



**Date: 14 June 2024**

## Key Notes

- An average of **~9 589 containers** was handled per day, with **~8 893 containers** projected for next week.
- Cross-border queue: **↑1,3 hrs**; transit: **↓6,7 hrs**; SA borders: **9,6 hrs (↓21%)**; SADC borders: **2,5 hrs (↓74%)**.
- Rail cargo handled out of Durban was reported at **3 313 containers**, up **↑2%** from last week.
- Global container volume (dry & reefer) is down by **↓4,5%** (m/m) and up by **↑6,3%** (y/y) in April.
- Freight rates continue to increase, albeit slower, and are up by **↑1,8%** (or **\$85**) to **\$4 801/40-ft container**.
- Global air cargo is slightly down (**↓1%**) but remains up annually (**↑12%**), with rates stable at **\$2,52/kg**.

### i. Port operations - General

- Port operations were primarily impacted by inclement weather conditions, equipment breakdowns, and shortages.
  - Adverse weather conditions and equipment breakdowns constituted the majority of delays in Cape Town, while strong winds and high swells prevented optimal performance at the Port of Durban this week.
  - Crane breakdowns and strong winds ensured operational delays at our Eastern Cape Ports.
  - Minimal reports were received from TFR this week; however, one report indicated that no major incidents occurred on the rail network.

### ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **18%**, reefers at **58%**, and empties at **26%**.
- The terminal operated with six STS cranes, 26 RTGs, and 42 hauliers.
- CTCT handled **~1 993 (↑16%, w/w)**. A decreased average of **~1 446** is projected this week.
- DCT Pier 1: Stack occupancy is **54%** for GP containers and **30%** for reefers.
  - The terminal operated by **five** gangs.
- DCT Pier 2: Stack occupancy was **60%** for GP containers and **57%** for reefers.
  - The terminal operated with **ten** gangs on the waterside.
- DCT Pier 1 handled **~1 320 (↓13%, w/w)** containers a day, with an increased average of **~1 530** projected this week.
- DCT Pier 2 handled double the volume of last week at **~3 199 (↑112%, w/w)** containers a day, with another increased average of **~3 309** projected this week.
- Average TTT for DCT Pier 1 this week: **86 minutes (↓22%, w/w)**, with a staging time of **59 minutes (↓68%, w/w)**.
- Average TTT for DCT Pier 2 this week: **82 minutes (↓19%, w/w)**, with a staging time of **87 minutes (↓32%, w/w)**.
- Lastly, in response to the World Bank's Container Port Performance Index (CPPI), it is worth documenting the decline of our container handling metrics and vessel dwell times at our main container terminals in Durban.
  - In Durban Pier 1, our GCH was around **15,8 moves per hour**. At Durban Pier 2, our GCH was around **16,4 moves per hour**.
  - This is **↓33%** and **↓30%** below the global average, respectively, but by no means "*the worst*" in the world.
  - Some examples show that the terminals reached **32 GCH** in isolated cases, nearing global best practices.



- Vessel dwell time for Durban during the period was **83,2 hours** at Pier 2 and **67,4 hours** at Pier 1, respectively. This was against the global average of **40,5 hours**.
- In the last week (8 to 14 June), rail cargo handled out of Durban was reported at **3 313** containers, up by **↑2%** from the previous week's **2 924** containers.

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

- The median border crossing times at South African borders decreased by **two and a half hours**, averaging **9,6 hrs (↓21%, w/w)** for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by **more than seven hours** and averaged **~2,5 hours (↓74%, w/w)**.
- **SARS Customs processing disruptions:**
  - SARS reported intermittent disruptions in their Customs Processing Platform, specifically delays in CUSRES responses.
  - Traders were advised not to resubmit any declarations, as the disruptions persisted through Thursday, with planned maintenance scheduled for Friday from 18:00 to 22:00.
- **ZRA Updates:**
  - **New Procedure Code 523:** Zambia Revenue Authority (ZRA) introduced Procedure Code 523, effective 5 June, to suspend duties on importing maize. This applies to holders of valid import permits.
  - **Payment of Motor Vehicle Council Levies:** Starting on 8 June, all Motor Vehicle Council Levies previously paid to the Chirundu Town Council can now be paid directly to ZRA after initiating Coordinated Border Management Operations.
- **Nakonde Customs Clearing Agents Fee Revision:**
  - **Effective 1 June:** The Nakonde Customs Clearing Agents Executive Committee revised agency fees for imports, exports, transits, and temporary import permits.
- In summary, cross-border queue time averaged **~8,7 hours** (up by **~1,3 hours** from the previous week's **~7,4 hours**), indirectly costing the transport industry an estimated **\$8,7 million (R164 million)**. Furthermore, the week's average cross-border transit times hovered around **~3,2 hours** (significantly down by **~6,7 hours** from the **~9,9 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$1,6 million (R29 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$10,3 million (R190 million)**, down by **~R78 million** or **↓29%** from **~R268 million** in the previous report.

