Cargo Movement Update #177[1]

Date: 15 March 2024

Weekly Snapshot

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

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	25 846	36 020	**61 866**	24 353	29 929	**54 282**	↑14%
Air Cargo (tons)	3 920	2 612	**6 532**	2 942	1 905	**4 847**	↑35%

Monthly Snapshot

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

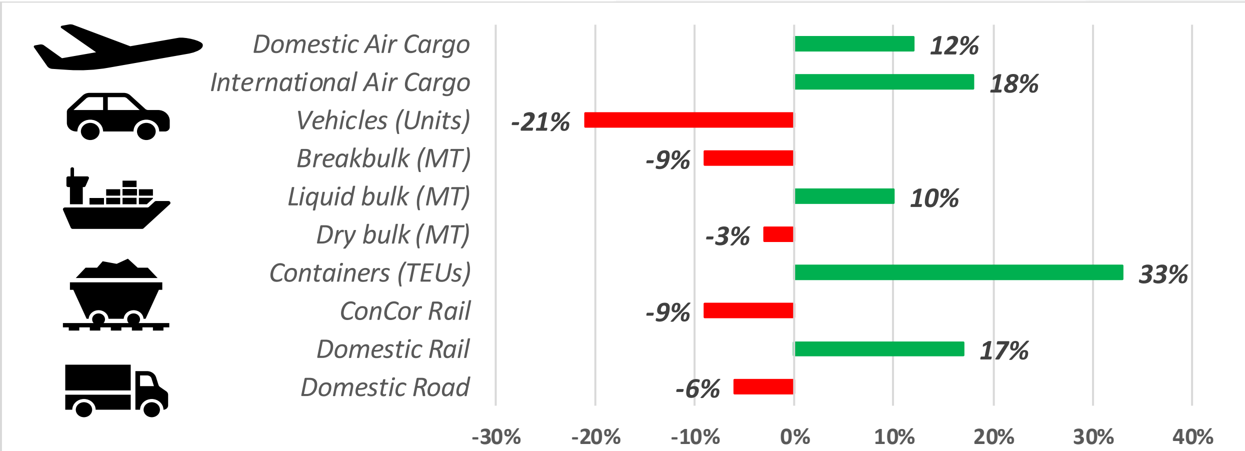
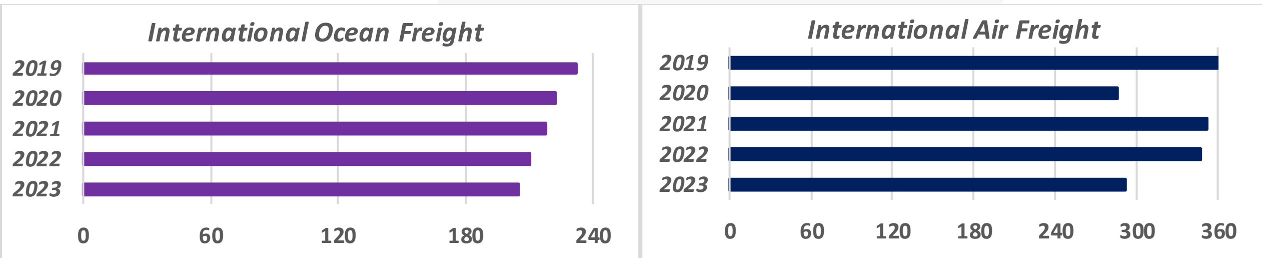


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 838 containers** was handled per day, with **~8 724 containers** projected for next week.
- TNPA stats for February: containers: up by **↑23%** (m/m) and up by **↑26%** (y/y). Total bulk: up by **↑9%** (m/m) but down by **↓1%** (y/y). Vehicle trade is up by **↑24%** (m/m) but down by a massive **↓21%** (y/y).
- Cross-border queue times were **↑0,3 hours** (w/w), with transit times **↑3,1 hours** (w/w); SA borders increased by **~4,5 hours**, averaging **~15 hours** (**↑43%**); Other SADC borders averaged **~9,7 hours** (**↑43%**).
- Rail cargo handled out of Durban was reported at **2 305** containers, down by **↓5%** from last week.
- Global freight rates have again decreased this week – by **↓3,8%** (or **$125**) to **$3 162** per 40-ft container.
- Global air cargo tonnages have risen by **↑3%** and **↑14%** the weeks after the **↓11%** drop during the LNY.

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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 *177th* update.
[2] *'Current'* means the last seven days (a week's) worth of available data.
[3] *'Previous'* means the preceding 8-14 days (a week's) worth of available data.
[4] *'Monthly'* means the last months' worth of available data compared to the same month in the previous year. For most metrics: Feb vs Feb..
[5] For ocean, total Jan-Dec cargo in metric tonnes, as reported by Transnet, is used, while for air, Jan-Dec cargo to and from all airports is 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 **8 838 containers** per day, significantly up from the **7 755** containers last week. Port operations this week were primarily impacted by equipment breakdowns and adverse weather conditions. The Hoegh Shanghai was delayed in Durban due to a communication mishap regarding marine equipment availability, while strong winds and dense fog put a damper on Eastern Cape port operations. This week, TNPA announced the opening up of approximately 100 leasing opportunities for port land and commercial developments at South Africa's seven commercial seaports. No significant incidents were reported on our rail network this week. However, reports this week suggest that the rail lines are not incident-free, but the incidents that do occur don't impact train services extensively.

In the international maritime industry, the Red Sea shipping diversions continue, potentially lasting several more months, and pose ongoing challenges for the industry. Hapag-Lloyd CEO Rolf Habben Jansen noted disruptions due to Houthi attacks, leading to route changes and increased fuel consumption. While spot container rates initially rose with longer routes, they are stabilising as services normalise. However, traffic through the Suez Canal needs to be higher, with uncertain timelines for safety. Excess capacity diverted to the Cape of Good Hope may eventually affect freight rates, exacerbated by increased ship deliveries. Linerlytica reports significant capacity increases on affected routes since October 2023, with additional demand expected. Global port congestion, though stable overall, worsens in Durban. Container rates continue to fall globally, except for specific routes, while charter market rates show a modest increase. Other developments included **(1)** 'Move to -15' gains support and moves up the shipping agenda, as research indicates that shifting from the current norm of transporting frozen goods at **-18ºC to -15ºC** could save **17,7 million tonnes of CO^2** annually, equivalent to emissions from **3,8 million cars**. Maersk voiced serious concerns about the continued decline in freight rates, which they believe could have serious implications for the long-term survival of carriers.

In the air cargo industry, the daily average volume of air cargo handled at ORTIA the previous week is up by a record **↑35%**. Inbound cargo is up by **↑33%,** and outbound cargo is up by **↑35%** this week. Domestically, the average domestic air cargo moved last week was **~53 637 kg** per day, up by **↑2%** compared to the previous week, but remains slightly down compared to last year's level (**~94%**). In the last week, domestic volumes for Cape Town continue to trend upwards versus the 2023 averages (**↑8%**), as Durban remains down (**↓2%**), but Johannesburg rebounds (**↑11%**) after registering low levels last week. Internationally, air cargo tonnages from Dubai to Europe are continuing to boom. At the same time, overall global demand has broadly stabilised following a strong return of Asia Pacific volumes since the Lunar New Year (LNY) dip in early February.

In regional cross-border road freight trade, average queue times increased slightly by around **20 minutes**, while transit times showed a marked increase of **more than three hours** from last week. The median border crossing times at South African borders increased by more than **four hours**, averaging **~15 hours** (**↑43%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) also increased – by almost **three hours** and averaged **~9,7 hours** (**↑43%**, w/w). On average, six SADC border posts took more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa, Kazungula OSBP (the worst affected, with both taking almost **three days** to cross), Lunga Lunga, and Tunduma OSBP. Other developments included **(1)** increased processing time at Kasumbalesa with the IBS Parking System, **(2)** Botswana issued a directive not to process Cobalt trucks after high radiation levels were found, and **(3)** Matola Coal Terminal halted operations due to Cyclone Filipo in the Mozambique Channel.

In summary, the increasing quantities of cargo handled – in conjunction with the monthly reported volumes from TNPA – for our container industry are starting to indicate that we may have turned a corner as far as port operations go, but it is probably too early to take this as a firm trend. Furthermore, effective collaborative efforts between business and government will certainly assist Transnet in reporting higher volumes than initially forecast[6]. However, some caution must be expressed, as several indicators have again turned for the worse, notably the vessels at anchorage in Durban, the queue-to-berth ratio of containers, and the ongoing reporting of equipment shortages and breakdowns. Overall, industry challenges persist amidst evolving market dynamics, both locally and internationally. These will be closely monitored as the collective industry takes every step possible to bring our sports economy back to a position of which we can be proud once more, as, similar to other emerging markets such as Brazil[7], our current performance is significantly behind the times.

[6] Mgojo, M. 15/03/2024. Mgojo says collaborative efforts will enable Transnet to report higher volumes than initially forecast.
[7] Bartlett, C. 14/03/2024. Brazil's ports '50 years behind the times, claims a new report.

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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 9 to 15 March [8]

7-day flow forecast (09/03/2024 – 15/03/2024)		
TERMINAL	**NO. OF CONTAINERS[9] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	5 032	5 126
DURBAN CONTAINER TERMINAL PIER 2:	8 764	11 441
CAPE TOWN CONTAINER TERMINAL:	3 759	11 428
NGQURA CONTAINER TERMINAL:	7 616	3 954
GQEBERHA CONTAINER TERMINAL:	675	4 071
TOTAL:	**25 846**	**36 020**

Source: Transnet, 2024. Updated 15/03/2024.

