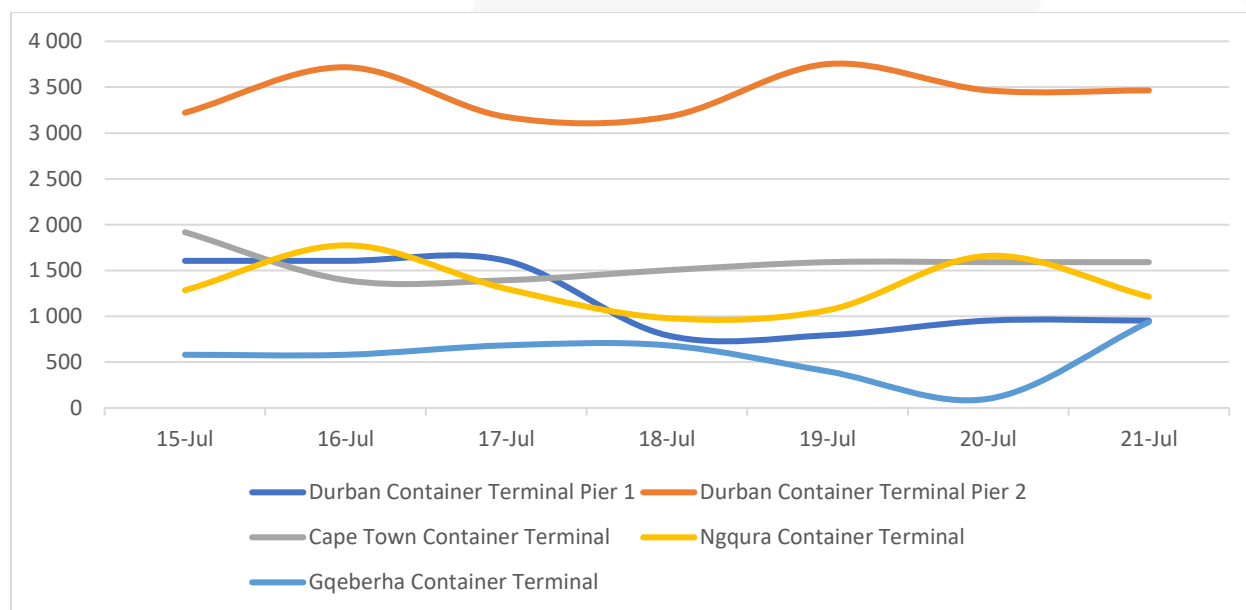
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 21/07/2023.

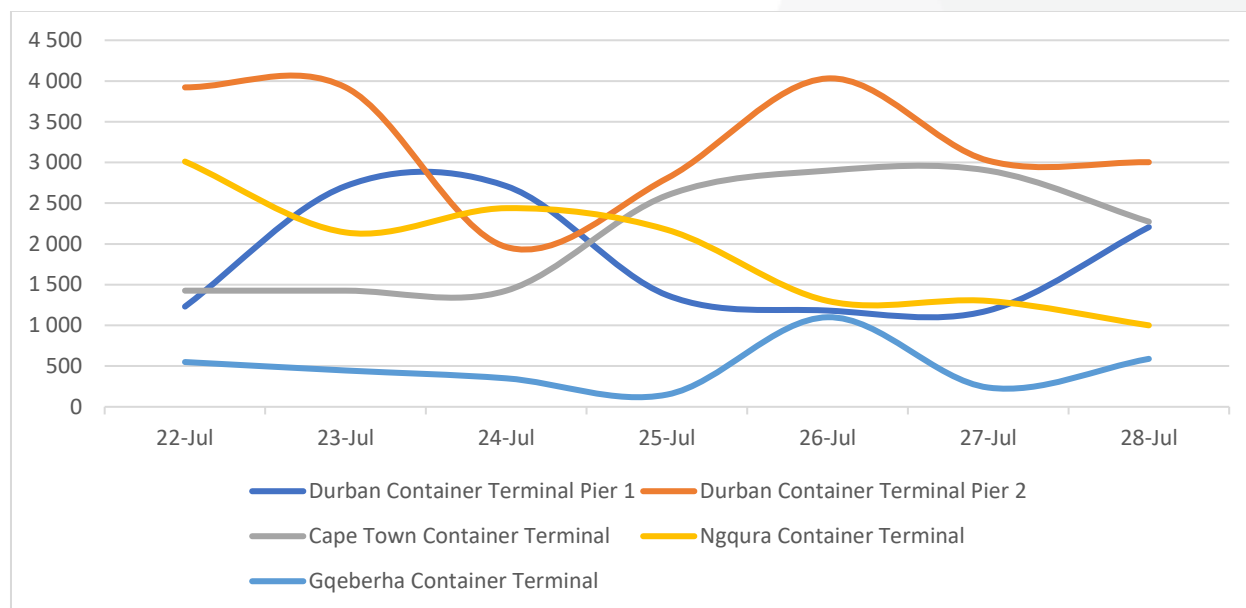
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (15 to 21 July; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/07/2023.

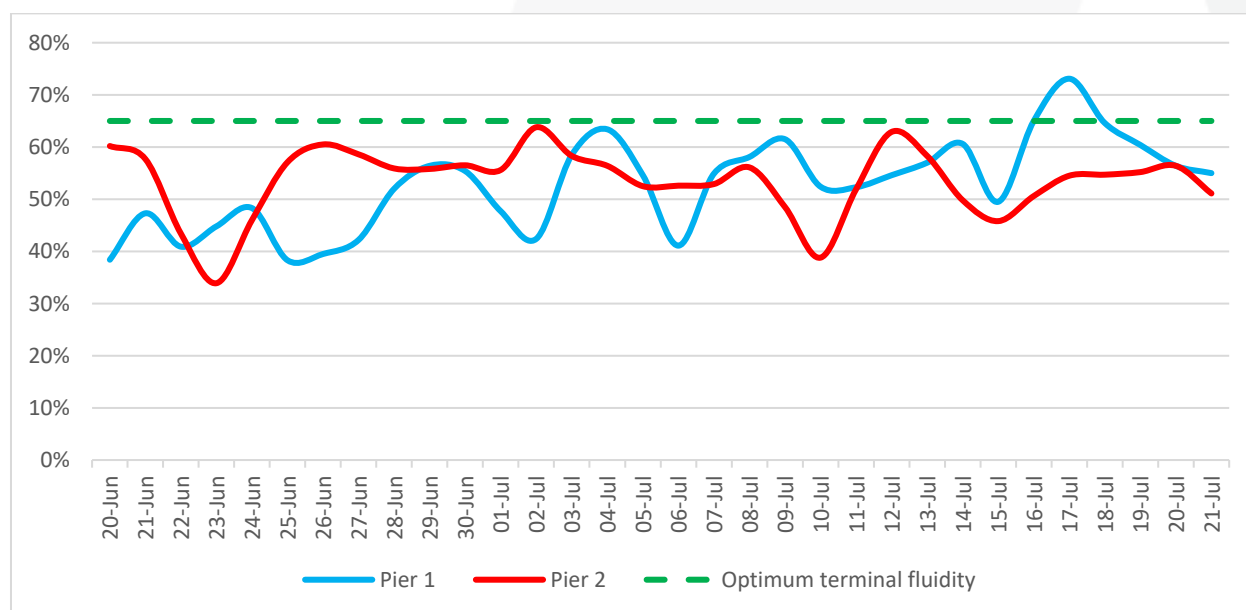
Figure 5 – 7-day forecast reported for total container movements (22 to 28 July; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/07/2023.

