

Cargo Movement Update #178¹

Date: 22 March 2024

Weekly Snapshot

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

Flows	Current ²			Previous ³			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	23 863	26 514	50 377	25 846	36 020	61 866	↓19%
Air Cargo (tons)	3 266	2 638	5 905	3 920	2 612	6 532	↓10%

Monthly Snapshot

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

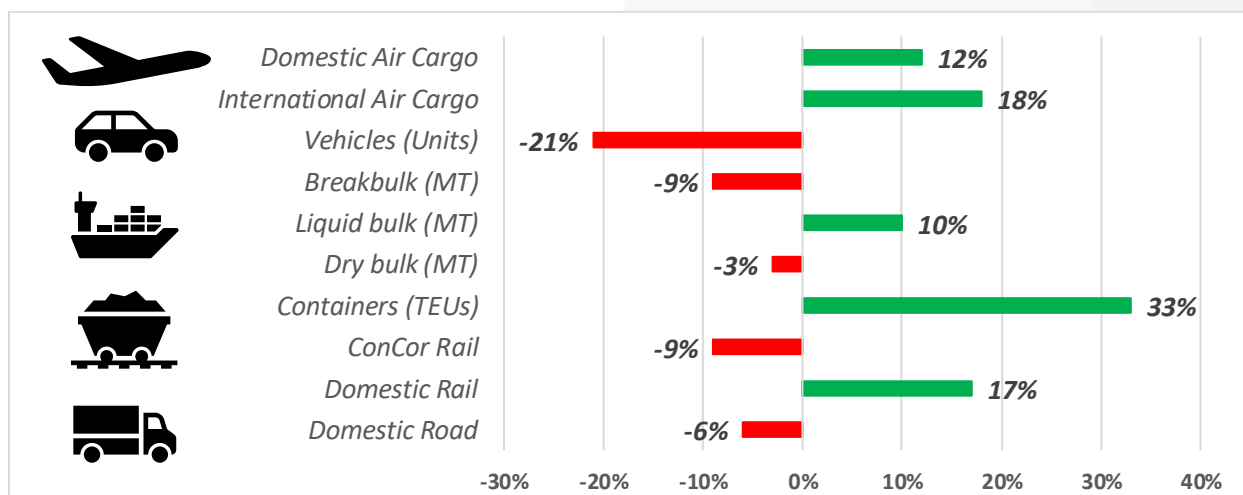
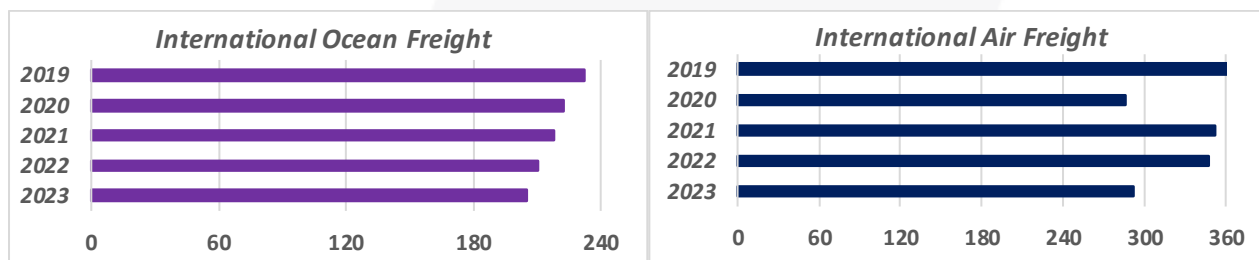


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 197 containers** was handled per day, with **~8 772 containers** projected for next week.
- Cross-border queue times were **unchanged** (w/w), with transit times **↓2,2 hours** (w/w); SA borders decreased by **~1,0 hours**, averaging **~14 hours** (↓7%); Other SADC borders averaged **~7,4 hours** (↓24%).
- Rail cargo handled out of Durban was reported at **2 161 containers**, down by **↓6%** from last week.
- Drewry's "Global Port Throughput Index" declined by **↓2,0%** in January 2024, reaching **110,3 points**.
- Global freight rates have again decreased this week – by **↓4,8%** (or **\$152**) to **\$3 010** per 40-ft container.
- Global air cargo volumes continue to rise cyclically, with stable capacity and rates also up (**↑3%**, w/w).

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 178th update.

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

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

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

⁵ For ocean, total bulk Jan-Dec cargo in metric tonnes, as reported by Transnet, is used, while for air, Jan-Dec cargo to and from all airports is used.

Executive Summary

This update contains a consolidated overview of the South African supply chain and the current state of international trade. Commercial ports handled an average of **7 197 containers** per day, significantly down from the **8 838 containers** last week, which is disappointing. Port operations this week were primarily impacted by adverse weather conditions, equipment shortages and breakdowns, coupled with congestion. Strong winds and dense fog were the main operational constraints in Cape Town this week, while high swells coupled with adverse weather disrupted operations at our Eastern Cape Ports. A fatality in Durban disrupted waterside operations for approximately five hours between Monday and Tuesday. Additionally, the Port of Richards Bay is being positioned as a critical hub for energy trade through the development of new bulk infrastructure, which is expected to be completed by the end of May. Lastly, Transnet has reached a critical milestone in the country's rail reform process by setting up the rules for the introduction of third-party access to the country's rail network.

In the international maritime industry, the Red Sea crisis continues to disrupt global trade routes, prompting shipping companies to divert vessels, notably ultra-large container vessels, around the Cape of Good Hope. Drewry's webinar revealed a clear traffic split, with smaller and bulk vessels still traversing the troubled waters. This crisis has led to a significant **↑28% increase in transshipment cargo volumes**. Meanwhile, the Panama Canal has mitigated a shipping crunch by increasing vessel traffic, albeit at the cost of marine life and water resources. Global container throughput has fluctuated, with January 2024 seeing a **↓2,0%** decline yet remaining **↑9,8%** higher than January 2023. Port congestion, particularly in Durban, remains a concern, affecting approximately **~5,6%** of the total fleet. Additionally, shifts in alliances and services aim to address market demands amid ongoing challenges, including tonnage shortages resulting from Red Sea diversions. These developments underscore the complex interplay between geopolitical events, environmental concerns, and economic factors in shaping global trade dynamics. Other developments included **(1)** more than 20 parties are interested in buying DB Schenker, **(2)** US East Coast port strike threat prompts shippers to consider heading West instead, and **(3)** MSC and FedEx face **\$11 million** fine for 'unfair charges' to shipper.

In the air cargo industry, the daily average of air cargo handled at ORTIA in the previous week amounted to **466 636 kg** inbound (**↓17%**, w/w) and **376 867 kg** outbound (**↑1%**), resulting in an average of **843 503 kg per day**. Consequently, the industry continues to exceed cyclical levels of both last year (**↑16%** versus February 2023 and **↑15%** versus March 2020). Internationally, The Asia Pacific air cargo market shows growth in tonnages and rates post-Lunar New Year, with export tonnages up **↑8%** in weeks 10 and 11 compared to previous weeks and **↑10%** year-on-year. Average rates increased by **↑8%**.

In regional cross-border road freight trade, average queue times were **unchanged**, while transit times showed a marked decrease of **more than two hours** from last week. The median border crossing times at South African borders decreased by an **hour**, averaging **~14 hours** (**↓7%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) also decreased – by more than **two hours** and averaged **~7,4 hours** (**↓24%**, w/w). On average, three SADC border posts took more than a day to cross, including Beitbridge, Kasumbalesa (the worst affected, with both taking almost **three days** to cross), and Tunduma OSBP. Other developments, including road freight operators in the SADC region, have been informed that the online payment system of hinterland transport facilitator Korridor is fully operational again.

In summary, this week's container throughput volumes are very disappointing, considering the stellar week container operations experienced last week. All major terminals registered significant declines versus last week, except for DCT Pier 2. In fact, DCT Pier 1 was down by **↓25%**, CTCT down by **↓19%**, and Ngqura down

by a considerable ↓39% (all w/w). Despite the fact that operational performances at our container terminals fell well short of expectations in the past week, the medium-term trajectory shows some promise, offering optimism and suggesting potential for improvement and growth. Collaboration within the industry is imperative to capitalise on this trajectory and enhance operational efficiency.

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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 16 to 22 March ⁶

7-day flow forecast (16/03/2024 – 22/03/2024)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 557	4 047
DURBAN CONTAINER TERMINAL PIER 2:	10 287	10 428
CAPE TOWN CONTAINER TERMINAL:	5 336	7 011
NGQURA CONTAINER TERMINAL:	3 564	3 488
GQEBERHA CONTAINER TERMINAL:	1 119	1 540
TOTAL:	23 863	26 514

Source: Transnet, 2024. Updated 22/03/2024.

Table 3 – Container Ports – Weekly flow predicted for 23 to 29 March

7-day flow forecast (23/03/2024 – 29/03/2024)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 289	5 541
DURBAN CONTAINER TERMINAL PIER 2:	10 443	13 061
CAPE TOWN CONTAINER TERMINAL:	4 766	6 840
NGQURA CONTAINER TERMINAL:	6 006	6 115
GQEBERHA CONTAINER TERMINAL:	2 072	2 272
TOTAL:	27 576	33 829

Source: Transnet, 2024. Updated 22/03/2024.