Table 3 – Container Ports – Weekly flow predicted for 16 to 22 March

7-day flow forecast (16/03/2024 – 22/03/2024)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 523	6 500
DURBAN CONTAINER TERMINAL PIER 2:	12 370	12 500
CAPE TOWN CONTAINER TERMINAL:	4 583	7 901
NGQURA CONTAINER TERMINAL:	4 783	3 861
GQEBERHA CONTAINER TERMINAL:	2 603	1 444
TOTAL:	**28 862**	**32 206**

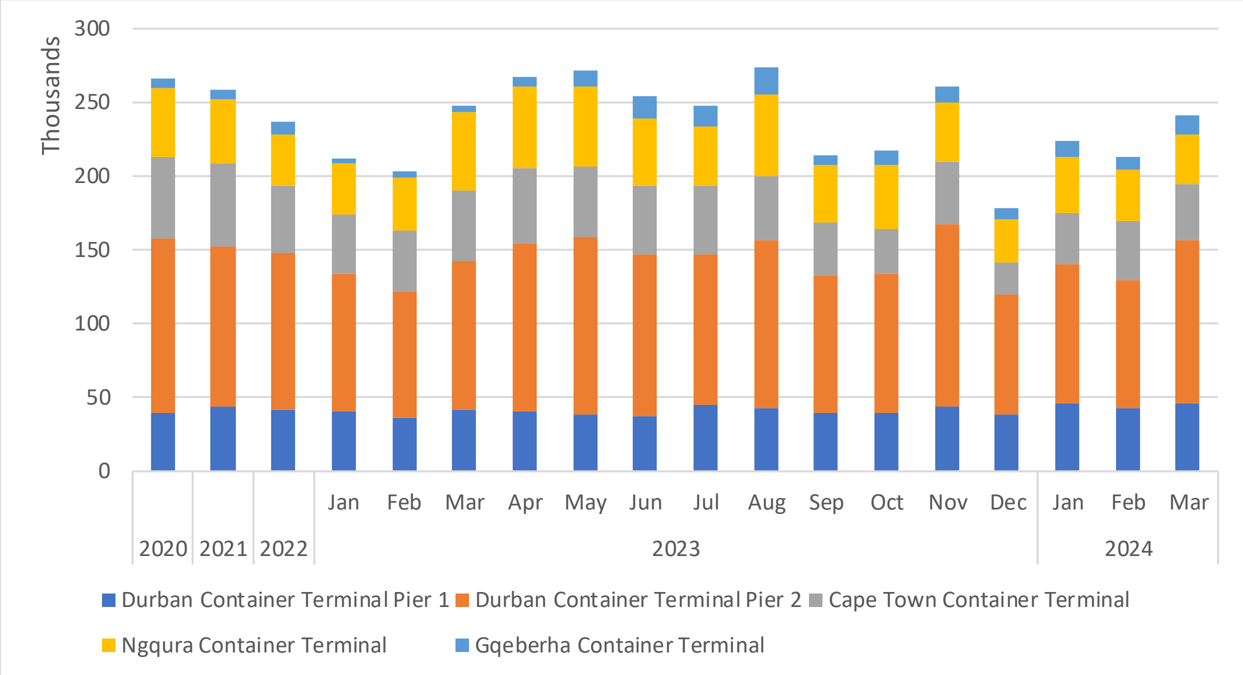
Source: Transnet, 2024. Updated 15/03/2024.

An average of **~8 838** containers (**↑14%**) was handled per day for the last week (*9 to 15 March*, *Table 2*), compared to the projected average of **~8 411 containers** (**↑5%** actual versus projected, which is very positive, and the first time this has been seen for a long time) noted in last week's report. For this week, a slightly decreased average of **~8 724 containers** (**↓1%**) is predicted to be handled (*16 to 22 March, Table 3*) in a best-case scenario. Equipment breakdowns, adverse weather conditions, and an unfortunate gap in communication had negative impacts on port operations.

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

[8] 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.
[9] As mentioned before, the measurement is noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container, and this figure will probably increase as the shift towards more 40' containers continues. Elsewhere, the US uses 1,5 to 1,8, depending on the port. The privately operated FPT terminal in Cape Town works on 1,6.

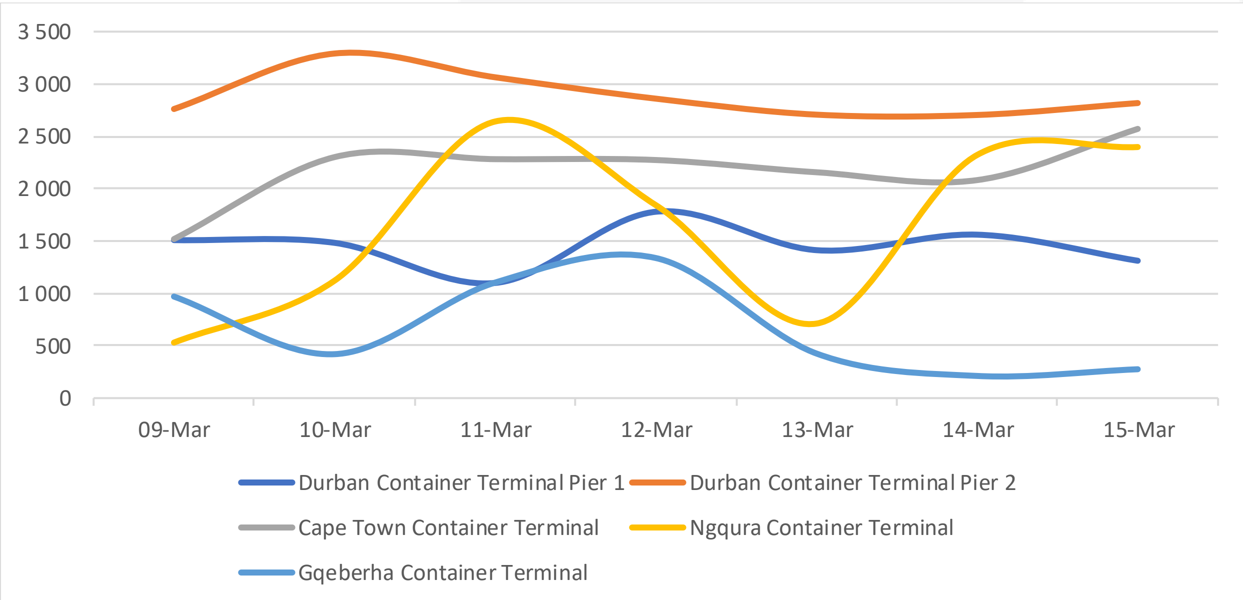
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

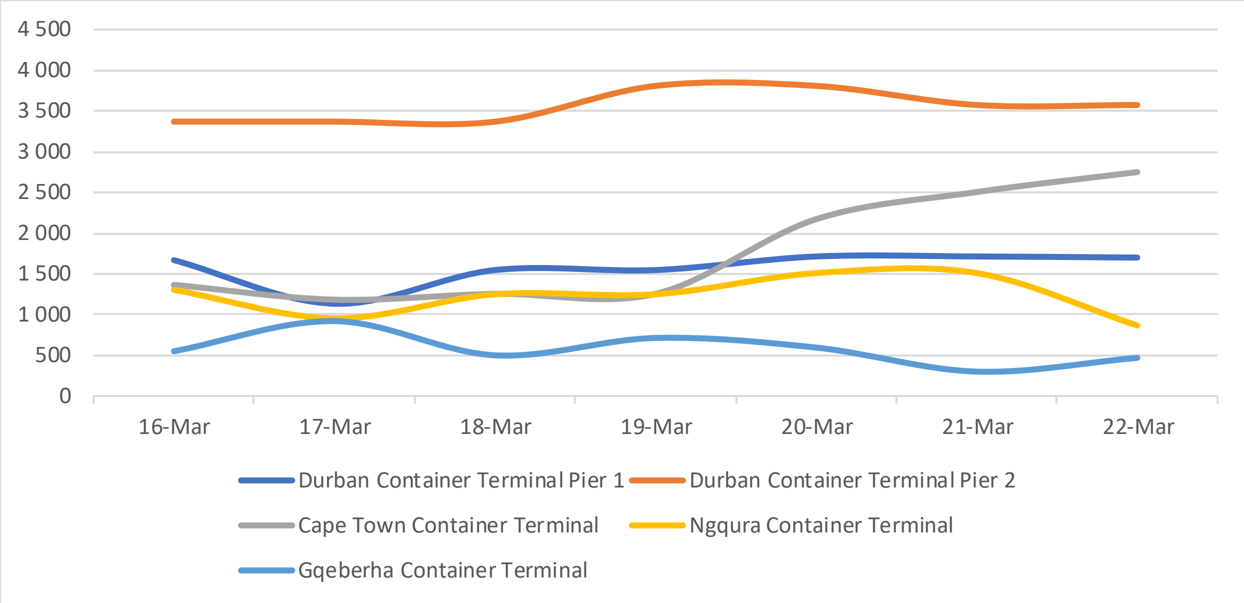
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (9 to 15 March; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

