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Cargo movement update #165[1]

Date: 1 December 2023

Weekly Snapshot

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

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	29 432	29 438	**58 870**	28 788	30 247	**59 035**	↓0,3%
Air Cargo (tons)	3 569	1 949	**5 518**	3 683	2 399	**6 081**	↓9%

Monthly Snapshot

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

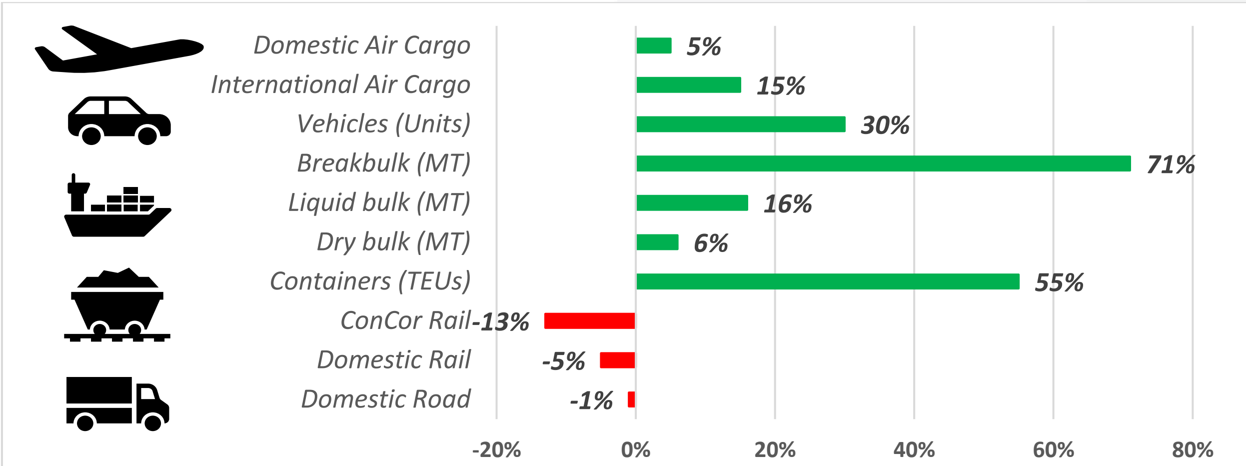
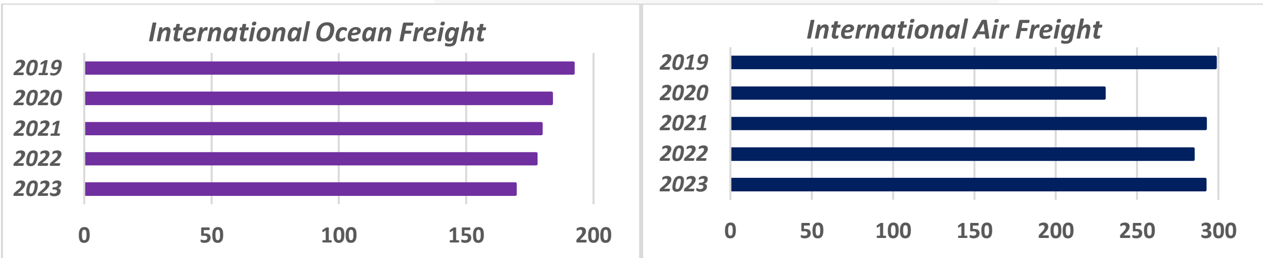


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 410 containers** was handled per day, with **~8 706 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 462** containers, up by **↑1%** from last week.
- SARS merchandise trade (October): exports **↓1,8%** (m/m), imports (**↑13,3%**); YTD surplus: **R28,8 billion**.
- Cross-border queue times were **↓0,7 hours** (w/w), with transit times **↑0,1 hours** (w/w); SA borders increased by **~3,2 hours**, averaging **~17,4 hours** (**↑23%**); Other SADC borders averaged **~6,7 hours** (**↑2%**).
- Global freight rates have stabilised by dropping a mere **↓0,1%** (or **$2**) to **$1 382** per 40-ft container.
- Global air data showed a **↓3%** decrease in tonnages and a **↑2%** increase in global average rates.

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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 *165th* 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 all airports are used.

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 **8 410 containers** per day, slightly down from the **8 486** reported last week. Persistent initiatives were undertaken to address the prevailing port backlog, albeit encountering significant operational impediments, notably adverse weather conditions, together with ongoing equipment breakdowns and shortages. Waterside congestion remains a concern at the port of Durban, with a total of 25 container vessels waiting at anchorage on Friday. At the same time, the Port of Cape Town's inefficiencies have resulted in several negative changes concerning the vessel lineup for the coming week. Furthermore, minimal reports were received from TFR this week; however, the latest reports indicate that DCT Pier 2 had 97 over-border units on hand with a dwell time of 26 days and 149 ConCor units on hand on Friday, indicating that there were no positive news from this sector.

Internationally, global merchandise trade volume remained stagnant, showing a slight increase of **↑0,2%** compared to the previous quarter but a **↓0,5%** decrease y/y. Alphaliner's analysis shows how global carriers adjusted their fleet during the COVID-19 pandemic, focusing on East-West trades for high freight rates. However, as main routes face rate pressure, carriers are shifting attention to North-South routes. The figures reveal a **↓4,5%** y/y capacity reduction on the Transpacific, while Latin America and Africa experienced impressive capacity increases of **↑17,5%** and **↑21,1%**, respectively. Lately, the Asia-North America trade saw a **243 000 TEU** slot reduction since November 2022. Carriers are implementing rate hikes ahead of the 2024 contract season, with initial success on FE-Europe routes. However, global port congestion remains around **1,77 million TEU**, and Panama Canal restrictions impact containerships. Other developments this week included **(1)** South Korean seafarers are trying to stop HMM sale: 'don't forget Hanjin', and **(2)** fleet-heavy ocean carriers are also stuck with too many containers.

In the air freight market, international air cargo to and from South Africa had a much-reduced week, with inbound cargo slightly down (**↓3%**) and outbound cargo significantly down (**↓19%**) on last week's volumes. Internationally, worldwide air cargo demand patterns have continued to broadly follow last year's seasonal trend into the final full week of November, including a significant dip in outbound tonnages from North America linked to last week's Thanksgiving celebrations in the USA.

In regional cross-border road freight trade, average queue times decreased by **almost an hour**, while transit times were essentially **unchanged** from last week. The median border crossing times at South African borders increased by **more than three hours**, averaging **~17,4 hours** (**↑23%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) was essentially **unchanged** and averaged **~6,7 hours** (**↑2%**, w/w). On average, four SADC border posts took more than a day to cross, notably the usual suspects of Beitbridge, Kasumbalesa, Katima Mulilo (the worst affected at around **two days** to cross), and Martins Drift.

This week, the Presidency and B4SA released a joint statement[6] on some of the updates from the joint collaboration, also covering the National Logistics Crisis Committee (NLCC). In summarising the feedback from the statement, the essential priority of logistics is to address the rapid deterioration of the country's transport and logistics network. Moreover, the finalisation of the Freight Logistics Roadmap (FLR) through extensive consultations signals a clear pathway for reforming the logistics system to enhance efficiency and competitiveness. Aligning the Transnet Recovery Plan with the FLR is anticipated to unlock funding from

[6] Presidency. 29/11/2023. JOINT MEDIA STATEMENT: Update on government and business collaboration.

both the public and private sectors. Key steps toward stabilisation include permanent leadership appointments within Transnet, operational improvements by Corridor Recovery Teams, progress in rail infrastructure management, and the confirmation and mobilisation of additional private sector security resources. These initiatives are all critical to restoring trust in our logistics network, as it is imperative for socio-economic growth and development. Noting that every dollar flowing through a port contributes, on average, $4,30 in value to the global economy[7], we must get our ports and logistics network in order (acknowledged by another **R47 billion lifeline** from Treasury[8]), as it is a critical matter of national importance.

[7] Verschuur, J., Koks, E. E., & Hall, J. W. 2022. Ports' criticality in international trade and global supply-chains. Nature Communications, 13(1), 4351.
[8] Treasury. 01/12/2023. Minister of Finance Concurs to a R47 Billion Guarantee Facility for Transnet in support of its Recovery Plan.

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1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 25 November to 1 December[9]

7-day flow forecast (25/11/2023 – 01/12/2023)		
TERMINAL	NO. OF CONTAINERS[10] TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	6 514	5 053
DURBAN CONTAINER TERMINAL PIER 2:	10 173	9 882
CAPE TOWN CONTAINER TERMINAL:	5 900	7 579
NGQURA CONTAINER TERMINAL:	6 022	5 556
GQEBERHA CONTAINER TERMINAL:	823	1 368
TOTAL:	**29 432**	**29 438**

Source: Transnet, 2023. Updated 01/12/2023.

