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Cargo Movement Update #181[1]

Date: 12 April 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)	18 057	25 203	**43 260**	24 258	32 167	**56 425**	↓23%
Air Cargo (tons)	4 578	2 175	**6 752**	4 069	2 392	**6 460**	↑5%

Monthly Snapshot

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

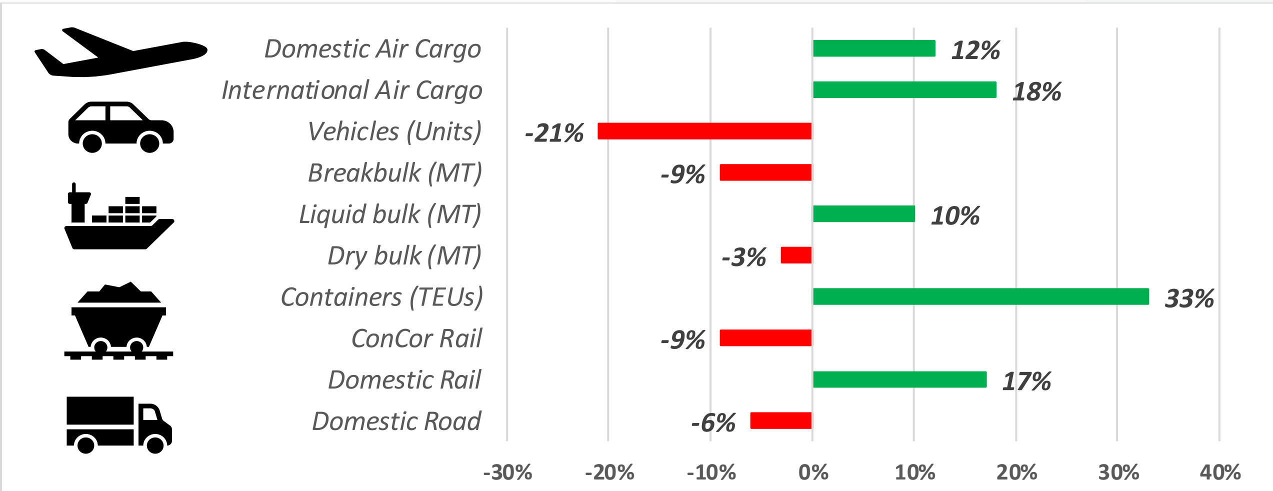
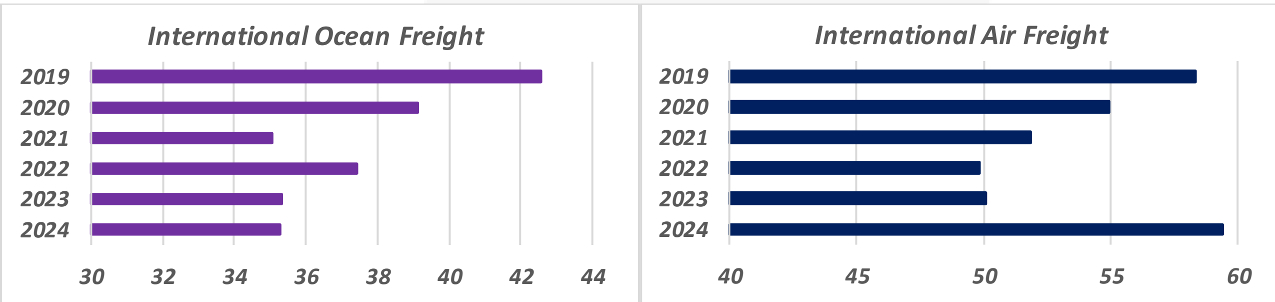


Figure 2 – Year-to-date flows 2019-2024[5]: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 180 containers** was handled per day, with **~ 8 690 containers** projected for next week.
- Cross-border queue: **↑7,4 hrs**; transit: **↑1,2 hrs**; SA borders: **12,9 hrs** (**↑11%**); SADC borders: **8,3 hrs** (**↑17%**).
- Rail cargo handled out of Durban was reported at **1 704** containers, down by **↓24%** from last week.
- Port congestion in Durban has improved this week, with the queue-to-berth ratio down to **0,55**.
- Global freight rates have again decreased this week – by **↓1,4%** (or **$41**) to **$2 795** per 40-ft container.
- Global air cargo shows rates are down (**↓4%**), but capacity (**↑7%**) and chargeable weight (↑1%) are up.

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[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 *181[th]* 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 **6 180 containers** per day, significantly down from the **8 061 containers** last week. Terrible weather, equipment breakdowns, and a system failure dominated port operations. Gale force winds ensured that more than 60 operational hours were lost in Cape Town this week. In contrast, equipment breakdowns, a system failure, and adverse weather constituted the majority of delays in Durban. Our Eastern Cape Ports were severely impacted by strong winds, rain, and vessel ranging, while approximately 30 operational hours were lost at the Port of Richards Bay due to high swells and poor weather conditions. Minimal reports were received from TFR this week; however, the reports that were received indicated that no major incidents took place on the ConCor line recently.

The 2024 WTO report outlines global trade trends, noting a rebound in tradable goods demand driven by income growth in advanced economies despite a 2023 merchandise trade volume decrease due to inflation. The Director-General emphasises resilient supply chains and a robust multilateral trading framework, though risks like geopolitical tensions and trade fragmentation persist. Commercial services exports grew in 2023, offsetting merchandise trade decline, with import volumes decreasing in Europe due to energy prices and inflation. Despite challenges, global trade remained above pre-pandemic levels. Stable GDP growth is projected for 2024-2025, contrasting with merchandise trade slowdown from inflation's impact on consumption. Geopolitical tensions reshaped trade patterns, prompting nations to reconsider trade benefits. Digitally delivered services trade surged, notably in Africa and South America. Addressing geopolitical tensions and fostering resilient supply chains are critical for sustaining global trade growth and economic stability. Global port congestion, affecting **4,8% of the fleet**, has slightly improved, notably in Durban. Other developments included **(1)** the first methanol mainliner completing a maiden trip and **(2)** vehicle imports clogging up terminals at European auto ports.

In the air cargo industry, the daily average of air cargo handled at ORTIA in the previous week amounted to **653 980 kg** inbound (**↑13%**, w/w) and **310 643 kg** outbound (**↓9%**), resulting in an average of **964 623 kg per day**. The industry continues to exceed cyclical levels of both last year (**↑3%** versus April 2023) but below pre-pandemic 2019 (**↓13%** versus April 2019). Inbound cargo remains singificantly up; however, outbound cargo has dropped slightly of late. Internationally, worldwide air cargo rates have continued to rise into the first week of April, boosted by a surge in prices and demand from Middle East and South Asia origins, despite a fall in tonnages from most regions linked to various holiday periods around the world, including Easter, Ramadan, and China's Qingming Festival.

In regional cross-border road freight trade, average queue times increased significantly – by **more than seven hours**, while transit times also increased – but only by around **an hour** from last week. The median border crossing times at South African borders increased by **an hour and a half**, averaging **~12,9 hours** (**↑11%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by the same magnitude and averaged **~8,3 hours** (**↑17%**, w/w). On average, five SADC border posts took more than a day to cross, including Beitbridge, Kasumbalesa (the worst affected, with both taking almost **two days** to cross), Katima/Mulilo, Kazungula OSBP, and Tunduma OSBP. Other developments included **(1)** SARS systems update and delays, **(2)** SADC Licence Requirement and PrDP Endorsement, and **(3)** a change in road toll issuing authority at Nakonde. Lastly, monthly cross-border road figures for March at key border posts show the following changes: Beitbridge is up by **↑7%**, Skilpadshek is unchanged, Ramatlhabama is up by a significant **↑18%**, Kopfontein is up by **↑9%**, and Groblersbrug also up by **↑14%** (all m/m).

In summary, international trade in goods continues its slight upswing, albeit not very rapidly – as showcased by the latest trade figures from the WTO. In the containerised market, however, the sentiment is cautiously optimistic, with signs of recovery in demand for tradable goods. Despite these positive signals globally, South Africa must focus on enhancing its operational performance to benefit from the improving international sentiment fully. This requires concerted efforts to address domestic challenges such as port congestion, logistical inefficiencies, and regulatory hurdles. With a proactive approach and strategic planning, South Africa can hopefully close the current inefficiency gaps and capitalise on emerging opportunities and contribute significantly to the global trade landscape.

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 6 to 12 April [6]

7-day flow forecast (06/04/2024 – 12/04/2024)		
TERMINAL	NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 502	4 776
DURBAN CONTAINER TERMINAL PIER 2:	8 696	11 441
CAPE TOWN CONTAINER TERMINAL:	1 431	2 116
NGQURA CONTAINER TERMINAL:	3 825	5 426
GQEBERHA CONTAINER TERMINAL:	603	1 444
TOTAL:	**18 057**	**25 203**

Source: Transnet, 2024. Updated 12/04/2024.

