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Cargo movement update #170[1]

Date: 26 January 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)	21 725	25 562	**47 287**	28 846	24 252	**53 098**	↓11%
Air Cargo (tons)	2 474	1 610	**4 083**	2 212	1 671	**3 883**	↑5%

Monthly Snapshot

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

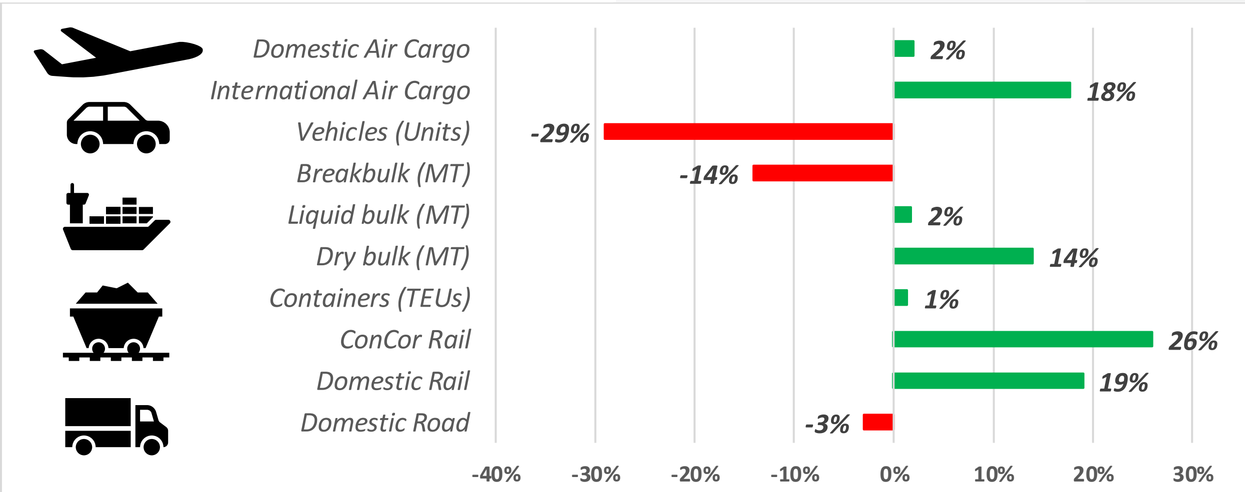
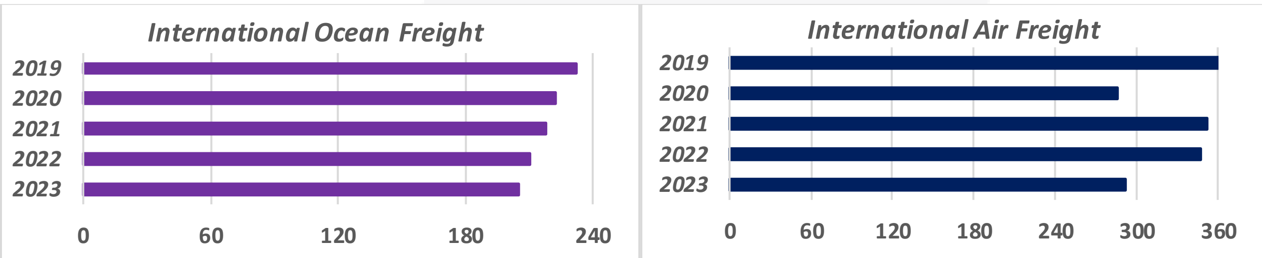


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 755 containers** was handled per day, with **~7 585 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 284** containers, up **↑22%** from last week.
- Cross-border queue times were **↓0,1 hours** (w/w), with transit times **↑2,9 hours** (w/w); SA borders increased by **~2,7 hours**, averaging **~12,0 hours** (**↑30%**); Other SADC borders averaged **~8,9 hours** (**↑48%**).
- Despite the Red Sea and Panama Canal barriers, port congestion is only affecting **5,3%** of the total fleet.
- Global freight rates have again increased by **↑5%** (or **$187**) to **$3 964** per 40-ft container.
- Global air cargo global tonnages increased by **↑5%** and continue to surge); rates **@ $2,34 per kg**.

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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 *170th* 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; All metrics: Dec vs Dec.
[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 **6 755 containers** per day, down from the 7 585 containers last week. Inclement weather conditions, congestion, and all too frequent equipment breakdowns and shortages disrupted the national port system over the last week. At the start of the week, the Port of Cape Town went windbound for a day and a half, with a few vessels bypassing as a result, while seven vessel movements deviated from their respective schedules in Durban due to high swells and the late arrival of cargo. The entire straddle complement at DCT Pier 2 will seemingly reduce to 95 next week from the current 98 – of which 55, on average, are operational due to the rest of them machines exceeding their life cycle. On Wednesday, crane seven at NCT experienced a breakdown, which left the terminal operating with five cranes. Apart from that, no significant incidents were reported on the ConCor this week as TFR remain tight-lipped on the cable theft and vandalism situation on our rail network.

In the global shipping industry, the planned formation of the Gemini Cooperation by Maersk and Hapag-Lloyd in January 2025 will reshape the container shipping landscape, positioning it as the third-largest alliance globally, behind the Ocean Alliance and MSC/Zim partnership. The potential breakup of the OCEAN Alliance is speculated upon, though its agreement among CMA CGM, COSCO, and Evergreen is set for a minimum of 10 years. The Alliance faces challenges after Hapag-Lloyd's early withdrawal, affecting its operational scale. Global port congestion remains low despite challenges like the Red Sea and the Panama Canal, impacting only 5.3% of the total fleet. Container throughput increased by **↑3,1%**, with regional variations, and global container rates continued to climb, reflecting a stronger market. Charter rates are rising, with carriers seeking tonnage to address Red Sea diversions, potentially requiring up to 200 additional ships on east-west networks. Other developments this week included **(1)** DP World's **$2 billion** Mozambique port expansion getting approval, **(2)** Panama Canal headaches not so painful for box ships, but costs will rise, and **(3)** Gemini 'hub & spoke' plan may give rival carriers an edge at ports.

In accordance with the seasonal trends observed at this time of the year, the international air freight market to and from South Africa continues to pick up slowly – notably with inbound cargo this week, which is up by **↑12%** (w/w). Outbound has seemingly followed a natural (low) market stabilisation and has decreased by **↓4%** (w/w). Despite the minor positive movement, air cargo volume has reduced significantly thus far this month compared to previous months. Internationally, global air cargo tonnages are well up on last year's levels. Annually, global demand in weeks two and three rose by **↑6%**, notably driven by a **↑21%** increase in tonnages ex-Middle East and South Asia, possibly due to conversions from ocean to air and sea-air cargo amid Red Sea disruptions, as cargo to and from Africa saw a particularly robust **↑14%** increase.

In regional cross-border road freight trade, average queue times were almost unchanged and decreased by **approximately 10 minutes**, while transit times increased by **nearly three hours** from last week. The median border crossing times at South African borders increased by **two and a half hours**, averaging **~12,0 hours** (**↑30%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by **nearly three hours** and averaged **~8,9 hours** (**↑48%**, w/w). On average, a whole host of (seven in total) SADC border posts took more than a day to cross, including Beitbridge, Forbes, Kasumbalesa, Katima/Mulilo (the worst affected at around **two and a half days** to cross), Oshikango, Santa Clara, and Tunduma OSBP. Other developments this week included **(1)** the BMA delaying the border infrastructure process, **(2)** Asycuda system downtime, and **(3)** delays at the Konkola Checkpoint in Zambia.

In concluding this week's report, there are many challenges and opportunities in South Africa's cross-border trade, focusing on public-private partnerships (PSP) and private-sector involvement. We can only criticise governmental delays in infrastructure projects and emphasise the need for coordinated action to address inefficiencies. The benefits of partnership can clearly be seen in the Mozambique example referred to earlier in this report. While physical upgrades are essential, the report underscores the importance of non-infrastructure measures like coordination and collaboration between government agencies and the private sector. Transnet's handling figures highlight the extreme urgency for collaborative efforts to improve trade facilitation. The potential of PSP frameworks and joint ventures in modernising infrastructure is apparent, stressing the significance of accelerating such partnerships. With South Africa's GDP heavily reliant on imports and exports, there's concern over the economic outlook, but optimism exists for growth through innovative logistics solutions. Soft issues like customs-to-business risk migration programs and technology adoption are deemed crucial, along with involving logistics professionals in policy drafting. The symbiotic relationship between the public and private sectors is highlighted as pivotal for fostering flourishing trade and regional integration. The report concludes by calling for urgent action to address trade inefficiencies and foster growth in the logistics industry. Overall, the report emphasises the need for collaborative efforts and innovative solutions to improve South Africa's cross-border trade landscape, ensuring a conducive environment for economic growth and development.

Contents

1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 20 to 26 January [6]

7-day flow forecast (20/01/2024 – 26/01/2024)		
TERMINAL	**NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	4 791	4 950
DURBAN CONTAINER TERMINAL PIER 2:	10 713	10 158
CAPE TOWN CONTAINER TERMINAL:	3 650	4 786
NGQURA CONTAINER TERMINAL:	1 840	5 668
GQEBERHA CONTAINER TERMINAL:	731	0
TOTAL:	**21 725**	**25 562**

Source: Transnet, 2024. I updated 26/01/2024.

