



Date: 5 May 2023

Key Notes

- An average of **~8 174 containers** was handled per day, with **~8 784 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **1 711 containers**, **↓26%** compared to last week.
- The latest Ctrack "*Transport Freight Index*" increased by **↑3,3%** in March (m/m) and is also **↑3,3%** (y/y).
- Cross-border queue times were **↑0,3 hours**, with transit times **↓1,7 hours**, SA borders **~11,6 hours (↓1%)**.
- SARS merchandise trade (March): exports (**↑27%**, m/m), imports (**↑32%**); YTD deficit: **R6,2 billion**.
- Global container freight rates increased slightly by **↑1%** (or **\$23**) to **\$1 763** per 40 ft this week.
- Global air cargo demand decreased in March, with (CTKs) falling by **↓7,7%** (y/y).

i. Port operations - General

- Port operations this week picked up after a languid start due to the long weekend.
 - Delays were experienced thanks to adverse weather, continuous equipment breakdowns and shortages, load-shedding, roadshows, and congestion.
 - Fortunately, backlogs have been cleared at the Port of Cape Town, and vessels berthed on arrival this week.
 - On the road, the ATDF trucker protests in Durban caused some stoppages, as employees and transporters were blocked from entering and exiting the port.
 - Equipment challenges – especially at Pier 2 – ensured that the number of bookings made available was inadequate to service the demand from the industry.
 - The ports of Ngqura and East London are sharing marine resources as one of the East London tugs went out of commission, causing concern amongst industry participants.
 - Furthermore, on Wednesday, there were 29 loads on the container corridor held up due to major cable theft incidents throughout the week.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **46%**, reefers **28%**, and empties **78%**, as CTCT gets ready for the citrus season.
- CTCT handled **~1 242 (↓19%, w/w)** containers a day, with an increased average of **~1 846** projected this week.
- DCT Pier 1: Stack occupancy was **67%** for GP containers, with **1 839** imports on hand and **150** unassigned units. Four gangs were in operation.
- DCT Pier 2: Stack occupancy was **59%** for GP containers and **71%** for reefers.
- The terminal currently has five cranes available, but only deployed four gangs due to crane QC7 being taken out of commission for planned maintenance.
- DCT Pier 1 handled **~1 398 (↑34%, w/w)** containers a day, with an increased average of **~1 694** projected this week.
- DCT Pier 2 handled **~3 697 (↑2%, w/w)** containers a day, with a decreased average of **~3 305** projected this week.
- Average TTT for DCT Pier 1 this week: **98 minutes (↑42%, w/w)**.
- Average TTT for DCT Pier 2 this week: **85 minutes (↓1%, w/w)**, with a staging time of **126 minutes (↑15%, w/w)**.
- In the last week (29 April to 5 May), rail cargo handled out of Durban was reported at **1 711 containers**, down by **↓26%** from the previous week's **2 315 containers**.

**iii. National update:**

- In the latest Ctrack "*Transport and Freight Index*" for April, published on Wednesday¹, the headline figure indicates that South African logistics continued its recovery in March.
 - The Ctrack Index reached its highest level since September, the last month before the crippling Transnet strike hit the sector.
 - During March, the Ctrack Transport and Freight Index increased by a notable **↑3,3%**, the third consecutive monthly increase and the highest monthly increase since April 2021, reflective of a synchronised recovery.
- SARS released its latest "*Merchandise Trade Statistics*" for March², with the headline showing a preliminary monthly trade surplus of **R6,9 billion**. Monthly trade shows that exports increased from February by **↑26,9%** (m/m), whereas imports increased by **↑31,7%** (m/m).
 - Despite the surplus in March, the YTD figures show a trade deficit of **R6,2 billion**, a significant deterioration from the **R61,9 billion** positive trade balance recorded in 2022.
 - Nevertheless, export flows for March 2023, at **R192,2 billion**, were **↑3,2%** (y/y) higher compared to March 2022, whilst import flows were a significant **↑30,9%** (y/y) higher, having increased to **R141,5 billion** in the current period – largely explaining the trade deficit.

iv. Local and cross-border road:

- In regional cross-border road freight trade, average queue and transit times increased marginally this week.
 - South African border crossing times remained largely unchanged this week, averaging **~11,6 hours (↓1%, w/w)** for the week.
 - In contrast, the greater SADC region (excluding South Africa) decreased by almost two hours, averaging **~9,1 hours (↓17%, w/w)**.
- Despite the overall decrease, some of the busiest border posts experienced a substantial increase. As a result, congested SADC borders this week included Beitbridge, Kasumbalesa (the worst affected – at around **a day and a half**), Katima/Mulilo, and Oshikango.
- Further developments of note included the shutdown started by the ATDF on Friday, affecting routes such as the N2, N3, and the N12 near Bloemhof. Regionally, FESARTA visited Beitbridge last week, with the main issues currently revolving around **(1)** manual entries, **(2)** agents paying in foreign exchange, and **(3)** ongoing issues at Condep.
- In summary, cross-border queue time has averaged **~10,1 hours** (up by **~0,3 hours** from the previous week's **~9,8 hours**), indirectly costing the transport industry an estimated **\$19 million (R336 million)**. Furthermore, the week's average cross-border transit times hovered around **~9,4 hours** (down by **~1,8 hours** from the **~11,2 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13 million (R237 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R573 million** (up by **~R39 million** or **↑7%** from **R534 million** in the previous report).

