

COVID-19: Cargo movement update¹

Date: 18 November 2022

Weekly Snapshot

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

Flows	Current ²			Previous ³			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	27 157	32 934	60 091	26 143	30 228	56 371	↑7%
Air Cargo (tons)	5 288	3 353	8 641	5 225	3 500	8 725	↓1%

Monthly Snapshot

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

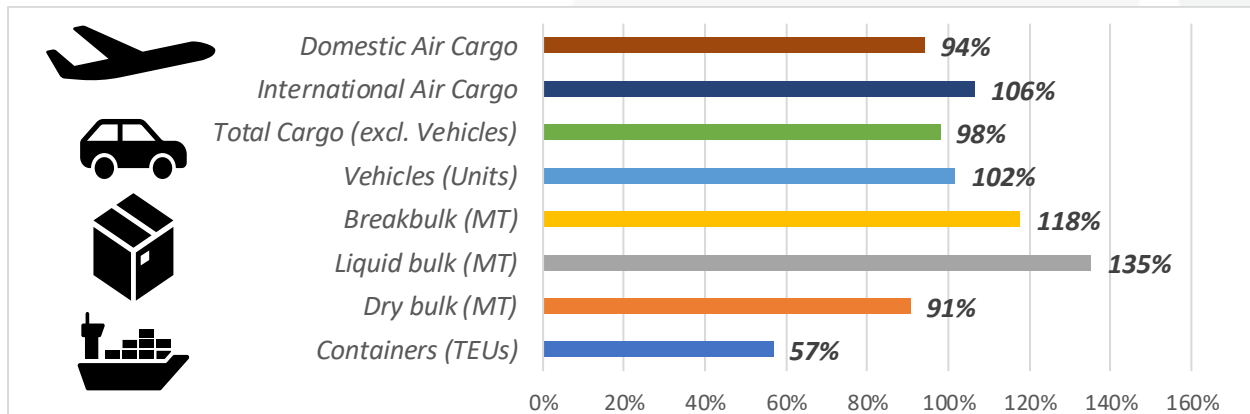
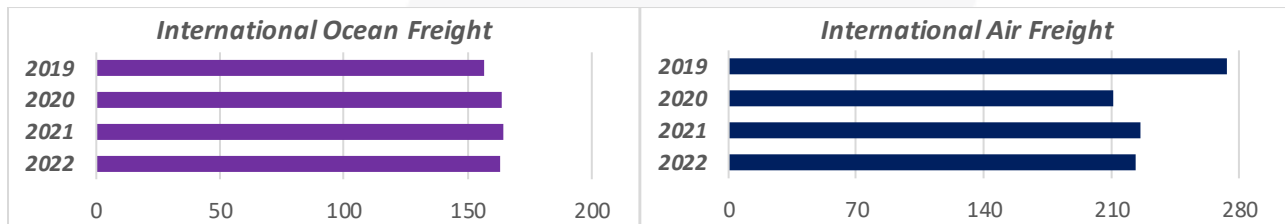


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 584 containers** was handled per day, with **~8 575 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 065 containers**, **↓28%** compared to last week.
- TNPA stats for Oct: containers **↓58%** (m/m) & **↓42%** (y/y), and still down YTD (**↓4,7%**). Total cargo is **↓23%** (m/m) & **↓2%** (y/y), as the devastating effects of the strike last month are made abundantly clear.
- Cross-border queue times were **↑0,7 hours**, with transit times **↓0,2 hours**, SA borders **~7,4 hours** (**↑3%**).
- Port congestion currently stands at **2,72 million TEU**, **~10,5%** of fleet capacity and slightly up **↑0,1%** (m/m).
- Blank sailings remained high this week, hovering around a **13% cancellation rate**.
- The "WCI" decreased for the **38th consecutive week**, with spot rates down **↓7%** (**\$182**) to **\$2 591** per 40ft.

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 114th update.

² 'Current' means the last 7 days' (a week's) worth of available data.

³ 'Previous' means the preceding 8-14 days' (a week's) worth of available data.

⁴ 'Monthly' means the last months' worth of available data compared to the same month in the previous year; All metrics: Oct vs Oct.

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

Executive Summary

This update – *the 114th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Operationally, South Africa's commercial ports reported issues around equipment breakdowns and shortages, adverse weather conditions, backlogs, and congestion. All of our national ports experienced a very challenging week as delays impacted port operations throughout the week. A system failure originating in the server room at Pier 1 caused extensive delays earlier this week as all operations, especially on the waterside, were affected. In addition, the Eastern Cape ports were also affected by adverse weather conditions as NCT and GCT were windbound for extended periods throughout the week. Furthermore, in Richards Bay on Monday, two vessel movements were delayed for six and seven hours, respectively, while Tuesday saw another three vessel movements delayed due to adverse weather conditions.

In the global container shipping industry, falling rates and oversupply (resulting in active capacity management) are currently the prevailing characteristics typifying the global container industry. Fortunately, port congestion is easing, resulting in a return to maritime fluidity in most areas. For shippers, the decrease in rates has been welcomed; however, a sustained return to pre-pandemic levels is unlikely, given the massive increases in other logistics costs, led by increases in transport expenses, bunker costs, and equipment and repositioning costs. Additional developments of note included **(1)** a confirmed slowdown in global economic activity and **(2)** complaints against shipping lines continuing to be filed at the FMC.

In the airfreight sector, we continue to post healthy cargo numbers, as inbound figures have been positively influenced by several additional freighters from North Africa and higher tonnages from European freighters. Our outbound air freight was also a bit higher than normal. The outlook remains healthy, as the industry is expecting better performance for the period leading into the festive season. Ultimately, our international air cargo volume is slightly down for the week (**↓1%**, w/w) but remains comparatively high, as domestic volumes remain elevated but experienced a slight dip this week, down by **↓17%**.

In the cross-border road freight industry, several regional border posts' crossing times have come down in recent weeks, although significant delays persist, as Beitbridge, Kasumbalesa, Katima, and Zobue continue to experience crossing times in excess of a day. Other regional constraints this week included **(1)** reports of protest action on the N4, **(2)** regionally, further frivolous fines were handed out for old issues at a Police checkpoint in Livingstone this week, and **(3)** an increase of the Kasumbalesa queue has reached 20 km.

In concluding this edition, the stark reality of the published TNPA stats for October has confirmed the devastating impact of the strike. Container numbers are way down, as is bulk cargo. However, the longer-term trend is more alarming, as our industry has not grown since 2009. Indeed, container volumes have grown at a GAGR of *only* **↑0,2%** p/a, compared to bulk cargo at a *mere* **↑1,9%** p/a⁶. Indeed, in a recent McKinsey report, South Africa's mining and minerals sector – a key driver of growth and development – has seen the largest global decrease in its share of global value chains in this sector between 1995 and 2019⁷. Our competitors are progressing while we are regressing – that is the reality. Furthermore, as is the case for all of our trading sectors, the lesson is simple: if we can't get our products to the port and onwards to the market, we will not grow. Therefore, in summary, it is absolutely vital to stitch the supply chain together. And as we continue to repeat *ad nauseam*, this can only happen with the contribution of all role players – public and private – on a shared infrastructure with shared responsibility.

⁶ Calculated from [TNPA](#) statistics for the period between 2009 and 2011.

⁷ McKinsey. 2022. [Global flows: The ties that bind in an interconnected world](#).

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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 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 12 to 18 November⁸

7-day flow forecast (12/11/2022 – 18/11/2022)		
TERMINAL	NO. OF CONTAINERS ⁹ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 911	5 843
DURBAN CONTAINER TERMINAL PIER 2:	11 702	15 382
CAPE TOWN CONTAINER TERMINAL:	6 912	5 078
NGQURA CONTAINER TERMINAL:	4 146	5 891
GQEBERHA CONTAINER TERMINAL:	486	740
TOTAL:	27 157	32 934

Source: Transnet, 2021. Updated 18/11/2022.

Table 3 – Container Ports – Weekly flow predicted for 19 to 25 November

7-day flow forecast (19/11/2022 – 25/11/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 785	6 700
DURBAN CONTAINER TERMINAL PIER 2:	11 209	15 339
CAPE TOWN CONTAINER TERMINAL:	7 261	6 463
NGQURA CONTAINER TERMINAL:	2 397	4 479
GQEBERHA CONTAINER TERMINAL:	469	920
TOTAL:	26 121	33 901

Source: Transnet, 2021. Updated 18/11/2022.

