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Cargo Movement Update #209[1]

Date: 27 October 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 (TEUs[4])	34 218	40 618	**74 836**	32 695	33 677	**66 372**	↑30%
Air Cargo (tons)	4 050	3 526	**7 576**	4 187	3 071	**7 258**	↑4%

Monthly Snapshot

Figure 1 – Cyclical[5] cargo volume, year on year (% growth)

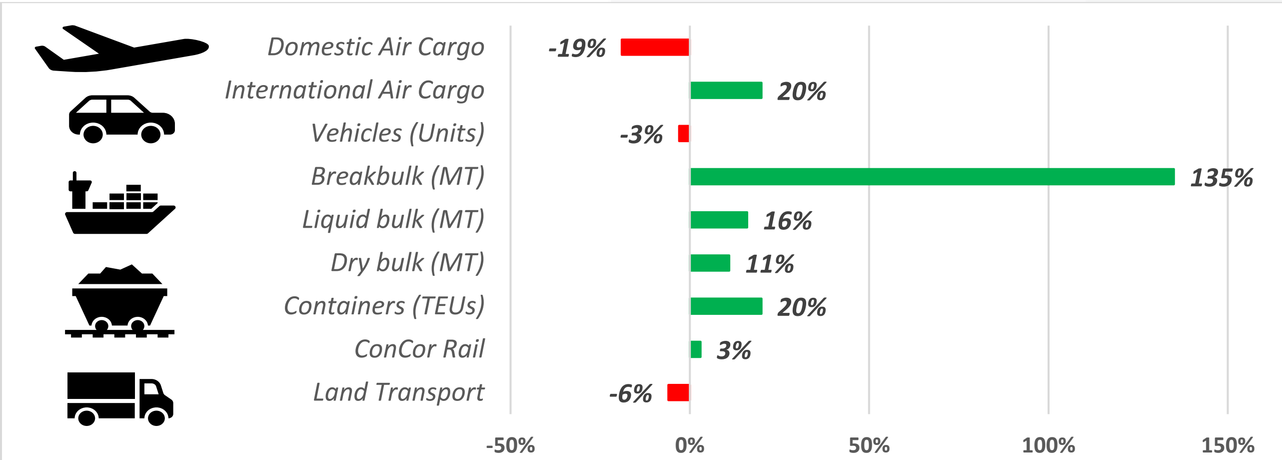
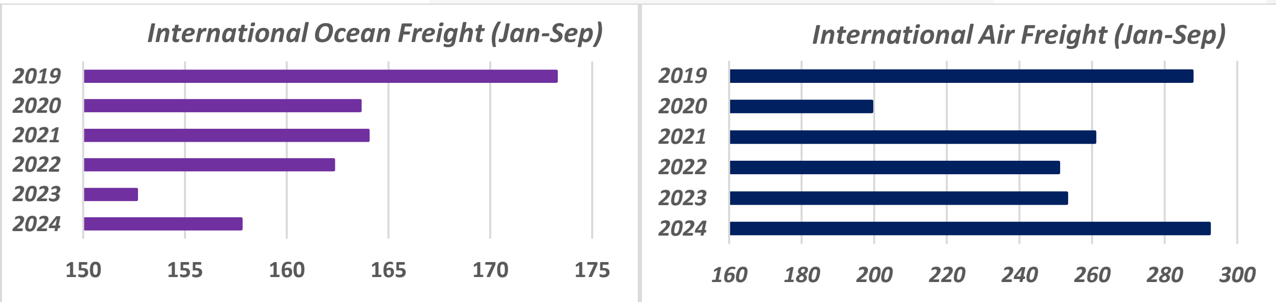


Figure 2 – Year-to-date flows 2019-2024[6]: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~10 691 TEUs** was handled per day, with **~11 302 TEUs** projected for next week.
- Rail cargo handled out of Durban was reported at **3 784** containers, up ↑47% from last week.
- Cross-border queue: **↓1,8 hrs**; transit: **↓1,5 hrs**; SA borders: **13,6 hrs** (**↓17%**); SADC: **4,0 hrs** (**↓25%**).
- The IMF projects global growth at **↑3,2%** for 2024; South Africa at **↑1,1%** (**↑0,1** points above January).
- Container rates are down by **↓3,8%** (or **$121**), trading at **$3 095/40-ft**, as charter rates remain stable.
- African air cargo experienced a **↑9%** sales increase in September despite a slight rate reduction.

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[1] This update contains an overview of air, sea, and road freight to and from South Africa in the last week. This report is the *209th* update.
[2] '*Current*' means the last seven days (a week's) of available data.
[3] '*Previous*' means the preceding 8-14 days (a week) of available data.
[4] Container volumes are now reported in TEUs to align with TPT. Furthermore, we will change the period of reporting to Monday-Sunday, as per TPT.
[5] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year—all metrics: Sep vs Sep.
[6] Total YTD; ocean = bulk cargo in a million metric tonnes, as reported by TNPA; air = cargo to and from all airports in a million kilograms.

Executive Summary

This update contains a consolidated overview of the South African logistics network and the current state of international trade. Operationally, an average of **10 691 TEUs** was handled per day, up compared to the **9 482 TEUs** last week. Port operations were mainly constrained by inclement weather conditions, congestion, equipment breakdowns and shortages. Adverse weather conditions and a shortage of vessels calling the Port of Cape Town represented this week's main operational challenges. In contrast, extensive equipment breakdowns, congestion, and inclement weather ensured operational delays in Durban. Poor weather conditions prevented optimal operational performance at our Eastern Cape Ports, while several vessel movements were delayed in Richards Bay due to strong winds and rainy weather. Straddle carrier availability in Durban reached new lows this week as it fluctuated between **39** and **47** out of a fleet of **88**. Additionally, reports this week suggested that the Bayhead rail precinct flooded over the weekend but resumed operations from Tuesday onwards as the pumps started draining the water quicker than the rate at which it was raining.

Geopolitical tensions and shifting alliances are reshaping global trade patterns, with South Africa increasingly aligning with emerging economies like China. This reorientation raises risks due to growing geopolitical distances from traditional partners (e.g., the US and Europe), limiting South Africa's trade flexibility amid tensions. Meanwhile, global container capacity has surged, with **2,5 million TEU** delivered year-to-date, driving fleet growth of **10,1%**. However, this capacity expansion has exacerbated "vessel bunching," causing operational strains on ports. Following a pandemic-era peak, the 2024 Red Sea crisis triggered a resurgence in vessel bunching, intensifying port congestion risks. Although global congestion has slightly eased, key routes still experience scheduling pressures, notably in Durban, where the queue-to-berth ratio improved to **0,50**. Freight rates reflect these trends, with a transatlantic rate increase (**↑28%**) contrasting with declines in the Asia-North America route due to overcapacity. Carriers face challenges in sustaining rate hikes, with forward contracts now extending into 2025. Other developments included **(1)** MV Dali's Baltimore bridge crash settlement, **(2)** DSV and K+N seeing margins squeezed hard in Q3, and **(3)** more port strikes threatening global supply chains.

The daily average of air cargo handled at ORTIA in the previous week amounted to **578 169 kg** inbound (**↓3%**, w/w) and a substantial **503 661 kg** outbound (**↑2%**). After last week's drop- in air cargo volumes, this week's increase again sees the average cargo handled again significantly above the figures registered last year (**↑15%** versus October 2023) and also above pre-pandemic (**↑14%** versus October 2019). In fact, the outbound volume has been at its highest level for a week since 2019. Internationally, air cargo sales in 2024 saw contrasting regional performance, with declines in Europe and North America due to lower average rates, while strong growth in chargeable weight and rising rates boosted sales in the Middle East, South Asia, Asia Pacific, and Africa. General cargo, particularly driven by e-commerce from Asia Pacific, outpaced special cargo growth globally, with notable increases in high-tech shipments.

In the regional cross-border road freight trade, the average queue times decreased by around **an hour and a half** from last week, as the transit times decreased by around **the same magnitude** (**↓1,5 hours**). The median border crossing times at South African borders decreased by **almost three hours**, averaging **13,6 hrs** (**↓17%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by around **an hour and a half** and averaged **~4,0 hrs** (**↓25%**, w/w). On average, as last week, the same three SADC border posts took around a day to cross – Beitbridge, Groblersbrug and Kasumbalesa (the worst affected, taking **more than two days** to cross). Other developments included **(1)** Groblersbrug border delays, **(2)** accidents on key routes in South Africa, and **(3)** Mozambique national strike.

Ultimately, In light of global shifts and intensified geopolitical dynamics, South Africa's logistics ecosystem must embrace a comprehensive, end-to-end logistics solution that strengthens trade ties and improves logistics performance to support sustainable growth. Leveraging the objectives of the NLCC entails optimising supply chain operations, expediting the modernisation of the freight transport infrastructure, and driving legislative and procurement reforms for a competitive edge. Amid risks linked to geopolitical distance, especially as South Africa aligns more with emerging economies like China, diversifying trade partnerships and increasing agility is paramount. The forthcoming AGOA renewal discussions provide a crucial opportunity to bolster US trade relations, mitigating risks associated with South Africa's shifting trade orientation. To meet ambitious growth targets, estimated to exceed **↑3%** in the near term, South Africa's logistics transformation must balance these external developments with internal resilience, thereby positioning the nation for enhanced growth and development.

Contents

1. Ports Update

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

a. Container flow overview

The following tables indicate the container flows reported for the last seven days. We have changed the reporting unit to TEUs and the week showing Mondays to Sundays to align with TPT.

