

Cargo movement update¹

Date: 19 May 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)	19 239	29 692	48 931	27 741	34 449	62 190	↓21%
Air Cargo (tons)	2 624	2 061	4 685	2 701	1 791	4 492	↑4%

Monthly Snapshot

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

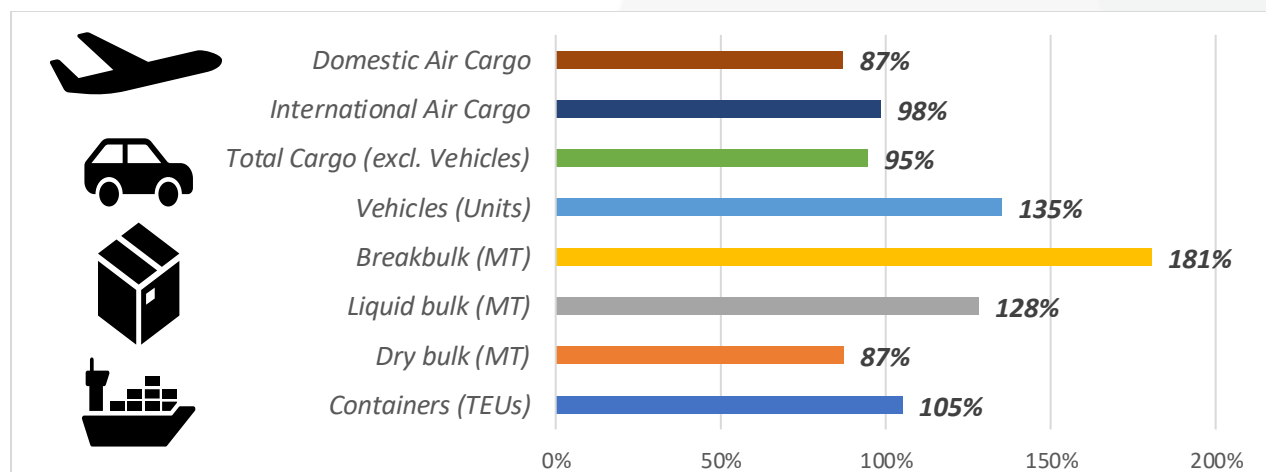
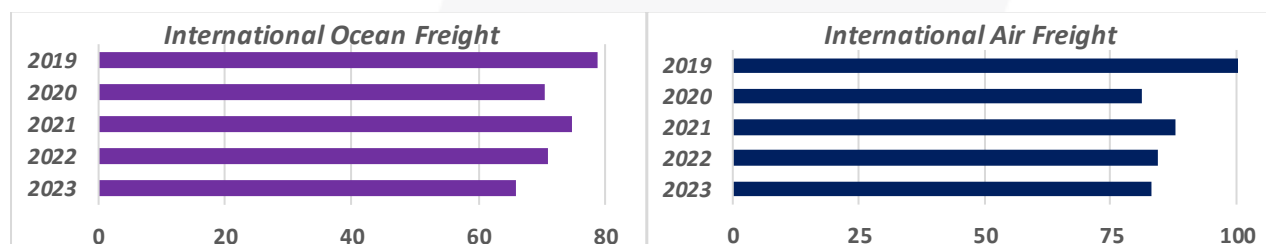


Figure 2 – Global year-to-date flows 2019-2023⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of ~6 990 containers was handled per day, with ~8 620 containers projected for next week.
- TNPA stats for April: containers are down by ↓12% (m/m) but up by ↑3% (y/y). YTD volume remains low: TEU exports are ↓4,9%, with imports at ↓9,0%. Total bulk cargo is down by ↓9% (m/m) and ↓5% (y/y).
- Rail cargo handled out of Durban amounted to 1 246 containers, ↓42% compared to last week.
- Cross-border queue times were ↑0,5 hours, with transit times ↓0,1 hours, SA borders ~12,5 hours (↑52%).
- Global port congestion remains relatively low (7,2% of the fleet), with blank sailings at only 3% this week.
- Global container rates fell by the same magnitude as last week (by ↓1%, or \$21 to \$1 720 per 40 ft).
- Air cargo has only partially recovered from the drop in the first week of May – up ↑7% this week.

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 137th 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; Air: Apr vs Apr, Ocean: Apr vs Apr.

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

Executive Summary

This update – *the 137th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, roadshows, and congestion typified port operations. The main operational challenges at the Port of Cape Town arose at the start of the week as the port went windbound for almost a day. Over the weekend and leading into the early stages of the week, DCTs Pier 1 implemented a tiered cargo evacuation approach which facilitates cargo evacuation without the need for a booking slot to be made. Additionally, the Port of Richards Bay implemented its booking system to facilitate direct communication between the mines and the respective terminals to improve the congestion at the port. Furthermore, the dire cable theft and vandalism on our rail network continued as more expensive and serious incidents occurred throughout the week.

Internationally, global supply chains have become buyers' markets and are underutilised for the first time since June 2020, according to the latest *Global Supply Chain Volatility Index*. The evidence can be seen in the subdued global maritime industry, with low utilisation figures despite the aggressive drive to expand capacity by the carriers continuing. The approach is not yielding results, with demand continuing to lag vessel capacity growth. Other developments included **(1)** MSC is the first carrier to reach a fleet size of five million TEU slot, **(2)** cyclone disrupts sea and airport operations in Bangladesh and Myanmar, and **(3)** benefits of slow-steaming on emissions exaggerated.

The international air cargo market remains down versus the corresponding time last year (**↓11%**). Nevertheless, there has been a notable change in air cargo flows, with inbound down by **↓20%** and outbound up by **↑14%**. The annual change aligns with the ongoing currency depreciation, as the ZAR has lost nearly **20%** of its value against the US dollar in the last 12 months. Domestic air cargo is up by **↑23%** this week. Internationally, global air cargo tonnages have partially bounced back after dropping sharply in the first week of May due largely to May public holidays. Nevertheless, longer-term, seasonally-adjusted cargo tonnages remain down by **↓8,1%** (y/y).

In regional cross-border road freight trade, average queue and transit times increased slightly this week. Locally, South African border crossing times increased by more than **4 hours** this week – averaging **~12,5 hours (↑52%, w/w)**. In contrast, crossing times in the greater SADC region (excluding South Africa) decreased by around an hour, averaging **~12,2 hours (↓7%, w/w)**. This week's busiest SADC land borders included Beitbridge, Kasumbalesa, Katima/Mulilo (the worst performer – at around **two days**), and Zobue/Mwanza. Further developments of note included **(1)** Beitbridge once again experiencing some network issues, **(2)** Kasumbalesa queues remaining very concerning, and **(3)** NTBs through DRC with loads scanned on the outskirts of Kolwezi.

In summary, the latest vehicle trade statistics – in conjunction with the continued upward trends – show that many pockets of excellence still exist within our extended logistics network. The easing of global supply chains further highlights the opportunity for South African exports, in particular, to seize the opportunities currently presented. Despite weak consumer demand amid high interest rates and global inflation, more capacity means more space to increase volumes, boost trade, and potentially access a broader market (not forgetting our existing US and European trading partners). However, the opportunity coincides with the need for collaboration and continued teamwork. Logistics takes place on a shared infrastructure with shared responsibilities from all parties – we cannot emphasise this reality enough. We desperately need an enabling environment in our ports and accompanying logistics nodes where all role players pursue quality performance, port efficiency and best practices.

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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 13 to 19 May⁶

7-day flow forecast (13/05/2023 – 19/05/2023)		
TERMINAL	NO. OF CONTAINERS ⁷ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 477	4 212
DURBAN CONTAINER TERMINAL PIER 2:	10 069	12 763
CAPE TOWN CONTAINER TERMINAL:	2 682	6 740
NGQURA CONTAINER TERMINAL:	3 741	4 859
GQEBERHA CONTAINER TERMINAL:	270	1 118
TOTAL:	19 239	29 692

Source: Transnet, 2023. Updated 19/05/2023.

Table 3 – Container Ports – Weekly flow predicted for 20 to 26 May

7-day flow forecast (20/05/2023 – 26/05/2023)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 183	4 325
DURBAN CONTAINER TERMINAL PIER 2:	11 163	14 784
CAPE TOWN CONTAINER TERMINAL:	7 417	8 754
NGQURA CONTAINER TERMINAL:	8 257	5 587
GQEBERHA CONTAINER TERMINAL:	962	886
TOTAL:	31 982	34 336

Source: Transnet, 2023. Updated 19/05/2023.

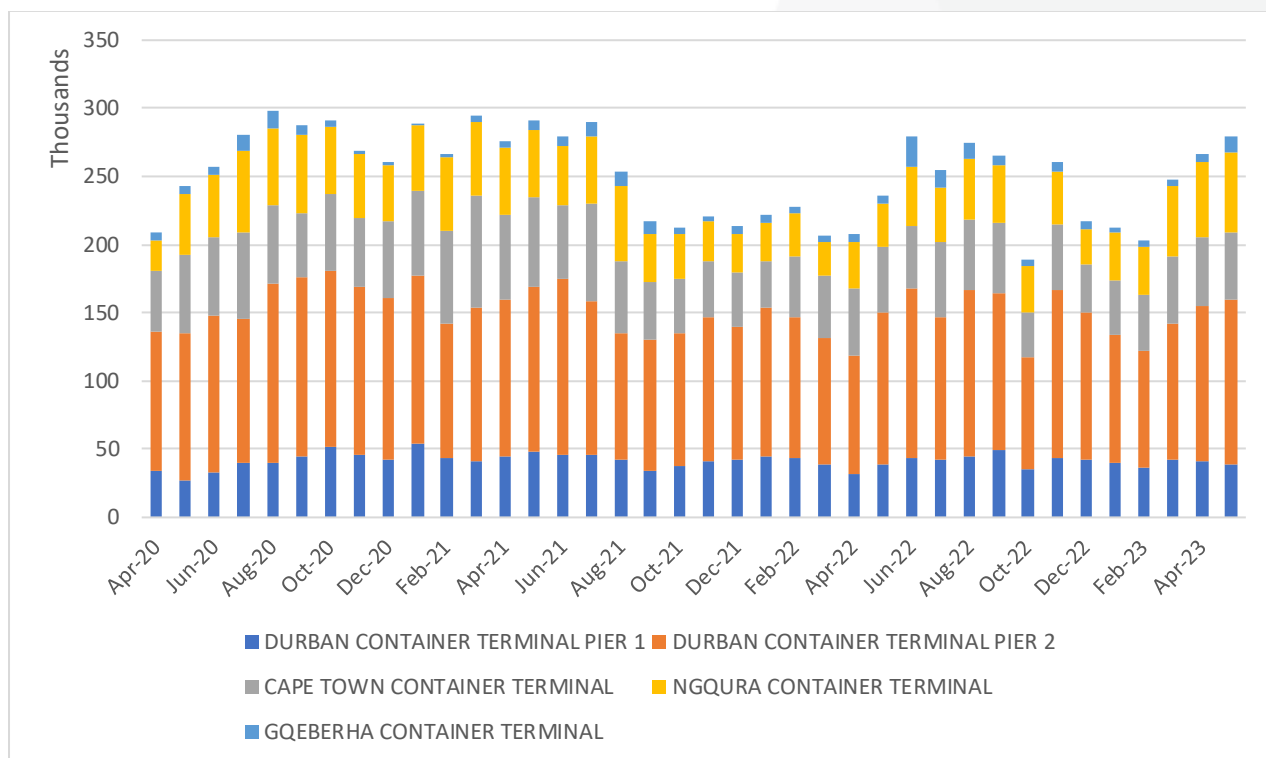
An average of **~6 990 containers** (↓21%) was handled per day for the last week (13 to 19 May, Table 2), compared to the projected average of **~8 620 containers** ↓19% actual versus projected) noted in last week's report. An increased average of **~9 474 containers** (↑36%) is predicted to be handled next week (20 to 26 May, Table 3), but we have to say that, given the current state of affairs, the predicted volumes are unlikely to be handled by this time next week. Adverse weather, all-too-frequent equipment breakdowns and shortages, load-shedding, roadshows, and congestion typified port operations, and there has been no sign of any improvement recently.

