



Date: 23 February 2024

Key Notes

- An average of **~7 754 containers** was handled per day, with **~8 103 containers** projected for next week.
- Cross-border queue times were **↓0,2 hours** (w/w), with transit times **↓5,1 hours** (w/w); SA borders increased slightly by **~0,2 hours**, averaging **~12,0 hours** (**↑2%**); Other SADC borders averaged **~4,2 hours** (**↓35%**).
- In the charter market, rates are trending at **1 158 points**, up by **↑3,4%** (w/w) and up by **↑10%** (y/y).
- Global freight rates have again decreased this week – by **↓2,0%** (or **\$74**) to **\$3 659** per 40-ft container.
- Average worldwide air cargo rates are **\$2,24 per kg**, down by **↓16%** (y/y) but still **↑26%** pre-COVID.

i. Port operations - General

- Adverse weather, union engagements, system challenges, and equipment breakdowns were the main inhibitors to port operations.
 - Strong winds delayed operations in Cape Town for approximately eight hours towards the end of the week, while cranes 520 and 521 at DCT Pier 2 South Quay are anticipated to return to service by the end of June and end of August, respectively.
 - Dense fog coupled with strong winds ensured operational delays in the Eastern Cape, while operations were delayed for around eight hours in Richards Bay due to marine crafts being out of service.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **33%**, reefers at **55%**, and empties at **33%**.
- CTCT handled **~1 914** (**↓1%**, w/w) containers a day, with a decreased average of **~1 367** projected this week.
- DCT Pier 1: Stack occupancy is **59%** for GP containers and remained undisclosed for reefers.
 - **2 392** imports on hand, with **244** being unassigned
- DCT Pier 2: Stack occupancy was **68%** for GP containers and undisclosed for reefers.
 - The terminal operated with **11 gangs**.
 - Towards the end of the week, the terminal had a reported 46 straddles in operation.
 - The current availability of straddle carriers in the terminal stands at approximately **~48%**, which is around **↓40%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.
- DCT Pier 1 handled **~1 461** (**↑13%**, w/w) containers a day, with an increased average of **~1 605** projected this week.
- DCT Pier 2 handled **~2 725** (**↓3%**, w/w) containers a day, with an increased average of **~2 938** projected this week.
- Average TTT for DCT Pier 1 this week: **114 minutes** (**unchanged**, w/w), with a staging time of **143 minutes** (**↑249%**, w/w).
- Average TTT for DCT Pier 2 this week: **124 minutes** (**↑9%**, w/w), with a staging time of **114 minutes** (**↓40%**, w/w).
- In the last week (*17 to 23 February*), rail cargo handled out of Durban was reported at **2 519** containers, up by **↑49%** from the previous week's **1 480** containers.



iii. **Stats SA: Land Transport Survey:**

- In the latest Stats SA "*Land Transport Survey*" for December, published on Monday¹, the headline figure indicates that the volume of goods transported (payload) decreased by **↓2,5%** (y/y).
- The corresponding income incidentally increased – by **↑3,0%** over the same period. Seasonally adjusted payload increased by **↑2,6%** (q/q) in the fourth quarter of 2023, with income increasing by **↑4,3%** compared with the previous three months.
- The current road/rail split for land transport is **82/18** in favour of road, with rail seemingly resurging in recent months after a high of **89/11** split in October 2022.

iv. **Local and cross-border road:**

- The median border crossing times at South African borders were **relatively unchanged**, averaging **~12,0 hours** (**↑2%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) decreased by more than **two hours** and averaged **~4,2 hours** (**↓35%**, w/w).
- Cargo risk management processes are in focus again as Beitbridge implements drive-through scanners, scanning trucks in 30 seconds if drivers adhere to speed limits.
 - This approach allows for random scanning of flagged vehicles, reducing the need for scanning all vehicles and transporters.
 - However, the Vic Falls Zambia side still inspects all trucks, removing and reloading entire loads instead of using available anti-smuggling technologies.
- In Zambia, alternatives such as MTN's "*Mobile Money*" feature and Korridor POS for mapping bank accounts to ZRA's are being explored, offering transporters various payment options, including card swiping and cash payments at ZRA offices, now available at all Zambian borders.
- Lastly, SARS communicated some system upgrades for Friday, 23 February, from 21:00 to 23:00, which might cause intermittent service interruption on the eFiling and Customs Digital Platform.
- In summary, cross-border queue time averaged **~2,2 hours** (down by **~0,2 hours** from the previous week's **~2,4 hours**), indirectly costing the transport industry an estimated **\$2,6 million (R50 million)**. Furthermore, the week's average cross-border transit times hovered around **~5,0 hours** (down by **~2,1 hours** from the **~7,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$3,5 million (R67 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$6,1 million (R117 million)**, down by **~R35 million** or **↓23%** from **~R152 million** in the previous report).

