

COVID-19: Cargo movement update¹

Date: 11 June 2021

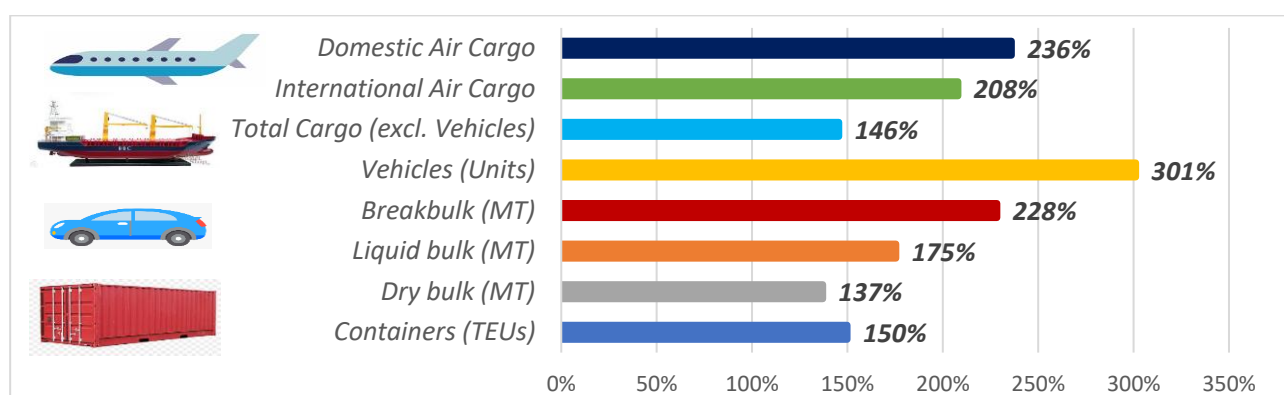
Weekly Snapshot

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 (TEUs)	30 056	34 513	64 569	24 831	34 213	59 044	↑9%
Air Cargo (tons)	4 410	3 225	7 635	4 703	3 212	7 915	↓4%

Monthly Snapshot

Figure 1 – Monthly⁴ cargo flows, year on year



Year-to-date Tracker

Figure 2 – International year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of ~9 224 TEUs per day was handled last week, ↑9% from the previous week.
- Cross-border queue (~4,2hrs) and transit (~20hrs) times cost R260 million (↑20%) this week.
- For Q1 of 2021, South Africa's GDP increased by ↑4,6% (annualised and seasonally adjusted).
- Global container volume is up by ↑4% for the year so far, as freight rates saw *yet another* increase this week, with the "WCI" ↑4,1% to \$6 727 per 40-ft container.
- Global air cargo volume continues recent trends, as April CTks are ↑12% versus pre-crisis values.

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 42nd update.

² 'Current' means the last 7 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 full month's worth of available data compared to the same month in 2020. In this case, April 2021, and April 2020.

⁵ For ocean, total Jan-Apr cargo in metric tonnes, as reported by [Transnet](#) is used, whereas for air, Jan-Apr cargo to and from ORTIA is used (see [below](#)).

Executive Summary

This update – *the 42nd of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Concerning the economy in its totality, Stats SA released gross domestic product (GDP) statistics for Q1 this week, indicating a decent growth of **↑4,6%** in the first quarter of 2021. Nevertheless, this figure changes to **↑1,1%** q/q (seasonally adjusted) and **↓3.2%** y/y (unadjusted) in the big picture. With a new bout of load-shedding further crippling the economy this week, it has become paramount that South Africa makes the best of the economic recovery by getting its house in order.

Pandemic-wise, this week's newly reported COVID-19 infections in South Africa have increased significantly once more to an alarming **5 960** infections per day this week (**↑37%** from last week's average of **4 342**). Consequently, the total number of cases recorded in the country now stands at **~1,722 million**⁶, with a death toll of **57 410** (up by **645**). Perhaps an even more alarming figure is the total number of active cases, now standing more than **70 000**, as the infection rate is rapidly increasing in the now evident third wave. In absolute terms, South Africa has again moved up a spot to **19th** place globally, having overtaken the Netherlands in the past week. Worldwide, more than **175 million** cases have now been recorded, with a total of **3,8 million** people losing their lives to the virus. In addition, a total of **2,3 billion** vaccine doses have now been administered worldwide⁷, whereas South Africa continues to linger behind at some **~1,62 million** vaccine doses. In essence, as emphasized in preceding reports, the country urgently needs to increase the rollout programme.

A question mark remains over our commercial port performance, as several operational issues contributed to the pretty average container numbers this week. The major items of concern included equipment breakdowns and shortages in Durban and the ongoing poor performance of our national rail carrier. In addition, cable theft and vandalism remain a thorn on our side, and these issues must be resolved as a matter of the highest priority. Finally, moving further afield to our cross-border road traffic, several trade-debilitating matters persist. Unfortunately, as with the last couple of weeks, ongoing uncertainty still reigns at our border post, thanks to Port Health officials' fleeting and sporadic availability.

Internationally, the global maritime industry continues to find itself in uncharted waters as container throughput keeps increasing, while, paradoxically, container freight rates also continue surging. Nevertheless, with demand fortunately easing, there is hope that there may be no further room for manoeuvring. At the same time, it is evident that every new constraint appears to be accompanied by a multiplier effect. In general terms, annualised box volume growth figures show only moderate growth since 2019 (see [below](#)). However, the boom in demand in the US is causing a cascade effect of delays and equipment shortages across the global supply chain.

On the domestic air cargo front, very few operational issues have been reported recently, which bodes well for the industry. Indeed, our air cargo numbers reported have continued to be on the healthy side. The same story can be seen on the international front, as the air cargo industry continues to be a shining light in an otherwise dim sky for the aviation industry. Indeed, global cargo volumes continue to trend upwards at a robust pace. Industry-wide cargo tonne-kilometres (CTKs) grew by **↑12.0%** in April compared to pre-crisis values in April 2019. Seasonally adjusted CTKs rose by **↑4.0%** m/m and are now around 5% above the pre-crisis peak of August 2018, before the US-China trade wars started. As communicated last week, air cargo will remain a more than viable alternative to ocean freight, as it enjoys a competitive advantage in speed and relatively competitive pricing. This competitive advantage becomes more apparent as global container freight rates continue their exponential increase.

In conclusion, it is evident that another rears its head as soon as we surmount one operational obstacle. Even though statistics may indicate a level of improvement from 2020, some of the same issues keep inhibiting real

⁶ Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).

⁷ Our World in Data, Coronavirus (COVID-19) Vaccinations. [Our World in Data](#)

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growth in our industry. Despite the many problems reported, the trading community continues to be at the forefront of our economic recovery, as evidenced by the continued positive performance in the GDP figures reported above. At the same time, caution continues to be the watchword throughout business and industry, especially in the light of our remote geographical position given the new wave of port congestions and ensuing cancelled sailings around the globe. All things considered, we can only focus on our part, and there is much work still to be done.