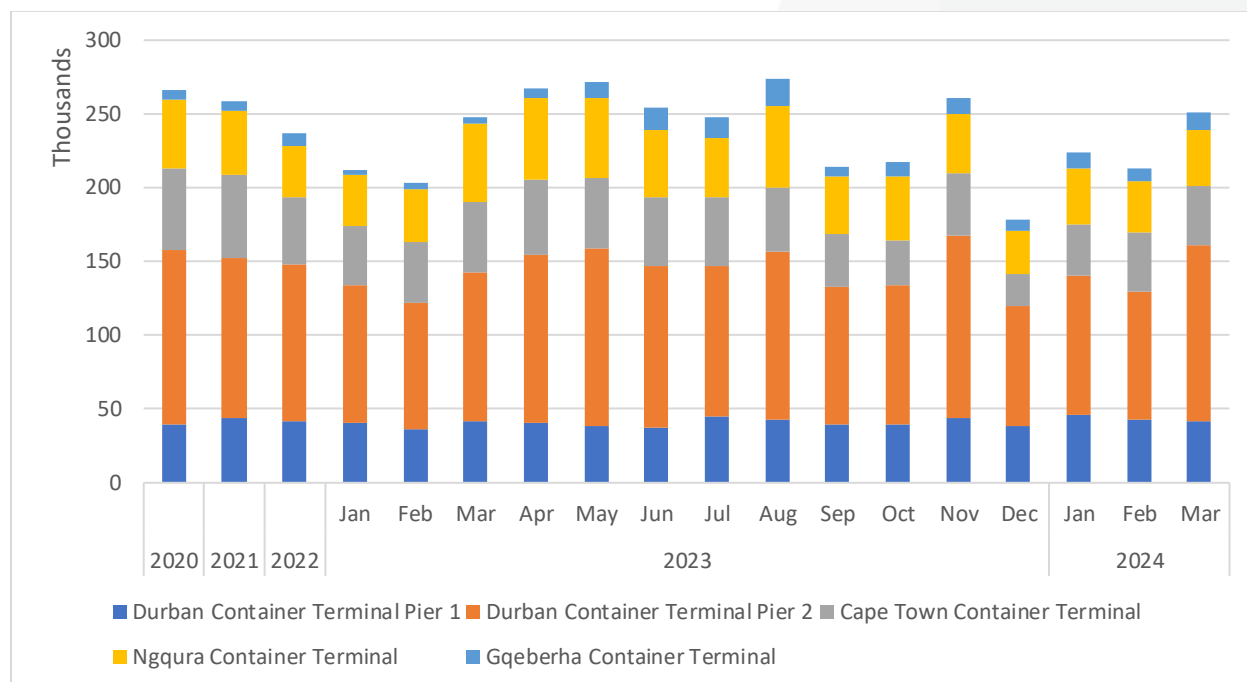
An average of **~7 197 containers (↓19%)** was handled per day for the last week (16 to 22 March, Table 2), compared to the projected average of **~8 724 containers (↓18% actual versus projected)**, which is very disappointing after the strong showing last week) noted in last week's report. For the coming week, a slightly increased average of **~8 772 containers (↑22%)** is predicted to be handled (23 to 29 March, Table 3) in a best-case scenario. Adverse weather conditions, equipment shortages and breakdowns, coupled with congestion, had a negative impact on port operations this week.

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

⁶ It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transshipments.

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

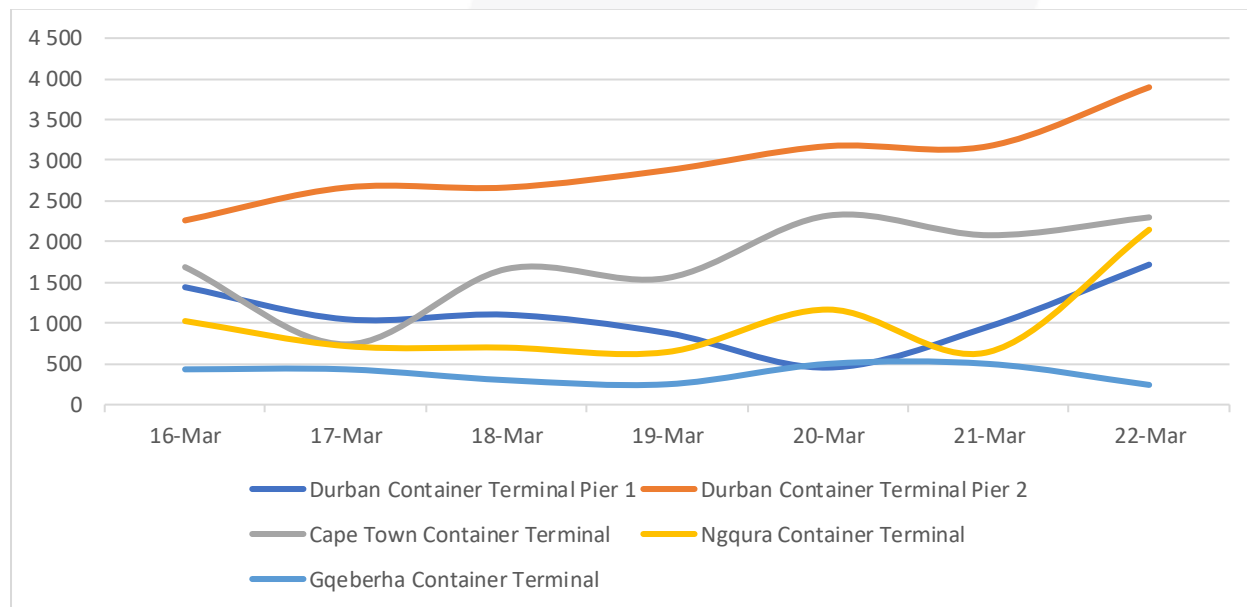
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

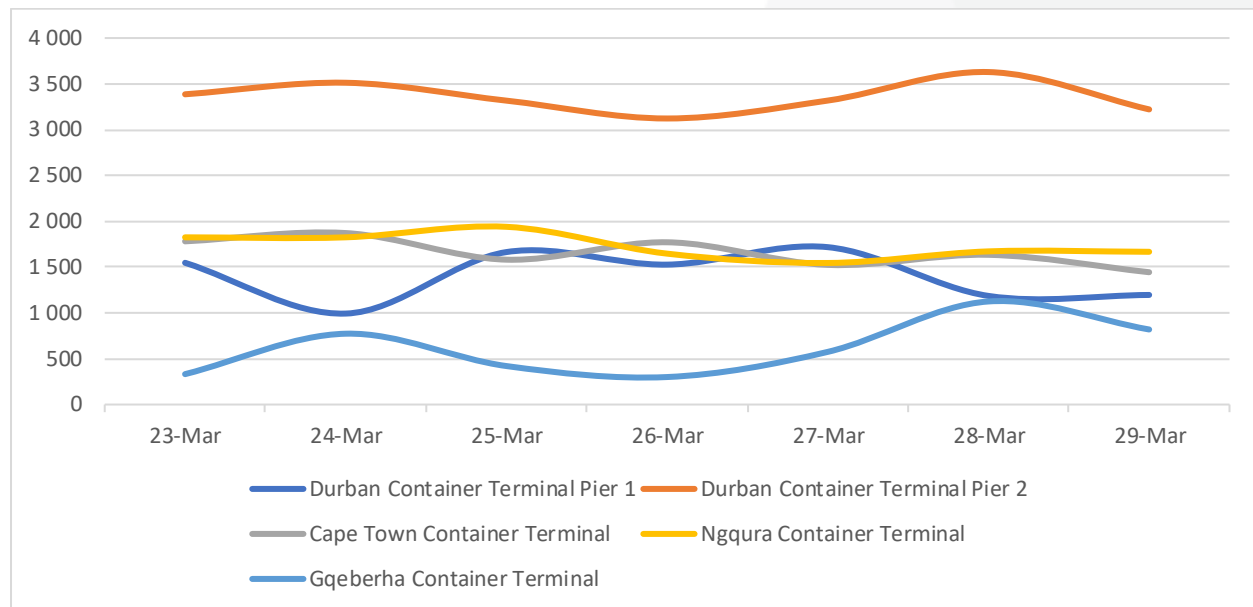
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (16 to 22 March; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

