

Cargo Movement Update #189¹

Date: 7 June 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)	20 188	19 969	40 157	25 715	31 993	57 708	↓30%
Air Cargo (tons)	3 958	2 073	6 032	3 642	2 454	6 097	↓1%

Monthly Snapshot

Figure 1 – Monthly⁴ cargo volume, year on year (% growth)

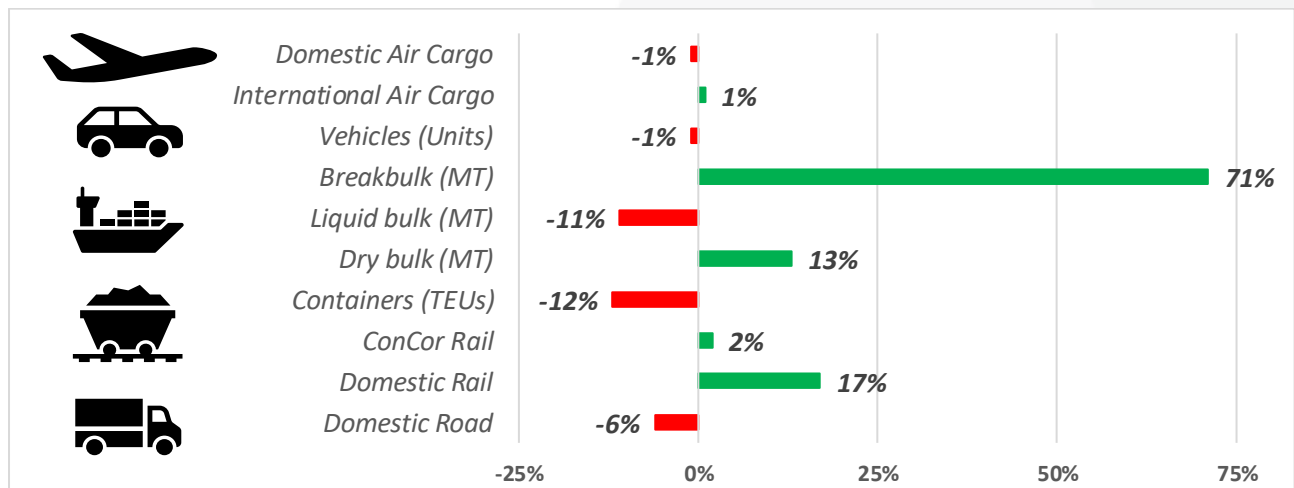
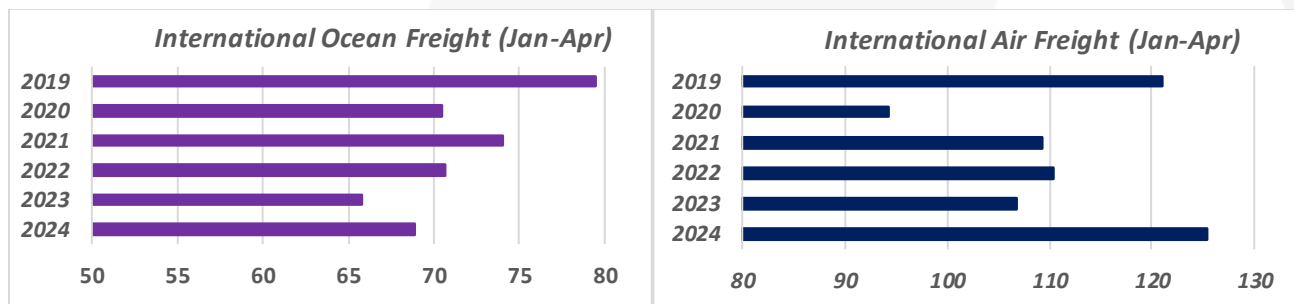


Figure 2 – Year-to-date flows 2019-2024⁵: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~5 737 containers** was handled per day, with **~8 979 containers** projected for next week.
- Cross-border queue: **↑7,0 hrs**; transit: **↑8,2 hrs**; SA borders: **12,1 hrs (↑44%)**; SADC borders: **9,7 hrs (↑87%)**.
- Rail cargo handled out of Durban was reported at **3 262 containers**, up **↑5%** from last week.
- The WB's CPPI shows an average port call of **40,5 hours**, as global container moves is around **23,5/hour**.
- Global freight rates continued to increase – this week by **↑11,6%** (or **\$490**) to **\$4 716** per 40-ft container.
- Global air cargo (CTKs) expanded by **↑11,1%** (y/y), with a slight monthly growth of **↑0,2%** (m/m).

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 189th update.

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

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

⁴ 'Monthly' means the last months' worth of available data compared to the same month in the previous year. For most metrics: Apr vs Apr.

⁵ Total YTD; ocean = bulk cargo in million metric tonnes, as reported by [INPA](http://www.inpa.co.za); air = cargo to and from all airports in million kilograms.

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 **5 737 containers** per day, significantly down from **8 244 containers** last week. Adverse weather conditions and equipment breakdowns severely influenced port operations. Continued poor weather prevented optimal operational performance in Cape Town earlier this week as CTMPT conceded around 23 hours to rain. The Port of Durban was closed for incomings earlier this week due to adverse weather, while strong winds and vessel ranging hampered operations at our Eastern Cape Ports for parts of the week. The latest reports suggest that Transnet has awarded a tender for the first 20-megawatt (MW) solar photovoltaics (PV) plant at the port as part of its commitment to decarbonise its port operations under its Renewable Energy Purchase programme. Furthermore, the TFR monthly shutdown took place on Monday from 06:00 to 18:00, while a cable theft incident took place between Tuesday and Wednesday and delayed operations on the ConCor for about eight hours.

The container shipping market is experiencing an intensified capacity shortage. Notably, Maersk has ceased operations of a transpacific service merely eight weeks after its inauguration. Concurrently, nearly 50% of westbound Asia-Europe sailings have not adhered to their scheduled departure times, exacerbated by ongoing port congestion in Southeast Asian hubs. Meanwhile, global freight rates have continued their upward trajectory for the ninth consecutive week, registering a **↑13%** increase last week. Since the end of March, the SCFI has accrued a **↑76%** increase, with no indications of any decline in the immediate future. Furthermore, the containership charter market remains robust, with rates increasing by **↑10%** last week. Despite the addition of over **280 000 TEU** of new capacity in the past month, carriers' demand for tonnage remains unmet. In the futures market, China-Europe freight contracts for the end of June and August are trading at a **10% premium** over current spot rates. This premium could escalate if the spot rates continue their upward trend. Other developments included (1) port congestion disrupting almost half of Asia-Europe sailings, (2) the Tanzania port deal is the latest step as Adani increases its global footprint, and (3) Chinese container makers revealing a surge in orders.

In our international air market, it was a good week for imports and but not so much for exports. The daily average of air cargo handled at ORTIA in the previous week amounted to **565 444 kg** inbound (**↑9%**, w/w) and **296 207 kg** outbound (**↓16%**), resulting in an average of **870 945 kg per day**. The total cargo handled in May is almost identical to April (**↓0,1%**, m/m), but substantially more than May last year – up by **↑21%** (y/y). Internationally, IATA revealed that cargo tonne-kilometers (CTKs) increased by **↑11,1%** year-on-year. This growth was bolstered by an **↑11,6%** surge in global international traffic, with significant contributions from the Asia Pacific and European regions, outpacing Middle Eastern carriers for the first time in seven months, while available cargo tonne-kilometers (ACTKs) grew by **↑7,1%** due to the reintroduction of passenger aircraft at a slowing rate.

In the regional cross-border road freight trade, the average queue increased by **7 hours** from last week, as the transit times also increased – by **around more than eight hours** from last week. Despite the increases, we are pleased to report that system constraints have been alleviated, which results in a more accurate representation of regional transits compared to the last few weeks. The median border crossing times at South African borders increased by around **three and a half**, averaging **~12,1 hours** (**↑44%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by **nearly nine hours** and averaged **~9,7 hours** (**↑870%**, w/w). On average, six SADC border posts took around a day to cross, with Beit Bridge, Kasumbalesa, Katima/Mulilo, Moyale OSBP (the worst affected, taking nearly **two days** to cross), Oshikango, and Santa Clara all featuring. Other developments included (1) E-Manifest

compliance in Zimbabwe, **(2)** Cross-Border payments through Korridor in Zambia, and **(3)** SARS system maintenance schedule.

In concluding this edition, two significant international developments highlight South Africa's trade, transport, and logistics plight. Firstly, the additional (and sometimes hidden) cost of doing business across borders severely impacts many firms in developing countries, including South African firms. This reality is especially the case in the current climate against a backdrop of another quarter without any growth (South Africa's GDP decreased by $\downarrow 0,1\%$ in the first quarter of 2024⁶). And secondly, the World Bank once again ranked South Africa's ports at the bottom of the pile, which poetically coincides with the worst week concerning port volume for the year. Although there has been critique on CPPI's methodology (which has been documented by others, including what has been described as **(1)** the unidimensional view of performance, **(2)** limited data coverage, and **(3)** being focused on waterside and berth operations), we would still not want to be considered as the worst – and we are not where we should be. Therefore, much work needs to be carried out in our industry. The elections have brought a new dawn that will hopefully propel our country to the next level. Whatever transpires politically, the same is true for our logistics network, as we have no option but to create a new dawn – one where the focus is on utilising trade, transport, and logistics as a critical driver for economic growth and development.

⁶ Stats SA. 04/06/2024. [Gross Domestic Product \(GDP\), 1st Quarter 2024](#).

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1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 1 to 7 June⁷

7-day flow forecast (01/06/2024 – 07/06/2024)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 366	5 203
DURBAN CONTAINER TERMINAL PIER 2:	4 917	5 652
CAPE TOWN CONTAINER TERMINAL:	5 438	6 572
NGQURA CONTAINER TERMINAL:	3 036	1 882
GQEBERHA CONTAINER TERMINAL:	1 431	660
TOTAL:	20 188	19 969

Source: Transnet, 2024. Updated 07/06/2024.

