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Cargo movement update #166[1]

Date: 8 December 2023

Weekly Snapshot

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

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	23 751	25 429	**49 180**	29 432	29 438	**58 869**	**↓17%**
Air Cargo (tons)	3 736	2 155	**5 891**	3 569	1 949	**5 518**	**↑7%**

Monthly Snapshot

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

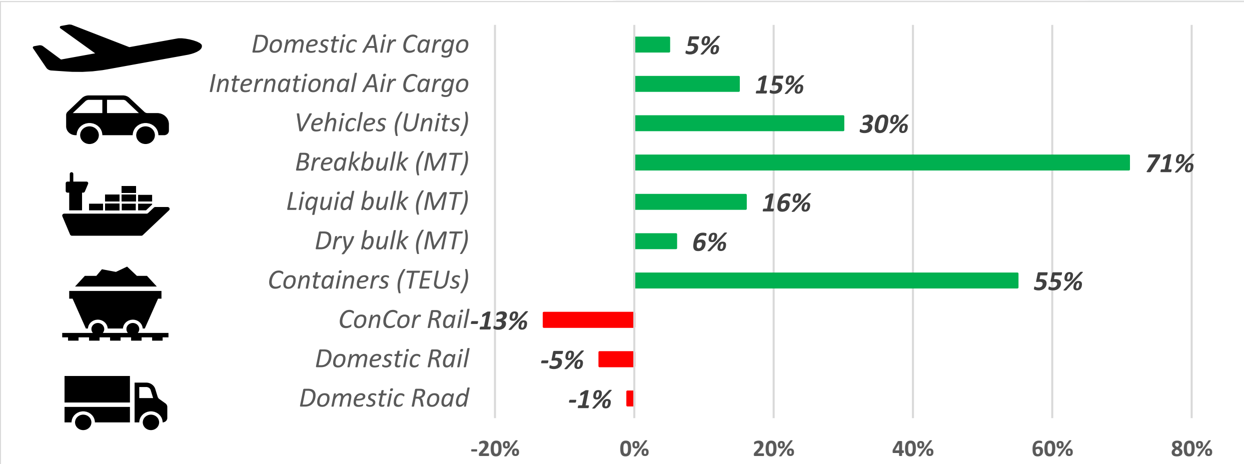
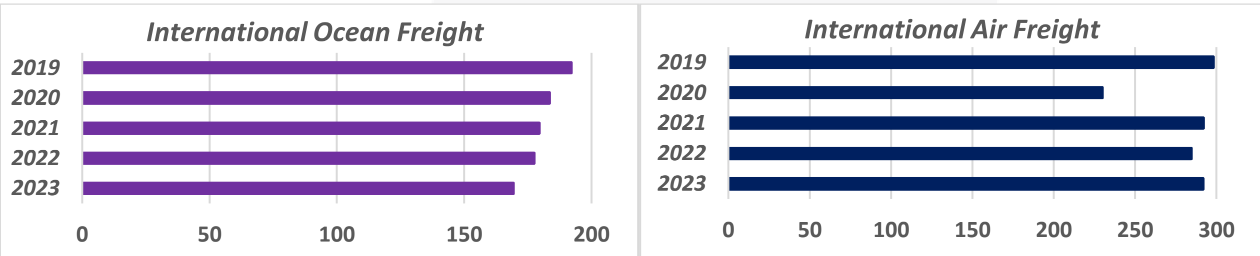


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 026 containers** was handled per day, with **~7 965 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 324** containers, down by **↓6%** from last week.
- Cross-border queue times were **↑1,3 hours** (w/w), with transit times **↓0,6 hours** (w/w); SA borders decreased by **~7,0 hours**, averaging **~10,4 hours** (**↓40%**); Other SADC borders averaged **~6,6 hours** (**↓1%**).
- CTS container volume in October (dry & reefer) is up by **↑0,5%** (m/m) but up by **↑9,3%** (y/y).
- Global freight rates have sharply increased by **↑5,7%** (or **$79**) to **$1 461** per 40-ft container, YTD **~$1 677**.
- Global air cargo tonnage increased by **↑2%** (w/w), with rates continuing their trend and up by **↑1%**.

[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 *166th* update.
[2] '*Current*' means the last 7 days' (a week's) worth of available data.
[3] '*Previous*' means the preceding 8-14 days' (a week's) worth of available data.
[4] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year; All metrics: Oct vs Oct.
[5] For ocean, total Jan-Oct cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Oct cargo to and from all airports are used.

Executive Summary

This update contains a consolidated overview of the South African supply chain and the current state of international trade. Commercial ports handled an average of **7 026 containers** per day, significantly down from the **8 410** reported last week, which is quite concerning given the context of backlogs and widespread port congestion. The usual operational constraints persisted this week, including poor weather conditions and equipment challenges and shortages across the entire port system. More than 24 operational hours were lost in Cape Town this week due to strong winds, while equipment breakdowns constituted the majority of delays experienced in Durban. Our Eastern Cape Ports also struggled with adverse weather conditions this week. At the same time, the 'Tsitsikamma' pilot boat remained out of commission this week with no estimated time of return communicated yet. Additionally, the latest reports suggest that one of the two lines affected by the derailment earlier this week was returned to service in the 24 hours between Tuesday and Wednesday, while minimal reports were received regarding the cable theft and vandalism situation on our national rail network.

Internationally, container throughput has increased this month but is nearly **10% more** than this time last year, indicating that the container segment is perhaps better off than most analysts currently make it out to be. Unfortunately, the same is not valid for South Africa, as we keep losing regional trade to our competitors, albeit slowly. Oversupply challenges persist as disruptions at the Suez and Panama passages prompt containerships to modify routes. Vessels associated with Israeli interests are steering clear of the Suez Canal, resulting in diversions. Additionally, certain neo-Panamax ships on Far East-US East routes are opting for the Suez route to avoid congestion at the Panama Canal. While these adjustments aid in absorbing surplus ships, their current impact remains **below 2%** of the overall fleet. Elsewhere, port congestion remains low (Durban is currently the seventh most congested port globally based on TEU at outside anchorage), as carriers are set to remove capacity from the system in the new year. Other developments this week included **(1)** Cosco following their competitors' lead and introducing a congestion surcharge, **(2)** MSC's plan to acquire the Hamburg port operator moves ahead, and **(3)** Ro-Ro market strength sets a new post-pandemic record.

In the air freight market, international air cargo to and from South Africa rebounded after a subdued week last week, with inbound cargo up by **↑5%** and outbound cargo up by a considerable **↑11%** on last week's volumes. Internationally, global air cargo tonnages have rebounded more quickly than last year following the annual Thanksgiving holiday in the USA, regaining the **↑2%** lost last week. At the same time, prices ex-Asia Pacific continue to rise strongly, particularly on the big head-haul lanes to North America and Europe. Europe to Africa yields have increased substantially (up by **↑11%**), as many cargo owners are marking alternative arrangements because of the ocean freight congestion in our ports.

In regional cross-border road freight trade, average queue times increased by **an hour and 20 minutes**, while transit times decreased by **around half an hour** from last week. The median border crossing times at South African borders decreased by a massive **seven hours**, averaging **~10,4 hours** (**↓40%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) was essentially **unchanged** and averaged **~6,6 hours** (**↓1%**, w/w). On average, four SADC border posts took more than a day to cross, notably the usual suspects of Beitbridge, Kasumbalesa (the worst affected at around **two days** to cross), and Mutukula OSBP. Other developments this week included **(1)** a tanker explosion near Peaceway on the N3 caused traffic disruption, **(2)** increased scanning activities at Beitbridge **(3)** a driver strike and other NTBs update in Zambia and the DRC.

In summary, it is worth reiterating how South Africa is affected by international shipping schedules – and vice versa, the current impact of port congestion on international shipping. A well-organised liner shipping schedule dictates the movement of each shipping service, outlining a predetermined route with a structured sequence of port calls, commonly referred to as the CTOC (Container Terminal Operating Contract) berthing window by Transnet. Such a systematic approach ensures a synchronised movement of vessels, providing logistics service providers with predictability regarding shipment arrivals and departures. This precision significantly enhances the overall dependability and efficiency of international shipping operations. However, disruptions, such as a vessel missing its berthing window, cutting and running, or bypassing altogether, can have a ripple effect, impacting the entire schedule, subsequent port calls, and vessel arrivals. To address this challenge, there is a pressing need to enhance the agility and productivity of terminal operations and alleviate current backlogs. For that, the South African logistics industry needs the collaborative efforts of all parties involved, be it Transnet and other government stakeholders, cargo owners and their agents, transporters, shipping lines, and all involved in trade, transport, and logistics.

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 2 to 8 December[6]

7-day flow forecast (02/12/2023 – 08/12/2023)		
TERMINAL	**NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	3 883	5 162
DURBAN CONTAINER TERMINAL PIER 2:	9 904	10 807
CAPE TOWN CONTAINER TERMINAL:	4 403	3 392
NGQURA CONTAINER TERMINAL:	5 172	4 918
GQEBERHA CONTAINER TERMINAL:	389	1 150
TOTAL:	**23 751**	**25 429**

Source: Transnet, 2023. Updated 08/12/2023.