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

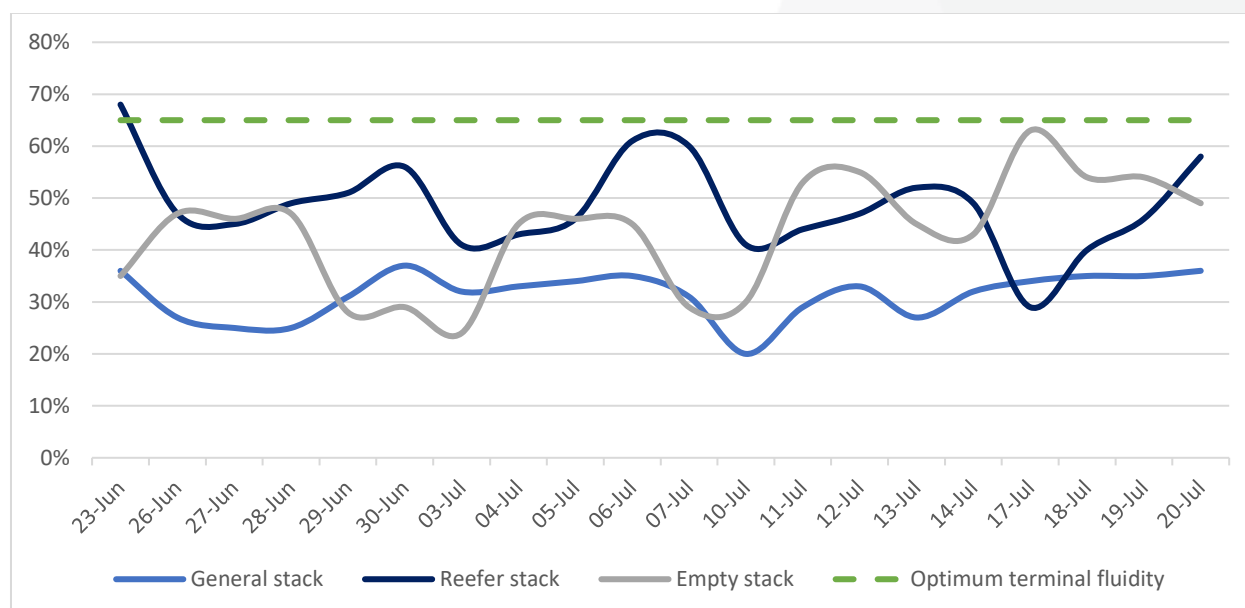
Figure 6 – Stack occupancy in DCT, general-purpose containers (20 June to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/07/2023.

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 (23 June to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 21/07/2023.

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 some extensive operational delays.
- Operational delays in Durban stemmed from equipment breakdowns, congestion, roadshows, and system issues.
- During the latter stages of the week, no vessel arrivals at the Port of Richards Bay could be facilitated due to poor weather conditions.
- The Eastern Cape ports were extensively challenged this week by inclement weather conditions.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and three at anchor as berthing delays continued to postpone scheduled port operations. Stack occupancy for GP containers was recorded at 35%, reefers at 46%, and empties at 54%. In the latest 24-hour period to Thursday, the terminal handled 2 100 TEUs across the quay. 1 286 trucks were serviced on the landside at a truck turnaround time of ~91 minutes, and 87 rail import containers were on hand. At the end of the week, berthing delays stretched up to nine days which does not represent good reading for the port's productivity. Productivity at the port is still languishing at a GCH of ~13 and SWH of ~20, significantly below the set targets (see below).

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and one at berth. In the 24 hours leading to Wednesday, the terminal managed to service 169 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 120 volumes were moved across the quay on the waterside. Stack occupancy was recorded at 7% for GP containers, 6% for reefers, and 2% for empties by the end of the week. There are serious concerns around the under-utilisation of this terminal, especially in view of the poor performance at CTCT.

The FPT private terminal reported zero vessels at anchorage while servicing four vessels at berth on Thursday. During the 24 hours before Thursday, the terminal managed to handle 99 TEUs, 658 breakbulk tons, 2 050 dry bulk tons, and 1 685 pallet of fruit on the waterside while servicing 508 trucks on the landside. During the same period, reefer stack occupancy was recorded at 71%.

iii. Durban

Pier 1 on Wednesday recorded two vessels at berth, operated by four gangs, and one vessel at anchor. Stack occupancy was 60% for GP containers and 53% for reefers. During the same period, 1 868 imports were on hand, with 461 units having road stops and 73 unassigned. The terminal recorded 971 landside gate moves, with an undisclosed number of cancelled slots and 133 wasted. The truck turnaround was also recorded at ~122 minutes, with a very high average staging time of ~236 minutes. These high numbers are attributed mainly to the NAVIS system issues and congestion experienced earlier this week.

Pier 2 had three vessels at berth and five at anchorage on Wednesday. In the 24 hours to Thursday, stack occupancy was 55% for GP containers and 77% for reefers, with 61% of reefer plug points utilised. The terminal operated with 11 gangs while moving 2 471 TEUs across the quay. During the same period, there were 2 750 gate moves on the landside with a truck turnaround time of ~136 minutes and a staging time of ~146 minutes. Of the landside gate moves, 1 419 (61%) were for imports and 1 331 (39%) for exports. Additionally, 372 rail import containers were on hand, with 271 moved by rail. The terminal reported system issues on Wednesday from 19:10 to 23:15, which affected internal operations.

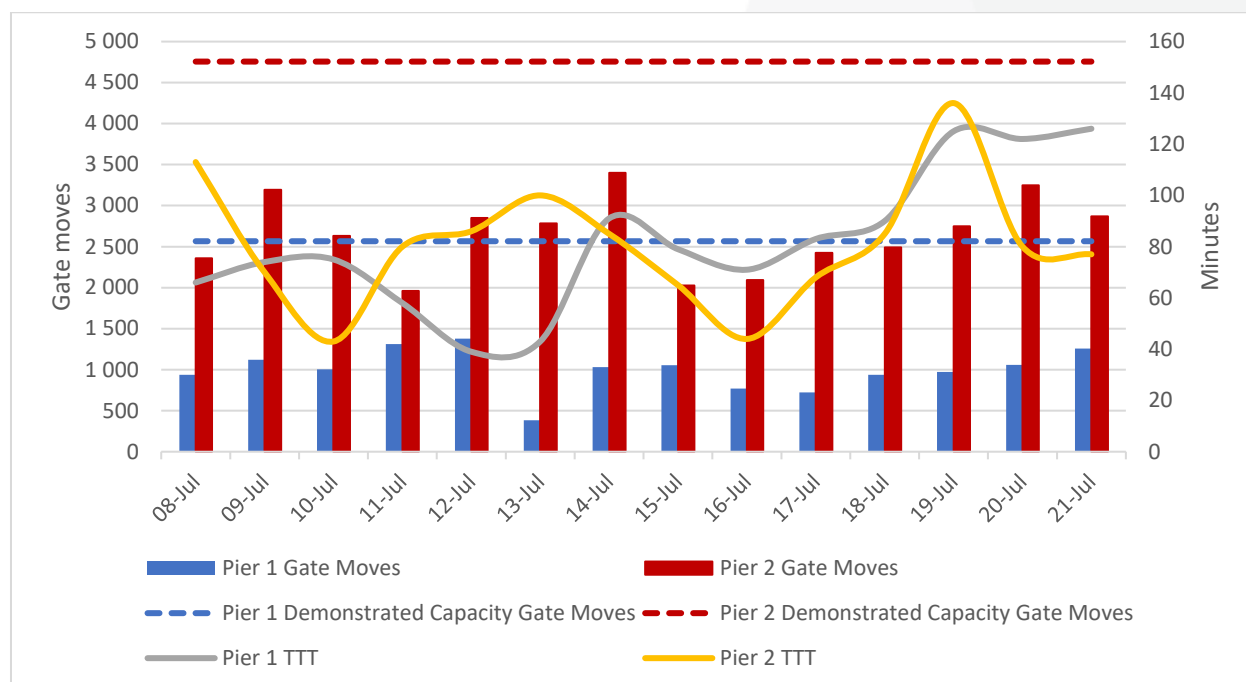
This week, the marine fleet experienced minor challenges as the waterside started operations on Wednesday with just three tugs. The fleet, however, swiftly returned to a complement of five available tugs. The helicopter remains out of service due to maintenance, while the floating crane has not returned to service despite anticipating it would return over the weekend. The latest reports indicate that the technical team is not satisfied with the speed the crane is operating at. As a result, further testing and repairs will be executed today, which should see the crane returning to service by the end of the week. Additionally, roadshows returned to DCTs Pier 2 on Tuesdays, with the first session taking place from 06:00 to 07:20 in the morning and the second session between 16:00 and 17:00. The session scheduled for 22:00 to 23:00 the evening did not take place as planned but was rescheduled for the same time on Wednesday evening.