Table 3 – Container Ports – Weekly flow predicted for 13 to 19 April

7-day flow forecast (13/04/2024 – 19/04/2024)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 951	6 175
DURBAN CONTAINER TERMINAL PIER 2:	12 946	10 811
CAPE TOWN CONTAINER TERMINAL:	3 668	6 402
NGQURA CONTAINER TERMINAL:	6 032	5 867
GQEBERHA CONTAINER TERMINAL:	2 004	1 977
TOTAL:	**29 601**	**31 232**

Source: Transnet, 2024. Updated 12/04/2024.

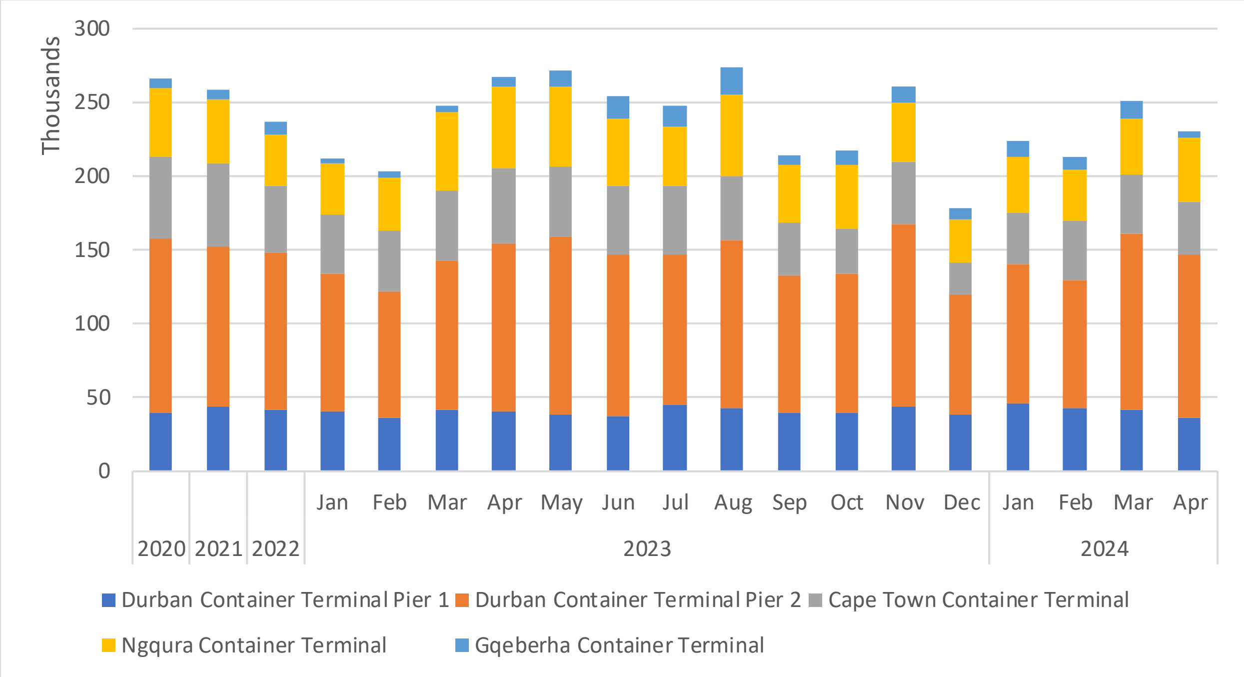
An average of **~6 180** containers (**↓23%**) was handled per day for the last week (*6 to 12 April*, *Table 2*), compared to the projected average of **~7 876 containers** (**↓22%** actual versus projected – mainly because of the terrible weather) noted in last week's report. For the coming week, an increased average of **~8 690 containers** (**↑41%**) is predicted to be handled (*13 to 19 April*, *Table 3*) in a best-case scenario. Adverse weather, equipment breakdowns, and a system failure dominated Port operations.

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.

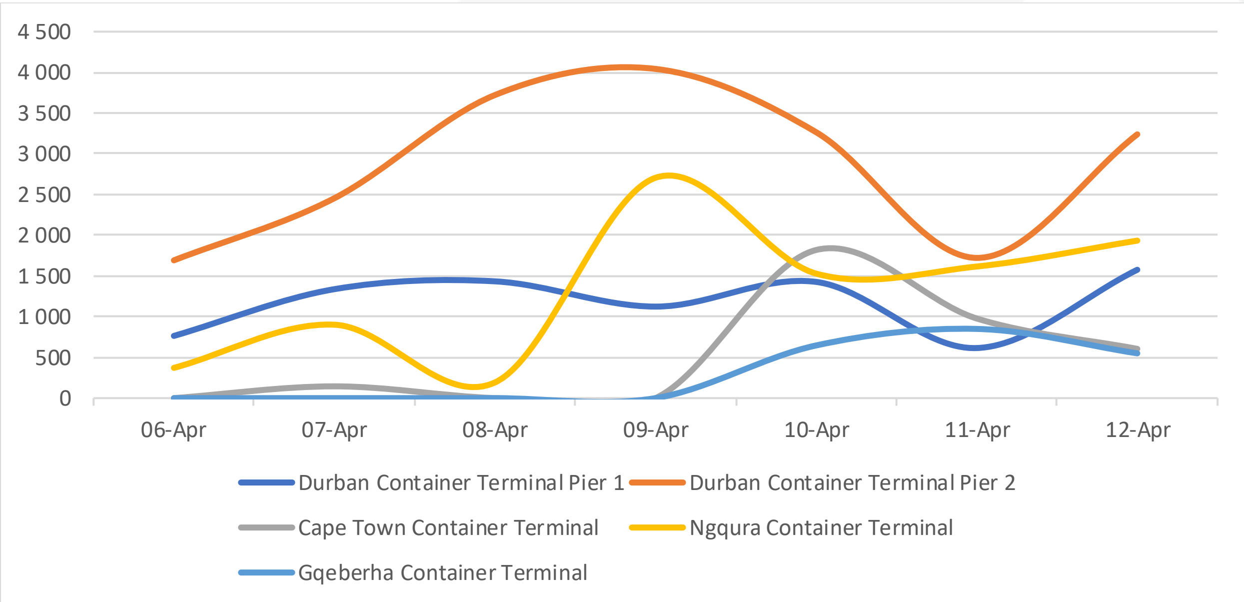
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

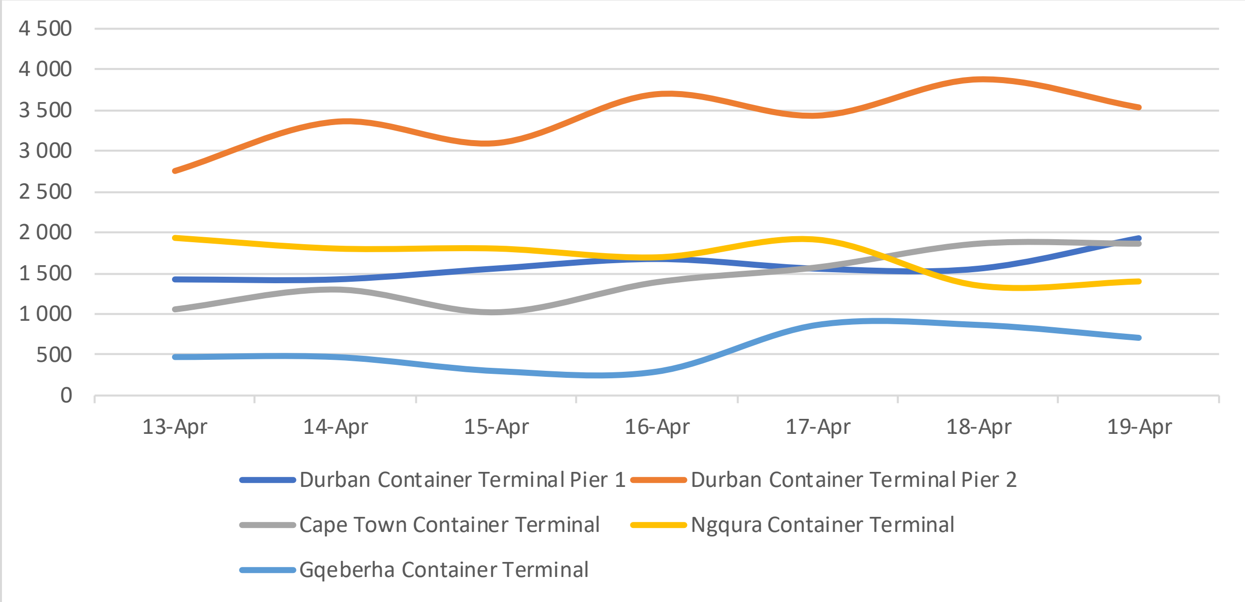
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (6 to 12 April; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