Table 3 – Container Ports – Weekly flow predicted for 27 January to 2 February

7-day flow forecast (27/01/2024 – 02/02/2024)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	5 762	5 732
DURBAN CONTAINER TERMINAL PIER 2:	12 528	11 521
CAPE TOWN CONTAINER TERMINAL:	4 928	6 983
NGQURA CONTAINER TERMINAL:	6 847	6 763
GQEBERHA CONTAINER TERMINAL:	700	1 000
TOTAL:	**30 765**	**31 999**

Source: Transnet, 2024. I updated 26/01/2024.

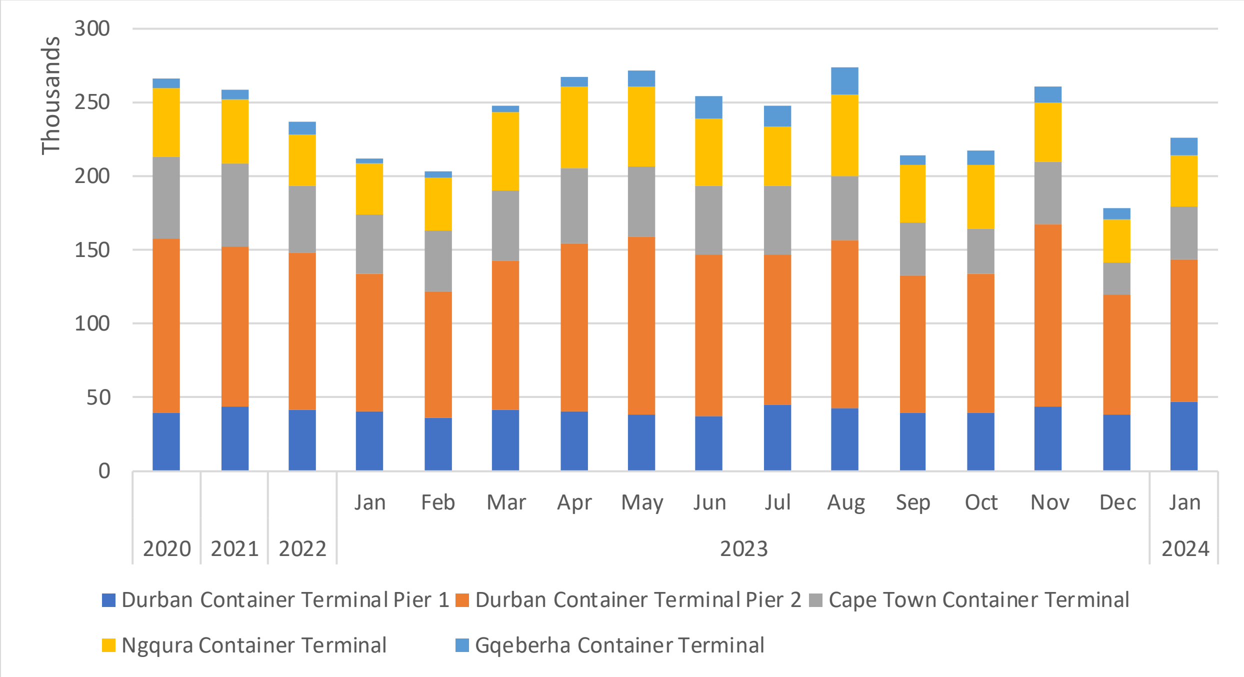
An average of **~6 755** containers (↓**11%**) was handled per day for the last week (*20 to 26 January*, *Table 2*), compared to the projected average of **~8 282 containers** (↓**18%** actual versus projected) noted in last week's report. For this week, an increased average of **~8 966 containers** (↑**33%**) is predicted to be handled (*27 January to 2 February, Table 3*). Inclement weather conditions, congestion, and all too frequent equipment breakdowns and shortages disrupted the national port system over the last week.

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

[6] It remains important to note that a large percentage (approximately 36% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transhipments.

[7] As mentioned before, the measurement is noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container, and this figure will probably increase as the shift towards more 40' containers continue. 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.

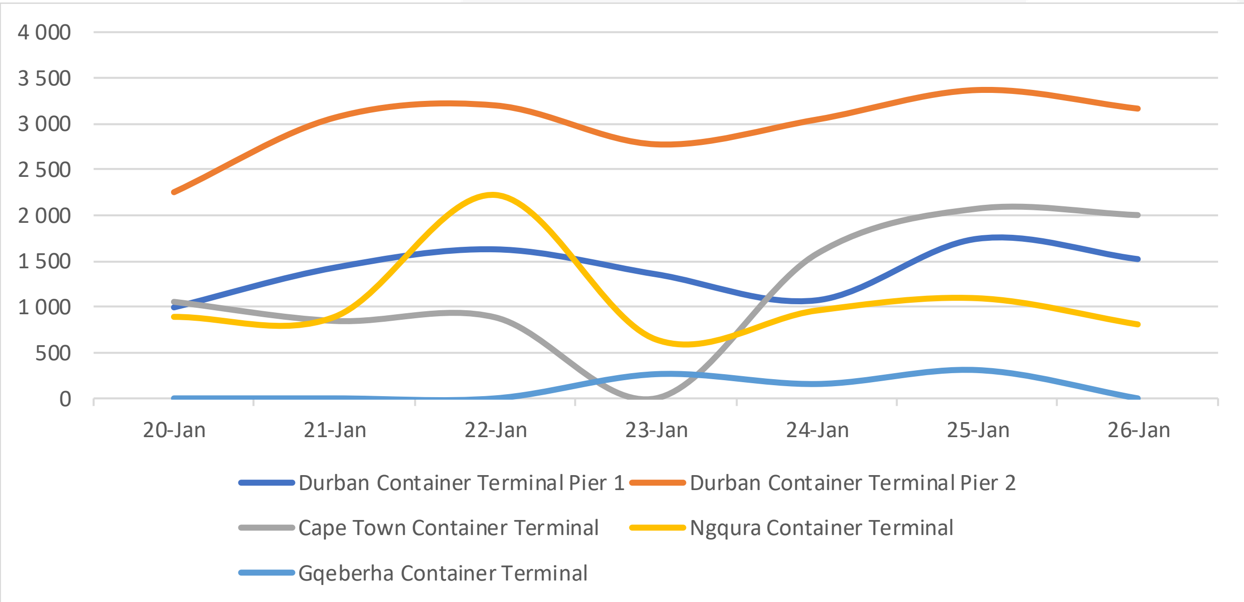
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

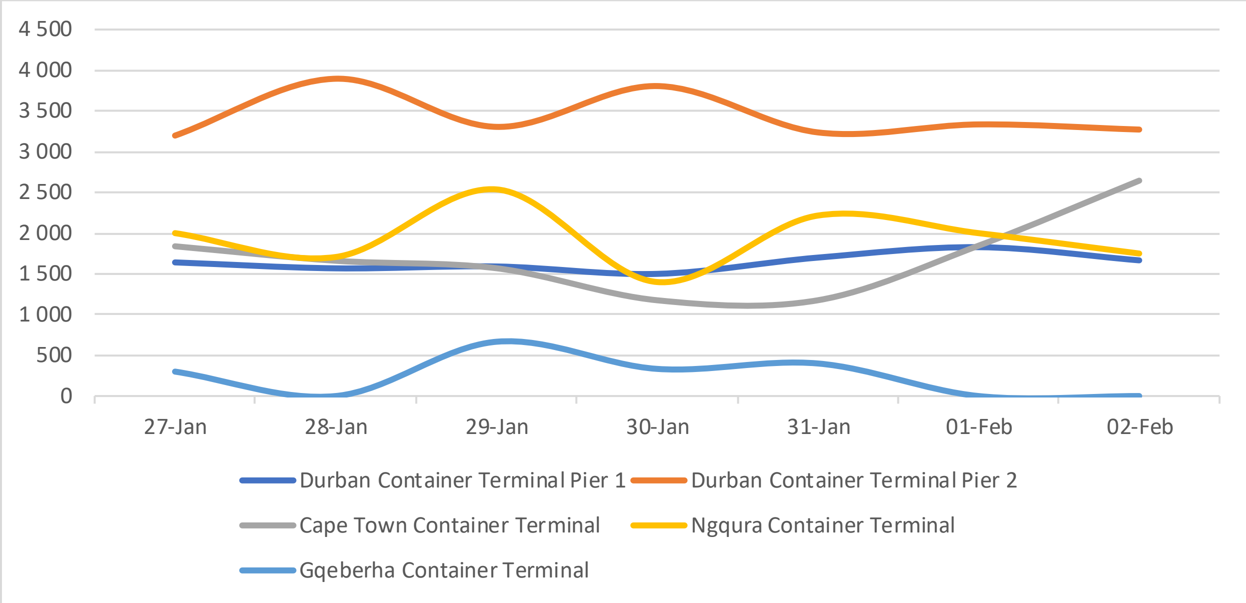
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (20 to 26 January; per port; day on day)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