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 37% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported, but rather consists of empties and transshipments.

⁷ As mentioned before, 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.

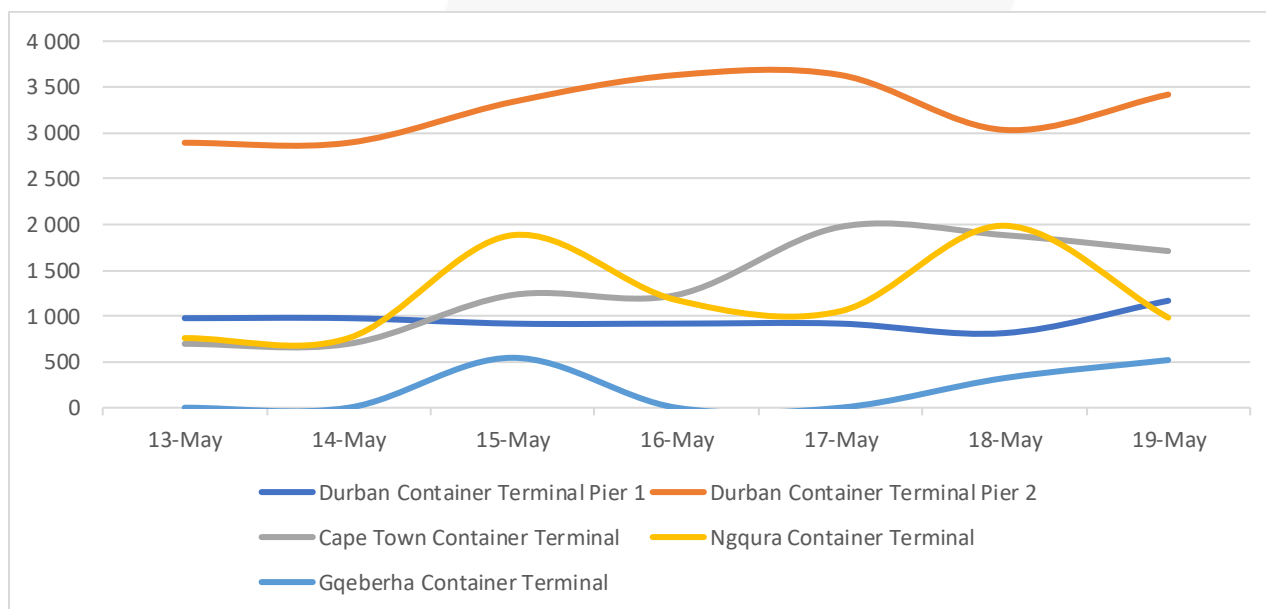
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2023. Updated 19/05/2023.

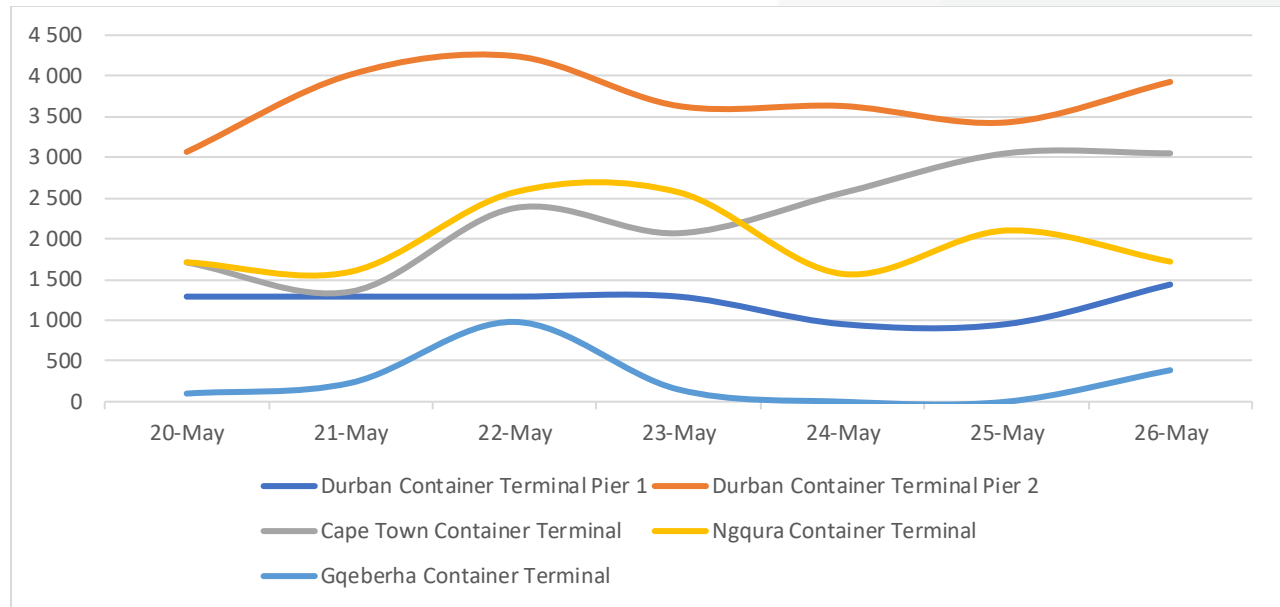
The following figures show the weekly container flows for the last seven days, followed by the projections for the seven days after that.

Figure 4 – 7-day flow reported for total container movements (13 to 19 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 19/05/2023.

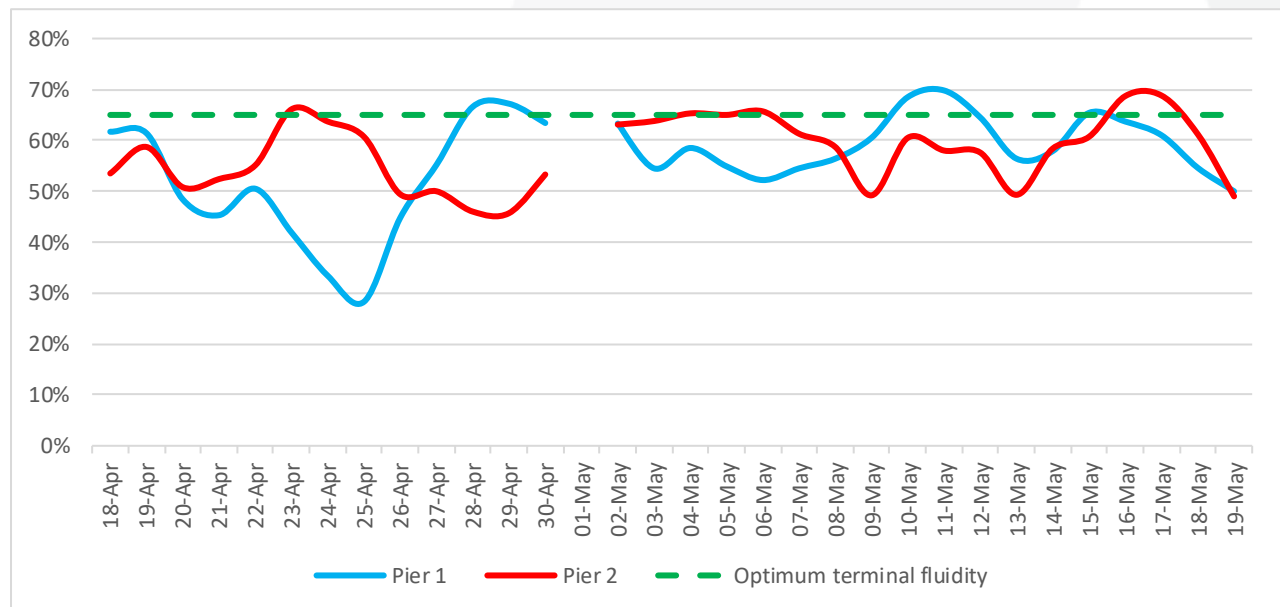
Figure 5 – 7-day forecast reported for total container movements (20 to 26 May; per port; day on day)



Source: Calculated using data from Transnet, 2023. Updated 19/05/2023.