v. **Global shipping industry**

- In the four months of the Red Sea crisis, weekly merchant traffic through the Suez Canal dropped by approximately **↓55%**.
 - In total, nearly 300 fewer ships per week crossed the Canal in either direction since the start of Feb. By comparison, rerouting via the Cape of Good Hope has increased in count by **↑98%**.
 - Container ships were the most heavily affected, as weekly traffic through the Suez Canal decreased by almost **↓80%** over the past 13 weeks.
 - This is especially the case for the largest vessels, as the ULCS Megamax class carriers experienced a **↓94%** reduction of passages.
 - Meanwhile, tankers and gas carriers have also avoided the Suez Canal over the past nine weeks, with their count in Jan-Feb 2024 registering a **↓41%** (y/y) drop.
- Despite the Lunar New Year break, carriers are maintaining recent rate gains and tight capacity is expected in March due to Red Sea diversions.

¹ Stats SA. 19/02/202. [P7162 - Land transport survey, December 2023](#).



- Global port congestion is slowly creeping up and currently affecting ~**4,9%** of the total fleet, with Durban the only South African port featuring on the first page of the "*Port Congestion Watch*" with a queue-to-berth ratio of **0,62**².
- Elsewhere, Transpacific eastbound container volumes surged by **↑16,9%** in January 2024, signalling a positive growth trajectory for the entire year after a **↓15,1%** decline in the previous year.
- Continuing from the last couple of weeks' decrease, global container rates dropped again, as the "*World Container Index*" is down by **↓2,0%** (or **\$74**) to **\$3 659** per 40-ft container³.
- In the charter market, rates have, for the first time, exceeded last year's levels, as the Harper Petersen Index (*Harpex*) is currently trending at **1 158 points**, up by **↑3,4%** (w/w) and up by **↑10%** (y/y) versus this time last year⁴.

vi. International air industry – South Africa

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **400 069 kg** inbound (**↑8%**, w/w) and **245 537 kg** outbound (**↑9%**), resulting in an average of **645 606 kg per day**.
 - The industry remains well down on cyclical levels (**↓14%** versus February 2023 and an alarming **↓27%** versus February 2020).

vii. International air industry

- In the global air cargo market, several key Asia-Europe sea-air hubs have recorded a strong surge in tonnages in the last few weeks as shippers continue to seek alternative logistics solutions due to the disruptions to container shipping caused by the attacks on ships in the Red Sea.
- Freight sources have reported, anecdotally, that some Asia-Europe sea-air hubs such as Dubai, Colombo and Bangkok have been inundated with air cargo in recent weeks as cargo owners seek to replenish stocks in Europe that have run low – because containerhips that would normally transit via the Suez Canal have been forced make the longer voyage around the Cape of Good Hope.
 - Indeed, in the first seven weeks of 2024, analysis by World ACD's data shows a significant increase in sea-air traffic to Europe from key hubs, with Dubai, Colombo, and Bangkok experiencing rises of over **↑50%** compared to the same period in 2023.
 - Dubai-Europe traffic increased by **↑71%**, Colombo-Europe by **↑61%**, and Bangkok-Europe by **↑58%** (y/y).
 - However, Singapore-Europe and Doha-Europe tonnages saw smaller increases of **↑10%** and **↑3%** respectively.
- Average worldwide rates in week 7 were **\$2,24 per kg**, down by **↓16%** compared to the same period last year but still higher than pre-pandemic levels (**↑26%** compared to February 2019).
- Overall air cargo capacity saw a significant increase compared to last year, particularly ex-Asia Pacific (**↑18%**) and ex-Middle East & South Asia (**↑11%**).

² Linerlytica. 22/02/2024. [Port Congestion Watch](#).

³ Drewry. 22/02/2024. [World Container Index](#).

⁴ Harper Petersen Index. 23/02/2024. [HARPER PETERSEN Charter Rates Index](#).