

COVID-19: Cargo movement update¹

Date: 17 September 2021

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 (TEUs)	27 420	29 370	56 790	27 045	26 733	53 778	↑6%
Air Cargo (tons)	4 995	2 716	7 711	4 711	2 500	7 211	↑7%

Monthly Snapshot

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

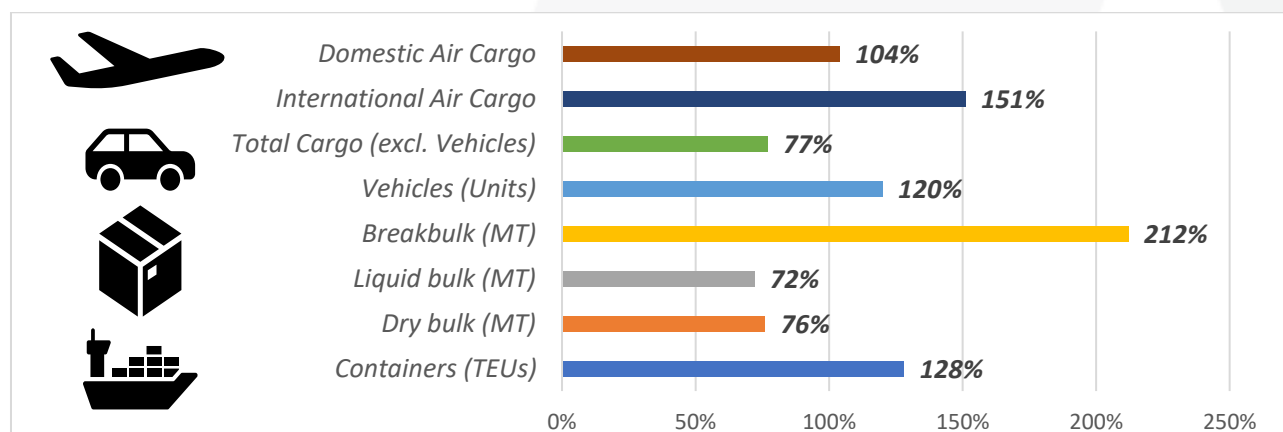
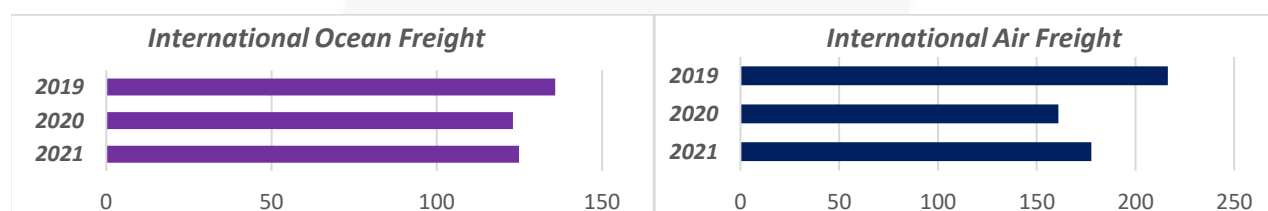


Figure 2 – International year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 113 TEUs** was handled per day this week, **↑6%** from last week.
- Average cross-border queue time rose by **~5,2 hrs**, with transit times constant at **~16,3 hrs** (see [below](#)).
- Rail cargo moved through Durban this week amounted to **4 564** containers, **↑18%** from last week.
- The "WCI" continues to rise, with freight rates **↑2,9%** (or **\$291**) to **\$10 375** per 40-ft this 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 56th 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 full month's worth of available data compared to the same month in 2020. For air, Aug versus Aug. The rest compared Jul 2021 versus Jul 2020.

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

- International air capacity will ↑, as Q4 bookings are better than 2020 but well below pre-crisis levels.
- According to UNCTAD's latest forecasts, global GDP for 2021 will grow at ↑5,3%, trade at ↑9,5%.

Executive Summary

This update – *the 56th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. On the COVID front, another significant decrease in positive cases was seen this week, as the third wave is finally easing and hopefully coming to an end. Newly reported COVID-19 infections averaged approximately **4 339** per day (↓35% from last week's average **6 663**). The total number of cases recorded in the country now stands at **2,87 million**⁶, with the death toll regrettably rising, now at **85 779** (up by **1 452**).

Worldwide COVID-19 infections now total more than **227 million**, with the death toll nearing **4,67 million** people. Globally, more than **5,86 billion** vaccine doses have now been administered⁷. For South Africa, this figure stands at **~15,7 million**, with **13,2%** of South Africans now fully vaccinated. A daily average of **~200 000** doses was administered in the past seven days, falling well short of the daily target, with the vaccine supply no longer an issue. Instead, the public has been reluctant to get vaccinated, particularly among the male population.

With talks of vaccine passports or constant testing before frequenting restaurants, sports stadiums, malls, and the like – not to mention travelling – the overall pressure to be vaccinated is likely to continue. Nevertheless, the issue of vaccinations and passports remains a contentious one. It will likely dictate how rapidly the country returns to normal – currently at **62** (out of 100) according to South Africa's *normalcy index*⁸, with several restrictions being lifted by President Ramaphosa recently.

Operationally, the matter of equipment shortages in our ports and rail system, as outlined last week, remains and is not likely to go away soon unless a concerted procurement and maintenance effort is sustained. Other challenges in and around our ports remain, notably balancing the capacity of waterside and landside operations with rail or road transport. An optimal balance is essential, as stack occupancy across the board remains high, as does the number of containers moved per vessel, which is becoming a global problem during the pandemic⁹. Fortunately, for the week, operations metrics did improve at Cape Town and Durban, albeit marginally. Container throughput numbers are up for the week and are projected to increase slightly next week as well.

This week, other operational matters revolved around the truck booking system that transporters continued to be disappointed, especially those without access to a 24/7 depot. Also, there has been a regrettable upsurge in cable theft from its already unacceptably high levels. Finally, on 20 September 2021, SARS Customs will implement enhancements to the Inspection Workflow System by introducing a Mobile Manual Case Creation (MCC) Application (MobiApp) at designated land ports of entry. The industry welcomes another electronic initiative from SARS, which accords well with our constant drive for digitisation in customs and trade-related matters.

Globally, the container industry continues to rush its attempts to secure additional capacity in the face of strong demand. Unfortunately, the continued addition of fleet capacity puts further pressure on terminal infrastructure, which can't keep up with demand, which is likely to further fuel congestion (see [below](#)). Other notable developments internationally include **(1)** an update on the *Shipping Reform Act of 2021*, **(2)** typhoon

⁶ Johns Hopkins' Coronavirus Resource Centre. [Coronavirus JHU](#).

⁷ Our World in Data, Coronavirus (COVID-19) Vaccinations. [Our World in Data](#)

⁸ Economist. 13/07/2021. [The global normalcy index](#).

⁹ Wackett, M. 14/09/2021. [Huge jump in number of boxes needing handling adds to pressure on terminals](#).

Chanthu causing some disruption, **(3)** an increase in multipurpose charters, and **(4)** an increase in the number of containers lost at sea (see the detailed summary [below](#)).

For our regional cross-border road freight industry, this week saw a significant increase in the time spent at the border, notably at Beitbridge and Chirundu. Robberies and other instances of violence and disruption have been reported. However, in better news, the current border initiatives at Beitbridge continue to make progress, with the new freight terminal building scheduled to open on 6 October. The news is welcomed, as the situation at the busiest border in Sub-Saharan Africa has been plagued with congestion issues for a significant time now.

In the aviation sector, both domestic and international cargo handled has recently increased, which has been welcomed after a poorer than predicted period experienced in July and August. There has been an upswing in both domestic and international volumes of air cargo handled. Internationally, IATA reports that passenger bookings have increased for the fourth quarter in comparison with last year. However, the numbers remain far short of pre-crisis levels. The industry hopes that the public willingness to travel by air will return, as many airlines are in distress. However, for any meaningful growth, travel restrictions in many countries will have to be eased.

Finally, in concluding this edition, concerted efforts are continuing to expedite and harmonise border processes and facilitate international trade. Ultimately, it is the building of capacity throughout the industry that will enable efficiencies in cross-border trade. But, continuing the constant refrain as expressed through the evolution of this report, a crucial component of facilitating trade and lifting the entire industry lies in the partnerships between industry stakeholders and government entities ensuring compliance. This message was also broadly conveyed in the recent SAAFF Summit, bringing together many industry leaders nationally and internationally. Ultimately, the economic drivers remain vital for the industry for now, although UNCTAD cautions that the risks looking further forward are tilted to the downside. So, we must make every effort to reap the currently available benefits by securing the South African supply chain comprehensively as a collective.

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1. Ports Update

This section provides an overview of the flow of containerised cargo through South Africa's commercial ports.

a. Container flow overview

The following table indicates the container flows reported for the last seven days and projections for the next seven days.

Table 2 – Container Ports – Weekly flow reported for 11 to 17 September¹⁰

7-day flow forecast (11/09/2021 – 17/09/2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 742	3 540
DURBAN CONTAINER TERMINAL PIER 2:	13 673	13 490
CAPE TOWN CONTAINER TERMINAL:	4 965	7 822
NGQURA CONTAINER TERMINAL:	3 991	2 269
GQEBERHA CONTAINER TERMINAL:	1 049	2 250
TOTAL:	27 420	29 370

Source: [Transnet](#), 2021. Updated 17/09/2021.

Table 3 – Container Ports – Weekly flow reported for 18 to 24 September¹¹

7-day flow forecast (18/09/2021 – 24/09/2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 010	6 760
DURBAN CONTAINER TERMINAL PIER 2:	14 666	15 229
CAPE TOWN CONTAINER TERMINAL:	5 574	6 802
NGQURA CONTAINER TERMINAL:	4 072	6 870
GQEBERHA CONTAINER TERMINAL:	634	1 758
TOTAL:	30 956	37 419

Source: [Transnet](#), 2021. Updated 17/09/2021.

