



Date: 9 August 2024

Key Notes

- An average of **~7 370 containers** was handled per day, with **~8 333 containers** projected for next week.
- Rail cargo handled out of Durban was reported at **2 857 containers**, down **↓12%** from last week.
- Cross-border queue and transit were **unchanged**; SA borders: **11,5 hrs (↑6%)**; SADC borders: **4,7 hrs (↓2%)**.
- Global container volume (dry & reefer) is down by **↓1,7% (m/m)** and up by **↑6,3% (y/y)** in June.
- Container spot rates again decreased – this week by **↓3,2% (or \$185)** and is trading at **\$5 551/40-ft**.
- Air cargo tonnages (measured in CTks) were up by **↑14,1%** compared to June 2023, according to IATA.

i. Port operations - General

- Adverse weather, equipment breakdowns, and system challenges mainly constrained port operations. Vessel ranging, strong winds, and system challenges delayed Port of Cape Town operations.
 - At the same time, equipment breakdowns and a shortage of marine crafts constituted the majority of delays in Durban.
 - Over 24 operational hours were lost in the Eastern Cape this week due to inclement weather and equipment breakdowns.
 - At the same time, the Port of Richards Bay experienced some operational delays this week due to adverse weather.
 - Additionally, the line between Durban and The Reef was closed for the most significant part of Monday due to monthly maintenance on the line.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was at **21%**, reefers at **37%**, and empties at **26%**.
 - The terminal operated with **seven STS cranes, 24 RTGs, and 45 hauliers**.
 - Cranes LC4 and LC9 are currently out of commission, with LC4 experiencing issues with the auxiliary wire and LC9 still awaiting the electronic card.
 - At midday on Friday, there was one container vessel at inner anchorage in Cape Town.
- CTCT handled **~1 227 (↓6%, w/w)** containers a day. A decreased average of **~1 189** is projected this week.
- DCT Pier 1: Stack occupancy is **66%** for GP containers and **84%** for reefers.
 - Towards the end of the week, the terminal had five STS cranes and 14 RTGs operational.
- DCT Pier 1 handled **~1 357 (↓10%, w/w)** containers a day, with an increased average of **~1 582** projected this week.
- Average TTT for DCT Pier 1 this week: **64 minutes (↓20%, w/w)**, with a staging time of **35 minutes (↓3%, w/w)**.
- DCT Pier 2: Stack occupancy was **57%** for GP containers and **60%** for reefers.
 - The terminal operated with nine gangs on the waterside.
 - The number of available straddle carriers fluctuated between **48 and 55** this week.
- DCT Pier 2 handled **~2 848 (↓16%, w/w)** containers a day, with an increased average of **~2 991** projected this week.
- Average TTT for DCT Pier 2 this week: **92 minutes (↓23%, w/w)**, with a staging time of **91 minutes (↓58%, w/w)**.
- At midday on Friday, five vessels were waiting for Pier 2, three for Pier 1, and three for Point terminal, with a current estimation of **at least 17 additional days added to the schedules**.



- In the last week (3 to 9 August), rail cargo handled out of Durban was reported at **2 857** containers, down by **↓12%** from the previous week's **3 234** containers.
- Elsewhere, the ongoing locomotive dispute with the China Railway Rolling Stock Corporation (CRRC) is set to continue, as the Chinese government can only intervene in a dispute between South Africa and the Chinese state-owned rail company if the matter is out of the courts.¹

iii. Local and cross-border road:

- The median border crossing times at South African borders increased by around **45 minutes**, averaging **11,5 hrs (↑6%, w/w)** for the week.
- In contrast, the greater SADC region (excluding South African controlled) decreased by around **10 minutes** and averaged **~4,7 hrs (↓2%, w/w)**.
- **Mandatory scanning of all vehicles at Beitbridge:**
 - The ongoing issue of mandatory scanning for all commercial vehicles by ZIMRA at the Beitbridge border post is under review.
 - Although some progress has been made, a final resolution has not yet been reached.
 - Updates will be provided once ZIMRA finalises an agreeable solution.
- **KM4 facility constraints at the Lebombo:**
 - Drivers have expressed ongoing concerns regarding the KM4 facility, particularly the uneven surfaces and lack of oversight, despite being charged for its use.
 - Incidents of hit-and-run accidents and theft remain frequent, with authorities providing responses that have not fully addressed these concerns.
- In summary, cross-border queue time averaged **~8,1 hours (unchanged)** from the previous week's **~8,1 hours**), indirectly costing the transport industry an estimated **\$12,4 million (R227 million)**. Furthermore, the week's average cross-border transit times hovered around **~5,4 hours (unchanged)** from the **~5,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$3,9 million (R72 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$16,3 million (R299 million)**, essentially unchanged from the previous report.

iv. Global shipping industry

- The latest container throughput figures for June from Container Trade Statistics (CTS) show that container volume has decreased by **↓1,7%** (m/m) after an increase of **↑8,1%** (adjusted) in May.
 - Container throughput reached a total of around **15,7 million TEUs** – some **200 000 containers** off the record throughput of last month.
 - Annual throughput is up by a substantial **↑6,3%** (y/y), as global demand for complex goods has undoubtedly recovered.
 - After the substantial increase in container throughput in May, most trade lanes saw reductions.
 - Sub-Saharan African trade over the period saw a **↓2,9%** (m/m) reduction in containers exported and a **↓3,1%** (m/m) reduction in containers imported.
 - Despite monthly decreases for the SSA region, yearly SSA trade exports are significantly up – by **↑11,9%** in June. Nevertheless, yearly trade remains down for imports at **↓5%**.
 - When measuring these, South Africa accounted for **29%** of SSA imports and **58%** of SSA exports in June, 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.