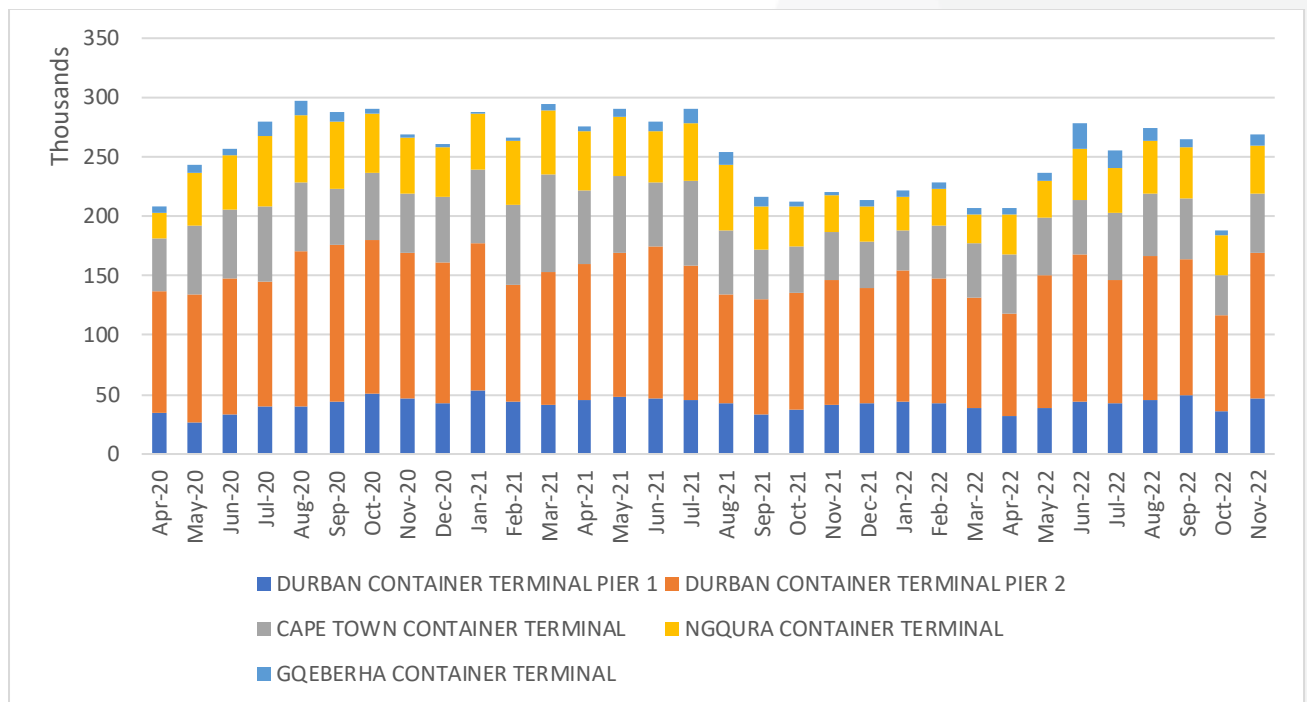
An average of **~8 584 containers** (**↑9%**) was handled per day for the last week (12 to 18 November, Table 2), compared to the projected average of **~8 558 containers** (**↑0,3%** actual versus projected) noted in last week's report. A slightly decreased average of **~8 575 containers** (**↓0,1%**) is projected to be handled next week (19 to 25 November, Table 3). Port operations this past week were typified by equipment breakdowns and shortages, adverse weather conditions, backlogs, and congestion.

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

⁸ It remains important to note that a large percentage (approximately 39% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments. Due to the ongoing container imbalances, this proportion is fluctuating more than usual and has increased since December 2020. In recent months, empty numbers have dropped, a reflection of an improvement in worldwide container imbalances.

⁹ As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container and this figure will probably increase as the shift towards more 40' containers continues.

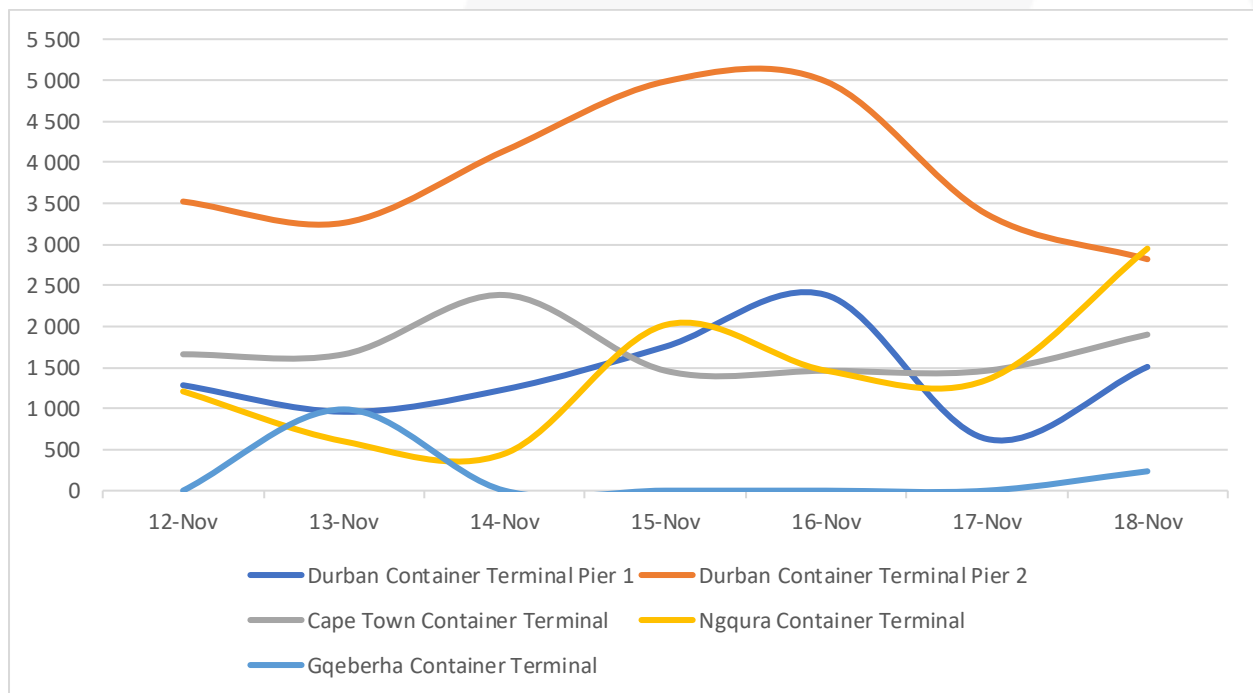
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

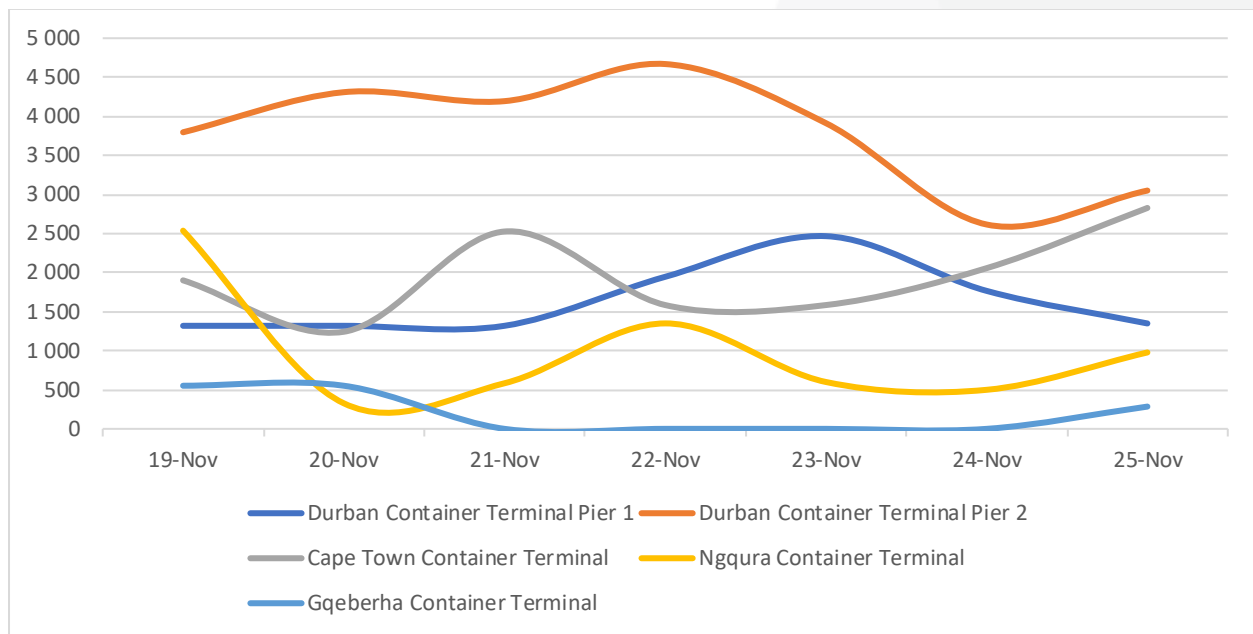
The figures below show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (12 to 18 November; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

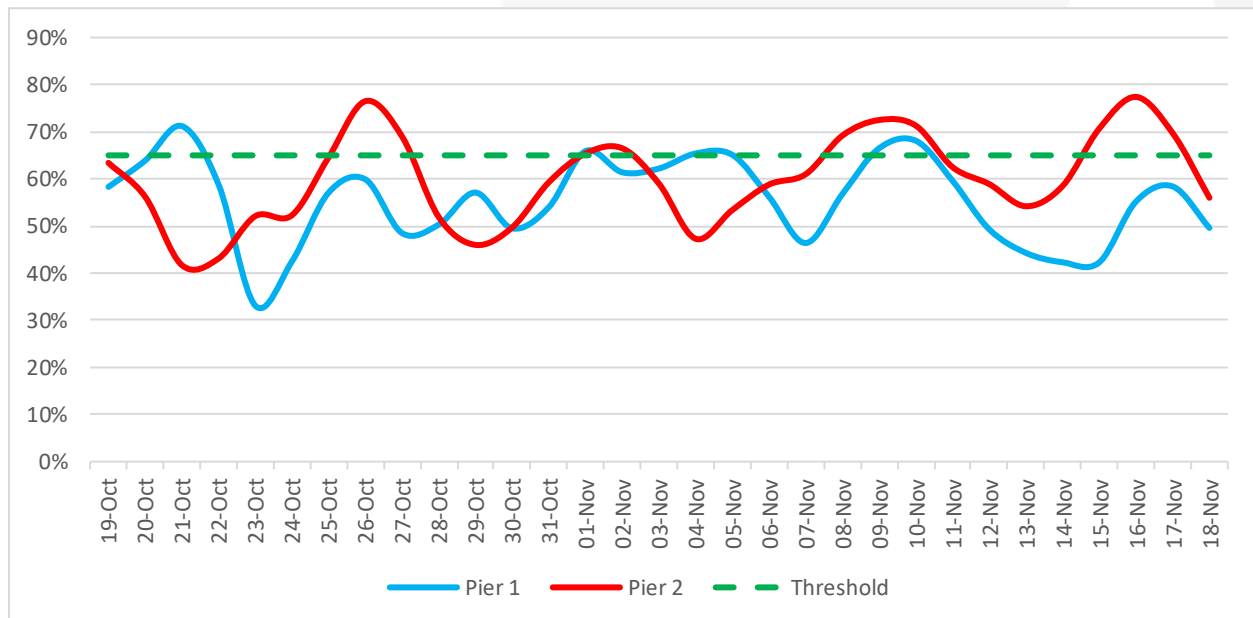
Figure 5 – 7-day forecast reported for total container movements (19 to 25 November; per port; day on day)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

