

COVID-19: Cargo movement update¹

Date: 28 May 2021

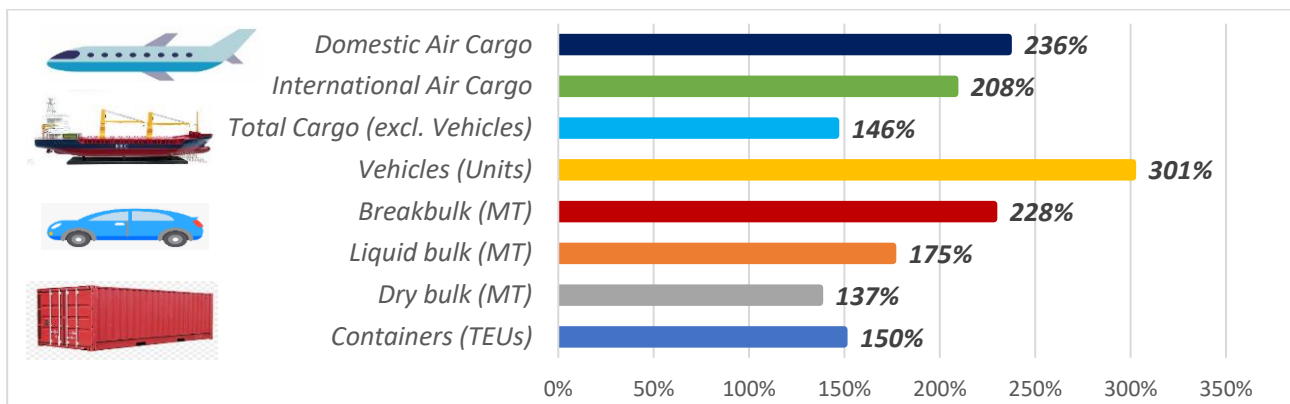
Weekly Snapshot

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)	35 634	38 656	74 290	31 187	35 763	66 950	↑11%
Air Cargo (tons)	4 812	3 255	8 067	4 632	3 263	7 894	↑2%

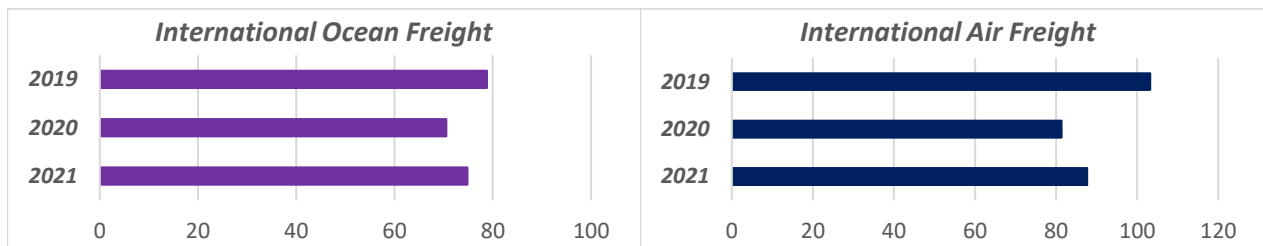
Monthly Snapshot

Figure 1 – Monthly⁴ cargo flows, year on year



Year-to-date Tracker

Figure 2 – International year-to-date flows 2019, 2020 & 2021⁵: ocean & air freight, year on year (kg millions)



Key Notes

- An average of **~10 613 TEUs** per day was handled last week, **↑11%** from the previous week.
- Weekly international air cargo has increased slightly (**↑2%**), domestic air cargo has also increased somewhat (**↑8%**), longer-term volumes remain healthy on both fronts, as shown by *Figure 1*.
- Global TEU throughput is down by **↓11,3%** m/m in February 2021 but remains **↑12,5%** y/y.
- This week, the "WCI" has increased by **↑2,0%** to **\$6 257** per 40ft container.
- The global aviation industry is continuing its V-shaped recovery, as global determinants bode well.

