

# Cargo Movement Update #185<sup>1</sup>

**Date: 10 May 2024**

## Weekly Snapshot

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

| Flows                     | Current <sup>2</sup> |        |               | Previous <sup>3</sup> |        |               | Growth       |
|---------------------------|----------------------|--------|---------------|-----------------------|--------|---------------|--------------|
|                           | Import               | Export | Total         | Import                | Export | Total         |              |
| Port Volumes (containers) | 32 692               | 30 737 | <b>63 429</b> | 29 463                | 26 928 | <b>56 391</b> | <b>↑13%</b>  |
| Air Cargo (tons)          | 3 820                | 1 973  | <b>5 794</b>  | 3 308                 | 2 493  | <b>5 800</b>  | <b>↓0,1%</b> |

## Monthly Snapshot

Figure 1 – Monthly<sup>4</sup> cargo volume, year on year (% growth)

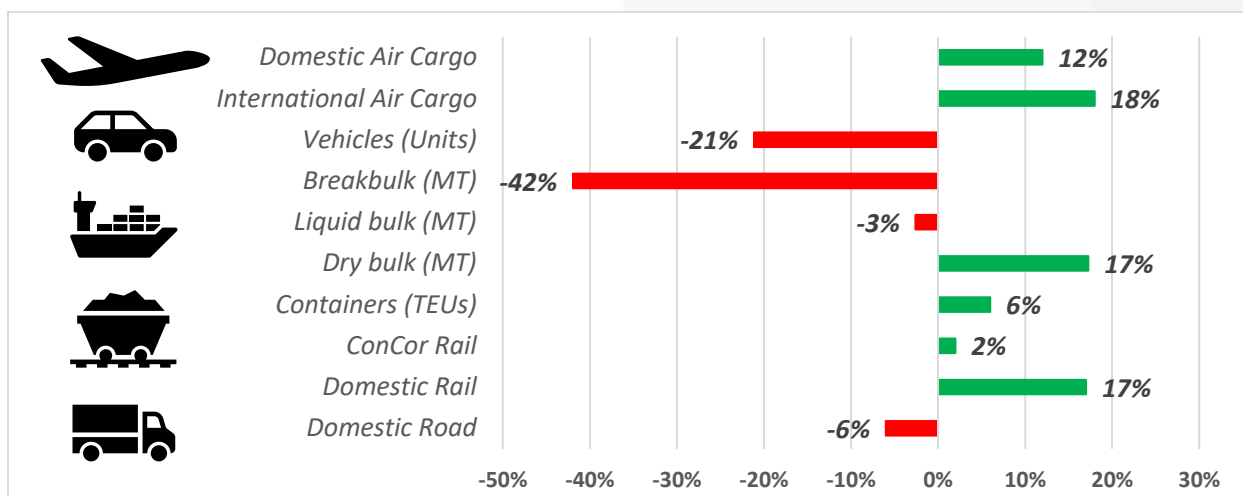
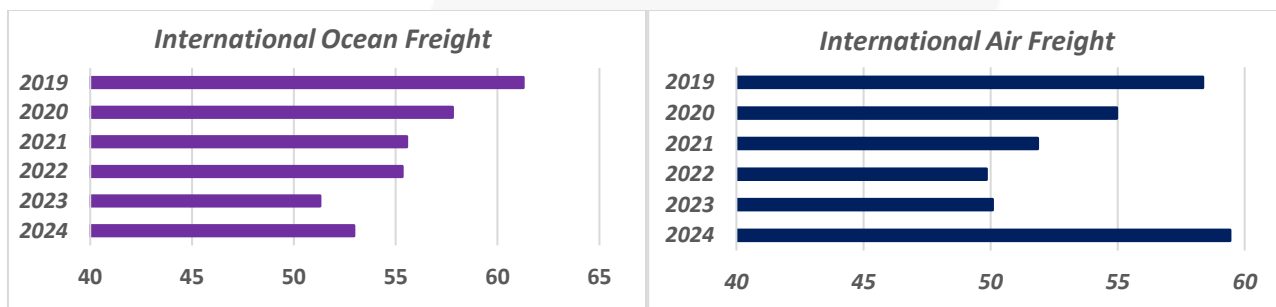


Figure 2 – Year-to-date flows 2019-2024<sup>5</sup>: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~9 061 containers** was handled per day, with **~8 837 containers** projected for next week.
- Cross-border queue: **↑0,2 hrs**; transit: **↓4,3 hrs**; SA borders: **11,8 hrs (↓16%)**; SADC borders: **4,6 hrs (↓50%)**.
- Rail cargo handled out of Durban was reported at **2 043 containers**, down **↓34%** from last week.
- Global container volume (dry & reefer) is up by **↑16,1%** (m/m) and up by **↑5,1%** (y/y) in March.
- Global freight rates have increased by a significant **↑15,9%** (or **\$434**) to **\$3 159** per 40-ft container.
- Global air cargo tonnages were down by **↓12%** (w/w), but overall figures for March are **↑10,3%** (y/y).

<sup>1</sup> 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 185th update.

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

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

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

<sup>5</sup> Total YTD Jan-Mar; ocean = bulk cargo in million metric tonnes, as reported by TNPA; 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 **9 061 containers** per day, significantly up from the **8 837 containers** last week. Adverse weather conditions and equipment breakdowns and shortages characterised port operations. Vessel ranging and adverse weather represented the main operational constraints in Cape Town, while equipment breakdowns and shortages prevented optimal performance in Durban. Strong winds, dense fog and RTG breakdowns constrained our Eastern Cape Ports operations. Additionally, towards the end of the week, a derailment caused delays and stoppages on some rail movements to and from Pier 2, while the Multimodal Inland Port Association (MIPA), which aims to enhance logistics performance, boost efficiency, and reduce costs for the sector across Southern Africa, will launch later this month.

The global supply chain and the international maritime industry are currently facing significant challenges, as evidenced by Bloomberg's "*Trade Tracker*," which indicates persistent below-normal levels in key indicators like shipping, sentiment, and export volumes. US and East Asian firms are seeing reduced export orders and increased input costs due to unfavourable currency fluctuations and rising global commodity prices. High inflation, challenging global supply chains and manufacturing sectors compound this economic pressure. Despite these pressures, there has been a significant recovery in container throughput, reaching near-record levels. This rebound, which follows the seasonal lull of February, is notable across all major trade lanes, although SSA trade shows a decline on a yearly basis. South Africa's trade figures have shown improvement, but the regional containerised sector continues to face challenges. Overall, the maritime sector shows robust activity with ongoing rate increases and strong demand, but strategic diversions, such as the Cape route, mitigate over-capacity issues. Freight rates reflect a significant increase in freight rates, highlighting the volatile state of the market and a shift towards carrier-controlled dynamics.

In our international air market, inbound and outbound cargo trends reversed last week's trend. The daily average of air cargo handled at ORTIA in the previous week amounted to **545 759 kg** inbound (**↑15%**, w/w) and **281 922 kg** outbound (**↓21%**), resulting in an average of **827 680 kg per day**. The industry is now slightly up versus last year (**↑8%** versus May 2023) and somewhat down compared to pre-pandemic levels (**↓12%** versus May 2019). Internationally, the global air cargo market sustained its growth trajectory with a fourth consecutive month of double-digit year-on-year expansion. The weekly data shows worldwide air cargo tonnages dipped due to the Labour Day holidays and Japan's Golden Week. At the same time, demand and rates remain highly elevated from the MESA region to Europe, and average global rates increased slightly.

In regional cross-border road freight trade, average queue times remained **essentially unchanged**, while transit times decreased significantly – by around **four hours** from last week. The median border crossing times at South African borders decreased by **two-and-a-half hours**, averaging **~11,8 hours** (**↓16%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by around **four hours** and averaged **~4,6 hours** (**↓50%**, w/w). On average, two SADC border posts took more than a day to cross, including Beitbridge and Kasumbalesa. Other developments included **(1)** several challenges experienced at KM4 crossing the Lebombo border post in the last week.

In summary, the recent successes achieved by the energy sector – especially the collaboration between the government and the private sector – are a blueprint for the logistics sector. Private sector participation must be accelerated – else South Africa will continue to fall short of meeting its high freight demand. In the ports sector, it is clear that Transnet needs a revamp – especially with accelerating equipment procurement and modernising port processes. The fact that the global containerised industry continues to accelerate more

rapidly than our own recovery sends alarm bells ringing. Indeed, the increased demand on Far East, European, and North American trade lanes should further drive impetus for South Africa to get its own house in order. With freight rates projected to increase to upwards of **\$5 000** per 40ft container soon, our manufacturing, agri, and indeed all sectors will not be able to absorb further costs – which is added to the supply chain delays already experienced since October last year.

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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 4 to 10 May<sup>6</sup>

| 7-day flow forecast (04/05/2024 – 10/05/2024) |  |                                    |
|---|--|------------------------------------|
| TERMINAL                                      | NO. OF CONTAINERS <sup>7</sup> TO DISCHARGE (IMPORT) | NO. OF CONTAINERS TO LOAD (EXPORT) |
| DURBAN CONTAINER TERMINAL PIER 1:             | 5 611  | 4 671                              |
| DURBAN CONTAINER TERMINAL PIER 2:             | 11 124   | 9 561                              |
| CAPE TOWN CONTAINER TERMINAL:                 | 5 005  | 7 776                              |
| NGQURA CONTAINER TERMINAL:                    | 7 894  | 7 332                              |
| GQEBERHA CONTAINER TERMINAL:                  | 3 058  | 1 397                              |
| <b>TOTAL:</b>                                 | <b>32 692</b>  | <b>30 737</b>                      |

Source: Transnet, 2024. Updated 10/05/2024.

Table 3 – Container Ports – Weekly flow predicted for 11 to 17 May

| 7-day flow forecast (11/05/2024 – 17/05/2024) |   |                                    |
|---|---|------------------------------------|
| TERMINAL                                      | NO. OF CONTAINERS TO DISCHARGE (IMPORT) | NO. OF CONTAINERS TO LOAD (EXPORT) |
| DURBAN CONTAINER TERMINAL PIER 1:             | 5 538                                   | 5 075                              |
| DURBAN CONTAINER TERMINAL PIER 2:             | 11 292                                  | 10 825                             |
| CAPE TOWN CONTAINER TERMINAL:                 | 5 054                                   | 6 999                              |
| NGQURA CONTAINER TERMINAL:                    | 4 477                                   | 8 885                              |
| GQEBERHA CONTAINER TERMINAL:                  | 2 226                                   | 1 485                              |
| <b>TOTAL:</b>                                 | <b>28 587</b>                           | <b>33 269</b>                      |

Source: Transnet, 2024. Updated 10/05/2024.