Table 2 – Container Ports – Weekly flow reported for 21 to 27 October (measured in TEUs)

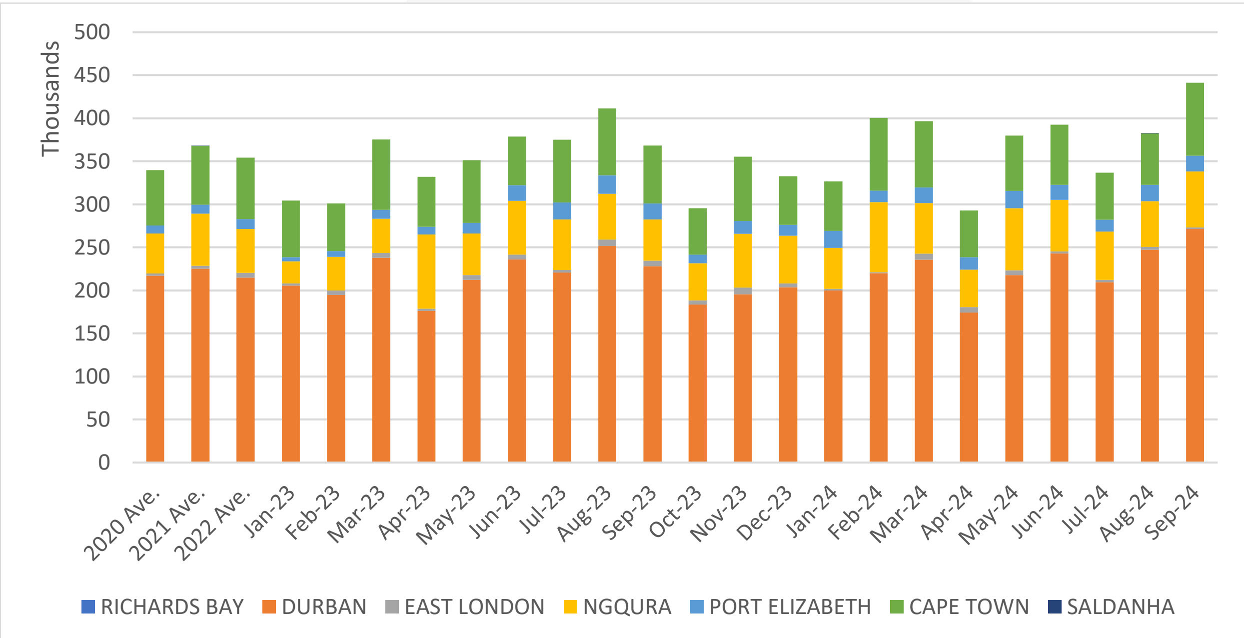
7-day flow reported (21/10/2024 – 27/10/2024)			
Terminal	**Daily average**	**Weekly total**	**% (w/w)**
Durban Container Terminal (Pier 2)	3 682	25 775	↑4%
New Pier (Pier 1)	2 150	15 053	↑6%
Cape Town Container Terminal	2 024	14 165	↑35%
Ngqura Container Terminal	1 254	8 775	↓19%
Port Elizabeth Container Terminal	514	3 598	↑66%
Other	1 067	7 470	↑91%
Total	**10 691**	**74 836**	↑30%

Source: Calculated from TPT, 2024. Updated 27/10/2024.

An increased average of **~10 691 TEUs** (↑30%) was handled per day for the last week (*21 to 27 October*, *Table 2*), compared to the projected average of **~11 906 TEUs** (↓10% actual versus projected) noted in last week's report. For the coming week, an increased average of **~11 302 TEUs** (↑6%) is predicted to be handled (*28 October to 3 November*). Port operations were mainly constrained by adverse weather, congestion, equipment breakdowns, and shortages.

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.

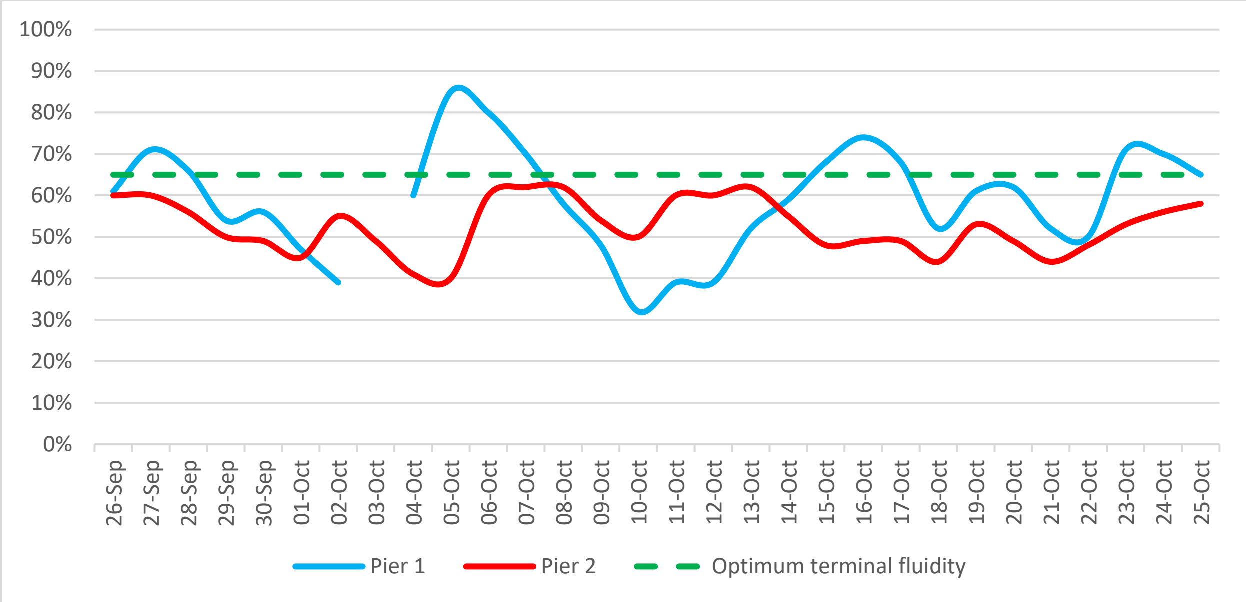
Figure 3 – Monthly flow reported for total container movement (TEUs 2020 to present, m/m)



Source: Calculated using data from TNPA, 2024, and updated 27/10/2024.

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

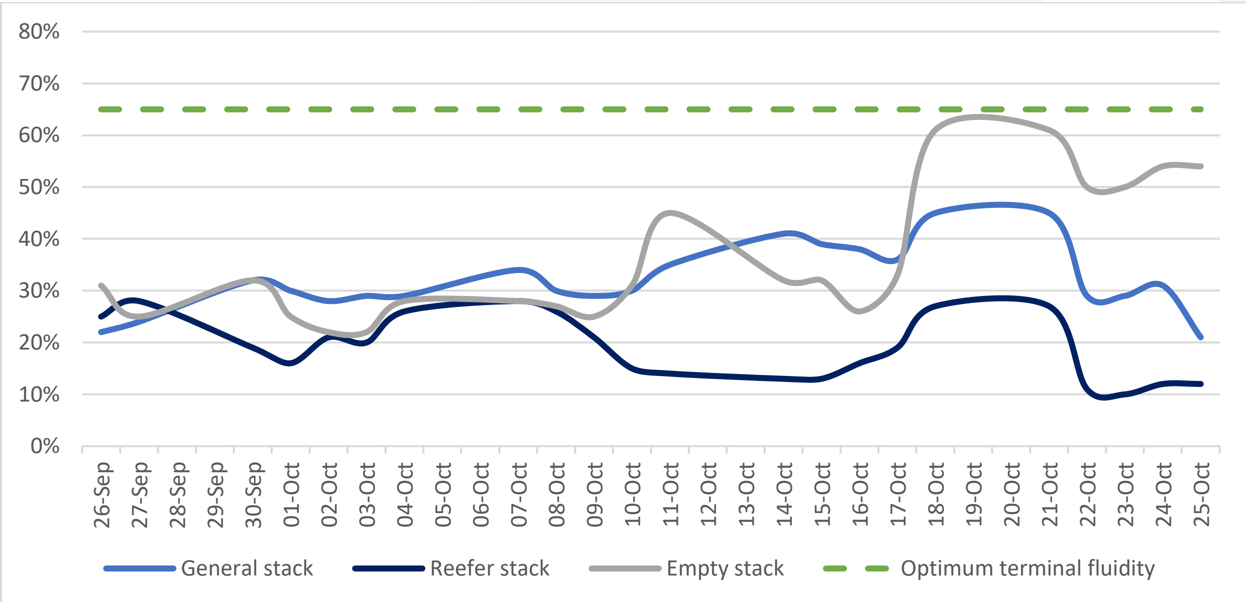
Figure 4 – Stack occupancy in DCT, general-purpose containers (26 September to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 25/10/2024.

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

Figure 5 – Stack occupancy in CTCT, GP, reefer, and empty stack (26 September to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 25/10/2024.

