

Cargo movement update¹

Date: 14 April 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)	26 615	30 450	57 065	17 734	27 890	45 624	↑25%
Air Cargo (tons)	4 848	2 719	7 566	4 574	2 979	7 553	↑0,2%

Monthly Snapshot

Figure 1 – Monthly⁴ cargo volume levels, year on year (100% = baseline; >100% = growth)

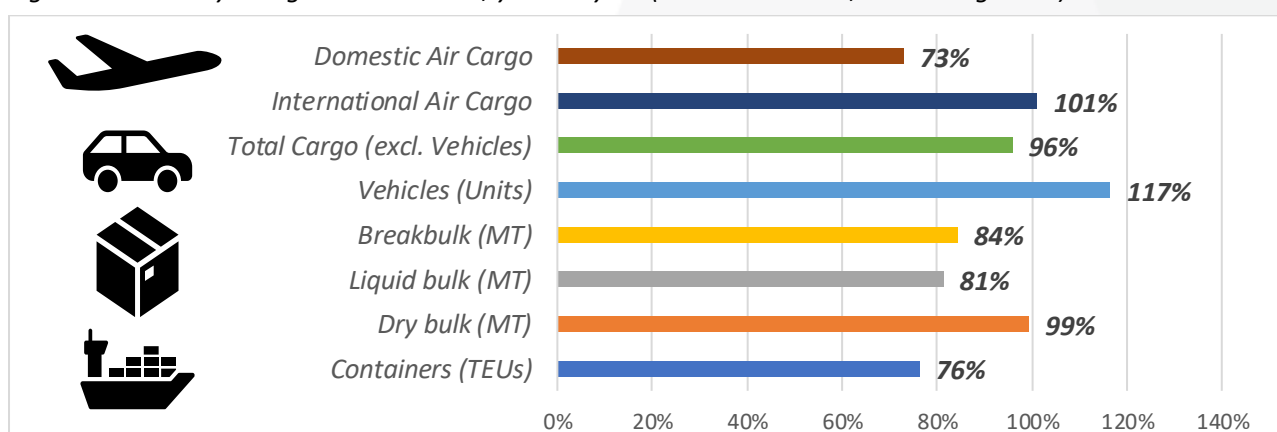
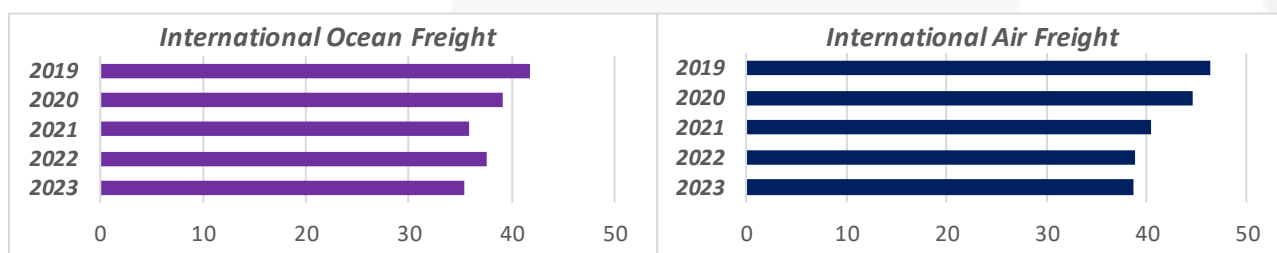


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 152 containers** was handled per day, with **~8 493 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 257 containers**, **↑30%** compared to last week.
- Cross-border queue times were **↓0,7 hours**, with transit times **↓1,4 hours**, SA borders **~11,2 hours (↓3%)**.
- UNCTAD downwardly revises global growth output for 2023 (**↑2,2%** to **↑2,1%**); SA has also been downwardly revised – by a mammoth **↓1,6%** to **↑1,3%** in 2023, as load-shedding and debt persist.
- CTS container throughput (dry & reefer) is down by **↓8,9%** (m/m) and **↓5,0%** (y/y) for February.
- "WCI" freight rates have stabilised at **\$1 709** per 40 ft (**↓0,1%** w/w, or \$1).
- Global air cargo (CTKs) were **↓7,5%** (y/y) in February – significantly improving from **↓15%** in January.

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 132nd 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-Mar cargo to and from ORTIA is used.

Executive Summary

This update – *the 132nd of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. This week, port operations could be summarised by adverse weather, frequent equipment breakdowns and shortages, load-shedding, backlogs, delays, and prolonged congestion. The congestion at the Port of Cape Town improved over the long weekend, and as the week progressed, the average berthing delay was reduced to **6,45 days** compared to the **ten days** experienced last week. The Port of East London fell victim to load-shedding this week, with the most severe instances occurring on Wednesday when the port only had one hour of power throughout the day. Additionally, minor cable theft and vandalism on our national rail lines continued this week; but luckily, minimal operational delays were reported. Furthermore, industry participants should note that as of 14 April, Transnet will no longer accept a vessel at anchorage without an arrival notification from an agent. Thus, all vessels with no appointed agent or arrival notification will wait outside the VTS Zone, which is 15 nautical miles.

Market sentiment in the international maritime industry continues to improve slowly as freight rates stabilise, capacity utilisation increases, and congestion eases. Monthly throughput data show that the February volume lull was more pronounced this year than last, but the outlook is steadily improving, as is hopefully the case in South Africa. As port congestion has eased, volumes have grown steadily with increased capacity utilisation. Furthermore, reefer capacity has increased markedly since April last year, which should bode well for South African citrus exporters – currently ramping up winter operations. Other developments include **(1)** port labour issues remaining problematic and unresolved in the US and France and **(2)** CMA CGM continuing to add to their orderbook.

In the air freight market, weekly international cargo volumes were stable, as domestic volumes decreased markedly (**↓30%**) in a clear mirror image compared with last week. Long-term air cargo data indicates some degree of stabilisation in the global market. In contrast, short-term data predict a continuation of the existing decline before any positive growth starts to be seen. IATA reports annual volume and capacity improvements, while World ACD reports a deepening of the demand decline, with the worst volumes reported during the Lunar recovery.

In regional cross-border road freight trade, average queue and transit times decreased slightly this week. South African border times remained high but slightly decreased, averaging **~11,2 hours (↓3%, w/w)** for the week. In contrast, the greater SADC region (excluding South Africa) decreased by more than 90 minutes, averaging **~10,8 hours (↓13%, w/w)**. Congested SADC borders this week included Beitbridge, Groblersbrug, Kasumbalesa, Katima Mulilo (the worst affected – at around **two days**), and Oshikango. Further notable developments included **(1)** increased queueing at Groblersbrug due to work on the truck park upgrade there, **(2)** Kasumbalesa delays with little streamlining of 24/7 operations, and **(3)** Zimra system issues persisting.

Lastly, the ongoing discussion around Transnet Freight Rail continues this week. The SARB has even weighed in on the debate – calling for deregulation in the transport and electricity sectors to boost macroeconomic stimulation⁶. The private sector has continually called for such reforms, albeit on more realistic terms than those offered so far by Transnet. Furthermore – as is the case in the port industry – South Africa Inc must be careful of changing the model from one extreme to the other. There is very little to gain by moving from a state-owned monopoly to a private sector monopoly. As the global output update by UNCTAD highlights,

⁶ Kganyago, L.11/04/2023. [Deregulate SA's power and transport sectors: SARB governor Lesetja Kganyago](#).

we are still in an extended period of economic difficulties, and trade remains a crucial driver of economic growth and development; however, in recent years, South Africa has continued to pull on the wrong levers to drive growth. We need to improve the functioning of our logistics network rapidly.

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1. Ports Update

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

a. Container flow overview

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

Table 2 – Container Ports – Weekly flow reported for 8 to 14 April ⁷

7-day flow forecast (08/04/2023 – 14/04/2023)		
TERMINAL	NO. OF CONTAINERS ⁸ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 369	5 215
DURBAN CONTAINER TERMINAL PIER 2:	11 141	11 833
CAPE TOWN CONTAINER TERMINAL:	6 486	7 496
NGQURA CONTAINER TERMINAL:	2 924	5 420
GQEBERHA CONTAINER TERMINAL:	695	486
TOTAL:	26 615	30 450

Source: Transnet, 2023. Updated 14/04/2023.

Table 3 – Container Ports – Weekly flow predicted for 15 to 21 April

7-day flow forecast (15/04/2023 – 21/04/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 961	4 220
DURBAN CONTAINER TERMINAL PIER 2:	11 580	13 782
CAPE TOWN CONTAINER TERMINAL:	6 507	5 771
NGQURA CONTAINER TERMINAL:	5 484	7 066
GQEBERHA CONTAINER TERMINAL:	478	600
TOTAL:	28 010	31 439

Source: Transnet, 2023. Updated 14/04/2023.