Durban's MPT terminal recorded one vessel at berth on Friday, with none at the outer anchorage, while handling no container volumes and 4 285 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 50% during that time, and it was recorded at 36% for containers, with 186 reefer plug points available. The terminal managed to handle 23 containers on the landside while servicing 72 breakbulk RMTs translating to 2 927 tons. During the same period, three cranes, six reach stackers, one empty handler, seven forklifts and 17 ERFs were in operation. This week, the terminal was briefly challenged on the equipment front, as merely one crane was in service. The second crane went out of commission due to a breakdown, while the third crane went out of commission for a routine service. Additionally, the early forecast for the return of the fourth crane at the terminal is mid-September.

On Monday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at outer anchorage. Over the 24 hours to Tuesday, the terminal received 696 units and despatched 1 054. During the same period, general stack occupancy was recorded at 65%, with a composition of 31% for imports, 63% for exports, and 5% for transshipments. Stack occupancy at G-berth was high at 85%, while stack occupancy at QR was recorded at 65%. The terminal had 2 392 import units on hand, 4 903 units destined for export markets, and 545 units subject to transshipments.

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

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



Source: Calculated using data from Transnet, 2022. Updated 21/07/2023.

iv. Richards Bay

On Thursday, Richards Bay recorded 14 vessels at anchor and 14 on berth, including four at DBT, five at MPT, five at RBCT, and none at the liquid bulk terminal. Two tugs but no helicopter were in operation for marine resources in the 24 hours leading up to Friday, with the pilot boat still assisting Durban. The helicopter went out of commission this week due to maintenance.

v. Eastern Cape ports

NCT on Wednesday recorded four vessels on berth and two vessels at outer anchorage. Marine resources of one tug, a pilot boat, two pilots, and one berthing gang were in operation 24 hours before Thursday. The tug with the starter-unit failure remains out of commission, with NCT and GCT still sharing their marine resources. In the same period, stack occupancy was 24% for GP containers, 24% for reefers, and 36% for reefer ground slots. And in that period, 1 421 TEUs were processed at a GCH of ~22 and SWH of ~40. Additionally, 101 reefers were handled across the quay, while 318 trucks were serviced on the landside at a truck turnaround time of ~41 minutes.

GCT on Tuesday recorded one vessel at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Wednesday. In the same period, stack occupancy was 48% for GP containers, 75% for reefers, and 81% for reefer ground slots. On the waterside, 476 TEUs were moved across the quay. Additionally, 249 trucks were serviced on the landside at a truck turnaround time of ~44 minutes.

The Ro-Ro terminal had one vessel on berth and one vessel at anchor on Monday. 968 units were handled on the waterside in the 24 hours before Tuesday. During the same period, 4 805 units were on hand, leading to a stack occupancy figure of 50%. Some positive developments were shared on Friday, as a collaboration between TPT and Volkswagen resulted in a double ramp operation that now powers the Auto terminal⁸.

Not much activity took place at the Port of East London this week. On Wednesday, no containers were moved across the quay, but 55 external trucks were serviced at a truck turnaround time of ~9 minutes. Stack occupancy on the container side improved to 85%. During the same period, at the Ro-Ro terminal, 36 units were received, while stack occupancy at the car terminal was captured at a very high 91%. 1 104 bulk tons were handled on the waterside at a TPH of 145.

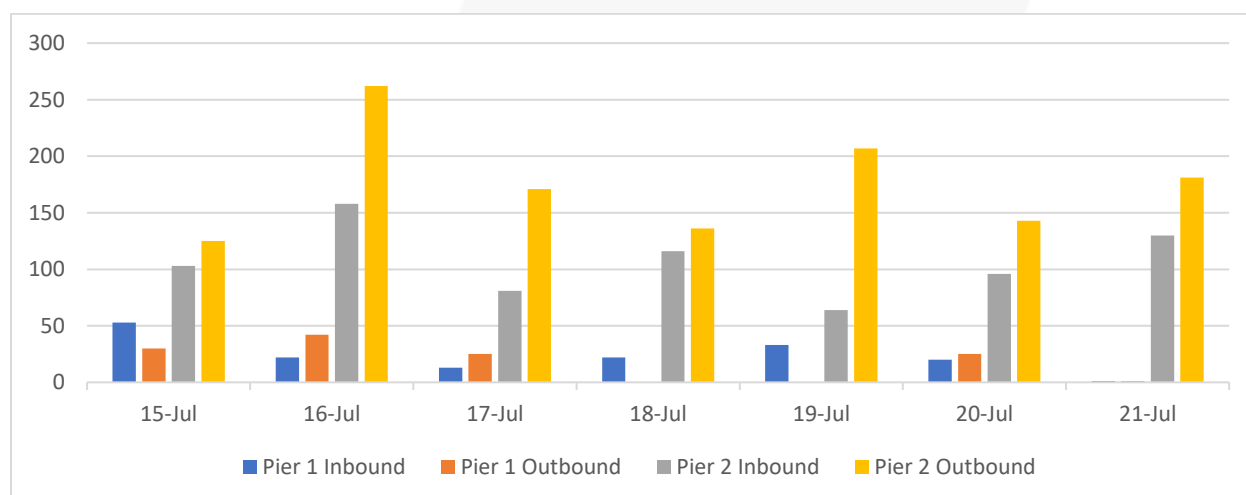
vi. Saldanha Bay

On Thursday, the iron ore terminal had four vessels at anchorage and two on the berth, while the multi-purpose terminal also had four vessels at anchor but one on the berth. The vessels at anchor have been waiting outside for approximately 2-5 days, while the vessels in port have been on berth for around 2-3 days.

vii. Transnet Freight Rail (TFR)

The container corridor experienced some electrical issues in the control room in Durban between Tuesday and Wednesday, which impacted the movement of trains in and out of Durban. According to reports, operations were delayed for a full 24 hours. Additionally, reports from the Richards Bay Coal terminal suggest that TFR are currently in the second week of its annual two-week shut, which explains why no trains have been handled in and out of the terminal lately. At the end of the week, DCTs Pier 2 had 276 ConCor units with a dwell time of 144 hours (6 days) and 100 over-border units with a dwell time of 10 days.

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



Source: Calculated using data from Transnet, 2022. Updated 21/07/2023.

In the last week (15 to 21 July), rail cargo handled out of Durban was reported at **2 260** containers, down by **↓9%** from the previous week's **2 471** containers.

⁸ TPT. 21/07/2023. [PE Auto terminal is now powered by a game-changing Double Ramp Operation.](#)

viii. System challenges

South Africa's commercial ports experienced widespread NAVIS system issues in the 24 hours between Tuesday and Wednesday, which caused extensive delays:

- CTCT lost an entire shift (approximately nine hours) but had the system back online by 06:00 the following morning.
- GCT and NCT also experienced similar system issues, but the impact remains undisclosed.
- The system issues at DCTs Pier 1 and 2 stretched from 19:10 to 23:15.

Additionally, TNPA in Durban communicated that they were experiencing intermittent ICT network issues, impacting certain transactional platforms such as OTC. They subsequently advised that their ICT team was working tirelessly to resolve the issue and are monitoring the network for any additional issues that may arise.

ix. General

The announcement of International Container Terminal Services (ICTSI) as the preferred bidder for a joint venture to develop and upgrade the flagship Durban Container Terminal Pier 2⁹ is a crucial development for transport and logistics in South Africa. Despite the need for caution at this juncture, the industry welcomes the development, as organised business has long been a proponent of bringing the private sector into the maritime economy in South Africa. We need to fast-track private sector participation in our transport and logistics space, as government cannot do it alone. The long-maintained ideology of publicly owning and operating the national ports and rails system is archaic and exceedingly rare internationally.