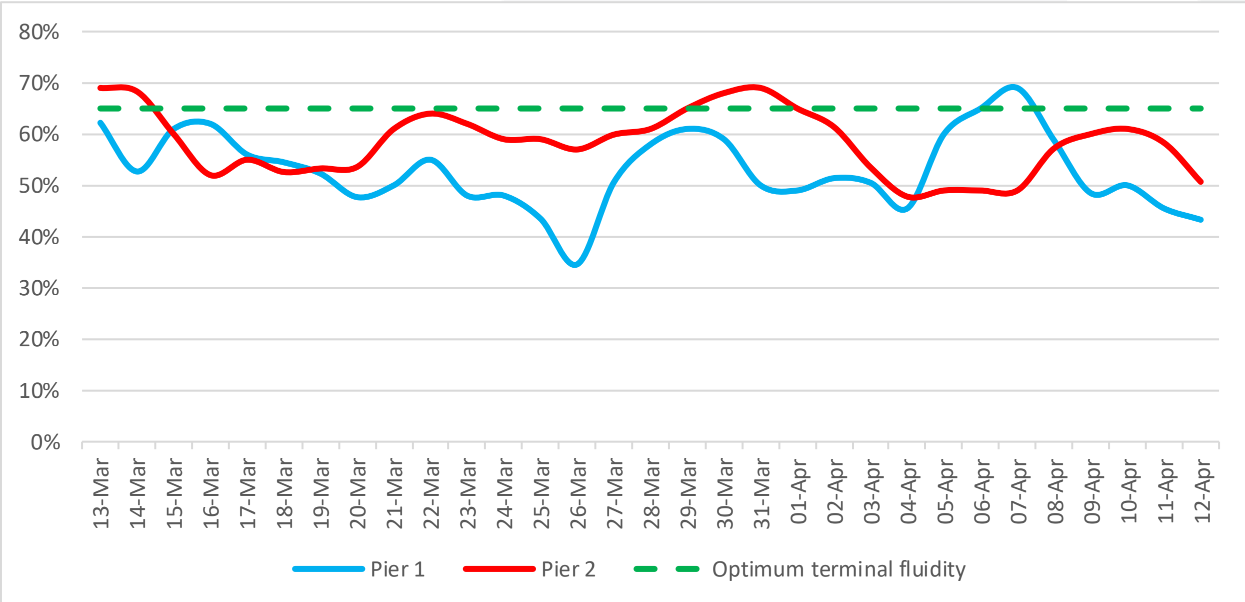
Figure 5 – 7-day forecast reported for total container movements (13 to 19 April; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

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

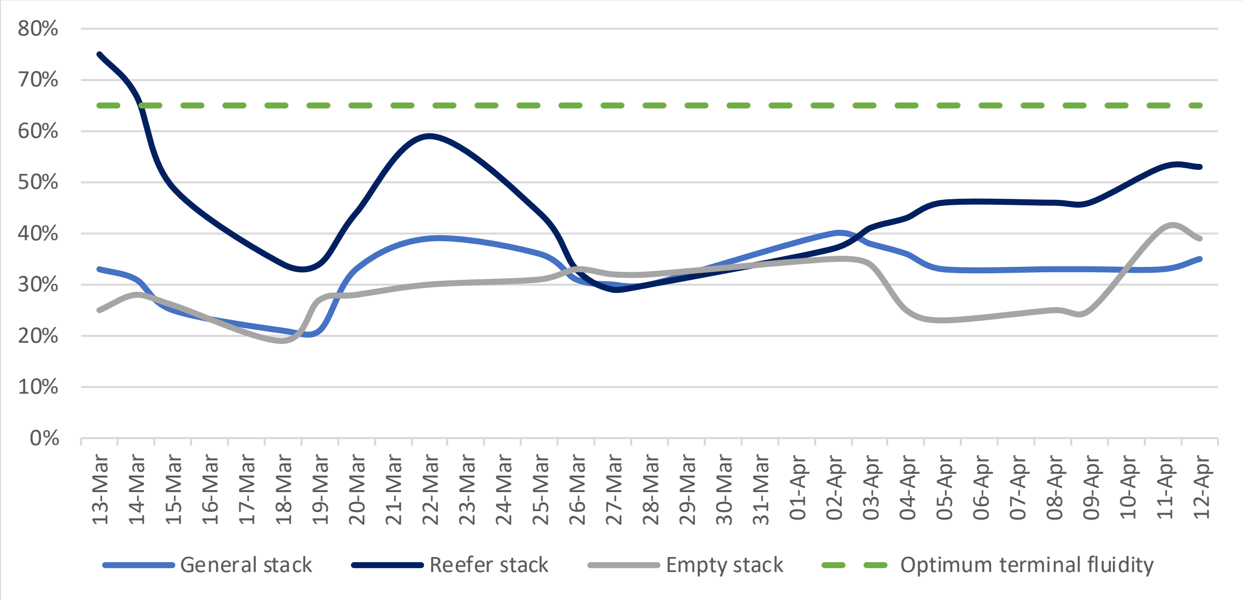
Figure 6 – Stack occupancy in DCT, general-purpose containers (6 March to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

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 (6 March to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

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

- Inclement weather resulted in more than 60 operational lost hours in Cape Town this week.
- Equipment breakdowns, a system failure, and adverse weather delays operations in Durban.
- Our Eastern Cape Ports were severely impacted by strong winds, rain, and vessel ranging.
- More than a day was lost at the Port of Richards Bay due to high swells and poor weather conditions.

ii. Cape Town

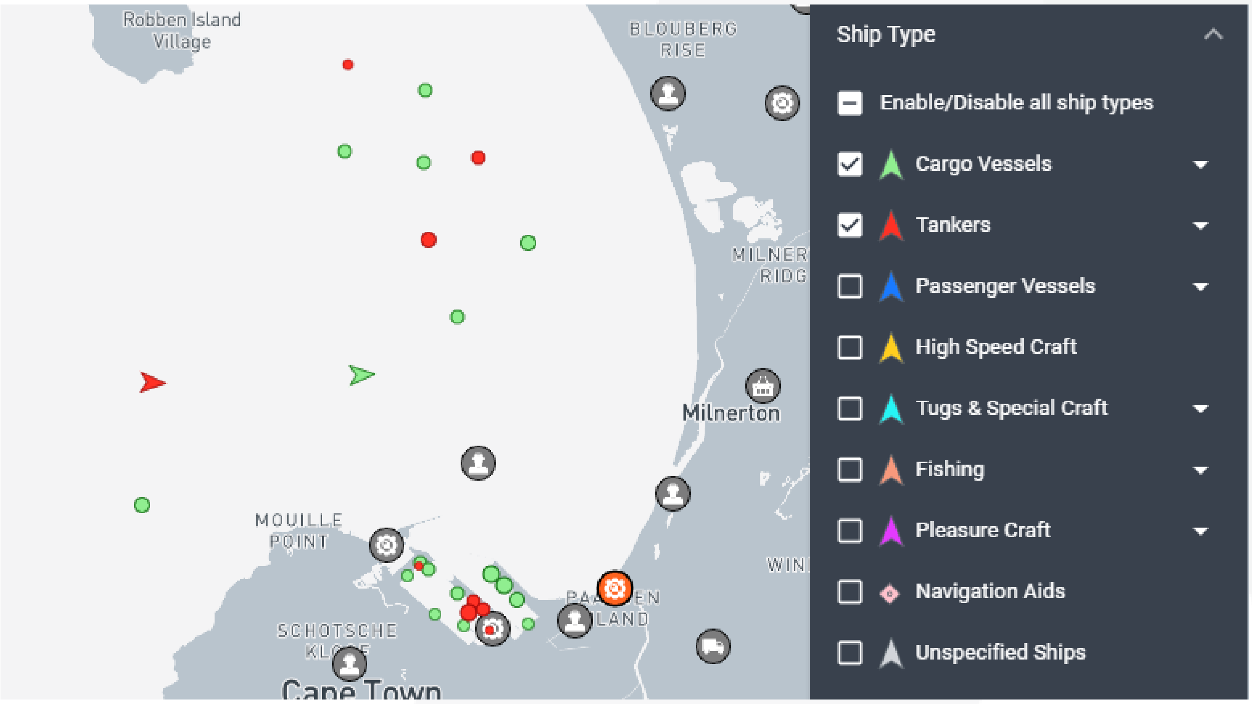
On Wednesday, CTCT recorded three vessels at berth and three at anchor as poor weather conditions returned this week. The terminal lost more than 60 operational hours this week due to strong winds and heavy rain. In the 24 hours between Wednesday and Thursday, stack occupancy for GP containers was recorded at 33%, reefers at 53%, and empties at 41%. During this period, the terminal operated with six STS cranes, 24 RTGs, and 42 hauliers. Cranes LC1, LC4, and LC5 were out of commission for the most significant part of the week, with no clear ETR available yet.

The multi-purpose terminal recorded zero vessels at anchor and three at berth on Wednesday. In the preceding 24 hours, the terminal managed to service 208 external trucks at an undisclosed truck turnaround time on the landside. During the same period, CTMPT managed to move 326 TEUs and 625 tons of barley across the quay on the waterside despite experiencing operational delays surpassing 14 hours. Stack occupancy was recorded at 38% for GP containers, 68% for reefers, and 47% for empties. Throughout the week, the terminal lost over 50 operational hours for a second consecutive week, as 85 operational hours were lost the week before.

During the week of 1 to 7 April 2024, the FPT terminal serviced six vessels comprising two multi-purpose vessels, one dry bulk vessel, two layby vessels, and one container vessel. Berth occupancy during this period was recorded at 49%. During the week, 2 042 TEUs were handled at ~ nine containers per hour, 1 255 tons of general breakbulk cargo at ~52 tons per hour, and 280 tons of dry bulk were handled at ~140 tons per hour. FPT planned to handle nine vessels between 08 and 14 April, with another five planned between 15 and 21 April. Inclement weather conditions constituted the majority of the delays encountered at the terminal this week. The Ishyka was delayed for at least ~15 hours, the Grey Fox for ~38 hours, the Karoline for at least ~10 hours, and the Team Bravo for ~13 hours.

