Authored by: www.saaff.org.za

Distributed by: www.busa.org.za

This edition is proudly sponsored by: www.dachser.co.za

Cargo movement update[1]

Date: 17 March 2023

Weekly Snapshot

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

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	22 852	28 780	**51 632**	23 665	31 125	**54 790**	↓6%
Air Cargo (tons)	4 791	2 973	**7 764**	4 496	2 803	**7 298**	↑6%

Monthly Snapshot

Figure 1 – Monthly[4] cargo volume levels, year on year (100% = baseline; >100% = growth)

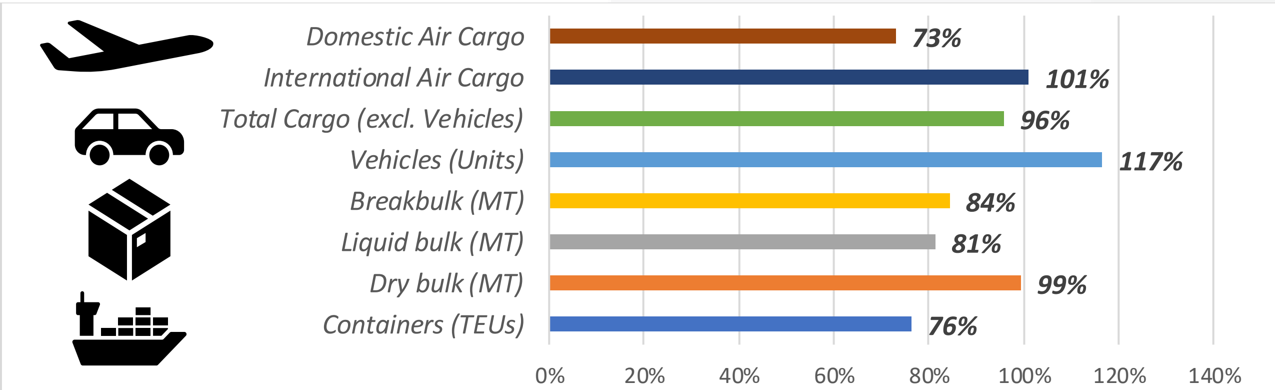


Figure 2 – Global year-to-date flows 2019-2023[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)

Key Notes

- An average of **~7 376 containers** was handled per day, with **~8 107 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 175** containers, ↑11% compared to last week.
- TNPA stats for February: containers are down by ↓1% (m/m) and ↓22% (y/y), whereas total cargo is up by ↑12% (m/m) but down by ↓4% (y/y). Vehicles trade remains the only bright spot, up by ↑17% (y/y).
- Cross-border queue times were **↑0,3 hours**, with transit times **↑1,0 hours**, SA borders **~17 hours** (**↑22%**).
- DHL Index: Globalisation remains robust, despite the ongoing trade issues; SA improved from 60th to 54th.
- Global freight rates continue to fall, as the "*WCI*" is down by **↓1%** (**$16**) this week to **$1 790** per 40 ft.
- Container idle capacity is at **738 014 TEU** (**~2,8%** of the fleet), down from **~3,8%** in February.
- Global air cargo tonnages and capacity are up **↑2%** (2w/2w) while continuing to drop **↓2%** (2w/2w).

[1] This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the 128th update.
[2] '*Current*' means the last 7 days' (a week's) worth of available data.
[3] '*Previous*' means the preceding 8-14 days' (a week's) worth of available data.
[4] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year; all metrics: Feb vs Feb.
[5] For ocean, total Jan-Feb cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Feb cargo to and from ORTIA is used.

Executive Summary

This update – *the 128th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Port operations this week were impacted by adverse weather, frequent equipment breakdowns and shortages, system challenges, a strike at the abnormal loads permit office in Durban, delays, and congestion. Adverse weather conditions persisted in Cape Town this week as more than 40 operational hours were lost. The congestion at Cape Town remains an issue, with nine vessels anchored by the weekend, as the average berthing delay exceeded 12 days. According to the latest reports, the gearbox for the crane on a short-term outage at the MPT terminal in Durban arrived last week as anticipated. At the same time, the port operated with five tugs for the most significant part of the week. Furthermore, in anticipation of the proposed national shutdown by the EFF on Monday, 20 March 2023, some ports and terminals have been issuing details of their contingency plans and anticipated operational status on Monday.

The latest annual *DHL Connectedness index* released this week shows that globalisation remains robust despite the ongoing geopolitical and trade constraints. Although international trade as a percentage of GDP peaked in 2008, talks of de-globalisation, particularly in the context of the so-called trade wars, the global COVID pandemic, and the Russia-Ukraine war, have yet to manifest themselves into any lasting trend towards a reduction in the international commitment to trade, and the free movement of people and information. Elsewhere, global container capacity is increasing despite the soft market conditions. It is interesting to see how the top carriers are following differing strategies in the current environment. Blank sailings remain an issue, but less so than a month ago, with cancelled sailings currently at **9%**. Other developments include **(1)** MSC setting a new record for the largest container vessel ever built and **(2)** China scrapping the Australian coal ban.

In the air freight market, weekly international cargo volumes followed the international trend and crept up (**↑6%**), as domestic volumes decreased somewhat (**↓3%**). Internationally, IATA highlighted uneven recovery trends in air cargo traffic and capacity since the pandemic, as gains in 2021 were offset by losses in 2022. In terms of capacity, dedicated freighters still hold a more significant share (**59/41 split**) of available cargo tonne kilometres (ACTKs). (In contrast, it was the other way around pre-pandemic through the dominance of the passenger market). However, in more frequently reported data, cargo rates appear to have stabilised following their post-Lunar New Year bounce-back in recent weeks, while average rates continue gradually softening.

Regional cross-border road flows slowed again this week. South African land border crossing in the region has averaged **~17 hours** (**↑22%**, w/w) for the week. In contrast, the greater SADC region (excluding ex-South Africa) also increased, averaging **~16 hours** (**↑5%**, w/w). The worst performing regional border crossing was Kasumbalesa yet again, as massive queues are developing on both sides, with average crossing times between **3-4 days**. Other congested SADC borders this week included Beit Bridge, Groblersbrug, and Katima Mulilo – all taking more than a day on average to cross. Further notable developments included include **(1)** transporters – including those represented by FESARTA – urging the Zambian government to reduce fees through Kasumbalesa, **(2)** Groblersbrug struggles continue, and **(3)** the WBNLDC to impose a levy of **$0,90 per tonne** on cargo ex the port of Walvis Bay.

In concluding this week's report, the EFF's planned *nationwide shutdown* next week (which is already a short week) adds to the long list of self-inflicted injuries to the integrity of the South African supply chain. Operations are bound to be affected – especially if important role players within the network must communicate contingency plans to the industry. It is, therefore, perhaps pertinent to emphasise the need for a functioning logistics network amid all the economic woes plaguing our country. Although the "*crisis*" in logistics does not receive as much focus as the other "*crises*" in South Africa, our logistics network is among the most critical levers in delivering socio-economic growth and development for our country.

Contents

1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 11 to 17 March [6]

7-day flow forecast (11/03/2023 – 17/03/2023)		
TERMINAL	NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 073	5 510
DURBAN CONTAINER TERMINAL PIER 2:	9 306	11 185
CAPE TOWN CONTAINER TERMINAL:	3 264	6 773
NGQURA CONTAINER TERMINAL:	4 809	4 712
GQEBERHA CONTAINER TERMINAL:	400	600
TOTAL:	**22 852**	**28 780**

Source: Transnet, 2021. Updated 17/03/2023.

Table 3 – Container Ports – Weekly flow predicted for 18 to 24 March

7-day flow forecast (18/03/2023 – 24/03/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 996	3 836
DURBAN CONTAINER TERMINAL PIER 2:	9 166	12 253
CAPE TOWN CONTAINER TERMINAL:	6 000	8 796
NGQURA CONTAINER TERMINAL:	4 231	8 224
GQEBERHA CONTAINER TERMINAL:	1 145	100
TOTAL:	**23 538**	**33 209**

Source: Transnet, 2021. Updated 17/03/2023.