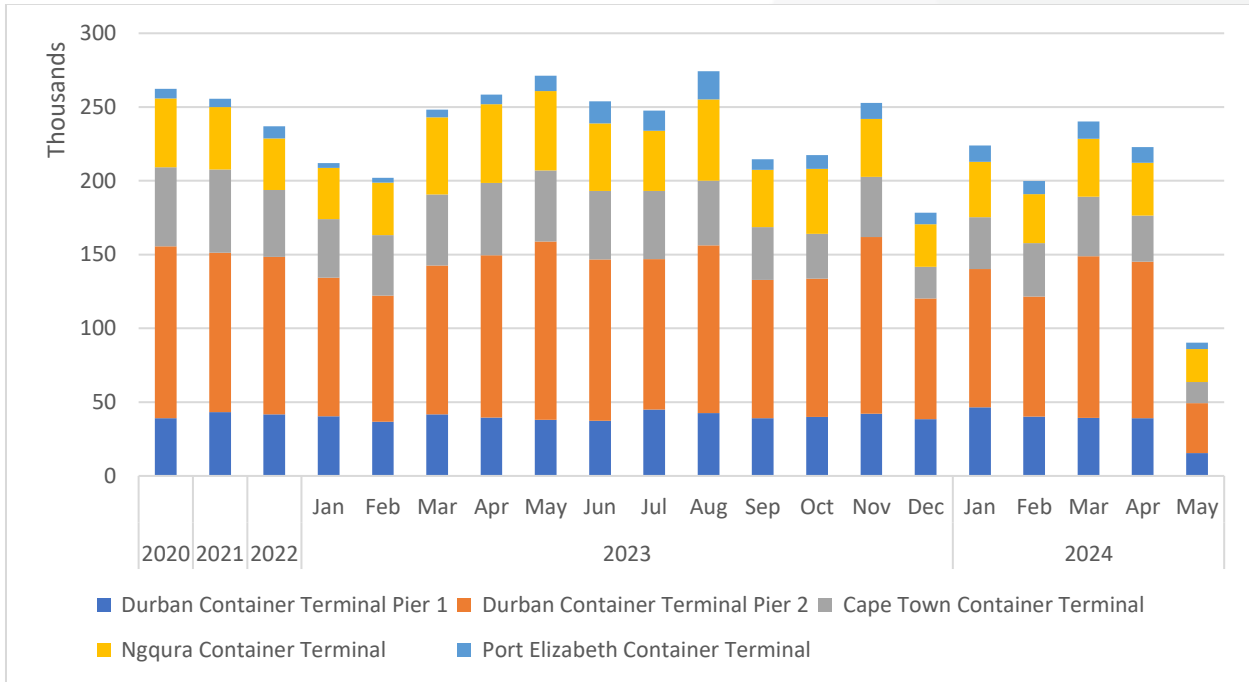
An average of **~9 061 containers (↑13%)** was handled per day for the last week (4 to 10 May, Table 2), compared to the projected average of **~9 393 containers (↓4% actual versus projected)** noted in last week's report. For the coming week, a decreased average of **~8 837 containers (↓3%)** is predicted to be handled (11 to 17 May, Table 3) in a best-case scenario. Adverse weather conditions and equipment breakdowns and shortages characterised port operations.

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

<sup>6</sup> 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.

<sup>7</sup> 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.

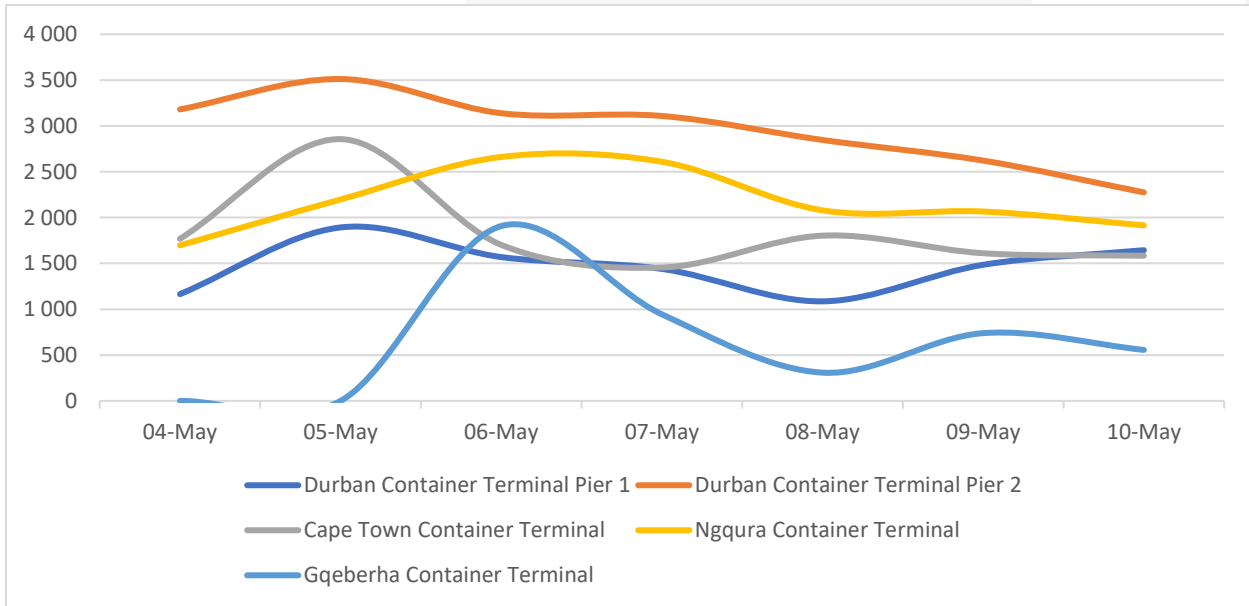
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

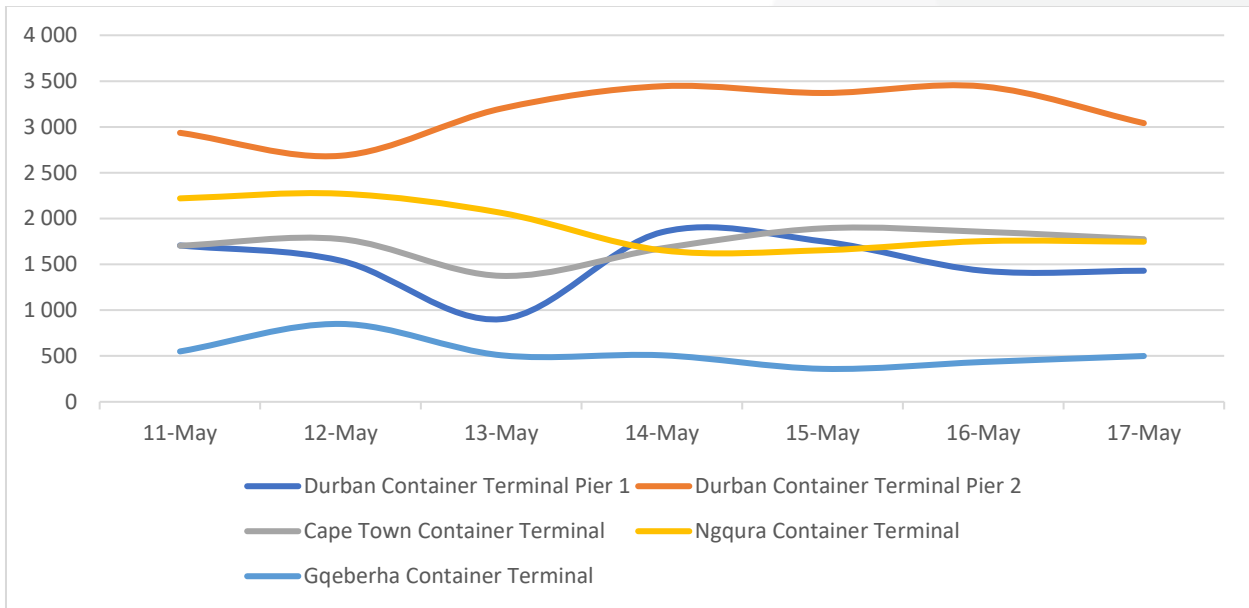
The following figures show the weekly container flows for the last seven days, followed by the projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (4 to 10 May; per port; day on day)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

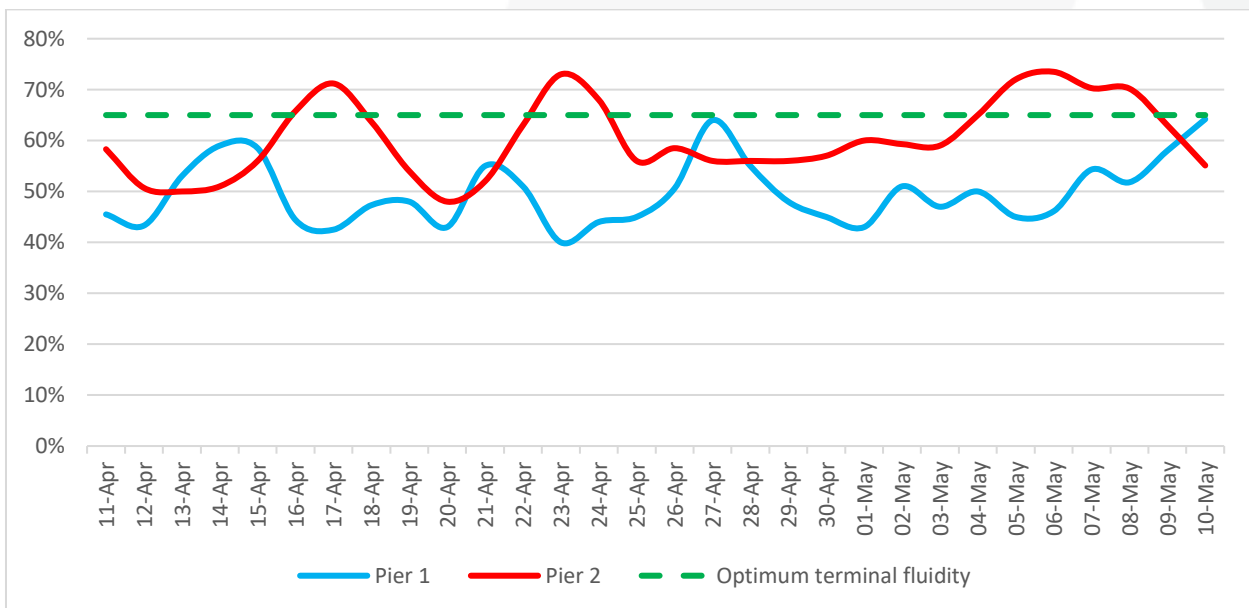
Figure 5 – 7-day forecast reported for total container movements (11 to 17 May; per port; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

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

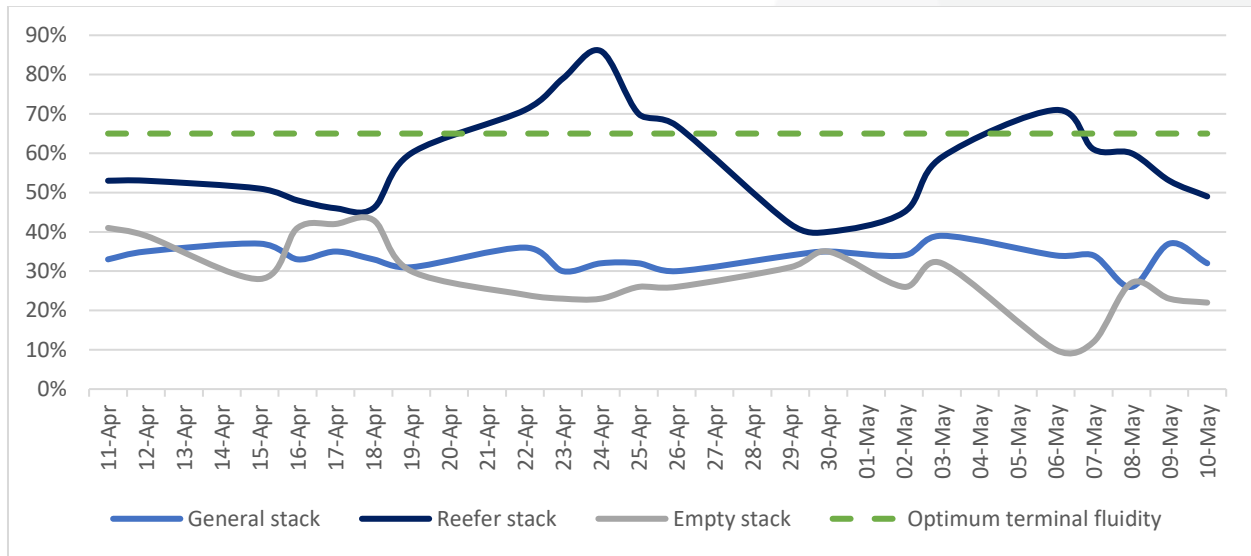
Figure 6 – Stack occupancy in DCT, general-purpose containers (11 April to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

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 (11 April to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

**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**

- Vessel ranging and adverse weather represented the main operational constraints in Cape Town.
- Equipment breakdowns and shortages prevented optimal performance in Durban.
- Strong winds, dense fog, and RTG breakdowns constrained our Eastern Cape Ports operations.
- No delays were reported at the Port of Richards Bay this week.

