



# Transport & Freight Index

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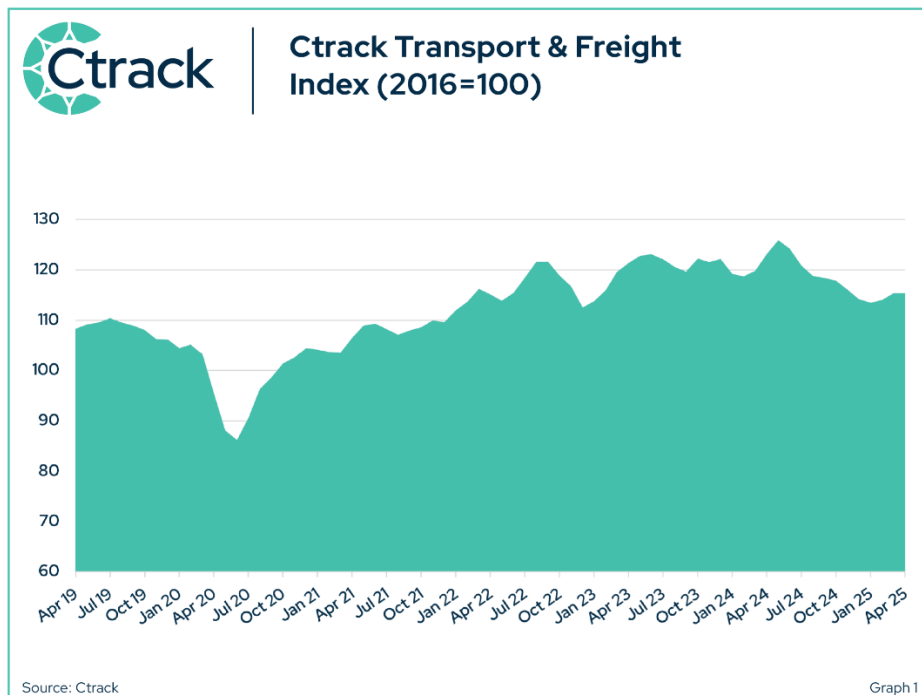
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## A HESITANT TURNAROUND IN THE LOGISTICS SECTOR SINCE JANUARY

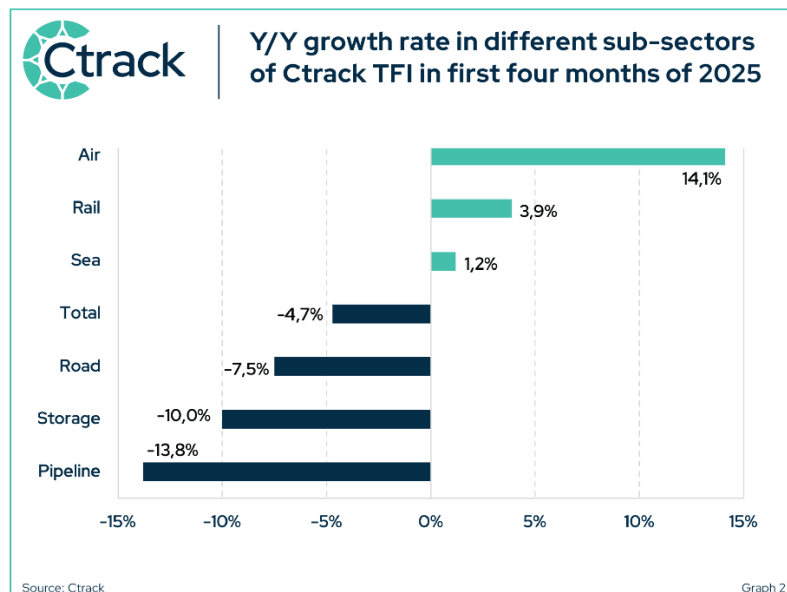
After declining for eight consecutive months to reach a revised index level of 113.5 in January 2025, the Ctrack Transport and Freight Index (Ctrack TFI) increased in each of the three months to April to reach an index level of 115.4. At this level the index is 1.6% higher than in January, but still 6.4% below a year earlier. While somewhat of a bounce-back, in essence it can only be seen as a stabilisation of the logistics sector after a pro-longed slump, as underlying weaknesses in some of the sub-sectors remain prevalent.