In recent years, South Africa's port performance metrics have been rapidly declining – as referenced by the various editions of the World Bank's Container Port Performance Index, where SA ports have fared dismally. For DCT P2, the efficiency metrics make for alarming readings:

- Gross Container Handling (GCH) per hour peaked in 2017 at **25,39** (still **↓9,3%** below TPT's own target of 28) and decreased to **17,4** in 2022 (**↓37,9%** below target)
- Ship Working Hours (SWH) per hour peaked in 2015 at **59,28** (achieving **↑7,8%** above the target of 55) but decreased to **41,82** in 2022 (**↓24%** below target)
- DCT has not met the port turnaround time (PTT) target of fewer than 40 hours of turnaround time, which speaks volumes to the damning WB CPPI report.
- PTT peaked in 2015 at **72,28** (still **↓81%** above the target of 40) and increased to **167,4** in 2022 (**↓319%** above target) – nearly a week!

The envisaged port expansion programme has long been "on the table" and has yet to materialise – an unwanted reality which must change with the newly established joint venture. However, whether the maritime economy will reach the lofty throughput volumes quoted (TNPA plans to increase the current container capacity in the entire Port of Durban from **3,3 million TEUs** to an eventual envisaged capacity of **11,4 million TEUs**) is highly unlikely over the short- or medium term. Elsewhere, a TNPA has indicated that they would like to partner with the private sector to expand its container facility capacity at the Port of

⁹ Transnet SOC. 17/07/2023. [Transnet finalises partner selection for upgrade of key Durban port facility.](#)

Richards Bay in KwaZulu-Natal¹⁰, which could be another positive step in the evolution of our commercial port environment.

In the end, as Dr Khalid Bichou outlined in his excellent report to National Treasury, we need several critical changes in our port environment, notably (but not limited to):

- Introduce and enforce performance targets for operating licenses – creating a reciprocal relationship between customer and operator.
- Introduce inter-port competition through performance and pricing mechanisms.
- Improve trade logistics and procedural efficiency.
- Formulate a coherent, long-term port policy, with PSPs as a significant foundation thereof.
- Re-evaluate institutional frameworks, market structuring and coordination mechanisms.
- Establish policy guidelines for PSP and port concessions across the board.
- Integrate ports with hinterland systems, such as creating freight villages and dry ports/backup port facilities.

Flourishing maritime trade plays a pivotal role in the success and development of any open economy – especially South Africa, being far away from key international trading partners. Therefore, public-private partnerships are crucial and necessary for advancing South Africa's transport and logistic industry – and, indeed, the economy at large. Ultimately, there is a desperate need to stitch our logistics network together – as logistics takes place on shared infrastructure with shared responsibility from all stakeholders involved – both public and private. The spatial need for goods to flow seamlessly is a prerequisite for economic growth and development anywhere in the world.

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 10 July. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in July 2022 averaged **~719 417 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

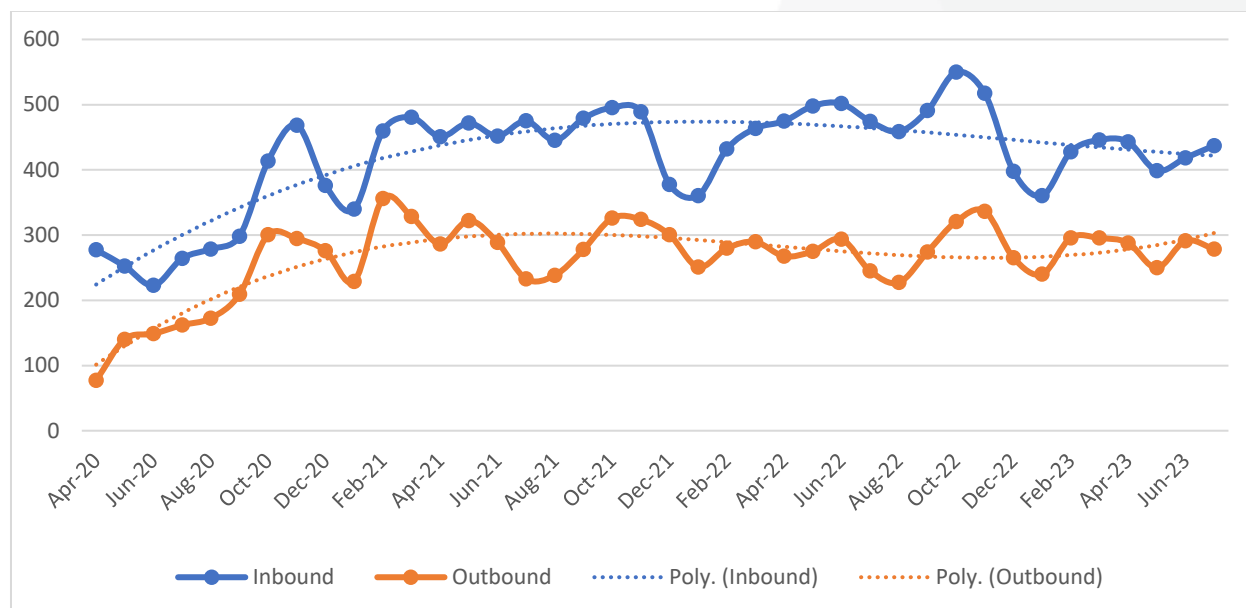
Flows	10-Jul	11-Jul	12-Jul	13-Jul	14-Jul	15-Jul	16-Jul	Week
Volume inbound	436 079	250 202	343 635	255 478	415 777	333 829	801 648	2 836 648
Volume outbound	194 714	167 281	185 583	194 016	218 123	234 710	606 778	1 801 205
Total	630 793	417 483	529 218	449 494	633 900	568 539	1 408 426	4 637 853

Courtesy of ACOC. Updated: 17/07/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **405 235 kg** inbound and **257 315 kg** outbound, resulting in an average of **662 550 kg per day** or **~92%** compared with July 2022. However, the level is currently at only **~82%** compared with the same period pre-pandemic in 2019. The low volumes are particularly evident concerning inbound cargoes.

¹⁰ Comins, L. 20/07/2023. [Transnet calls for bids to develop new Richards Bay container terminal.](#)

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



Courtesy of ACOC & BAC. Updated: 17/07/2023.

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 July 2022 was ~53 929 kg per day.

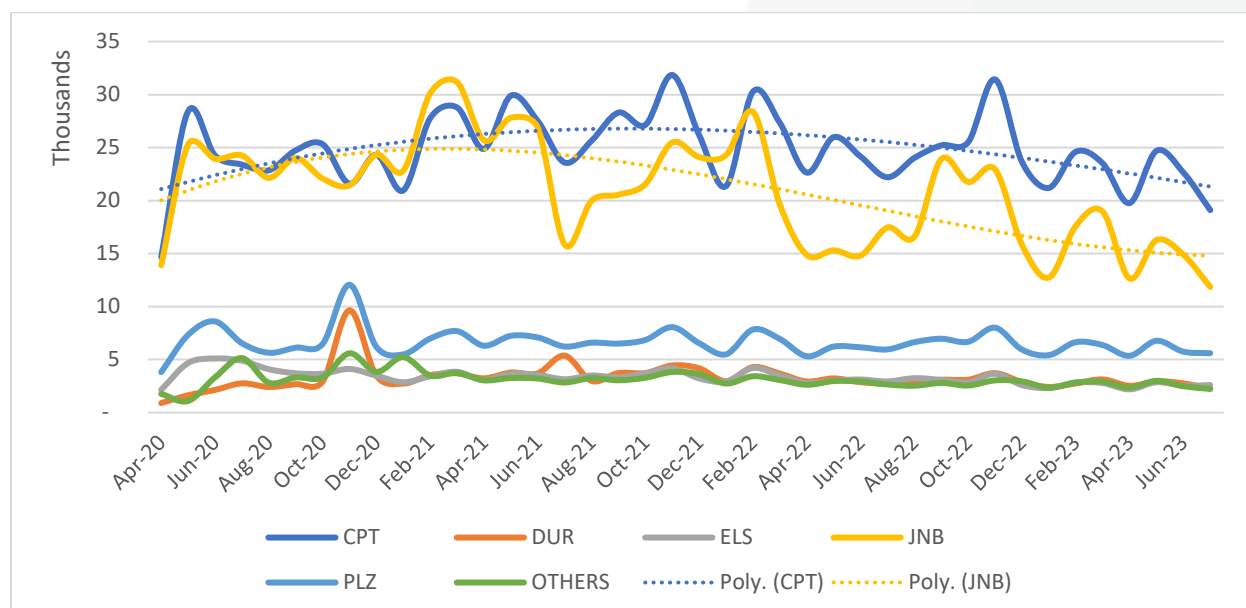
Table 5 – Total domestic inbound and outbound cargo

