COVID-19: Cargo movement update[1]

Date: 17 September 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)	27 420	29 370	**56 790**	27 045	26 733	**53 778**	**↑6%**
Air Cargo (tons)	4 995	2 716	**7 711**	4 711	2 500	**7 211**	**↑7%**

Monthly Snapshot

Figure 1 – Monthly[4] cargo capacity levels, year on year (100% = baseline)

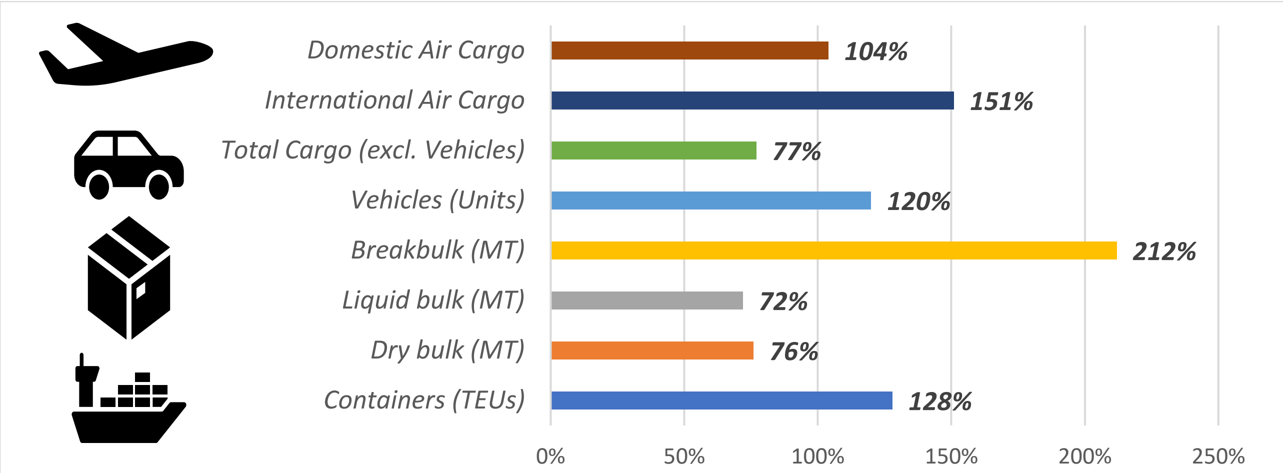

Figure 2 – International year-to-date flows 2019-2021[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)

Key Notes

- An average of **~8 113 TEUs** was handled per day this week, **↑6%** from last week.
- Average cross-border queue time rose by **~5,2 hrs**, with transit times constant at **~16,3 hrs** (*see below*).
- Rail cargo moved through Durban this week amounted to **4 564** containers, **↑18%** from last week.
- The "*WCI*" continues to rise, with freight rates **↑2,9%** (or **$291**) to **$10 375** per 40-ft this week.
- International air capacity will **↑**, as Q4 bookings are better than 2020 but well below pre-crisis levels.
- According to UNCTAD's latest forecasts, global GDP for 2021 will grow at **↑5,3%**, trade at **↑9,5%**.

[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 56th 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. For air, Aug versus Augy. The rest compared Jul 2021 versus Jul 2020.
[5] For ocean, total Jan-Jul cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Aug cargo to and from ORTIA is used.

Executive Summary

This update – *the 56th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. On the COVID front, another significant decrease in positive cases was seen this week, as the third wave is finally easing and hopefully coming to an end. Newly reported COVID-19 infections averaged approximately **4 339** per day (**↓35%** from last week's average **6 663**). The total number of cases recorded in the country now stands at **2,87 million**[6], with the death toll regrettably rising, now at **85 779** (up by **1 452**).

Worldwide COVID-19 infections now total more than **227 million**, with the death toll nearing **4,67 million** people. Globally, more than **5,86 billion** vaccine doses have now been administered[7]. For South Africa, this figure stands at **~15,7 million**, with **13,2%** of South Africans now fully vaccinated. A daily average of **~200 000** doses was administered in the past seven days, falling well short of the daily target, with the vaccine supply no longer an issue. Instead, the public has been reluctant to get vaccinated, particularly among the male population.