b. Summary of port operations

i. Weather and other delays

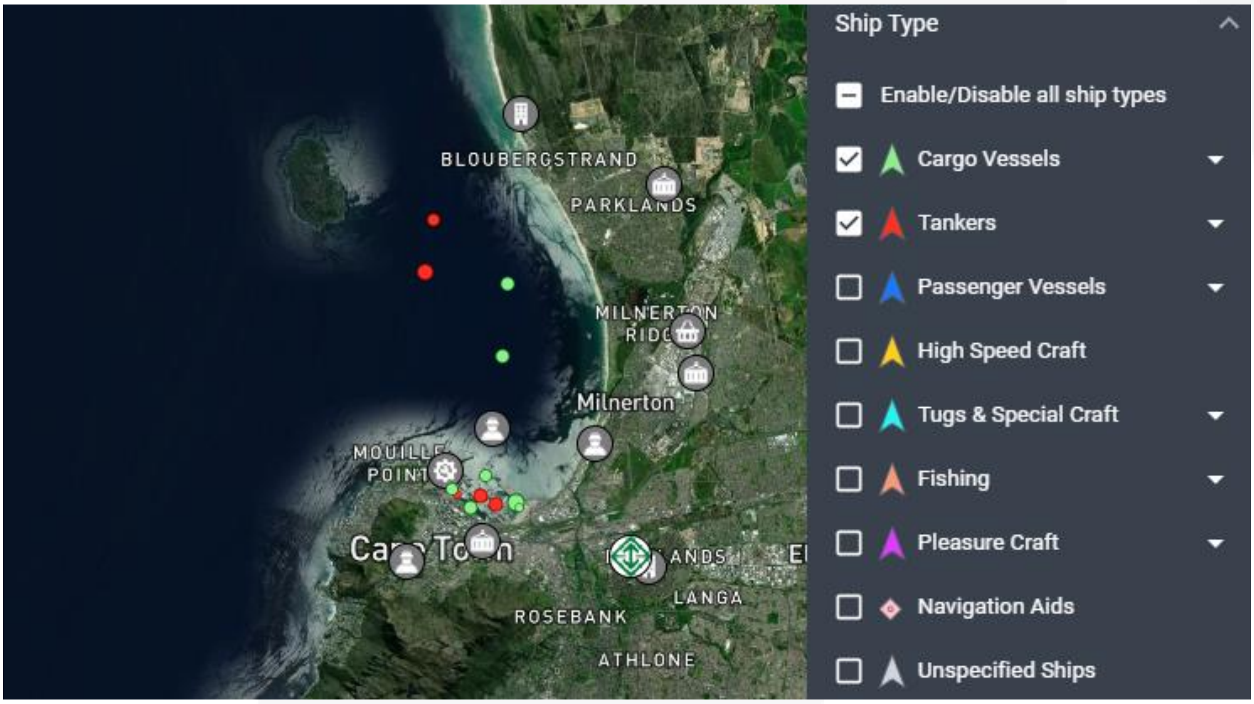
- Adverse weather conditions and a shortage of vessels calling the Port of Cape Town represent this week's main operational challenges.
- Extensive equipment breakdowns, congestion, and significant wind delays on 14 and 15 October resulted in a total loss of nearly a day.
- Poor weather conditions prevented optimal operational performance at our Eastern Cape Ports.
- Several vessel movements were delayed in Richards Bay due to strong winds and rainy weather.

ii. Cape Town

On Friday, CTCT recorded one vessel at berth and zero at anchor, as inclement weather conditions prevented optimal performance at the terminal this week. This week, on the landside, the terminal managed to service 5 187 trucks while handling approximately 164 rail units. On the waterside, the terminal executed approximately 6 449 container moves across the quay during the same period. Stack occupancy for **GP containers** was recorded at **32%**, **reefers** at **12%**, and **empties** at **54%**. Additionally, the terminal operated with all **nine STS cranes**, **24 RTGs**, and **54 hauliers** towards the end of the week.

At midday on Friday, there was **no container** vessel at inner anchorage in Cape Town, with the following snapshot of the port and surrounds:

Figure 6 – Cape Town vessel view (per vessel group)



Source: Marine Traffic. Updated 25/10/2024 at 14:00.

On Friday, CTMPT recorded one berthed vessel and two vessels at anchor. In the preceding 24 hours, the terminal handled around 5 339 tons of wheat across the quay. On the landside, merely two trucks were processed during the same period. Towards the end of the week, stack occupancy was recorded at 45% for general cargo, 11% for reefers, and 1% for empties. Some industry concerns were raised this week as the next container vessel is only scheduled to arrive around 27 October. The MSC Ishyka was anticipated to arrive at the terminal this week but was delayed due to the adverse weather experienced at NCT. The latest reports suggest that the vessel will only sail from NCT around 13:00 on Friday (25 October) and arrive on Saturday (26 October). Additionally, the latest reports suggest that all three cranes are in service.

The FPT terminal serviced three vessels during the week of 14-20 October: two multi-purpose vessels and one layby vessel. Berth occupancy during this period was 14%. FPT planned to handle four vessels between 21 and 27 October, with another four scheduled between 28 October and 03 November. Minimal operational delays were reported at the terminal this week.

iii. Durban

On Thursday, Pier 1 recorded two vessels on berth, operated by four gangs, with another two at anchor. Stack occupancy was **70%** for **GP containers**. This week, the terminal executed approximately 4 980 gate moves on the landside, with an average **TTT** of **~126 minutes** (**↑35%**, w/w) and an average **staging time** of **~113 minutes** (**↑19%**). Additionally, the terminal moved approximately 4 012 TEUs across the quay on the waterside between Monday and Wednesday. The terminal operated with **five STS cranes** for most of the week and had **13 RTGs** in service towards the end of the week. Strong winds impacted operations at the terminal significantly this week.

Pier 2 had three vessels on berth and two at anchorage on Friday, as adverse weather, congestion, and equipment breakdowns prevented optimal operational performance this week. Stack occupancy was recorded at **58%** for **GP containers**. The terminal operated with **11 gangs** and moved approximately 6 314 containers across the quay between Monday and Wednesday on the waterside. Between Monday and Friday, there were approximately 9 798 gate moves on the landside, with an average **TTT** of **~115 minutes** (**↑13%**, w/w) and a **staging time** of **~214 minutes** (**↑23%**) for the week. Additionally, approximately 2 091 units were moved by rail this week. The number of available straddle carriers fluctuated between **39** and **47** out of a fleet complement of **88** this week. Thus, the availability figure sat roughly at **49% during this period**, which significantly helps explain the increased TTT and staging times.

The refurbishment project at Tower 202 at DCT, which commenced on 14 October, continued to cause considerable upheaval during the week. Truck Turnaround Times at 202 peaking on Tuesday at an average of 14h47m. The terminal has attempted to mitigate the delays at this tower and 205, which are the busiest at the pier, but ongoing equipment breakdowns have hampered these efforts. Current plans are for the project to be completed by the second week of November, when all 27 bays will be operational with upgraded communications and power supply.

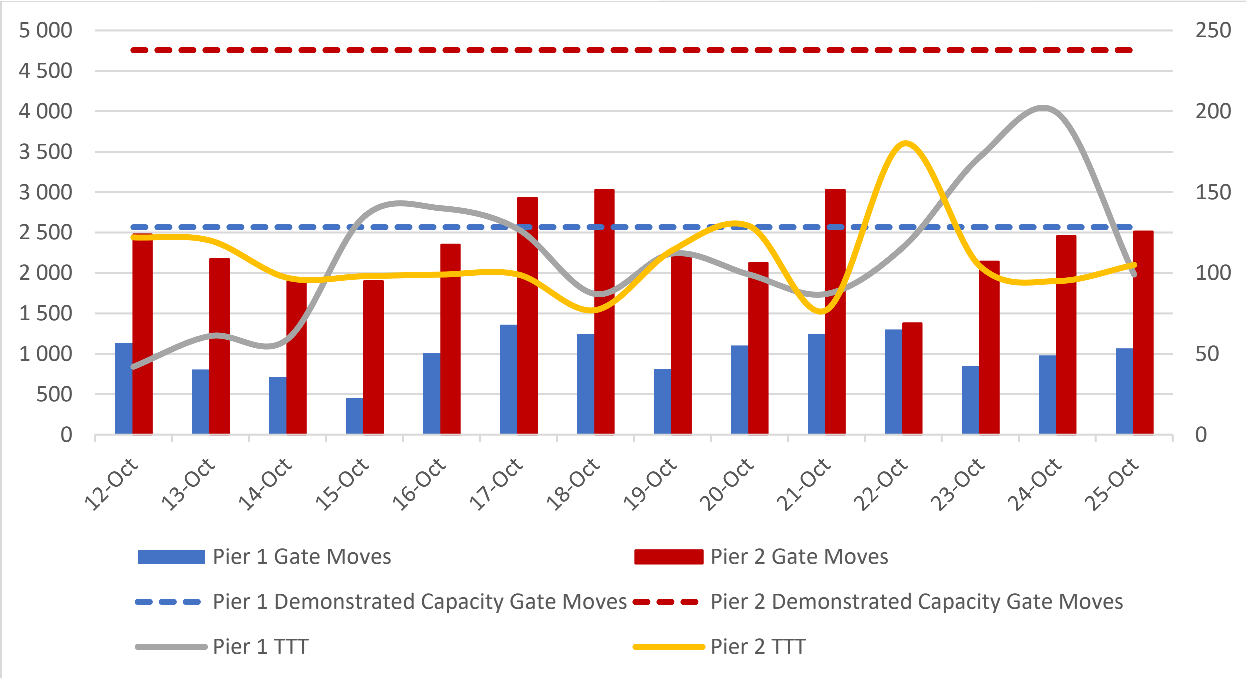
Durban's MPT terminal recorded three vessels on berth on Friday and two at outer anchorage. Stack occupancy for containers was 23%, with the breakbulk stack at 86%. In the preceding 24 hours, the terminal managed to handle 513 containers and 3 556 tons of breakbulk on the waterside. On the landside, 333 container trucks and 55 breakbulk RMTs were serviced. During this period, three cranes, ten reach stackers, six forklifts, and 19 ERFs were in operation. The third crane (Crane 01) returned to operations towards the latter end of the week.

On Friday, the Maydon Wharf MPT had one berthed vessel with zero vessels at anchor. During the 24 hours between Thursday and Friday, the terminal managed to handle 149 containers on the waterside while handling four RMTs and 23 rail wagons on the landside. During the same period, the agri-bulk terminal recorded one vessel on berth with none at outer anchorage. No operations took place on the landside; however, 6 626 tons were handled across the quay on the landside.

On Wednesday, the Ro-Ro terminal in Durban recorded two vessels on the berth, with none at anchorage. In the 24 hours before Wednesday, the terminal handled 2 620 road and 203 rail units on the landside while handling 2 095 units on the waterside. Overall stack occupancy was 47% (Exports: 20%, Imports: 65%, Transshipments: 14%), 50% at Q&R, and 50% at G-berth. During this period, the terminal had 132 high-and-heavies (abnormal loads) on hand and managed to handle 29.

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.