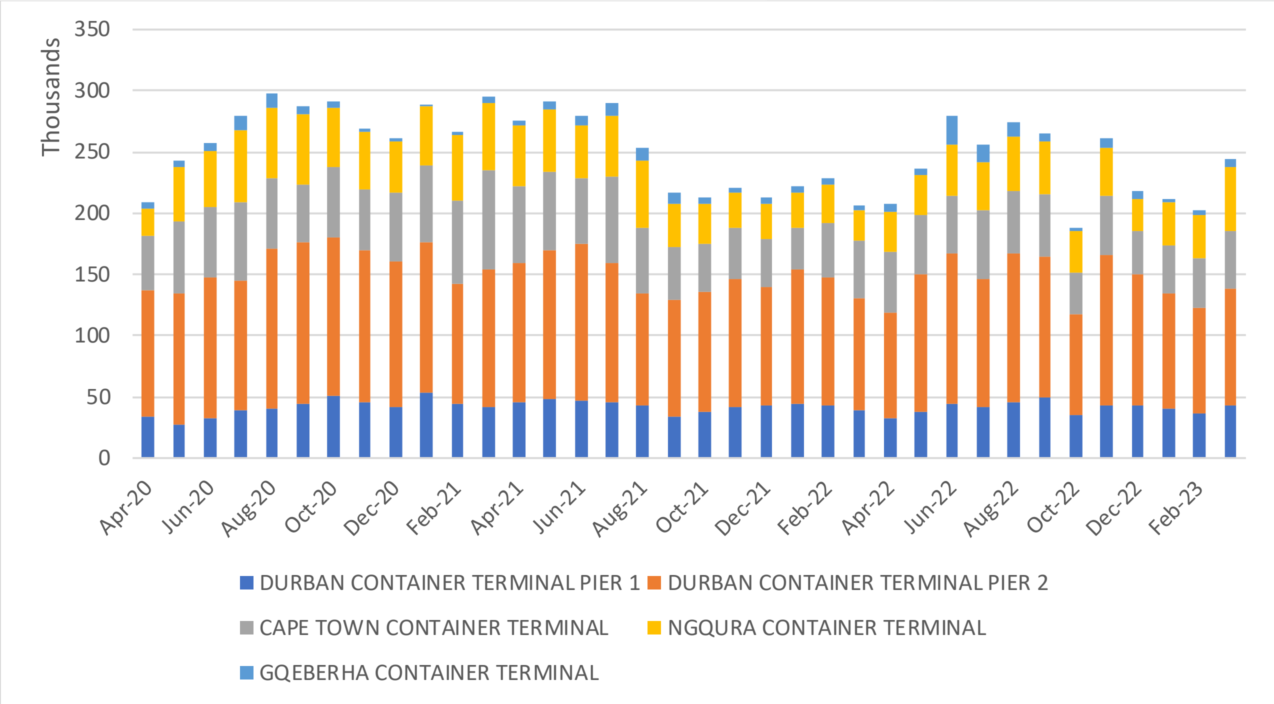
An average of **~7 376 containers** (↓4%) was handled per day for the last week (11 to 17 March, *Table 2*) compared to the projected average of **~9 374 containers** (↓21% actual versus projected) noted in last week's report. An increased average of **~8 107 containers** (↑10%) is predicted to be handled next week (18 to 24 March, *Table 3*). Port operations this week were impacted by adverse weather, frequent equipment breakdowns and shortages, system challenges, a strike at the abnormal loads permit office in Durban, delays, and congestion.

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

[6] It remains important to note that a large percentage (approximately 39% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transhipments.

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

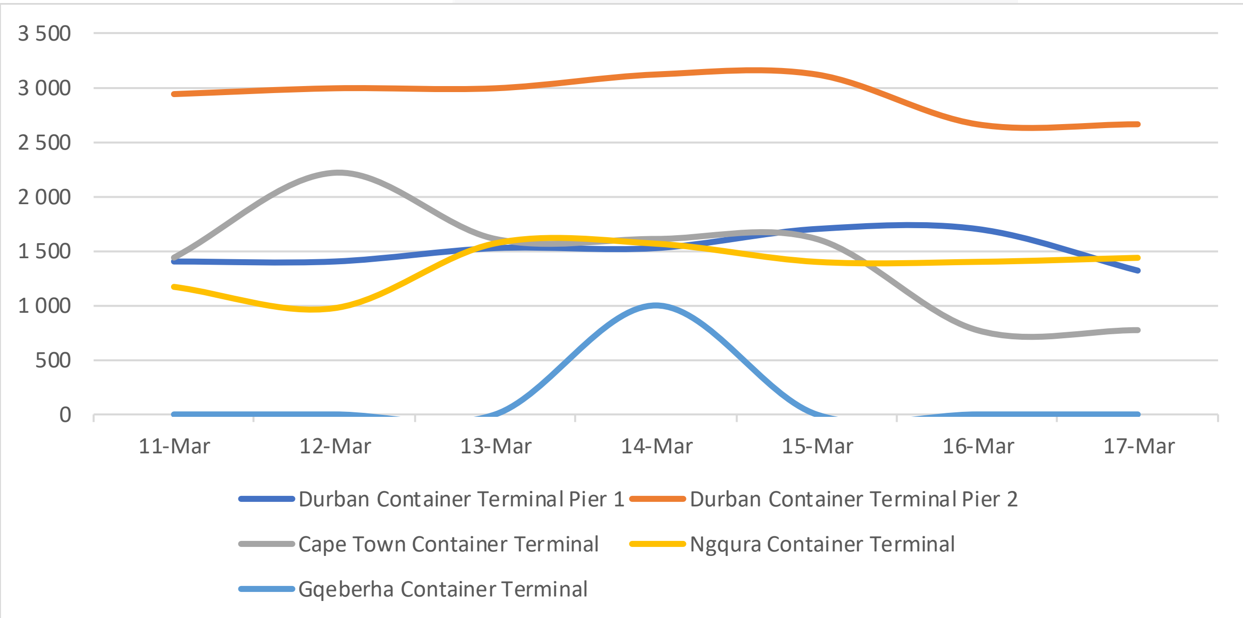
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 17/03/2023.

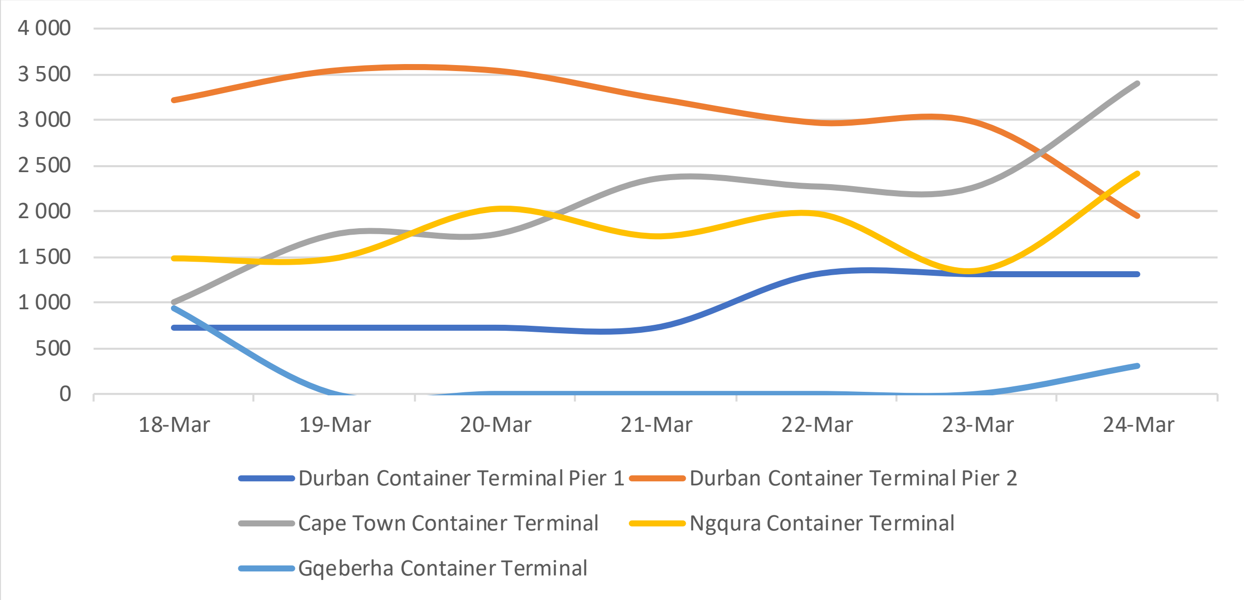
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (11 to 17 March; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 17/03/2023.

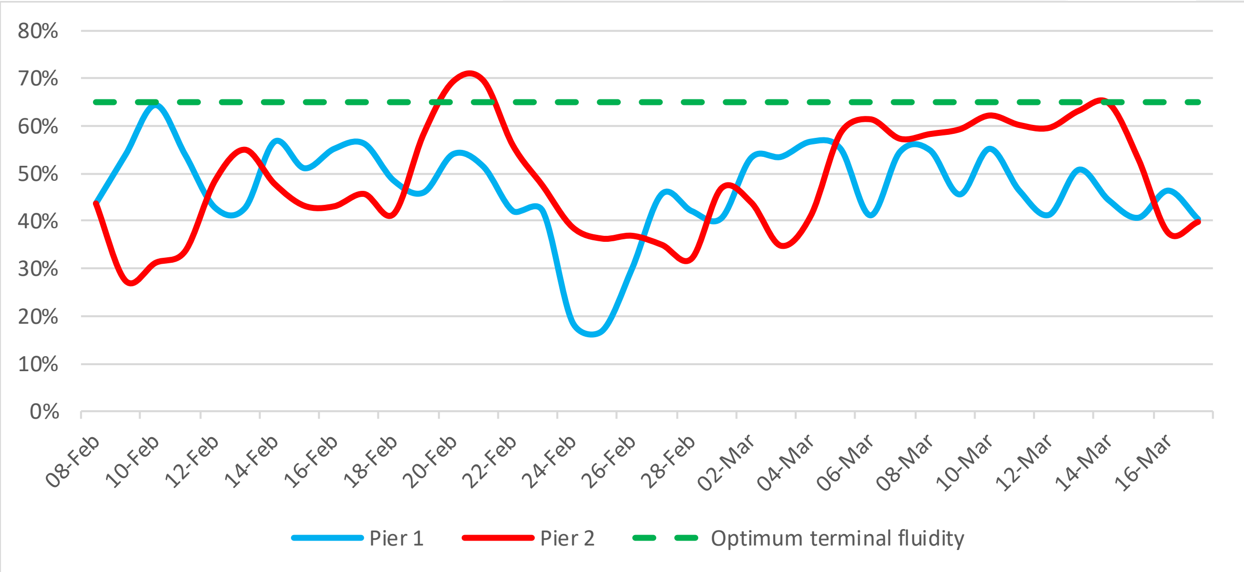
Figure 5 – 7-day forecast reported for total container movements (18 to 24 March; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 17/03/2023.

