



Date: 10 March 2023

Key Notes

- An average of **~7 827 containers** was handled per day, with **~9 374 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 961 containers**, **↑8%** compared to last week.
- Cross-border queue times were **↓4,0 hours**, with transit times **↑1,3 hours**, SA borders **~13,9 hours (↑11%)**.
- Supply chain pressures ease (**↓0,26**), reaching negative territory for the first time since August 2019.
- CTS container throughput (dry & reefer) is down by **↓5,6%**, m/m and **↓9,9%**, y/y for January.
- Global freight rates continue to fall, as the "WCI" is down by **↓3% (\$53)** this week to **\$1 806** per 40 ft.
- Global air cargo volumes continue to fall in January (**↓15%**, y/y); fortunately, space has returned (**↑4%**).

i. Port operations - General

- Port operations this week were as usual impacted by adverse weather, frequent equipment breakdowns and shortages, power outages, delays, and congestion.
 - The congestion at Cape Town has worsened in the last seven days, with poor weather adding to the delays resulting in average berthing delays exceeding the 12-day mark.
 - As reported last week, Cape Town remains on the "*Port Congestion Watch*" as more than **59 000 TEUs (↑48%, w/w)** is currently stuck at anchorage, with a queue-to-berth ratio at a high of **2,4¹**.
 - To date, a total of 14 vessels have omitted the Cape Town port in 2023, with the latest vessels for March being **(1)** the APL Charleston, **(2)** Maersk Sheerness, and **(3)** CMA CGM Lebu.
 - Additionally, in the wake of the supposed national shutdown on 20 March 2023, the Port of Richards Bay has issued its contingency plans to ensure that waterside and landside operations flow as effectively and efficiently as possible.
 - The tug situation in the Eastern Cape is creating cause for concern across the industry as both the Port of Port Elizabeth and the Port of Ngqura are operating with one tug each.
 - Furthermore, intermittent cable theft on several rail lines persisted this week, and as a result, rail operations remain largely inefficient, with the most substantial delays this week spanning up to 12 hours.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **25%**, reefers **69%**, and empties **42%**.
- CTCT handled **~1 589 (↑85%, w/w)** containers a day, with an increased average of **~2 295** projected this week.
- DCT Pier 1: Stack occupancy was **52%** for GP containers, with **1 446** imports on hand and **81** unassigned units. Four gangs were in operation.
- DCT Pier 2: Stack occupancy was **59%** for GP containers and **53%** for reefers.
- The terminal operated with 11 gangs.
- DCT Pier 1 handled **~1 464 (↑46%, w/w)** containers a day, with a decreased average of **~1 410** projected this week.
- DCT Pier 2 handled **~3 050 (↑4%, w/w)** containers a day, with an increased average of **~3 487** projected this week.
- Average TTT for DCT Pier 1 this week: **77 minutes (↑51%, w/w)**.

¹ Linerlytica. 03/03/2023. [Global Containership Port Congestion – as of 9 March 2023](#).



- Average TTT for DCT Pier 2 this week: **55 minutes (no change, w/w)**, with a staging time of **76 minutes (↑9%, w/w)**.
- In the last week (25 February to 3 March), rail cargo handled out of Durban was reported at **1 961** containers, up by **↑8%** from the previous week's **1 824** containers..

iii. Local and cross-border road:

- Regional cross-border road flows slowed again this week. South African land border crossing in the region has averaged **~13,9 hours (↑11%, w/w)** for the week.
 - In contrast, the greater SADC region (excluding ex-South Africa) increased by approximately the same magnitude, averaging **~15,3 hours (↑9%, w/w)**.
- The worse performing regional border crossing was Santa Clara on the Trans Cunene corridor – taking four days to cross.
- Other congested SADC borders this week included Beitbridge, Groblersbrug, Kasumbalesa, Kasumbalesa, Katima/Mulilo, Oshikango, and Zobue/Mwanza – all taking more than a day on average to cross.
- Further notable developments included **(1)** network issues delaying flows through Beitbridge and Groblersbrug, **(2)** vehicles impounded at Katima Mulilo, and **(3)** an impending upgrade of the 327km road between Lusaka and Ndola to a dual carriageway.
- In summary, cross-border queue time has averaged **~1,5 hours** (down by **~4,0 hours** from the previous week's **~4,0 hours**), indirectly costing the transport industry an estimated **3 million (R49 million)**. Furthermore, the week's average cross-border transit times hovered around **~15,1 hours** (up by **~1,3 hours** from the **~13,8 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$15 million (R267 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R489 million** (down by **~R17 million** or **↓5%** from **R489 million** in the previous report).

iv. Global shipping industry

- Global supply chain pressures have finally completely eased, as the "Global Supply Chain Pressure Index" (GSCPI) for February dropped below the historical average for the first time since August 2019.
 - Most of the index's factors had significant downward contributions, with the most considerable negative contribution from European Area delivery times.
 - The February reading in the New York Federal Reserve's GSCPI was **↓0,26**, reaching negative territory for the first time since August 2019.
 - Zero marks the historical average, and changes in either direction mark standard deviations from that trend.
 - Maximum disruptions pushed the gauge to a peak of **↑4,31** in December 2021.
- This GSCPI pressures index shows a marked correlation to the massive drop in the latest container throughput figures for January (**↓5,6%**, m/m and **↓9,9%**, y/y), as collected by CTS:
 - Like Drewry, the CTS price index also plummeted (**↓47,5%**, y/y, dry and reefer goods).
 - Regionally, Sub-Saharan Africa shows imports are down by **↓8%** (m/m), with exports down by **↓6%** (m/m), mainly mirroring the global image.
 - Incidentally, South Africa accounted for **25,5%** of SSA imports and **54,5%** of SSA exports; however, the share has decreased over the last 12 months as regional competitors (such as Dar-Es-Salaam, Maputo, Walvis Bay, Mombasa, and the like) are fast picking up the trade.
 - With the low figures reported for January, containership supply-demand remains imbalanced.