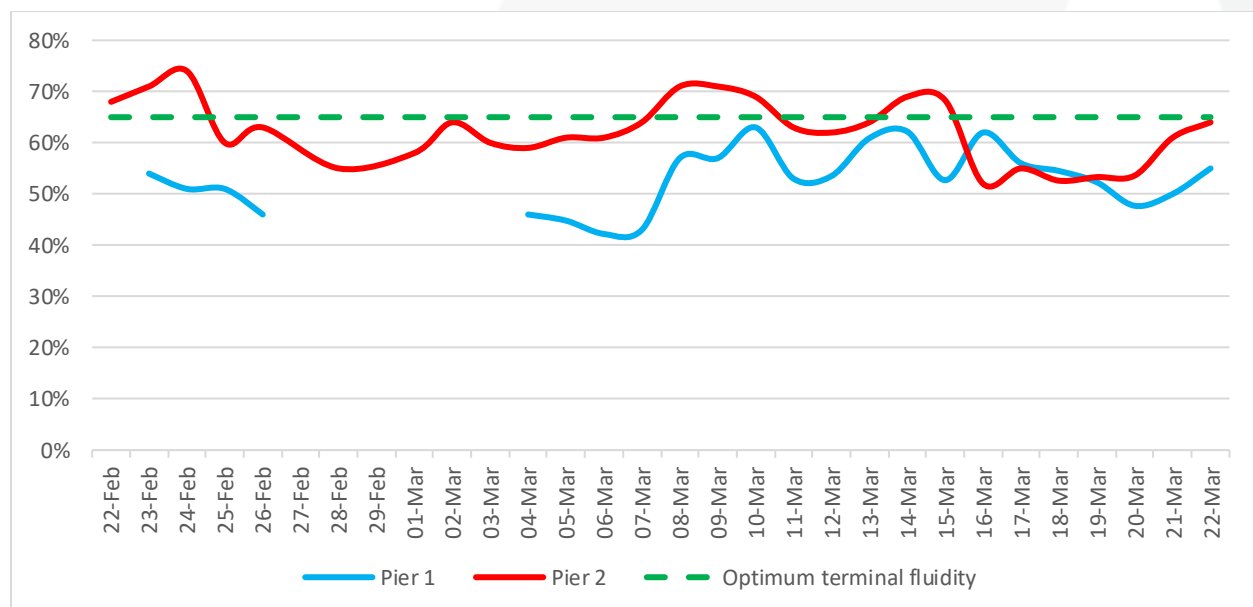
Figure 5 – 7-day forecast reported for total container movements (23 to 29 March; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

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

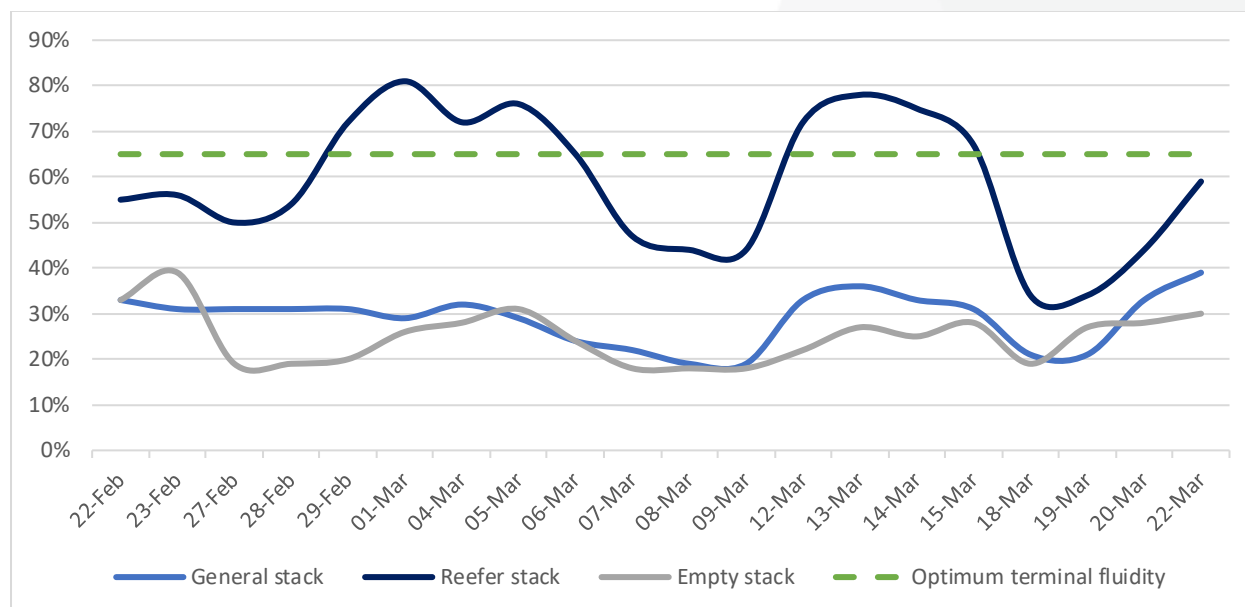
Figure 6 – Stack occupancy in DCT, general-purpose containers (22 February to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

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

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (22 February to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

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

- Strong winds and dense fog were the main operational constraints in Cape Town this week.
- High swells coupled with adverse weather disrupted operations at our Eastern Cape Ports.
- Rain and equipment breakdowns hindered operations in Durban.
- Minimal delays were reported at the Port of Richards Bay this week.

ii. Cape Town

On Friday, CTCT recorded two vessels at berth and two at anchor as operations were delayed from around 01:40 due to the terminal being fogbound. In the preceding 24 hours, stack occupancy for GP containers was recorded at 39%, reefers at 59%, and empties at 30%. At the start of the week, the terminal went windbound for about seven hours and towards the end of the week, the terminal operated with seven STS cranes, 23 RTGs, and 43 hauliers. Cranes LC1 and LC2 went out of service this week and delayed the Santa Cruz and MSC Branca.

The multi-purpose terminal recorded one vessel at anchor and one at berth on Thursday. In the 24 hours leading to Friday, the terminal managed to service 112 external trucks at an undisclosed truck turnaround time on the landside. During the same period, despite being fogbound in the early hours of Friday morning, CTMPT managed to execute 278 moves across the quay on the waterside. Stack occupancy was low at 31% for GP containers, a low 48% for reefers, and 29% for empties during the same period. Conversely, during the earlier parts of the week, the reefer stack was closed due to a very high stack occupancy figure of 89%.

During the week of 11 to 17 March 2024, the FPT terminal serviced seven vessels comprising one multi-purpose vessel, two container vessels, three dry bulk vessels, and one break bulk vessel. Berth occupancy during this period was recorded at 64%. During the week, 3 901 TEUs were handled at ~11,6 containers per

hour and 5 296 tons of breakbulk at ~73 tons per hour. Additionally, 22 561 tons of dry bulk were handled at ~213 tons per hour, while a further 9 812 dry bulk tons were handled in direct operations at ~188 tons per hour. FPT planned to handle seven vessels between 18 and 24 March, with another four planned between 25 and 31 March. Adverse weather and the late arrival of transporters constituted the majority of the delays encountered at the terminal this week.

iii. Durban

Between Monday and Tuesday, the port experienced some delays of up to five hours on the waterside due to a fatality. Our condolences go out to the family and friends of the deceased employee. Additionally, the port only had three operational tugs for the most significant part of the day on Tuesday. Two of the tugs experienced steering challenges and overheating, respectively, while a third tug could not return to service due to the incident that took place between Monday and Tuesday. Conflicting reports emerged this week regarding the floating crane. At the start of the week, TNPA reported that the craft was fully operational and fully resourced, which was not the case. They indicated that there was a slight communication mishap as the engineering team was busy testing the crane instead of it being operational.

Pier 1 on Wednesday recorded two vessels at berth, operated by four gangs, and one vessel at anchor. Stack occupancy was 48% for GP containers and remained undisclosed for reefers. During the week, the terminal managed to execute 4 783 gate moves on the landside at an average truck turnaround time of ~149 minutes, with an average staging time of ~168 minutes. These high truck turnaround- and staging times can be attributed mainly to extensive RTG breakdowns experienced throughout the week. Between Monday and Tuesday, no slots were added on the landside due to backlogs that needed clearing. Additionally, the terminal had 2 202 imports on hand, with 1 200 of these units not being available for collection due to the RTG breakdowns. The terminal did, to their credit, extend the stack accordingly.

Pier 2 had four vessels on berth and seven at anchorage on Wednesday. In the preceding 24 hours, stack occupancy was 53% for GP containers and undisclosed for reefers. The terminal operated with ten gangs while moving 2 715 containers across the quay. During the same period, there were 2 611 gate moves on the landside, of which 1 098 were for imports and 1 513 were for exports. The average truck turnaround time for the week was recorded at ~95 minutes, with an average staging time of ~67 minutes. Additionally, 398 rail containers were on hand, with 240 moved by rail. The terminal had a reported 53 straddles (~↓1, w/w) in operation, translating to an availability figure of approximately ~55%, which is around ↓31% below the minimum number required to meet industry demand and achieve acceptable terminal performance. Lastly, ten hauliers from a vessel at the Ro-Ro berth have been received and were moved to Pier Two.

Durban's MPT terminal recorded two container vessels at berth on Thursday and two container vessels at outer anchorage. On the waterside, 640 containers were moved across the quay, while 145 container road slots and 106 breakbulk RMTs, carrying 3 180 tons, were serviced on the landside. Stack occupancy for breakbulk was recorded at 38% and 34% for containers. During the same period, two cranes, five reach stackers, one empty handler, seven forklifts, and 19 ERFs were in operation. The latest reports suggest that the third crane went out of commission on a short-term breakdown towards the end of the week.