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

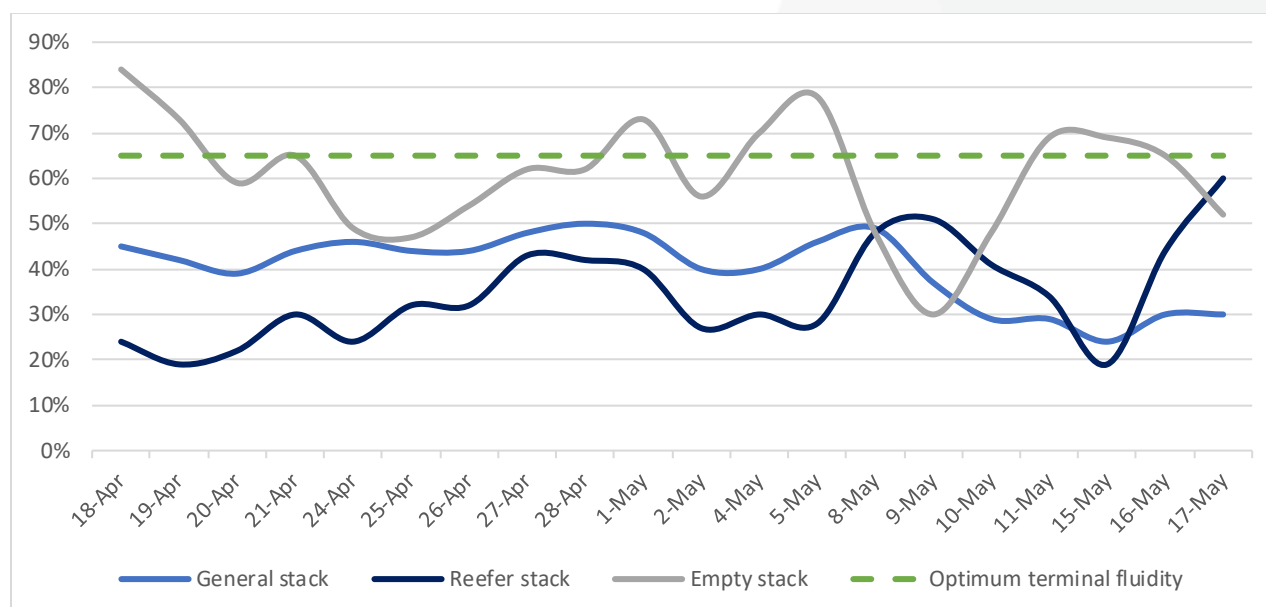
Figure 6 – Stack occupancy in DCT, general-purpose containers (18 April to present; day on day)



Source: Calculated using data from Transnet, 2023. Updated 19/05/2023.

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 (18 April to present, day on day)



Source: Calculated using data from Transnet, 2023. Updated 19/05/2023.

b. TNPA: April update

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for April⁸, with low throughput numbers on the main commodity groups. The headline figures show that container throughput decreased substantially by **↓12%** (m/m) after recovering by the same magnitude between February and March. All container terminals bar Ngqura saw significant reductions in throughput, with our main terminals – Cape Town (**↓29%**) and Durban (**↓26%**) – faring the worst. Bulk cargo, on the other hand, also decreased substantially this month – down by **↓9%** (m/m). In summary, all ocean sub-sectors saw reductions in cargoes handled in April:

Table 4 – TNPA – Volume and Growth: April 2023

	March	April	Movement	Monthly growth
Containers (TEUs)	375 569	331 884	-43 685	-12%
Landed	182 418	162 145	-20 273	-11%
Shipped	193 151	169 739	-23 412	-12%
Dry bulk (MT)	11 887 045	11 158 045	-729 000	-6%
Liquid bulk (MT)	3 444 780	2 891 948	-552 832	-16%
Breakbulk (MT)	653 291	458 702	-194 589	-30%
Vehicles (Units)	77 016	72 071	-4 945	-6%
Total cargo (excl. Vehicles)	15 985 116	14 508 695	-1 476 421	-9%

Source: [TNPA](#), updated 16/05/2023.

Number-wise, only vehicle trade remains robust (though down by **↓6%**), as the poor performance was primarily predicted based on the preceding reports' port commentary for April. Cyclically, April is typically a

⁸ Transnet. 2023. Port statistics. [TNPA](#)

strong month for containers, with the average handled at around **393 750 TEUs** in the years preceding the pandemic. However, after the expectedly low numbers in 2020 amid the hardest lockdown – and strong recovery in 2021 – the last two years' container throughput in April has been dismal. Other sub-sectors have also fared poorly this year, with only vehicle trade and breakbulk goods showing growth when looking at the comparative overview for April 2023, compared to the same month in 2022, 2021 and 2020.

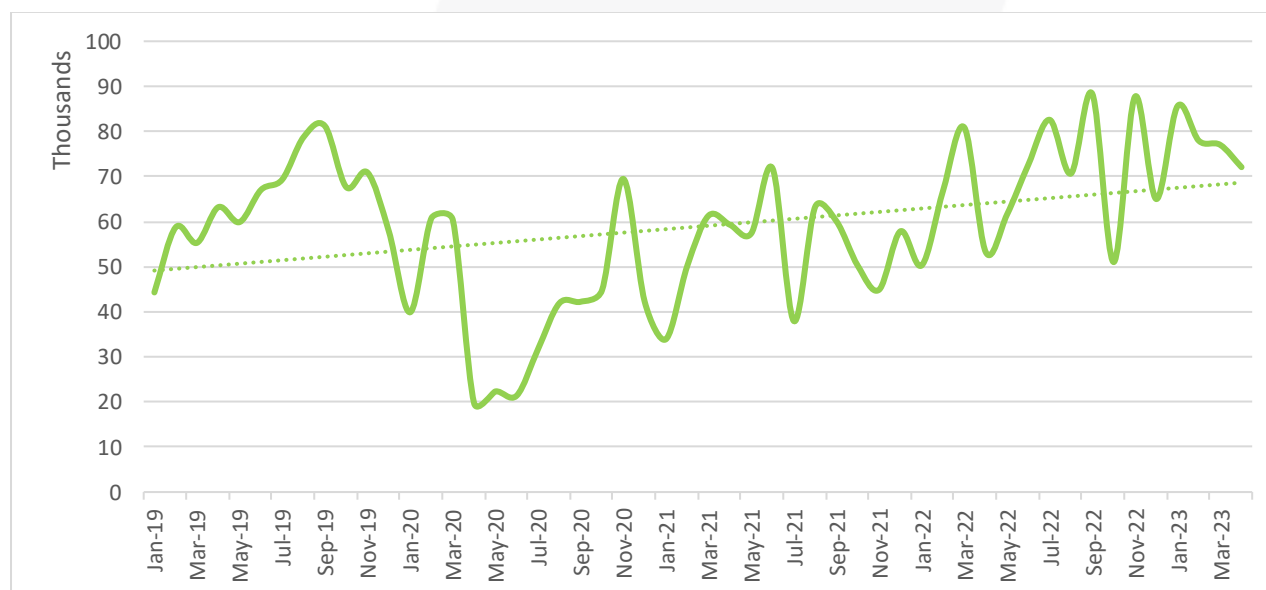
Table 5 – TNPA – Volume and Growth: April 2020-2023

	2020	2021	2022	2023	Growth: '22-'23	Growth: '21-'23	Growth: '20-'23
Containers (TEUs)	271 807	407 411	319 251	331 884	4%	-19%	22%
Landed	150 334	211 624	181 425	162 145	-11%	-23%	8%
Shipped	121 473	195 787	137 826	169 739	23%	-13%	40%
Dry bulk (MT)	10 127 585	13 886 529	12 785 166	11 158 045	-13%	-20%	10%
Liquid bulk (MT)	2 376 115	4 168 742	2 254 262	2 891 948	28%	-31%	22%
Breakbulk (MT)	171 483	391 654	253 933	458 702	81%	17%	167%
Vehicles (Units)	19 687	59 288	53 252	72 071	35%	22%	266%
Total cargo (excl. Vehicles)	12 675 183	18 446 925	15 293 361	14 508 695	-5%	-21%	14%

Source: [TNPA](#), updated 16/05/2023.

Although container trade is up on last year's number (**↑4%**, y/y), the increase is insignificant on the preceding year's throughput (**↓19%** versus 2021). Bulk cargo volumes, unfortunately, remained consistently low on an annualised basis, with the low volumes in April particularly evident when viewed versus the last few years. As a result, the headline figures for the respective segments show the following changes: total cargo handled (**↓5%**, y/y), dry bulk (**↓13%**, y/y), liquid bulk (**↑28%**, y/y), breakbulk (a healthy **↑81%**, y/y), and vehicles (**↑28%**, y/y). Vehicle trade has been one of the few shining lights since the pandemic. The following figure shows the upward trend since the trough after the initial lockdown:

Figure 8 – Vehicles trade (units)



Source: Calculated using data from Transnet, 2022. Updated 19/05/2023.

South Africa's three automotive terminals at Durban, Port Elizabeth, and East London can be commended. Containers, on the other hand, have not performed very well and, unfortunately,

continue to go backwards. Moreover, when looking at containerised cargo from a year-to-date view, the overall picture becomes even bleaker, as our containerised throughput levels are below each of the preceding four years – including against 2020 – with the 2019 baseline also added:

Table 6 – TNPA – Volume: YTD January-April 2019-2023: Containerised cargo

	2019	2020	2021	2022	2023
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
LANDED:					
DEEPSEA	566 792	521 049	577 134	564 672	543 321
COASTWISE	21 328	19 484	17 038	23 457	24 026
TRANSHIPPED ⁹	144 888	130 896	117 590	133 072	88 967
TOTAL LANDED	733 008	671 429	711 762	721 201	656 314
SHIPPED:					
DEEPSEA	550 677	521 110	576 760	550 859	546 081
COASTWISE	15 608	22 305	18 305	19 358	24 791
TRANSHIPPED	144 287	125 952	127 105	120 368	85 580
TOTAL SHIPPED	710 572	669 367	722 170	690 585	656 452
GRAND TOTAL	1 443 580	1 340 796	1 433 932	1 411 786	1 312 766

Source: [TNPA](#), updated 16/05/2023.

Compared to last year, total containers shipped are down by **↓4,9%** (y/y), with total containers landed down by **↓9,0%** (y/y). Fortunately, a global phenomenon throughout the pandemic – empty containers handled – has subsided substantially this year (**↓13,1%**, y/y), as global containerised trade is now much more balanced than at any time since the end of 2021 (see the commentary on "Global supply chain volatility" below). Nevertheless, transshipment cargo has declined annually, as South Africa is no longer the only option to ship SSA containerised cargo to and from. Regrettably, the South African containerised cargo landscape is in a severe state of decline based on current throughput levels. Furthermore, it is of grave concern that in a climate of tumbling volumes, poor port efficiency and productivity continue to hamper the merchandise trade industry in South Africa. We seem to be reaching a point where our ports, far from being prime destinations, are being relegated to the status of way ports.