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

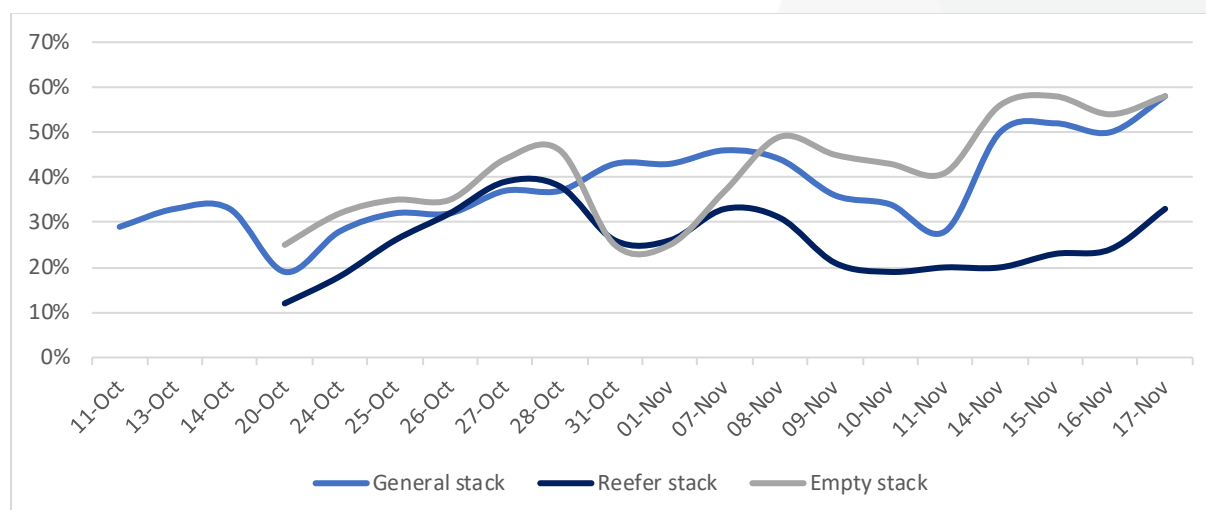
Figure 6 – Stack occupancy in DCT, general-purpose containers (19 October to present; per Pier; day on day)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

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 (11 October to present, day on day)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

b. Transnet National Ports Authority: October update

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for October¹⁰, providing a clear graphic indication of the devastating effects of the 11-day strike. Compared to September's throughput, the two headline figures show that containerised cargo has decreased by a monumental **↓58%** (m/m), whereas total cargo handled is down by a substantial **↓23%** (m/m). As widely reported and as we predicted at the outset, the massive loss of volume incurred will mean that a complete restoration of normal functionality will only happen in early 2023. Ultimately, some cargo could move after some delay, but some were lost forever, as the **R1,5 billion** in wage increases pales in comparison to the economic damage wrought by the strike. The following table shows the monthly movement across the various ocean sub-sectors:

Table 4 – TNPA – Volume and growth: October 2022

	Sep	Oct	Movement	Monthly growth
Containers (TEUs)	455 235	190 606	-264 629	-58%
Landed	222 745	103 076	-119 669	-54%
Shipped	232 490	87 530	-144 960	-62%
Dry bulk (MT)	15 858 230	11 751 923	-4 106 307	-26%
Liquid bulk (MT)	3 361 036	3 023 681	-337 355	-10%
Breakbulk (MT)	456 957	421 346	-35 611	-8%
Vehicles (Units)	88 328	51 007	-37 321	-42%
Total cargo (excl. Vehicles)	19 676 223	15 196 950	-4 479 273	-23%

Source: [TNPA](#), updated 18/10/2022.

All cargo sub-sectors experienced a significant decline in throughput, as labour lawyers Dawn Norton and Luke Lagesse this week highlighted how South Africa's labour law, as it relates to strikes, fails to balance competing interests¹¹. Indeed, South Africa lost the opportunity of moving **R65,3 billion worth** of goods¹², meaning that – putting aside the labour interests – the national strike was economic suicide at the worst possible time, given the backdrop of low growth, rising interest rates, and high inflation. The following table

¹⁰ Transnet. 2022. Port statistics. [TNPA](#)

¹¹ Norton, D. & Lagesse, L. 15/11/2022. [South Africa's strike law fails to balance competing interests](#).

¹² SAAFF. 20/10/2022. Media Statement: Supply chains are our lifeline!

illustrates how much we lost cyclically and shows a comparative overview for October 2022, compared to the same month in 2021 and 2020.

Table 5 – TNPA – Volume and growth: October 2020-2022

	2020	2021	2022	Growth: '21-'22	Growth: '20-'22
Containers (TEUs)	325 711	329 822	190 606	-42%	-41%
Landed	152 194	163 590	103 076	-37%	-32%
Shipped	173 517	166 232	87 530	-47%	-50%
Dry bulk (MT)	16 389 328	12 963 097	11 751 923	-9%	-28%
Liquid bulk (MT)	3 280 324	2 236 799	3 023 681	35%	-8%
Breakbulk (MT)	298 824	358 039	421 346	18%	41%
Vehicles (Units)	44 772	50 182	51 007	2%	14%
Total cargo (excl. Vehicles)	19 968 476	15 557 935	15 247 957	-2%	-24%

Source: [TNPA](#), updated 18/10/2022.

Cyclically, October is typically a poor month for container throughput, with low numbers posted in the preceding two years. Nevertheless, more than a third of the typical throughput – or **~135 000 containers** – could not be moved because of the strike. Dry bulk also saw a massive decrease in cargo handled (**↓9%**, y/y); however, liquid bulk (**↑35%**, y/y) and breakbulk (**↑18%**, y/y) somehow posted improved annual numbers, which much be commended. This can be ascribed to the number of private terminals in those sectors and the low numbers of unionised workers in the Transnet terminals. Alarming, compared to 2020 numbers – the immediate aftermath of the hardest lockdown – South Africa's international ocean merchandise volumes have not moved the needle one bit but rather regressed. Unfortunately, this dire commercial reality once again poses more questions than provides answers. We are truly regressing while our international peers are moving forward.

When removing seasonality and normalising the extent of the strike to a degree, the following table provides a more in-depth year-to-date view of containerised cargo.

Table 6 – TNPA – Volume: YTD January-October 2020-2022: Containerised cargo

	2020			2021			2022		
	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL
LANDED:									
DEEPSEA	1 051 851	272 027	1 323 878	1 233 183	280 470	1 513 653	1 207 973	263 730	1 471 703
COASTWISE	3 155	35 482	38 637	2 639	28 382	31 021	5 163	38 751	43 914
TRANSHIPPED ¹³	218 067	68 893	286 960	245 429	96 708	342 137	233 629	67 798	301 427
TOTAL LANDED	1 273 073	376 402	1 649 475	1 481 251	405 560	1 886 811	1 446 765	370 279	1 817 044
SHIPPED:									
DEEPSEA	941 890	424 526	1 366 416	976 749	507 919	1 484 668	965 121	472 696	1 437 817
COASTWISE	4 521	31 010	35 531	2 499	26 681	29 180	5 412	31 295	36 707
TRANSHIPPED	221 319	71 332	292 651	234 848	95 965	330 813	199 530	66 213	265 743
TOTAL SHIPPED	1 167 730	526 868	1 694 598	1 214 096	630 565	1 844 661	1 170 063	570 204	1 740 267
GRAND TOTAL	2 440 803	903 270	3 344 073	2 695 347	1 036 125	3 731 472	2 616 828	940 483	3 557 311

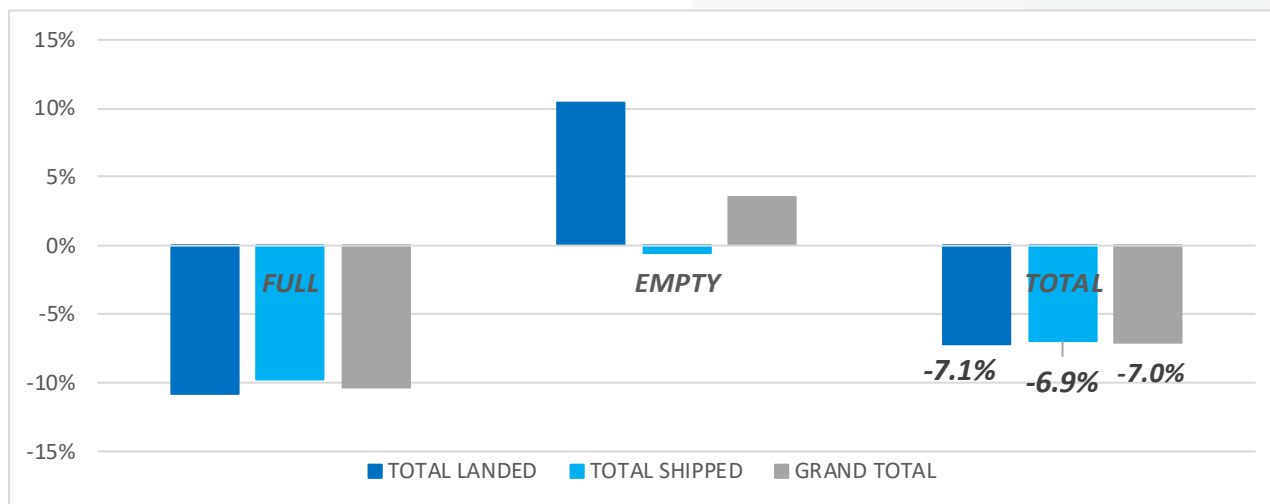
Source: [TNPA](#), updated 18/10/2022.