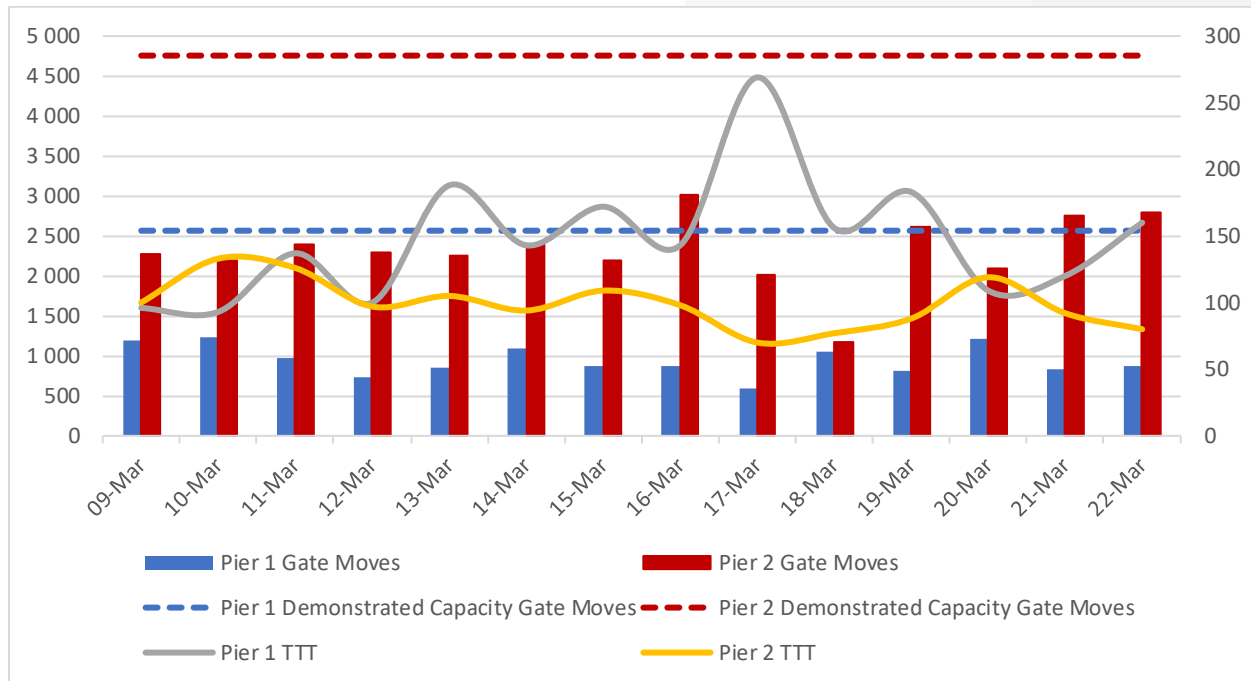
The Maydon Wharf MPT had two vessels on berth and zero at outer anchorage on Thursday while handling 4 945 tons of cargo on the waterside. On the landside, 38 trucks conveying 1 051 tons were serviced. No vessels were serviced at the Agri-bulk facility this week with the next vessel expected to arrive on Saturday, 23 March.

On Wednesday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with none at anchorage. In the previous 24 hours, the terminal handled 567 road units and 125 rail units on the landside while handling

1 377 units on the waterside. During the same period, overall stack occupancy was recorded at 63% (comprising 66% exports, 19% imports, and 15% transshipments), Q/R was recorded very high at 85%, and the G-berth stack was at 60%. The terminal had 224 high-and-heavies (abnormal loads) on hand and dispatched 18 of these units.

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

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



Source: Calculated using data from Transnet, 2024, and updated 22/03/2024.

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

Figure 9 – Durban vessel view (per vessel group)



Source: Crickmay LMS, 2024. Updated 22/03/2024 at 14:00.

iv. Richards Bay

On Friday, Richards Bay recorded 14 vessels at anchor, while 12 vessels were berthed, consisting of five at DBT, three at MPT, three at RBCT, and one at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. On Wednesday, the coal terminal had three vessels at anchor and two at berth while handling 98 483 tons on the waterside. On the landside, 23 trains were serviced, which surpassed the target of 22. The latest reports suggest that the port is being positioned as a critical hub for energy trade through the development of new bulk infrastructure, which is expected to be completed by the end of May. The construction at two locations within the South Dunes precinct would allow the port to accommodate the expanding needs of the energy industry.

v. Eastern Cape ports

On Wednesday, NCT recorded two vessels on the berth and zero vessels at the outer anchorage, with three vessels drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. Stack occupancy was 31% for GP containers, 9% for reefers, and 18% for reefer ground slots, as a total of 1 168 TEUs were processed on the waterside. Additionally, 298 trucks were serviced on the landside at a truck turnaround time of ~29 minutes. Strong winds and dense fog hindered operations at the port this week.

On Wednesday, GCT had one vessel on berth and none at anchor. In the preceding 24 hours, the terminal had two tugs, one pilot boat, two pilots, and one berthing gang in operation. On the landside, 167 trucks were processed at a truck turnaround time of ~20 minutes, while 397 TEUs were handled across the quay on the waterside. During the same period, the Ro-Ro terminal had one vessel at berth and zero vessels at anchor. The terminal handled 446 units on the waterside, contributing to a very low stack occupancy figure of 16%.

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

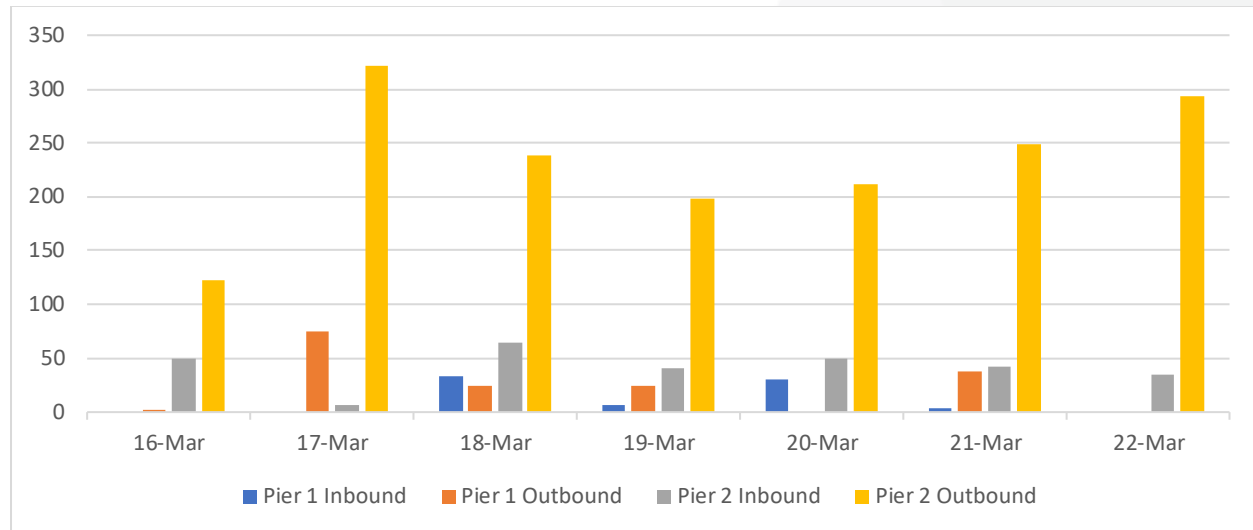
vi. Saldanha Bay

On Wednesday, the iron ore terminal had two vessels at anchorage and two on the berth, while the multi-purpose terminal had three vessels at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 2-5 days, while the vessels in port have been on the berth for between 2-3 days.

vii. Transnet Freight Rail (TFR)

Our rail network experienced intermittent cable theft this week, but luckily, this did not cause any significant operational delays. The latest reports indicate that DCT Pier 2 had 346 over-border units on hand with a dwell time of 55 days and 95 ConCor units on hand with a dwell time of 24 hours towards the end of the week. Rail containers on hand were split as follows: Point: 60, Pier 1: 14, Pier 2: 395, Cape Town: 64. Additionally, Transnet has reached a critical milestone in the country's rail reform process by setting up the rules for the introduction of third-party access to the country's rail network. Early indications are that prospective operators have not favourably received these rules, but we understand that after some negotiation, much can be achieved.

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



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

In the last week (16 to 22 March), rail cargo handled out of Durban was reported at **2 161** containers, down by **↓6%** from the previous week's **2 305** 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 11 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in March 2023 averaged **~725 846 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo⁸

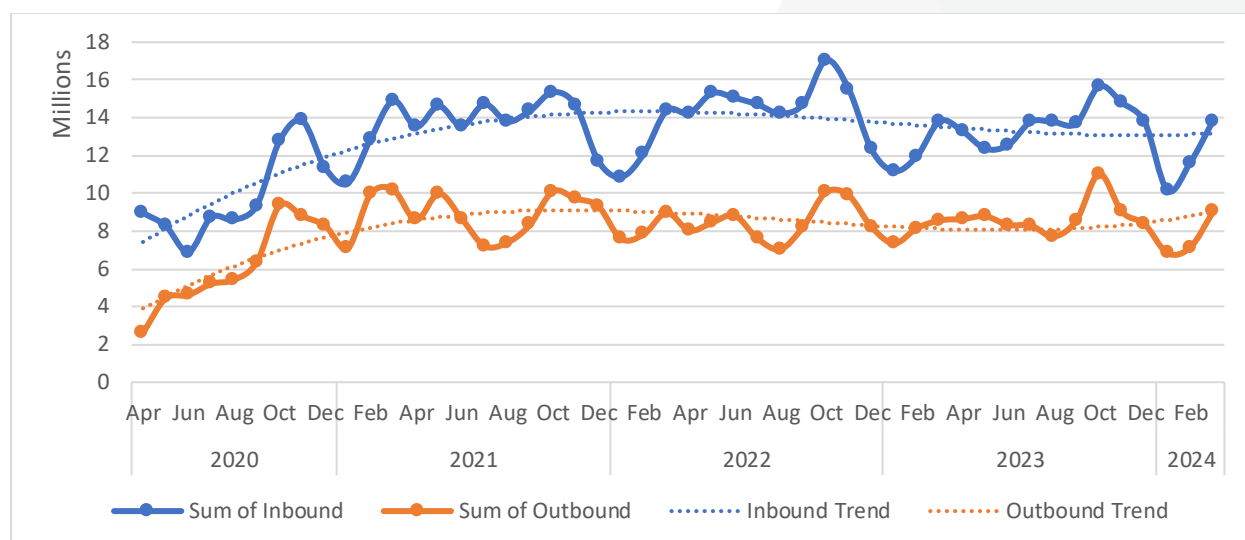
Flows	11-Mar	12-Mar	13-Mar	14-Mar	15-Mar	16-Mar	17-Mar	Week
Volume inbound	437 302	352 655	356 563	269 421	513 746	324 797	1 011 969	3 266 453
Volume outbound	212 482	193 014	203 842	181 669	242 597	220 132	1 384 332	2 638 068
Total	649 784	545 669	560 405	451 090	756 343	544 929	2 396 301	5 904 521