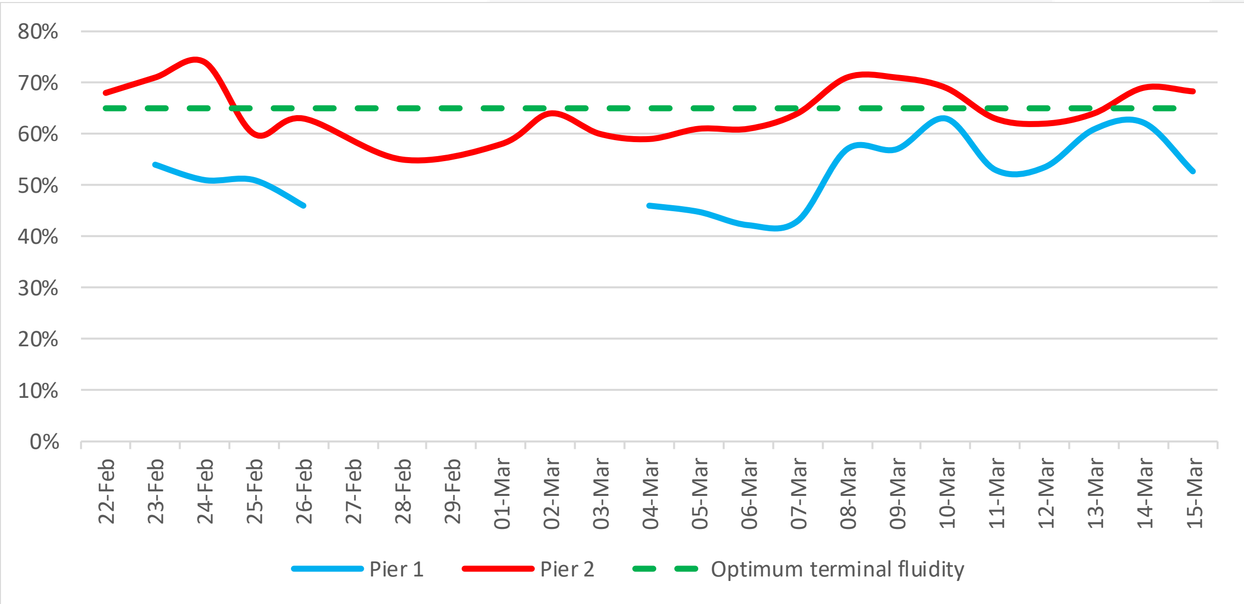
Figure 5 – 7-day forecast reported for total container movements (16 to 22 March; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

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

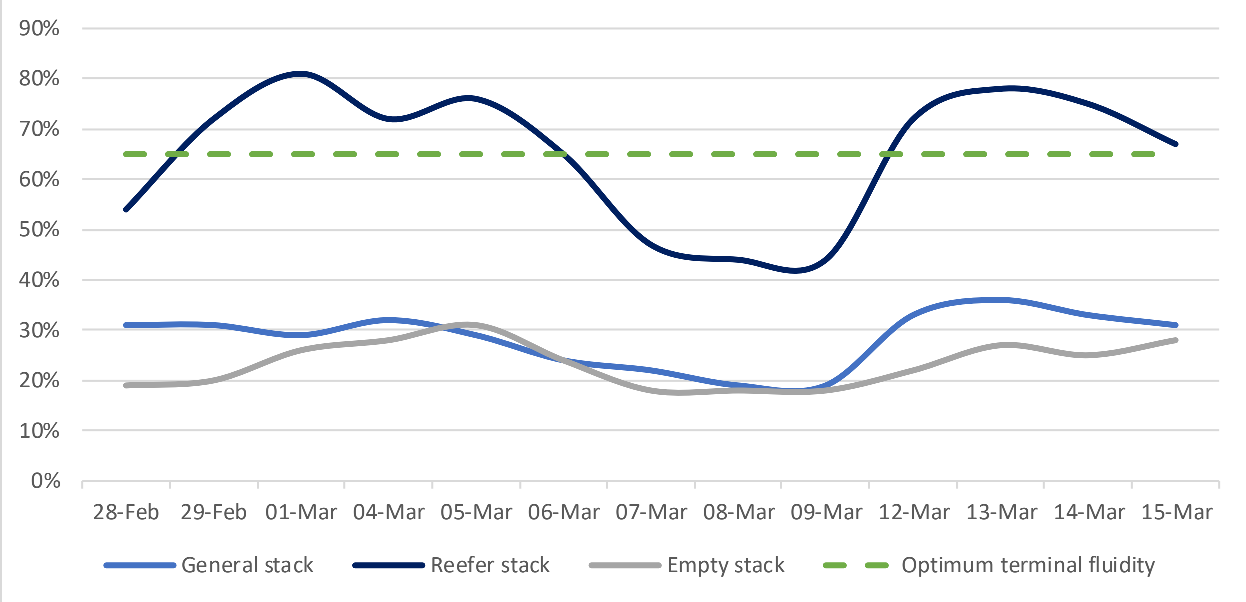
Figure 6 – Stack occupancy in DCT, general-purpose containers (22 February to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

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

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (28 February to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

a. TNPA: February update

TNPA has released consolidated port statistics for February[10], with most sub-sectors registering excellent monthly returns. Nevertheless, as the contents of this section will show, the longer-term cyclical volumes remain way down. For February, the two main sectors show that containers are up by **↑23%** (m/m) – primarily because of a strong showing from exports (**↑41%**), and total bulk cargo shipped is up by **↑9%**, as the following table shows the respective changes versus January:

Table 4 – TNPA – Monthly volume and growth: January 2023

	Jan	Feb	Movement	Change (%)
Containers (TEUs)	**326 671**	**400 207**	**73 536**	**23%**
Landed	178 257	190 975	12 718	7%
Shipped	148 414	209 232	60 818	41%
Dry bulk (MT)	13 378 905	14 856 440	1 477 535	11%
Liquid bulk (MT)	2 987 092	3 084 282	97 190	3%
Breakbulk (MT)	540 860	432 625	-108 235	-20%
Vehicles (Units)	49 745	61 534	11 789	24%
Total cargo (excl. Vehicles)	**16 906 857**	**18 373 347**	**1 466 490**	**9%**

Source: TNPA, updated 13/02/2024.

All sub-sectors registered healthy monthly returns, with the exception of breakbulk cargo. In total, Transnet Port Terminals handled **18,4 million metric tonnes** of bulk cargo during February, which was similar compared to last year's February but still down on 2019 levels. The following table shows the comparative

[10] Transnet. 2024. Port statistics. TNPA

overview for February versus last year, including the view versus the same month in the pre-pandemic year of 2019:

Table 5 – TNPA – Cyclical volume and growth: February 2019, 2023, and 2024

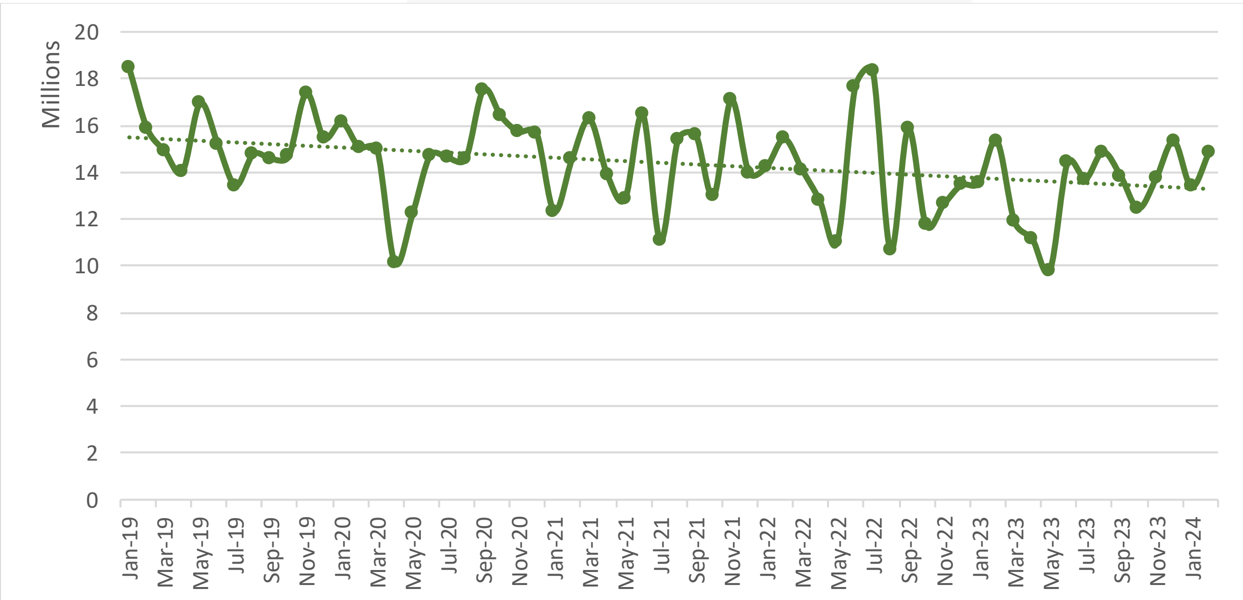
	2019	2023	2024	Growth: '19-'24	Growth: '23-'24
Containers (TEUs)	**361 486**	**300 927**	**400 207**	**11%**	**33%**
Landed	183 758	150 977	190 975	4%	26%
Shipped	177 728	149 950	209 232	18%	40%
Dry bulk (MT)	15 882 560	15 345 587	14 856 440	-6%	-3%
Liquid bulk (MT)	3 280 944	2 810 067	3 084 282	-6%	10%
Breakbulk (MT)	494 902	474 026	432 625	-13%	-9%
Vehicles (Units)	58 726	77 915	61 534	5%	-21%
Total cargo (excl. Vehicles)	**19 658 406**	**18 629 680**	**18 373 347**	**-7%**	**-1%**

Source: TNPA, updated 13/02/2024.

Annual figures for the primary industries show some improvement on last year's February in containers (both landed – ↑26% – and shipped – ↑40%), and liquid bulk (↑10%). There has, however, been a slight drop in dry bulk (↓3%) and a significant decrease in vehicle trade (↓21%) and breakbulk (↓9%) volumes. Versus 2019, the picture becomes bleaker, as there has been some improvement in January 2019 figures for containers (↑11%) and vehicles trade (↑5%) sectors. Unfortunately, there has been a decrease in dry bulk (↓6%), liquid bulk (↓6%), and breakbulk figures (↓13%).

The dry market is a particular concern – especially on the export side, as the dry bulk export markets play a pivotal role in the South African economy, serving as significant drivers of revenue generation and economic growth, underpinned by critical sectors such as mining, agriculture, and manufacturing while also bolstering foreign exchange reserves and trade balance stability. The following graph highlights all dry bulk cargo handled from all ports since the start of 2019:

Figure 8 – TNPA – Dry bulk trade (metric tons, millions)



Source: Calculated from TNPA, updated 13/02/2024.