Given the dreadful month for containers in October, the cumulative annual numbers show that we are substantially down on YTD levels compared to 2021 (**↓4,7%** y/y – from **↓1,0%** last month), with numbers

¹³ 'Transhipped' means an act of off-loading cargo from one ship (generally at a hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transshipment port for a period.

obviously substantially up from a pandemic-stricken 2020 ($\uparrow 7,2\%$). However, when we look further back and compare current YTD throughput levels with pre-pandemic levels of 2019, the global realities (equipment shortages, port congestion, wars, and other issues) – coupled with our domestic realities (looting, strikes, floods, cyber-attacks) become readily apparent, as shown below. As a result, the only real "growth" has been and continues to be in the form of handling empty containers as carriers reposition their equipment.

Figure 8 – TNPA – Growth: YTD January-September 2019 versus January-September 2022: Containerised cargo



Source: TNPA, updated 18/10/2022.

The total YTD comparison shows our containerised segment is currently $\downarrow 7,0\%$ down compared to 2019. Furthermore, a recurring theme, the massive increase in empty containers handled continues to dominate, up by $\uparrow 3,5\%$ since 2019. On the other hand, growth in full containers is down by approximately $\downarrow 10,3\%$ compared to pre-pandemic levels. These numbers emphasise that there has been no real growth since the pandemic hit. Indeed, one can look further back, as the **4,42 million TEUs** handled in 2021 are approximately similar ($\uparrow 1,9\%$) to the **4,33 million TEUs** in 2009.

c. Summary of port operations

The following sections provide a more detailed picture of the operational performance of our commercial ports over the last seven days.

i. Weather and other delays

Cape Town experienced another improved week this week, as minimal operational delays were reported due to adverse weather conditions. The only exception was on Wednesday when a vessel movement was delayed for approximately one hour and thirty minutes due to the pilots not being willing to move the vessel, with high swells running into the terminal.

Once more, Durban experienced a very challenging week on all fronts as extensive delays were reported due to a wide variety of challenges delaying operations throughout the week. On Monday, adverse weather conditions, in the form of rain and wind, disrupted operations at Pier 2 and the Maydon Wharf terminal. On Tuesday, a power failure on one of the berthed vessels at Maydon Wharf caused delays, while Wednesday saw six out of the ten planned vessel movements delayed due to occupied tugs and shipping movements. In

addition, a system failure originating in the server room at Pier 1 caused extensive delays earlier this week, as all operations, especially on the waterside, were affected.

Similarly, Richards Bay experienced a challenging week as several delays were reported due to adverse weather conditions. On Monday, two vessel movements were delayed for six and seven hours, respectively, while Tuesday saw another three vessel movements delayed due to adverse weather conditions.

Our Eastern Cape ports, unfortunately, could not escape the week unscathed, as extensive challenges were experienced due to adverse weather conditions. Both the NCT and GCT terminals were windbound for lengthy periods throughout the week, with the most notable being the morning shift on Monday and the afternoon shift on Wednesday, which were lost at NCT. In addition, cranes 2 and 8 at NCT went out of commission on Wednesday but were swiftly returned to service by Thursday.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and two at outer anchorage. Stack occupancy for GP containers was 58%, reefers 33%, and empties 58%. In the latest 24-hour period to Thursday, the terminal managed to handle 2 678 TEUs across the quay while servicing 1 437 external trucks and 73 trains on the landside.

On Tuesday, Cape Town MPT recorded zero vessels at anchor and one at berth. In the 24 hours to Wednesday, the terminal managed to service 24 external trucks at a truck turnaround time of ~10 minutes. Stack occupancy increased to 26% for GP containers, 38% for reefers and zero for empties.

This week, it was reported that the containers conveying the shore tensioner unit destined for Cape Town arrived in Cape Town and are awaiting final customs clearance before they can be released and unpacked.

iii. Durban and Richards Bay

Pier 1 on Monday recorded two vessels at berth, operated by five gangs, and four vessels at anchor. Stack occupancy was 42% for GP containers, with 1 009 imports on hand and 163 unassigned units. The terminal recorded 1 561 landside gate moves on Monday, with 504 cancelled slots and 77 wasted.

Pier 2 had four vessels at berth and six at anchorage on Thursday. In the most recent 24 hours to Friday, the terminal managed to handle a relatively high 4 396 TEUs across the quay. Stack occupancy was 70% for GP containers. The terminal had between 79 and 86 straddles in operation throughout the week, operated by ten gangs. On Friday, there were 2 435 gate moves on the landside. A total of 459 rail import containers were on hand, with 426 moved by rail.

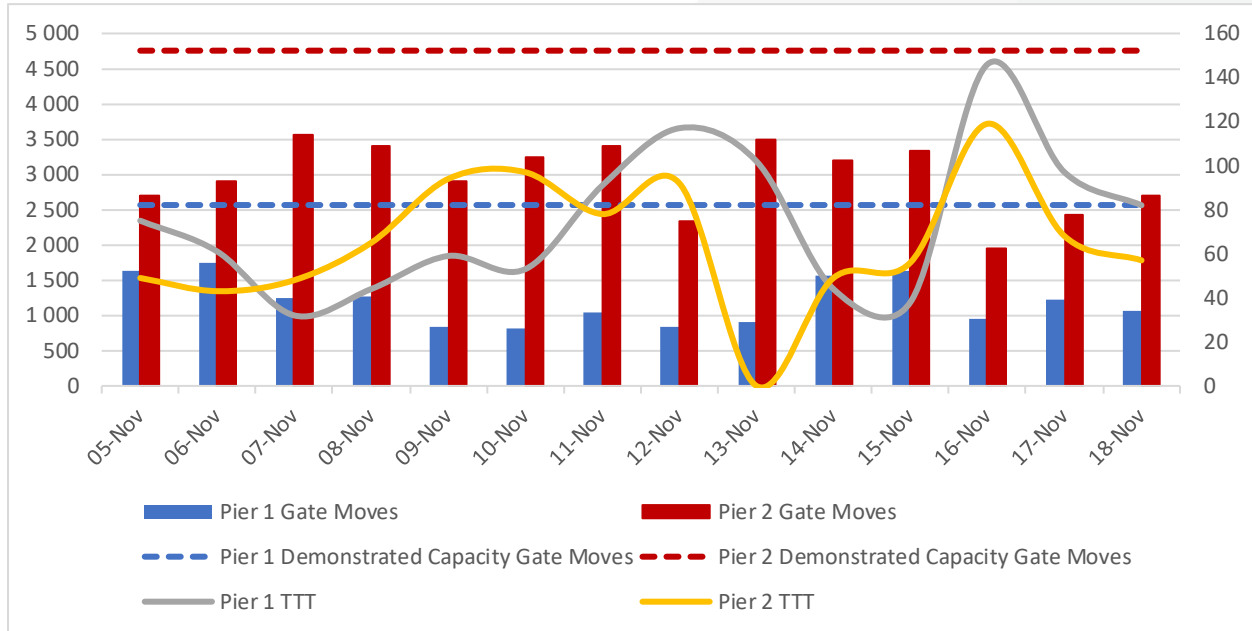
Durban MPT terminal, on Tuesday, recorded three vessels at berth and three at outer anchorage while handling 378 containers on the waterside. Stack occupancy was high at 80% for breakbulk and improved at 53% for GP containers. On the landside, 59 breakbulk trucks were serviced in the 24 hours leading to Wednesday, while 189 containers were handled. In addition, three cranes and nine reach stackers were in operation on Tuesday, complemented by five gangs operating breakbulk and container operations.

On Thursday, Richards Bay recorded 22 vessels at anchor, which translates to five bulk, 14 coal, and three general cargo vessels. On berth, they recorded 16 vessels, four at DBT, four at MPT, four at RBCT, and four at the liquid bulk terminal. Earlier this week, the helicopter went out of commission due to a breakdown but swiftly resumed operations the following day.

Lastly, Transnet has embarked on a process to test the market for a container terminal at its Richards Bay harbour in KwaZulu-Natal – but business leaders say that without a reliable functioning railway connection, the vast benefits such a project could unlock will not be realised¹⁴.

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, 2022. Updated 18/11/2022.

iv. Eastern Cape ports

GCT on Monday recorded zero vessels at outer anchorage and one at berth manned by two gangs. For marine resources, two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Tuesday. In the same period, stack occupancy was 20% for GP containers, 8% for reefers, and 45% for reefer ground slots. In addition, an undisclosed number of trucks were serviced on the landside at a truck turnaround time of ~18 minutes, while the terminal did not execute any moves.

NCT on Tuesday recorded two vessels on berth and two vessels at outer anchorage. Marine resources of two tugs, one shared pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading into Friday. In the same period, stack occupancy was 28% for GP containers and 8% for reefers. On Wednesday, 3 124 TEUs were handled across the quay. Additionally, 347 trucks were serviced on the landside, with a truck turnaround time of ~30 minutes, and two trains were serviced at a rail turnaround time of ~0,2.