Courtesy of ACOC. Updated: 17/03/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to **466 636 kg** inbound (**↓17%**, w/w) and **376 867 kg** outbound (**↑1%**), resulting in an average of **843 503 kg per day**. Consequently, the industry continues to exceed cyclical levels of both last year (**↑16%** versus February 2023) and 2020 (**↑15%** versus March 2020). The following graphs show the movement since the pandemic for ORTIA, with a welcome increase of late. It does seem likely that some of the increase comes as a result of the transfer of urgent cargo from sea to air thanks to the Red Sea crisis.

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)

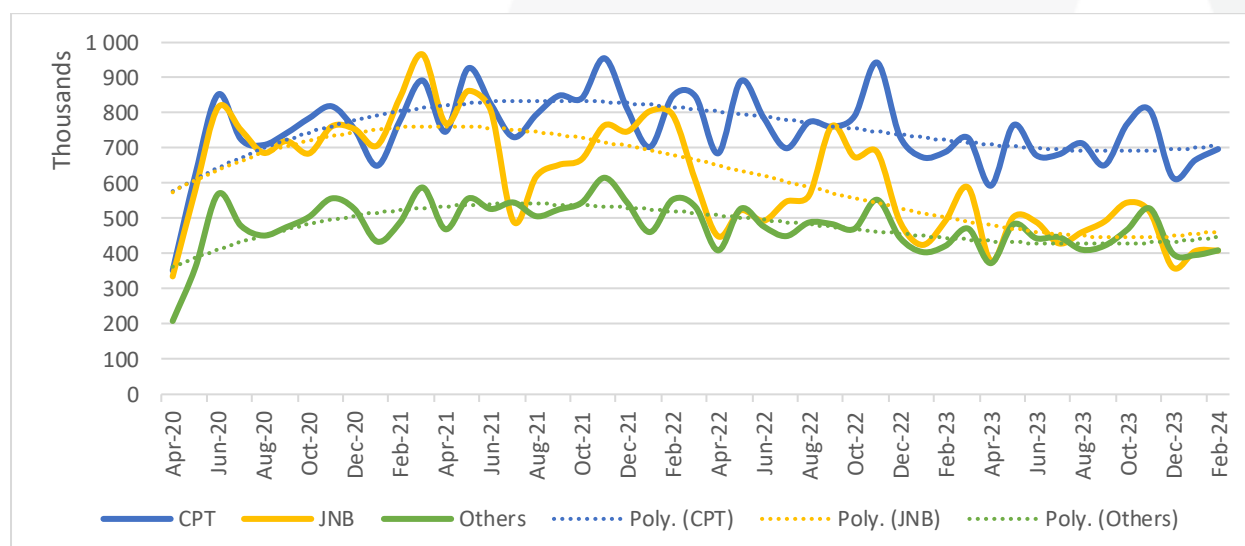


Courtesy of ACOC. Updated: 17/03/2024.

b. Domestic air cargo

The following graphs show the domestic movement at our main airports since the pandemic's onset:

Figure 12 – Domestic inbound and outbound cargo (thousands)



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

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The median border crossing times at South African borders decreased by an **hour**, averaging **~14 hours** (↓7%, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) also decreased – by more than **two hours** and averaged **~7,4 hours** (↓24%, w/w).

- Kasumbalesa is experiencing significant delays in southbound traffic due to issues with the recently installed IBS Parking system, causing longer payment processing times.
- Cross-border operators in the SADC region have been informed that the online payment system of hinterland transport facilitator Korridor is fully operational again, as confirmed by FESARTA.
 - FESARTA intervened with relevant government channels in the SADC region to reinstate Korridor's service, prompting FESARTA to urge existing clients to utilise the cashless system for paying border crossing fees at Zambian border posts and toll gates within Zambia.
- In Botswana, a directive has been issued to halt the processing of cobalt trucks temporarily, prompting transporters to avoid crossing into Botswana for now.
 - This measure aims to allow the Botswana government to manage cobalt loads in the future, as confirmed by Kwa Nokeng.
 - Additionally, all cobalt trucks will now undergo testing, though there is no assurance of passage; those turned back have been tested at Martins Drift.
 - Transporters are advised to utilise Chirundu for cobalt loads until the situation stabilises.
- Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) [online tool](#) developed by UNCTAD and the AfCFTA Secretariat. However, given the questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau⁹, 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 – Delays¹⁰ 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	459	4,4	11,1	36,0	13 770	96 390
Beitbridge	Zimbabwe-SA	433	4,5	3,5	17,4	12 990	90 930
Groblersbrug	SA-Botswana	232	0,0	10,1	21,2	6 960	48 720
Martins Drift	Botswana-SA	196	1,2	0,4	2,5	5 880	41 160
Kopfontein	SA-Botswana	239	0,4	2,2	8,1	7 170	50 190
Tlokweng	Botswana-SA	23	0,0	0,2	0,3	690	4 830
Vioolsdrift	SA-Namibia	30	0,2	0	3	900	6 300
Noordoewer	Namibia-SA	20	0,0	0	2	600	4 200
Nakop	SA-Namibia	30	0,3	1	3	900	6 300
Ariamsvlei	Namibia-SA	20	0,2	0	1	600	4 200
Skilpadshek	SA-Botswana	241	1,4	3	13	7 230	50 610
Pioneer Gate	Botswana-SA	91	0,6	0	2	2 730	19 110
Lebombo	SA-Mozambique	1 446	2,1	3,6	13,3	43 380	303 660
Ressano Garcia	Mozambique-SA	125	1,0	0,6	12,1	3 750	26 250
Weighted Average/Sum		3 585	1,2	2,7	9,7	107 550	752 850

Source: TLC, FESARTA, & Crickmay, week ending 17/03/2024.

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 Crickmay produces in collaboration with SAAFF.

¹¹ Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

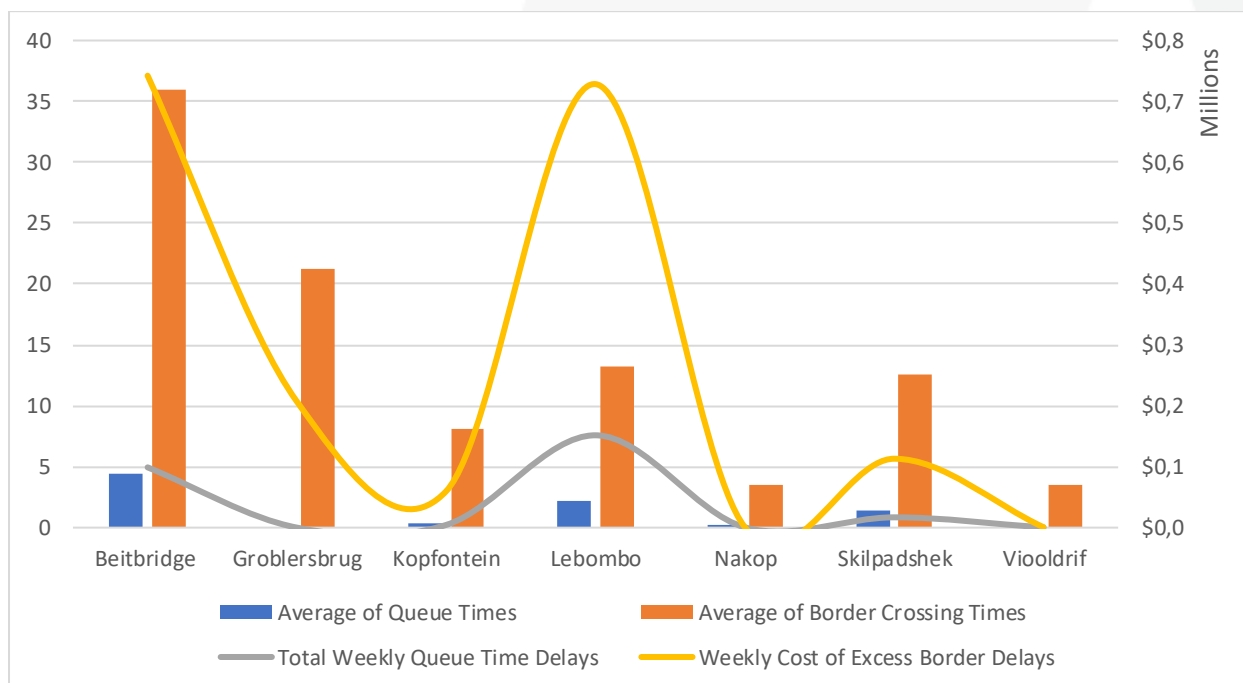
Table 6 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	3,0	3,0	14,2	2 240	9 600
Central Corridor	798	2,6	0,4	2,6	5 586	23 940
Dar Es Salaam Corridor	1 819	8,7	4,8	25,9	12 733	54 570
Maputo Corridor	1 571	1,6	2,1	12,7	10 997	47 130
Nacala Corridor	127	0,0	0,0	0,0	889	3 810
North/South Corridor	3 654	3,7	3,7	14,9	25 578	109 620
Northern Corridor	2 817	0,2	0,1	1,3	22 050	94 500
Trans Caprivi Corridor	116	0,0	0,0	0,0	812	3 480
Trans Cunene Corridor	100	0,0	0,0	0,0	700	3 000
Trans Kalahari Corridor	362	1,0	1,2	4,8	2 534	10 860
Trans Oranje Corridor	100	0,2	0,6	2,6	700	3 000
Weighted Average/Sum	11 784	2,4	1,7	8,1	84 819	363 510

Source: TLC, FESARTA, & Crickmay, week ending 17/03/2024.