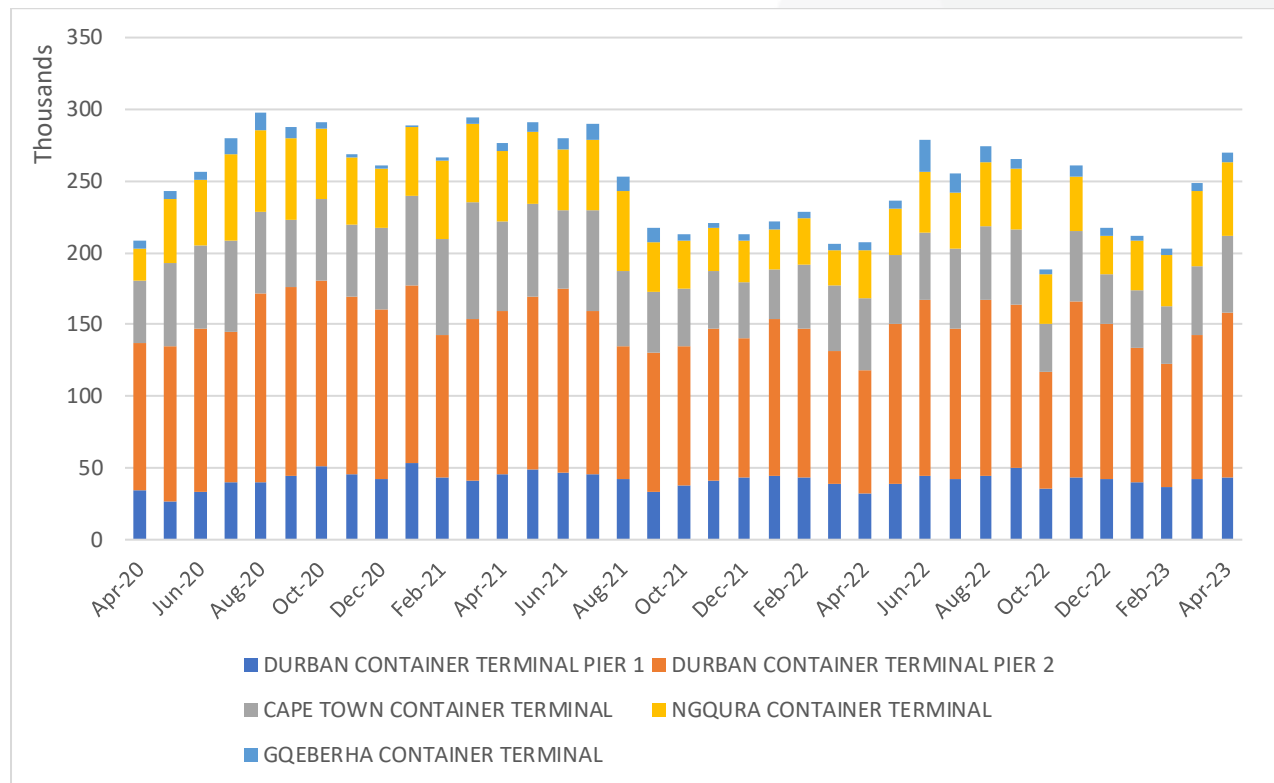
Despite an improved and healthy average of **~8 152 containers (↑25%)** handled per day for the last week (1 to 7 April, Table 2), the numbers still fell slightly short of the projected average of **~8 792 containers (↓7% actual versus projected)** noted in last week's report. An increased average of **~8 790 containers (↑4%)** is predicted to be handled next week (8 to 14 April, Table 3). Operationally, Transnet and the extended domestic logistics network experienced delays attributed to adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, 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.

⁷ 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 transshipments.

⁸ 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.

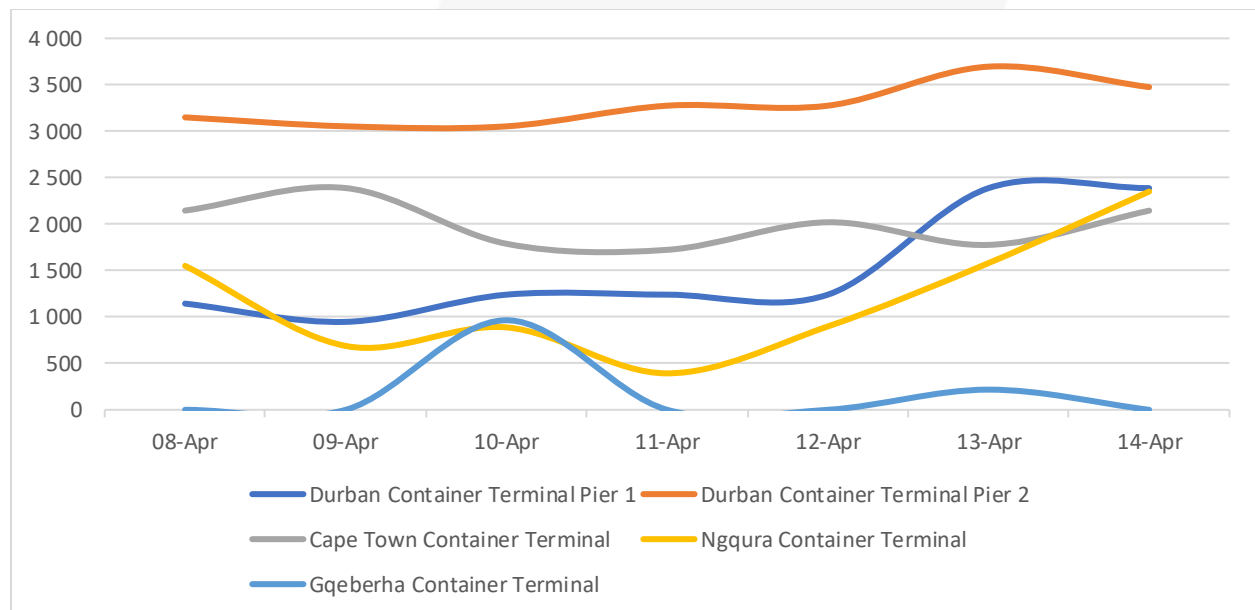
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 14/04/2023.

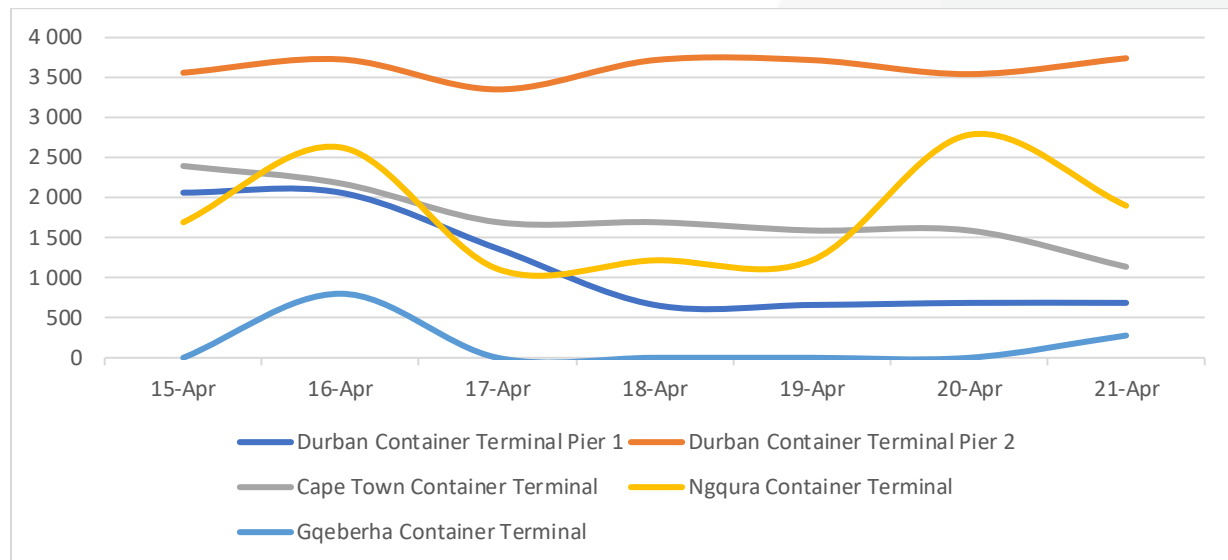
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (8 to 14 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/04/2023.