Table 3 – Container Ports – Weekly flow predicted for 2 to 8 December

7-day flow forecast (02/12/2023 – 08/12/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 106	5 919
DURBAN CONTAINER TERMINAL PIER 2:	10 987	14 779
CAPE TOWN CONTAINER TERMINAL:	4 397	4 694
NGQURA CONTAINER TERMINAL:	6 398	5 503
GQEBERHA CONTAINER TERMINAL:	408	2 750
TOTAL:	**27 296**	**33 645**

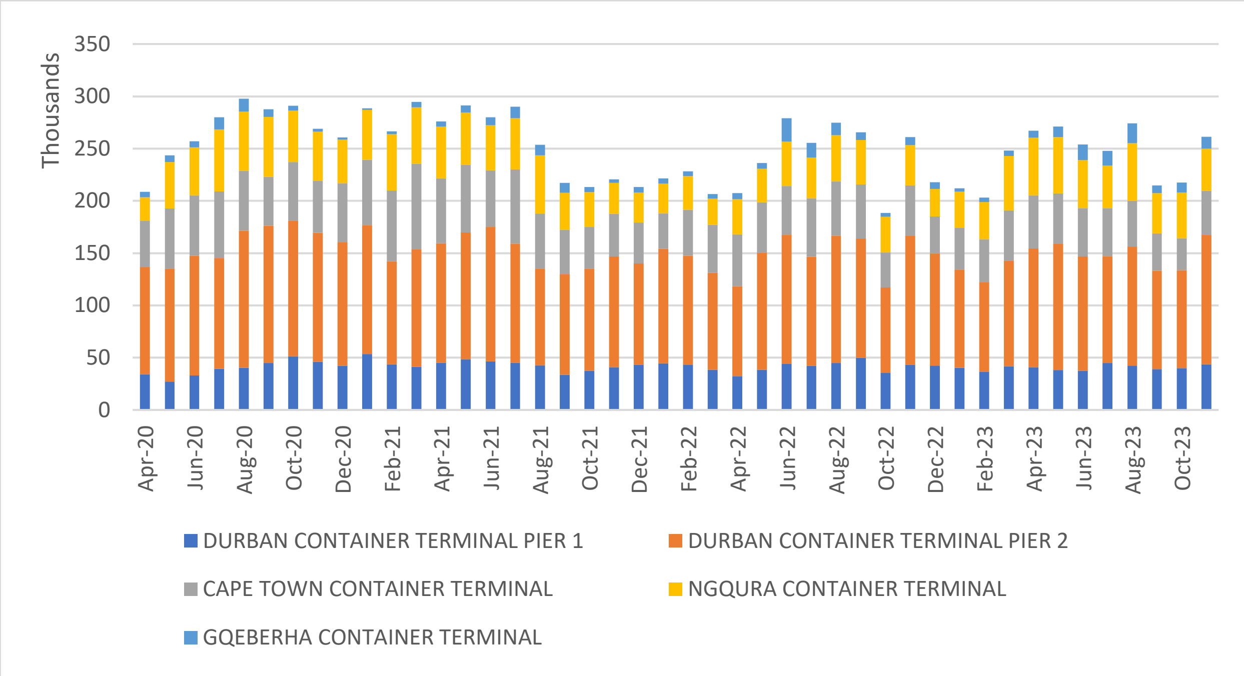
Source: Transnet, 2023. Updated 01/12/2023.

An average of **~8 410 containers** (**↓0,3%**) was handled per day for the last week (*25 November to 1 December*, *Table 2*), compared to the projected average of **~8 486 containers** (**↓1%** actual versus projected) noted in last week's report. For this week, a slightly increased average of **~8 706 containers** (**↑4%**) is predicted to be handled (*2 to 8 December*, *Table 3*). Some operational constraints persisted this week, including poor weather conditions and equipment challenges and shortages across the entire port system.

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.

[9] 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.
[10] As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container and this figure will probably increase as the shift towards more 40' containers continues. Incidentally, the US uses 1,5 to 1,8, depending on the port.

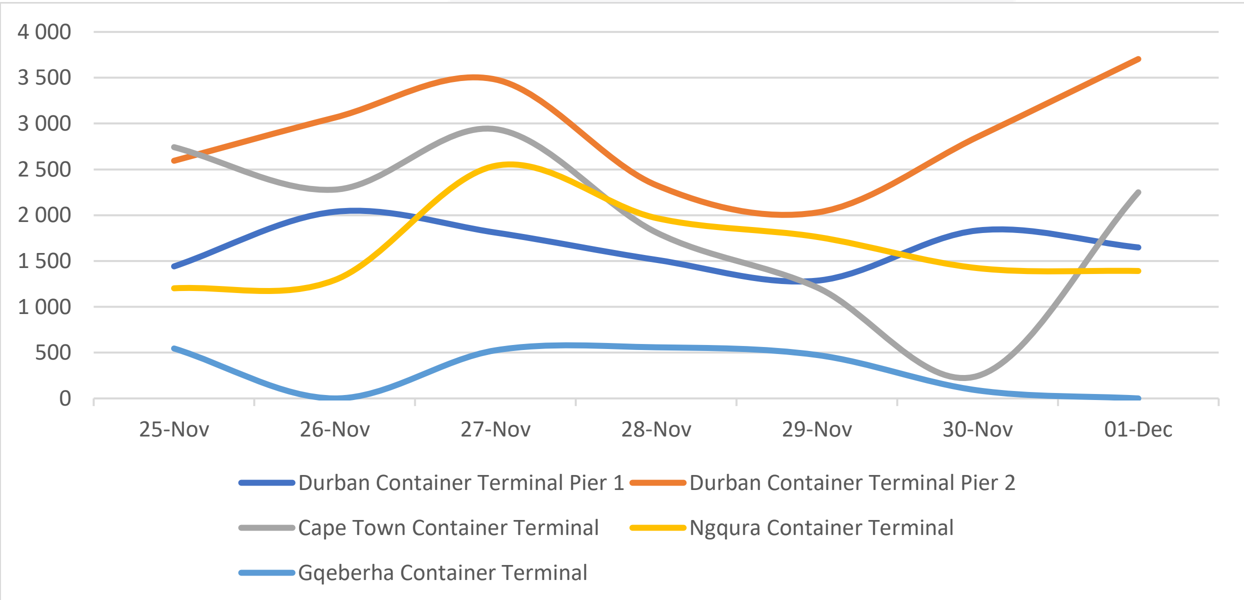
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

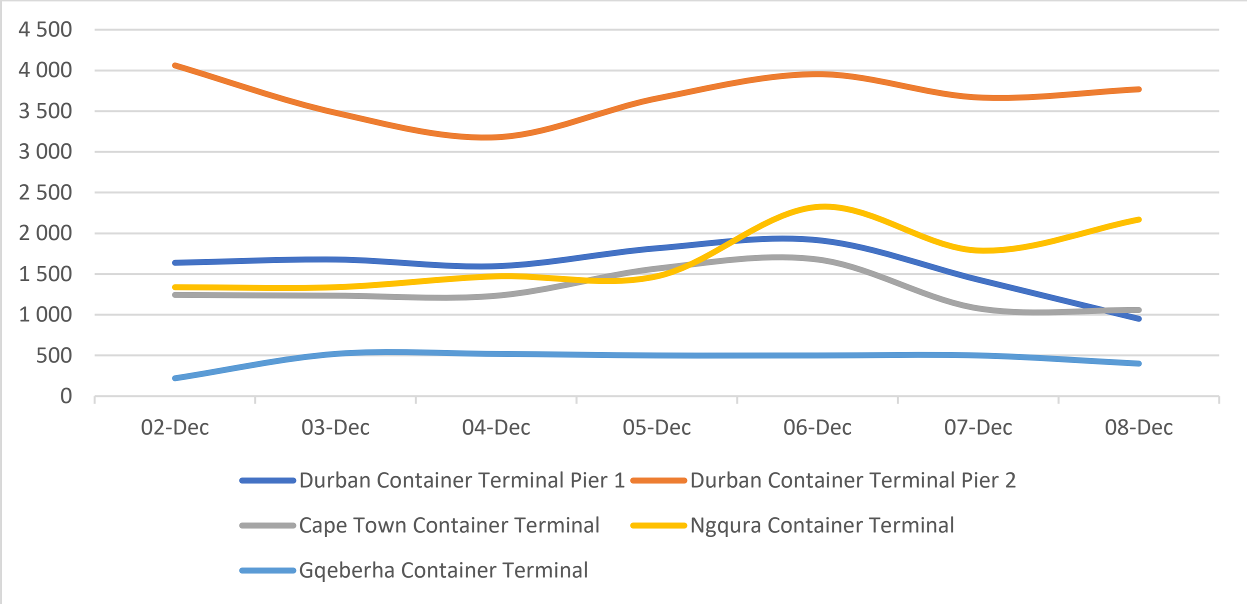
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (25 November to 1 December; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

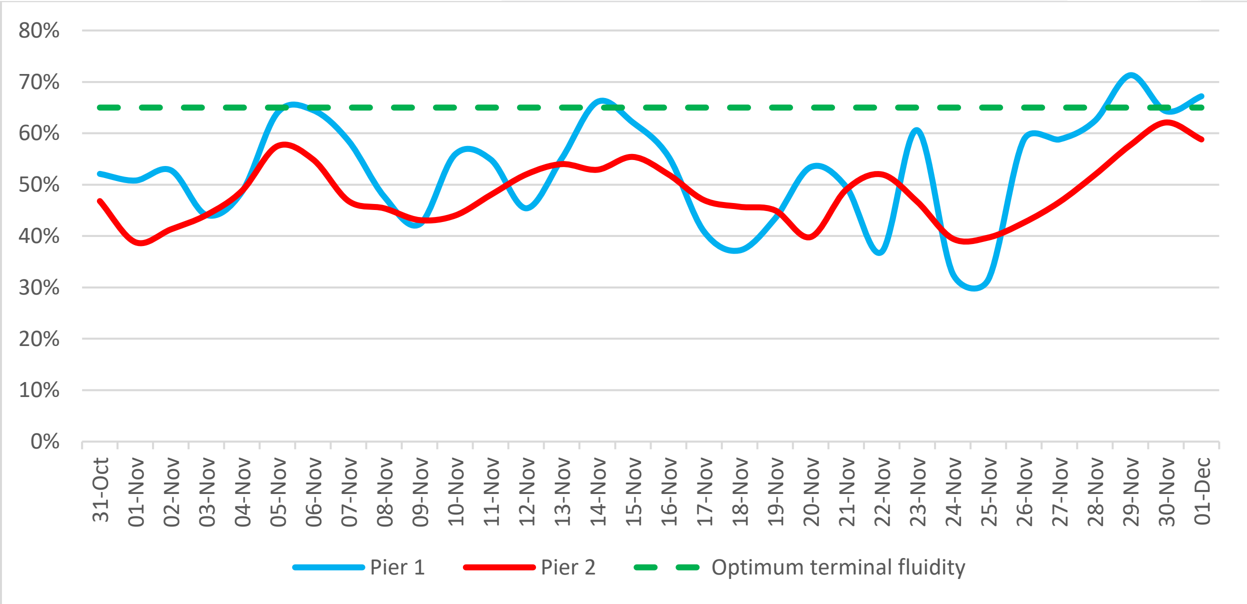
Figure 5 – 7-day forecast reported for total container movements (2 to 8 December; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