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.	24 604	2 750	2 839	17 612	6 646	2 833	57 284
March Ave.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	19 767	2 525	2 192	12 650	5 357	2 354	44 844
May Ave.	24 692	2 952	2 869	16 274	6 777	2 996	56 560
June Ave.	21 128	2 776	2 570	15 405	5 846	2 502	50 225
July Ave.	19 100	2 255	2 595	11 853	5 603	2 238	43 644
10-Jul	33 507	3 447	4 648	20 185	10 059	3 904	75 751
11-Jul	37 897	3 931	6 365	20 165	10 629	4 135	83 123
12-Jul	35 506	3 773	4 635	24 872	10 612	3 793	83 192
13-Jul	35 900	4 920	5 113	21 847	10 006	3 574	81 360
14-Jul	12 479	2 364	2 033	12 982	4 222	2 587	36 667
15-Jul	2 915	254	65	606	71	166	4 077
16-Jul	1 616	669	408	1 023	695	463	4 874
17-Jul	247	494	20	236	566	104	1 666
Total for 2023:	4 454 217	542 511	523 180	3 080 852	1 219 530	527 793	10 348 083

Courtesy of BAC. Updated: 17/07/2023.

The average domestic air cargo moved last week was **~46 339 kg** per day, down by **↓11%** compared to the previous week and significantly down compared to last year's level (**~86%**).

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



Courtesy of BAC. Updated: 17/07/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

FESARTA has shared the consolidated cross-border road freight statistics for our major borders for June:

- Beitbridge volume decreased slightly (**↓3%**) compared to May (**↓6%** northbound and **↑1%** southbound), with around **25 237** heavy goods vehicles (HGVs) flowing through the gates. Overall, crossing times (queue and border) increased from last month and averaged around **17 hours** during the month (which remains way too slow).
- Lebombo traffic remains elevated but decreased significantly in June (**↓17%**) to around **43 794** HGVs between Mozambique and South Africa, with westbound traffic the primary contributor – decreasing by **↓17%**. The average crossing times into Mozambique hovered around **5,2 hours**. Overall numbers suggest that **182 trucks** are processed per hour, as several contributing issues persist, notably the scanner at KM4, little to no police presence, and slow processing of TIPs into Mozambique.
- Groblersbrug traffic increased by **↑9%** to **5 370 HGVs** in June, with average crossing times into Namibia relatively slow, at an abysmal **22,4 hours**, similar to last month.

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

- The median border crossing times at South African controlled borders decreased by **more than 90 minutes**, averaging **~10,5 hours** (**↓19%, w/w**) for the week. In contrast, the greater SADC region (excluding South African controlled) experienced a significant increase by **four hours** and averaged **~14,3 hours** (**↑40%, w/w**).

- News of the devastating impact of burnt trucks' "economic sabotage" has continued to flow this week, with the total number standing at 30 trucks.
 - Fortunately, no fatalities have been reported, as the SANDF has been deployed to help protect against further attacks.
- Protests against poor service delivery have continued along parts of the N12W; therefore, transporters must be cautious.
 - Furthermore, icy road conditions in the Gauteng area (and elsewhere in the country) have recently increased the number of accidents.
- Regionally, the queue at Lebombo (**11,5 hours** to cross this week) and Groblersbrug (**12,1 hours**) seems to grow by the day, respectively, as neither border post was designed to handle the number of trucks it does now.
 - Fortunately, the Lebombo queue tends to dissipate through the night, whereas the Groblersbrug does not, as crossing now takes up to two days.
- 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 arguably provides better and more reliable information.

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

Table 6 – Delays¹² summary – South African borders (both directions)

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	445	6	6	26	13 350	3 115
Beitbridge	Zimbabwe-SA	392	5	2	15	11 760	2 744
Groblersbrug	SA-Botswana	224	1	2	12	6 720	1 568
Groblersbrug	Botswana-SA	136	0	0	2	4 080	952
Vooldsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	0	1	600	140
Nakop	SA-Namibia	30	0	1	5	900	210
Ariamsvlei	Namibia-SA	20	0	0	1	600	140
Lebombo	SA-Mozambique	1 602	0	2	11	48 060	11 214
Ressano Garcia	Mozambique-SA	102	0	0	6	3 060	714
Skilpadshek	SA-Botswana	200	1	1	5	4 800	1 400
Pioneer Gate	Botswana-SA	100	1	1	2	2 400	700
Weighted Average/Sum		3 301	1	1	8	97 230	23 107

Source: TLC, FESARTA, & Crickmay, week ending 16/07/2023.

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 in collaboration with SAAFF.

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

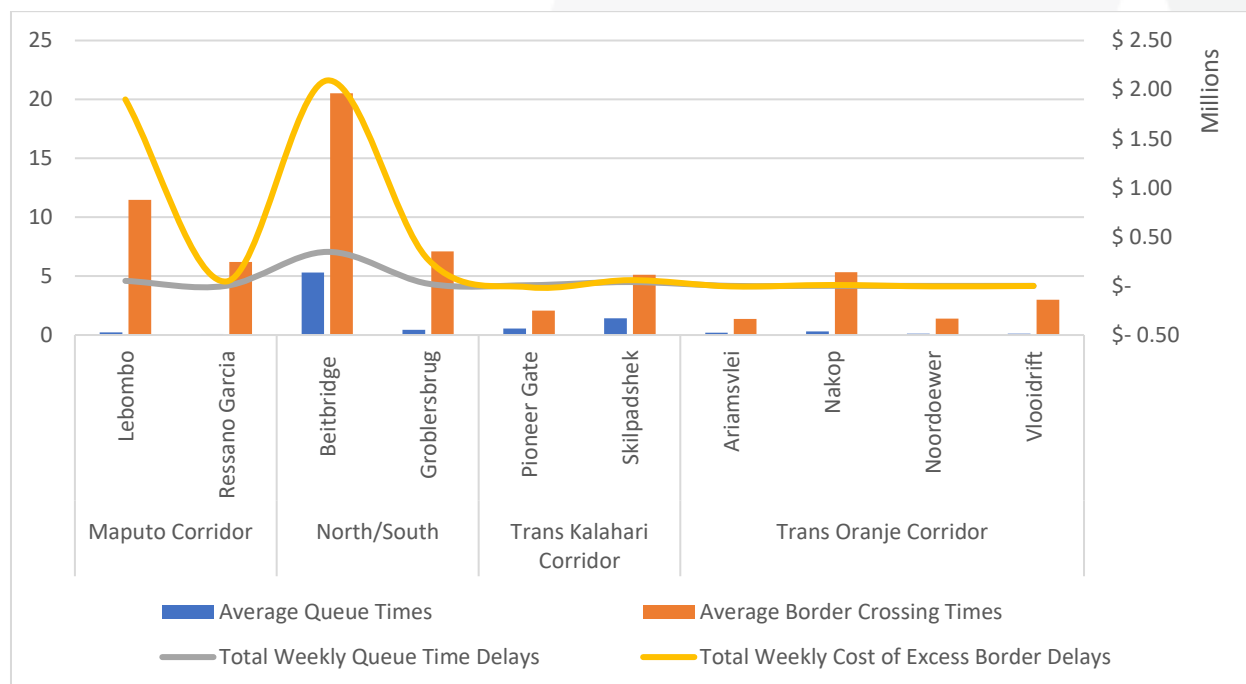
Table 7 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	1	3	17	9 600	2 240
Dar Es Salaam Corridor	1 819	37	2	17	54 570	12 733
Maputo Corridor	1 704	0	1	9	51 120	11 928
Nacala Corridor	127	0	1	3	3 810	889
North/South	3 269	15	3	15	98 070	22 883
Trans Caprivi Corridor	116	0	7	61	3 480	812
Trans Cunene Corridor	100	3	2	14	3 000	700
Trans Kalahari Corridor	330	1	1	3	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Weighted Average/Sum	7 885	11,5	2	13,8	234 570	55 195

Source: TLC, FESARTA, & Crickmay, week ending 16/07/2023.