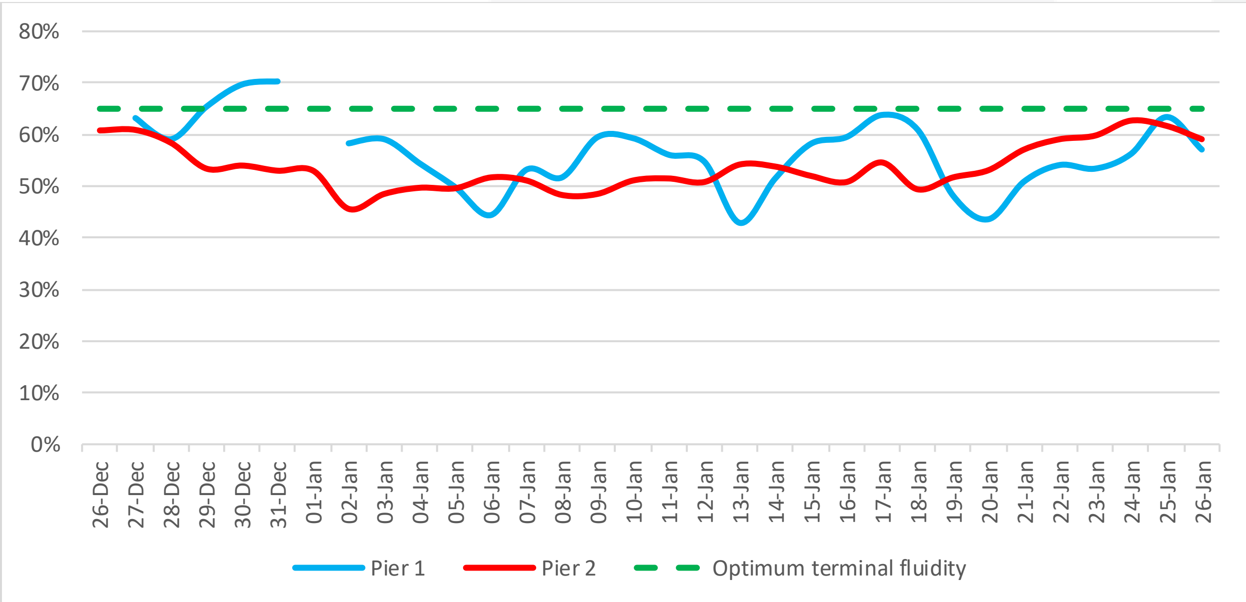
Figure 5 – 7-day forecast reported for total container movements (27 January to 2 February; per port; a day on the day)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

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

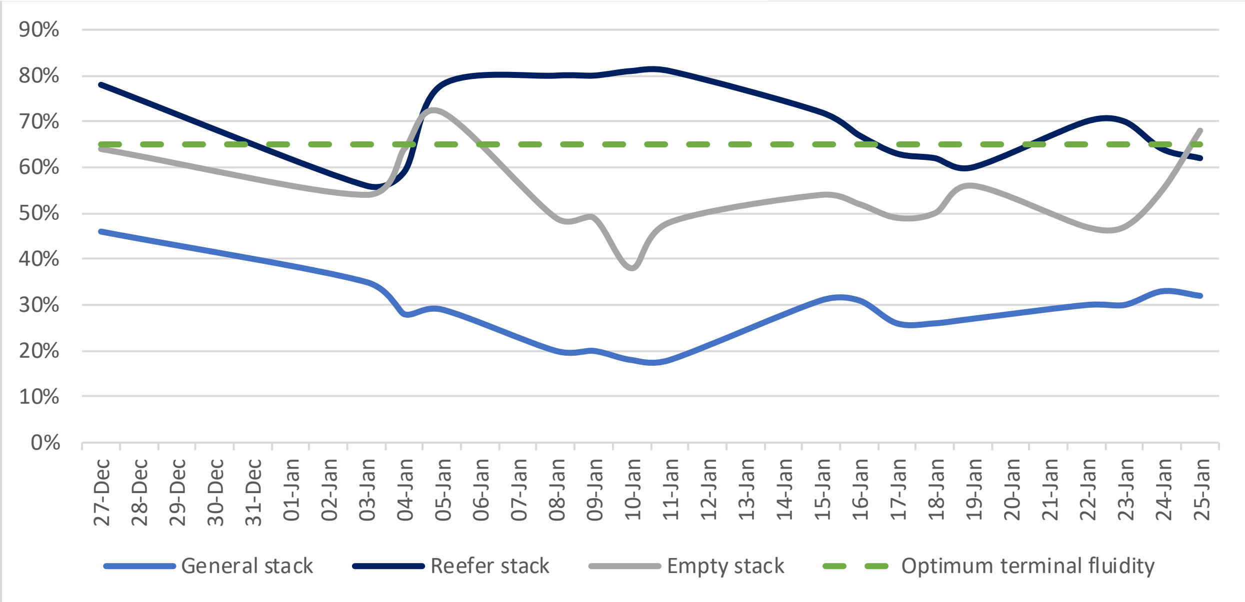
Figure 6 – Stack occupancy in DCT, general-purpose containers (26 December to present; a day on the day)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

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 (26 December to present, day on day)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

b. Summary of port operations

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

i. Weather and other delays

- At the start of the week, the Port of Cape Town went windbound for a day and a half, with the resultant bypassing by some vessels
- Seven vessel movements deviated from their respective schedules in Durban earlier this week due to high swells and the late arrival of cargo.
- NCT went windbound for approximately 12 of the 24 hours between Wednesday and Thursday.
- The Port of Richards Bay experienced delays of up to three hours due to poor visibility.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and six at anchor, as continued strong winds prohibited operations for 36 consecutive hours during the earlier stages of the week. In the preceding 24 hours, stack occupancy for GP containers was recorded at 32%, reefers at 62%, and empties at 68%. In this period, the terminal handled 2 072 TEUs across the quay, which translated to 1 381 container moves while operating with nine STS cranes and 21 RTGs. This showcases the abysmal performance of the terminal as further calculations indicate that this constitutes between 6 and 10 container moves per hour. On the landside, 1,345 trucks were serviced, while 49 rail export units were handled. In addition to the 21 available RTGs, three of the second-hand RTGs from Los Angeles have also been introduced to the terminal, but the other four are still being utilised for training purposes.

The multi-purpose terminal recorded two vessels at anchor and three at berth on Wednesday. In the 24 hours leading to Thursday, the terminal managed to service 234 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 225 container moves and 3 465 tons were handled across the quay on the waterside. Stack occupancy was recorded at 45% for GP containers, 43% for reefers, and 33% for empties during the same period. The terminal also experienced extensive operational delays at the inception of the week due to strong winds.

During the week of 15-21 January 2024, the FPT terminal serviced nine vessels comprising two container vessels, four multi-purpose vessels, one dry bulk, and two bulk (cement) vessels. During that period, 1 777 TEUs were handled at 9.40 containers per hour, 1 057 tons of breakbulk at 57.16 tons per hour, 30 492 tons of cement at 107.83 tons per hour, 7 744 tons of dry bulk at 146.05 tons per hour, and 4 273 pallets of fruit at 26.50 pallets per hour. The terminal planned to handle nine vessels between 22-28 January and to handle another nine vessels between 29 January and 04 February.

The Nederland Stream berthed around 12:08 on 14 January and set sail around 10:50 on 18 January. This vessel was delayed approximately 19 hours due to strong winds and another three hours due to a faulty crane. Despite these challenges, the vessel managed to handle 248 TEUs at 5.48 moves per hour and 849 pallets of fruit at 26.5 pallets per hour. The MSC Ishyka berthed around 22:10 on 13 January and sailed around 04:23 on 18 January. The vessel was impacted by the strong winds for approximately six hours but managed to handle 786 TEUs at 10.74 moves per hour. The Bright Sky berthed on 17 January at 12:30 and sailed on 18 January at 22:08. Despite being delayed by approximately 11 hours due to the strong winds, the vessel managed to handle 411 TEUs at 7.69 moves per hour. The Baltic Hollyhock berthed on 16 January at 14.28 and, according to the report received, was not completed in that given week (before 21 January). This vessel was also impacted by the wind for approximately 11 hours but managed to handle 40 TEUs at 14 moves per hour and 3 424 pallets of fruit at 26.50 pallets per hour.

The following three vessels berthed in the week of 15-21 January but also did not complete in that given week. The Falcon Trader berthed around 00:40 on 19 January and managed to handle 20 328 tons of cement at 116.25 tons per hour. The vessel was also delayed for approximately 11 Hours due to the strong winds experienced. The Crown Shaphire berthed on 21 January around 00:05 and managed to handle 182 TEUs at 9.24 moves per hour. The Green Mountain berthed on 21 January around 18:40 and managed to handle 110 TEUs at 9,15 moves per hour, 3 003.61 tons of fertiliser at 119.67 tons per hour, and 1 057.40 tons at 57.16 tons per hour.

iii. Durban

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, and one vessel at anchor. Stack occupancy was 58% for GP containers and remained undisclosed for reefers. During the same period, the terminal recorded 1 428 gate moves on the landside, with an undisclosed number of cancelled slots and 177 wasted. The truck turnaround time was recorded at ~145 minutes, with an average staging time of ~116 minutes. At the beginning of this week, the terminal had 2,715 imports on hand, with 350 having road stops and 244 being unassigned. The terminal struggled with high traffic volumes throughout the week as minimal to no slots were allocated to blocks G3 and C1 on Wednesday. In contrast, block quotas for slot allocation were implemented at blocks C1 and F2 on Thursday.