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

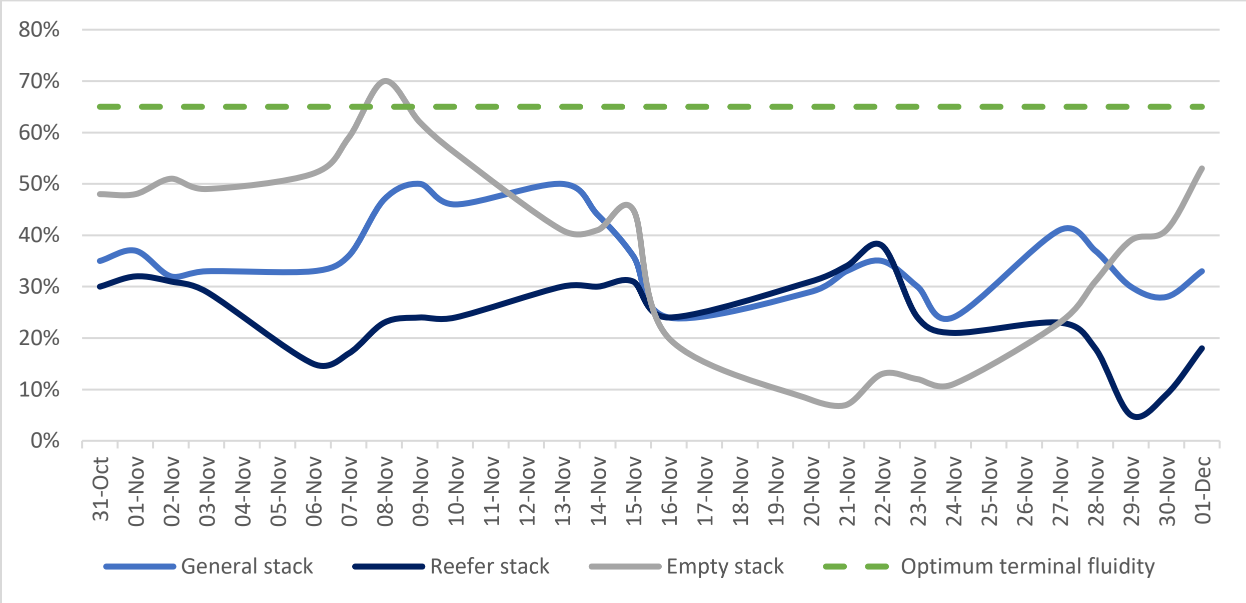
Figure 6 – Stack occupancy in DCT, general-purpose containers (31 October to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

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

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (31 October to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

b. Summary of port operations

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

i. Weather and other delays

- Adverse weather and equipment breakdowns were the main culprits of operational delays in Cape Town.
- Durban's attempts at recovery were hampered by vessel ranging, equipment shortages and breakdowns, accompanied by inclement weather.
- Our Eastern Cape Ports were also impacted by poor weather conditions, especially on Thursday.
- Three vessel movements were delayed at the Port of Richards Bay between Tuesday and Wednesday due to adverse weather conditions at the port.

ii. Cape Town

On Friday, CTCT recorded three vessels at berth and none at anchor as more concerns regarding the number of ships calling the port arose this week. In the preceding 24 hours, stack occupancy for GP containers was recorded at 33%, reefers at 18%, and empties at 53%. In this period, the terminal handled 2 250 TEUs across the quay while 993 trucks were serviced on the landside. Crane LC4 remained out of commission this week as the auxiliary frame was anticipated to be replaced on Friday. The estimated time of return should be made available early next week.

The multi-purpose terminal recorded zero vessels at anchor and one at berth on Wednesday. In the 24 hours leading to Thursday, the terminal managed to service 44 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 134 tons of general cargo were handled across the quay on the waterside. Stack occupancy was recorded at a very low 5% for GP containers, 1% for reefers, and 4% for empties during the same period, which is in complete contrast to the week before, and evidence of very low activity.

The FPT private terminal reported zero vessels at anchorage while having four vessels at berth on Thursday. During the 24 hours leading to Thursday, the terminal handled 238 TEUs, 871 pallets of fruit, and 2 014 tons of breakbulk on the waterside while managing to service 198 trucks on the landside. At the same time, reefer stack occupancy was recorded at 5%.

iii. Durban

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, and two vessels at anchor. Stack occupancy was 67% for GP containers and remained undisclosed for reefers. During the same period, 2 762 imports were on hand, with 172 units having road stops and 130 unassigned. The terminal recorded 1 105 gate moves on the landside, with an undisclosed number of cancelled slots and 142 wasted. The truck turnaround time was recorded at ~100 minutes, with an average staging time of ~70 minutes.

Pier 2 had four vessels at berth and 16 at anchorage on Friday. In the preceding 24 hours, stack occupancy was 59% for GP containers and undisclosed for reefers. The terminal operated with nine gangs while moving 3 340 TEUs across the quay. During the same period, there were 1 948 gate moves on the landside with a truck turnaround time of ~135 minutes and a staging time of ~178 minutes. The number of gate moves during this period was well below target due to continuous equipment breakdowns on the landside. Of the landside gate moves, 1 248 (64%) were for imports and 700 (36%) for exports. Additionally, 337 rail import containers were on hand, with 192 moved by rail. Equipment challenges persisted, as the terminal had 59 straddle carriers in operation towards the end of the week. Despite the slight improvement, the terminal currently sits on an availability figure of approximately 52% when it comes to straddles and is currently approximately 26% below the number of machines that would be the minimum to satisfy industry demand.

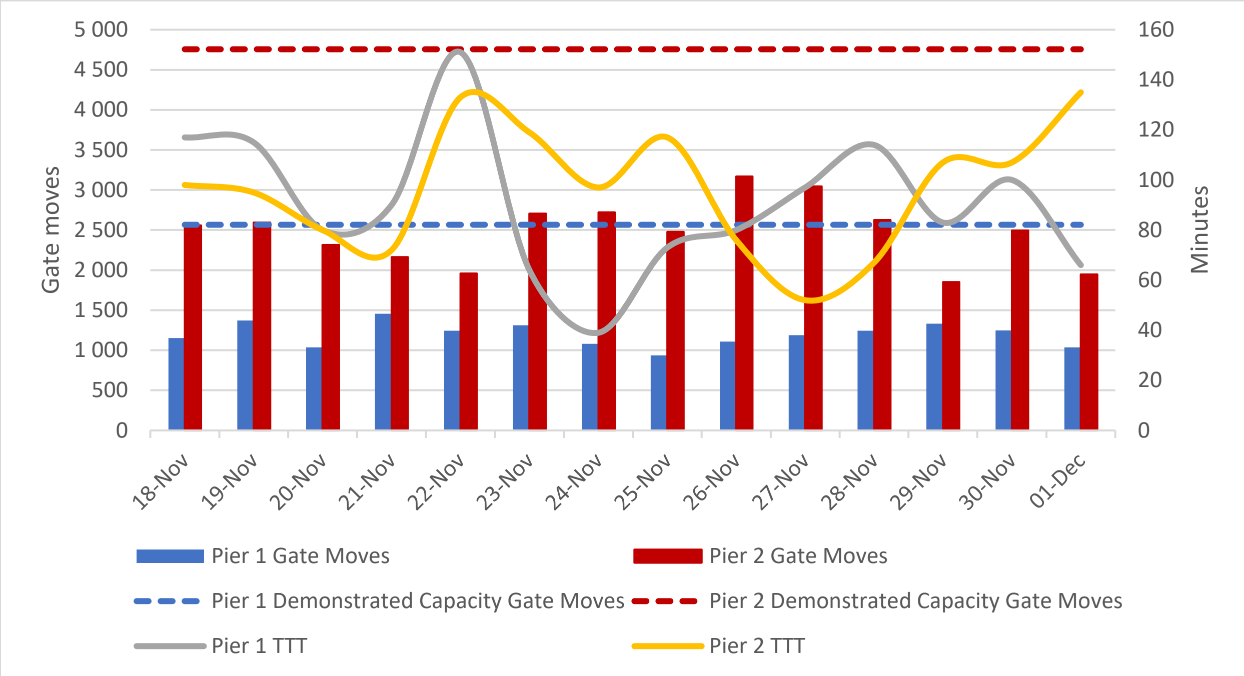
Waterside congestion remains a concern at the port of Durban, with a total of 25 container vessels waiting at anchorage on Friday. As of 29 November 2023, the port remained on Linerlytica's "*Port Congestion Watch*" with more than 35 800 TEUs stuck at outer anchorage.

Durban's MPT terminal recorded three vessels at berth on Friday and six at outer anchorage while handling 412 TEUs and 2 781 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 65% during that time and at 49% for containers. The terminal handled 175 container road slots and 147 breakbulk RMTs containing 2 781 tons on the landside. During the same period, three cranes, eight reach stackers, one empty handler, seven forklifts and 17 ERFs were in operation. The third crane went out of service for the morning shift for the majority of the week due to training commitments, while the estimated time of return of the fourth crane has been postponed to 15 January 2024.

