



Date: 1 March 2024

Key Notes

- An average of **~7 804 containers** was handled per day, with **~8 346 containers** projected for next week.
- Cross-border queue times were **↑0,3 hours** (w/w), with transit times **↑4,0 hours** (w/w); SA borders increased slightly by **~0,7 hours**, averaging **~12,7 hours** (**↑6%**); Other SADC borders averaged **~8,5 hours** (**↑102%**).
- SARS trade stats show that South Africa recorded a full-year total trade balance surplus of **R62,2 billion**.
- Global freight rates have again decreased this week – by **↓4,5%** (or **\$166**) to **\$3 493** per 40-ft container.
- IATA shows total cargo tonne-kilometers reached **67,3 billion** in Q3 of 2023, only **↓0,7%** versus 2019.

i. Port operations - General

- Port operations this week were primarily impacted by severe weather conditions and persisting equipment breakdowns.
 - The Port of Cape Town went windbound for more than 40 consecutive hours at the start of the week, while rain and equipment breakdowns represented the main operational challenges in Durban.
 - NCT was windbound for approximately 15 hours during the early parts of the week, while a vessel movement in Richards Bay was delayed for at least two hours due to the helicopter being out of commission.
 - TNPA in Durban experienced extensive challenges with their tugs earlier this week, as only two tugs were in service for the morning shift on Tuesday, and three of the tugs had engine problems.
 - Towards the end of the week, our rail network fell victim to extensive cable theft for the first time in weeks, which delayed operations for approximately six hours.
 - TFR and JSE-listed Sasol have announced a groundbreaking public-private partnership aimed at enhancing the dependability of South African rail transportation, notably repairing 128 ammonia tankers¹.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **29%**, reefers at an elevated **91%**, and empties at **26%**.
- CTCT handled **~1 688** (**↓12%**, w/w) containers a day, with an increased average of **~1 610** projected this week.
- DCT Pier 1: Stack occupancy is **59%** for GP containers and remained undisclosed for reefers.
 - **1 904** imports on hand, with **174** being unassigned
- DCT Pier 2: Stack occupancy was **56%** for GP containers and undisclosed for reefers.
 - The terminal operated with **10 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 **~61%**, which is around **↓24%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.
- DCT Pier 1 handled **~1 287** (**↓12%**, w/w) containers a day, with an increased average of **~1 424** projected this week.
- DCT Pier 2 handled **~2 017** (**↑11%**, w/w) containers a day, with an increased average of **~3 161** projected this week.

¹ Creamer, T. 29/02/2024. [Cabinet and business praise Sasol and TFR for 'first-of-its-kind' partnership to repair 128 ammonia tankers.](#)



- Average TTT for DCT Pier 1 this week: **115 minutes (unchanged, w/w)**, with a staging time of **47 minutes (↓67%, w/w)**.
- Average TTT for DCT Pier 2 this week: **96 minutes (↓23%, w/w)**, with a staging time of **21 minutes (↓82%, w/w)**.
- In the last week (*24 February to 1 March*), rail cargo handled out of Durban was reported at **1 718** containers (although these numbers do not include Pier 1 figures for the last five days), down by **↓32%** from the previous week's **2 519** containers.

iii. SARS merchandise trade statistics: January

- SARS released its latest "*Merchandise Trade Statistics*" for January², with the headline showing a preliminary monthly trade deficit of **R9,4 billion**.
- Monthly trade shows that exports decreased from December by **↓12,8%** (m/m), while imports increased by **↑2,4%** (m/m).
- Although the YTD figures show a slight trade deficit of **R9,4 billion**, the figure is a slight improvement from the **R24,4 billion** trade deficit recorded in 2023.
- Annually, export flows for January 2024 were **↑4,5%** (y/y) higher compared to January 2023, while import flows were **↓5,4%** lower compared to 2023, having decreased from R162 billion to R154 billion in the current period. Consolidated figures for 2023 show that South Africa recorded a full-year total trade balance surplus of **R62,2 billion** (exports of **R2,04 trillion** and imports of **R1,98 trillion**, constituting a total trade of **R4,02 trillion**).

iv. Local and cross-border road:

- The median border crossing times at South African borders increased by around **45 minutes**, averaging **~12,7 hours (↑6%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) **more than doubled** and averaged **~8,5 hours (↑102%, w/w)**.
- In the SADC cross-border road transport industry, recent incidents have highlighted key operational challenges and safety concerns.
 - Incidents include theft targeting breakbulk loads along the Zambian escarpment road to Chirundu, prompting collaboration with Zambian authorities.
 - Additionally, a fatal head-on collision between two trucks occurred at Mokambo, 200km from Lubumbashi, resulting in the tragic loss of both drivers.
 - Another fatal collision happened locally between a copper – and a Shoprite truck.
- Queue times at Sakania, Zambia, have extended to 3km due to one-way traffic management, with Northbound vehicles prioritised in the mornings, followed by Southbound traffic.
 - Moreover, unusual occurrences such as the escape of lions being transported to the DRC through Mokambo and Sakania have been reported, emphasising the need for heightened vigilance among drivers.
- Beitbridge Southbound traffic has experienced delays of up to three hours, prompting calls for expedited processing by Zimra.
 - Meanwhile, SANRAL has announced updates to toll fees and associated discounts effective March 1, 2024, impacting the cost structure for road users.
- In summary, cross-border queue time averaged **~2,4 hours** (up by **~0,3 hours** from the previous week's **~2,1 hours**), indirectly costing the transport industry an estimated **\$2,6 million (R50 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,9 hours** (up by **~4,0**

² SARS. 30/11/2023. [Trade Statistics: January 2024](#).



hours from the ~5,0 hours recorded in the previous report), at an indirect cost to the transport industry of ~\$4,9 million (R93 million). As a result, the total indirect cost for the week amounts to an estimated ~\$7,5 million (R143 million, up down by ~R26 million or ↑22% from ~R117 million in the previous report).

v. Global shipping industry

- The quantity of containerships opting for the Cape route as an alternative to the Suez Canal has reached an all-time high, totalling **403 vessels** carrying **5,14 million TEU** as of 25 February.
- Global port congestion is stable and currently affecting ~**4,6%** 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 **0,59³** (slightly less than last week).
- The idle capacity stands at ~**0,4%** of the total fleet, as a net 180 000 TEU has been added to capacity in the last month.
- Lastly, the "*Cancelled Sailings Tracker*" has dropped again this week and is currently trending at around **8%⁴**.
- Continuing from the last couple of weeks' decrease, global container rates dropped significantly this week, as the "*World Container Index*" is down by **↓4,5%** (or **\$166**) to **\$3 493** per 40-ft container⁵.
- The weekly changes mean that the composite index remains up by **↑88%** compared to the same week last year and **↑146%** higher than the average 2019 pre-pandemic rates of **\$1 420**.
- In the charter market, rates have continued their upward trend, as the Harper Petersen Index (*Harpex*) is currently trending at **1 187 points**, up by **↑2,5%** (w/w) and up by **↑13%** (y/y) versus this time last year⁶.
- Other developments included **(1)** the industry welcomes US FMC ruling on D&D charges, and **(2)** CMA CGM, COSCO, Evergreen, and OOCL will be extending the OCEAN Alliance to 2032.

vi. International air industry – South Africa

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **395 058 kg** inbound (**↓1%**, w/w) and **280 262 kg** outbound (**↑14%**), resulting in an average of **675 320 kg per day**.
- The industry remains well down on cyclical levels (**↓10%** versus February 2023 and an alarming **↓24%** versus February 2020).

vii. International air industry

IATA this week released its latest "*Quarterly Air Transport Chartbook*" for Q3 2023⁷, with several notable developments showing the current state of international air cargo in particular, which includes the following:

- Despite challenges, including inflation, supply chain issues, geopolitical tensions, and inward-focused economies, the air cargo sector experienced a remarkable revival in 2023, ending the year positively with a solid fourth-quarter performance despite weak demand drivers.
- The airline industry saw a significant upswing in cargo traffic in the fourth quarter of 2023, with cargo tonne-kilometres (CTKs) reaching **67,3 billion**, an **↑8,1%** increase from the previous quarter, and a notable **↑7,8%** year-on-year growth, bringing it close to pre-pandemic volumes (only **0,7%** short).