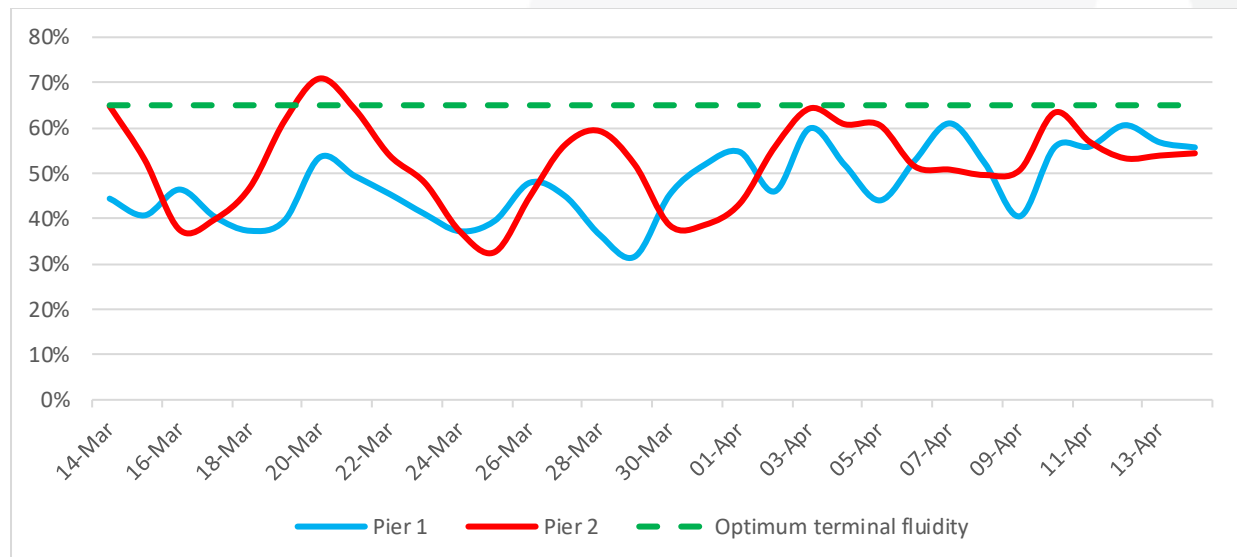
Figure 5 – 7-day forecast reported for total container movements (15 to 21 April; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/04/2023.

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

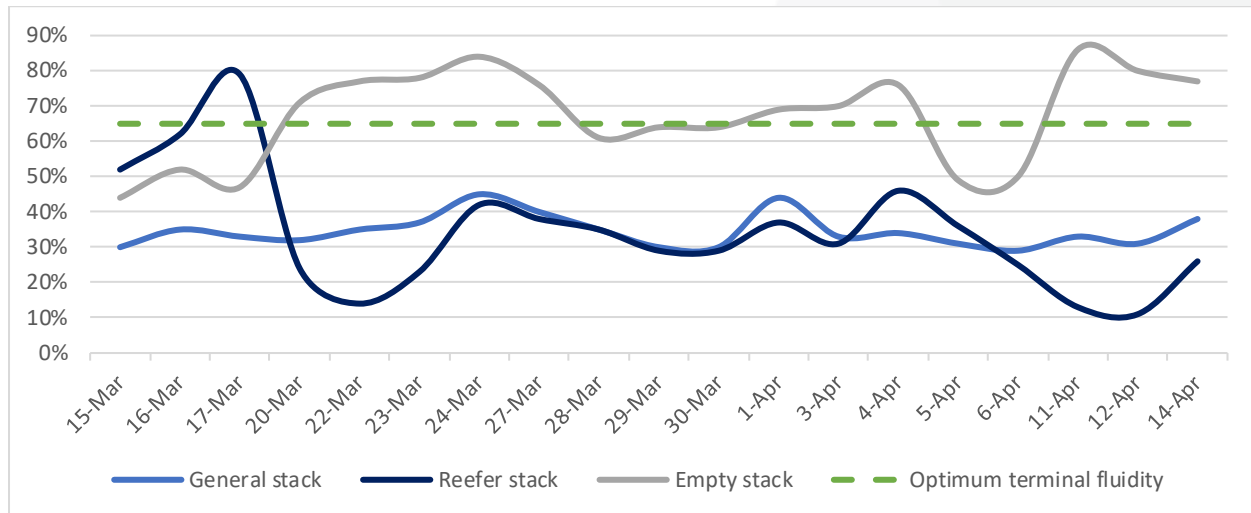
Figure 6 – Stack occupancy in DCT, general-purpose containers (14 March to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/04/2023.

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 (15 March to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 14/04/2023.

b. Summary of port operations

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

i. Weather and other delays

This week, the main cause of operational delays in Cape Town was bouts of persistent and heavy rain, which ensured a sacrifice of more than eight operational hours at the bulk and break-bulk quays.

Durban's main challenges during the week arose from equipment breakdowns and shortages. No reports were received from Richards Bay this week.

The Eastern Cape ports were extensively challenged this week as East London fell victim to strong winds exceeding 17 hours on Monday, followed by load-shedding for a lengthy period on Wednesday.

ii. Cape Town

On Wednesday, CTCT recorded three vessels at berth and four at anchor, as berthing delays improved significantly over the weekend and during the week. Stack occupancy for GP containers was 37%, reefers 14%, and empties 82%. In the latest 24-hour period to Thursday, the terminal handled 2 826 TEUs across the quay. On the landside, 1 390 trucks were serviced while executing 33 rail moves on Tuesday.

The congestion at Cape Town improved over the long weekend, and as the week progressed, the average berthing delay was reduced to **6,45 days** compared to the **ten days** experienced last week. However, as reported over the last few weeks, Cape Town remains on the "Port Congestion Watch" as more than **28 000 TEUs** were stuck at anchorage at the start of the week⁹. Subsequently, the multipurpose recorded one vessel at anchor and one at berth. In the 24 hours to Wednesday, the terminal managed to service 190 external trucks at an undisclosed truck turnaround time while handling 3 035 tons on the landside. Stack occupancy was recorded at 16% for GP containers, 21% for reefers and 2% for empties.

⁹ Linerlytica. 06/04/2023. [Global Containership Port Congestion – as of 10 April 2023](https://www.linerlytica.com/global-container-ship-port-congestion-as-of-10-april-2023).

iii. Durban and Richards Bay

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.

Pier 1 on Thursday recorded two vessels at berth, operated by five gangs, and zero vessels at anchor. Stack occupancy was 57% for GP containers, with 1 879 imports on hand and 149 unassigned units. The terminal recorded 1 217 landside gate moves, with an undisclosed number of cancelled slots and 230 wasted.

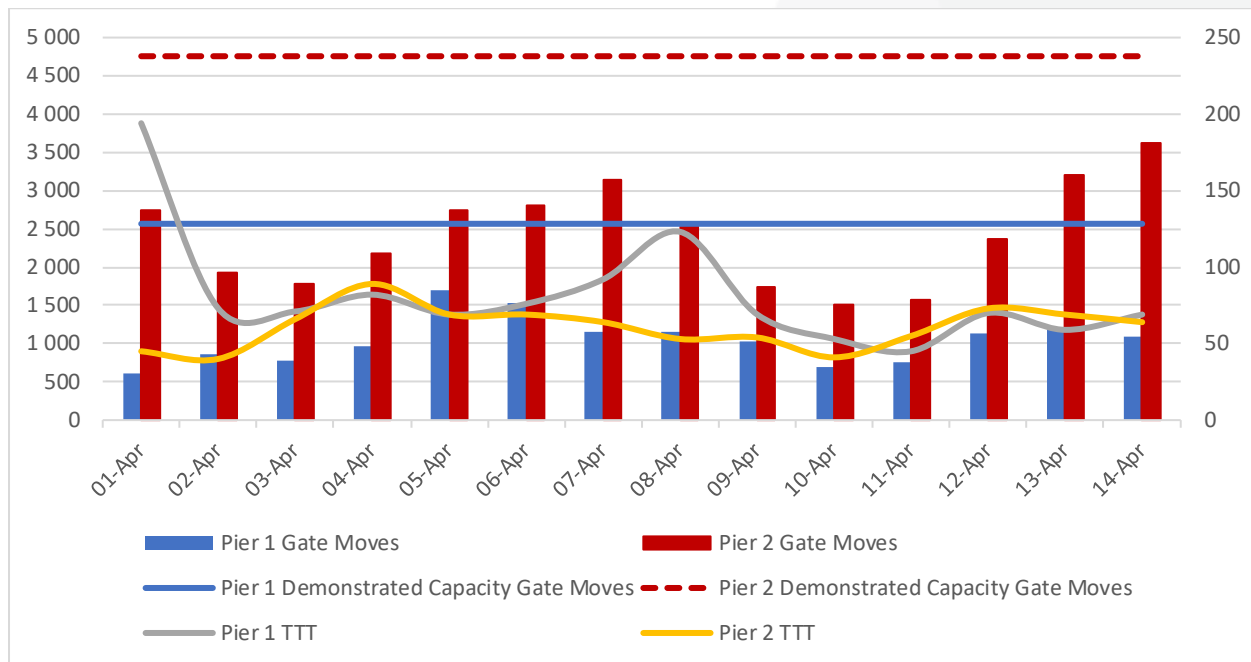
Pier 2 had two vessels at berth and one at anchorage on Thursday. In the most recent 24 hours to Thursday, stack occupancy was 54% for GP containers and 21% for reefers. The terminal operated with seven gangs and moved 2 747 TEUs across the quay. On Friday, there were 3 619 gate moves on the landside with a truck turnaround time of ~64 minutes and a staging time of ~49 minutes. Additionally, 230 rail import containers were on hand, with 388 moved by rail. At south quay berth 108, cranes 522 and 523 returned to service this week; however, on the opposite side, at the north quay, crane 529 remains out of commission with an unknown return date.