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

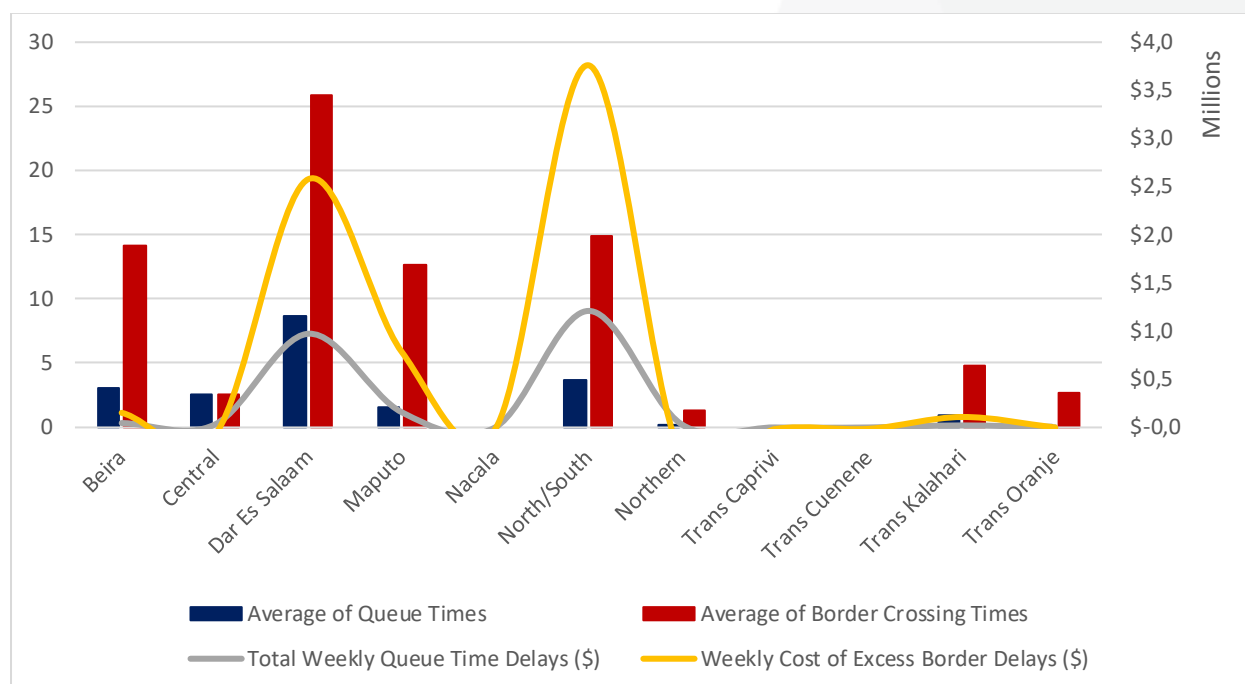
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ millions)



TLC, FESARTA, & Crickmay, week ending 17/03/2024.

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 17/03/2024.

In summary, cross-border queue time averaged **~2,4 hours (unchanged)** from the previous week's **~2,4 hours**, indirectly costing the transport industry an estimated **\$2,5 million (R47 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,1 hours** (down by **~2,2 hours** from the **~10,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$6,9 million (R132 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$9,4 million (R177 million)**, down by **~R15 million** or **↓7,2%** from **~R192 million** in the previous report).

4. International Update

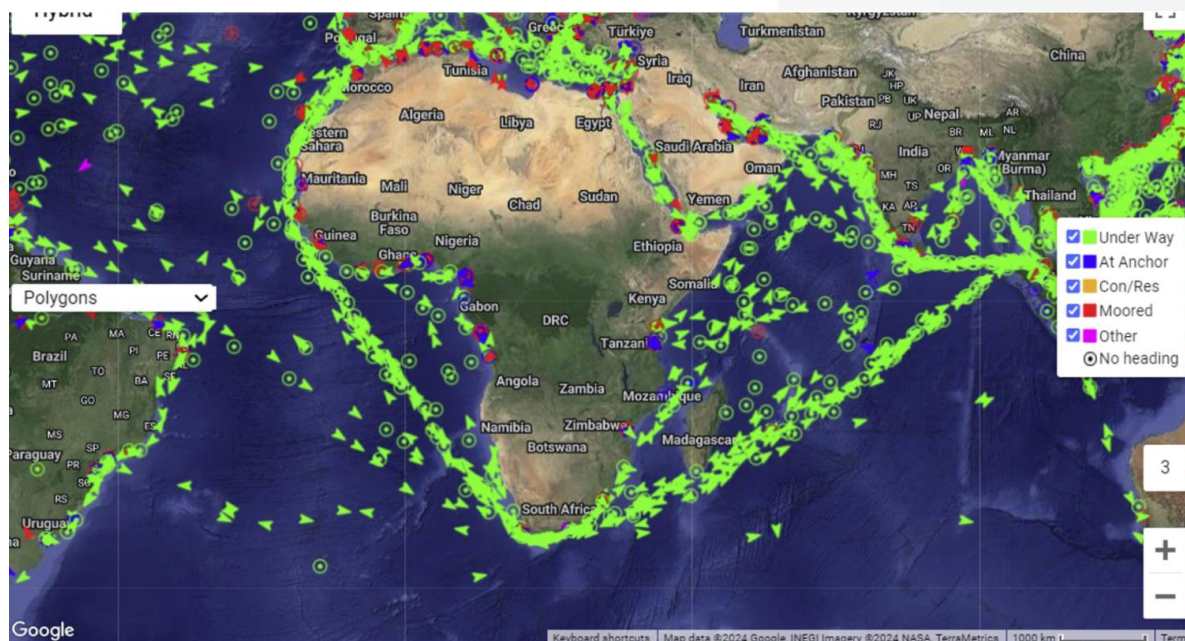
The following section provides some context around the global economy and its impact on trade, mainly an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

a. Global shipping industry

i. Red Sea Update

The status quo in the Red Sea continues, as most of the ultra-large vessels continue to be diverted around the Cape of Good Hope. Indeed, in a webinar this week by Drewry, the traffic split was very clearly visible, as smaller vessels and bulk vessels mostly continue to traverse the troubled waters. The following two figures indicate the current realities:

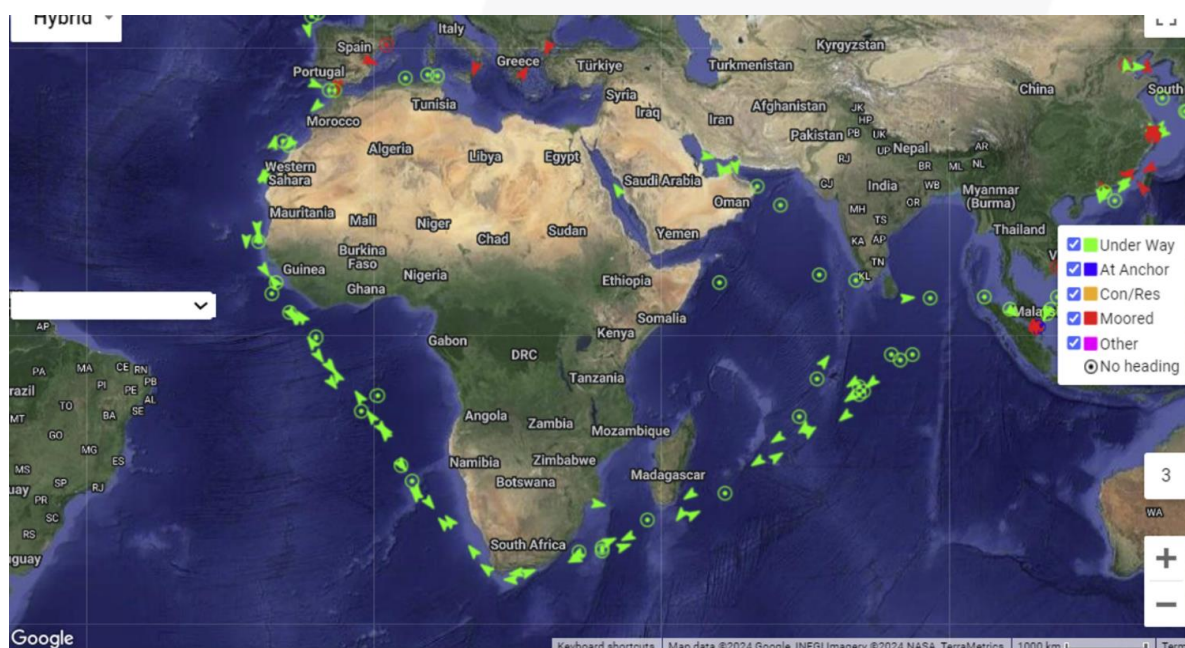
Figure 15 – Red Sea Crisis: Global container fleet position (all sizes)



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

However, when the picture is filtered only to show ultra-large container vessels (ULCVs), it is clear that the bulk of containerised cargo on 18 000 TEU plus vessels is sailing the long course around Africa.

