



Date: 17 May 2024

Key Notes

- An average of **~8 245 containers** was handled per day, with **~8 090 containers** projected for next week.
- Cross-border queue: **↓0,3 hrs**; transit: **↓1,1 hrs**; SA borders: **11,2 hrs (↓5%)**; SADC borders: **3,4 hrs (↓26%)**.
- Rail cargo handled out of Durban was reported at **2 483** containers, up **↑22%** from last week.
- World merchandise trade has rebounded and is expected to grow by **↑2,6%** in 2024 and **↑3,3%** in 2025
- Global freight rates have increased by another significant **↑11,1%** (or **\$352**) to **\$3 511** per 40-ft container.
- Total global air cargo tonnages were stable despite regional variations (Africa was down by **↓1%**).

i. Port operations - General

- Port operations this week were primarily constrained by adverse weather, congestion, equipment breakdowns and shortages.
- Over 20 operational hours were conceded in Cape Town this week due to strong winds and dense fog, while adverse weather conditions, dredging, and equipment breakdowns disrupted operations in Durban.
- Strong winds and equipment breakdowns caused delays at our Eastern Cape ports, while the Port of Richards Bay also experienced some rainy weather at the start of the week.
- 15 hauliers are set to arrive at the Port of Cape Town by the end of the month to aid the existing fleet, while the Port of Durban operated with 3-to 4 tugs for the most significant part of the week.
- Furthermore, the second line affected by the derailment is still out of commission with no ETR communicated yet.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **30%**, reefers at **34%**, and empties at **28%**.
- CTCT handled **~1 904 (↑4%, w/w)**. A decreased average of **~1 348** is projected this week.
- DCT Pier 1: Stack occupancy is **64%** for GP containers and **26%** for reefers.
 - The terminal operated by **four** gangs.
- DCT Pier 2: Stack occupancy was **63%** for GP containers and **44%** for reefer ground slots.
 - The terminal operated with **six** low gangs on the waterside.
- DCT Pier 1 handled **~1 366 (↓7%, w/w)** containers a day, with an increased average of **~1 477** projected this week.
- DCT Pier 2 handled **~2 655 (↓10%, w/w)** containers a day, with an increased average of **~2 917** projected this week.
- Average TTT for DCT Pier 1 this week: **134 minutes (↑28%, w/w)**, with a staging time of **116 minutes (↑40%, w/w)**.
- Average TTT for DCT Pier 2 this week: **102 minutes (↓24%, w/w)**, with a staging time of **94 minutes (↓43%, w/w)**.
- In the last week (*11 to 17 May*), rail cargo handled out of Durban was reported at **2 483** containers, up by **↑22%** from the previous week's **2 043** containers.

iii. Local and cross-border road:

- The median border crossing times at South African borders decreased slightly by around **half an hour**, averaging **~11,2 hours (↓5%, w/w)** for the week.



- In contrast, the greater SADC region (excluding South African controlled) decreased by around **an hour** and averaged **~4,2 hours (↓26%, w/w)**.
- **Martins Drift Border Post:** Transporters reported increased queue times last Friday.
- **Skilpadshek Border Delay:** Operations were halted on Wednesday due to parking space shortages on the Botswana side and slow IT response times. Fortunately, the system was restored by 17:00.
- **New Fee in Zambia:** Effective May 10, Zambia has introduced a "Radiation Fee" of K50 per truck, managed by the Zambia Revenue Authority (ZRA). Transporters have not received this new fee well, likening the increasing costs to those in the Democratic Republic of Congo (DRC).
- **Mozambique Toll Update:** Mozambique plans to update toll fees for the Maputo and Moamba Toll Gates, though no start date has been announced.
- **Relaunch of SYSREC in DRC:** The DRC's Katanga region has relaunched the SYSREC (Electronic Cargo Tracking System) in several locations, effective earlier this month. A \$30 charge for a Customs electronic seal is included; however, network unavailability at the exit gates is causing delays.
- In summary, cross-border queue time averaged **~6,5 hours** (down by **~0,3 hours** from the previous week's **~6,8 hours**), indirectly costing the transport industry an estimated **\$6,7 million (R121 million)**. Furthermore, the week's average cross-border transit times hovered around **~4,2 hours** (down by **~1,1 hours** from the **~5,3 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$2,4 million (R43 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$9 million (R164 million)**, down by **~R30 million** or **↓15,5%** from **~R195 million** in the previous report.

iv. Global trade outlook

- The WTO has released its latest "*Global Trade Outlook and Statistics*", analysing recent global trade developments up to the fourth quarter of 2023. It presents the organisation's forecasts for world trade in 2024 and 2025.¹
- World merchandise trade volume is expected to grow by **↑2,6%** in 2024 and **↑3,3%** in 2025 as demand for traded goods rebounds following a contraction in 2023.
- Trade volume was down **↓1,2%** last year after recording **↑3,0%** expansion in 2022 despite the outbreak of war in Ukraine.

v. Global shipping industry

- In 2024, the reefer shipping sector has shown signs of recovery after experiencing declines over the previous two years.²
 - According to Drewry's "*Reefer Shipping Forecaster*", this improvement is driven by robust crop yields in the Southern Hemisphere, including significant growth in South Africa's citrus exports due to favourable growing conditions and new orchards.
 - Drewry forecasts a more than **↑1%** increase in global seaborne reefer volumes for 2024, marking a positive shift for the industry influenced by stronger exports and falling freight rates.
- Despite claims of significant capacity loss on Asia-Europe routes by carriers like Maersk, actual figures reveal a more nuanced situation.
 - Maersk reported a **15-20% capacity reduction**, especially on the Asia-Europe and Mediterranean routes.
 - However, analysis shows that effective capacity, which accounts for actual vessel departures and route changes, has experienced varied adjustments.