This week, reports indicated that the spares for the repair of the NCT pilot boat are expected to arrive during the first week of December. Once the spares have been received, repairs should take between three and five days to complete.

v. Saldanha Bay

On Wednesday, Saldanha Bay recorded zero vessels at the outer anchorage and six on the berth. Two tugs, one pilot boat, two pilots, and two VTS staff were operating the two-berth operation at the port for marine resources.

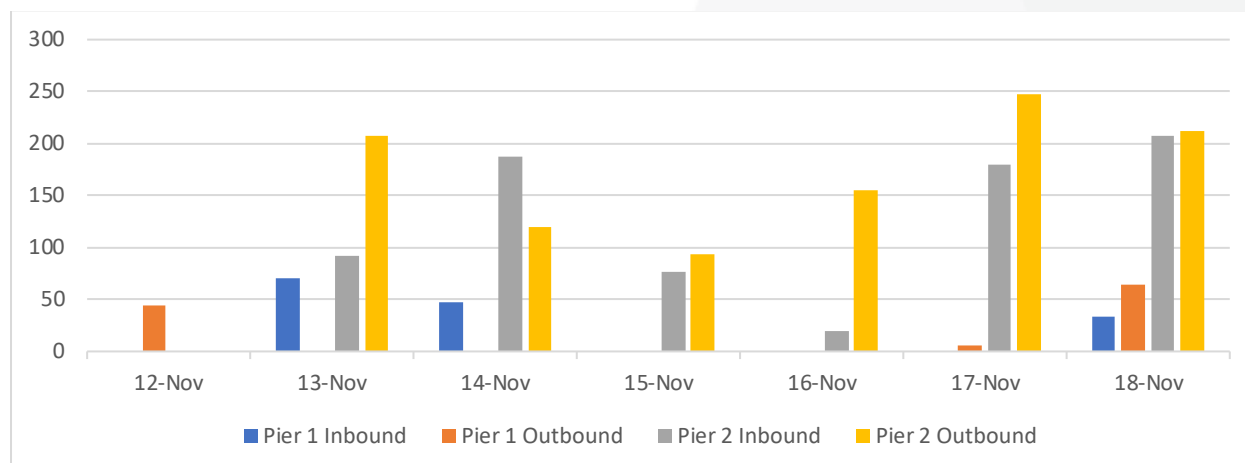
¹⁴ Moneyweb. 09/11/2022. [Container terminal considered for Richards Bay.](#)

vi. Transnet Freight Rail (TFR)

Work on Transnet Freight Rail's North Corridor resumed on Friday night after a train carrying export coal to Richards Bay derailed earlier in the week, the state-owned logistics company said in a statement on Saturday, 12 November¹⁵.

The following figure shows the rail cargo evacuated from DCT in the last week.

Figure 10 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2022. Updated 18/11/2022.

In the last week (12 to 18 November), rail cargo handled out of Durban was reported at **2 065** containers, down by **↓28%** from the previous week's **2 850** 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 7 November. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *November 2021* averaged **~813 045 kg** per day.

Table 7 – International inbound and outbound cargo from OR Tambo

Flows	07-Nov	08-Nov	09-Nov	10-Nov	11-Nov	12-Nov	13-Nov
Volume inbound	673 794	356 008	319 837	480 671	262 755	339 185	1 269 414
Volume outbound	364 607	244 195	244 180	295 649	232 196	266 174	699 809
Total	1 038 401	600 203	564 017	776 320	494 951	605 359	1 969 223

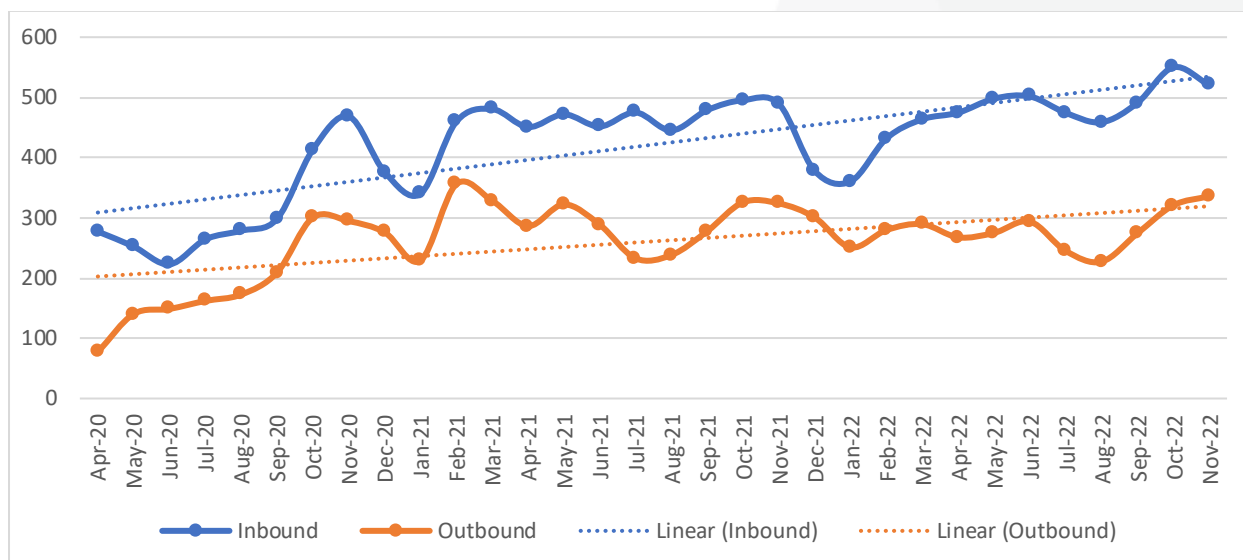
Courtesy of ACOC. Updated: 14/11/2022.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **528 809 kg** inbound and **335 259 kg** outbound, resulting in an average of **864 068 kg per day** or **~106%** compared with October 2021. Also, the level is currently at **~115%** compared with the same period in 2020.

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

¹⁵ Van Der Merwe, M. 12/11/2022. [Transnet resumes work on key coal line after clash with business forum wanting 'opportunities'](#).

Figure 11 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 14/11/2022.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in *November 2021* was **~77 853 kg** per day.

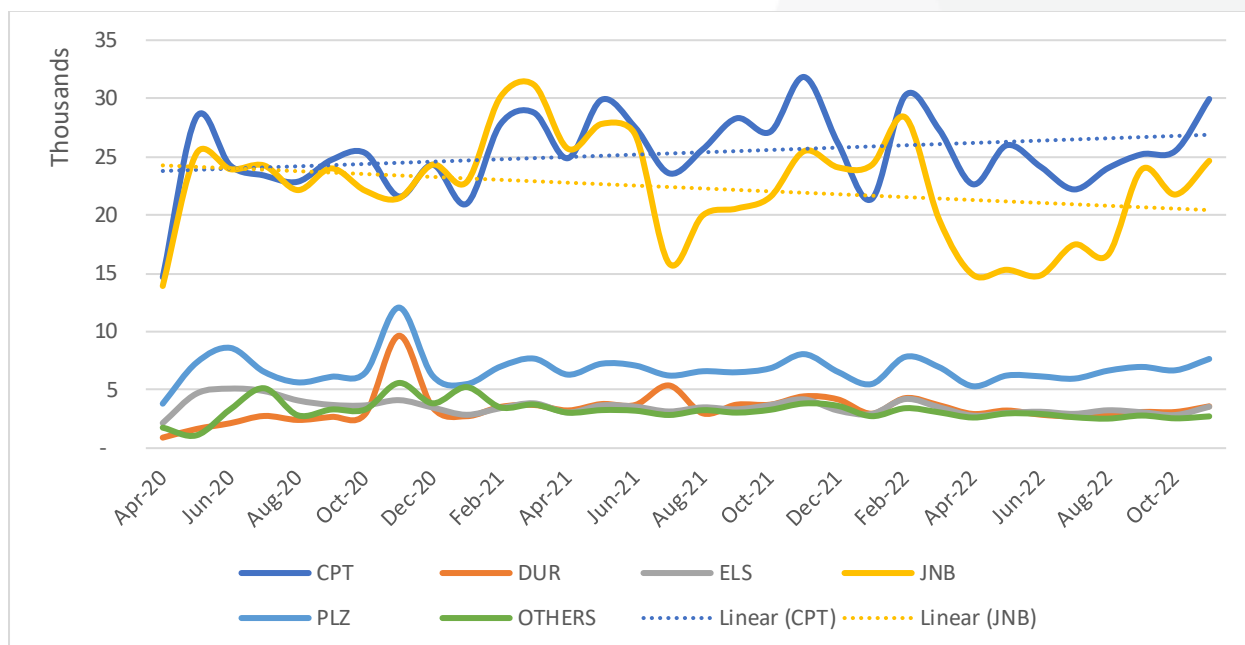
Table 8 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Av.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Av.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan-Jun – 22 Av.	25 230	3 295	3 244	19 449	6 312	2 952	60 480
Jul Average	22 196	2 715	2 943	17 462	5 963	2 650	53 929
Aug Average	24 025	2 854	3 247	16 590	6 646	2 534	55 895
Sep Average	25 212	3 102	3 080	23 913	6 968	2 796	65 071
Oct Average	25 509	3 103	2 841	21 757	6 681	2 554	62 446
Nov Average	29 956	3 587	3 552	24 653	7 651	2 724	72 123
08-Nov-22	42 481	6 433	6 521	27 488	11 760	3 858	98 541
09-Nov-22	44 593	6 517	5 174	23 310	10 950	4 035	94 579
10-Nov-22	45 569	5 585	5 197	23 715	12 119	3 382	95 567
11-Nov-22	19 068	2 516	2 612	26 081	5 336	2 132	57 746
12-Nov-22	795	1 001	79	551	354	119	2 898
13-Nov-22	1 862	498	103	1 771	784	28	5 046
14-Nov-22	43 788	5 806	5 550	28 560	14 410	4 610	102 723
Total for 2022:	8 106 909	1 029 500	1 025 824	6 510 944	2 080 405	907 089	19 660 672

Courtesy of BAC. Updated: 15/11/2022.

