

COVID-19: Cargo movement update¹

Date: 3 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)	16 326	21 950	38 276	22 820	27 171	49 991	↑31%
Air Cargo (tons)	4 920	3 098	8 018	4 837	3 441	8 278	↓3%

Monthly Snapshot

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

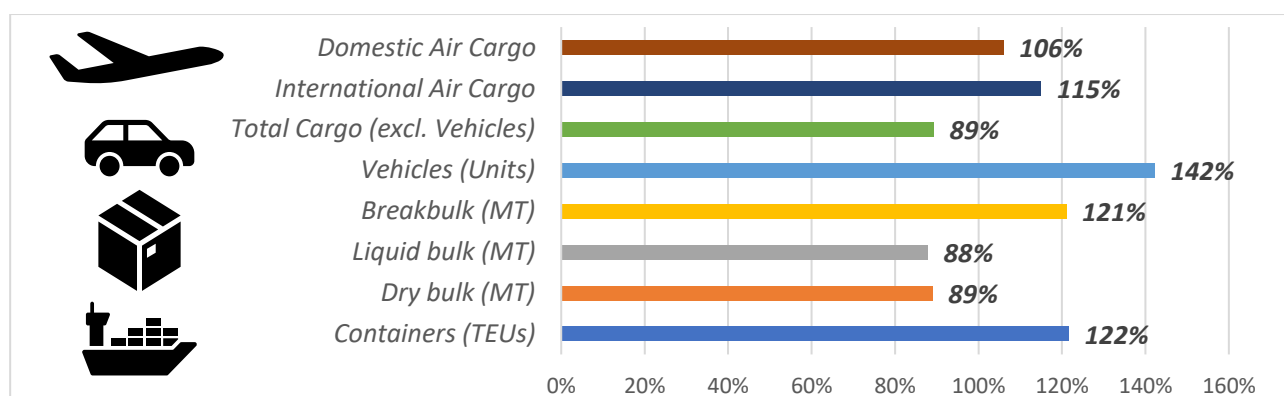


Figure 2 – Global year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 142 TEUs** was handled per day, with **~7 911 TEUs** projected for next week.
- Rail cargo handled out of Durban amounted to **4 244 containers**, **↓16%** compared to last week.
- SARS merchandise trade for October: exports (**↓5,7%**, m/m), and imports (**↓4,9%**, m/m). Still, South Africa's current trade balance remains strong, currently at **R370 billion** y-t-d.
- This week, cross-border queue times are **↑0,1 hrs**, with transit times **↑1,5 hrs** (see [below](#)).
- The "WCI" decreased markedly this week, with spot freight rates **↓1,5%** (or **\$135**) to **\$9 051** per 40-ft.
- Monthly liner schedule reliability improved slightly (**↑0,4%**) but remained way below previous years.
- Air cargo continues to grow, as industry-wide cargo tonne-kilometres (CTKs) is up by **↑9,4%** in October.
- UNCTAD notes the value of world imports and exports of goods hit **\$5,6 trillion** in Q3, setting a record.

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 67th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. With the discovery of the latest COVID-19 variant – Omicron – there was a massive increase in the week's newly reported COVID-19 infections, averaging about **5 093** per day and rapidly climbing (**↑390%** from last week's average of **1 040**). In total, the number of cases recorded in the country now stands at **2,99 million**⁶, with the death toll at **89 915** (up by **144**).

Globally, COVID-19 infections total more than **264 million**, with the death toll passing **5,24 million** this week. On the vaccination front, **8,12 billion** vaccine doses have now been administered worldwide⁷. For South Africa, this figure stands at **~26,1 million**, with a daily average of **~124 000** doses administered in the past week. However, with the discovery of the new variant, it has become clear that we desperately need to ramp up our vaccination efforts as infections will potentially create havoc with all citizens' plans of having a normal festive period.