Pier 2 had four vessels at berth and nine at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 63% for GP containers and undisclosed for reefers. The terminal operated with ten gangs while moving 3 368 TEUs across the quay. During the same period, there were 2 046 gate moves on the landside with a truck turnaround time of ~102 minutes and a staging time of ~112 minutes. Of the landside gate moves, 1 630 (79%) were for imports and 460 (21%) for exports. Additionally, 339 rail import containers were on hand, with 282 moved by rail. The situation regarding the straddle carriers deteriorated again somewhat during this period, as the terminal had only about 49 straddles in operation. This brings the straddle carrier availability figure in the terminal to about 50% w. That is currently approximately ↓39%

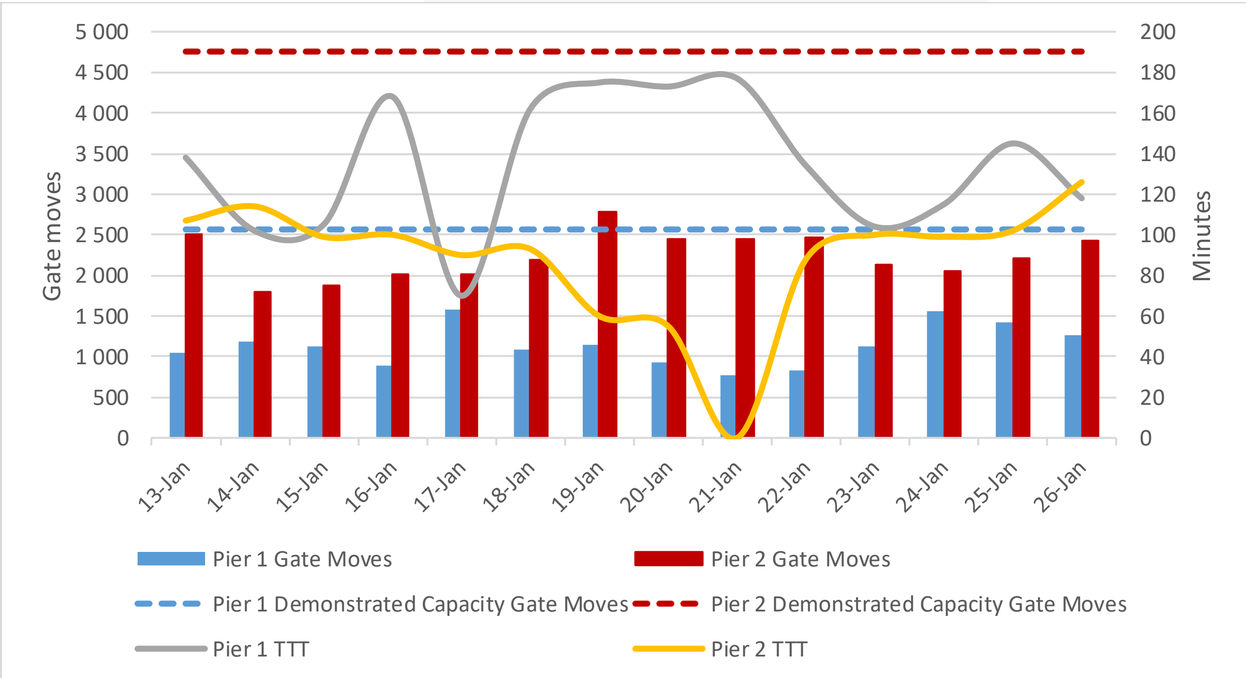
below the number of machines that would be the minimum to satisfy industry demand and deliver acceptable productivity. The entire straddle complement will be further reduced to 95 next week from the current 98 due to the machines reaching the end of their life cycles. According to TNPA, the usual life cycle of a straddle carrier is between 40,000 and 50,000 hours, which translates to approximately six years at maximum. The life cycle of a gantry crane, according to the same reports, is 20 years, while the life cycle of a haulier is 15 years.

Durban's MPT terminal recorded three vessels at berth on Wednesday and two at outer anchorage while handling 353 TEUs and 313 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 65% during that time and at 43% for containers. The terminal handled 240 container road slots while 155 breakbulk road visits containing 4 455 tons were facilitated on the landside. During the same period, three cranes, seven reach stackers, one empty handler, six forklifts and 16 ERFs were in operation. The third crane was out of commission for the majority of the week due to a breakdown but luckily returned to service by the end of the week. The fourth crane, according to TPT reports, is still on course to return to service by the end of January. On Tuesday, one vessel at Maydon Wharf MPT was completed while no vessels were at anchor. The terminal managed to move 1,676 tons across the quay on the waterside while servicing 11 RMTs containing 456 tons on the landside. No volumes were handled at the Agri-bulk facility, as the next vessel was only scheduled to arrive on 27 January.

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 166 units on the landside while handling 534 units on the waterside. During the same period, general stack occupancy was recorded at 43%, comprising 13% imports, 53% exports, and 34% transhipments. Stack occupancy at Q/R was recorded at 60%, while the G-berth stack was recorded at 50%. The terminal had 258 high-and-heavies on hand while despatching 16.

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.

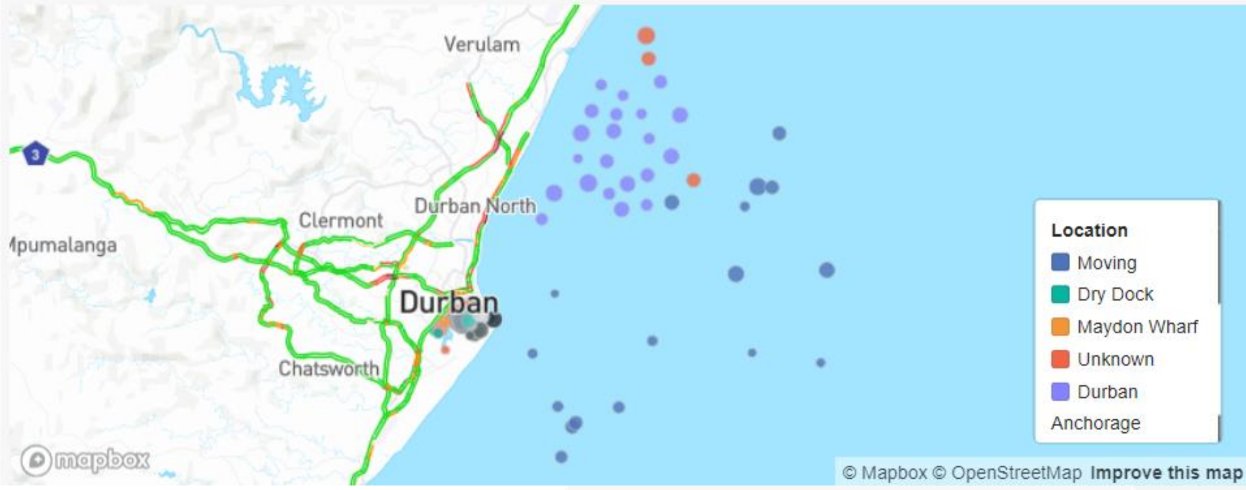
Figure 8 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024 and updated 26/01/2024.

The recovery from port congestion continues, as all hands are on deck to alleviate the situation. At the end of Friday, 12 vessels were at anchorage, with the following snapshot of the port and vessels waiting to berth:

Figure 9 – Durban vessel view (per vessel group)



Source: Crickmay LMS, 2024. Updated 26/01/2024 at noon.

iv. Richards Bay

On Thursday, Richards Bay recorded 13 vessels at anchor, represented by four at DBT, four at MPT, four at RBCT, and one liquid vessel. Twelve vessels were recorded on the berth, translating to five at DBT, four at MPT, three at RBCT, and none at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources in the 24 hours leading to Friday, while the pilot boat remained out of service. During the same period, the coal terminal had four vessels at anchor and three at berth while handling 191 341 tons on the waterside. On the landside, 15 trains were serviced which is indicative that the export coal line reopened after the collision of last week.

v. Eastern Cape ports

On Monday, NCT recorded two vessels on the berth and zero vessels at the outer anchorage, with three vessels drifting. Marine resources of two tugs, two pilots, and one berthing gang were in operation in the 24 hours leading up to Tuesday. Stack occupancy was 41% for GP containers and 48% for reefer ground slots, as a total of 2 222 TEUs were processed on the waterside. Additionally, 388 trucks were serviced on the landside at a truck turnaround time of ~33 minutes. No trains were serviced on the landside. On Wednesday, crane 7 experienced a breakdown, which left the terminal operating with five cranes. Vessel ranging and dense fog also proved to be an operational constraint during this period. Between Wednesday and Thursday, the terminal went windbound for 12 hours, which further constrained operations.