The average domestic air cargo moved last week was **~77 853 kg** per day, which is **↓17%** compared with the previous week and **~84%** compared to October 2021.

Figure 12 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 15/11/2022.

3. Road and Regional Update

a. Cross-border and road freight delays

This week, the following points are worth mentioning in terms of challenges and delays on roads in South Africa and the surroundings in the SADC region.

- Last week, clearing times at South African borders remained largely unchanged and averaged **~7,4 hours (↑3%, w/w)**.
- Locally, reports of protest action on the N4 in and around Ermelo were received, as several shops had been looted and burnt.
- Regionally, further frivolous fines were handed out for old issues at a Police checkpoint in Livingstone this week, as lack of mudflaps on trucks was once again cited.
- Elsewhere, the Kasumbalesa queue has reached 20 km now, as the road between Chingola and Chililabombwe is being rehabilitated and is causing slow movement.
- This week, some confusion was caused in the DRC concerning COMESA third-party insurance for South African transporters, as South Africa is not a member of COMESA. However, the issue has been alleviated, as this matter is not a requirement for South African transporters.
- Poor road conditions remain en route to Mokambo, increasing transit times through Zambia and the DRC.
- During the last week, there were no closures of any South African borders. However, we encourage traders to stay abreast of border post communications as per the SARS [website](#).
- Transporters, traders, and cargo owners may still use the non-tariff barrier (NTBs) [online tool](#) developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their [TRANSIST Bureau](#)¹⁶, which has arguably achieved much greater success.

¹⁶ [FESARTA TRANSIST Bureau](#).

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

Table 9 – Delays¹⁷ summary – South African borders

Border Post	Direction	HGV ¹⁸ Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	391	06:00	05:00	26:00	11 730	2 737
Beitbridge	Zimbabwe-SA	410	03:00	02:00	11:00	12 300	2 870
Groblersbrug	SA-Botswana	248	10:06	02:00	21:00	7 440	1 736
Groblersbrug	Botswana-SA	157	00:20	00:00	01:00	4 710	1 099
Vioolsdrif	SA-Namibia	30	00:20	01:00	04:00	900	210
Noordoewer	Namibia-SA	20	00:20	01:00	02:00	600	140
Nakop	SA-Namibia	30	00:24	02:00	07:00	900	210
Ariamsvlei	Namibia-SA	20	00:20	01:00	02:00	600	140
Lebombo	SA-Mozambique	1 552	00:20	01:00	07:00	46 560	10 864
Ressano Garcia	Mozambique-SA	133	00:15	01:00	03:00	3 990	931
Skilpadshek	SA-Botswana	200	01:00	01:00	03:00	4 800	1 400
Pioneer Gate	Botswana-SA	100	00:54	01:00	02:00	2 400	700
Average/Sum			3 291	01:11	01:30	07:30	96 930

Source: TLC, FESARTA, & Crickmay, week ending 13/11/2022.

Table 10 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time (hh:mm)	Border Time – Best 5% (hh:mm)	Border Time – Median (hh:mm)	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	00:20	03:42	17:30	9 600	2 240
Dar Es Salaam Corridor	1 819	05:15	02:00	13:48	54 570	12 733
Maputo Corridor	1 685	00:20	01:00	05:00	50 550	11 795
Nacala Corridor	127	00:00	01:00	01:00	3 810	889
North/South	3 278	02:42	05:06	17:78	98 340	22 946
Trans Caprivi Corridor	116	02:36	01:00	14:00	3 480	812
Trans Cunene Corridor	100	00:36	23:30	40:78	3 000	700
Trans Kalahari Corridor	330	01:15	01:00	02:30	7 920	2 310
Trans Oranje Corridor	100	00:20	01:20	03:78	3 000	700
Average/Sum	7 875	02:04	03:09	13:12	234 270	55 125

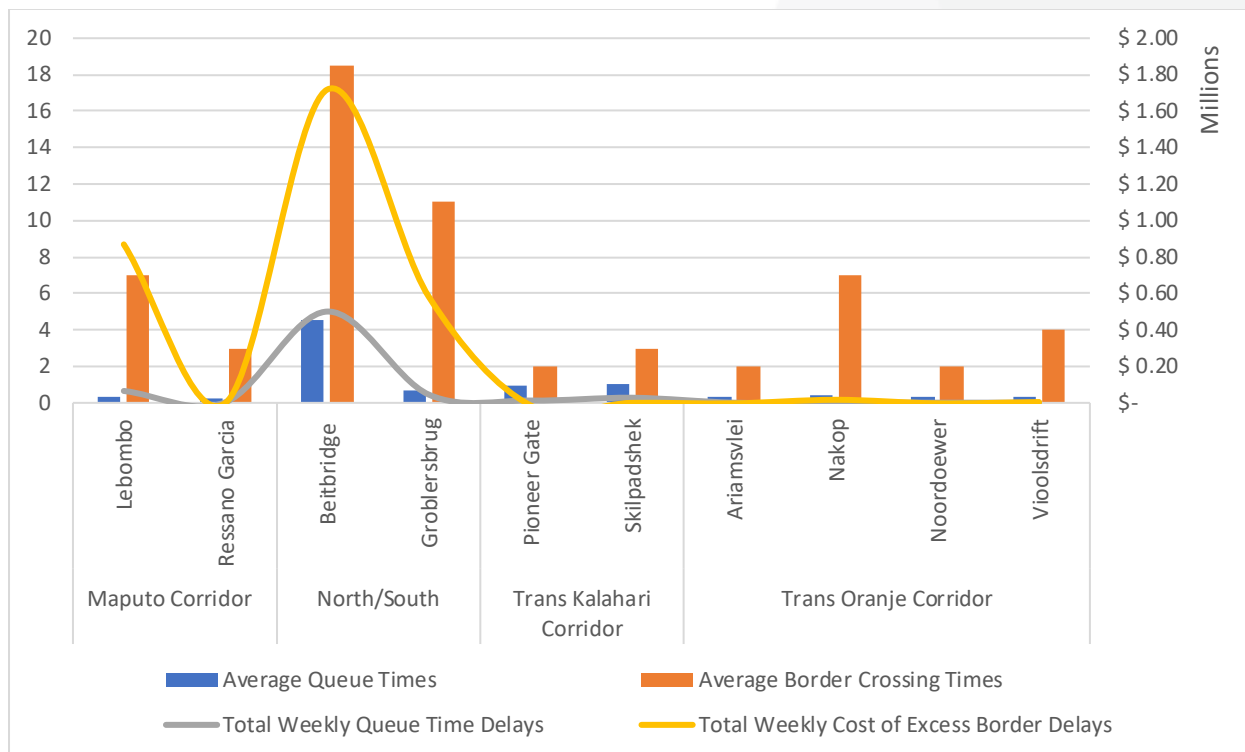
Source: TLC & FESARTA, week ending 13/11/2022.

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

¹⁷ 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.

¹⁸ Heavy Goods Vehicles.

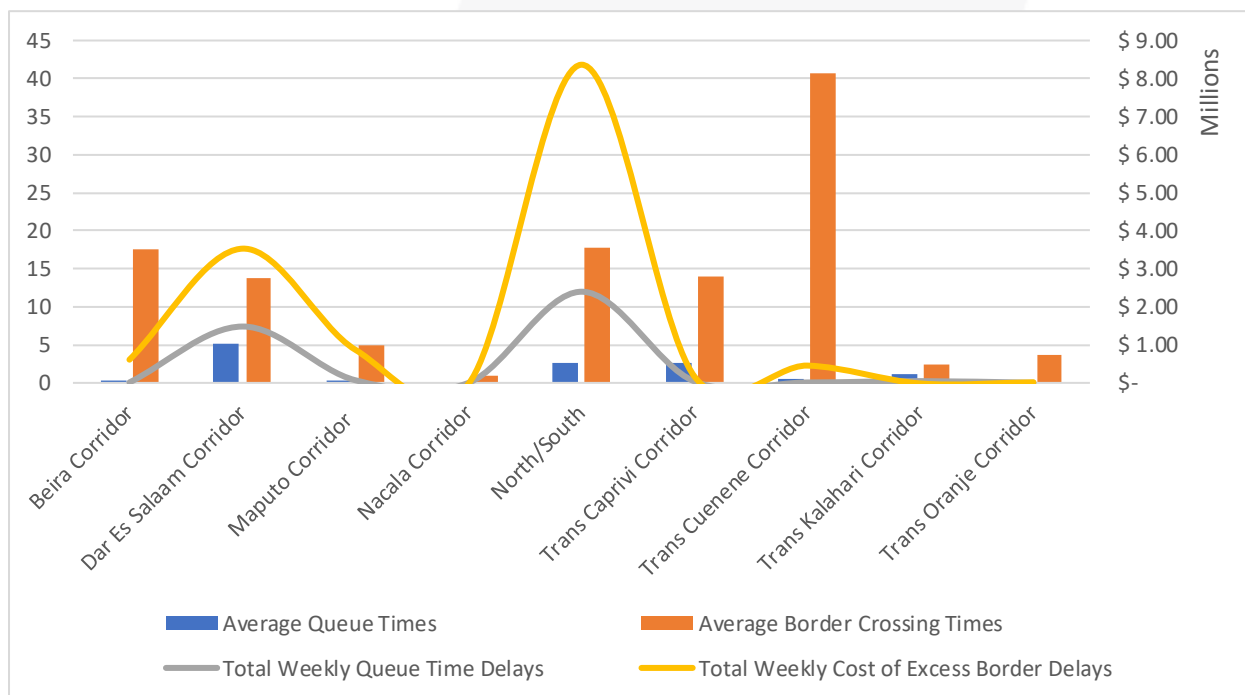
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 13/11/2022.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 13/11/2022.