On Thursday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at anchorage. In the 24 hours leading to Friday, the terminal handled 1 083 units on the landside while handling 1 571 units on the waterside. The reason for the terminal not reaching their targets on the landside during this time was due to an accident on the N3 which delayed the movement of trucks from the terminal. During the same period, general stack occupancy was recorded at 48%, comprising 26% imports, 54% exports, and 19% transhipments. Stack occupancy at Q/R was 50%, while the G-berth stack was very high at 95%. The terminal had 1 529 import units on hand, 3 159 units were destined for export markets, and 1 129 were to be transshipped.

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

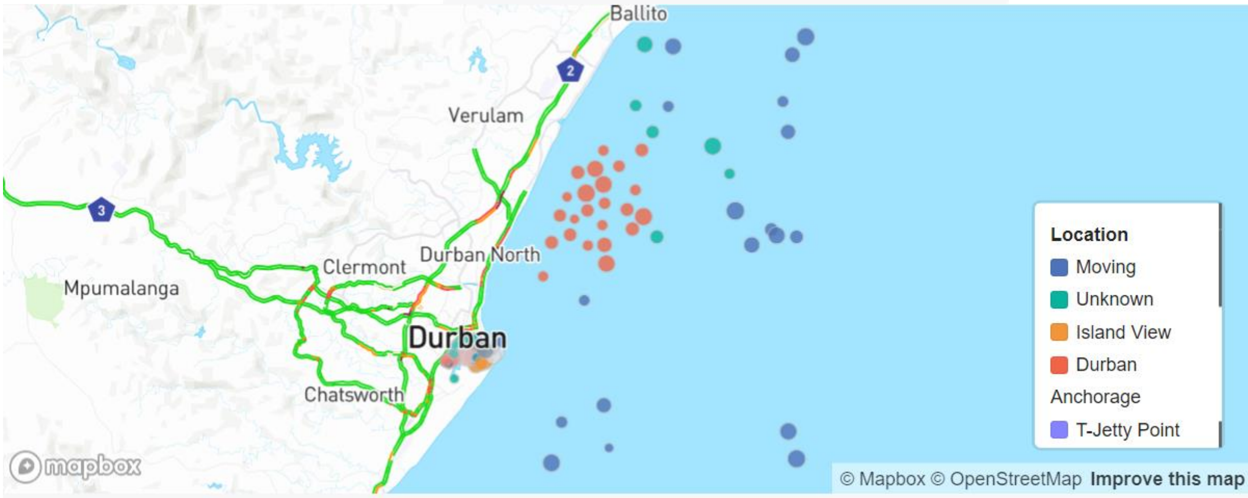
Figure 8 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

The recovery from port congestion continues, as all hands are on deck in an attempt to alleviate the situation. At the end of Friday, 69 vessels were at anchorage (with the current import containers at anchorage outside Durban at around **35 883 containers**), with the following image painting a concerning picture:

Figure 9 – Durban vessel view (per vessel group)



Source: Crickmay LMS, 2023. Updated 01/12/2023 at 12:00.

iv. Richards Bay

On Tuesday, Richards Bay recorded 18 vessels at anchor, with six vessels destined for DBT, eight destined for MPT, three destined for RBCT, and one for liquid. Additionally, 13 vessels were recorded on the berth, translating to five at DBT, five at MPT, two at RBCT, and one at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources in the 24 hours leading to Thursday. During the same period, the coal terminal had two vessels at anchor and none at berth while handling 85 202 tons on the waterside and 21 trains on the landside. Additionally, three vessel movements were delayed due to adverse weather conditions.

v. Eastern Cape ports

NCT on Thursday recorded three vessels on the berth and two vessels at outer anchorage, with no vessels drifting. Marine resources of two tugs, two pilots, and one berthing gang were in operation in the 24 hours leading up to Friday. The 'Tstitsikamma' pilot boat, however, remained out of commission this week with no estimated time of return communicated. Stack occupancy was 50% for GP containers and undisclosed for reefers, as a total of 1 391 TEUs were processed, which did not meet operational targets, which is due mainly to the fact that the terminal went windbound between 10:50 and 23:10. Additionally, 462 trucks were serviced on the landside at a truck turnaround time of ~45 minutes. Furthermore, STS crane 1 was out of commission for the most significant part of the week, with OEM Liebherr on-site to execute the required repairs.

GCT on Wednesday recorded zero vessels at outer anchorage with one on berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the prior 24 hours. The port continued to share its pilot boat with the Port of Ngqura this week. Stack occupancy was recorded at 38% for GP containers and remained undisclosed for reefer ground slots. On the waterside, 474 TEUs were handled across the quay. Additionally, 202 trucks were serviced on the landside at a truck turnaround time of ~17 minutes. The return of Crane 4 was unfortunately delayed due to the adverse weather experienced at the terminal.

Finally, last week, we reported that the two ports combined had more than 46 000 TEUs stuck at outer anchorage with a very high queue-to-berth ratio of 6,62, according to the figures provided by *Linerlytica*, a technology-backed platform on containership deployment on a real-time basis, together with forward schedules. However, this figure has come under scrutiny and does not seem to depict the accurate picture. As such, these figures will not be quoted going forward. The current figure, as provided by Transnet, shows that NCT has 2 249 import containers at outside anchorage.

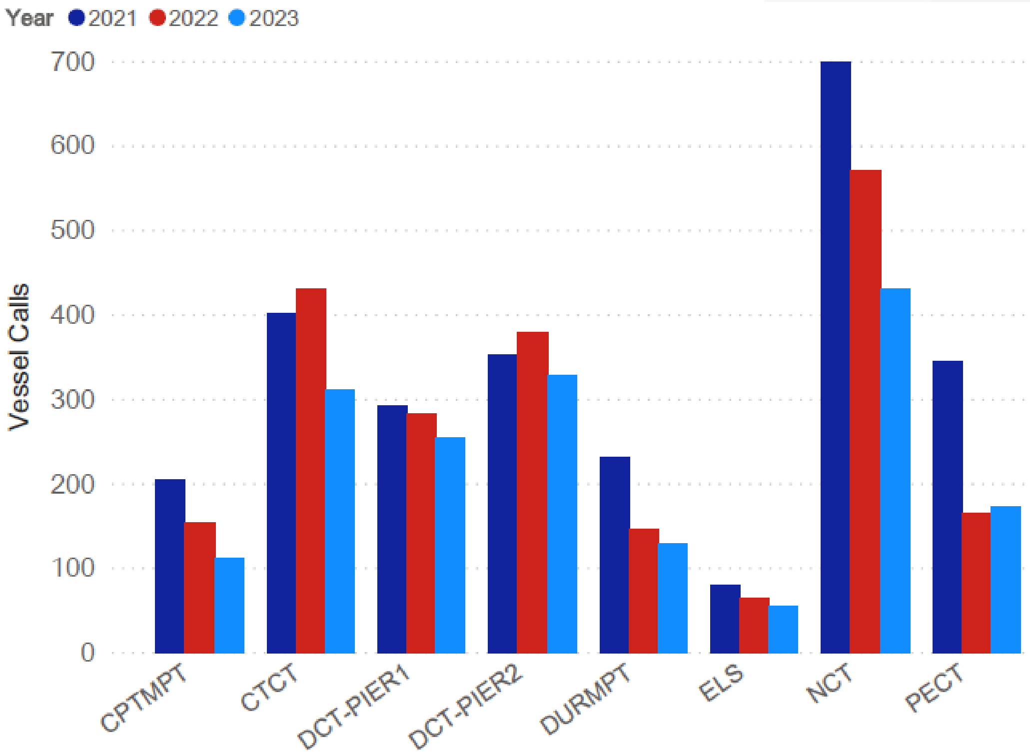
vi. Saldanha Bay

On Friday, the iron ore terminal had three vessels at anchorage and two on the berth, while the multi-purpose terminal had three vessels at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 1-5 days, while the vessels in port have been on berth for between 1 and 6 days.

vii. Container vessel calls

Over the past three years, there has been a notable decline in the number of container vessels calling at South African terminals. This trend raises concerns about our region's maritime connectivity and potential implications for trade and economic activities. The following figure shows the YTD (to October) number of container vessel calls per terminal:

Figure 10 – Durban vessel view (per vessel group)

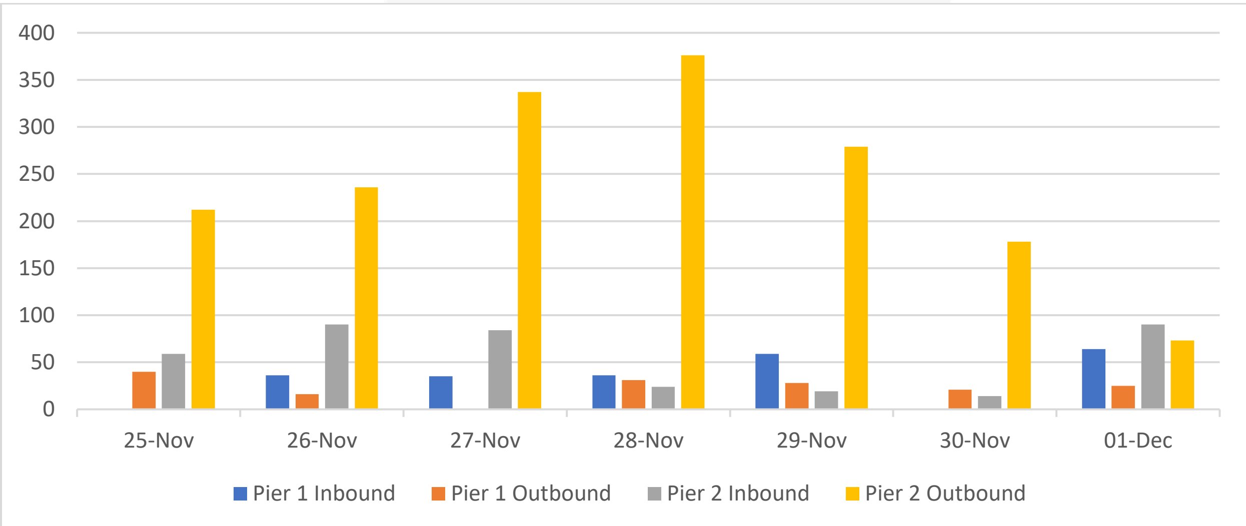


Source: Linernet

viii. Transnet Freight Rail (TFR)

Minimal reports were received from TFR this week. However, the latest reports indicate that DCT Pier 2 had 97 over-border units on hand with a dwell time of 26 days and 149 ConCor units on hand on Friday. Rail containers on hand towards the end of the week were split as follows: Pier 1: 133, Pier 2: 243. These figures suggest that efficiencies remain well below what they should be.

