



Date: 13 October 2023

Key Notes

- An average of **~7 065 containers** was handled per day, with **~8 232 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 499** containers for the week, **↑6%** (w/w).
- Cross-border queue times were **↑3,2 hours** (w/w), with transit times **↑0,9 hours** (w/w); SA borders increased by **~2,6 hours**, averaging **~10,2 hours** (**↑34%**); Other SADC borders averaged **~10,0 hours** (**↑3%**).
- CTS container throughput in August (dry & reefer) is up by **↑1,5%** (m/m) and up by **↑3,7%** (y/y).
- Global freight rates decreased by **↓1,5%** (or **\$21**) to **\$1 369** per 40-ft container this week. YTD: **\$1 729**.
- Global air tonnages dropped by **↓2%**, with capacity slightly down and rates continuing to creep up.

i. Port operations - General

- This week's operational constraints revolved around network challenges, adverse weather conditions, frequent equipment breakdowns and shortages, and congestion inside the terminal gates, mainly due to insufficient usable equipment.
 - The Ports of Cape Town and Durban returned to the *Port Congestion Watch* this week with more than **23 800** – and **47 000 TEUs** stuck at outer anchorage, respectively.
 - G-course system upgrades were conducted at the Ro-Ro terminal in Durban, the Maydon Wharf MPT, and the Agri-bulk terminal during the week, while the FPSO incoming vessel operation in Durban took place on Monday, 10 October 2023, and delayed operations for approximately eight hours.
 - In addition, cable theft and vandalism occurred on the line between Durban and Newcastle towards the latter end of the week and delayed operations for approximately 12 hours.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **36%**, reefers at **32%**, and empties at **27%**.
- CTCT handled a very low **~784** (**↓47%**, w/w) containers a day, with an increased average of **~1 542** projected this week.
- DCT Pier 1: Stack occupancy **46%** for GP containers. During the same period, **1 237** imports were on hand, with **176** units having road stops and **49** unassigned.
- DCT Pier 2: Stack occupancy was **56%** for GP containers and **13%** for reefers, with **17%** of reefer plug points utilised.
- DCT Pier 1 handled **~1 500** (**↑23%**, w/w) containers a day, with a slightly increased average of **~1 572** projected this week.
- DCT Pier 2 handled **~3 123** (**↑5%**, w/w) containers a day, with a slightly decreased average of **~3 073** projected this week.
- Average TTT for DCT Pier 1 this week: **86 minutes** (**↓26%**, w/w), with a staging time of **110 minutes** (**↓29%**, w/w).
- Average TTT for DCT Pier 2 this week: **118 minutes** (**↑21%**, w/w), with a staging time of **140 minutes** (**↓14%**, w/w).
- In the last week (*6 to 12 October*), rail cargo handled out of Durban was reported at **2 499** containers, up **↑6%** from the previous week's **2 335** containers.



iii. Local and cross-border road:

- The median border crossing times at South African borders increased by **two and a half hours**, averaging **~10,2 hours (↑34%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) increased by approximately **20 minutes** and averaged **~10,2 hours (↑3%, w/w)**.
- A tragic accident occurred near Mara/Mabalel on the N4 road, resulting in a temporary road closure as both involved trucks caught fire, and sadly, both drivers lost their lives¹.
- The President of the DRC visited the Katanga and Lualaba provinces, leading to restricted movement around the border.
 - However, there's a suggestion that showing the President the border chaos may provide a more realistic perspective of the situation.
- Beitbridge was also temporarily "shut down" to allow the Presidents of Zimbabwe and South Africa to tour the border.
- In summary, cross-border queue time averaged **~13,8 hours** (up by **~3,2 hours** from the previous week's **~10,5 hours**), indirectly costing the transport industry an estimated **\$39,7 million (R753 million)**. Furthermore, the week's average cross-border transit times hovered around **~10,0 hours** (up by **~0,9 hours** from the **~9,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$15,7 million (R298 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$55,3 million (~R1,05 billion, up by ~R659 million or ↑168,1% from ~R392 million in the previous report)**.

iv. World economic outlook and global trade update

- The global economic recovery from COVID-19 and the impact of the Ukraine conflict is slow and uneven, according to the IMF's latest "*World Economic Outlook*"².
 - The baseline forecast is for global growth to slow from **3,5%** in 2022 to **3,0%** in 2023 and **2,9%** in 2024, well below the historical (2000–19) average of **3,8%**.
 - Advanced economies are expected to slow from **2,6%** in 2022 to **1,5%** in 2023 and **1,4%** in 2024 as policy tightening starts to bite.
 - Emerging markets and developing economies are projected to have a modest decline in growth from **4,1%** in 2022 to **4,0%** in both 2023 and 2024.
- Incidentally, South Africa's forecast has been revised upwards from July (by **0,6%** for this year) and put at **0,9%** in 2023 and **1,8%** in 2024.
- For global trade, it appears that there are tentative signs that the worst of the downturn may be behind us, according to the latest Bloomberg "*Trade Tracker*"³.
 - The tracker indicates that, in early October, only four out of ten metrics remained below the normal range, a notable improvement compared to the six in August.

v. Global shipping industry

- The latest container throughput figures for August from Container Trade Statistics (CTS) – an online statistics portal measuring global containerised trade – show that container volume has increased by **↑1,5%** (m/m) this month after global volume decreased in July (**↑0,1%**).