As illustrated, the dry bulk markets have had a notable downward trajectory, with iron ore and coal exports significantly impacted, and this certainly reflects the problems experienced with the inland transport of these key commodities to their respective ports. It is high time that South Africa Inc. turned the situation around and got back to shipping volumes of yesteryear. While recent short-term initiatives have been encouraging, the jury is out on whether they will produce sustained improvements or not, but we know that as an industry, we still have a long way to go. Therefore, the minor wins we celebrated in the executive summary of last week's report must continue.

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

- Faulty cell guides on a vessel coupled with adverse weather caused the majority of delays in Cape Town.
- Poor communications and equipment breakdowns ensured operational delays in Durban.
- The Eastern Cape Ports were operationally constrained by strong winds and dense fog this week.
- Minimal delays were reported in Richards Bay this week.

ii. Cape Town

On Wednesday, CTCT recorded two vessels at berth and two at anchor as sailing was delayed for approximately three hours due to the pilot boat being out of service. In the preceding 24 hours, stack occupancy for GP containers was recorded at 33%, reefers at 85%, and empties at 25%. In this period, the terminal was forced to stop its reefer intake for a large portion of the day due to the high stack occupancy figure. At the start of the week, the terminal went windbound for about four hours and towards the end of the week, the terminal operated with eight STS cranes, 25 RTGs, and 43 hauliers. It was pleasing to see that some consistency is being seen in terms of equipment deployment.

The multi-purpose terminal recorded zero vessels at anchor and one at berth on Tuesday. In the 24 hours leading to Wednesday, the terminal managed to service 209 external trucks at an undisclosed truck turnaround time on the landside. During the same period, CTMPT managed to move 526 TEUs across the quay on the waterside. Stack occupancy was very low at 10% for GP containers, a low 16% for reefers, and 4% for empties during the same period. The terminal is anticipating the citrus season to kick off in April. This gives rise do some nervousness, given that MPT had some difficulty in maintaining volumes in the deciduous season, mainly due to a shortage of plug points. At the start of the week, a CMA CGM vessel was seemingly delayed due to faulty cell guides, which resulted in slow loading.

During the week of 4 to 10 March 2024, the FPT terminal serviced five vessels comprising three multi-purpose vessels and two container vessels. Berth occupancy during this period was recorded at 43%. During the week, 2 983 TEUs were handled at ~nine containers per hour, 73 tons of breakbulk at ~40 tons per hour, and 5 805 pallets of fruit at ~28 pallets per hour. FPT planned to handle seven vessels between 11 and 17 March, with another six planned between 18 and 24 March. Slow loading due to faulty equipment constituted the majority of the delays encountered at the terminal this week.

iii. Durban

Earlier this week, the Hoegh Shanghai was delayed due to a communication mishap regarding marine equipment availability. According to TNPA, the extent of the delay could have been mitigated if communication between themselves and port control had been a bit better. TNPA apologised for this miscommunication and assured the industry that they would improve. Conversely, the pilot boat made its long-awaited return this week, while the port returned to a complement of six tugs towards the end of the week. Additionally, the latest reports suggest that a seventh tug will be brought into service soon, with the eighth tug set to join the fleet sometime next week.

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, but no vessels at anchor. Stack occupancy was 53% for GP containers and remained undisclosed for reefers. During the same period, the terminal recorded 1 293 gate moves on the landside, with an undisclosed number of cancelled slots and 196 wasted. The average truck turnaround time for the week was recorded at approximately ~151 minutes, with an average staging time of ~98 minutes. Additionally, the terminal had 2 220 imports on hand, with 120 of these units having road stops and 84 units being unassigned. Between Tuesday and Wednesday, the terminal experienced intermittent system challenges with customer links.

Pier 2 had four vessels on berth and nine at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 60% for GP containers and undisclosed for reefers. The terminal operated with ten gangs while moving 2 883 containers across the quay. During the same period, there were 2 707 gate moves on the landside, of which 1 529 were for imports and 1 178 were for exports. The average truck turnaround time for the week was recorded at ~105 minutes, with an average staging time of ~140 minutes. Additionally, 433 rail containers were on hand, with 308 moved by rail. The terminal had a reported **54 straddles** (**↑5**, w/w) in operation, translating to an availability figure of approximately **~55%**, which is around **↓32%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.

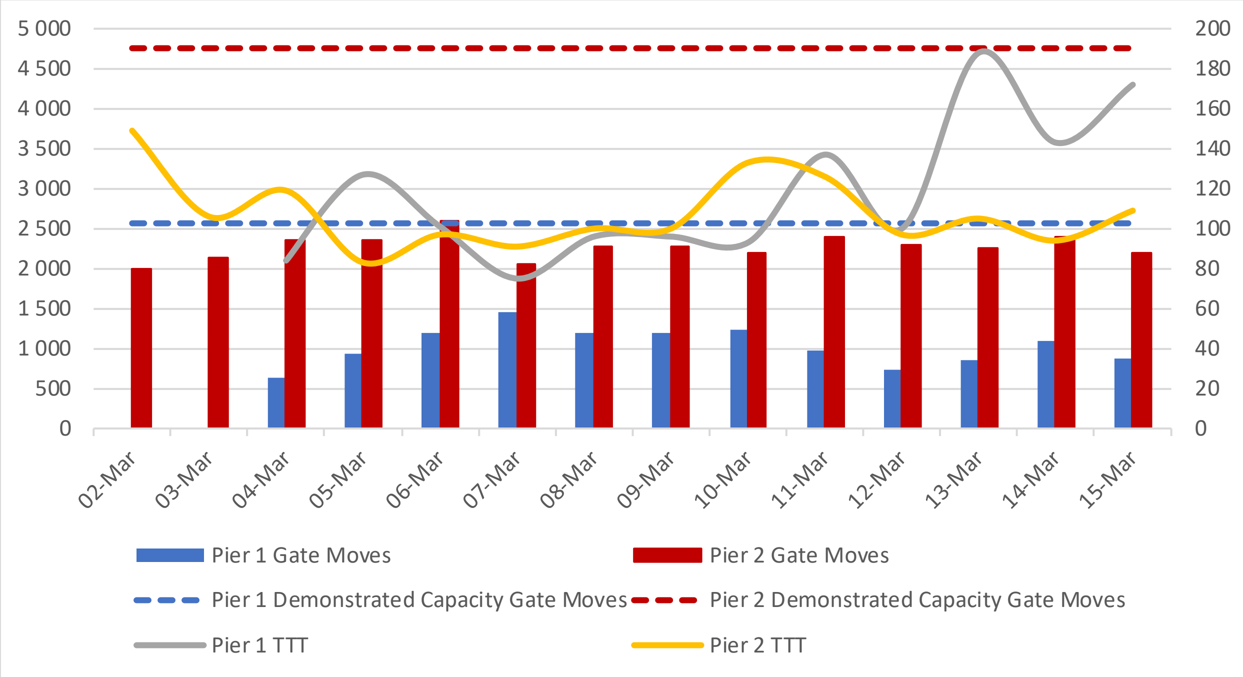
Durban's MPT terminal recorded three vessels at berth on Wednesday and three vessels at outer anchorage. No waterside or landside volumes were reported this week. However, stack occupancy for breakbulk was recorded at 32% and 63% for containers. During the same period, three cranes, nine reach stackers, one empty handler, six forklifts, and 20 ERFs were in operation. The latest reports suggest that the fourth crane’s repairs were delayed due to an outstanding certificate, which has since been received. The technical team is aiming to have the machine back in operation by 30 March; however, with the current condition of the machine, further delays can be anticipated. The terminal went windbound for the entire night shift on Tuesday, which subsequently impacted operations.

No reports were received for the Maydon Wharf or Agri-bulk facilities this week.

On Tuesday, the Ro-Ro terminal in Durban recorded zero vessels on the berth, with none at anchorage. In the 24 hours leading to Wednesday, the terminal handled 1 282 road units and 227 rail units on the landside while handling 590 units on the waterside. During the same period, overall stack occupancy was recorded at 42% (comprising 56% exports, 28% imports, and 16% transshipments), Q/R was recorded high at 75%, and the G-berth stack was at 65%. The terminal had 233 high-and-heavies (abnormal loads) on hand and dispatched 47 of these units.

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

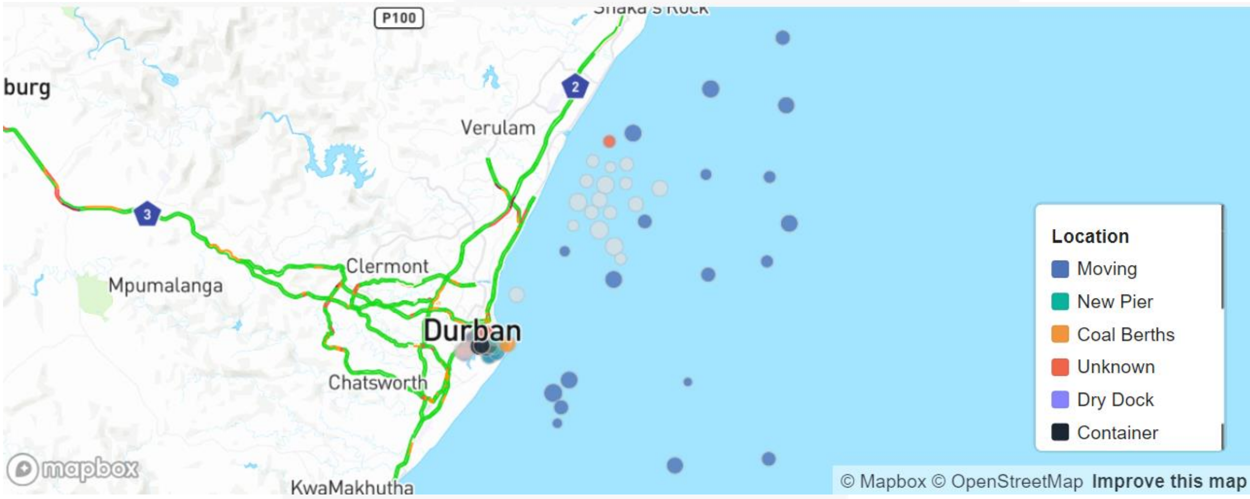
Figure 9 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 15/03/2024.

