Authored by:
www.saaff.org.za

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Cargo Movement Update #179[1]

Date: 29 March 2024

Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	22 857	28 963	**51 820**	23 863	26 514	**50 377**	↑3%
Air Cargo (tons)	4 203	2 600	**6 803**	3 266	2 638	**5 905**	↑15%

Monthly Snapshot

Figure 1 – Monthly[4] cargo volume, year on year (% growth)

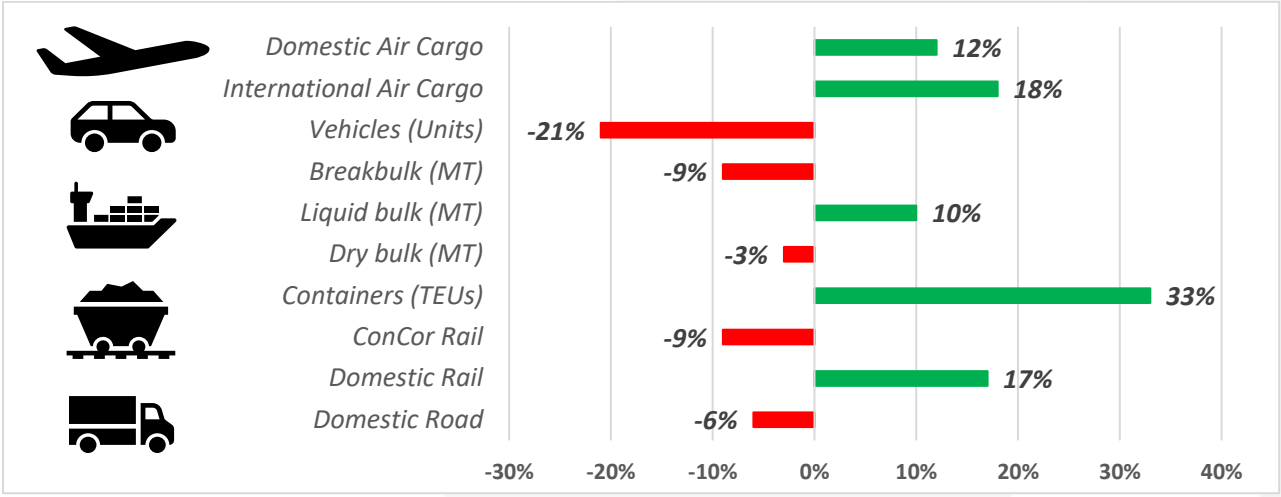
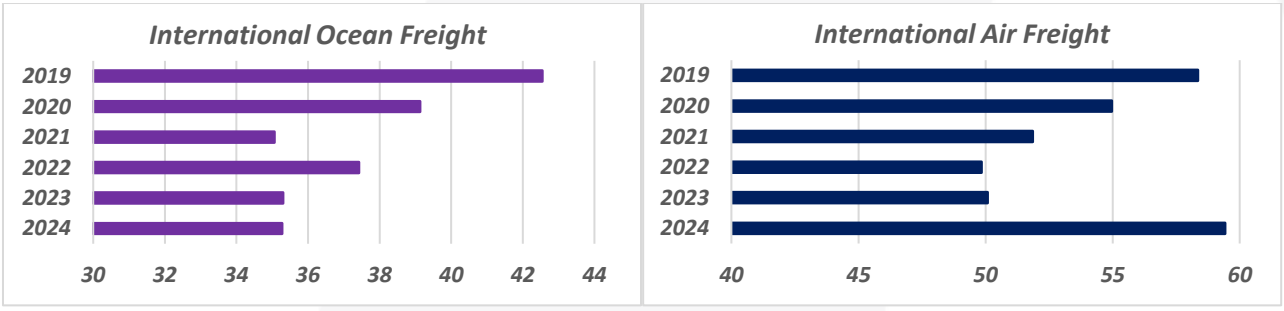


Figure 2 – Year-to-date flows 2019-2024[5]: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 403 containers** was handled per day, with **~8 201 containers** projected for next week.
- Cross-border queue: **↑0,7 hrs**; transit: **↓0,1 hrs**; SA borders: **~9,5 hrs** (**↓32%**); SADC borders: **~7,9 hrs** (**↑7%**).
- Rail cargo handled out of Durban was reported at **2 297** containers, up by ↑6% from last week.
- Global freight rates have again decreased this week – by **↓2,7%** (or **$81**) to **$2 929** per 40-ft container.
- The container industry's operating loss in Q4 of 2023 reached a combined EBIT of **-$1,44 billion**.
- Despite a slight decrease in global tonnages (**↓2%**), air cargo rates are up by **↑3%** from last week.

[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 *179th* update.
[2] '*Current*' means the last seven 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. For most metrics: Feb vs Feb.
[5] Total YTD Jan-Feb; ocean = bulk cargo in million metric tonnes, as reported by TNPA; air = cargo to and from all airports in million kilograms.

Executive Summary

This update contains a consolidated overview of the South African supply chain and the current state of international trade. Commercial ports handled an average of **7 403 containers** per day, slightly up from the **7 197 containers** last week. Port operations this week were moulded by high swells, strong winds, as well as equipment breakdowns and shortages. More than 36 operational hours were lost in Cape Town this week due to strong winds, while high swells and equipment breakdowns constituted the majority of delays in Durban. Additionally, strong winds, high swells, and a system failure disrupted operations in the Eastern Cape this week. At the same time, the latest reports suggest that the Multi-purpose Terminal in Richards Bay has received new cargo-handling equipment for the loading of export coal, magnetite, chrome, and pig iron aboard Capesize vessels. Furthermore, TFR announced this week that its North Corridor delivered 1,413 million tonnes of export cargo, representing its "*most substantial performance*" in terms of volumes moved this fiscal year.

In the international maritime industry, the major incident this week was when the Baltimore bridge collapsed after being struck by a 300-metre neo-Panamax MV Dali. Elsewhere, mainline vessel diversions via the Cape of Good Hope have reduced vessel calls at East and Central Mediterranean hubs, while West Mediterranean ports remain resilient. Algeciras saw a **↓1,4%** decrease in container throughput, but Valencia and Barcelona increased by **↑11%** (y/y). East and Central Med hubs experienced vessel capacity declines of **↓18-31%**, with Piraeus Container Terminal traffic dropping by **↓13%**. The global containership fleet reached **29 million TEU**, with rising charter rates indicating sustained demand. Port congestion affects around **5,6%** of the fleet globally, with Baltimore's situation expected to impact the industry. Durban's congestion improved, with a queue-to-berth ratio of **0,83** and idle capacity at **0,3%**. Other developments included **(1)** Maersk hits back at 'misleading' and 'outdated' ETS claims, and **(2)** Gemini's strategy relies heavily on hub port performance.

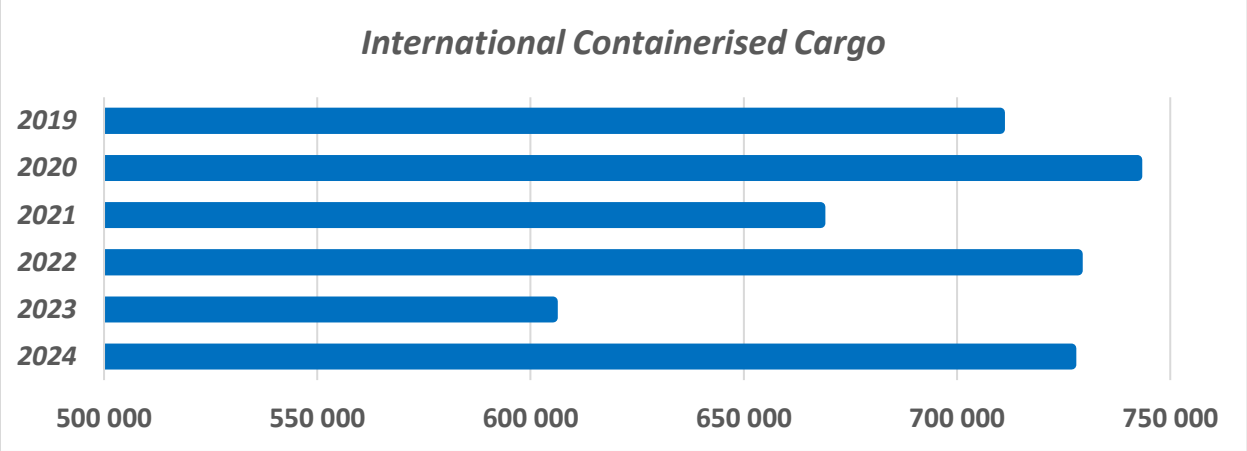
In the air cargo industry, The daily average of air cargo handled at ORTIA in the previous week amounted to a record **600 394 kg** inbound (**↑29%**, w/w) and **371 475 kg** outbound (**↓1%**), resulting in an average of **971 870 kg per day**. The international air cargo industry's dynamics are significantly influencing South Africa's trade landscape, notably affected by challenges in the Red Sea region, impacting fruit exports and resulting in unexpected improvements in air cargo statistics due to port congestion. Despite cargo volumes still below 2019 levels, there's been a recent increase, primarily in imports, with the potential for surpassing 2019 volumes contingent upon currency exchange rates and the post-election political landscape, highlighting the complex interplay of geopolitical and economic variables in shaping international cargo movements. Globally, the air cargo market is experiencing rising rates, particularly from vital global regions such as the Asia Pacific and the Middle East and South Asia (MESA), driven by disruptions in container shipping and increased demand for cross-border e-commerce shipments.