Table 3 – Container Ports – Weekly flow predicted for 9 to 15 December

7-day flow forecast (09/12/2023 – 15/12/2023)		
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**
DURBAN CONTAINER TERMINAL PIER 1:	6 514	5 053
DURBAN CONTAINER TERMINAL PIER 2:	10 173	9 882
CAPE TOWN CONTAINER TERMINAL:	5 900	7 579
NGQURA CONTAINER TERMINAL:	6 022	5 556
GQEBERHA CONTAINER TERMINAL:	823	1 368
TOTAL:	**29 432**	**29 438**

Source: Transnet, 2023. Updated 08/12/2023.

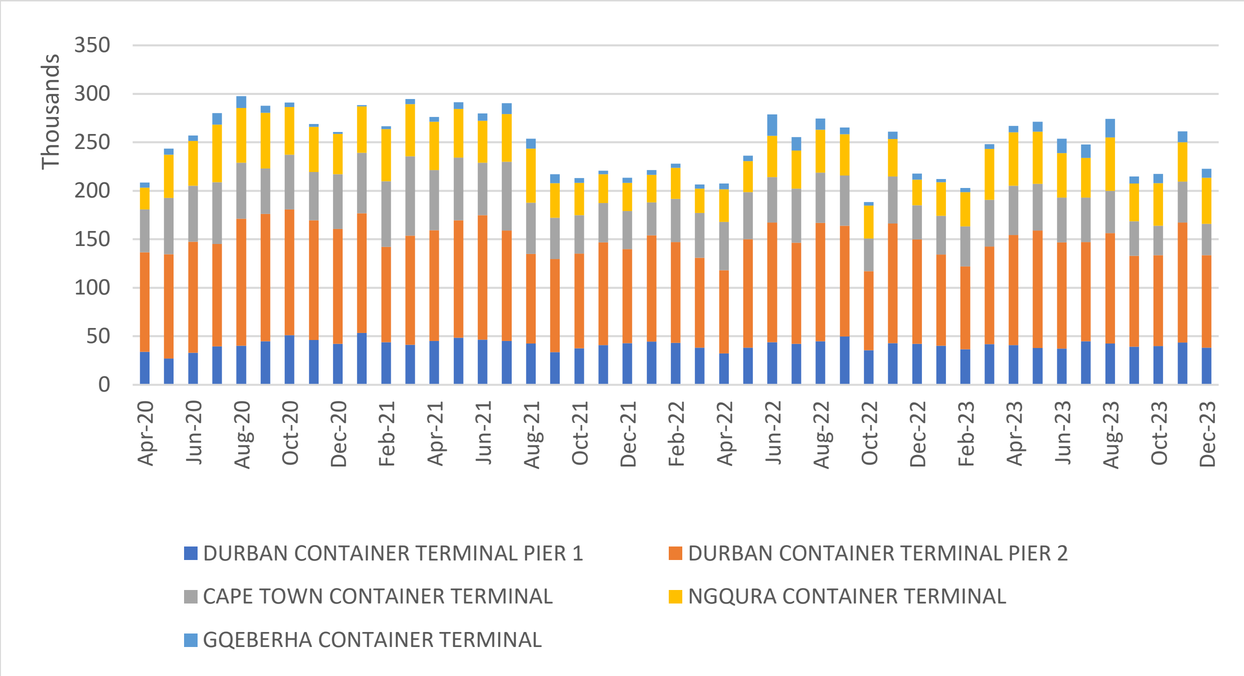
An average of **~7 026 containers** (↓17%) was handled per day for the last week (*2 to 8 December*, *Table 2*), compared to the projected average of **~8 706 containers** (↓19% actual versus projected) noted in last week's report. For this week, a slightly increased average of **~7 965 containers** (↑13%) is predicted to be handled (*9 to 15 December*, *Table 3*). The usual operational constraints persisted this week, including poor weather conditions and equipment challenges and shortages across the entire port system.

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

[6] 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.

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

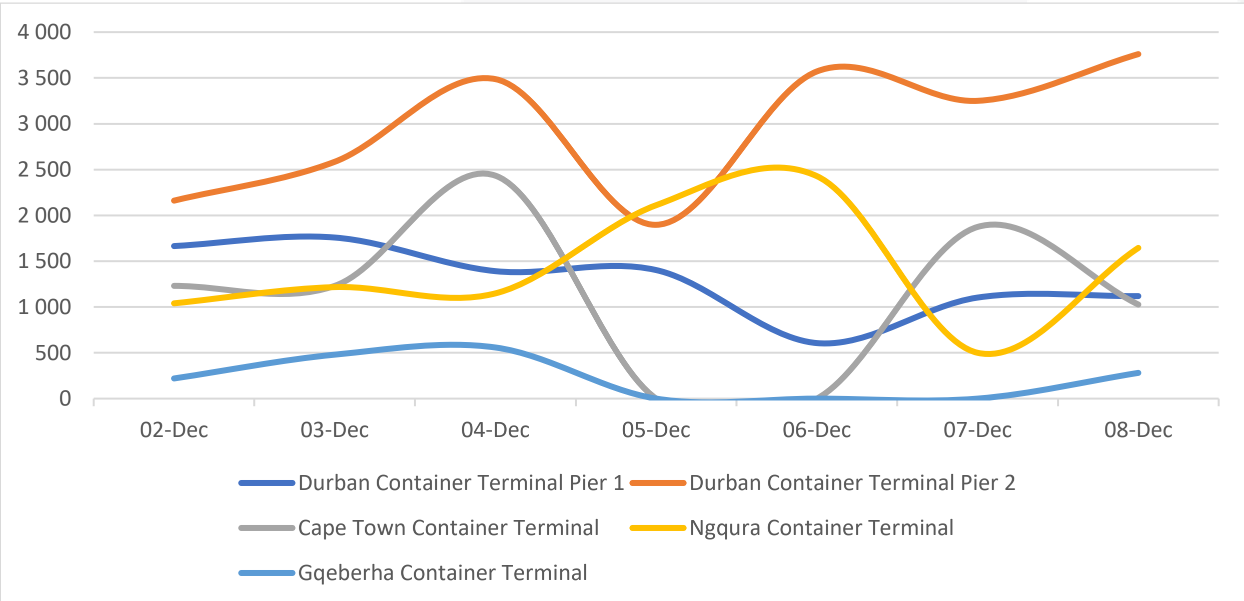
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

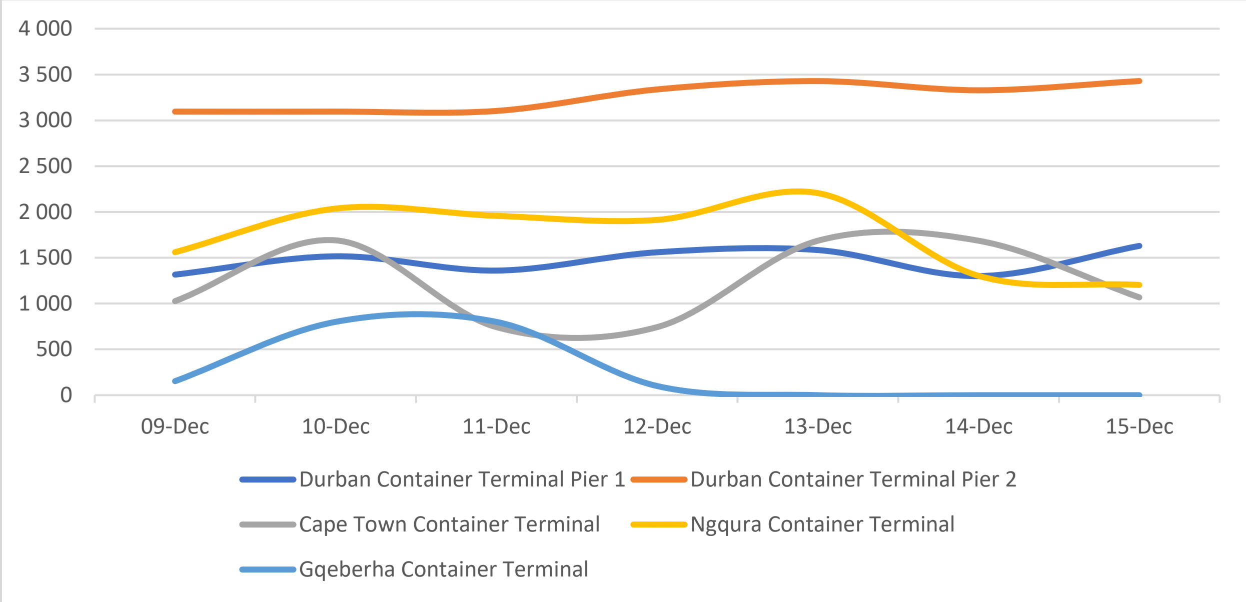
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (2 to 8 December; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