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

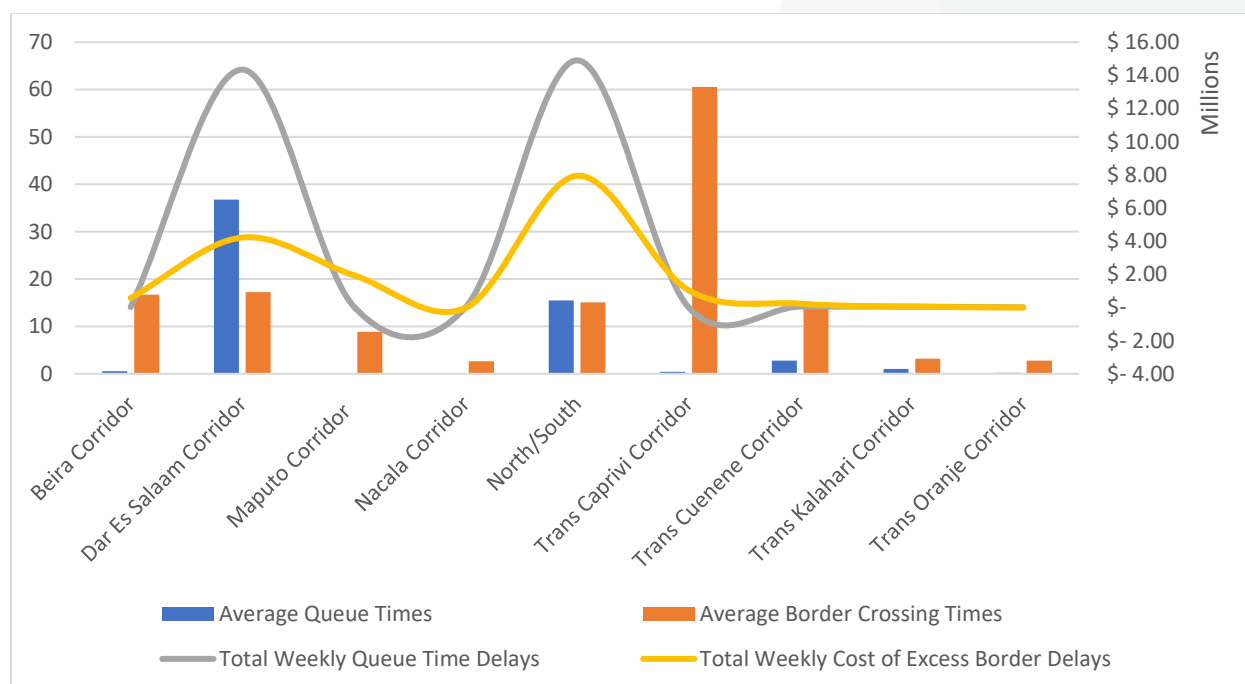
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 16/07/2023.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 16/07/2023.

In summary, cross-border queue time averaged **~11,5 hours** (down by **~9,9 hours** from the previous week's **~21,4 hours**), indirectly costing the transport industry an estimated **\$29 million (R518 million)**. Furthermore, the week's average cross-border transit times hovered around **~13,8 hours** (up by **~3,2 hours** from the **~10,6 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$16 million (R281 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R799 million** (down by **~R399 million** or **↓33%** from **R1 139 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 supply chains, **(b)** the global shipping industry and **(c)** the global aviation industry.

a. Global supply chains

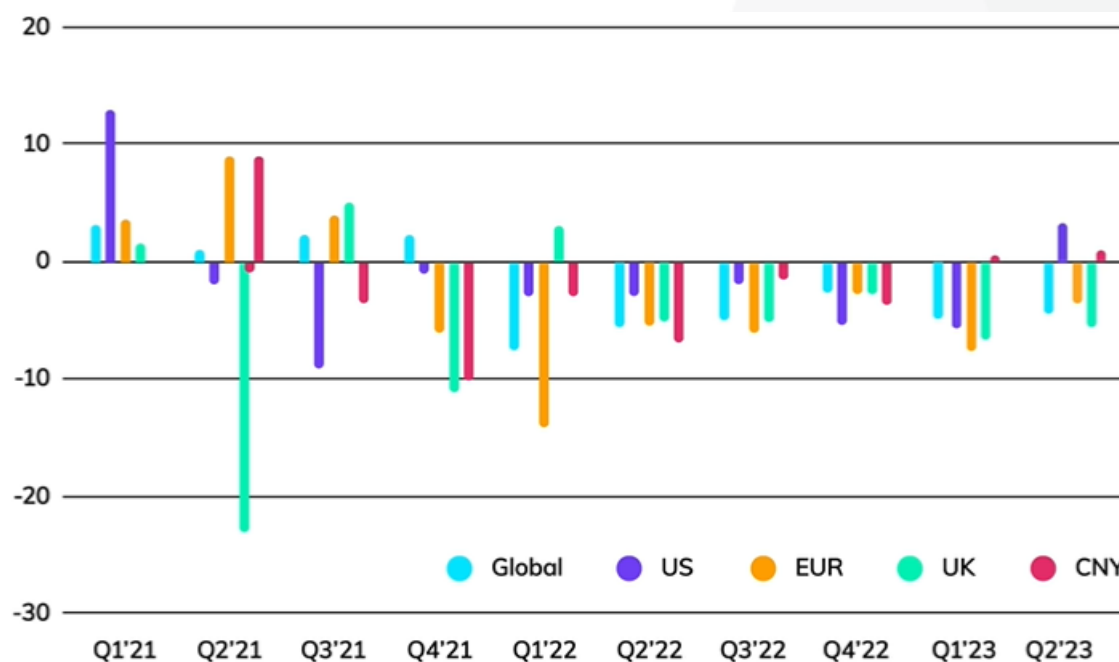
Despite the general improvement in container handling and merchandise trade, global trade has seemingly not yet bottomed out. Indeed, those searching for a bottom in the global goods trade outlook might have to accept things getting at least a bit worse before they get better. That's the message from the latest readings on the Bloomberg "Trade Tracker", where mid-July sees six of ten gauges in the below-normal range — a similar tally from a month earlier and with some even deeper into negative territory¹⁴. Those in the long-run "normal" range look fragile, including Korean export data that only clocked a positive year-on-year reading in June after nine months of negative figures amid a fraught semiconductors landscape.

Nevertheless, there appear to be signs of a "recovery", at least by the accounts of the more frequent data, such as those quoted each week in the section on the global shipping industry (below). Despite some signs

¹⁴ 18/07/2023. [Bloomberg Trade Tracker – July 2023](https://www.bloomberg.com/news/articles/2023-07-18/global-trade-tracker-july-2023).

of green shoots, the "recovery" in global trade is settling into a slower rate overall and worse than what initially had been hoped for, according to a newly released trade index from cloud-based supply-chain platform Tradeshift¹⁵:

Figure 14 – Transaction volumes – q/q growth, indexed against historical values



Source: [Tradeshift](https://www.tradeshift.com)

Tradeshift's index compares business-to-business transaction volumes — orders processed from buyers and invoices processed from suppliers — submitted on the company's platform against a baseline it has created by analysing seasonal trends in transactions. Trade activity worldwide was **↓4 points below** the expected range in Q2, even as total transaction volumes grew slightly faster in the three months. Invoice volumes have started to drop as buyers settle into a pattern of lower ordering.