The Durban MPT terminal, on Tuesday, recorded two vessels at berth and none at outer anchorage while handling 433 containers and 2 031 breakbulk tons on the waterside. Stack occupancy for breakbulk worsened this week to 90%, while stack occupancy on the container side was recorded at 20%. The very high breakbulk stack occupancy could be attributed to the challenges of obtaining permits for heavy and abnormal evacuation loads. On the landside, the terminal managed to handle 158 containers while servicing 61 breakbulk RMTs. On Wednesday, three cranes, seven reach stackers, one empty handler, six forklifts and 20 ERFs were in operation.

On Wednesday, the Ro-Ro terminal in Durban recorded three vessels at berth and one at outer anchorage while handling 4 274 units at a UPH of 190 on the waterside. Over the 24 hours to Thursday, general stack occupancy was 74%, while stack occupancy at the abnormal QR- and G-berths was worryingly high at 95% and 90%. Nevertheless, the terminal managed to handle 1 016 road- and 314 rail units on the landside.

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 14/04/2023.

iv. Eastern Cape ports

NCT on Tuesday recorded four vessels on berth and two vessels at outer anchorage. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation 24 hours before Wednesday. In the same period, stack occupancy was 39% for GP containers and 35% for reefers. On Tuesday, 1 482 TEUs were handled across the quay. Additionally, 437 trucks were serviced on the landside, with a truck turnaround time of ~35 minutes.

GCT on Tuesday recorded zero vessels at outer anchorage and one at berth. Available waterside resources were two tugs, a pilot boat, two pilots, and one berthing gang in the 24 hours to Wednesday. In the same period, stack occupancy was 38% for GP containers, 21% for reefers, and 33% for reefer ground slots while executing 602 moves (829 TEUs) across the quay. On the landside, 139 trucks were serviced at a truck turnaround time of ~21 minutes.

The Port of East London fell victim to load-shedding this week, with the most serious instance of load-shedding occurring on Wednesday, when the port had only one hour of power throughout the day. Despite this operational challenge, they managed to move 485 TEUs across the quay at a GCH of ~12 hours while servicing 73 external trucks at a truck turnaround time of ~15 minutes. Stack occupancy on the container side was captured at 61% on Wednesday. The Ro-Ro terminal managed to handle 945 units at a UPH of 203. Stack occupancy at the car terminal was recorded at 49%.

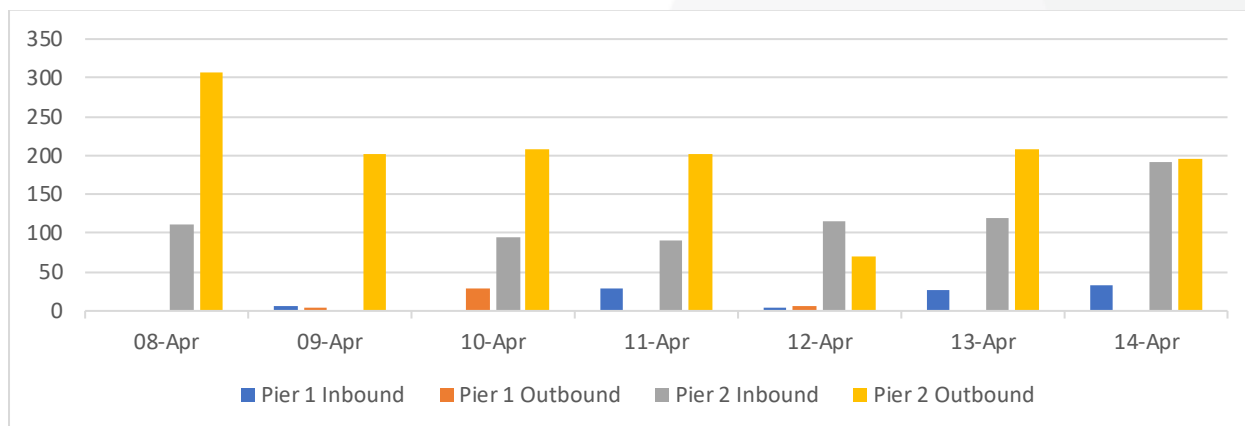
v. Saldanha Bay

On Thursday, the iron ore terminal had two vessels at anchorage and one on the berth, while the multipurpose terminal had one at anchor and three on the berth. The vessels at anchor have been waiting at anchorage for approximately 2-3 days, while the vessels at berth have been on berth for around 2-5 days.

vi. Transnet Freight Rail (TFR)

Minor cable theft and vandalism on our national rail lines continued this week; however, luckily, minimal operational delays were reported. But having said that, these continuous security incidents on the rail lines, no matter how small, are extremely damaging to our hope of achieving a truly functional multimodal supply chain. The private sector is still working tirelessly (to the extent that it is able in a restrictive legislative framework) to ensure that the optimum private sector participation model is implemented to resurrect our national rail network. We cannot overstress the urgency; each day's delay exponentially adds to the problem.

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



Source: Calculated using data from Transnet, 2022. Updated 14/04/2023.

In the last week (8 to 14 April), rail cargo handled out of Durban was reported at **2 257** containers, up by **↑30%** from the previous week's **1 829** containers.

vii. General

This week, a brief report received from the deputy harbour master of TNPA stated that several vessels' arrival notifications are not loaded into the IPMS before the vessel's arrival, which directly impacts the data management and safety of other vessels at anchorage. Therefore, industry participants were warned that as of 14 April, Transnet would no longer accept a vessel at anchorage without an arrival notification from an agent to ensure correct updated data on their system at all times. Thus, all vessels with no appointed agent or arrival notification will wait outside the VTS Zone, which is 15 nautical miles.

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 3 April. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in April 2022 averaged **~742 194 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

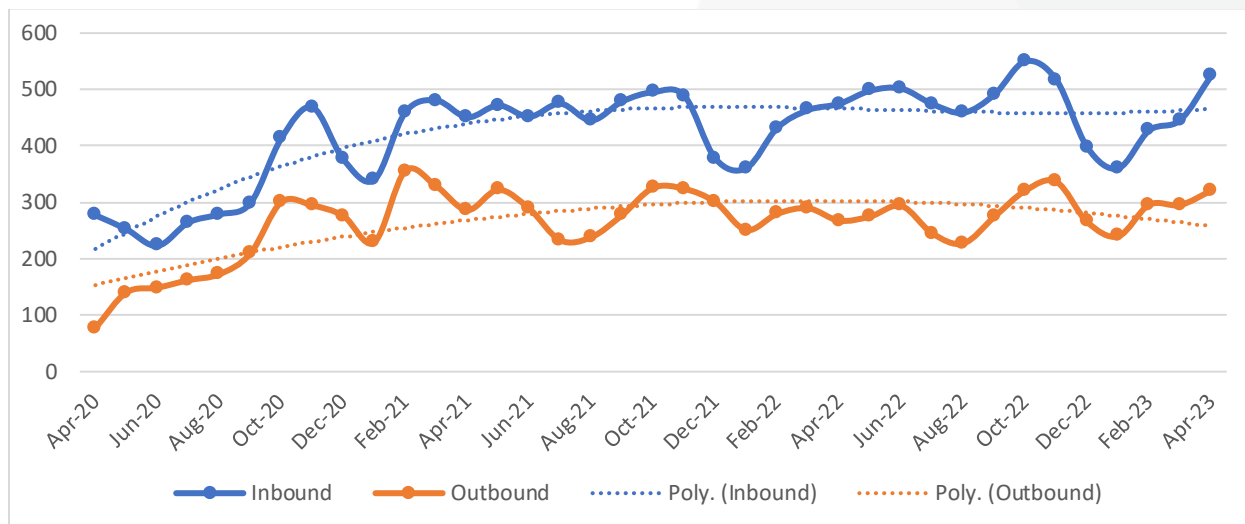
Flows	03-Apr	04-Apr	05-Apr	06-Apr	07-Apr	08-Apr	09-Apr
Volume inbound	639 643	363 212	450 228	259 007	407 768	462 459	810 953
Volume outbound	274 478	183 591	271 335	199 855	220 349	160 153	593 295
Total	914 121	546 803	721 563	458 862	628 117	622 612	1 404 248

Courtesy of ACOC. Updated: 12/04/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **484 753 kg** inbound and **271 865 kg** outbound, resulting in an average of **756 618 kg per day** or **~102%** compared with March 2022. However, the level is currently at **~78%** compared with the same period pre-pandemic in 2019.

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

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



Courtesy of ACOC. Updated: 12/04/2023.

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 *April 2022* was **~51 453 kg** per day.