GCT on Thursday recorded zero vessels at the outer anchorage with zero vessels on the 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 22% for GP containers and 22% for reefer ground slots. On the waterside, 618 TEUs were handled across the quay. Additionally, 271 trucks were serviced on the landside at a truck turnaround time of ~24 minutes. The terminal was also challenged by adverse weather conditions during the week which constrained operations somewhat.

The Ro-Ro terminal only had one vessel this week, which arrived on 25 January. Reports have yet to be received regarding the performance of the vessel. Additionally, stack occupancy was recorded at 25% towards the latter end of the week.

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

vi. Saldanha Bay

On Wednesday, the iron ore terminal had one vessel at anchorage and two on the berth, while the multi-purpose terminal had two vessels at anchor and four on the berth. The vessels at anchor have been waiting outside for approximately 0-7 days, while the vessels in port have been on the berth for between 0 and 5 days.

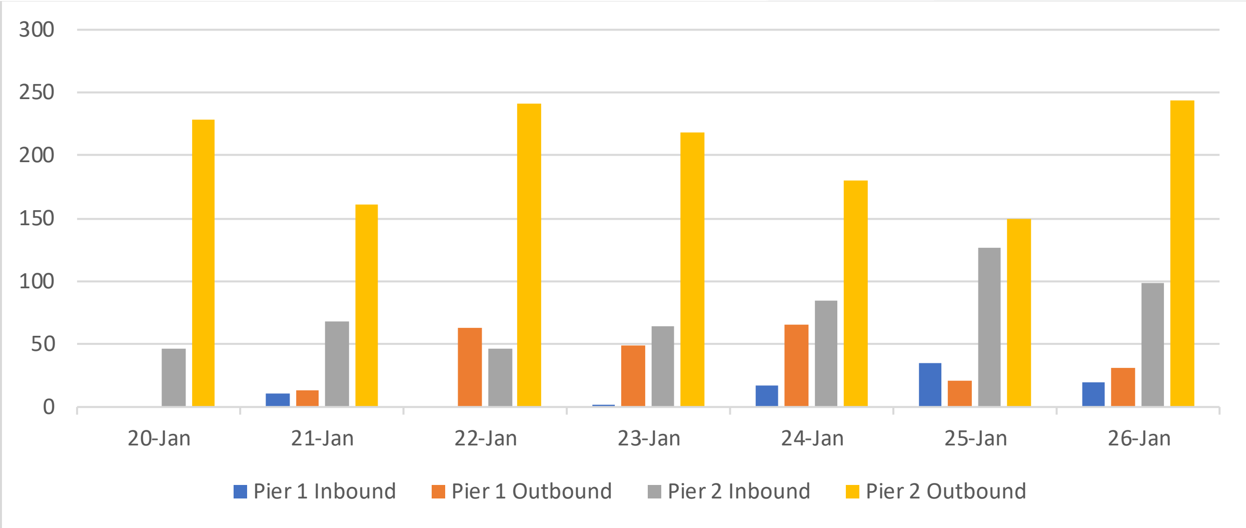
vii. Transnet Freight Rail (TFR)

No significant incidents were reported on the ConCor this week as TFR remain tight-lipped on the cable theft and vandalism situation on our rail network. Equipment breakdowns in Durban ensured that only five of the six rail loading plans could be executed at DCT Pier 2 towards the end of the week. The latest reports indicate that DCT Pier 2 had 204 over-border units on hand with a dwell time of 22 days and 109 ConCor units on hand with a dwell time of 60 hours at the end of the week. Rail containers on hand during this period were split as follows: Pier 1: 205 and Pier 2: 396.

Elsewhere, the Richards Bay Coal Terminal (RBCT) and Transnet's cooperation agreement, initiated three months ago, is providing some fruitful returns[8]. RBCT Chairperson Nosipho Damasane highlighted the positive engagement between the private-sector RBCT and State rail enterprise Transnet. The agreement aims to enhance South Africa's coal industry by exploring joint investments and improving performance. Since November 2023, the collaboration has facilitated the procurement of locomotive spares and streamlined rail operations. Efforts include enhancing security, speeding up procurement processes, and reducing export cycle times. Despite a decline in coal exports, efforts are underway to boost volumes, especially in Asia. Challenges like copper theft necessitate improved network reliability for RBCT to fulfil its growth objectives.

[8] Creamer, M. 25/01/2024. New public-private rail corridor agreement already boding well – RBCT.

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



Source: Calculated using data from Transnet, 2024. Updated 26/01/2024.

In the last week (*20 to 26 January*), rail cargo handled out of Durban was reported at **2 284** containers, unfortunately up by **↑22%** from the previous week's **1 876** 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 15 January. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *January 2023* averaged **~605 287 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[9]

Flows	15-Jan	16-Jan	17-Jan	18-Jan	19-Jan	20-Jan	21-Jan	Week
Volume inbound	412 084	220 587	224 388	251 464	405 627	253 807	705 634	**2 473 591**
Volume outbound	154 532	175 581	244 256	224 500	196 388	199 074	415 530	**1 609 861**
Total	**566 616**	**396 168**	**468 644**	**475 964**	**602 015**	**452 881**	**1 121 164**	**4 083 452**

Courtesy of ACOC. Updated: 19/12/2023.

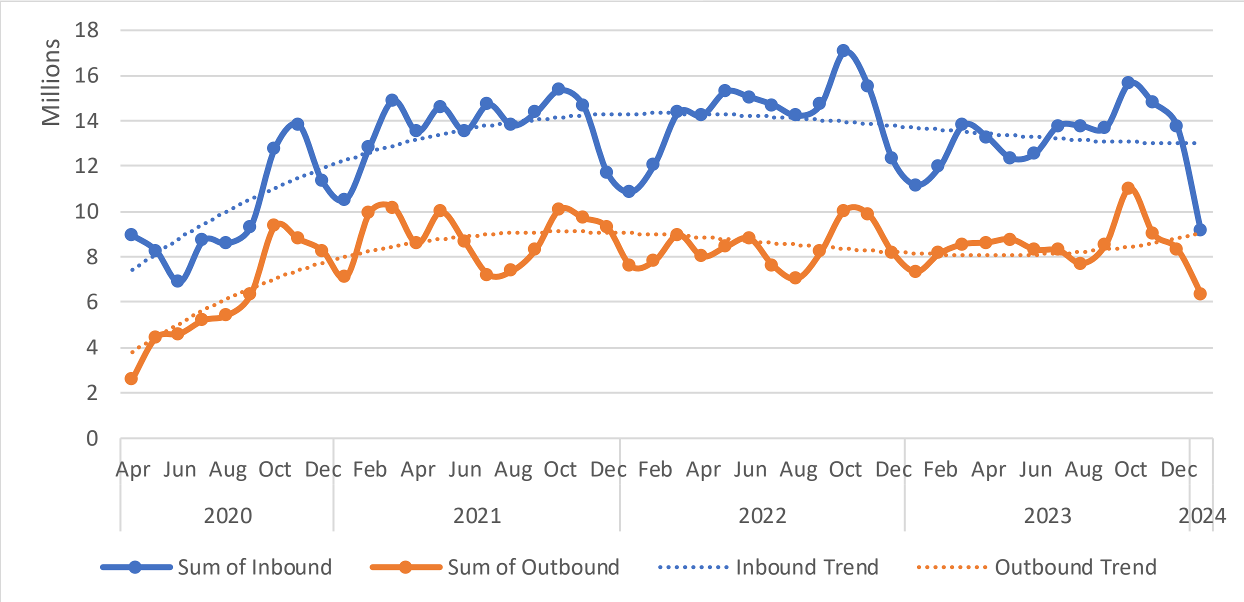
The daily average volume of air cargo handled at ORTIA the previous week amounted to **353 370 kg** inbound (**↑12%**, w/w) and **229 980 kg** outbound (**↓4%**), resulting in an average of **583 350 kg per day**. In accordance with the seasonal trends observed at this time of the year, there is a noticeable increase in the handled volume. Notably, inbound (slightly delayed compared to outbound) averages are approaching the usual daily averages seen throughout the year – further confirming the subtle modal shift, likely influenced by the persistent delays at commercial ports and the ongoing Red Sea crisis. Consequently, a certain degree of natural market stabilisation appears to have ensued. Consequently, the total volumes are getting close to

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

the comparative period last year (**~96%**) but remain significantly down on the pre-pandemic levels of January 2019 (**~84%**).

The following graphs show the movement since the pandemic's onset for ORTIA, with the January[10] drop-off noticeable:

Figure 11 – International cargo from OR Tambo – volumes per month (kg millions)



Courtesy of ACOC. Updated: 19/12/2023.

3. 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 **two and a half hours**, averaging **~12,0 hours** (**↑30%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by **nearly three hours** and averaged **~8,9 hours** (**↑48%**, w/w).
- BMA delays South African border upgrades
  - The BMA has extended the deadline for the submission of bids for the multi-billion-rand South African border posts redevelopment project from March 4, 2024, to July 4, 2024[11].
  - The extension, attributed to requests from potential bidders, is justified by the complexity of the project, the time needed for prospective bidders to secure funds under the public-private partnership (PPP) arrangement, and the holiday period between December 2023 and January 2024.