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

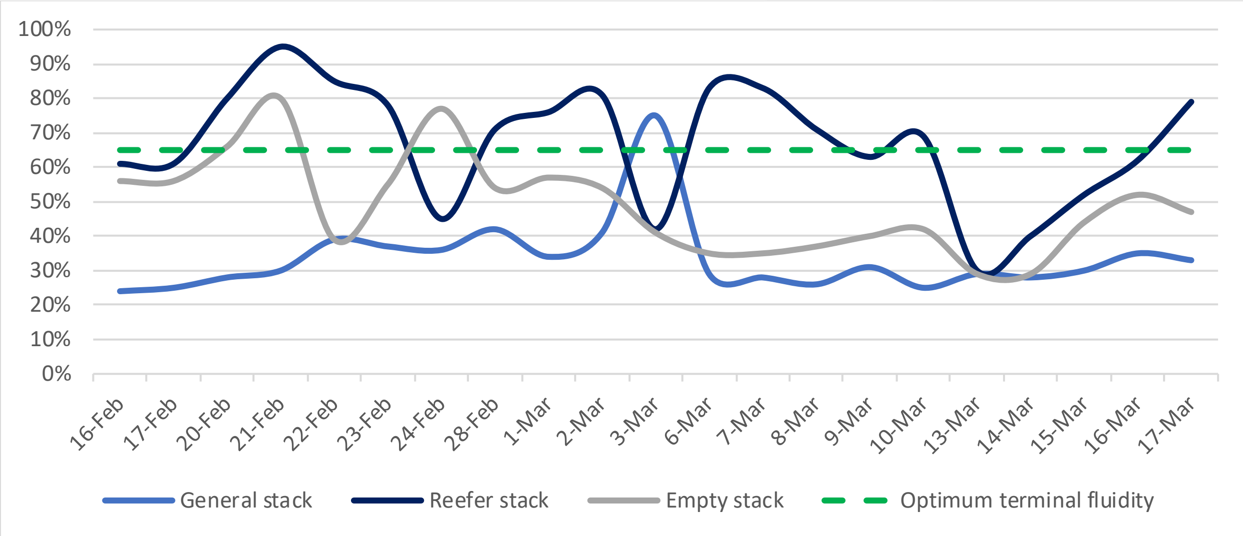
Figure 6 – Stack occupancy in DCT, general-purpose containers (8 February to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 17/03/2023.

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

Figure 7 – Stack occupancy in CTCT, GP, reefer, and empty stack (16 February to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 17/03/2023.

b. TNPA: February update and comparative economic and trade performance

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for February [8], with the headline figures showing that container throughput remains very low and is ↓**1%** (m/m) versus January, while total bulk cargo is ↑**12%** (m/m). The following table shows the monthly movement across the various ocean sub-sectors:

Table 4 – TNPA – Volume and growth: February 2022

	Jan	Feb	Movement	Monthly growth
Containers (TEUs)	**304 386**	**300 927**	**-3 459**	**-1%**
Landed	160 774	150 977	-9 797	-6%
Shipped	143 612	149 950	6 338	4%
Dry bulk (MT)	13 545 965	15 345 587	1 799 622	13%
Liquid bulk (MT)	2 673 658	2 810 067	136 409	5%
Breakbulk (MT)	457 230	474 026	16 796	4%
Vehicles (Units)	85 625	77 915	-7 710	-9%
Total cargo (excl. Vehicles)	**16 676 853**	**18 629 680**	**1 952 827**	**12%**

Source: TNPA, updated 16/03/2023.

Most bulk sectors saw significant flow increases as January started particularly slowly. The low volumes for containerised cargo remain a concern and speak to the low operational efficiency plaguing our container terminals. Vehicles trade is slightly down but remains comparatively high after the record month of January. The following table illustrates how much we lost cyclically and shows a comparative overview for February 2023, compared to the same month in 2022, 2021 and 2020.

[8] Transnet. 2023. Port statistics. TNPA

Table 5 – TNPA – Volume and growth: February 2020-2023

	2020	2021	2022	2023	Change: '22-'23	Change: '21-'23	Change: '20-'23
Containers (TEUs)	**394 719**	**372 630**	**385 127**	**300 927**	**-22%**	**-19%**	**-24%**
Landed	188 856	179 099	182 974	150 977	-17%	-16%	-20%
Shipped	205 863	193 531	202 153	149 950	-26%	-23%	-27%
Dry bulk (MT)	15 043 392	14 540 149	15 429 944	15 345 587	-1%	6%	2%
Liquid bulk (MT)	4 118 155	3 971 701	3 450 407	2 810 067	-19%	-29%	-32%
Breakbulk (MT)	325 649	376 269	561 370	474 026	-16%	26%	46%
Vehicles (Units)	60 795	50 175	66 874	77 915	17%	55%	28%
Total cargo (excl. Vehicles)	**19 487 196**	**18 888 119**	**19 441 721**	**18 707 595**	**-4%**	**-1%**	**-4%**

Source: TNPA, updated 16/03/2023.

Regarding the cyclical nature of trade, February throughput typically picks up after a slow start in January. However, this is not quite the case with containers, as container throughput is way down at ↓**22%** (y/y) and by similar magnitudes versus 2021 and 2020. The headline figures for the other segments show the following changes: total cargo handled (↓**4%**, y/y), dry bulk (↓**1%**, y/y), liquid bulk (↓**19%**, y/y), breakbulk (↓**19%**, y/y), and vehicles (↑**17%**, y/y). Indeed, on every metric bar vehicle trade, we are down on the corresponding figure for 2022. These figures just further emphasise that South Africa is not growing materially regarding cargo movement but is actually going backwards. More alarmingly, it is of grave concern that in a climate of falling volumes, port efficiency and productivity continue to deteriorate.

c. Summary of port operations

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

i. Weather and other delays

Adverse weather conditions persisted in Cape Town this week as more than 40 operational hours were lost to the South Easter.

Durban was challenged on many fronts this week as system challenges, strong winds, a strike at the abnormal loads' permit office, and equipment breakdowns ensured operational delays. During the early stages of the week, Richards Bay was subject to adverse weather, causing average delays of approximately six hours.

Poor weather, equipment breakdowns, and system challenges delayed operations at the Eastern Cape Ports.

ii. Cape Town

On Thursday, CTCT recorded three vessels at berth, as berthing delays remained very high. Stack occupancy for GP containers was 35%, reefers 62%, and empties 52%. In the latest 24-hour period to Friday, the terminal managed to execute 469 moves across the quay despite being windbound for an extensive period. On the landside, 221 trucks were serviced while executing 0 rail moves.

The congestion at Cape Town has worsened, with nine vessels anchored by the weekend, as the average berthing delay surpassed 12 days. As reported last week, Cape Town remains on the "*Port Congestion*

Watch" as more than **45 000 TEUs** are currently stuck at anchorage, with the queue-to-berth ratio improving slightly but remaining high at **1,94**[9].

As a result of these delays, the port of Cape Town issued a recovery plan to improve operational efficiency, which entails the following:

- Deploy additional resources (marine crafts and marine pilots).
- Implement staggered lunch breaks.
- Implement staggered shift changeover.
- Increased management visibility and supervision.
- Enforce strict discipline to docking and sailing requests and protocols.
- Increased communication concerning optimised operational solutions.

Additionally, vessels will be serviced in the following manner:

- Vessels will be serviced on a "*First Come, First Serve*" basis.
- Harbour Master may prioritise vessel types in the interest of safety, security, good order, protection of the environment, and effective and efficient working of the port.
- Harbour Master also reserves the right to prioritise vessels according to key commodities provided there are no competition issues.

On Tuesday, Cape Town MPT recorded two vessels at anchor and one at berth. In the 24 hours to Wednesday, the terminal managed to service 204 external trucks while handling 397 TEUs on the landside. Stack occupancy was captured at 14% for GP containers, 24% for reefers and 20% for empties.

iii. Durban and Richards Bay

Pier 1 on Thursday recorded no vessels at anchor and one at berth. Stack occupancy was 46% for GP containers, with 1 321 imports on hand and 180 unassigned units. The terminal recorded 1 315 landside gate moves on Wednesday, with 222 slots wasted. In addition, on Friday, four gangs were in operation and managed to move 1 193 TEUs across the quay against a target of 1 929.

Pier 2 had four vessels at berth and two at anchorage on Wednesday. In the most recent 24 hours to Thursday, stack occupancy was 53% for GP containers and 34% for reefers. The terminal operated with 12 gangs while having 1 506 imports on hand. On Friday, there were 2 162 gate moves on the landside with a truck turnaround time of ~44 minutes and staging time of ~37 minutes. Lastly, 124 rail import containers were on hand, with 361 moved by rail.

The Durban MPT terminal, on Monday, recorded two vessels at berth and three at outer anchorage while handling 262 containers and 1 158 breakbulk tons on the waterside. Stack occupancy for breakbulk improved this week to 70%, while stack occupancy on the container side was recorded at 46%. On Tuesday, two cranes, seven reach stackers, one empty handler, six forklifts and 18 ERFs were in operation. According to the latest reports, the gearbox for the crane on a short-term outage arrived last week as anticipated. The installation process is ongoing, with the crane on course to return to service next week. On a longer-term outage, the fourth crane is anticipated to return to service in mid-June after a setback was experienced with its repairs.

[9] Linerlytica. 03/03/2023. Global Containership Port Congestion – as of 14 March 2023.