An average of ~8 113 TEUs (↑6%) was handled per day for the last week (11 – 17 September, Table 2), with another increased average of around ~9 768 TEUs (↑20%) expected to be handled next week (18 – 24 September, Table 3). The operational narrative revolved around balancing the industry's waterside, landside, and transport segments for the week. Furthermore, equipment shortages and maintenance schedules remain an issue.

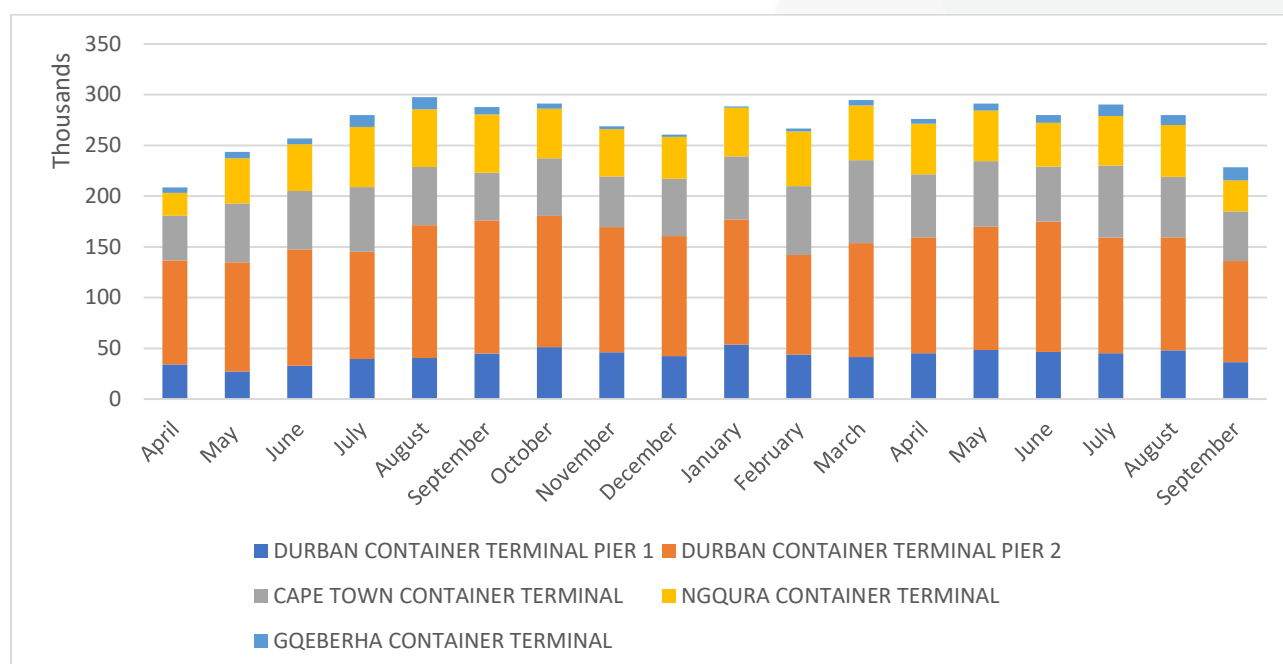
Fortunately, number-wise, performance was on par and set to increase further next week. As such, the following figure shows the broader picture and displays the rolling *monthly* average flow of total containerised cargo movement for our commercial ports since the start of the nationwide lockdown.



¹⁰ It remains important to note that a fair percentage (approximately 29%, according to the most recent TNPA figures for July) of containers are neither imported nor exported, but rather consist of empties. Due to the ongoing container imbalances, this proportion is fluctuating more than usual, and has increased since December 2020.

¹¹ As notes above.

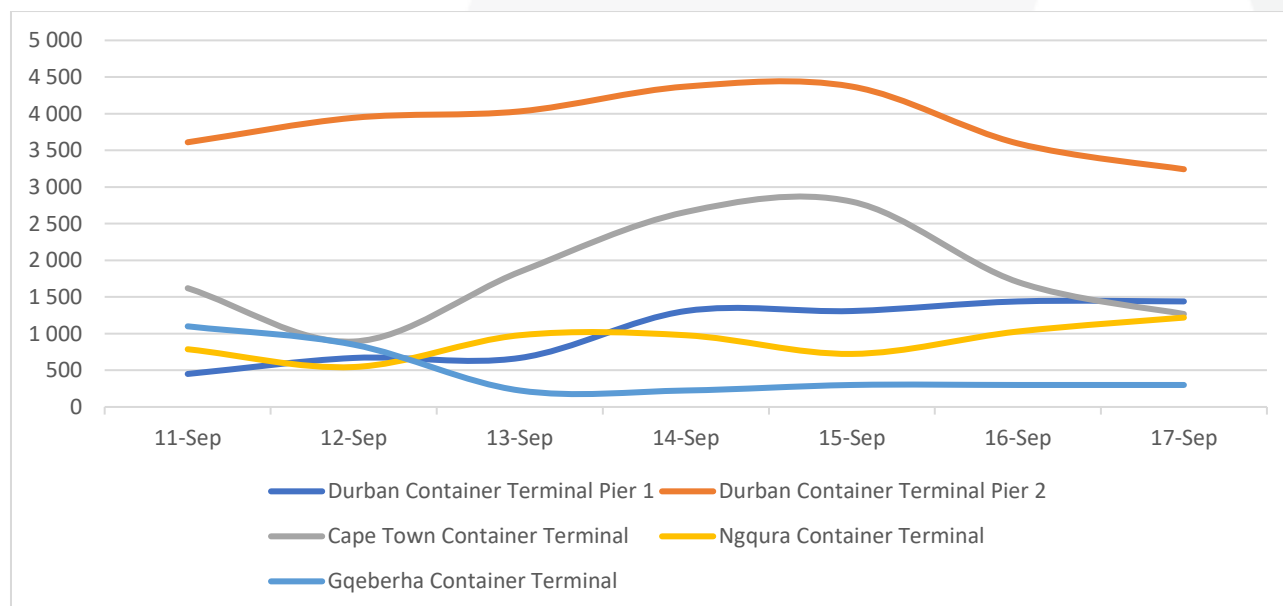
Figure 3 – Monthly flow reported for total cargo movement (TEUs: April 2020 to present; month on month)



Source: Calculated using data from [Transnet](#), 2021. Updated 17/09/2021.

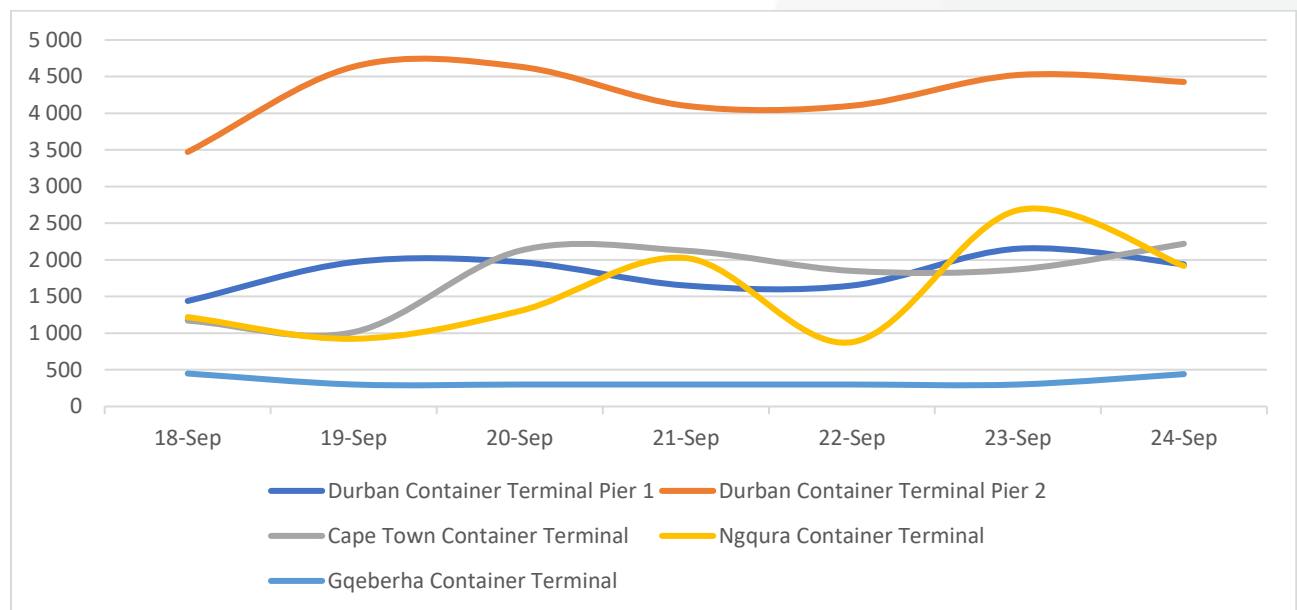
The figures below show the weekly container flows for the previous seven days and projections for the next seven days.

Figure 4 – 7-day flow reported for total cargo movement (11 to 17 September; per port; day on day)



Source: Calculated using data from [Transnet](#), 2021. Updated 17/09/2021.