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



Source: Calculated using data from Transnet, 2023. Updated 01/12/2023.

In the last week (*25 November to 1 December*), rail cargo handled out of Durban was reported at **2 462** containers, up ↑1% from the previous week's **2 429** 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 20 November. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *November 2022* averaged **~824 751 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[11]

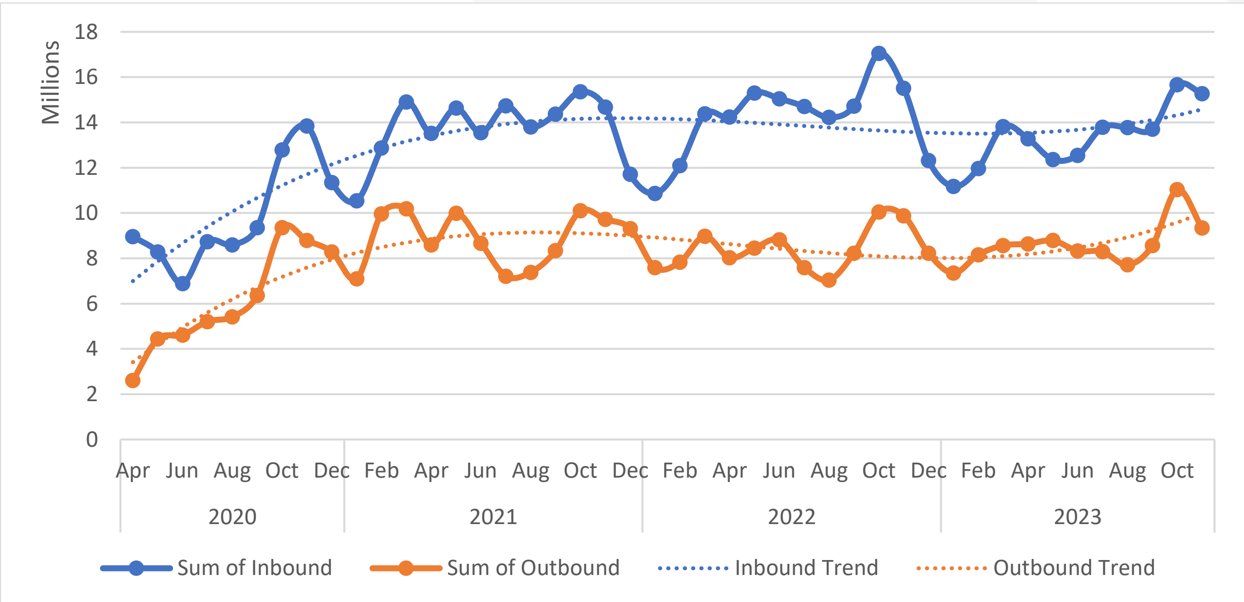
Flows	20-Nov	21-Nov	22-Nov	23-Nov	24-Nov	25-Nov	26-Nov	Week
Volume inbound	545 895	345 796	327 808	372 800	548 373	365 897	1 062 622	**3 569 191**
Volume outbound	288 219	236 336	264 194	236 318	271 095	203 081	449 503	**1 948 746**
Total	**834 114**	**582 132**	**592 002**	**609 118**	**819 468**	**568 978**	**1 512 125**	**5 517 937**

Courtesy of ACOC. Updated: 21/11/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **509 884 kg** inbound (**↓3%**, w/w) and **278 392 kg** outbound (**↓19%**), resulting in an average of **788 277 kg per day**. After several stellar weeks, these levels have slightly dropped versus last year's cargo volumes (**~93%**) but also the pre-pandemic levels of November 2019 (**~97%**).

The following graphs show the movement since the pandemic's onset for ORTIA:

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



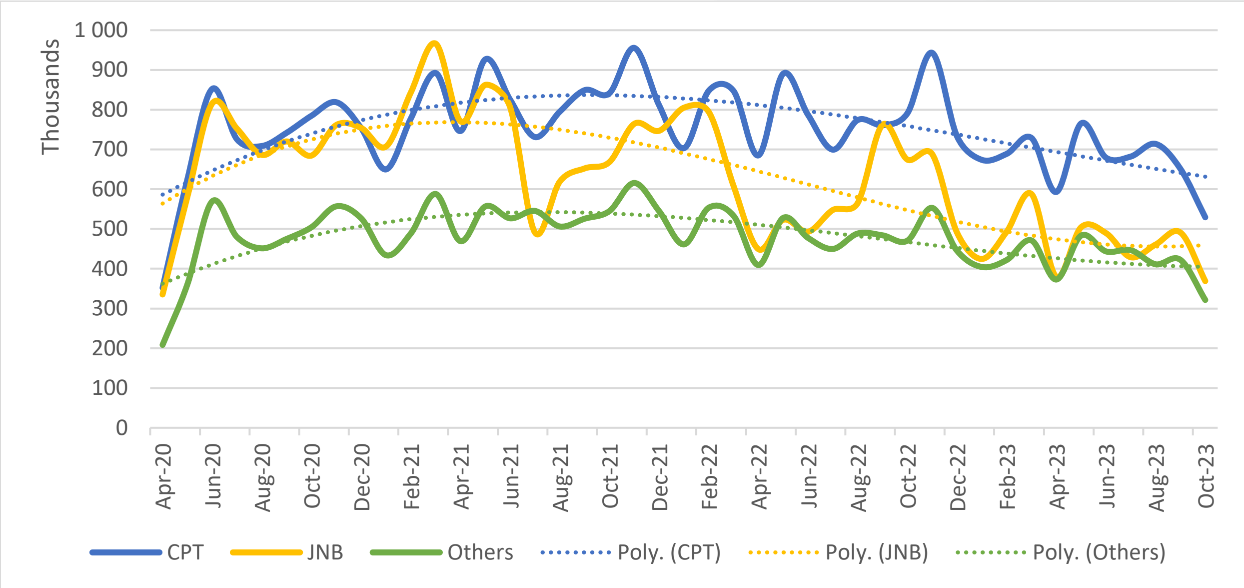
Courtesy of ACOC. Updated: 28/11/2023.

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

b. Domestic air cargo

The following table shows the cargo movement since the pandemic, with the drop-off in domestic air cargo very evident:

Figure 13 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 21/11/2023.

3. National Update

a. SARS Merchandise trade

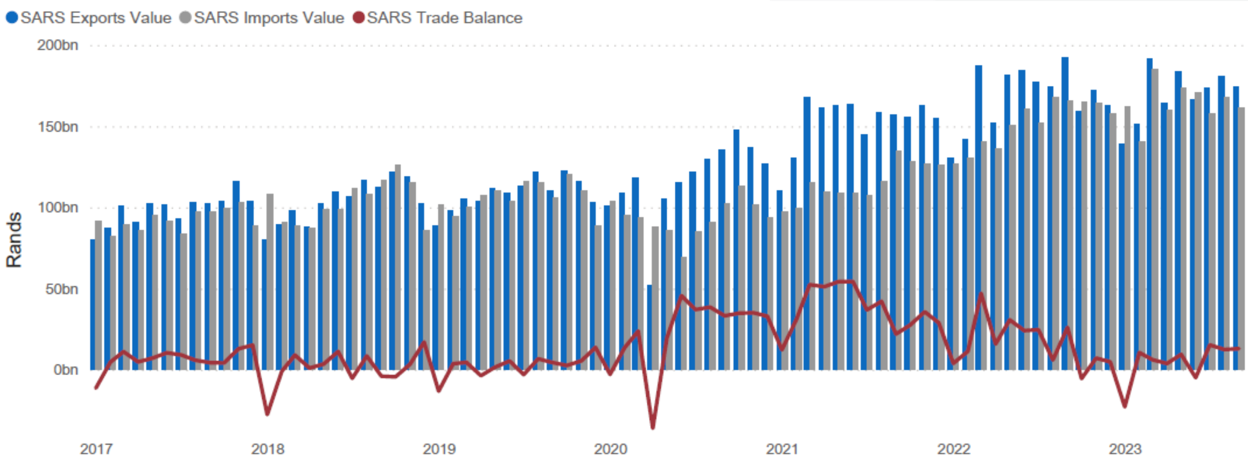
SARS released its latest "*Merchandise Trade Statistics*" for October[12], with the headline showing a preliminary monthly trade deficit of **R12,7 billion**. Monthly trade shows that exports decreased from September by ↓1,8% (m/m), while imports increased by ↑13,3% (m/m). The YTD figures show a slight trade surplus of **R28,8 billion** but significantly deteriorated from the **R180,8 billion** positive trade balance recorded in 2022. Annually, export flows for October 2023, at **R165,6 billion**, were ↑2,9% (y/y) higher compared to October 2022, whilst import flows were ↑2,9% higher compared to 2022, having increased to **R183 billion** in the current period.