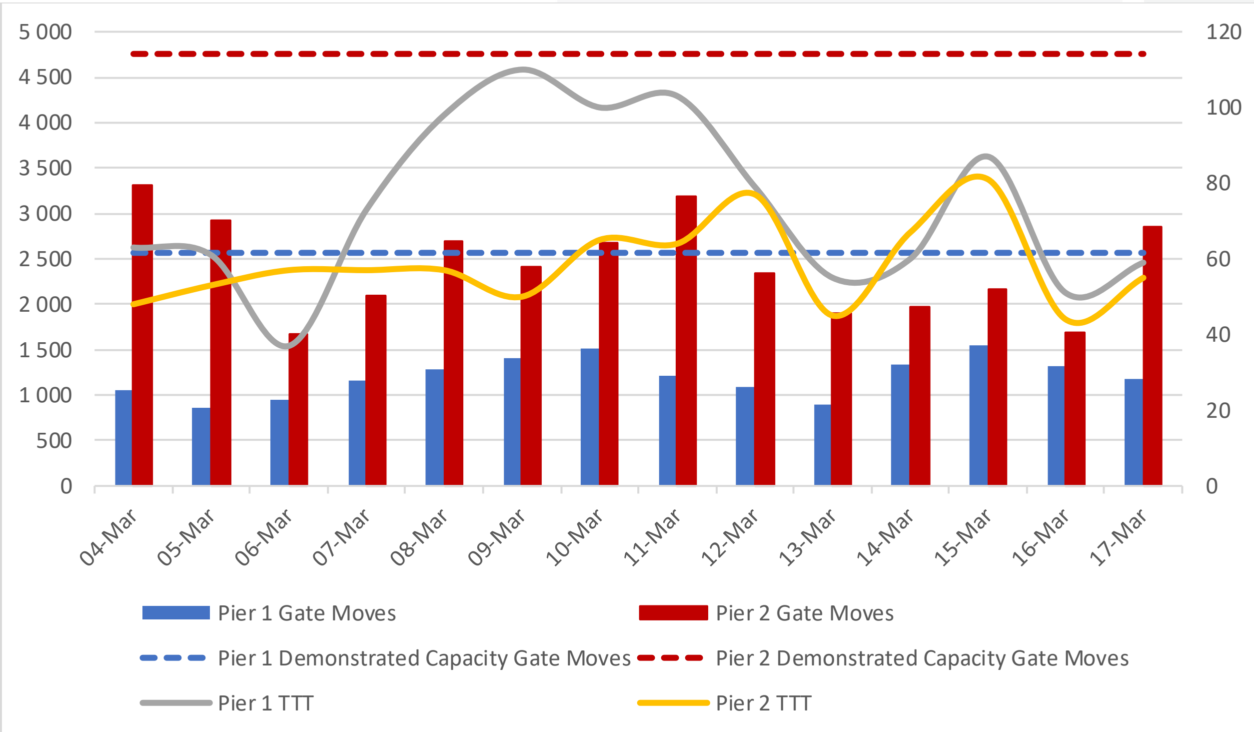
On Thursday, Richards Bay recorded 21 vessels at anchor: six bulk, nine coal, four general, no bunkers, and two tanker vessel. In addition, there were 18 vessels on berth, six at DBT, six at MPT, four at RBCT, and two at the liquid bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Thursday.

In preparing for the possible national shutdown on 20 March 2023, the Port of Richards Bay has issued its contingency plans to ensure that waterside and landside operations flow as effectively and efficiently as possible. They have thus recommended the following to interested stakeholders:

- Customers are urged not to dispatch trucks to the Port of Richards Bay three days before the date of this event. In addition, all long-distance trucks must have evacuated the port by 18:00 on 19 March.
- The dispatching of the harbour-bound trucks to the Port of Richards Bay should be suspended a day before the date of this event. All local trucks must have evacuated the port by 18:00 on 19 March.

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

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



Source: Calculated using data from Transnet, 2022. Updated 17/03/2023.

iv. Eastern Cape ports

NCT on Wednesday recorded one vessel on berth, with 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 into Thursday. In the same period, stack occupancy was 28% for GP containers and 39% for reefers, while 326 reefers were handled and 2 843 TEUs were moved across the quay. On the landside, 488 trucks were serviced at a truck turnaround time of ~39 minutes.

GCT on Tuesday recorded zero vessels at outer anchorage and one at berth. Available waterside resources were one tug, a pilot boat, two pilots, and one berthing gang in the 24 hours before Wednesday. In the same period, stack occupancy was 46% for GP containers, 46% for reefers, and 47% for reefer ground slots while moving 604 TEUs across the quay. In addition, 192 trucks were serviced at a truck turnaround time of ~18 minutes on the landside. Crane 3 at the terminal went out of commission this week with a motor that needs to be replaced.

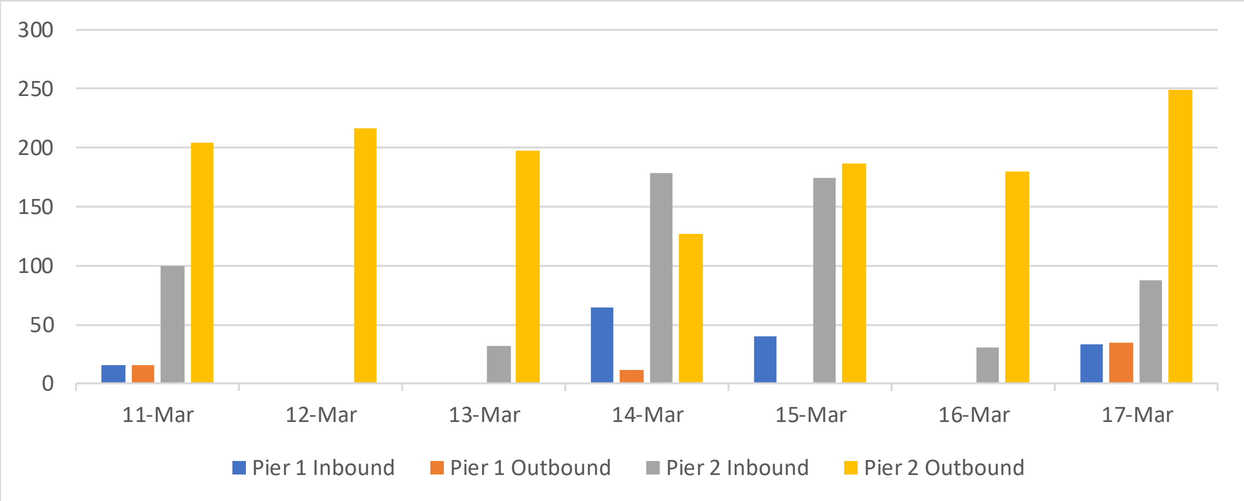
v. Saldanha Bay

On Friday, the Iron Ore terminal had two vessels at anchorage and three on the berth, while the multipurpose terminal had two at anchor and two on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-5 days, while the vessels at berth have been on berth for approximately the same number of days.

vi. Transnet Freight Rail (TFR)

From the minimal reports received this week, it seems like the vandalism and cable theft on the rail network subsided, as no incidents were reported. However, the private sector is submitting its view on the final draft of the *Rail Private Sector Participation Framework* set up by the Department of Transport to ensure that the rail network in our supply chain is improved.

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



Source: Calculated using data from Transnet, 2022. Updated 17/03/2023.

In the last week (11 to 17 March), rail cargo handled out of Durban was reported at **2 175** containers, up by ↑**11%** from the previous week's **1 824** containers.

vii. Proposed shutdown – 20 March

BUSA condemns the warnings of violence and looting by the Economic Freedom Fighters (EFF) against those businesses and South Africans who do not support its call for a national shutdown on 20 March 2023[10]. As for operations, the industry has been notified by several shipping lines, groupage operators, and

[10] BUSA. 17/03/2023. BUSA on the national shut down announced by the EFF (Economic Freedom Fighters).

transporters that they will be closed on Monday due to the planned shutdown on 20 March by the EFF and SAFTU. Also, the Road Freight Association (RFA) has urged transporters to minimise operations on the roads and in staging yards during the planned national shutdown on Monday. Most depot operations will only resume on Wednesday, 22 March, after Human Rights Day.

Specifically for our industry, the following operational measures have been taken:

As things stand, TNPA is still holding meetings about the anticipated national shutdown on Monday, 20 March 2023. However, some of the ports and terminals have subsequently provided feedback on their operational status for Monday:

- The port of Richards Bay reported that they aim to proceed with business "as usual" on Monday; however, as a contingency plan, they will request transporters to evacuate the terminals completely on Sunday.
- The Ngqura container terminal reported that it should remain operational, but should anything change; it will be communicated to the industry accordingly.
- The port of East London reported that there would be no cartage operations on Monday.
- The port of Durban reported that they plan to remain operational on Monday after consulting with the industry. Several industry participants indicated they will continue operations if the port is operational. In contrast, others do not want to take the risk, which will undoubtedly impact the traffic in and out of the port.
- The Maydon Wharf terminal indicated that they have the support of SAPS and the Metro police. As a result, more security will be present at the terminal, enabling operations to continue as usual.
- Both pier 1 and pier 2 in Durban aim to remain fully operational on Monday.

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 6 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *March 2022* averaged **~753 222 kg** per day.

