



Date: 15 September 2023

Key Notes

- An average of **~6 301 containers** was handled per day, with **~8 129 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 302** containers per day, **↓3%** compared to last week.
- Cross-border queue times were **unchanged from last week**, with transit times **↑1,3 hours (w/w)**; SA borders increased by **~80 minutes**, averaging **~11,4 hours (↑12%)**; Other SADC borders averaged **~9,4 hours (↑16%)**.
- Maersk's capacity is **↓3%** less than in 2022, as Zim (**↑33%**) and MSC (**↑24%**) have grown considerably.
- Global freight rates decreased by **↓7,1%** (or **\$119**) to **\$1 561** per 40-ft container – YTD now at **~\$1 763**.
- Global air cargo is unchanged from last week, as capacity is slightly down **↓1%** since early August.

i. Port operations - General

- Port operations were characterised by inclement weather conditions, frequent equipment breakdowns and shortages, employee engagements, and congestion.
 - Despite the adverse weather and poor operational performance at the Port of Cape Town, they still found time to facilitate labour engagements, ensuring that at least seven operational hours were lost on Wednesday.
 - In the 24 hours between Wednesday and Thursday, both Pier 1 and Pier 2 experienced operational delays of up to **~13 hours** due to strong winds.
 - The Ports of PE and Ngqura are sharing marine resources once more as one of the tugs at NCT went out of commission this week.
 - One of the main reasons for the increased number of ConCor units on hand in Durban this week can be attributed to challenges such as cable theft, vandalism, and overhead power failures on the line over the weekend.
 - Additionally, TNPA has published an RFI for the design, financing, construction, operation and maintenance of the proposed Culemborg Intermodal Logistics Precinct or part thereof and related facilities in Cape Town.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **25%**, reefers at **67%**, and empties at **38%**.
- CTCT handled **~891 (↓25%, w/w)** containers a day, with an increased average of **~1 495** projected this week.
- DCT Pier 1: Stack occupancy **55%** for GP containers and **25%** for reefers. During the same period, **1 519** imports were on hand, with **62** units having road stops and **72** unassigned.
- DCT Pier 2: Stack occupancy was **62%** for GP containers and **66%** for reefers, with **67%** of reefer plug points utilised.
- DCT Pier 1 handled **~1 129 (↓19%, w/w)** containers a day, with an increased average of **~1 378** projected this week.
- DCT Pier 2 handled **~2 633 (↓13%, w/w)** containers a day, with an increased average of **~3 481** projected this week.
- Average TTT for DCT Pier 1 this week: **201 minutes (↑148%, w/w)**, with a staging time of **181 minutes (↑148%, w/w)**.
- Average TTT for DCT Pier 2 this week: **72 minutes (↓29%, w/w)**, with a staging time of **80 minutes (↑11%, w/w)**.



- In the last week (9 to 15 September), rail cargo handled out of Durban was reported at **2 320** containers, down **↓3%** from the previous week's **2 378** containers.

iii. Local and cross-border road:

- The median border crossing times at South African borders increased by **80 minutes**, averaging **~11,4 hours (↑12%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) increased by approximately **the same magnitude** and averaged **~9,4 hours (↑16%, w/w)**.
- The Home Affairs Minister recently announced plans to deploy "high technology," including Gamma-ray technology, at South African borders¹.
 - Groblersbrug is not mentioned among the borders slated for upgrades, which include Beitbridge, Lebombo, Maseru Bridge, Ficksburg, Kopfontein, and Oshoek.
 - An American company has offered Gamma-ray scanners to South Africa. However, these scanners can only handle up to 40 vehicles per hour, compared to the high-speed scanners in Malaba, which can handle up to 200 vehicles per hour.
 - Additionally, Gamma-ray technology is complex, effective on specific items, and not yet proven to be reliable.
- Long queues, reaching up to 25 kilometres, were observed at Lebombo on a Friday.
 - Requests to open both canopies for trucks have been made but often ignored.
 - However, the canopy was opened once, allowing for greater throughput, though it remains uncertain if this will continue regularly.
- Lastly, SA's biggest wildlife reserve and some local businesses oppose plans for a new privately operated trucks-only border crossing to speed up mineral exports to ports in neighbouring Mozambique².
 - The Logistics Co., indirectly owned by Old Mutual's African Infrastructure Investment Managers, plans to open a new route at Komatipoort, the main land crossing from South Africa en route to Maputo, the Mozambican capital.
- In summary, cross-border queue time averaged **~13,7 hours** (unchanged from the previous week's **~13,7 hours**), indirectly costing the transport industry an estimated **\$36,7 million (R698 million)**. Furthermore, the week's average cross-border transit times hovered around **~9,7 hours** (up by **~1,3 hours** from the **~8,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$13,7 million (R261 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$52,5 million (R1 billion)**, up by **~R34 million** or **↑3,5%** from **R966 million** in the previous report).