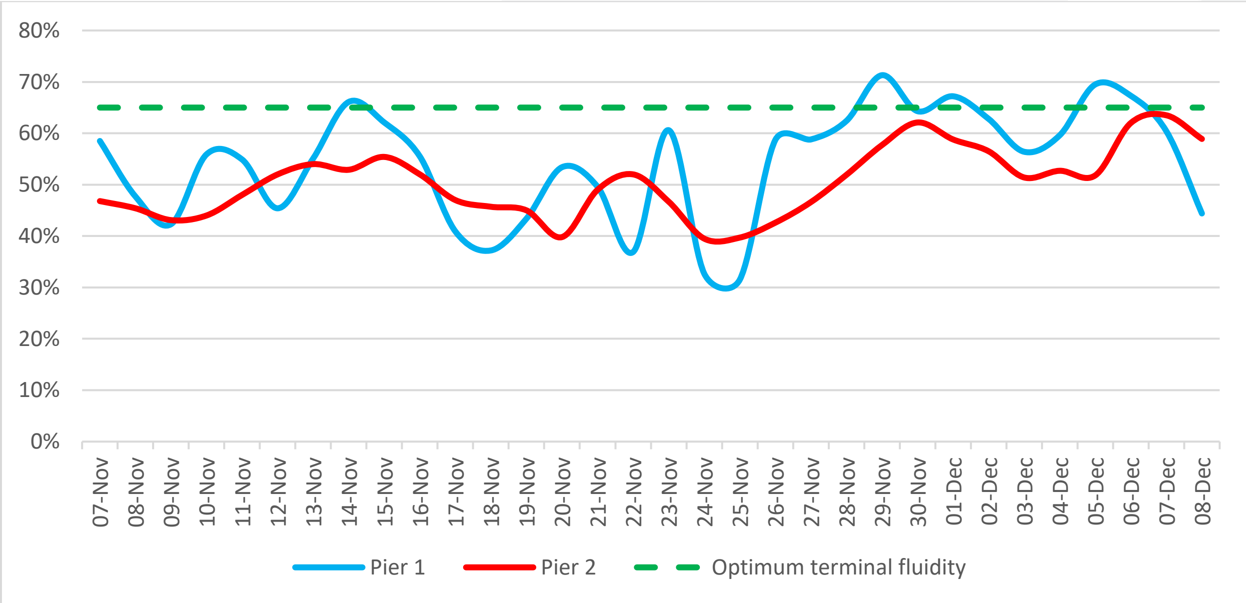
Figure 5 – 7-day forecast reported for total container movements (9 to 15 December; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

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

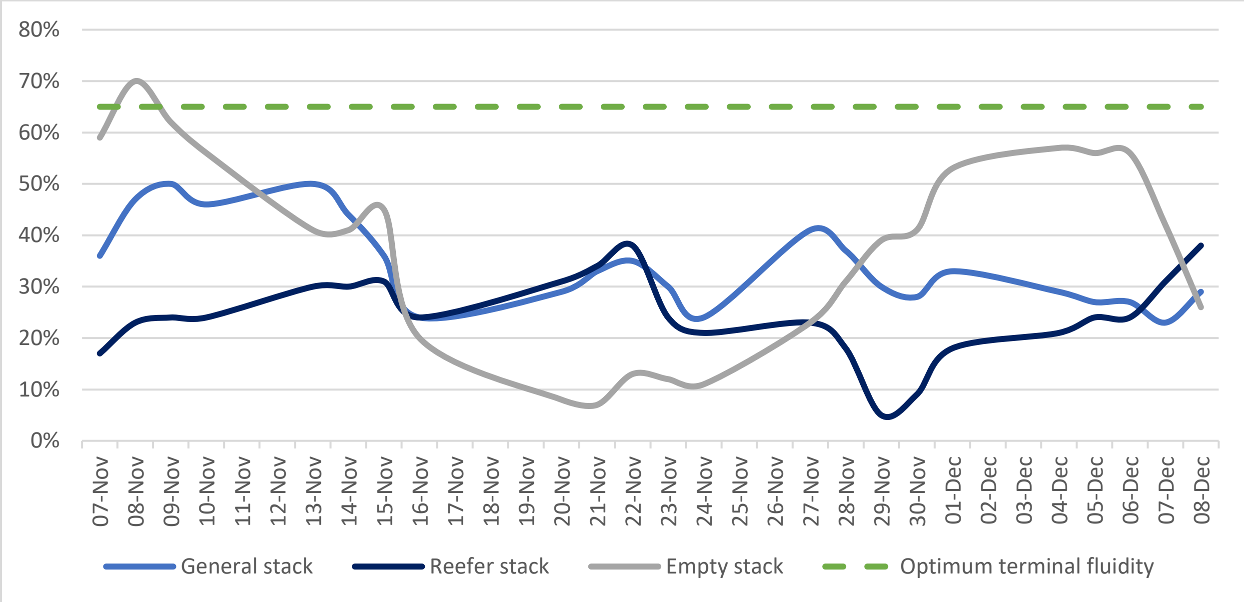
Figure 6 – Stack occupancy in DCT, general-purpose containers (7 November to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

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

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



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

b. Summary of port operations

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

i. Weather and other delays

- Cape Town
- Durban
- Eastern Cape
- Richards Bay

ii. Cape Town

On Thursday, CTCT recorded only two vessels at berth and none at anchor as concerns regarding the number of ships calling the port continued this week. In the preceding 24 hours, stack occupancy for GP containers was recorded at 23%, reefers at 31%, and empties at 42%. In this period, the terminal handled 1 874 TEUs across the quay while 1 207 trucks were serviced on the landside. Crane LC4 remained out of commission this week as the installation of the energy chain was delayed. Additionally, towards the end of the week, crane LC9 also went out of service, leaving the terminal with seven out of nine operational STS cranes. Furthermore, 18 RTGs were in service during the same period. The terminal also went windbound for the entire 24 hours between Tuesday and Wednesday.

The multi-purpose terminal recorded zero vessels at anchor and two at berth on Wednesday. In the 24 hours leading to Thursday, the terminal managed to service 269 external trucks at an undisclosed truck turnaround time on the landside. During the same period, 167 TEUs and 2 942 tons were handled across the quay on the waterside. Stack occupancy was recorded low at 18% for GP containers, 14% for reefers, and 24% for empties during the same period. On Tuesday, the terminal lost approximately 18 operational hours on both vessels on berth due to strong winds.

The FPT private terminal reported zero vessels at anchorage while having one vessel at berth on Monday. During the 24 hours leading to Tuesday, the terminal handled 2 081 tons of breakbulk on the waterside while servicing 17 trucks on the landside. At the same time, reefer stack occupancy was recorded at 5%.

iii. Durban

Pier 1 on Tuesday recorded two vessels at berth, operated by five gangs, and five vessels at anchor. Stack occupancy was 60% for GP containers and remained undisclosed for reefers. During the same period, 2 708 imports were on hand, with 310 units having road stops and 270 unassigned. The terminal recorded 1 200 gate moves on the landside, with an undisclosed number of cancelled slots and 200 wasted. The truck turnaround time was recorded at ~104 minutes, with an average staging time of ~54 minutes. In the same period, the terminal had between 15 and 16 operational RTGs.

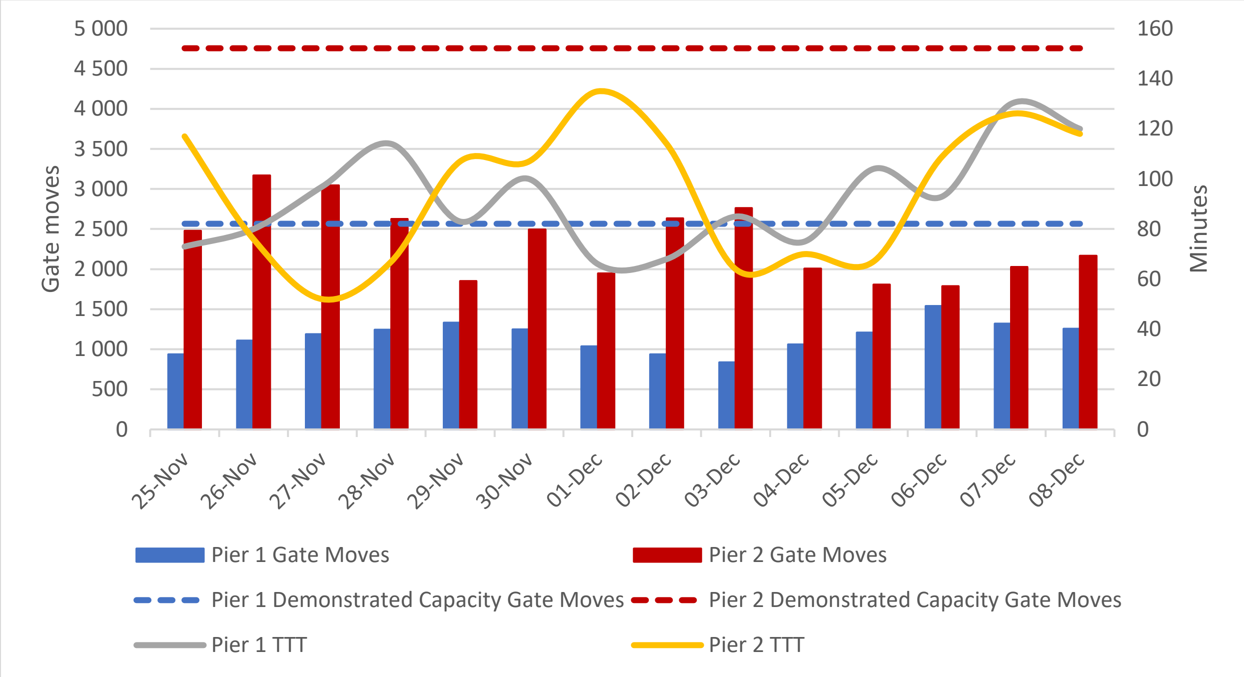
Pier 2 had four vessels at berth and 15 at anchorage on Thursday. In the preceding 24 hours, stack occupancy was 64% for GP containers and undisclosed for reefers. The terminal operated with ten gangs while moving 3 028 TEUs across the quay. During the same period, there were 2 027 gate moves on the landside with a truck turnaround time of ~126 minutes and a staging time of ~172 minutes. The number of gate moves during this period was well below target due to continuous equipment breakdowns on the landside. Of the landside gate moves, 1 138 (56%) were for imports and 889 (44%) for exports. Additionally, 222 rail import containers were on hand, with 300 moved by rail. Equipment challenges persisted, as the terminal had 60 straddle carriers in operation at the start of the week. Despite the slight improvement, the terminal currently sits on an availability figure of approximately 53% when it comes to straddles and is currently approximately 25% below the number of machines that would be the minimum to satisfy industry demand.