GRAPH1: CTRACK TRANSPORT & FREIGHT INDEX (2016=100)



Considering the first four months of 2025, three sub-sectors contracted compared to a year earlier and three sectors advanced. However, given that the heavy-weighted road freight sub-sector remained under pressure, the overall logistics sector lagged by 4.7% compared to the corresponding period one year earlier - see graph 2. Road freight (-7.5%), transport via pipelines (-13.8%) and the sub-component for storage and handling (-10.0%) contracted, while the air freight (14.1%), rail freight (3.9%) and sea freight (1.2%) sub-sectors recorded growth. Furthermore, following monthly increases in the Ctrack TFI in February and March, the index stalled in April, suggesting that the sector is by no means out of woods yet.

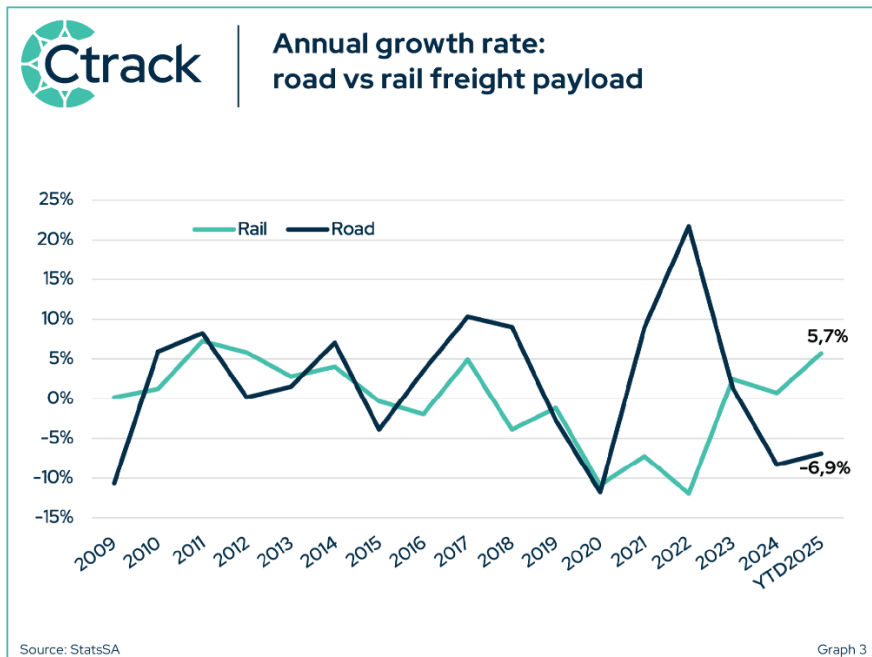
GRAPH 2: Y/Y growth rate in different sub-sectors of Ctrack TFI in first four months of 2025



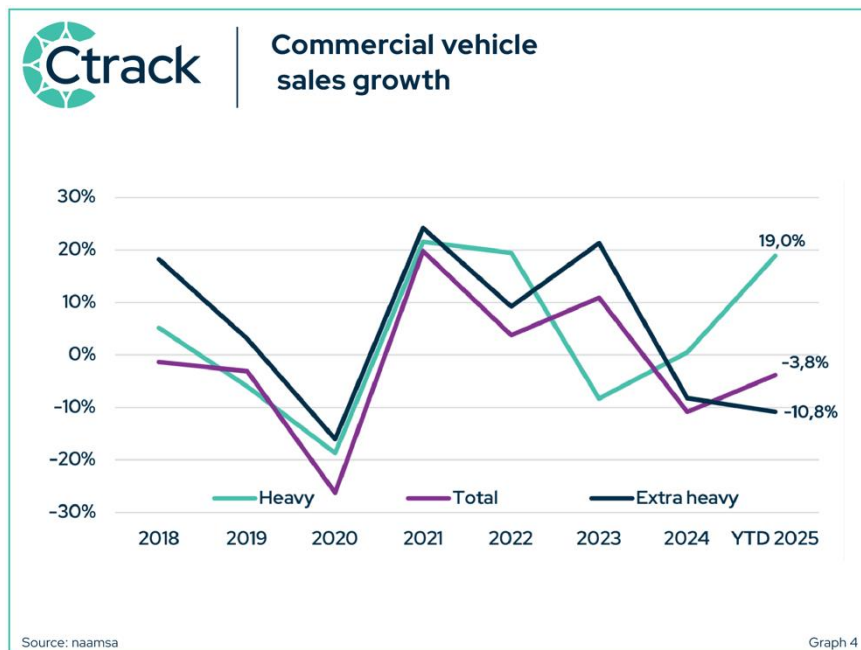
The heavily weighted **Road Freight** sub-sector remained under pressure in the first months of 2025, a continuation of a trend that started in mid-2023. From a high of 89.1% in November 2022, road freight now accounts for only 82.1% of all freight payload in South Africa. Following on growth of 1.5% in 2023, road freight payload in South Africa plummeted in 2024 with a drop of 8.3%, while Q1 2025 data suggests a further contraction of 6.9% y/y – see graph 3. The ongoing weakness in the South African economy remains an important factor in the disappointing performance of the road freight sector, especially the performance of the primary and secondary sectors. The mining sector contracted on average by 2.2% in the three years to 2024 (in real terms) and further by 4.1% q/q in Q1 2025. Similarly, the agricultural and manufacturing sectors contracted on average by 3.7% and 0.1% respectively in the corresponding time period, while manufacturing contracted further by 2.0% q/q in Q1. Less economic activity in these sectors, especially the export-orientated mining sector, results in less demand for truck transport.