v. Global shipping industry

- US supply chain pressures have eased to a record low, according to the latest "*Logistics Managers' Index Report*"³. The Index fell to **50,9**, the lowest in its six-and-a-half-year history.

¹ Ctrack. 02/05/2023. [Ctrack transport and logistics index](#).

² SARS. 28/04/2023. [Trade Statistics: March 2023](#).

³ Drewry. 24/04/2023. [Logistics Managers' Index Report - April 2023](#).



- Elsewhere, the latest "*Global Supply Chain Pressure Index (GSCPI)*" produced by the New York Federal Reserve – which looks at supply chain pressures internationally, also confirms the easing of logistics bottlenecks⁴:
 - Global supply chain pressures decreased again in April, falling to **↓1,32** standard deviations below the Index's historical average.
- Global capacity operated under alliance services drops to **~39%** of the total global container capacity. The amount of container ship capacity operated under alliance agreements reached a three-year low in January of 2023.
 - Despite frequent claims the alliances control **~80%** of the container fleet, an Alphaliner survey⁵ shows the nine carriers that form the three major alliances operate the majority of their capacity outside their alliance agreements.
 - The amount of capacity operated under 'alliance services' is equivalent to **38%-41%** of the total fleet based on data from the last five years.
- The "*World Container Index*" crept up again this week, albeit only slightly, by **↑1%** (or **\$23**) to **\$1 763** per 40-ft container, as the expected see-saw in rates continues.
- In the latest "*LNG Market outlook*"⁶, the headline trends show that the Liquefied Natural Gas market remains strong despite the rate decrease in the first quarter of 2023.
 - Global LNG exports reached 102,9 million tonnes in Q1 2023, up by **↑2%** (q/q) and **↑6,1%** (y/y).
- The US Federal Maritime Commission (FMC) said that, in the ten months since the Ocean Shipping Reform Act (OSRA) was passed, more than **\$1 million** of disputed charges to shippers and forwarders had been waived or refunded⁷.
- Drewry Multi-purpose Time Charter Index continued to decline in April, albeit at a slower rate; it is now at **\$9 069 per day**.

vi. Local air industry

- International air cargo volumes to and from South Africa bucked the global trend – increasing nicely by **↑11%** despite the two public holidays over the weekend.
 - Nevertheless, the volumes remain way below pre-pandemic levels – currently around **~74%** versus 2019. Domestic volume did not fare so well because of the holidays and was down by **↓27%** this week.
- The daily average volume of air cargo handled at ORTIA the previous week amounted to **452 844 kg** inbound and **269 314 kg** outbound, resulting in an average of **722 158 kg per day** or **~97%** compared with April 2022. However, the level is currently at only **~74%** compared with the same period pre-pandemic in 2019.
- The average domestic air cargo moved last week was **~41 238 kg** per day, which is down by **↓27%** compared to the previous week and down compared to last year (**~80%**).

vii. International air industry

- In the latest "*Air Cargo Market Analysis*", IATA shows that international air cargo demand continues to struggle; however, at a slower rate than in February and January⁸.

⁴ New York Federal Reserve. 04/05/2023. [Global Supply Chain Pressure Index \(GSCPI\) – April 2023](#).

⁵ Alphaliner. 04/05/2023. [Global container capacity by alliances](#).

⁶ Drewry. 02/05/2023. [LNG Market Outlook - May 2023](#).

⁷ Savvides, N. 05/05/2023. [FMC says successfully disputed charges pass \\$1m landmark](#).

⁸ IATA. 02/05/2023. [Air Cargo Market Analysis](#).



- Cargo tonne-kilometres (CTKs) fell by **↓7,7%** (y/y).
- This reality reflects a continued trend of improvement compared to the steep annual decline of **↓16,8%** observed in January and double-digit decreases in earlier months.
- Air cargo capacity grew **↑9,9%** (y/y), primarily due to the increasing belly-hold capacity offered by passenger aircraft returning to full service.
- As a result, cargo load factors fell to **↓46,2%**, which is down by **↓8,8** versus last year's load factors.
- Concerning high-frequency data, global air cargo tonnages increased slightly this week – by **↑2%** versus the previous two weeks. Global capacity also increased by **↑2%**, as the average worldwide rates decreased slightly (**↓1%**).