Table 3 – Container Ports – Weekly flow predicted for 8 to 14 June

7-day flow forecast (08/06/2024 – 14/06/2024)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 087	6 280
DURBAN CONTAINER TERMINAL PIER 2:	11 059	11 505
CAPE TOWN CONTAINER TERMINAL:	3 659	6 322
NGQURA CONTAINER TERMINAL:	5 635	8 686
GQEBERHA CONTAINER TERMINAL:	1 398	2 949
TOTAL:	26 838	35 742

Source: Transnet, 2024. Updated 07/06/2024.

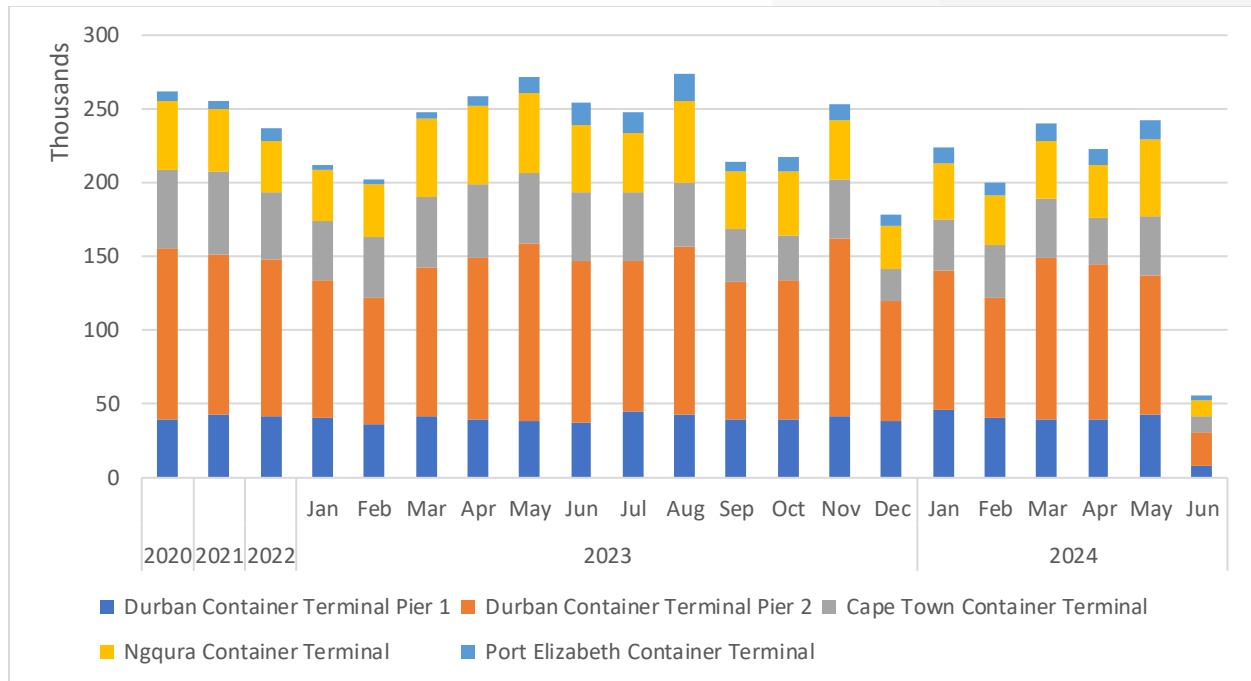
A significantly reduced average of **~5 737 containers (↓30%)** was handled per day for the last week (1 to 7 June, Table 2), compared to the projected average of **~8 979 containers (↓36% actual versus projected)** noted in last week's report. For the coming week, an increased average of **~8 940 containers (↑56%)** is predicted to be handled (8 to 14 June, Table 3) in a best-case scenario. Port operations were severely impacted by adverse weather and equipment breakdowns. It is very clear that the biggest contributor to the decline was Durban Pier 2, but fortunately, their estimate for the forthcoming week is much more favourable.

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.

⁷ 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 transshipments.

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

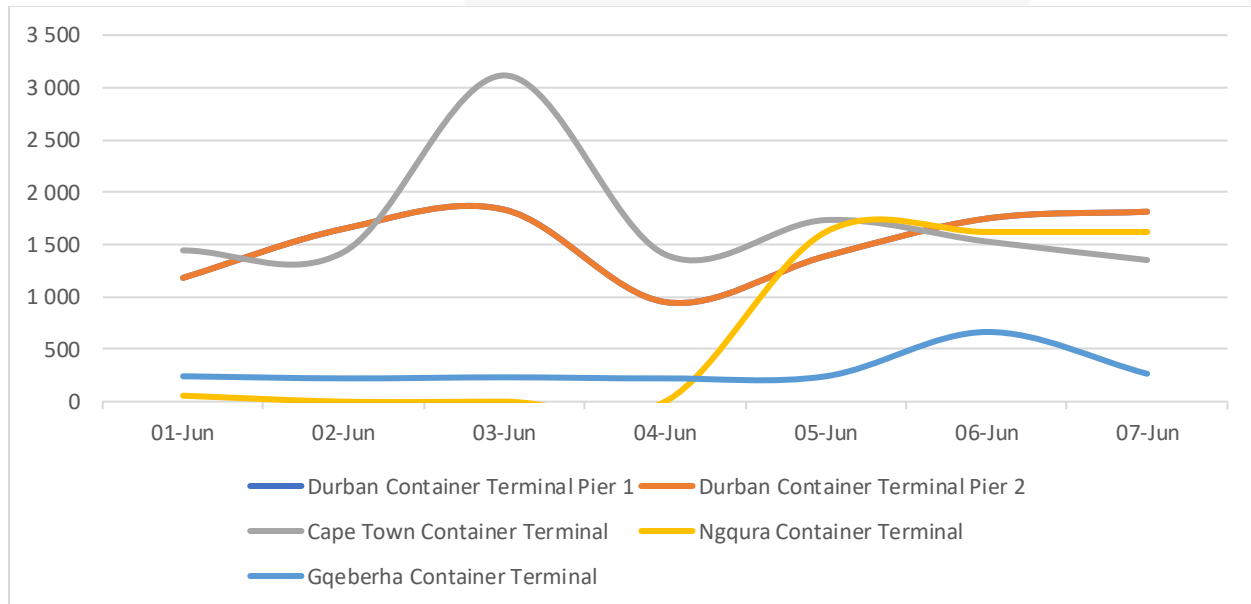
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

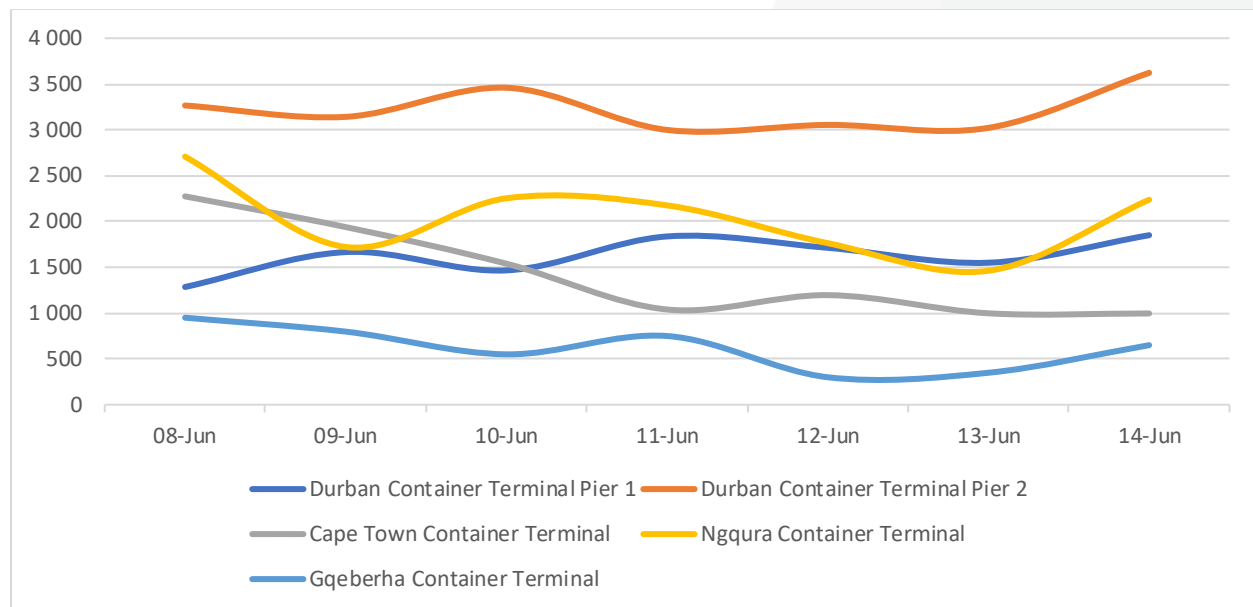
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