Regionally, trade with BELN countries for October resulted in a trade surplus of **R12,8 billion** from exports of **R18,8 billion** and imports of **R6 billion**. Exports to our neighbouring countries increased by ↑10,8% (m/m) between September and October, with imports increasing significantly – ↑14,5% (m/m) – over the same period. The cumulative figures for the year point to a substantial positive trade balance with BELN countries, similar to last year – from **R98,2 billion** in 2022 to **R106,9 billion** in trade balance surplus for 2023.

Interestingly, when we investigate our trade values over the last five years, we notice some interesting trends, as depicted below:

[12] SARS. 30/11/2023. Trade Statistics: October 2023.

Figure 14 – Domestic inbound and outbound cargo (thousands)



Source: Linernet

As illustrated, South Africa has achieved a positive trade balance since 2020, marking a period of export outpacing imports. However, in recent developments, the import volumes have caught up with export volumes, leading to a more balanced trade scenario.

4. Road and Regional Update

a. Cross-border and road freight delays

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 **more than three hours**, averaging **~17,4 hours** (**↑23%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) was essentially **unchanged** and averaged **~6,7 hours** (**↑2%**, w/w).
- In the past week, there have been notable changes in border crossing times at various points, reflecting both improvements and challenges. Some significant changes include:
  - Skilpadshek Northbound: Queue times increased sharply from 3,4 hours to 9,4 hours.
  - Tlokweng Northbound: Queue times decreased significantly from 4,1 hours to 43 minutes.
  - Kazungula Southbound: Queue times increased from 1,5 hours to 3,3 hours.
  - Mutukula Southbound: Average crossing times increased from 3,2 hours to 5,5 hours.
  - Kasumbalesa: Average crossing times for Southbound increased from 6,2 to 24 hours, while Northbound decreased from 46 hours to 28 hours.
  - Nakonde Southbound: Crossing times decreased from 13,4 hours to 7 hours.
  - Noordoewer: Maximum crossing times in both directions increased, with Eastbound rising from 11,1 hours to 14,4 hours and Westbound increasing from 11 hours to 17,35 hours.
  - Katima Mulilo: Westbound minimum crossing times increased from 0 to 10,4 hours. Eastbound average crossing times decreased from 26 hours to 7,46 hours, while Westbound average time increased from 0 to 52 hours. Eastbound maximum times decreased from 110 hours to 43 hours, but Westbound maximum times increased from 0 to 94 hours.
  - Groblersbrug Northbound: Minimum crossing times increased from 2,4 hours to 17,2 hours.
- Additionally, there have been reported challenges, such as health officers at Kafue insisting on seeing the original importer's permit on 20 November, a requirement that was previously not in place.

- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[13], which arguably provides better and more reliable information.

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

Table 5 – Delays[14] summary – South African borders (both directions)

Border Post	Direction	HGV[15] 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	460	6.2	7.4	35.0	13 800	3 220
Beitbridge	Zimbabwe-SA	415	6.4	3.5	14.2	12 450	415
Groblersbrug	SA-Botswana	181	0.3	0.3	3.0	5 430	1 267
Martins Drift	Botswana-SA	258	0.0	2.4	42.0	7 740	258
Kopfontein	SA-Botswana	216	0.4	1.2	4.3	6 480	1 512
Tlokweng	Botswana-SA	24	0.1	0.2	0.4	720	168
Noordoewer	Namibia-SA	20	0.2	0.2	2.3	600	140
Vioolsdrift	SA-Namibia	30	0.2	1.3	3.3	900	210
Ariamsvlei	Namibia-SA	20	0.2	0.4	2.0	600	140
Nakop	SA-Namibia	30	0.3	1.2	5.4	900	210
Skilpadshek	Botswana -SA	52	0.6	1.1	2.3	1 560	364
Pioneer Gate	SA-Botswana	235	9.4	3.1	18.3	7 050	1 645
Lebombo	SA-Mozambique	1 446	8.2	3.0	13.4	43 380	1 446
Ressano Garcia	Mozambique-SA	125	5.4	1.1	10.1	3 750	875
Weighted Average/Sum		**3 512**	**2.7**	**1.9**	**11.1**	**105 360**	**24 584**

Source: TLC, FESARTA, & Crickmay, week ending 26/11/2023.

Table 6 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Beira Corridor	320	7.7	3.8	18.2	9 600	2 240
Central Corridor	798	0.0	0.4	2.0	23 940	5 586
Dar Es Salaam Corridor	1 819	20.3	1.0	12.4	54 570	12 733
Maputo Corridor	1 571	6.8	2.0	11.7	47 130	10 997
Nacala Corridor	127	0.0	0.0	0.0	3 810	889
North/South Corridor	3 626	7.5	1.8	12.8	108 780	25 382
Northern Corridor	2 817	0.2	0.2	1.4	92 520	21 588
Trans Caprivi Corridor	116	0.0	5.9	39.0	3 480	812
Trans Cunene Corridor	100	0.0	0.0	0.0	3 000	700
Trans Kalahari Corridor	317	3.1	1.3	6.7	9 510	2 219

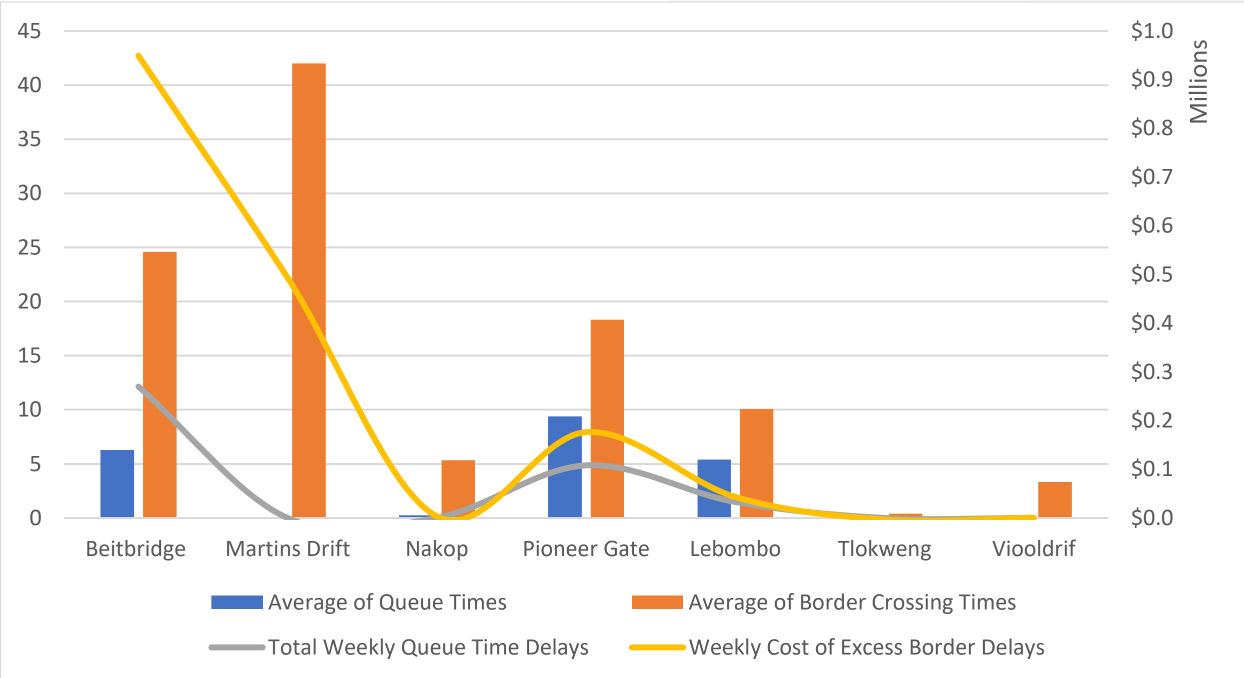
[13] FESARTA TRANSIST Bureau.
[14] It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay in collaboration with SAAFF.
[15] Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Trans Oranje Corridor	100	0.2	0.8	3.3	3 000	700
Weighted Average/Sum	**11 711**	**4.5**	**1.1**	**7.7**	**359 340**	**83 846**

Source: TLC, FESARTA, & Crickmay, week ending 26/11/2023.