Table 6 – International inbound and outbound cargo from OR Tambo

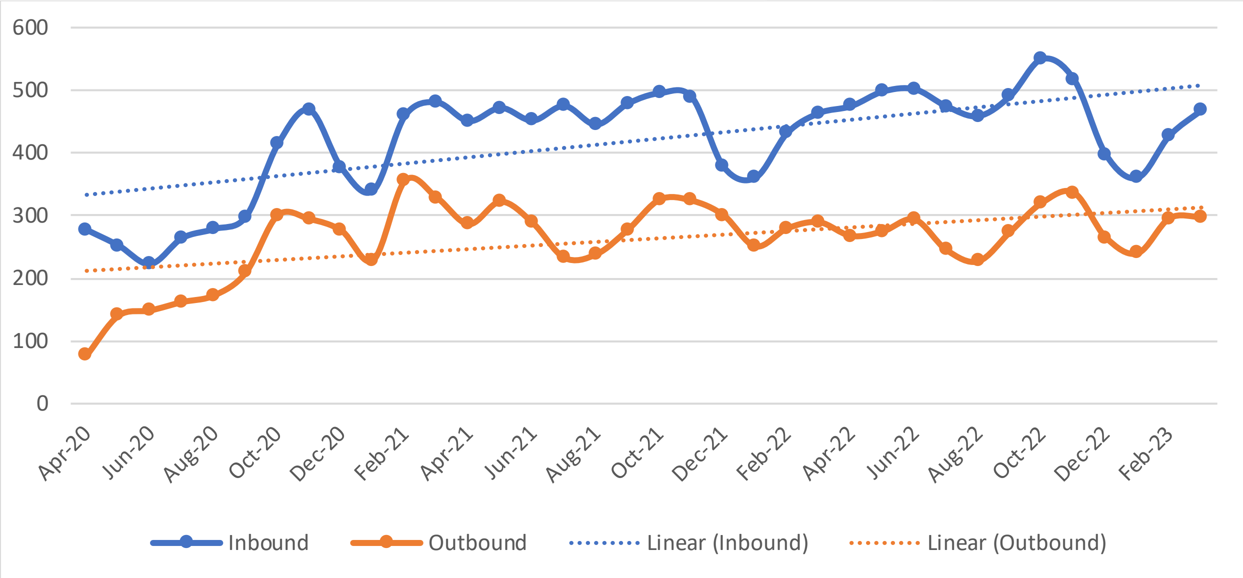
Flows	06-Mar	07-Mar	08-Mar	09-Mar	10-Mar	11-Mar	12-Mar
Volume inbound	545 266	450 354	312 813	423 903	395 366	376 802	848 879
Volume outbound	191 859	228 469	325 057	224 352	242 749	213 311	655 617
Total	**737 125**	**678 823**	**637 870**	**648 255**	**638 115**	**590 113**	**1 504 496**

Courtesy of ACOC. Updated: 13/03/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **479 055 kg** inbound and **297 345 kg** outbound, resulting in an average of **776 400 kg per day** or **~103%** compared with March 2022. Also, the level is currently at **~87%** compared with the same period pre-pandemic in 2019. Therefore, all-in-all, the volumes have – similarly to the international market – crept up slightly after the slow start to the year; but they remain below 2019 levels (see the international analysis below).

The following figure shows the comparative quarterly global freight movement at ORTIA since the pandemic outbreak.

Figure 10 – International cargo from OR Tambo (millions)



Courtesy of ACOC. Updated: 13/03/2023.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in *February 2022* was **~64 131 kg** per day.

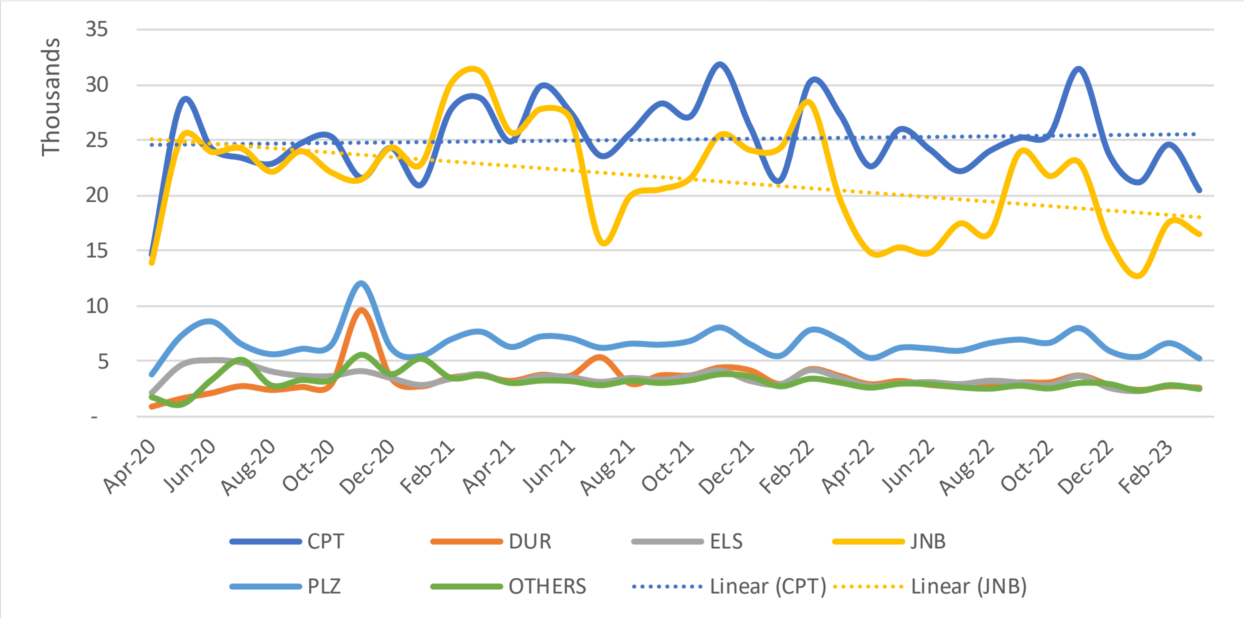
Table 7 – Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	JNB	PLZ	OTHERS	TOTAL
Mar-Dec '20 Ave.	**21 813**	**2 941**	**3 751**	**20 539**	**6 571**	**3 176**	**56 713**
Jan-Dec '21 Ave.	**26 817**	**3 754**	**3 452**	**24 270**	**6 789**	**3 483**	**68 218**
Jan-Dec '22 Ave.	**25 230**	**3 295**	**3 244**	**19 449**	**6 312**	**2 952**	**60 480**
January Ave.	**23 644**	**2 881**	**2 593**	**15 834**	**5 942**	**2 946**	**53 839**
February Ave.	**36 199**	**3 738**	**4 843**	**28 654**	**11 342**	**3 958**	**88 735**
March Ave.	**23 331**	**2 907**	**2 871**	**18 564**	**6 039**	**2 826**	**56 538**
06-Mar-23	37 553	4 081	4 484	24 375	10 731	3 973	**85 197**
07-Mar-23	37 929	4 560	3 993	26 426	9 528	4 345	**86 780**
08-Mar-23	36 810	5 124	4 605	31 983	9 540	4 027	**92 089**
09-Mar-23	38 455	3 756	6 050	27 445	9 005	4 170	**88 882**
10-Mar-23	14 342	3 643	1 925	18 807	3 663	3 004	**45 383**
11-Mar-23	2 197	517	64	803	151	330	**4 062**
12-Mar-23	671	302	62	145	968	435	**2 583**
Total for 2023:	**1 628 794**	**185 942**	**187 980**	**1 132 245**	**432 413**	**187 917**	**3 755 292**

Courtesy of BAC. Updated: 13/03/2023.

The average domestic air cargo moved last week was **~57 854 kg** per day, which is **↓3%** compared with the previous week, but *only* **~90%** of what was moved in March 2022.

Figure 11 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 13/03/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

This week, the following points are worth mentioning in terms of challenges and delays on roads in South Africa and the surroundings in the SADC region.

- This week, the median border crossing times at South African borders increased markedly and averaged **~17,0 hours** (**↑22%**, w/w) for the week.
- As reported last week, Groblersbrug has been in the spotlight of late due to network connectivity challenges, load-shedding, and poor infrastructure exacerbating the current situation and resulting in long queues and extensive delays.
    - Indeed, the problems are clearly reflected in the long processing times at the border, with the median crossing time at **~2 days**.
- Kasumbalesa's troubles continued to dominate the conversation this week, as long queues remain the order of the day on both the Zambian and DRC sides.
    - Transporters – including FESARTA writing a letter to the Zambian Ministry of Transport and Logistics – have urged the government to revise fees[11], as Zambia and DRC authorities' efforts to alleviate congestion seemingly do not have the desired impact.
    - Video footage shows the queues stretching several tens of kilometres on both sides, as the current crossing times range between **3-4 days** – massively detrimental to regional trade.
- Elsewhere, the Walvis Bay-Ndola-Lubumbashi Development Corridor (WBNLDC) tripartite council will impose a levy of **$0,90 per tonne** on cargo originating from the port of Walvis Bay to sustain operations of a permanent secretariat by January 2024[12].
- As always, transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTBs) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given the

[11] Shulubalu, C. 08/03/2023. Transporters urge govt to revise fees at Kasumbalesa Border Post.
[12] Dlamini, M. 13/03/2023. Transport corridor to introduces cargo levy.

questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[13], which has arguably achieved much greater success.