The recovery from port congestion continues, as all hands are on deck in an attempt to recover the situation. At midday on Friday, nine vessels were waiting for Pier 2, zero vessels for Pier 1, and two for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 10 – Durban vessel view (per vessel group)



Source: Crickmay LMS, 2024. Updated 15/03/2024 at 14:00.

iv. Richards Bay

On Friday, Richards Bay recorded eight vessels at anchor, while eight vessels were also recorded on the berth, consisting of six at DBT and two at RBCT. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. On Thursday, the coal terminal had five vessels at anchor and two at berth while handling 173 513 tons on the waterside. On the landside, only ten trains were serviced. This week, TNPA announced the opening up of approximately 100 leasing opportunities for port land and commercial developments at South Africa's seven commercial seaports. Of these leasing opportunities, about 24 sites within the Port of Richards Bay will be up for grabs. The other leasing opportunities include 26 sites in Cape Town, 26 in Durban, two in East London, four for Mossel Bay, 11 in Gqeberha, and six in Ngqura.

v. Eastern Cape ports

On Thursday, NCT recorded two vessels on the berth and one vessel at the outer anchorage, with two vessels drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Friday. Stack occupancy was 40% for GP containers, 21% for reefers, and 40% for reefer ground slots, as a total of 2 398 TEUs were processed on the waterside. Additionally, 466 trucks were serviced on the landside at a truck turnaround time of ~42 minutes. Cranes 6, 7, and 8 at the terminal all remained out of commission this week. The revised ETR for Crane 6 is scheduled for 20 March; Crane 7 is still scheduled for 22 March, while Crane 8 is scheduled for 18 March. Strong winds and dense fog hindered operations at the port this week.

On Thursday, GCT had one vessel on berth and none at anchor. In the 24 hours to Friday, the terminal had two tugs, one pilot boat, two pilots, and one berthing gang in operation. On the landside, 257 trucks were processed at a high truck turnaround time of ~44 minutes, while 276 TEUs were handled across the quay on the waterside. The high truck turnaround time experienced can largely be attributed to the extensive challenges experienced with the straddle carriers. For the most significant part of the week, no vessel was on berth at the Ro-Ro terminal. Stack occupancy towards the end of the week was recorded as high at 86%, further indicating the lack of fluidity in the terminal.

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

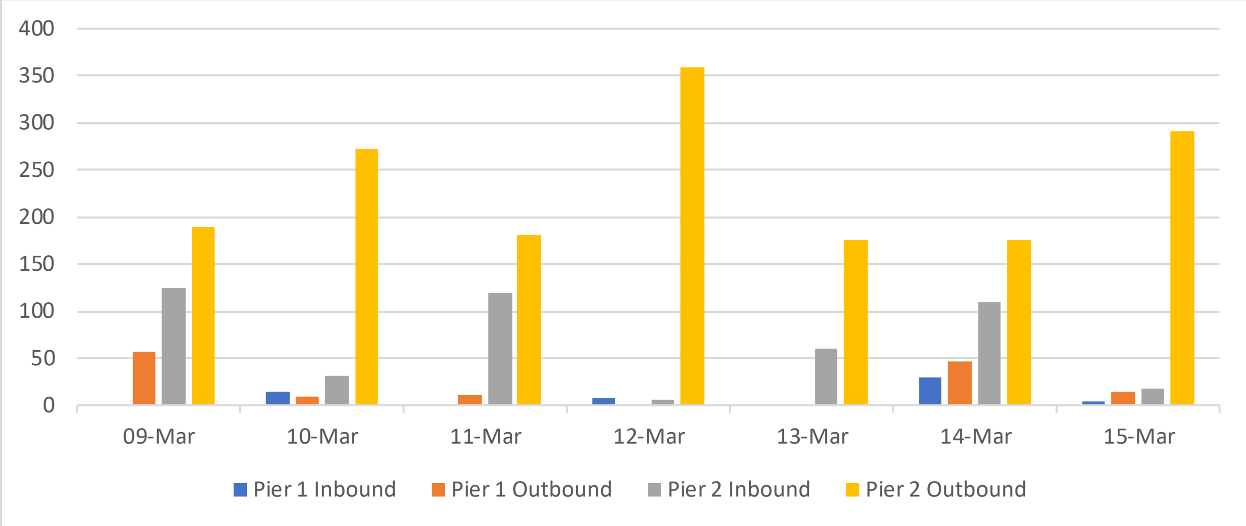
vi. Saldanha Bay

On Thursday, the iron ore terminal had two vessels at anchorage and two on the berth, while the multi-purpose terminal had three vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 1-4 days, while the vessels in port have been on the berth for between 2-5 days.

vii. Transnet Freight Rail (TFR)

No significant incidents were reported on our rail network this week. However, reports this week suggest that the rail lines are not incident-free, but the incidents that do occur don't impact train services extensively. The mentioned incidents include aspects such as power outages, hookups, washaways, a few instances of cable theft, and the like. Towards the end of the week, DCT Pier 2 had 399 over-border units on hand with a dwell time of 39 days and 34 ConCor units on hand with a dwell time of 72 hours. Rail containers on hand were split as follows: Point: 30, Pier 1: 37, Pier 2: 434. Additionally, the terminal could only execute four of the six load-plans due to equipment breakdowns.

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



Source: Calculated using data from Transnet, 2024. Updated 15/03/2024.

In the last week (*2 to 8 March*), rail cargo handled out of Durban was reported at **2 305** containers, down by **↓5%** from the previous week's **2 422** 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 4 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *March 2023* averaged **~725 846 kg** per day.

Table 6 – International inbound and outbound cargo from OR Tambo[11]

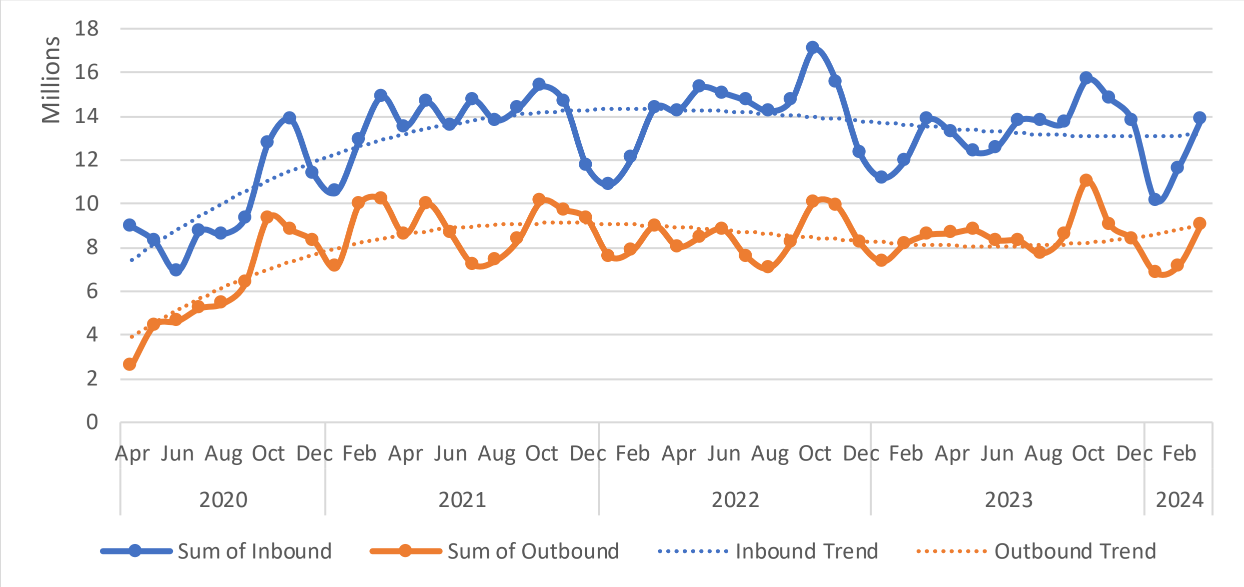
Flows	04-Mar	05-Mar	06-Mar	07-Mar	08-Mar	09-Mar	10-Mar	Week
Volume inbound	444 844	275 814	379 345	321 004	456 256	298 399	1 744 450	**3 920 112**
Volume outbound	200 688	161 599	219 137	187 031	220 435	224 359	1 398 962	**2 612 211**
Total	**645 532**	**437 413**	**598 482**	**508 035**	**676 691**	**522 758**	**3 143 412**	**6 532 323**

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

Record daily averages of air cargo were handled at ORTIA the previous week, which amounted to **560 016 kg** inbound (**↑33%**, w/w) and **373 173 kg** outbound (**↑37%**), resulting in an average of **933 189 kg per day**. Consequently, the industry exceeded cyclical levels of both last year (**↑29%** versus February 2023 and **↑28%** versus March 2020 – albeit for a lost week at the end of March 2020 because of the lockdown). The following graphs show the movement since January last year for ORTIA, with the recent drop-off noticeable:

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

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



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

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows as reported by the industry. For comparison, the average domestic air freight cargo (inbound and outbound) handled in *March 2023* was **~57 284 kg** per day.