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



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

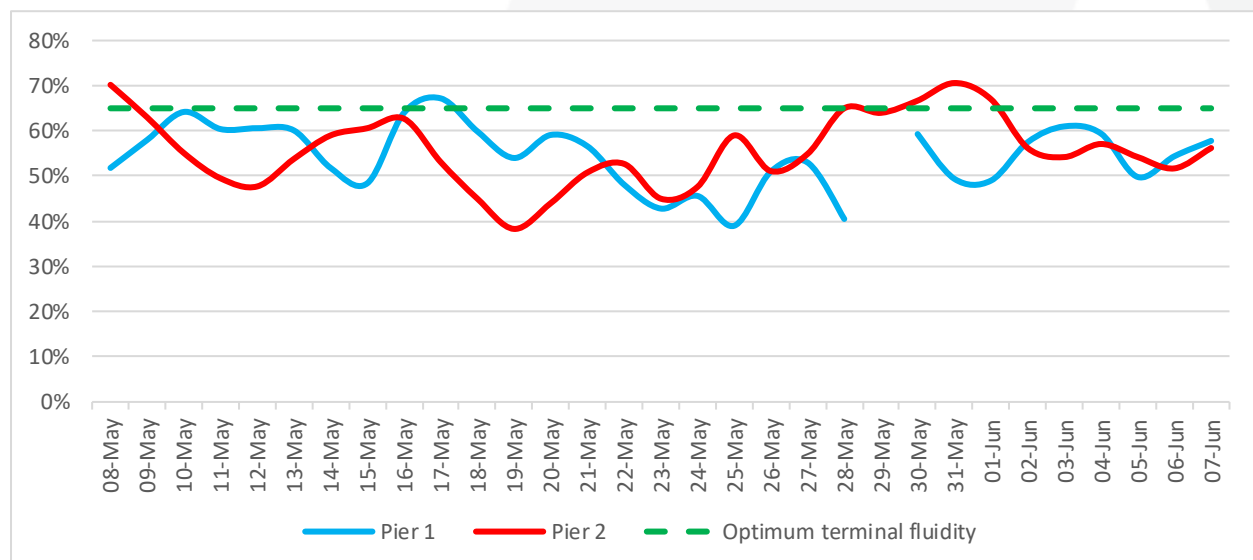
Figure 5 – 7-day forecast reported for total container movements (8 to 14 June; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

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

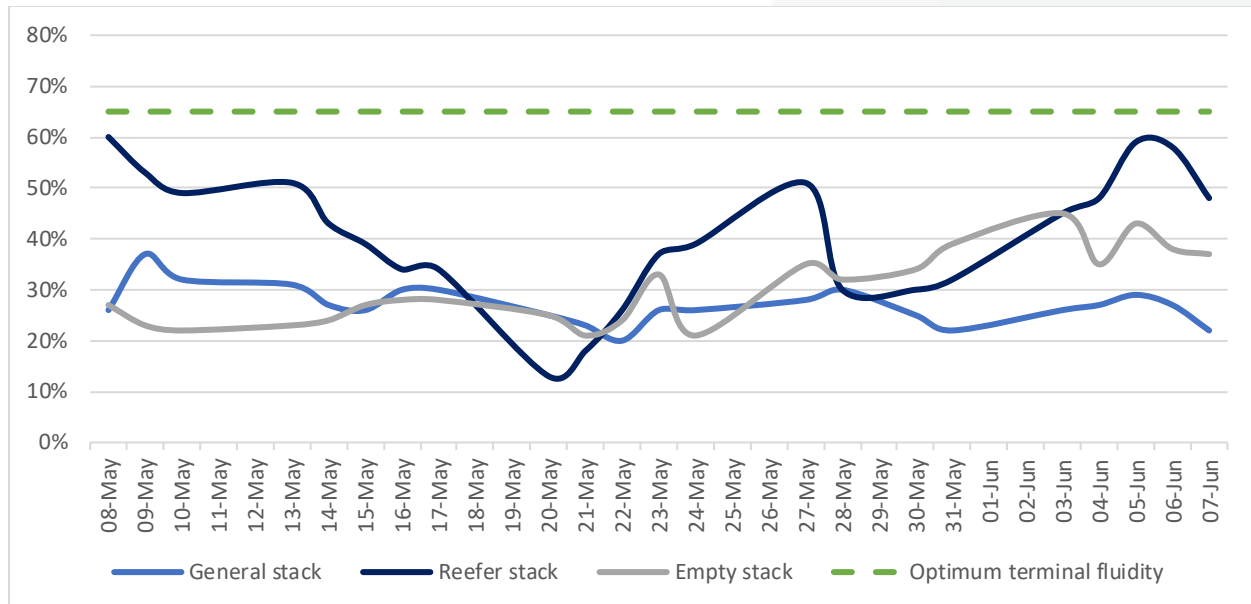
Figure 6 – Stack occupancy in DCT, general-purpose containers (8 May to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

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 (8 May to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

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

- Adverse weather conditions constrained optimal operational performance in Cape Town earlier this week.
- The Port of Durban was closed for incoming vessels earlier this week due to adverse weather.
- Strong winds and vessel ranging hampered operations at our Eastern Cape Ports for parts of the week.
- Minimal delays were reported at the Port of Richards Bay this week.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth and one at anchor as dense fog and strong winds disrupted operations at the terminal this week. On the landside, between Monday and Thursday, the terminal managed to service 4 037 trucks, translating to an average of 736 trucks per day (**↑37%**) while handling 94 rail units (**↑185%**). On the waterside, the terminal executed 4 755 container moves across the quay during the same period. By the end of the week, stack occupancy for GP containers was recorded at **22%**, reefers at **48%**, and empties at **37%**. Additionally, the terminal operated with five STS cranes, 24 RTGs, and 41 hauliers. According to the latest reports, cranes LC1, LC3, LC5, and LC9 are all out of commission. LC1 returned to operations for a few hours before experiencing a hoist motor issue while the drive chain of LC3 broke. No ETRs have been communicated for these machines just yet.

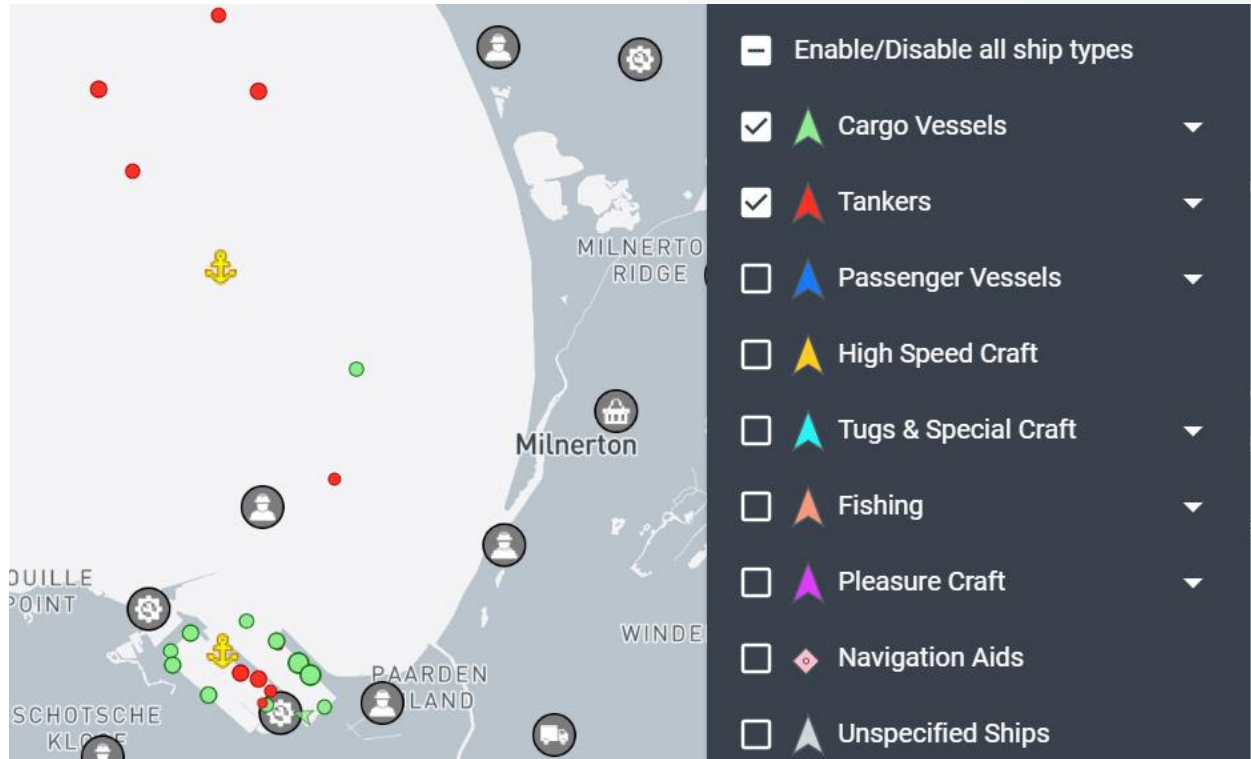
On Friday, the multi-purpose terminal recorded zero vessels at anchor and one at berth. In the preceding 24 hours, CTMPT managed to move 1 090 tons of bulk across the quay on the waterside despite experiencing rain. Stack occupancy was recorded very low at 1% for GP containers, 1% for reefers, and 0% for empties.

Adverse weather conditions, including strong winds and heavy rain, significantly impacted the port's operations, leading to a concession of 23 operational hours between Tuesday and Wednesday.

Unfortunately, no reports were received from FPT this week.

At midday on Friday, six vessels were waiting outside at anchorage in Cape Town, with the following snapshot of the port and vessels waiting to berth:

Figure 8 – Cape Town vessel view (per vessel group)



Source: Marine Traffic. Updated 07/06/2024 at 14:00.

iii. Durban

For the most significant part of the week, the Port of Durban had four tugs in service, aided by a pilot boat, two launches, a helicopter, and a floating crane. However, towards the end of the week, the launch and the helicopter went out of commission but were expected to return to service by 11:00 on Friday morning.

On Thursday, Pier 1 recorded two vessels on berth, operated by six gangs, and three vessels at anchor. Stack occupancy was **58%** for GP containers and **24%** for reefers. Between Monday and Thursday, the terminal executed 2 880 gate moves on the landside at an average truck turnaround time of **~122 minutes** and an average staging time of **~88 minutes**. Additionally, the terminal moved 4 174 TEUs across the quay on the waterside between Monday and Wednesday. The terminal conceded more than 16 operational hours to strong winds this week. Additionally, dredging operations took place on berth 107 between Friday and Sunday.

Pier 2 had four vessels on berth and four at anchorage on Friday, as strong winds and equipment challenges challenged operations throughout the week. In the preceding 24 hours, stack occupancy was **56%** for GP containers and **40%** for reefers. The terminal operated with ten gangs on the waterside, moving 7 845 containers across the quay between Monday and Wednesday. During the same period, there were 5 837 gate moves on the landside at an average truck turnaround time of **~123 minutes** and an average staging

time of **~114 minutes**. Additionally, 1 218 units were moved by rail in the same period. The number of available straddle carriers fluctuated between 51 and 57 this week. Also, by the end of the week, cranes 520, 521, 523, 526, and 533 were all out of commission. Crane 520 is expected back in operation by 31 August, 521 is expected back in service on 25 June, 523 is on an extended outage with no ETR just yet, while 533 was expected back in service by 14:00 on Friday. The ETR for crane 526 was not communicated.

