



Date: 1 September 2023

Key Notes

- An average of **~6 646 containers** was handled per day, with **~9 082 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 194** containers, **↓6%** compared to last week.
- SARS merchandise trade (July): exports (**↑4,6%**, m/m), imports (**↓7,6%**); YTD surplus: **R16 billion**.
- Cross-border queue times were **↓1,4 hours** (w/w), with transit times **↑0,1 hours** (w/w); SA borders decreased by **~20 minutes**, averaging **~9,9 hours** (**↓3%**); Other SADC borders averaged **~8,0 hours** (**↑3%**).
- Global freight rates decreased by **↓1,6%** (or **\$28**) to **\$1 740** per 40-ft container, as GRIs will likely end.
- Global air cargo (CTKs) is down by **↓3,4%** (y/y) in June 2023 and continues to narrow the deficit gap.

i. Port operations - General

- Port operations were characterised by poor weather conditions, frequent equipment breakdowns and shortages, and congestion.
 - Operational performance took centre stage in Cape Town this week as import collections were seized for an entire day.
 - At the same time, equipment availability in Durban proved to be a significant stumbling block to operations on the landside.
 - The Durban and Richards Bay helicopters remain out of commission, while the floating crane in Durban was still unavailable for bookings this week.
 - Crane QC1 at NCT received an estimated time of return of 07 September 2023, while the shore tensioner and the Mooring master were in operation at berths D100 and D101 for most of the week.
 - Additionally, a massive change has recently been implemented for over-border rail containers, as declarations now need to be submitted to customs, leading to increased dwell times.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **33%**, reefers at **58%**, and empties at **43%**.
- CTCT handled **~1 119** (**↑29%**, w/w) containers a day, with an increased average of **~2 086** projected this week.
- DCT Pier 1: Stack occupancy was **40%** for GP containers and **28%** for reefers, with **716** imports on hand.
- DCT Pier 2: Stack occupancy was **59%** for GP containers and **43%** for reefers, with **59%** of reefer plug points utilised.
- DCT Pier 1 handled **~1 193** (**↑2%**, w/w) containers a day, with an increased average of **~1 726** projected this week.
- DCT Pier 2 handled **~2 717** (**↓31%**, w/w) containers a day, with an increased average of **~3 129** projected this week.
- Average TTT for DCT Pier 1 this week: **90 minutes** (**↑1%**, w/w), with a staging time of **61 minutes** (**↓8%**, w/w).
- Average TTT for DCT Pier 2 this week: **104 minutes** (**↓3%**, w/w), with a staging time of **141 minutes** (**↑1%**, w/w).
- In the last week (*26 August to 1 September*), rail cargo handled out of Durban was reported at **2 194** containers, down **↓6%** from the previous week's **2 337** containers.



iii. Local and cross-border road:

- The median border crossing times at South African controlled borders decreased by **about 20 minutes**, averaging **~9,9 hours (↓3%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) increased by the same magnitude – **about 20 minutes** – and averaged **~8,0 hours (↑3%, w/w)**.
- Several updates come from regional customs challenges this week, starting with the Nakonde border requests for more staff, but no response to emails received.
 - Elsewhere, Zambian clearing agents announced work stay away due to insufficient staff, while the Tanzanian side added 50 border staff, exacerbating the disparity.
 - Clearing agents' demands include more staff, lifting company suspensions, removing mobile units on Lusaka Road, efficient document processing, reduced penalties, and fair treatment of drivers.
- Zambian Ministry of Agriculture imposes immediate restrictions on maize grain and mealie movement between districts, with case-by-case assessments for movement to the border; transits are allowed with correct permits.
- In summary, cross-border queue time averaged **~14,2 hours** (down by **~1,4 hours** from the previous week's **~15,6 hours**), indirectly costing the transport industry an estimated **\$38 million (R711 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,3 hours** (up by **~0,2 hours** from the **~8,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13,3 million (R249 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$51,3 million (R960 million)**, up by **~R19 million** or **↑3,9%** from **R941 million** in the previous report).