[10] The total figures for January includes the 21 days already captured, as well as a projected volume until the end of the month based on current trends.
[11] Cokayne, R. 23/01/2024. A multi-billion-rand project to upgrade six SA border posts was.

  - However, the organised construction industry, represented by Master Builders South Africa (MBSA), expresses scepticism, suggesting that the issue may lie with planning within the Ministry of Home Affairs rather than with the contractors.
  - This scepticism is reinforced by the belief that capable companies would not typically request an extension for a project of this nature.
- Asycuda experienced a temporary outage last week Wednesday. Customers encountering login issues were instructed to contact Zimra for resolution.
- Reports emerged last week Thursday of delays at the Konkola Checkpoint in Zambia.
  - Reefer Trucks were purportedly being detained under the directive of the Democratic Republic of the Congo (DRC), stipulating that all trucks must undergo inspection with support from ZNS.
  - This information was conveyed by transporters and remained unverified, but we hope to provide an update soon.
- 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.

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[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	431	4,1	7,1	39,0	12 930	3 017
Beitbridge	Zimbabwe-SA	370	9,3	3,1	17,0	11 100	2 590
Groblersbrug	SA-Botswana	236	0,0	15,2	19,6	7 080	1 652
Martins Drift	Botswana-SA	181	0,3	0,4	2,4	5 430	1 267
Kopfontein	SA-Botswana	225	0,4	1,1	3,6	6 750	1 575
Tlokweng	Botswana-SA	15	0,1	0,2	0,3	450	105
Vioolsdrift	SA-Namibia	30	0,2	1,2	3,5	900	210
Noordoewer	Namibia-SA	20	0,0	0,4	1,6	600	140
Nakop	SA-Namibia	30	0,3	0,5	1,1	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,5	1,2	600	140
Skilpadshek	SA-Botswana	214	1,1	2,1	10,5	6 420	1 498
Pioneer Gate	Botswana-SA	56	0,6	0,6	3,3	1 680	392
Lebombo	SA-Mozambique	1 446	1,4	1,4	7,0	43 380	10 122
Ressano Garcia	Mozambique-SA	125	0,5	0,5	13,5	3 750	875
Weighted Average/Sum		**3 399**	**1,3**	**2,4**	**8,8**	**101 970**	**23 793**

Source: TLC, FESARTA, & Crickmay, week ending 21/01/2024.

[12] FESARTA TRANSIST Bureau.
[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.

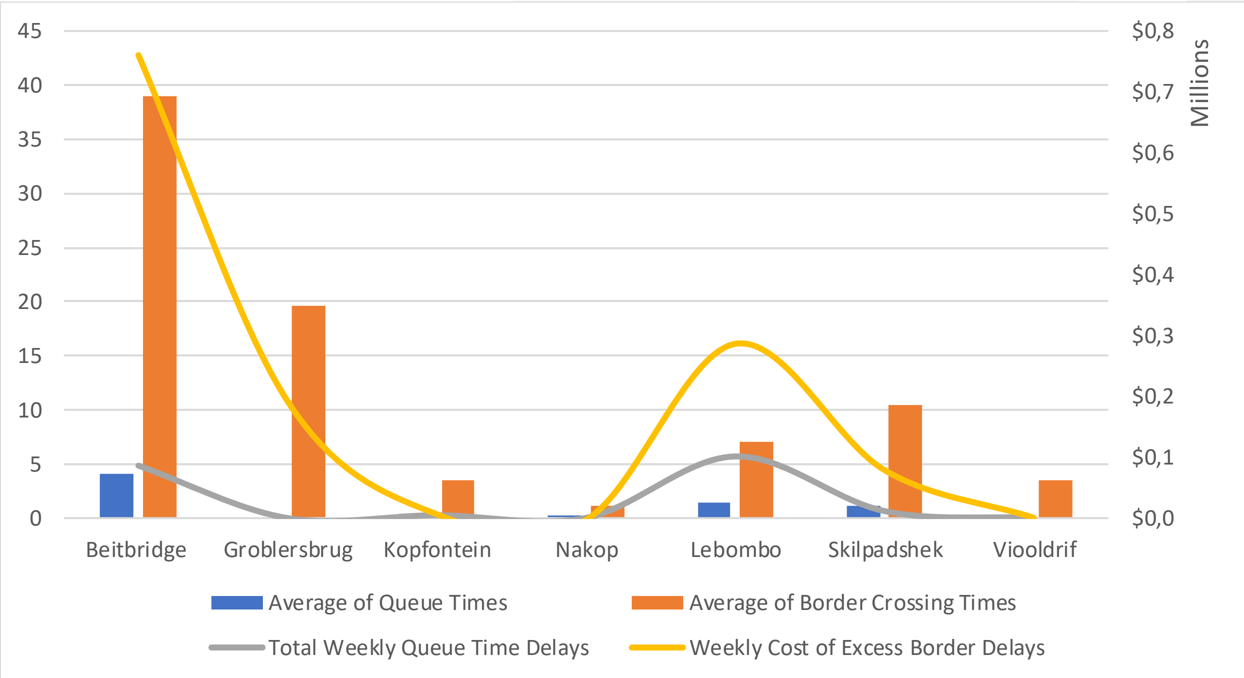
Table 6 – Delays summary – Corridor perspective

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	3,4	2,7	14,1	9 600	2 240
Central Corridor	798	0,0	0,4	2,8	23 940	5 586
Dar Es Salaam Corridor	1 819	9,8	2,5	23,2	54 570	12 733
Maputo Corridor	1 571	1,0	1,0	10,3	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 530	4,0	3,4	13,5	105 900	24 710
Northern Corridor	2 817	0,2	0,1	0,8	92 520	21 588
Trans Caprivi Corridor	116	0,0	1,3	33,1	3 480	812
Trans Cunene Corridor	100	0,0	4,1	32,5	3 000	700
Trans Kalahari Corridor	300	1,0	0,9	4,6	9 000	2 100
Trans Oranje Corridor	100	0,2	0,6	1,8	3 000	700
Weighted Average/Sum	**11 598**	**2,2**	**1,6**	**9,2**	**355 950**	**83 055**

Source: TLC, FESARTA, & Crickmay, week ending 21/01/2024.

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

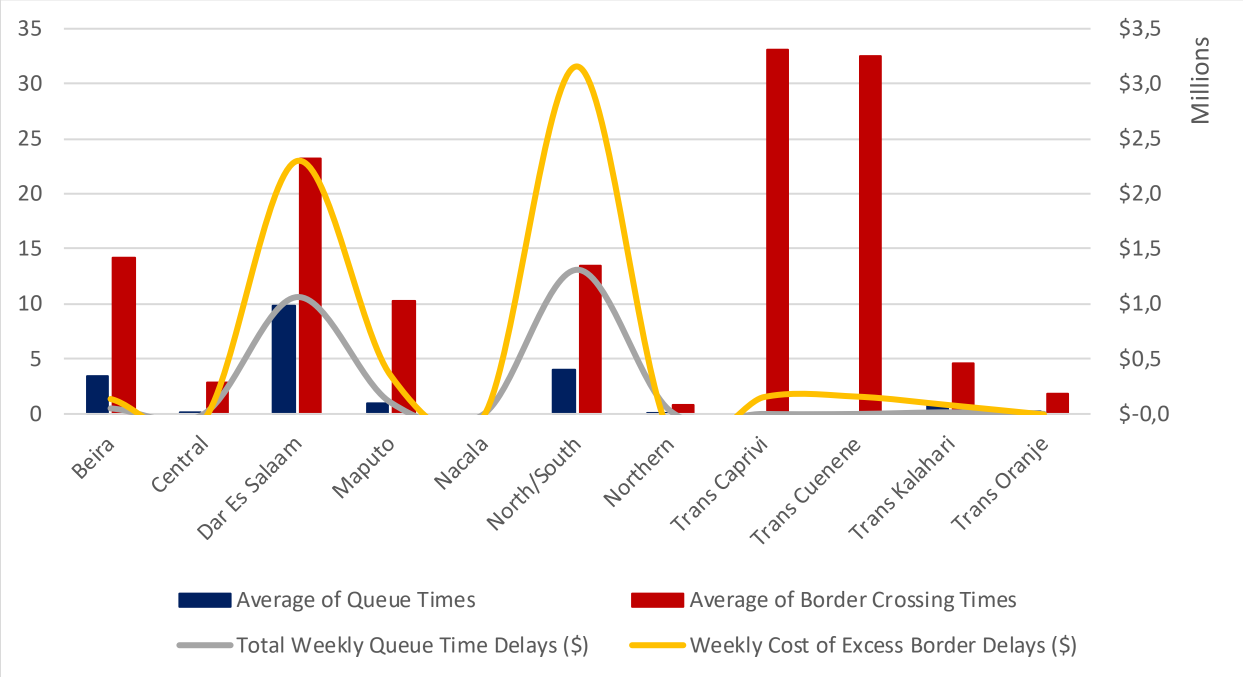
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 21/01/2024.

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

Figure 13 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 21/01/2024.