In regional cross-border road freight trade, average queue times increased by approximately **45 minutes**, while transit times were **essentially unchanged** from last week. The median border crossing times at South African borders decreased by **four-and-a-half hours**, averaging **~9,5 hours** (**↓32%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased slightly – by **around half an hour** and averaged **~7,9 hours** (**↑32%**, w/w). On average, five SADC border posts took more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa (the worst affected, with both taking almost **three days** to cross), Kazungula OSBP, and Lunga Lunga. Other developments included **(1)** Korridor's online payment system is fully operational, **(2)** ZRA will pilot an automated gate pass at Kazungula and Chirundu in April, **(3)** Namibia announced the readiness of Mamuno Border post for implementation in May, and **(4)**

Botswana has banned multinationals from importing fuel, now requiring all fuel to be purchased from Botswana Oil.

In summary, the year-to-date flows comparing our respective throughput across the last six years make for some fascinating reading. In the bulk ocean market, we've lost some significant ground and through February, already handled a mammoth **seven million tons less than in 2019**. Indeed, the struggles did not only recently originate, as 2024 levels are similar to those in 2021 and 2023. When we see the containerised view, we realise the following:

Figure 3 – Year-to-date (Jan-Feb) flows 2019-2024: International Containerised Cargo (TEUs)



Source: Calculated from TNPA, 2024.

Although there has been a significant improvement this year so far, the overall trend remains disturbingly stagnant. But on the other side of the coin, some very encouraging things are happening at Transnet. However, these initiatives have yet to show that they can produce a sustainable and durable reversal of the negative trends above. Just as the reality is that poor performance and poor throughput did not happen overnight, they will unfortunately not be fixed overnight, either. Therefore, the industry and its related stakeholders need to be patient in wanting to see results; however, we must be diligent in our collective work and drive positive change – especially from Transnet and the respective governmental role that these entities play in trade, transport, and logistics. There is no second network, only one. And we must fix it.

Contents

1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 23 to 29 March [6]

7-day flow forecast (23/03/2024 – 29/03/2024)		
TERMINAL	**NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 141	5 303
DURBAN CONTAINER TERMINAL PIER 2:	8 613	9 212
CAPE TOWN CONTAINER TERMINAL:	4 378	8 153
NGQURA CONTAINER TERMINAL:	4 849	5 472
GQEBERHA CONTAINER TERMINAL:	876	823
TOTAL:	**22 857**	**28 963**

Source: Transnet, 2024. Updated 29/03/2024.

Table 3 – Container Ports – Weekly flow predicted for 30 March to 5 April

7-day flow forecast (30/03/2024 – 05/04/2024)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	5 869	5 796
DURBAN CONTAINER TERMINAL PIER 2:	8 844	10 227
CAPE TOWN CONTAINER TERMINAL:	3 994	7 082
NGQURA CONTAINER TERMINAL:	5 964	6 346
GQEBERHA CONTAINER TERMINAL:	1 394	1 889
TOTAL:	**26 065**	**31 340**

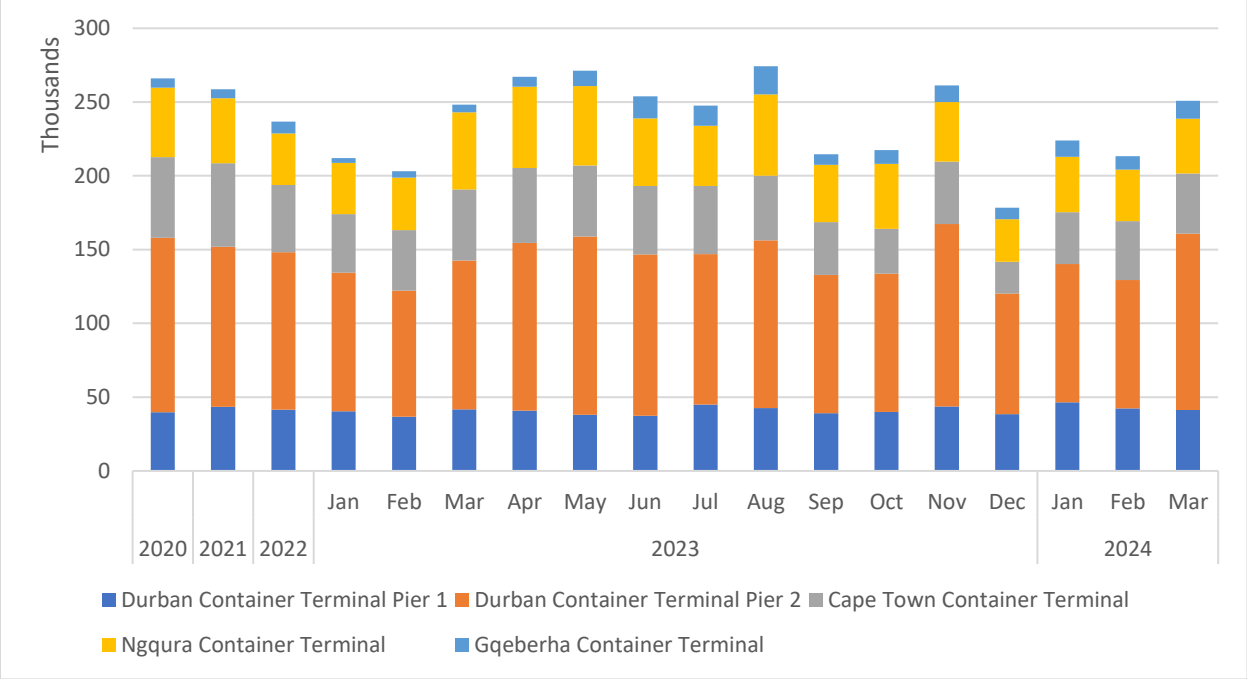
Source: Transnet, 2024. Updated 29/03/2024.

An average of **~7 403** containers (↑**3%**) was handled per day for the last week (*23 to 29 March*, *Table 2*), compared to the projected average of **~8 772 containers** (↓**15%** actual versus projected) noted in last week's report. For the coming week, an increased average of **~8 201 containers** (↑**11%**) is predicted to be handled (*30 March to 5 April*, *Table 3*) in a best-case scenario. Port operations were affected by high swells and strong winds, as well as equipment breakdowns and shortages.

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

[6] It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transhipments.
[7] As mentioned before, the measurement is 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. Elsewhere, the US uses 1,5 to 1,8, depending on the port. The privately operated FPT terminal in Cape Town works on 1,6.

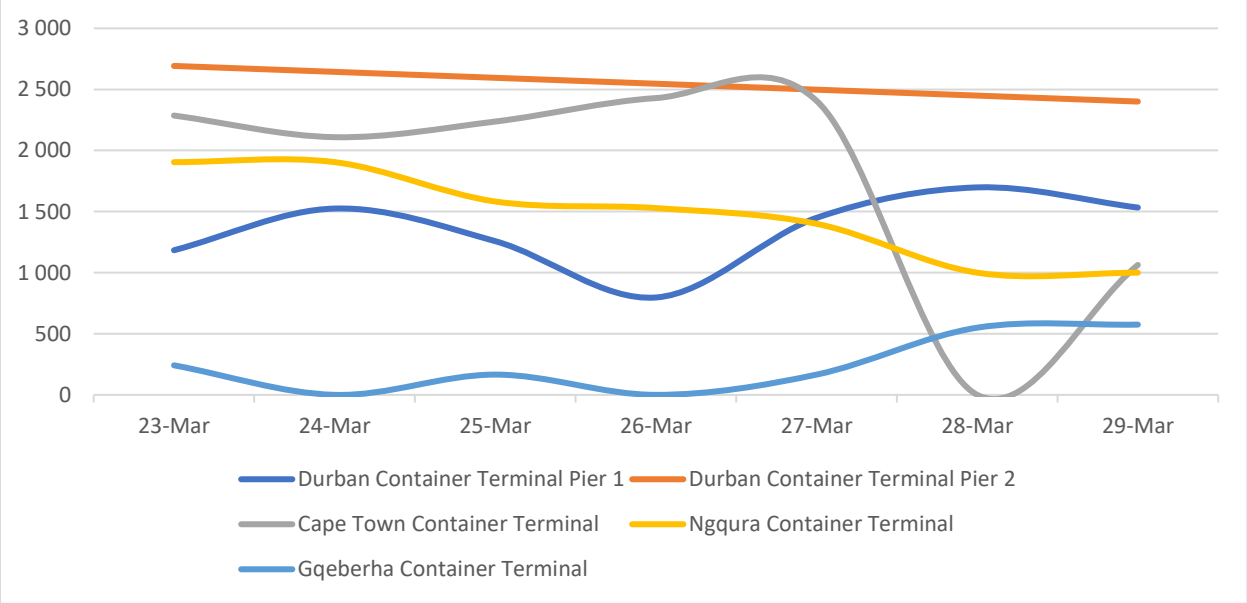
Figure 4 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