At midday on Friday, six vessels were waiting outside at anchorage in Cape Town, with the following snapshot of the port and vessels waiting to berth:

Figure 8 – Cape Town vessel view (per vessel group)



Source: Marine Traffic. Updated 12/04/2024 at 14:00.

iii. Durban

Towards the end of the week, the port only operated with four tugs as one of the tugs started overheating. The technical team is currently attending to the matter and indicated that a fifth tug will be made available from Monday onward. Additionally, the floating crane remained in service this week but experienced some operational challenges due to the adverse weather and the crane's limited manoeuvrability.

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, and two vessels at anchor. Stack occupancy was 43% for GP containers and remained undisclosed for reefers. Between this week, the terminal managed to execute 5 036 gate moves on the landside at an average truck turnaround time of ~130 minutes, with an average staging time of ~132 minutes. Additionally, towards the end of the week, the terminal had 1 569 imports on hand, with 59 being unassigned.

Pier 2 had four vessels on berth and six at anchorage on Thursday as adverse weather conditions impacted the terminal throughout the week. In the preceding 24 hours, stack occupancy was 51% for GP containers and 39% for reefer ground slots. The terminal operated with 11 gangs while moving 3 239 containers across the quay. During the same period, there were 3 013 gate moves on the landside, of which 1 358 were for imports and 1 655 were for exports. The average truck turnaround time for the week was recorded at ~106 minutes, with an average staging time of ~115 minutes. Additionally, 317 rail containers were on hand, with 237 units moved by rail. The terminal had a reported 57 straddles (**↓~1, w/w**) in operation, translating to an availability figure of approximately **60%**, which is around **↓25%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.

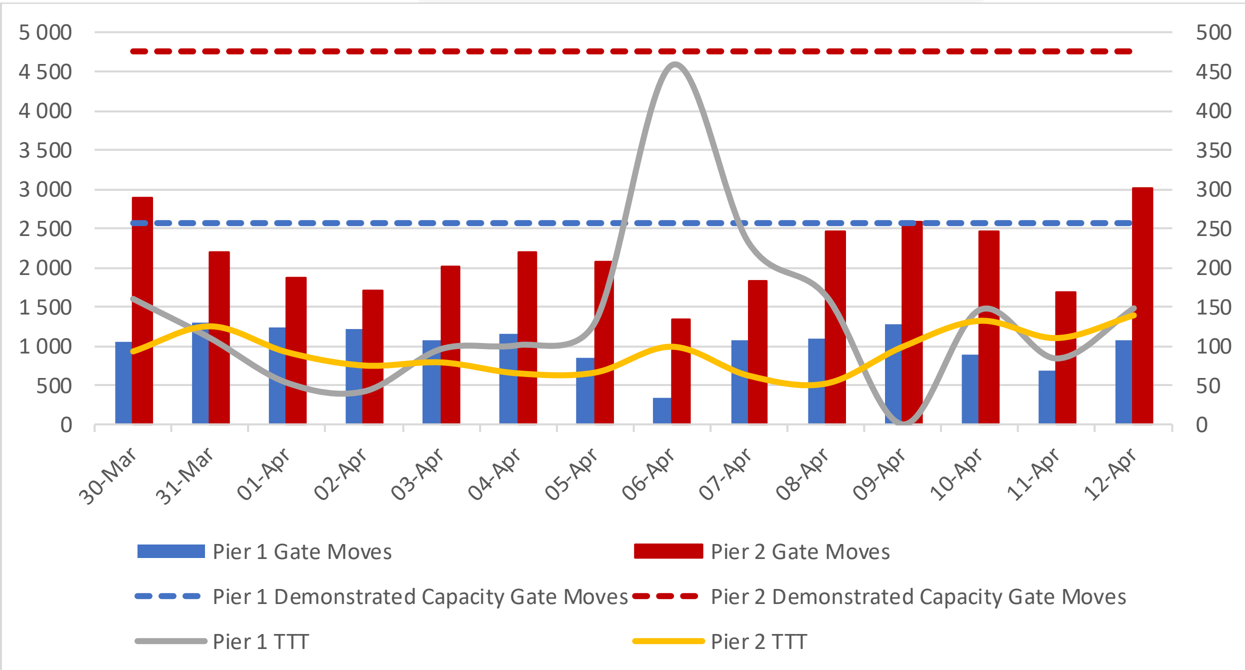
Durban's MPT terminal recorded three vessels at berth on Wednesday and two vessels at outer anchorage. On the waterside, 137 containers and 2 750 tons of break-bulk were moved across the quay, while 261 container road slots and 127 breakbulk RMTs carrying 3 699 tons were serviced on the landside. Stack occupancy for breakbulk was recorded at 69% and 53% for containers. During the same period, three cranes, five reach stackers, one empty handler, seven forklifts, and 16 ERFs were in operation. Crane 03 went out of service this week due to some cable issues, and no ETR is available yet.

On Thursday, the Maydon Wharf MPT had two vessels on berth and zero at outer anchorage while handling 5 584 tons of cargo on the waterside. On the landside, 76 trucks conveying 2 489 tons were serviced. No volumes were handled at the Agri-bulk facility this week as the next vessel is only anticipated to arrive on 13 April.

On Wednesday, the Ro-Ro terminal in Durban recorded zero vessels on the berth, with none at anchorage as the last vessel completed and sailed. In the previous 24 hours, the terminal handled 811 road units and 132 rail units on the landside while handling 1 294 units on the waterside. During the same period, overall stack occupancy was recorded at 61% (comprising 70% exports, 8% imports, and 22% transshipments), Q/R was recorded at 20%, and the G-berth stack was very low at 5%. The terminal had 227 high-and-heavies (abnormal loads) on hand and managed to despatch 12. Earlier this week, waterside operations at the Ro-Ro terminal in Durban were delayed due to a national system failure, which put the scanners out of commission for about six hours.

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.

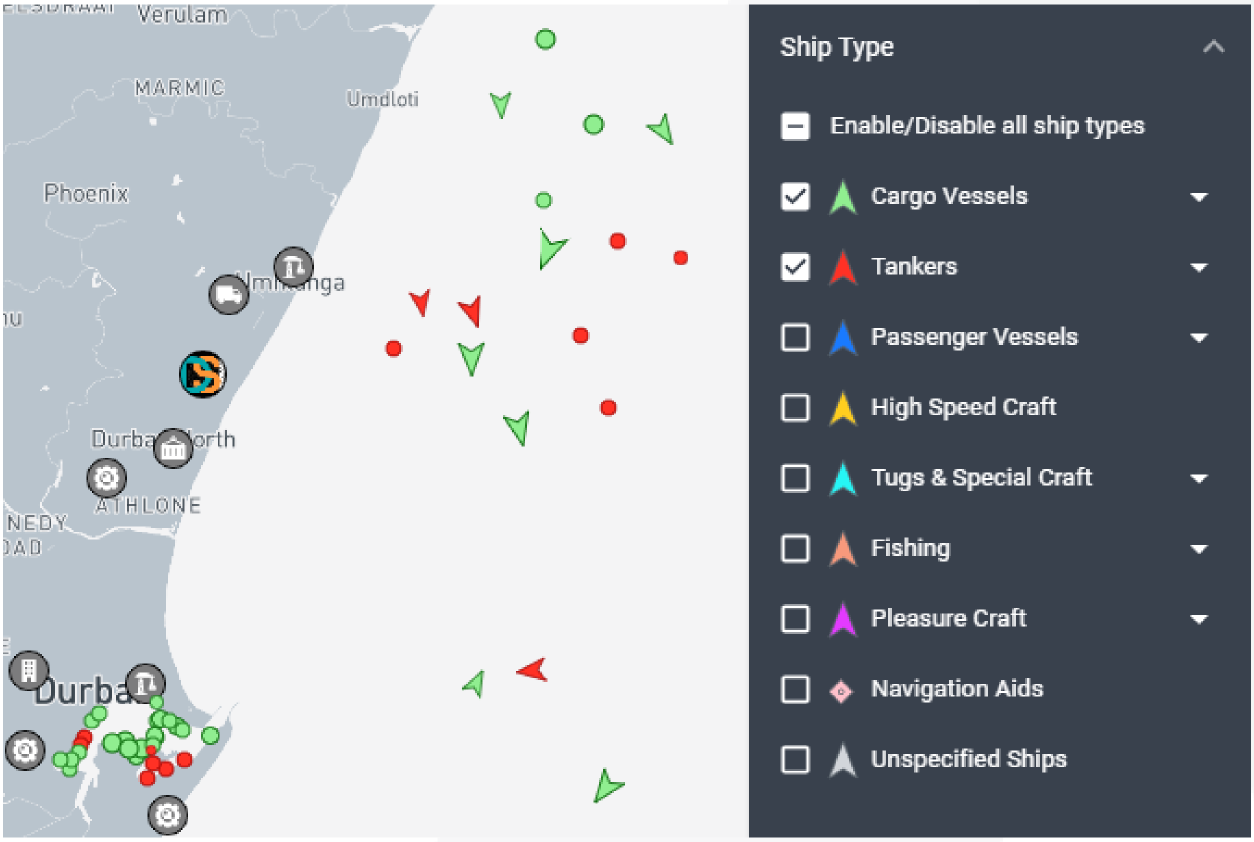
Figure 9 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 12/04/2024.