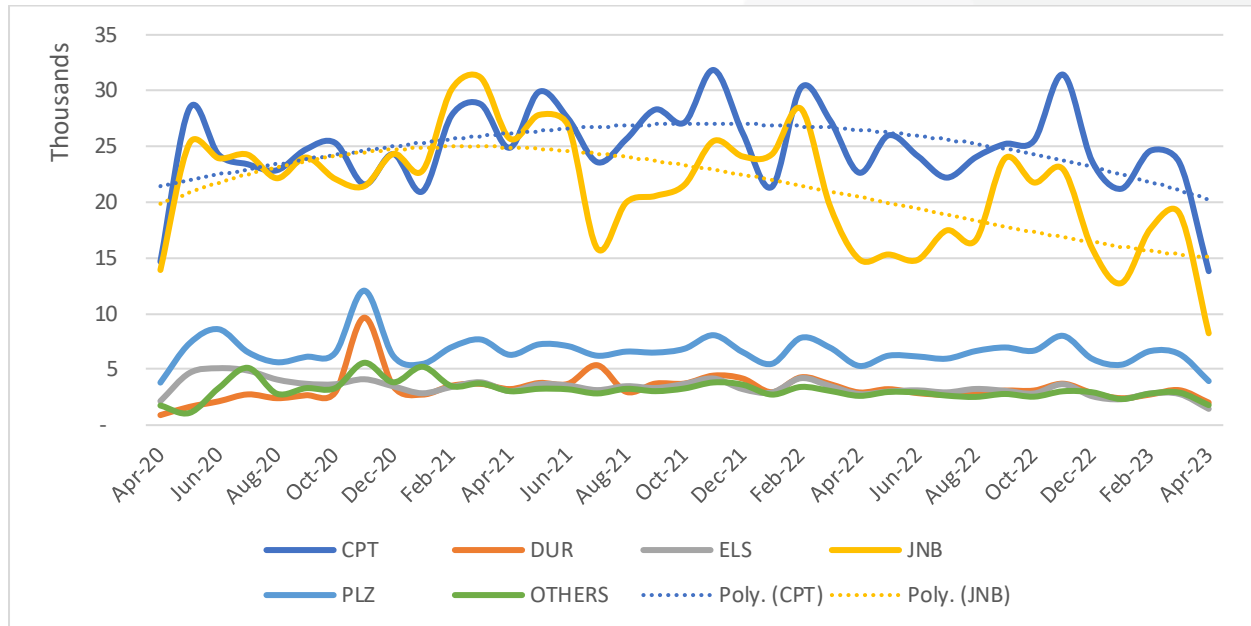
Table 5 – Total domestic inbound and outbound cargo

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.	23 514	3 131	2 787	18 963	6 364	2 915	57 674
April Ave.	17 814	2 451	1 890	10 436	4 952	2 210	39 753
03-Apr	39 808	4 798	4 133	23 880	11 733	4 675	89 026
04-Apr	40 495	5 042	4 462	26 403	10 541	5 712	92 656
05-Apr	46 198	5 528	4 974	27 225	12 259	5 460	101 643
06-Apr	17 891	3 615	1 993	11 656	6 556	2 891	44 602
07-Apr	1 954	722	161	245	720	211	4 012
08-Apr	959	102	80	96	95	27	1 357
09-Apr	1 327	933	78	153	501	110	3 102
Total for 2023:	2 243 508	271 152	257 474	1 596 253	604 742	265 511	5 238 639

Courtesy of BAC. Updated: 12/04/2023.

The average domestic air cargo moved last week was **~48 057kg** per day, which is down by **↓25%** compared with the previous week and similar to this time last year (**~93%**) of what was moved in March 2022.

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



Courtesy of BAC. Updated: 12/04/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- This week, the median border crossing times at South African borders decreased and averaged **~11,2 hours (↓3%, w/w)**.
- Locally, Groblersbrug had a little more queueing than usual last week due to the truck park being closed for revamping, causing a three-lane queue on the road.
 - Transporters were issued alerts to pre-clear before arriving at the border, as police on duty would only allow one lane, as all other queueing vehicles would be diverted to the N11.
- Regionally, long queues and slow crossings have persisted at Kasumbalesa. As a result, DRC has allowed vehicles to cross during the day and handle document processing during the night (20:00 to 06:00) to streamline procedures.
 - Although supposed 24-hour border operations have existed for a while, the change has not led to any measurable improvements.
 - Furthermore, some transporters have insisted that the slow operations are intentional as opportunists use the delays as an additional source of revenue.
- Reports have again been received of DRC officials instituting a "passage tax" through the Mokambo and Sakania routes.
- The Zimra system has been unstable over the last week, as Zimbabwe Customs has admitted the problems and are working on solutions.

- 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 questionable effectiveness of this platform, transporters are encouraged to contact FESARTA and join their [TRANSIST Bureau](#)¹⁰, which has arguably achieved much greater success.

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

Table 6 – Delays¹¹ summary – South African borders

Border Post	Direction	HGV ¹² 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	5	6	28	11 730	2 737
Beitbridge	Zimbabwe-SA	410	7	3	13	12 300	2 870
Groblersbrug	SA-Botswana	248	2	7	27	7 440	1 736
Groblersbrug	Botswana-SA	157	1	1	3	4 710	1 099
Vioolsdrif	SA-Namibia	30	0	2	3	900	210
Noordoewer	Namibia-SA	20	0	1	2	600	140
Nakop	SA-Namibia	30	1	1	6	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 552	0	1	4	46 560	10 864
Ressano Garcia	Mozambique-SA	133	0	0	2	3 990	931
Skilpadshek	SA-Botswana	200	0	0	0	4 800	1 400
Pioneer Gate	Botswana-SA	100	0	0	0	2 400	700
Average/Sum		3 291	01:18	01:54	07:18	96 930	23 037

Source: TLC, FESARTA, & Crickmay, week ending 09/04/2023.

Table 7 – 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	34	2	12	54 570	12 733
Maputo Corridor	1 685	0	1	3	50 550	11 795
Nacala Corridor	127	0	0	0	3 810	889
North/South	3 278	14	3	15	74 850	22 946
Trans Caprivi Corridor	116	0	1	36	3 480	812
Trans Cunene Corridor	100	0	7	17	3 000	700
Trans Kalahari Corridor	330	1	1	1	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Average/Sum	7 875	10:06	02:00	10:48	210 780	55 125

Source: TLC, FESARTA, & Crickmay, week ending 09/04/2023.

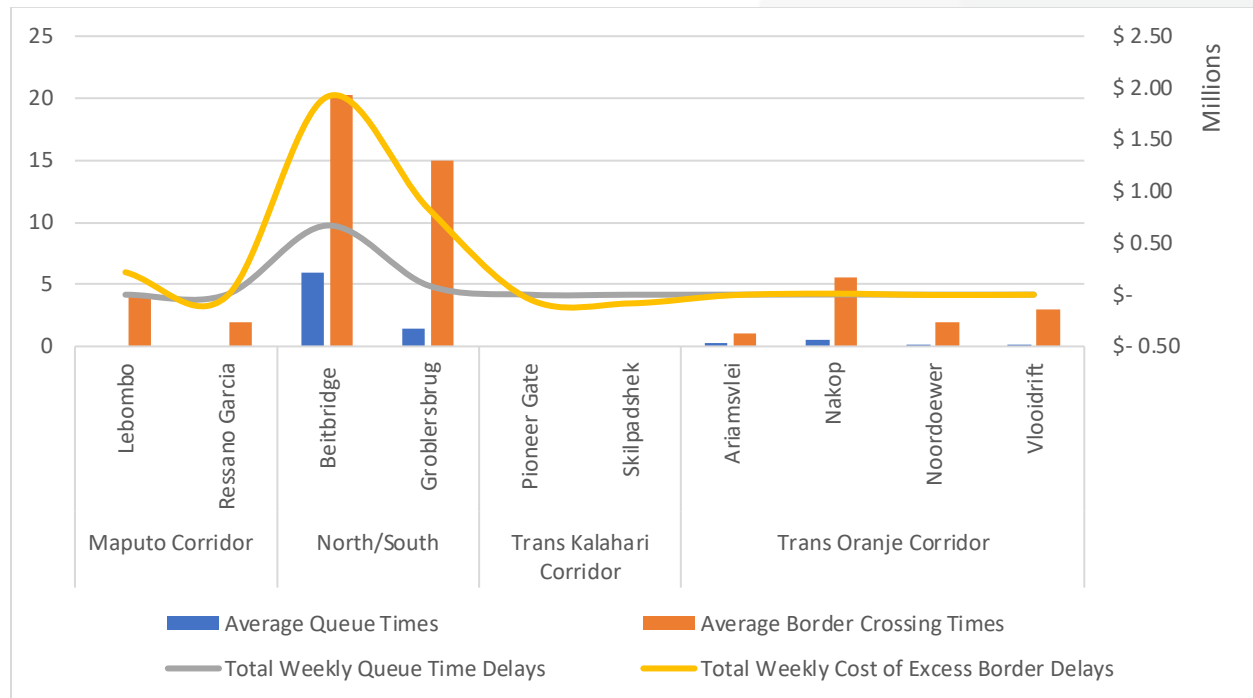
¹⁰ [FESARTA TRANSIST Bureau](#).

¹¹ It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles. Data provided by the LMS (Logistics Monitoring System), which is produced by Crickmay.