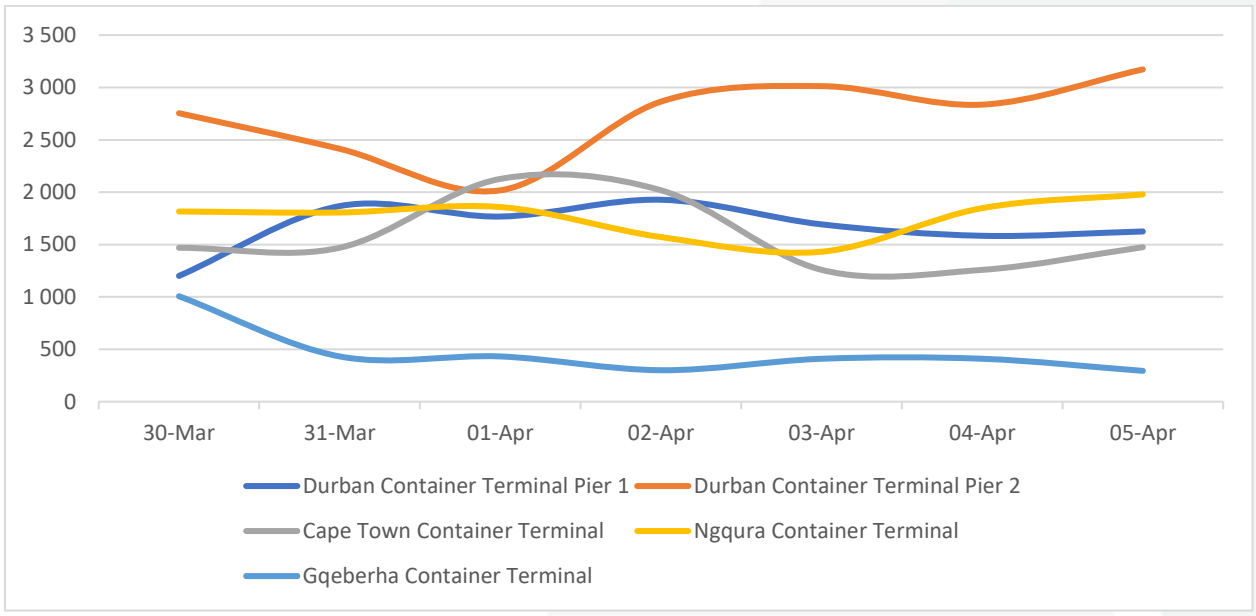
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 5 – 7-day flow reported for total container movements (23 to 29 March; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

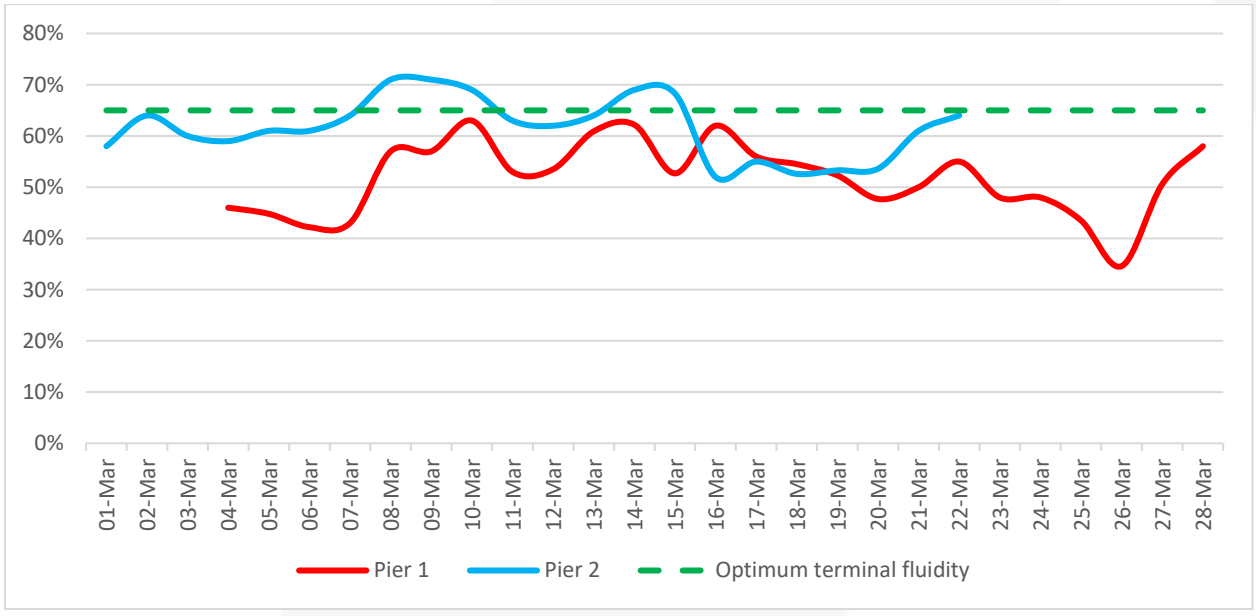
Figure 6 – 7-day forecast reported for total container movements (30 March to 5 April; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

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

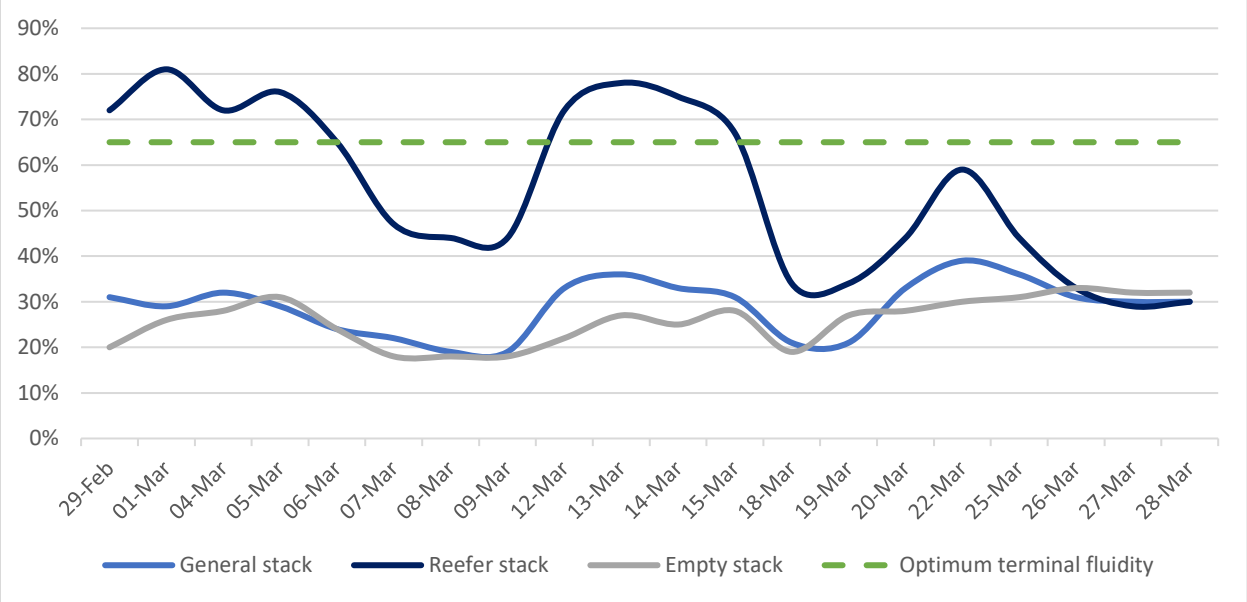
Figure 7 – Stack occupancy in DCT, general-purpose containers (1 March to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

The following figure shows daily stack occupancy in Cape Town over a similar period.

Figure 8 – Stack occupancy in CTCT, GP, reefer, and empty stack (29 February to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

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

- More than 36 operational hours were lost in Cape Town this week due to strong winds.
- High swells and equipment breakdowns constituted the majority of delays in Durban.
- Adverse weather and high swells disrupted operations at our Eastern Cape Ports.
- Minimal delays were reported in Richards Bay this week.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and two at anchor as adverse weather conditions severely disrupted operations. The terminal went windbound around 16:20 on Tuesday and only resumed operations at 07:00 on Thursday morning. In the 24 hours between Wednesday and Thursday, stack occupancy for GP containers was recorded at 30%, reefers at 30%, and empties at 32%. During this period, the terminal operated with eight STS cranes, 24 RTGs, and 43 hauliers. Crane LC1 remained out of service this week with the technical team awaiting spares for the crane's repairs. At the start of the week, terminal gates were closed due to a shortage of employees. This is attributed to the fact that employees' leave is set to expire as we approach the end of the financial year.

The multi-purpose terminal recorded two vessels at anchor and two at berth on Wednesday. In the 24 hours leading to Thursday, the terminal managed to service 54 external trucks at an undisclosed truck turnaround time on the landside. During the same period, despite being windbound in this period for approximately 12 hours, CTMPT managed to move 182 TEUs and 1 859 tons across the quay on the waterside. Stack occupancy was recorded at 62% for GP containers, a low 39% for reefers, and 55% for empties during the same period. During the week, the terminal facilitated union engagements which impacted operations as a result.

During the week of 18 to 24 March 2024, the FPT terminal serviced six vessels comprising two multi-purpose vessels, one container vessel, one dry bulk vessel, and two break bulk vessels. Berth occupancy during this period was recorded at 56%. During the week, 2 866 TEUs were handled at ~9.4 containers per hour and 612 tons of general breakbulk cargo at ~67 tons per hour. Additionally, 6 182 tons of dry bulk were handled at ~204 tons per hour, while a further 3 835 tons of steel were handled at ~123 tons per hour. FPT planned to handle five vessels between 25 and 31 March, with another five planned between 01 and 07 April. The late arrival of transporters and equipment breakdowns constituted the majority of the delays encountered at the terminal this week.

iii. Durban

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, and one vessel at anchor. Stack occupancy was 58% for GP containers and remained undisclosed for reefers. During the week, the terminal managed to execute 3 809 gate moves on the landside at an average truck turnaround time of ~84 minutes, with an average staging time of ~42 minutes. Additionally, towards the end of the week, the terminal had 1 963 imports on hand, with 130 of these units having road stops and 115 being unassigned.

