

COVID-19: Cargo movement update¹

Date: 4 June 2021

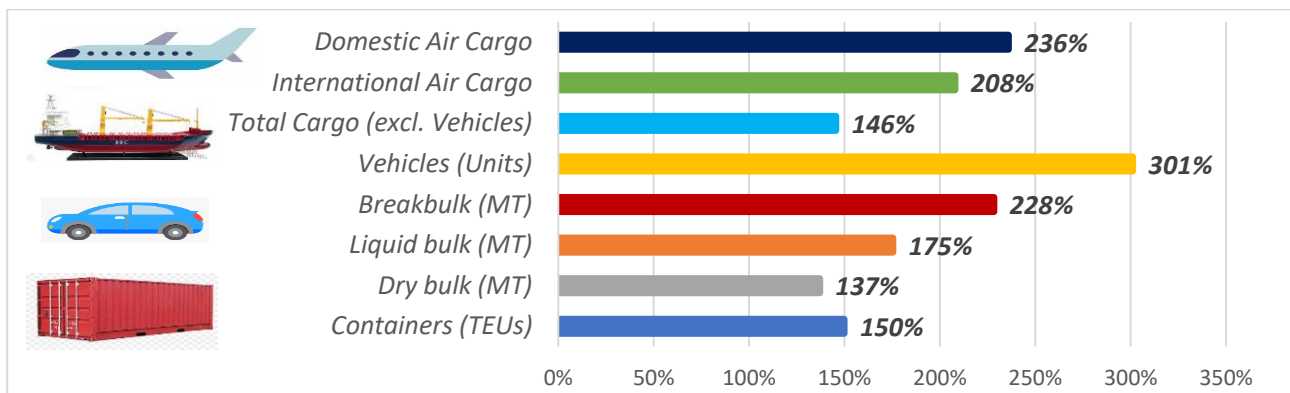
Weekly Snapshot

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)	24 831	34 213	59 044	35 634	38 656	74 290	↓21%
Air Cargo (tons)	4 703	3 212	7 915	4 812	3 255	8 067	↓2%

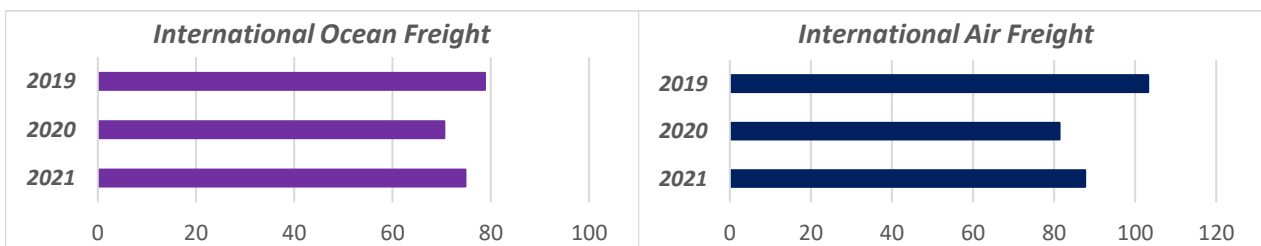
Monthly Snapshot

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 ~8 435 TEUs per day was handled last week, **↓21%** from the previous week.
- Both international – (**↓2%**) and domestic air cargo (**↓5%**) has decreased slightly this week.
- SA trade for April: Exports increased by **↑213,4%** y-o-y, with imports rising by **↑25,8%**.
- Freight rates saw another increase this week, with the "WCI" **↑3,3%** to **\$6 464** per 40-ft container.
- The pandemic has created a competitive advantage for air cargo, not only in speed but also in price. Furthermore, according to recent IATA data, Africa was the best-performing region in terms of air cargo.

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 41st 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 41st of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Pandemic-wise, the National Institute for Communicable Diseases (NICD) has stated that four provinces⁶ have already entered the third wave of COVID-19 infections and have urged South Africans to remain vigilant. Although the effects have been less pronounced than expected, the situation can quickly turn for the worse. Nevertheless, the onset has resulted in the shift to Alert Level two on Sunday, 30 May⁷.

