



Date: 15 March 2024

Key Notes

- An average of **~8 838 containers** was handled per day, with **~8 724 containers** projected for next week.
- TNPA stats for February: containers: up by **↑23%** (m/m) and up by **↑26%** (y/y). Total bulk: up by **↑9%** (m/m) but down by **↓1%** (y/y). Vehicle trade is up by **↑24%** (m/m) but down by a massive **↓21%** (y/y).
- Cross-border queue times were **↑0,3 hours** (w/w), with transit times **↑3,1 hours** (w/w); SA borders increased by **~4,5 hours**, averaging **~15 hours** (**↑43%**); Other SADC borders averaged **~9,7 hours** (**↑43%**).
- Rail cargo handled out of Durban was reported at **2 305** containers, down by **↓5%** from last week.
- Global freight rates have again decreased this week – by **↓3,8%** (or **\$125**) to **\$3 162** per 40-ft container.
- Global air cargo tonnages have risen by **↑3%** and **↑14%** the weeks after the **↓11%** drop during the LNY.

i. Port operations - General

- Port operations this week were primarily impacted by equipment breakdowns and adverse weather conditions.
 - The Hoegh Shanghai was delayed in Durban due to a communication mishap regarding marine equipment availability, while strong winds and dense fog put a damper on Eastern Cape port operations.
 - This week, TNPA announced the opening up of approximately 100 leasing opportunities for port land and commercial developments at South Africa's seven commercial seaports. No significant incidents were reported on our rail network this week.
 - However, reports this week suggest that the rail lines are not incident-free, but the incidents that do occur don't impact train services extensively.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **33%**, reefers at **85%**, and empties at **25%**.
- CTCT handled **~2 170** (**↑20%**, w/w) containers a day, with a decreased average of **~1 783** projected this week.
- DCT Pier 1: Stack occupancy is **53%** for GP containers and remained undisclosed for reefers.
 - **2 220 imports** on hand, with **120** of these units having **road stops** and **84 units** being **unassigned**.
- DCT Pier 2: Stack occupancy was **60%** for GP containers and undisclosed for reefers.
 - The terminal operated with **ten gangs**.
 - The terminal had a reported **54 straddles** (**↑5**, w/w) in operation.
 - The current availability of straddle carriers in the terminal stands at approximately **~55%**, which is around **↓32%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.
- DCT Pier 1 handled **~1 451** (**↑5%**, w/w) containers a day, with an increased average of **~1 575** projected this week.
- DCT Pier 2 handled **~2 886** (**unchanged**, w/w) containers a day, with an unlikely increased average of **~3 553** projected this week.
- Average TTT for DCT Pier 1 this week: **133 minutes** (**↑37%**, w/w), with a staging time of **98 minutes** (**↓16%**, w/w).
- Average TTT for DCT Pier 2 this week: **109 minutes** (**↑3%**, w/w), with a staging time of **140 minutes** (**↑56%**, w/w).



- In the last week (2 to 8 March), rail cargo handled out of Durban was reported at **2 305** containers, down by **↓5%** from the previous week's **2 422** containers.

iii. Local and cross-border road:

- The median border crossing times at South African borders increased by more than **four hours**, averaging **~15 hours (↑43%, w/w)** for the week. In contrast, the greater SADC region (excluding South African controlled) also increased – by almost **three hours** and averaged **~9,7 hours (↑43%)**.
- Beitbridge experienced slowed traffic northbound on Friday night due to a breakdown at the South African exit gate into Zimbabwe, which was cleared within 3 hours.
 - Moreover, on Sunday morning, transporters requested manual blue seals at Beitbridge as the sealing system was down, with trucks to be inspected again at Chirundu.
 - The decision was made to allow affected parties to approach the IC for sealing requests.
- Monday saw massive delays at Kasumbalesa, with southbound traffic facing 4-5 days to exit Whiskey and further delays to reach the border due to increased processing time with the IBS Parking System.
- Botswana issued a directive not to process Cobalt trucks after high radiation levels were found, following a similar incident in South Africa.
- A fatal accident occurred on the R34 between Vryheid and Ulundi on Tuesday.
- Matola Coal Terminal halted operations due to Cyclone Filipo in Mozambique, with no further updates received. FESARTA is monitoring the situation closely.
- 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 **\$2,5 million (R46 million)**. Furthermore, the week's average cross-border transit times hovered around **~10,3 hours** (up by **~3,1 hours** from the **~7,2 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$7,8 million (R146 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$10,3 million (R192 million, up by ~R67 million or ↑54% from ~R125 million in the previous report)**.

iv. Global shipping industry

- The Red Sea shipping diversions may last a few more months, and some think they could last even longer.
 - That's among the takeaways from the CEO of Hapag-Lloyd, the world's No. 5 container line, in an interview on Thursday¹.
 - Rolf Habben Jansen was speaking as the Hamburg, Germany-based company announced 2023 earnings that showed a steep drop in revenue and profits from a year earlier.
 - Houthi attacks on ships in the Red Sea have disrupted supply chains since mid-December, forcing carriers to change routes and redo schedules — adjustments that have helped absorb excess capacity.
- *Linerlytica* this week reported that the total containership capacity deployed on trades affected by the Red Sea crisis has increased by **1,26 million TEU** since October 2023, driven mainly by vessel diversions to the Cape of Good Hope.
 - The Far East-Mediterranean recorded the most significant jump of **0,61 million TEU**, accounting for half of the increased capacity over the period, followed by the Far East-North Europe route at **0,26 million TEU**.

