



Date: 31 May 2024

Key Notes

- An average of **~8 244 containers** was handled per day, with **~8 176 containers** projected for next week.
- Cross-border queue: **↓0,1 hrs**; transit: **↓0,1 hrs**; SA borders: **8,4 hrs (↑20%)**; SADC borders: **1,5 hrs (↑100%)**.
- Rail cargo handled out of Durban was reported at **3 105** containers, up **↑7%** from last week.
- SARS trade stats for April: exports are up by **↑4,4%** (m/m), imports **↑3,8%**, trade surplus of **R10,5 billion**.
- Schedule reliability is down by **↓2,5%** (m/m) and **↓12,1%** (y/y). Late arrivals are at **4,74 days**.
- Global freight rates continued to increase – this week by **↑3,8%** (or **\$154**) to **\$4 226** per 40-ft container.
- Global air cargo realised a slight **↓2%** decrease in global tonnages, as rates are trading around **\$2,50/kg**.

i. Port operations - General

- This week's port operations experienced some challenges, but there were some noteworthy developments.
 - Operations were influenced by the National Election, with various weather conditions and equipment issues also playing a role.
 - In Cape Town, dense fog and strong winds presented operational hurdles later in the week, while in Durban, ongoing dredging and equipment failures were the primary sources of delays.
 - Additionally, vessel scheduling led to operational slowdowns at the Eastern Cape Ports.
 - The closure of the KZN Border Police's Durban SAPS Office due to the National Election impacted container inspections at the Durban Port.
 - Looking ahead, starting June 1, 2024, the Durban Terminal's MPT Point Planning Department will implement a new policy where ID100 with dual nominations for breakbulk vessels intending to work at either C-Berth or another Private Terminal will no longer be accepted, a decision aimed at reducing the frequency of cancellations.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **26%**, reefers at **37%**, and empties at **33%**.
- The terminal operated with six STS cranes, 28 RTGs, and 42 hauliers.
- CTCT handled **~1 638 (↓6%, w/w)**. An increased average of **~1 860** is projected this week.
- DCT Pier 1: Stack occupancy is **43%** for GP containers and **30%** for reefers.
 - The terminal operated by **five** gangs.
- DCT Pier 2: Stack occupancy was **48%** for GP containers and **48%** for reefer ground slots.
 - The terminal operated with **ten** gangs on the waterside.
- DCT Pier 1 handled **~1 446 (↑20%, w/w)** containers a day, with an increased average of **~1 611** projected this week.
- DCT Pier 2 handled **~3 245 (↑30%, w/w)** containers a day, with an increased average of **~3 456** projected this week.
- Average TTT for DCT Pier 1 this week: **81 minutes (↓20%, w/w)**, with a staging time of **44 minutes (↓45%, w/w)**.
- Average TTT for DCT Pier 2 this week: **95 minutes (↑71%, w/w)**, with a staging time of **90 minutes (↑246%, w/w)**.
- In the last week (25 to 31 May), rail cargo handled out of Durban was reported at **3 105** containers, up by **↑7%** from the previous week's **2 904** containers.

**iii. SARS merchandise trade stats: April**

- SARS released its latest "*Merchandise Trade Statistics*" for April¹, with the headline showing a preliminary monthly trade surplus of **R10,5 billion**.
- Monthly trade shows that exports increased from March by **↑4,4%** (m/m), while imports increased by **↑3,8%** (m/m).
- The YTD figures show a trade surplus of **R26,6 billion**, the figure is a slight improvement from the **R6,7 billion** trade surplus recorded in 2023.
- Annually, export flows for April 2024 were **R169,5 billion** and **↑4,2%** (y/y) higher compared to April 2023, while import flows were **↑0,8%** higher compared to 2023, having increased from **R157,8 billion** to **R159,1 billion** in the current period.

iv. Local and cross-border road:

- The median border crossing times at South African borders increased by around **an hour and a half**, averaging **~8,4 hours** (**↑20%**, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) increased by **half an hour** and averaged **~1,0 hours** (**↑100%**, w/w).
- The road condition on the route to Chirundu remains very poor, with the final 365 km stretch taking transporters an average of 9 to 10 hours to traverse.
 - Despite ongoing rehabilitation efforts, this critical section near the border has yet to improve.
- Transporters crossing into Zimbabwe via Beitbridge incur several charges: \$30 for a seal, \$10 per pallet, \$23 for a gate pass, \$207 for a Zimborders ticket, and \$160 for coupons, totalling \$430.
 - These fees are designed to facilitate a more efficient border-crossing process but could also be viewed as a means of increasing revenue.
 - The Kazungula route offers a slightly less expensive alternative for border crossing, though specific cost differences are not detailed.
- Groblersbrug faced network disruptions over the recent weekend, which onsite technicians resolved within an hour.
 - However, ongoing challenges with drivers submitting incomplete or incorrect documentation continue to cause delays, as these drivers must exit and reprocess their paperwork.
- In summary, cross-border queue time averaged **~0,4 hours** (down by **~0,1 hours** from the previous week's **~0,5 hours**), indirectly costing the transport industry an estimated **\$722 thousand (R13,5 million)**. Furthermore, the week's average cross-border transit times hovered around **~1,7 hours** (down by **~0,1 hours** from the **~1,8 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$327 thousand (R6,1 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$1,05 million (R19,6 million)**, down by **~R5,6 million** or **↓22,4%** from **~R25 million** in the previous report.