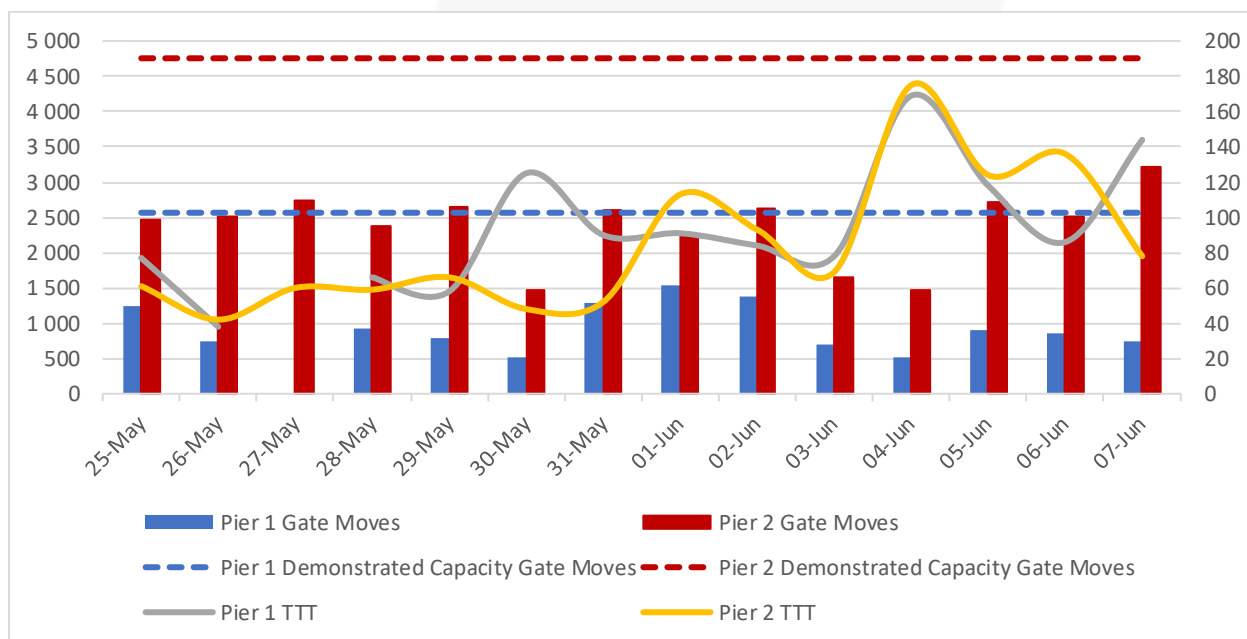
Durban's MPT terminal recorded three container vessels at berth on Thursday and one at outer anchorage. 399 containers and 4 111 tons of break bulk were moved across the quay on the waterside, while 324 container road slots and 197 breakbulk RMT were serviced on the landside. Stack occupancy for breakbulk was recorded at **2%** and **34%** for containers. During the same period, two cranes, eight reach stackers, one empty handler, four forklifts, and 13 ERFs were in operation. The latest reports suggest cranes 01 and 04 are currently out of service. No ETR is available for crane 01 just yet. However, crane 04 is now only anticipated to return early in July after some defects were found during load testing operations.

On Thursday, the Maydon Wharf MPT had one vessel on berth and zero at outer anchorage. 7 264 tons were handled on the waterside, while 112 trucks, containing 4 043 tons, were serviced on the landside. During the same period, the Agri bulk facility had zero vessels on berth and anchorage with no activity at the terminal.

On Thursday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at anchorage. In the 24 hours to Friday, the terminal handled 1 554 road units and 290 rail units on the landside while handling 2 817 units on the waterside. During the same period, overall stack occupancy was recorded at 81% (Exports: 46%, Imports: 43%, Transshipments: 11%), 60% at Q&R, and 60% at G-berth. During this period, the terminal had 215 high-and-heavyweights (abnormal loads) on hand.

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 terminal.

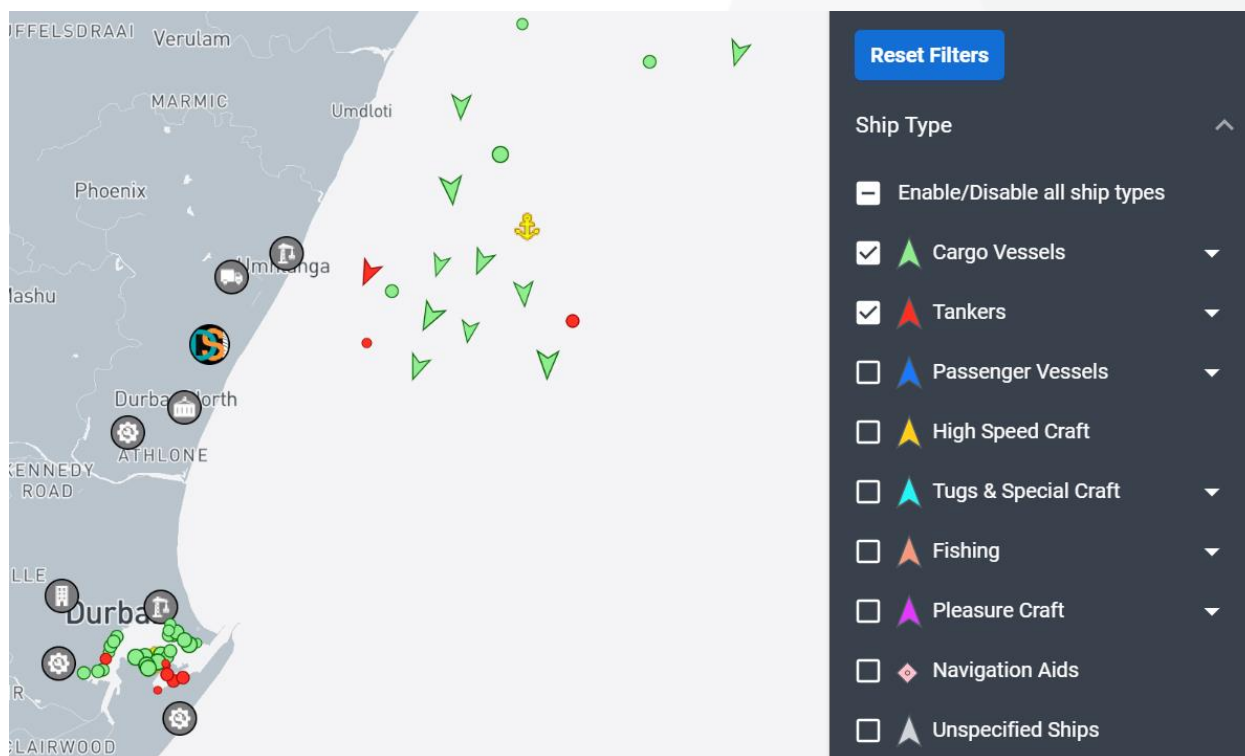
Figure 9 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 07/06/2024.

A queue of vessels waiting outside Durban has built up and remains. At midday on Friday, four vessels were waiting for Pier 2, three for Pier 1, and two for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 10 – Durban vessel view (per vessel group)



Source: Marine Traffic. Updated 07/06/2024 at 14:00.

iv. Richards Bay

On Friday, Richards Bay recorded 15 vessels at anchor, while 10 vessels were berthed, consisting of three at DBT, four at MPT, three at RBCT, and none at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. Towards the end of the week, the coal terminal had five vessels at anchor and two at berth while handling 103 050 tons on the waterside. On the landside, 20 trains were serviced, against the target of 22. The latest reports suggest that Transnet has awarded a tender for the first 20-megawatt (MW) solar photovoltaics (PV) plant at the port, which Sandton construction and engineering firm Amulet Group Consortium will construct. This construction project forms part of TNPAs commitment to decarbonise its port operations under its Renewable Energy Purchase programme. TNPA anticipates that the design and construction of the solar PV plant will commence in June and will be operational by May 31, 2026⁹.

v. Eastern Cape ports

No reports were received from NCT this week; however, an update was provided on the Tsitsikamma pilot boat, which has been out of service since September last year. The return of the craft was delayed due to the service provider being unable to fulfil the contract with TNPA. The latest reports suggest that the second

⁹ Freight News – 03/06/2024 - [Transnet awards PV plant tender for Port of Richards Bay](#)

bidder will be awarded a tender around 10 June to procure spares and execute the repairs. Thus, no estimation of when the craft will return is available.

On Thursday, GCT recorded one vessel at berth and none at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Friday. On the waterside, 266 TEUs were handled across the quay, while 220 trucks were processed at an undisclosed truck turnaround time. Stack occupancy figures were recorded at 89% for reefers, with the stack closed for intake until stack occupancy abates.