**ii. Cape Town**

On Thursday, CTCT recorded three vessels at berth and two at anchor as adverse weather conditions impacted operations at the terminal. Between Monday and Thursday, the terminal handled 6 545 container moves on the waterside, translating to an average of 1 636 daily moves. On the landside, during the same period, the terminal managed to service 4 651 trucks, translating to an average of 1 163 trucks per day while handling 151 rail units. By the end of the week, stack occupancy for GP containers was recorded at 32%, reefers at 49%, and empties at 22%. At the start of the week, the terminal operated with seven STS cranes, 26 RTGs, 42 hauliers, and three straddles. The terminal lost at least 22 operational hours this week due to vessel ranging.

The multi-purpose terminal recorded one vessel at anchor and one at berth on Thursday. In the preceding 24 hours, the terminal managed to service 77 external trucks at an undisclosed truck turnaround time on the landside. During the same period, CTMPT managed to move 2 098 tons of bulk across the quay on the waterside. Stack occupancy was recorded low at 20% for GP containers, 76% for reefers, and 2% for empties. The terminal lost around ten operational hours throughout the week due to inclement weather conditions. Throughout the week, the terminal managed to move 2 497 TEUs, exceeding the 2 088 TEUs target at a GCH of ~14 and SWH of ~14.

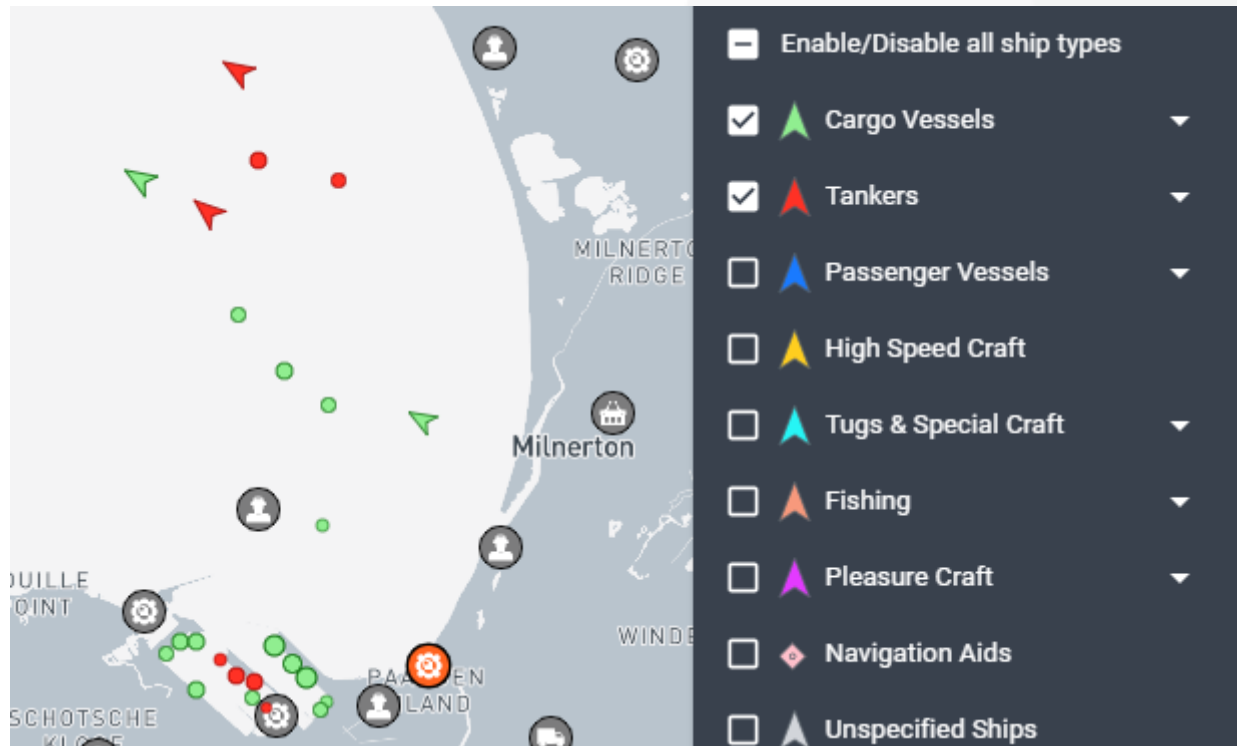
During the week of 29 April to 05 May 2024, the FPT terminal serviced nine vessels comprising five multi-purpose vessels, one vessel containing fruit, and three container vessels. Berth occupancy during this period



was recorded at 62%. During the week, 2 602 TEUs were handled, while 1 000 tons of general cargo was handled. Additionally, 3 785 pallets of fruit and 3 301 tons of dry bulk were handled. FPT planned to handle seven vessels between 06 and 12 May, with another seven planned between 13 and 19 May. Adverse weather and crane breakdowns accounted for most of the delays at the terminal this week.

At midday on Friday, ten 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 10/05/2024 at 14:00.

### iii. Durban

On Thursday, Pier 1 recorded two vessels at berth, operated by five gangs, and three vessels at anchor. Stack occupancy was 64% for GP containers and remained undisclosed for reefers. Between Monday and Thursday, the terminal executed 4 287 gate moves on the landside at an average truck turnaround time of ~109 minutes and an average staging time of ~83 minutes. Additionally, the terminal moved 5 739 TEUs across the quay on the waterside throughout the week.

Pier 2 had four vessels on berth and four at anchorage on Thursday as equipment breakdowns and shortages impacted the terminal throughout the week. In the 24 hours before Thursday, stack occupancy was 55% for GP containers and remained undisclosed for reefer ground slots. The terminal operated with 11 gangs while moving 11 400 containers across the quay throughout the week. Between Monday and Thursday, there were 9 611 gate moves on the landside at an average truck turnaround time of ~136 minutes and an average staging time of ~165 minutes. Additionally, 967 units were moved by rail in the same period. The number of available straddle carriers was not reported this week.

Durban's MPT terminal recorded one vessel at berth on Thursday and zero vessels at outer anchorage. On the waterside, 215 containers were moved across the quay, while 182 container road slots and 15 breakbulk RMTs were serviced on the landside. Stack occupancy for breakbulk at C-square was recorded at 17% and

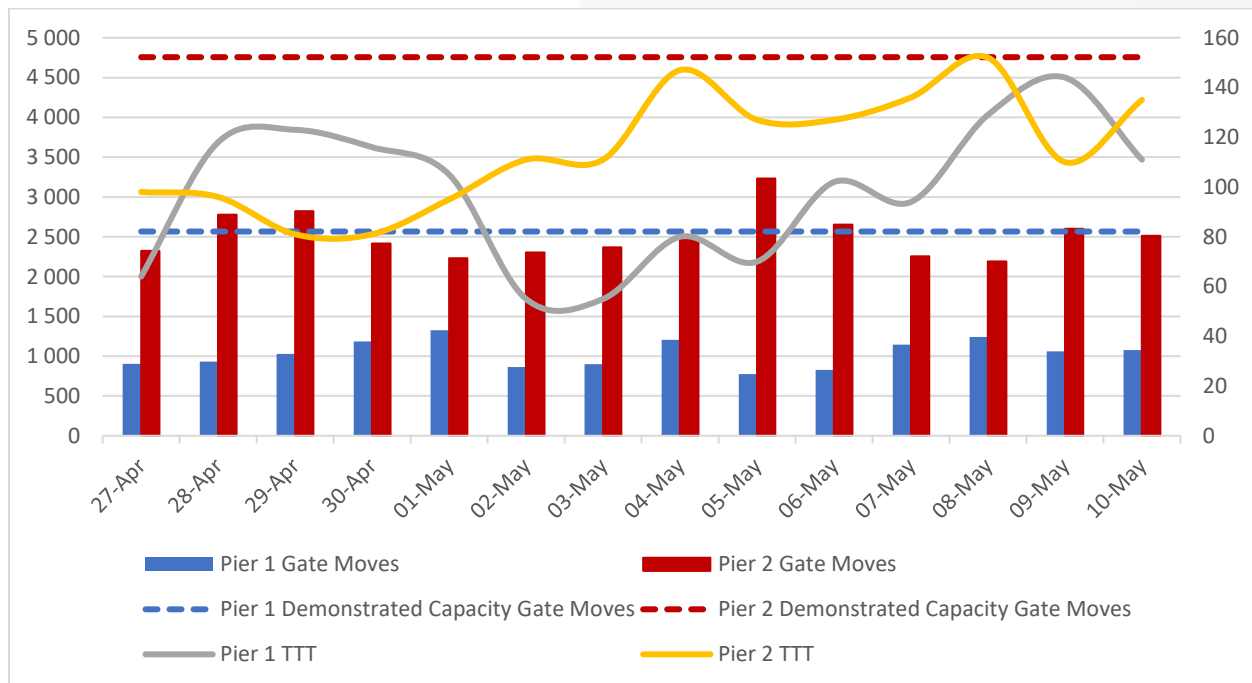
53% for containers. During the same period, two cranes, eight reach stackers, one empty handler, and 18 ERFs were in operation. The third crane was utilised for training purposes, while the fourth crane is anticipated to return to service by the end of the month.

On Thursday, the Maydon Wharf MPT had one vessel on berth and zero at outer anchorage, as 968 volumes were handled on the waterside. Nine trucks were serviced on the landside. During the same period, the Agri-bulk facility had no vessels on the berth, and as a result, no volumes were handled on either the waterside or the landside.

On Thursday, the Ro-Ro terminal in Durban recorded one vessel on the berth, with none at anchorage. In the preceding 24 hours, the terminal handled 567 road units on the landside and 490 on the waterside. During the same period, overall stack occupancy was recorded at 56%, Q/R at 10%, and the G-berth stack at 90%.

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

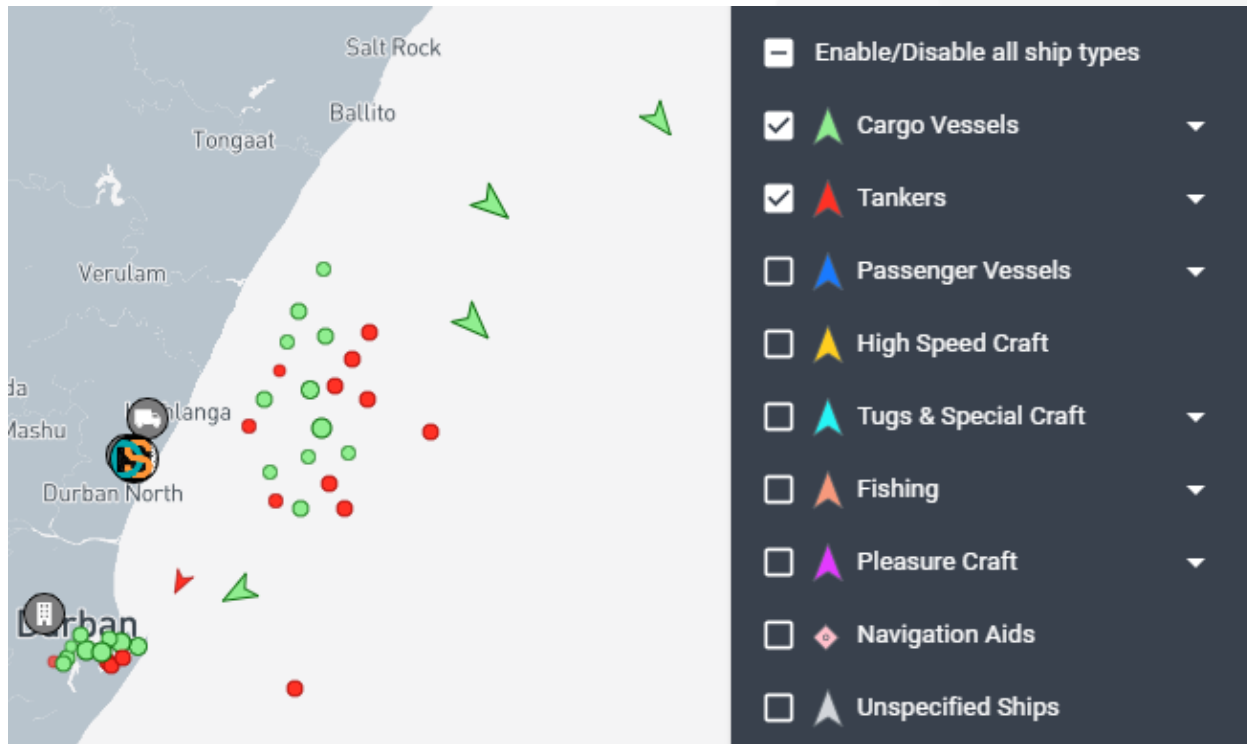
Figure 9 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 10/05/2024.