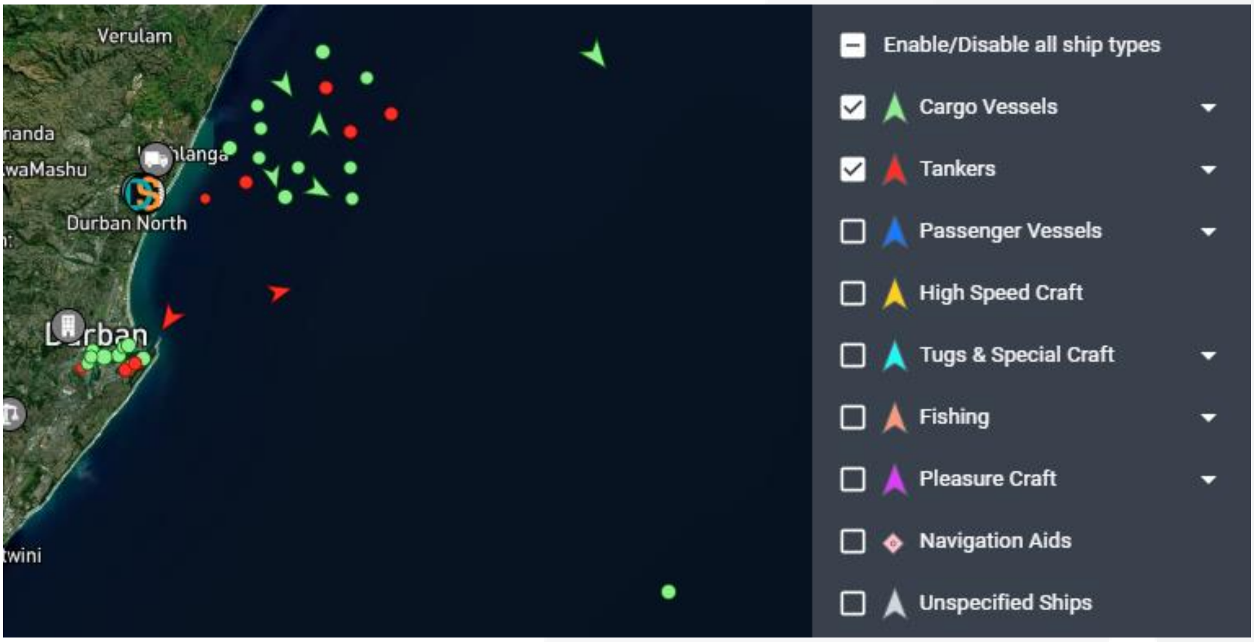
Figure 7 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 25/10/2024.

The queue of container vessels waiting outside Durban has decreased somewhat in the last few weeks. At midday on Friday, **three** vessels were waiting for Pier 2, **two** for Pier 1, and **none** for Point terminal, with a current estimation of **at least five additional days added to the schedules** (a reduction from last week). The following is a snapshot of the port and vessels waiting to berth:

Figure 8 – Durban vessel view (per vessel group)



Source: Marine Traffic. Updated 25/10/2024 at 14:00.

iv. Richards Bay

On Friday, Richards Bay recorded 13 vessels at anchor and 11 on the berth, translating to four vessels at DBT, six at MPT, one at RBCT, and none at the liquid bulk terminal. Two tugs, one pilot boat, and one helicopter operated for marine resources in the 24 hours before, as the aircraft returned to service this week. On Wednesday, the coal terminal had three vessels at berth and zero at anchor while handling 149 776 tons on the waterside. The average for the week was around **173 870 tons** (**↑3%**, w/w). However, on the landside, 20 trains were serviced, slightly below the target of 22.

v. Eastern Cape ports

On Friday, NCT recorded three vessels on berth and one at anchor, with four vessels drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours before. Stack occupancy figures were recorded at **18%** for **reefers**, **32%** for **reefer ground slots**, and **28%** for **the general stack**. Despite conceding around six operational hours to adverse weather during this period, the terminal handled approximately 1 500 TEUs on the waterside. Approximately 455 trucks were processed on the landside at an average **TTT** of **~37 minutes**. Towards the end of the week, the terminal had **six STS cranes**, **26 RTGs**, and **68 hauliers** in operation.

On Thursday, GCT recorded one vessel at berth and zero at outer anchorage. Marine resources of two tugs, a pilot boat, two pilots, and one berthing gang were in operation in the preceding 24 hours. Despite experiencing some equipment challenges, 119 trucks were processed at a **TTT** of **~24 minutes** on the landside, while 764 TEUs were handled across the quay on the waterside. Additionally, Crane 3 was out of commission for most of the week, leaving only one STS and one mobile harbour crane available. Additionally, the latest reports suggest that the *MSC Lorena* will omit the Port of Port Elizabeth due to schedule recovery. She will proceed directly to Durban and is anticipated to arrive around 09 November. Then, she will proceed to Cape Town around 12 November. All Port Elizabeth imports will discharge in Cape Town to connect to the next *Mesawa* vessel, which is tentatively identified as the Maersk Florence 444E. All Port Elizabeth exports will be transferred to the next vessel.

On Wednesday, one vessel was recorded on the berth on the Ro-Ro terminal, with zero vessels at the outer anchorage. During this period, the terminal handled 2 211 units on the waterside, resulting in a stack occupancy figure of 25%.

vi. Saldanha Bay

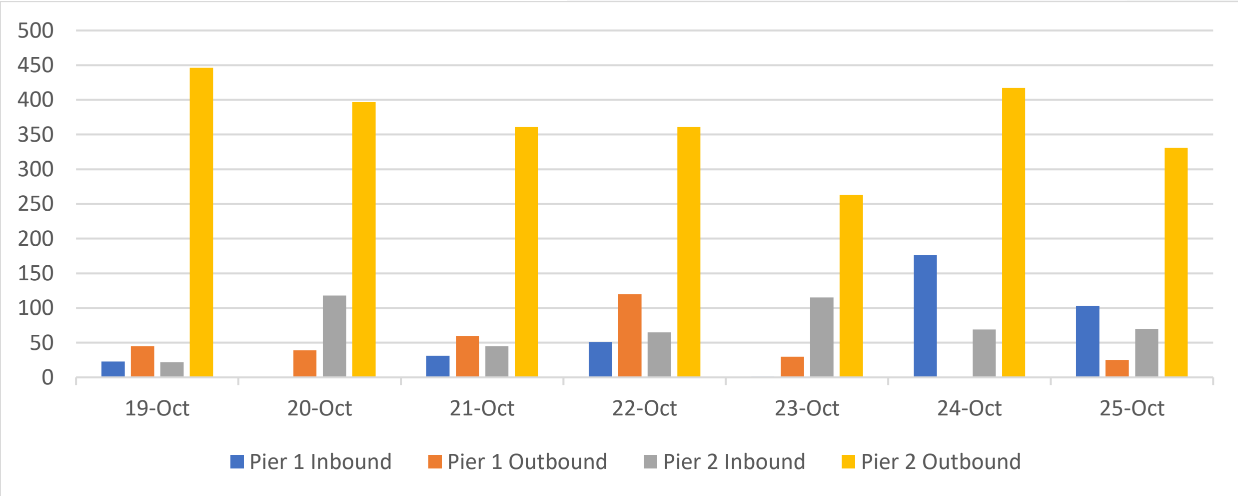
On Friday, the iron-ore terminal had zero vessels at anchorage and two on the berth, while the multi-purpose terminal had two at berth and zero at anchor.

vii. Transnet Freight Rail (TFR)

Reports this week suggested that the Bayhead rail precinct flooded over the weekend but resumed operations from Tuesday onwards as the pumps started draining the water quicker than the rate at which it was raining. Additionally, towards the end of the week, DCT Pier 2 had 228 ConCor units on hand with a dwell time of 120 hours and 153 over-border units with a dwell time of 17 days.

The following figures show the number of containers handled on the Container Corridor this week:

Figure 9 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2024. Updated 25/10/2024.

In the last week (*19 to 25 October*), rail cargo handled out of Durban was reported at **3 784** containers, up by **↑47%** from the previous week's **2 574** containers.

2. Air Update

a. International air cargo

The following table shows the inbound and outbound air cargo flows to and from ORTIA for the week beginning 14 October. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *October 2023* averaged **~944 516 kg** per day.

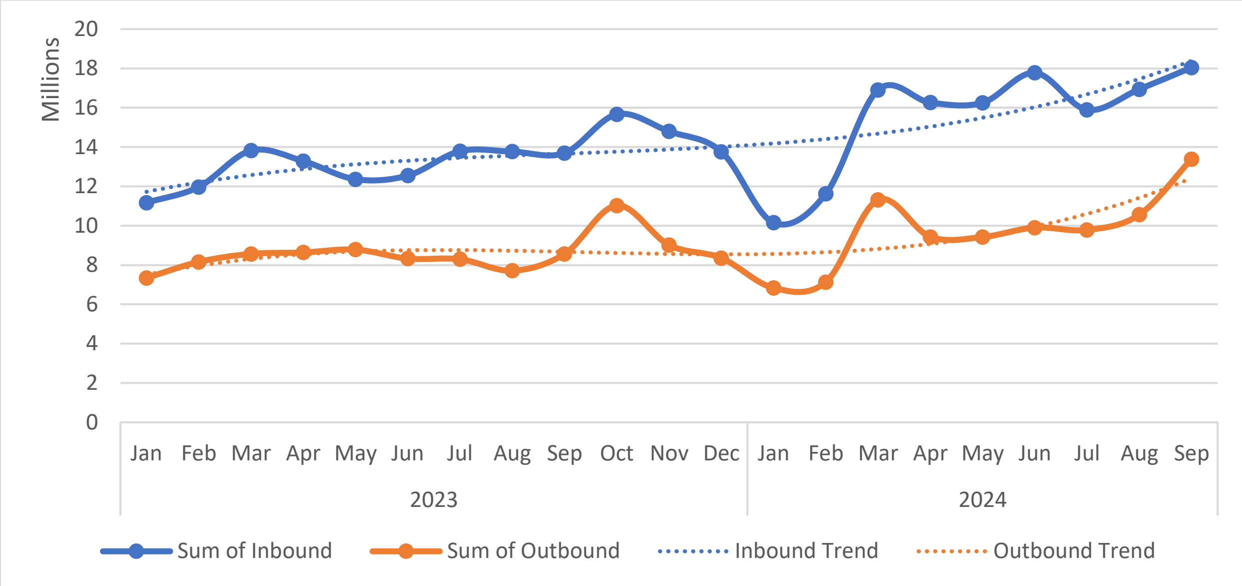
Table 3 – International inbound and outbound cargo from OR Tambo

Flows	14-Oct	15-Oct	16-Oct	17-Oct	18-Oct	19-Oct	20-Oct	Week
Volume inbound	492 257	211 645	418 772	220 334	411 950	320 571	1 974 963	**4 050 492**
Volume outbound	262 317	345 035	354 792	278 572	259 401	273 643	1 751 868	**3 525 628**
Total	**754 574**	**556 680**	**773 564**	**498 906**	**671 351**	**594 214**	**3 726 831**	**7 576 120**

Courtesy of ACOC. Updated: 24/10/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to **578 169 kg** inbound (**↓3%**, w/w) and a substantial **503 661 kg** outbound (**↑2%**), resulting in an average of **1 082 824 kg**. After last week's drop- in air cargo volumes, this week's increase again sees the average cargo handled again significantly above the figures registered last year (**↑15%** versus October 2023) and also above pre-pandemic (**↑14%** versus October 2019). In fact, the outbound volume has been at its highest level for a week since 2019.