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

The main operational challenges at the Port of Cape Town arose at the start of the week as the port went windbound for approximately 22 hours. This week, continuous equipment breakdowns, inclement weather, and load-shedding caused operational delays at the Port of Durban. The Port of Richards Bay, fortunately, reported minimal delays. The Eastern Cape Ports were subject to inclement weather conditions this week, resulting in operational delays.

⁹ 'Transhipped' means an act of off-loading cargo from one ship (generally at a hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transshipment port for a period.

ii. Cape Town

On Tuesday, CTCT recorded three vessels at berth and one at anchor, as vessels are still mostly berthing upon arrival at the port. Stack occupancy for GP containers was 32%, reefers 60%, and empties 52%. In the latest 24-hour period to Wednesday, the terminal handled 2 150 TEUs across the quay. On the landside, 1 351 trucks were serviced while executing 173 rail moves.

The multi-purpose terminal, on Wednesday, recorded zero vessels at anchor and two at berth. In the 24 hours leading to Thursday, the terminal managed to service 156 external trucks at an undisclosed truck turnaround time while moving 623 TEUs on the landside. The terminal also managed to move 1 589 tons of wheat and 3 tons of fish on the landside. Stack occupancy was recorded at 20% for GP containers, 34% for reefers and 42% for empties by the end of the week.

The FPT private terminal reported zero vessels at anchorage while servicing two vessels at berth on Thursday. During the 24 hours before Friday, the terminal managed to handle 2 976 tons of dry bulk cargo on the waterside while servicing 182 trucks on the landside. During the same period, reefer stack occupancy was recorded at a very low 1%.

iii. Durban and Richards Bay

Pier 1 on Wednesday recorded two vessels at berth, operated by three gangs, and one vessel at anchor. Stack occupancy was 55% for GP containers, with 1 600 imports on hand and all import units being released for collection. The terminal recorded 1 392 landside gate moves, with an undisclosed number of cancelled slots and 98 wasted. Over the weekend and leading into the early stages of the week, the terminal implemented a tiered cargo evacuation approach which facilitates cargo evacuation without the need for a booking slot to be made. According to Transnet, the approach did not gain the desired traction from the industry over the weekend but portrayed better results as the week progressed.

Pier 2 had four vessels at berth and none at anchorage on Thursday. In the most recent 24 hours to Friday, stack occupancy was 61% for GP containers and 62% for reefers, with 29% of reefer plug points utilised. The terminal operated with nine gangs while moving 3 616 TEUs across the quay. On Thursday, there were 2 831 gate moves on the landside with a truck turnaround time of ~106 minutes and a staging time of ~156 minutes. Of the landside gate moves, 1 861 moves (66%) carried import cargo, while the remaining 970 (44%) moves were for exports. Additionally, 923 rail import containers were on hand, with 211 moved by rail. During the week's earlier stages, the terminal only had between 63 and 65 available straddles out of a total complement of 108. Unfortunately, berth 108 once more only had two operational cranes this week, as crane 520 went out of commission for hoist motor repairs.

The Durban MPT terminal recorded two vessels at berth on Wednesday, with none at the outer anchorage, while handling 279 containers and 2 013 breakbulk tons on the waterside. Stack occupancy for breakbulk improved substantially this week to 45%, while stack occupancy on the container side was recorded at 36%, with 47 reefer plug points available. On the landside, the terminal managed to handle 24 containers while servicing 64 breakbulk RMTs. On Thursday, two cranes, eight reach stackers, one empty handler, five forklifts and 19 ERFs were in operation. The third mobile harbour crane experienced another setback with its repairs and is now anticipated to return to service on Friday, 26 May. Additionally, the terminal will soon improve its capability by adding 120 reefer plug points.

The Ro-Ro terminal at Durban recorded four vessels on berth on Wednesday, with none at outer anchorage, while handling 320 units on the waterside. Over the 24 hours to Thursday, general stack occupancy increased

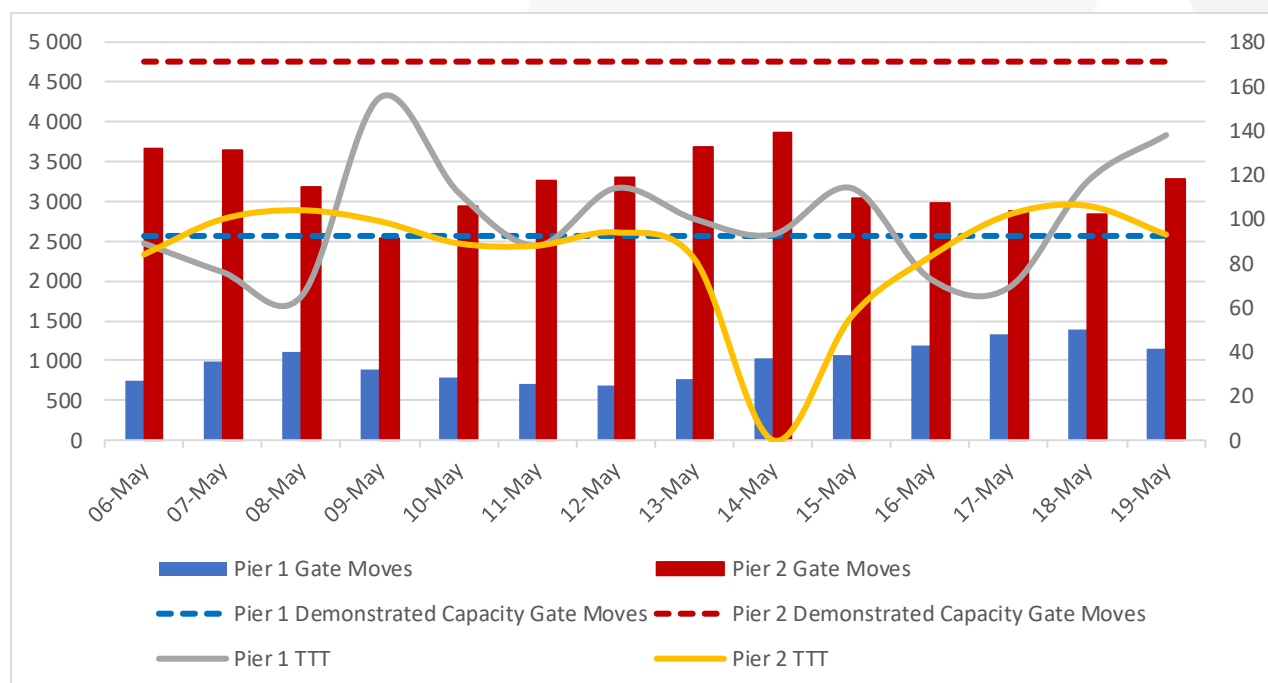
to 89%, while stack occupancy at the abnormal QR- and G-berths was higher this week at 80% and 60%, respectively.

On Monday, Richards Bay recorded 14 vessels at anchor, translating to seven vessels awaiting berth availability at DBT, four awaiting berth availability at RBCT, two awaiting berth availability at MPT, and one liquid vessel. There were 12 vessels on berth, four at DBT, five at MPT, three at RBCT, and none at the liquid bulk terminal. For marine resources, two tugs, one pilot boat, and one helicopter were in operation in the 24 hours leading up to Tuesday. At the end of the week, the pilot boat was reallocated to aid waterside operations in Durban. Unfortunately, TNPA communicated on Friday that the Port of Durban is currently experiencing a backlog of berthing and sailing of vessels because the pilot boat is currently out of commission.

Additionally, Richards Bay implemented its booking system over the previous weekend to facilitate direct communication between the mines and the respective terminals. All terminals at the port will be forced to comply with the new booking system, and if a stakeholder fails to comply, they will simply be sent back to the mine. However, the port does foresee challenges as the system is new, and it will take some time for all parties to become accustomed to it.

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

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



Source: Calculated using data from Transnet, 2022. Updated 19/05/2023.

iv. Eastern Cape ports

NCT on Wednesday recorded two vessels on berth and two vessels at outer anchorage. Marine resources of one tug, a pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. The port continued to share marine resources with the Port of Port Elizabeth. In the same period, stack occupancy was 28% for GP containers and a replicated 28% for reefers. In the same 24-hour period, 2 636 TEUs and 229 reefers were handled across the quay. Additionally, 431 trucks were serviced on the

landside, with a truck turnaround time of ~33 minutes. On Monday, a faulty substation at Coega ensured that operations were delayed for approximately six hours.

GCT on Thursday 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 Friday. In the same period, stack occupancy was 46% for GP containers, 54% for reefers, and 71% for reefer ground slots while moving 345 TEUs across the quay and handling 38 reefers. On the landside, 368 trucks were serviced at a truck turnaround time of ~35 minutes.

On Wednesday, the Ro-Ro terminal at the Port of Port Elizabeth recorded one vessel at berth and zero vessels at anchorage. Over the 24 hours leading to Thursday, the terminal managed to handle 2 160 units while having approximately 2 393 units on hand. During the same period, the terminal recorded a stack occupancy figure of 25%.

At the Port of East London on Tuesday, 700 TEUs were moved across the quay at a GCH of 16; 91 external trucks were serviced at a truck turnaround time of ~16 minutes. Stack occupancy on the container side was captured at 77% on Thursday. During the same period, 426 units were received at the Ro-Ro terminal, while stack occupancy at the car terminal was very high at 86%. On the landside, 38 trucks containing 1 348 tons of bulk cargo were serviced, leading to a stack occupancy of 11%. The port still borrows a tug from the Port of Ngqura to aid waterside operations.