¹² Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

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

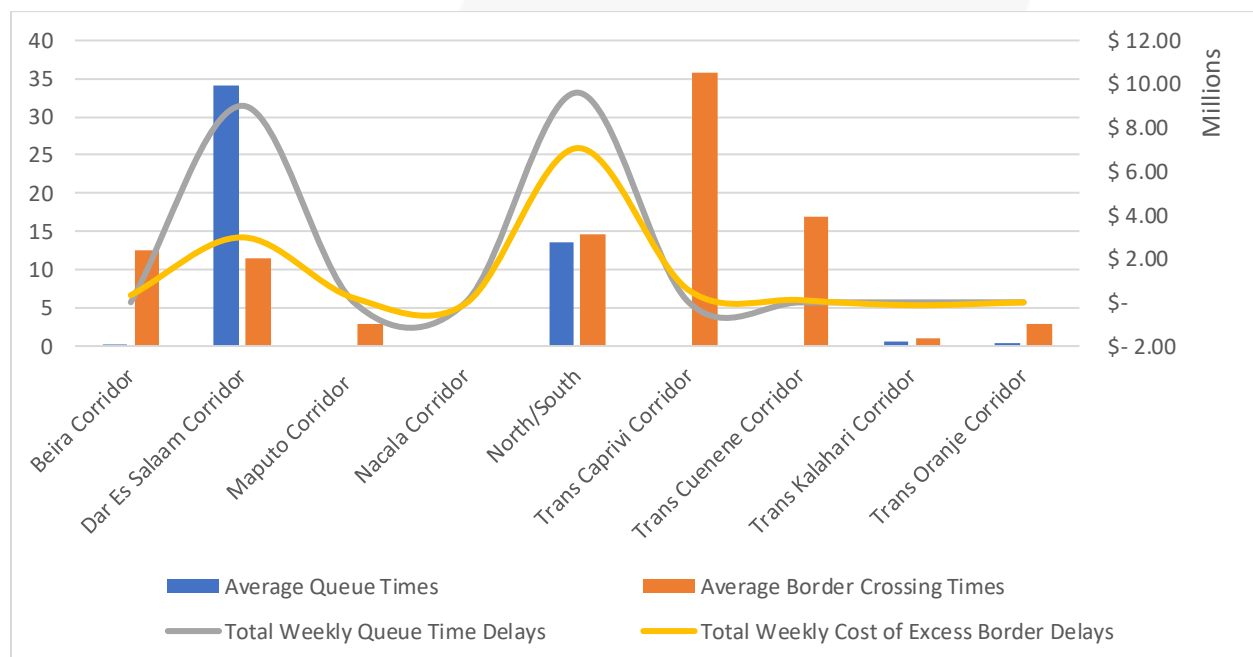
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 09/04/2023.

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 09/04/2023.

In summary, cross-border queue time has averaged **~10,1 hours** (down by **~0,7 hours** from the previous week's **~10,8 hours**), indirectly costing the transport industry an estimated **\$19 million (R328 million)**. Furthermore, the week's average cross-border transit times hovered around **~10,8 hours** (down by **~1,4 hours** from the **~12,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$11 million (R194 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R522 million** (down by **~R102 million** or **↓16%** from **R624 million** in the previous report).

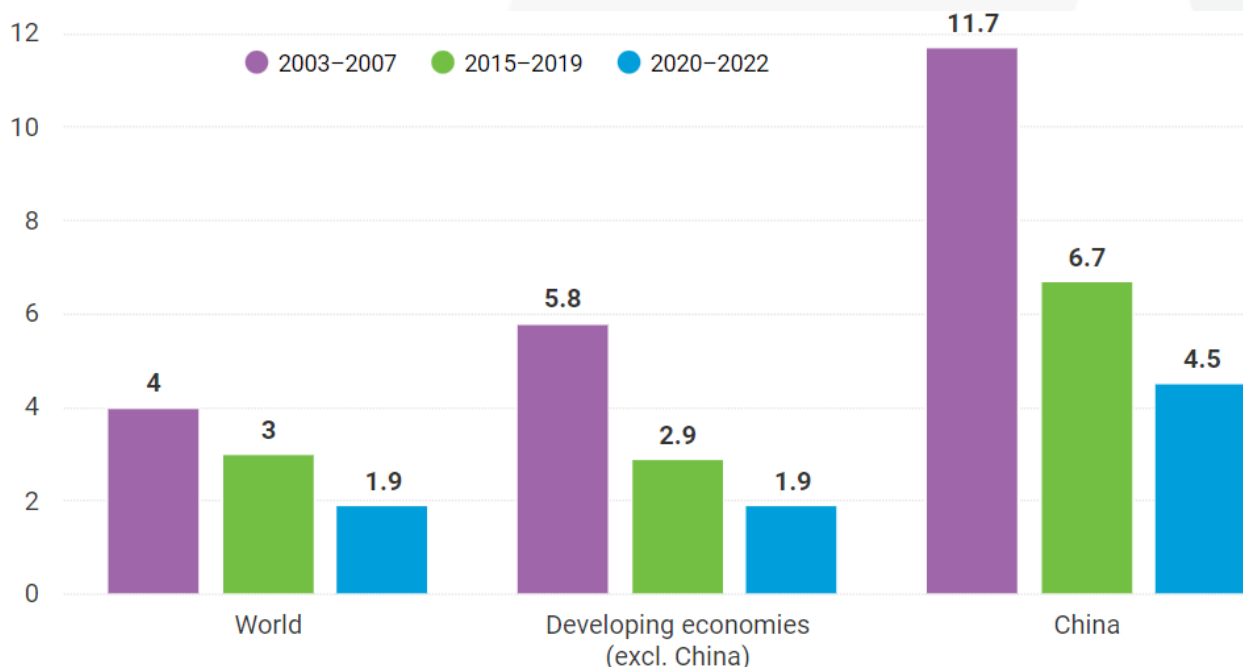
4. International Update

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

a. Global Trade and Development - UNCTAD

This week, UNCTAD released its latest "*Trade and Development Report Update*", showing that global growth in 2023 to drop to **↑2,1%**, compared to the **↑2,2%** projected in September 2022¹³. The headline warns that developing countries – including South Africa – face years of difficulty as the global economy slows amid heightened financial turbulence and an impending debt crisis. In addition, UNTAD estimates that interest rates hikes will cost developing countries more than **\$800 billion** in foregone income over the coming years as global growth continues to dwindle in all regions:

Figure 14 – Global economic growth rates (2003-2007, 2015-2019, and 2020-2022)



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

The other major headlines from the report include the following:

¹³ UNCTAD. 12/04/2023. [Trade and Development Report Update – April 2023](https://unctad.org/).

- Developing countries face mounting debt and insufficient international support, risking another lost decade.
- The banking crisis highlights long-neglected financial fragilities and regulatory weaknesses.
- Declining energy costs lead to lower inflation, but elevated food prices maintain a high cost of living in many developing countries.
- Growing global asymmetries threaten developing countries' resilience, requiring more decisive multilateral action and an urgent focus on sovereign debt architecture.

Lastly, South Africa's output has been downwardly revised by a massive $\downarrow 1,6\%$ to just $\uparrow 1,3\%$ in 2023 from September's review.

b. Global shipping industry

i. Container throughput and capacity utilisation

The decrease in global port throughput has accelerated in February, as the latest container throughput figures from CTS show that volume is down by a massive $\downarrow 8,9\%$ (m/m) and $\downarrow 5,0\%$ (y/y) lower compared to this time last year. Fortunately, as reported weekly by Drewry, the price index (reefer and dry) has followed and is down by a significant $\downarrow 5,6\%$ (m/m) and a considerable $\downarrow 48,2\%$ (y/y) versus a year ago:

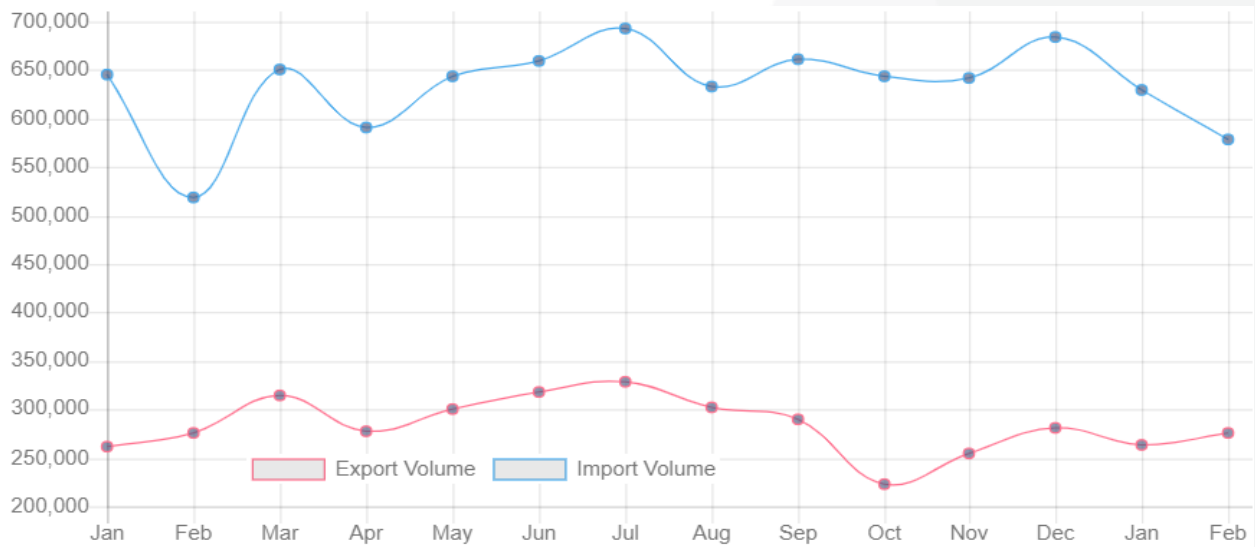
Figure 15 – Global Containerised Throughput (TEUs) and price index



