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Cargo Movement Update #192[1]

Date: 28 June 2024

Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current[2]			Previous[3]			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	28 726	31 091	**59 817**	23 180	34 297	**57 477**	↑4%
Air Cargo (tons)	4 006	2 010	**6 016**	4 026	2 163	**6 189**	↓3%

Monthly Snapshot

Figure 1 – Monthly[4] cargo volume, year on year (% growth)

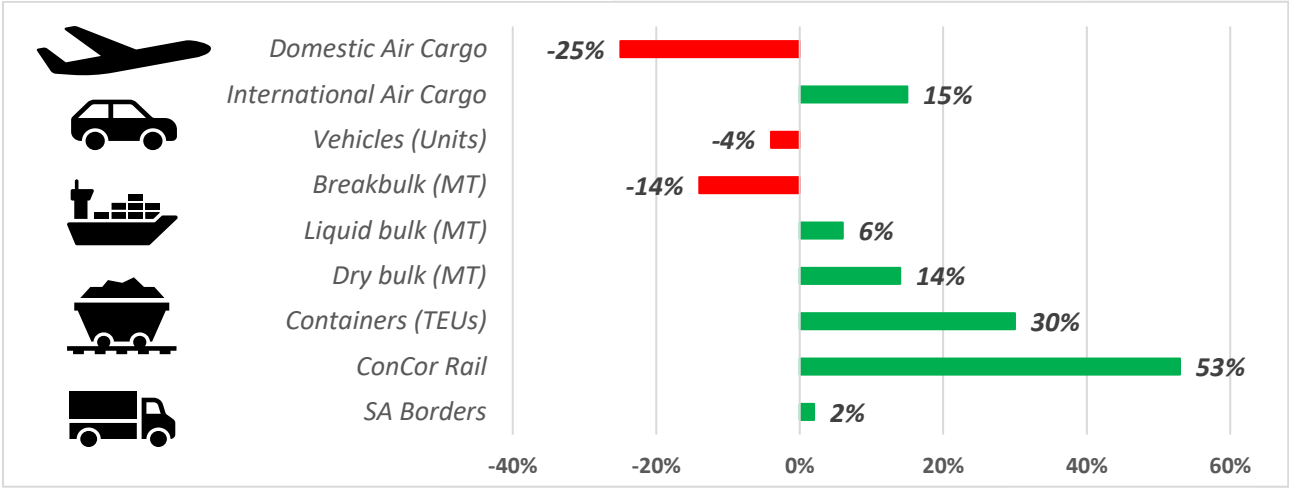
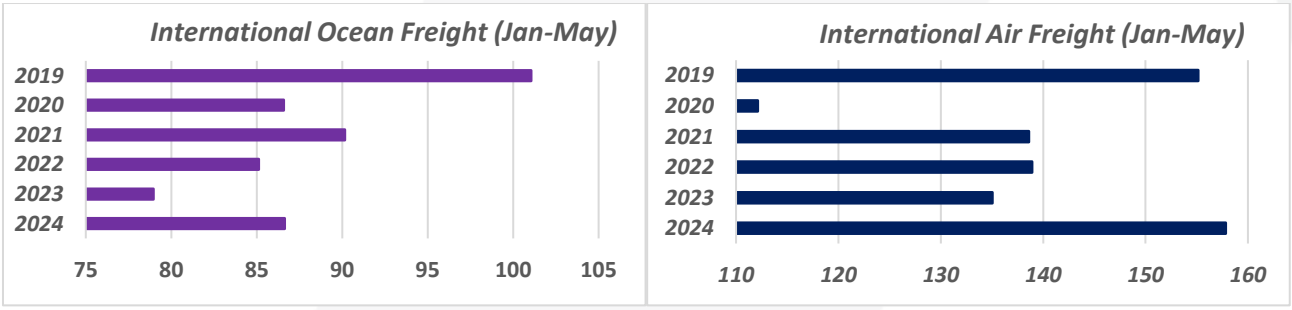


Figure 2 – Year-to-date flows 2019-2024[5]: ocean, y/y (million metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~8 545 containers** was handled per day, with **~8 111 containers** projected for next week.
- Rail cargo handled out of Durban was reported at **2 729** containers, down by **↓6%** from last week.
- Cross-border queue: **↑0,1**; transit: **↑0,8 hrs**; SA borders: **10,5 hrs** (**↑6%**); SADC borders: **4,6 hrs** (**↑21%**).
- Global port congestion has taken out a total of **2,51 million TEUs** of vessel capacity from circulation.
- Freight rates continue to increase and are up by **↑3,9%** (or **$201**) to **$5 318 per 40-ft container**.
- Global air cargo tonnages dropped by **↓5%**, as average rates increased by **↑1%** to **$2,54/kg**.

[1] This update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. This report is the *192nd* update.
[2] '*Current*' means the last seven days (a week's) worth of available data.
[3] '*Previous*' means the preceding 8-14 days (a week's) worth of available data.
[4] '*Monthly*' means the last months' worth of available data compared to the same month in the previous year. For all metrics: May vs May.
[5] Total YTD; ocean = bulk cargo in million metric tonnes, as reported by TNPA; air = cargo to and from all airports in million kilograms.

Executive Summary

This update contains a consolidated overview of the South African supply chain and the current state of international trade. Operationally, an average of **8 545 containers** were handled per day, up from **8 211 containers** last week. Port operations this week were mainly constrained by congestion, inclement weather, equipment breakdowns and shortages. Vessel ranging proved to be the most prominent operational problem in Cape Town this week, while equipment breakdowns, shortages, and congestion ensured operational delays in Durban. Adverse weather conditions and occupied marine equipment were the primary sources of delays at our Eastern Cape ports, while the Port of Richards Bay experienced rainy weather towards the end of the week. Additionally, TNPA has issued a request for information (RFI) for the refurbishment, financing, operation, and maintenance of loading facilities at the Port of Mossel Bay to improve the handling of petroleum products. Further, a power failure just outside King's Rest's yard delayed operations on the rail network in Durban for around 6-8 hours earlier this week.

The global container industry continues to be significantly impacted by chokepoints, notably due to the Red Sea crisis and subsequent vessel diversions around the Cape of Good Hope. These diversions and structural over-capacity, stemming from shipping lines investing in new vessels with profits from a COVID-related surge, have created a supply-demand imbalance. This over-capacity is partly mitigated by the necessity of longer routes around the Cape, requiring more vessels per service to maintain schedules. Despite the delivery of new containerships totalling **1,62 million TEU** this year, there is a persistent global shortage of ships. This shortage has led to soaring freight and charter rates, especially as the market approaches the traditional summer peak season. The shift of vessels from the Red Sea to the Cape route has removed over **1,6 million TEU** from the market, and increasing port congestion this week has further reduced vessel capacity by **0,5 million TEU**. In South Africa, port congestion at the Port of Durban has intensified, exacerbating delays and prioritising imports over exports, which diminishes export capacity. Shipping lines adapt by consolidating cargo in Asia before the extended journeys to Europe, optimising vessel utilisation, and reducing costs. Despite tight market conditions and the continuation of the ordering frenzy for new vessels, the container market remains highly competitive, with spot freight rates reaching new highs.

In our international air market, the daily average of air cargo handled at ORTIA in the previous week amounted to **572 341 kg** inbound (**↓0,5%**, w/w) and **287 076 kg** outbound (**↓7%**), resulting in an average of **859 417 kg per day**. Despite another slight reduction for the week, the industry remains up versus last year (**↑11%** versus June 2023) and has handled nearly the same volume as pre-pandemic times (**↓5%** versus June 2019). Internationally, year-to-date general cargo air freight tonnages are outpacing special cargo, reversing previous trends where special cargo led growth. WorldACD Market Data shows that from January to May, global chargeable weight increased by **↑12%** (y/y), with general cargo up by **↑13%** and special cargo by **↑10%**. This growth shift is primarily attributed to a surge in cross-border e-commerce and shifts from sea to air freight due to disruptions in container shipping. Key category performances include a **↑25%** increase in vulnerable/high-tech and meat shipments, while smaller gains were seen in fruits, vegetables, valuables, and flowers. Conversely, fish & seafood, live animals, and human remains declined.

In the regional cross-border road freight trade, the average queue times were **essentially unchanged** from last week, as the transit times increased by around **45 minutes** from last week. The median border crossing times at South African borders increased by around **half an hour**, averaging **10,5 hrs** (**↑6%**, w/w) for the week. In contrast, the greater SADC region (excluding South African controlled) increased by **an hour** and averaged **~3,8 hours** (**↑21%**, w/w). On average, two SADC border posts took more than a day to cross – Chirundu OSBP and Kasumbalesa. Other developments included **(1)** SARS Beitbridge – Remover in Bond developments, **(2)** rail expansion, and, **(3)** regulatory payment changes in DRC.

In summary, South Africa's significant loss of liner shipping connectivity, as noted by UNCTAD, poses considerable challenges for the global trade dynamics outlined throughout this report, particularly under the strain of decreased container handling productivity and a stark decrease in port efficiency. This downturn in connectivity and operational capacity can be attributed mainly to a lack of capital and maintenance investment in the country's commercial ports over the last decade, which has left infrastructure struggling to keep pace with global standards. Consequently, the reduced efficiency and capacity at critical ports like Durban exacerbate the issues of delays and increased costs for shippers, which can dampen the competitive edge of South African exports in the global market. The situation is likely to impact a broad spectrum of stakeholders, from local businesses relying on imports and exports to international trade partners who may seek more reliable trade routes. Moreover, diminished shipping connectivity directly affects the availability and cost of goods in the domestic market, potentially leading to higher inflation and reduced consumer choice. To mitigate these impacts and foster economic stability, strategic interventions are essential. These should include rejuvenating port infrastructure, enhancing operational efficiencies, and perhaps most critically, reestablishing stronger liner shipping connections to ensure South Africa remains a viable player in international trade.