³ Linerlytica. 29/02/2024. [Port Congestion Watch](#).

⁴ Drewry. 01/03/2024. [Cancelled Sailings Tracker](#).

⁵ Drewry. 29/02/2024. [World Container Index](#).

⁶ Harper Petersen Index. 01/03/2024. [HARPER PETERSEN Charter Rates Index](#).

⁷ IATA. 28/02/2024. [Quarterly Air Transport Chartbook - Q3 2023](#).



- International CTKs in Q4 2023 reached **58,2 billion globally**, with notable growth in the Middle East (**↑14,7%**), Asia Pacific (**↑9,7%**), and Europe (**↑5,7%**), while Latin America and North America achieved **↑4,6%** and **↑3,4%** year-on-year growth respectively, marking Africa's aviation sector's first annual growth since early 2022, signalling a positive trend for the industry.
- Global air cargo capacity in Q4 2023 reached **146,4 billion** available cargo tonne-kilometers (ACTKs), maintaining double-digit annual growth (**↑13,5%**, y/y), mainly due to the restoration of belly cargo capacity across markets, surpassing Q4 2019 levels by **↑4,3%**, and consistently remaining above pre-pandemic and 2022 levels throughout 2023.
- The strong annual growth in industry-wide air cargo capacity in 2023 was primarily driven by international routes, with a solid **↑12,3%** year-on-year growth in Q4, mainly due to returning international passenger belly-hold capacity, up **↑29,3%** year-on-year, while international capacity on dedicated freighters grew by only **↑1,5%** year-on-year in Q4, marking the first positive annual growth since 2021. Overall, the share of international cargo tonne-kilometres provided by passenger belly capacity increased from **45%** in Q4 2022 to **52%** in Q4 2023, moving closer to the pre-pandemic share of around **60%**.
- The industry-wide air cargo load factor (CLF) rose from **48,1%** in Q3 to **51,5%** in Q4 2023, aligning with pre-pandemic seasonal trends, driven by factors like the holiday season and business year-end transactions.
- Despite PMIs for global manufacturing output and new export orders remaining below 50 in December (at **49,5** and **48,0** respectively), showing declines from the previous month and quarter-end, seasonally adjusted industry cargo tonne-kilometres (CTKs) trended both (y/y) and month-on-month (m/m) upwards throughout the last quarter of 2023.
- The inventory-to-sales ratio, negatively correlated with industry cargo tonne-kilometers (CTKs), remained high in the US throughout 2023, indicating weak demand conditions, with a decrease in annual growth towards the year-end (from **↑6,2%** y/y in Q3 to **↑5,3%** y/y in Q4), influenced by the base-year effect. However, CTKs showed a significant recovery, surpassing the evolution of the inventory-to-sales ratio.
- Merchandise trade in 2023 reflected cooling demand compared to 2022, with a contraction of **↓1,5%** (y/y) in Q4, albeit an improvement from the previous quarter's **↓3,5%** decline. Despite this, air cargo showed resilience, with Q3 marking the first positive relative performance since 2021, intensifying in Q4 with a **↑9,3%** increase. However, the comparison of air cargo growth and global trade must consider base-year effects, as air cargo's annual growth is from a low base in 2022, explaining the seemingly counterintuitive response in air cargo.
- In the high-frequency metrics, global air cargo volumes have rebounded after the Lunar New Year (LNY) dip, with Asia-Europe sea-air hubs experiencing a surge in tonnages due to disruptions in container shipping in the Red Sea.
 - Dubai-Europe air cargo traffic doubled compared to last year, while Colombo-Europe tonnages increased by over **↑80%** year-on-year (y/y) in weeks 7 and 8.
 - Worldwide air cargo tonnages rose by **↑9%** (w/w) in week 8, recovering from a **↓10%** drop in the previous two weeks.
 - Annually, there's a **↓4%** (y/y) decrease in total worldwide tonnages, driven by an **↓11%** drop ex-Asia Pacific but partially offset by a **↑27%** increase ex-Middle East and South Asia.
 - Worldwide air cargo capacity remains significantly higher (**↑8%**) than last year and is currently trending at **\$2,25 per kg**.