



**Date: 30 August 2024**

## Key Notes

- An average of **~6 537 containers** was handled per day, with **~8 365 containers** projected for next week.
- Rail cargo handled out of Durban was reported at **2 976** containers, up **↑2%** from last week.
- Cross-border queue: **no change**; transit: **↑1,2 hrs**; SA borders: **15,8 hrs (↑40%)**; SADC: **5,7 hrs (↑19%)**.
- Schedule reliability is down by **↓2,1% (m/m)** and **↓12% (y/y)**. Late arrivals are at **5,24 days**.
- Container rates dropped by **↓2,6% (\$138)** to **\$5 181/40ft** and are expected to drop **↓70%** by June 2025.
- Global air cargo for July shows a **↑9%** increase in capacity and a **↑7%** growth YTD.

### i. Port operations - General

- Port operations were severely impacted by adverse weather conditions this week, accompanied by equipment breakdowns and shortages.
  - Operations in Cape Town were severely disrupted this week due to strong winds, high swells, and vessel ranging, while inclement weather conditions accompanied by equipment breakdowns ensured operational delays in Durban.
  - Over 50 operational hours were lost at our Eastern Cape Ports due to adverse weather and crane breakdowns.
  - The Port of Richards Bay experienced an influx of trucks, leading to trucks being staged on public roads.
  - The Fayston Farms eventually berthed in Durban this week after waiting at anchor for approximately 26 days.
  - Furthermore, the annual shutdown on the ConCor started this week, as previously communicated.

### ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was recorded at **25%**, reefers at **70%**, and empties at **24%**.
  - The terminal operated with **seven STS cranes, 22 RTGs, and 55 hauliers** towards the end of the week.
  - At midday on Friday, there were two container vessels at inner anchorage in Cape Town (and several at outside anchorage).
- CTCT handled **~910 (↓14%, w/w)** containers a day. An increased average of **~1 069** is projected this week. Again, as with the last couple of weeks, this projection will largely depend on whether the weather improves.
- DCT Pier 1: Stack occupancy was **64% for GP containers and 85% for reefers**.
- DCT Pier 1 handled **~1 267 (↓4%, w/w)** containers a day, with a slightly increased average of **~1 388** projected this week.
- Average TTT for DCT Pier 1 this week: **53 minutes (↓45%, w/w)**, with a staging time of **32 minutes (↓44%, w/w)**.
- DCT Pier 2: Stack occupancy was at **68% for GP containers and 89% for reefers**.
  - The terminal operated with **nine gangs** on the waterside.
  - The number of available straddle carriers fluctuated between **49 and 53** this week.
- DCT Pier 2 handled **~2 931 (↓4%, w/w)** containers a day, with an increased average of **~3 240** projected this week.



- Average TTT for DCT Pier 2 this week: **86 minutes** (↓10%, w/w), with a similar staging time of **88 minutes** (↓8%, w/w).
- At midday on Friday, six vessels were waiting for Pier 2, four for Pier 1, and two for Point terminal, with a current estimation of **at least nine additional days added to the schedules**.
- In the last week (24 to 30 August), rail cargo handled out of Durban was reported at **2 915 containers**, up by **↑2%** from the previous week's **2 915 containers**.
- Grindrod Limited has returned 13 locomotives from Sierra Leone to South Africa after successfully hauling over **18 million tonnes of iron ore** over three years.<sup>1</sup>
  - The company emphasised the importance of rail in their integrated logistics strategy, focusing on partnerships and growth opportunities within the SADC and East Africa regions.

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

- The median border crossing times at South African borders increased significantly by around **four and a half hours** (mainly because of slow movement through Groblersbrug), averaging **15,8 hrs** (↑40%, w/w) for the week.
- In contrast, the greater SADC region (excluding South African controlled) increased by slightly less than **an hour** and averaged **~5,7 hrs** (↑19%, w/w).
- **DRC Border Operating Times:**
  - Changes to operating hours at DRC borders were announced in August, indicating that, as of May this year, borders would not operate at full capacity on Saturdays.
  - Despite this announcement, there has been no observable change in the situation at Kasumbalesa.
- **Violence at Luilu, near Kolwezi, DRC:**
  - On Monday, artisanal miners and diggers at Luilu near Kolwezi were forcibly removed, leading to violence that halted operations.
  - Military personnel were deployed to manage the situation – consequently, transporters are advised to avoid this area.
- **Queueing at Skilpadshek and Groblersbrug:**
  - Northbound traffic at Skilpadshek and Groblersbrug has experienced daily queues exceeding four kilometres due to the implementation of Mpox screening at various entry points.<sup>2</sup>
- In summary, cross-border queue time averaged **~8,1 hours** (**essentially unchanged** from the previous week's **~8,1 hours**), indirectly costing the transport industry an estimated **\$12,4 million (R218 million)**. Furthermore, the week's average cross-border transit times hovered around **~6,7 hours** (up by **~1,2 hours** from the **~5,5 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$5,2 million (R91 million)**. As a result, the total indirect cost for the week amounts to an estimated **~\$17,6 million (R310 million)**, up by **~R32 million** or **↑11%** from **~R288 million** in the previous report.

### iv. Global shipping industry

- Drewry confirmed several previous figures and indices of increased demand and throughput in the global container industry this week.
  - In June 2024, the “*Global Container Port Throughput Index*” increased by **↑3,3%** (m/m) to **118,5 points**, marking a **↑5,5%** year-on-year growth.
  - The rolling 12-month average growth rate also climbed to **↑4,4%**.

