



Date: 12 January 2024

Key Notes

- An average of **~7 131 containers** was handled per day, with **~8 878 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 926** containers, up **↑47%** from last week.
- TNPA stats for December: containers: down by **↓6%** (m/m), up by **↑1%** (y/y), but down by **↓1,6%** (YTD) for the entire 2023. Total bulk: up by **↑8%** (m/m) and up by **↑11%** (y/y) and **↓2,3%** (YTD) for 2023.
- Cross-border queue times were **↓0,5 hours** (w/w), with transit times **↓5,2 hours** (w/w); SA borders decreased by **~6,7 hours**, averaging **~7,0 hours** (**↓49%**); Other SADC borders averaged **~6,3 hours** (**↑7%**).
- CTS container volume in November (dry & reefer) is down by **↓2,6%** (m/m) but up by **↑8,4%** (y/y).
- Global freight rates have sharply increased by **↑15%** (or **\$402**) to **\$3 072** per 40-ft container.
- Air cargo demand grew by **↑8,3%** (y/y) in November but remains **↓2,5%** below pre-pandemic levels.

i. Port operations - General

- Port operations in the last week – and indeed across the Festive Season – were typified by adverse weather conditions and continuous equipment breakdowns and shortages.
 - Weather-related woes returned to Cape Town last week as more than 60 operational hours were forfeited while the main operational constraints in Durban took the familiar form of equipment challenges.
 - The latest reports indicate that more than two years after a fire halted the operation of the longest conveyor belt at the Richards Bay Bulk Terminal, it is back to working order and should help alleviate truck congestion leading to the port.
 - The pilot boat at the Port of Ngqura remains out of commission, with the procurement of spares expected to take up to four months.
 - A washaway occurred during the earlier stages of last week on the Concor line near Heidelberg and Newcastle due to the excessive rain experienced in the area.
 - Additionally, the N3 near Pietermaritzburg will be completely closed on Saturday, 20 January 2024, due to the demolition of a bridge. The road closure may even extend to Sunday.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **18%**, reefers at **72%**, and empties at **48%**.
- CTCT handled **~923** (**↑25%**, w/w) containers a day, with an increased average of **~1 774** projected this week.
- DCT Pier 1: Stack occupancy **60%** for GP containers.
 - **2 742** imports were on hand, with **194** units having **road stops** and **166 unassigned**.
 - The terminal recorded **1 083 gate moves** on the landside, with **245** cancelled slots and **208 wasted**.
- DCT Pier 2: Stack occupancy was **52% for GP containers** and undisclosed for reefers.
 - The terminal operated with **ten gangs**.
- DCT Pier 1 handled **~1 481** (**↑5%**, w/w) containers a day, with an increased average of **~1 648** projected this week.
- DCT Pier 2 handled **~2 438** (**↓21%**, w/w) containers a day, with an increased average of **~2 780** projected this week.
- Average TTT for DCT Pier 1 this week: **91 minutes** (**↓1%**, w/w), with a staging time of **68 minutes** (**↑224%**, w/w).



- Average TTT for DCT Pier 2 this week: **103 minutes** (↓8%, w/w), with a staging time of **59 minutes** (↓56%, w/w).
- In the last week (6 to 12 January), rail cargo handled out of Durban was reported at **2 926** containers, up **↑47%** from the previous week's **1 984** containers.

iii. Local and cross-border road:

- The median border crossing times at South African borders decreased by **more than six hours**, averaging **~7,0 hours** (↓49%, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by **around 30 minutes** and averaged **~6,3 hours** (↑7%, w/w).
- In summary, cross-border queue time averaged **~2,0 hours** (down by **~0,5 hours** from the previous week's **~2,5 hours**), indirectly costing the transport industry an estimated **\$2,5 million (R46 million)**. Furthermore, the week's average cross-border transit times hovered around **~1,5 hours** (significantly down by **~5,2 hours** from the **~6,7 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$4,7 million (R87 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$7,2 million (~R134 million)**, down by **~R29 million** or **↓17,5%** from **~R163 million** in the previous report).

