

# COVID-19: Cargo movement update<sup>1</sup>

**Date: 28 January 2022**

## Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current <sup>2</sup>			Previous <sup>3</sup>			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (TEUs)	20 690	27 386	<b>48 076</b>	23 427	27 393	<b>50 820</b>	<b>↓5%</b>
Air Cargo (tons)	3 878	2 652	<b>6 530</b>	3 135	2 288	<b>5 423</b>	<b>↑20%</b>

## Monthly Snapshot

Figure 1 – Monthly<sup>4</sup> cargo volume levels, year on year (100% = baseline)

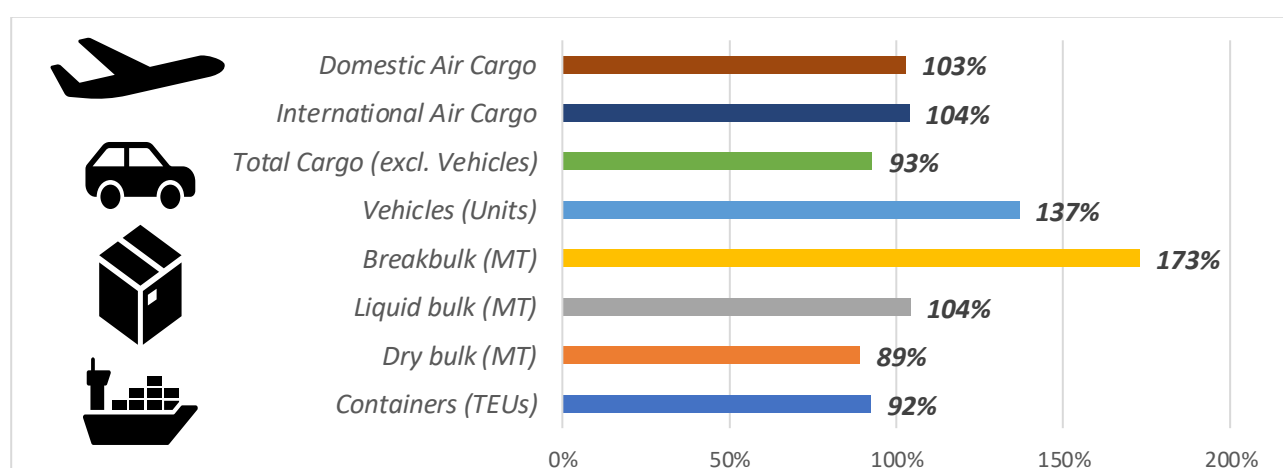
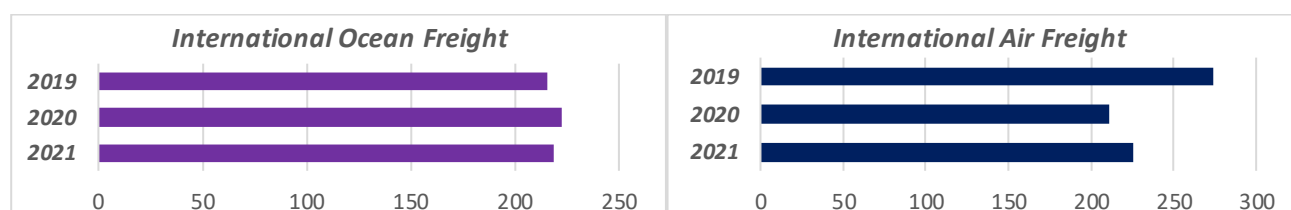


Figure 2 – Global year-to-date flows 2019-2021<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~6 868 TEUs** was handled per day, with **~8 233 TEUs** projected for next week.
- Rail cargo handled out of Durban amounted to **4 705 containers**, **↑14%** compared to last week.
- This week, cross-border queue times are **↑5,2 hours**, with transit times **↑4,6 hours** (see [below](#)).
- The "WCI" finally decreased this week, with spot freight rates **↓2,9%** (or **\$278**) to **\$9 420** per 40-ft.
- A disparity in growth of **~↓2,6%** in container fleet – and throughput volume further points to a persistence of congestion and related supply chain constraints, with elevated freight rates to remain.
- In 2021, air cargo rose by an enormous **↑18,7%** y/y, the second-best yearly performance since 1990.
- The IMF expects global growth to slow from **↑5,9%** in 2021 to **↑4,4%** in 2022, SA at **↑4,6%** and **↑1,9%**.

<sup>1</sup> 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 72<sup>nd</sup> update.

<sup>2</sup> 'Current' means the last 7 days' (a week's) worth of available data.

<sup>3</sup> 'Previous' means the preceding 8-14 days' (a week's) worth of available data.