A queue of vessels waiting outside Durban remains. At midday on Friday, an improved four vessels were waiting for Pier 2, three for Pier 1, and one 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 10/05/2024 at 14:00.

**iv. Richards Bay**

On Thursday, Richards Bay recorded 14 vessels at anchor, while 13 vessels were berthed, consisting of five at DBT, five at MPT, two at RBCT, and one at the liquid-bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. During the same period, the coal terminal had six vessels at anchor and two at berth while handling 177 101 tons on the waterside. On the landside, 26 trains were serviced, exceeding the target of 22.

**v. Eastern Cape ports**

On Wednesday, NCT recorded three vessels on the berth and one at the outer anchorage, with four 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 36% for GP containers and 31% for reefers., as a total of 1 689 TEUs were processed on the waterside. Additionally, 563 trucks were serviced on the landside at a truck turnaround time of ~41 minutes.

On Wednesday, GCT recorded one vessel at berth and one 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 Thursday. On the waterside, 556 TEUs were handled across the quay, while 302 trucks were processed at a truck turnaround time of ~44 minutes. Stack occupancy figures were recorded at 42% for GP containers and 34% for reefers.

This week, no reports were received for the Ports of Port Elizabeth and East London.

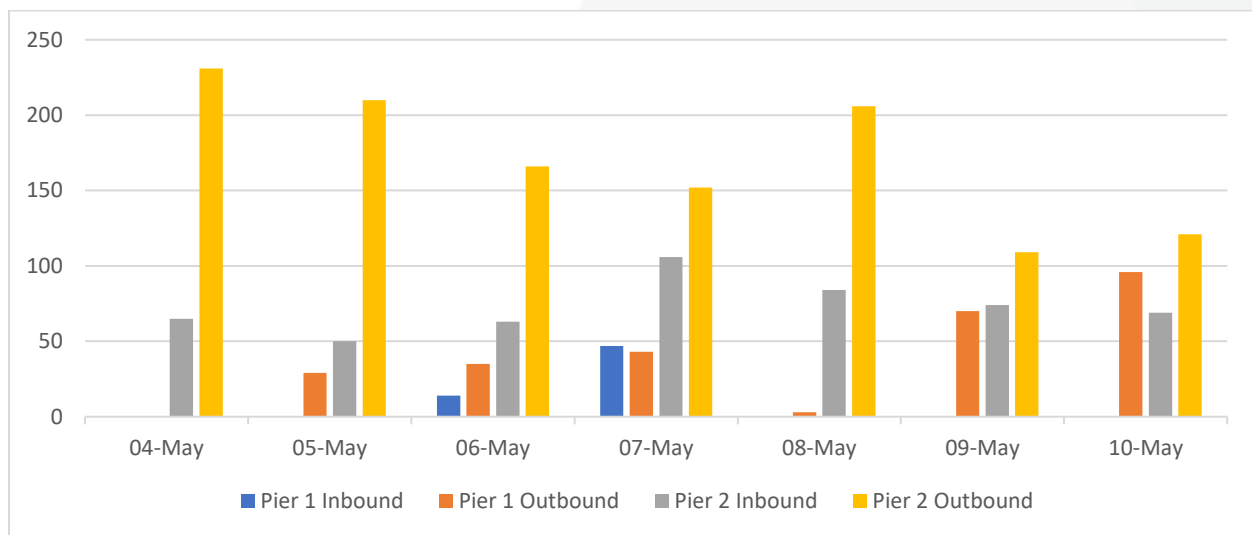
**vi. Saldanha Bay**

On Wednesday, the iron ore terminal had three vessels at anchorage and two on the berth, while the multi-purpose terminal had two vessels at anchor and two on the berth. The vessels at anchor have been waiting outside for approximately 1-6 days, while the vessels in port have been on the berth for 1-6 days.

**vii. Transnet Freight Rail (TFR)**

Towards the end of the week, a derailment caused delays and stoppages on some rail movements to and from Pier 2. Additionally, the latest reports indicate that DCT Pier 2 had 216 over-border units on hand with a dwell time of 27 days and 35 ConCor units with a dwell time of 18 hours towards the end of the week. Rail containers on hand in Durban were reported as follows: Pier 1: 80, Pier 2: 268, Point: 26. The latest reports suggest that “the Multimodal Inland Port Association (MIPA), which aims to enhance logistics performance, boost efficiency, and reduce costs for the sector across Southern Africa, will launch later this month. MIPA will debut at the Transport Forum, where industry stakeholders, policymakers, and enthusiasts will gather at an online event focused on advancing cargo movement from road to rail via inland ports.”

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



Source: Calculated using data from Transnet, 2024. Updated 10/05/2024.

In the last week (4 to 10 May), rail cargo handled out of Durban was reported at **2 043** containers, down by **↓34%** from the previous week’s **3 101** 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 29 April. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in May 2023 averaged **~767 116 kg** per day.

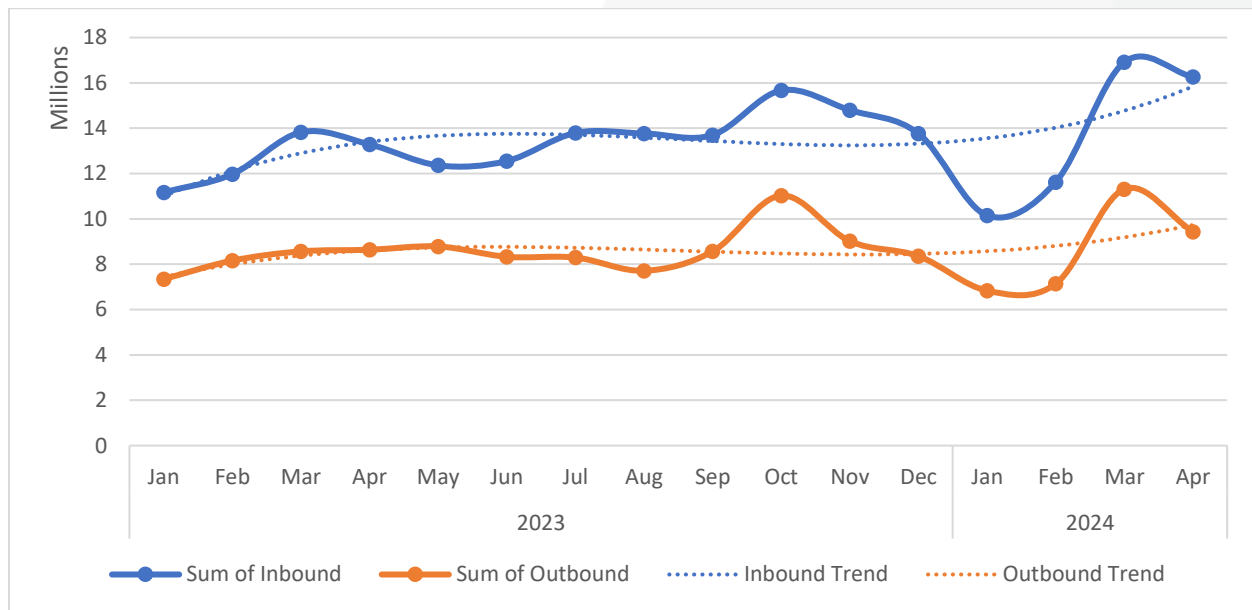
Table 4 – International inbound and outbound cargo from OR Tambo<sup>8</sup>

| Flows           | 29-Apr         | 30-Apr         | 01-May         | 02-May         | 03-May         | 04-May         | 05-May           | Week             |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Volume inbound  | 523 022        | 323 239        | 382 159        | 222 425        | 576 163        | 316 635        | 1 476 668        | <b>3 820 311</b> |
| Volume outbound | 151 635        | 155 469        | 175 628        | 102 251        | 187 310        | 158 807        | 1 042 352        | <b>1 973 452</b> |
| <b>Total</b>    | <b>674 657</b> | <b>478 708</b> | <b>557 787</b> | <b>324 676</b> | <b>763 473</b> | <b>475 442</b> | <b>2 519 020</b> | <b>5 793 763</b> |

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

The daily average of air cargo handled at ORTIA in the previous week amounted to **545 759 kg** inbound (**↑15%**, w/w) and **281 922 kg** outbound (**↓21%**), resulting in an average of **827 680 kg per day**. Consequently, inbound and outbound cargo trends reversed this week compared to last week. The industry is now slightly up versus last year (**↑8%** versus May 2023) and somewhat down compared to pre-pandemic levels (**↓12%** versus May 2019). The following graphs show the movement since the start of last year:

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



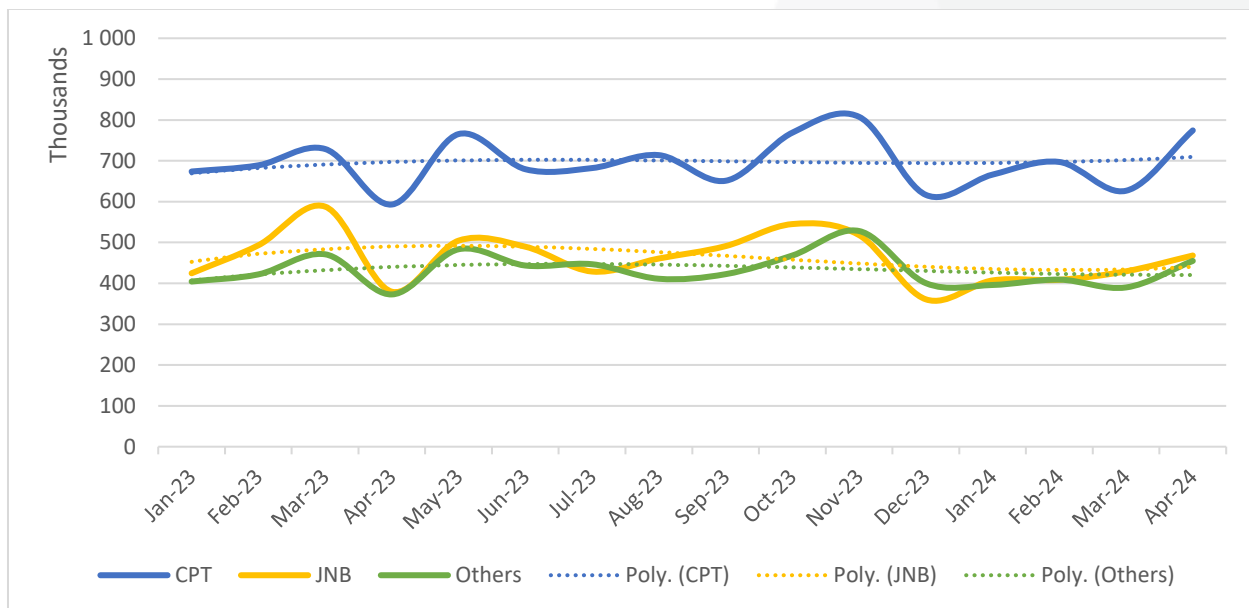
Courtesy of ACOC. Updated: 06/05/2024.