Transnet Port Terminals' recent engagement with shipping lines underscores a stringent reinforcement of Container Terminal Operating Contract clauses to enhance terminal efficiency and reduce delays, emphasising a commitment to contractual obligations amid rising deviations and volume adjustments which have disrupted terminal operations and supply chain flow. Consequently, prominent South African container terminals, including Durban, Cape Town, Port Elizabeth, and Ngqura, are mandated to adhere strictly to their contractual agreements, limiting handled volumes to those specified in contracts to restore operational norms and manage current backlogs effectively. The Eastern Cape ports are crucial for enhancing South Africa's maritime connectivity, especially given the infrastructure issues at major ports like Durban and Cape Town. The lack of direct sailings from Cape Town to key trading partners increases logistical costs and complexity, weakening the competitive edge of South African trade routes and potentially raising domestic goods prices. Strategic investments in these ports and direct connections are vital to boost efficiency and maintain South Africa’s role in global trade.

Contents

1. Ports Update

This section provides an overview of the flow of containerised cargo through our commercial ports.

a. Container flow overview

The following tables indicate the container flows reported for the last seven days and projections for the next seven days.

Table 2 – Container Ports – Weekly flow reported for 15 to 21 June [6]

7-day flow reported (15/06/2024 – 21/06/2024)			
TERMINAL	**NO. OF CONTAINERS[7] TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**	**CHANGE (w/w %)**
DURBAN CONTAINER TERMINAL PIER 1:	4 664	5 109	↑3%
DURBAN CONTAINER TERMINAL PIER 2:	8 638	12 196	↑12%
CAPE TOWN CONTAINER TERMINAL:	6 714	7 086	↑15%
NGQURA CONTAINER TERMINAL:	8 218	4 603	↓2%
GQEBERHA CONTAINER TERMINAL:	492	2 097	↓41%
TOTAL:	**28 726**	**31 091**	↑4%

Source: Transnet, 2024. Updated 28/06/2024.

Table 3 – Container Ports – Weekly flow forecasted for 22 to 28 June

7-day flow forecast (22/06/2024 – 28/06/2024)			
TERMINAL	**NO. OF CONTAINERS TO DISCHARGE (IMPORT)**	**NO. OF CONTAINERS TO LOAD (EXPORT)**	**FORECAST VS ACTUAL (w/w %)**
DURBAN CONTAINER TERMINAL PIER 1:	4 864	5 124	↑2%
DURBAN CONTAINER TERMINAL PIER 2:	9 824	11 186	↑1%
CAPE TOWN CONTAINER TERMINAL:	4 586	5 107	↓30%
NGQURA CONTAINER TERMINAL:	6 762	7 334	↑10%
GQEBERHA CONTAINER TERMINAL:	1 040	950	↓23%
TOTAL:	**27 076**	**29 701**	↓5%

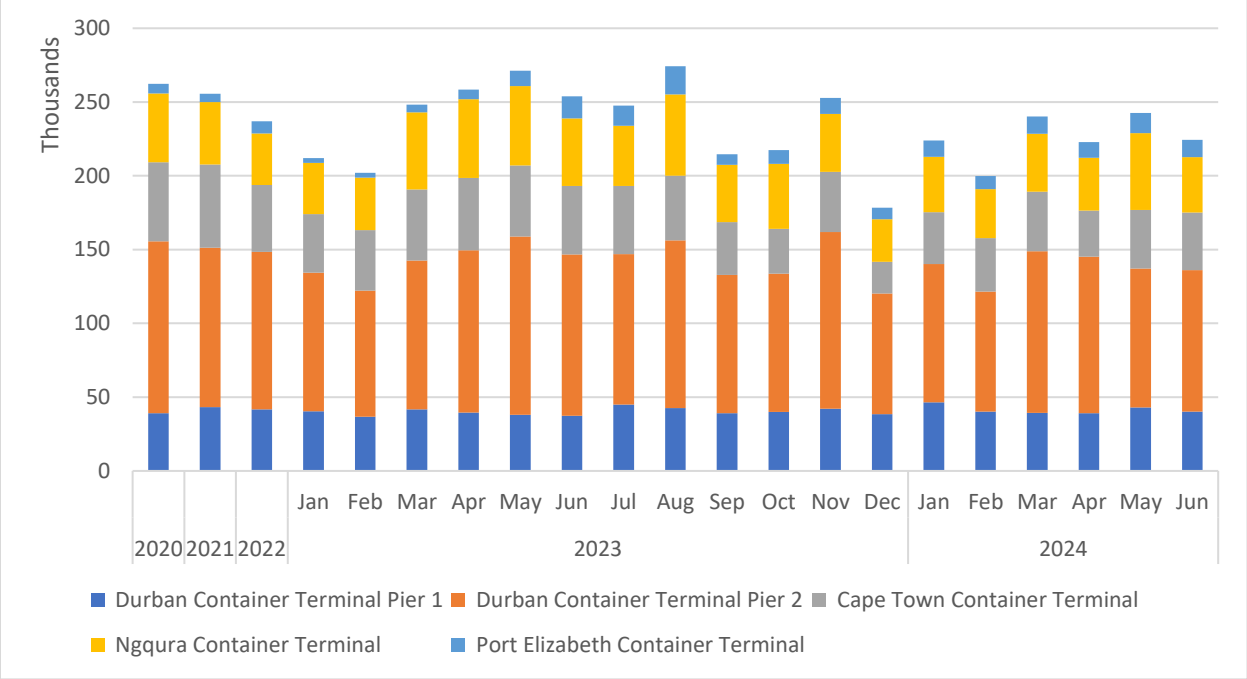
Source: Transnet, 2024. Updated 28/06/2024.

An increased average of **~8 545 containers** (↑4%) was handled per day for the last week (*21 to 28 June*, *Table 2*), compared to the projected average of **~8 462 containers** (↑1% actual versus projected) noted in last week's report. For the coming week, a decreased average of **~8 111 containers** (↓5%) is predicted to be handled (*29 June to 5 July*, *Table 3*) in a best-case scenario. Port operations this week were mainly constrained by congestion, inclement weather, equipment breakdowns and shortages.

The following figure illustrates the rolling *monthly* average flow of aggregate containerised cargo passing through our commercial ports since our reporting began during the nationwide lockdown.

[6] It remains important to note that a large percentage (approximately 35% according to the latest year-to-date TNPA figures) of containers is neither imported nor exported but rather consists of empties and transhipments.
[7] As mentioned before, the measurement is noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container, and this figure will probably increase as the shift towards more 40' containers continues. Elsewhere, the US uses 1,5 to 1,8, depending on the port. The privately operated FPT terminal in Cape Town works on 1,6.

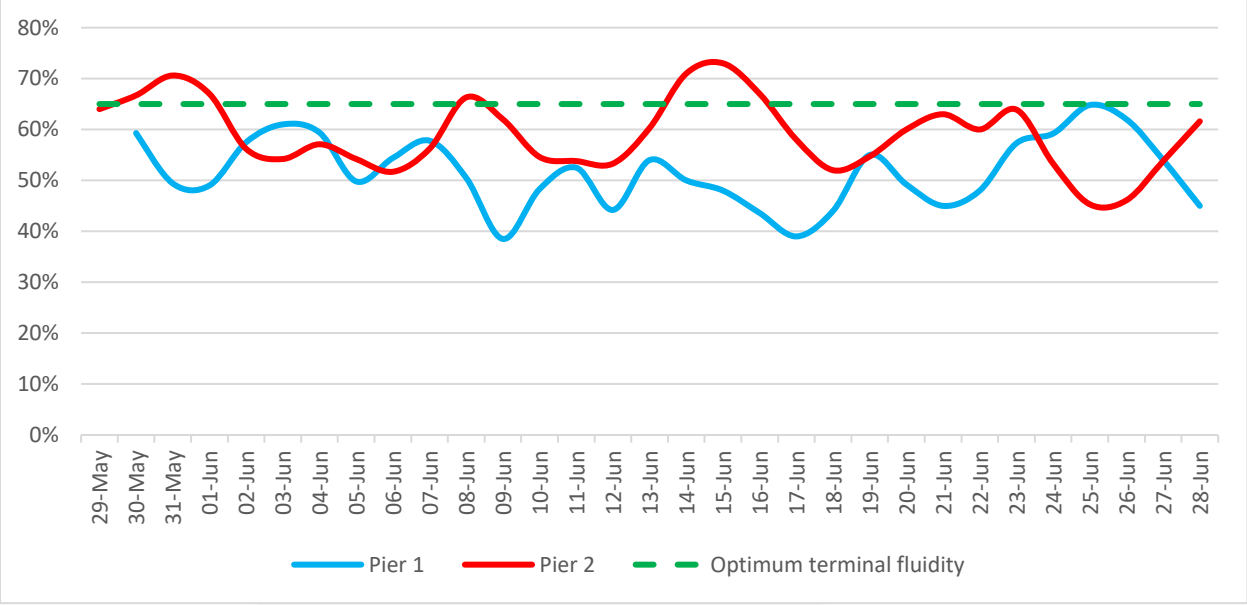
Figure 3 – Monthly flow reported for total container movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2024, and updated 28/06/2024.