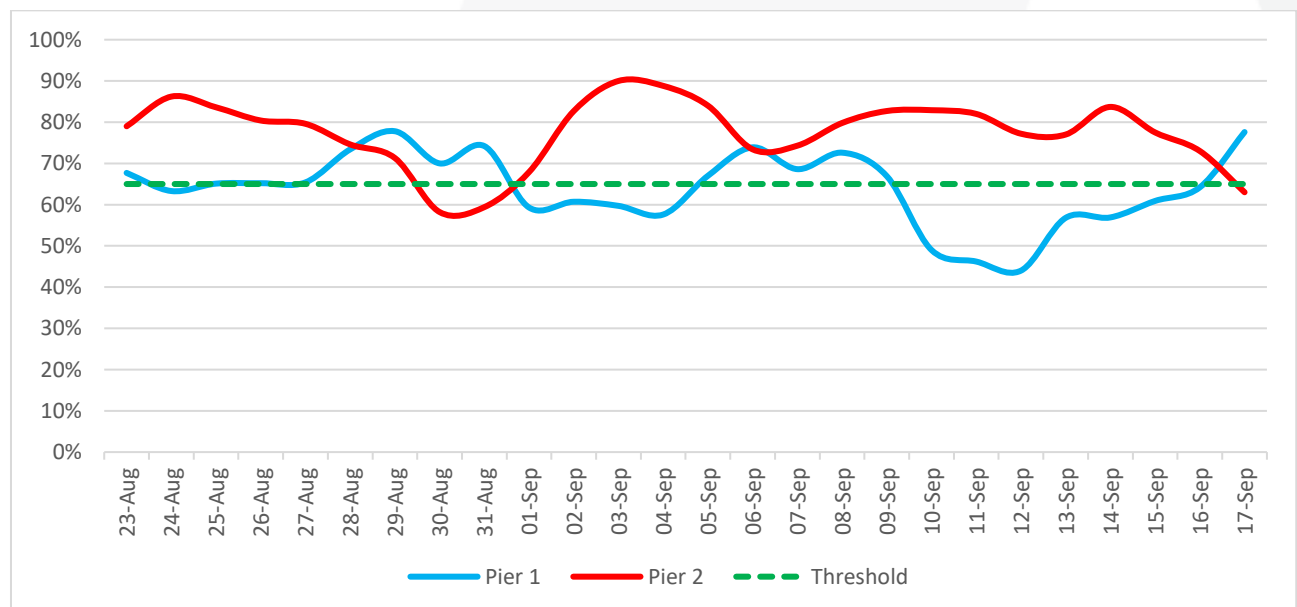
Figure 5 – 7-day flow reported for total cargo movement (18 to 24 September; per port; day on day)



Source: Calculated using data from [Transnet](https://www.transnet.co.za), 2021. Updated 17/09/2021.

The following figure shows daily stack occupancy in both Durban terminals since the end of June, with pressure on operational fluidity remaining, as the stack occupancy has hovered around 65% capacity. In the last seven days in Durban, stack occupancy has moved in divergent directions, with Pier 1 increasing to almost 80%, while Pier 2 dropped slightly below 65%.

Figure 6 – Stack occupancy in DCT, general-purpose containers (23 August to present; per pier; day on day)



Source: Calculated using data from [Transnet](https://www.transnet.co.za), 2021. Updated 17/09/2021.

b. Summary of port operations

The following sections provide a more in-depth overview of the operational performance of our commercial ports over the last seven days.

i. Weather delays

In Cape Town, waterside operations were affected due to strong winds and vessels ranging on Thursday.

Very strong winds from Thursday troubled waterside operations in Durban. On Friday, TPT declared Pier 2 waterside operations windbound from 15:00 and Pier 1 waterside operations windbound from 14:30 at Pier 1, where wind speeds of up to 82,9km/h were recorded. In addition, port users were urged not to send trucks to the port until conditions improved.

Our Eastern Cape ports' productivity was stable, although strong WSW winds on Wednesday made waterside operations challenging.

ii. Cape Town

Operationally, Cape Town Container Terminal had a typical week, with around 13 000 TEUs handled. For much of the week, 19 RTGs and five straddle carriers were available. Some operational constraints occurred, including yard restrictions, as high export demand continues. The demand is noticeable in fruit exports, as the peak citrus export season is approaching an end, and there are still reasonable deciduous volumes. Exporters are encouraged to match vessel and container availability with production output. Throughout the week, intermittent restrictions (especially regarding reefer availability) were forecasted due to high demand.

Following the official handover held last month at Damen Shipyards Mangalia in Romania, Debmarine Namibia's new diamond recovery vessel departed on a four-week maiden voyage to Cape Town. There, it will be fitted with mission equipment before beginning operations off the coast of Namibia early next year. As it is technically known, this Additional Mining Vessel (AMV#3) will use sub-sea crawling extraction techniques to retrieve diamonds from the seabed off the coast of Namibia. These will then be processed on board. At 177 metres in length, it is now the largest diamond recovery vessel globally and the new flagship of the Debmarine Namibia fleet. The ship is expected to operate for at least 30 years.

iii. Eastern Cape

Transnet, Financial Mail, AB InBev, and Absa Group held a joint webinar this week, hosted by Xhanti Payi of Nascence Advisory. In total, 800 people, including small and medium-scale farmers and young people, were asked to join the discussion. Transnet advised that some of the immediate opportunities in line for them in the Eastern Cape are the revitalisation of the grain elevator at the port of East London, private sector operation of some branch lines and the increased intermediate transshipment cargo at the Ngqura container terminal. The CEO of Transnet, Portia Derby, described the limitations within which the SOE was operating, mentioning the importance of the Eastern Cape community and Transnet's desire to optimise their capacity through some form of public-private partnership.

iv. Durban

On Monday, DCT Pier 2 productivity on the landside improved with the increase of straddle carriers to 80 units. The weekend before, truck turnaround time (TTT) was recorded close to the KPI of 95 minutes, while waterside productivity at both Piers was under target. Mid-term results showed that the average TTT for September at Pier 2 is 105 minutes and at Pier 1 72 minutes, without staging time. Furthermore, Pier 1

recorded 1 197 gate moves, 486 shifters, 574 cancelled slots and 124 wasted slots. Pier 2 recorded a total of 2 435 gate moves, 849 shifters, 504 wasted slots and 1 424 cancelled slots.

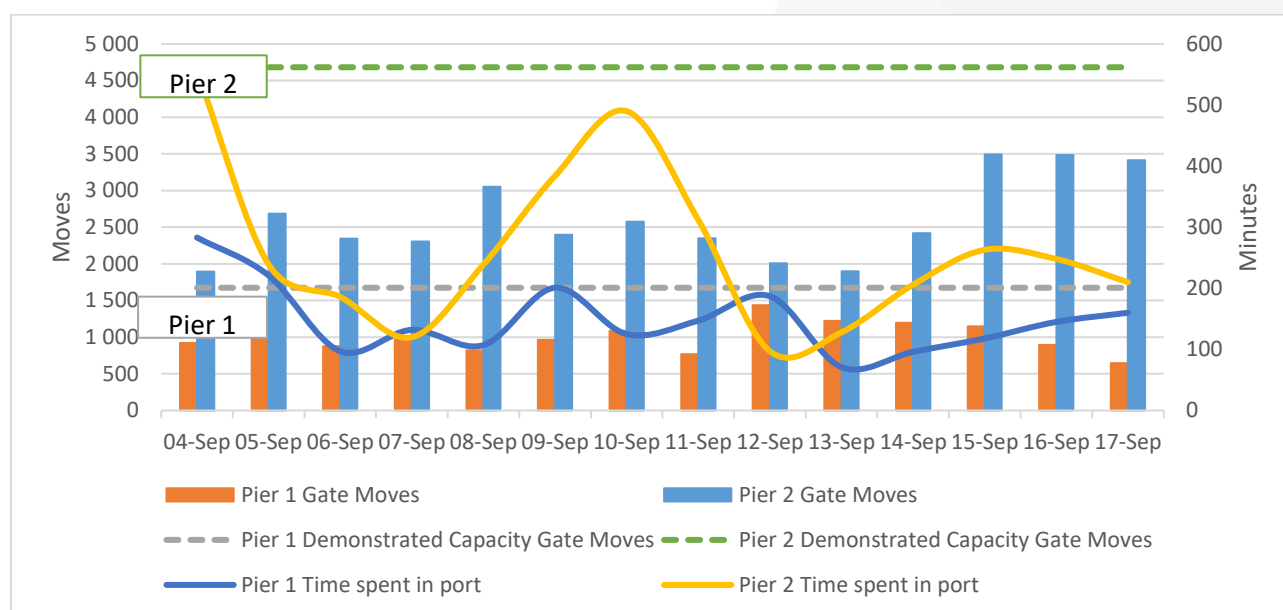
On Tuesday, an extended port meeting was held at DCT to revert on the progress of the "pilot" truck booking system project that ran based on two vessels the previous week. Trucking representatives were present and explained their various concerns. DCT has noted improvements in productivity and reduced shifting of containers, but no clear statistics were available yet. The key to the proposed changes lies in the terminal appointment desks making import evacuation bookings for assigned trucks to collect available containers best positioned for extraction without shifting. Truckers point out that an outside party making arbitrary appointments removes their capacity to plan operations. There was considerable discussion with various alternative options being tabled. It was decided that the pilot will continue in the interim with further talks on the benefits or otherwise to be assessed at a later stage. During the DCT Decongestion meeting, some feedback from the industry revolved around truckers dissatisfied with the booking times given (during the night), especially those that did not have access to a 24/7 depot. Internally it was concluded that the concept works but that they would keep it for a rainy day. Furthermore, such a concept could work at Pier 1 only for the time being.

Between 1 September and 12 September, there were only three days at Pier 2 and two days at Pier 1, when waterside operations halted due to bad weather. During the same time, at Pier 1, an average of six RTG breakdowns was recorded for Pier 1 per shift and an average of 18 Straddle carrier breakdowns recorded per shift at Pier 2. The planned Navis downtime on 13 September lasted 4,5 hours instead of one hour as initially planned, which brought all operations to a standstill.

Since Thursday, eight vessels have been waiting at anchorage for Pier 2, indicating the congestion predicament. The Mobile Harbour Crane 44 at MPT Durban, which has been out of service for some time, was returned to service on Monday. That terminal now has four MHCs operating. There was an upsurge in cable theft from heavy-duty trucks parked at traffic intersections on Clairwood junction, south of Durban and destined for the port, Maydon Wharf and Bayhead Road. Affected parties, mostly freight companies, were asked to implement strict security measures. Closer to the end of the week, on Thursday, Pier 1 recorded a total of 646 gate moves, 498 shifts, 362 cancelled slots and 157 wasted slots. Pier 2 recorded 3 417 gate moves, 639 shifts, 473 wasted slots and 1 378 cancelled slots.