Additional factors include the redirection of cargo ships towards other ports in Africa, resulting in less demand for heavy vehicle transport in South Africa, and some improvement in rail freight transport, although the latter explains less than 20% of the observed drop in road freight transport in Q1 2025. While heavy vehicle traffic on the N4 route towards Maputo remained under pressure in the first four months of 2025, a continuation of a trend that commenced in 2024, the number of heavy trucks (class 3 and 4) passing through the Tugela Toll Plaza on the N3 route increased somewhat in the first four months, following on a contraction of 1.0% in 2024. With the pressure evident relating to demand for road freight transport, it is unsurprising that sales of new extra heavy trucks are down by 10.8% year-to-date (compared to the corresponding period in 2024 and in sharp contrast to overall vehicle sales that are up by 12.6% in the same period), probably partly ascribed to an oversupply of extra-heavy vehicles following some years of good growth (2021-2023). Interestingly and in contrast to extra-heavies, sales of heavy vehicles are up by 19.0 y/y in the first four months of 2025 – see graph 4.

GRAPH 3: ANNUAL GROWTH RATE: ROAD VS RAIL FREIGHT PAYLOAD



GRAPH 4: COMMERCIAL VEHICLE SALES GROWTH

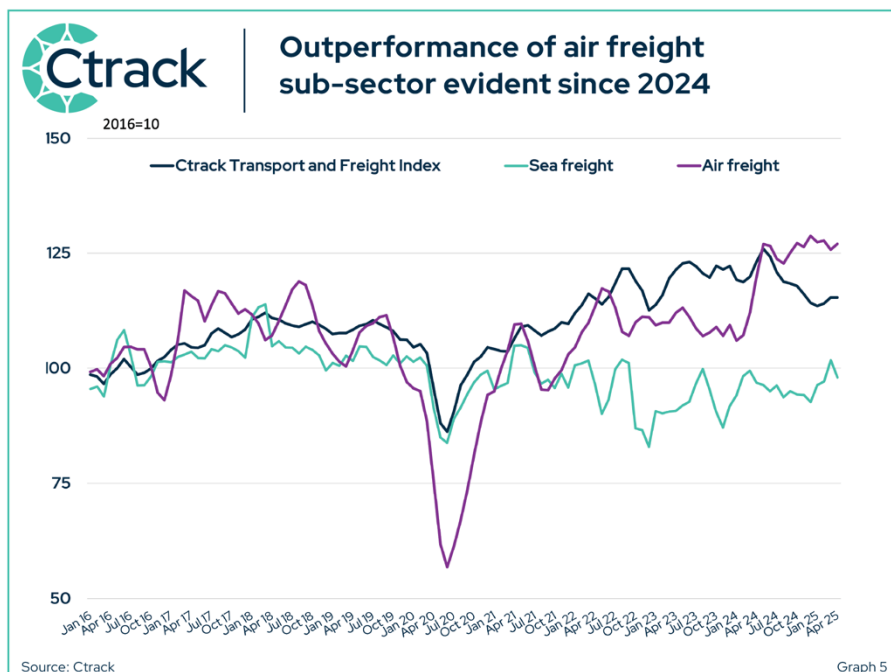


The recovery in the **Rail Freight** sector is still on track and likely to see more cargoes moving from road to rail in coming years. Encouragingly, Q1 2025 marks the third consecutive quarter in which the rail freight sub-component increased, compared to a year earlier. However, this is a slow-moving trend and not the main driver of slack in the road freight sector. From reaching a rock-bottom low of only 10.3% of total freight payload been transport via rail in November 2022, the performance of rail has improved to 17.9% in March 2025 ( vs full year 2024 at 16.9% and 15.6% for 2023), though still notably lower than the 10-year average of 25.9% (rail freight to total payload in 2008-2017) prior to the onset of the significant deterioration. After increasing only marginally in 2024 (0.8% in 2024), growth in rail freight payload increased by 5.7% in Q1 2025 – see graph 3.