With talks of vaccine passports or constant testing before frequenting restaurants, sports stadiums, malls, and the like – not to mention travelling – the overall pressure to be vaccinated is likely to continue. Nevertheless, the issue of vaccinations and passports remains a contentious one. It will likely dictate how rapidly the country returns to normal – currently at **62** (out of 100) according to South Africa's *normalcy index*[8], with several restrictions being lifted by President Ramaphosa recently.

Operationally, the matter of equipment shortages in our ports and rail system, as outlined last week, remains and is not likely to go away soon unless a concerted procurement and maintenance effort is sustained. Other challenges in and around our ports remain, notably balancing the capacity of waterside and landside operations with rail or road transport. An optimal balance is essential, as stack occupancy across the board remains high, as does the number of containers moved per vessel, which is becoming a global problem during the pandemic[9]. Fortunately, for the week, operations metrics did improve at Cape Town and Durban, albeit marginally. Container throughput numbers are up for the week and are projected to increase slightly next week as well.

This week, other operational matters revolved around the truck booking system that transporters continued to be disappointed, especially those without access to a 24/7 depot. Also, there has been a regrettable upsurge in cable theft from its already unacceptably high levels. Finally, on 20 September 2021, SARS Customs will implement enhancements to the Inspection Workflow System by introducing a Mobile Manual Case Creation (MCC) Application (MobiApp) at designated land ports of entry. The industry welcomes another electronic initiative from SARS, which accords well with our constant drive for digitisation in customs and trade-related matters.

Globally, the container industry continues to rush its attempts to secure additional capacity in the face of never-ending demand. Unfortunately, the continued addition of fleet capacity puts further pressure on terminal infrastructure, which can't keep up with demand, which is likely to further fuel congestion (see *below*). Other notable developments internationally include **(1)** an update on the *Shipping Reform Act of 2021*, **(2)** typhoon Chanthu causing some disruption, **(3)** an increase in multipurpose charters, and **(4)** an increase in the number of containers lost at sea (see the detailed summary *below*).

For our regional cross-border road freight industry, this week saw a significant increase in the time spent at the border, notably at Beitbridge and Chirundu. Robberies and other instances of violence and disruption have been

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[6] Johns Hopkins, Coronavirus Resource Centre. Coronavirus JJHU.
[7] Our World in Data, Coronavirus (COVID-19) Vaccinations. Our World in Data
[8] Economist. 13/07/2021. The global normalcy index.
[9] Wackett, M. 14/09/2021. Huge jump in number of boxes needing handling adds to pressure on terminals.

reported. However, in better news, the current border initiatives at Beitbridge continue to make progress, with the new freight terminal building scheduled to open on 6 October. The news is welcomed, as the situation at the busiest border in Sub-Saharan Africa has been plagued with congestion issues for a significant time now.

In the aviation sector, both domestic and international cargo handled has recently increased, which has been welcomed after a poorer than predicted period experienced in July and August. Note the upswing in both domestic and international volumes of air cargo handled. Internationally, IATA reports that passenger bookings have increased for the fourth quarter in comparison with last year. However, the numbers remain far short of pre-crisis levels. The industry hopes that the public willingness to travel by air will return, as many airlines are on their proverbial knees. However, for any meaningful growth, travel restrictions in many countries will have to be eased.

Finally, in concluding this edition, concerted efforts are continuing to expedite and harmonise border processes and facilitate international trade. Ultimately, it is the building of capacity throughout the industry that will enable efficiencies in cross-border trade. But, continuing the constant refrain as expressed through the evolution of this report, a crucial component of facilitating trade and lifting the entire industry lies in the partnerships between industry stakeholders and government entities ensuring compliance. This message was also broadly conveyed in the recent SAAFF Summit, bringing together many industry leaders nationally and internationally. Ultimately, the economic drivers remain vital for the industry for now, although UNCTAD cautions that the risks looking further forward are tilted to the downside. So, we must make every effort to reap the currently available benefits by securing the South African supply chain comprehensively as a collective.