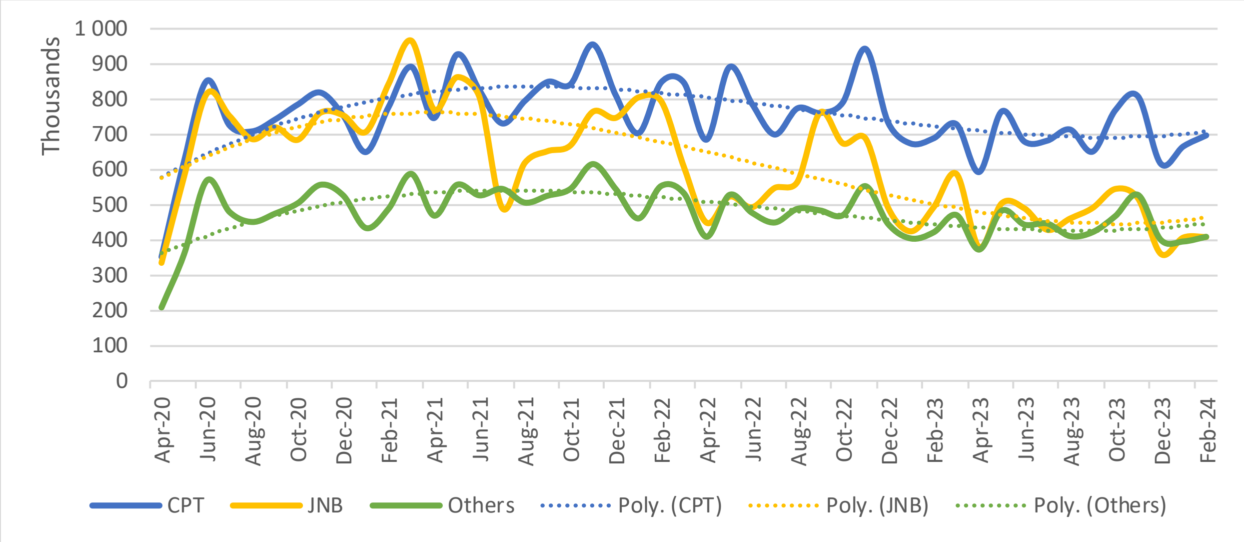
Table 7 – Total domestic inbound and outbound cargo (average daily)

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
2020 Average	**22 928**	**2 514**	**3 441**	**21 890**	**5 818**	**3 141**	**59 733**
2021 Average	**26 852**	**3 776**	**3 474**	**24 379**	**6 828**	**3 309**	**68 619**
2022 Average	**25 922**	**3 263**	**3 232**	**20 278**	**6 633**	**2 909**	**62 237**
2023 Average	**22 931**	**2 791**	**2 623**	**15 573**	**6 302**	**2 734**	**52 954**
04-Mar	31 006	3 216	5 004	24 129	8 340	4 411	**76 105**
05-Mar	47 646	4 939	3 427	25 584	12 467	4 126	**98 188**
06-Mar	37 581	4 195	4 646	24 248	10 659	4 914	**86 243**
07-Mar	37 644	2 989	2 972	24 463	9 358	4 640	**82 066**
08-Mar	16 571	2 714	2 041	21 693	5 641	2 042	**50 703**
09-Mar	1 749	384	110	436	348	217	**3 243**
10-Mar	1 419	668	265	508	295	82	**3 236**
Total for 2024:	**1 462 742**	**156 259**	**155 122**	**878 741**	**384 401**	**170 111**	**3 207 376**

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

The average domestic air cargo moved last week was **~57 674 kg** per day, up by **↑6%** compared to the previous week, but remains slightly down compared to last year's level (**~99%**). However, the level is currently trending only at **~56%** compared with the same period pre-pandemic in 2019. The following graphs show the domestic movement at our main airports since the pandemic's onset:

Figure 13 – Domestic inbound and outbound cargo (thousands)



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

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders increased by more than **four hours**, averaging **~15 hours** (**↑43%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) also increased – by almost **three hours** and averaged **~9,7 hours** (**↑43%**).
- Beitbridge experienced slowed traffic northbound on Friday night due to a breakdown at the South African exit gate into Zimbabwe, which was cleared within 3 hours.
  - Moreover, on Sunday morning, transporters requested manual blue seals at Beitbridge as the sealing system was down, with trucks to be inspected again at Chirundu.
  - The decision was made to allow affected parties to approach the IC for sealing requests.
- Monday saw massive delays at Kasumbalesa, with southbound traffic facing 4-5 days to exit Whiskey and further delays to reach the border due to increased processing time with the IBS Parking System.
- Botswana issued a directive not to process Cobalt trucks after high radiation levels were found, following a similar incident in South Africa.
- A fatal accident occurred on the R34 between Vryheid and Ulundi on Tuesday.
- Matola Coal Terminal halted operations due to Cyclone Filipo in Mozambique, with no further updates received. FESARTA is monitoring the situation closely.
- Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[12], which arguably provides better and more reliable information.

[12] FESARTA TRANSIST Bureau.

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

Table 8 – Delays[13] summary – South African borders (both directions)

Border Post	Direction	HGV[14] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	459	4,4	9,1	29,0	13 770	3 213
Beitbridge	Zimbabwe-SA	433	4,5	3,2	19,1	12 990	3 031
Groblersbrug	SA-Botswana	232	0,0	12,6	43,0	6 960	1 624
Martins Drift	Botswana-SA	196	1,2	0,5	2,3	5 880	1 372
Kopfontein	SA-Botswana	239	0,4	1,2	6,0	7 170	1 673
Tlokweng	Botswana-SA	23	0,0	0,1	0,3	690	161
Vioolsdrift	SA-Namibia	30	0,2	1,3	3,3	900	210
Noordoewer	Namibia-SA	20	0,0	0,3	2,4	600	140
Nakop	SA-Namibia	30	0,3	1,3	4,1	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,5	2,1	600	140
Skilpadshek	SA-Botswana	241	1,4	2,6	12,3	7 230	1 687
Pioneer Gate	Botswana-SA	91	0,6	0,5	2,0	2 730	637
Lebombo	SA-Mozambique	1 446	2,1	1,6	7,6	43 380	10 122
Ressano Garcia	Mozambique-SA	125	1,0	1,2	12,5	3 750	875
Weighted Average/Sum		**3 585**	**1,2**	**2,6**	**10,4**	**107 550**	**25 095**

Source: TLC, FESARTA, & Crickmay, week ending 10/03/2024.

Table 9 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	3,0	2,7	13,8	9 600	2 240
Central Corridor	798	2,6	1,3	11,4	23 940	5 586
Dar Es Salaam Corridor	1 819	8,7	10,0	24,6	54 570	12 733
Maputo Corridor	1 571	1,6	1,4	10,1	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 654	3,7	3,7	18,4	109 620	25 578
Northern Corridor	2 817	0,2	0,2	1,5	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,7	4,2	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	362	1,0	1,1	4,6	10 860	2 534
Trans Oranje Corridor	100	0,2	0,8	3,0	3 000	700
Weighted Average/Sum	**11 784**	**2,4**	**2,4**	**10,3**	**361 530**	**84 357**

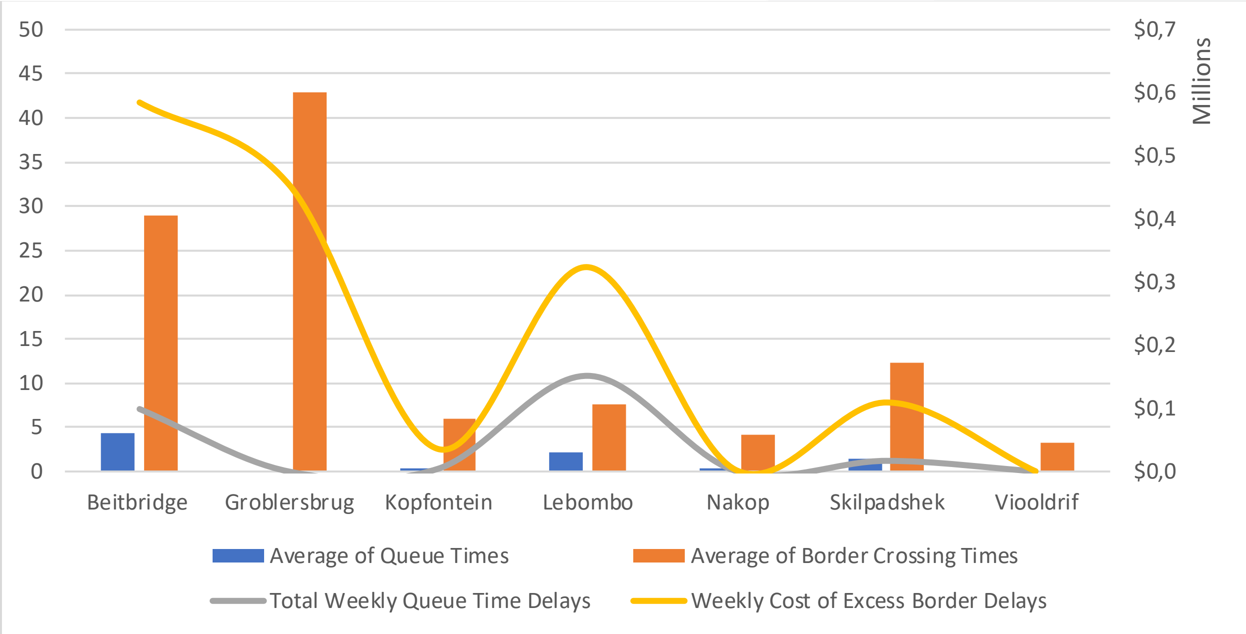
Source: TLC, FESARTA, & Crickmay, week ending 10/03/2024.

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

[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—data provided by the LMS (Logistics Monitoring System), which Crickmay produces in collaboration with SAAFF.