Figure 10 – International cargo from OR Tambo – volumes per month (kg millions)

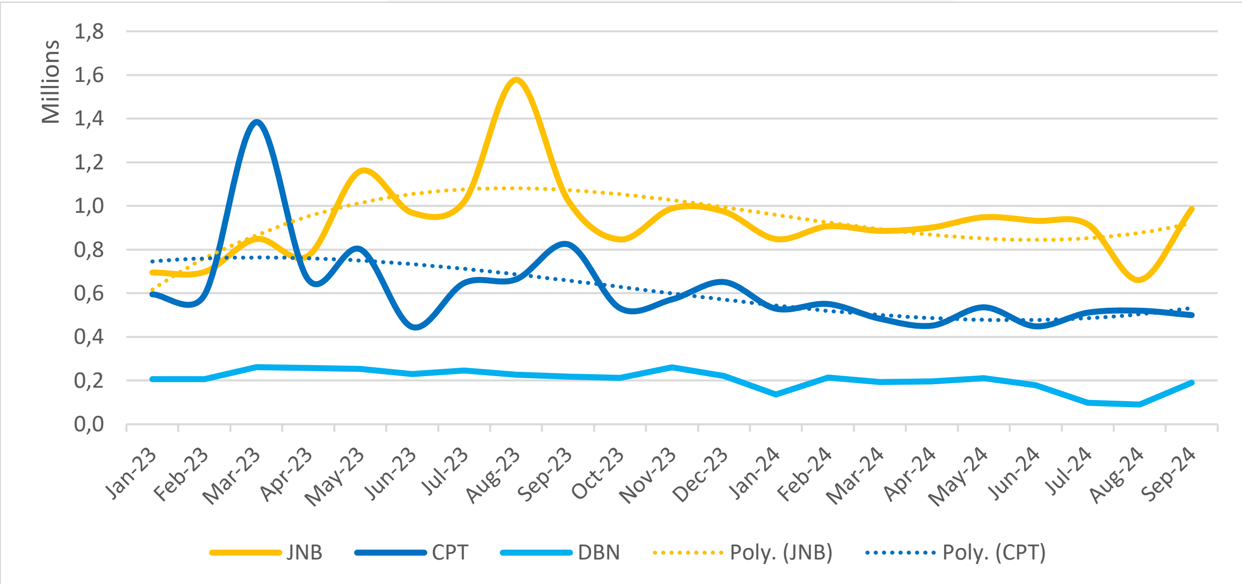


Courtesy of ACOC. Updated: 09/10/2024.

b. Domestic air cargo

The following figure shows the movement since the start of last year:

Figure 11 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 25/10/2024.

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 **almost three hours**, averaging **13,6 hrs** (**↓17%**, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by around **an hour and a half** and averaged **~4,0 hrs** (**↓25%**, w/w).
- **Groblersbrug border delays:**
  - There were ongoing complaints of severe delays at Groblersbrug, with transporters reporting queue times of over six hours and some taking more than 3 days to cross the border.
  - These delays significantly impacted the flow of goods.
- **Accidents on key routes in South Africa:**
  - On Tuesday, multiple accidents caused significant disruptions—the N4 at Schoemanskloof and R36 routes, both towards Lebombo, experienced blockages.
  - Additionally, the Waterval Boven route was closed due to an accident. Transporters have been rerouted via Schoemanskloof until further notice
- **Mozambique national strike:**
  - On Sunday, 20 October, concerns were raised about a potential national strike in Mozambique, prompting advisories for transporters to avoid sending drivers on the roads during this period.
  - A strong police presence was reported in critical areas such as Maputo, Matola, Tete, and Nacala.
  - There were isolated incidents of police using tear gas at a Shoprite in Maputo, but no further significant incidents were reported.
  - Further updates suggest that it remains advisable to stay off the roads, as there was a specific lockdown in Mozambique.
  - Election results were expected to be posted late on Thursday, and caution is recommended until the situation stabilises.

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

Table 4 – Delays[7] summary – South African borders (both directions)

Border Post	Direction	HGV[8] 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	481	27,9	8,0	28,0	14 430	3 367
Beitbridge	Zimbabwe-SA	418	10,7	2,3	10,4	12 540	2 926

[7] 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. Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) online tool UNCTAD and the AfCFTA Secretariat developed. However, given that platform's questionable effectiveness, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau, arguably providing better and more reliable information.

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

Border Post	Direction	HGV[8] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Groblersbrug	SA-Botswana	232	24,9	1,0	25,0	6 960	1 624
Martins Drift	Botswana-SA	204	2,7	0,3	2,4	6 120	1 428
Kopfontein	SA-Botswana	279	13,0	1,0	12,6	8 370	1 953
Tlokweng	Botswana-SA	46	0,6	0,2	0,4	1 380	322
Vioolsdrift	SA-Namibia	30	3,9	1,2	3,5	900	210
Noordoewer	Namibia-SA	20	1,6	0,4	1,4	600	140
Nakop	SA-Namibia	30	3,4	1,1	3,2	900	210
Ariamsvlei	Namibia-SA	20	1,0	0,4	1,0	600	140
Skilpadshek	SA-Botswana	277	17,3	2,4	17,2	8 310	1 939
Pioneer Gate	Botswana-SA	85	0,0	0,0	0,0	2 550	595
Lebombo	SA-Mozambique	1 446	5,9	1,1	5,5	43 380	10 122
Ressano Garcia	Mozambique-SA	125	1,5	0,3	1,3	3 750	875
Sum/Average		**3 693**	**8,2**	**1,4**	**8,0**	**110 790**	**25 851**

Source: TLC, FESARTA, & Crickmay, week ending 20/10/2024.

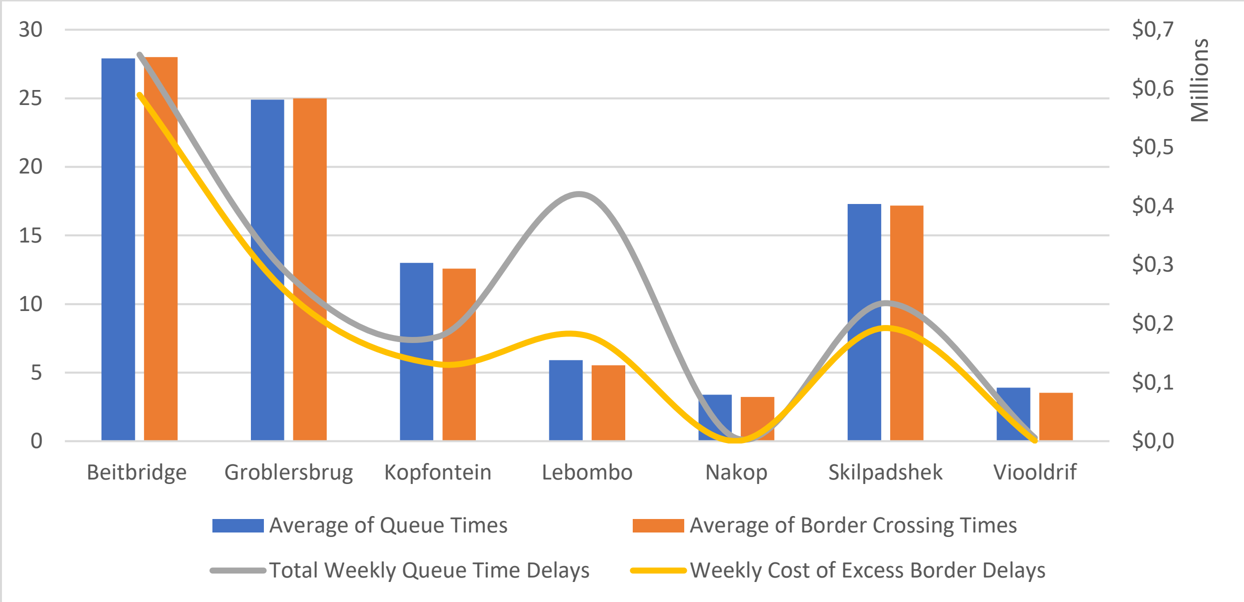
Table 5 – Delays summary – Corridor perspective

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	16,4	3,2	16,0	9 600	2 240
Central Corridor	798	0,0	0,0	0,0	23 940	5 586
Dar Es Salaam Corridor	1 819	11,1	1,4	10,9	54 570	12 733
Maputo Corridor	1 571	3,7	0,7	3,4	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 732	10,6	1,4	10,5	111 960	26 124
Northern Corridor	2 817	1,1	0,1	1,1	92 520	21 588
Trans Caprivi Corridor	116	0,0	0,0	0,0	3 480	812
Trans Cunene Corridor	100	0,0	0,0	0,0	3 000	700
Trans Kalahari Corridor	392	5,6	0,8	5,4	11 760	2 744
Trans Oranje Corridor	100	2,5	0,8	2,3	3 000	700
Sum/Average	**11 892**	**5,1**	**0,7**	**5,0**	**364 770**	**85 113**

Source: TLC, FESARTA, & Crickmay, week ending 20/10/2024.