The rail freight sector remains a top priority in government’s structural reform initiatives, as outlined in the Freight Logistics Roadmap and reiterated as part of ongoing reforms that will remain the focus of Operation Vulindlela’s recently launched second phase. The reforms aim at restoring and growing rail capacity in South Africa, to ultimately reduce trucks on the roads in the medium term and to reset to a more sustainable road/rail freight balance. The recently established Transnet Rail Infrastructure Manager is gearing up for the allocation of the first route slots to private trains after the landmark decision to allow third-party access to the country’s rail network. Transnet is aiming to raise rail freight volumes to 250 million tonnes by 2030 from 161 million last year.

In the first four months of 2025, the **Air Freight** sub-sector continued to perform well, aligning with global trends – see graph 5. In April global air freight volumes continued the growth trend observed in the previous month, up by 5.8% y/y in Cargo Tonne-Kilometers (CTK). Fashion and consumer goods are typically shipped between April and June, ahead of the summer retail cycle in the Northern Hemisphere, supporting the strong numbers. Moreover, front-loading aimed at avoiding the implementation of US import tariff changes contributed as well. South Africa was no exception, with the air freight index increasing by a notable 14.1% in the first four months of 2025 (compared to corresponding period one year earlier), continuing a trend that commenced in 2024. Total consolidated airport flight movements increased by 2.3% y/y in the first four months, while cargo load on planes increased by a further 16.7% in the same period, following on notable growth of 21.9% in 2024.

## GRAPH 5: OUTPERFORMANCE OF AIR FREIGHT SUB-SECTOR EVIDENT SINCE 2024



After contracting for two consecutive years, the **Sea Freight** sub-component increased by 3.4% in 2024 and continued the positive trend with average growth of 1.2% in the first four months of 2025. According to Transnet National Ports Authority (TNPA), the number of containers handled in the first four months of 2025 declined by 2.2% compared to the corresponding period in 2024, but total cargo handled at ports (excluding vehicles) increased by 8.8%. While there are green shoots here and there, the sector remains in urgent need of further infrastructure investment to modernize operations in order to improve much needed efficiencies. In

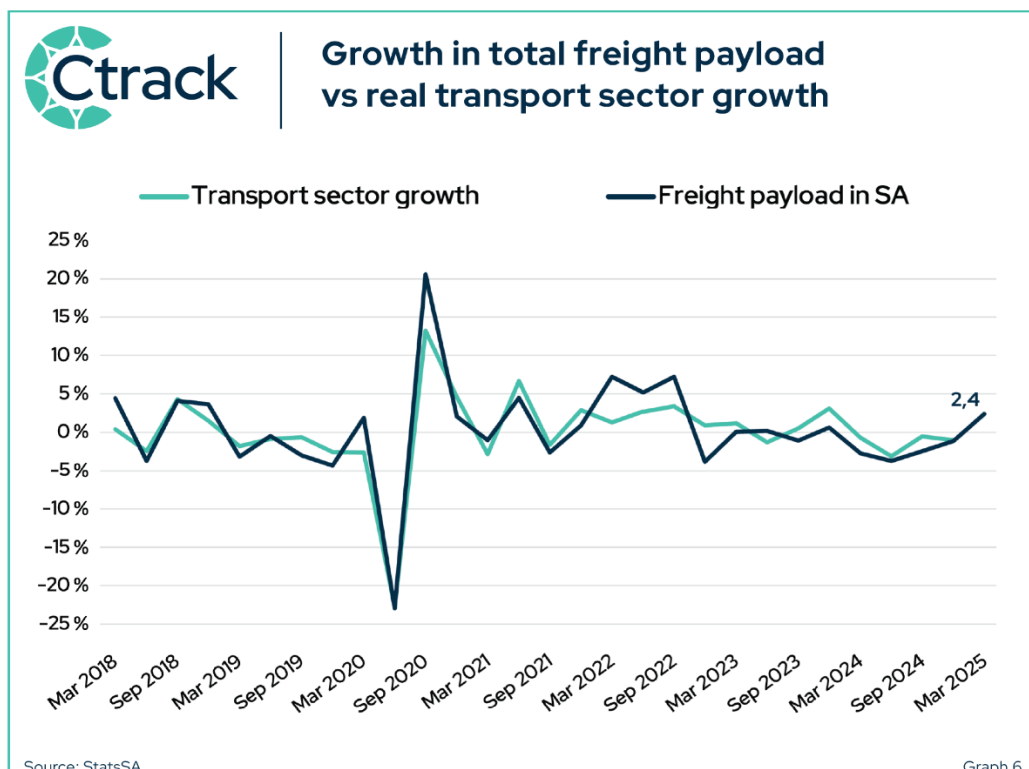
that light, the announcement by Minister of Transport Barbara Creecy of a R51 billion guarantee facility to stabilise Transnet’s capital programme and to enable reform implementation, is indeed good news. These developments intend to address structural inefficiencies and restore critical freight corridors. While implementation challenges persist, this renewed fiscal commitment and also the commitment to expand private sector participation are pivotal in revitalising South Africa’s trade-enabling infrastructure and improving logistics performance over the medium term.