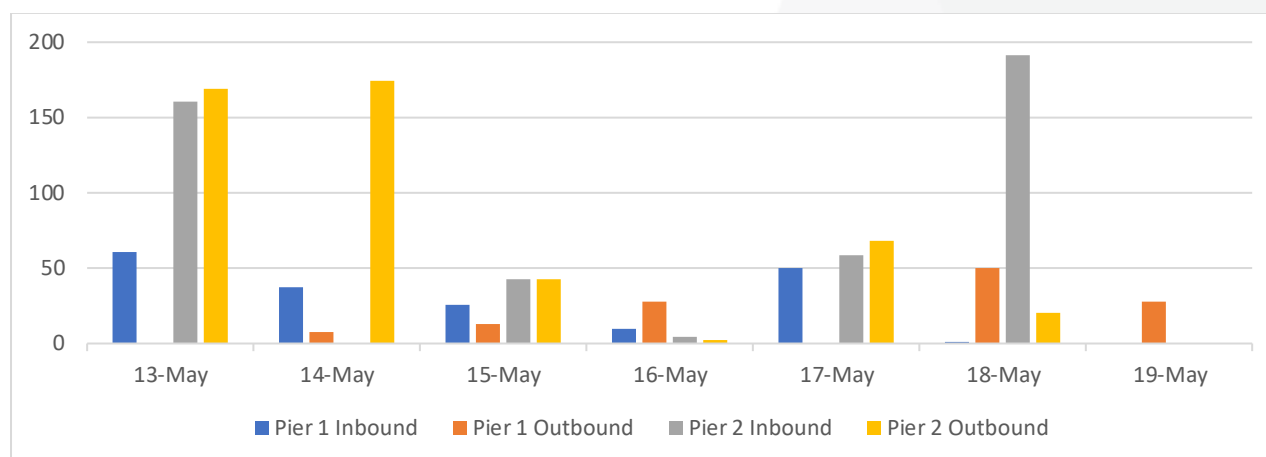
v. Saldanha Bay

On Thursday, the iron ore terminal had four vessels at anchorage and two on the berth, while the multi-purpose terminal had one at anchor and one on the berth. The vessels at anchor have been waiting outside for approximately 3-5 days, while the vessels at berth have been on berth for around 1-3 days.

vi. Transnet Freight Rail (TFR)

The dire cable theft and vandalism on our rail network continue as more severe incidents occur throughout the week. This has been occurring daily for the past two weeks, and whenever an affected section is fixed, another section is targeted almost immediately. In addition, approximately 39 staged loads cannot move due to what TFR refers to as network unavailability. The latest reports suggest that rail loading operations from the respective terminals will remain suspended until further notice. TFR is assessing the situation daily to establish when operations can resume. On Friday, TFR said that given the challenges on the Container Corridor network and the inability of TFR to rail timeously, a decision had been taken that customers can be afforded the opportunity/choice to amend the movement of containers from the port to Bayhead for railing where their containers can be uplifted. The amendment charges will be waived, and the standard shuttle rates from the port to Bayhead will be applicable. Early indications are that operations will resume once the King's Rest marshalling yard has been evacuated. During the latter stages of the week, DCTs Pier 2 had 782 ConCor rail units on hand with a dwell time of 360 hours (15 days) and 141 over-border units with a dwell time of 12 days.

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



Source: Calculated using data from Transnet, 2022. Updated 19/05/2023.

In the last week (13 to 19 May), rail cargo handled out of Durban was reported at **1 246** containers, down by **↓42%** from the previous week's **2 147** containers.

vii. General

The unilateral decision taken by Transnet to impose operational penalties from 1 April 2023 severely restricts the ability of vessel operators to "balance" their loads by means of restows to allow for optimal planning for the loading of their export cargo out of South Africa, resulting in an immediate announcement of a port operational surcharge of \$50 per container by MSC, which will be implemented from 29 May 2023. Engagements with TPT are ongoing in this regard, and MSC has agreed to waive the surcharge should TPT change their stance on the operational tariffs implemented from 1 April 2023. We urgently need an enabling environment in our ports where all role players pursue quality performance, port efficiency and best practices.

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 8 May. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in May 2022 averaged **~766 276 kg** per day.

Table 7 – International inbound and outbound cargo from OR Tambo

Flows	08-May	09-May	10-May	11-May	12-May	13-May	14-May	Week
Volume inbound	446 383	391 701	341 104	220 013	286 081	361 234	577 634	2 624 150
Volume outbound	247 118	209 047	204 292	240 122	249 299	240 595	670 812	2 061 285
Total	693 501	600 748	545 396	460 135	535 380	601 829	1 248 446	4 685 435

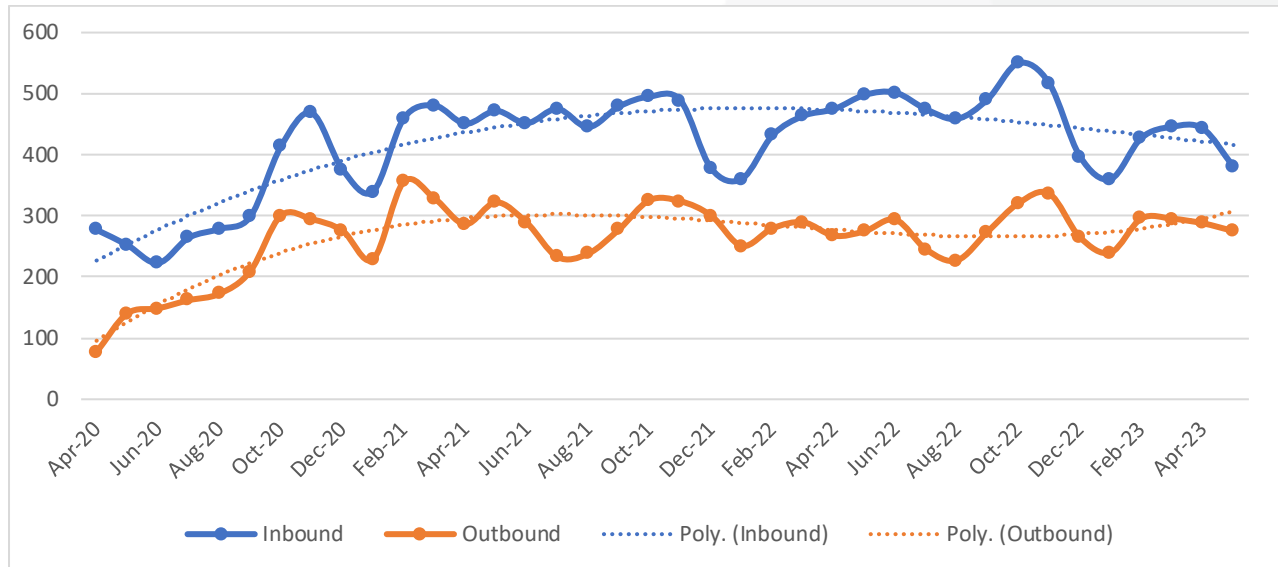
Courtesy of ACOC. Updated: 15/05/2023.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **374 879 kg** inbound and **294 469 kg** outbound, resulting in an average of **669 348 kg per day** or **~87%** compared with April 2022. However, the level is currently at only **~71%** compared with the same period pre-pandemic in 2019. There has been a notable change in air cargo flows, with inbound down by **↓20%** and outbound up by **↑14%**

(evident in the trend line below). The annual change aligns with the ongoing currency depreciation, as the ZAR has lost nearly **20%** of its value against the US dollar in the last 12 months.

The following figure shows the relative monthly freight movement at ORTIA since the pandemic outbreak.

Figure 11 – International cargo from OR Tambo – volumes per month (kg millions)



Courtesy of ACOC. Updated: 15/05/2023.

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 May 2022 was ~56 733 kg per day.

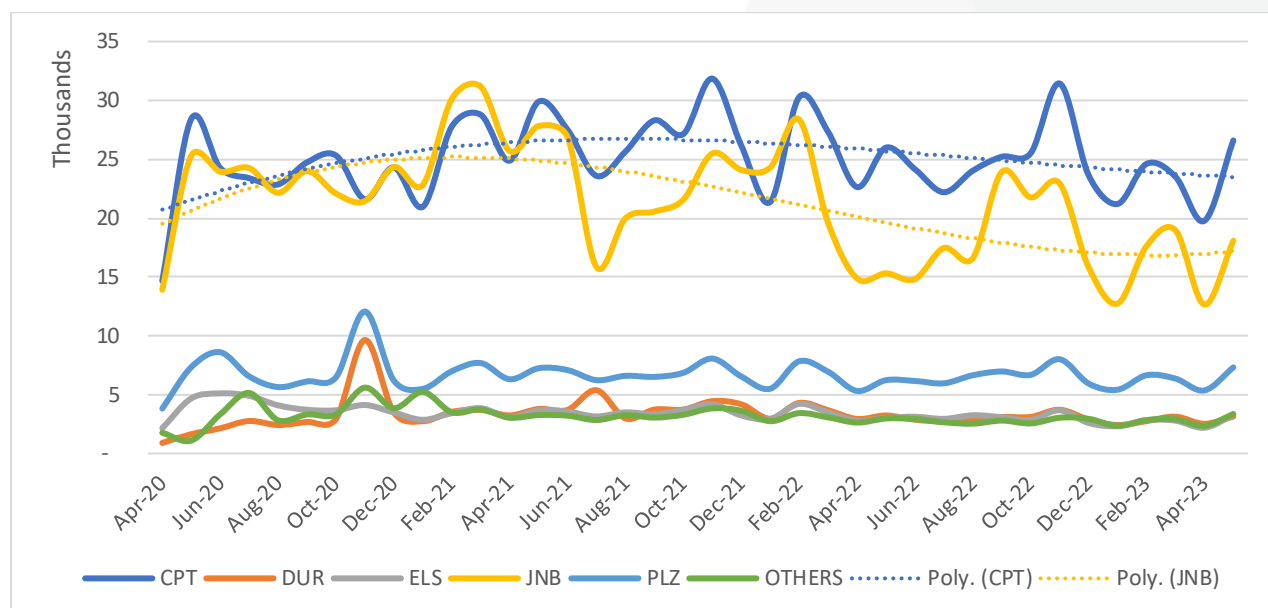
Table 8 – Total domestic inbound and outbound cargo

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.	19 767	2 525	2 192	12 650	5 357	2 354	44 844
May Ave.	26 598	3 139	3 251	18 065	7 319	3 356	61 728
06-May	2 588	311	656	399	1 618	608	6 180
07-May	3 442	271	504	457	833	533	6 040
08-May	41 399	4 293	4 889	25 733	12 329	4 686	93 330
09-May	37 115	4 460	4 690	24 414	11 099	5 168	86 946
10-May	38 725	4 041	3 820	25 868	9 451	4 727	86 633
11-May	36 562	4 291	4 411	26 451	9 603	4 213	85 530
12-May	16 903	3 389	2 131	15 628	5 191	2 594	45 838
Total for 2023:	3 003 808	362 357	346 202	2 101 917	809 833	356 654	6 980 771

Courtesy of BAC. Updated: 15/05/2023.

The average domestic air cargo moved last week was **~58 642 kg** per day, which is down by **↑23%** compared to the previous week but remains down compared to last year (**~103%**).

Figure 12 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 15/05/2023.

