



Date: 17 November 2023

Key Notes

- An average of **~8 329 containers** was handled per day, with **~8 120 containers** projected for next week.
- TNPA stats for October: containers: down by **↓20%** (m/m), up by **↑55%** (y/y), but down by (YTD). Total bulk: down by **↓1%** (m/m) but up by **↑10%** (y/y). Vehicles: down by **↓13%** (m/m) and up by **↑30%** (y/y).
- Rail cargo handled out of Durban amounted to **2 834** containers, up by **↑8%** from last week.
- Cross-border queue times were **unchanged** (w/w), with transit times **↑1,7 hours** (w/w); SA borders increased by **~3,3 hours**, averaging **~13,0 hours** (**↑34%**); Other SADC borders averaged **~7,7 hours** (**↑33%**).
- Global freight rates have subsided again and are down by **↓2%** (or **\$35**) to **\$1 469** per 40-ft container.
- Global air cargo is stable compared to the previous week, with a **↑2%** increase in average rates.

i. Port operations - General

- Port operations in the last week were once again bedevilled by poor weather conditions as well as equipment breakdowns and shortages.
 - Adverse weather returned to the Port of Cape Town this week as several operational hours were lost while the estimated time of arrival for the new shore tensioning units has been shifted to the second week of December.
 - The backlogs and congestion persisted in Durban, as there were 63 vessels at anchor by the end of the week, while equipment challenges at Pier 2 persisted, as the terminal had only 55 straddle carriers in operation towards the end of the week.
 - Furthermore, minimal reports were received from TFR this week, and therefore, no accurate reports can be provided on the cable theft and vandalism situation on our rail network.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **24%**, reefers at **24%**, and empties at **20%**.
- CTCT handled **~1 582** (**↑5%**, w/w) containers a day, with a slightly increased average of **~1 653** projected this week.
- DCT Pier 1: Stack occupancy **56%** for GP containers. During the same period, **2 500 imports** were on hand, with **81** units having **road stops** and **50 unassigned**.
- DCT Pier 2: Stack occupancy was **47%** for GP containers and undisclosed for reefers.
- DCT Pier 1 handled **~1 404** (**↓2%**, w/w) containers a day, with a slightly decreased average of **~1 328** projected this week.
- DCT Pier 2 handled **~2 889** (**↓4%**, w/w) containers a day, with a slightly increased average of **~3 032** projected this week.
- Average TTT for DCT Pier 1 this week: **93 minutes** (**↓3%**, w/w), with a staging time of **126 minutes** (**↑37%**, w/w).
- Average TTT for DCT Pier 2 this week: **105 minutes** (**↑44%**, w/w), with a staging time of **174 minutes** (**↓26%**, w/w).
- In the last week (*11 to 17 November*), rail cargo handled out of Durban was reported at **2 834** containers, up **↑8%** from the previous week's **2 636** containers.



iii. Local and cross-border road:

- The median border crossing times at South African borders decreased by **more than three hours**, averaging **~13,0 hours (↑34%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) increased by almost **two hours** and averaged **~7,7 hours (↑33%, w/w)**.
- Traffic congestion in South Africa led to the closure of the N4 near Moamba in Mozambique, causing a queue of approximately 30 km before Matola at the Port in Maputo.
- Beitbridge experienced network issues for seals, resulting in no movement, and a bridge breakdown further delayed the resumption of movement in the area.
- Insufficient parking on the Botswana side is causing limitations in processing vehicles through Skilpadshek, particularly on Thursdays and Fridays.
- The President of the DRC views the recent strike as sabotage and has taken direct action to address the situation, with trucks being released and escorted back to the border.
- In summary, cross-border queue time averaged **~4,4 hours (unchanged)** from the previous week's **~4,4 hours**, indirectly costing the transport industry an estimated **\$4,8 million (R89 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,3 hours** (up by **~1,7 hours** from the **~6,5 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$6,4 million (R118 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$11,2 million (~R207 million)**, up by **~R25,2 million or ↑14%** from **~R182 million** in the previous report).