iv. Global shipping industry

- Alphaliner this week released the throughput figures for the top 30 container ports in the first half of 2023, with Shanghai maintaining their top spot at **23,7 million TEU** handled³.
 - Singapore (**19 million**) and Ningbo-Zhoushan (**17,7 million**) follow in second and third place.
 - Elsewhere, the six European and American ports featuring in the top 30 ranking of major container ports showed across-the-board declines in throughput in the first half of the year as the impact of economic contraction in the West took effect.
 - Los Angeles/Long Beach saw a net loss of **2,6 million TEU** in traffic compared to 2022, or a **↓25%** fall in volumes.
- Despite an increase in the number of blanked sailings out of China scheduled for October (and indeed industry-wide – Drewry's "*Cancelled Sailings Tracker*" has increased again and is now trending at a **16%**

¹ SAMI. 08/09/2023. [Hi-tech to plug loopholes at porous borders](#).

² Bloomberg. 14/09/2023. [Kruger Park opposes new border link to Mozambique](#).

³ Alphaliner. 15/09/2023. [Top 30 Ports in H1 2023](#).



cancellation rate⁴ this week), there are no permanent service withdrawals announced so far out of China.

- The idled tonnage remains stubbornly low at just **0,4%** of the current fleet.
- The delayed entry of several new ships of **15 000 to 24 000 TEU** has not slowed the pace of supply growth, with net deliveries still running at over **180 000 TEU a month**.
- On a carrier level, there has been significant movement in capacity recently.
 - MSC and Zim announced on 6 September 2023 a new operational cooperation agreement covering the trades between the Indian subcontinent with the East Mediterranean, the East Mediterranean with Northern Europe, and services connecting East Asia with Oceania.
 - Overall, Maersk's capacity has shrunk by **↓3%** since 2022 compared to Zim and MSC, which have grown by **↑33%** and **↑24%** respectively.
- Concerning port congestion, the current weak demand and overall reduced supply chain activity continues only to affect **1,6 million TEU**.
 - The pockets of congestion are concentrated on the Chinese southeast coast, with Shanghai/Ningbo, Qingdao, and South Korean Busan most affected.
 - Closer to home, Durban (at some **19 900 TEU** at anchorage) and PE/NCT (at some **27 700 TEU** at anchorage) remain congested, with queue-to-berth ratios of **0,53** and **5,71**, respectively.
- Weak peak season volumes coupled with oversupply across the main markets have weighed down heavily on rates, with little chance of a reversal until November at the earliest⁵.
- The "*World Container Index*" decreased by **↓7,1%** (or **\$119**) to **\$1 561** per 40-ft container this week⁶:
- Other developments include **(1)** dry bulk market optimism, **(2)** Maersk launches an industry-first green methanol ship, **(3)** MSC bids for Hamburg as a 'global hub', and **(4)** G20 unveils plan for IMEC trade corridor.

v. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **469 500 kg** inbound (**↑6%**, w/w) and **272 677 kg** outbound (**↓5%**), resulting in an average of **742 178 kg per day** or around **~97%** compared with in September 2022.
 - However, the level is currently at only **~80%** compared with the same period pre-pandemic in 2019 but continues to trend upwards slowly.
- The average domestic air cargo moved last week was **~56 628 kg** per day, up by **↑5%** compared to the previous week and remains slightly down compared to last year's level (**~85%**).
 - However, the level is currently at **~63%** compared with the same period pre-pandemic in 2019.

vi. International air industry

- In the weekly data from World ACD, global tonnages have held firm in the first full week of September after dropping **↓3%** at the end of August and in the first few days of September, while average rates continue to hover at around the same level they have since mid-July – between **\$2,26** and **\$2,29 per kg**.
 - Capacity has decreased slightly by **↓1%** since early August.
 - Average global rates remained stable. Compared to last year, chargeable weight decreased by **↓7%**, with a notable decrease in North American and European tonnages.

⁴ Drewry. 15/09/2023. [Cancelled Sailings Tracker - 15 September](#).

⁵ Linerlytica. 12/09/2023. [Market Pulse – Week 37](#).

⁶ Drewry. 14/09/2023. [World Container Index – 14 September 2023](#).