Pier 2 had four vessels on berth and six at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 61% for GP containers and undisclosed for reefers. The terminal operated with 11 gangs while moving 2 791 containers across the quay. During the same period, there were 2 568 gate moves on the landside, of which 1 023 were for imports and 1 545 were for exports. The average truck turnaround time for the week was recorded at ~98 minutes, with an average staging time of ~109 minutes. Additionally, 400 rail containers were on hand. The terminal had a reported 60 straddles (↑~7, w/w) in operation, translating to an availability figure of approximately 63%, which is around ↓21% below the minimum number required to meet industry demand and achieve acceptable terminal performance.

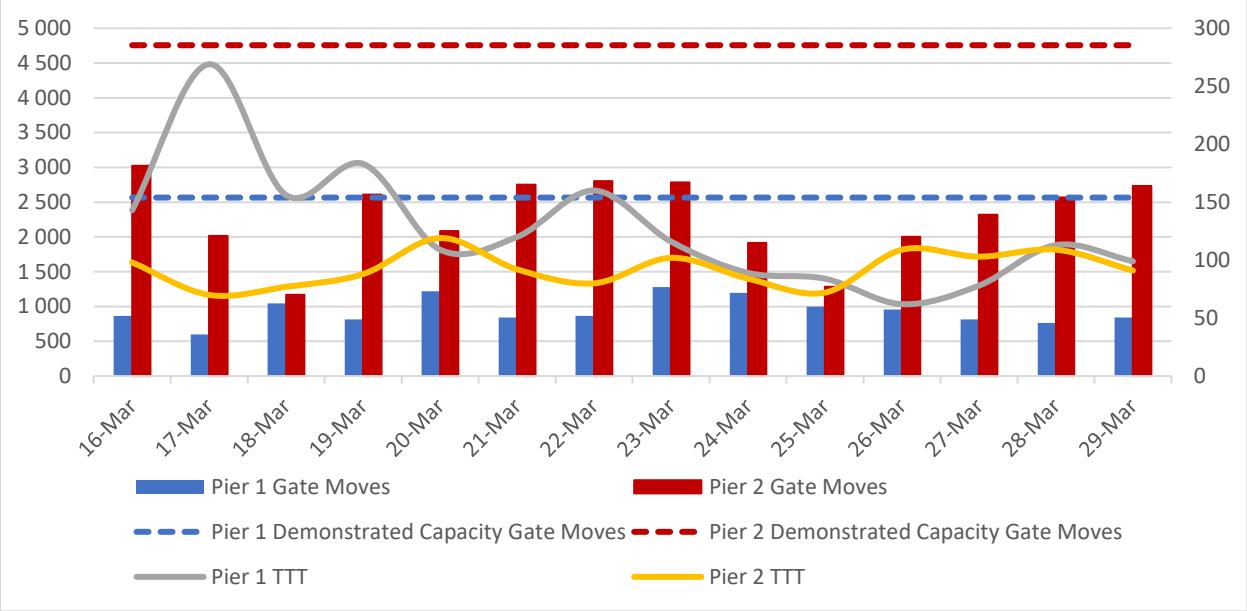
Durban's MPT terminal recorded three vessels at berth on Wednesday and zero vessels at outer anchorage. On the waterside, 374 containers were moved across the quay, while 328 container road slots and 23 breakbulk RMTs carrying 605 tons were serviced on the landside. Stack occupancy for breakbulk was recorded at 18% and 31% for containers. During the same period, two cranes, five reach stackers, one empty handler, seven forklifts, and 18 ERFs were in operation. The latest reports suggest that the third crane went out of commission on a short-term breakdown towards the end of the week, while the fourth crane is on schedule to return to service soon.

On Thursday, the Maydon Wharf MPT had one vessel on berth and zero at outer anchorage while handling 4 316 tons of cargo on the waterside. On the landside, 168 trucks conveying 5,768 tons were serviced. No vessels were serviced at the Agri-bulk facility this week, as high swells caused extensive berthing delays.

On Wednesday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at anchorage. In the previous 24 hours, the terminal handled 293 road units on the landside while handling 1 636 units on the waterside. During the same period, overall stack occupancy was recorded at 80% (comprising 59% exports, 11% imports, and 30% transshipments), Q/R was recorded at 50%, and the G-berth stack was at 60%. The terminal had 213 high-and-heavies (abnormal loads) on hand.

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



Source: Calculated using data from Transnet, 2024, and updated 29/03/2024.

The struggle to recover from port congestion continues, as all hands are on deck in an attempt to return to normality. At midday on Friday, six vessels were waiting for Pier 2, one vessel for Pier 1, and five for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 10 – Durban vessel view (per vessel group)

Source: Crickmay LMS, 2024. Updated 29/03/2024 at 14:00.

iv. Richards Bay

On Thursday, Richards Bay recorded 15 vessels at anchor, while 12 vessels were berthed, consisting of three at DBT, five at MPT, three at RBCT, and one at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. On Wednesday, the coal terminal had nine vessels at anchor and three at berth while handling 129 144 tons on the waterside. On the landside, 14 trains were serviced. The latest reports suggest that the Multi-purpose Terminal has received new cargo-handling equipment for the loading of export coal, magnetite, chrome, and pig iron aboard Capesize vessels. Earlier this week, the terminal announced that it had leased 75 dumpers and 35 payloaders for 12 months as a temporary measure after an unsuccessful bidder challenged its tender award for equipment supply in court.

v. Eastern Cape ports

On Wednesday, NCT recorded two vessels on the berth and two vessels at the outer anchorage, with two vessels drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. Stack occupancy was 36% for GP containers, 20% for reefers, and 37% for reefer ground slots, as a total of 2 240 TEUs were processed on the waterside. Additionally, 551 trucks were serviced on the landside at a truck turnaround time of ~38 minutes.

On Tuesday, GCT had zero vessels on berth and none at anchor. In the 24 hours leading to Wednesday, the terminal had two tugs, one pilot boat, two pilots, and one berthing gang in operation. On the landside, 151 trucks were processed at a truck turnaround time of ~22 minutes, while 516 TEUs were handled across the quay on the waterside. Between Wednesday and Thursday, the Ro-Ro terminal had one vessel at berth and zero vessels at anchor. The terminal handled 798 units on the waterside, contributing to an improved stack occupancy figure of 60%. Strong winds, high swells, and a system failure disrupted operations at the terminal this week.

No reports were received for the Port of East London this week.

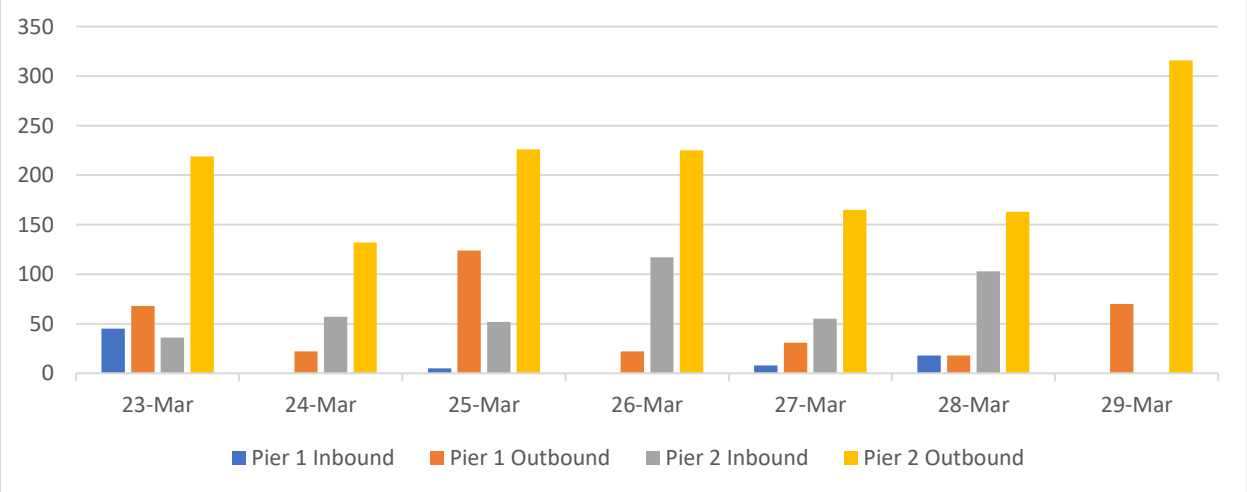
vi. Saldanha Bay

On Thursday, the iron ore terminal had three vessels at anchorage and two on the berth, while the multi-purpose terminal had three vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 0-10 days, while the vessels in port have been on the berth for between 0- 3 days.

vii. Transnet Freight Rail (TFR)

This week, TFR announced that its North Corridor delivered 1,413 million tonnes (mt) of export cargo, representing its "most substantial performance" in terms of volumes moved this fiscal year. Additionally, towards the end of the week, DCT Pier 2 had 308 over-border units on hand with a dwell time of 53 days and 92 ConCor units on hand with a dwell time of 72 hours. Rail containers on hand were split as follows: Pier 1: 43, Pier 2: 400. DCT Pier 2 could only manage to execute three of the six planned load plans due to equipment challenges.

Figure 11 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2024. Updated 29/03/2024.

