

COVID-19: Cargo movement update¹

Date: 4 February 2022

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)	26 739	29 188	55 927	20 690	27 386	48 076	↑16%
Air Cargo (tons)	4 522	2 935	7 458	3 878	2 652	6 530	↑14%

Monthly Snapshot

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

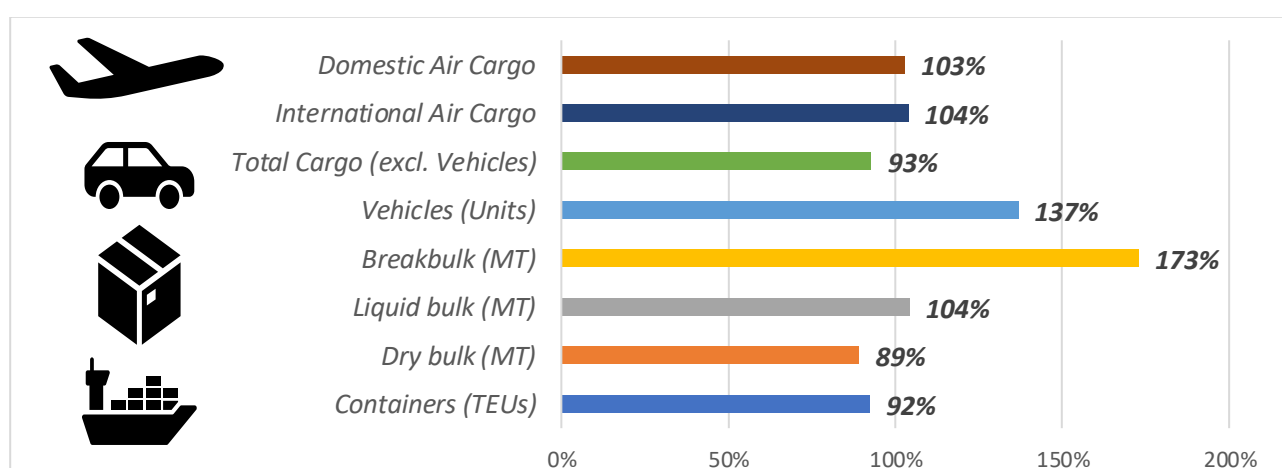
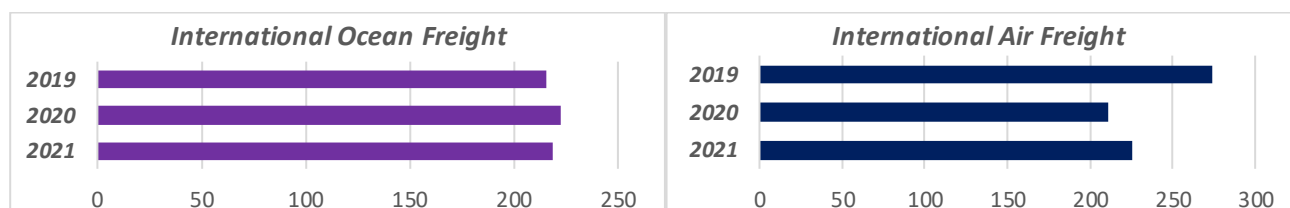


Figure 2 – Global year-to-date flows 2019-2021⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of ~7 990 TEUs was handled per day, with ~8 305 TEUs projected for next week.
- Rail cargo handled out of Durban amounted to 4 113 containers, ↓13% compared to last week.
- SARS merchandise trade for December: exports (↓4,0%, m/m), and imports (↓0,6%, m/m). The final annual trade balance finished strong at R441 billion, as y/y imports (↑30,5%) and exports (↑22,8%).
- This week, cross-border queue time is unchanged, with transit times ↑2,8 hours (see [below](#)).
- The "WCI" fell for a second week running, with spot freight rates ↓0,5% (or \$43) to \$9 377 per 40-ft.
- RWI/ISL container throughput index up ↑0,8 to 122,8 in December despite looming supply problems.
- According to the WTO, services turnover is ↑25% on Q3 of 2021, but still ↓5% on 2019 levels.

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 73rd 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 the previous year. For all metrics: Dec versus Dec.