iv. Global shipping industry

- Carriers are reducing freight rates in mid-November, reversing earlier hikes, as new capacity is introduced. Zim and CMA CGM's capacity additions on the US West Coast counteract cuts made by The Alliance.
- Transpacific rates are under pressure, and further weakening is expected in the next two weeks before carriers attempt another rate increase on 1 December.
- The idle fleet is decreasing despite a weak earnings outlook, as carriers take advantage of a **↓30%** drop in charter rates since June to expand their fleets.
- The surge of inactive tonnage in the container shipping industry appears to have paused, with the number of idle container vessels experiencing a marginal reduction¹.
 - However, Alphaliner warns that this may not last long as an increasing number of vessels, around **64%** of the inactive fleet, are leaving dry docks and retrofit yards after maintenance.
- As mentioned last week, container scrapping is expected to remain low in 2024, with only 82 ships totalling **145 950 TEU** scrapped in 2023.
 - The scrapping rate is projected to stay below **300 000 TEU** in 2024, with MSC extending the lifespan of its fleet through a drydocking program.
 - The pool of scrap candidates with ships over 20 years old and special surveys due in 2024 is relatively low at **662 000 TEU**, increasing significantly in 2025-2027.
- Elsewhere in the industry, port congestion continues to be stable at around **1,60 million TEU**, of the industry, with only the mega dual-port of Shanghai/Ningbo, Savannah, and Busan currently having more TEU waiting outside at anchorage than Durban (at around **70 000 TEU**)².
- Drewry's "*Cancelled Sailings Tracker*" is stable and is trending at an **8% cancellation rate**³.

¹ Bartlett, C. 16/11/2023. [Idle vessel fleet set to grow as large newbuilds continue to arrive.](#)

² Linerlytica. 14/11/2023. [Market Pulse – Week 46.](#)

³ Drewry. 03/11/2023. [Cancelled Sailings Tracker - 14 November.](#)



- After two weeks of substantial increases, the "World Container Index" decreased again this week and is down by **↓2%** (or **\$35**) to **\$1 469** per 40-ft container⁴.

v. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **475 555 kg** inbound (**↓6%**, w/w) and **304 775 kg** outbound (**↓5%**), resulting in an average of **780 329 kg per day** or around **~95%** compared with November 2022. The numbers keep hovering below the pre-pandemic levels (**~81%**).
- For the other two international airports, cargo handled in October showed some very positive growth and largely mirrors the positive developments in Johannesburg – and indeed globally – and are as follows:
 - Cape Town cargo increased by **↑40%** (m/m) and **↑62%** (y/y).
 - Durban cargo increased by **↑68%** (m/m) and **↑106%** (y/y).
- For our three primary airports, domestic cargo handled in October shows the following:
 - Johannesburg cargo decreased monthly by **↓17%** (m/m) but increased annually by **↑9%** (y/y).
 - Cape Town cargo also decreased monthly by **↑36%** (m/m) and increased annually by **↑15%** (y/y).
 - Lastly, Durban cargo followed the same trend and decreased monthly by **↓3%** (m/m) but also decreased annually – by **↓21%** (y/y).

vi. International air industry

- Despite a gradual rise in worldwide average air cargo prices post-summer, the global airfreight demand has not shown signs of a strong peak in the fourth quarter, according to the high-frequency data from World ACD.
 - Preliminary figures for week 45 (6 to 12 November) reveal stable tonnages compared to the previous week, with a **↑2%** increase in global average rates.
 - The overall trend in tonnages closely mirrors last year's patterns but with slight improvements compared to 2022's trends.
- Worldwide average rates are currently **↓25%** below their levels at the same time last year, at an average of **\$2,48/kg** in week 45, 7 cents up from last week, but more importantly, the rates are still significantly above pre-pandemic levels (**↑36%** compared to November 2019).

⁴ Drewry. 02/11/2023. [World Container Index – 2 November 2023](#).