In the last week (*23 to 29 March*), rail cargo handled out of Durban was reported at **2 297** containers, up by ↑6% from the previous week's **2 161** containers.

2. Air Update

a. International air cargo

The following table shows the in- and outbound air cargo flows to and from ORTIA for the week beginning 18 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *March 2023* averaged **~725 846 kg** per day.

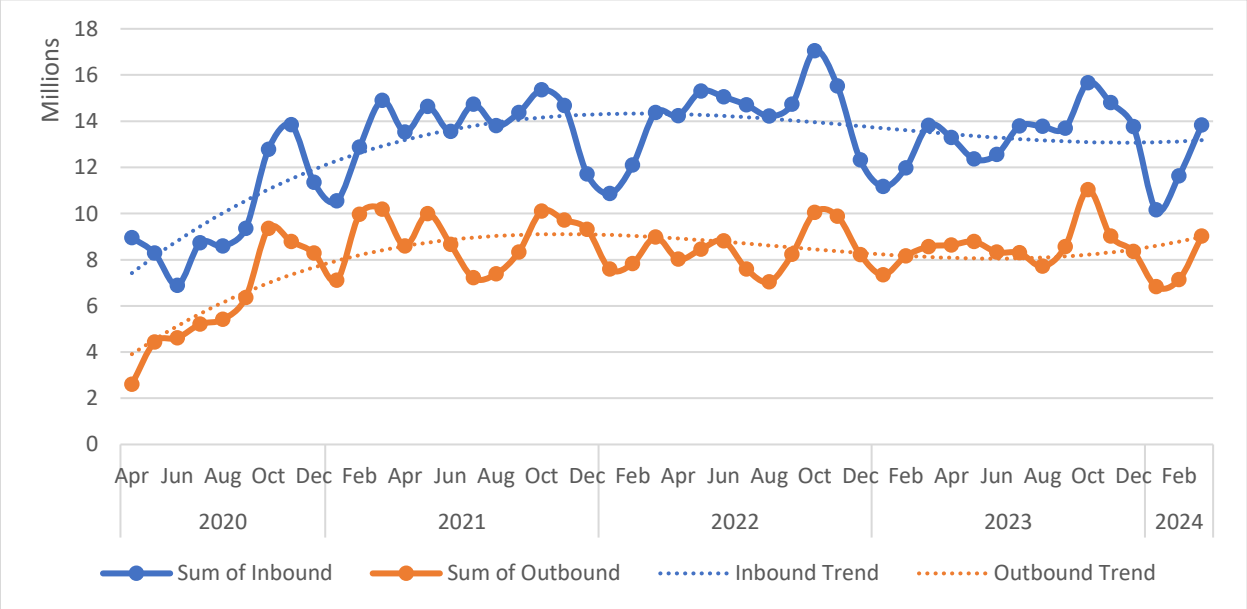
Table 4 – International inbound and outbound cargo from OR Tambo[8]

Flows	18-Mar	19-Mar	20-Mar	21-Mar	22-Mar	23-Mar	24-Mar	Week
Volume inbound	476 739	312 364	373 281	253 760	535 972	294 906	1 955 739	**4 202 761**
Volume outbound	199 739	168 807	231 405	215 096	238 526	206 112	1 340 641	**2 600 326**
Total	**676 478**	**481 171**	**604 686**	**468 856**	**774 498**	**501 018**	**3 296 380**	**6 803 087**

Courtesy of ACOC. Updated: 24/03/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to a record **600 394 kg** inbound (**↑29%**, w/w) and **371 475 kg** outbound (**↓1%**), resulting in an average of **971 870 kg per day**. Consequently, the industry continues to exceed cyclical levels of both last year (**↑34%** versus March 2023) and 2020 (**↑33%** versus March 2020). The following graphs show the movement since the pandemic for ORTIA, with a welcome increase of late.

Figure 12 – International cargo from OR Tambo – volumes per month (kg millions)



Courtesy of ACOC. Updated: 24/03/2024.

The current international air cargo industry points to some interesting dynamics in influencing South Africa's trade landscape. Recent developments have underscored a delicate balance of several factors, notably the challenges stemming from the Red Sea region. These realities have reverberated across air cargo

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

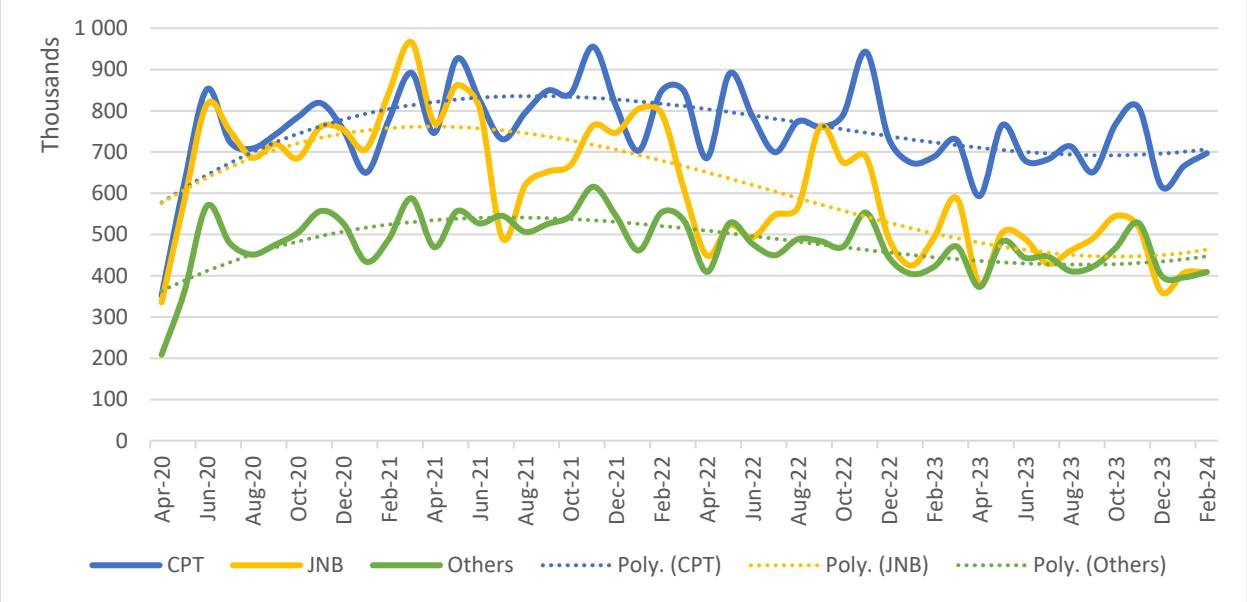
movements, notably impacting the country's fruit exports, both inbound and outbound. Unsurprisingly, port congestion within South Africa has yielded unexpectedly favourable outcomes in air cargo statistics.

Discussions with prominent Cargo Handlers reveal that while cargo volumes remain below 2019 levels, there has been a discernible uptick in the last quarter, primarily driven by imports approaching 2019 volumes. Looking ahead, the outlook suggests the potential to surpass 2019 volumes hinges upon two critical factors, namely **(1)** currency exchange rates and **(2)** the political landscape post-election. These multifaceted dynamics underscore the intricate interplay of geopolitical and economic variables shaping the trajectory of international cargo movements.

b. Domestic air cargo

The following graphs show the domestic movement at our main airports since the pandemic's onset:

Figure 13 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 10/03/2024.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders decreased by **four-and-a-half hours**, averaging **~9,5 hours** (**↓32%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased slightly – by **around half an hour** and averaged **~7,9 hours** (**↑32%**, w/w).
- Korridor's online payment system is fully operational, allowing drivers to make payments for RTSA Road Tolls at all Zambian Borders and Toll Gates.
- Talks are ongoing with ZRA to include a carbon tax and council Levies in the Korridor system.
- Slow movement at Beitbridge for Northbound traffic was attributed to general driver behaviour, including leaving trucks unattended and not following rules.

- Zimborders requests incidents to be reported promptly for real-time intervention.

- ZRA will pilot an automated gate pass at Kazungula and Chirundu in April. Transporters will need to generate a gate pass prior to arrival at the border, which is accessible on the ZRA website.
- Namibia announced the readiness of the Mamuno Border post for implementation in May.
- Botswana has banned multinationals from importing fuel and now requires all fuel to be purchased from Botswana Oil, causing fuel shortages in Zimbabwe.
- Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given this platform's questionable effectiveness, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[9], which arguably provides better and more reliable information.

The following table shows the changes in bidirectional flows through South African borders, with the subsequent table showing the consolidated corridor movements:

Table 5 – Delays[10] summary – South African borders (both directions)

Border Post	Direction	HGV[11] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	459	4,4	11,2	28,0	13 770	3 213
Beitbridge	Zimbabwe-SA	433	4,5	3,4	19,1	12 990	3 031
Groblersbrug	SA-Botswana	232	0,0	8,3	30,0	6 960	1 624
Martins Drift	Botswana-SA	196	1,2	0,3	1,4	5 880	1 372
Kopfontein	SA-Botswana	239	0,4	1,0	8,2	7 170	1 673
Tlokweng	Botswana-SA	23	0,0	0,2	0,3	690	161
Vioolsdrift	SA-Namibia	30	0,2	1,4	4,4	900	210
Noordoewer	Namibia-SA	20	0,0	0,5	1,4	600	140
Nakop	SA-Namibia	30	0,3	1,2	4,2	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,5	1,4	600	140
Skilpadshek	SA-Botswana	241	1,4	2,2	12,2	7 230	1 687
Pioneer Gate	Botswana-SA	91	0,6	1,1	2,5	2 730	637
Lebombo	SA-Mozambique	1 446	13,3	1,5	11,4	43 380	10 122
Ressano Garcia	Mozambique-SA	125	12,1	0,5	8,4	3 750	875
Weighted Average/Sum		**3 585**	**2,8**	**2,4**	**9,5**	**107 550**	**25 095**

Source: TLC, FESARTA, & Crickmay, week ending 24/03/2024.