The following table shows the changes in bidirectional flows through South African borders:

Table 8 – Delays[14] summary – South African borders

Border Post	Direction	HGV[15] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	391	8	9	31	11 730	2 737
Beitbridge	Zimbabwe-SA	410	7	2	14	12 300	2 870
Groblersbrug	SA-Botswana	248	2	11	51	7 440	1 736
Groblersbrug	Botswana-SA	157	0	1	1	4 710	1 099
Vioolsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	1	1	3	600	140
Nakop	SA-Namibia	30	0	2	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 552	0	1	8	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	0	2	3 990	931
Skilpadshek	SA-Botswana	200	0	2	4	4 800	1 400
Pioneer Gate	Botswana-SA	100	0	1	3	2 400	700
	Average/Sum	**3 291**	**02:00**	**03:00**	**11:00**	**96 930**	**23 037**

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

Table 9 – Delays summary – Corridor perspective

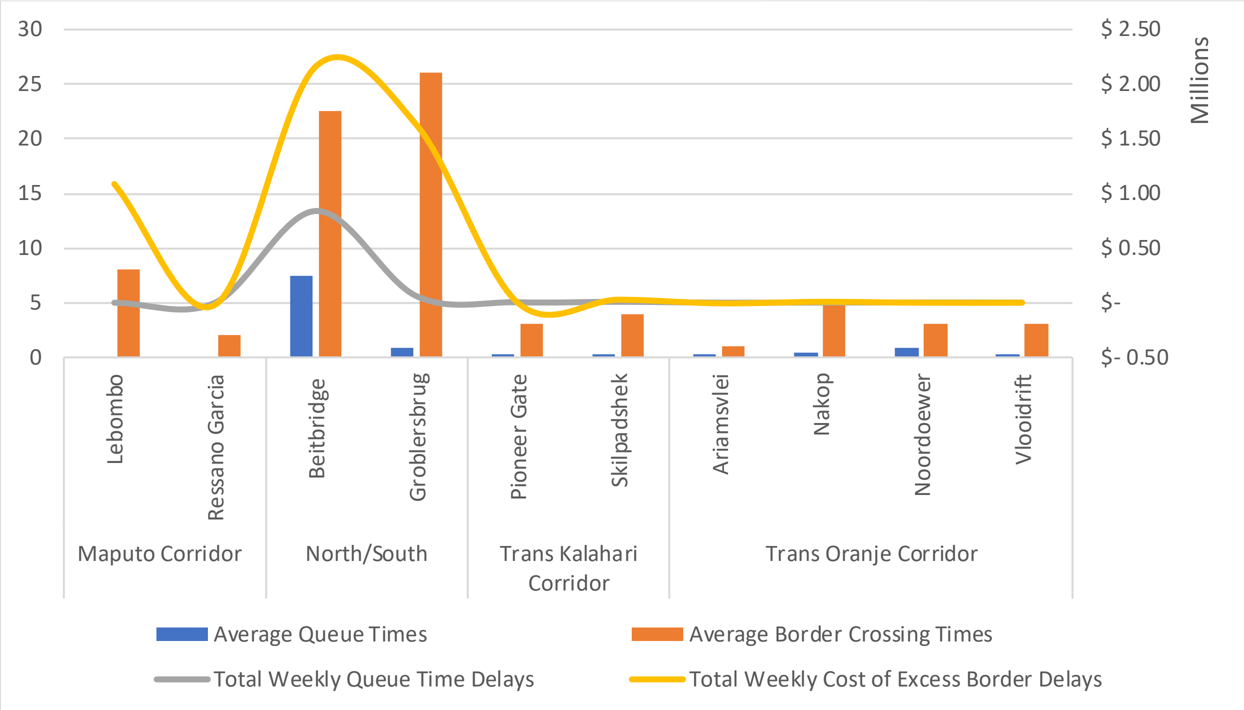
Corridor	HGV Arrivals per day	Queue Time (hh:mm)	Border Time – Best 5% (hh:mm)	Border Time – Median (hh:mm)	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	3	13	9 600	2 240
Dar Es Salaam Corridor	1 819	5	5	28	54 570	12 733
Maputo Corridor	1 685	0	1	5	50 550	11 795
Nacala Corridor	127	0	4	4	3 810	889
North/South	3 278	3	5	21	74 791	22 946
Trans Caprivi Corridor	116	0	2	33	3 480	812
Trans Cunene Corridor	100	0	4	12	3 000	700
Trans Kalahari Corridor	330	1	1	3	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Average/Sum	**7 875**	**02:00**	**04:00**	**16:00**	**210 721**	**55 125**

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

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

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

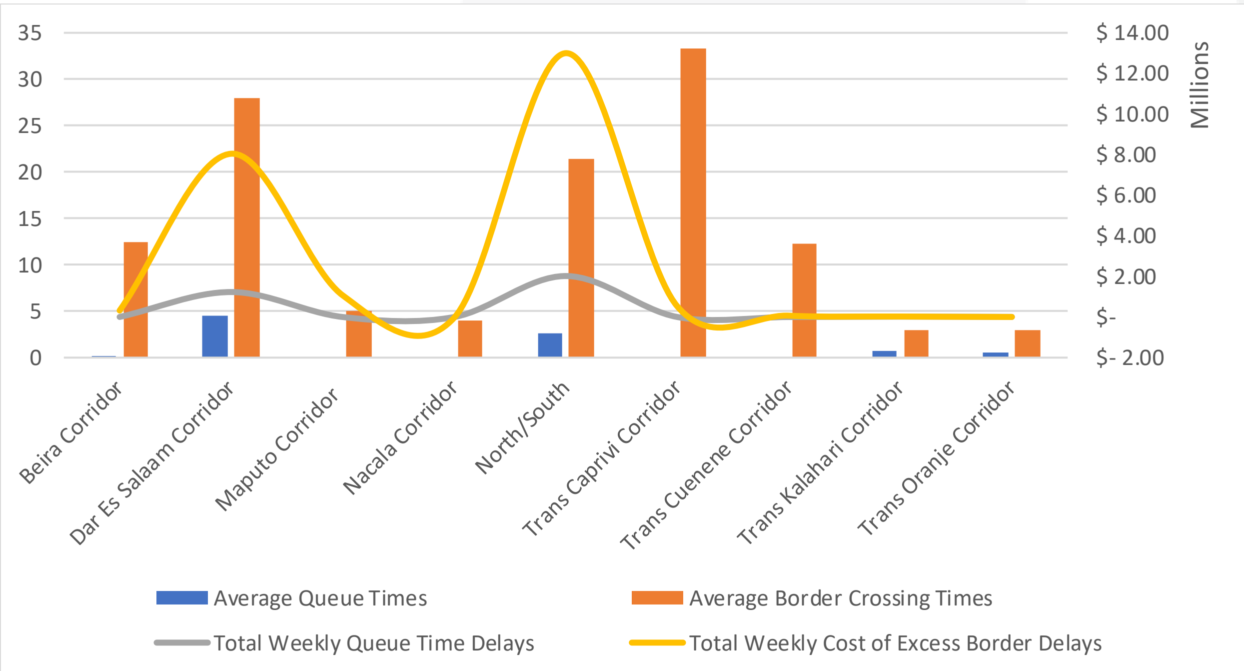
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & $ thousands)



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

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 & $ thousands)



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

In summary, cross-border queue time has averaged **~1,8 hours** (up by **~0,3 hours** from the previous week's **~1,5 hours**), indirectly costing the transport industry an estimated **$3 million** (**R58 million**). Furthermore, the week's average cross-border transit times hovered around **~16,1 hours** (up by **~1,0 hours** from the **~15,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **$23 million** (**R405 million**). As a result, the total indirect cost for the week amounts to an estimated **~R462 million** (up by **~R147 million** or **↑47%** from **R316 million** in the previous report).

4. International Update

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

b. Globalisation

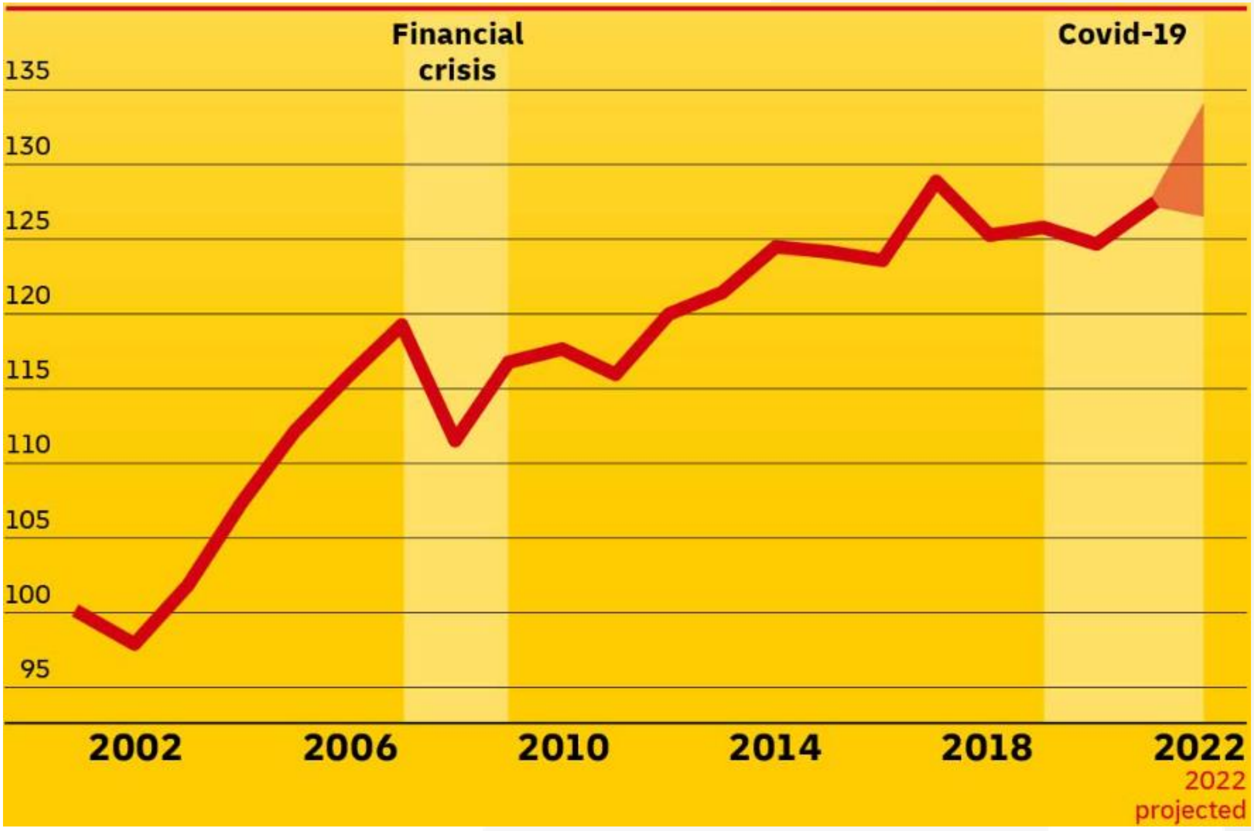
Despite the ongoing trade issues between the US and China, globalisation remains robust. This headline was the key takeaway from the latest annual *DHL Connectedness Index*[16]. The index is a detailed report on globalisation's current status and prospects. It analyses data from 171 countries and territories and shows the global flows of trade, people, capital, and information. The headlines include the following key points:

- Global trade, capital, and information flow are stronger than before the pandemic; Streams of people are being drawn into this arena.
- No shift from global to regional trade flows
- No compelling evidence that the global economy is splitting into blocs
- A decline in China's share of US global flows in eight out of 11 areas examined - including goods exports and imports and specific capital flows
- The Netherlands remains the most globalised country, followed by Singapore and Belgium
- South Africa improved by six spots from 60th to 54th in the latest rankings (2021). Mainly driven by an improvement in our **trade** and **capital** sub-indices from 2021

The following graphic shows the overall index, with the projected forecast based on the reaction to and prolonged recovery from the pandemic:

[16] Altman, S. & Bastian, C. 15/03/2023. DHL Connectedness Index.

Figure 14 – DHL Global Connectedness Index (2001=100)



Source: Altman & Bastian, 2023

The report finds that international flows have been remarkably resilient despite recent shocks, such as the COVID-19 pandemic and the war in Ukraine. After a slight decline in 2020, the combined *DHL Global Connectedness Index* returned to levels above pre-pandemic levels in 2021. Moreover, the currently available data indicates a further increase in 2022 - despite slower growth of some flows. International trade in goods was **↑10%** above pre-pandemic levels in mid-2022. In 2022, trips abroad were still **↓37%** below the value of 2019 but have doubled compared to 2021.

c. Global shipping industry

i. Global container capacity

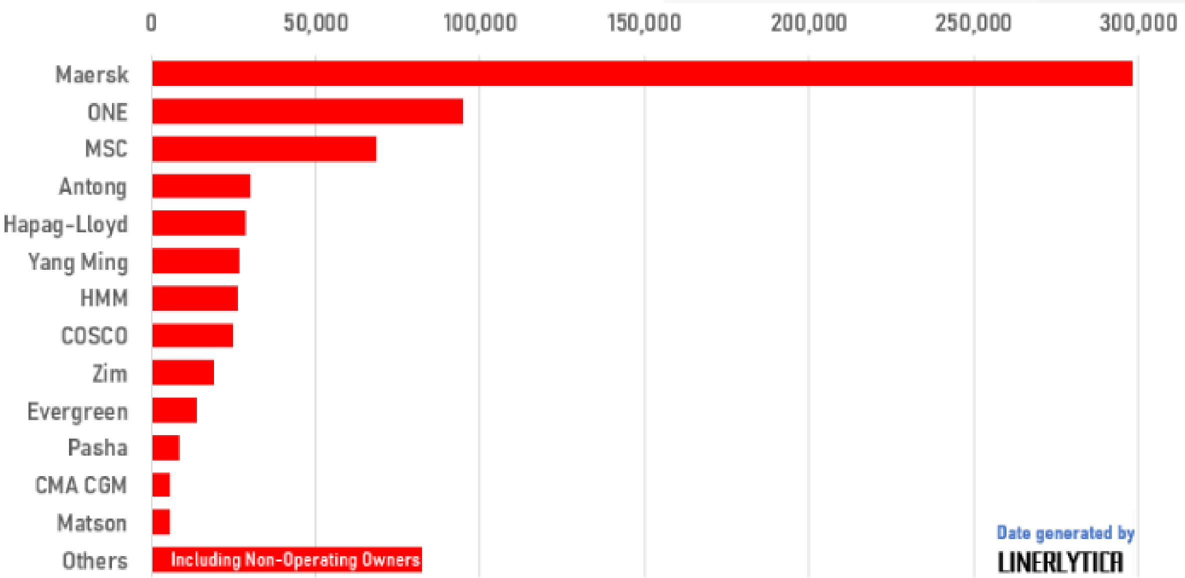
With the massive influx of newbuilt containerships rapidly adding to the global capacity – coupled with weak demand and consequent low throughput volumes – liner carriers are following differing tactics to navigate the current market conditions. Indeed, the current situation is much removed from the status quo only mere months previously[17]. At the top of the capacity charts, MSC has widened its gap against Maersk to **587 000 TEU**, with the divergence even greater if idle/unused- capacity is considered. Maersk has **298 000 TEU** currently lying idle compared to just **68 000 TEU** from MSC, which is mirrored in South Africa, as, despite the

[17] Linerlytica. 13/03/2023. Market Pulse.

struggles with congestion and poor waterside productivity, an MSC vessel has yet to bypass a South African port this year.

The carriers' proportions of idling excess capacity vary greatly. For example, OCEAN Alliance carriers have the smallest number of ships idled compared to 2M and THE Alliance. The idle containership fleet currently stands at **738 014 TEU** or **~2,8%** of the fleet, down from the recent peak of **~3,8%** in February with carriers re-activating idled ships after the Chinese New Year holidays. The following image shows the respective idle capacity among carriers:

Figure 15 – Idle container fleet by carrier (capacity in TEUs)



Source: *[Linerlytica](#)*

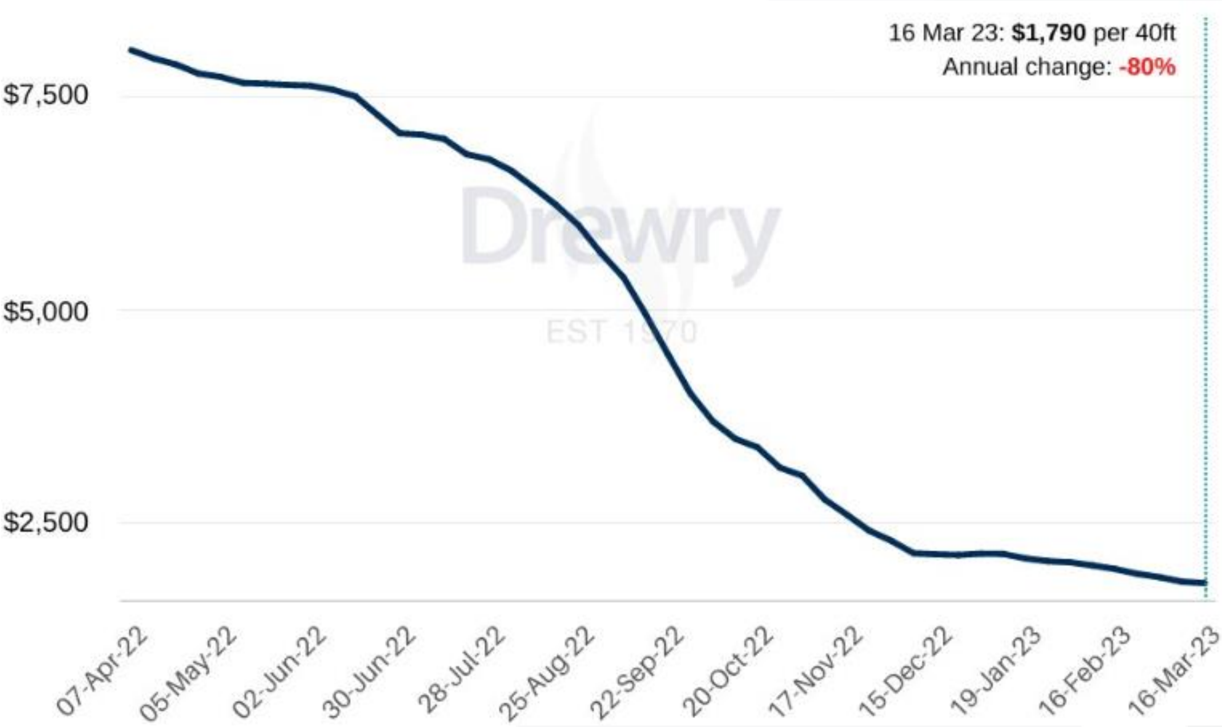
Maersk continues to bear the heaviest burden of idling capacity accounting for **40%** of the total idled capacity. The burden of capacity idling is currently shared unequally by the primary carriers. The OCEAN Alliance carriers (CMA CGM, COSCO/OOCL and Evergreen) have the smallest number of ships idled compared to 2M and THE Alliance. As such, blankings remain an issue (after successive weeks of blanking its AE1/Shogun Asia-North Europe loop, the 2M Alliance has finally confirmed that the service will be suspended[18]), as does diversions (THE Alliance ends some Cape diversions for network revamp[19]). This week, Drewry's "*Cancelled Sailings Tracker*" remains at a **9% cancellation rate**[20]. Selected areas of port congestions are also adding to the "idle" fleet, with the worst ports being affected currently being Shanghai/Ningbo, Qingdao, Shenzhen, Busan, and Singapore (Cape Town is at the 10th worst). Globally, some **5,8%** (or **1,53 million TEU**) of the total fleet is currently "stuck" due to congestion, according to *Linerlytica*.

ii. Container freight rates

Container rates decreased further this week, as the "*World Container Index*" decreased by **↓1%** (**$16**) to **$1 790** per 40-ft container. The composite index remains **↓80%** below the corresponding spot price quoted last year and **↓33%** lower than the 10-year average of **$2 691**:

[18] Wackett, M. 15/03/2023. 2M axes Asia-North Europe loop, as carriers shop for more tonnage.
[19] Wackett, M. 16/03/2023. THE Alliance ends some Cape diversions for network revamp.
[20] Drewry. 17/03/2023. Cancelled Sailings Tracker - 17 March.