The following figure summarises port operations in Durban for the last two weeks, focusing on gate moves and the time spent in the terminal.

Figure 7 – Gate moves and time spent in the terminal (in minutes)

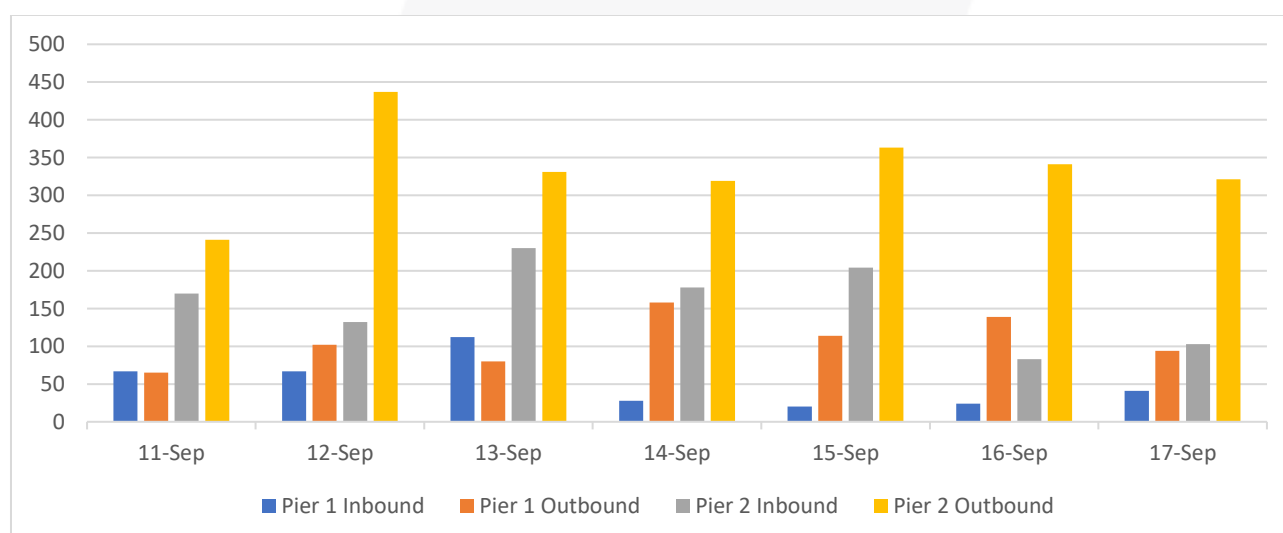


Source: Calculated using data from Transnet, 2021. Updated 17/09/2021.

v. Transnet Freight Rail (TFR)

The only matter worth reporting from TFR is the ongoing issue of cable theft. In total, TFR reported 25 cases of overhead cable theft over the weekend of 11 September – 12 September, which is quite astounding. The matter needs to be desperately sorted out if South Africa's rail sector makes any significant contribution in shipping freight across the country. But when transporters are being asked to provide their own security, one must question the state's (and Transnet's) ability to make any progress in this regard. The following figure graphically illustrates the rail movement from Durban during the week, showing some marginal increase.

Figure 8 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2021. Updated 10/09/2021.

This week (11 to 17 September), rail cargo handled out of Durban averaged around **104** containers inbound (51 for Pier 1 and 157 for Pier 2) and **222** containers outbound (107 for Pier 1 and 336 for Pier 2) per day. Therefore, the total rail cargo moved through Durban for the week amounts to **4 564** containers, **↑18%** higher than the previous week's **3 856** containers, and this, at least, is an encouraging sign.

vi. General

The port of Richards Bay sent a notification to encourage the industry to take cargo spillages seriously. Cargo spillages on the roads lead to environmental pollution. The Port of Richards Bay will no longer allow access to cargo-carrying trucks that are not adequately tarped with immediate effect to minimise cargo spillages. The cargo must be fully covered and tailgates appropriately secured to avoid any spillages. Also, at Richards Bay, the Truck Staging Area COVID-19 Induction Room is no longer operational with effect from today, 17 September 2021 (18:00).

Lastly, On 20 September 2021, The South African Revenue Service (SARS) will implement enhancements to the Inspection Workflow System by introducing a Mobile Manual Case Creation (MCC) Application (MobiApp) at designated land ports of entry

The launch of the Customs Mobi App is welcomed by industry. The MobiApp is part of the initiatives being put in place to enhance trade facilitation within the SMART Border Modernisation Initiative. It seeks to leverage technology to improve service whilst ensuring compliance.

The Customs MobiApp inspection workflow system has already been implemented at other ports of entry such as Durban, Cape Town, Beitbridge, and OR Tambo International Airport. The immediate benefits include an improved inspection case management system, processing turnaround time, and data enrichment for customs risk management. In addition, MobiApp will generate a case number for each manual inspection case created, communicated to clients. This initiative will enable clients to keep track of their consignment if required for enforcement intervention.

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 starting 6 September. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *September 2020* averaged **~731 369 kg** per day. For 2019, this average was **~900 778 kg** per day, which is probably a more meaningful comparison and illustrates the extent to which volumes have fallen over the last 18 months.

Table 4 – International inbound and outbound cargo from OR Tambo

Flows	06-Sep	07-Sep	08-Sep	09-Sep	10-Sep	11-Sep	12-Sep
Volume inbound	605 511	368 050	469 759	466 390	392 711	417 576	776 302
Volume outbound	176 287	237 559	215 387	179 112	254 501	353 382	484 887
Total handled per day	781 798	605 609	685 146	645 502	647 212	770 958	1 261 189

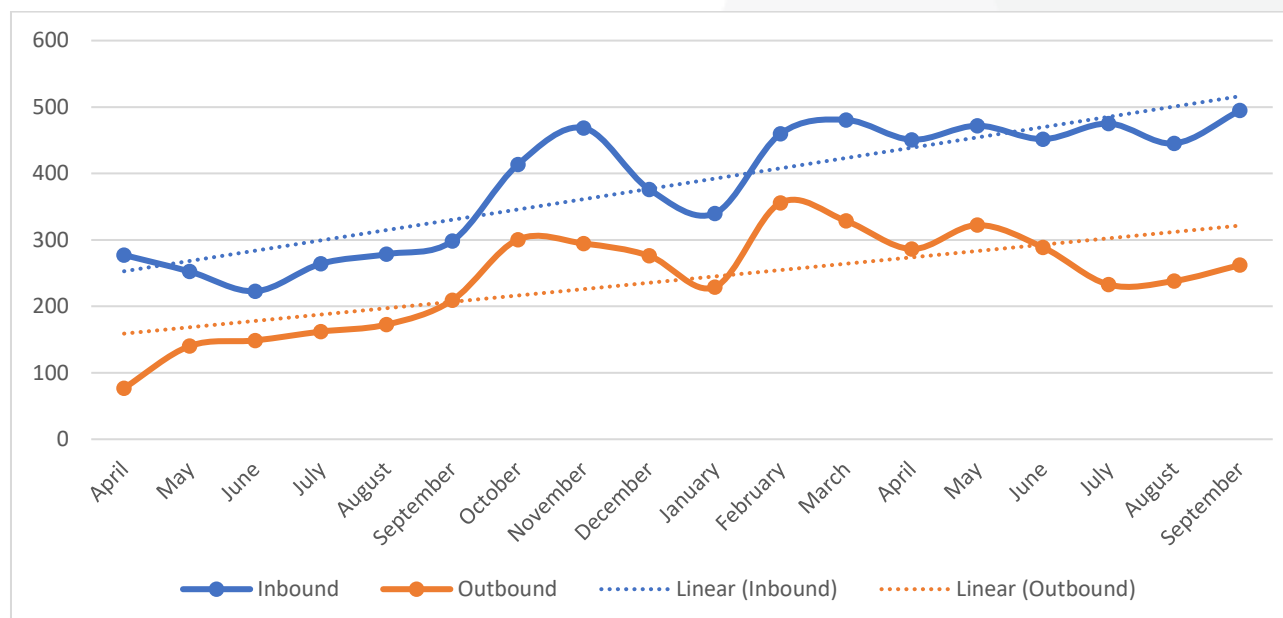
Courtesy of ACOC. Updated: 15/09/2021.

The daily average volume of air cargo handled at ORTIA over the seven days starting 6 September amounted to **499 471 kg** inbound and **271 588 kg** outbound. The total, therefore, amounts to an average of **771 059 kg**

per day, or ~111% compared to August 2020. Compared to pre-COVID-19 times, the level is currently only at ~79% when compared with 2019.

The following figure shows monthly international freight movement at ORTIA during the state of disaster.

Figure 9 – International inbound and outbound cargo from OR Tambo (thousands)



Courtesy of ACOC. Updated: 15/09/2021.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows for the duration of the lockdown period as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) for ORTIA handled in August 2020 was only ~59 559 kg¹² per day.

Table 5 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	ORTIA	PLZ	OTHERS	TOTAL
Mar-Dec '20 Av.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan Average	20 961	2 739	2 859	22 818	5 491	5 238	57 781
Feb Average	27 777	3 537	3 427	30 117	6 988	3 503	75 348
Mar Average	28 781	3 702	3 845	31 166	7 680	3 740	78 914
Apr Average	24 875	3 234	3 058	25 694	6 306	3 046	66 213
May Average	29 891	3 781	3 669	27 817	7 245	3 261	75 664
Jun Average	27 498	3 706	3 556	26 873	7 086	3 213	71 932
Jul Average	23 583	5 374	3 144	15 839	6 229	2 844	57 013
Aug Average	25 649	2 983	3 495	19 973	6 597	3 256	61 953
07-Sep-21	38 803	4 749	6 218	36 101	10 209	4 312	100 392
08-Sep-21	41 260	5 071	4 044	37 047	10 589	4 214	102 225
09-Sep-21	41 847	4 727	5 078	25 037	10 165	4 524	91 378
10-Sep-21	17 043	2 992	3 239	25 538	4 967	3 954	57 732
11-Sep-21	1 820	502	56	811	275	49	3 512
12-Sep-21	1 457	623	55	302	318	164	2 920

¹² For Cape Town, the figure corresponds to 34 369 kg per day, and 3 129 kg per day for Durban during the same period (July 2020).