Durban's MPT terminal recorded two vessels at berth on Tuesday and five at outer anchorage while handling 474 TEUs and 305 breakbulk tons on the waterside. Stack occupancy for breakbulk was recorded at 60% during that time and at 48% for containers. The terminal handled 400 container road slots and 31 breakbulk RMTs containing 892 tons on the landside. During the same period, three cranes, seven reach stackers, one empty handler, seven forklifts and 18 ERFs were in operation. During the same period, at the Maydon Wharf MPT, one vessel was on berth with one vessel waiting at anchorage. On the waterside, 881 tons were handled, while 95 RMTs containing 3 180 tons were handled on the landside. At the Agri-bulk terminal, no vessels were at berth or waiting at anchor, and therefore, no volumes were handled on the waterside. On the landside, one RMT was handled, containing 35 tons.

On Wednesday, the Ro-Ro terminal in Durban recorded no vessels on the berth, with none at anchorage. In the 24 hours leading to Wednesday, the terminal handled 1 198 units on the landside while handling 636 units on the water side. The reason for the apparent poor performance seen on the waterside is the fact that the vessels on berth are completing their operations and sailing. During the same period, general stack occupancy was recorded at 45%, comprising 18% imports, 76% exports, and 6% transhipments. Stack occupancy at Q/R was 70%, while the G-berth stack was recorded at 30%. The terminal had 993 import units on hand; 4 077 units were destined for export markets, and 323 were to be transshipped.

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

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



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

The recovery from port congestion continues, as all hands are on deck in an attempt to alleviate the situation. At the end of Friday, 33 vessels were at anchorage, with the following image painting a concerning picture:

Figure 9 – Durban vessel view (per vessel group)

Source: Crickmay LMS, 2023. Updated 08/12/2023 at 12:00.

iv. Richards Bay

On Thursday, Richards Bay recorded 17 vessels at anchor, while 15 vessels were recorded on the berth, translating to six at DBT, five at MPT, two at RBCT, and two at the liquid bulk terminal. Two tugs and one helicopter were in operation for marine resources in the 24 hours leading to Friday. During the same period, the coal terminal had three vessels at anchor and one at berth while handling 138 915 tons on the waterside and 12 trains on the landside.

v. Eastern Cape ports

NCT on Wednesday recorded two vessels on the berth and two vessels at outer anchorage, with no vessels drifting. Marine resources of two tugs, two pilots, and one berthing gang were in operation in the 24 hours leading up to Thursday. The 'Tstitsikamma' pilot boat, however, remained out of commission this week with no estimated time of return communicated. Stack occupancy was 34% for GP containers and undisclosed for reefers, as a total of 510 TEUs were processed and subsequently did not meet operational targets, which is attributed mainly to the fact that the terminal went windbound for the majority of the day. Additionally, 239 trucks and one train were serviced on the landside at a truck turnaround time of ~35 minutes and a rail turnaround time of ~1,5 hours. Furthermore, STS crane 5 went out of commission this week due to planned maintenance.

GCT on Thursday recorded zero vessels at outer anchorage with none 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 68% for GP containers and remained undisclosed for reefer ground slots. On the waterside, no TEUs were handled across the quay, as no working vessels were on the berth. Additionally, 395 trucks were serviced on the landside at a truck turnaround time of ~11 minutes, while one train was serviced. Crane 4 went out of commission once more this week due to planned maintenance, with an estimated time of return scheduled for 12 December 2023.

At the Ro-Ro terminal, one vessel was on berth on Wednesday with none at anchor. 1 788 units were handled on the waterside, resulting in a stack occupancy figure of 17%. No volumes were handled on the landside within this period.

At the Port of East London, four vessels were on berth on Tuesday, with none at outer anchorage. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours leading to Wednesday. During the same period, the terminal managed to handle 40 TEUs at a GCH of ~15 on the waterside while handling 74 trucks at a truck turnaround time of ~18 minutes on the landside. Stack occupancy on the container side of the terminal was recorded at 50%. Additionally, 106 Ro-Ro units were handled on the waterside at a UPH of 200, leading to a stack occupancy figure of 50%. On the bulk side of the terminal, 520 tons were handled on the waterside at a TPH of 230, while 50 trucks were serviced on the landside.

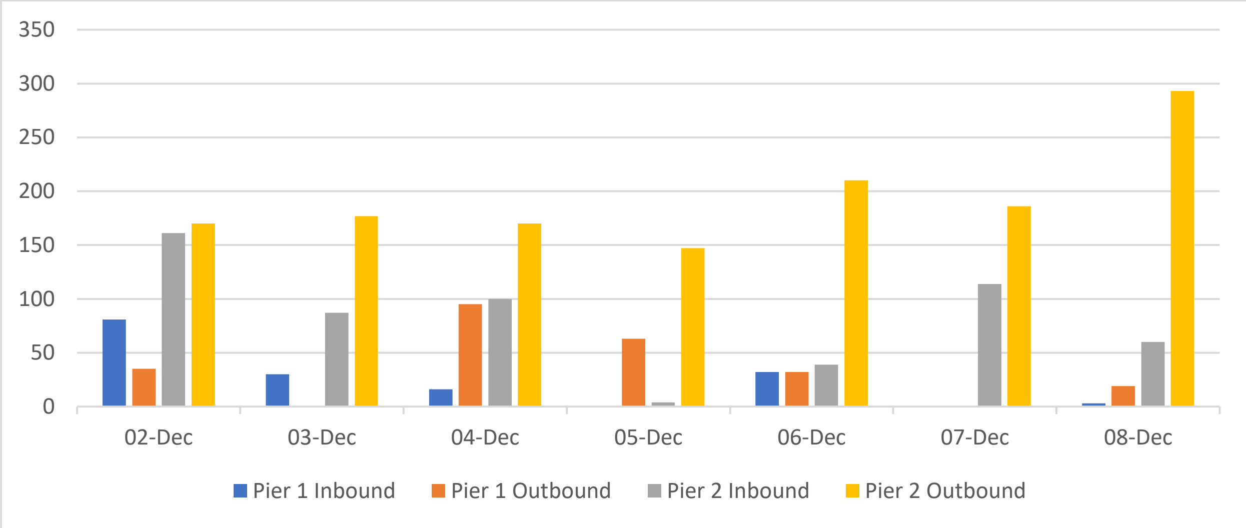
vi. Saldanha Bay

On Thursday, the iron ore terminal had zero vessels at anchorage and one on the berth, while the multi-purpose terminal had two vessels at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 7-8 days, while the vessels in port have been on berth for between 2 and 4 days.

vii. Transnet Freight Rail (TFR)

The latest reports suggest that one of the two lines affected by the derailment earlier this week was returned to service in the 24 hours between Tuesday and Wednesday. Minimal reports were received regarding the cable theft and vandalism situation on our national rail network. Additionally, towards the end of the week, DCT Pier 2 had 108 over-border units on hand with a dwell time of 33 days and 107 ConCor units with a dwell time of 36 hours.

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



Source: Calculated using data from Transnet, 2023. Updated 08/12/2023.