[14] Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

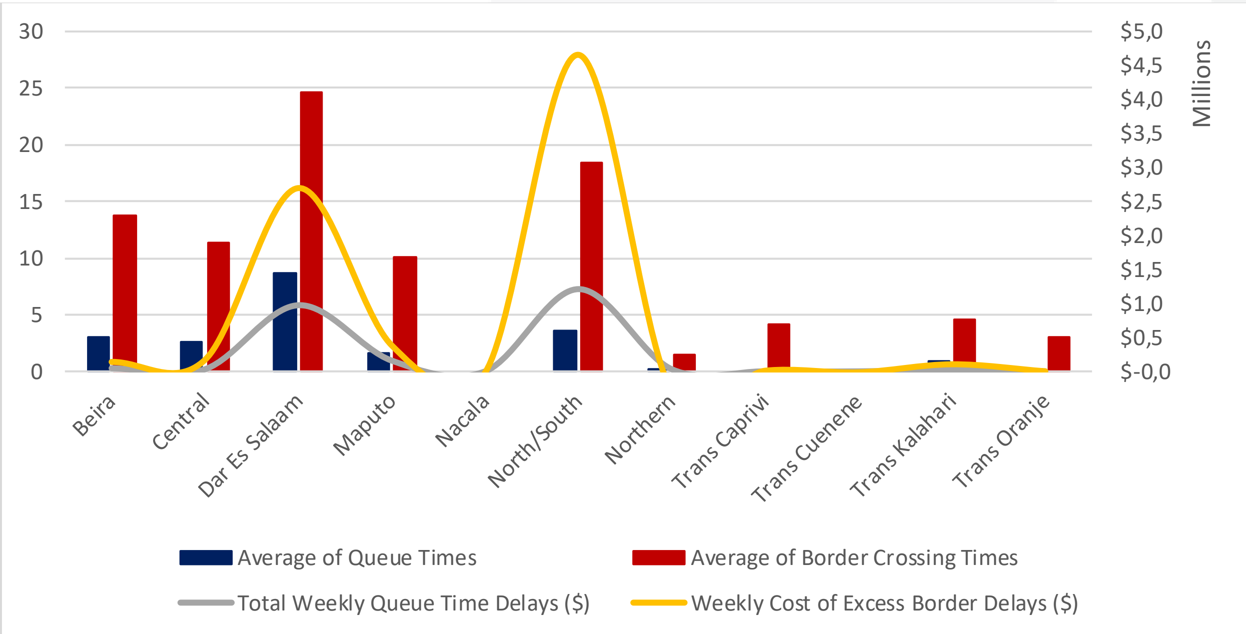
Figure 14 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 10/03/2024.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 10/03/2024.

In summary, cross-border queue time averaged **~2,4 hours** (up by **~0,3 hours** from the previous week's **~2,1 hours**), indirectly costing the transport industry an estimated **$2,5 million** (**R46 million**). Furthermore, the week's average cross-border transit times hovered around **~10,3 hours** (up by **~3,1 hours** from the **~7,2 hours** recorded in the previous report), at an indirect cost to the transport industry of **~$7,8 million** (**R146 million**). As a result, the total indirect cost for the week amounts to an estimated **~$10,3 million** (**R192 million**, up by **~R67 million** or **↑54%** from **~R125 million** in the previous report).

4. International Update

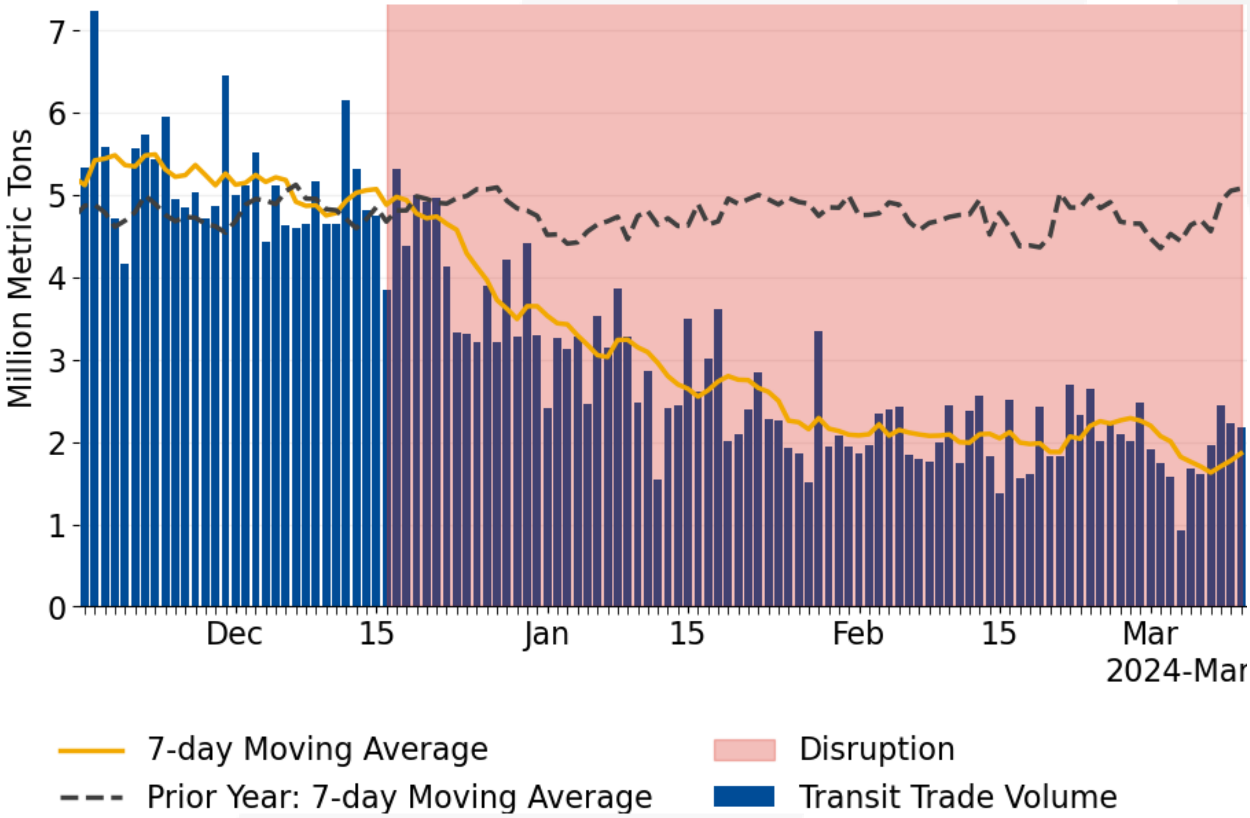
The following section provides some context around the global economy and its impact on trade, mainly an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Red Sea Update

The Red Sea shipping diversions may last a few more months, and some think they could last even longer. That's among the takeaways from the CEO of Hapag-Lloyd, the world's No. 5 container line, in an interview on Thursday[15]. Rolf Habben Jansen was speaking as the Hamburg, Germany-based company announced 2023 earnings that showed a steep drop in revenue and profits from a year earlier. Houthi attacks on ships in the Red Sea have disrupted supply chains since mid-December, forcing carriers to change routes and redo schedules — adjustments that have helped absorb excess capacity. As a result, they're burning more fuel and taking longer to deliver, with some needing to purchase more containers given the extended routes. The added costs are getting passed along to customers. The longer routes around southern Africa initially boosted spot container rates, but those are coming down, Jansen said. "*The services are stabilising, which also means that the market is getting calmer*." Nevertheless, the traffic through the Suez Canal remains significantly depressed – diverting to traffic flowing around the Cape of Good Hope:

Figure 16 – Suez Canal: Daily transit trade volume (metric tons)

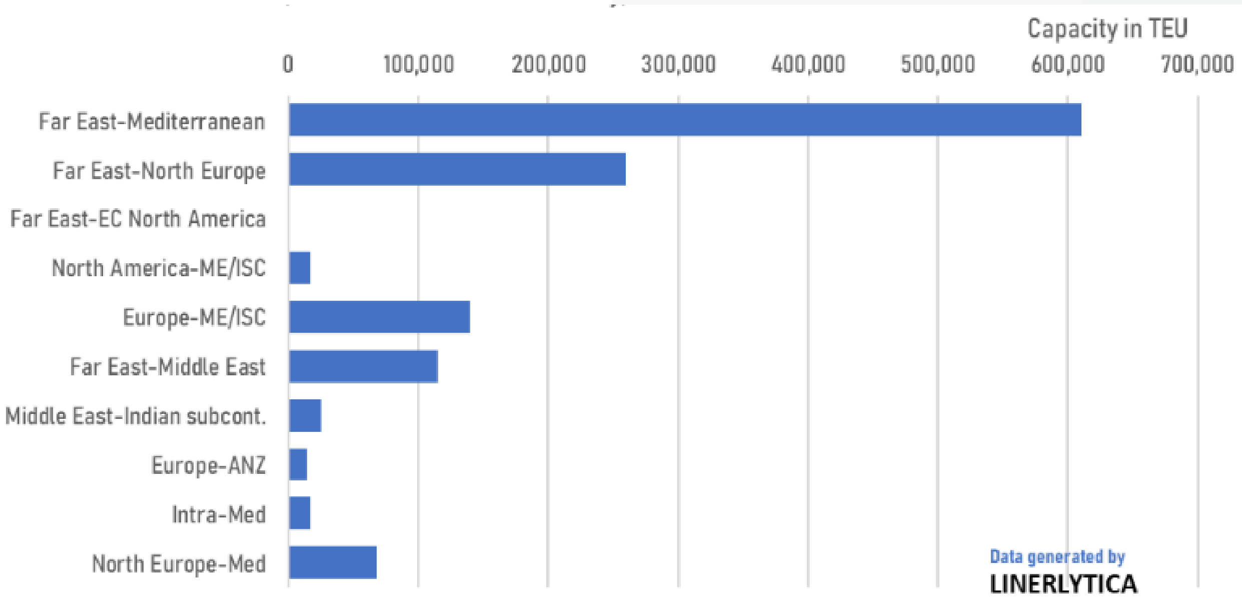


Source: *IMF Port Watch*

[15] Bloomberg. 13/03/2024. Bloomberg TV.