Figure 16 – Red Sea Crisis: Global container fleet position (ULCVs - > 18 000 TEU)



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

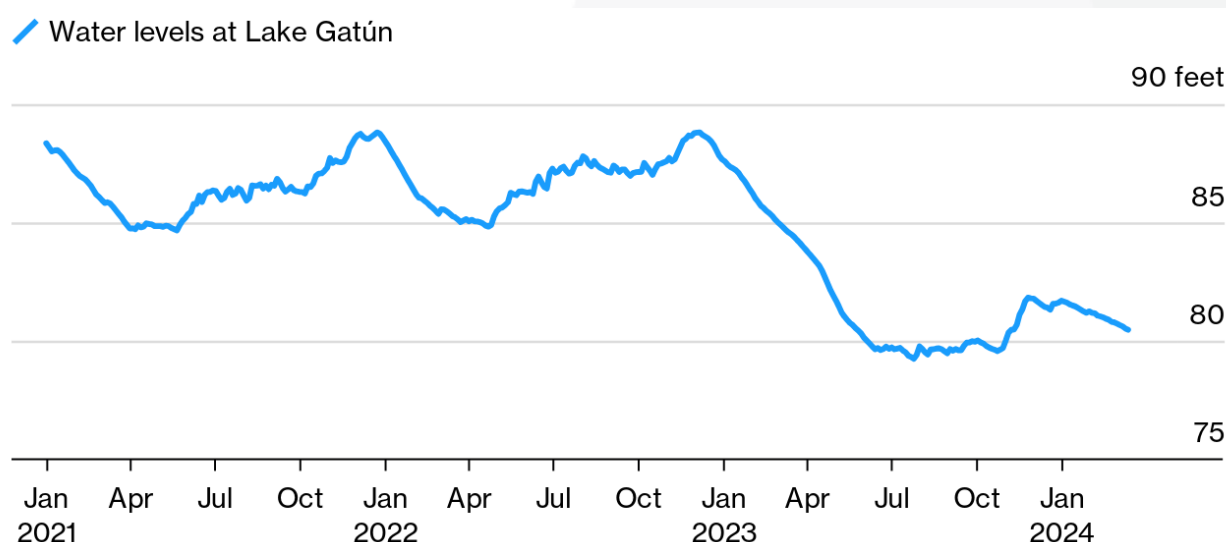
The current crisis in the Red Sea region has led to significant disruptions in global trade routes, particularly impacting transshipment cargo. The escalation of tensions in the Red Sea has forced shipping companies to seek alternative routes, resulting in a notable **↑28% increase in transshipment cargo volumes** as vessels divert away from the affected area. Meanwhile, economic conditions in Europe have remained subdued,

contributing to weak demand for goods and services. Additionally, the Chinese market has experienced a downgrade, potentially due to various factors such as regulatory changes, economic slowdown, or geopolitical tensions. Overall, the Red Sea crisis has had ripple effects on global trade patterns, with increased transshipment cargo volumes and challenges in key markets such as Europe and China. These developments underscore the interconnectedness of geopolitical events and their impact on the global economy.

ii. Panama Canal Update

The Panama Canal has avoided the worst of a shipping crunch that threatened to upend the global economy — but at a cost to marine life and the Latin American country's supplies of drinking water. After imposing strict limits on vessel traffic last year as drought left water levels languishing, the Panama Canal Authority is increasing the number of ships that can cross. Thanks to conservation measures, water levels fell just over a foot for the year through March 12, compared with three feet during the same period of 2023:

Figure 17 – Panama Canal: Water levels at Lake Gatún (feet)



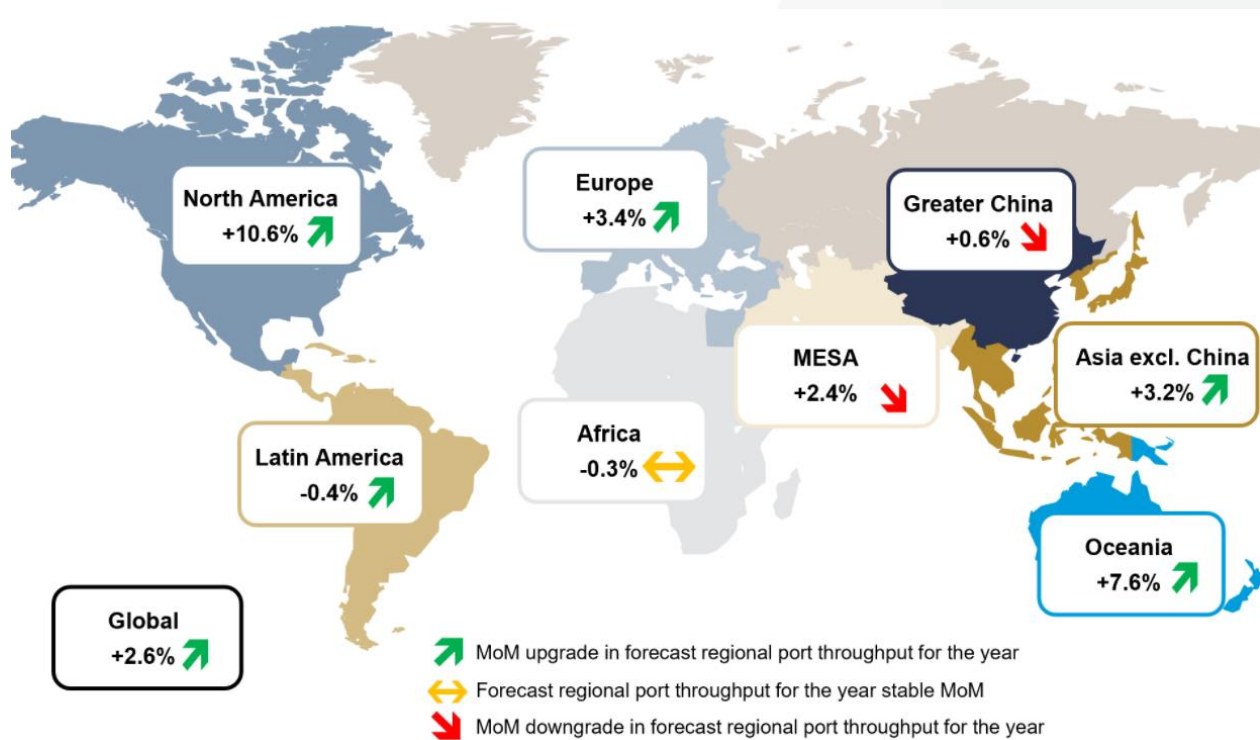
Source: [Panama Canal Authority vis Bloomberg](#)

iii. Global container summary

Global container throughput has been declining recently, as Drewry's "Global Port Throughput Index" declined by **↓2,0%** in January 2024, reaching **110,3 points**¹². Nevertheless, the current levels are still **↑9,8%** higher than January 2023. Projections suggest a **↓3,5%** decline in February, which is significant, but still **↑5,5%** above February 2023. China's index fell by **↓1,9%** in January but rose **↑18,7%** (y/y). North America's remained stable, while Europe's dropped **↓1,4%**, affected by shifts in routing due to the Suez transit. Nowcast models anticipate varied trends for February. Piraeus notably saw a significant drop in January. North America is projected to see a **↑3,2%** increase in February, as Africa saw a significant drop in January (**↓1,4%**) but is still up by **↑7,3%** versus the same time in 2023. The following figures show the regional forecasts for 2024:

¹² Drewry. 20/03/2024. [Container Port Throughput Indices](#).

