



Date: 29 March 2024

Key Notes

- An average of **~7 403 containers** was handled per day, with **~8 201 containers** projected for next week.
- Cross-border queue: **↑0,7 hrs**; transit: **↓0,1 hrs**; SA borders: **~9,5 hrs (↓32%)**; SADC borders: **~7,9 hrs (↑7%)**.
- Rail cargo handled out of Durban was reported at **2 297** containers, up by **↑6%** from last week.
- Global freight rates have again decreased this week – by **↓2,7%** (or **\$81**) to **\$2 929** per 40-ft container.
- The container industry's operating loss in Q4 of 2023 reached a combined EBIT of **-\$1,44 billion**.
- Despite a slight decrease in global tonnages (**↓2%**), air cargo rates are up by **↑3%** from last week.

i. Port operations - General

- Port operations this week were moulded by high swells, strong winds, as well as equipment breakdowns and shortages.
 - More than 36 operational hours were lost in Cape Town this week due to strong winds, while high swells and equipment breakdowns constituted the majority of delays in Durban.
 - Additionally, strong winds, high swells, and a system failure disrupted operations in the Eastern Cape this week.
 - At the same time, the latest reports suggest that the Multi-purpose Terminal in Richards Bay has received new cargo-handling equipment for the loading of export coal, magnetite, chrome, and pig iron aboard Capesize vessels.
 - Furthermore, TFR announced this week that its North Corridor delivered 1,413 million tonnes of export cargo, representing its "*most substantial performance*" in terms of volumes moved this fiscal year.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **30%**, reefers at **30%**, and empties at **32%**.
- CTCT handled **~1 790 (↑1%, w/w)** containers a day, with a decreased average of **~1 582** projected this week.
- DCT Pier 1: Stack occupancy is **58%** for GP containers and remained undisclosed for reefers.
 - 1 963 imports on hand, with 130 of these units having road stops and 115 being unassigned.
- DCT Pier 2: Stack occupancy was **61%** for GP containers and undisclosed for reefers.
 - The terminal operated with **11 gangs**.
 - The terminal had a reported **60 straddles (~↑7, 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 **~1 349 (↑24%, w/w)** containers a day, with an increased average of **~1 666** projected this week.
- DCT Pier 2 handled **~2 546 (↓14%, w/w)** containers a day, with an increased average of **~2 724** projected this week.
- Average TTT for DCT Pier 1 this week: **109 minutes (↓33%, w/w)**, with a staging time of **42 minutes (↓75%, w/w)**.
- Average TTT for DCT Pier 2 this week: **96 minutes (↑7%, w/w)**, with a staging time of **109 minutes (↑63%, w/w)**.
- In the last week (*23 to 29 March*), rail cargo handled out of Durban was reported at **2 297** containers, up by **↑6%** from the previous week's **2 161** containers.



iii. Local and cross-border road:

- The median border crossing times at South African borders decreased by **four-and-a-half hours**, averaging **~9,5 hours** (↓**32%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased slightly – by **around half an hour** and averaged **~7,9 hours** (↑**32%**, w/w).
- Korridor's online payment system is fully operational, allowing drivers to make payments for RTSA Road Tolls at all Zambian Borders and Toll Gates.
- Talks are ongoing with ZRA to include a carbon tax and council Levies in the Korridor system.
- Slow movement at Beitbridge for Northbound traffic was attributed to general driver behaviour, including leaving trucks unattended and not following rules.
 - Zimborders requests incidents to be reported promptly for real-time intervention.
- ZRA will pilot an automated gate pass at Kazungula and Chirundu in April. Transporters will need to generate a gate pass prior to arrival at the border, which is accessible on the ZRA website.
- Namibia announced the readiness of the Mamuno Border post for implementation in May.
- Botswana has banned multinationals from importing fuel and now requires all fuel to be purchased from Botswana Oil, causing fuel shortages in Zimbabwe.
- In summary, cross-border queue time averaged **~3,0 hours** (up by **~0,7 hours** from the previous week's **~2,4 hours**), indirectly costing the transport industry an estimated **\$3,5 million (R47 million)**. Furthermore, the week's average cross-border transit times hovered around **~8,2 hours** (up by **~0,1 hours** from the **~8,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$6,7 million (R126 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$10,1 million (R192 million)**, up by **~R15 million** or **↑7,3%** from **~R177 million** in the previous report).

iv. Global shipping industry

- A 2M Alliance container vessel with two pilots onboard crashed into a support tower of the Francis Scott Key Bridge in Baltimore, Maryland, in the early hours of this Wednesday, demolishing the 1,6-mile bridge and plunging at least 20 people into the Patapsco River.
 - The 2015-built 9 962 TEU Dali was less than 30 minutes into its backhaul voyage to Asia after completing two days of cargo operations at the Seagirt Marine Terminal when the incident happened.
 - According to eeSea data, the vessel is deployed on Maersk's Asia-US east coast TP12 loop and MSC's Empire service, with the 2M partners also having a slot charter agreement with Zim, which the Israeli carrier has dubbed its ZBA service.
 - The incident with undoubtedly have a ripple effect on the international shipping industry¹, especially on Ro-Ro cargo².
 - Carriers such as Maersk, CMA CGM, MSC, and Hapag Lloyd have responded to the incidents at the Port of Baltimore by implementing various contingency plans, which include halting new bookings, rerouting cargo through alternate ports, and addressing concerns about cargo already in transit.
- The re-routing of mainline vessels via the Cape of Good Hope has led to decreased vessel call capacity at East and Central Mediterranean hub ports.
 - In contrast, West Mediterranean ports have shown more resilience³.