Table 6 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	14,2	2,1	13,2	9 600	2 240
Central Corridor	798	2,6	1,1	5,9	23 940	5 586
Dar Es Salaam Corridor	1 819	8,7	2,5	18,7	54 570	12 733
Maputo Corridor	1 571	12,7	1,0	9,9	47 130	10 997

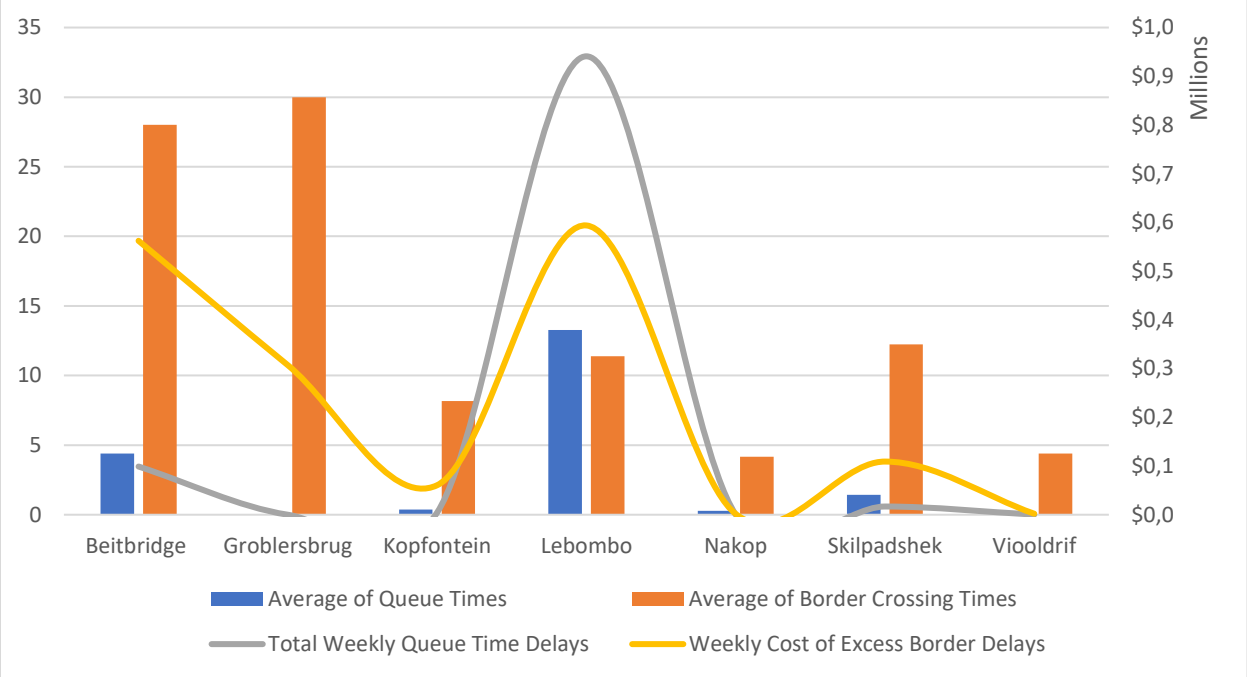
[9] FESARTA TRANSIST Bureau.
[10] It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent 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 Crickmay produces in collaboration with SAAFF.
[11] Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 654	3,7	2,7	15,3	109 620	25 578
Northern Corridor	2 817	0,2	0,2	1,8	92 190	21 511
Trans Caprivi Corridor	116	0,0	1,2	3,6	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	362	1,0	1,1	5,1	10 860	2 534
Trans Oranje Corridor	100	0,2	0,9	2,8	3 000	700
Weighted Average/Sum	**11 784**	**3,0**	**1,4**	**8,2**	**361 200**	**84 280**

Source: TLC, FESARTA, & Crickmay, week ending 24/03/2024.

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

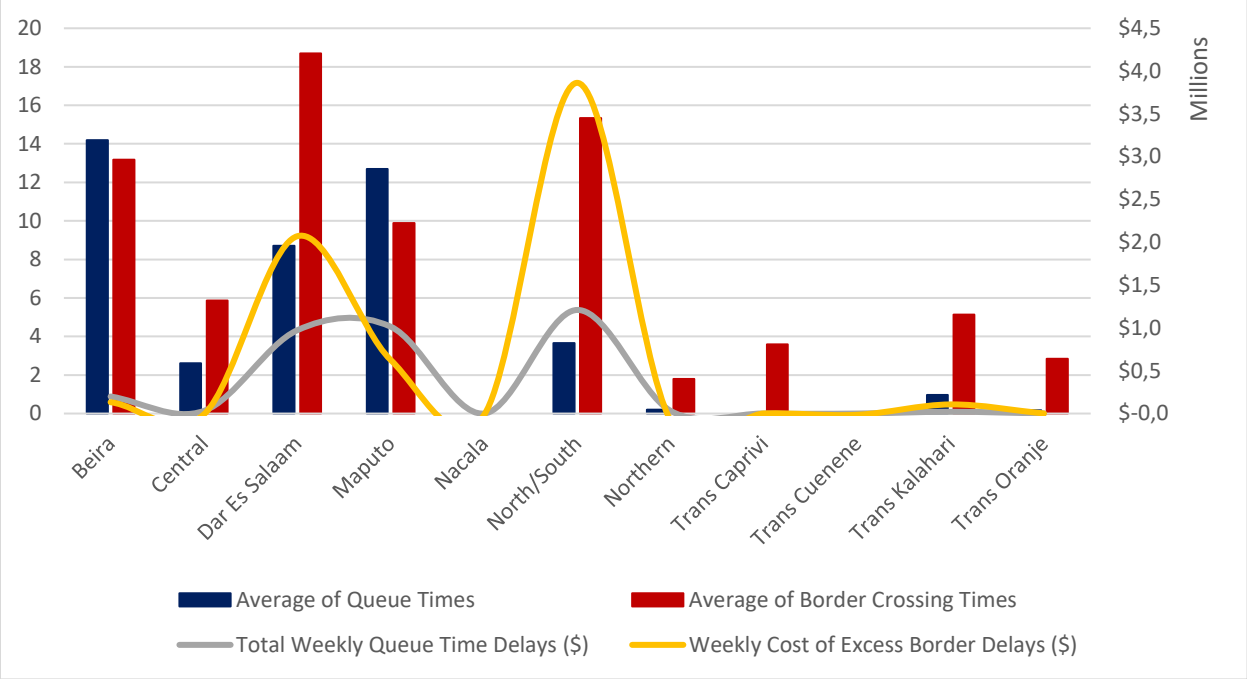
Figure 14 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 24/03/2024.

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

Figure 15 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 24/03/2024.

In summary, cross-border queue time averaged **~3,0 hours** (up by **~0,7 hours** from the previous week's **~2,4 hours**), indirectly costing the transport industry an estimated **$3,5 million** (**R47 million**). Furthermore, the week's average cross-border transit times hovered around **~8,2 hours** (up by **~0,1 hours** from the **~8,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **~$6,7 million** (**R126 million**). As a result, the total indirect cost for the week amounts to an estimated **~$10,1 million** (**R192 million**, up by **~R15 million** or **↑7,3%** from **~R177 million** in the previous report).