Figure 18 – Global port throughput forecasts for 2024 (% change, y/y)



Source: [Drewry](#)

Elsewhere, global port congestion crept up slightly this week and is currently affecting ~5,6% of the total fleet. Unfortunately, the situation at Durban continues to worsen, as Durban is now the third most congested port based on capacity waiting at anchorage, according to Linerlytica's "Port Congestion Watch". This week, the queue-to-berth ratio at Durban increased to 1,32¹³ on Thursday. As mentioned above, Pier 2's throughput was stable this week, as Pier 1 saw a significant decrease in volume in the last seven days. We will continue to monitor these numbers closely. The idle capacity stands at ~0,3% of the total fleet, as the "Cancelled Sailings Tracker" is stable and is currently trending at around 6%¹⁴. More than 200 000 TEU of newbuild containership capacity was delivered in the last 30 days, with almost no vessels scrapped during that time. Intra-Alliance rivalry remains in play, with THE Alliance to re-introduce two transpacific strings to the PNW and USEC in April, while ONE and Wan Hai forge a new partnership on the PSW that will start in May¹⁵. These moves aim to reassure customers that THE Alliance carriers will continue to offer a competitive transpacific product for the new contract season even with the departure of Hapag-Lloyd next year. In contrast, OCEAN Alliance is scaling down its Asia-Europe presence with the withdrawal of one string to North Europe from April in order to retain full coverage on its remaining six services due to the tonnage shortage from the Red Sea diversions.

iv. Global container freight rates and carrier profits

Global container rates continued their fall, as the "World Container Index" is down by another ↓4,8% (or \$152) to \$3 010 per 40-ft container¹⁶. Several major routes fell by as much as ↓8%, apart from the New York – Rotterdam and mirror routes, which are up by ↑2%, which is the same picture as last week. The composite index remains up by ↑71% compared to the same week last year and ↑112% higher than the average 2019

¹³ Linerlytica. 20/03/2024. [Port Congestion Watch](#).

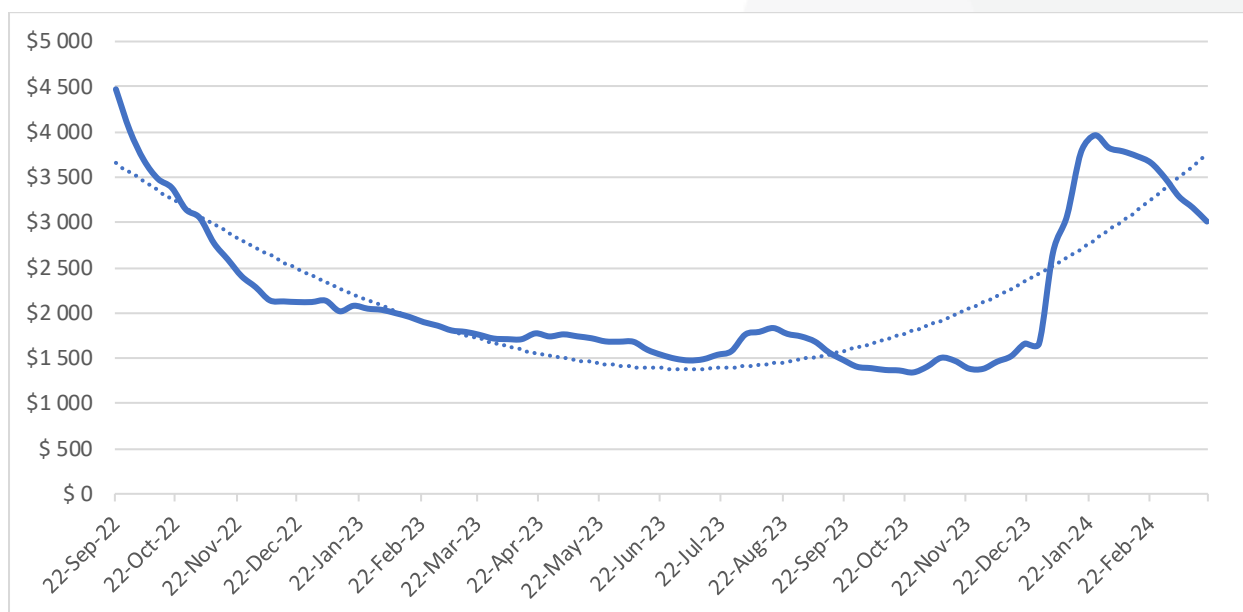
¹⁴ Drewry. 22/03/2024. [Cancelled Sailings Tracker](#).

¹⁵ Linerlytica. 18/03/2024. [Market Pulse – week 12](#).

¹⁶ Drewry. 21/03/2024. [World Container Index](#).

pre-pandemic rates of **\$1 420**. The following figure shows the movement of the index in the last eighteen months:

Figure 19 – World Container Index assessed by Drewry (last 18 months, \$ per 40 ft. container)



Source: [Compiled from Drewry Ports and Terminal Insights](#)

In the charter market, the rate increases have accelerated, as the Harper Petersen Index (*Harpex*) is currently trending at **1 216 points**, up by **↑1,2%** (w/w) and up by **↑15%** (y/y) versus this time last year¹⁷.

v. Further developments of note

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

1. More than 20 parties are interested in buying DB Schenker:

- Deutsche Bahn (DB) provided an update on its plan to sell DB Schenker during its full-year results announcement, revealing a "reliable" profit performance for the forwarder¹⁸.
- Levin Holle, responsible for finance and DB Schenker on the board, reported that over 20 parties had expressed interest in purchasing the forwarder, with bidding expected to begin soon. However, he indicated that the transaction wouldn't be finalised within the current year.

2. US East Coast port strike threat prompts shippers to consider heading West instead:

- Cargo owners have been advised to make contingency plans for a strike at US East and Gulf Coast ports that could affect traffic flows as early as 1 October, right in the peak shipping season¹⁹.
- The six-year labour contract covering ports on the eastern US coastline between the International Longshoremen Association (ILA) and the United States Maritime Alliance (USMX) will expire on 30 September.

¹⁷ Harper Petersen Index. 22/03/2024. [HARPER PETERSEN Charter Rates Index](#).

¹⁸ Brett, D. 22/03/2024. [More than 20 parties interested in buying DB Schenker](#).

¹⁹ Putzger, I. 18/03/2024. [East coast port strike threat prompts shippers to consider heading west instead](#).

3. MSC and FedEx face \$11m fine for 'unfair charges' to shipper:

- FedEx and MSC are facing fines of up to \$11 million from the Federal Maritime Commission (FMC) due to allegations of unfair charging practices following a complaint from Airboss Defense Group (ADG)²⁰.
- ADG claims that FedEx Trade Networks Transport (FTN), MSC, and terminal operator Total Terminals International (TTI) failed to provide necessary invoices or information regarding its shipments, including details on disputed detention and demurrage charges and the whereabouts of containers held by US Customs due to a licensing issue with the intermediary transporting the goods.
- Despite ADG's efforts, confusion persisted regarding the location and handling of the containers, leading to delays in exportation and eventual destruction of the goods by US Customs.
- The ongoing case revolves around whether the respondents violated the Shipping Act's mandate to establish and enforce just and reasonable practices, with ADG asserting breaches by FTN and MSC.


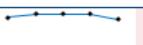
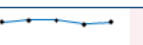















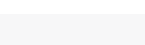
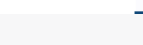

b. Global air cargo industry

The air cargo market in the Asia Pacific region continues to exhibit growth in both tonnages and rates, rebounding from the Lunar New Year dip in early February. According to WorldACD Market Data, export tonnages from Asia Pacific origin points increased by **↑8%** in weeks 10 and 11 compared to the previous two weeks and by **↑10%** compared to the same period last year. Average rates from Asia Pacific also rose by **↑8%** during this time frame, although they were down year-on-year due to increased available capacity. Market-wide, average global rates increased by **↑3% to \$2,37 per kg** this week. Routes from Asia Pacific to Europe experienced significant increases in tonnages (**↑15%**) and rates (**↑8%**), attributed to disruptions in Asia-Europe container shipping and strong e-commerce demand. Similarly, routes from Asia Pacific to North America saw rises in tonnages (**↑11%**) and average rates (**↑8%**) due to e-commerce shipments and challenges in the Panama Canal. US freight forwarder C.H. Robinson anticipates elevated rates on Asia to Europe lanes due to the Suez Canal crisis and increased demand on Trans-Pacific routes ahead of Easter.

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%	+9%		-2%	-5%
Asia Pacific		+2%	+19%		+8%	+10%		+8%	-10%
C. & S. America		+0%	+12%		-2%	-5%		-6%	-10%
Europe		+0%	+4%		-6%	-1%		+1%	-26%
M. East & S. Asia		-3%	+3%		-5%	+17%		+9%	+23%
North America		+1%	+7%		-3%	-5%		+1%	-18%
Worldwide		+0%	+8%		+0%	+4%		+6%	-12%

Source: [World ACD](http://WorldACD.com)

²⁰ Whiteman, A. 21/03/2024. www.saaff.org.za MSC and FedEx face \$11m fine for 'unfair charges' to shipper.

In the Middle East & South Asia (MESA) region, there has been a surge in demand and rates, with tonnages up **↑17%** (y/y) and average rates increasing by **↑9%** compared to the previous two weeks and **↑23%** compared to last year. This surge is partly attributed to decreased capacity during Ramadan. Specific sea-air hubs like Dubai, Colombo, and Bangkok have experienced exceptionally high air cargo demand in Europe, mainly due to disruptions in Asia-Europe container shipping. However, while tonnages remain strong, there has been a slight cooling down in demand in recent weeks. Analysis by WorldACD indicates a significant surge in average air freight rates from South Asia to Europe and North America, with rates up **↑67%** and **↑36%**, respectively, compared to December 2023. Globally, total worldwide tonnages in week 11 remained flat compared to the previous week but were up **↑4%** compared to the same period last year. Average global rates increased by **↑3%** compared to the previous week and are significantly higher than pre-pandemic levels. Overall, worldwide air cargo capacity remains higher than last year, with capacity ex-Asia Pacific up **↑19%** and ex-Central and South America up **↑12%**.

ENDS²¹

²¹**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.*