In summary, cross-border queue time has averaged **~2,1 hours** (down by **~0,7 hours** from the previous week's **~2,8 hours**), costing the transport industry an estimated **\$4 million (R71 million)**. Furthermore, the week's average cross-border transit times hovered around **~13,1 hours** (up by **~0,2 hours** from the **~12,9 hours** recorded in the previous report), costing the transport industry **\$14 million (R246 million)**. As a result, the total cost for the week amounts to an estimated **~R317 million** (down by **~R20 million** or **↓6%** from **R337 million** in the previous report).

4. International Update

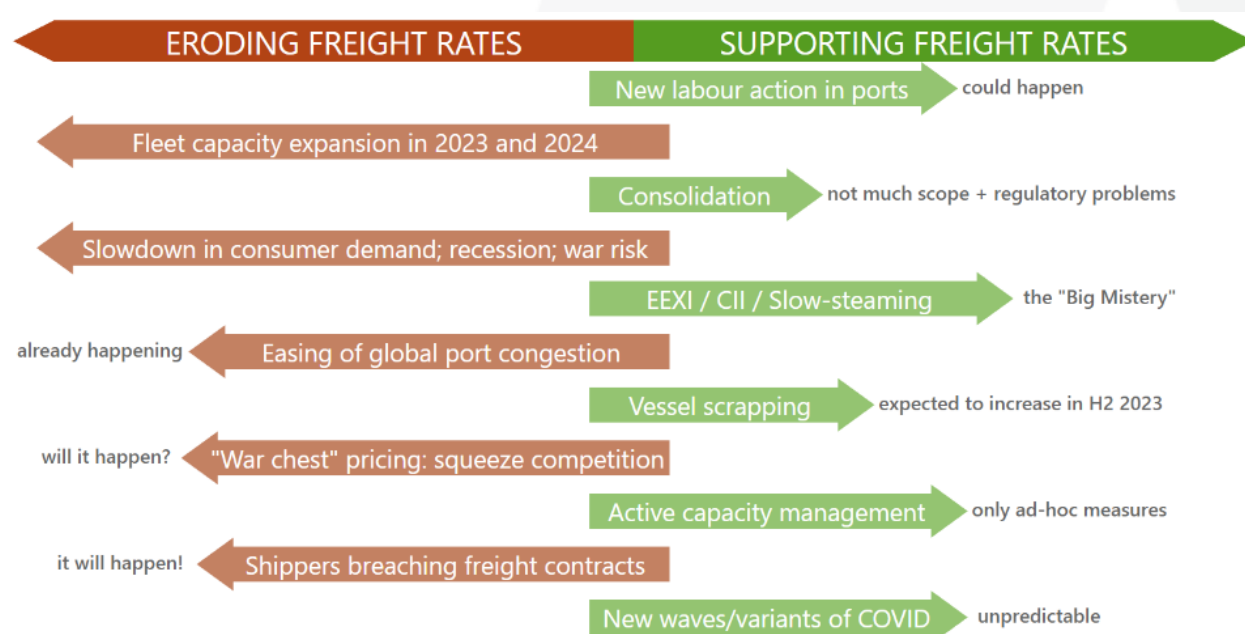
The following section provides some context around the global economy and its impact on trade, including an update on (a) the global shipping industry.

a. Global shipping industry

i. Current outlook in the global container industry

Falling rates, oversupply (resulting in active capacity management), and easing of port congestion are currently the prevailing characteristics typifying the global container industry. These were the sentiments shared in a recent talk on the "Gloomy Outlook for Asia–Europe Trade"¹⁹. The following illustration captures the outlook for freight rates specifically:

Figure 15 – Container freight rate drivers



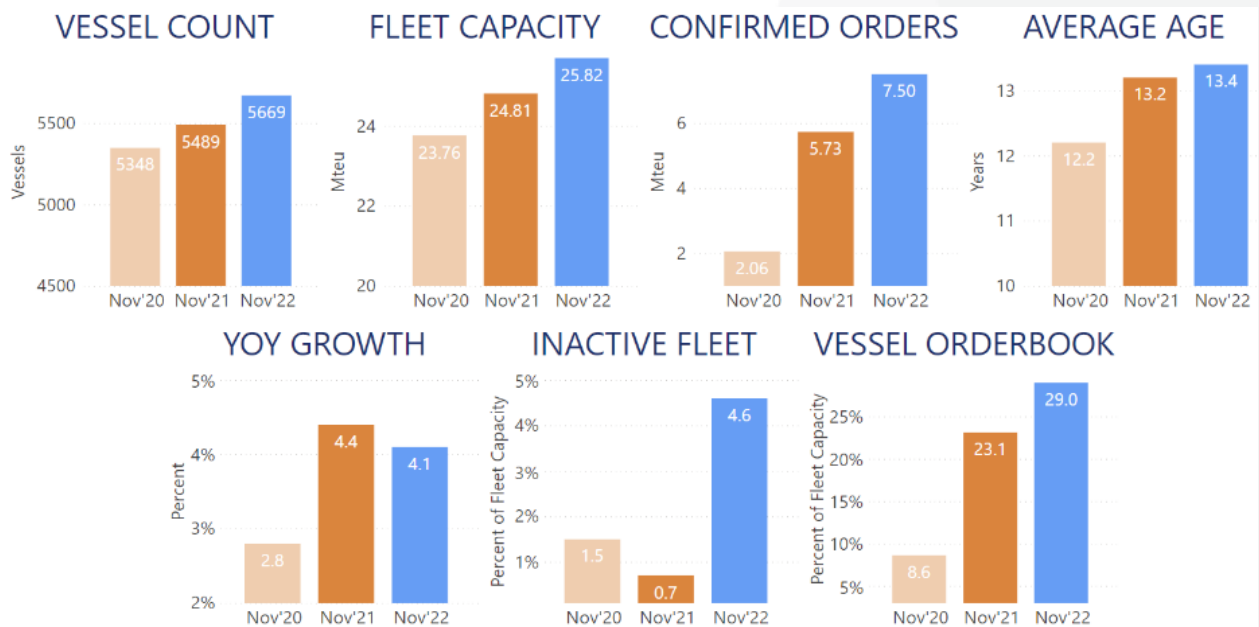
Source: [Alphaliner](#)

While carriers are still publishing record profits for their liner shipping activities in Q3, the Asia – Europe trade outlook is increasingly gloomy as spot ocean freight rates are still nosediving and 69 more Megamax ships (**23 000+ TEU capacity**) are under construction. Consequently, to the relief of shippers, the liner shipping sector experienced an acute shortage of capacity for the first time ever in 2021 and 2022. Indeed, the orderbook is so large that, despite the various capacity reduction measures, the market will not be able to avoid oversupply for a few years²⁰. The following set of graphs illustrates the evolution of several key metrics in the last three years that have greatly shaped the current environment of the container fleet:

¹⁹ Alphaliner. 09/11/2022. [Liner Shipping Ahead: Gloomy Outlook for Asia–Europe Trade](#).

²⁰ Bartlett, C. 16/11/2022. [Low ocean shipping rates here to stay as overcapacity looms](#).

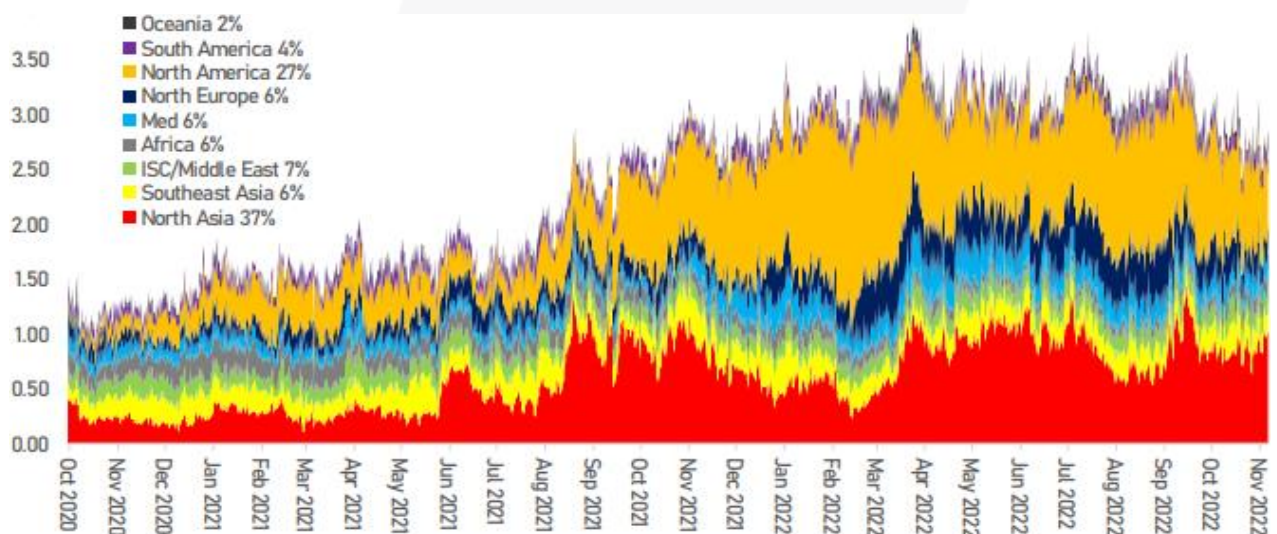
Figure 16 – Container fleet key stats



Source: [Alphaliner](#)