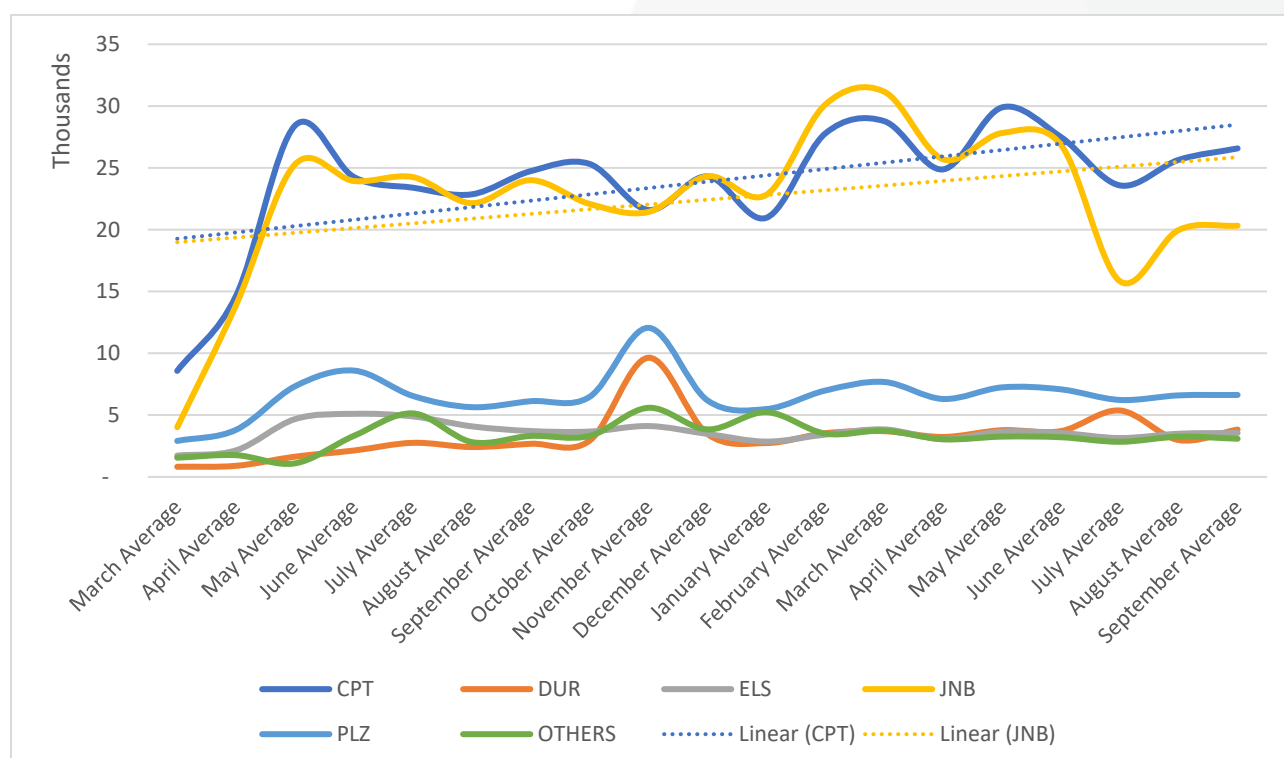
DATE / AIRPORT	CPT	DUR	ELS	ORTIA	PLZ	OTHERS	TOTAL
13-Sep-21	48 314	4 881	7 974	31 251	10 430	5 228	108 078
Y-T-D Totals	6 689 270	933 061	868 015	6 330 455	1 714 140	822 431	17 357 371

Courtesy of BAC. Updated: 14/09/2021.

Currently, the average domestic air cargo moved in the last week was ~66 605 kg per day, which is ↑1% compared with the previous week. Moreover, the volume handled amounts to ~102% compared to September 2020.

The following figure shows monthly domestic freight movement at our commercial airports during the state of disaster, with an upward trend in volumes registered since the start of the year.

Figure 10 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated 14/09/2021.

3. Road and regional Update

a. South African border closures

The following table notes several border posts which experienced closures throughout last week (information provided by SARS Customs).

Table 6 – South African border closures

Date	Border
16 September	Nakop port will be closed today from 13:30 to 16:00.

	Kopfontein update: Import gate closed due to road structural damage. Delays are expected. Export gate traffic is still open.
10 September	Maseru Bridge port is closed and will reopen tomorrow at 14:00

Source: [SARS](#). Updated: 17/09/2021.

In general, another quiet week was experienced with minimal border disruptions resulting in gate closures. However, as a rule, traders are at all times urged to stay abreast of border post communications on the SARS Customs and Excise [website](#).

b. Cross-border delays

The following events have caused some delays in the SADC region this week:

- The headline issues this week are massive upswings in waiting times at Beitbridge and Chirundu. Notably, crossing Beitbridge last week took more than 90 hours in some cases, as Zimbabwean Customs reported early closure of gates with officials and agents going home. As the busiest border crossing in the region, transporters need Beitbridge border to work as efficiently as possible.
- Furthermore, Zimbabwe Republic Police (ZRP) has called an RPS patrol vehicle into service, with ZRP assisting in efforts after reports were received of robberies on the Harare-Chirundu Road.
- In better news, the current border initiatives at Beitbridge continue, with the new freight terminal building scheduled to open on 6 October. However, before then, there will be a transition period from 16 September, where freight and commercial vehicles will be re-directed to the new access lanes and new parking area.
- Lastly, reports were received from transporters of disruptions at Durban Port last week, with the police, army and port security mobilised to resolve the issues.

Apart from these developments, investigations continue into cross-border delays experienced at several SADC border posts in the sub-region. The following table uses geofencing data to summarise delays experienced at various borders during the last week.

Table 7 – Delays¹³ summary – Selected SADC borders

Countries	Border	Queue Time (hh:mm)	Border Time (hh:mm)	HGV Arrivals per day	HGV Tonnage per day	Weekly HGV Arrivals	HGV Delay Hours	Queue Time Delays
Nam/SA	Ariamsvlei/Nakop	2:00	4:00	100	3 000	700	24 640	1 400
SA/Zim	Beit Bridge	96:00	26:00	943	28 290	6 601	158 424	633 696
Moz/Zam	Cassacatiza/Mlolo	1:00	16:00	60	1 800	420	5 880	420
Zam/Zim	Chirundu	1:00	21:00	616	18 480	4 312	81 928	4 312
Moz/Mal	Dedza	2:00	20:00	50	1 500	350	6 300	700
SA/Bot	Grobblersbrug/Martins Drift	1:00	11:00	400	12 000	2 800	25 200	2 800
Zam/DRC	Kasumbalesa	0:00	51:00	592	17 760	4 144	165 760	0
Zam/Bot	Kazungula	0:00	24:00	212	6 360	1 484	32 648	0
SA/Bot	Kopfontein/Tlokweng	1:00	42:00	100	3 000	700	28 000	700
Moz/Zim	Machipanda/Forbes	1:00	7:00	320	9 600	2 240	11 200	2 240
Moz/Mal	Milange	0:00	2:00	40	1 200	280	0	0
Zim/Moz	Nyamapanda	1:00	3:00	100	3 000	700	700	700

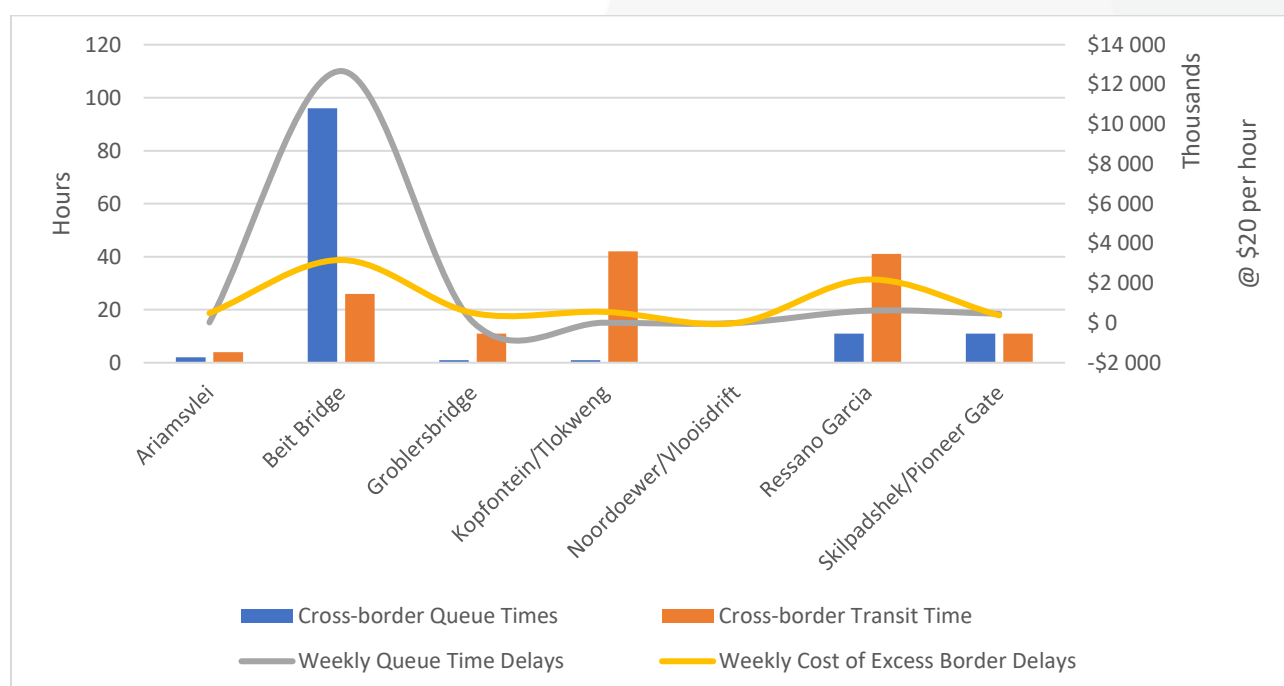
¹³ It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border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

Countries	Border	Queue Time (hh:mm)	Border Time (hh:mm)	HGV Arrivals per day	HGV Tonnage per day	Weekly HGV Arrivals	HGV Delay Hours	Queue Time Delays
SA/Moz	Ressano Garcia	11:00	41:00	400	12 000	2 800	109 200	30 800
SA/Bot	Skilpadshek/Pioneer Gate	11:00	11:00	300	9 000	2 100	18 900	23 100
Zam/Zim	Victoria Falls	1:00	4:00	114	3 420	798	1 596	798
Moz/Mal	Zobue/Mwanza	2:00	16:00	100	3 000	700	9 800	1 400
				4 447	133 410	31 129	680 176	703 066

Source: TLC & FESARTA, week ending 14/09/2021.