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

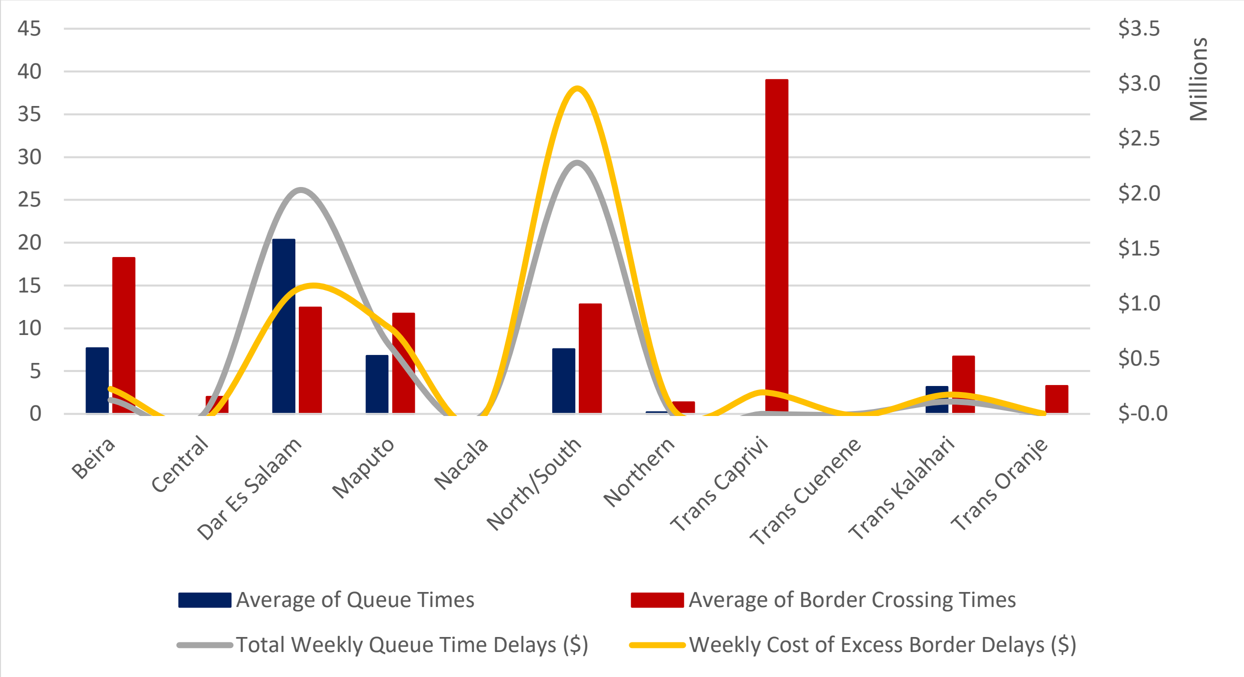
Figure 15 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 26/11/2023.

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

Figure 16 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 26/11/2023.

In summary, cross-border queue time averaged **~4,5 hours** (down by **~0,7 hours** from the previous week's **~5,2 hours**), indirectly costing the transport industry an estimated **$5,2 million** (**R97 million**). Furthermore, the week's average cross-border transit times hovered around **~7,7 hours** (up by **~0,1 hours** from the **~7,6 hours** recorded in the previous report), at an indirect cost to the transport industry of **$5,5 million** (**R102 million**). As a result, the total indirect cost for the week amounts to an estimated **~$10,6 million** (**~R199 million**, down by **~R62 million** or **↓23,6%** from **~R261 million** in the previous report).

5. International Update

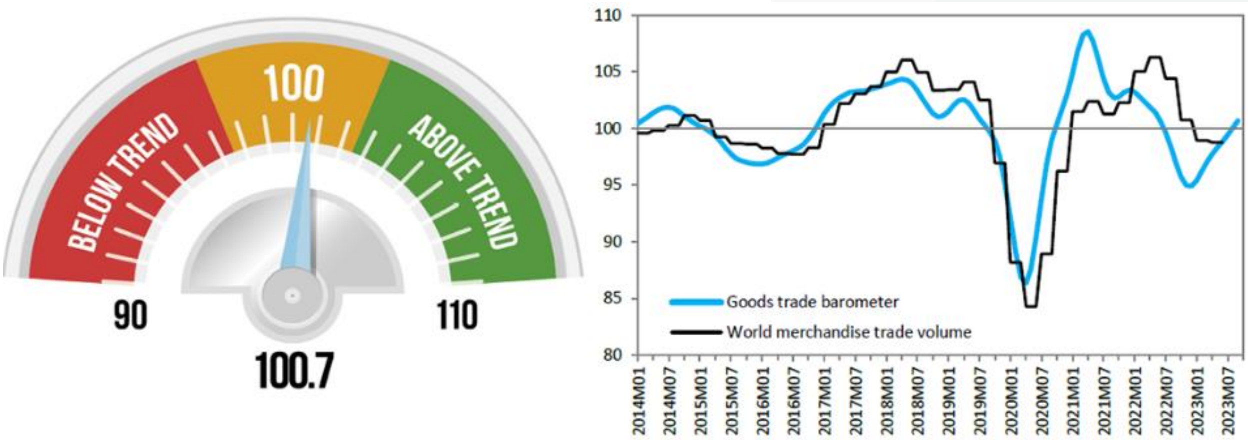
The following section provides some context around the global economy and its impact on trade, including an update on **(a)** the international trade environment, **(b)** the global shipping industry and **(c)** the global aviation industry.

a. International trade update

The latest quarterly WTO Goods Trade Barometer issued on 27 November indicates that the volume of global merchandise trade is recovering after its recent slump, with automobile sales and production and electronic components trade driving the recovery[16]. However, mixed economic results coupled with increasing geopolitical tensions make the near-term outlook highly uncertain. The current reading of **100,7** for the barometer index is above the previous reading of **99,1** from last August and close to the baseline value of 100. This reality suggests that merchandise trade volume will gradually revert towards its medium-term trend in the second half of 2023. However, uncertainty remains high due to mixed economic data and rising geopolitical tensions:

[16] WTO. 27/11/2023. Goods barometer shows trade volumes returning to trend amid high uncertainty.

Figure 17 – WTO Goods barometer (index history, trend = 100)



Source: [WTO]

In the second quarter of 2023, global merchandise trade volume remained stagnant, showing a slight increase of **↑0,2%** compared to the previous quarter but a **↓0,5%** decrease y/y. The third quarter is expected to see a modest improvement, driven by accelerating GDP growth in the US and China, although a sluggish EU economy continues to impact global demand. Year-on-year trade growth is anticipated to be robust in the fourth quarter due to reduced trade levels in the same period last year, influenced by high energy prices, rising interest rates, and pandemic-related disruptions.

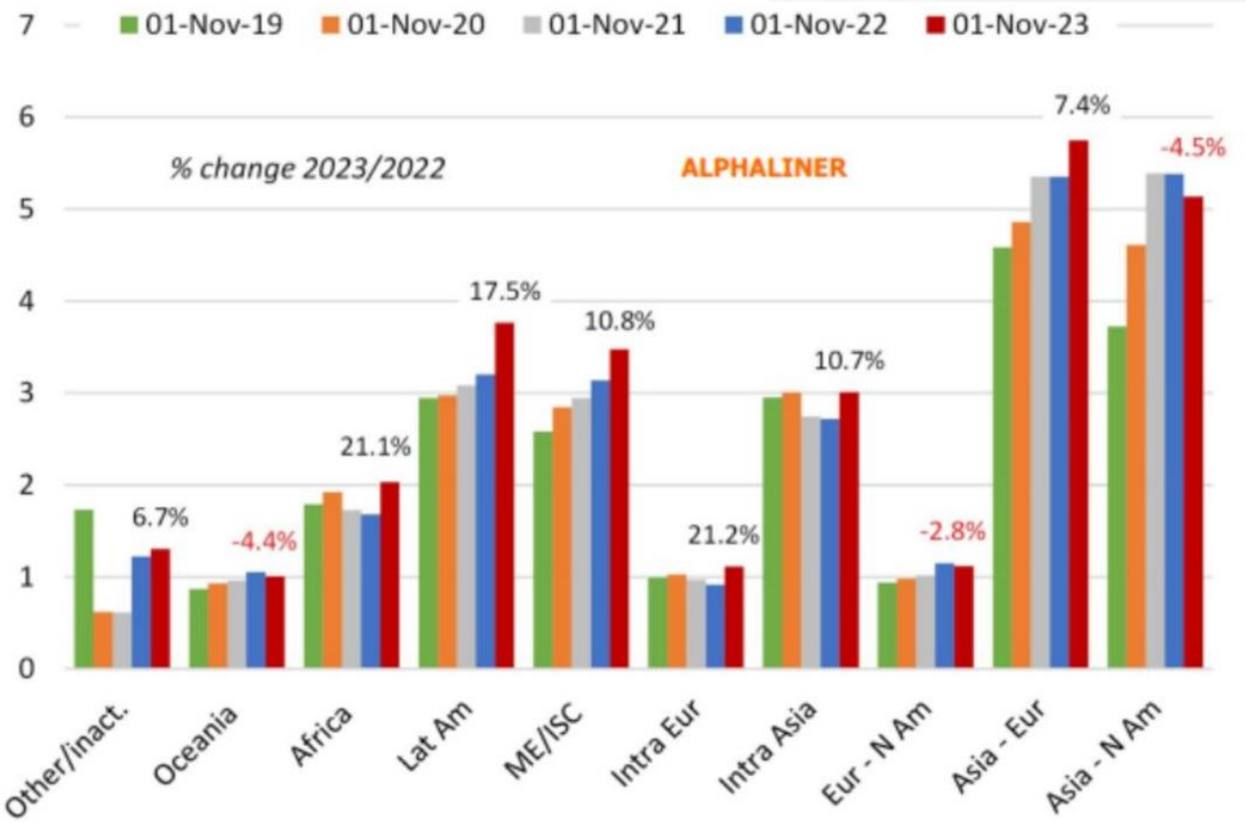
The WTO's forecast from 5 October remains unchanged, predicting a **↑0,8%** increase in global trade volume for 2023. However, recent developments in the Middle East have introduced downside risks to the trade outlook. Key points from the barometer's component indices include varying performances, with some surpassing trend expectations. Notable gains were observed in the indices for automobile sales and production (110) and electronic components trade (109,8). On the other hand, indices for air freight (100,3), export orders (99,4), and container shipping (98) either met or slightly fell below the trend, while the raw materials index (95,6) dropped below the trend.

b. Global shipping industry

i. Global container fleet deployment per region

The latest analysis from Alphaliner shows how carriers expanded their fleets regionally during the COVID-19 pandemic, with the most significant changes occurring in Latin America and Africa trade areas. Carriers shifted capacity to the big East-West trades to take advantage of the sky-high freight rates for export cargo from the Far East to North America and Europe. This shift resulted in a capacity reduction on some North-South routes. As the liner shipping sector has normalised and rates are under pressure on the main routes, carriers have increased their focus on North-South routes. The following figures illustrate the respective regional trade shifts:

Figure 18 – Global fleet deployment, 2019-2023 (TEU millions)



Source: Alphaliner

Alphaliner figures show a ↓**4,5%** y/y capacity reduction on the Transpacific and an impressive capacity increase for services to/from Latin America (↑**17,5%**) and Africa (↑**21,1%**). Almost **243 000 TEU** slots have been removed from the Asia - North America trades since Nov 2022, reducing the share of this route in terms of global fleet deployment from **20,9%** to **18,5%**, with a further reduction expected as THE Alliance has temporarily closed the 'EC4' loop.

ii. Container industry summary

Carriers are attempting to boost freight rates ahead of the 2024 contract season, implementing rate hikes on 1 December and 15 December 2023[17]. Initial success was noted on the FE-Europe routes, but the composite SCFI index declined, erasing gains from the past four weeks. Carriers have not made significant efforts to control capacity growth. Tensions in the Red Sea pose a potential threat to vessel traffic, while Panama Canal transit restrictions are starting to impact containerships[18], leading to delays that are expected to worsen over the next two months, particularly affecting FE-USEC services using neo-panamax ships with severely cut transit quotas.