This week's newly reported COVID-19 infections in South Africa have increased significantly once more to approximately **4 342** infections per day this week (**↑22%** from last week's average of **3 568**). As a result, the total number of cases recorded in the country now stands at **~1,67 million**⁸, with a death toll of **56 765** (up by **595**). In absolute terms, South Africa has moved up a spot to **20th** place globally, having overtaken Czechia in the past week. Worldwide, more than **172 million** cases have now been recorded, with a total of **3,7 million** people losing their lives to the virus.

A total of **2,1 billion** vaccine doses have now been administered worldwide⁹; some countries are nearing the herd immunity threshold, such as Israel, UK, and the US. However, the fear of uneven distribution of the vaccine continues, as some countries – including South Africa – are way behind others. Indeed, this sorry state of affairs rings true for most of Africa. In total, South Africa has now issued **~1,2 million** vaccine doses. In summary, as stressed in previous editions, we desperately need to increase the tempo of vaccination.

South African has continued to increase its recent trade surplus on the trading front, which now stands at **R147,89 billion** for the year to date. The positive balance of payment – which commenced mid-way through 2020 – therefore not only continues but has gained momentum, which is positive for our local industries. Indeed, global trade depicts a similar story as all six primary drivers of global merchandise trade are trending above the baseline, according to the WTO's latest goods barometer index. Collectively, the WTO notes the strength of the trade recovery (see [below](#)), which further paints a potential rosy picture for South Africa. However, problems experienced at our land borders (see [below](#)) revolving primarily around PCR validations do hamper regional trade (particularly exports), which has been flourishing of late. Indeed, the delays are evident in the cross-border road freight statistics, as queue and transit delays cost the industry a collective **R216 million** this week.

The week ended with reports of very low container numbers for our local maritime industry, as we saw another significant decline in import numbers. In addition to the low numbers reported, the central area of concern at our commercial ports revolved around possible industrial action by Transnet workers. Some positive news includes the arrival of ten additional diesel-electric straddle carriers in DCT Pier 2 this week and some positive developments around natural gas in Ngqura. Other welcomed news includes DCT introducing a crime prevention initiative by implementing new technology (see [below](#)).

According to shippers, cargo freight rates are "out of control" on the international maritime front, as imbalances and accompanying consumer demand, unfortunately, still reign supreme. Other significant international news includes congestion persisting in Yantian, China, and several major European ports. Lastly, the scares of a cyber-attack on the Maersk booking system were quashed. The Danish shipping line confirmed that the recent challenges experienced by shippers were, instead, a result of internal technical difficulties.

The pandemic has certainly highlighted its pivotal role in global trade in terms of the air cargo industry. IATA stresses the competitive advantage of air cargo, not only in speed but more recently also in price. With

⁶ Northern Cape, Free State, North West, and Gauteng, according to the NICD. 03/06/2021. COVID-Update.

⁷ SA Government. 30/05/2021. [Disaster Management Act, 2002: Amendment of Regulations issued in terms of Section 27\(2\)](#).

⁸ Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).

⁹ Our World in Data, Coronavirus (COVID-19) Vaccinations. [Our World in Data](#)

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container freight rates continuing their exponential rise, the aviation industry is set to increase its share in shipping goods internationally even further, especially once additional air cargo capacity becomes available with the return of passenger flights to the global skies. While air cargo rates remained elevated, container rates have increased enormously since the onset of the pandemic and were more than three times higher than pre-crisis levels in April 2021. As a result, the relative price of air cargo vs ocean declined, supportive of air mode of transport. As a result, cargo tonne-kilometres (CTKs) rose by $\uparrow 4,4\%$ versus the pre-crisis levels and by $\uparrow 0,4\%$ m/m from February for the industry.

In conclusion, whatever we may think about the international freight landscape, whether conducive for trade or not, we first need to get our own house in order. It appears does seem that trade volumes are trending upwards, but several operational constraints have accompanied this. Indeed, the few bright stars are being overshadowed by some rather gloomy dark clouds. Hopefully, as the year continues, the small gains we keep on registering will not be cancelled by a litany of backward steps.