A queue of vessels waiting outside Durban remains. At midday on Friday, six vessels were waiting for Pier 2, two for Pier 1, and two for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 10 – Durban vessel view (per vessel group)



Source: Marine Traffic. Updated 12/04/2024 at 14:00.

iv. Richards Bay

On Thursday, Richards Bay recorded ten vessels at anchor, while 12 vessels were berthed, consisting of two at DBT, six at MPT, two at RBCT, and two at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. However, operations were suspended between Wednesday and Thursday due to high swells. During the same period, the coal terminal had three vessels at anchor and one at berth while handling 139 841 tons on the waterside. On the landside, 23 trains were serviced, exceeding the target of 22.

v. Eastern Cape ports

On Wednesday, NCT recorded two vessels on the berth and one vessel at the outer anchorage, with three 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 32% for GP containers, 34% for reefers, and 64% for reefer ground slots, as a total of 1 616 TEUs were processed on the waterside. Additionally, 236 trucks were serviced on the landside at a truck turnaround time of ~42 minutes. Throughout the week, the terminal lost more than 30 operational hours due to adverse weather and vessel ranging.

On Thursday, GCT had one vessel on berth and none at anchor. In the preceding 24 hours, the terminal had two tugs, one pilot boat, two pilots, and one berthing gang in operation. On the landside, 190 trucks were processed at a truck turnaround time of ~15 minutes, while 323 TEUs were handled across the quay on the waterside. Between Wednesday and Thursday, the Ro-Ro terminal had zero vessels on berth or at anchor, as the next vessel is destined to arrive on Saturday, 13 April. Stack occupancy at the terminal was recorded at 33%.

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

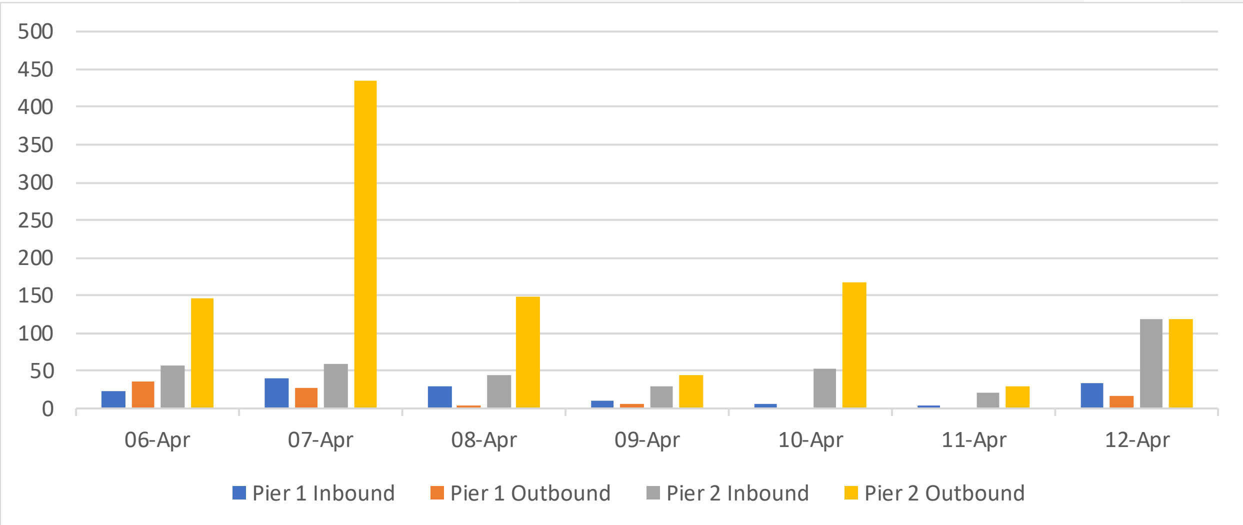
vi. Saldanha Bay

On Thursday, the iron ore terminal had one vessel at anchorage and one on the berth, while the multi-purpose terminal had two vessels at anchor and one on the berth. The vessels at anchor have been waiting outside for approximately 3-8 days, while the vessels in port have been on the berth for between 2-3 days.

vii. Transnet Freight Rail (TFR)

Minimal reports were received from TFR this week; however, the reports that were received indicated that no major incidents took place on the ConCor line recently. Towards the end of the week, DCT Pier 2 had 284 over-border units on hand with a dwell time of 45 days and 98 ConCor units on hand with a dwell time of 48 hours. Rail containers on hand are split as follows: Point: 2, Pier 1: 45, Pier 2: 422, Cape Town: 30. Additionally, the terminal could only manage to execute three of the six planned load plans due to continuous equipment breakdowns and shortages.

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



Source: Calculated using data from Transnet, 2024. Updated 12/04/2024.

In the last week (*6 to 12 April*), rail cargo handled out of Durban was reported at **1 704** containers, down by ↓24% from the previous week's **2 249** 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 1 April. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *April 2023* averaged **~935 939 kg** per day.

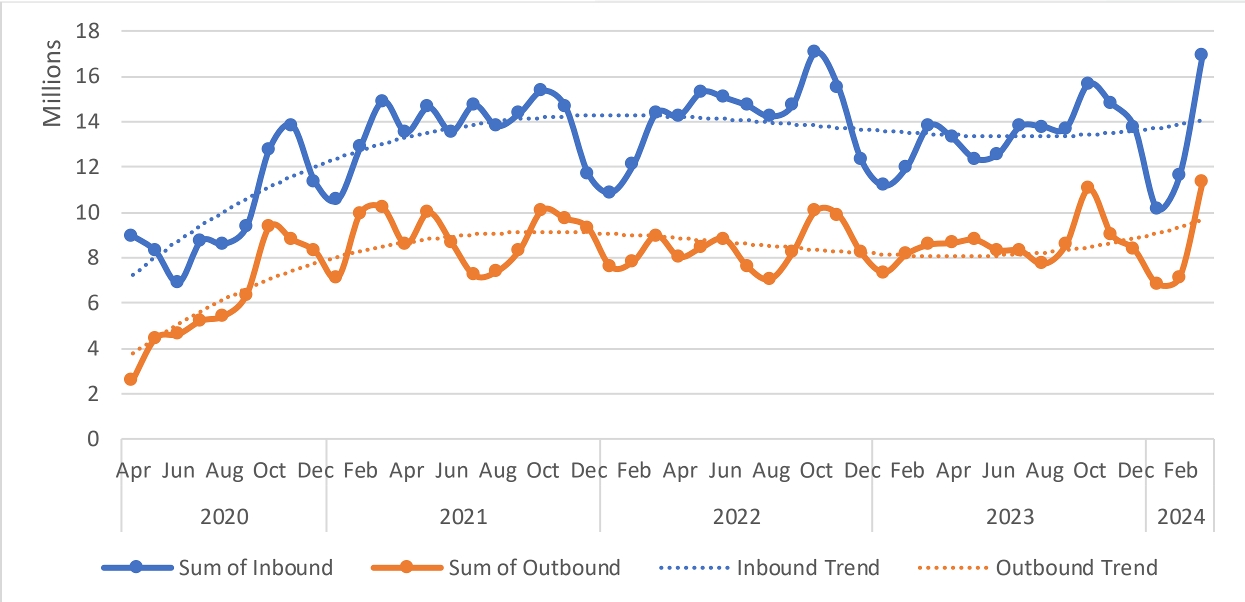
Table 4 – International inbound and outbound cargo from OR Tambo[8]

Flows	01-Apr	02-Apr	03-Apr	04-Apr	05-Apr	06-Apr	07-Apr	Week
Volume inbound	375 507	254 845	260 241	273 857	422 672	341 194	2 649 545	**4 577 861**
Volume outbound	134 566	110 299	232 724	163 611	251 147	181 085	1 101 069	**2 174 501**
Total	**510 073**	**365 144**	**492 965**	**437 468**	**673 819**	**522 279**	**3 750 614**	**6 752 362**

Courtesy of ACOC. Updated: 09/04/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to **653 980 kg** inbound (**↑13%**, w/w) and **310 643 kg** outbound (**↓9%**), resulting in an average of **964 623 kg per day**. The industry continues to exceed cyclical levels of both last year (**↑3%** versus April 2023) but below pre-pandemic 2019 (**↓13%** versus April 2019). 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)