In summary, cross-border queue time averaged **~2,2 hours** (down by **~0,1 hours** from the previous week's **~2,25 hours**), indirectly costing the transport industry an estimated **$2,6 million** (**R48 million**). Furthermore, the week's average cross-border transit times hovered around **~9,2 hours** (substantially up by **~2,9 hours** from the **~6,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **$6,1 million** (**R115 million**). As a result, the total indirect cost for the week amounts to an estimated **~$8,6 million** (**~R164 million**, up by **~R36 million** or **↑27,3%** from **~R128 million** in the previous report).

4. International Update

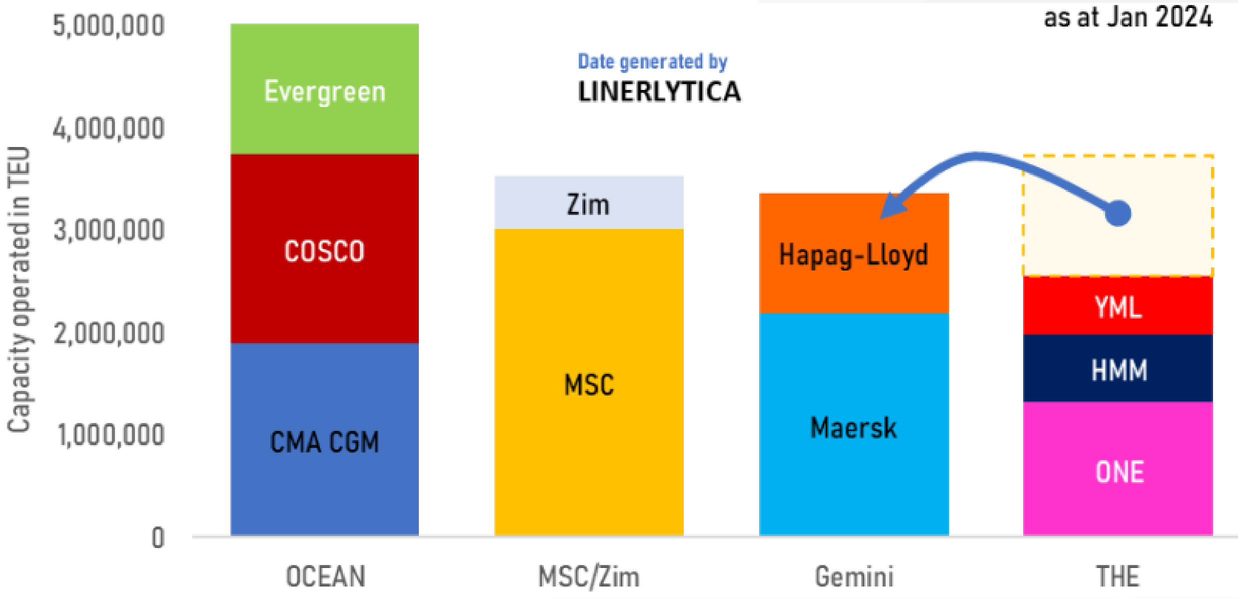
The following section provides some context around the global economy and its impact on trade, mainly an update on the **(a)** global shipping industry and the **(b)** global aviation industry.

a. Global shipping industry

i. Global container summary

The formation of the Gemini Cooperation by Maersk and Hapag-Lloyd in January 2025 is set to disrupt the liner market balance, creating the 3rd largest global container shipping alliance. This places THE Alliance in 4th position behind the Ocean Alliance and MSC/Zim partnership. While speculations about a potential break-up of the OCEAN Alliance exist, the agreement between CMA CGM, COSCO, and Evergreen is fixed for a minimum of 10 years from April 2017. Partners can withdraw with 12 months' advance notice unless there's a material change in ownership status or insolvency. Similarly, THE Alliance had withdrawal provisions but allowed members to give notice after April 2023. Hapag-Lloyd utilised this provision to withdraw prematurely, leaving THE Alliance with limited options to fill the gap. Consequently, THE Alliance will operate at a sub-optimal scale in 2025 until the imbalance is addressed.

Figure 14 – Capacity operated on the main East-West & The Middle East trades



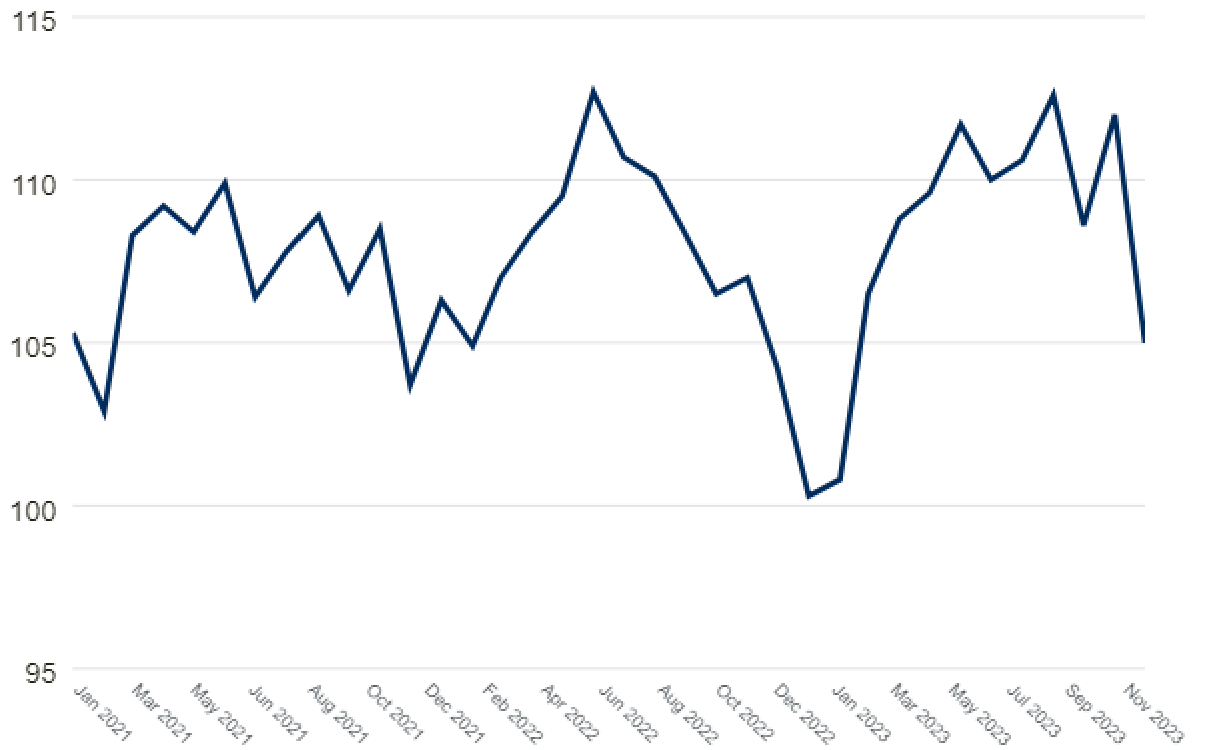
Source: *IMF Port Watch*

Elsewhere, global port congestion remains low despite the stressors of the Red Sea and the Panama Canal and is only affecting **1,49 million TEUs** (**5,3%** of the total fleet). The idle containership fleet currently stands at **0,4%** of the total, as the last 30 days saw a total of approximately **240,000 TEU** capacity being added to the total fleet.

ii. Global container throughput index

In the latest "*Global Container Port Throughput Index*", Drewry notes that container throughput increased by **↑3,1%** compared to October, reaching **112,0 points**, with a **↑4,7%** (y/y) growth. However, Drewry's "*Nowcasting Model*" projected a **↓6,3%** decline for December, though slightly above December 2022 levels.

Figure 15 – Drewry Global Container Port Throughput Index (January 2024)