The following figure shows daily stack occupancy in both Durban terminals over the last five weeks.

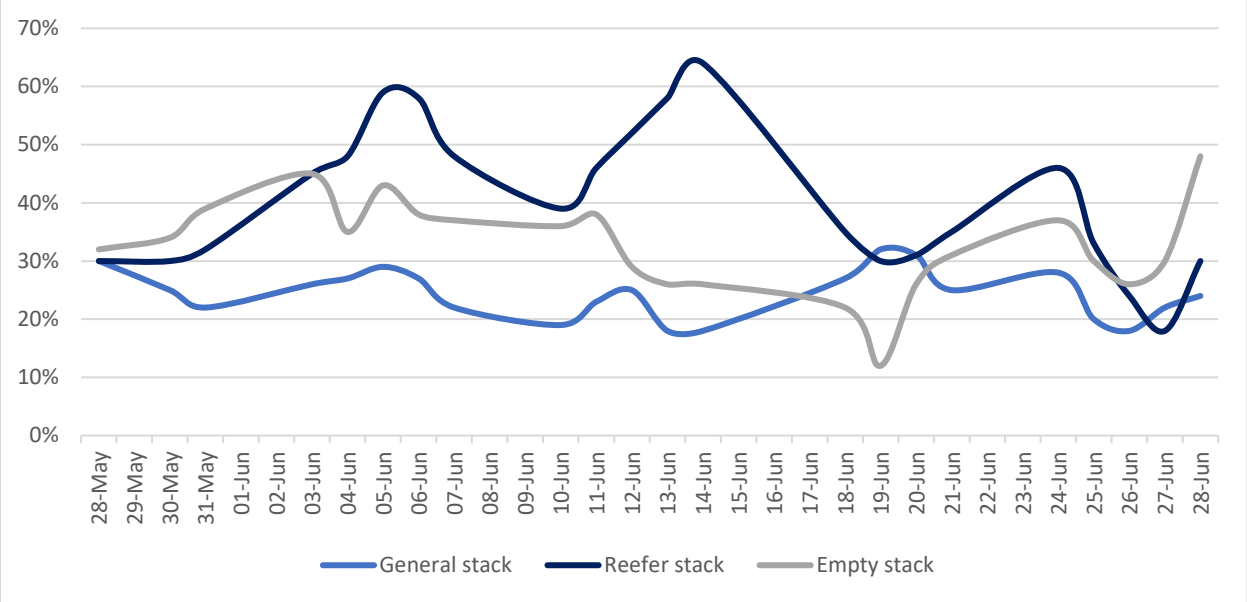
Figure 4 – Stack occupancy in DCT, general-purpose containers (29 May to present; a day on the day)



Source: Calculated using data from Transnet, 2024, and updated 28/06/2024.

The following figure shows daily stack occupancy in Cape Town over a similar period.

Figure 5 – Stack occupancy in CTCT, GP, reefer, and empty stack (28 May to present, day on day)



Source: Calculated using data from Transnet, 2024, and updated 28/06/2024.

b. Summary of port operations

i. Weather and other delays

- Vessel ranging proved to be the most prominent operational constraint in Cape Town this week.
- Equipment breakdowns, shortages, and congestion ensured operational delays in Durban.
- Adverse weather conditions and occupied marine equipment were the primary sources of delays at our Eastern Cape ports.
- The Port of Richards Bay experienced some rainy weather towards the end of the week.

ii. Cape Town

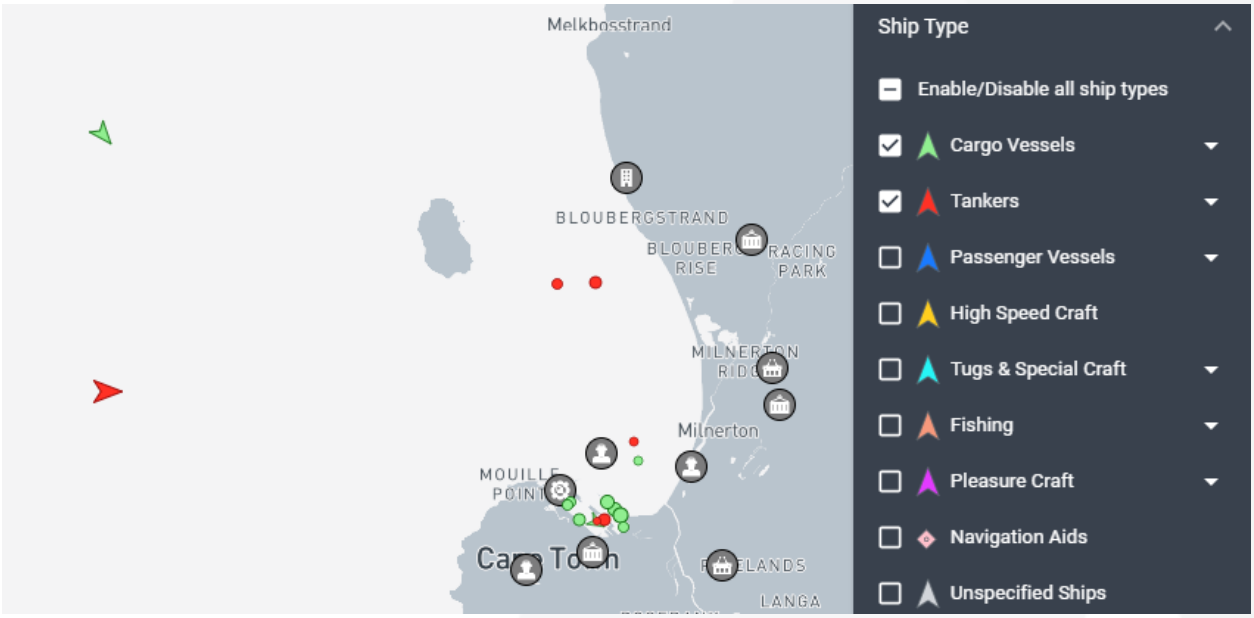
On Thursday, CTCT recorded three vessels at berth and none at anchor, as operational performance at the terminal was hindered by vessel ranging and strong winds this week. On the landside, between Monday and Thursday, the terminal managed to service 2 748 trucks, translating to an average of 687 trucks per day **(↓34%)** while handling 80 rail units (**↓40%**). On the waterside, the terminal managed 5 813 container moves across the quay during the same period. By the end of the week, stack occupancy for GP containers was recorded at **22%**, reefers at **18%**, and empties at **30%**. Additionally, towards the end of the week, the terminal operated with seven STS cranes, 24 RTGs, and 42 hauliers. According to the latest reports, cranes LC3 and LC4 are out of service.

On Thursday, CTMPT had one vessel on berth and zero vessels at anchor. During the preceding 24 hours, the terminal managed to move 5 293 tons across the quay. On the landside, 30 trucks were handled. Stack occupancy towards the end of the week was recorded at **2%** for general cargo, **1%** for reefers, and **1%** for empties.

The FPT terminal serviced six vessels from 17 to 23 June 2024: five multi-purpose vessels and one container vessel. Berth occupancy during this period was recorded at **64%**. FPT planned to handle seven vessels between 24 and 30 June, with another nine planned between 01 and 07 July. The late arrival of fruit accounted for most of the delays at the terminal this week.

At midday on Friday, two vessels were waiting outside at anchorage in Cape Town, with the following snapshot of the port and vessels waiting to berth:

Figure 6 – Cape Town vessel view (per vessel group)



Source: Marine Traffic. Updated 28/06/2024 at 14:00.

iii. Durban

On Thursday, Pier 1 recorded two vessels on berth, operated by five gangs, and three vessels at anchor. Stack occupancy was **54%** for GP containers and **70%** for reefers. Despite congestion on Bayhead Road, between Monday and Thursday, the terminal executed 4 842 gate moves on the landside with an average staging time of ~52 minutes. Additionally, the terminal moved 5 485 TEUs across the quay on the waterside.