Operationally, Cape Town port was slightly affected by fog, Navis downtime, and intermittent crane breakdowns at the beginning of this week. A vessel was procured from Asia transporting the crane from Gqeberha, PECT terminal, to Cape Town MPT. The vessel is expected to arrive in South African waters between 6 and 16 December 2021. Durban this week experienced various sporadic interruptions on waterside operations due to strong winds and light rain. Furthermore, multiple truck operators and associated stakeholders voiced their extreme frustration with the truck booking system at Durban's Pier 1 and Pier 2. Even though Transnet could bring the number of wasted slots down significantly with the recent changes, there has been an outcry by the trucking industry due to not having enough booking slots available to cater to the demand. In addition, many truck operators call the system unfair, non-transparent and unreliable. Transnet continues to communicate with industry, and it is hoped that the system will someday be adjusted to create a win-win situation for both parties.

On Friday, the vital N3 route between the Port of Durban and the connected hinterland was blocked once again by some truck drivers. An extensive backlog of traffic was reported at Van Reenen's Pass. In addition, the Tugela Toll Plaza was closed in a northbound direction (towards Gauteng). The sudden influx of trucks, once released, is expected to affect landside operations at Durban port, and the port is on standby. Lastly, SARS this week released merchandise trade statistics for October, which indicates that the recent trade surplus trend has continued, albeit narrowing slightly.

There has been a slight improvement in schedule reliability, delay times, and freight rates in the global container market in the last month or so. Nevertheless, the serious pain points that developed in 2021 remain and will likely continue well into the new year. Other significant developments include **(1)** UK supply chain disruptions, **(2)** an update on US West Coast congestion, and **(3)** carriers and shippers engaging in long term contract negotiation (see the detailed summary [below](#)).

South Africa's international (**↓3%**) and domestic (**↑2%**) air cargo sectors remained steady this week. Furthermore, regarding some operational matters, additional feedback can be provided to the industry regarding ACSA's strategy and requirement of reporting commodity stats (see [below](#)). Internationally, IATA reported cargo continued to improve this week, despite the economic drivers of air cargo being unequal, although still supportive. Air cargo will continue to benefit from favourable supply chain conditions, notably the need for businesses to get goods rapidly in the face of expensive and unreliable sea transport. But at the same time, hopes that the passenger market will return to something like normality have been dashed by the emergence of the Omicron mutation of the virus.

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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Against the backdrop, IATA's director has responded to the travel bans recently imposed: "*Governments are responding to the risks of the new coronavirus variant in emergency mode causing fear among the travelling public. As quickly as possible, we must use the experience of the last 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.*"⁸ For South Africa, especially the travel and tourism industry, we can only hope that governments worldwide will share the sentiment expressed by IATA.

Several things are becoming clearer for the international economy, as international trade – a shining light in an otherwise dim sky recently – can only drive the global economy so far. Indeed, this reality has come to fruition as world trade continued its strong recovery from the COVID-19 pandemic – albeit unevenly across countries and sectors. The report shows the uneven nature, ranging from the UK at **↓23%** and Taiwan at **↑23%** relative to the same time in 2019. Nevertheless, trade remains robust in 2021, as goods trade is projected to reach a record level of **US\$ 22 trillion** in 2021, with services trade at around **US\$ 6 trillion** for the year.

In conclusion, recent developments have once again highlighted that the pandemic would continue to disrupt our lives and how we do business. Because recent history has shown no way of isolating the virus has yet been discovered, we will need to continue with existing and enhanced contingency plans. In addition, we must intensify the vaccination efforts and enforce strict adherence to COVID-19 protocols. Furthermore, the extended South African supply chain simply cannot afford to be cut off from global networks. It is particularly galling that this latest mutation of the virus was already circulating in Europe before coming to our shores and being detected by our excellent scientists with their advanced genomic-surveillance programme⁹. So now South Africa is being punished despite making it possible for other nations to respond far quicker than they might otherwise have done. As we have repeatedly said, the response to the pandemic should be a unified global one, with all parties involved.

⁸ IATA. 26/11/2021. [Statement on New COVID-19 B.1.1.529 Variant](#).

⁹ CBS News. 30/11/2021. [Omicron COVID variant was in Europe before South African scientists detected and flagged it to the world](#).