Source: Drewry

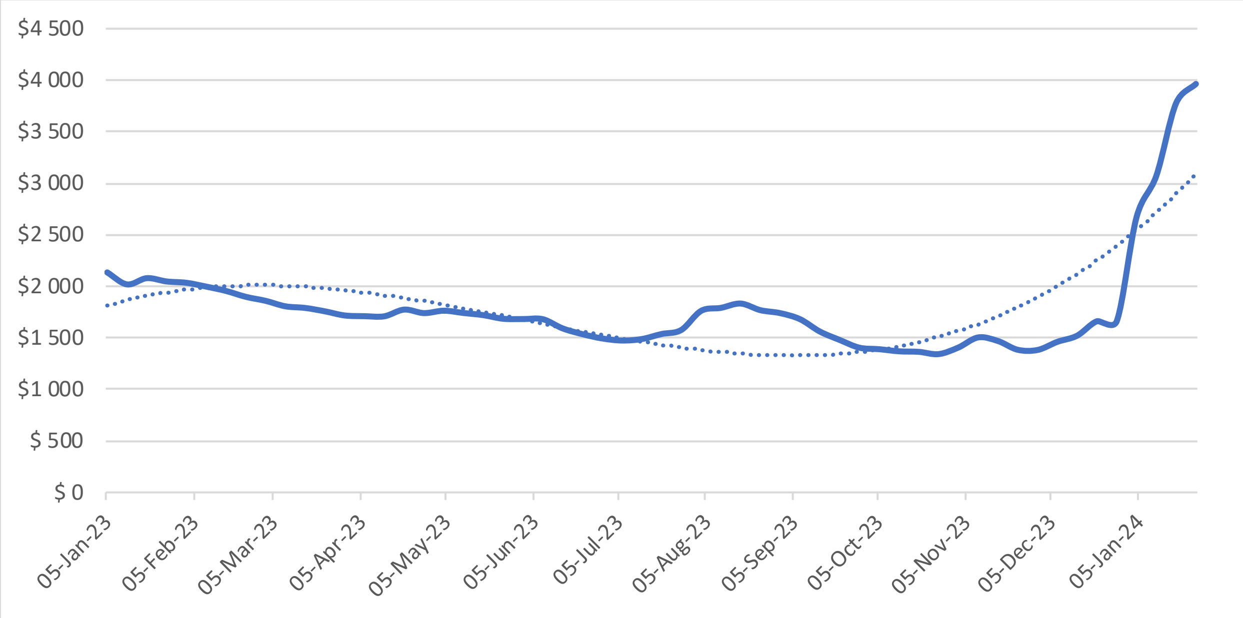
Regionally, the Greater China index grew by ↑**5,6%** (m/m), reaching **117,2 points**, up ↑**3,4%** (y/y), but was anticipated to decrease by ↓**7,4%** in December. Conversely, the North American index fell by **2,5%** in November to **104,2 points** but was up ↑**1,9%** (y/y), with a further ↓**6,6%** decline expected in December. The European index rose by ↑**0,8%** (m/m) to **102,1 points**, ↑**7,0%** higher than the previous year, yet it dropped to **97,9 points** in December, reflecting a ↓**4,1%** decrease. The Africa index (based on a small sample) rose by ↑**3,2%** (m/m) to **105,2 points**, ↑**5,6%** higher than November 2022.

iii. Global container freight rates and carrier profits

In the last seven days, global container rates continued to climb, albeit at a reduced rate. The "*World Container Index*" is up by ↑**5%** (or **$187**) to **$3 964** per 40-ft container[15]. Indeed, Linerlytica this week noted that the freight rate escalation has peaked as carriers look beyond the current Red Sea driven capacity shortage to the post-Chinese New Year slack[16]. Despite a widely expected correction, freight rates are still expected to retain most of their recent gains after the Chinese holidays, as the shortage of both vessel capacity and container equipment will persist. The following figure illustrates the rates since January last year, which highlights the surge after a prolonged period of moderation:

[15] Drewry. 25/01/2024. World Container Index.
[16] Linerlytica. 22/01/2024. Market Pulse 2024 Week 04.

Figure 16 – World Container Index assessed by Drewry (last six months, $ per 40 ft. container)



Source: *Compiled from Drewry Ports and Terminal Insights*

The composite index is now the highest it has been since October 2022 and is up by ↑**94%** higher compared to the same week last year and ↑**179%** higher than the average 2019 pre-pandemic rates of **$1 420**. Charter rates have also rapidly caught up, as the Harper Petersen Index (*Harpex*) is currently trending at ***1004 points***, up by ↑**6,2%** (w/w) but still significantly down on this time last year (↓**10%**)[17]. Elsewhere in the charter market, brokers are reporting more "*heightened activity*" in the containership charter market as ocean carriers fight to secure cargo to mitigate the impact of Red Sea diversions. According to some analysis by MSI, carriers could need to deploy up to 200 extra ships on their east-west networks in order to maintain weekly sailings[18].

iv. Further developments of note

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

1. **DP World's $2 billion Mozambique port expansion gets approval:**
   a. Mozambique approved a 25-year extension for DP World, Grindrod, and other operators to run its largest terminals in Maputo until 2058, including a **$2 billion** expansion aimed at **alleviating strain on South Africa's trade infrastructure**[19].
   b. The agreement, sanctioned by the Council of Ministers, involves investments totalling nearly **$1,1 billion by 2033**, aiming to accommodate Mozambique's growing economy and increased exports from South Africa. Maputo's port is poised to expand its capacity to 54 million tons per year by 2058. It plans to boost coal terminal capacity and quadruple shipping-container capacity to a million units annually.
2. **Panama Canal headaches are not so painful for box ships, but costs will rise:**
   a. The Panama Canal's draught restrictions, imposed to preserve water levels, have led to decreased daily transits for all commercial shipping sectors. Still, containerships are securing a larger share of available slots[20].

[17] Harper Petersen Index. 26/01/2024. HARPER PETERSEN Charter Rates Index.
[18] Wackett, M. 25/01/2024. Charter market heats up – carriers could need up to 200 extra ships.
[19] Bloomberg. 24/01/2024. DP World's $2bn Mozambique port expansion gets approval.
[20] Goldstone, C. 22/01/2024. Panama Canal headaches not so painful for box ships, but costs will rise.

b. While containerships face less restriction, overall supply chain costs are expected to rise significantly due to fewer transits, increased auction prices for slots, and potential shifts to alternative routes like the Cape of Good Hope or the Suez Canal, in view of uncertainties in the Red Sea region.
c. McKinsey predicts a ↑**5%** increase in overall maritime trade costs through the Panama Canal, amounting to approximately **$1,1 billion**, with potentially significant impacts if slowdowns co-occur at major canals.

3. **Gemini 'hub & spoke' plan may give rival carriers an edge at ports:**
   a. the upcoming Gemini Cooperation alliance's strategy of implementing a 'hub & spoke' network, with main hubs at Rotterdam and German ports, potentially affecting ports like DCT Gdansk, which may lose direct call status[21].
   b. It highlights the need for stakeholder feedback as the alliance finalises its schedule. It has implications for alliance structures and potential pressure on carriers like ONE to adapt to shifting dynamics, signalling ongoing changes and discussions within the industry.

b. Global air cargo industry

Worldwide air cargo demand in January surpasses last year's levels, except for North America, per World ACD Market Data. Disruptions in the Red Sea prompt some Asia-Europe cargo shifts to air or sea-air due to extended ocean voyages. Distinguishing this traffic from seasonal patterns and Lunar New Year (LNY) effects is challenging, as LNY in 2024 falls later (10 February) than last year—Ocean freight spot rates from Asia to Europe pre-disruption levels. Air cargo rates remain stable globally, except for the Asia Pacific, which rose in Q4 due to demand factors. Forwarders block air capacity on core trade lanes in anticipation of ocean-to-air conversions. Booking airfreight ahead of LNY faces closure, with expected port congestion driving traffic to air cargo. The following figure illustrates the movement over the last five weeks:

Figure 17 – Capacity, chargeable weight and yield (%, last five weeks)

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		-3%	+8%		+16%	+14%		+1%	-6%
Asia Pacific		+6%	+29%		+22%	+9%		-4%	-20%
C. & S. America		+8%	+12%		+29%	+9%		+2%	-5%
Europe		+2%	+8%		+44%	+3%		-2%	-34%
M. East & S. Asia		+2%	+12%		+7%	+21%		+1%	-12%
North America		-0%	+6%		+27%	-10%		+2%	-21%
Worldwide		+3%	+12%		+26%	+6%		-2%	-22%

Source: World ACD

In total, global air cargo tonnages increased by ↑**5%** in week 3, following a ↑**25%** rise in week 2, nearing levels seen in December and reaching **~90%** of peak levels in October-November. Prices slightly rebounded by ↑**2%** compared to the start of the year. Annually, global demand in weeks 2 and 3 rose by ↑**6%**, notably driven by a ↑**21%** increase in tonnages ex-Middle East and South Asia, possibly due to conversions from ocean to air and sea-air cargo amid Red Sea disruptions. Africa saw a robust ↑**14%** increase (y/y), along with

[21] Wackett, M. 23/01/2024. Gemini 'hub & spoke' plan may give rival carriers an edge at ports.

Asia Pacific (↑**9%**) and Central and South America (↑**9%**). However, North America's tonnages decreased by ↓**10%** (y/y). Despite a decline from last year, average rates remain elevated compared to pre-COVID levels. Worldwide air cargo capacity surged by ↑**12%** (y/y), particularly in Asia Pacific (↑**29%**), Middle East and South Asia (↑**12%**), and Central and South America (↑**12%**). On the pricing side, average worldwide rates of **US$2,35 per kg** in week 3 are ↓**22%** below their elevated levels this time last year. However, they remain significantly above pre-pandemic levels (↑**32%** compared to January 2019).

In other air cargo news, emissions are soaring as cargo patterns shift due to the Red Sea crisis. The uncertainty in maritime supply chains has led some shippers to shift towards air cargo, resulting in a significant increase in CO^2 emissions, which surpasses the emissions from extended shipping routes, with estimates suggesting up to a **6,386,3%** increase over conventional Suez Canal transits[22]. This shift in strategy, compounded by recent events like the Red Sea crisis, has led to a surge in air cargo demand, particularly notable in routes like Vietnam to Europe, impacting industries like apparel and prompting considerations for alternative sea-air routes to mitigate both financial and environmental costs. However, the precise magnitude of the emissions increase remains to be determined due to factors like vessel re-routing and cargo cascading onto smaller ships, highlighting the complexities of balancing supply chain efficiency with environmental sustainability.

ENDS[23]

[22] Bartlett, C. 23/01/2024. Emissions soar as cargo patterns shift due to the Red Sea crisis.

[23] **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.*