



Date: 3 May 2024

Key Notes

- An average of **~8 056 containers** was handled per day, with **~9 393 containers** projected for next week.
- Cross-border queue: **↓2,9 hrs**; transit: **↓0,4 hrs**; SA borders: **14,1 hrs (↑23%)**; SADC borders: **9,2 hrs (↓7%)**.
- Rail cargo handled out of Durban was reported at **3 101 containers**, down **↓6%** from last week.
- Global container capacity stands at **29,37 million TEU** and will reach **30 million TEU** by the end of June.
- Global freight rates have increased by **↑0,7%** (or **\$19**) to **\$2 725** per 40-ft container; YTD: **\$3 230**.
- Global air cargo tonnages are up by **↑5%**, with average prices at around **\$2,47 per kg**.

i. Port operations - General

- Adverse weather conditions and equipment breakdowns and shortages characterised port operations.
- Dense fog and union engagements represented the main operational constraints in Cape Town while dredging and sounding operations coupled with equipment breakdowns prevented optimal performance in Durban.
- Operations at our Eastern Cape Ports were constrained by strong winds, dense fog and RTG breakdowns this week.
- Additionally, as part of the Port of Richards Bay's recovery plan, TFR has ramped up the number of GF-class coal trains moving cargo to the Port from 21 to 28 to ease the congestion experienced at the port.
- Furthermore, earlier this week, a security incident on the line between Johannesburg and Botswana ensured that operations were impacted for several hours.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **34%**, reefers at **42%**, and empties at **31%**.
- CTCT handled **~1 897 (↓3%, w/w)**. A slightly decreased average of **~1 871** is projected this week.
- DCT Pier 1: Stack occupancy is **51%** for GP containers and remained undisclosed for reefers.
 - **1 511 imports** on hand, with **230** being **unassigned**.
- DCT Pier 2: Stack occupancy was **59%** for GP containers and undisclosed for reefers.
 - The terminal operated with **11 gangs**.
 - The terminal had a reported **45 straddles (↓11, w/w)** in operation, translating to an availability figure of approximately **47%**, around **↓41%** below the minimum number required to meet industry demand and achieve acceptable terminal performance.
- DCT Pier 1 handled **~1 315 (↓16%, w/w)** containers a day, with an increased average of **~1 434** projected this week.
- DCT Pier 2 handled **~3 443 (↓5%, w/w)** containers a day, with an increased average of **~3 601** projected this week.
- Average TTT for DCT Pier 1 this week: **91 minutes (↑8%, w/w)**, with a staging time of **45 minutes (no change, w/w)**.
- Average TTT for DCT Pier 2 this week: **127 minutes (↑32%, w/w)**, with a staging time of **104 minutes (↓10%, w/w)**.
- In the last week (*27 April to 3 May*), rail cargo handled out of Durban was reported at **3 101 containers**, down by **↓6%** from the previous week's **3 296 containers**.

**iii. Local and cross-border road:**

- The median border crossing times at South African borders increased by **two-and-a-half hours**, averaging **~14,1 hours** (**↑23%**, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by around **forty-five minutes** and averaged **~9,2 hours** (**↓7%**, w/w).
- **ZRA notification:** From 1 May 2024, pre-clearance will be mandatory, as a pre-arrival declaration on Asycuda World is required for all goods (imported, exported, or in transit).
- **Beitbridge Zimbabwe:** Containerised vehicles have experienced longer northbound times. All vehicles to Condep must go via the scanner, and the green lane is used at discretion.
- **Lebombo border:** There has been slow movement on the South African side due to police holding back trucks 8 km from the border, as trucks are released in batches. Fortunately, the diversion to smaller, slower scanners has been rectified due to the main scanner breakdown. Therefore, traffic is expected to return to normal soon.
- SARS will implement system maintenance from 3 May, 18:00, to 5 May, 2:00.
- Lastly, Transporters are advised to use Tlokweng instead of Pioneer Gate due to increasing queue times.
- In summary, cross-border queue time averaged **~6,6 hours** (down by **~2,9 hours** from the previous week's **~9,5 hours**), indirectly costing the transport industry an estimated **\$6,9 million (R126 million)**. Furthermore, the week's average cross-border transit times hovered around **~9,7 hours** (down by **~0,4 hours** from the **~10,1 hours** recorded in the previous report), at an indirect cost to the transport industry of **~\$6,1 million (R114 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$13 million (R240 million)**, down by **~R124 million** or **↓39,3%** from **~R364 million** in the previous report.