**b. Domestic air cargo**

The following graphs show the domestic movement at our main airports since the start of last year:

<sup>8</sup> 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: 18/04/2024.

### 3. Road and Regional Update

#### a. Cross-border and road freight delays

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

- The median border crossing times at South African borders decreased by **two-and-a-half hours**, averaging **~11,8 hours** (↓16%, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by around **four hours** and averaged **~4,6 hours** (↓50%, w/w).
- On 1 May, significant delays were reported at KM4 near Lebombo, with some trucks experiencing wait times of up to 12 hours. The congestion reportedly extended from KM4 to the border, and the issue persisted and was reported again on 3 May.
- On 2 May, there was a security incident at KM4. An individual was caught allegedly stealing from trucks while drivers were occupied with documentation. This incident highlights ongoing security concerns, further exacerbated by another report of a stolen truck battery.
- Transporters expressed frustration over the payment of parking fees at KM4, questioning the value of these fees in light of the apparent lack of security measures.
- 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 Bureau<sup>9</sup>, which arguably provides better and more reliable information.

<sup>9</sup> [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 – Delays<sup>10</sup> summary – South African borders (both directions)

| Border Post                 | Direction     | HGV <sup>11</sup> 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                                | 4,5                | 5,0                           | 26,0                         | 14 520                   | 3 388               |
| Beitbridge                  | Zimbabwe-SA   | 433                                | 3,7                | 2,1                           | 15,0                         | 12 990                   | 3 031               |
| Groblersbrug                | SA-Botswana   | 236                                | 0,4                | 3,3                           | 22,4                         | 7 080                    | 1 652               |
| Martins Drift               | Botswana-SA   | 208                                | 1,4                | 0,4                           | 3,3                          | 6 240                    | 1 456               |
| Kopfontein                  | SA-Botswana   | 226                                | 0,0                | 1,3                           | 7,3                          | 6 780                    | 1 582               |
| Tlokweng                    | Botswana-SA   | 22                                 | 0,0                | 0,2                           | 0,4                          | 660                      | 154                 |
| Vioolsdrift                 | SA-Namibia    | 30                                 | 0,4                | 1,2                           | 3,2                          | 900                      | 210                 |
| Noordoewer                  | Namibia-SA    | 20                                 | 0,3                | 0,4                           | 2,1                          | 600                      | 140                 |
| Nakop                       | SA-Namibia    | 30                                 | 0,4                | 1,1                           | 5,3                          | 900                      | 210                 |
| Ariamsvlei                  | Namibia-SA    | 20                                 | 0,3                | 0,5                           | 2,3                          | 600                      | 140                 |
| Skilpadshek                 | SA-Botswana   | 243                                | 0,0                | 2,2                           | 12,3                         | 7 290                    | 1 701               |
| Pioneer Gate                | Botswana-SA   | 45                                 | 0,0                | 0,6                           | 2,4                          | 1 350                    | 315                 |
| Lebombo                     | SA-Mozambique | 1 446                              | 1,0                | 1,3                           | 6,2                          | 43 380                   | 10 122              |
| Ressano Garcia              | Mozambique-SA | 125                                | 4,0                | 0,3                           | 1,2                          | 3 750                    | 875                 |
| <b>Weighted Average/Sum</b> |               | <b>3 568</b>                       | <b>1,2</b>         | <b>1,4</b>                    | <b>7,8</b>                   | <b>107 040</b>           | <b>24 976</b>       |

Source: TLC, FESARTA, & Crickmay, week ending 05/05/2024.

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                  | 0,1        | 2,8                   | 14,0                 | 9 600                    | 2 240               |
| Central Corridor            | 798                  | 0,0        | 0,4                   | 2,0                  | 23 940                   | 5 586               |
| Dar Es Salaam Corridor      | 1 819                | 36,0       | 0,8                   | 11,0                 | 54 570                   | 12 733              |
| Maputo Corridor             | 1 571                | 2,5        | 0,8                   | 3,7                  | 47 130                   | 10 997              |
| Nacala Corridor             | 127                  | 0,0        | 0,0                   | 0,0                  | 3 810                    | 889                 |
| North/South Corridor        | 3 681                | 12,6       | 1,2                   | 9,9                  | 110 430                  | 25 767              |
| Northern Corridor           | 2 817                | 0,0        | 0,0                   | 0,6                  | 92 520                   | 21 588              |
| Trans Caprivi Corridor      | 116                  | 1,9        | 1,6                   | 11,6                 | 3 480                    | 812                 |
| Trans Cunene Corridor       | 100                  | 2,6        | 0,0                   | 0,0                  | 3 000                    | 700                 |
| Trans Kalahari Corridor     | 318                  | 0,7        | 0,9                   | 5,0                  | 9 540                    | 2 226               |
| Trans Oranje Corridor       | 100                  | 0,4        | 0,8                   | 3,2                  | 3 000                    | 700                 |
| <b>Weighted Average/Sum</b> | <b>11 767</b>        | <b>6,8</b> | <b>0,7</b>            | <b>5,3</b>           | <b>361 020</b>           | <b>84 238</b>       |

Source: TLC, FESARTA, & Crickmay, week ending 05/05/2024.

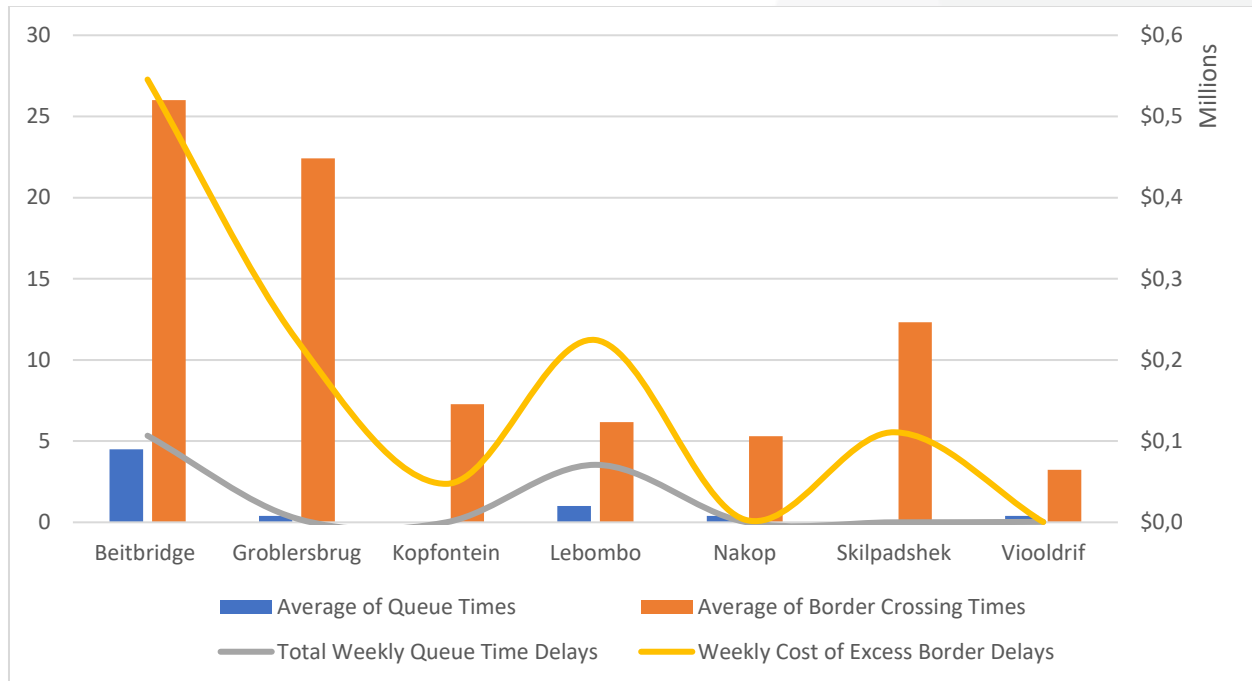
The following graph shows the weekly change in cross-border times and associated estimated costs:

<sup>10</sup> 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.

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



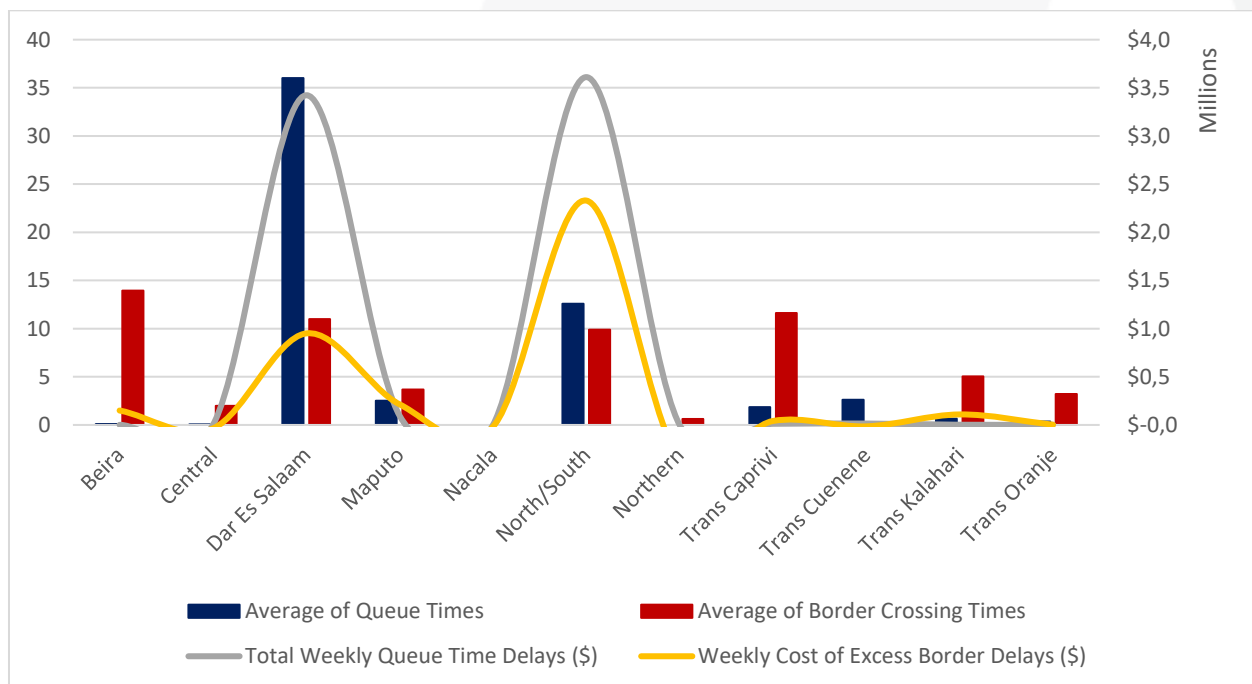
Figure 14 – Weekly cross-border delays & est. cost from an SA border perspective (hours & \$ millions)



Source: TLC, FESARTA, & Crickmay, week ending 05/05/2024.

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 05/05/2024.

In summary, cross-border queue time averaged **~6,8 hours** (up by **~0,2 hours** from the previous week's **~6,8 hours**), indirectly costing the transport industry an estimated **\$7,1 million (R132 million)**. Furthermore, the week's average cross-border transit times hovered around **~5,3 hours** (significantly down by **~4,3 hours** from



the ~9,7 hours recorded in the previous report), at an indirect cost to the transport industry of ~\$3,4 million (R62 million). As a result, the total indirect cost for the week amounts to an estimated ~\$10,5 million (R195 million, down by ~R45 million or ↓19,2% from ~R240 million in the previous report).