The **Storage and Handling sub-sector** of the Ctrack Transport and Freight Index declined by 0.1% in 2024, following two years of larger contractions, with inventory indicators suggesting further pressure in the first four months of 2025. Similarly, the **transport of liquid fuels** via Transnet Pipelines (TPL) declined by 1.8% in 2024 (following on a decline of 1.0% in 2023) and started the year mostly in similar trend. However, a notable increase in pipeline transport during April signals a potential positive trend shift in this sub-sector.

**THE CTRACK TFI SIGNALS THAT TRANSPORT SECTOR CONTRIBUTED POSITIVELY TO Q1 2025 GDP**

The recovery (though hesitant) in the Ctrack TFI in the first few months of 2025 signalled that the transport sector would be a positive contributor to overall GDP in Q1, for the first time since Q4 2023. The transport & communication sector has been a significant under-performer in the broader economy in each of the four quarters of 2024, but early indications are that the sector has turned the corner and could likely perform better in 2025. Encouragingly, the transport and communication sector increased by 2.4% q/q, seasonally adjusted in Q1, compared to -1.1% in Q4.


**GRAPH 6: GROWTH IN TOTAL FREIGHT PAYLOAD VS REAL TRANSPORT SECTOR GROWTH**



The stabilisation of the logistics sector as reflected in the latest reading of the Ctrack TFI is indeed welcomed. So too is the significant attention given to freight and logistics in the recent National Budget. Over R400 billion has been allocated to the sector, with specific provisions for road maintenance, rail infrastructure renewal, and public-private partnerships. The Minister also confirmed consideration for government guarantee support to Transnet, which has since materialised through Minister Creecy’s R51 billion guarantee facility to stabilise Transnet’s capital programme and enable reform implementation.

“These developments intend to address structural inefficiencies and restore critical freight corridors. While implementation challenges persist, this renewed fiscal commitment and expanded private sector participation are pivotal in revitalising South Africa’s trade-enabling infrastructure and improving logistics performance over the medium term.” says Hein Jordt, Chief Executive Officer of Ctrack.

**TABLE1: SUMMARY OF RESULTS**

 <b>Change in Ctrack Transport and Freight Index in April 2025</b>							
April 2025							
Percentage Change between	Rail	Road	Pipeline	Sea	Air	Storage	Ctrack TFI
April 2025 vs April 2024 (y/y)	5.7%	-10.3%	8.1%	1.1%	5.8%	-9.0%	-6.4%
April 2025 vs March 2025 (y/y)	1.1%	0.2%	8.8%	-3.7%	1.0%	-1.4%	0.0%
Qauter to April 2025 vs. Qauter to January 2025 (q/q)	4.7%	0.8%	5.7%	1.7%	-0.3%	2.2%	1.6%

*Note: The row highlighted in blue is the main Ctrack Transport Freight Index values used.*

Source: Ctrack Table 1

For more information or further insights on the Ctrack Transport and Freight Index, feel free to reach out to us at [nicolaas.vanreede@ctrack.com](mailto:nicolaas.vanreede@ctrack.com) or visit our website at [www.ctrack.com](http://www.ctrack.com) - Your journey towards a more informed and resilient transport and logistics operation begins with Ctrack.

**Notice from Ctrack:** *The Ctrack Transport and Freight Index is published on a quarterly basis to provide insights into key industry trends and performance metrics. The next edition is scheduled for the end of September 2025.*

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