The CEO of Hapag-Lloyd indicated, though, that there's no telling when the Red Sea will be safe enough to transit again. "*We hope that we're going to be able to go back through in a couple of months*," Jansen said. "*But I know there are also people that think that it will last quite a while longer*." In the medium term, excess capacity may return to weigh on freight rates. Hapag-Lloyd expects the market to remain challenging for carriers given "*the large number of ship deliveries this year*," Jansen said in the company's 2023 annual report. Sharing that view was Zim Integrated Shipping CEO Eli Glickman, who spoke on a conference call on Wednesday. "*Once the Red Sea crisis is resolved, we will likely revert to the supply-demand scenario that began to play out in '23, setting up a more challenging third and fourth quarter of '24 for the industry, including us*," he said. *Linerlytica* this week reported that the total containership capacity deployed on trades affected by the Red Sea crisis has increased by **1,26 million TEU** since October 2023, driven mainly by vessel diversions to the Cape of Good Hope. The following trades are most affected:

Figure 17 – Change in capacity deployed since October 2023 (Red Sea affected trades only)



Source: Linerlytica

The Far East-Mediterranean recorded the most significant jump of **0,61 million TEU**, accounting for half of the increased capacity over the period, followed by the Far East-North Europe route at **0,26 million TEU**. The increased demand for cargo has fully absorbed all of the new capacity delivered in the last five months, with additional requirements for another **400 000 TEU** of incremental capacity still to be fulfilled.

ii. Global container summary

Global port congestion is stable and currently affecting **~4,5%** of the total fleet; however, things at Durban are seemingly worsening again, as Durban remains the only South African port featured on the first page of the "*Port Congestion Watch*". This week, the queue-to-berth ratio at Durban increased to **0,76**[16], which does not bode well after we continually saw this figure dropping in recent weeks. The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is down and is currently trending at around **6%**[17]. Nearly

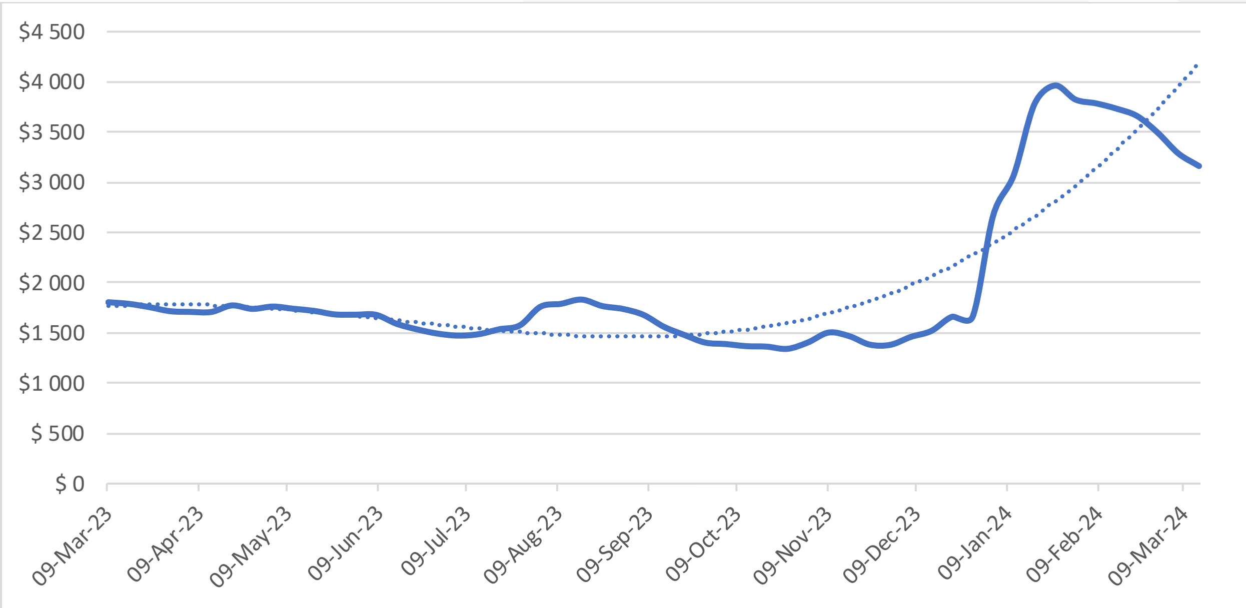
[16] Linerlytica. 15/03/2024. Port Congestion Watch.
[17] Drewry. 15/03/2024. Cancelled Sailings Tracker.

200 000 TEU of newbuild containership capacity was delivered in February, following a record **300 000 TEU** received the month before – the new tonnage being comfortably soaked up by Red Sea diversions around Africa. However, if and when a safe passage can be guaranteed and ships can again transit the Red Sea to the Suez Canal without fear of attack, ocean carriers will need to manage a chronic oversupply situation, as at least another **2,5 million TEU** is slated still to be delivered this year[18]. Consequently, the increased demand for tonnage has fully absorbed all the new capacity delivered in the last five months, with additional requirements for another **400 000 TEU** of incremental capacity still to be fulfilled to maintain services in the current market dynamics.

iii. Global container freight rates and carrier profits

Global container rates continued their fall, as the "*World Container Index*" is down by another **↓3,8%** (or **$125**) to **$3 162** per 40-ft container[19]. All major routes continue to fall this week by between **↓1-5%**, except for the New York – Rotterdam and mirror routes, which are up by **↑2-3%**. The composite index remains up by **↑77%** compared to the same week last year and **↑123%** higher than the average 2019 pre-pandemic rates of **$1 420**. We are unlikely to see these rates again; however, the industry is pricing another few rounds of rate decreases in the next couple of weeks, as the composite index is likely to settle in the **mid-$2 500s**. There are concerns about the commercial viability of carriers at those freight levels. The following figure shows the movement of the index in the last year:

Figure 18 – World Container Index assessed by Drewry (last 12 months, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

[18] Wackett, M. 12/03/2024. Carriers still need another 400 000 TEU to maintain services.
[19] Drewry. 14/03/2024. World Container Index.

In the charter market, rates have continued their upward trend (albeit slower), as the Harper Petersen Index (*Harpex*) is currently trending at ***1 202 points***, up by **↑0,2%** (w/w) and up by **↑14%** (y/y) versus this time last year[20].

iv. Further developments of note

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

1. **'Move to -15' gains support and moves up the shipping agenda:**
   a. The Move to -15ºC coalition, led by newly appointed chairman Thomas Eskesen, aims to reduce emissions in the cold chain[21]. Research indicates that shifting from the current norm of transporting frozen goods at **-18ºC to -15ºC** could save **17,7 million tonnes of CO^2** annually, equivalent to emissions from **3,8 million cars**.
   b. Eskesen stresses industry transparency and plans trials on specific food types and supply chains to assess the impact of the temperature change, garnering support from various industry stakeholders.

b. Global air cargo industry

In the high-frequency metrics, air cargo tonnages from Dubai to Europe are continuing to boom. At the same time, overall global demand has broadly stabilised following a strong return of Asia Pacific volumes since the Lunar New Year (LNY) dip in early February, according to the latest weekly figures from World ACD Market Data. The analysis for week 10 (4-10 March) shows a significant increase in Dubai-Europe air cargo tonnages, up by **↑205%** compared to the same period last year and **↑7%** higher than the previous week. This surge is attributed to disruptions in Asia-Europe container shipping, mainly due to attacks in the Red Sea. Similarly, Bangkok-Europe demand remains strong, with an annual increase of **↑33%** in week 10, supported by road-air volumes from Vietnam. However, Colombo-Europe demand is showing signs of softening, with a decrease from **↑35%** in week 9 to **↑20%** in week 10. The following summary shows the regional changes when comparing the last five weeks with the five weeks before:

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

Origin Regions last 2 to 5 weeks WORLD ACD	Capacity[1]			Chargeable weight[1]			Rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-1%	+2%		-3%	+9%		-1%	-4%
Asia Pacific		+10%	+18%		+28%	+10%		+2%	-11%
C. & S. America		-0%	+14%		+0%	-5%		-3%	-8%
Europe		+0%	+4%		+0%	+0%		-0%	-28%
M. East & S. Asia		+1%	+7%		-4%	+17%		+6%	+17%
North America		+2%	+8%		+2%	-5%		-1%	-19%
Worldwide		+3%	+9%		+9%	+4%		+3%	-14%

Source: *World ACD*

[20] Harper Petersen Index. 15/03/2024. HARPER PETERSEN Charter Rates Index.
[21] Van Marle, G. 11/03/2024. 'Move to -15' gains support and moves up the shipping agenda.

In week 10, global air cargo tonnages stabilised after a recovery of ↑**3%** in week 9 and ↑**14%** the week before, following an 11% drop during the Lunar New Year (LNY) holiday. Average global rates increased by ↑**2%** to **$2,32 per kg**, resembling pre-LNY levels. Over two weeks, tonnages rose by ↑**9%**, mainly due to increased demand from Asia Pacific, particularly to the Middle East and South Asia (↑**38%**), Europe (↑**29%**), North America (↑**26%**), and other Asia Pacific destinations (↑**23%**). Despite remaining 14% below last year's levels, rates are up ↑**29%** compared to March 2019. MESA origin regions show elevated tonnages (↑**17%**) but have slightly decreased (↓**4%**) over 2Wo2W, suggesting a possible weakening from previous highs. Global air cargo capacity is significantly higher than last year, with double-digit increases in ex-Asia Pacific (↑**18%**) and ex-Central & South America (↑**14%**).

In other air cargo news, the trade union ver.di has called for another strike—this time by the aviation security staff (personnel, goods, and crew checks) of FMSicherheit Flughafen München Sicherheit GmbH and Nürnberger Wach—and Schließgesellschaft mbH Flughafen München. The strike took place in Munich on Thursday, March 14, 2024, from 04:00 to Friday, March 15, 2024, at 06:00, and disrupted cargo operations during this time.

ENDS[22]

[22]**ACKNOWLEDGEMENT:**

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