



Date: 22 March 2024

Key Notes

- An average of **~7 197 containers** was handled per day, with **~8 772 containers** projected for next week.
- Cross-border queue times were **unchanged** (w/w), with transit times **↓2,2 hours** (w/w); SA borders decreased by **~1,0 hours**, averaging **~14 hours** (↓7%); Other SADC borders averaged **~7,4 hours** (↓24%).
- Rail cargo handled out of Durban was reported at **2 161** containers, down by **↓6%** from last week.
- Drewry's "Global Port Throughput Index" declined by **↓2,0%** in January 2024, reaching **110,3 points**.
- Global freight rates have again decreased this week – by **↓4,8%** (or **\$152**) to **\$3 010** per 40-ft container.
- Global air cargo volumes continue to rise cyclically, with stable capacity and rates also up (**↑3%**, w/w).

i. Port operations - General

- Port operations this week were primarily impacted by adverse weather conditions, equipment shortages and breakdowns, coupled with congestion.
 - Strong winds and dense fog were the main operational constraints in Cape Town this week, while high swells coupled with adverse weather disrupted operations at our Eastern Cape Ports.
 - A fatality in Durban disrupted waterside operations for approximately five hours between Monday and Tuesday.
 - Additionally, the Port of Richards Bay is being positioned as a critical hub for energy trade through the development of new bulk infrastructure, which is expected to be completed by the end of May.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **39%**, reefers at **59%**, and empties at **30%**.
- CTCT handled **~1 764** (↓19%, w/w) containers a day, with a decreased average of **~1 658** projected this week.
- DCT Pier 1: Stack occupancy is **48%** for GP containers and remained undisclosed for reefers.
 - 2 202 imports on hand, with 1 200 of these units not being available for collection due to the RTG breakdowns.
- DCT Pier 2: Stack occupancy was **53%** for GP containers and undisclosed for reefers.
 - The terminal operated with **ten gangs**.
 - The terminal had a reported **53 straddles** (~↓1, w/w) in operation, translating to an availability figure of approximately **~55%**, which is around **↓31%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.
- DCT Pier 1 handled **~1 086** (↓25%, w/w) containers a day, with an increased average of **~1 404** projected this week.
- DCT Pier 2 handled **~2 959** (↑3%, w/w) containers a day, with an increased average of **~3 358** projected this week.
- Average TTT for DCT Pier 1 this week: **163 minutes** (↑23%, w/w), with a staging time of **168 minutes** (↑71%, w/w).
- Average TTT for DCT Pier 2 this week: **89 minutes** (↓18%, w/w), with a staging time of **67 minutes** (↓52%, w/w).
- In the last week (*16 to 22 March*), rail cargo handled out of Durban was reported at **2 161** containers, down by **↓6%** from the previous week's **2 305** containers.



iii. Local and cross-border road:

- The median border crossing times at South African borders decreased by an **hour**, averaging **~14 hours** (↓**7%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) also decreased – by more than **two hours** and averaged **~7,4 hours** (↓**24%**, w/w).
- Kasumbalesa is experiencing significant delays in southbound traffic due to issues with the recently installed IBS Parking system, causing longer payment processing times.
- Cross-border operators in the SADC region have been informed that the online payment system of hinterland transport facilitator Korridor is fully operational again, as confirmed by FESARTA.
 - FESARTA intervened with relevant government channels in the SADC region to reinstate Korridor's service, prompting FESARTA to urge existing clients to utilise the cashless system for paying border crossing fees at Zambian border posts and toll gates within Zambia.
- In Botswana, a directive has been issued to halt the processing of cobalt trucks temporarily, prompting transporters to avoid crossing into Botswana for now.
 - This measure aims to allow the Botswana government to manage cobalt loads in the future, as confirmed by Kwa Nokeng.
 - Additionally, all cobalt trucks will now undergo testing, though there is no assurance of passage; those turned back have been tested at Martins Drift.
 - Transporters are advised to utilise Chirundu for cobalt loads until the situation stabilises.
- In summary, cross-border queue time averaged **~2,4 hours** (**unchanged** from the previous week's **~2,4 hours**), indirectly costing the transport industry an estimated **\$2,5 million (R47 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,1 hours** (down by **~2,2 hours** from the **~10,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$6,9 million (R132 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$9,4 million (R177 million)**, down by **~R15 million** or **↓7,2%** from **~R192 million** in the previous report).