#### 4. International Update

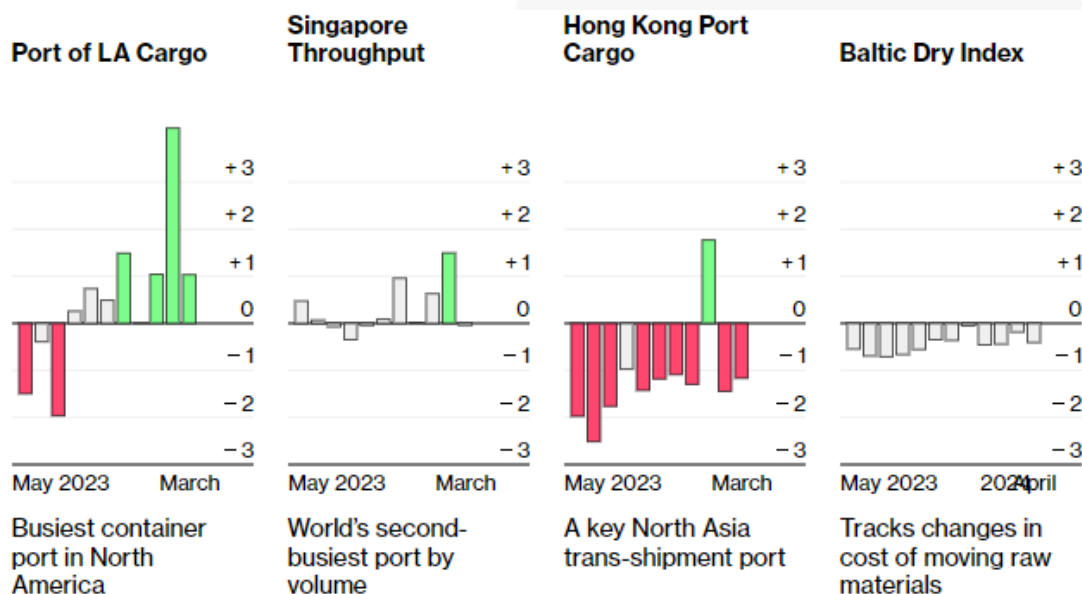
The following section provides some context around the global economy and its impact on trade, mainly an update on (a) global supply chains, (b) the global shipping industry and (c) the global aviation industry.

##### a. Global supply chains

The latest reading of Bloomberg’s “Trade Tracker” shows three key indicators still stuck in the “below normal” range. Among them is the fact that US firms are seeing a contraction in new export orders, mainly influenced by the appreciation of the US dollar<sup>12</sup>. As domestic currencies weaken, inflation-weary economies face rising import costs, compounded by increasing global prices of commodities such as crude oil, food, and logistics. Typically, exporters might benefit from a strong dollar, but the current scenario is causing concern instead.

In South Korea, the 5% depreciation of the won against the dollar has escalated the cost of imported raw materials. Similarly, Japanese exporters are troubled by the yen’s depreciation to three-decade lows, which, while initially boosting earnings, could later negatively impact their supply chains.

Figure 16 – Bloomberg Trade Tracker: Shipping components (index, Z-score)



Source: [Bloomberg](https://www.bloomberg.com)

Manufacturers globally are experiencing increased input costs, with global input cost inflation reaching a 14-month high in April, significantly influenced by unfavourable exchange rates, as noted in Japan and mainland China. Bloomberg’s Trade Tracker shows a cautious outlook, with key indicators like shipping, sentiment, and export volumes consistently below normal levels. Container throughput has declined in Hong Kong’s

<sup>12</sup> Jiao, et al. 08/05/2024. [Strong Dollar Creates Another Inflation Headache: Trade Tracker](https://www.bloomberg.com).

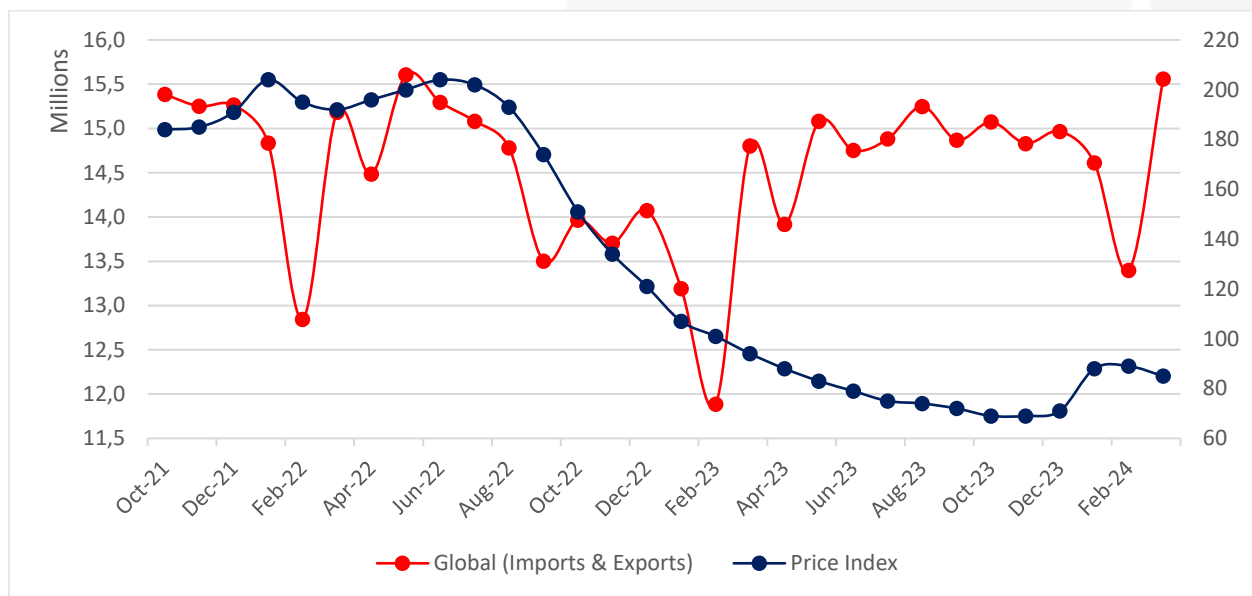
port, and US firms are seeing fewer new export orders, though business sentiment in Germany is somewhat improving, still lagging behind historical averages.

## b. Global shipping industry

### i. Global container trade statistics - March

Despite the supply chain challenges and warnings of Bloomberg’s “Trade Tracker” mentioned above, the latest container throughput figures for March from Container Trade Statistics (CTS) show that container volume has increased by **↑16,1%** (m/m) and hitting near-record levels last seen in May 2022. Of course, the changes come after the cyclical lull of February (mainly impacted by the Chinese New Year holidays); however, the increase is significant, especially considering the challenges faced by the Red Sea attacks and subsequent diversions around the Cape of Good Hope. Annual, throughput is up by **↑5,1%** (y/y), as Far East, Europe, and North American trade lanes have all boomed in March – with Southern Hemisphere trade lagging. The global price index (dry and reefer combined) has subsided further and is down by **↓4,5%** (m/m) and **↓9,6%** (y/y); however, this trend is expected to be reversed (see the latest pricing analysis below). The following figure illustrates the global container throughput and price index since October 2021:

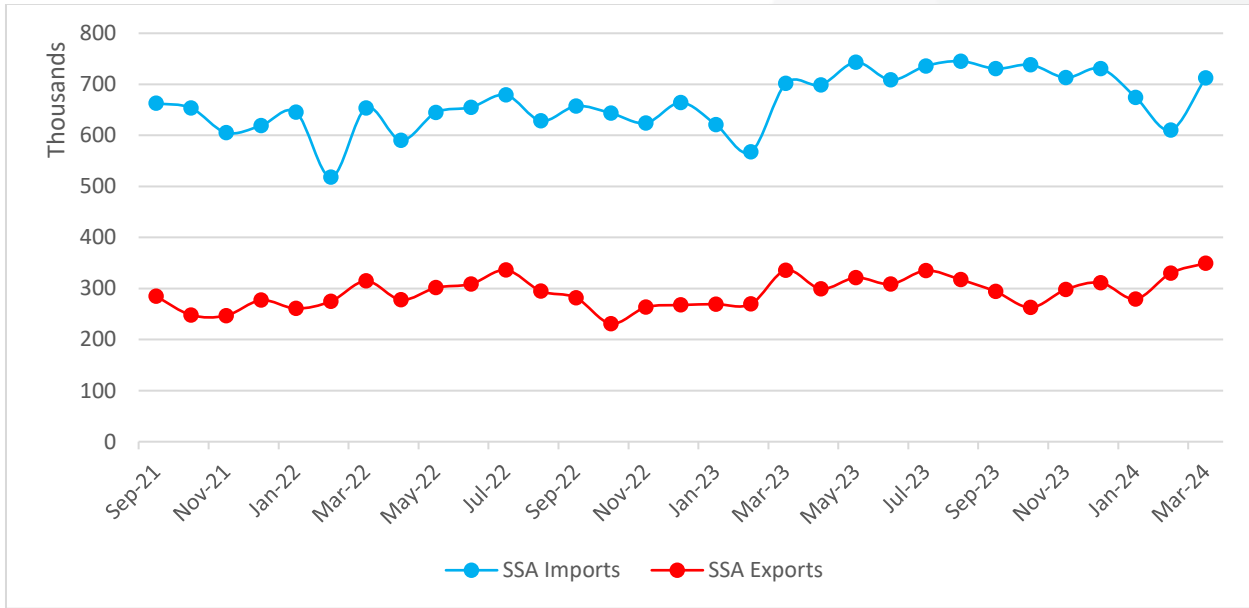
Figure 17 – Global Containerised Throughput (TEUs) and price index



Source: Calculated from [CTS](#)

As illustrated, container throughput has crept up significantly in March, with a throughput of around **15,6 million TEUs**. Geographically, all seven regions registered increases in imports and exports (ranging from **↑0,4%** to **↑12,6%**), with both flows led by trade to and from the Far East (imports up **↑20,3%**, and exports up **↑21,9%**). The following figure shows Sub-Saharan African trade over the same period:

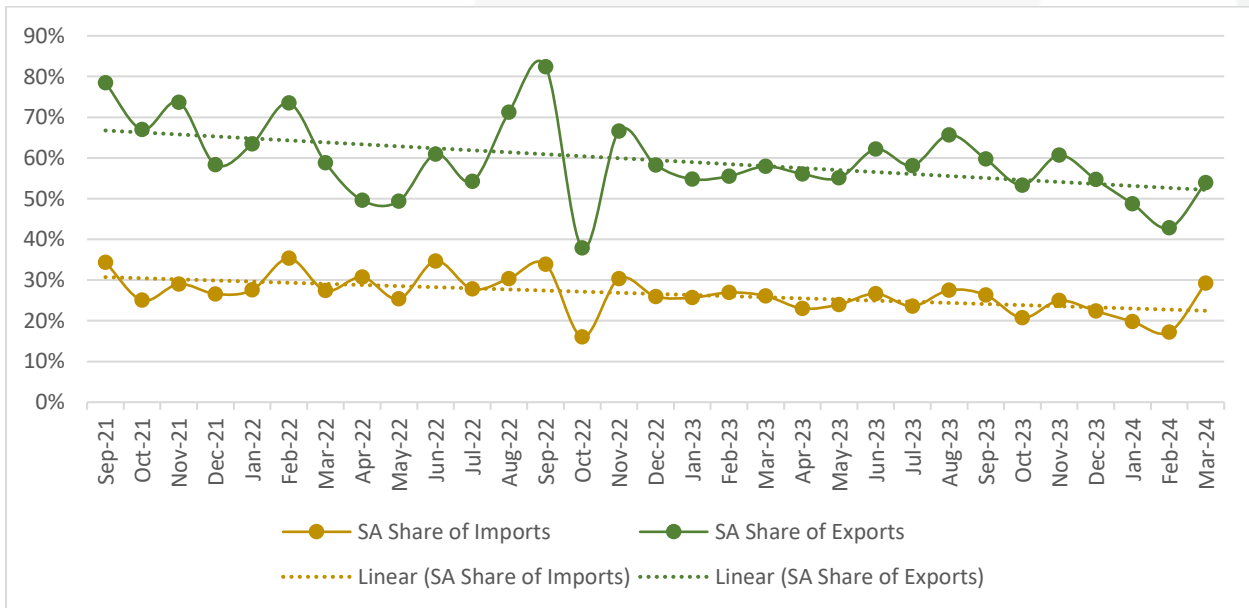
Figure 18 – Sub-Saharan Africa Containerised Throughput (TEUs)