¹ WTO. 16/05/2024. [Global Trade Outlook and Statistics: April 2024](#).

² Drewry. 15/05/2024. [Reefer Shipping Forecaster: Strong Southern Hemisphere harvests drive reefer shipping growth](#).



- For example, the effective capacity to North Europe has decreased by **↑5,1%** (y/y), mainly due to longer routing via the Cape of Good Hope, despite a **↑17,8%** increase in deployed vessel capacity.
- Conversely, the Asia-Med route has seen a 10.5% increase in effective capacity, benefiting from a **↑49,1%** surge in total deployed capacity.
- Simultaneously, the Asia-Europe trade faces ongoing challenges. The three major shipping alliances are operating **10% below** needed capacity, lacking 36 ships for their 25 loops, despite introducing **1,14 million TEU** of new capacity this year.
 - The shortfall, representing **9,6%** of the total required for weekly sailings, persists as most loops are rerouted via the Cape of Good Hope due to geopolitical tensions in the Red Sea region, highlighting a dynamic and responsive shipping environment amidst ongoing global disruptions.
- Interestingly, concerning equipment, Container output reached **521 000 TEU last month** – a post-pandemic peak, according to Linerlytica.³
 - Its report adds that all manufacturing slots in container factories are reserved until the end of July, with more than **4 million TEU** of new boxes expected to be delivered this year—more than double the **1,97 million TEU** produced in 2023.
 - Container production achieved a record high in 2021, with more than **6 million TEUs** built to meet the demand caused by the slow return of empty containers during the pandemic.
- Global container port congestion remains stable at **5,3%** of the global fleet (around **1,63 million TEU**), as this week marks a milestone for South Africa.
 - It is the first week since the end of September last year in which Durban has not appeared on the first page of Linerlytica's "*Port Congestion Watch*".
 - On Wednesday, the queue-to-berth ratio at Durban was **0,41**.⁴
- Lastly, there is almost no capacity sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" crept up this week to **5%**⁵ However, they remain concentrated.
- According to Sea Intelligence, the blank sailing capacity on Asia-North Europe shipping routes doubled from March to April 2024, increasing from **↓12%** to **↓21%**, indicating a more unstable environment compared to the Transpacific routes, which remained relatively stable at around **↓14%** to the West Coast and **↓11%** to the East Coast.⁶
- Market panic over tightening vessel space availability has sent freight rates to their highest level since September 2022, rising by nearly **↑20%** after last week's holiday break to hit a 20-month high.⁷
 - This week, the "*World Container Index*" increased by another significant amount, with the index up by **↑11,1%** (or **\$352**) to **\$3 511** per 40-ft container.⁸
- In the charter market, the rate followed spot rates – albeit less dramatically – as the Harper Petersen Index (*Harpex*) is currently trending at **1 372 points**, up by **↑4,0%** (w/w) and up by **↑11%** (y/y) versus this time last year.⁹
- Other developments included **(1)** Maersk opening the Rotterdam cross-dock facility, **(2)** More EU 'greener shipping' regulations loom, and **(3)** US levies a new **↑25%** tariff on all container cranes made in China.

³ Li, M. 14/05/2024. ['Liner panic' as new container production hits a post-Covid peak.](#)

⁴ Linerlytica. 15/05/2024. [Port Congestion Watch.](#)

⁵ Drewry. 17/05/2024. [Cancelled Sailings Tracker.](#)

⁶ Murphy, A. 15/05/2024. [High number of blank sailings.](#)

⁷ Linerlytica. 13/05/2024. [Market Pulse 2024 Week 20.](#)

⁸ Drewry. 16/05/2024. [World Container Index.](#)

⁹ Harper Petersen Index. 10/05/2024. [HARPER PETERSEN Charter Rates Index.](#)

**vi. International air industry – South Africa**

- In our international air market, the daily average of air cargo handled at ORTIA in the previous week amounted to **576 422 kg** inbound (**↑6%**, w/w) and **321 920 kg** outbound (**↑14%**), resulting in an average of **898 342 kg per day**, which marks another very good week for the sector.
 - Consequently, the industry is now significantly up versus last year (**↑17%** versus May 2023) and nearly at the same level compared to pre-pandemic times (**↓5%** versus May 2019).
- Domestically, air cargo moved in April is up by **↑2%** (m/m) at Johannesburg and Durban and down by **↓7%** in Cape Town.

vii. International air industry

- In the high-frequency data, the latest weekly data from WorldACD shows that total worldwide tonnages were flat in week 19 (6 to 12 May) after dropping by **↓9%** the previous week because of public holidays in Europe, Asia, Africa, and Central & South America (CSA).
 - The equivalent week last year saw a **↑9%** tonnage rebound following a **↓9%** decline the previous week.
 - In weeks 18 and 19, global demand patterns varied; the Asia Pacific region experienced a decrease in tonnages by **↓13%** in week 18 with an **↑8%** recovery in week 19, while tonnages from North America and MESA slightly recovered, and Africa and Europe faced minor declines.
- Despite the tonnage volatility in recent weeks due to Easter and Eid holidays, Mother's Day in various countries, and Labour Day holidays, average worldwide rates have remained relatively stable in recent weeks, settling in week 19 at **\$2,49 per kg**, which is around **↑2%** higher than the same week last year and significantly above pre-pandemic levels (**↑41%** compared to May 2019).