3. Road and Regional Update

a. Cross-border and road freight delays

FESARTA has shared the consolidated cross-border road freight statistics for our major borders for April:

- Beitbridge volume was relatively stable and slightly decreased by **↓3,2%** compared to March (**↑1,6%** northbound and **↓8,5%** southbound), with around **24 000** heavy goods vehicles (HGVs) flowing through the gates. Northbound crossing times increased and averaged around **33 hours** during the month (which remains way too slow), with southbound crossings around **13 hours**.
- Lebombo traffic remains elevated but decreased by **↓0,8%** to **52 247** HGVs between Mozambique and South Africa. Eastbound traffic was down by **↓1%**, with Westbound increasing by **↑3,7%**. The average crossing times into Mozambique hovered around **8 hours**. Unfortunately, the status quo remains, as queues at Lebombo in recent months have become a serious issue with little to no police oversight. Consequently, the industry has seen many instances of queue jumping, with little regard for fellow drivers or the law.
- Groblersbrug traffic decreased by **↓8,2%** to 10 891 HGVs in April, with average crossing times quite slow, at a paltry **21 hours**.

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 increased significantly and averaged **~12,5 hours** (**↑52%, w/w**) for the week. In contrast, the greater SADC region (excluding South African borders) decreased by around an hour, averaging **~12,2 hours** (**↓7%, w/w**).
- Beitbridge experiences some network issues again, as the voltage regulators procured cannot be installed quickly enough.

- On a separate matter, Zimborders has said that basic goods trade will now be exempt from import licences, duties, and taxes to assist in curbing the current elevated inflation.
- The ongoing constraints leading northbound to the Kasumbalesa border – with queues up to 70 km – have unfortunately resulted in the death of a driver due to malaria complications.
- Elsewhere, drivers transporting copper and cobalt must have their loads scanned on the outskirts of Kolwezi. The practice used to be only for timber.
 - Scanning fees of \$100 a load are charged, with a \$30 parking fee regardless of the time spent in the parking lot.
 - These types of NTBs severely hamper cross-border regional trade and are nowhere near aligned with the dreams of the AfCFTA.
- 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 arguably provides better and more reliable information.

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

Table 9 – 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	413	5	11	40	12 390	2 891
Beitbridge	Zimbabwe-SA	387	4	2	11	11 610	2 709
Groblersbrug	SA-Botswana	235	1	6	18	7 050	1 645
Groblersbrug	Botswana-SA	148	0	0	2	4 440	1 036
Vioolsdrif	SA-Namibia	30	0	1	3	900	210
Noordoewer	Namibia-SA	20	0	1	2	600	140
Nakop	SA-Namibia	30	1	2	5	900	210
Ariamsvlei	Namibia-SA	20	0	1	1	600	140
Lebombo	SA-Mozambique	1 610	5	2	9	48 300	11 270
Ressano Garcia	Mozambique-SA	89	0	1	3	2 670	623
Skilpadshek	SA-Botswana	200	0	0	0	4 800	1 400
Pioneer Gate	Botswana-SA	100	0	0	0	2 400	700
Weighted Average/Sum		3 282	1,4	2,3	7,8	96 660	22 974

Source: TLC, FESARTA, & Crickmay, week ending 14/05/2023.

Table 10 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0	2	13	9 600	2 240
Dar Es Salaam Corridor	1 819	38	2	18	54 570	12 733
Maputo Corridor	1 699	2	2	6	50 970	11 893

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 in collaboration with SAAFF.

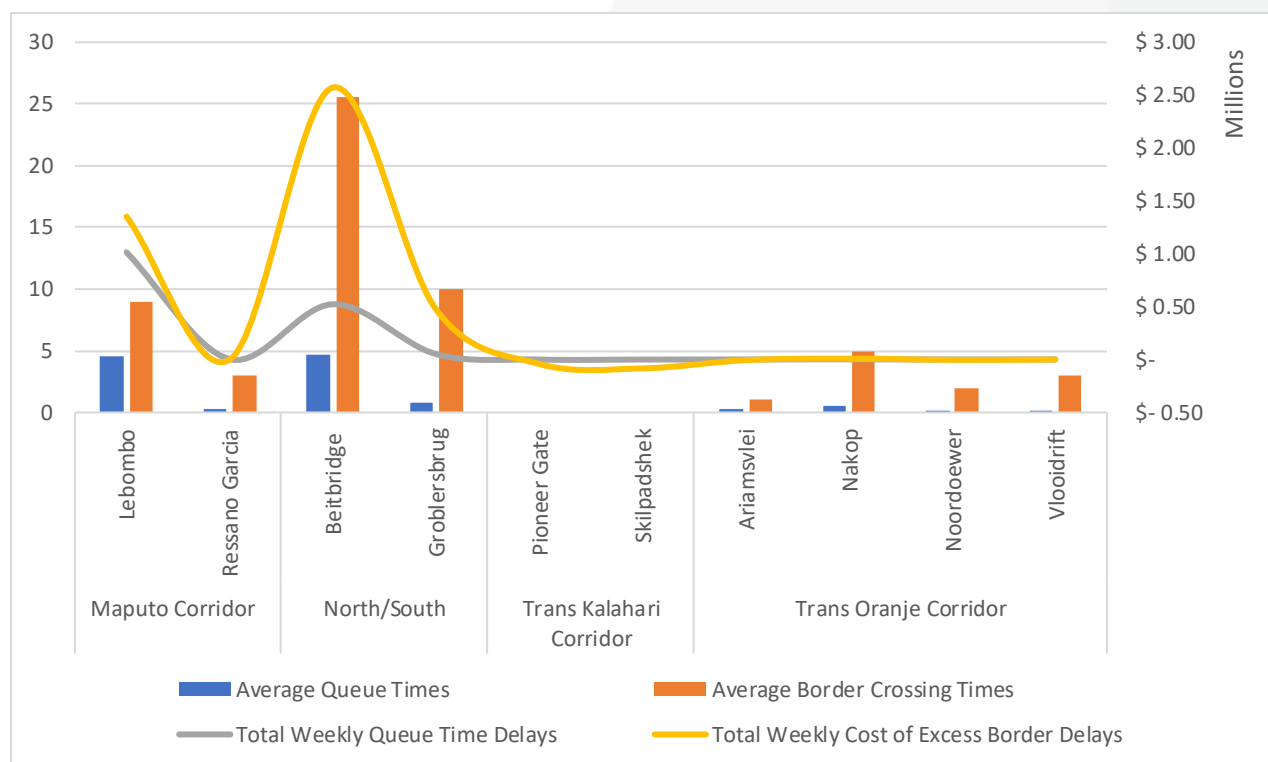
¹² Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly, rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	HGV Tonnage per day	Weekly HGV Arrivals
Nacala Corridor	127	0	0	0	3 810	889
North/South	3 255	15	4	17	74 160	22 785
Trans Caprivi Corridor	116	2	8	30	3 480	812
Trans Cunene Corridor	100	0	7	12	3 000	700
Trans Kalahari Corridor	330	1	1	1	7 920	2 310
Trans Oranje Corridor	100	0	1	3	3 000	700
Weighted Average/Sum	7 866	11,5	3,0	12,3	210 510	55 062

Source: TLC, FESARTA, & Crickmay, week ending 14/05/2023.

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

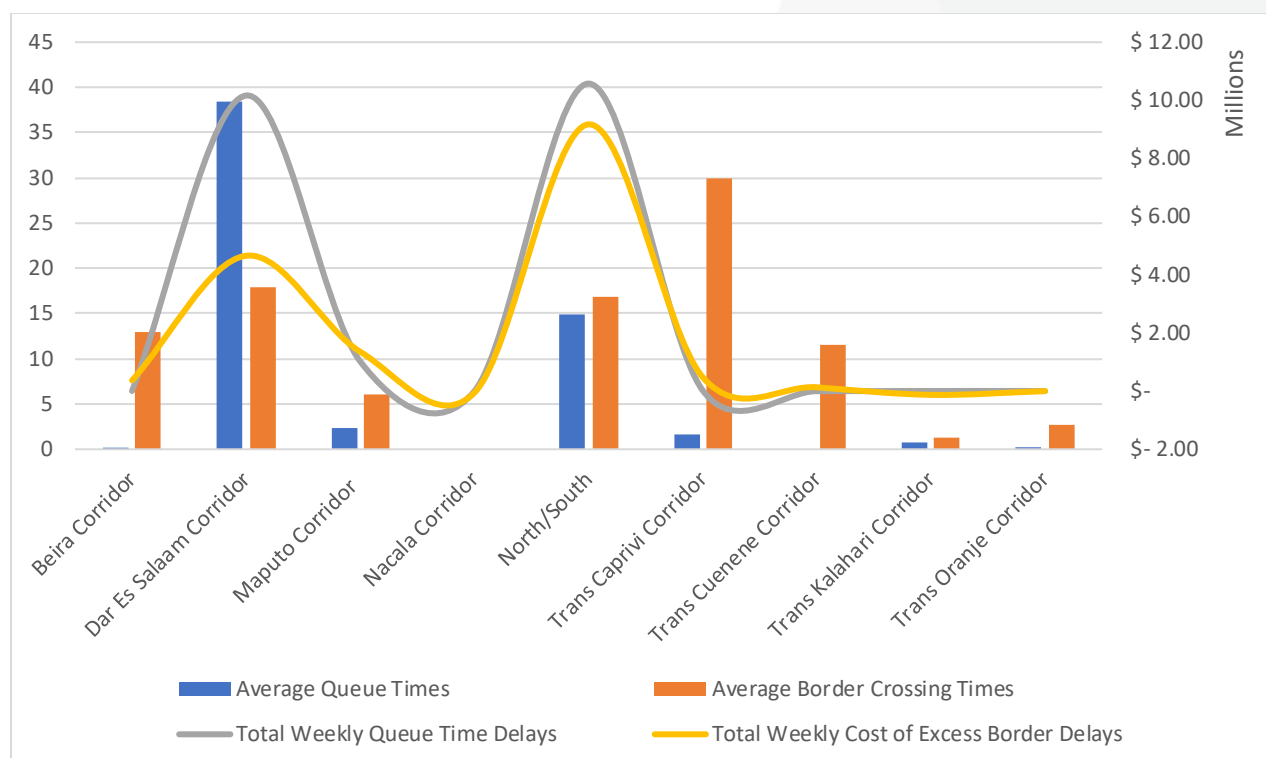
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



TLC, FESARTA, & Crickmay, week ending 14/05/2023.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC, FESARTA, & Crickmay, week ending 14/05/2023.