4. International Update

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

a. Global shipping industry

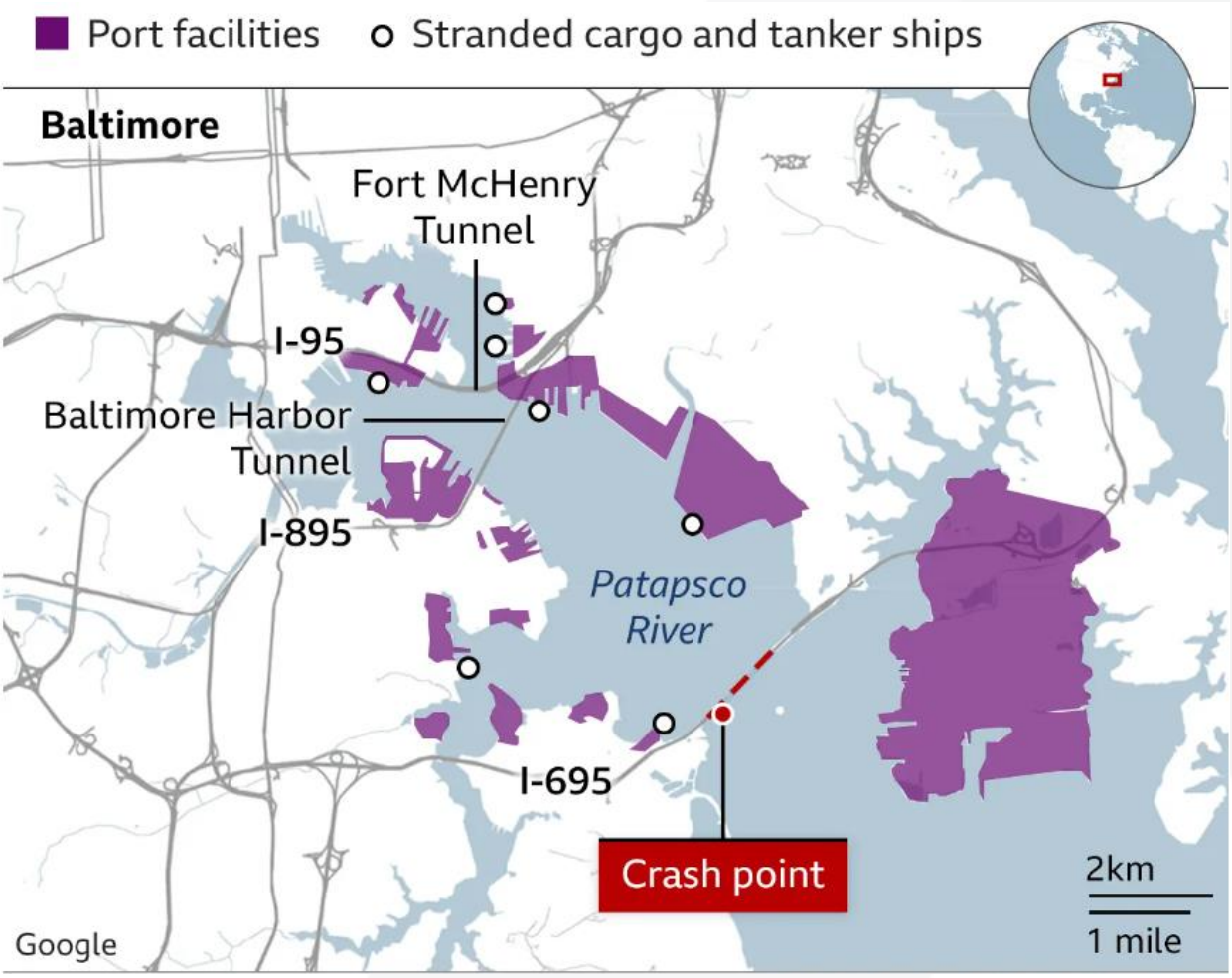
i. Baltimore bridge incident

A 2M Alliance container vessel with two pilots onboard crashed into a support tower of the Francis Scott Key Bridge in Baltimore, Maryland, in the early hours of this Wednesday, demolishing the 1,6-mile bridge and plunging at least 20 people into the Patapsco River. Authorities described the collision as a "*mass-casualty incident*". They said emergency services were still searching the river (at the time of writing, two of the construction workers who were on the bridge were rescued, as the bodies of four of the six others were still missing[12]). The 2015-built 9 962 TEU Dali was less than 30 minutes into its backhaul voyage to Asia after completing two days of cargo operations at the Seagirt Marine Terminal when the incident happened. According to eeSea data, the vessel is deployed on Maersk's Asia-US east coast TP12 loop and MSC's Empire

[12] Finley, B. & Pollard, J. 31/03/2024. What we know about the Baltimore bridge collapse.

service, with the 2M partners also having a slot charter agreement with Zim, which the Israeli carrier has dubbed its ZBA service. Marine claims consultants warned Maersk's customers that delays or loss would be inevitable, as a significant amount of cargo was stranded after the incident.

Figure 16 – Port of Baltimore facilities and stranded cargo



Source: Drewry

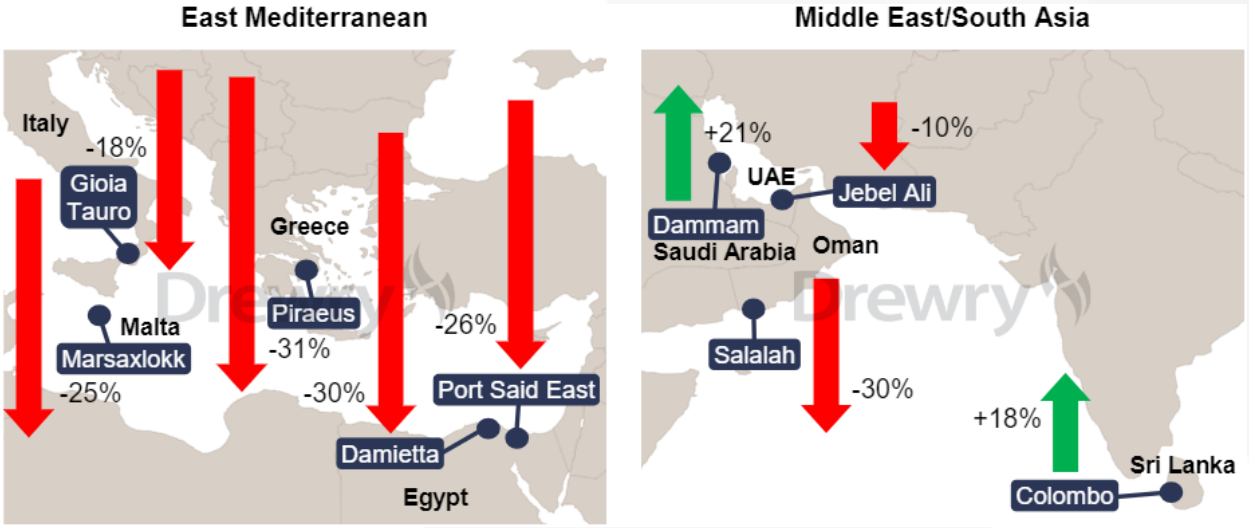
The incident with undoubtedly have a ripple effect on the international shipping industry[13], especially on Ro-Ro cargo[14]. Carriers such as Maersk, CMA CGM, MSC, and Hapag Lloyd have responded to the incidents by implementing various contingency plans, which include halting new bookings, rerouting cargo through alternate ports, and addressing concerns about cargo already in transit. Additionally, carriers typically direct customers to the terms and conditions of their bill of lading for matters regarding claims and liabilities arising from such incidents (see a summary here).

[13] Wackett, M. 26/03/2024. Ripples from bridge collapse will give importers a headache.
[14] Whiteman, A. 28/03/2024. Ro-Ro services set for months of delays after Baltimore bridge disaster.

ii. Red Sea Update

The re-routing of mainline vessels via the Cape of Good Hope has led to decreased vessel call capacity at East and Central Mediterranean hub ports. In contrast, West Mediterranean ports have shown more resilience[15]. Carriers are diverting vessels due to ongoing security concerns in the Red Sea, resulting in stabilised port calls in West Med after an initial disruption. Container throughput at Algeciras decreased by **↓1,4%** (y/y) in January 2024 but increased by **↑11%** (y/y) at both Valencia and Barcelona. Conversely, East and Central Med hubs experienced significant reductions in average weekly vessel capacity during 1Q24, ranging from an **↓18%** decline at Gioia Tauro to a **↓31%** drop at Piraeus. Volumes handled at Piraeus Container Terminal decreased by **↓13%** (y/y) in January 2024, while traffic at Suez Canal Container Terminal fell by **↓3%**. The following side-by-side image shows the disparity between the impact of the diversions and the resultant container throughput:

Figure 17 – Change in average weekly container vessel call capacity (1Q24 vs. 4Q23)*



Source: Drewry

While carriers continue to serve Jeddah and King Abdullah, they are substituting mainline vessel calls with more minor shuttle services from Mediterranean hubs to the northern Red Sea. Dammam has experienced some additional calls in 1Q24, with growth partly attributed to a low base in 4Q23. Colombo, a port in Sri Lanka, is emerging as a crucial transhipment hub, facilitating cargo transfer between services diverted via the Cape and those to/from the Middle East. It has witnessed an **↑11%** increase in average weekly vessel capacity in 1Q24, with year-to-date throughput up by **↑30%** as of the end of February.

iii. Global container summary

Last week, the global containership fleet reached a milestone of **29 million TEU** as new vessel deliveries maintained a brisk pace. Nearly **200 000 TEUs** were added to the market in the past month, contrasting sharply with the mere **2 200 TEUs** scrapped during the same period. Despite this rapid expansion of the fleet, charter rates have continued to rise, indicating sustained demand. Carriers remain undeterred by recent corrections in freight rates, with many still pursuing market share growth. ONE's new midterm plan outlines an ambitious strategy to double its current orderbook by 2030, reflecting a commitment to aggressive