### iv. Global shipping industry

- The latest container throughput figures for April from Container Trade Statistics (CTS) show that container volume has decreased by **↓4,5% (m/m)** after a record increase of **↑16,1%** in March.
  - Annual throughput is up by **↑6,3% (y/y)**, as all trade lanes saw a reduction in throughput during April, with the Far East imports seeing the most significant drop in containers discharged at **↓7,2% (m/m)**, and Australasia & Oceania exports seeing the most significant drop in containers loaded at **↓9,5% (m/m)**.
  - The global price index (dry and reefer combined) was stable over this period and is slightly down by **↓2,4% (m/m)** and **↓5,7% (y/y)**; however, this trend is expected to be reversed.
  - Monthly SSA trade is significantly down, as are yearly imports (**↓4,1%**); however, curiously, yearly SSA trade exports are significantly up – by **↑8,8%** in April.
  - When adding South Africa's share to SSA trade, we see a continuation of the downward trend:



- When measuring these, South Africa accounted for **25%** of SSA imports and a record low of **39%** of SSA exports in April, according to TNPA figures.
- These respective shares are significantly less than the highs of **35%** in February 2022 for imports and **82%** in September 2022 for exports.
- Rising port congestion continues to affect international supply chain fluidity, as the global port congestion indicator continues to hover above the **2,2 million TEU mark**, accounting for **7,3% of the global fleet** (which is the highest level this year).
- In South Africa, port congestion at the Port of Durban worsened slightly in the last week, as Durban remains on the first page of Linerlytica's "*Port Congestion Watch*".
  - On Wednesday, the queue-to-berth ratio at Durban was **0,56**.<sup>1</sup>
- Almost no capacity is sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" remains stable (but slightly high) this week at **7%**.<sup>2</sup>
- Container freight rates continue to increase, albeit at a slower pace. Drewry's "World Container Index" increased by **↑1,8%** (or **\$85**) to **\$4 801** per 40-ft container.<sup>3</sup>
- In the charter market, rate increases have slightly cooled after last week's massive increase but still jumped by **↑5,2%** (w/w).
  - The Harper Petersen Index (Harpex) is currently trending at **1 712 points**, up by **↑39%** (y/y) compared to this time last year.<sup>4</sup>
- Other developments included **(1)** green hydrogen projects earmarked for South Africa and Namibia, **(2)** Samsung lodges biggest complaint yet for 96 000 'erroneous' D&D charges, **(3)** MSC faces another hurdle in its bid to operate a terminal at Hamburg port and **(4)** labour issues continue to disrupt port operations throughout the world.

#### v. International air industry – South Africa

- The daily average of air cargo handled at ORTIA in the previous week amounted to **589 081 kg** inbound (**↑4%**, w/w) and **327 081 kg** outbound (**↑10%**), resulting in an average of **916 162 kg per day**.
- Consequently, the industry remains up versus last year (**↑18%** versus June 2023) and has handled more volume compared to pre-pandemic times (**↑1%** versus June 2019) for the first time since our records began, which is a positive sign.

#### vi. International air industry

- After significant recent volatility, the international air cargo industry has settled in the last two weeks.
- Nevertheless, the latest weekly overview of the international air cargo industry indicates significant developments, particularly in the Asia Pacific and Middle East & South Asia (MESA).
- Overall, while the total worldwide chargeable weight flown showed a slight decrease week-over-week (**↓1%**), year-on-year tonnages increased by **↑12%**, maintaining elevated global rates – currently trading at an average of **\$2,52 per kg**, which was up around **↑1%** (w/w) and up around **↑7%** (y/y).

<sup>1</sup> Linerlytica. 29/05/2024. [Port Congestion Watch](#).

<sup>2</sup> Drewry. 31/05/2024. [Cancelled Sailings Tracker](#).

<sup>3</sup> Drewry. 13/06/2024. [World Container Index](#).

<sup>4</sup> Harper Petersen Index. 14/06/2024. [HARPER PETERSEN Charter Rates Index](#).