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

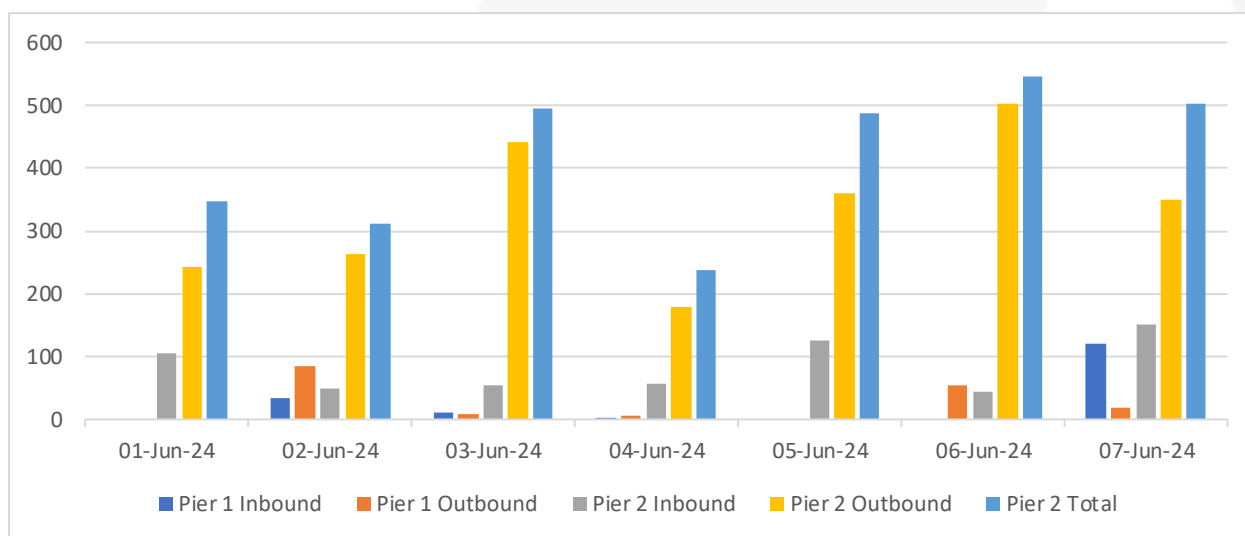
vi. Saldanha Bay

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 three on the berth. The vessels at anchor have been waiting outside for approximately 0-3 days, while the vessels in port have been on the berth for 0-4 days.

vii. Transnet Freight Rail (TFR)

TFR's monthly shutdown took place on Monday from 06:00 to 18:00, leading to no trains running within this period. Additionally, a cable theft incident occurred between Tuesday and Wednesday and delayed operations on the ConCor for about eight hours. TFR confirmed that cable theft is still a daily occurrence, but most instances are minor, resulting in delays of up to an hour or two. Towards the end of the week, DCT Pier 2 had 260 over-border units on hand with a dwell time of 31 days and 13 ConCor units on hand with a dwell time of 30 hours.

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



Source: Calculated using data from Transnet, 2024. Updated 07/06/2024.

In the last week (1 to 7 June), rail cargo handled out of Durban was reported at **2 924** containers, down by **↓6%** from the previous week's **3 105** 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 May. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in May 2023 averaged **~767 116 kg** per day.

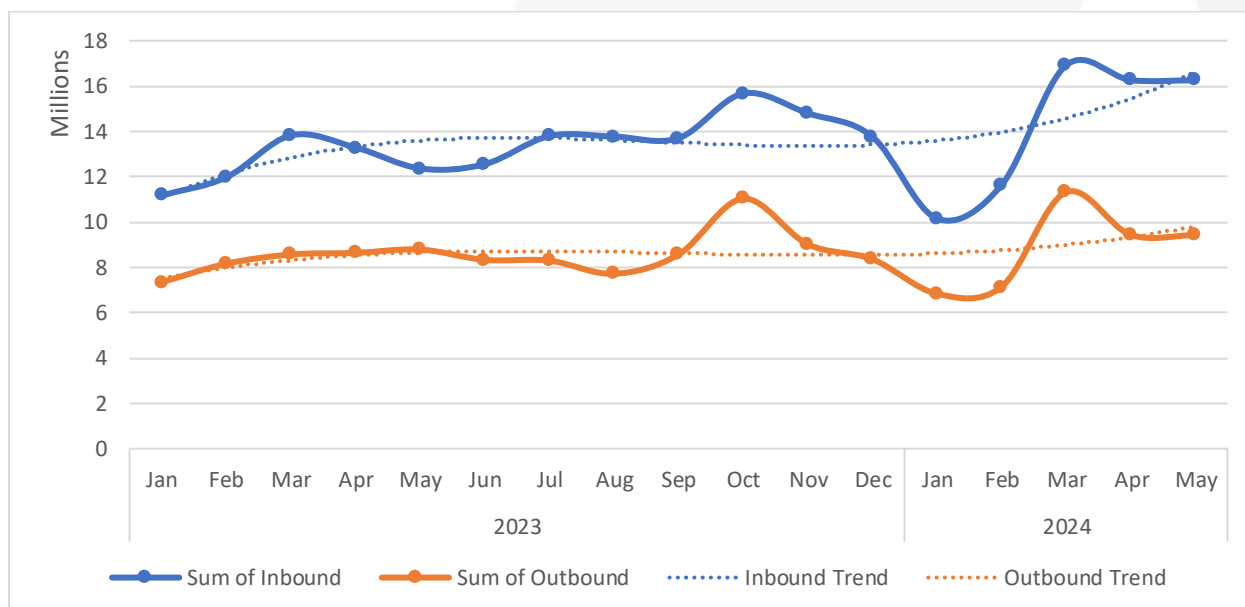
Table 4 – International inbound and outbound cargo from OR Tambo¹⁰

Flows	27-May	28-May	29-May	30-May	31-May	01-Jun	02-Jun	Week
Volume inbound	521 589	240 754	416 986	253 776	451 858	324 043	1 749 099	3 958 105
Volume outbound	216 908	160 155	194 901	124 485	162 136	171 787	1 043 080	2 073 452
Total	738 497	400 909	611 887	378 261	613 994	495 830	2 792 179	6 031 557

Courtesy of ACOC. Updated: 05/06/2024.

It was a good week for imports and not so great for exports. It can only be hoped that this is not a long term trend. The daily average of air cargo handled at ORTIA in the previous week amounted to **565 444 kg** inbound (**↑9%**, w/w) and **296 207 kg** outbound (**↓16%**), resulting in an average of **870 945 kg per day**. The total cargo handled in May is almost identical to April (**↓0,1%**, m/m), but substantially more than May last year – up by **↑21%** (y/y). The following graphs show the movement since the start of last year:

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



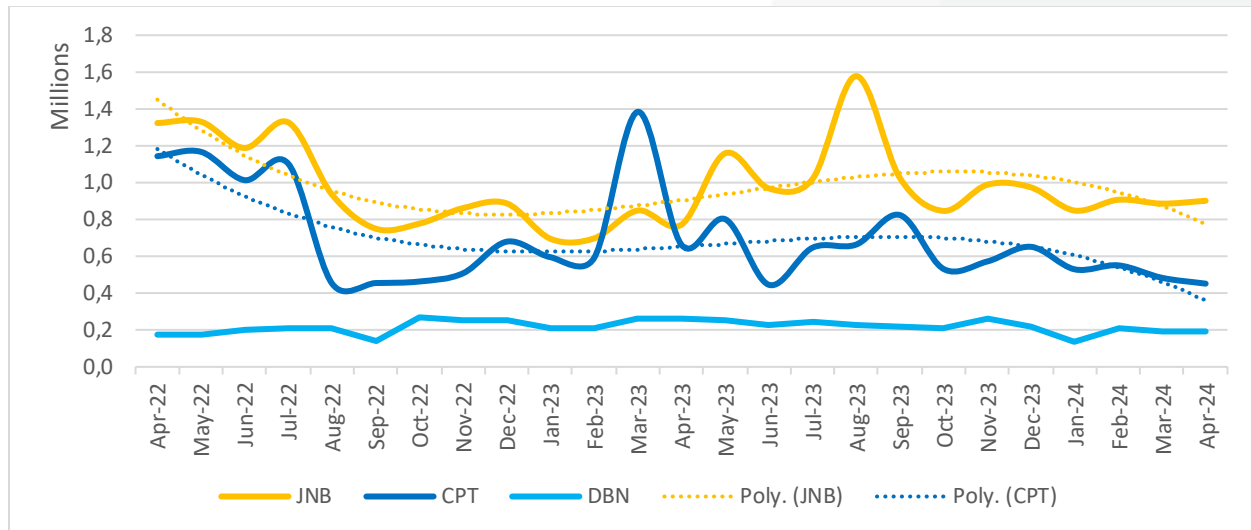
Courtesy of ACOC. Updated: 05/06/2024.

b. Domestic air cargo

The following graphs show the domestic movement at our main airports in the last two years:

¹⁰ Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and from South Africa.

Figure 13 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 16/05/2024.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders increased by around **three and a half**, averaging **~12,1 hours (↑44%, w/w)** for the week.
- In contrast, the greater SADC region (excluding South African controlled) increased by **nearly nine hours** and averaged **~9,7 hours (↑870%, w/w)**.
- Transport operators are being cautioned against allowing agents or runners to handle e-manifests for entries into Zimbabwe.
 - This advisory follows an incident where an agent incorrectly used a wrong transportation code, impounding three transporter vehicles.
 - The error resulted in substantial penalties, costing the transporter \$2 000 per truck.
- FESARTA has been informed that, in the near future, all cross-border payments, including the Carbon Tax for Zambia, will be processed through Korridor.
 - Although this system is not yet operational, it is expected to be implemented soon, aiming to streamline payment procedures and enhance compliance and efficiency.
- SARS announced scheduled system maintenance on Friday, 7 June, from 18:00 to 21:00.
- 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 this platform's questionable effectiveness, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau¹¹, arguably providing better and more reliable information.

¹¹ [FESARTA TRANSIST Bureau](#).

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

Table 5 – Delays¹² summary – South African borders (both directions)

Border Post	Direction	HGV ¹³ 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	484	5,9	6,4	28,0	14 520	3 388
Beitbridge	Zimbabwe-SA	433	7,3	2,4	14,3	12 990	3 031
Groblersbrug	SA-Botswana	236	0,2	2,4	20,4	7 080	1 652
Martins Drift	Botswana-SA	208	1,3	0,3	2,0	6 240	1 456
Kopfontein	SA-Botswana	226	0,6	1,1	10,3	6 780	1 582
Tlokweng	Botswana-SA	22	0,4	0,2	0,4	660	154
Violsdrift	SA-Namibia	30	0,0	1,1	3,3	900	210
Noordoewer	Namibia-SA	20	0,0	0,3	1,6	600	140
Nakop	SA-Namibia	30	0,0	1,1	4,3	900	210
Ariamsvlei	Namibia-SA	20	0,0	0,4	1,3	600	140
Skilpadshek	SA-Botswana	243	0,6	1,5	10,0	7 290	1 701
Pioneer Gate	Botswana-SA	45	0,5	1,0	2,1	1 350	315
Lebombo	SA-Mozambique	1 446	4,9	1,3	8,6	43 380	10 122
Ressano Garcia	Mozambique-SA	125	0,0	0,3	3,4	3 750	875
Weighted Average/Sum		3 568	1,5	1,4	7,9	107 040	24 976

Source: TLC, FESARTA, & Crickmay, week ending 02/06/2024.