iv. Global shipping industry

- Widespread container shipping detours to avoid Houthi attacks in the Red Sea are expected to extend well into the second half of this year and maybe into 2025.
- As round-Africa routes become more common and carriers' service networks stabilise, schedule reliability has shown improvement, increasing by **↑1,6%** (m/m) to reach **54,6%** in March 2024.
 - However, it remains below pre-crisis levels. Annually, schedule reliability in March 2024 decreased by **↓7,9%** (y/y)¹.
 - The average delay for late vessel arrivals also improved slightly, decreasing by **↓0,52 days** (m/m) to **5,03 days**, compared to the pre-crisis figure of November 2024.
- The ongoing situation is resulting in much faster sailing speeds with concomitant higher fuel consumption:
 - Ships circumventing the Red Sea due to attacks by Houthi rebels are emitting millions of extra tons of carbon, posing challenges for companies aiming to reduce pollution in their supply chains.
 - Sailing around the southern tip of Africa has resulted in approximately **13,6 million additional tons of CO₂ emissions** over the past four months, equivalent to the pollution from about **9 million cars** during the same period, as reported by consultancy INVERTO, a subsidiary of Boston Consulting Group².
- The containership fleet capacity currently stands at **29,37 million TEU** and will reach **30 million TEU** by the end of June.

¹ Murphy, A. 30/04/2024. [Impact of Red Sea crisis on schedule reliability reverting.](#)

² Wittel, J. 29/04/2024. [Red Sea Diversions Spew Carbon Emissions Equal to 9 Million Cars.](#)



- Although the nominal fleet growth has reached **↑10%** (y/y), effective capacity on the four main East-West trades has grown by only **↑3%** this year as the vessel diversions to the Cape route due to the Red Sea crisis have absorbed most of the new capacity.
- It is once again evident that the problems in the Red Sea continue to affect the global shipping industry, as port congestion has increased this week to around **~6,3%** of the total fleet.
 - Congestion has improved in Durban, although the port remains on the first page of Linerlytica's "*Port Congestion Watch*" at a queue-to-berth ratio of **0,55**³.
 - Furthermore, there is almost no capacity sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" also decreased this week to only **3%**⁴.
- For freight rates, the average global freight rates have stabilised somewhat and increased slightly this week for the first time in a while.
 - The "*World Container Index*" increased by **↑0,7%** (or **\$19**) to **\$2 725** per 40-ft container⁵.
 - Stability is evident across the market, as most trade lanes have not moved by more than **~3%** in the last few weeks.
 - The composite index remains up by **↑55%** compared to the same week last year and is **↑92% higher than the 2019 pre-pandemic rates of \$1 420**.
- In the charter market, the rate climbed rapidly this week, as the Harper Petersen Index (*Harpex*) is currently trending at **1 290 points**, up by **↑3,0%** (w/w) and up by **↑6%** (y/y) versus this time last year⁶.
- Other developments included **(1)** DSV US expansion continues with major investment in California hub, and **(2)** Hapag-Lloyd unveils container tracker.

v. International air industry – South Africa

- It was a good week for South African exports in the air cargo industry, which increased by **↑10%**. In summary, the daily average of air cargo handled at ORTIA in the previous week amounted to **472 530 kg** inbound (**↓15%**, w/w) and **356 086 kg** outbound, resulting in an average of **828 616 kg per day**.
- The drop in weekly cargo means that the industry is now slightly down compared to last year (**↓11%** versus April 2023) and rather more down than pre-pandemic levels (**↓25%** versus April 2019).

vi. International air industry

- The latest weekly data from WorldACD Market Data shows a continued increase in worldwide air cargo tonnages, with a **↑5%** rise in week 17 (22-28 April).
- This follows a **↑4%** increase in week 16, effectively offsetting the previous three weeks' **↓2%**, **↓4%**, and **↓6%** declines.
- These declines were attributed to various holiday periods like Easter and Eid. Average worldwide rates experienced a slight drop of **↓1%** to **\$2,47 per kg** in week 17, slightly lower than the same week last year (**\$2,52 per kg**).
- However, they remain significantly higher than pre-pandemic levels, showing a **↑37%** increase compared to April 2019.

³ Linerlytica. 30/04/2024. [Port Congestion Watch](#).

⁴ Drewry. 03/05/2024. [Cancelled Sailings Tracker](#).

⁵ Drewry. 02/05/2024. [World Container Index](#).

⁶ Harper Petersen Index. 03/05/2024. [HARPER PETERSEN Charter Rates Index](#).