<sup>1</sup> FTW. 28/08/2024. [Grindrod's locomotives arrive at Port of Durban.](#)

<sup>2</sup> FTW. 20/08/2024. [Botswana announces screening for Mpox at main trade crossings.](#)



- However, Drewry's Nowcast model predicts a **↓4,1%** (m/m) decline for July, bringing the index down to **113,7 points**.
- Therefore, with the summer holidays in the northern hemisphere taking their toll on throughput<sup>3</sup>, the sustained increase is not yet inevitable.
- According to *Sea Intelligence*, global schedule reliability dropped by **↓2,1%** (m/m) to **52,1%** in July 2024.<sup>4</sup>
  - Consequently, schedule reliability remained consistent with the trends of the year, ranging between **50%-55%** and **↓12%** lower year-on-year.
  - The average delay for late vessel arrivals slightly improved (by **0,02 days**, m/m) to **5,24 days**, still higher than pre-pandemic levels.
  - Maersk was the most reliable carrier at **54,6%**, while Wan Hai was the least reliable at **41,3%**.
  - Only ZIM and MSC showed month-on-month improvements.
  - Year-on-year, all carriers experienced declines in reliability, with Wan Hai facing the steepest drop of **↓27,4%**.
- The global port congestion indicator remains high and is hovering above the **2,31 million TEU mark**, accounting for **7,6% of the global fleet** (the highest level this year).
  - In South Africa, port congestion at the Port of Durban has again deteriorated this week, as significant capacity waiting to be off-loaded is currently outside at anchorage (some **36 000 TEU**) and not outside at anchorage.
  - As such, the queue-to-berth ratio at Durban was **0,90<sup>5</sup>** – another deterioration occurred last week, which was the year's best reading.
  - Lastly, almost no capacity is sitting idle (only **~0,3%** of the total fleet), as the "*Cancelled Sailings Tracker*" increased this week with several trades being blanked<sup>6</sup> And is standing at **10%<sup>7</sup>**.
- Container freight rates are poised to fall by over **↓70%** by June next year (which would put them around **\$1 600** per 40-ft container), based on the latest competition on container freight index futures (CoFIF) EC contracts traded on the Shanghai International Energy Exchange (INE).<sup>8</sup>
  - Although the drop is not as severe as the freight rate collapse seen at the end of 2022, current freight futures prices anticipate continuous declines over the coming 12 months, with no rebound expected at the end of this year and no repeat of this year's post-Chinese New Year rate rally in 2025.
  - According to Drewry's "*World Container Index*", the composite index is down (by **↓2,6%** or **\$138**) for a sixth consecutive week and trading at **\$5 181** per 40-ft container.<sup>9</sup>
  - Charter rates were unchanged this week, as the *Harper Petersen Index* (Harpex) traded around **1 981 points** on Friday, but still up by **↑85%** compared to this time last year.<sup>10</sup>
- Other developments included **(1)** the Panama Canal Authority giving all clear, **(2)** average container ship sizes continuing to increase, **(3)** inconsistencies and limitations of ocean carriers' carbon emissions calculators, and **(4)** the Port of Beira hitting record cargo volumes.

<sup>3</sup> Alphaliner. 23/08/2024. [The Container charter market remained subdued.](#)

<sup>4</sup> Murphy, A. 29/08/2024. [Global schedule reliability drops by -2.1 percentage points in July.](#)

<sup>5</sup> Linerlytica. 28/08/2024. [Port Congestion Watch.](#)

<sup>6</sup> Wackett, M. 30/08/2024. [Ocean carriers 'fire blanks' ahead of China's Golden Week holiday.](#)

<sup>7</sup> Drewry. 30/08/2024. [Cancelled Sailings Tracker.](#)

<sup>8</sup> Linerlytica. 26/08/2024. [Market Pulse – Week 35.](#)

<sup>9</sup> Drewry. 29/08/2024. [World Container Index.](#)

<sup>10</sup> Harper Petersen Index. 30/08/2024. [HARPER PETERSEN Charter Rates Index.](#)

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

- The daily average of air cargo handled at ORTIA in the previous week amounted to **543 248 kg** inbound (**↑1%**, w/w) and **355 300 kg** outbound (**↑8%**), resulting in an average of **898 548 kg**.
  - This week's increase means that the industry remains significantly up versus last year (**↑15%** versus August 2023) and still slightly down on pre-pandemic levels (**↓8%** versus August 2019) – but the YTD (*Figure 2 RH*) remains up, which is positive news for the industry.
- Minister of Transport Barbara Creecy has directed ATNS to urgently resolve delays in auditing instrument flight procedures, emphasising safety and requiring a detailed plan within two weeks.

**vi. International air industry**

- Internationally, weekly figures show that in the last week of August 2024 (week 34), global air cargo tonnages rebounded by **↑5%**, primarily driven by an **↑11%** week-on-week increase from Asia Pacific, following a dip due to Typhoon Ampil in Japan.
- Rates remain stable, trading at **\$2,51 per kilogram**, up **↑12%** (y/y).
- In other air cargo news, foreign airlines have reacted strongly to an emergency security change by the US Transportation Security Administration (TSA) requiring additional details of shippers and consignees for airfreight.