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	Weekly HGV Arrivals
Beira Corridor	320	0,0	2,6	15,6	9 600	2 240
Central Corridor	798	0,0	0,9	6,9	23 940	5 586
Dar Es Salaam Corridor	1 819	41,1	1,1	14,3	54 570	12 733
Maputo Corridor	1 571	2,5	0,8	6,0	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 681	13,8	1,6	11,7	110 430	25 767
Northern Corridor	2 817	0,0	1,1	8,3	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,8	28,0	3 480	812
Trans Cunene Corridor	100	0,0	2,5	32,5	3 000	700
Trans Kalahari Corridor	318	0,9	0,9	4,2	9 540	2 226
Trans Oranje Corridor	100	0,0	0,7	2,6	3 000	700
Weighted Average/Sum	11 767	7,4	1,2	9,9	361 020	84 238

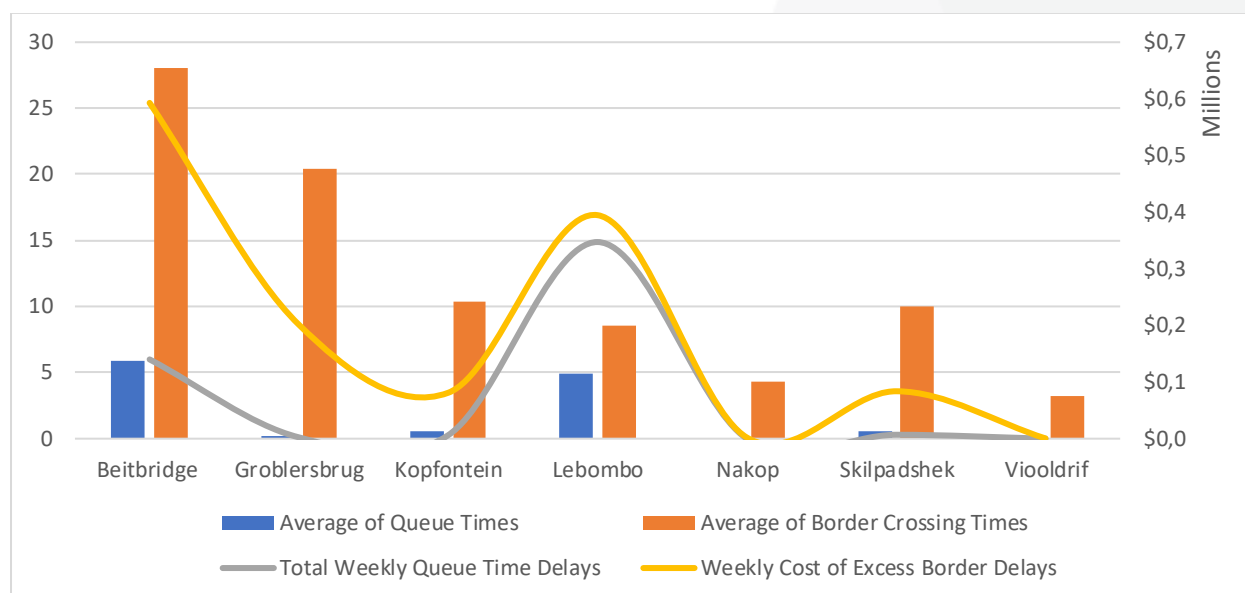
Source: TLC, FESARTA, & Crickmay, week ending 02/06/2024.

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

¹² It should be noted that the root cause of the reported delays is uncertain and variable 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.

¹³ Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

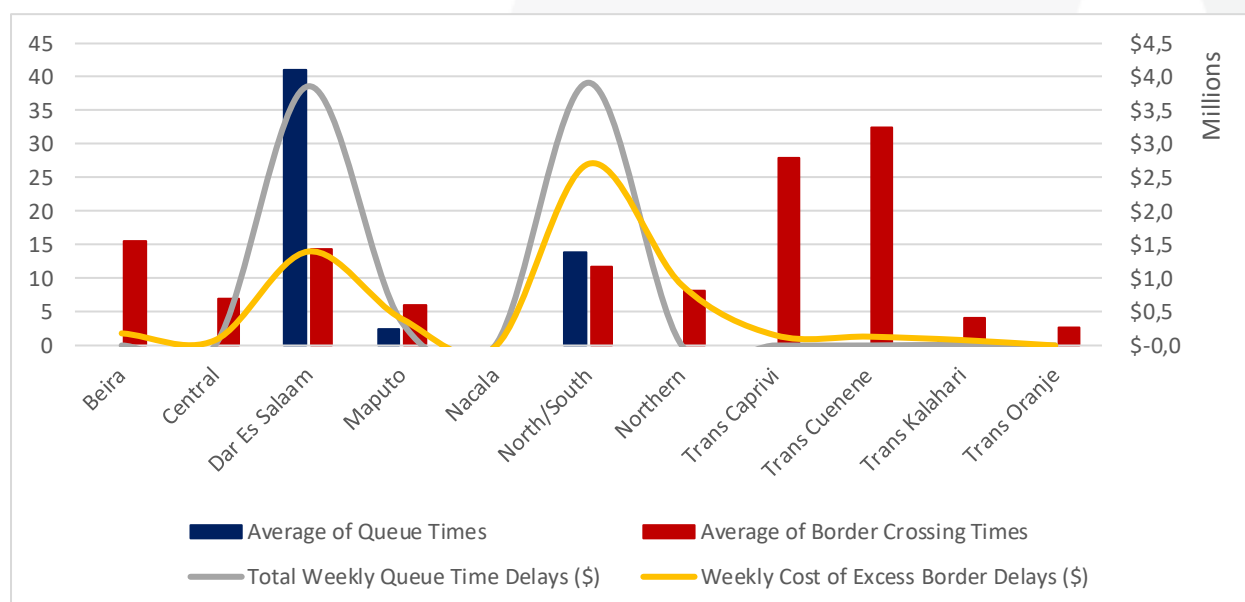
Figure 14 – Weekly cross-border delays & est. cost from an SA border perspective (hours & \$ millions)



Source: TLC, FESARTA, & Crickmay, week ending 02/06/2024.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 02/06/2024.

In summary, cross-border queue time averaged **~7,4 hours** (up by **~7,0 hours** from the previous week's **~0,4 hours**), indirectly costing the transport industry an estimated **\$8,1 million (R154 million)**. Furthermore, the week's average cross-border transit times hovered around **~9,9 hours** (up by **~8,2 hours** from the **~1,7 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$6 million (R114 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$14,1 million (R268 million)**, up by **~R248 million** or **↑1267%** from **~R19,6 million** in the previous report). However, as mentioned in the previous two weeks, not all of the crossing times at all SADC borders were captured, so the increases are not as material as they might appear to be.

4. International Update

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

a. Global shipping industry

i. World Bank Container Port Performance Index - 2023

The World Bank released its latest “*Container Port Performance Index*” for 2023 this week, with South Africa’s ports again ranking at the bottom of the pile.¹⁴ The primary objective of developing the CPPI by utilising existing empirical data was to create an impartial benchmark to assess and compare container port performance across different ports over time. The CPIIC is co-developed by the World Bank and S&P Global Market Intelligence and highlights the dominance of East and Southeast Asian ports, with 13 of them ranked in the top 20. This fourth edition analysed the most extensive dataset, comprising over 182 000 vessel calls. South Africa's major ports ranked poorly, with Cape Town at the bottom of 405 indexed ports. Ngqura, Durban, and Port Elizabeth also featured among the least efficient. Regional issues affected port performance globally, although the impact of COVID-19 has lessened. The index suggests that major ports should focus on resilience and green technology to stabilise global markets. China's Yangshan and Oman's Port of Salalah maintained their top positions. The index now includes 57 new ports.

Although we can talk about potential critiques of the CPPI’s methodology (which has been documented by others, including what has been described as (1) the unidimensional view of performance, (2) limited data coverage, and (3) being focused on waterside and berth operations), we would much rather want to understand the results and its implications for South Africa’s ports. As such, several key initiatives¹⁵ are outlined in which the CPPI can help governments build port resilience to protect global supply chains from unforeseen disruptions, including:

- Identify Performance Gaps
- Support Investment Decisions
- Foster Collaboration and Policy Development
- Drive Digital Transformation

Concerning some numbers, the average duration of a port call in 2023 was **40,5 hours**, representing a slight increase over the global average of **36,8 hours** in 2022. The global average for gross container moves per hour for all ships is **23,5**. Considering the variation between call sizes, the smallest ships are **9,4%** less efficient than the average, whereas ships in the 8 501 TEU to 13 500 TEU range are **3,6%** more efficient than the average. This call size range is also the maximum vessel size received by South African ports. Putting the methodology aside, the extended South African logistics network connecting with our major seaports has not performed anywhere near where we should, which perhaps again highlights the long-term, structural changes needed to turn things around, which brings our attention back to the excellent work done by Dr Khalid Bichou, which National Treasury commissioned.¹⁶ In summary, some of the initiatives included (1) introducing and enforcing performance targets for TPT operating licences, (2) introducing inter-port

¹⁴ World Bank. 04/06/2024. [Regional Disruptions Drive Changes in Global Container Port Performance Ranking.](#)

¹⁵ Humphreys, R. 04/06/2024. [How resilient ports can mitigate global supply chain disruptions.](#)

