

COVID-19: Cargo movement update¹

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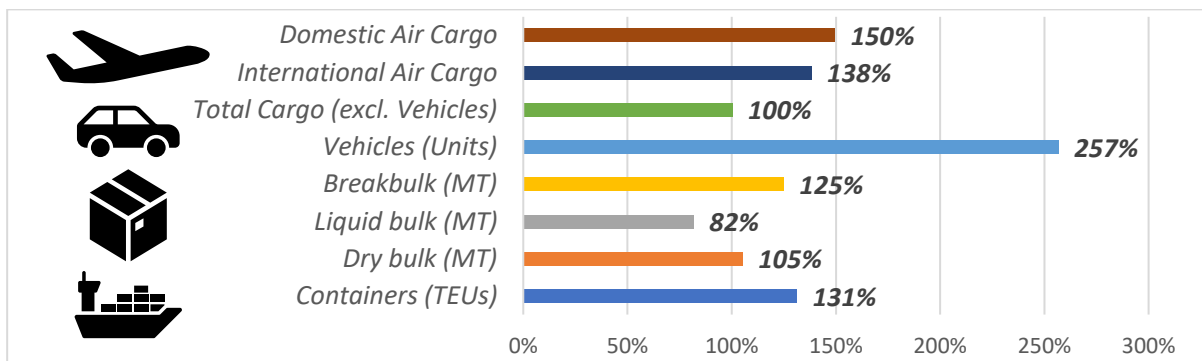
Weekly Snapshot

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)	29 355	35 271	64 626	22 172	31 051	53 223	↑21%
Air Cargo (tons)	4 944	2 837	7 781	4 534	2 695	7 228	↑8%

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 ~9 232 TEUs per day was handled last week, **↑21%** from the previous week.
- Cross-border queue (~4,5 hrs) and transit (~18,7 hrs) times cost **R293 million (↓7%)** this week.
- As with international air cargo (**↑8%**), domestic air cargo also experienced a noteworthy rise (**↑12%**).
- Unsurprisingly, the "WCI" continues its record surge, with freight rates **↑4,2% to \$8 399** per 40-ft.
- Container throughput slipped by **↓2,5%** to **137,6** points in April, remaining high after a record in March.
- International air cargo volume remains strong (**↑50%** compared to Q1 2019) but is insufficient to compensate for the sharp loss in passenger business (**↓74%** versus Q1 2019).

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 45th 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, May 2021, and May 2020.

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

Executive Summary

This update – *the 45th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Now, for the seventh consecutive week, there has been a measurable increase in newly reported COVID-19 infections in South Africa, averaging approximately **16 916** infections per day this week (**↑30%** from last week's average of **13 009**). The total number of cases recorded in the country has now passed the **two million mark**⁶, with a death toll of **61 029** (up by **3 619**), another alarming increase from last week. The total number of active cases remains an even more distressing figure, with active cases now totalling more than **180 000** as the Delta variant continues to wreak havoc in the country.

In absolute terms, South Africa has remained at the same spot, **19th** place globally. Worldwide, more than **183 million** cases have now been recorded, with a total of **3,95 million** people losing their lives to the virus. In addition, a total of **3,1 billion** vaccine doses have now been administered worldwide⁷. At the same time, South Africa continues to struggle with its rollout program, currently standing at some **~3,03 million** vaccine doses. Fortunately, the rate at which vaccines have been distributed has picked up in the last couple of weeks, but it is still nowhere the target of nearly 300 000 per day. This rate increase has become especially crucial given the effects of the third wave and the virulent strength of the Delta variant of the virus. In this regard, some welcome news includes the **R10-billion** investment into the South African pharmaceutical company Aspen Pharmacare to boost its production of COVID-19 vaccines for Africa⁸.

South Africa's commercial ports experienced a substantial rebound in volumes handled this week, after an abysmal week number-wise last week. Moreover, the recent trend continues, as boxes loaded (**55%**) are outstripping boxes discharged (**45%**), further exerting pressure on the global imbalances. Indeed, for this week, all ports handled more export cargo compared to import shipments. Holistically, the narrative continues to be dominated by recent events, most notably the unbundling of Transnet Port Authority from Transnet and the container terminal performance. In addition, several weather-related delays occurred across the country, most notably wind and surging in the Cape and stoppages due to the high winds experienced in Durban. As a result, we can report improved numbers in port operations and equipment availability, but that may not be too significant, considering the extremely low base set by the previous week. Unfortunately, our operating efficiency numbers are still not up to target.

As a result, concerted efforts are still being made by all port stakeholders to help the ports reach their optimum operational productivity levels within their current infrastructure limitations. In this regard, there has been a slight shift of focus from the landside to the waterside. New to this edition of the report is the quantity of rail cargo being handled to and from DCT Piers 1 and 2. Although there is a desperate need to increase the tonnage handled by rail, the South Durban basin continues to experience widespread and recurring congestion issues. The situation was again present this week, this time caused by construction on Seafarers Road, with accompanying congestion on Bayhead Road.

Internationally, global container throughput and freight rates remain high as consumer demand continues to surge. Indeed, throughput numbers would be even higher were it not for equipment imbalances holding back further volume growth. Nevertheless, manufacturers in China have ramped up production of new containers to 500 000 TEU a month to improve container shortages and eventually alleviate port congestion. Other notable features of maritime commerce include a massive increase in demurrage and detention charges collected by shipping lines (**↑104%**), which has emerged as a contentious issue for shippers, given the maritime ecosystem's poor schedule reliability and overall struggles. Lastly, shipping lines have been warned against carrying out crew changes in Mozambique's Cabo Delgado province, as terror threats in that area remain high.

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

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

⁸ Fabricius, P. 30/06/2021. [International financiers pump R10bn into SA's Aspen Pharmacare to boost Covid-19 vaccine production](#).

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On the international aviation front, the air cargo sector keeps airlines afloat, as all other sectors continue to trade at significantly reduced levels compared with 2019. Indeed, the global aviation industry is reporting a rise in air freight rates as June comes to an end, with many anticipating a solid demand pick-up in August. While routes from Asia to the US have stayed stable, Europe has been somewhat flat, with e-commerce and stock replenishment driving demand. The typical peak season over the past decade has been from the middle of August until the middle of December. Internationally, if lockdowns are over, the aviation industry can expect a busy Christmas this year. In South Africa, air cargo has remained strong throughout the year and is expected to maintain its high volumes throughout the rest of the year.

In conclusion, South Africa needs to balance the scales of life and livelihoods as we face another week of more stringent regulations under Level four lockdown. In the extended supply chain, role players have rallied well in the face of the seemingly never-ending spiral of uncertainty they have had to deal with. However, this momentum will have to be maintained if there is to be any real growth by the end of the year. It is becoming clear that we need to grow at substantially more than the predicted **↑5,4%** this year to offset the debilitating effects of the pandemic on our industry and turn around imbalances, poor productivity, and negative growth.