The following graph shows the weekly change in cross-border times (and associated estimated cost) from South Africa's perspective.

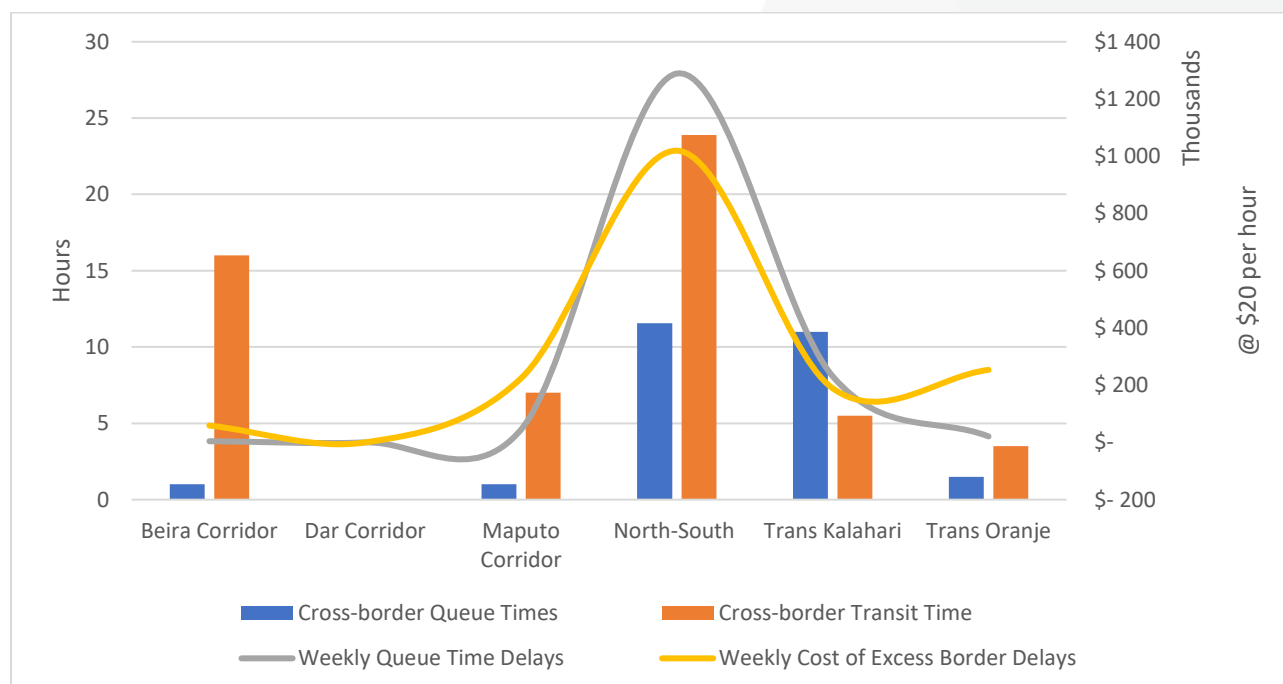
Figure 11 – Weekly cross-border delays and estimated cost from a South African border perspective (delay in hours; cost in \$ thousands)



Source: TLC & FESARTA, week ending 14/09/2021.

The following figure depicts a similar picture to those above, this time from a corridor perspective. Again, significant transit delays on the North-South corridor have continued, with the Trans Kalahari also rising.

Figure 12 – Weekly cross-border delays and estimated cost from a corridor perspective (delay in hours; cost in \$ thousands)



Source: TLC & FESARTA, week ending 14/09/2021.

In summary, the cross-border queue time has averaged **~7,7 hours** (rising by **~5,2 hours** from last week's recorded time of **~2,5 hours**), costing the transport industry an estimated **\$14 million (R225 million)**. This week's average cross-border transit times hovered around **~16,3 hours** (the same as the previous week), costing the transport industry **~\$13 million (R218 million)**. As the table and commentary above predicted, border times have significantly increased from last week, especially throughout the North-South corridor. Therefore, the total cost for the week amounts to **~R443 million** (up by **~R185 million** or **72%** from **R258 million** the previous week).

4. International Update

The following section provides some context of the global economy and the impact of COVID-19 on trade. In addition, the section includes an update on **(a)** UNCTAD Trade and Development report, **(b)** the global container industry, and **(c)** the global aviation industry.

a. UNCTAD Trade and Development Report

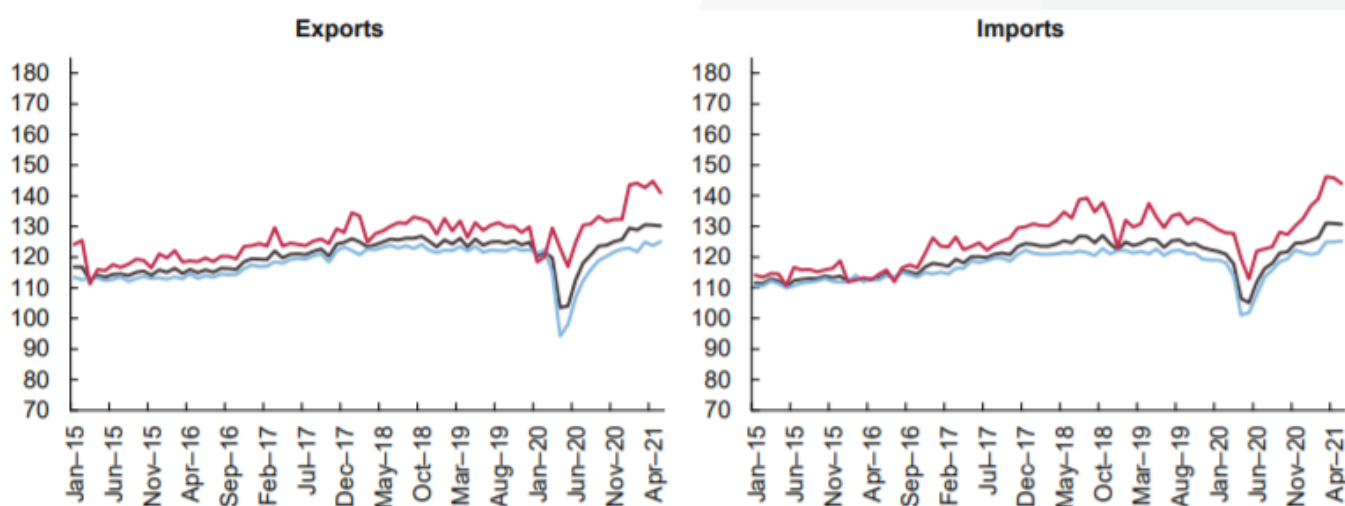
On 15 September, the United Nations Conference for Trade and Development (UNCTAD) released its annual "Trade and Development" report for 2021¹⁴. UNCTAD notes that in 2021, the global economy will bounce back with a growth of **↑5,3%**, the fastest in nearly 50 years. But this growth must be seen in perspective, given the effect of the pandemic and the consequently low base off which it is calculated. In addition, the rebound is highly uneven when viewed against regional, sectoral and income lines. Looking ahead, UNCTAD expects global growth to slow to **↑3,6%** in 2022, leaving world income still **↓3,7%** below where its pre-pandemic trend would have put it, which corresponds to an expected cumulative income loss of about **\$13 trillion** in 2020-22.

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¹⁴ UNCTAD. 15/09/2021. [Trade and Development report](#).

For international trade, extraordinary measures such as lockdowns, quarantines, and travel restrictions dramatically affected trade; the international flow of goods and services dropped by **↓5,6%** in 2020. Nevertheless, this downturn proved less severe than anticipated, as m/m merchandise trade flows in the latter part of 2020 rebounded almost as strongly as they had fallen earlier, which the following figure shows. Consequently, UNCTAD's modelling projections underpinning the economic growth results yield a real annual global trade growth in goods and services of **↑9,5%** in 2021.