¹ Wackett, M. 26/03/2024. [Ripples from bridge collapse will give importers a headache.](#)

² Whiteman, A. 28/03/2024. [Ro-Ro services set for months of delays after Baltimore bridge disaster.](#)

³ Hadland, E. 27/03/2024. [East Mediterranean hubs suffer as Red Sea crisis persists.](#)



- Container throughput at Algeciras decreased by **↓1,4%** (y/y) in January 2024 but increased by **↑11%** (y/y) at both Valencia and Barcelona.
- Conversely, East and Central Med hubs experienced significant reductions in average weekly vessel capacity during 1Q24, ranging from an **↓18%** decline at Gioia Tauro to a **↓31%** drop at Piraeus.
- Volumes handled at Piraeus Container Terminal decreased by **↓13%** (y/y) in January 2024, while traffic at Suez Canal Container Terminal fell by **↓3%**.
- Last week, the global containership fleet reached a milestone of **29 million TEU** as new vessel deliveries maintained a brisk pace.
 - Nearly **200 000 TEUs** were added to the market in the past month, contrasting sharply with the mere **2 200 TEUs** scrapped during the same period.
- Elsewhere, global port congestion remains stable this week and is currently affecting **~5,6%** of the total fleet; however, the situation in Baltimore is set to have a ripple effect throughout the industry⁴.
 - The situation at Durban continues to draw attention but has improved, as Durban remains on the first page of Linerlytica's "*Port Congestion Watch*"; however, the queue-to-berth ratio at Durban has improved to **0,83**⁵ on Thursday.
 - The idle capacity stands at **~0,3%** of the total fleet, as the "*Cancelled Sailings Tracker*" is stable and is currently trending at around **7%**⁶.
- Global container rates continued their fall and broke through the **\$ 3,000 mark**, as the "*World Container Index*" is down by **↓2,7%** (or **\$81**) to **\$2 929** per 40-ft container⁷.
- In the charter market, the rate increases have stabilised, as the Harper Petersen Index (*Harpex*) is currently trending at **1 220 points**, up by **↑0,3%** (w/w) and up by **↑15%** (y/y) versus this time last year⁸.
- Financially, *Sea Intelligence* this week reported that the container industry operating profit/loss in Q4 of 2023 reached a combined EBIT loss of **-\$1,44 billion**⁹.
 - Maersk (**-\$920 million**), Hapag-Lloyd (**-\$252 million**), ONE (**-\$248 million**), Yang Ming (**-\$109 million**), ZIM (**-\$54 million**), and Wan Hai (**-\$41 million**) all recorded EBIT losses in 2023-Q4.
- Other developments included **(1)** Maersk hits back at 'misleading' and 'outdated' ETS claims, and **(2)** Gemini's strategy relies heavily on hub port performance.

v. International air industry – South Africa

- The daily average of air cargo handled at ORTIA in the previous week amounted to a record **600 394 kg** inbound (**↑29%**, w/w) and **371 475 kg** outbound (**↓1%**), resulting in an average of **971 870 kg per day**.
 - Consequently, the industry continues to exceed cyclical levels of both last year (**↑34%** versus March 2023) and 2020 (**↑33%** versus March 2020).
- The international air cargo industry's dynamics are significantly influencing South Africa's trade landscape, notably affected by challenges in the Red Sea region, impacting fruit exports and resulting in unexpected improvements in air cargo statistics due to port congestion.
 - Despite cargo volumes still below 2019 levels, there's been a recent increase, primarily in imports, with the potential for surpassing 2019 volumes contingent upon currency exchange

⁴ Van Marle, G. 26/03/2024. [Ripples from bridge collapse will give importers a headache.](#)

⁵ Linerlytica. 27/03/2024. [Port Congestion Watch.](#)

⁶ Drewry. 29/03/2024. [Cancelled Sailings Tracker.](#)

⁷ Drewry. 28/03/2024. [World Container Index.](#)

⁸ Harper Petersen Index. 29/03/2024. [HARPER PETERSEN Charter Rates Index.](#)

⁹ Murphy, A. 28/03/2024. [\\$1,44 billion EBIT loss \(so far\) in 2023-Q4.](#)



rates and the post-election political landscape, highlighting the complex interplay of geopolitical and economic variables in shaping international cargo movements.

vi. International air industry

- The international air cargo market is experiencing rising rates, particularly from vital global regions such as Asia Pacific and the Middle East and South Asia (MESA).
 - This trend is fueled by ongoing disruptions in container shipping and increased demand for cross-border e-commerce shipments.
- According to WorldACD Market Data's latest weekly analysis, the average global rate increased by approximately **↑3%** in week 12 (18-24 March) to **\$2,45 per kg**, remaining within **10%** of its elevated level compared to the same period last year.
- Despite a slight decrease in global tonnages (**↓2%**) in week 12 compared to the previous week, combined tonnages for weeks 11 and 12 were up by **↑1%** compared to the preceding two weeks.