¹ Wasserman, H. 05/08/2024. [State capture train fight: China says it can't intervene if CRRC case is in court.](#)



- The global price index (dry and reefer combined) increased over this period by **↑12,4%** monthly and up by **↑26,6%** yearly.
 - When comparing the price increases with those of the WCI of Drewry, it is apparent that dry goods increase more substantially versus reefers, as the Drewry WCI (dry goods only) increased by **↑41%** monthly and by **↑212%** yearly.
- Concerns about a potential US recession have significantly influenced the market this week, resulting in the WCI declining for the fourth consecutive week due to weakening capacity utilisation.²
- Rates to North Europe are comparatively more stable, with capacity still limited by Red Sea diversions and the recent increase in port congestion (currently, some **2,16 million TEUs** – or **7,1%** of the global fleet – is congested), which has had a more severe impact on ports within the Asia-Europe corridor.
 - Congestion remains at the Port of Durban, currently occupying a space on the first page of Linerlytica's "*Port Congestion Watch*" with a queue-to-berth ratio of **1,12** on Thursday.
- MSC is proceeding with its latest new building initiatives, further expanding its capacity lead over key competitors.
 - MSC's planned new building orders will bring its overall fleet to **7,5 million TEU** by the end of 2028 as it continues to widen the gap with its main rivals.
 - The latest MSC orders are expected to include ten units of **21 000 TEU** at Hantong, a series of **12 000 TEU** units at Rongsheng, and **11 000 TEU** units at Penglai Jinglu to be delivered from 2027.
 - Although CMA CGM's new vessel delivery pipeline will allow it to surpass Maersk by 2027, it will still trail MSC by more than **2 million TEU** by the end of 2028.
- Container freight rates have again subsided this week, as Drewry's "*World Container Index*" decreased by **↓3,2%** (or **\$185**) and is trading at **\$5 551** per 40-ft container.³
 - The average composite index for the year-to-date is **\$3 996** per 40-ft container, which is **\$1 204 higher** than the 10-year average rate of **\$2 791**.
 - The best current estimates indicate that we will see rates of just North of **\$4 000** per 40-ft container by the end of the year; however, the recent rates of volatility experienced in the last four years – coupled with the major disruptions to global supply chains – make these estimations almost meaningless with still more than a quarter of the year to go.
- Charter rates have also continued to decrease, as the Harper Petersen Index (Harpex) is trading around **1 985 points** on Friday, down by **↓0,2%** (w/w) – but still up by **↑80%** compared to this time last year.⁴
- Other developments included **(1)** Chinese vessels sailing via the Arctic Northern Sea Route to avoid the Red Sea, **(2)** a container exploding on a Yang Ming box ship in a Chinese port, and **(3)** the USEC port workers' union set to finalise contract demands and strike strategy.

v. International air industry – South Africa

- For international air cargo to and from South Africa, the daily average of air cargo handled at ORTIA in the previous week amounted to **538 630 kg** inbound (**↑13%**, w/w) and **329 520 kg** outbound (**↓4%**), resulting in an average of **868 150 kg per day**.
 - This week's increase means the industry is still significantly up versus last year (**↑11%** versus August 2023) but remains significantly down on pre-pandemic levels (**↓12%** versus August 2019). Nevertheless, we have seen a slight monthly decrease, as the total cargo for July is slightly down versus June, at **↓12%** (m/m).

² Linerlytica. 05/08/2024. [Market Pulse – Week 32](#).

³ Drewry. 08/08/2024. [World Container Index](#).

⁴ Harper Petersen Index. 02/08/2024. [HARPER PETERSEN Charter Rates Index](#).



- In other air cargo news, Airports Company South Africa has suspended its chief information officer, after it found possible evidence of wrongdoing in a key technology tender.⁵

vi. International air industry

- Internationally, maritime shipping constraints and booming e-commerce continue to spur air cargo growth despite economic and political challenges.
 - IATA reported strong annual growth in global air cargo demand, continuing a trend of double-digit increases for the seventh consecutive month.
 - CTKs rose by **↑14,1%** compared to June 2023, with international operations seeing a **↑15,6%** increase.
 - Capacity also grew by **↑8,8%** year-on-year, as the first half of 2024 saw demand up by **↑13,4%** compared to 2023, surpassing levels from 2022 and 2021.
- In the more frequent data from World ACD, preliminary data for July show that global air cargo tonnages and rates increased by **↑12%** year-on-year.
 - Average worldwide rates rose **↑2%** from June to **\$2,50 per kilogram**, marking a **↑44%** increase compared to July 2019.
- Rates have steadily climbed from **\$2,30** in Q1 to **\$2,45** in Q2, with further growth in July.
- July's **↑12%** (y/y) rate increase is the highest this year, surpassing the **↑2%** and **↑6%** increases in May and June, according to World ACD.

⁵ Wasserman, H. 09/08/2024. [ACSA suspends IT head over facial recognition tender.](#)