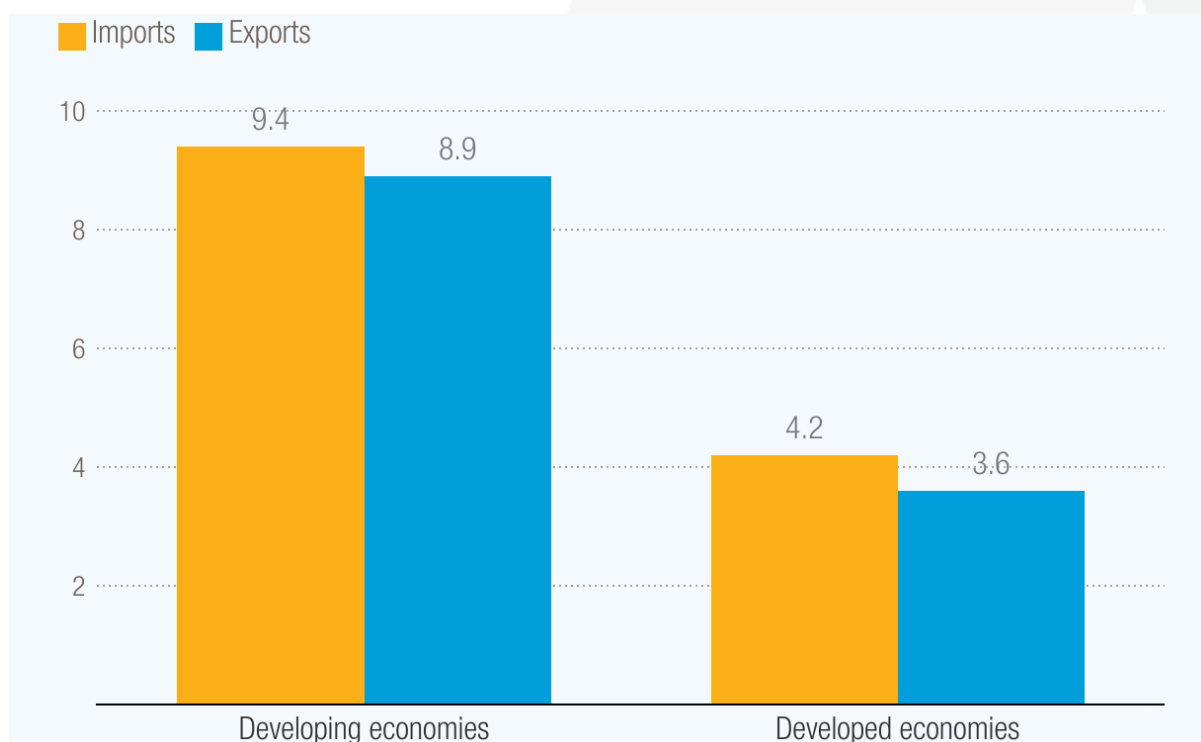
¹⁶ Bichou, K. 11/2021. [Development of a strategic plan for port performance improvement in South African container terminals.](#)

competition through performance and pricing mechanisms, **(3)** improving trade logistics and procedural efficiency, **(4)** establishing policy guidelines for PSP and port concessions, and **(5)** formulating a coherent port policy.

ii. The hidden costs of international trade and transport

A new dataset by UNCTAD and the World Bank, introduced at the first Global Supply Chain Forum, offers a detailed global overview of transport's role in trade.¹⁷ It includes the cost of moving different products between over 170 economies from 2016 to 2021, utilising national data from UN Comtrade. The dataset details the value and volume of merchandise, transport costs, and the effort needed per shipment, broken down by commodity group and transport mode. For the first time, it correlates trade data by country, commodity, and mode of transport, illuminating the transport costs and necessary efforts for imports and exports among countries. This comprehensive data, accessible through UNCTADstat, includes advanced tools like APIs for user-specific data extraction, enhancing its utility for policymakers, businesses, and researchers. Note: Transport work is calculated by multiplying the weight of the goods by the distance they need to be shipped.

Figure 16 – Median maritime transport work (ton-km) per US dollar of maritime trade (2021)



Source: [UNCTAD](http://unctad.org)

It notably highlights that developing countries expend twice as much effort in transporting goods, especially by sea, compared to developed nations. This disparity is attributed to longer distances and the higher average weight of the lower-value goods these countries trade, such as raw materials. Geographical dispersion also plays a crucial role in transport costs and efforts. Developed countries, predominantly in the Northern Hemisphere, benefit from closer proximity to major economic centres and more efficient

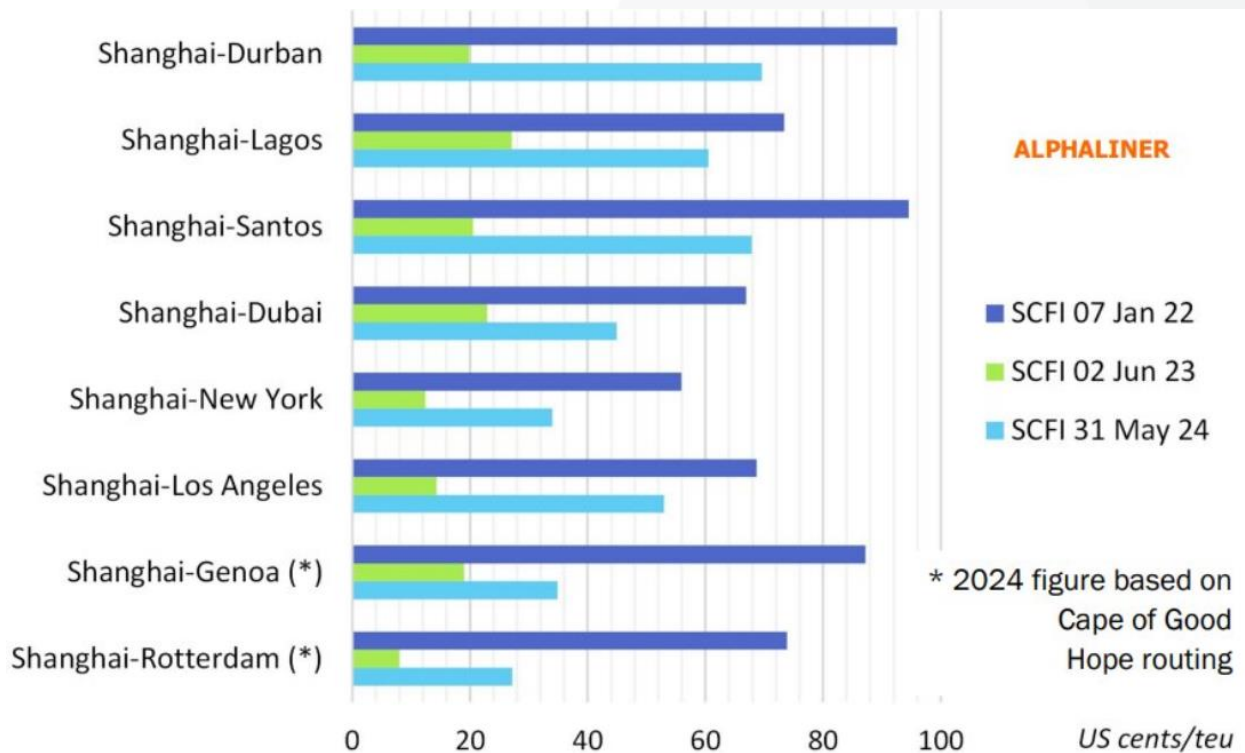
¹⁷ UNCTAD. 30/05/2024. [New global dataset reveals the hidden costs of international trade and transport.](http://unctad.org)

infrastructure, reducing transport distances and costs. Conversely, many developing countries in the Southern Hemisphere face longer distances to critical markets and less efficient logistics, especially for landlocked and island nations. This geographical disparity explains why developing countries incur higher transport work and associated costs in global trade.

iii. Soaring global container freight rates

On May 31, the Shanghai Containerised Freight Index (SCFI) showed a **↑12,6%** increase in spot ocean rates ex Shanghai, the 10th consecutive week of rising rate levels. At **3 045 points**, the rate index is still well below its historical peak of **5 110 points** registered on 7 January 2022 during the COVID-19 pandemic. A comparison, however, shows that average spot rates are almost three times higher than a year ago, which has significantly boosted shipping lines' profits once more:

Figure 17 – SCFI revenue per nautical mile (US cents/TEU)

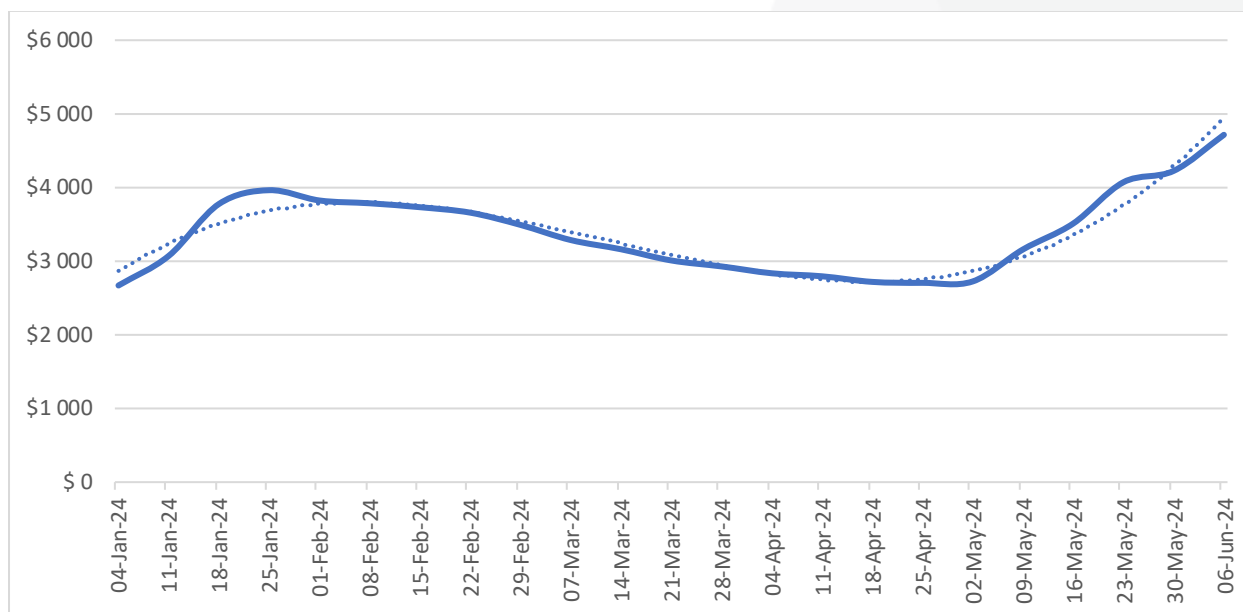


Source: [Alphaliner](https://www.alphaliner.com)

Spot ocean freight rates have been rising rapidly since early April due to a combination of solid cargo demand in China and a shortage of ships. A recent Alphaliner report in mid-May showed the big alliance carriers were short of 36 vessels to fully staff all their Far East—Europe loops, which are being re-routed via the Cape of Good Hope. From Drewry's perspective, the "World Container Index" increased by a similar magnitude, up by **↑11,6%** (or **\$490**) to **\$4 716** per 40-ft container.¹⁸ The following figure shows the movement in the last two years:

¹⁸ Drewry. 30/05/2024. [World Container Index](https://www.drewry.com).