- Despite softening freight rates, the idle fleet still falls as carriers add capacity for the new 2023 shipping season².
- Incidentally, Drewry's "Cancelled Sailings Tracker" continues to moderate this week, as the tracker registered an approximate **9% cancellation rate**³.
- Container rates decreased further this week, as the "World Container Index" decreased by **↓3% (\$53)** to **\$1 806** per 40-ft container.
 - The composite index is **↓80%** below the corresponding spot price quoted last year and **↓33%** lower than the 10-year average of **\$2 691**.
 - After the unprecedented surge in rates during the second half of 2021, the rates have almost exactly mirrored the surge in their collapse.
 - Moreover, in the last year, the average rate almost splits the peak (**\$10 377**) and current rate and has decreased by an average compound rate of **↓3,1%** (w/w), which is extraordinary considering that freight rates were stable for almost years on end.
 - Despite some carriers reporting record profits for year-end 2022, the "party is definitely over" for carriers' balance sheets⁴.
- Elsewhere, The Drewry "Multipurpose Time Charter" Index decreased by **↓4,3%** (m/m), significantly below the forecast made in February⁵.
 - The current index is now around **\$9 430 per day** – significantly lower than Drewry's forecasted value of **\$9 795 per day** in February.
- Other developments include **(1)** the US container throughput slumped by **↓20%** in January-February, and **(2)** CMA-CGM shifted its focus to intra-European trade.

v. Local air industry

- In the air freight market, weekly international cargo volumes remained largely unchanged (**↑0,3%**), as domestic volumes increased somewhat (**↑7%**) but remained very low, which speaks to the general economic woes in the country.
- The daily average volume of air cargo handled at ORTIA the previous week amounted to **449 559 kg** inbound and **280 271 kg** outbound, resulting in an average of **729 830 kg per day** or **~103%** compared with February 2022. Also, the level is currently at **~82%** compared with the same period pre-pandemic in 2019.
- The average domestic air cargo moved last week was **~59 925 kg per day**, which is **↑7%** compared with the previous week, but *only* **~76%** of what was moved in February 2022.

vi. International air industry

- The external environment has not improved much, as global air cargo continues the trend set at the end of last year.
 - Global air cargo continues the trend set at the end of last year and is down by **↓14,9%** (y/y) in January, according to the latest IATA "Air Cargo Market Analysis"⁶.
 - The decrease in volume – measured in industry-wide cargo tonne-kilometres (CTKs) – marks the 11th consecutive month of declines. In total, the air cargo industry shipped **~18 billion CTKs** in January, roughly **↓11%** compared with pre-pandemic levels:

² Linerlytica. 07/03/2023. [Market Pulse – 2023 Week 10](#).

³ Drewry. 10/03/2023. [Cancelled Sailings Tracker - 10 March](#).

⁴ Wackett, M. 06/03/2023. [Party definitely over for ocean carriers, despite some strong numbers](#).

⁵ Drewry. 07/03/2023. [Multipurpose Time Charter Index - Mar 23](#).

⁶ IATA. 06/03/2023. [Air Cargo Market Analysis](#).



- Available capacity has increased with additional passenger flights; however, the cripplingly low rates sold recently demonstrate that an up-take of space has not yet been forthcoming.
- As a result, industry-wide volume is down annually by a massive ~**3,25 billion CTks**.
- Despite weak demand, capacity has increased by **↑4%** versus January 2022.
 - Nevertheless, the disparity in capacity versus volume means that the cargo load factor was a mere **~45%** - which is desperately low for this metric (**↓9,9%**, y/y).
- Incidentally, the annual changes for Africa include volume **↑2%**, capacity **↓9,5%**, load **↓2,7%**, and load level **~45,3%**.
- On the pricing side, the latest "*Baltic Exchange Airfreight Index*" is slightly up monthly (**↑3,3%**, m/m) but still significantly down annually (**↓32,3%**, y/y)⁷.
- For the more frequent World ACD data:
 - Figures for week 9 (27 February to 5 March) show a slight increase (**↑1%**) in worldwide tonnages compared with the previous week, which had also seen a modest (**↑2%**) tonnage rise.
 - On the pricing side, global average rates decreased (**↓2%**) compared with the previous week.
 - On a regional level, the post-Lunar New Year recovery in air cargo tonnages was still notable on ex-Asia Pacific flows to North America (**↑18%**), Middle East & South Asia (**↑14%**), and Europe (**↑13%**), respectively.
 - The most notable decreases were recorded ex-Central & South America (**↓8%**) and ex-Africa (**↓6%**).
- In other air cargo news, several airlines led by KLM are taking the Dutch government to court in their attempt to cut flights from Schiphol due to decarbonisation trajectories.
 - Moreover, the airlines claim the decision to cut Schiphol's capacity from **half a million to 460 000 flight** movements a year "*is incomprehensible*", according to the airlines with interest in Schiphol⁸.

⁷ Calculated from BAI. 08/03/2023. [Airfreight Rates – Baltic Exchange Airfreight Index](#).

⁸ Lennane, A. 06/03/2023. [Airlines take legal action over 'damaging' reduction in slots at Schiphol](#).