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 40th 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 freight, total Jan-Apr cargo as reported by [Transnet](#) is used, whereas for air freight, Jan-Apr cargo to and from ORTIA is used (see [below](#)).

Executive Summary

This update – *the 40th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. There has been another noticeable increase in newly reported COVID-19 infections in South Africa for the third straight week, averaging approximately **3 568** infections per day this week (**↑26%** from last week's average of **2 822**). The total number of cases recorded in the country now stands at **~1,65 million**⁶, with a death toll of **56 170** (up by **602**). South Africa remains in **21st** place in absolute terms globally, as more than **169 million** cases have now been recorded worldwide. A total of **1,8 billion** vaccines have now been administered on the vaccination front as global rollouts continue to accelerate.

Consequently, approximately **~23%**⁷ of the world's population has now been administered at least one vaccine shot. According to the same source, South Africa has now issued **~700 000** vaccine doses after some conflicting numbers reported last week. Whatever the case, the number remains alarmingly low, and citizens are increasingly nervous. There is a desperate need to accelerate the rollout programme.

Our local maritime industry experienced another eventful week, although not always for the better. Despite some improved productivity figures reported – giving rise to some optimism around the numbers - several operational caveats remain. These included insufficient equipment and breakdowns in Cape Town and Durban, a security matter or two, and a fire breaking out in Durban harbour. Also, the third wave of the pandemic is now sweeping through our maritime industry, as all ports reported positive cases causing distress among the workforces. As we saw last year, this can easily lead to deteriorating performance. Lastly, as previously reported in our weekly updates, there has been some dialogue regarding the poor ratings assigned to our ports globally.

On the international maritime front, shippers are growing tired of the incessant news of surging freight rates, as limited supply keeps pushing rates up as demand shoots through the roof. It must be said that there are suspicions that the big ocean carriers may, to some extent, be manipulating the supply side to ensure that these higher rates are maintained. The knock-on effect of the shortfall in supply has spilled over, as congestion in China has resulted in the suspension of taking in cargo (see [below](#)).

Other significant international news includes General Average, being declared on a fire-stricken vessel off the coast of Sri Lanka, and nature severely affecting the shipping industry in India. For global food trade, supply shortfalls, strong demand for animal feed commodities by China (mainly maize and soybeans), and a weaker US dollar are all pushing up the price of commodities. Consequently, the World Bank's "Grain Price Index" jumped to a 7-year high in April. The index rose nearly 18% from January to April 2021 and stands more than 25% higher than a year ago. Similarly, the "Oil and Meal Price Index" reached an almost nine-year high in February, up nearly 50% from a year ago. Along with e-commerce, food has shot up significantly since the onset of the pandemic.

Once again, the South African air cargo industry experienced a good operational week, continuing the recent positive trend. Both international and domestic cargo volumes handled were up compared to last week, with the immediate forecast also looking positive. This sentiment is shared globally, as the cargo sector continues to be a saving grace for the logistics industry. Further positive news for the industry was received this week, as IATA announced that an almost complete recovery of air travel is in prospect. Additionally, all major determinants of the aviation industry point to a continuation of the V-shaped recovery, as global industrial production and trade were already **↑2%** above 2019 levels by February of this year.

In conclusion, it is worth noting that despite these indications of improvement, there is still lingering pessimism in the transport and logistics industry, with particular reference to ongoing uncertainty brewing in the maritime sector. Seeing that more than 80% of international merchandise trade takes place via ocean freight, the sea

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

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

⁸ World Bank. 24/05/2021. [Food commodity markets: Prices spike amid supply shortfalls and strong demand](#).

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freight modality remains the focus. This remains the case for South Africa, as for the rest of the world. Consequently, our message is clear: We need ports that work well, with containers available to service trade. Unfortunately, the widespread equipment imbalance will remain; therefore, we need to work in close co-operation with all players in the chain to optimise the use of what we do have available.