Source: Calculated from [CTS](#)

Monthly SSA trade is significantly up; however, curiously, yearly SSA trade does not mirror the market, as both imports ( $\downarrow 1,6\%$ ) and exports ( $\downarrow 4,1\%$ ) are down versus the same time last year. When adding South Africa’s share to SSA trade, we see an encouraging change of direction in the recent rapidly downward trend:

Figure 19 – South Africa's share in regional containerised throughput (% share)



Source: Calculated from [CTS](#)

When measuring these, South Africa accounted for **29%** of SSA imports and **54%** of SSA exports in March versus TNPA figures. These respective shares are significantly less than the highs of **35%** in February 2022 for imports and **82%** in September 2022 for exports; however, it is clear that the recent improvements in TPT’s operations are starting to bear some fruit. Nevertheless, the rapid decline of South Africa’s

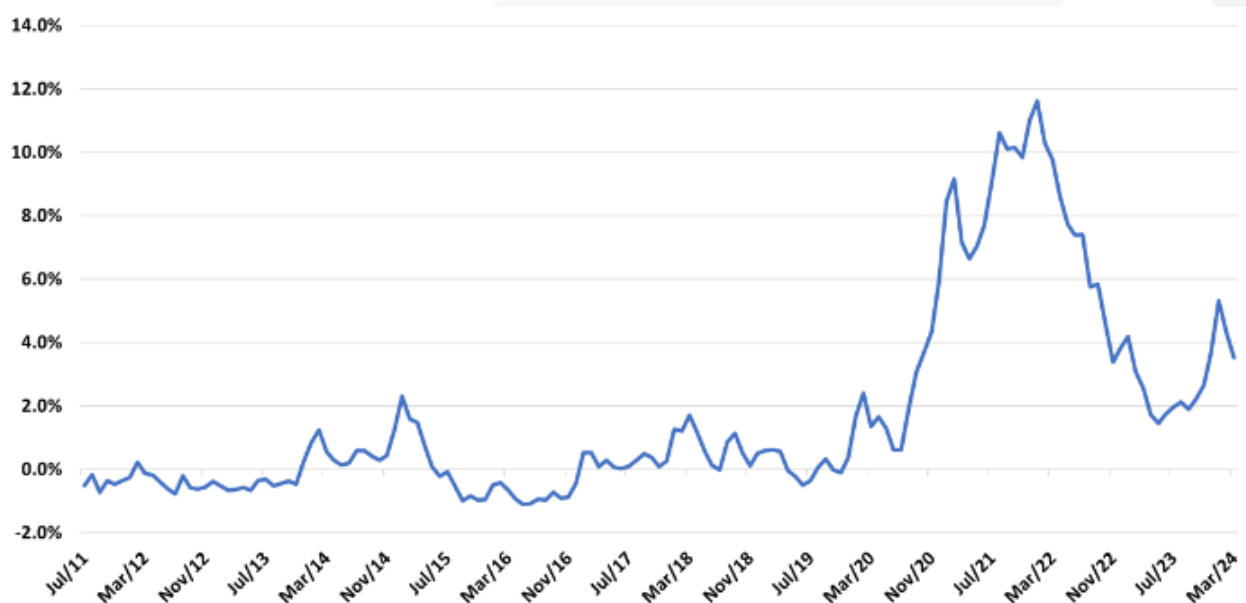
containerised sector in a regional context is evidently illustrated above – meaning the entire industry (especially TPT) still has its work cut out.

## ii. Global container capacity and freight rates

Robust activity in the container freight and charter markets continues this week, with ongoing rate increases and strong demand for ships<sup>13</sup>. Over-capacity concerns are currently sidelined due to diversions of containerships to the Cape route, removing over ~7% of the total fleet. Global congestion continues to subside, as is the case in South Africa, as congestion keeps improving steadily in Durban in particular, although the port remains on the first page of Linerlytica’s “Port Congestion Watch” at a queue-to-berth ratio of 0,51<sup>14</sup>. Furthermore, there is almost no capacity sitting idle (only ~0,3% of the total fleet – with several Mediterranean hubs facing a transshipment blockage<sup>15</sup>), as the “Cancelled Sailings Tracker” remains low but slightly increased this week to 5%<sup>16</sup>.

Also, there's a noticeable shift in tonnage requirements towards Mexico and the Middle-East/Indian subcontinent, highlighted by the launch of three new services to Mexico by COSCO, CMA CGM, and MSC, and MSC's rerouting of service to cater to the Mexico and Caribbean market. In the context of freight futures, there was a significant rally during a holiday-shortened trading week. The collapse of peace talks in the Middle East has heightened expectations for further rate hikes over the next two months on the North Europe route, where capacity utilisation has reached a three-year high. The overall market absorption trends are evident in the analysis by *Sea Intelligence* this week, evidently indicating a ‘carrier-controlled’ market, as some analysts have put it<sup>17</sup>:

Figure 20 – Absorption of the global fleet over normal baseline



Source: [Sea Intelligence](#)

For overall freight rates, the “World Container Index” increased by a significant **↑15,9%** (or **\$434**) to **\$3 159** per 40-ft container<sup>18</sup>. The following figure shows the movement of the index across the last twelve months – with the recent spike very clear:

<sup>13</sup> Linerlytica. 07/05/2024. [Market Pulse 2024 Week 19](#).

<sup>14</sup> Linerlytica. 09/05/2024. [Port Congestion Watch](#).

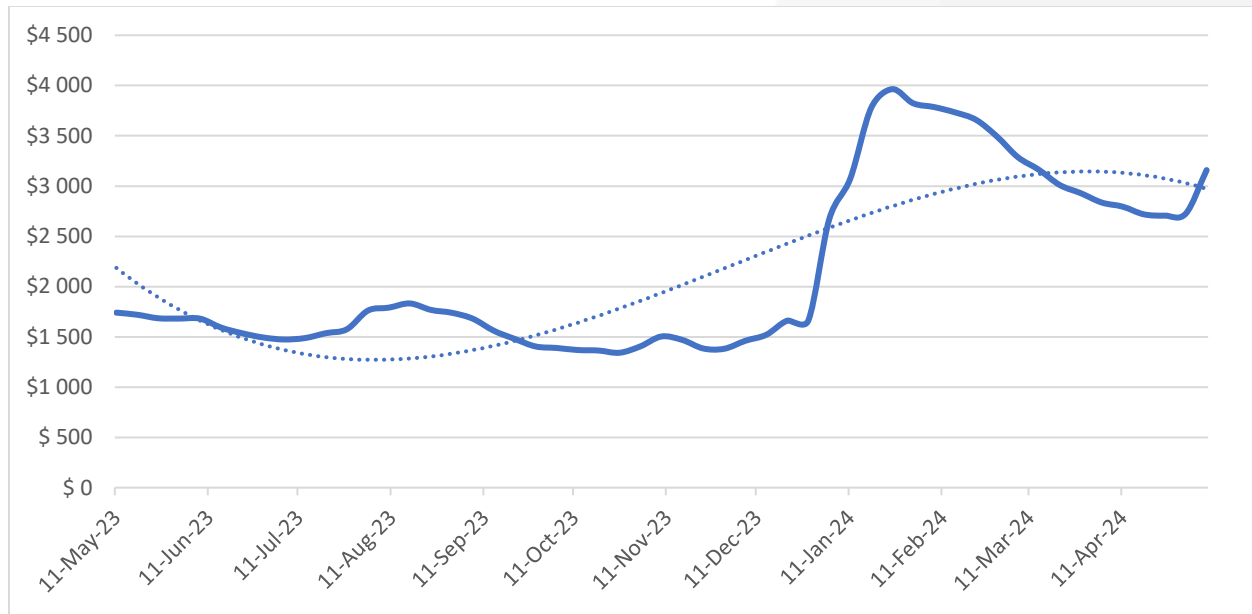
<sup>15</sup> Van Marle, G. 09/05/2024. [Capacity problems loom as transshipment boxes clog major West Med hubs](#).

<sup>16</sup> Drewry. 10/05/2024. [Cancelled Sailings Tracker](#).

<sup>17</sup> Van Marle, G. 10/05/2024. [A 'carrier-controlled market' as spot rates rise and capacity tightens](#).

<sup>18</sup> Drewry. 09/05/2024. [World Container Index](#).

Figure 21 – World Container Index assessed by Drewry (\$ per 40 ft. container, last 12 months)



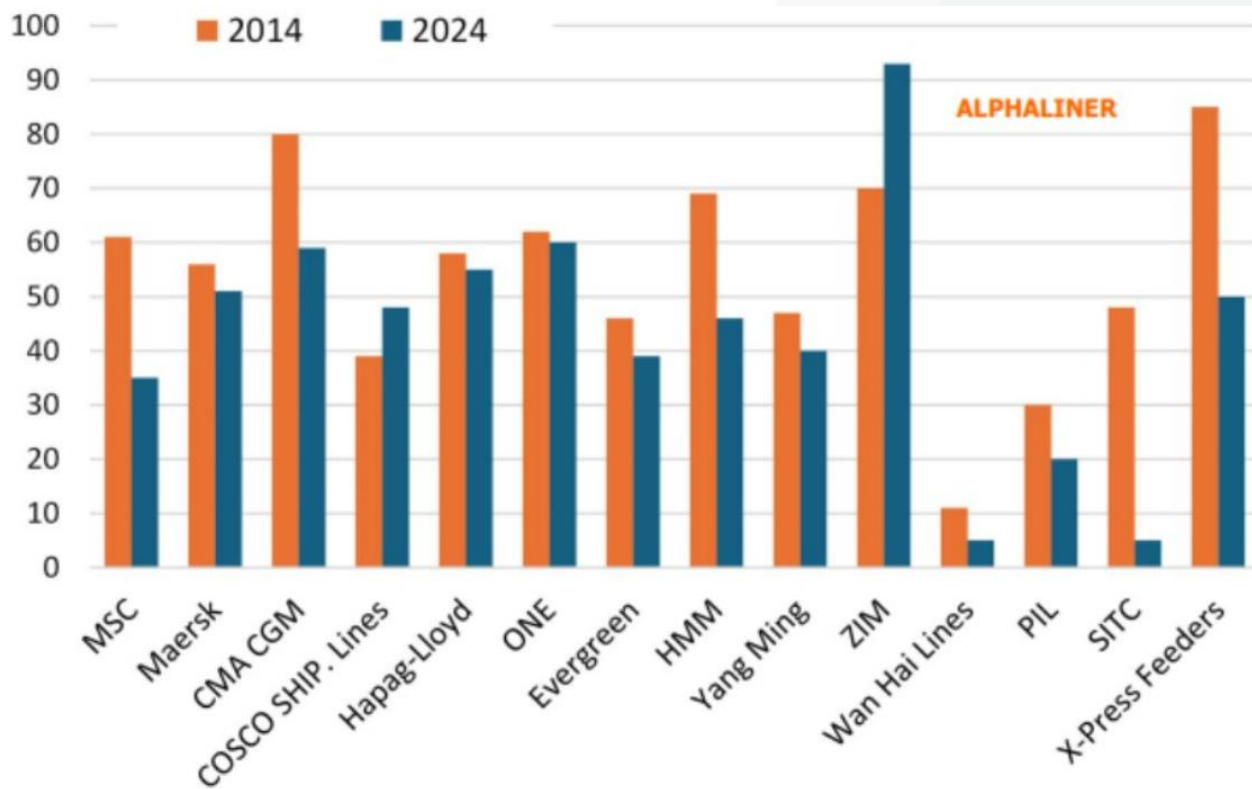
Source: Calculated from [Drewry](#)