In the last week (*25 November to 1 December*), rail cargo handled out of Durban was reported at **2 324** containers, down **↓6%** from the previous week's **2 462** 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 27 November. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *November 2022* averaged **~824 751 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[8]

Flows	27-Nov	28-Nov	29-Nov	30-Nov	01-Dec	02-Dec	03-Dec	Week
Volume inbound	467 515	370 126	459 885	262 079	606 953	304 682	1 264 568	**3 735 808**
Volume outbound	215 699	197 657	277 148	228 995	370 005	216 034	649 277	**2 154 815**
Total	**683 214**	**567 783**	**737 033**	**491 074**	**976 958**	**520 716**	**1 913 845**	**5 890 623**

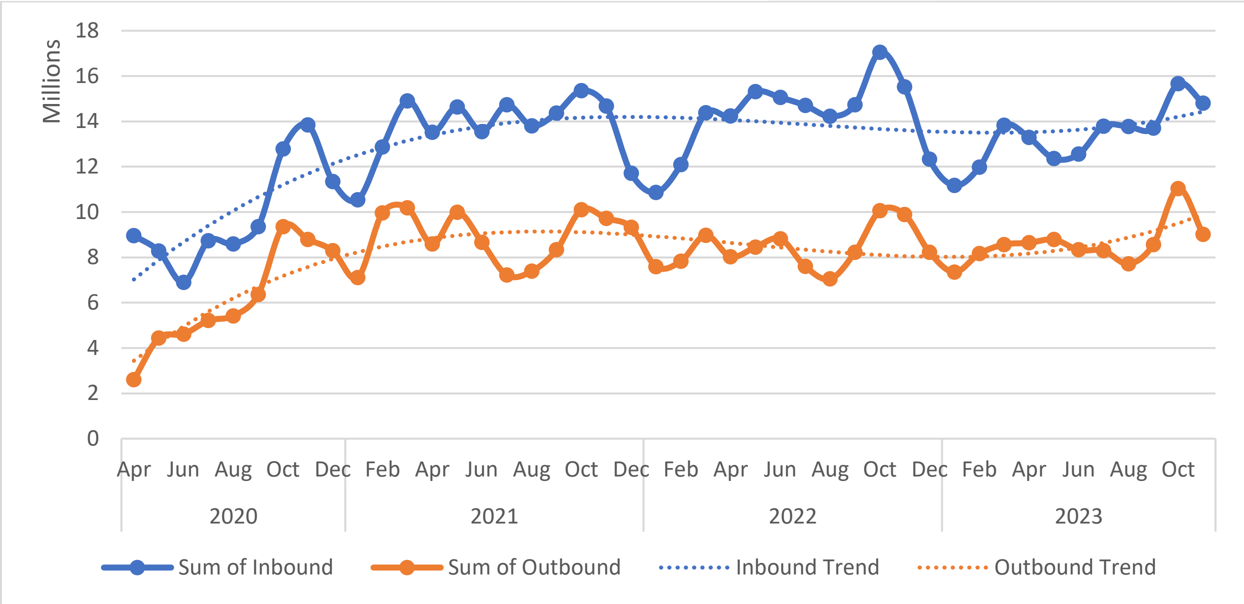
Courtesy of ACOC. Updated: 04/12/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **533 687 kg** inbound (**↑5%**, w/w) and **307 831 kg** outbound (**↑19%**), resulting in an average of **841 518 kg per day**. The total cargo handled rebounded after last week's slight reduction, as the volume has returned to around the same levels as last year's (**~99%**) and has exceeded the pre-pandemic levels of November 2019 (**~103%**).

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

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

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

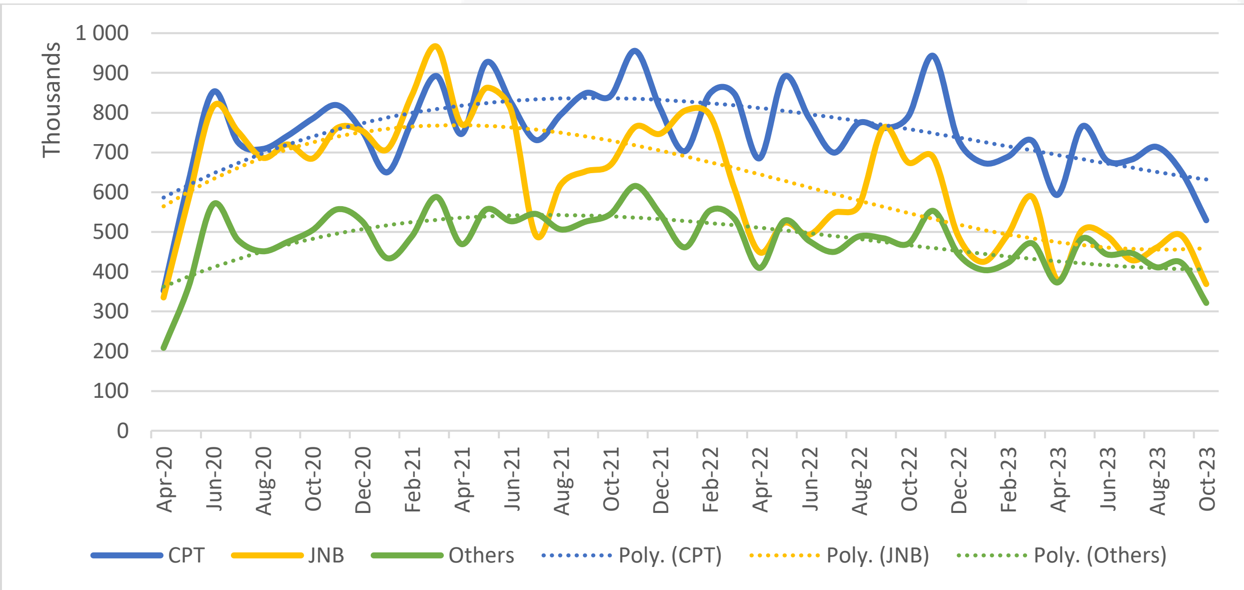


Courtesy of ACOC. Updated: 04/12/2023.

b. Domestic air cargo

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

Figure 12 – Domestic inbound and outbound cargo (thousands)



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

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 decreased by a massive **seven hours**, averaging **~10,4 hours** (**↓40%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) was essentially **unchanged** and averaged **~6,6 hours** (**↓1%**, w/w).
- Locally, a tanker explosion near Peaceway on the N3 caused traffic disruption, with Pietermaritzburg-bound traffic halted and Durban-bound traffic moving slowly.
- Meanwhile, the installation of new drive-through scanners at Beitbridge on the Zimbabwe side is nearly complete, pending certification of radiation walls.
  - Despite increased daily truck volumes, Beitbridge has experienced congestion due to heightened scanning activities, driven by expanded risk parameters to address mineral ore export bans and increased interceptions of cigarette smuggling, aligning with preparations for the festive season.
- Regionally, there are concerns about a potential new strike as the instigator of the previous driver strike claims that SME Mine is now paying a "risk allowance" to drivers.
  - However, the Minister of Mines in Lualaba Province, DRC, denies this assertion.
  - Additionally, the recently reopened road from Chingola in Zambia to Kasumbalesa has significantly increased tolls for trucks, potentially impacting transportation costs in the region.
  - Increased fines and NTBs have already been observed, especially at Kafue, during the festive season, and there is uncertainty about the removal of roadblocks in Zambia, with patrols by RTSA potentially being a temporary measure.
- Zim Borders is collaborating with Zimra to expedite Southbound traffic turnaround by pre-screening vehicles at the roundabout just outside the border, and they are open to facilitating the bulk clearance of trucks in batches if approached by a sufficient number of transporters.
- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[9], 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[10] summary – South African borders (both directions)

Border Post	Direction	HGV[11] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	460	5.2	7.3	32.0	13 800	3 220
Beitbridge	Zimbabwe-SA	415	5.5	3.1	17.1	12 450	2 905

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

Border Post	Direction	HGV[11] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Martins Drift	SA-Botswana	181	2,1	0,5	3,5	5 430	1 267
Groblersbrug	Botswana-SA	258	0,0	0,0	0,0	7 740	1 806
Tlokweng	SA-Botswana	24	0,1	0,2	0,4	720	168
Kopfontein	Botswana-SA	216	2,1	1,1	7,6	6 480	1 512
Noordoewer	Namibia-SA	20	1,0	0,3	2,4	600	140
Vioolsdrift	SA-Namibia	30	0,2	1,3	4,0	900	210
Ariamsvlei	Namibia-SA	20	0,2	0,4	3,1	600	140
Nakop	SA-Namibia	30	0,2	0,5	3,3	900	210
Pioneer Gate	Botswana -SA	52	0,6	1,2	2,3	1 560	364
Skilpadshek	SA-Botswana	235	3,0	4,3	14,4	7 050	1 645
Lebombo	SA-Mozambique	125	1,2	1,2	9,2	3 750	875
Ressano Garcia	Mozambique-SA	1 446	5,1	2,3	11,3	43 380	10 122
Weighted Average/Sum		**3 512**	**1,9**	**1,7**	**7,9**	**105 360**	**24 584**

Source: TLC, FESARTA, & Crickmay, week ending 03/12/2023.