¹ Bloomberg. 13/03/2024. [Bloomberg TV](#).



- The increased demand for cargo has fully absorbed all of the new capacity delivered in the last five months, with additional requirements for another **400 000 TEU** of incremental capacity still to be fulfilled.
- Global port congestion is stable and currently affecting **~4,5%** of the total fleet; however, things at Durban are seemingly worsening again, as Durban remains the only South African port featured on the first page of the "*Port Congestion Watch*".
 - This week, the queue-to-berth ratio at Durban increased to **0,76²**, which does not bode well after we continually saw this figure dropping in recent weeks.
 - The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is down and is currently trending at around **6%³**.
- Nearly **200 000 TEU** of newbuild containership capacity was delivered in February, following a record **300 000 TEU** received the month before – the new tonnage being comfortably soaked up by Red Sea diversions around Africa.
 - However, if and when a safe passage can be guaranteed and ships can again transit the Red Sea to the Suez Canal without fear of attack, ocean carriers will need to manage a chronic oversupply situation, as at least another **2,5 million TEU** is slated still to be delivered this year⁴.
 - Consequently, the increased demand for tonnage has fully absorbed all the new capacity delivered in the last five months, with additional requirements for another **400 000 TEU** of incremental capacity still to be fulfilled to maintain services in the current market dynamics.
- Global container rates continued their fall, as the "*World Container Index*" is down by another **↓3,8%** (or **\$125**) to **\$3 162** per 40-ft container⁵.
- In the charter market, rates have continued their upward trend (albeit slower), as the Harper Petersen Index (*Harpex*) is currently trending at **1 202 points**, up by **↑0,2%** (w/w) and up by **↑14%** (y/y) versus this time last year⁶.
- Other developments included **(1)** 'Move to -15' gains support and moves up the shipping agenda, as research indicates that shifting from the current norm of transporting frozen goods at **-18°C to -15°C** could save **17,7 million tonnes of CO²** annually, equivalent to emissions from **3,8 million cars**.
 - Maersk voiced serious concerns about the continued decline in freight rates, which they believe could have serious implications for the long-term survival of carriers.

v. International air industry – South Africa

- Record daily averages of air cargo were handled at ORTIA the previous week, which amounted to **560 016 kg** inbound (**↑33%**, w/w) and **373 173 kg** outbound (**↑37%**), resulting in an average of **933 189 kg per day**.
 - Consequently, the industry exceeded cyclical levels of both last year (**↑29%** versus February 2023 and **↑28%** versus March 2020 – albeit for a lost week at the end of March 2020 because of the lockdown).
- The average domestic air cargo moved last week was **~57 674 kg** per day, up by **↑6%** compared to the previous week, but remains slightly down compared to last year's level (**~99%**).
 - However, the level is currently trending only at **~56%** compared with the same period pre-pandemic in 2019.

² Linerlytica. 15/03/2024. [Port Congestion Watch](#).

³ Drewry. 15/03/2024. [Cancelled Sailings Tracker](#).

⁴ Wackett, M. 12/03/2024. [Carriers still need another 400 000 TEU to maintain services](#).

⁵ Drewry. 14/03/2024. [World Container Index](#).

⁶ Harper Petersen Index. 15/03/2024. [HARPER PETERSEN Charter Rates Index](#).

**vi. International air industry**

- In the high-frequency metrics, air cargo tonnages from Dubai to Europe are continuing to boom. At the same time, overall global demand has broadly stabilised following a strong return of Asia Pacific volumes since the Lunar New Year (LNY) dip in early February, according to the latest weekly figures from World ACD Market Data.
 - The analysis for week 10 (4-10 March) shows a significant increase in Dubai-Europe air cargo tonnages, up by **↑205%** compared to the same period last year and **↑7%** higher than the previous week.
 - This surge is attributed to disruptions in Asia-Europe container shipping, mainly due to attacks in the Red Sea. Similarly, Bangkok-Europe demand remains strong, with an annual increase of **↑33%** in week 10, supported by road-air volumes from Vietnam.
 - However, Colombo-Europe demand is showing signs of softening, with a decrease from **↑35%** in week 9 to **↑20%** in week 10.
- In week 10, global air cargo tonnages stabilised after a recovery of **↑3%** in week 9 and **↑14%** the week before, following an 11% drop during the Lunar New Year (LNY) holiday. Average global rates increased by **↑2%** to **\$2,32 per kg**, resembling pre-LNY levels.