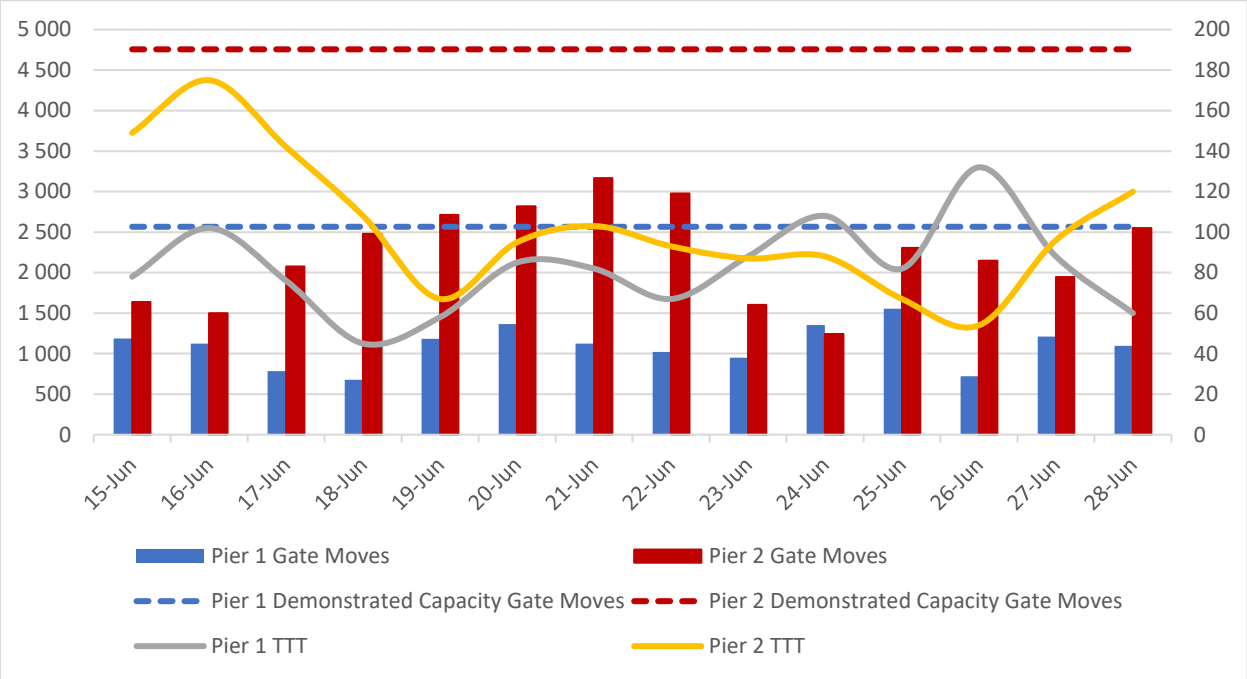
Pier 2 had four vessels on berth and four at anchorage on Thursday, as equipment breakdowns and congestion prevented optimal operational performance this week. In the preceding 24 hours, stack occupancy was **54%** for GP containers and **43%** for reefers. The terminal operated with nine gangs on the waterside. On the landside, the terminal moved 13 389 containers across the quay between Monday and Thursday. During the same period, there were 7 641 gate moves on the landside with an average staging time of ~53 minutes. Additionally, 1 394 units were moved by rail in the same period. The number of available straddle carriers fluctuated between 51 and 55 this week.

Durban's MPT terminal recorded two vessels at berth on Wednesday and four at outer anchorage. Stack occupancy for breakbulk was recorded at 70% and 40% for containers. In the 24 hours leading to Thursday, the terminal managed to handle 368 containers and 603 tons of break bulk on the waterside. On the landside, 227 container road slots and 118 breakbulk RMTs were serviced. Towards the end of the week, three cranes, seven reach stackers, one empty handler, seven forklifts, and 16 ERFs were in operation. The latest reports suggest Crane 04 is still anticipated to return to service early in July.

On Tuesday, the Ro-Ro terminal in Durban had one vessel on the berth, with two at anchorage. In the preceding 24 hours, the terminal handled 2 099 road units and 202 rail units on the landside while handling 2 050 units on the waterside. During the same period, overall stack occupancy was recorded at 49% (Exports: 55%, Imports: 27%, Transshipments: 17%), 70% at Q&R, and 80% at G-berth. During this period, the terminal had 230 high-and-heavies (abnormal loads) on hand.

The following figure summarises the performance of Durban's container terminals for the last two weeks, focusing on gate moves and time spent in the terminals.

Figure 7 – Gate moves (left axis) and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2024, and updated 28/06/2024.

A queue of vessels waiting outside Durban has built up and remains. At midday on Friday, four vessels were waiting for Pier 2, four for Pier 1, and six for Point terminal, with the following snapshot of the port and vessels waiting to berth:

Figure 8 – Durban vessel view (per vessel group)

Source: Marine Traffic. Updated 28/06/2024 at 14:00.

iv. Richards Bay

On Thursday, Richards Bay recorded eight vessels at anchor, while 14 vessels were berthed, consisting of four at DBT, five at MPT, four at RBCT, and one at the liquid bulk terminal. Two tugs, one pilot boat, and one helicopter were in operation for marine resources. Towards the end of the week, the coal terminal had four vessels at anchor and three on the berth while handling 172 345 tons on the waterside. On the landside, 17 trains were serviced, against the target of 22.

v. Eastern Cape ports

On Wednesday, NCT recorded two vessels on berth and three at anchor, with one drifting. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the 24 hours leading to Thursday. Stack occupancy figures were recorded at 71% for reefers, 94% for reefer ground slots, and 41% for the general stack. On the waterside, the terminal handled 2 659 TEUs despite being fogbound for approximately three hours and experiencing fumes on two vessels. On the waterside, 664 trucks were processed at a truck turnaround time of ~40 minutes.

On Thursday, GCT recorded zero vessels at berth and zero at outer anchorage, with the next vessel anticipated to arrive on Sunday, 30 June. Marine resources of two tugs, one pilot boat, two pilots, and one berthing gang were in operation in the preceding 24 hours. On the waterside, 782 TEUs were handled across the quay, while 252 trucks were processed at a truck turnaround time of ~20 minutes. Stack occupancy figures were recorded at 11% for reefers, 35% for reefer ground slots, and 38% for the general stack.

On Wednesday, the Ro-Ro terminal had one berthed vessel and zero anchored vessels. In the 24 hours to Thursday, the terminal handled 379 units on the waterside, leading to a stack occupancy figure of 57%.

vi. Saldanha Bay

On Thursday, the iron ore terminal had one vessel at anchorage and two on the berth, while the multi-purpose terminal had one vessel at anchor and three on the berth. The vessels at anchor have been waiting outside for approximately 0-4 days, while the vessels in port have been on the berth for 1-4 days.

vii. Mossel Bay

TNPA has issued a request for information (RFI) for the refurbishment, financing, operation, and maintenance of loading facilities at the Port of Mossel Bay to improve the handling of petroleum products.[8] The initiative is part of a broader strategy to enhance the port's capabilities in liquid bulk operations, aligning with the port's role in the Southern Cape's energy sector and overall economic growth. This development comes amidst efforts to rejuvenate the nearby PetroSA gas-to-liquids facility, with a significant investment from Gazprombank, and as the port continues to handle significant volumes of petroleum and fish products alongside its growing role in tourism.

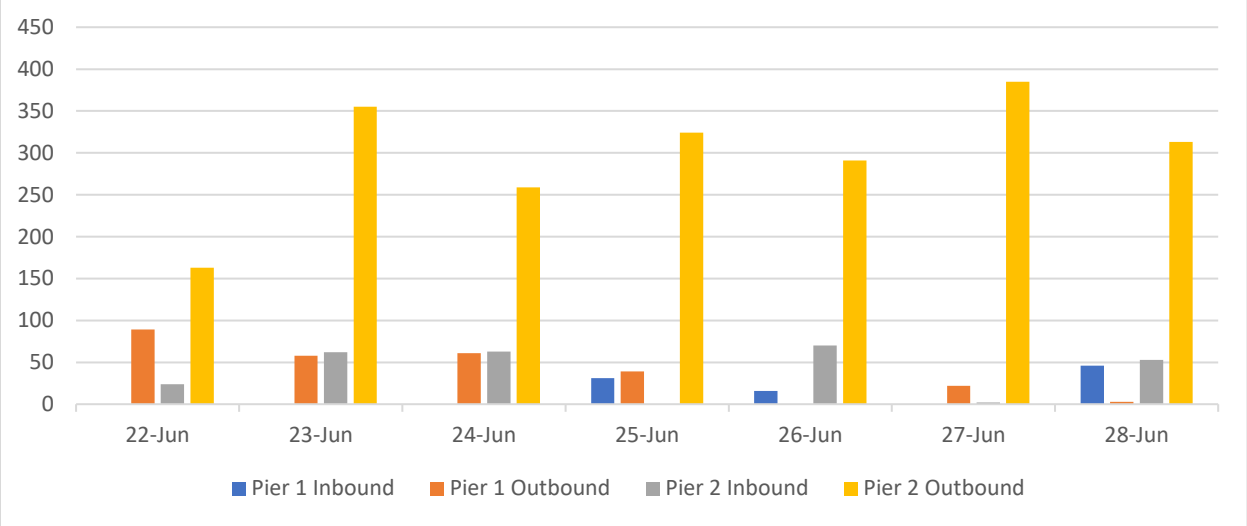
viii. Transnet Freight Rail (TFR)

Earlier this week, a power failure just outside King's Rest's yard delayed operations on the rail network for around 6-8 hours. Earlier this month, the Thabazimbi Regional Court sentenced four foreign nationals to lengthy prison terms for stealing critical infrastructure from the TFR network.[9] Additionally, towards the end

[8] Ebrahim, N. 24/06/2024. Transnet ports authority takes key step to find operators for fuel handling at Mossel Bay.
[9] FreighNews – 18/06/2024 Thief gets 30-year jail sentence for tampering with essential infrastructure

of the week, DCT Pier 2 had 83 over-border units on hand with a dwell time of 16 days and 76 ConCor units on hand with a dwell time of 48 hours. Rail containers on hand across the port system were reported as follows: Pier 1: 66, Pier 2: 153, Cape Town: 64.

Figure 9 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2024. Updated 28/06/2024.

In the last week (*22 to 28 June*), rail cargo handled out of Durban was reported at **2 729** containers, down by **↓6%** from the previous week's **2 916** containers.