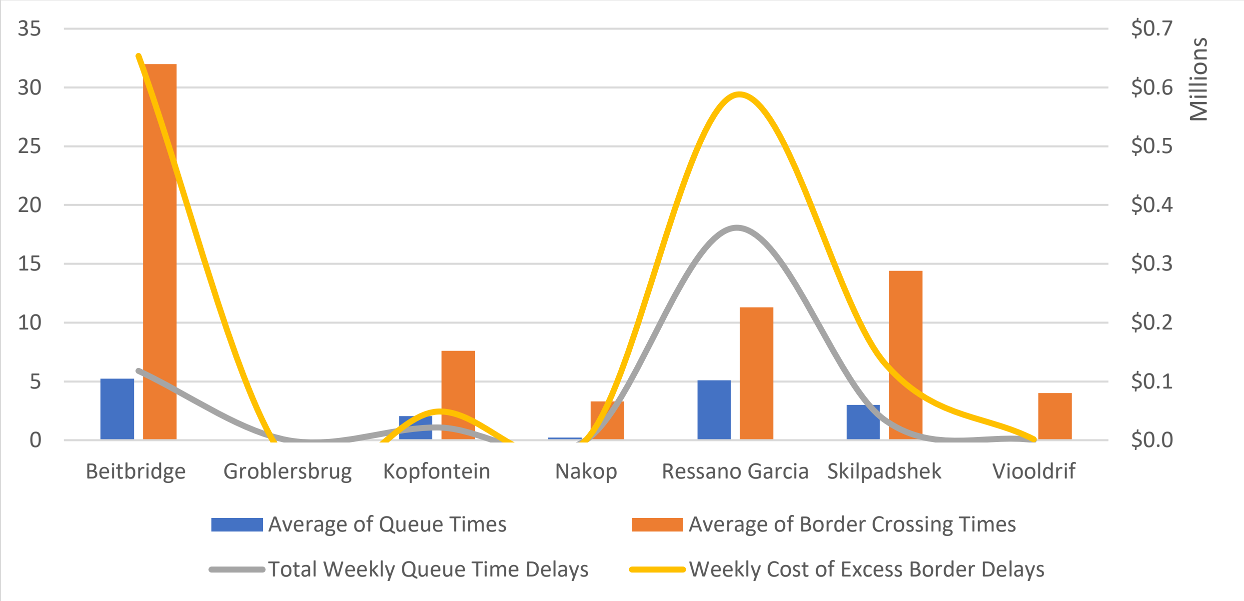
Table 6 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Monthly HGV Arrivals
Beira Corridor	320	10,6	3,8	18,8	9 600	2 240
Central Corridor	798	0,0	0,4	4,5	23 940	5 586
Dar Es Salaam Corridor	1 819	10,2	1,3	14,5	54 570	12 733
Maputo Corridor	1 571	3,1	1,7	10,2	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 626	16,2	1,9	12,3	108 780	25 382
Northern Corridor	2 817	0,1	0,4	1,4	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,3	5,5	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	317	1,6	1,7	5,4	9 510	2 219
Trans Oranje Corridor	100	0,4	0,6	3,2	3 000	700
Weighted Average/Sum	**11 711**	**5,7**	**1,0**	**7,0**	**359 340**	**83 846**

Source: TLC, FESARTA, & Crickmay, week ending 03/12/2023.

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

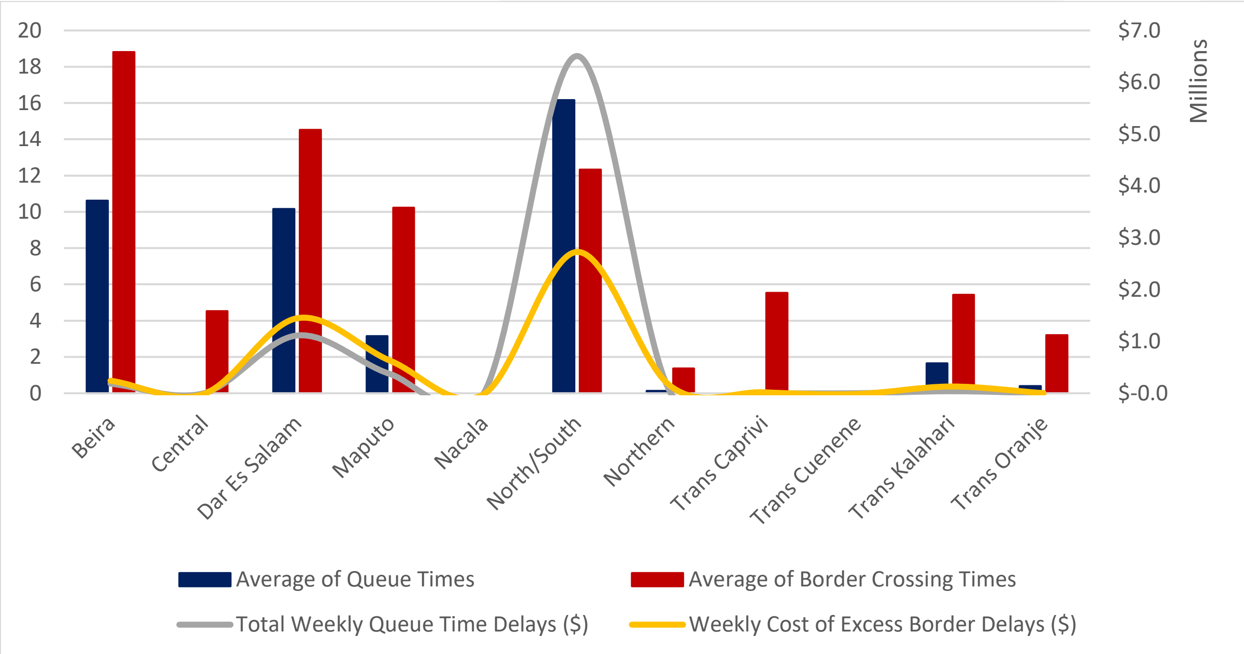
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ millions)



TLC, FESARTA, & Crickmay, week ending 03/12/2023.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 03/12/2023.

In summary, cross-border queue time averaged **~5,7 hours** (up by **~1,2 hours** from the previous week's **~4,5 hours**), indirectly costing the transport industry an estimated **$8,2 million** (**R154 million**). Furthermore, the week's average cross-border transit times hovered around **~7,0 hours** (down by **~0,7 hours** from the **~7,7 hours** recorded in the previous report), at an indirect cost to the transport industry of **$5,2 million** (**R99 million**). As a result, the total indirect cost for the week amounts to an estimated **~$13,5 million** (**~R254 million**, up by **~R54 million** or **↑27,1%** from **~R199 million** in the previous report).

4. International Update

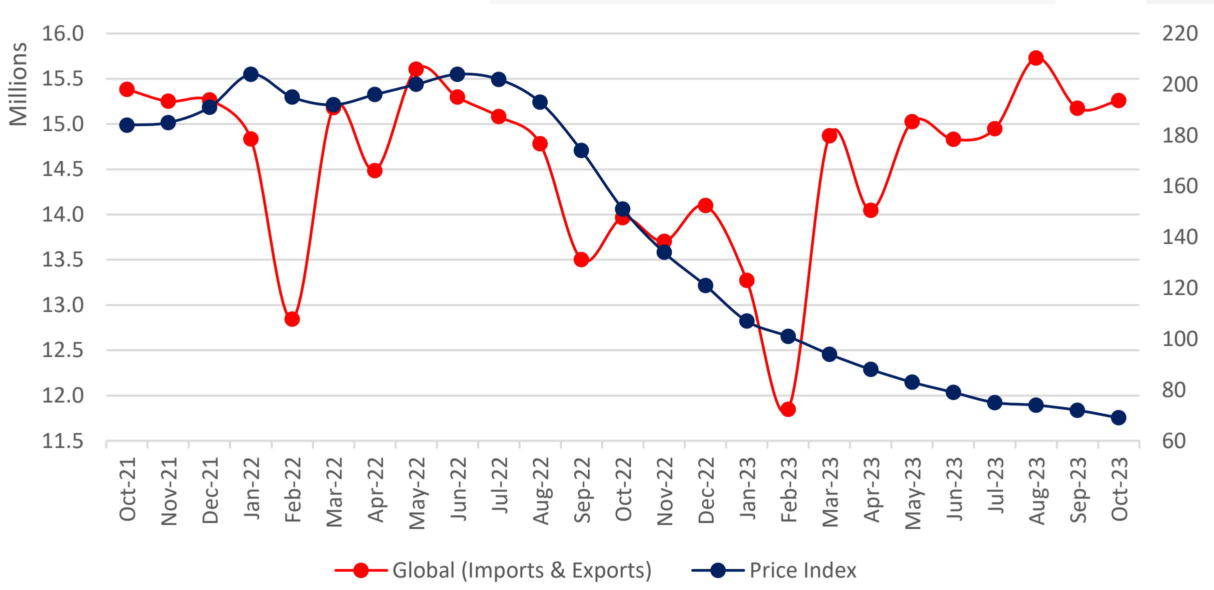
The following section provides some context around the global economy and its impact on trade, including an update on **(b)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Global container port throughput