Figure 13 – World merchandise trade, January 2015 to May 2021 (index, 2010 = 100)



Source: [UNCTAD](#)

Still, the recovery has been highly uneven, and the damage will continue to weigh on trade performance for many years to come. UNCTAD cautions that the risks remain tilted to the downside. These risks include low inventory-to-sales ratios, the pandemic-induced shift in consumptions habits (notably towards the demand for goods), and the spread of the Delta-variant. Lastly, trade tensions between the United States and China remain elevated, which could likely reverberate worldwide.

b. Global container industry

i. Global freight rates

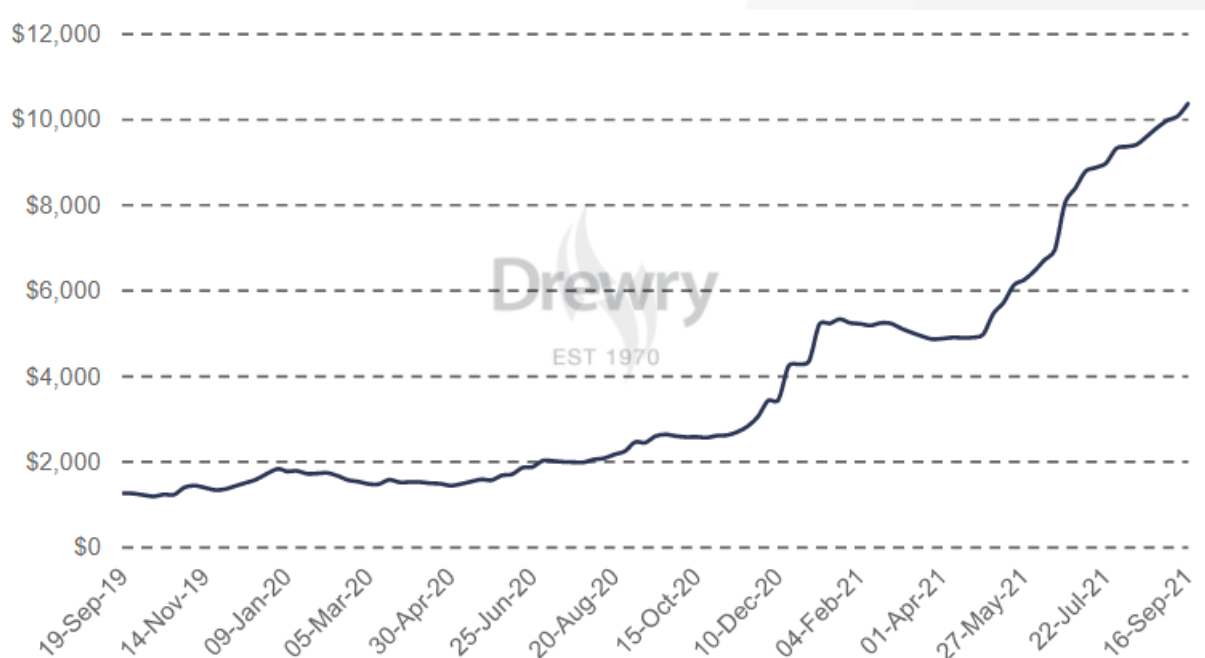
This week, a 22nd consecutive increase in global container freight rates was experienced as the "World Container Index" (WCI) increased by **↑2,9** (or **\$291**) to **\$10 375** per 40-ft container¹⁵. Following the unprecedented move by French-carrier CMA CGM, Hapag-Lloyd has pledged not to levy any further rate rises for the next few months¹⁶. The German container line believes spot rates have peaked and will not pursue further increases, saying that they hope the market will slowly calm down. The German carrier did, however, not provide a timeline for the freezing of rates. For the industry in its entirety, the following figure summarises the astonishing rise in the two-year spot price of the index.



¹⁵ Drewry Supply Chain Advisors. 09/09/2021. [World Container Index](#).

¹⁶ Porter, J. 10/09/2021. [Hapag-Lloyd joins CMA CGM in freezing spot rates](#).

Figure 14 – World Container Index – Assessed by Drewry (\$ per 40 ft. container)



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

The average composite index now stands at a mammoth **↑323%** higher compared to the same time last year. Furthermore, the average composite index of the WCI, for year-to-date, is **\$6 695** per 40ft container, which is **\$4 432** higher than the five-year average of **\$2 362**. This week's significant price shift was on the Shanghai to Los Angeles and Shanghai to New York routes, as both directions surged by a massive **↑7%**. Similarly, spot rates from New York to Rotterdam gained 2%. Other major routes (Shanghai to Rotterdam, Rotterdam to Shanghai, Shanghai to Genoa, Los Angeles to Shanghai and Rotterdam to New York) remained stable at the previous weeks level. Drewry expects rates to increase further in the coming week. In a more sobering forecast, Lloyd's Intelligence predicts the structural upswing typified by high rates and capacity shortages to last until 2023¹⁷.

ii. Container industry congestions

Record number of ships are currently off anchorage on both ends of the East-West trade lanes, as container lines struggle to maintain service reliability. For example, as of last weekend (11/12 September), more than **50** box ships are waiting to discharge off Los Angeles and Long Beach, while another **86** are at anchor off Shanghai and Ningbo, tying up nearly **750 000 TEU**¹⁸. COVID-19 and the massive increase in demand have been branded the culprit, although MSC's chief executive this week said that the real issue had been the chronic lack of investment¹⁹. Nevertheless, these side-by-side images paint a bleak picture of the current situation in container shipping.

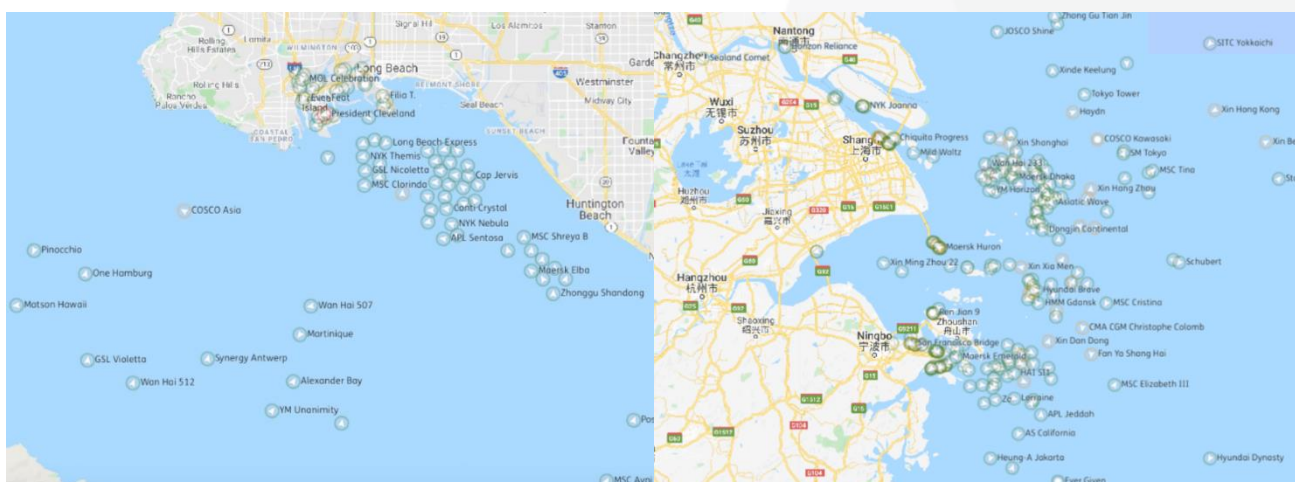
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¹⁷ Baker, J. 15/09/2021. [Box shipping's structural upswing to last until 2023](#).

¹⁸ Wiese Bockmann, M. 10/09/2021. [Record congestion on US west coast behind rates freeze](#).

¹⁹ Clayton, R. 15/09/2021. [Covid has revealed lack of investment, MSC chief tells London](#).

Figure 15 – Container ships at anchorage, Los Angeles/Long Beach, and Shanghai Ningbo



Source: [Lloyd's Maritime Intelligence](#)

Indeed, a logjam at the world's critical loading and discharge ports worsens supply chain interruptions that drive shortages in manufacturing and lift costs that fuel inflation. Moreover, rising port congestion that has delayed increased numbers of containerships over past weeks has exacerbated pressure on an already stretched global logistics network, worsening supply chain interruptions that are driving shortages in manufacturing and pushing up costs that fuel inflation. Collectively, Lloyd's reports that **~3,2%** of the world's fleet capacity is at concentrated at these two anchorages.

According to vessel tracking, a record 55 container vessels tied up off the US West Coast, with a combined 363 000 TEU. Nevertheless, authorities are trying their best to clear congestion, as shown by a record that the Port of Long Beach achieves the strongest throughput of August. Indeed, terminal operators moved 807 704 TEUs of container cargo last month, an **11,3%** increase compared to August 2020. Imports were **↑117%** to 407 426 TEUs, with exports **↓5,3%** to 119 485 TEUs. Evident of the global attempt to reposition containers, empty containers are **↑19,7%** to 280 794 TEUs²⁰.

Fortunately, the situation has somewhat improved on the other side of the trade lane, with Chinese authorities implementing stricter vessel waiting times and quarantine restrictions that have temporarily closed terminals in Ningbo and others in southern China. As a result, congestion off Ningbo and Shanghai has eased from levels of **98 ships**, totalling **518 450 TEU**, seen in mid-August, to **86 vessels**, totalling **390 000 TEU**. The improvement is primarily due to the Meishan terminal at Ningbo reopening on August 25, after shutting down since August 11 when a dock worker tested positive for coronavirus.

iii. Further developments of note

Apart from the ongoing story of rising freight rates and port congestion mentioned above, some additional important developments occurred around the world this week, including a further update on Ningbo:

1. US's Ocean Shipping Reform Act of 2021 gets local support after WSC backlash:

- a. After encountering some criticism from the World Shipping Council (WSC)²¹ last week, the Act is gaining traction locally, as 152 US companies and trade associations wrote of their "strong support for the Ocean Shipping Reform Act of 2021 (OSRA21)"²².