Source: [CTS](#)

Container throughput is typically at its lowest in February; therefore, the current global volume of 12,2 million TEUs comes as little surprise. However, looking ahead, the upswing of $\uparrow 18,1\%$ (m/m) experienced in March last year is highly improbable considering the current low demand. Regionally, Sub-Saharan Africa shows imports are down by $\downarrow 8,1\%$ (m/m), with exports up by $\uparrow 4,8\%$ (m/m):

Figure 16 – Sub-Saharan Africa Containerised Throughput (TEUs)

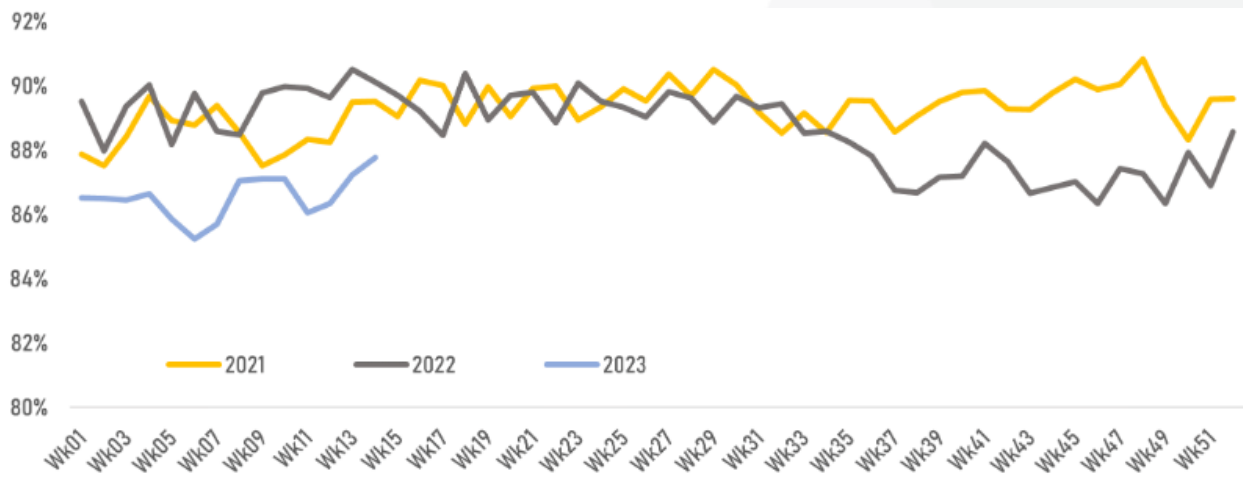


Source: [CTS](#)

Incidentally, South Africa accounted for **26,1%** of SSA imports and **54,3%** of SSA exports. However, the share has decreased significantly over the last 12 months as regional ports continue to increase their throughput while South African ports stand still. In February 2022, South Africa accounted for **35,3%** of SSA imports and **73,3%** of SSA exports when comparing the data presented by CTS versus our TNPA data. This reality is another cause for concern, as shipping lines appear to be more and more willing to increase regional port calls and decrease South Africa port calls. The logical result of this, if the urgent change is not implemented, is a situation where our ports become 3rd league way ports.

The global container industry's traditional February low point was very low this year; however, the high-frequency metrics are starting to show some steady signs of recovery – especially in returning capacity. Capacity utilisation on all inter-regional head haul routes has started to pick up in the last two weeks, according to Linerlytica. Despite remaining below the average of the last two booming years, the main Asia-Europe and Transpacific routes have seen the most substantial improvements in utilisation rates, as blanked sailings and the withdrawal of the smaller ships from the trade remain evident. Elsewhere, the Transatlantic and Asia-Oceania routes have seen the sharpest drops in utilisation levels and freight rates continue to head southwards on both trades:

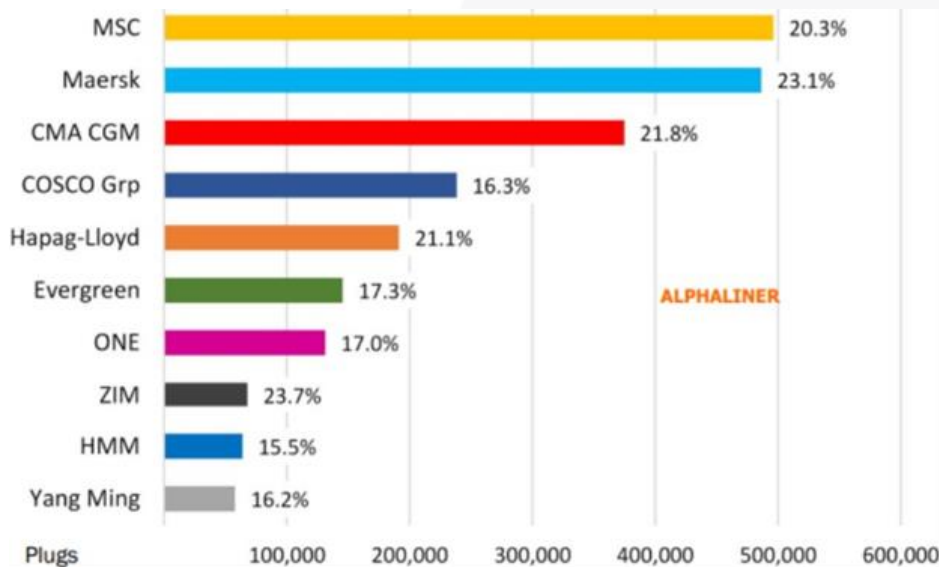
Figure 17 – Inter-regional capacity utilisation (%)



Source: [Sea Intelligence](#)

Incidentally, the shipping industry's impression is that the season of blanked sailings has come to an end. For the last week, Drewry's "Cancelled Sailings Tracker" again remains at an **8% cancellation rate**¹⁴ (↓8%, w/w), as port congestion has come down by ↓8% (w/w) to **1,73 million TEU**. However, despite the general easing of port congestion, some ports remain clogged, notably at Shanghai/Ningbo, Qingdao, Singapore, and Busan, according to the latest figures from *Linerlytica* (Cape Town - albeit fortunately tumbling down the rankings this week – remains on the list, currently in fourteenth place based on TEUs at anchorage). Lastly, on the topic of reefer capacity, Alphaliner this week presented the top ten carriers based on reefer plug points:

Figure 18 – Reefer plug points ranked by carrier (% y/y growth)



Source: [Alphaliner](#)

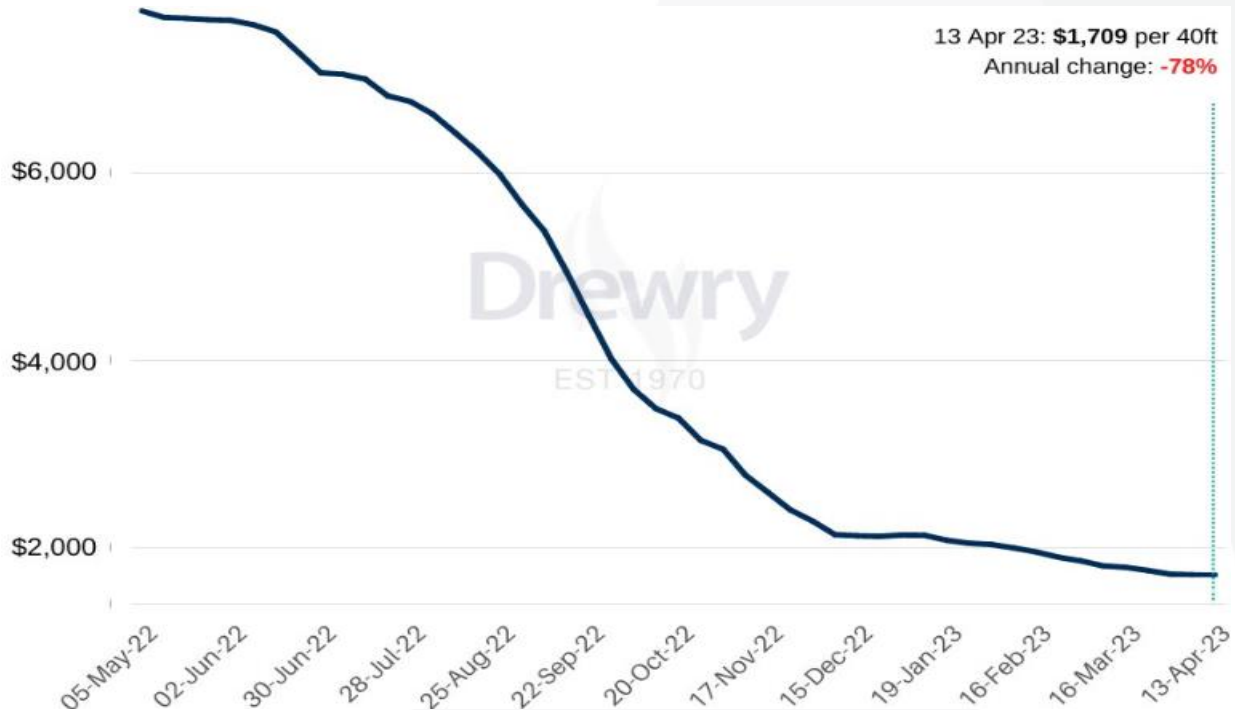
¹⁴ Drewry. 14/04/2023. [Cancelled Sailings Tracker - 14 April.](#)

