

COVID-19: Cargo movement update¹

Date: 26 November 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)	16 517	21 950	38 467	21 787	33 010	54 797	↓30%
Air Cargo (tons)	4 837	3 441	8 278	4 723	3 118	7 841	↑6%

Monthly Snapshot

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

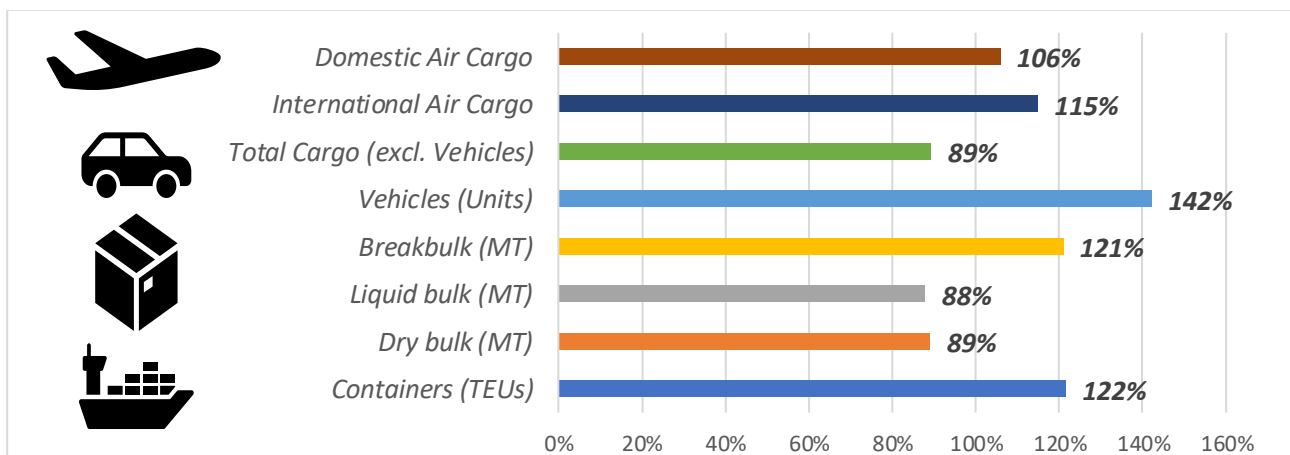


Figure 2 – Global year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- A very low average of **~5 495 TEUs** was handled per day, with **~9 672 TEUs** projected for next week.
- Rail cargo handled out of Durban amounted to **5 062 containers**, **↑34%** compared to last week.
- Local freight transport (in volume) increased y/y by **↑3,3%** in September 2021.
- This week, cross-border queue times are **↓0,1 hrs**, with transit times **↓0,5 hrs** (see [below](#)).
- The "WCI" remained steady this week, with spot freight rates **↑0,4%** (or **\$40**) to **\$9 186** per 40-ft.
- IATA notes that the global and regional capacity and cargo load factor has improved in September.
- The WTO "Goods Barometer" shows that global merchandise trade is slowing at **99,5** (index = 100).

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 66th 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: Oct versus Oct, for the rest of the metrics: Sept versus Sept.

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

Executive Summary

This update – *the 66th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Unfortunately, the bulk of the news at the end of the week revolved around the discovery of a new COVID-19 variant – Omicron. As expected, there was another alarming increase in the week's newly reported COVID-19 infections, averaging about **1 040** per day and rapidly climbing (**↑189%** from last week's average of **360**). In total, the number of cases recorded in the country now stands at **2,95 million**⁶, with the death toll at **89 771** (up by **216**). Globally, COVID-19 infections total more than **261 million**, with the death toll passing **5,2 million** this week. On the vaccination front, **7,85 billion** vaccine doses have now been administered worldwide⁷. For South Africa, this figure stands at **~25,2 million**, with a daily average of **~112 000** doses administered in the past week.

Operationally, our ports registered dismal numbers concerning container throughput this week. It was a challenging week in Durban, as strong winds and rainstorms affected both waterside and landside performance. The bunching of vessels further exalted the situation, filling up stacks and affecting the port's ability to service trucks. This week, the Maydon Wharf terminal received some negative exposure, with grain exporters complaining about no service for vessels and incoming trucks. One vessel waited for more than a month at berth to be serviced. According to industry stakeholders, recurring equipment breakdowns and unreliable existing equipment were the main reasons for these delays. In addition, Transnet asked grain exporters not to ship any additional incoming grain to the terminal, severely disrupting the industry's supply chain. Some positive news comes from the much-awaited cruise season that recently kicked off in November. Temporary power outages planned by uMhlathuze Municipality on 2 December and again on 6 December are expected to put additional strain on various terminals at Richards Bay port.

The latest land transport survey was published by Stats SA in the week, as the current seasonally adjusted payload split remains at 21/79 in favour of road. It was encouraging to see various stakeholders making enthusiastic and determined efforts to get the rail industry running at full throttle once more, despite the ongoing issues of cable theft and other operational challenges. The increased possibility of third-party concessions is also encouraging. The cross-border road transport segment continues to enjoy much-improved land border crossing times – good news for the regional economy, with further detail, provided [below](#), mainly revolving around Beitbridge and alternative routes through Kazungula. Unfortunately, it seems that the rampant spread of the newest COVID-19 variant is set to disrupt future trade, as further stringent border regulations can be expected.

The WTO notes how goods trade continues to drive international trade with its latest "Goods Barometer" in the global economy, although recovery speed has slowed. In further encouraging news – especially considering the development around variants – several international institutions have now come together to develop a "*COVID-19 Vaccine Trade Tracker*" to provide greater transparency on the cross-border movement of COVID-19 vaccines.

In the global container market, taking a long-term view, the global trend towards increased container vessel sizes still seems to be on the increase. These developments could make for alarming news for South African ports, especially considering the lack of capital investment in the last decade needed to adjust to the draft requirements of these vessels when they enter service. On the other hand, a school of thought maintains that the introduction of these mega-carriers was primarily responsible for the prolonged loss-making by the major carriers, from which they have only now (spectacularly) recovered. Other significant developments include **(1)**

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

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

COVID-19: Cargo movement update

blocking of vessel data sharing in Chinese waters, **(2)** an update on US West Coast congestion, and **(3)** a continuation of the profit bonanza in liner shipping (see the detailed summary [below](#)).

South Africa's international (**↑6%**) and domestic (**↑2%**) air cargo sectors registered some volume increases this week in the air cargo industry. However, operationally, the status quo remains, despite further discussions between ACSA and the private sector. Also, parts of King Shaka International Airport were temporarily closed on Thursday due to an emergency response simulation exercise. According to a statement released by Airports Company South Africa (ACSA), the mandatory licensing emergency training exercise was to take place between 10 am and 2 pm.

Internationally, the global and regional capacity and cargo load factor has improved in September. This is expected to continue, despite the looming reduction in passenger flights as the world once again deals with a mutation of the virus. In other aviation news, there has been a continuation of a rise in airfreight rates into the US, with rates out of Shanghai up more than 14% in the past week. Further increases are expected, with some airlines following the profit bonanza currently experienced in liner shipping.

In conclusion, our attention once again focuses almost exclusively on the pandemic and the ensuing implications of impending regulation changes. The newly identified variant is set to disrupt our daily lives further and will undoubtedly impact our trading environment, with border closures, flight cancellations, and cancelled sailings being just a few of the inevitable consequences. We can only reiterate the sentiment so often conveyed in these reports that the extended supply chain is like a living organism that needs to be fed and cannot be turned off by a switch. Cargo and people need to keep moving – irrespective of any new proposed regulations and shift of humanitarian focus.