SAVINO DEL BENE®
Global Logistics and Forwarding Company

CARGO MOVEMENT UPDATE

Date: 24 November 2023

Key Notes

- An average of **~8 486 containers** was handled per day, with **~8 852 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 429** containers, down by **↓14%** from last week.
- Cross-border queue times were **↑0,8 hours** (w/w), with transit times **↓0,7 hours** (w/w); SA borders increased by **~1,2 hours**, averaging **~14,2 hours** (**↑9%**); Other SADC borders averaged **~6,8 hours** (**↓12%**).
- Container throughput surged by **↑5,4%** in September, marking the highest monthly growth in 2023.
- Global freight rates have continued to fall and are down by **↓6%** (or **$85**) to **$1 384** per 40-ft container.
- Global air cargo tonnages have been stable since mid-October, with a **↑3%** increase in global rates.

i. Port operations - General

- The concerted efforts to clear the current port backlog continued; however, some notable operational constraints continued, particularly adverse weather conditions as well as continuous and unnecessary equipment breakdowns and shortages.
  - Poor weather continued in Cape Town as more than 24 operational hours were conceded to vessel ranging and strong winds, while equipment woes in Durban are exacerbating the current backlogs at the port (at around **61 968 TEU** at anchorage).
  - The inefficiencies at the Port of Cape Town are being harshly felt at the Ports of 8 Gqeberha and Ngqura, as they have made an appearance on Linerlytica's top 30 most congested ports in the world this week.
  - Statistics recorded on Wednesday indicated that the two ports combined had more than **46 000 TEUs** stuck at outer anchorage with a very high queue-to-berth ratio of **6,62**. This also goes some way towards explaining the relative lack of business for Cape Town.
  - Additionally, the latest reports from TFR indicate that a derailment on the Kaapmuiden section (single line) on the Selati line occurred on 17 November 2023 at 17:50. Teams are attending to the derailment as the train service between Phalaborwa and Komatipoort has been suspended.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **35%**, reefers at **38%**, and empties at **13%**.
- CTCT handled **~1 463** (**↓8%**, w/w) containers a day, with a slightly increased average of **~1 660** projected this week.
- DCT Pier 1: Stack occupancy **37%** for GP containers. During the same period, **821** imports were on hand, with **38** units having **road stops** and **24 unassigned**.
  - The terminal recorded 1 245 gate moves on the landside, with **30 slots wasted**.
- DCT Pier 2: Stack occupancy was **52%** for GP containers and undisclosed for reefers.
- DCT Pier 1 handled **~1 285** (**↓8%**, w/w) containers a day, with an increased average of **~1 497** projected this week.
- DCT Pier 2 handled **~3 221** (**↑11%**, w/w) containers a day, with an increased average of **~3 490** projected this week.
- Average TTT for DCT Pier 1 this week: **94 minutes** (**↑1%**, w/w), with a staging time of **120 minutes** (**↓5%**, w/w).
- Average TTT for DCT Pier 2 this week: **99 minutes** (**↓6%**, w/w), with a staging time of **174 minutes** (**unchanged**, w/w).

- In the last week (*18 to 24 November*), rail cargo handled out of Durban was reported at **2 429** containers, down ↓**14%** from the previous week's **2 2834** containers.

iii. Local and cross-border road:

- The median border crossing times at South African borders increased by **almost an hour**, while transit times decreased by approximately **three-quarters of an hour** last week.
- The median border crossing times at South African borders increased by **an hour and a quarter hours**, averaging **~14,2 hours** (**↑9%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by almost **an hour hours** and averaged **~6,8 hours** (**↓12%**, w/w.
- Queue times have remained relatively stable, but Lebombo queue times have significantly increased in the past month. As of Thursday afternoon, the Eastbound queue at Lebombo was measured at 24km.
  - Consequently, drivers are now spending four days or more in the queue to cross into Mozambique.
  - Transporters have requested the reinstatement of the old processing system, at least until after the Festive Season.
  - There are frequent complaints of deflated tires, with incidents of burnt-out taxi association vehicles and damaged property.
  - This road link has a finite capacity, and these delays can be attributed almost entirely to the collapse of the railway service.
- The following notable changes in queuing and border times have been observed this week:
  - Tlokweng Northbound queue times increased from 1,51 hours to 4,14 hours last week.
  - Kasumbalesa Southbound queue times dropped from 9,01 hours (min), 42 hours (avg), 104 hours (max) to 1,32 hours (min), 6,16 hours (avg), 61 hours (max) last week.
  - Songwe Southbound maximum crossing times decreased from 91 hours to 14,45 hours, while minimum and average times remained similar.
  - Nakonde Northbound maximum crossing times decreased from 141 hours to 48 hours last week.
  - Skilpadshek Southbound maximum crossing times increased from 19,6 hours to 44 hours.
  - Nakop Eastbound average crossing times increased from 2,1 hours to 3,26 hours, while maximum times decreased from 46 hours to 10,20 hours.
  - Katima Mulilo's average crossing times decreased from 52 hours to 26 hours.
  - Tlokweng Southbound average crossing times increased from 2 hours to 9,58 hours.
- In summary, cross-border queue time averaged **~5,2 hours** (up from the previous week's **~4,4 hours**), indirectly costing the transport industry an estimated **$8,3 million** (**R157 million**). Furthermore, the week's average cross-border transit times hovered around **~7,6 hours** (down by **~0,7 hours** from the **~8,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **$5,5 million** (**R104 million**). As a result, the total indirect cost for the week amounts to an estimated **~$13,9 million** (**~R261 million**, up by **~R54 million** or **↑26,3%** from **~R207 million** in the previous report).

iv. Global shipping industry

- In September, global container throughput saw a significant **↑5,4%** increase, marking the highest monthly growth rate in 2023[1].
  - However, this growth must be viewed in the context of the low base in September 2022, when container volumes began to show signs of weakness after two years of frenetic growth.

[1] Linerlytica. 21/11/2023. Early Data Suggested Decent Throughput Growth Globally in Sep.

  - The robust growth in September contributed to a ↑**1,9%** increase in throughput for the third quarter, marking the first positive quarter in 2023.
  - The global containership fleet passed **28 million TEU** last week, with total new ship deliveries since the start of this year reaching **1,94 million TEU**.
- *Sea Intelligence* this week reports that the industry is running out of time to remove capacity and compares the current growth spurt post Golden Week with 2019 and the 2016-2019 average[2].
  - Drewry's "*Cancelled Sailings Tracker*" is stable and is trending at an **8% cancellation rate**[3].
  - Capacity growth post-Golden Week 2023 shows increases of 16%-25% for Asia-North America West Coast, 22%-32% for Asia-North America East Coast, 8%-11% for Asia-North Europe, and 36%-38% for Asia-Mediterranean.
- This week, average global spot rates have seen another decrease, as the "*World Container Index*" is down by ↓**6%** (or **$85**) to **$1 384** per 40-ft container[4].
- For charter rates, the Harper Petersen Index (*Harpex*) is currently trending at *838 points*, down by ↓**7%** (w/w) and ↓**39%** (y/y)[5].
- Elsewhere, average operating margins for the leading container carriers continued to fall and came in at ↑**1,5%** for the third quarter of 2023.
  - The figure – now lower than pre-pandemic levels – compares to an average margin of ↑**8,9%** in the previous quarter and ↑**51,9%** a year earlier.
- Other developments this week included **(1)** more Panama Canal surcharges, **(2)** Abu Dhabi ports expansion, **(3)** the world's largest coal port facing blockade this weekend, and **(4)** MSC extending the deadline on HHLA share offer.

v. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **526 127 kg** inbound (↑**11%**, w/w) and **342 646 kg** outbound (↑**12%**), resulting in an average of **868 773 kg per day**.
  - These levels – for the first time in quite a while – not only exceed last year's cargo volumes (**~107%**) but also the pre-pandemic levels of November 2019 (**~103%**).

vi. International air industry

- Global air cargo demand in Q4 has shown strength, surpassing last year's tonnages with average rates gradually increasing, according to the latest weekly figures from World ACD Market Data.
  - However, signs of a robust peak season are scarce, resembling last year's lacklustre Q4.
  - Worldwide tonnages have remained stable since mid-October, with a ↑**3%** increase in global average rates in week 46.
- However, available capacity has increased by ↑**16%**, and worldwide average rates are currently ↓**23%** below last year's levels but ↑**38%** compared to November 2019 and trending at an average of **$2,52/kg** in week 46.

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[2] Murphy, A. 22/11/2023. Running out of time to bring capacity down.
[3] Drewry. 03/11/2023. Cancelled Sailings Tracker - 14 November.
[4] Drewry. 23/11/2023. World Container Index..
[5] Harper Petersen Index. 24/11/2023. HARPER PETERSEN Charter Rates Index.