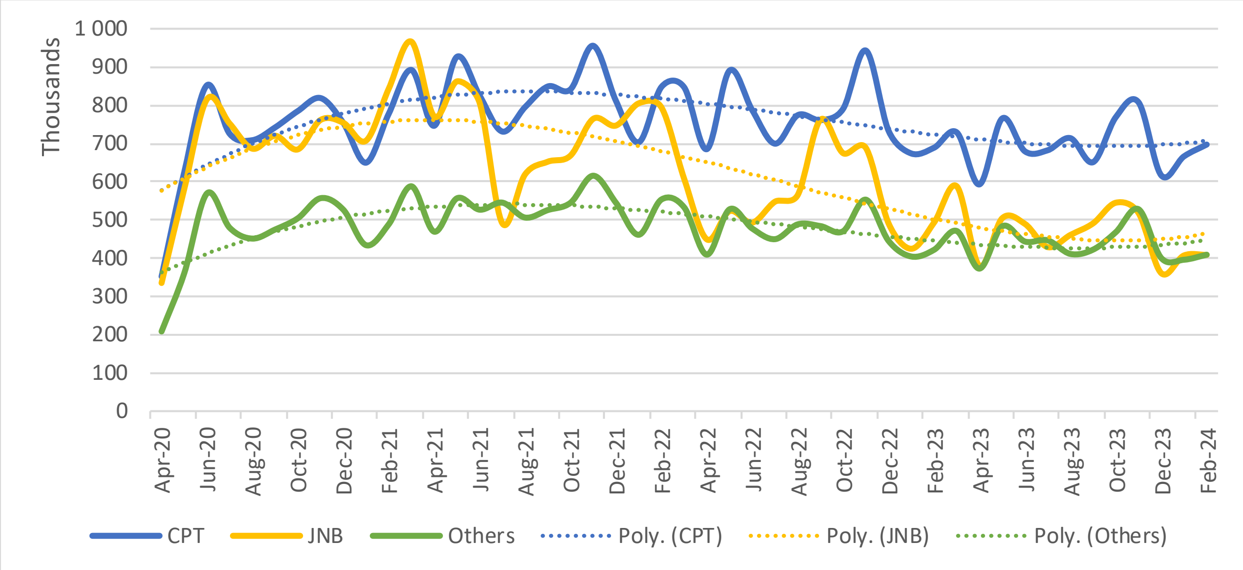
Courtesy of ACOC. Updated: 09/04/2024.

b. Domestic air cargo

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

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

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

Monthly cross-border road figures for March at key border posts show the following changes:

Table 5 – January cross-border road freight movements – South African borders

Border Post	Northbound	(%, m/m)	Southbound	(%, m/m)	Total	(%, m/m)
Beitbridge	13 449	5%	13 368	10%	**26 817**	**7%**
Skilpadshek	7 540	16%	1 411	-42%	**8 951**	**0%**
Ramatlhabama	5 425	8%	1 233	98%	**6 658**	**18%**
Kopfontein	7 006	9%	693	9%	**7 699**	**9%**
Groblersbrug	7 308	13%	6 334	16%	**13 642**	**14%**

Source: TLC, FESARTA, & Crickmay

Key developments in the last month can be summarised by the following:

- The transport industry faces ongoing challenges with lengthy queue times at borders, exacerbated by Zimra's 100% vehicle scanning and outdated equipment, leading to extensive delays into South Africa. FESARTA is engaged in discussions with Zimra to address the issue.
- Additionally, a theft incident in Durban involving trucks with fake documentation resulted in the theft of copper containers, prompting a R1 million reward offer.
- Delays at Kasumbalesa have reached up to 4-5 days due to a new IBS parking system requiring on-site payments, hindering foreign transporters who lack access to approved bank cards. However, the Korridor system offers a cashless solution, now available at Zambian border posts.
- Zambia is piloting an automated gate pass system, while Botswana's fuel import ban raises concerns following past shortages in Zimbabwe.

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 borders increased by **an hour and a half**, averaging **~12,9 hours** (**↑11%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by the same magnitude and averaged **~8,3 hours** (**↑17%**, w/w).
- SARS Customs experienced intermittent connectivity issues on Wednesday that caused EDI delays for two hours. Then, on Saturday, system updates were made from 20:00 to 23:00, which caused further minor disruptions.
- The new SADC Licence mandates drivers to possess a professional driver endorsement, known as the PrDP, in both South Africa and Zimbabwe. While Zimbabwe requires a full retest for this endorsement, South Africa only necessitates biometric renewal. However, both countries mandate the PrDP endorsement on licenses, creating a hurdle for Zimbabwean drivers who must undergo the retest. Fesarta is investigating this issue.
- ZRA has taken over road toll issuance at Nakonde from RTSA, leading to significant delays due to officers' inadequate training. Despite the Korridor system allowing pre-border payment of all road fees, drivers still encounter queues as they must submit receipts at ZRA upon arrival.
- 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 6 – 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	484	6,7	8,1	36,0	109,0	14 520
Beitbridge	Zimbabwe-SA	433	5,2	2,5	17,5	83,0	12 990
Groblersbrug	SA-Botswana	236	0,9	3,6	21,1	71,0	7 080
Martins Drift	Botswana-SA	208	2,0	0,3	2,3	30,0	6 240
Kopfontein	SA-Botswana	226	0,0	1,1	6,5	22,6	6 780
Tlokweng	Botswana-SA	22	0,0	0,2	0,3	2,5	660
Vioolsdrift	SA-Namibia	30	0,2	1,4	3,2	20,1	900
Noordoewer	Namibia-SA	20	0,2	0,4	2,3	6,6	600
Nakop	SA-Namibia	30	0,5	1,0	3,0	11,1	900
Ariamsvlei	Namibia-SA	20	0,3	0,4	1,3	8,4	600
Skilpadshek	SA-Botswana	243	0,0	2,5	14,2	26,0	7 290
Pioneer Gate	Botswana-SA	45	0,0	1,2	4,4	43,0	1 350
Lebombo	SA-Mozambique	1 446	13,3	1,3	6,2	23,1	43 380
Ressano Garcia	Mozambique-SA	125	12,1	0,6	10,4	108,0	3 750
Weighted Average/Sum		**3 568**	**3,0**	**1,8**	**9,2**	**40,3**	**107 040**

Source: TLC, FESARTA, & Crickmay, week ending 07/04/2024.

[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.

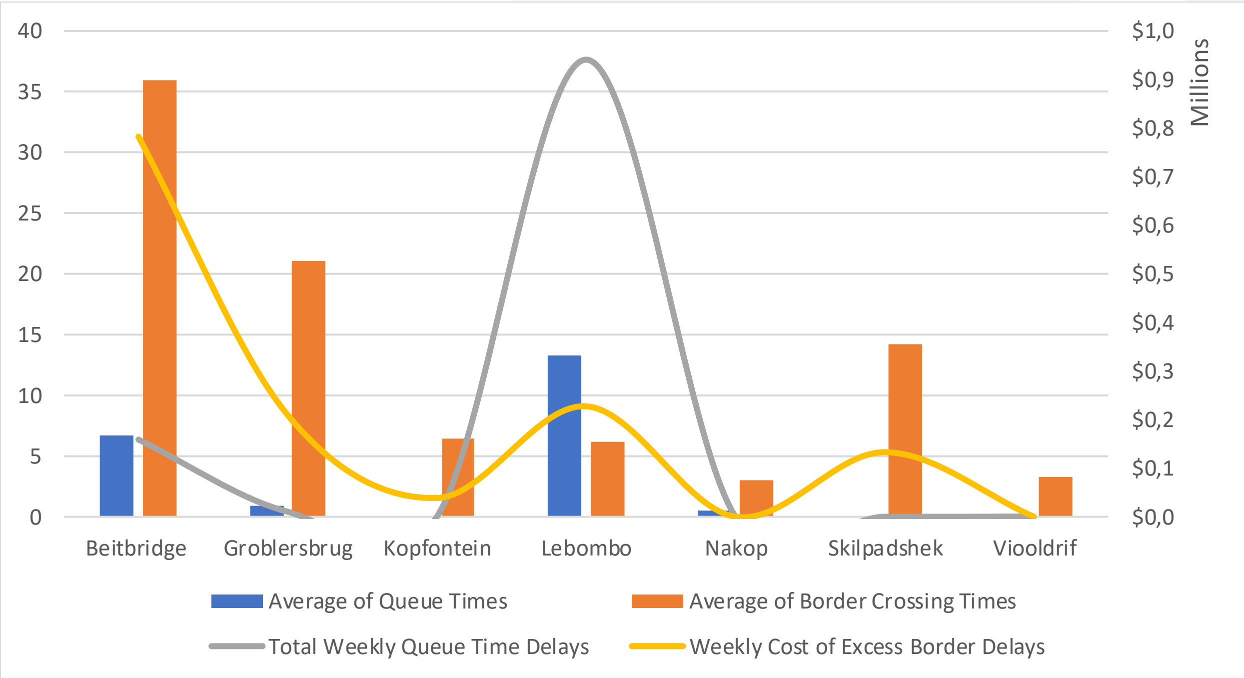
Table 7 – Delays summary – Corridor perspective

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	2,3	19,7	9 600	2 240
Central Corridor	798	0,0	0,3	5,4	23 940	5 586
Dar Es Salaam Corridor	1 819	52,9	1,4	21,9	54 570	12 733
Maputo Corridor	1 571	12,7	0,9	8,3	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 681	18,3	2,6	14,8	110 430	25 767
Northern Corridor	2 817	0,1	0,0	1,0	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,2	21,0	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	318	0,5	1,2	6,0	9 540	2 226
Trans Oranje Corridor	100	0,3	0,8	2,5	3 000	700
Weighted Average/Sum	**11 767**	**10,4**	**1,1**	**8,8**	**361 020**	**84 238**

Source: TLC, FESARTA, & Crickmay, week ending 07/04/2024.

