

COVID-19: Cargo movement update¹

Date: 3 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)	25 771	27 762	53 533	28 576	24 207	52 783	↑1%
Air Cargo (tons)	4 407	2 652	7 059	4 290	2 390	6 680	↑6%

Monthly Snapshot

Figure 1 – Monthly⁴ cargo capacity levels, year on year (100% = baseline)

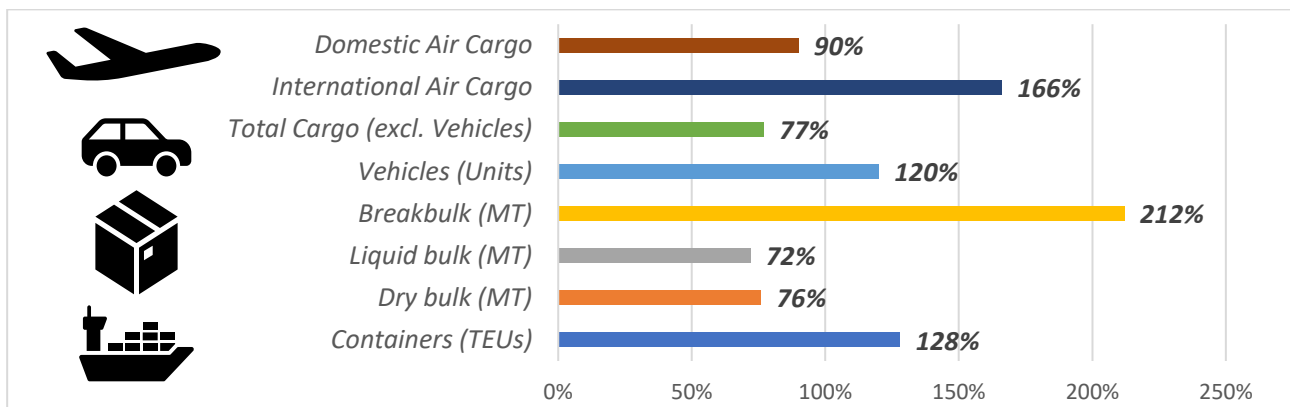


Figure 2 – International year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- This week, an average of **~7 648 TEUs** was expected to be handled per day, **↑1%** from last week.
- TNPA released port statistics for July: container throughput is **↑4%** (y/y) and **↑2%** (m/m), other cargo is **↓19%** (y/y) and **↓31%** (m/m), and vehicles trade is **↓45%** (y/y) and **↓47%** (m/m).
- SARS Merchandise trade mimics the TNPA statistics: July exports (**↓11,2%**, m/m) and imports (**↓0,7%**, m/m) are both down. Still, our positive trade balance remains strong at **R289,99 billion** y-t-d.
- The "WCI" continues to increase, with freight rates **↑1,7%** (or **\$170**) to **\$9 987** per 40-ft this week.
- Average cross-border queue time fell by **1 hr**, with transit times also down **3,9 hrs** (see [below](#)).
- For global airfreight, industry-wide cargo tonne-kilometres (CTKs) increased **↑8,6%** versus July 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 54th 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 instance, all data compares Aug versus Aug.

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

Executive Summary

This update – *the 54th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Statistics around the pandemic show a dissipation of the third wave, as newly reported COVID-19 infections decreased markedly this week, averaging approximately 8 776 infections per day (**↓25%** from last week's average **11 760**). Furthermore, the hotspots in the country have seemingly shifted, as KwaZulu-Natal (**30,2%**), Western Cape (**24,2%**), and the Eastern Cape (**12,9%**) reported the highest number of new cases. On the other hand, Gauteng only recorded **10,1%** of new cases this week, according to the NICD.

Nevertheless, the total number of cases recorded in the country continues to rise, now at **2,8 million**⁶, with the death toll rising alarmingly to **82 914** (up by **2 088**), but this official figure continues to be disputed. Worldwide COVID-19 infections now total more than **219 million**, with the death toll nearing **4,55 million** people. Globally, more than **5,42 billion** vaccine doses have now been administered⁷. For South Africa, this figure stands at **~13,11 million**. In the past seven days, a daily average of **220 000** doses was administered, still falling well short of the daily target of **400 000**. But it must be said that this is not so much due to any supply-side problems but rather to a reluctance on the part of the population to step forward to be vaccinated.