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²⁰ Shipping and Freight. 10/09/2021. [Port of Long Beach achieves strongest August on record.](#)

²¹ Savvides, N. 09/09/2021. [World Shipping Council says reform act is 'horrible policy' borne of shipper anger.](#)

²² Savvides, N. 14/09/2021. [US authorities lead the way in moves to revitalise 'failing' global supply chains.](#)

- b. Signatories summarised the Act by stating that it would: *"Help address longstanding, systemic supply chain and port disruption issues, which the COVID-19 pandemic has further exacerbated."*

2. Typhoon Chanthu causes some disruption in China:

- a. Terminals at two of the world's busiest container ports began resuming operations on Tuesday after briefly shutting down due to Typhoon Chanthu. Both Shanghai Port and Ningbo-Zhoushan Port are now handling laden containers at several terminals. Still, analysts warn that delays and disruptions remain a broader concern in the global supply chain²³.

3. Multipurpose Time Charter Index up 48% since the start of the year and 67% since August 2020:

- a. To combat the global capacity crunch, shippers have continued to look to other avenues to ship goods, notably the charter market. Consequently, the Drewry *"Multipurpose Time Charter Index"* increased to **\$9 679** per day in August, representing a rise of almost **7%** compared to the **1,4%** rise seen in the previous month, as the usual summer lull ended abruptly. Indeed, the index has been up **48%** since the start of the year and **67%** since August 2020. Moreover, Drewry expects the index to rise a further 5% in September to reach **\$10 165** per day²⁴.
- b. Unfortunately, vessel availability was scarce, as most ships have been fixed well into 2021. Furthermore, demand continued to climb as the capacity constraints, and equipment shortages continued in the competing sectors, making these vessels the "go-to" choice for several shippers, with charter rate growth for multipurpose vessel types of over 10% m/m.

4. Containers lost at sea increase, as emerging severe wind patterns on transpacific routes highlight shipping risk:

- a. Everstream analytics this week reported that over 2 733 containers were lost at sea from October 2020 to April 2021, representing an overall increase of **↑97,7%** compared to the previous annual average for global container losses²⁵. Furthermore, these losses have brought to light emerging trends in maritime supply chain disruptions and have drawn attention to the severe impacts of container spills. Indeed, according to DSV, each container lost is costing the industry **\$100 000**²⁶.

c. Global fleet capacity

An ongoing theme recently has been the overall lack of capacity in the global container fleet. However, the near-term outlook is changing as several major carriers significantly add to their fleets. For example, for the first half of 2021, more than 300 container vessels were ordered, totalling almost 3 million TEU of capacity²⁷. This addition, coupled with the existing order book, meant that the overall capacity would increase by nearly 5 million TEU (**↑20%**). According to Alphaliner, the current global container capacity is currently **25 million TEU**²⁸. However, the massive increases are not across all sectors. For example, the new ship order books for tankers and dry bulk cargo are at a decade-long low, with shipyards full through 2023 with orders from other sectors, notably the container market. The following figure shows the current situation.

²³ Siqu, J. 14/09/2021. [China's busiest container-shipping ports in Shanghai, Ningbo begin to reopen after Typhoon Chanthu.](#)

²⁴ Drewry. 13/09/2021. [Multipurpose Time Charter Index - Sep 21.](#)

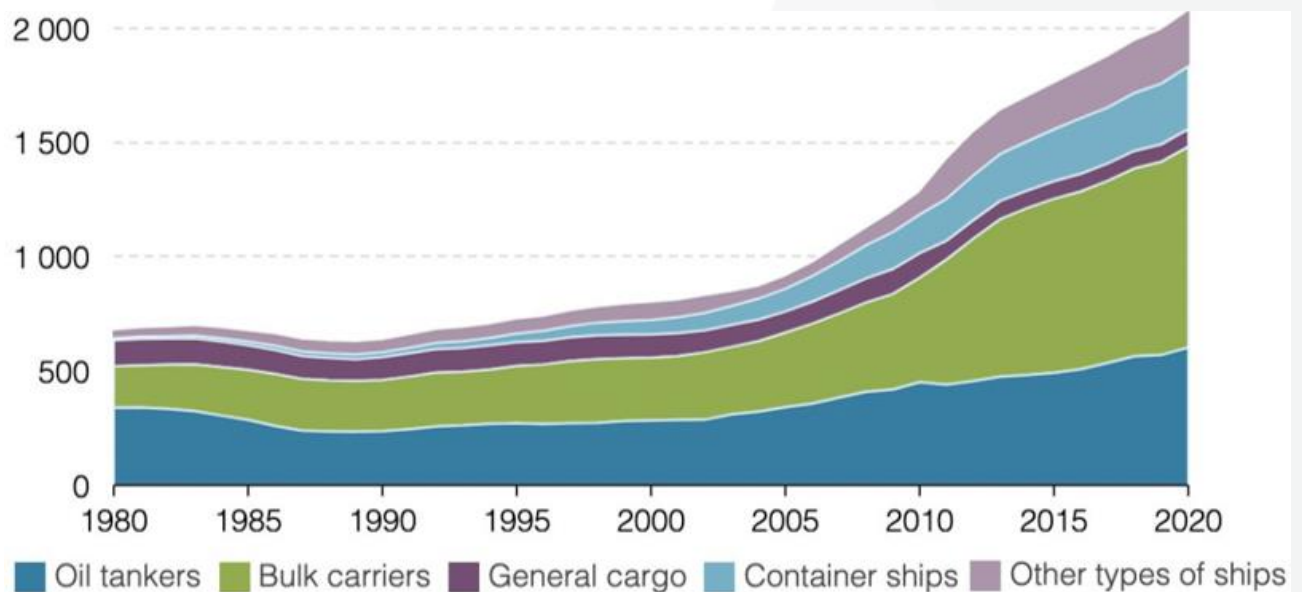
²⁵ Everstream. 13/09/2021. [Emerging Severe Wind Patterns on Transpacific Routes Highlight Shipping Risk.](#)

²⁶ Osler, D. 15/09/2021. [Each lost container costs logistics industry \\$100,000.](#)

²⁷ Ship and Bunker. 14/07/2021. [Container ship orderbook jumps in first half of 2021.](#)

²⁸ Alphaliner. 15/09/2021. [Top 100.](#)

Figure 16 – World fleet by principal vessel type (millions of dead-weight tons[dwt])



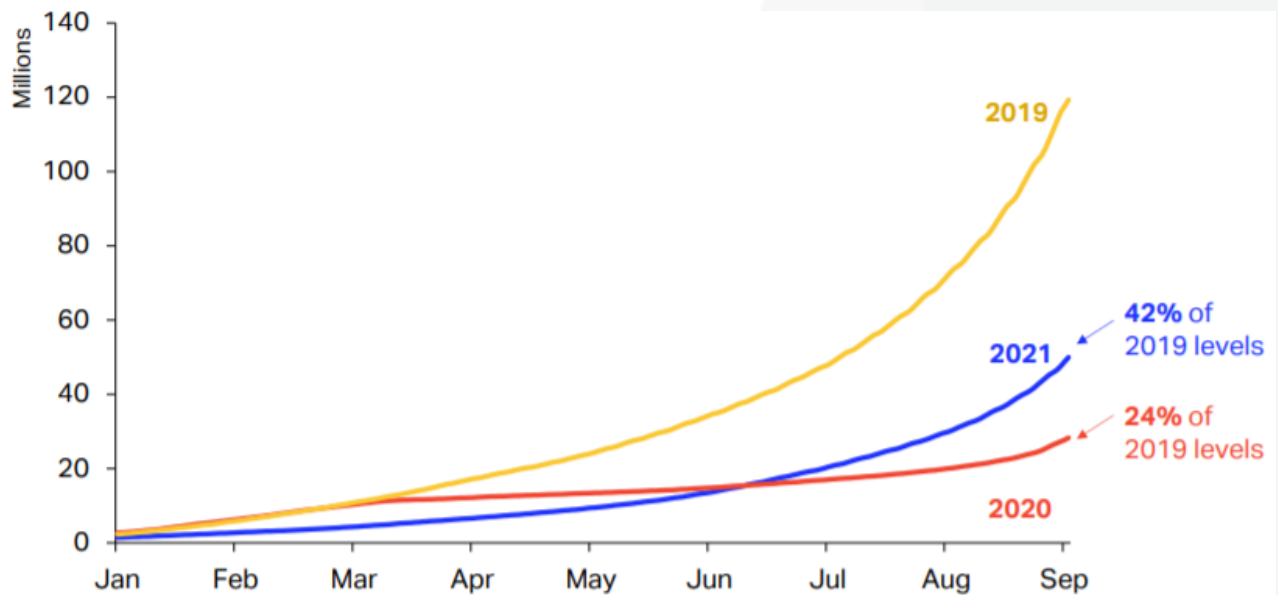
Source: [UNCTAD](#)

In January 2020, the world fleet reached a carrying capacity of 2,1 billion DWT, 81 million DWT more than the previous year. Over recent years, tonnage has increased considerably in all segments except general cargo carriers. Bulk carriers recorded an exceptionally rapid increase. Between 2010 and 2020, their share of total carrying capacity rose from 36% to 43%. Simultaneously, the percentage for oil tankers shrank from 35% to 29% and the share for general cargo from 8% to 4%.

d. Global aviation industry

The aviation industry continues its struggles to kick-start the passenger market, which is set to add crucial space to the cargo market in its battle for much-needed space. The International Air Transport Association (IATA) notes in their "Chart of the week" that fourth-quarter travel bookings are looking better than 2020, but well still well below pre-crisis levels (currently at ~42% to 2019-levels). The following figure depicts the current state.

Figure 17 – Global cumulative passenger bookings for Q4 travel



Source: [IATA Economics](#)

IATA notes that the willingness to travel for the final quarter of the year remains desperately low. Although travel demand is more robust than last year when COVID vaccines were not available, sales remain at **42%** of pre-crisis 2019 levels, whereas this figure hovered around **24%** at this time last year. Although the outlook might still improve since the current ticket sales represent only a tiny part of the overall Q4 bookings (about 15%), the evidence so far indicates that the next couple of months will be challenging for the airline industry. The bookings do not show any significant traffic improvement compared with 2019 in the near term, hence the pessimistic outlook of most commentators in the aviation industry.