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

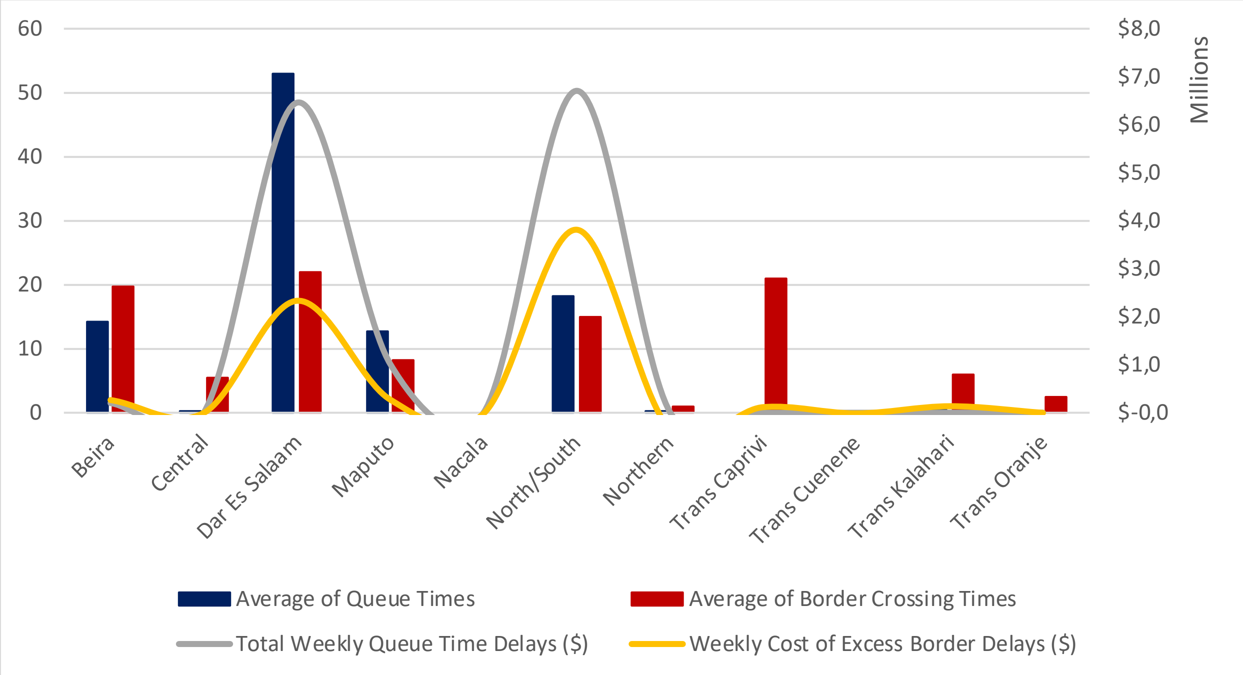
Figure 14 – Weekly cross-border delays & est. cost from an SA border perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 07/04/2024.

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 07/04/2024.

In summary, cross-border queue time averaged **~10,4 hours** (significantly up by **~7,4 hours** from the previous week's **~3,0 hours**), indirectly costing the transport industry an estimated **$14,4 million** (**R272 million**). Furthermore, the week's average cross-border transit times hovered around **~8,8 hours** (up by **~1,2 hours** from the **~7,6 hours** recorded in the previous report), at an indirect cost to the transport industry of **~$6,6 million** (**R124 million**). As a result, the total indirect cost for the week amounts to an estimated **~$21 million** (**R395 million**, up by **~R204 million** or **↑108%** from **~R191 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 trade outlook, **(b)** the global shipping industry and **(c)** the global aviation industry.

a. Global trade outlook

The latest report from the World Trade Organisation (WTO) highlights several key points regarding the global trade outlook and statistics for 2024[12]. Despite inflationary pressures in 2023, which led to a decline in world merchandise trade volume, there are signs of recovery in demand for tradable goods in 2024. The report notes that real incomes are expected to grow, particularly in advanced economies, which will bolster the consumption of manufactured goods. WTO Director-General Ngozi Okonjo-Iweala emphasises the importance of resilient supply chains and a solid multilateral trading framework for improving livelihoods and welfare. However, she also warns of risks such as geopolitical strife and trade fragmentation that could hinder economic growth and stability.

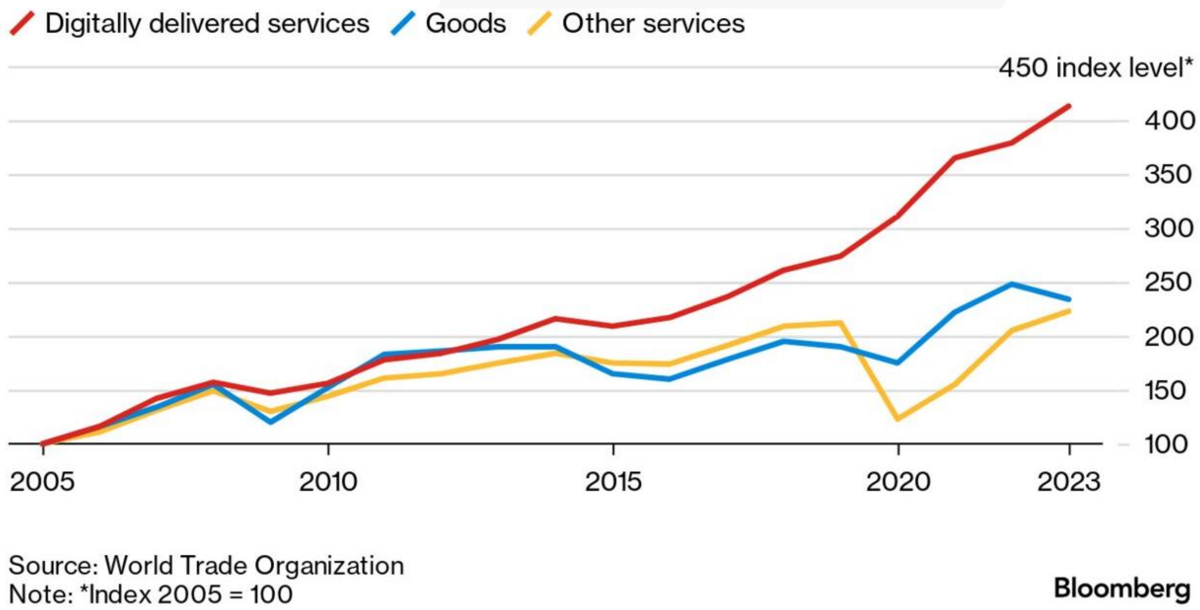
[12] WTO. 10/04/2024. WTO forecasts rebound in global trade but warns of downside risks.

While merchandise trade volume declined in 2023, commercial services exports saw positive growth, partly offsetting the decline in goods trade. Import volumes decreased in most regions, particularly in Europe, due to high energy prices and inflation. Despite these challenges, world trade remained above pre-pandemic levels throughout 2023. Looking ahead, the report projects stable global GDP growth at **↑2,6%** in 2024 and **↑2,7%** in 2025. However, the contrast between steady GDP growth and a slowdown in merchandise trade volume is attributed to inflationary pressures affecting the consumption of trade-intensive goods, especially in Europe and North America. The report also highlights downside risks to the trade outlook, including geopolitical tensions, policy uncertainty, and potential price spikes in food and energy markets. Disruptions in major shipping routes, such as the Panama Canal and the Red Sea, pose additional challenges to global trade.

Geopolitical tensions have influenced trade patterns, with some governments reevaluating the benefits of trade and taking steps to restore production and prioritise trade with friendly nations. Fragmentation in services trade is also emerging, with shifts in data flow policies along geopolitical lines potentially impacting global trade and GDP. In terms of regional trade outlook, Africa is expected to experience the fastest export growth in 2024, followed by the CIS region. Import volume growth in Asia and Africa is predicted to be strong, while other regions may see below-average growth.

The report also highlights the growth of digitally delivered services trade, which surged in 2023 and has jumped by **↑9%** since last year – surpassing pre-pandemic levels. This trend is expected to continue, particularly in regions like Africa and South America, which are capitalising on opportunities in this sector. Overall, the report underscores the importance of addressing geopolitical tensions and policy uncertainties to sustain global trade growth and economic stability. Additionally, it emphasises the need for resilient supply chains and a multilateral trading framework to support recovery efforts:

Figure 16 – Global trade in digital services, goods, and other services (index)



Source: WTO via Bloomberg

b. Global shipping industry

i. Global container summary

Despite elevated container spot rates on specific trades due to the Red Sea crisis, collapsing rates on other trades are affecting carriers' earnings. OOCL's operational update revealed a **↓9%** decrease in Q1 revenues, with a **↓12%** decrease in average revenue per TEU, despite increases in liftings and loadable capacity[13]. There were mixed results across different trades, with flat liftings on the transpacific and decreased liftings on Asia-Europe routes. However, revenues for these trades grew due to increased freight rates. Intra-Asia/Oceania routes saw volume increases but revenue declines, while the transatlantic trade experienced growth in volumes but significant revenue declines.

