COVID-19: Cargo movement update[1]

Date: 10 December 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)	21 152	26 016	**47 168**	22 562	25 751	**48 313**	**↓2%**
Air Cargo (tons)	4 184	3 278	**7 462**	4 920	3 098	**8 018**	**↓7%**

Monthly Snapshot

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

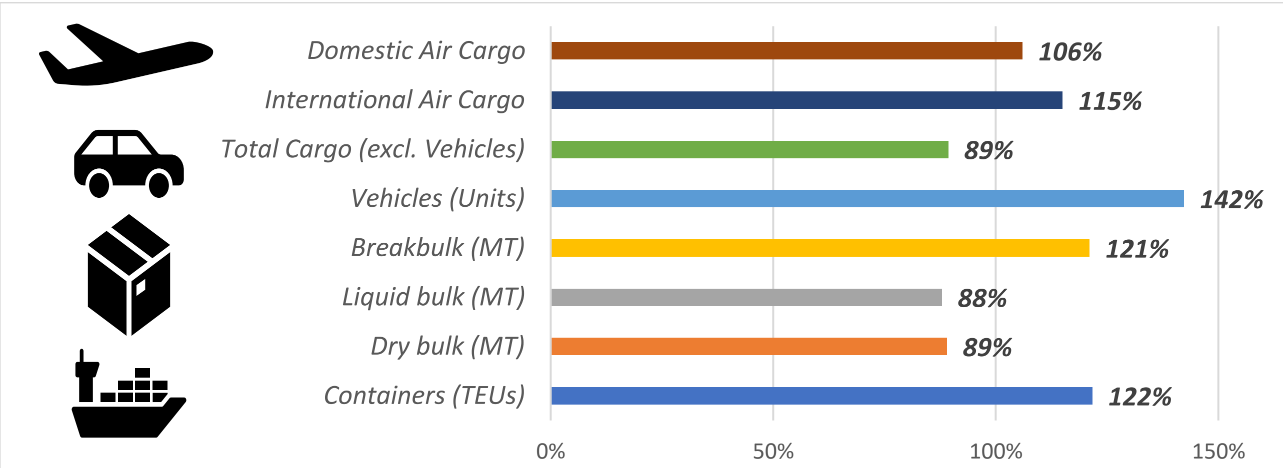

Figure 2 – Global year-to-date flows 2019-2021[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)

Key Notes

- An average of **~6 738 TEUs** was handled per day, with **~9 338 TEUs** projected for next week.
- Rail cargo handled out of Durban amounted to **3 892** containers, **↓8%** compared to last week.
- South Africa's GDP contracted by **↓1,5** in Q3 2021, exports **↓5,9%**, and imports **↓2,8%**.
- This week, cross-border queue times are **↑2,3 hrs**, with transit times **↓4,6 hrs** (*see below)*.
- The "WCI" increased distinctly this week, with spot freight rates **↑2,3%** (or **$211**) to **$9 262** per 40-ft.
- Liner schedule reliability has improved across major trade lanes, notable for African services.
- IATA notes that there is little evidence that air travel restrictions prevent the spread of COVID.

[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 68th 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 68th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. The latest COVID-19 variant – Omicron – continues to spread rapidly through our population, as newly reported COVID-19 infections averaged approximately **15 044** per day (**↑195%** from last week's average of **5 093**). In total, we have now recorded more than **3 million**[6] cases, with the death toll passing the **90 000-mark** (**90 060**, up by **145**). Globally, COVID-19 infections total more than **269 million**, with the death toll passing **5,29 million** this week. On the vaccination front, **8,35 billion** vaccine doses have now been administered worldwide[7]. For South Africa, this figure stands at **~26,9 million**, with a daily average of **~115 000** doses administered in the past week. Vaccination numbers are expected to increase as the Department of Health this week announced plans for the commencement of the Pfizer and J&J boosters.

Operationally, this week Cape Town Container Terminal (CTCT) struggled with sporadic weather disruptions together with crane breakdowns that left various vessels idle at anchor for more than five days. With the fourth wave of COVID-19 infections sweeping through the country, more and more positive cases have impacted operations, especially in Durban. Pier 2 recorded eight new positive COVID-19 cases, and Pier 1, three. Durban MPT reported a total of two new cases on Thursday. Fortunately, these subsequent absences have not affected performance operationally. Due to strong winds on Monday afternoon, Durban port operations were affected to a limited extent. On Wednesday, light rain delayed loading at Durban's Maydon Wharf terminal. Additional delays at Pier 2 were recorded due to intermittent crane breakdowns. Finally, vessels at anchor waiting for Pier 1 were delayed due to the scheduled sounding on Wednesday.

In the global container industry, the narrative revolves again around schedule reliability and increasing freight rates. On the former, it was encouraging to see that a total of 15 trade lanes saw a net gain in schedule reliability over the course of 2021. Moreover, significant service improvements can be seen for African trade, which is encouraging given the recent struggles with cancelled sailings and general delays. But unfortunately, the improved reliability has not yet crossed over to the major carriers, as global container congestion remains the order of the day. Other significant developments include **(1)** analysis which shows that 12% of global capacity remains unavailable, **(2)** Moody's report showing that ocean carrier earnings have peaked in 2021, and **(3)** container ports in China are expected to raise handling fees (see the detailed summary *below*).

South Africa's international (**↓7%**) and domestic (**↑7%**) air cargo sectors mirrored each other, with no particular operational developments worth mentioning. Internationally, IATA this week showed how air cargo continues to carry the industry. However, more importantly, IATA highlighted the lack of any credible evidence showing that travel restrictions curb the spread of the virus (note the brief outline *below*). Consequently, the plea to allow international travel to and from South Africa is reiterated, as the Omicron variant is already prevalent across the globe and no amount of travel restrictions is going to change that. As mentioned last week, we must use the experience of the previous two years to move to a coordinated data-driven approach that finds safe alternatives to border closures and quarantine. Travel restrictions are not a long-term solution to control COVID variants

In conclusion, it is worth turning our attention to the GDP figures released this week, which unfortunately didn't surprise anyone, despite being worse than expected. Given the events which transpired in early July – along with the often-reported challenges within our logistics industry – we cannot afford to continue to self-destruct and score own goals. Although the broader economic indicators remain optimistic for the South African economy, we can expect to continue to put out short term fires and deal with hiccups – such as the recent travel ban. We appeal to all stakeholders to pull together and maintain hard-earned momentum as we enter the quiet season.

[6] Johns Hopkins, Coronavirus Resource Centre. Coronavirus JJHU.
[7] Our World in Data, Coronavirus (COVID-19) Vaccinations. Our World in Data