Operationally, the industry experienced a more subdued week compared to the last couple of weeks. The emphasis remains on clearing the backlog, and the figures show that we are well on our way to doing just that. It is important that we maintain this increase in volume, as the industry experienced a considerable dip in July, illustrated by the TPT throughput figures and SARS merchandise trade stats referred to above. The acceleration of throughput remains vital as we enter the busy season in the next couple of months.

Unfortunately, some specific operational constraints continue to bedevil operations, including the shortage of equipment, notably with only one tug being available in Cape Town this week. The industry also remains concerned about the landside performance, as seen from the proliferation of shifts in the port precinct, evidencing wasted and cancelled slots on the transport side. Fortunately, the outlook for the near term is positive, at least number-wise. With the final Transnet figures for July released this week, the devastating impact of the unrest and IT disruptions has been fully realised, as most segments were significantly down on the previous month. The negative effect is underlined in the very sobering view provided by this month's *Transport and Freight Index*, which sees the index registering a sharp drop between June and July, representing the steepest decline since April 2020.

Globally, the container industry continues to be marred by congestion on the West Coast of the USA and ongoing surges in freight rates globally. Other developments of note include a continuation of equipment shortages leading to new orders for containers – and further announcements of record profits. Lastly, global crew changes continue to be an issue, as seafarers are still overshooting contracts. Fortunately, the vaccination rate of international crews has increased in the last month (see an overview of the container industry [below](#)).

Most regional trade corridors experienced a slight improvement in crossing and queuing times this week, but truck throughput remains much lower than what has been achieved in the past. The situation is clearly developing to a point where transporters will bypass South African ports in favour of their regional competitors. Despite this, the trade figures show that our neighbouring countries remain very reliant on the continuous South African supply of goods.

In the aviation sector, cargo operations continue to post positive numbers, at least in comparison with 2020. In both the international and domestic markets, we remain somewhat short of pre-pandemic levels, although the

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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volume increases have been sustained for a significant period. Moreover, the industry hopes to see further improvements in volume, especially with some commercial airlines returning to the skies this week. Operationally, the new SOP has improved access and security at the cargo terminal gate. Nevertheless, the industry continues to voice its preference for an integrated IVS system. Lastly, ACSA has installed another PC in the guard hut at ORTIA to speed up access to the e-mailed pre-alerts received from the cargo operators.

Internationally, air cargo continues to drive the recovery, with another excellent month recorded in statistics. Market drivers remain strong for air cargo; however, balancing cargo load factor with ongoing increases in demand has resulted in further increases in air cargo rates. Indeed, the resilient international demand for air cargo capacity in August, versus a shortfall in supply, pushed average global air cargo rates **↑112%** on their pre-COVID levels. As has been a constant refrain throughout this year, the aviation industry is desperate for passenger flights to return, which will boost capacity and help to balance the supply/demand equation. Unfortunately, various global setbacks continue to thwart the recovery, as several countries have recently instituted additional restrictive measures.

Concluding this week's edition, it is worth pointing out that, internationally, the global economy continues to be positive for international trade, as shown by the recent WTO report (see a more detailed breakdown [below](#)). Therefore, South Africa, and the extended South African supply chain, must take heart from the fact that the growth outlook remains robust despite recent adverse events (the civil unrest and Transnet IT disruptions) quite apart from a one-in-a-century event in the form of the coronavirus pandemic. Consequently, stakeholders in all sectors are encouraged to continue to make every effort to ensure the security of our supply chains. If this does not happen, we will continue to lose out to others, as shown by the recent report of the decision of mines in the DRC mines to move the exports through the Walvis Bay corridor instead of Durban (note the extended section on the road industry [below](#)). South Africa should be regarded as a significant player globally, and now is the time to show it; otherwise, we run the risk of being relegated to the role of a bit-part player.