The most significant changes came on the Shanghai – Rotterdam (**↑20%**, w/w) and Shanghai – LA (**↑18%**, w/w) trade lanes, evident of the booming container trade between the Far East, Europe (some forwarders have warned customers that demand on Asia-Europe is beginning to look like pandemic peak<sup>19</sup>), and North America, as mentioned above. The composite index shot up to **↑81%** compared to last year's week and is now **↑122%** higher than the 2019 pre-pandemic rates of **\$1 420**. In the charter market, the rate followed spot rates – albeit less dramatically – as the Harper Petersen Index (*Harpex*) is currently trending at **1 319 points**, up by **↑2,2%** (w/w) and up by **↑8%** (y/y) versus this time last year<sup>20</sup>. Interestingly, when we look at the ownership in the charter market, significant developments have occurred in the last ten years, mainly because of the bull run of the carriers during COVID, as carriers have been increasingly relying on vessel ownership to expand their fleets of container vessels in the last few years, at the expense of chartering:

<sup>19</sup> Lennane, A. 08/05/2024. [Asia-Europe ocean trades a nightmare scenario – 'unless you're a carrier'](#).

<sup>20</sup> Harper Petersen Index. 10/05/2024. [HARPER PETERSEN Charter Rates Index](#).

Figure 22 – Carriers: percentage of fleet chartered (number of ships)



Source: [Alphaliner](#)

During the COVID-19 pandemic, shipping lines accumulated significant cash reserves, enabling them to purchase more vessels instead of chartering. This shift is pronounced among traditional non-operating owners, particularly in Germany, who are now selling rather than acquiring ships. MSC has notably shifted towards ownership, acquiring 88 new and 355 second-hand vessels in the past four years. According to Alphaliner data, MSC's owned vessels constitute over 60% of its fleet, with chartered vessels reduced to about 36%.

### iii. Further developments of note

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

#### 1. Baltimore plans explosive end for collapsed bridge to free trapped box ship:

- a. The restoration efforts at the port of Baltimore are progressing, with the Key Bridge Response 2024 Unified Command deciding to use explosive charges to remove the collapsed section of the Francis Scott Key Bridge from the containership Dali<sup>21</sup>.
- b. Temporary navigation channels have been established, allowing some ship movements, and a permanent channel is expected to open soon. The US Army Corps of Engineers aims to reopen the main ship channel by the end of the month, and service resumption could occur around the same time.

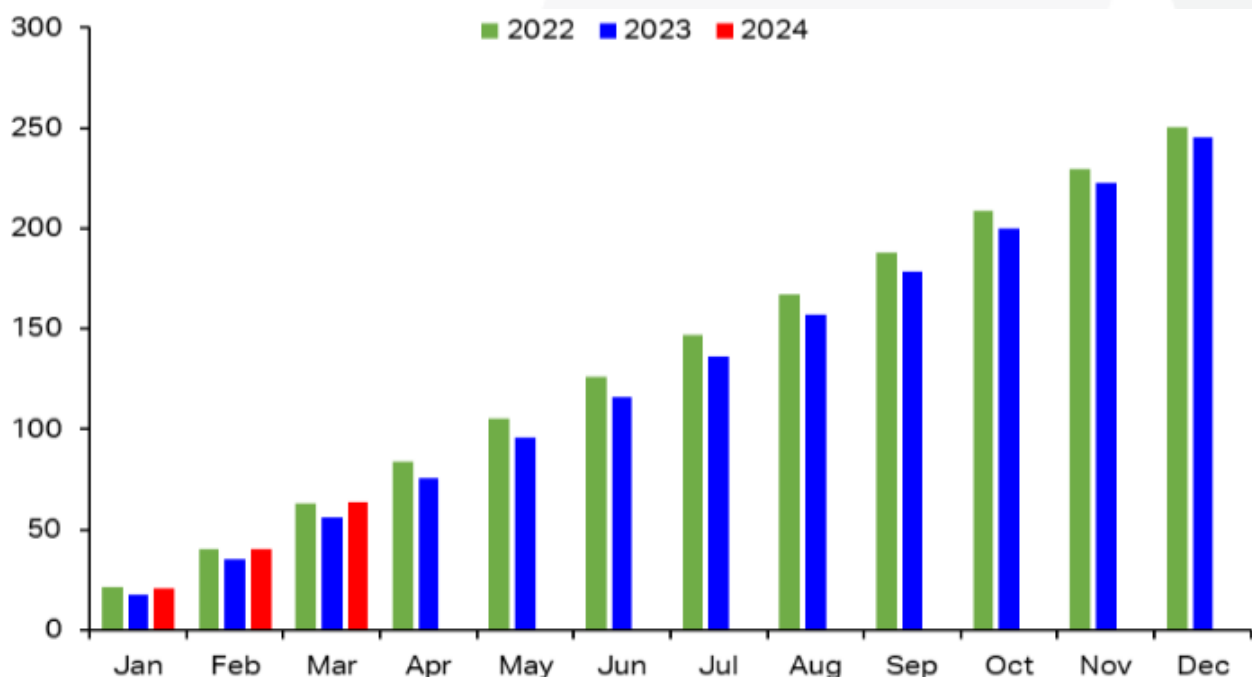
<sup>21</sup> Putzger, I. 09/05/2024. [Baltimore plans explosive end for collapsed bridge to free trapped box ship.](#)

- c. Despite these efforts, the port has experienced significant traffic losses, notably reduced vessel calls and container capacity. However, some carriers plan to resume calls by late May or June.

### c. Global air cargo industry

In the latest “Air Cargo Market Analysis” by IATA<sup>22</sup> for March, the global air cargo market sustained its growth trajectory with a fourth consecutive month of double-digit year-on-year expansion in cargo tonne-kilometres (CTKs), reaching **↑10,3%**. This growth culminated in cumulative Q1 traffic surpassing the record levels of Q1 2021, with seasonally adjusted (SA) CTKs in March alone growing by **↑11,4%** (y/y). Contributing to this robust performance, international CTKs expanded globally by **↑11,4%**, driven by carriers from the Middle East, Africa, and Asia across all major trade lanes. Concurrently, industry-wide available cargo tonne-kilometers (ACTKs), reflecting overall capacity, increased by **↑7,3%** (y/y), supported by expanded international passenger belly-hold capacity. This surge in air cargo traffic has outpaced the growth in broader trade and production metrics. Additionally, industry-wide air cargo yields rose by **↑5,0%** from February, aligned with increasing load factors, indicating a strengthening in demand and operational efficiency. The following illustration shows how the industry is getting close to the low 2022 levels – significantly surpassing last year’s poor returns:

Figure 23 – Global year-to-date monthly CTKs (billion)



Source: [IATA](https://www.iata.org)


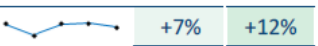
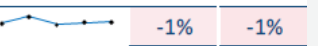
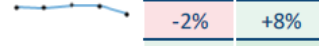
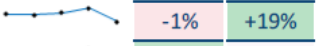
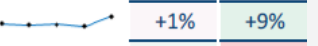

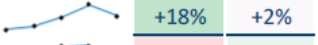
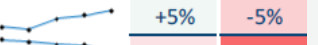

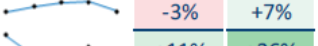
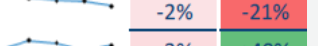

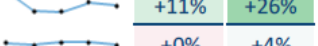
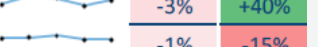
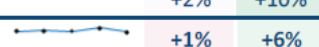

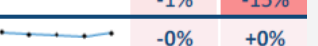

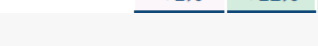
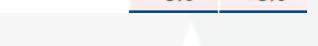

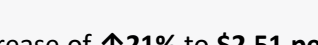
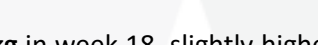
In the high-frequency data, the latest weekly data from WorldACD Market Data shows that worldwide air cargo tonnages dipped in the week commencing 29 April, chiefly due to the Labour Day holidays and Japan’s Golden Week, while demand and rates remain highly elevated from Middle East & South Asia (MESA) origins to Europe, and average global rates increased slightly. In total, tonnages dropped by **↓12%** in week 18 (29 April to 5 May) after bouncing back in the previous two weeks from the effects of the Easter and Eid holidays.

<sup>22</sup> IATA. 05/05/2024. [Air Cargo Market Analysis – March 2024](https://www.iata.org).



Further analysis confirms that a large part of the weekly decline in week 18 was linked to public holidays around Labour Day on 1 May, which primarily impacted Europe, CSA, parts of Asia (e.g. China, Vietnam, Malaysia, Singapore, Thailand) and Africa (e.g. South Africa). The following figure shows the last five weeks' movement in capacity, cargo and rates:

Figure 24 – Capacity, chargeable weight and rates (5w/5w)

| Origin Regions<br>last 2 to 5 weeks | Capacity <sup>1</sup>   |       |      | Chargeable weight <sup>1</sup>   |       |      | Rate <sup>1</sup>   |       |      |
|-------------------------------------|---|-------|------|--|-------|------|---|-------|------|
|                                     | Last 5 wks  | 2Wo2W | YoY  | Last 5 wks   | 2Wo2W | YoY  | Last 5 wks  | 2Wo2W | YoY  |
|                                     |  |       |      |  |       |      |  |       |      |
| Africa                              |  | +3%   | +3%  |  | +7%   | +12% |  | -1%   | -1%  |
| Asia Pacific                        |  | -2%   | +8%  |  | -1%   | +19% |  | +1%   | +9%  |
| C. & S. America                     |  | +8%   | +11% |  | +18%  | +2%  |  | +5%   | -5%  |
| Europe                              |  | -0%   | +5%  |  | -3%   | +7%  |  | -2%   | -21% |
| M. East & S. Asia                   |  | -1%   | +3%  |  | +11%  | +26% |  | -3%   | +40% |
| North America                       |  | +2%   | +10% |  | +0%   | +4%  |  | -1%   | -15% |
| Worldwide                           |  | +1%   | +6%  |  | +1%   | +12% |  | -0%   | +0%  |

Source: [World ACD](#)

Average worldwide rates experienced a slight increase of **↑21%** to **\$2,51 per kg** in week 18, slightly higher than the same week last year and some **↑42%** higher than in May 2019. Average rates from India (**\$3,94 per kg, ↑164%**) to Europe are still exceptionally high. Meanwhile, rates from Dubai and Colombo to Europe are up by a more modest but still remarkable **↑44%** and **↑51%**, respectively, as strong demand and the disruptions to container shipping in the region caused by the attacks on ships in the Red Sea continue to stimulate robust air cargo demand from the MESA region. On an annual basis, rates from the origin region MESA remain highly elevated (**↑40%**) compared with this time last year, linked to strong demand developments combined with supply issues caused by disruptions to container shipping, and rates from Asia Pacific origin points remain significantly up (**↑9%**), annually. But average rates from Europe (**↓21%**) and North America (**↓15%**), are well below last year's levels.

ENDS<sup>23</sup>

<sup>23</sup>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.*