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

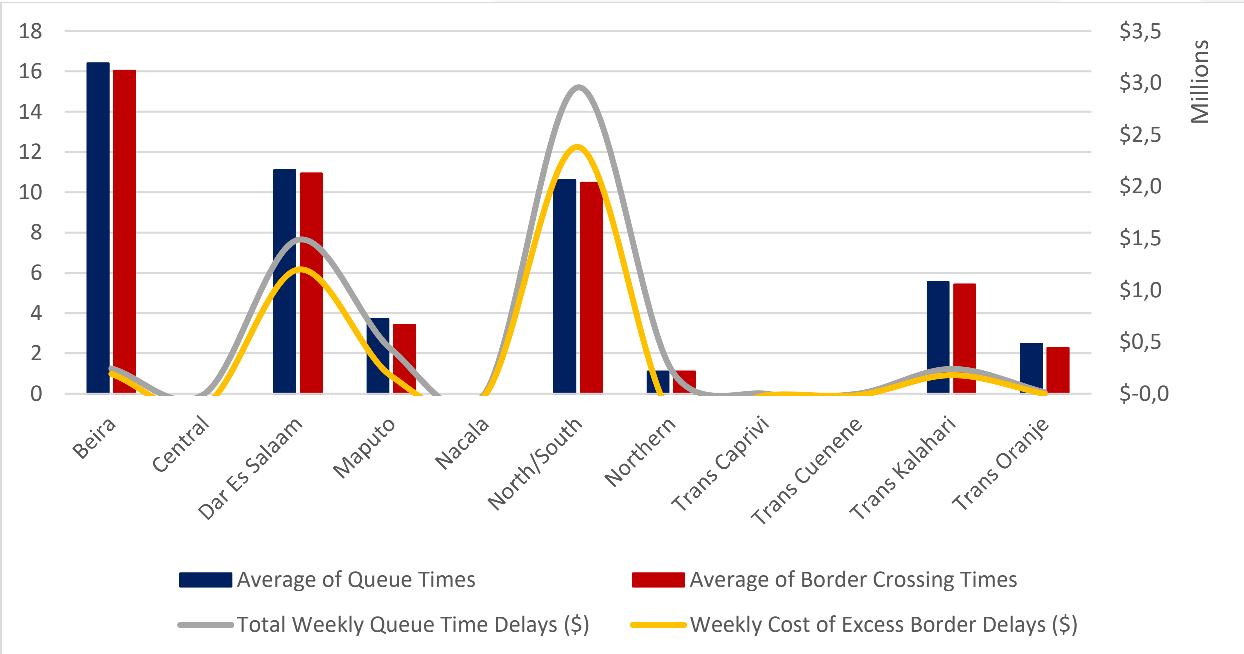
Figure 12 – Weekly cross-border delays & est. Cost from an SA border perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 20/10/2024.

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

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



Source: TLC, FESARTA, & Crickmay, week ending 20/10/2024.

In summary, cross-border queue time averaged **~5,1 hours** (down by **~1,8 hours** from the previous week's **~6,8 hours**), indirectly costing the transport industry an estimated **$5,6 million** (**R99 million**). Furthermore, the week's average cross-border transit times hovered around **~5,0 hours** (down by **~1,5 hours** from the **~6,5 hours** recorded in the previous report), at an indirect cost to the transport industry of **$3,7 million** (**R66 million**). As a result, the total indirect cost for the week amounts to an estimated **~$9,3 million** (**R165 million**, down by **~R55 million** or **↓25%** from **~R220 million** in the previous report).

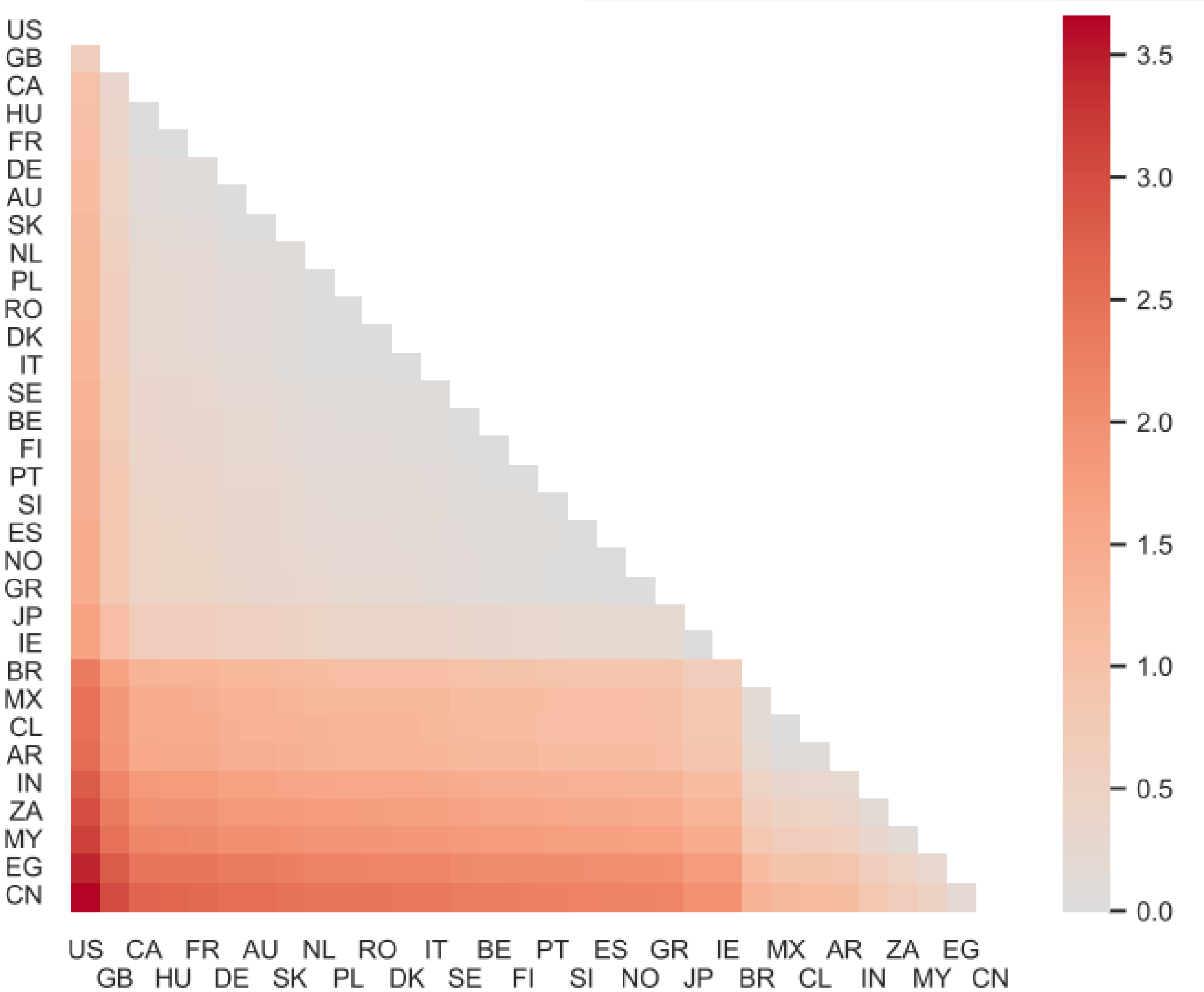
4. International Update

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

a. Geopolitical economy and global outlook

Globalisation is increasingly under threat as countries gradually impose trade restrictions on partners with significant geopolitical differences, particularly highlighted since 2017, according to a recent study published in the *BIS Quarterly Review*.[9] The geopolitical distance between countries, measured through UN voting alignment, has resulted in trade volumes growing about **↓2,5%** more slowly between distant countries over the 2017–2023 period than geopolitically aligned nations. The following figure illustrates the distance between country pairs, with lighter colours indicating closer geopolitical distance:

Figure 14 – Geopolitical distance between countries



Source: Qiu et al., 2024

[9] Qiu, H., Xia, D., & Yetman, J. 2024. Deconstructing global trade: the role of geopolitical alignment. *BIS Quarterly Review*, 33-48.

The shift in South Africa's trade patterns reflects a growing alignment with rapidly emerging economies like China, driven by geopolitical and economic factors. This realignment has increased South Africa's geopolitical distance from traditional partners, such as the US, UK, and European countries, as trade with these nations has diminished. As a result, South Africa faces heightened risks in its trade relationships due to the growing reliance on geopolitically distant partners, which may limit its flexibility in diverting trade amidst rising geopolitical tensions. The ongoing discussions around the renewal of the African Growth and Opportunity Act (AGOA) offer a crucial opportunity for South Africa to strengthen its trade relations with the US, potentially mitigating some geopolitical distance by providing preferential access to US markets. However, uncertainties remain amid broader geopolitical shifts and trade diversification efforts.

This week, the IMF projected global growth to be **↑3,2%** for 2024, with the battle against inflation primarily according to its World Economic Outlook (WEO) forecast.[10] However, as with the above assessment, risks from geopolitical conflicts, trade tensions, and high debt levels persist, necessitating urgent fiscal consolidation to avoid disorderly adjustments and potential market pressures. The IMF now expects South Africa's GDP growth to be more robust at **↑1,1%** (**↑0,1** points above the January outlook), with 2025's projection also boosting **↑0,3%** points to **↑1,5%**. Local economists have put South Africa's GDP growth for 2024 between **↑1,0%** and **↑1,2%**, with 2025's projections between **↑1,5%** and **↑2,2%**.

The government has set lofty goals of over **↑3,0%** growth in the near term. These targets are unlikely to be achieved; however, continued progress with the key matters outlined in the NLCC, which is to enhance the operational performance of supply chains, modernise the freight transport system through reforms to boost efficiency and competitiveness, and create conditions for effective operation through necessary legislative adjustments and improved procurement and funding mechanisms.