The latest container throughput figures for October from Container Trade Statistics (CTS) – an online statistics portal measuring global containerised trade – show that container volume has increased by **↑0,5%** (m/m) this month after global volume decreased in September (**↓3,5%**). The change is significantly more positive than initial predictions led to believe, notably those made by Drewry, which expects throughput to decrease by **↓8,4%**[12]. Annual throughput is now up by a considerable **↑9,3%** (y/y) versus October 2022; however, the current estimates point to a contraction in trading activity until around the midpoint of 2024. Concerning freight rates, the upbeat narrative continues for shippers – similar to the index reported weekly by Drewry – the price index (reefer and dry) continued to moderate over the medium term. Rates are now down by another **↓4,2%** (m/m) and a considerable **↓54,3%** (y/y) versus a year ago – though the speed of change has subsided. The following figure illustrates the global container throughput and price index over the last two years:

Figure 15 – Global Containerised Throughput (TEUs) and price index



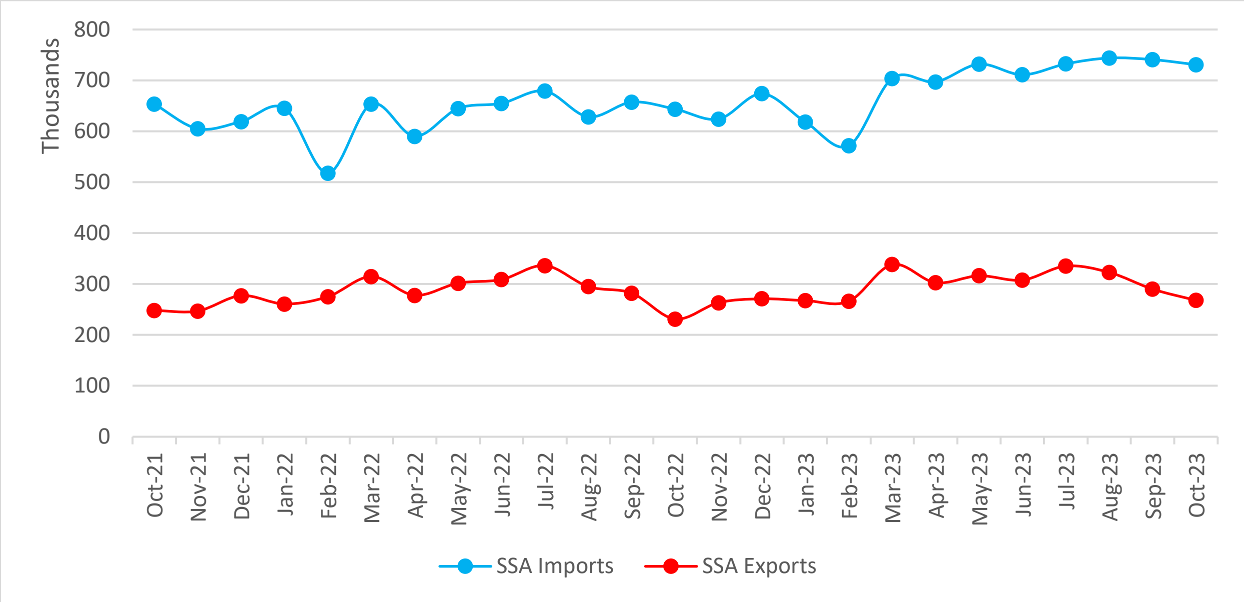
Source: Calculated from CTS

As illustrated, container throughput has continued its medium-term upward trend of late, as the total throughput in October came to around **15,3 million TEUs**. Concerning geographical changes, six out of the seven regions registered decreases in imports, with only the Far East registering a return (a considerable one at that – **↑7,1%**). With export throughput, three regions decreased, with Sub-Saharan Africa the most

[12] Drewry. 23/11/2023. Port Throughput Indices – September 2023.

significant at ↓**7,6%** (led by South Africa). The most significant increase occurred in the Indian Sub-Continent and The Middle East at ↑**3,1%**. The following figure shows Sub-Saharan African trade over the same period:

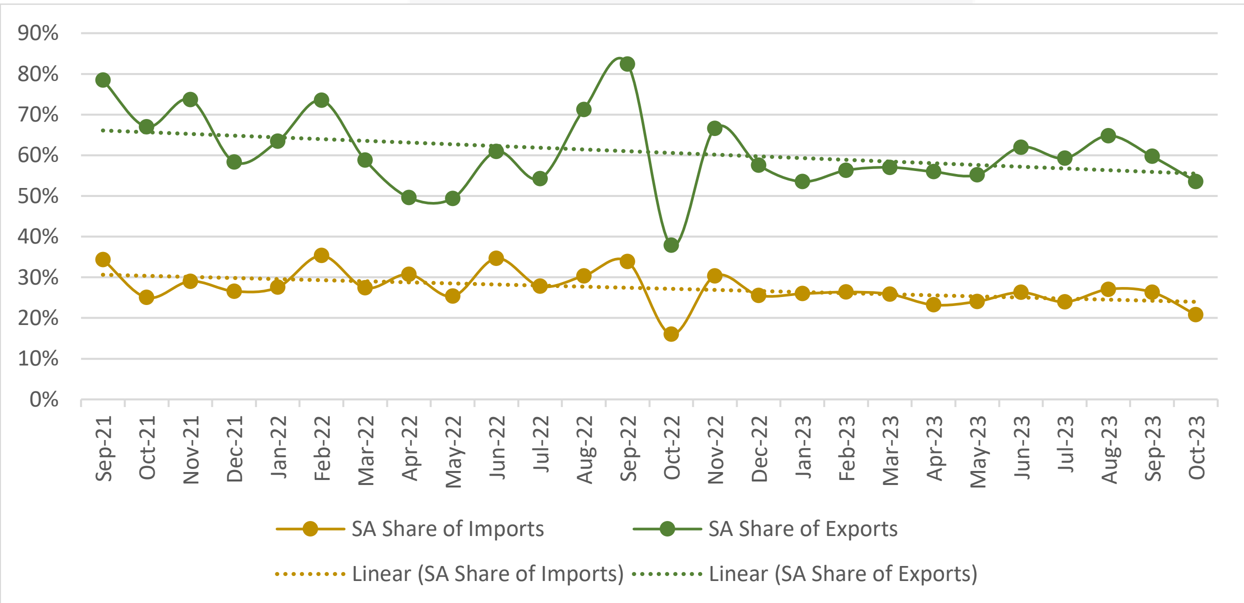
Figure 16 – Sub-Saharan Africa Containerised Throughput (TEUs)



Source: Calculated from [CTS]

As mentioned above, Sub-Saharan African trade shows a significant decrease in exports (down by ↓**7,5%**) and a concurrent slight decrease in imports (down by ↓**1,3%**) for September. Fortunately, as with the overall trade, yearly SSA trade shows that imports continue to grow substantially (↑**13,6%**, y/y), while exports are also significantly up versus October 2022 (by ↑**15,8%**). The worrying reality, though, is that South Africa's share of regional trade continues to decrease:

Figure 17 – South Africa's share in regional containerised throughput (% share)



Source: Calculated from [CTS]

South Africa accounted for **20,8%** of SSA imports and **53,6%** of SSA exports in October when measuring these versus TNPA figures. These respective shares are significantly less than even just a year ago, as illustrated below. Consequently, the share of South African volumes in the SSA region has continued to decrease, albeit slowly.

ii. Container industry summary

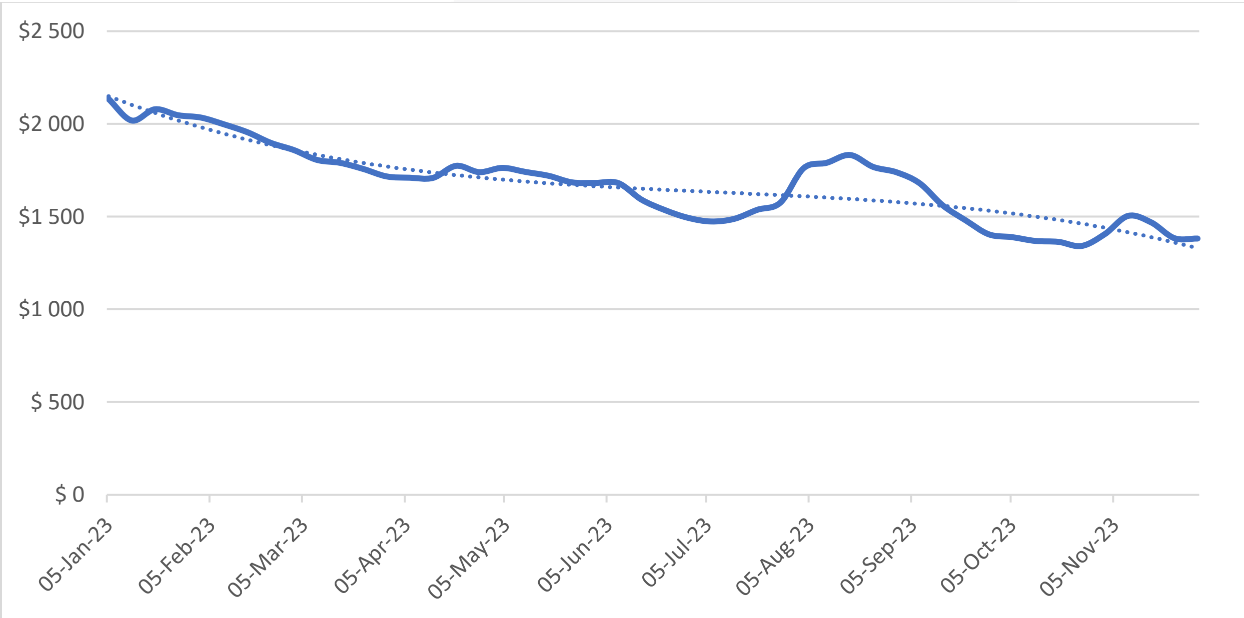
Due to disruptions at the Suez and Panama passages, containerships are altering their usual routes. Vessels tied to Israeli interests are avoiding the Suez Canal, leading to diversions, while some neo-Panamax ships on Far East-US East routes are shifting to the Suez route to bypass congestion at the Panama Canal[13]. These adjustments, although helping absorb surplus ships, currently impact less than **2%** of the overall fleet.