Figure 16 – World Container Index assessed by Drewry ($ per 40 ft. container)



Source: Drewry Ports and Terminal insights

All major trade lanes are cheaper than at the same time last year as the market edged closer to equilibrium. Nevertheless, although flattening the rates tail-off serves shippers well, a bottoming out of rates ultimately helps no one. The container industry is in a very different position from where it was when rates were at similar levels a year or two ago[21]. Overheads are much higher, and the influx of new capacity has ensured that additional measures need to be taken when considering where to deploy capacity. In the charter market, rates are holding their ground elsewhere, further indicating that carriers are intent on chasing market share despite the softening freight market[22].

iii. Further developments of note

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

1. **MSC sets new containership record:**
    a. The delivery of the **~400m long MSC Irina** from Yangzijiang Shipbuilding has set a new world record in the escalating Megamax race among global carriers[23]. The **24 346 TEU** ship dethrones the **24 188 TEU OOCL Spain**, which Nantong COSCO KHI Ship Engineering delivered last month.
    b. The MSC Irina is the first of six giants delivering from Yangzijiang. The ships feature a forward deckhouse and a 6/14/4 bay set-up, according to Alphaliner. MSC, the world's largest container line, has also just taken delivery of the **24 116 TEU MSC Tessa**, the first of eight sister ships that will deliver from yards belonging to state-run CSSC Group in China this year.

[21] Wackett, M. 17/03/2023. Rate erosion may be easing, but rock-bottom prices are 'not good for anybody'.
[22] Linerlytica. 13/03/2023. Market Pulse.
[23] Chambers, S. 15/03/2023. MSC sets new boxship record.

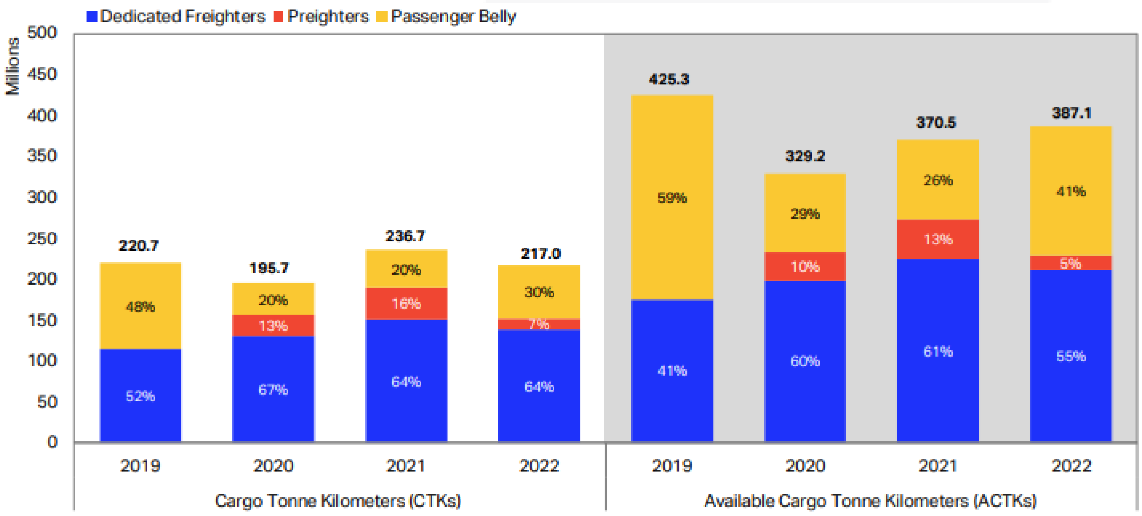
c. Elsewhere, ONE line has ordered ten more **13 700 TEU** containerships to be delivered in 2025 and 2026[24].

2. **China scraps Australian coal ban:**
    a. Beijing has scrapped its ban on Australian coal, with a growing armada of bulk carriers leaving Australian terminals bound for the People's Republic[25]. The ban – in place since late 2020 over arguments about the origins of the coronavirus – was partially lifted in January when the Chinese government allowed four large importers to restart buying Australian coal.
    b. This ban has now been fully lifted for all Chinese companies. Despite only entirely rescinding the ban this week, data from commodities platform *Oceanbolt* shows that in the year to date, more than **3,2 million tons** of coal have already been exported from Australia to China, the majority on Capesize vessels.

d. Global air cargo industry

Last week, IATA highlighted the uneven recovery trends in air cargo traffic and capacity[26]. Nearly three years after the outbreak of the pandemic, the shares of international cargo tonne kilometre (CTKs) flown by dedicated freighters (**~64%**) and passenger aircraft (**~30%**) had still not returned to their pre-crisis balanced proportions. On the capacity side, dedicated freighters also maintained a more significant share (**~55%**) of available cargo tonne kilometres (ACTKs) over passenger aircraft (**~41%**). In contrast, however, the 2019 cargo capacity provided by passenger carriers outweighed the capacity on dedicated freighters (**59/41 split**), reflecting the dominance of passenger airline operations:

Figure 17 – Total International Cargo Traffic and Capacity by Category (2019 – 2022)



Source: IATA

In 2020, air passenger activity declined precipitously at the onset of the pandemic, shrinking total international cargo capacity (ACTKs) by ↓**23%**. Dedicated freighters ramped up operations to offset this capacity crunch while demonstrating their strategic value to the industry during a global health crisis. Their share of international ACTKs increased to **~60%** in 2020 in response to elevated cargo demand – with the emergence of *preighters* ("passenger freighters"). International air cargo performed exceptionally well in

[24] Chambers, S. 15/03/2023. ONE orders 10 more box ships.
[25] Chambers, S. 14/03/2023. Beijing drops Australian coal ban.
[26] IATA. 10/03/2023. Uneven recovery trends in air cargo traffic and capacity.

2021, with annual CTKs up by ↑**7,2%** on 2019 levels, despite ACTKs still ↓**13%** down on 2019 capacity. Passenger belly ACTKs remained ↓**39,3%** below 2019 levels, while dedicated freighters outperformed their pre-pandemic capacity and continued to account for most global ACTKs in 2021.

The market turned south in 2022 due to various economic headwinds, with air cargo declining by ↓**8,3%** in 2022 to offset the gains of 2021. However, despite the drop in cargo capacity from dedicated freighters and preighters and driven by the return of passenger fleets, international ACTKs climbed ↑**4,5%** above 2021 levels.

The frequently published air cargo data from World ACD's analysis[27] appear to have stabilised following their post-Lunar New Year bounce-back in recent weeks. The stabilisation is welcome after a steady decline throughout most of last year, while average rates continue their gradual softening trend:

Figure 18 – Global capacity, weight, and yield (%, bi-weekly and annually)

Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Yield/rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+4%	+23%		-4%	+2%		-1%	-11%
Asia Pacific		-0%	+14%		+6%	-8%		+1%	-37%
C. & S. America		+2%	+12%		+3%	+5%		-3%	-8%
Europe		+2%	+18%		-2%	-5%		-4%	-26%
M. East & S. Asia		+2%	+15%		+2%	-11%		-3%	-44%
North America		+3%	+12%		+0%	-17%		-3%	-14%
Worldwide		**+2%**	**+15%**		**+2%**	**-8%**		**-2%**	**-29%**

Source: World ACD

Figures for week 10 (6 to 12 March) show a slight decrease (↓**1%**) in worldwide tonnages compared with the previous week, which had seen a modest (↑**1%**) tonnage rise. On the pricing side, global average rates remained stable compared with the previous week. From above, comparing weeks 9 and 10 with the preceding two weeks (2w/2w), tonnages are up by ↑**2%** over their combined total in weeks 7 and 8, accompanied by a ↑**2%** increase in capacity. In contrast, average worldwide rates declined slightly by ↓**2%**.

At a regional level (2w/2w), the post-Lunar New Year recovery in air cargo tonnages was still notable on ex-Asia Pacific flows to North America (↑**11%**), Middle East & South Asia (↑**12%**), and Europe (↑**6%**), respectively. The most notable decreases were recorded ex-Middle East & South Asia to Asia Pacific (↓**8%**) and ex-Africa to Europe (↓**6%**).

ENDS[28]

[27] World ACD. 17/03/2023. Global tonnages flatten as average rates further soften

[28] **ACKNOWLEDGEMENT:**

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