The assessment notes that the most recent quarter suggests an improving outlook. Current data shows that inflationary pressure is beginning to subside (as was the case in South Africa, with headline inflation cooling to **5,4%** in June from **6,3%** in May¹⁶, also resulting in the SARB maintaining interest rates at its current level for the first time in 11 MPC meetings¹⁷). But low consumer spending is having a significant impact on demand. Revised figures from Eurostat show that the Eurozone fell into a mild recession at the beginning of the year and expects conditions to remain challenging in the second half of 2023. The forthcoming Q3 Index will provide a clearer picture of whether the Q2 improvement reflects tangible progress or merely a rebound from Q1's slump.

b. Global shipping industry

i. Global container industry summary

After a generally weak first six and a half months of the year, market normalisation in the global container industry is close, especially with the resolution of the ILWU US and ILWU Canada port labour contract negotiations¹⁸. Port congestion this week has further eased and is only affecting **5,7% (1,57 million TEU)** of

¹⁵ Tradeshift. 19/07/2023. [The Tradeshift Index of Global Trade Health Q2 2023](https://www.tradeshift.com).

¹⁶ STATS SA. 19/07/2023. [Consumer inflation retreats to 5,4%](https://www.statssa.gov.za).

¹⁷ SARB. 20/07/2023. [Statement of the MPC – 20 July 2023](https://www.sarb.co.za).

¹⁸ Linerlytica. 17/07/2023. [Market Pulse – Week 29](https://www.linerlytica.com).

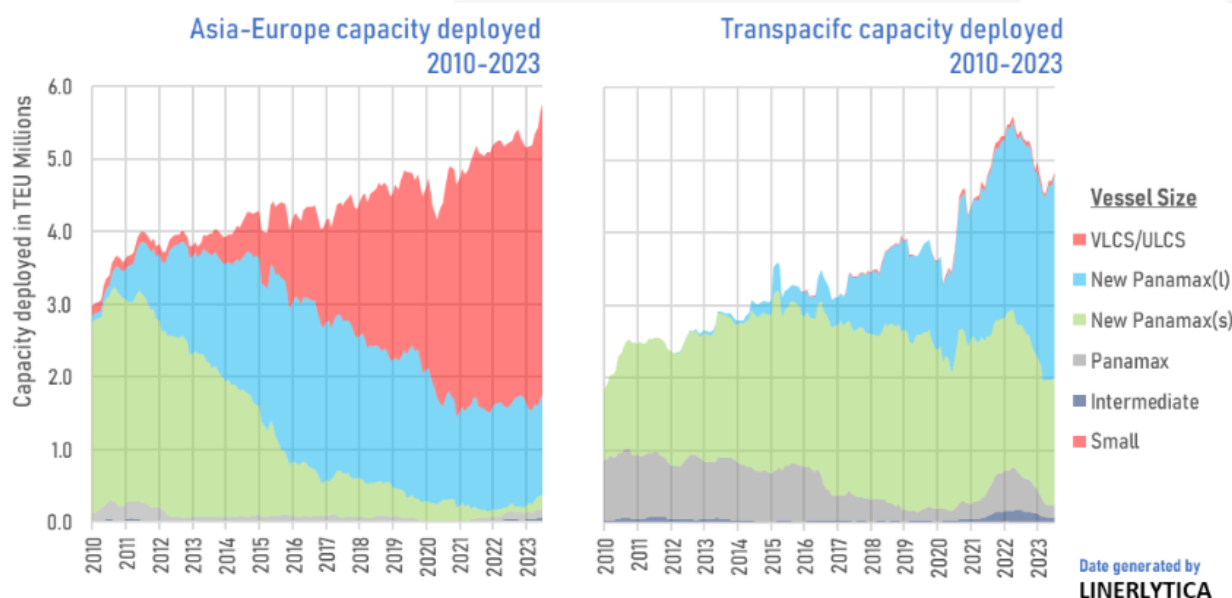
the global fleet, which is a further **↓5%** (w/w) from last week. However, The freed-up capacity does not bode well for the excess supply. A net **230 000 TEUs** has been added to the global fleet in the last month, with carriers such as CMA CGM further aggressively adding to their order book – now at **120 vessels**¹⁹.

Although Drewry's "Global Port Throughput Index" this week dropped by **↓0,5%** for May²⁰, demand is steadily picking up, as other metrics – such as the CTS – showed, which reports an increase of **↑5,2%** (m/m) for May (dry & reefer)²¹. As partly explained by the rate increases (see below), North American demand appears to spearhead the increase and is up by **↑2%** (m/m). Elsewhere, Greater China (**↑0,2%**) and Oceania (**↑2%**) also registered increases, as Drewry expects a **↑0,9%** (m/m) increase globally for June.

Financially, carriers have downwardly revised forecasts, as the market is evidently long past the financial boom of 2021/2022 with the current stabilisation of rates. This week, for instance, Zim downgraded its EBIT forecast last week to a full-year loss of up to **\$500 million** from its earlier prediction of a **\$100-500 million** gain, with carriers abandoning the narrative of a 2nd half-market recovery.

Cancellations remain too low for the current set of market circumstances (Drewry's "Cancelled Sailings Tracker" dropped slightly this week, trending around a **4% cancellation rate**²²), as none of the top carriers have implemented an aggressive blanking strategy primarily expected. Instead, carriers have been happy to slow steam to compensate for the lack of demand – a determinant finally set to overturn for the year's second half. Nevertheless, total capacity deployed on the Asia-Europe route remains elevated and is up by **↑7,6%** (y/y), compared to a **↓12,1%** decline on the Transpacific route, with further divergence expected in the coming months as even more capacity is added to Europe. In contrast, capacity is being withdrawn from the Transpacific market. The following image shows the respective changes – especially concerning the vessel size composition of the routes since 2010:

Figure 15 – Global container capacity deployed per route (TEU millions, 2010-2023)



Source: [Alphaliner](https://www.alphaliner.com)

¹⁹ Wackett, M. 19/07/2023. [With 122 new ships on the way, CMA CGM has Maersk in its sights.](https://www.alphaliner.com)

²⁰ Drewry. 19/07/2023. [Global Port Throughput Index – May.](https://www.drewry.com)

²¹ Container Trade Statistics. 06/07/2023. [Global container throughput \(dry & reefer\) for May.](https://www.containertrade.com)

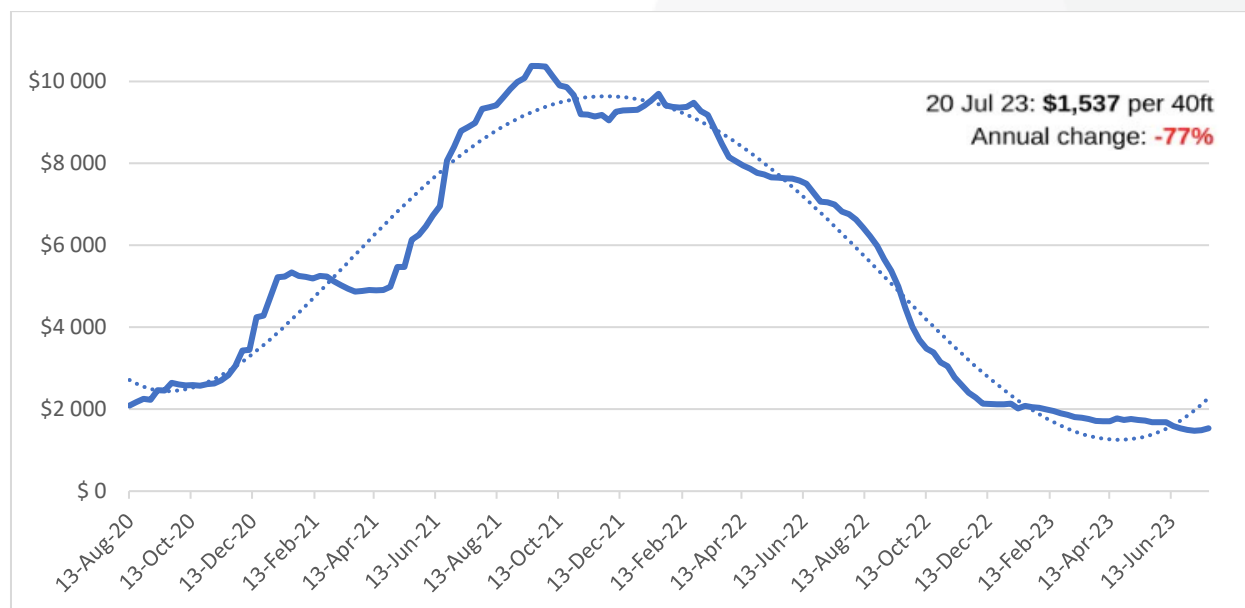
²² Drewry. 21/07/2023. [Cancelled Sailings Tracker - 21 July.](https://www.drewry.com)