MSC can potentially carry the most significant amount of refrigerated cargo on its ships, a new survey by Alphaliner shows. The **746 vessels** in its fleet are fitted with a combined total of more than **496 200 reefer plugs**. These capacity figures are interesting, especially considering that our industry is gearing up in anticipation of the citrus exporting season for South Africa.

i. Global container freight rates and carrier profits

As per the "World Container Index", container rates have bottomed out at **\$1 709** per 40-ft container (**↓0,1%** or **\$1**) this week:

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



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

The composite index is down by **↓78%** (y/y) versus last year, **↓84%** below the peak in September 2021, and still **↓36%** lower than the 10-year average of **\$2 688**. Rate reductions have been saturated in some parts, as evidenced by two major routes increasing this week (Shanghai – Rotterdam and Shanghai – New York). Elsewhere, charter rates have continued to rise, along with durations, with carriers willing to commit to longer-term fixtures of 12 months and longer, reflecting the improved market conditions¹⁵. Nevertheless, a telling statistic from *Sea Intelligence* this week shows that earnings before interest and tax (EBIT) per container declined by **↓46%** in the fourth quarter of the year – visibly indicating a weakening market. On average, the carriers recorded **EBIT/TEU** of **\$843/TEU** in Q4 2022, down **↓33%** (y/y) from Q4 2021's **\$1 252/TEU**, but still vastly above the miserable **\$17,6/TEU** average in 2010-2019¹⁶.

¹⁵ Linerlytica. 10/04/2023. [Market Pulse – Week 15](#).

¹⁶ Murphy, A. 05/04/2023. [2022-Q4 EBIT drops 46% \(USD 15bn\) Y/Y](#).

ii. Further developments of note

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

1. Port labour issues remain:

- a. Port labour tensions remain high, with the Los Angeles/Long Beach terminals shutting down for two shifts before Easter, adding to the market uncertainty. The 22 000 dockworkers on the West Coast have been without a collective bargaining agreement since the prior agreement expired on 1 July 2022¹⁷. Volumes are improving; however, a labour agreement is key for the West Coast ports¹⁸.
- b. Elsewhere, protest in France continues to ignite, as port and airline workers have joined many other industries against the recent announcement of an increase in the retirement age in France by two years to 64, which was forced through parliament without a vote then imposed without any further consultation.

2. CMA CGM continues to add to their orderbook:

- a. CMA CGM has confirmed orders for **16 large containerships** at state-owned China State Shipbuilding Corp. The order is for a dozen methanol dual-fuelled **15 000 TEU ships** and four LNG dual-fuelled at **23 000 TEU** – all 16 costing **\$175 million** each. At **\$3,1 billion** is the largest order yet for the shipbuilding group.
- b. These new builds will replace CMA CGM's older ships after delivery in 2025 and 2026. The larger units will likely be assigned to Asia-Europe routes, while the 15 000 TEU ships could be deployed on transpacific trades and regional lanes such as Asia-South America¹⁹.

c. Global air cargo industry

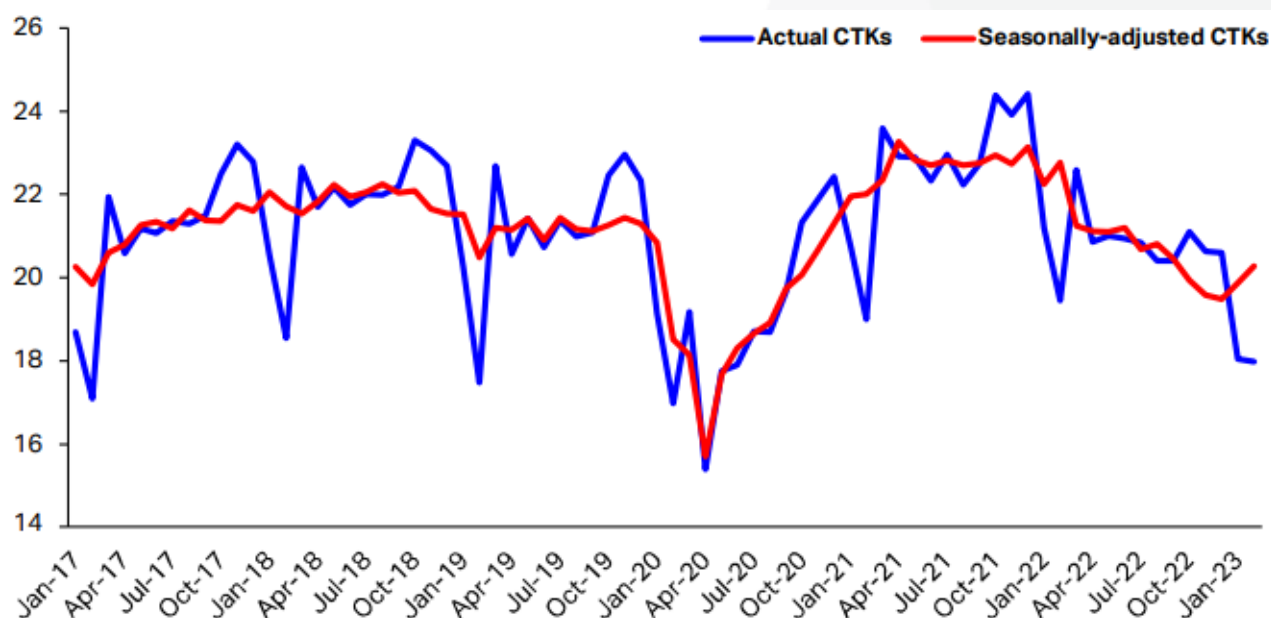
IATA published their latest "Air Cargo Market Analysis" for February, pointing out several silver linings amid the ongoing market slowdown. Indeed, air cargo demand displayed some resilience in February, as cargo tonne-kilometres (CTKs) were **↓7,5%** lower compared to last year – a significant improvement from the **↓14,9%** annual decline in January:

¹⁷ Biggar, K. 09/04/2023. [Ports of Los Angeles and Long Beach terminals shut down as workers fail to show up for shifts.](#)

¹⁸ Savvides, N. 13/04/2023. [Port of LA imports rebounding, but labour agreement is now 'crucial'.](#)

¹⁹ Li, M. 11/04/2023. [CSC wins record order for 16 box ships for CMA CGM.](#)

Figure 20 – Global industry CTKs (billions per month)



Source: [ATA](http://www.ata.org)

Other headline metrics from February show that global air cargo capacity, measured by available cargo tonne-kilometres (ACTKs), grew **↑8,6%** (y/y) – indicating that supply continues its strong recovery. The growth has been mainly driven by the return of passenger aircraft belly-hold capacity in international markets, which increased a significant **↑57%** (y/y) and recovered to **75,1%** of pre-pandemic capacity in February. International air cargo traffic saw varied performance across regions, with Africa (where air cargo volume has grown by nearly a third – **↑31,4%** - compared to 2019 levels) and North America maintaining their lead in the recovery of cargo traffic. Elsewhere, China's reopening played a significant role in improving the performance of Asia-related route areas.

In the more high-frequency data, the picture has unfortunately turned south for air cargo once more. Worldwide air cargo demand has slipped further into decline after showing tentative signs of stabilising in the last two months, with the first full week of April showing the steepest week-on-week drop since the Lunar New Year factory closures in January, preliminary figures from World ACD Market Data indicate:

Figure 21 – 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		-2%	+19%		-8%	-4%		-2%	-18%
Asia Pacific		+4%	+28%		-8%	-5%		-2%	-41%
C. & S. America		-3%	-1%		-5%	-6%		-1%	-11%
Europe		+3%	+15%		-9%	-10%		-5%	-37%
M. East & S. Asia		-1%	+10%		-4%	-10%		-1%	-46%
North America		-2%	+6%		-9%	-27%		-3%	-22%
Worldwide		+0%	+12%		-8%	-11%		-3%	-35%

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

Following slight week-on-week declines in weeks 12 (↓2%) and 13 (↓3%), last week saw a fall of ↓8% in worldwide flown tonnages, plus a further slight (↓3%) drop in average global air cargo pricing. However, when comparing weeks 13 and 14 with the preceding two weeks, overall tonnages decreased by ↓8% versus their combined total in weeks 11 and 12. Lastly, the average worldwide rates decreased by ↓3%, with more or less stable capacity.

ENDS²⁰

²⁰ **ACKNOWLEDGEMENT:**

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