Elsewhere, global port congestion is currently at around **1,77 million TEU** (**~6,3%** of the global fleet), which is slightly up from last week. There are **187 082 TEU** currently idle, with an additional 34 ships added to the

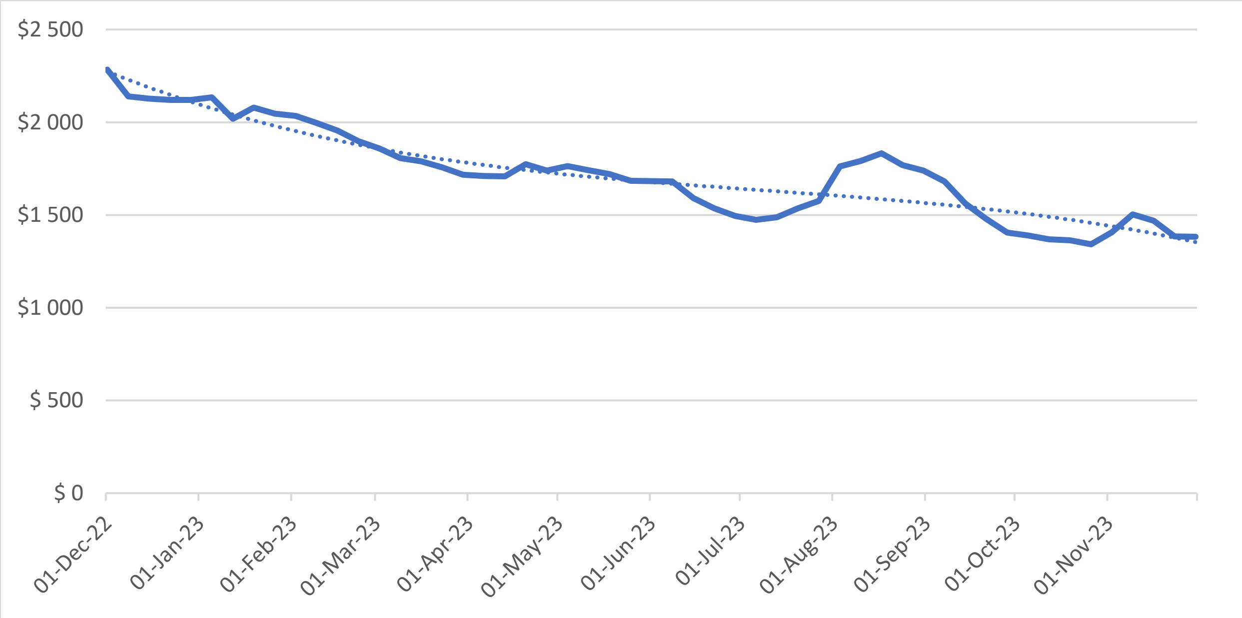
[17] Linerlytica. 28/11/2023. Market Pulse – Week 48.
[18] Van Marle, G. 28/11/2023. More box ships diverting to Suez Canal routes as Panama restrictions tighten.

global fleet (some **158 038 TEU**) in the last month. Despite the ones mentioned above, there are no further new blank sailings announced (Drewry's "*Cancelled Sailings Tracker*" is stable and is still trending at a **9% cancellation rate**[19]).

iii. Global container freight rates and carrier profits

This week, average global spot rates were stable, as the "*World Container Index*" dropped a mere **↓0,1%** (or **$2**) to **$1 382** per 40-ft container[20]. The following figures show the last 12 months' changes.

Figure 19 – World Container Index assessed by Drewry (last 12 months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

As the illustration shows, the composite index is now **↓40%** lower compared to the same week last year and trending at lower levels (**↓3%**) compared to the average 2019 pre-pandemic rates. The year-to-date average composite index is **$1 682** per 40ft container. For charter rates, the Harper Petersen Index (*Harpex*) is currently trending at *833 points*, down by **↓0,1%** (w/w) and **↓38%** (y/y)[21]. Incidentally, Maersk is preparing for an early termination of its 2M partnership with MSC by reinforcing its fleet, most recently fixing two **13 100 TEU** charters[22]. Lastly, *Sea intelligence* this week confirms that carrier earnings are down to pre-pandemic levels[23].

iv. Further developments of note

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

1. **South Korean seafarers try to stop HMM sale: 'Don't forget Hanjin':**
   a. The Federation of Korean Seafarers' Unions (FKSU) has opposed the sale of South Korean flagship carrier HMM, stating it will stop the sale to what it deems "irresponsible

[19] Drewry. 01/12/2023. Cancelled Sailings Tracker - 1 December.
[20] Drewry. 29/11/2023. World Container Index.
[21] Harper Petersen Index. 01/12/2023. HARPER PETERSEN Charter Rates Index.
[22] Wackett, M. 30/11/2023. Maersk sails into the charter market as it prepares for independence.
[23] Murphy, A. 28/11/2023. Carrier results drop to pre-pandemic levels.

companies." Dongwon and Harim submitted bids to acquire HMM, with South Korean trading group LX International deciding not to proceed[24].

b. The sale involves a **40,65%** stake, potentially reaching **57,87%** if bonds are converted to stocks and are estimated between **$3,5 billion** and **$7,4 billion**. The FKSU expressed concerns about the impact on workers and urged the government to remember the 2016 collapse of Hanjin Shipping.

2. **Fleet-heavy ocean carriers are also stuck with too many containers:**
   a. Drewry's *Container Equipment Forecaster* report indicates that the global pool of shipping containers is expected to contract this year and next[25].
   b. The container pool is forecasted to decline by **↓2,6%** in 2023. The oversupply of containers is a result of carriers having too many ships and containers to fill, leading to storage charges and a saturated second-hand market with declining resale prices.

c. Global air cargo industry

Worldwide air cargo demand patterns have continued to broadly follow last year's seasonal trend into the final full week of November, including a significant dip in outbound tonnages from North America linked to last week's Thanksgiving celebrations in the USA, according to the latest weekly figures from World ACD Market Data. But overall, global tonnages have held up better than this time last year, and outbound yields from Asia Pacific have continued to rise, w/w. In contrast, they were flat or declining in the equivalent period in 2022. Preliminary figures for week 47 show a **↓3%** decrease in tonnages and a **↑2%** increase in global average rates compared with the previous week. Tonnages have followed a similar pattern as they did this time last year, although the w/w decrease in week 47 last year was significantly more marked (**↓8%**). The following figure shows the movement of capacity, weight, and rates across the last five weeks:

Figure 20 – Global capacity, weight, and yield/rate over the last five weeks (%, weekly)

Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Yield/rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+1%	+9%		+3%	+6%		+0%	-8%
Asia Pacific		-0%	+40%		-1%	+13%		+7%	-17%
C. & S. America		-1%	+14%		+2%	+5%		+4%	-15%
Europe		-0%	+9%		+3%	-6%		+3%	-31%
M. East & S. Asia		+1%	+11%		-13%	-3%		-0%	-23%
North America		-0%	+7%		-10%	-14%		+2%	-23%
Worldwide		**-0%**	**+14%**		**-2%**	**+2%**		**+5%**	**-21%**

Source: World ACD

In weeks 46 and 47, compared to the preceding two weeks, global freight tonnages fell by **↓2%**, rates increased by **↑5%**, and capacity remained stable. The decline was attributed to the Thanksgiving holiday in the USA, causing a **↓10%** drop in tonnages from North America, similar to the previous year. Regional variations were evident, with significant decreases in tonnages from the Middle East and South Asia to Asia

[24] Li, M. 28/11/2023. Now Korean seafarers try to stop HMM sale: 'don't forget Hanjin'.
[25] Wackett, M. 28/11/2023. Fleet-heavy ocean carriers also stuck with too many containers.

Pacific (↓**26%**) and Europe (↓**6%**). Positive developments included increased tonnages from Africa to Europe (↑**7%**) and from Europe to Central and South America (↑**6%**). Despite global volumes being ↑**2%** higher than last year, tonnages from North America and Europe showed significant declines of ↓**14%** and ↓**6%**, respectively. Overall available capacity increased by ↑**14%** compared to the previous year, with notable rises in capacity from Asia Pacific (↑**40%**) and Central and South America (↑**14%**). Global average rates are currently ↓**21%** lower than last year but remain ↑**42%** higher than pre-pandemic levels in November 2019, averaging **$2,59/kg** kilo in week 47.

ENDS[26]

[26]**ACKNOWLEDGEMENT:**

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