iv. Global shipping industry

- The status quo in the Red Sea continues, as most of the ultra-large vessels continue to be diverted around the Cape of Good Hope.
 - Indeed, in a webinar this week by Drewry, the traffic split was very clearly visible, as smaller vessels and bulk vessels mostly continue to traverse the troubled waters.
 - However, when the picture is filtered only to show ultra-large container vessels (ULCVs), it is clear that the bulk of containerised cargo on 18 000 TEU plus vessels is sailing the long course around Africa.
 - The escalation of tensions in the Red Sea has forced shipping companies to seek alternative routes, resulting in a notable **↑28% increase in transshipment cargo volumes** as vessels divert away from the affected area.
- The Panama Canal has avoided the worst of a shipping crunch that threatened to upend the global economy — but at a cost to marine life and the Latin American country's supplies of drinking water.
 - After imposing strict limits on vessel traffic last year as drought left water levels languishing, the Panama Canal Authority is increasing the number of ships that can cross.
- Global container throughput has been declining recently, as Drewry's "*Global Port Throughput Index*" declined by **↓2,0%** in January 2024, reaching **110,3 points**¹.
 - Nevertheless, the current levels are still **↑9,8%** higher than January 2023.

¹ Drewry. 20/03/2024. [Container Port Throughput Indices](#).



- Projections suggest a **↓3,5%** decline in February, which is significant, but still **↑5,5%** above February 2023.
- China's index fell by **↓1,9%** in January but rose **↑18,7%** (y/y). North America's remained stable, while Europe's dropped **↓1,4%**, affected by shifts in routing due to the Suez transit. Nowcast models anticipate varied trends for February.
- Piraeus notably saw a significant drop in January.
- North America is projected to see a **↑3,2%** increase in February, as Africa saw a significant drop in January (**↓1,4%**) but is still up by **↑7,3%** versus the same time in 2023.
- Elsewhere, global port congestion crept up slightly this week and is currently affecting **~5,6%** of the total fleet.
 - Unfortunately, the situation at Durban continues to worsen, as Durban is now the third most congested port based on capacity waiting at anchorage, according to Linerlytica's "*Port Congestion Watch*".
 - This week, the queue-to-berth ratio at Durban increased to **1,32²** on Thursday.
 - As mentioned above, Pier 2's throughput was stable this week, as Pier 1 saw a significant decrease in volume in the last seven days. We will continue to monitor these numbers closely.
 - The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is stable and is currently trending at around **6%³**. More than **200 000 TEU** of newbuild containership capacity was delivered in the last 30 days, with almost no vessels scrapped during that time.
- Global container rates continued their fall, as the "*World Container Index*" is down by another **↓4,8%** (or **\$152**) to **\$3 010** per 40-ft container⁴.
 - Several major routes fell by as much as **↓8%**, apart from the New York – Rotterdam and mirror routes, which are up by **↑2%**, which is the same picture as last week.
- In the charter market, the rate increases have accelerated, as the Harper Petersen Index (*Harpex*) is currently trending at **1 216 points**, up by **↑1,2%** (w/w) and up by **↑15%** (y/y) versus this time last year⁵.
- Other developments included **(1)** more than 20 parties are interested in buying DB Schenker, **(2)** US East Coast port strike threat prompts shippers to consider heading West instead, and **(3)** MSC and FedEx face **\$11 million** fine for 'unfair charges' to shipper.

v. International air industry – South Africa

- In the air cargo industry, the daily average of air cargo handled at ORTIA in the previous week amounted to **466 636 kg** inbound (**↓17%**, w/w) and **376 867 kg** outbound (**↑1%**), resulting in an average of **843 503 kg per day**.
- Consequently, the industry continues to exceed cyclical levels of both last year (**↑16%** versus February 2023 and **↑15%** versus March 2020).

vi. International air industry

- The air cargo market in the Asia Pacific region continues to exhibit growth in both tonnages and rates, rebounding from the Lunar New Year dip in early February.
 - According to WorldACD Market Data, export tonnages from Asia Pacific origin points increased by **↑8%** in weeks 10 and 11 compared to the previous two weeks and by **↑10%** compared to the same period last year.

² Linerlytica. 20/03/2024. [Port Congestion Watch](#).

³ Drewry. 22/03/2024. [Cancelled Sailings Tracker](#).

⁴ Drewry. 21/03/2024. [World Container Index](#).

⁵ Harper Petersen Index. 22/03/2024. [HARPER PETERSEN Charter Rates Index](#).



- Average rates from Asia Pacific also rose by **↑8%** during this time frame, although they were down year-on-year due to increased available capacity.
 - Market-wide, average global rates increased by **↑3%** to **\$2,37 per kg** this week.
- Routes from Asia Pacific to Europe experienced significant increases in tonnages (**↑15%**) and rates (**↑8%**), attributed to disruptions in Asia-Europe container shipping and strong e-commerce demand.
 - Similarly, routes from Asia Pacific to North America saw rises in tonnages (**↑11%**) and average rates (**↑8%**) due to e-commerce shipments and challenges in the Panama Canal.