Elsewhere, global port congestion is currently at around **1,73 million TEU** (**~6,2%** of the global fleet), which is slightly down from last week. There are **128 728 TEU** currently idle, as all ships over **4 000 TEU** are currently deployed, with an additional 34 ships added to the global fleet (some **158 038 TEU**) in the last month. However, carriers are desperately attempting to boost rates before taking some additional capacity out of the system approaching the end of the year[14]. The reduction is already noticeable, as several new blank sailings have been announced in the last seven days (Drewry's "*Cancelled Sailings Tracker*" is up and trending at a **10% cancellation rate**[15]).

iii. Global container freight rates and carrier profits

This week, average global spot rates rapidly increased, as the "*World Container Index*" saw a sharp rise of **↑5,7%** (or **$79**) to **$1 461** per 40-ft container[16]. Despite the short-term increase – driven by concerted efforts by the carriers – the overall trajectory remains downwards, as shown by the following graph illustrating the year-to-date view of rates:

Figure 18 – World Container Index assessed by Drewry (year-to-date, $ per 40 ft. container)



Source: Compiled from Drewry Ports and Terminal Insights

[13] Linerlytica. 05/12/2023. Market Pulse – Week 49.
[14] Wackett, M. 08/11/2023. Carriers pushing rate hikes ahead of new year service suspensions.
[15] Drewry. 08/12/2023. Cancelled Sailings Tracker - 8 December.
[16] Drewry. 07/12/2023. World Container Index.

The composite index is now ↓**32%** lower compared to the same week last year, but trending at ↑**3%** higher compared to the average 2019 pre-pandemic rates of **$1 420**. The year-to-date average composite index is **$1 677** per 40ft container. Despite an initial boost in spot rates, average rates in the 4th quarter are still **4% lower** than the previous quarter. Anticipated 2024 contracts are expected to reset **10-20%** below 2023 levels[17]. For charter rates, the Harper Petersen Index (*Harpex*) is currently trending at ***826 points***, down by ↓**0,8%** (w/w) and ↓**33%** (y/y)[18].

iv. Further developments of note

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

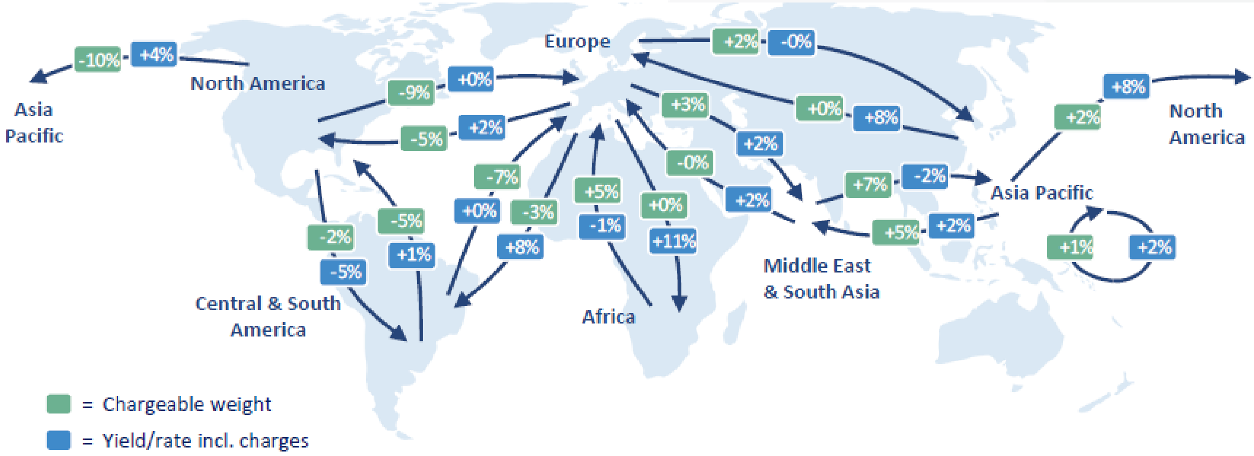
1. **Cosco follows competitors' suites and introduces a congestion surcharge:**
    a. Starting from 1 January, Cosco has introduced a *Port Congestion Surcharge* for shipments from the Far East to South Africa. This surcharge, payable along with ocean freight, is as follows: **$200/$400/$600** for **20ft/40ft/45ft**, respectively – coincidentally exactly the same as the trend-setter, Maersk.
    b. The Far East region encompasses various countries, including China, Hong Kong, Taiwan, and others. At the same time, South Africa includes South Africa, as well as Zimbabwe, Zambia, and Botswana via South African ports.
    c. Indeed, with container spot rates below ocean carrier unit operating costs on some routes, shipping lines are increasingly focusing on billing customers with a myriad of surcharges to boost revenue in what is predicted to be a challenging period[19].
2. **MSC's plan to acquire Hamburg port operator moves ahead:**
    a. MSC has completed the first phase of its proposed investment in Hamburger Hafen und Logistik Aktiengesellschaft (HHLA), the operator of the Port of Hamburg[20]. The supervisory board of HHLA has recommended the acquisition to enhance Hamburg's competitiveness in ocean shipping and inland logistics.
    b. MSC aims to acquire all HHLA's A shares, with the City of Hamburg retaining majority ownership through S shares, and both parties plan significant investments in port operations and MSC's expansion in Hamburg, contingent on Hamburg's parliamentary approval.
    c. In further expanding its logistics footprint, MSC has made a bid for Clasquin, a French logistics company[21].
3. **Ro-Ro market strength sets new post-pandemic record:**
    a. Seaborne car trade volumes are expected to exceed pre-Covid levels by 12% this year, with car miles increasing by ↑**19%**, according to projections from Clarkson's Research[22]. The car carrier sector, particularly Ro-Ro vessels, has excelled, with global deep-sea car trades anticipated to grow by ↑**17%**, reaching **23,7 million cars**.
    b. Increased Chinese exports and a rising proportion of larger electric vehicles and hybrids contribute to this surge. The shortage of car carriers, elevated rates, and strong demand have led to a record order book, with even carmakers entering the container carrier sector. Ro-ro markets are described as "exceptionally tight."

[17] Linerlytica. 05/12/2023. Market Pulse – Week 49.
[18] Harper Petersen Index. 08/12/2023. HARPER PETERSEN Charter Rates Index.
[19] Wackett, M. 05/12/2023. Carriers roll out new ancillary charges – 'we're going to need every dollar'.
[20] FTW. 05/12/2023. MSC's plan to acquire Hamburg port operator moves ahead.
[21] Chambers, S. 06/12/2023. MSC bids for French logistics player.
[22] FTW. 04/12/2023. Ro-Ro market strength sets new post-COVID record.

b. Global air cargo industry

Global air cargo tonnages have rebounded more quickly than last year following the annual Thanksgiving holiday in the USA, regaining the ↓**2%** lost last week. At the same time, prices ex-Asia Pacific continue to rise strongly, particularly on the big long-haul lanes to North America and Europe, according to the latest weekly figures from World ACD Market Data. The following figures illustrate the regional changes in the last two weeks, with Europe to Africa yields increasing substantially (up by ↑**11%**) as many cargo owners are marking alternative arrangements because of the ocean freight congestion in our ports:

Figure 19 – Region to region (%, last two weeks)



Source: World ACD

Preliminary data for week 48 reveals a ↑**2%** increase in tonnages and a ↑**1%** rise in global average rates compared to the previous week. Despite a ↓**1%** decline in overall tonnages comparing weeks 47 and 48 with the preceding two weeks, global average rates continued to climb by ↑**5%**. Overall available capacity rose by ↑**15%** (y/y), while worldwide average rates are currently ↓**19%** lower than last year but remain ↑**43%** higher than pre-pandemic levels in November 2019, averaging **$2,60/kg** kilo in week 48.

ENDS[23]

[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. This edition is proudly sponsored by AIMS Global Logistics (AGL).*