2. Air Update

a. International air cargo

The following table shows the in- and outbound air cargo flows to and from ORTIA for the week beginning 17 June. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *June 2023* averaged **~777 221 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo[10]

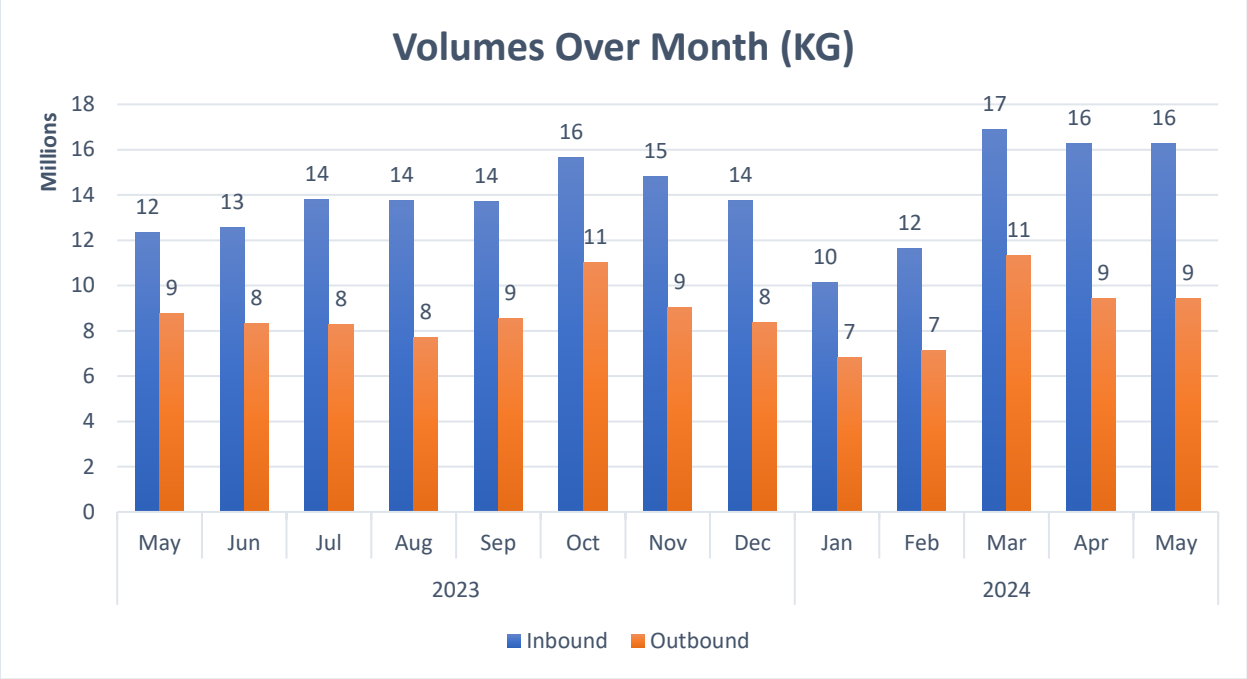
Flows	17-Jun	18-Jun	19-Jun	20-Jun	21-Jun	22-Jun	23-Jun	Week
Volume inbound	419 326	336 031	406 010	272 323	504 995	363 420	1 704 283	**4 006 388**
Volume outbound	109 283	130 985	148 034	161 017	208 729	201 515	1 049 966	**2 009 529**
Total	**528 609**	**467 016**	**554 044**	**433 340**	**713 724**	**564 935**	**2 754 249**	**6 015 917**

Courtesy of ACOC. Updated: 27/06/2024.

The daily average of air cargo handled at ORTIA in the previous week amounted to **572 341 kg** inbound (**↓0,5%**, w/w) and **287 076 kg** outbound (**↓7%**), resulting in an average of **859 417 kg per day**. Despite another slight reduction for the week, the industry remains up versus last year (**↑11%** versus June 2023) and has handled nearly the same volume as pre-pandemic times (**↓5%** versus June 2019). The following graphs show the movement in the last 12 months:

[10] Only ORTIA's international volumes are shown. ORTIA handles ~87% of international cargo to and from South Africa.

Figure 10 – International cargo from OR Tambo – volumes per month (kg millions)

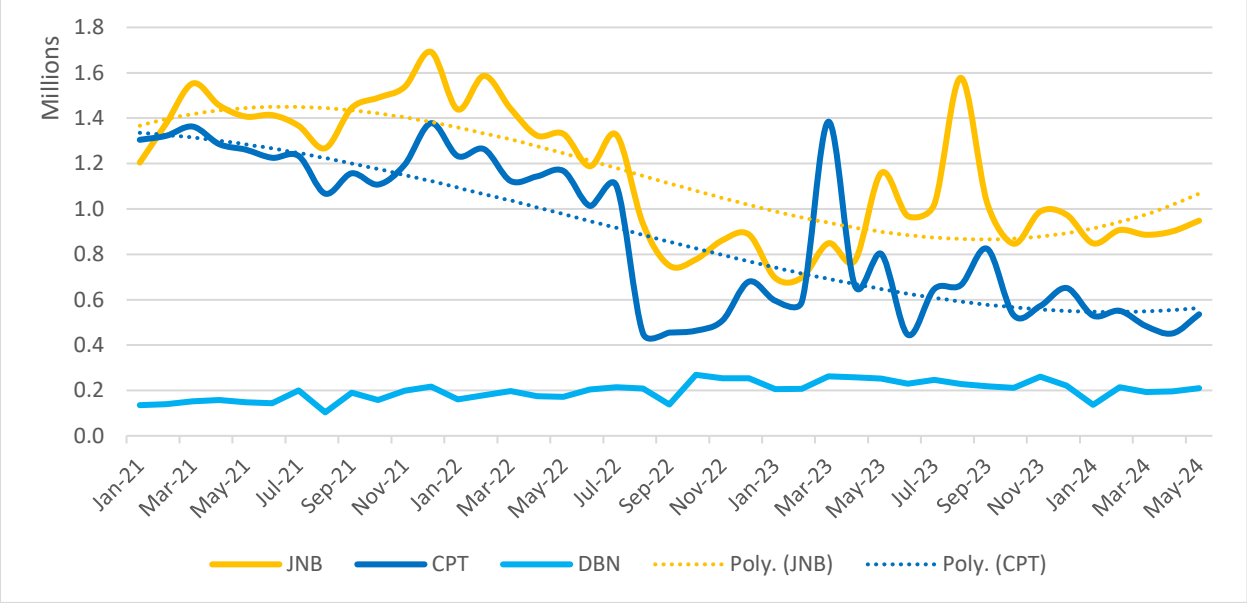


Courtesy of ACOC. Updated: 20/06/2024.

b. Domestic air cargo

The following table shows the cargo movement since 2021, with the drop-off in domestic air cargo very evident:

Figure 11 – Domestic inbound and outbound cargo (thousands)



Courtesy of ACOC. Updated: 20/06/2024.

3. Road and Regional Update

a. Cross-border and road freight delays

This week, the following points should be noted regarding challenges and delays on roads in South Africa and the surrounding SADC region.

- The median border crossing times at South African borders increased by around **half an hour**, averaging **10,5 hrs** (**↑6%**, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) increased by **an hour** and averaged **~3,8 hours** (**↑21%**, w/w).
- **SARS Beitbridge: Remover of Bond:**
  - Beitbridge has started imposing penalties of R20 000 on bonded import entries where clearing agents used their consignor bond instead of the licensed removers' bond. The enforcement of this penalty was temporarily suspended, pending internal discussions, and agents were led to believe it would not be enforced. According to Customs Beitbridge's interpretation of Section 64D(a), all licensed removers of goods in bond in South Africa, or registered agents, must provide security as determined by the Commissioner.
  - Registered agents representing foreign hauliers must secure and provide surety on behalf of these hauliers, as authorised in writing by the clearing agent, provided that the agent is permitted to use their bond. Importantly, the legislation identifies the roles and responsibilities of a "Consignor," including using a consignor bond. However, the registered agent doesn't need to supply the consignor bond. A formal confirmation letter is necessary to utilise a consignor bond.
  - Effective from the announcement date, all southbound shipments must have adequate surety lodged with SARS to cover duties and VAT for each shipment, causing notable frustration among transport operators. This surety is legally required for all bonded movements. It is pertinent to highlight that the policy outlines allowable deductions based on SARS' risk profiling, which means the actual surety lodged might be a portion of the requested amount.
- **Railway Expansion:**
  - Trafigura and partners have ordered 275 container wagons from Galison Manufacturing, South Africa, for a railway from DRC copper mines to Angola's Lobito port.
  - First delivery is due by year-end, with a $500 million investment planned to upgrade the railway line to offset China's regional influence.
- **Regulatory Payment in DRC:**
  - A new "ANR" payment, required by the Congolese Intelligence Agency, is mandatory for transporting breakdown trucks out of the country, costing $100.
  - Failure to pay results in a $2 000 fine and potential issues with receipt acceptance in subsequent provinces, requiring additional $100 payments.
- Transporters, traders, and cargo owners are encouraged to use the non-tariff barrier (NTB) online tool developed by UNCTAD and the AfCFTA Secretariat. However, given that platform's questionable

effectiveness, transporters are encouraged to contact FESARTA and join their TRANSIST Bureau[11], arguably providing better and more reliable information.