¹ Citizen. 05/10/2023. [UPDATE: N4 between Mara Road and Mabalel Lodge reopened.](#)

² IMF. 10/10/2023. [World Economic Outlook – October 2023.](#)

³ Jiao et al. 09/10/2023. [Global trade poised to turn a corner, Bloomberg Tracker Signals.](#)



- The change should be welcomed, as it is significantly more positive than initial predictions led to believe, notably those made by Drewry, which expected throughput to decrease by a massive **↓4,1%**⁴.
- Yearly, throughput is now up by **↑3,7%** (y/y) versus August 2022.
- Concerning freight rates, the upbeat narrative continues for shippers – similar to the index reported weekly by Drewry – the price index (reefer and dry) continued to moderate in August.
 - It is down by another **↓1,3%** (m/m) and a considerable **↓61,7%** (y/y) versus a year ago.
- Sub-Saharan African trade shows increases in exports (up by **↑1,6%**) but decreases in imports (down by **↓3,8%**) during August.
 - Yearly trade shows that imports continue to grow substantially (**↑18,6%**, y/y), while exports are also significantly up versus August 2022 (by **↑9,7%**).
 - Incidentally, South Africa accounted for **27,1%** of SSA imports and **64,8%** of SSA exports in August when measuring these versus TNPA figures.
 - However, these metrics have steadily declined since our records began in September 2021, showing that regional competition continues to gather steam, albeit gradually:
- Despite increased throughput and slowly improving economic conditions, container shipping lines are still struggling to match their ample capacity with sluggish shipper demand, and fresh evidence landed early Wednesday suggesting European demand will stay weak through the year-end holidays.
 - In separate customer advisories, MSC⁵ and Maersk⁶ said several scheduled sailings between Europe and Asia would be cancelled seven weeks into heading into December (Drewry's "Cancelled Sailings Tracker" is descending and trending at a **6% cancellation rate**⁷ this week).
- Elsewhere in the industry, the idle fleet has crept up to **0,9%** of the total fleet, as port congestion continues to be low, with congestion only affecting **~5,3%** (some **1,48 million TEU**) of the industry.
 - These two combined remain insufficient to impact the market.
 - Notably, two South African ports continue to feature in the top 20 worst congested ports, notably Durban with **47 400 TEU** at anchorage – up by another **9 000 TEU** (w/w), with a queue-to-berth ratio of **1,45**, and Cape Town **23 800 TEU** with a queue-to-berth ratio of **0,72**.
 - NCT and GCT have dropped off the top 20 list but still have a combined **8 300 TEU** at anchorage.
- This week, the "World Container Index" decreased by another **↓1,5%** (or **\$21**) to **\$1 369** per 40-ft container⁸.
- Other developments include **(1)** Carriers' green ambitions push orderbook to record high, **(2)** CMA CGM invests **\$600 million** in NY/NJ box terminals, **(3)** Israel/Hamas conflict, and **(4)** shipping line (MSC and CMA CGM) continues to expand logistics operations in Africa.

vi. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **521 931 kg** inbound (**↑12%**, w/w) and **330 697 kg** outbound (**↑23%**), resulting in an average of **852 628 kg per day** or around **~107%** compared with in October 2022.
 - This week is the closest that the industry has come to the pre-pandemic levels, as the current level registers at around **~90%** compared with the same period pre-pandemic in 2019.

⁴ Drewry. 22/09/2023. [Port Throughput Indices – July 2023](#).

⁵ MSC. 11/10/2023. [2023 Winter Schedule Update - Trade Asia to Europe](#).

⁶ Maersk. 11/10/2023. [Capacity Adjustment Changes - Far East Asia to Europe Services](#).

⁷ Drewry. 13/10/2023. [Cancelled Sailings Tracker - 13 October](#).

⁸ Drewry. 12/10/2023. [World Container Index – 12 October 2023](#).



- The average domestic air cargo moved in September was **~49 268 kg** per day, significantly down compared to last year's level (**~74%**). The following graphs show the domestic movement since the pandemic's onset:

vii. International air industry

- Internationally, global air cargo tonnages decreased by **↓5%** (w/w) in the first full week of October, primarily due to China's National Day Golden Week holiday.
 - However, this drop was less severe than the previous year's **↓9%** decline, influenced by sporadic zero-COVID lockdowns in various regions of China.
- In week 40, inbound tonnages to China rebounded by **↑10%**, following a **↓23%** drop the previous week. Overall, chargeable weight was down **↓1%** (y/y) in weeks 39 and 40, while capacity increased by **↑10%**.
- Despite the short-term drop, rates continued to rise, trading at **\$2,41 per kg**.