iv. The current state of international trade

- The global economy is increasingly veering towards a survival-of-the-fittest approach in trade, with major economies diverging from the post-World War II trade rules favouring more restrictive and transactional tactics¹.
- The global economy is shifting towards a survival-of-the-fittest trade approach as major economies depart from post-World War II rules, favouring restrictive tactics.
 - Despite warnings, the US maintain unilateral actions like illegal tariffs as the dysfunction of the WTO appellate body allows vetoing of rulings.
- The decline in filed trade disputes is observed as countries opt for unilateral measures.
 - US and China's increased restrictive trade policies contribute to doubling such policies compared to the past decade.
 - The proposed **↑10%** global tariff proposal could harm the US economy if President Trump gets elected for a second non-consecutive term.
 - Efforts to restore dispute settlement face scepticism due to power struggles between the US and China, risking a **\$4,4 trillion** global output reduction.

v. Global shipping industry

- The global container shipping industry remains lukewarm as the subdued peak season is seemingly ending.
- Elsewhere, port congestion continues dissipating and only affects **1,37 million TEU** of the global fleet².

¹ Baschuk, B. 30/08/2023. [Paralysis at World Trade Arbiter Sees Protectionism Take Hold](#).

² Linerlytica. 30/08/2023. [Port congestion](#).



- This figure is at a three-month low despite three South African ports (Cape Town, Durban, and Port Elizabeth featuring in the top 20 globally congested ports this week), with conditions in the three main regions in North America, North Asia and Europe all showing continued improvements according to Linerlytica³.
- According to the latest assessment, Drewry's "Cancelled Sailings Tracker" has increased slightly this week and is trending at around a **7% cancellation rate**⁴.
- New ship deliveries so far this month have fallen behind the pace of the previous two months, but the total new capacity to be delivered in August is still expected to reach 200 000 TEU with three more ULCS units due in the coming week.
 - Vessels scrapped in the first eight months of this year have reached just 112 000 TEU, compared to total new deliveries of 1 332 120 TEU.
- Global freight rates received a minor boost from the 1 September rate GRIs this week in some parts but still decreased collectively.
 - The "World Container Index" decreased by **↓1,6%** (or **\$28**) to **\$1 740** per 40-ft container this week⁵:
- Elsewhere, average operating margins for the leading container carriers fell into the single digits for the first time in three years in the second quarter of 2023, coming in at **8,9%**.
 - The figure compares to an average margin of **13,1%** in the previous quarter and **56,3%** a year earlier.
- Other developments included Hapag-Lloyd being frozen out of the HMM purchase.

vi. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **482 125 kg** inbound (**↑9%**, w/w) and **283 265 kg** outbound (**↑10%**), resulting in an average of **765 390 kg per day** or around **~109%** compared with August 2022.
 - However, the level is currently at only **~78%** compared with the same period pre-pandemic in 2019 but is trending upwards.
- The average domestic air cargo moved last week was **~60 353 kg** per day, up by **↑46%** compared to the previous week and remains slightly up compared to last year's level (**~102%**).
 - However, the level is currently at **~88%** compared with the same period pre-pandemic in 2019.

vii. International air industry

- IATA released its quarterly "Air Transport Chart Book" on Thursday⁶, highlighting the ongoing subdued nature of the industry – mainly because of the ongoing trade headwinds.
 - Global merchandise trade growth is predicted to slow to **↑1,7%** in 2023, down from **↑2,7%** in 2022, evident in Q2's year-on-year contractions.
 - Despite this, air cargo demand declined less, with cargo tonne-kilometres (CTKs) down **↓3,4%** (y/y) in June 2023 compared to June 2022.
 - The year-to-date CTK figures until June reached **115,8 billion**, with the gap narrowing from **↓11,2%** at Q1's end to **↓8,1%** at Q2's end compared to 2022.
 - Air cargo capacity surpassed pre-pandemic levels in Q2 2023, driven by restored passenger belly-hold capacity.

³ HJ. 29/08/2023. [Port Congestion at 3-Month Low.](#)

⁴ Drewry. 01/09/2023. [Cancelled Sailings Tracker - 1 September.](#)

⁵ Drewry. 31/08/2023. [World Container Index – 31 August 2023.](#)

⁶ IATA. 31/08/2023. [Air Transport Chartbook – Q2 2023.](#)



- In the more frequent data from World ACD, global tonnages increased in the third full week of August at **↑4%**, following a similar pattern as last year, mainly driven by Europe rebounding from the holiday season, while rates remained stable at **\$2,27 per kg**.
- In other air cargo news, technical challenges affect 1 500 UK flights.