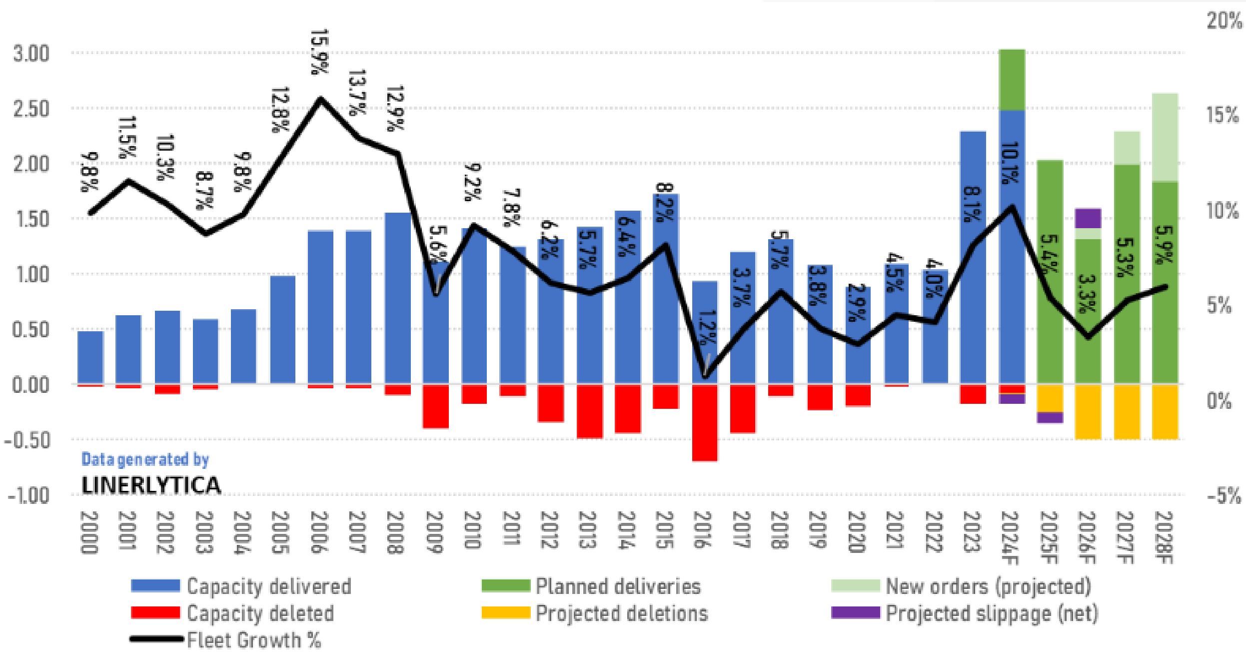
b. Global shipping industry

i. Container fleet and capacity growth

Year-to-date new containership deliveries have already surpassed last year's record of **2,3 million TEU,** with **2,5 million TEU** already handed over this year, and a further **0,5 million TEU** is still due to be delivered before the year is over:

[10] IMF. 22/10/2024. World Economic Outlook: October 2024: Global growth is expected to remain stable yet underwhelming.

Figure 15 – Containership fleet growth: 2000-2028 forecast (capacity in TEU millions, % growth y/y)



Source: [Linerlytica]

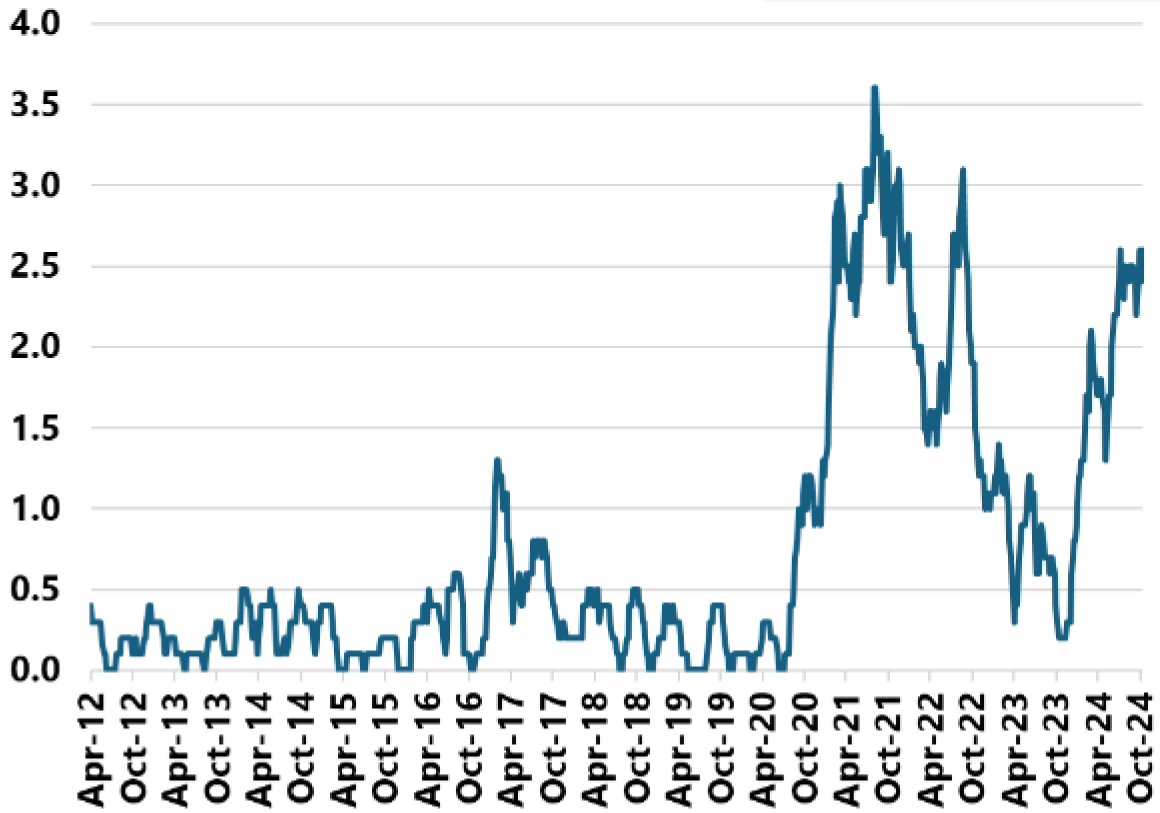
Full-year fleet growth is expected to reach ↑**10,1%** with limited scrapping and delivery slippage. Just **78 200 TEU** have been scrapped this year, with the current run rate at less than **5 000 TEU** deleted each month as the strong demand for elderly ships has kept them away from the scrapyards. However, the current orderbook and new-building schedule suggest that fleet growth is expected to drop in the next two years as the carriers reign in spending – primarily originating from the pandemic's financial windfall.

ii. Scheduling pressure and vessel bunching

The significant increase in the number of container vessels—as well as supply chain pressures since the pandemic—has wracked havoc on vessel scheduling. *Sea Intelligence* has investigated the phenomenon of "vessel bunching," where more vessels depart in a given week than the scheduled weekly services.[11] This issue arises from vessel delays, shortages, or the deployment of extra vessels to meet excess demand. By calculating vessel bunching over a rolling 10-week period, the analysis shows that vessel bunching was relatively low before the pandemic. However, the pandemic caused a significant surge, and despite near-normalisation by late 2023, the 2024 Red Sea crisis has led to another increase, nearly reaching pandemic levels.

[11] Murphy, A. 24/10/2024. Vessel bunching on the increase.

Figure 16 – Asia-NEUR vessel bunching (10-week average)



Source: [Sea Intelligence]

Vessel bunching creates operational strain on ports and terminals by concentrating workloads into specific weeks, increasing the risk of congestion. This can also have a downstream effect on other transport modes like trucking, rail, and barge capacity. Ultimately, vessel bunching indicates potential port congestion and current trends suggest no immediate relief from the pressure faced by ports.

iii. Global container freight rates and global container market summary

Global congestion has cooled and accounts for around **2,18 million TEU, around 7% of the global fleet**. In South Africa, port congestion at the Port of Durban continued to decrease this week, with some **21 100 TEU** currently outside anchorage. As such, the queue-to-berth ratio at Durban was **0,50**.[12] Despite the supposed misstep for the Asia-North Europe capacity mentioned above, the number of cancelled services for the rest of the industry has remained high this week. Drewry's "*Cancelled Sailings Tracker*" was trending at a **9%** cancellation rate.[13]

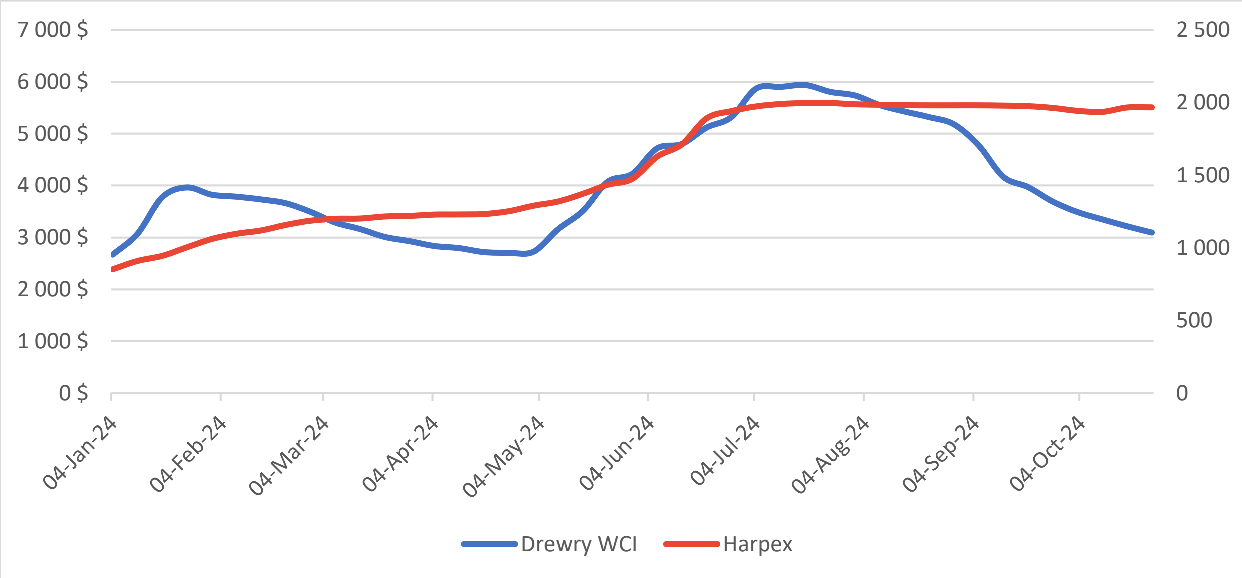
Container spot freight rates on major export routes from China have declined, with the transpacific and Asia-Europe trades experiencing drops. In contrast, the transatlantic route saw a notable **↑28% increase** due to demand and capacity reductions. Rate surges on the transatlantic leg were further influenced by strike-related surcharges, now mostly lifted, and ongoing capacity constraints. On the Asia-North America route, rates declined amid overcapacity despite strong demand, suggesting carriers may need to adjust capacity to stabilise the market.[14]