As illustrated, Asia-Europe continues to see a rapid expansion in capacity – led mainly by VLCS/ULCS²³ vessels on major routes. In contrast, transpacific capacity is similar to the first half of 2021 before the demand boom, with the neo-Panamax vessels still shipping most of the capacity.

ii. Global container freight rates

Last week's bid by Carriers to raise Transpacific rates has had its desired impact, according to the "World Container Index", and gained further momentum this week, as the index shot up by **↑3,3%** (or \$49) to **\$1 537** per 40-ft container this week. The quarterly trendline shows the impact of the recent changes, as we would not be surprised if the index creeps up again:

Figure 16 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

The rate increases were again dominated on the Asia-North American routes, as Shanghai to LA and NY are up by **↑10%** and **↑7%**, respectively – much the same as last week. Indeed, the single-handedly lifted the SCFI – the other major rate index – by **↑5,1%** last week, with the US West Coast rates soaring by **↑26%** to reach a 9-month high²⁴. Other trades primarily stayed the same, indicating that the industry is still far away from GRIs, as the only other significant change was a reduction of the Rotterdam – NY rate by **↓7%**. This week's changes mean that the composite index continues to hover around **↓78%** (y/y) less compared to the same week last year and **↓85%** below the peak of **\$10 377** in September 2021, and is comparatively the same as the pre-pandemic rate of **\$1 420** in real terms after accounting for inflation. Interestingly, despite the Asia-North American route increases, Drewry expects East-West spot rates to decline marginally on most routes in the next few weeks.

²³ Very Large Container Ship (VLCS) with capacities between 10 000 and 20 000, and Ultra Large Container Ship (ULCS) greater than 20 000 capacity.

²⁴ Linerlytica. 17/07/2023. [Market Pulse – Week 29](#).

iii. Further developments of note

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

1. Canadian West Coast port strike off for now:

- a. The renewed strike at 30 Canadian ports has been called off after a see-saw of work and walk-outs²⁵. The last few days have been a rollercoaster for anybody involved with cargo flowing through the ports in British Columbia, with the strike by longshoremen flipping between resumption and being called off.
- b. As of Wednesday noon, it is off, within hours of the International Longshore and Warehouse Union (ILWU) calling it on. It is unclear, though, how the situation will evolve. The federal government has signalled that it wants to end the stand-off and is examining its options. The prime minister's office convened a meeting of its crisis cabinet committee yesterday to discuss the situation.
- c. Elsewhere in North America, The US faces "massive disruptions," significant economic losses, and dents in consumer and business confidence next month if UPS workers and the parcel courier fail to reach a deal and some 340 000 employees go on strike²⁶.

2. Smart container fleet to expand six-fold over the next five years:

- a. The global telematics-enabled equipment fleet is forecast to grow six-fold over the next five years and accounts for up to 30% of global box inventories by 2027, according to Drewry's "Container Census & Leasing Annual Review & Forecast 2023/24" report²⁷.
- b. Smart containers have increased in popularity recently because of the COVID-19 pandemic and the supply chain disruption, which showed the need for better cargo visibility to cope with longer and more volatile transit times. (Smart containers are one way to create a more efficient, safer, and more sustainable shipping supply chain. These are much like regular containers but are pre-installed with sensors connected to a network.)
- c. The adoption of smart containers will accelerate in the next five years as device costs fall and first-mover carriers challenge others to follow.

c. Global air cargo industry

After declining for several weeks, global air cargo tonnages increased slightly in the second full week of July, mainly driven by stabilising volumes ex-Asia Pacific. However, rates continued their long-term decline. According to the latest high-frequency data from World ACD, tonnages are up by **↑2%**. Despite the weekly increase, demand remains down by **↓3%** in comparing the last two to five weeks, with capacity still relatively stable (**no change**) but significantly above last year's level (**↑8%**):

²⁵ Putzger, I. 20/07/2023. [Canadian West Coast port strike back on – and then off, for now.](#)




















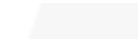
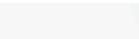
²⁶ Black, T. 16/07/2023. [UPS Union Asks Biden Not to Intervene in Case of Strike.](#)

²⁷ Drewry. 13/07/2023. [Container Census & Leasing Annual Report 2023/24.](#)

Figure 17 – Global capacity, weight, and yield over the last five weeks (% , weekly)

Origin Regions

last 2 to 5 weeks

	Capacity ¹			Chargeable weight ¹			Yield/rate ¹		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+2%	+6%		-3%	+1%		-1%	-15%
Asia Pacific		+2%	+33%		+0%	+3%		-2%	-47%
C. & S. America		+0%	-15%		-4%	-6%		+0%	-12%
Europe		-2%	+6%		-2%	-8%		-2%	-36%
M. East & S. Asia		-1%	+9%		-8%	+0%		+0%	-44%
North America		-1%	+6%		-9%	-12%		-1%	-28%
Worldwide		-0%	+8%		-3%	-3%		-1%	-39%

Source: [World ACD](#)

At a regional level, substantial drops in tonnages were recorded ex-North America to Europe (↓16%) and Asia Pacific (↓10%), and also ex-Middle East & South Asia to Asia Pacific (↓16%) and Europe (↓13%). Modest increases were recorded ex-Asia Pacific to North America (↑3%) and intra-Asia Pacific (↑2%), while traffic between Asia Pacific and Europe dropped ↓4% in the head-haul westbound direction and ↓5% eastbound. As has been the reality over the last couple of weeks, the overall rate continues its downward trend. It is currently around **\$2,29 per kg**, meaning worldwide average rates are ↓39% below their levels last year, with the gap between the current rates and the average pre-pandemic levels seemingly forever closing (↑29% compared to July 2019).

In other air cargo news, Belgium's transport minister presented the draft decree's proposals, which include a ban on night flights between 23:00 and 06:00 to limit environmental and noise pollution from the airport²⁸. Currently, the airport is allowed a maximum of 16 000 night slots a year, including up to 5 000 night take-offs. The impact could be detrimental to the cargo business, as freighters are likelier to operate at night than passenger carriers. In 2022, there were 1 711 freighter movements at the airport – down ↓15% from the year before. The primary beneficiary could be Liege Airport, which has already benefitted from increased traffic after slot losses at Schiphol saw cargo traffic divert to Liege.

ENDS²⁹

²⁸ Whiteman, A. 17/07/2023. ['Thousands of jobs threatened' by bid to ban night flights at Brussels Airport](#).

²⁹ **ACKNOWLEDGEMENT:**

*This initiative – **The Cargo Movement Update** – was developed collectively by Business at large to provide visibility of the movement of goods during the COVID-19 pandemic. The report is authored by the South African Association of Freight 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 [AIMS Global Logistics \(AGL\)](#).*