The following table shows the changes in bidirectional flows through South African borders, with the subsequent table showing the consolidated corridor movements:

Table 5 – Delays[12] summary – South African borders (both directions)

Border Post	Direction	HGV[13] Arrivals per day	Queue Time (hours)	Border Time – Best 5% (hours)	Border Time – Median (hours)	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beitbridge	SA-Zimbabwe	441	8,4	5,5	23,3	85,0	13 230
Beitbridge	Zimbabwe-SA	415	7,0	1,6	11,5	47,0	12 450
Groblersbrug	SA-Botswana	237	0,9	2,4	16,2	38,0	7 110
Martins Drift	Botswana-SA	194	24,0	0,3	2,1	25,0	5 820
Kopfontein	SA-Botswana	226	0,6	0,6	7,3	23,3	6 780
Tlokweng	Botswana-SA	22	0,4	0,2	0,4	5,5	660
Vioolsdrift	SA-Namibia	30	0,3	1,2	3,0	12,3	900
Noordoewer	Namibia-SA	20	0,4	0,4	1,6	14,5	600
Nakop	SA-Namibia	30	0,6	1,3	3,3	12,4	900
Ariamsvlei	Namibia-SA	20	0,3	0,4	1,1	8,6	600
Skilpadshek	SA-Botswana	211	0,9	2,2	14,1	30,0	6 330
Pioneer Gate	Botswana-SA	29	1,6	1,1	1,6	20,6	870
Lebombo	SA-Mozambique	1 446	1,0	1,2	6,2	21,6	43 380
Ressano Garcia	Mozambique-SA	125	24,0	0,3	2,0	19,0	3 750
Weighted Average/Sum		**3 446**	**5,0**	**1,3**	**6,7**	**25,9**	**103 380**

Source: TLC, FESARTA, & Crickmay, week ending 23/06/2024.

Table 6 – Delays summary – Corridor perspective

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Beira Corridor	320	0,1	3,1	12,4	9 600	2 240
Central Corridor	798	0,0	0,3	2,1	23 940	5 586
Dar Es Salaam Corridor	1 819	43,6	1,4	16,3	54 570	12 733
Maputo Corridor	1 571	12,5	0,8	4,1	47 130	10 997
Nacala Corridor	127	0,0	0,0	0,0	3 810	889
North/South Corridor	3 607	16,2	1,4	8,4	108 210	25 249
Northern Corridor	2 817	0,0	0,1	1,7	92 520	21 588
Trans Caprivi Corridor	116	0,6	0,0	0,0	3 480	812
Trans Cunene Corridor	100	1,9	0,0	0,0	3 000	700
Trans Kalahari Corridor	270	1,2	1,0	5,1	8 100	1 890
Trans Oranje Corridor	100	0,4	0,8	2,2	3 000	700

[11] FESARTA TRANSIST Bureau.

[12] It should be noted that the root cause of the reported delays is uncertain and variable at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles—data provided by the LMS (Logistics Monitoring System), which Crickmay produces in collaboration with SAAFF.

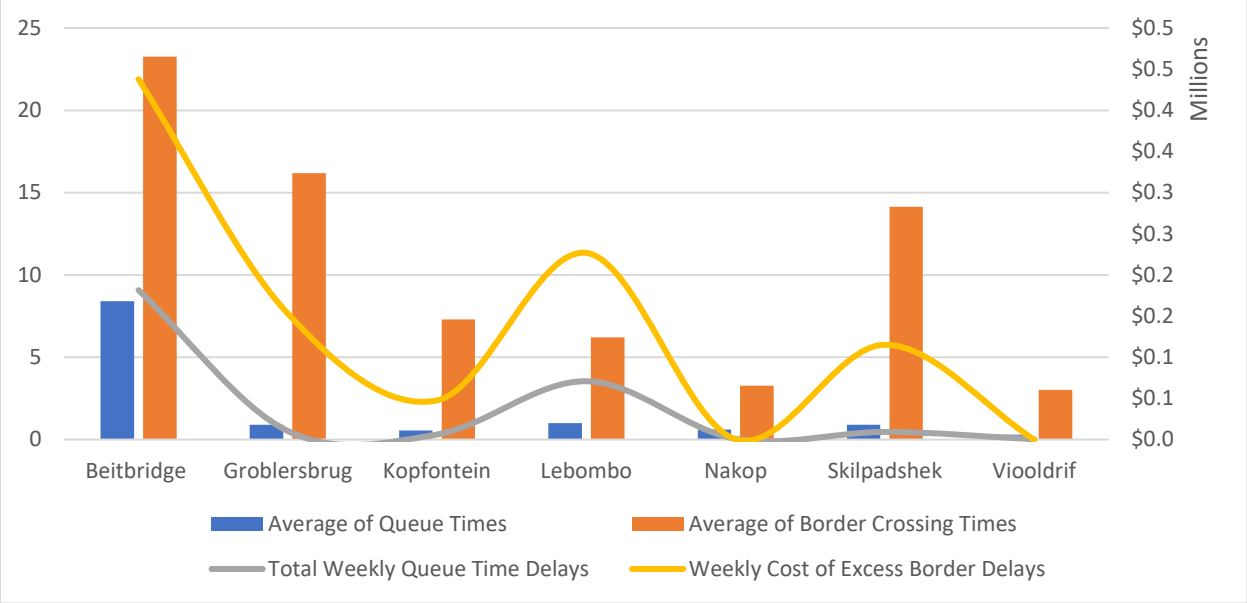
[13] Heavy Goods Vehicles. Note: These statistics are rolling averages; therefore, they would not typically change weekly but rather monthly.

Corridor	HGV Arrivals per day	Queue Time	Border Time – Best 5%	Border Time – Median	Est. HGV Tonnage per day	Weekly HGV Arrivals
Weighted Average/Sum	**11 645**	**8,7**	**0,8**	**5,2**	**357 360**	**83 384**

Source: TLC, FESARTA, & Crickmay, week ending 23/06/2024.

The following graph shows the weekly change in cross-border times and associated estimated costs:

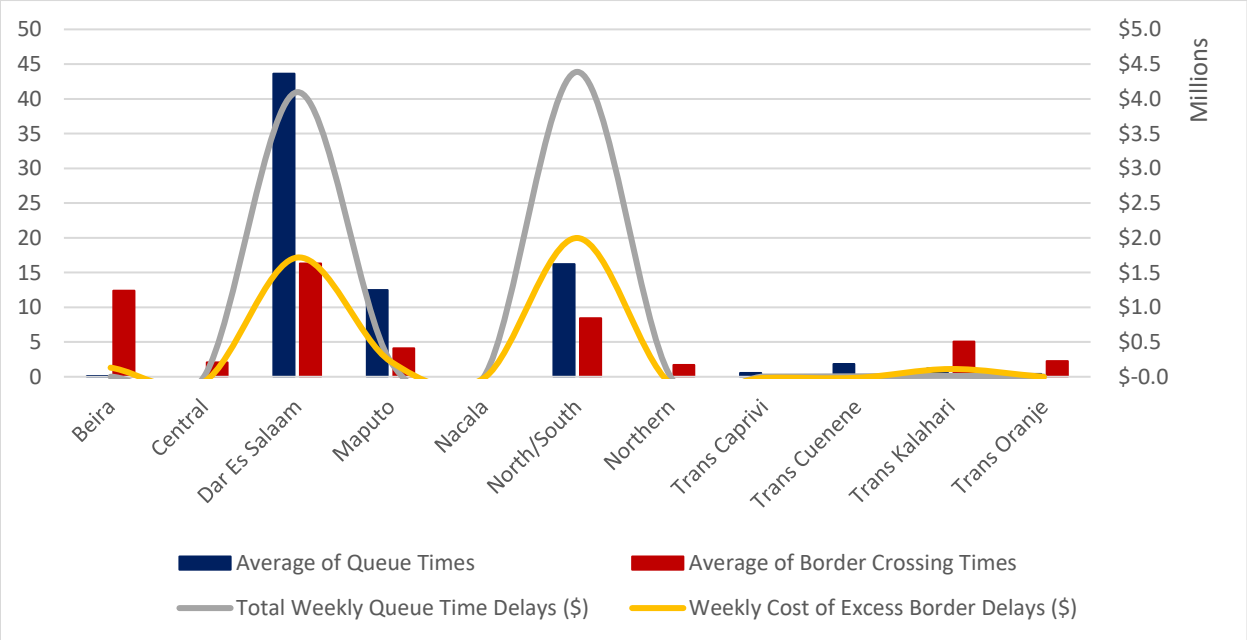
Figure 12 – Weekly cross-border delays & est. cost from an SA border perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 23/06/2024.

The following figure echoes those above, this time from a corridor perspective.

Figure 13 – Weekly cross-border delays & est. cost from a corridor perspective (hours & $ millions)



Source: TLC, FESARTA, & Crickmay, week ending 23/06/2024.

In summary, cross-border queue time averaged **~8,7 hours** (**unchanged** from the previous week's **~8,7 hours**), indirectly costing the transport industry an estimated **$8,7 million** (**R159 million**). Furthermore, the week's average cross-border transit times hovered around **~5,2 hours** (up by **~0,8 hours** from the **~4,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **$4 million** (**R72 million**). As a result, the total indirect cost for the week amounts to an estimated **~$12,7 million** (**R231 million**, up by **~R17 million** or **↑8%** from **~R214 million** in the previous report).

4. International Update

The following section provides some context around the global economy and its impact on trade, mainly an update on **(a)** the global shipping industry and **(b)** the global aviation industry.