v. Global shipping industry

- The extended rotational delays are not only prevalent in South Africa (with current projections seeing an additional **14 days** for Durban Pier 2 cargo, **five days** for Pier 1, and around **three days** for Cape Town), as the measured container vessel rotation duration on the Far East/North Europe trade has increased to **108 days**.
 - Also, the average number of ports skipped per vessel per rotation is increasing again – by around 0,5 ports per rotation (so **~7 ports** are now skipped per rotation).

¹ SARS. 31/05/2024. [Trade Statistics: April 2024](#).



- Schedule reliability experienced a downturn, reversing its prior improving trend with a decline of **↓2,5%** (m/m) in April 2024.
 - This metric now stands merely **↑0,6%** above the lowest year-to-date point recorded in January 2024.
 - Year-over-year, April 2024's schedule reliability was **↓12,1%** lower.
 - Conversely, the average delay for late vessel arrivals saw a month-over-month improvement, decreasing by **↓0,31 days** to **4,74 days**.
- Despite the massive new build capacity added to this major northern hemisphere route, the current landscape still falls some **10%** short of demand.
- Rising port congestion has added further to the woes of the over-stretched container market, which is already reeling from a shortage of container equipment and vessel space.
 - The global port congestion indicator hit the **2 million TEU mark**, accounting for **6,8% of the global fleet**, with Singapore becoming the new congestion hotspot.
- In South Africa, port congestion at the Port of Durban worsened in the last week, as Durban returned to the first page of Linerlytica's "*Port Congestion Watch*".
 - On Wednesday, the queue-to-berth ratio at Durban was **0,72** (up from last week's **0,45**).²
- Also, almost no capacity is sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" crept up again this week to **7%**.³
- This week, the overall "*World Container Index*" increased again, but slightly less rapidly, as it is up by **↑3,8%** (or **\$154**) to **\$4 226** per 40-ft container.⁴
- With the current demand landscape for container slots exceeding the inventory of container slots, we can expect to see a continuation of stronger rates – especially for South Africa, given our extended transit times and ongoing delays.
- Some companies transporting goods from Asia face costs of as much as **\$10 000** for an urgent full-size shipping container over the next month — about double current spot rates, according to prices circulating between carriers and importers.⁵
- The Harper Petersen Index (*Harpex*) is currently trending at **1 475 points**, up by **↑2,9%** (w/w) and up by **↑20%** (y/y) versus this time last year.⁶

vi. International air industry – South Africa

- The daily average of air cargo handled at ORTIA in the previous week amounted to **520 346 kg** inbound (**↓2%**, w/w) and **350 599 kg** outbound (**↑12%**), resulting in an average of **870 945 kg per day**.
- Consequently, the industry remains up versus last year (**↑14%** versus May 2023) and slightly down compared to pre-pandemic times (**↓8%** versus May 2019). The following graphs show the movement since the start of last year:

vii. International air industry

- Global air cargo rates have been on a gradual ascent since March 2024, beginning from a position more than **↓10%** below the previous year's figures.
 - By early May, average prices surpassed 2023 levels by **↑2%**, and by the end of May, they increased slightly to **↑4%** above the year-on-year rates.

² Linerlytica. 29/05/2024. [Port Congestion Watch](#).

³ Drewry. 31/05/2024. [Cancelled Sailings Tracker](#).

⁴ Drewry. 30/05/2024. [World Container Index](#).

⁵ Murray, B. 29/05/2024. [The \\$10,000 Shipping Container Looms in Latest Trade Strains](#).

⁶ Harper Petersen Index. 31/05/2024. [HARPER PETERSEN Charter Rates Index](#).



- This upward trajectory in rates is partly due to rising volumes from the Asia Pacific, a region known for higher rates.
- However, after adjusting for volume fluctuations, the rates in weeks 20 and 21 still lagged **↓2%** behind last year's.
- As of week 21, average global rates increased modestly to **\$2,50 per kg**, marking a **↑4%** (y/y) increase and a significant **↑41%** rise from pre-pandemic levels in May 2019.
- In other air cargo news, the US Customs and Border Protection (CBP) has intensified inspections on all e-commerce shipments arriving from mainland China at LAX, leading to significant airport congestion and delays, with some flights being cancelled or suspended.⁷

⁷ Lennane, A. 31/05/2024. [Transpac ecommerce freighters on pause as US Customs checks every parcel.](#)