In summary, cross-border queue time has averaged **~11,5 hours** (up by **~0,5 hours** from the previous week's **~11 hours**), indirectly costing the transport industry an estimated **\$22 million (R370 million)**. Furthermore, the week's average cross-border transit times hovered around **~12,3 hours** (down by **~0,1 hours** from the **~12,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$16 million (R281 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R664 million** (up by **~R601 million** or **↑10%** from **R603 million** in the previous report).

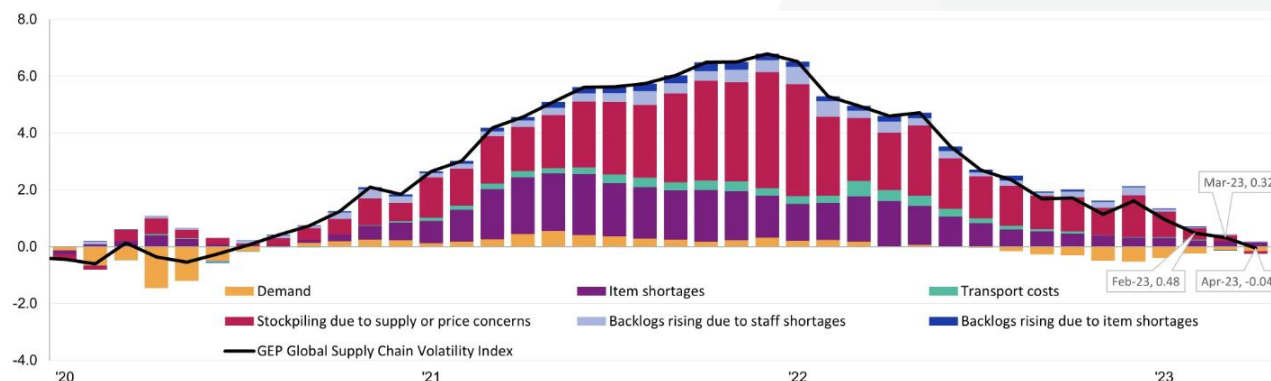
4. International Update

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

a. Global supply chains

The GEP "Global Supply Chain Volatility Index" – a leading supply chain movement indicator – shows that global supply chain capacity is underutilised for the first time since June 2020, indicating a shift to a buyers' market. Following inventory drawdowns (which are still ongoing) and ten months of depressed global demand, the GEP GSCVI fell below zero in April to **-0,04**, from **0,32** in March, a striking contrast from the picture a year ago when GEP's index stood at **4,61**, one of the highest levels of volatility in the 20 years of data:

Figure 15 – GEP Global Supply Chain Volatility Index (+ = stretched, - = underutilised capacity)



Source: [GEP GSCVI](#)

The key findings from April's data:

- **Demand:** Global demand for raw materials, commodities and components remains subdued, especially in Europe. In North America, the trend is improving despite high interest rates.
- **Inventories:** Inventories fall as companies continue to address overstocked warehouses. Reports of safety stockpiling are below their historical average for the first time since the start of the pandemic in 2020.
- **Material Shortages:** Business reports of item shortages are at their lowest since September 2020. Shortages were particularly low for metals and chemicals, although poor availability is still ongoing for semiconductors and electrical items.
- **Labour Shortages:** As has been the case since the start of 2023, labour shortages have little adverse effect on suppliers, indicating that current staffing is adequate to cope with demand.
- **Transportation:** Global transportation costs remain stable and anchored around historically normal levels, reflecting efficiently operating supply chains as pressures on freight have subsided.
- **Regional Supply Chain Volatility:** Global supply chain volatility is falling in Europe and North America. Suppliers feeding Asia have been under the least amount of strain since August 2020 because of China's fully reopened economy.

After months of companies aggressively destocking, there is now excess capacity in the world's supply chains, providing buyers with greater leverage to extract favourable prices and terms for the second half of 2023 and into 2024. The good news is that while subdued, the demand for components and raw materials is holding steady, indicating that central banks are, at least for now, successfully engineering a measured slowdown.

Elsewhere, the latest Bloomberg "Trade Tracker" shares the same sentiment; however, the index cautions against expectations of a swift turnaround. Five of the ten indicators on the Trade Tracker remained in the below-normal range in the middle of May as shipping and export volumes weakened in major ports worldwide. Nevertheless, it is an improvement from the previous month, when six data points were in the red¹³.

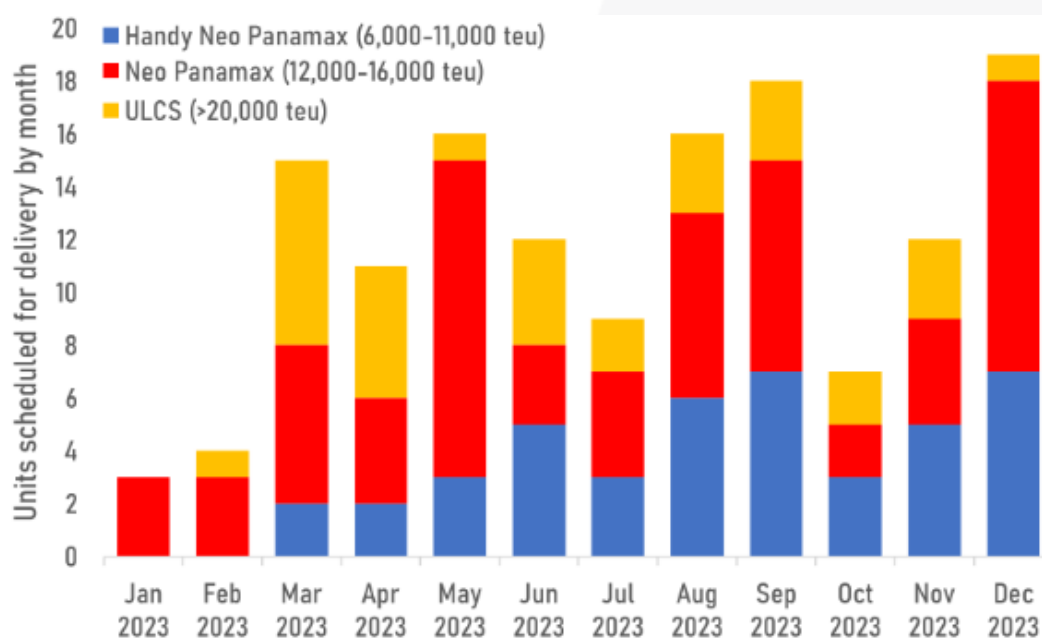
¹³ Jiao, C. et. al. 12/05/2023. ["Slowbalisation" is Name of the Game on Bloomberg Trade Tracker.](#)

b. Global shipping industry

i. Global container capacity

Overcapacity continues to pose the biggest challenge to a freight rate recovery, according to Linerlytica, as the weakening freight rates have not deterred carriers from adding more capacity¹⁴. The charter market is rapidly running out of open tonnage, and the idle fleet has dropped to just **1%** of the total fleet for the first time since October 2022. Moreover, the increased volume of the containerised industry shows in the utilisation figures, as Drewry's "Cancelled Sailings Tracker" is once again very low this week, coming to a mere **3% cancellation rate**¹⁵ (no change, w/w). The positive (albeit declining) carrier earnings in the 1st quarter continue to drive their aggressive capacity expansion, while most carriers remain optimistic about a 2nd half recovery in demand despite little evidence of any strength in container volumes so far this year, with demand continuing to lag vessel capacity growth, as illustrated:

Figure 16 – New built carrier schedule by month (ships larger than 6 000 TEU)



Source: [Linerlytica](https://www.linerlytica.com)

The ongoing additions mean that Transpacific vessel capacity is rising again after steadily dropping for the last 12 months. Nevertheless, the total number remains **↓16,7%** lower compared to the peak in April 2022. Meanwhile, Asia-Europe capacity has continued to increase due to the injection of new ships on the route, with the 2M announcing the addition of nine more ships to their Asia-Europe services in June. Despite the reduction in sailing speeds on the 2M services, effective capacity will still increase due to the removal of blanked sailings. In contrast, transatlantic vessel capacity has declined but remains **↑8,2%** higher annually, even as transatlantic freight rates continue to slip. Furthermore, with global port congestion relatively low

¹⁴ Linerlytica. 16/05/2023. [Market Pulse – Week 20](https://www.linerlytica.com).

¹⁵ Drewry. 19/05/2023. [Cancelled Sailings Tracker - 19 May](https://www.drewry.com).

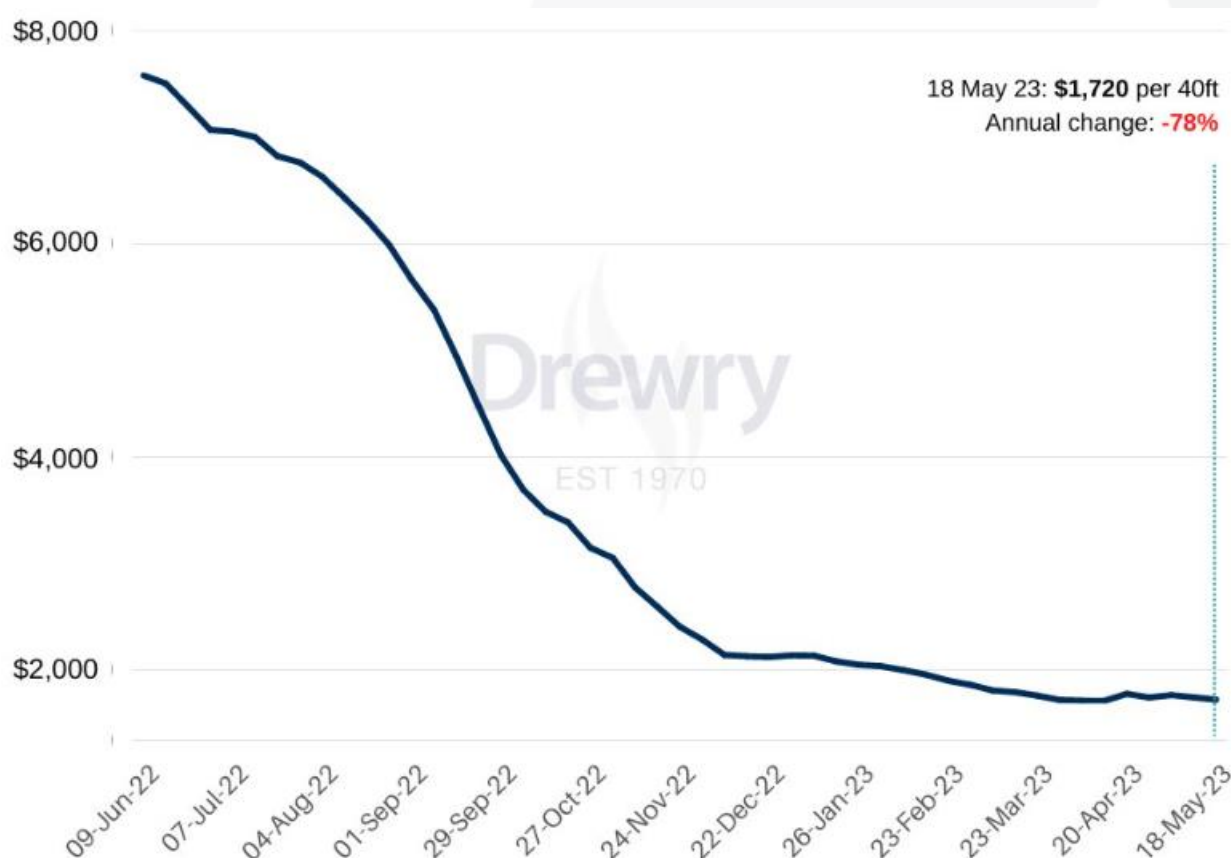
(1,88 million TEU, ↑17%, w/w¹⁶), we are seeing much more stable flows compared to any other time during the last three years.