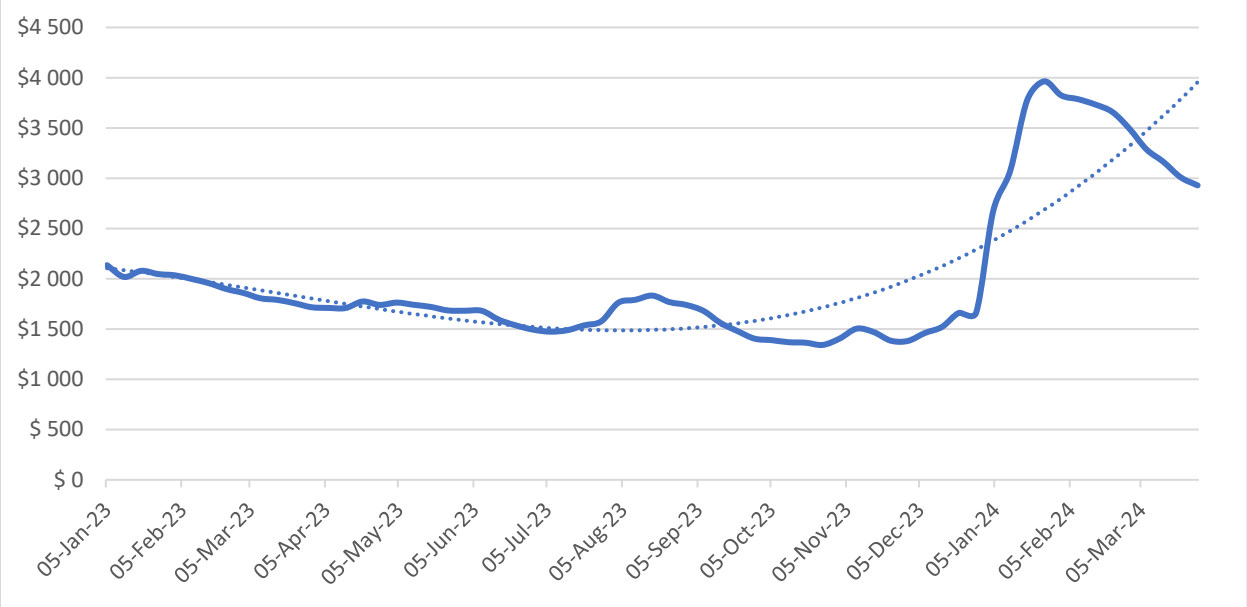
[15] Hadland, E. 27/03/2024. East Mediterranean hubs suffer as Red Sea crisis persists.

expansion. Similar moves are anticipated from other carriers seeking to catch up. Elsewhere, global port congestion remains stable this week and is currently affecting **~5,6%** of the total fleet; however, the situation in Baltimore is set to have a ripple effect throughout the industry[16]. The situation at Durban continues to draw attention but has improved, as Durban remains on the first page of Linerlytica's "*Port Congestion Watch*"; however, the queue-to-berth ratio at Durban has improved to **0,83**[17] on Thursday. The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is stable and is currently trending at around **7%**[18].

iv. Global container freight rates and carrier profits

Global container rates continued their fall and broke through the **$ 3,000 mark**, as the "*World Container Index*" is down by **↓2,7%** (or **$81**) to **$2 929** per 40-ft container[19]. The following figure shows the movement of the index since the beginning of last year:

Figure 18 – World Container Index assessed by Drewry (last 18 months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

All major routes fell between **↓1-6%**, with the most significant drop on the Shanghai – New York route. The composite index remains up by **↑71%** compared to the same week last year and **↑106%** higher than the average 2019 pre-pandemic rates of **$1 420**. In the charter market, the rate increases have stabilised, as the Harper Petersen Index (*Harpex*) is currently trending at ***1 220 points***, up by **↑0,3%** (w/w) and up by **↑15%** (y/y) versus this time last year[20]. Financially, *Sea Intelligence* this week reported that the container industry operating profit/loss in Q4 of 2023 reached a combined EBIT loss of **-$1,44 billion**[21]. Maersk (**-$920 million**), Hapag-Lloyd (**-$252 million**), ONE (**-$248 million**), Yang Ming (**-$109 million**), ZIM (**-$54 million**), and Wan Hai (**-$41 million**) all recorded EBIT losses in 2023-Q4. Comparing across the same set of shipping lines (minus ONE due to lack of historical reference points, and including Evergreen and HMM, both of whom had operating profits in 2023-Q4), this was the highest combined Q4 EBIT loss in 2012-2023, with the previous

[16] Van Marle, G. 26/03/2024. Ripples from bridge collapse will give importers a headache.
[17] Linerlytica. 27/03/2024. Port Congestion Watch.
[18] Drewry. 29/03/2024. Cancelled Sailings Tracker.
[19] Drewry. 28/03/2024. World Container Index.
[20] Harper Petersen Index. 29/03/2024. HARPER PETERSEN Charter Rates Index.
[21] Murphy, A. 28/03/2024. $1,44 billion EBIT loss (so far) in 2023-Q4.

highest of **-$455 million** recorded in 2015-Q4. In assessing these figures, we should bear in mind that the world's largest carrier, MSC, is privately owned and, therefore, does not report on its financial performance.

v. Further developments of note

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

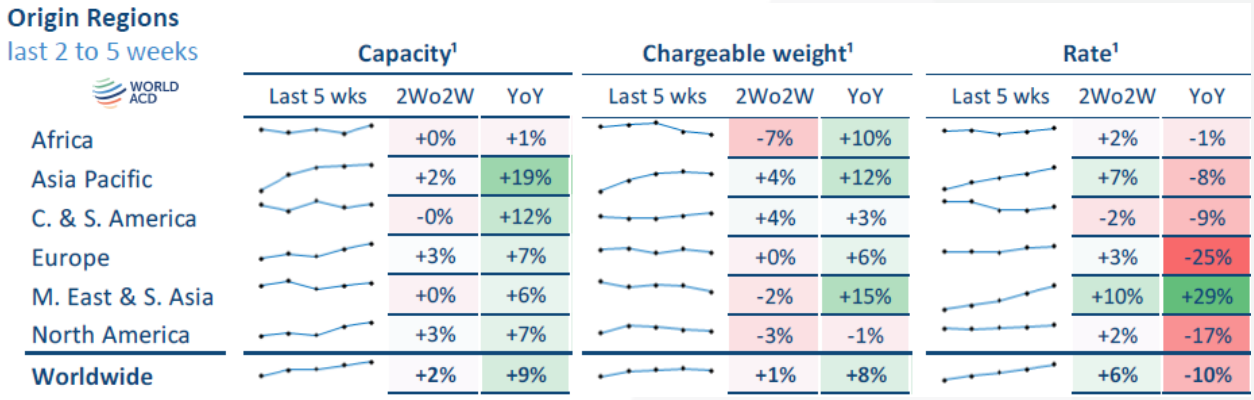
1. **Maersk hits back at 'misleading' and 'outdated' ETS claims:**
    a. Maersk denies claims of overcharging on EU ETS surcharges and refutes Transport & Environment's (T&E) study as misleading and reliant on flawed analysis[22].
    b. The study claims millions in profits generated by overcharging for EU ETS compliance by the four largest European shipping lines: Maersk, MSC, Hapag-Lloyd, and CMA CGM.
    c. Maersk argues that factors beyond the ETS €/tonne calculation influence surcharges and criticises the methodology of T&E's analysis.
    d. T&E's analysis uses a €90/tonne CO2 figure for Maersk, which Maersk says is only an estimation and not a fixed price.
    e. Maersk updates its emissions surcharge quarterly to align with the latest EUA price but acknowledges that this might only partially match the fluctuating carbon price.
    f. Maersk claims that T&E's analysis focuses on selected trades and relies on outdated surcharge estimates, leading to inaccurate conclusions compared to current levels.
2. **Gemini's strategy relies heavily on hub port performance:**
    a. Maersk and Hapag-Lloyd's Gemini cooperation agreement, starting in February 2025, streamlines port calls across seven trades with 26 mainline services and 32 shuttle routes[23].
    b. The network relies on 'hub & spoke' transhipment hubs, focusing on 15 selected ports, with significant operational presence by APMT and Hapag-Lloyd.
    c. Hub ports like Tanger Med and Salalah exhibit world-class operational performance, while capacity expansion projects are underway to handle high utilisation levels.
    d. To mitigate supply chain disruption risks, efficient yard space use and buffer storage at hub ports are crucial, emphasising the importance of strong operational performance.

b. Global air cargo industry

The international air cargo market is experiencing rising rates, particularly from vital global regions such as Asia Pacific and the Middle East and South Asia (MESA). This trend is fueled by ongoing disruptions in container shipping and increased demand for cross-border e-commerce shipments. According to WorldACD Market Data's latest weekly analysis, the average global rate increased by approximately **↑3%** in week 12 (18-24 March) to **$2,45 per kg**, remaining within **10%** of its elevated level compared to the same period last year. Despite a slight decrease in global tonnages (**↓2%**) in week 12 compared to the previous week, combined tonnages for weeks 11 and 12 were up by **↑1%** compared to the preceding two weeks. Average rates also saw a ↑6% increase over the same two-week period, with capacity up by **↑2%**. The notable **↑6%** rate increase over two weeks was primarily driven by a **↑10%** rise in rates from the Middle East and South Asia and a **↑7%** increase from Asia Pacific origin points.

[22] Bartlett, C. 26/03/2024. Maersk hits back at 'misleading' and 'outdated' ETS rip-off claims.
[23] Drewry. 25/03/2024. Gemini's strategy relies heavily on hub port performance.

Figure 19 – Capacity, chargeable weight and rates (5w/5w)



Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+0%	+1%		-7%	+10%		+2%	-1%
Asia Pacific		+2%	+19%		+4%	+12%		+7%	-8%
C. & S. America		-0%	+12%		+4%	+3%		-2%	-9%
Europe		+3%	+7%		+0%	+6%		+3%	-25%
M. East & S. Asia		+0%	+6%		-2%	+15%		+10%	+29%
North America		+3%	+7%		-3%	-1%		+2%	-17%
Worldwide		+2%	+9%		+1%	+8%		+6%	-10%

Source: World ACD

Year-on-year comparisons six weeks after the Lunar New Year show significant demand improvements, with global tonnages up ↑8%, led by ↑15% from the Middle East and South Asia and **↑12%** from Asia Pacific. Despite a **↓10%** decrease in average rates compared to last year, they remain **↑36%** higher than in March 2019, while worldwide air cargo capacity increased by **↑9%**, notably from Asia Pacific (**↑19%**) and Central and South America (**↑12%**).

ENDS[24]

[24]**ACKNOWLEDGEMENT:**

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