Figure 18 – World Container Index assessed by Drewry (year-to-date)



Source: Calculated from [Drewry](https://www.drewry.com)

The composite index increased by **↑181%** compared to last year's week and is more than double (**↑232%**) compared to the 2019 pre-pandemic rates of **\$1 420**. The recent upsurge in spot rates is beginning to affect long-term contracts, and over the past few months, something of a two-tier market appears to have developed.¹⁹ In the charter market, rate increases have also picked up pace this week, as the Harper Petersen Index (Harpex) is currently trending at **1 627 points**, up by **↑10,3%** (w/w) and up by **↑32%** (y/y) versus this time last year.²⁰

iv. Further developments of note

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

1. Port congestion disrupts almost half of Asia-Europe sailings:

- Nearly half of all Asia-Europe westbound sailings have recently failed to depart on time, primarily due to escalating congestion in Asian ports like Singapore and Tanjung Pelepas, according to a Linerlytica report.²¹
- The situation has led to significant vessel delays, with Shanghai experiencing the worst logjams since the pandemic. This has prompted some operators, like CMA CGM, to skip port calls in Singapore despite temporary measures to alleviate congestion.
- Linerlytica also predicts that the liner capacity utilisation will remain high into June, with overall scheduled capacity for Asia-Europe routes showing a **↓3% decrease** compared to the previous year despite introducing new services.
- In South Africa, port congestion at the Port of Durban worsened again, as Durban returned to the first page of Linerlytica's "Port Congestion Watch". On Wednesday, the queue-to-berth ratio at Durban was **0,53**.²²

¹⁹ Van Marle, G. 06/06/2024. ['Two-tier market' as ocean rates for shippers and forwarders diverge](#).

²⁰ Harper Petersen Index. 07/06/2024. [HARPER PETERSEN Charter Rates Index](#).

²¹ Li, M. 04/06/2024. [Port congestion disrupts almost half Asia-Europe sailings](#).

²² Linerlytica. 06/06/2024. [Port Congestion Watch](#).

2. Tanzania port deal latest step as Adani increases its global footprint:

- The Adani Group, India's largest port operator under its port-arm APSEZ, has secured a 30-year concession to operate a container terminal at Dar es Salaam Port in Tanzania. In collaboration with AD Ports from Abu Dhabi, Adani will enhance its global footprint.
- This move is part of Adani's strategic ambition to become the world's largest port operator by 2030. Recent expansions include acquiring stakes in ports in Israel, Sri Lanka, and India and controlling nearly 50% of India's containerised trade.

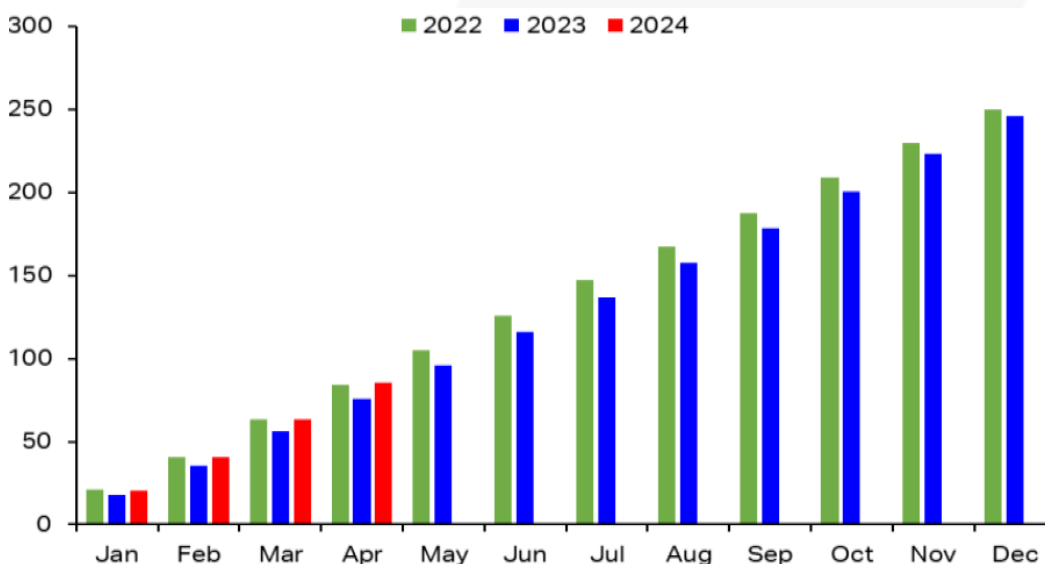
3. Chinese container makers reveal a surge in orders:

- China International Marine Containers (CIMC), the largest container manufacturer, said container orders were up five-fold in Q1 24, to **494 400 TEU**, as shortages continue.²³
- In contrast, reefer orders decreased by **↓23%**, to **9 300 TEU**, a trend CIMC blamed on declining consumption of refrigerated goods caused by inflation. Sales of specialised containers fell by nearly half, to **35 000 units**, due to lower demand for rail containers.

b. Global air cargo industry

In the latest “Air Cargo Market Analysis” by IATA²⁴ for April, cargo tonne-kilometers (CTKs) expanded by **↑11,1%** (y/y), with a slight monthly growth of **↑0,2%** (m/m) when seasonally adjusted. Global international traffic also saw an **↑11,6%** increase from April 2023, driven by contributions from all regions, particularly with airlines from Asia Pacific and Europe surpassing Middle Eastern carriers for the first time in seven months. On the supply side, Available Cargo Tonne-Kilometers (ACTKs) rose by **↑7,1%** due to the gradual reintroduction of passenger aircraft, albeit at a slowing pace. Meanwhile, consumer price inflation remained above target in major economies, except for PR China. The following illustration shows how the industry is getting close to the low 2022 levels – significantly surpassing last year's poor returns:

Figure 19 – Global year-to-date monthly CTKs (billion)



Source: IATA

²³ Li, M. 05/06/2024. [Chinese container makers reveal surge in orders.](#)

²⁴ IATA. 30/05/2024. [Air Cargo Market Analysis – April 2024.](#)

In the high-frequency metrics from World ACD, air cargo rates from Middle East & South Asia (MESA) continued to surge throughout May, with spot rates from MESA origins to Europe averaging more than twice their level in May last year, while tonnages and rates from Asia Pacific origins were also well above last year's levels. The following figure shows the movement across the last five weeks:

Figure 20 – Capacity, chargeable weight and rates (5w/5w)

Origin Regions
last 2 to 5 weeks



	Capacity ¹			Chargeable weight ¹			Rate ¹		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-1%	+1%		-3%	+5%		-2%	+0%
Asia Pacific		+0%	+9%		+2%	+16%		+2%	+14%
C. & S. America		-9%	+5%		-3%	+4%		-3%	-4%
Europe		+1%	+5%		+1%	+4%		-0%	-19%
M. East & S. Asia		-0%	+4%		+1%	+9%		+1%	+50%
North America		-1%	+7%		-5%	+4%		-0%	-12%
Worldwide		-1%	+6%		+0%	+9%		+1%	+5%

Source: [World ACD](#)

Despite falling rates from other regions, this strength in Asia Pacific and MESA origin traffic helped keep overall average global rates steady in week 22 at a worldwide average of **\$2,51 per kg**, which was up around **↑1%** (w/w) and up around **↑7%** (y/y) – and significantly above pre-pandemic levels (**↑42%** compared to May 2019). Preliminary full-month figures indicate that global average overall rates in May were up by **↑3%** (y/y), with chargeable weight up by **↑13%** (y/y).

In other news, air and ocean capacity from Asia to major markets will remain tight, driving up rates as a convergence of factors increases demand. More business is shifting to spot pricing, and some traffic is predicted to migrate from ocean to airfreight.²⁵ Elsewhere, airlines consider the proposed 2025 prohibition on 'noisy' 747Fs at Amsterdam's Schiphol Airport premature. They argue that the timeframe is too brief to facilitate necessary fleet renewals, and the plan and other measures risk impeding air cargo operations.²⁶ Following the Dutch cabinet's 2022 introduction of a series of measures to reduce noise and environmental impact, including significant flight reductions, the European Commission expressed strong reservations about timing and proportionality, urging alternative approaches over flight reductions.

ENDS²⁷

²⁵ Putzger, I. 04/06/2024. [More modal shift predicted as rising spot rates squeeze markets.](#)

²⁶ Goldstone, C. 03/04/2024. [A quieter Schiphol – but 747 ban too soon for carriers to adapt.](#)

²⁷ **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 [Turners Shipping](#).*

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2

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3

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4

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5

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