On a carrier level, MSC is the first carrier to reach a fleet size of **five million TEU** slots, only 16 months after overtaking Maersk to become the world's largest container line in terms of slot capacity. According to Alphaliner, MSC's 753-strong fleet of owned and chartered container ships stood at exactly **4 956 720 TEU** on 16 May, and the imminent deliveries of the MSC MICHEL CAPPELLINI (from YZJ) and MSC GEMMA (from CSSC) will thus push the carrier past the symbolic threshold before the end of May¹⁷. Some industry commentators have said that many of MSC's new builds will likely be soaked up by slow steaming¹⁸ – although the impact has little effect on emissions, as reported below. Nevertheless, for South Africa, MSC remains one of the foremost carriers and an important player in facilitating trade to and from the Republic.

ii. Global container freight rates

Carriers failed to push ahead with the mid-May general rate increase, with transpacific and Asia-Europe rates still slipping amidst an increase in vessel capacity on both trade lanes¹⁹. Over the short-term, the "World Container Index" decreased again this week, albeit only slightly, by ↓1% (or \$21) to \$1 720 per 40-ft container. This level is exactly the same as the average rate quoted at the end of March. Indeed, the index has hovered between \$1 709 and \$1 774 for ten weeks now, indicating a clear stabilisation.

Figure 17 – World Container Index assessed by Drewry (\$ per 40 ft. container)



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

¹⁶ Linerlytica. 16/05/2023. [Market Pulse – Week 20](#).

¹⁷ Alphaliner. 18/05/2023. [MSC first carrier to reach 5 million TEU](#).

¹⁸ Wackett, M. 18/05/2023. [MSC's megaship newbuilds will be soaked up by slow steaming](#).

¹⁹ Linerlytica. 16/05/2023. [Market Pulse – Week 20](#).

The composite index remains down by **↓78%** (y/y) versus last year, **↓83%** below the peak in September 2021 and **↓36%** lower than the 10-year average of **\$2 688**. The average composite index for the year-to-date is now **\$1 868** per 40ft container, which is **\$820** lower than the 10-year average. Regionally, most major East-West trades were either stable, with the most significant decreases on the routes feeding into Rotterdam – from Shanghai (**↓4%**) and New York (**↓6%**), respectively. Rates are expected to remain stable – slowly trickling back to pre-pandemic levels.

iii. Further developments of note

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

1. Cyclone disrupts sea and airport operations in Bangladesh, Myanmar:

- a. Super-cyclone Mocha suspended operations at Chittagong and Mongla seaports and Sittwe port in Myanmar, with further delays expected²⁰. Sittwe port only opened last week, with the first ship arriving last Tuesday.
- b. Flight operations at Chittagong's Shah Amanat International and Cox's Bazar airports also stopped for 48 hours due to winds from the cyclone that approached the coasts at speeds of nearly 200 kph.
- c. On Friday, Bangladesh's Met Office rated the cyclone as 'high risk'. At the same time, Chittagong Port Authority suspended operations, removing all vessels from jetties and sending them to mid-sea to avoid damage. Container handling at jetties was also suspended.

2. Benefits of slow-steaming on emissions exaggerated:

- a. The emission benefits of slow-steaming may have been "grossly overestimated", according to studies by Simpson Spence & Young, corroborated by research from Clarksons last week²¹.
- b. Although it has been assumed that ship speed has a cubic relationship with fuel consumption, with consumption increasing exponentially as speed increases, real-world evidence has shown that this largely theoretical assumption does not necessarily pan out.
- c. The new evidence threatens to undermine many of the maritime industry's long-held beliefs and even questions the IMO CII regulation's assumptions.

c. Global air cargo industry

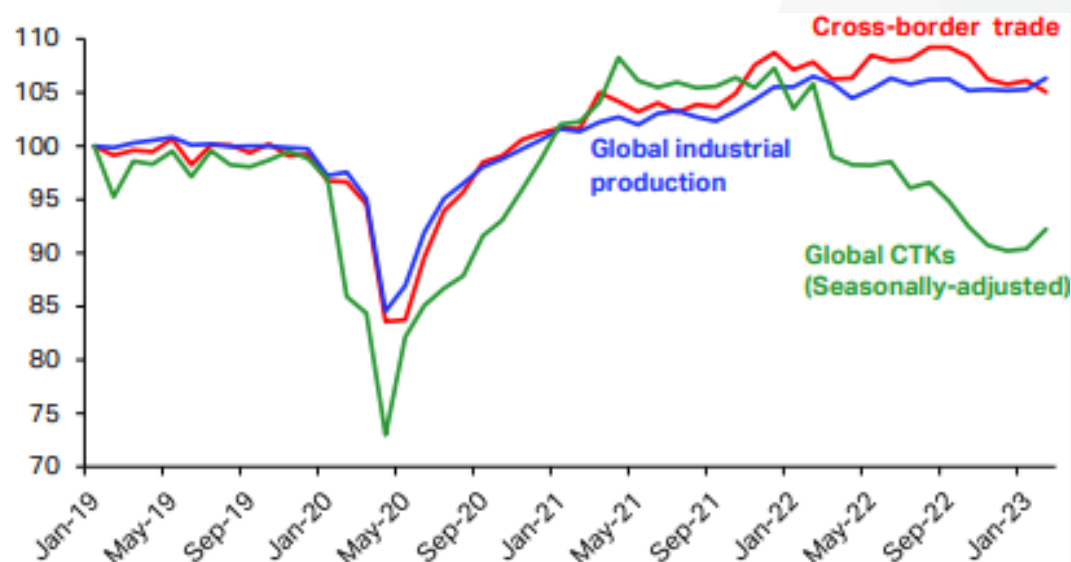
IATA released their latest quarterly "Air Transport Chartbook" for Q1 on Wednesday²². Growth in world merchandise exports is expected to slow marginally this year, to **↑2,2%** this year, from **↑2,3%** in 2022. This reality indicates that the air cargo industry may continue to be challenged by weak demand in 2023. From November 2022 through the first two months of 2023, global goods trade has been experiencing annual contractions. Consequently, the demand for air cargo in Q1 2023, measured by cargo tonne-kilometres (CTKs), remained below the levels seen in the same period in 2022 and is currently down by **↓8,1%** (y/y, seasonally adjusted). Indeed, the drop-off has been quite pronounced when compared to global industrial production and cross-border trade, as illustrated here:

²⁰ The Loadstar. 15/05/2023. [Cyclone disrupts sea and airport operations in Bangladesh, Myanmar.](#)

²¹ Bartlett, C. 15/05/2023. [Benefits of slow steaming on emissions exaggerated studies find.](#)

²² IATA. 17/05/2023. [Quarterly Air Transport Chartbook.](#)

Figure 18 – Global trade, industrial production and CTks



Source: IATA

As shown, global cross-border trade and industrial production remained above the pre-Covid level in the first quarter of 2023. However, IATA notes that there has been a decoupling between global CTks and the growth of these two indicators since February 2022, with the difference widening recently. While the gap narrowed slightly in the first quarter of the year, it indicates that the maritime industry has benefited more from global trade and industrial production recovery than the air cargo industry.






















The latest high-frequency World ACD numbers show that global air cargo tonnages have partially bounced back after dropping sharply in the first week of May due to many countries' 1 May public holidays²³. However, despite the slight increase, tonnages remain below the equivalent period last year (↓6%). Figures for week 19 (8 to 14 May) show an increase of ↑7% in tonnages and ↑1% in average global air cargo prices, week on week, with tonnages only partially recovering from the ↓11% drop in the first week of May. The following figure shows that – because of the significant drop-off last week – the latest comparative two-week figures remain in negative territory across the board:

²³ World ACD. 19/05/2023. [Demand partly bounces back after early May seasonal dip.](#)

Figure 19 – 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		+1%	+14%		-2%	-4%		-1%	-15%
Asia Pacific		-2%	+38%		-9%	-1%		-1%	-41%
C. & S. America		-10%	-6%		-14%	+5%		-1%	-7%
Europe		-1%	+11%		-11%	-16%		+0%	-35%
M. East & S. Asia		-2%	+11%		+4%	+11%		-1%	-46%
North America		+1%	+8%		-2%	-22%		-0%	-24%
Worldwide		-1%	+12%		-7%	-8%		-1%	-34%

Source: [World ACD](#)

But comparing weeks 18 and 19 with the preceding two weeks (2w/2w), overall tonnages decreased by **↓7%** versus their combined total in weeks 16 and 17, while capacity decreased by **↓1%** and average worldwide rates decreased by **↓1%**. Regionally, the African market continues to react less markedly compared to the global market, as capacity (**↑1%**), tonnages (**↓2%**), and yield (**↓1%**) over the last two weeks have been less affected. Nevertheless, the annual figures again point to a subdued market yet to build up steam in 2023.

ENDS²⁴

²⁴ACKNOWLEDGEMENT:

*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 Forwarders (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.*