iv. Global shipping industry

- The central talking point in international shipping across the festive period continues to be the Red Sea crisis, forcing many shipping lines and other cargo carriers to re-route vessels around the Cape of Good Hope.
 - Adjustments to schedules because of the re-routing are leading to longer transit times (an increase of some **12 days**) and increased operational costs.
 - Indeed, Linerlytica has shown that **80% of all containerships** on the Suez route have diverted since 15 December. Other statistics indicate that traffic around the Cape has increased by some 35%.
 - Freight rates have consequently soared (see below), and shipping lines have further attempted to counter costs by implementing several surcharges (from **\$500** to more than **\$2 500** per container for Asia to US shipments¹).
 - The crisis could further lead to port congestion (currently only around **5,8%** of the total fleet), as **30%** of container traffic transits the area, and the diversions have effectively taken out as much as nearly **2 million TEU (~8% of total traffic)** out of circulation².
- The latest container throughput figures for November from Container Trade Statistics (CTS) show that container volume has decreased by **↓2,6%** (m/m) after global volume increased in October (**↑2,0%**).
 - Despite the slight contraction, annual throughput is still up by a considerable **↑8,4%** (y/y) versus November 2022.
 - However, the current estimates point to a contraction in trading activity until around the midpoint of 2024 – especially with the ongoing crisis in the Red Sea.
 - Concerning freight rates, the price index (reefer and dry) continued to moderate over the medium term, as the CTS index was expected to bottom out in November.
 - Container throughput has continued its medium-term plateauing trend of late, as the total throughput in November came to around **14,9 million TEUs**.

¹ Stroh, K. 05/01/2024. [Red Sea attacks: Ocean shipping rates jump more than 50% in key lanes.](#)

² Li, M. 10/01/2024. [Red Sea premiums tempt opportunistic operators, despite major Houthi attack.](#)



- Concerning geographical changes, all seven regions registered slight decreases in imports (ranging from **↓0,4%** to **↓3,7%**).
- As with the overall trade, yearly SSA trade shows that imports continue to grow substantially (**↑14,5%**, y/y), while exports are also significantly up versus November 2022 (by **↑10,9%**).
- South Africa accounted for **25%** of SSA imports and **61%** of SSA exports in November when measuring these versus TNPA figures.
- This week, average global spot rates again increased swiftly, as the "World Container Index" continues to rise at rates reminiscent of the pandemic era – this time **↑15%** (or **\$402**) to **\$3 072** per 40-ft container³.
 - The composite index is now **↑44%** higher compared to the same week last year and more than double the average 2019 pre-pandemic rates of **\$1 420**.
 - The rate hikes come together with several surcharges of late, which continue to drive up the price of moving goods for owners and shippers⁴.
 - For charter rates, the Harper Petersen Index (*Harpex*) is currently trending at **910 points**, up by **↑6,7%** (w/w) but still significantly down on this time last year (**↓23%**)⁵.
- Other developments this week included **(1)** Cosco facing a **\$2 million** compensation claim, and **(2)** port strikes in Australia extended.

v. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **244 700 kg** inbound (**↓23%**, w/w) and **169 380 kg** outbound (**↑13%**), resulting in an average of **414 080 kg per day**.
 - As is customary during this time of the year, the volume handled remains low and will pick up as the industry gets back into full swing.
 - Nevertheless, the volumes are significantly less than in the same period last year (**~68%**) and significantly down on the pre-pandemic levels of January 2019 (**~60%**).

vi. International air industry

- IATA released their latest "Air Cargo Market Analysis" for November, with the headline showing that global air cargo demand registered an impressive **↑8,3%** (y/y) growth in November – the highest annual growth of air cargo tonne-kilometres (CTKs) in roughly two years⁶.
- International CTKs demonstrated a noteworthy annual expansion of **↑8,1%** on a global scale, with growth observed across major trade lanes, excluding intra-Europe routes.
 - The primary contributors to this annual growth were routes involving the Middle East and Asia.
 - However, among all trade lanes, the Africa–Asia market saw the most significant annual growth of **↑13%**, although slightly decelerated compared to the previous month.
- Additionally, the available CTKs (ACTKs), representing global air cargo capacity, consistently exceeded 2019 levels for the past seven months.
 - This surge in ACTKs, particularly notable with an annual increase of **↑13,7%** in November, was driven by the continued expansion of international passenger belly capacity.
- The overall growth in global air cargo traffic was complemented by a modest increase in load factors on a month-on-month basis.

³ Drewry. 11/01/2024. [World Container Index](#).

⁴ Wackett, M. 05/01/2024. [Shippers facing huge wave of rocketing ocean rates and new surcharges](#).

⁵ Harper Petersen Index. 11/01/2024. [HARPER PETERSEN Charter Rates Index](#).

⁶ IATA. 08/01/2024. [Air Cargo Market Analysis: November 2023](#).



- Several factors, including robust global trade figures, a reduction in inflation across major economies, a decline in jet fuel prices, and an augmentation of air freight yields, supported this expansion.
- In the high-frequency data, air cargo tonnages dropped further in the first week of 2024, following their typical slump in the second half of December, according to the latest figures from World ACD.
 - During the first week of January 2024, preliminary figures reveal a **↓6%** decline in global air cargo tonnages compared to the previous week.
 - This comes after a substantial **↓30%** fall in the second half of the preceding month.
 - Notably, significant lanes contributing to this decline include those from Asia Pacific to North America and the Middle East & South Asia, both experiencing a **↓17%** drop, as well as intra-Asia Pacific routes with a **↓13%** decrease.