Alphaliner said that the general expectation that this bullish liner market would normalise gradually in the course of this year has proven to be unrealistically optimistic. Cargo volumes through waning demand have dropped substantially since August, which accelerated the level of rate declines, as weekly reported. Going forward, the return of overcapacity in liner shipping seems unavoidable. According to Alphaliner data, a record amount of **7,5 million TEU** slots is under construction. And a significant portion of the orderbook (**5,1 million TEU**) will be delivered in 2023 and 2024, representing **~20%** of the current cellular container fleet. As far as port congestion is concerned, barring a few exceptions, primarily in North America, port fluidity has mostly returned. The situation has resulted in a significant reduction in vessel waiting times, freed up the capacity in the market and further driven down rates. The following is a current breakdown:

Figure 17 – Port congestion by region (Capacity in TEU millions)



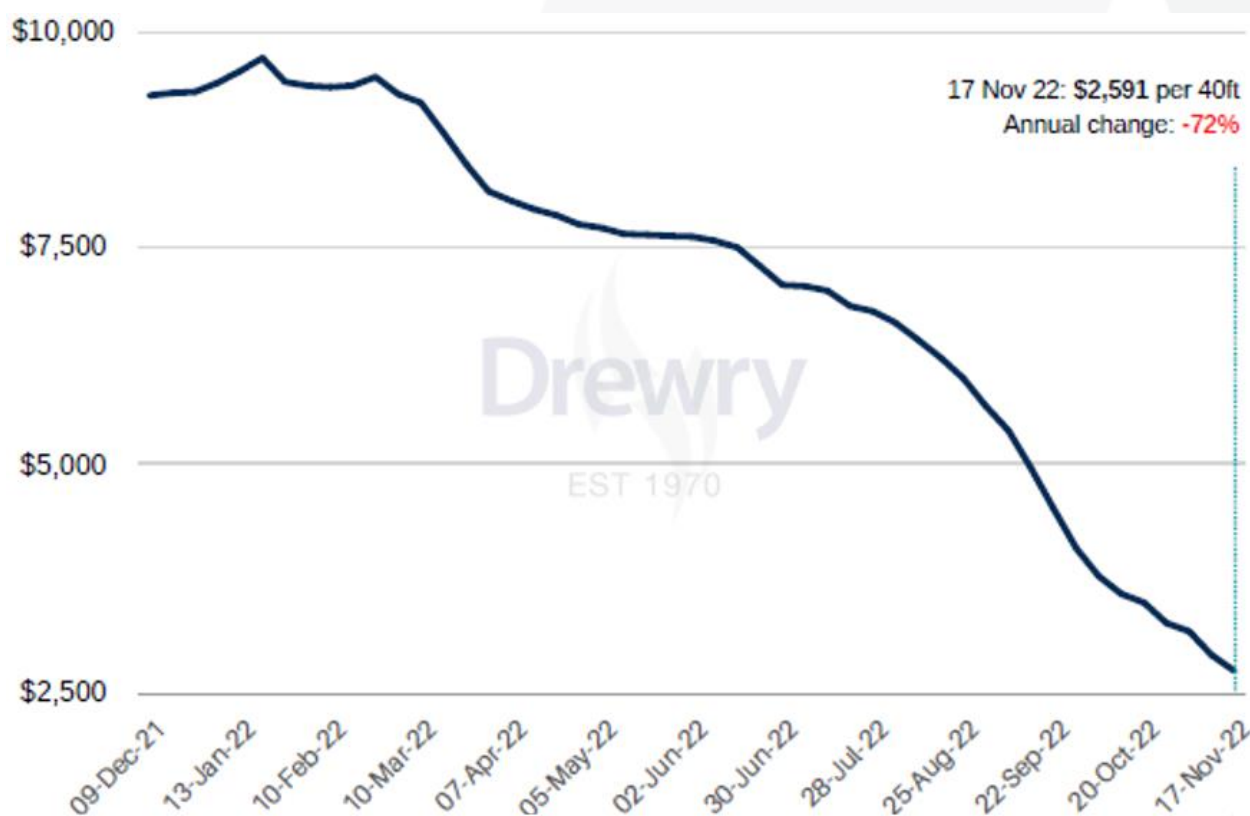
Source: [Linerlytica](#)

As far as the central regions are concerned, European congestion remains relatively under control, with Rotterdam, Hamburg and Southampton recording the most prolonged delays. Although North America still accounts for the largest part, US port congestion continues to ease, with the LA/LB vessel queue down to less than two vessels, the lowest level in more than two years. Nevertheless, congestion, unfortunately, remains critical in Savannah, Houston, Oakland, and Vancouver. In addition, typhoon Nalgae affected port operations in South China, which had a momentarily upward trend in congestion, but it has already started to ease up. For this week, the total port congestion currently stands at **2,72 million** TEU, which is **~10,5%** of fleet capacity and slightly up (**↑0,1%**) compared to last week²¹. Nevertheless, as illustrated, the general trend confirms an easing of maritime bottlenecks. Moreover, the trend is projected to continue as demand keeps on dropping (as confirmed last week by CTS's latest container throughput volumes for September²², which is down by **↓9,5%** (m/m). Once again, blank sailings remained high this week, with Drewry's "Cancelled Sailings Tracker" hovering around a **13% cancellation rate**²³.

ii. Global container freight rates

As alluded to above, the reduction in global container freight rates has continued, as Drewry's "World Container Index" decreased for a **38th consecutive week** – down by a substantial **↓7% (\$182)** to **\$2 591** per 40-ft container this week:

Figure 18 – World Container Index – Trade routes from Shanghai – assessed by Drewry (\$ per 40 ft. container)



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

The composite index is now **↓72%** below the corresponding spot price quoted last year and **↓31%** lower than the five-year average of **\$3 764**. Nevertheless, because of the elevated rates earlier in the year, the year-to-date composite index remains high at **\$6 922** per 40ft container – some **↑487%** higher than the

²¹ Linerlytica. 15/11/2022. [Market Pulse – Week 45](#).

²² CTS. 08/11/2022. [Container throughput volume and price index](#).

²³ Drewry. 18/11/2022. [Cancelled Sailings Tracker - 18 Nov](#).

2019 (pre-pandemic) rate of **\$1 420**. The fact that the spot rates have decreased by **↓16%** in the last two weeks indicates that the pressure on the rates is not easing yet and that the market may be heading towards pre-COVID rate levels sooner than we believe. For example, some ocean carriers this week were heavily discounting spot cargo from Asia as a 'top up' for their much higher-paying contract business. However, steep rises in bunker prices and skyrocketing operating costs suggest that pre-pandemic rate levels are unsustainable. Examples can be seen in Hapag-Lloyd's latest financial results for the first nine months of this year²⁴. Although the headline figure of **\$14,7 billion** net profit – another record – stands out, the other glaring figure was the **↑22%** increase in its transport expenses per unit, compared with the same period of 2021. Although these costs were dominated by a **↑71%** spike in bunker expenses, there were also significant double-digit increases in other transport costs, like handling and haulage (**↑12%**), vessels and voyage (**↑14%**), and equipment and repositioning costs (**↑17%**).

iii. Further developments of note

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

1. High-frequency data confirms slowdown in global economic activity:

- a. The global economic downturn took its toll on UK trade in September, with exports and imports both falling sharply. The volume of goods shipped abroad dropped **↓4,8%** during the month, official figures Friday showed. Imports, meanwhile, declined by **↓6,1%**, the most since the start of 2021²⁵.
- b. Elsewhere, the number of cargo containers moving through what is traditionally the second-busiest US port fell to the lowest level since June 2020 last month. The port of Long Beach said reduced consumer demand and a shift of imported goods toward the Gulf and East coast ports saw cargo volumes drop about **↓16%** from a year earlier to 658 428 units. Imports retreated **↓24%** to 293 924 units, the lowest since April 2020. Nonetheless, the port moved about 8 million units during the first ten months of 2022, up **↑1,5%** from the same period in 2021.

2. Complaints against the shipping lines continue to be filed at the FMC:

- a. Maersk is the latest carrier to face the ire of American shippers in a high-profile case that will spark greater debate about global carrier dominance in international trade²⁶.
- b. OJ Commerce (OJC), a Florida-based furniture importer, has filed a case with the Federal Maritime Commission (FMC) in Washington DC against the Danish carrier and its subsidiary Hamburg Sud, hitting out at alleged price gouging, collusion, and contract breaches, the latest in a series of complaints hitting the FMC's busy in-tray.
- c. "*Maersk has fleeced the world economy during the pandemic without qualm or remorse to reap its historically-record profits, while consumers, shippers, and the world suffer from 40-year-high inflation driven in large part by the ocean carriers' pricing tactics,*" the OJC filing state.
- d. Other cases are stacking up against Maersk and its peers. In September, U Shippers Group, an association of shippers, filed a complaint with the FMC against Maersk, alleging violations of the Shipping Act²⁷.

²⁴ Hapag-Lloyd. 10/11/2022. [Hapag-Lloyd achieves very good result in first nine months of 2022.](#)

²⁵ Gudmundsson, J. 13/11/2022. [Slowing Global Economic Growth is Increasingly Evident, High-Frequency Data Show.](#)

²⁶ Chambers, S. 15/11/2022. [Maersk faces high-profile shipper complaint.](#)

²⁷ Biggar, K. 02/09/2022. [FMC receives complaint against Maersk.](#)