⁵ 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 73rd of its kind and the fourth 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 **3 082** per day (almost identical to last week's average of **3 092**) this week. In total, South Africa has now recorded **3,61 million**⁶ cases, with **95 545** (up by **894**) regrettably succumbing to the virus. Globally, more than **389 million** people have now been infected by COVID-19, and there have been more than **5,77 million** deaths. On the COVID-19 vaccination front, the global numbers now stand at **10,15 billion** vaccine doses have been administered globally⁷, with South Africa at **30,03 million**. New vaccinations remain low, with a daily average of **~57 000** in the last seven days, despite another round of regulatory relaxation⁸.

This week, port operations were affected mainly by unhelpful weather conditions, recurrent IT system issues, and resultant downtime. Another day of scorching hot weather at CTCT contributed to continued RTG breakdowns. Strong winds and rain halted waterside and landside operations intermittently on Thursday and Friday in Durban. System-related issues started to affect CTCT, NCT, and GCT early this week, translating to a national problem affecting Navis, GCOS, and SAP. Train services in the Bethlehem area were affected on Friday 28 January and again on Monday 31 January due to cable theft incidents. Finally, there was good news revolving around some progress made on third-party access to rail. Transnet announced that it would complete an accounting exercise into the costing of its network to translate that into the pricing for slots on its network by the end of March. In addition, a pilot project on third-party access is planned to take place before the end of 2022.

Globally, container throughput rebounded strongly due to volume growth at ports outside China, especially Europe. However, decreasing throughput at Chinese ports – which has been driving the global expansion in TEUs over the last couple of months – could be an early indication that supply chain problems will worsen again soon. But it is possible that these expectations might be offset by impending changes in fiscal policies in Europe designed to stem inflationary pressures, potentially curbing consumer appetite. Whatever the outcome, these developments will be closely monitored in the coming months, as will the ongoing saga of elevated container freight rates (and accompanying profits for liner carriers). The status quo is still set to continue for a while, as ONE line and Hapag Lloyd celebrated further bumper profits this week. However, longer-term forecasts show that spot rates are likely to decline. Furthermore, there are signs that the recent exponential increase in long-term liner contract rates is losing steam after 14 consecutive months of unprecedented growth.

Despite the medium trend still being below par, South Africa's international air cargo sector increased again this week (**↑14%**). Domestic volumes continue to register solid numbers (**↑3%** this week). Operationally, there are no other updates of any consequence to report. An interesting occurrence was the seizure by the DDU of three consignments of catalytic converters and crushed powder from the cores of catalytic converters, valued at **R21-million** at OR Tambo. Internationally, IATA reports that most regions recorded near-record load factors in December despite the lack of belly capacity on passenger flights (which is slowly returning). The lack of capacity has also further influenced high air cargo freight rates, currently running at around **↑150%** above December 2019 levels.

In summary, many performance metrics appear to be trending upward across the respective modalities, notably ocean freight. Nevertheless, as more recent global indicators show – this week with international services trade – many metrics are yet to hit the pre-pandemic levels recorded in 2019. Moreover, it should be pointed out that the constraints started way before the pandemic for some indicators. For example, a study by SA-TIED (Southern Africa – Towards Inclusive Development) distributed this week considered the development of a

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

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

⁸ Government. 01/02/2022. [Cabinet approves changes to Adjusted Alert Level 1 COVID-19 regulations](#).

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strategic plan for port performance improvement in South African container terminals. The analysis, among others, investigated the benchmarking of South African container ports⁹, showing that overall efficiency has been on a downward spiral for the best part of the last decade at most terminals (bar Ngqura). And, as the industry knows only too well, these trends cannot simply be turned around in the short term, primarily due to the complexity and range of the factors involved. The study goes on to note that: "*While recognising the uniqueness of the institutional framework of the port sector in South Africa, the study found that the absence of intra-port and inter-port competition coupled with the lack of a well-designed terminal licencing scheme further contribute to port inefficiency and congestion.*" These findings, coupled with the World Bank and IHS's CPPI report¹⁰, provide a sobering reality, pointing to the need for collaboration between all stakeholders to turn the current state of play around.

⁹ Bichou, K. 2021. Development of a strategic plan for port performance improvement in South African container terminals.

¹⁰ WB & HIS Markit. 2021. [New Global Container Port Performance Index \(CPPI\)](#).