[12] Linerlytica. 25/10/2024. Port Congestion Watch.
[13] Drewry. 25/10/2024. Cancelled Sailings Tracker.
[14] Van Marle, G. 25/10/2024. Carriers may have 'overshot' on capacity and will need to blank more sailings.

Although freight rates are expected to reverse their declines in November as carriers implement a new series of rate hikes, the sustainability of the higher rates remains in question, as carriers have shown no efforts to cut capacity to match slack season demand.[15] Despite record-high vessel deliveries this year, charter rates have remained resilient despite the recent freight rate corrections. Carriers are still competing furiously for tonnage, and forward fixtures are now extended into Q4 of 2025. The next four weeks will clarify that the carriers' bullishness is justified as the market heads into the critical 2025 contract negotiation season.

This week, Drewry's "*World Container Index*" recorded another similar drop. The composite index is down by **↓3,8%** (or **$121**), trading at **$3 095 per 40-ft container**.[16] Meanwhile, charter rates remain stable, as the *Harper Petersen Index* (Harpex) traded around **1 967 points** (**↑0,1%,** w/w) on Friday. The following combined illustration shows their relationship since the start of the year:

Figure 17 – World Container Index and Charter rates (YTD, $ per 40ft, index)



Source: Calculated from Drewry and Harpex

The most significant changes saw freight rates from Shanghai to Rotterdam decreasing by **↓7%** to **$3 132 per FEU**, while rates from Rotterdam to New York skyrocketed by **↑28%** to **$2 663 per FEU**. Drewry expects rates (ex-China) to continue with their marginal decline in the coming weeks.

iv. Further developments of note

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

1. **$102 Million settlement agreed in the first case after MV Dali's Baltimore bridge crash:**
   a. The United States has settled a $102 million civil claim with Singapore firms Grace Ocean and Synergy Marine over the March collision of the MV Dali with the Francis Scott Key Bridge in Baltimore, which resulted in six deaths and extensive damage.[17]

[15] Linerlytica. 21/10/2024. Market Pulse – Week 43.
[16] Drewry. 24/10/2024. World Container Index.
[17] Lennane, A. 25/10/2024. $102m settlement agreed in first case after MV Dali's Baltimore bridge crash.

   b. The settlement, just below the original $103 million claim, covers federal disaster response costs, with additional claims for bridge repair costs still pending from Maryland. This resolution allows the US to dismiss its claim for now, with the option to reinstate it if payment is not completed within 60 days.

2. **DSV and K+N see margins squeezed hard in the third quarter:**
   a. Kuehne + Nagel and DSV both faced margin pressures in Q3, with Kuehne + Nagel's sea freight division driving a 17% increase in group-wide revenue despite mixed results across its divisions. [18]
   b. DSV experienced a 30% revenue increase in air and sea combined, offsetting EBIT declines with strong growth in its contract logistics arm. Both companies indicate market challenges, with DSV warning of potential price hikes due to capacity reductions from subcontractor exits, suggesting tougher negotiations with customers in Q4.
3. **More port strikes threatening global supply chains:**
   a. Shippers are facing more upheaval at Chittagong Port – transport operators began a 48-hour strike on Monday, leaving export and import containers stranded.[19]
   b. Canadian Minister of Labour Steven MacKinnon's proposal for a special mediation to resolve the Montreal port labour dispute was rejected, leaving hopes for a swift settlement unmet as the port continues facing operational strain under an indefinite overtime ban.[20] Despite consistent container throughput, forwarders and shippers worry about escalating disruptions, especially with potential strikes at US ports looming in the new year.

c. Global air cargo industry

In September 2024, global air cargo trends reveal a mixed landscape, with notable regional differences in air cargo sales. According to World ACD, while Europe and North America experienced declines, the Middle East, South Asia, Asia Pacific, and Africa recorded robust growth in cargo sales. Despite growth in chargeable weight across all regions, lower average rates in Europe (**↓22%**) and North America (**↓15%**) led to annual sales declines of **↓16%** and **↓12%**, respectively. However, regions like the Middle East and South Asia saw soaring sales (**↑62%**), supported by a **↑19%** rise in tonnage and a significant **↑36%** increase in rates. Asia Pacific followed closely with **↑23%** growth, while Africa experienced a **↑9%** sales increase despite a slight rate reduction. The following matrix illustrated the annual changes versus September 2023:

[18] Whiteman, A. 23/10/2024. DSV and K+N see margins squeezed hard in third quarter.
[19] Loadstar. 21/10/2024. More cargo chaos at Chittagong Port as transport operators strike.
[20] Goldstone, C. 22/10/2024. Overtime ban at port of Montreal goes on as 'special mediator' is rejected.

Figure 18 – Capacity, weight, and rates by region (September, y/y % change)

Origin regions	Capacity (kg)			Chargeable weight (kg)			Rates ($US)		
	MoM	YoY	YtD	MoM	YoY	YtD	MoM	YoY	YtD
Africa	12%	-2%	-2%	4%	12%	9%	2%	3%	-1%
Asia Pacific	6%	6%	12%	1%	10%	17%	3%	21%	5%
Central & South America	15%	-8%	1%	1%	7%	6%	2%	0%	-6%
Europe	9%	-3%	2%	-1%	4%	8%	2%	-5%	-22%
Middle East & South Asia	8%	2%	4%	0%	15%	19%	2%	58%	36%
North America	11%	-3%	4%	-8%	4%	4%	3%	-4%	-15%
Worldwide	**9%**	**0%**	**6%**	**-1%**	**8%**	**12%**	**3%**	**14%**	**-2%**

MoM: Sep 24 vs. Aug 24 **YoY:** Sep 24 vs. Sep 23 **YtD:** YtD Sep 24 vs. YtD Sep 23

Source: World ACD

The update also emphasizes the ongoing shift in high-rate markets; shipments from Bangladesh to North America now command the highest rates, a shift from Japan (2022) and Hong Kong (2023). General cargo, driven by cross-border e-commerce, outpaced special cargo in growth (**↑13%** versus **↑10%**), especially in Asia Pacific, where it accounts for **70% of shipments**. Nonetheless, Asia Pacific's special cargo—particularly high-tech—represents **↑56%** of global growth in this category, driven by a **↑26%** increase in vulnerable cargo. Overall, global air cargo sales were up **↑10%** year-to-date, supported by a **↑12%** increase in chargeable weight, even as rates dropped by **↓2%**. The trends indicate robust growth in general cargo from Asia Pacific and Middle East regions, highlighting the sector's regional shifts in both volume and rate dynamics.

In the more frequent weekly figures, air cargo tonnages from China and Hong Kong to Europe have returned to or exceeded pre-Golden Week levels, with Hong Kong-to-Europe volumes reaching their highest levels this year due to potential e-commerce and broader demand increases. Spot rates for these routes have also climbed significantly, with Hong Kong-to-Europe rates over **$5 per kilogram** and China-to-Europe rates around **$4,29**, reflecting a year-on-year increase of approximately **↑13%**.

ENDS[21]

[21] **ACKNOWLEDGEMENT:**

*This initiative – **The Cargo Movement Update** – was developed collectively by the Private Sector at large to provide visibility of the movement of goods during the COVID-19 pandemic. The report is authored by the Southern African Association of Freight Forwards (SAAFF) and distributed by Business Unity South Africa (BUSA). SAAFF acknowledges the input of several key business partners in compiling these reports, which have become a weekly industry staple. This edition is proudly sponsored by Turners Shipping.*

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FERI CERTIFICATES FOR IMPORTED AND TRANSITED GOODS TO OR THROUGH THE DRC

Procedure

Turners Shipping has been designated as an official Freight Certification sub-Agent for the Democratic Republic of Congo (DRC), mandated to issue the FERI (Fiche Electronique de Renseignement à l'Importation) Certificates.

1. Submit the required documents by email or online.
2. Complete the application form and provide supporting documentation.
3. You will receive an invoice with attached draft, typically within 24 hours of all documents/information received.
4. When payment reflects, the draft approved and a copy of the final bill of lading received; the validation will be requested.
5. To avoid fines, the FERI must be validated before the vessel arrives at the destination.

Introduction

The FERI Certificate is an essential requirement for all cargo entering the Democratic Republic of Congo (DRC). It is designed to streamline customs processes and ensure compliance with the DRC's import regulations.

Turners Shipping plays a pivotal role in facilitating smoother trade flows and enhancing the efficiency of cargo movement into one of Africa's most significant economies.

The FERI Certificate is an electronic document required to clear imported and transited goods to or through the DRC.

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- We **reduce your administrative burden** by completing the application on your behalf.
- We abide by a strict **Non-Disclosure Agreement** and information shared with us will never be used for any other purpose.
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