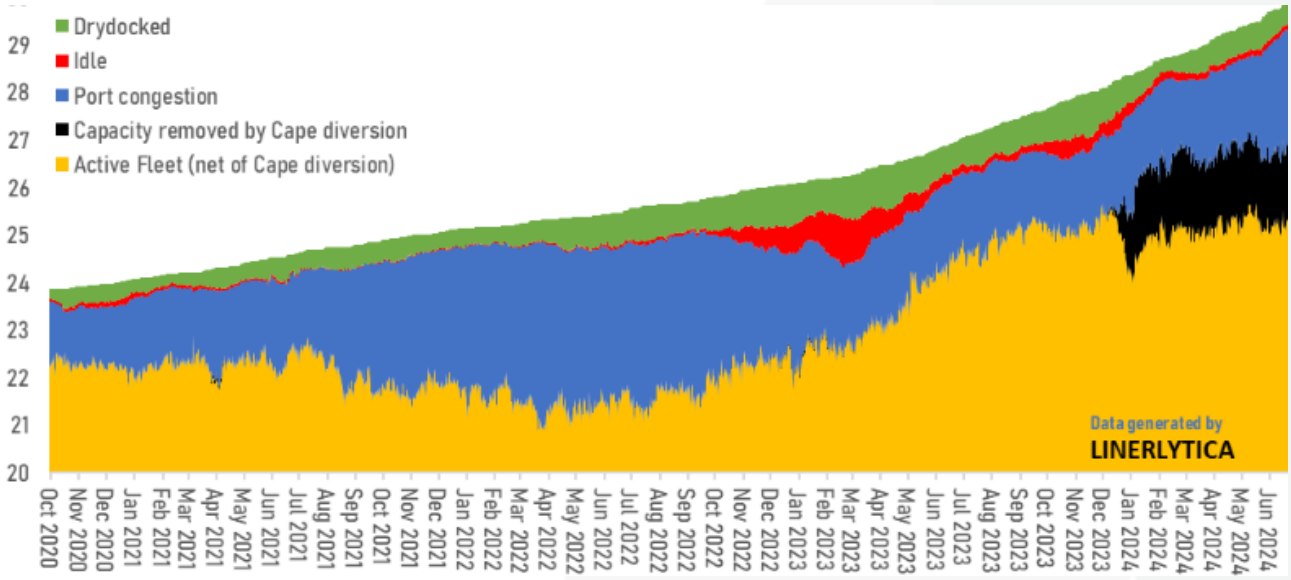
a. Global shipping industry

i. Global container chokepoints and capacity developments

Several chokepoints (as outlined in previous editions in the last two months) have persisted throughout the global container industry – perhaps none more so than the Red Sea crisis and the subsequent diversions of vessels around the Cape of Good Hope. These chokepoints and the structural over-capacity due to shipping lines investing in new vessels from profits earned during a COVID-related surge have led to a supply-demand imbalance. The over-capacity is being partially mitigated by the necessity of longer routes around the Cape of Good Hope, which requires more vessels per service to maintain schedules. New containership deliveries have reached **1,62 million TEU** this year. Still, there remains a shortage of ships globally with freight and charter rates continuing to surge ahead as the market enters the traditional summer peak season.[14] The vessel diversions from the Red Sea to the Cape route have effectively removed more than **1,6 million TEU** from the market since the beginning of December, while the recent increase in port congestion has taken out a further **0,5 million TEU** (up to **8,4%** of the current fleet) of vessel capacity from circulation as the active fleet currently stands at just over **25 million TEU**, which is below the **25,5 million TEU** at its peak in December 2023. In South Africa, port congestion at the Port of Durban worsened again 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 a worrying **1,69**.[15] The following figures show the respective status of the global containerised fleet:

[14] Linerlytica. 24/06/2024. Market Pulse – Week 26.
[15] Linerlytica. 20/06/2024. Port Congestion Watch.

Figure 14 – Global containerised fleet by active status (capacity in TEU millions)



Source: Linerlytica

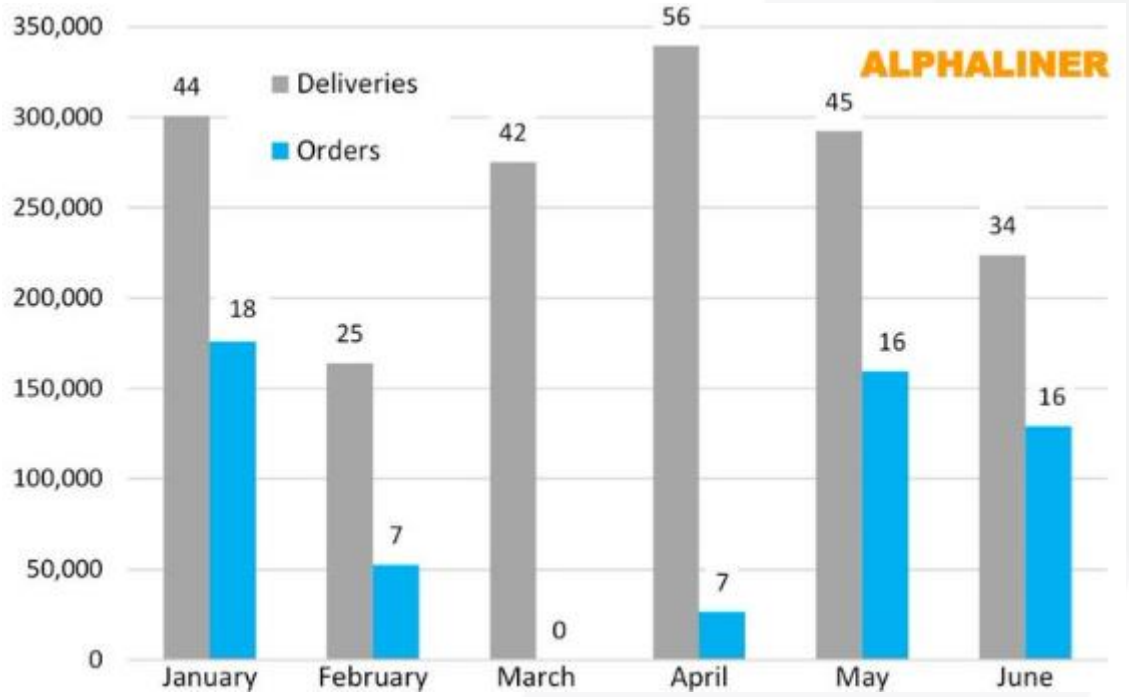
However, shipping lines continue to adapt by consolidating cargo in Asia before the extended journeys to Europe, optimising vessel utilisation and reducing costs. This shift has significant implications for the South African market, where export capacity has diminished as cargo competes directly with European shipments for space. The situation is further exacerbated by port delays and prioritisation of imports over exports in South Africa, reducing the availability of containers and impacting overall export capacity. This dynamic is expected to continue in the near term, suggesting a need for strategic interventions to stabilise cargo flows in South Africa.

Indeed, some analysts have said that container shipping has become so chaotic that it is hard to explain port omissions and skipped sailings (although the "*Cancelled Sailings Tracker*" decreased this week and is trending at **8%**.[16]) to shippers.[17] Consequently, the container market remains red hot, with short-term charter rates breaching the **$150 000 per day** benchmark[18] and spot freight rates rose above **$8 000 per 40ft** on some trades, setting new highs not seen since the end of 2022.

Tight market conditions have not stopped MSC from widening its lead at the top of the market. Its operated fleet will hit the **6 million TEU mark** in July, boosted by capacity additions from new buildings and second-hand vessel acquisitions. In the past seven days, 15 container ships with a combined capacity of **80 500 TEU** were delivered. This brings the total newbuild capacity added to the fleet so far in 2024 to 246 ships:

[16] Drewry. 28/06/2024. Cancelled Sailings Tracker.
[17] Li, M. 24/06/2024. Chaos now rules the container shipping market, says Yang Ming CFO.
[18] Li, M. 25/06/ Maersk sets new chartering record with deal for $150,000 a day.

Figure 15 – Containership deliveries versus ships ordered for 2024 (measured in TEUs)



Source: Linerlytica

Despite deliveries in 2023, 2024, and 2025 being 2-3 times higher than the historical average and very high new building prices, the ordering frenzy is not over yet. In 2024, another 64 units have been ordered, which will increase the fleet by a further **543 500 TEU**. Interestingly, carriers have stopped ordering Megamax vessels. The largest ships ordered this year are 4 Neo-Panamax 14 170 TEU units, expected to be operated by Dubai-based Emirates Shipping Line (ESL). Concerning the ongoing drive to reduce emissions, it is interesting to note that just half of the ships ordered this year (30 units) are equipped with dual fuel engines, of which 24 have methanol propulsion and six LNG propulsion. According to Alphaliner data, MSC charters **50,3%** of its fleet, Maersk **41,1%** and ONE **58,6%**. Hapag-Lloyd charters the fewest of the ten major carriers, at **40%** of its fleet, whereas Zim comes in at the other end of the spectrum, with **94,6%** of its fleet chartered.

New services out of Asia continue rapidly, led by the Mexico route, with six new services launched since May, followed closely by five new services to the US West Coast and three new services to North Europe. There is insufficient tonnage available to keep up with the rampant demand, with the Cape diversions and rising port congestion effectively removing more than **2 million TEU** of vessel capacity from the global fleet since December last year.