<sup>4</sup> 'Monthly' means the last full month's worth of available data compared to the same month in the previous year. For all metrics: Dec versus Dec.

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

### Executive Summary

This update – *the 72<sup>nd</sup> of its kind and the third for 2022* – contains a consolidated overview of the South African supply chain and the current state of international trade. Newly reported COVID-19 infections averaged approximately **3 092** per day (**↓16%** from last week's average of **3 661**) this week. However, the daily number of infections has started to increase, with a positivity rate already exceeding 10%, which is a cause for concern. In total, South Africa has now recorded **3,59 million**<sup>6</sup> cases, with **94 651** (up by **702**) regrettably losing their lives to the virus. Globally, more than **367 million** people have now been infected by COVID-19, and there have been more than **5,64 million** deaths. On the COVID-19 vaccination front, more than **10 billion** vaccine doses have now been administered globally<sup>7</sup>, with South Africa at around the **30 million mark**. But even with both booster and regular vaccinations now being administered, the vaccination rate remains low, with a daily average of **~68 000** in the last seven days.

Locally, port operations in Cape Town were continuously interrupted by strong winds, leaving the port windbound on various occasions. Port inefficiencies within the port of Cape Town made media headlines once again. Neither Durban nor Richards Bay had operational helicopters this past week due to a lack of fuel, with a new tender having to be issued. According to TNPA, the original supplier failed to supply the fuel as per previous agreements. In addition, it was pointed out that there was no contingency plan in place. Furthermore, various cranes were out of commission due to planned maintenance at Pier 2, negatively impacting throughput figures. In addition, the industry highlighted concerns about moving to a daylight-only pilotage operation at the Port of Durban and Richards Bay from 1 February due to a high number of pilots that resigned during December 2021. The industry was very pleased to hear about some crucial investments planned for the Port of Durban, which the Minister of Transport Fikile Mbalula will announce on Monday, 31 January. It seems that these relate primarily to the oil and gas industry rather than containers or bulk cargoes.

Globally, Alphaliner predicts global container throughput to grow at **↑5,9%** for 2022 and **↑7,8%** for 2023. However, these growth figures should be viewed against an expected fleet capacity growth of **↑4,5%** for 2022 and **↑4,1%** for 2023. These disparate growth rates point to ongoing congestion and associated supply chain constraints. Moreover, the forecasts do not bode well for any meaningful relief in freight rates, as shippers fear that the "new normal" might be closer to **\$5 000 - \$7 000** per 40-ft container when the dust finally settles on the pandemic-induced challenges. Other significant developments include **(1)** secondary trades suffer as carriers continue to focus on lucrative routes, **(2)** global supply chains at a near make-or-break point, and **(3)** shipping emissions rose **↑4,9** in 2021 (see the detailed summary [below](#)).

Although South Africa's international air cargo sector increased this week (**↑20%**), monthly volumes are expected to register a downturn for the third consecutive month now. Fortunately, the domestic market (**↑11%** this week) continues to record positive growth. Globally, air cargo remains a key economic driver, as global air cargo rebounded by **↑8,9%** versus December 2019, after a slight dip in November. Passenger numbers also improved, with December climbing to **41,6%** of 2019 levels compared with **34,2%** in 2020 as more markets reopened with vaccination progress. Other aviation news includes **(1)** Lufthansa Cargo closed due to COVID, **(2)** MSC and Lufthansa are set to take over Italy's new ITA Airways, and **(3)** Geodis expanding its Asia Pacific airfreight network.

The IMF notes that the last two years reaffirm that this crisis and the ongoing recovery are like no other in the history of the global economy. Indeed, global growth has been revised downwards by **↓0,5%**, as supply disruptions, higher inflation, record debt, and persistent uncertainty continue to cloud the picture. Accordingly, the IMF warns that policymakers must vigilantly monitor a broad range of incoming economic data, prepare for contingencies, and be ready to communicate and execute policy changes at short notice. In parallel, bold and

<sup>6</sup> Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).

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

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effective international cooperation should ensure that this is the year the world escapes the grip of the pandemic as we hopefully move from pandemic to endemic status. These comments certainly include South Africa, considering a softer-than-expected second half in 2021 and a weaker outlook for investment as business sentiment remains subdued.

Therefore, in summary, even though most consolidated metrics are starting to gain momentum after the demonstrably slow start to the year, the lag continues. Certainly, if the last couple of years is anything to go by, it is clear that international supply chains do not take breaks. Therefore, it is very concerning that TNPA advised that both Richards Bay and Durban ports will restrict pilotage services to daylight operations. As we have so often emphasized throughout the existence of these reports, the supply chain is a living organism that always needs to be nurtured. Slip-ups in any part of the network must not be tolerated. Only coordinated and close collaboration between stakeholders in both the public and private sectors will achieve this aim.