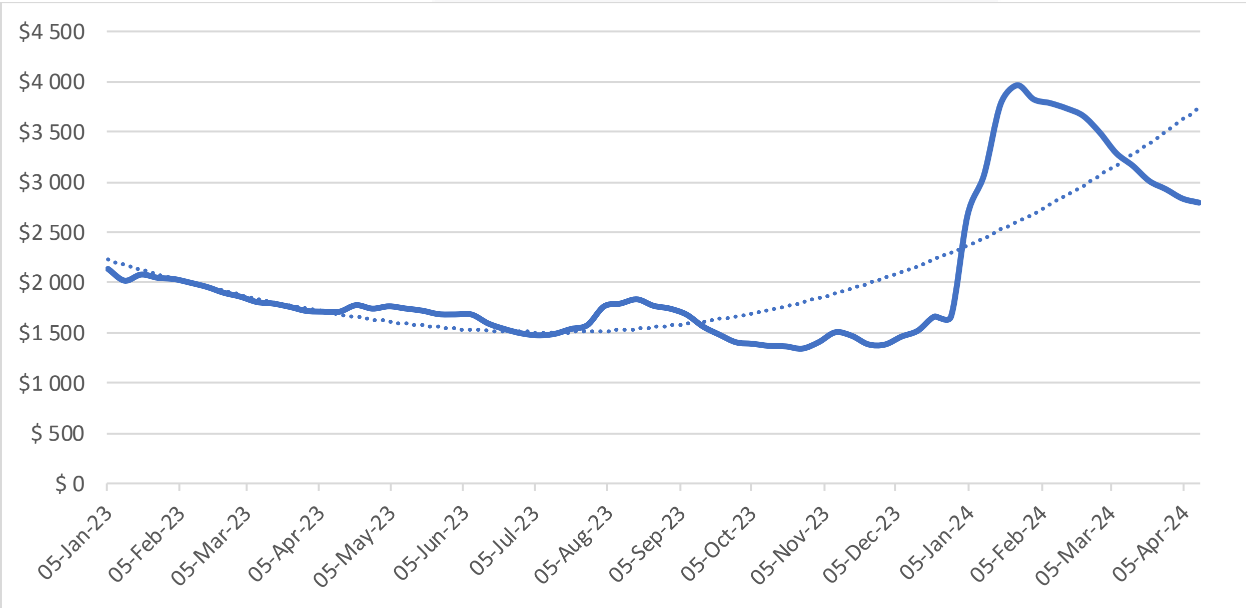
Recent spot freight data suggests some stabilisation in rates, particularly on the transatlantic route. Drewry predicts stability or minor decreases in transpacific rates but expects stability for transatlantic and Asia-Europe routes. Despite marginal pricing declines, rates remain relatively high due to ongoing disruptions like the Red Sea crisis. Negotiations for annual transpacific contracts are influenced by the discrepancy between spot rates and carriers' targeted contract levels, particularly concerning interior point intermodal destinations.

In summary, global port congestion is currently only affecting **~4,8%** of the total fleet, with Durban remaining on the first page of Linerlytica's "*Port Congestion Watch*" at a queue-to-berth ratio of **0,55**[14]. Fortunately, the situation has improved since last week and was down by **0,53** (w/w). The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is stable and decreased slightly to around **7%**[15].

ii. Global container freight rates

Global freight rates continue to decrease, with the "*World Container Index*" dropping by **↓1,4%** (or **$41**) to **$2 795** per 40-ft container[16]:

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



Source: Calculated from Drewry

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[13] Van Marle, G. 12/04/2024. 'Slow season' and ocean network stabilisation easing pressure on rates.
[14] Linerlytica. 10/04/2024. Port Congestion Watch.
[15] Drewry. 05/04/2024. Cancelled Sailings Tracker.
[16] Drewry. 04/04/2024. World Container Index.

The composite index remains up by ↑**64%** compared to the same week last year and ↑**97%** higher than the average 2019 pre-pandemic rates of **$1 420**; however, both comparisons continue to drop. In the charter market, the rate continues to stabilise, as the Harper Petersen Index (*Harpex*) is currently trending at ***1 230 points***, up by ↑**0,1%** (w/w) and up by ↑**9%** (y/y) versus this time last year[17].

iii. Further developments of note

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

1. **First methanol mainliner completes maiden trip:**
    a. The world's first methanol-enabled mainliner, the 16 592 TEU ANE MAERSK of Maersk Group, recently completed her first westbound voyage from Asia to Europe. From the ship's first Far Eastern load port, Ningbo in China, the ANE MAERSK travelled a total of around 15,800 nautical miles to her last European port call at Le Havre in France[18].
    b. Overall, the ship took a little over 62 days to make this trip. Like most Asia—Europe container loops, the voyage had to divert from the Suez Canal to the longer route via the Cape of Good Hope. The ANE MAERSK spent 76% (~47 days) of this time at sea and 24% (~15 days) in port. The ship's maiden voyage illustrates how much container shipping has adopted slow steaming.
2. **Vehicle imports clogging up terminals at European auto ports:**
    a. Significant congestion of imported new vehicles is observed at European ports due to various factors, including delayed sales of Chinese electric vehicles in Europe and the booking of ocean shipping delivery slots without arranging onward transport[19].
    b. The congestion is exacerbated by a post-Covid recovery in the automobile market and a surge in electric vehicle production, resulting in excessive stockpiling at ports.
    c. Antwerp-Bruges and Bremerhaven, Europe's largest automotive ports, have been particularly affected by congestion, compounded by labour shortages and changes in sales models by established OEMs, which have significantly damaged the vehicle logistics industry.

c. Global air cargo industry

World ACD's recent analysis highlights a significant increase in spot rates from the Middle East and South Asia (MESA) to Europe, mainly from India and Bangladesh. This surge is attributed to rising demand and supply disruptions caused by container shipping issues and Ramadan. Spot rates from MESA to Europe have doubled compared to last year, reaching **$3,43 per kg** in week 14. Rates from India and Bangladesh are even higher, with India-Europe rates at **$4,13 per kg** (↑**160%**) and Bangladesh-Europe rates at **$4,59 per kg** (↑**179%**) in week 14. Additionally, rising jet fuel prices are impacting rates, increasing by over ↑**4%** in week 14. Despite the massive increases on some trade lanes, average worldwide rates in weeks 13 and 14 decreased by ↓**4%** compared to last year, with capacity growing by ↑**7%**, outpacing the ↑**1%** increase in chargeable weight. Only the Middle East and South Asia (MESA) saw an annual rate increase (↑**39%**) due to demand exceeding capacity growth (↑**11%** versus ↑**6%**), affected by Red Sea container disruptions. Asia

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[17] Harper Petersen Index. 12/04/2024. HARPER PETERSEN Charter Rates Index.
[18] Alphaliner. 10/04/2024. First methanol mainliner completes maiden trip.
[19] Tood, S. 12/04/2024. Vehicle imports clogging up terminals at European auto ports.

Pacific rates recovered to last year's levels (↑**8%** cargo), while rates declined y/y in Africa (-3%), Central/South America (↓**6%**), North America (↓**18%**), and Europe (↓**22%**). Despite the recovery, rates remain slightly above Q4 2023's average of **$2,47 per kg**.

Figure 18 – 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		-1%	+1%		-7%	+10%		-0%	-3%
Asia Pacific		-1%	+13%		-6%	+8%		+6%	-0%
C. & S. America		-6%	+7%		-9%	-6%		+1%	-6%
Europe		+0%	+7%		-15%	-7%		-1%	-22%
M. East & S. Asia		+1%	+6%		-3%	+11%		+6%	+39%
North America		-0%	+6%		-9%	-5%		-0%	-18%
Worldwide		-1%	+7%		-9%	+1%		+4%	-4%

Source: World ACD

Zooming in on particular key hub airports in the Middle East and Asia, some trade lanes are experiencing high demand due to Red Sea shipping disruptions, notably Dubai, Colombo, and Bangkok. Dubai-Europe tonnages surged by ↑**114%** in week 14, nearly reaching peak levels from week 8. Bangkok-Europe tonnages increased by ↑**33%**, driven by road-air volumes from Southeast Asia affected by disrupted shipping. However, Colombo-Europe tonnages declined from peak levels in weeks 6-8, dropping ↓**2%** below last year's figures in week 14. Despite fluctuations, air cargo rates to Europe rose significantly year-on-year: Colombo ↑**39%**, Dubai ↑**22%**, and Bangkok ↑**20%**.

In other air cargo news, Boeing's delay in delivering new 777-200 freighters is limiting carrier capacity, particularly in the transpacific market[20]. Constraints in freighter conversions exacerbate this delay due to increased passenger demand. The production issues extend beyond Boeing's 737 and 787 lines to its 777 freighter segment. In March, Boeing manufactured six 777-200Fs, but engine availability issues hindered delivery. Consequently, these aircraft, along with five others, remain grounded at Boeing's Everett facility awaiting engines.

ENDS[21]

[20] Putzger, I. 11/04/2024. Airfreight demand grows but 777F production logjam hobbles capacity.

[21] **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.*