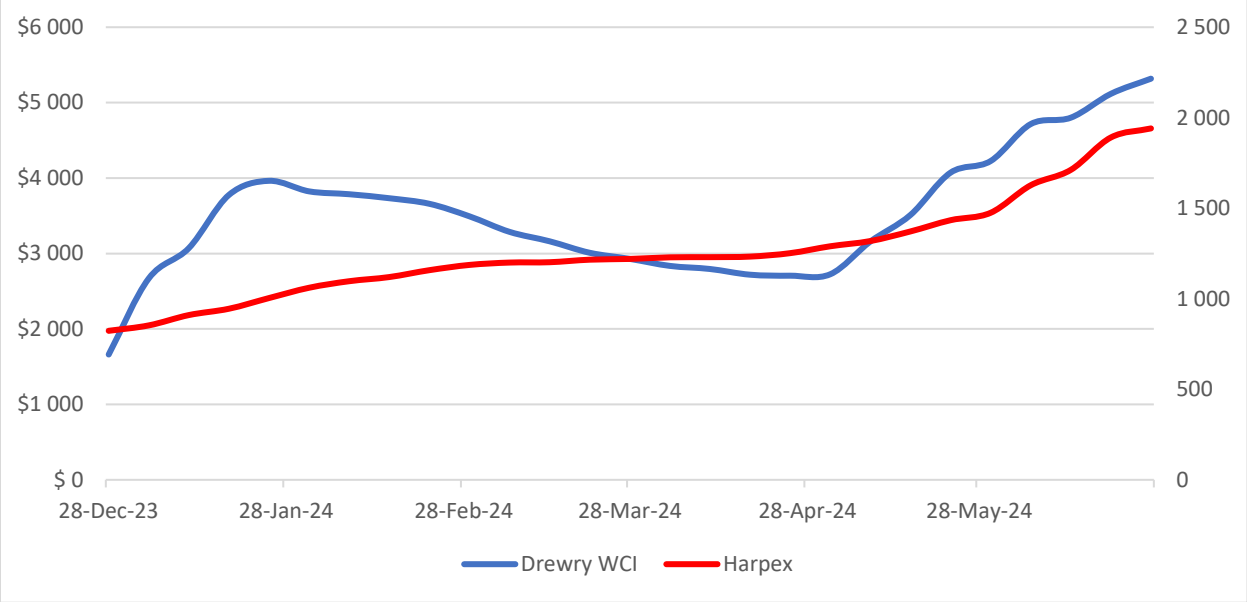
ii. Global container freight rates

Container freight rates continue to increase and are up by **↑3,9%** this week. Drewry's "World Container Index" is up by **$315** and trading at **$5 117** per 40-ft container.[19] During the same time, the Harper Petersen Index (Harpex) charter index has also increased markedly, as there is almost zero idle capacity anywhere to

[19] Drewry. 27/06/2024. World Container Index.

be found. This week, the Harpex traded at ***1 914 points***, up by another **↑2,6%** (w/w) and **↑73%** (y/y) compared to this time last year.[20] The following figure shows the movement of both of these indices since the start of the year:

Figure 16 – World Container Index and Harpex Charter Index (year-to-date)



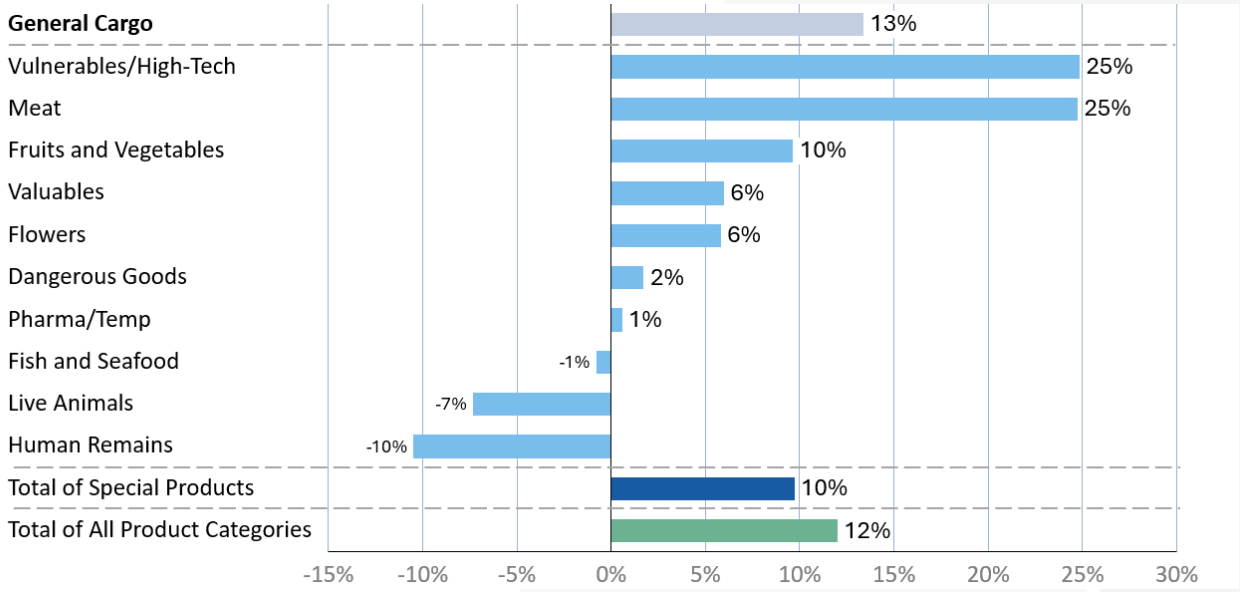
Source: Calculated from Drewry and Harpex

b. Global air cargo industry

In 2024, 'general cargo' air freight volumes are expanding faster than 'special cargo,' reversing recent trends. According to World ACD Market Data, from January to May 2024, global chargeable weight increased by **↑12%** (y/y), with general cargo rising by **↑13%** and special cargo by **↑10%**. This shift contrasts sharply with 2023 data, where general cargo fell by **↓12%** and special cargo rose by **↑3%**. The surge in general cargo is driven by increased cross-border e-commerce and conversions from sea freight to air cargo due to recent disruptions in container shipping, including attacks on vessels in the Red Sea. This led to notable growth in chargeable weight from Asia Pacific (**↑20%**) and Middle East & South Asia (**↑22%**). Analysis of specific air cargo categories through May 2024 reveals varying growth rates. Vulnerable/high-tech and meat shipments each saw a **↑25%** increase, fruits & vegetables grew by **↑10%**, and valuables and flowers by **↑6%**. In contrast, dangerous goods and pharma/temperature-controlled items rose only by **↑2%** and **↑1%**, respectively. Declines were observed in fish & seafood (**↓1%**), live animal shipments (**↓7%**), and human remains (**↓10%**).

[20] Harper Petersen Index. 28/06/2024. HARPER PETERSEN Charter Rates Index.

Figure 17 – Chargeable weight per product category (y/y)



Source: World ACD

Regionally, general cargo constitutes about **70%** of shipments from Asia Pacific, where special cargo saw a higher growth rate of **↑24%** compared to **↑18%** for general cargo. Significant increases in special cargo from this region include a **↑30%** rise in vulnerable/high-tech goods, **↑16%** in fruits & vegetables, and a **↑67%** surge in meat shipments. However, pharma/temperature-controlled cargo fell by **↓4%** (y/y).

Figure 18 – Capacity, weight, and rates per origin region

Origin region	Capacity (kg)			Chargeable weight (kg)			Rate (USD/kg)		
	2Wo2W	MoM	YoY	2Wo2W	MoM	YoY	2Wo2W	MoM	YoY
Africa	3%	-5%	-8%	1%	7%	9%	-1%	-0%	-3%
Asia Pacific	0%	-2%	16%	-2%	7%	20%	1%	1%	-7%
C. & S. America	3%	3%	4%	-4%	-6%	4%	-1%	-0%	-7%
Europe	2%	-8%	4%	-0%	3%	7%	-2%	-2%	-28%
M. East & S. Asia	2%	-4%	4%	0%	12%	22%	-2%	-2%	22%
North America	2%	-1%	6%	12%	8%	2%	-0%	-1%	-19%
Worldwide	**1%**	**-4%**	**8%**	**1%**	**5%**	**12%**	**-1%**	**0%**	**-11%**

2Wo2W: Week 23+24 vs. week 22+21 **MoM**: May 24 vs. Apr 24 **YoY:** YtD May 24 vs. YtD May 23

Source: World ACD

This week, according to the latest weekly figures and analysis from World ACD Market Data, total worldwide tonnages flown (week 25, 17-23 June) dropped by **↓5%**, but average rates rose slightly (**↑1%**) to **$2,54 per kilogram**, up **↑10%** compared with the equivalent week last year and significantly above pre-pandemic levels (**↑43%**) compared to June 2019.

ENDS[21]

[21]**ACKNOWLEDGEMENT:**

*This initiative – **The Cargo Movement Update** – was developed collectively by Business at large to provide visibility of the movement of goods during the COVID-19 pandemic. The report is authored by the South African Association of Freight Forwards (SAAFF) and distributed by Business Unity South Africa (BUSA). SAAFF acknowledges the input of several key business partners in compiling these reports, which have become a weekly industry staple. This edition is proudly sponsored by Turners Shipping.*

FERI CERTIFICATES FOR IMPORTED AND TRANSITED GOODS TO OR THROUGH THE DRC

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Procedure

Turners Shipping has been designated as an official Freight Certification sub-Agent for the Democratic Republic of Congo (DRC), mandated to issue the FERI (Fiche Electronique de Renseignement à l'Importation) Certificates.

1
Submit the required documents by email or online.

2
Complete the application form and provide supporting documentation.

3
You will receive an invoice with attached draft, typically within 24 hours of all documents/ information received.

4
When payment reflects, the draft approved and a copy of the final bill of lading received; the validation will be requested.

5
To avoid fines, the FERI must be validated before the vessel arrives at the destination.

Introduction

The FERI Certificate is an essential requirement for all cargo entering the Democratic Republic of Congo (DRC). It is designed to streamline customs processes and ensure compliance with the DRC's import regulations.

Turners Shipping plays a pivotal role in facilitating smoother trade flows and enhancing the efficiency of cargo movement into one of Africa's most significant economies.

The FERI Certificate is an electronic document required to clear imported and transited goods to or through the DRC.

Simpler, Safer, Faster

- We **reduce your administrative burden** by completing the application on your behalf.
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