

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

**Date: 04 March 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 (containers <sup>4</sup> )	19 802	25 972	45 774	20 836	23 561	44 397	↑3%
Air Cargo (tons)	4 478	2 786	7 264	4 151	2 798	6 948	↑5%

## Monthly Snapshot

Figure 1 – Monthly<sup>5</sup> cargo volume levels, year on year (100% = baseline)

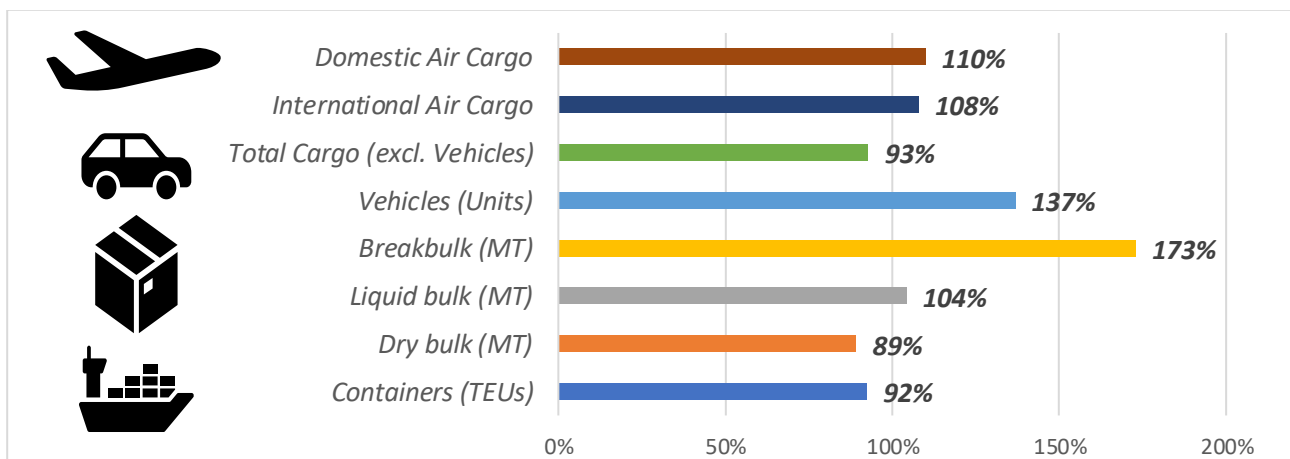
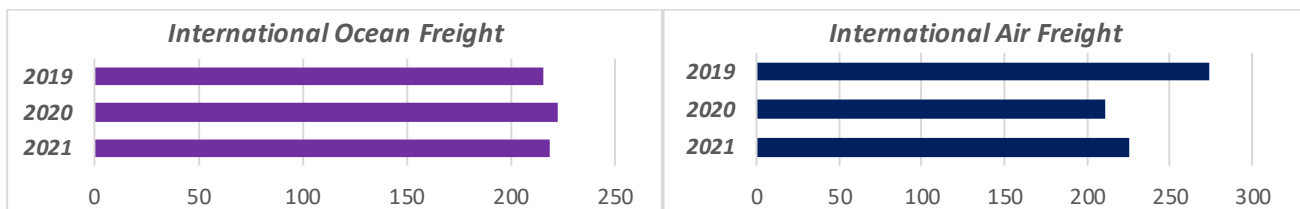


Figure 2 – Global year-to-date flows 2019-2021<sup>6</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of ~**6 539 containers** was handled per day, with ~**5 662** projected for next week.
- Rail cargo handled out of Durban amounted to **3 806** containers, **↑3%** compared to last week.
- This week, cross-border queue times are **↑0,1 hours**, with transit times **↑2,1 hours** (see [below](#)).
- SARS merchandise trade for January: exports (**↓16,1%**, m/m), and imports (**↑2,3%**, m/m), resulting in a trade surplus of **R3,55 billion** surplus with both yearly imports (**↑17,6%**) and exports (**↑29,6%**) up.
- The "WCI" fell marginally this week, with spot freight rates **↓2,1%** (or **\$198**) to **\$9 279** per 40-ft.
- Russia's invasion of Ukraine is starting to impact global shipping, air freight, schedules, and labour.

<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 77<sup>th</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> In previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40').

<sup>5</sup> 'Monthly' means the last full month's worth of available data compared to the same month in the previous year. For Air, Feb versus Feb, for the rest: Dec versus Dec.

<sup>6</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 77<sup>th</sup> of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Newly reported COVID-19 infections averaged approximately **1 711** per day (**↓23%** from last week's average of **2 220**) this week. In total, South Africa has now recorded **3,68 million**<sup>7</sup> cases, with **99 499** (up by **481**) regrettably succumbing to the virus. Globally, the case tally now stands at **442 million** infected by COVID-19, with **5,98 million** deaths recorded. Around **10,72 billion** vaccine doses have been administered globally<sup>8</sup>, with the South African tally standing at **31,7 million**.

Port operations this week at the Port of Cape Town were interrupted continuously due to fog hindering visibility. Port users were not pleased to hear that CTCT is currently missing another STS crane since Friday due to a window replacement that could take up to 3 weeks to replace. In addition, Crane QC1 is still out, awaiting the replacement of the hoist motor. Apart from fog challenges, CT MPT experienced delays due to faulty twist locks onboard a container vessel. TNPA notified users about the planned annual Maintenance Dredging Campaign, which aims to remove silted-up pockets in the areas at Eastern Mole 1 & 2 and the lead-up area to the Tanker Basin entrance areas, with the removal of approximately 15 000m<sup>3</sup> between March and April 2022. At Durban Pier 1, apart from the planned maintenance outages on cranes, TPT notified users of the prolonged outage on QC5 to replace a trolley wheel. The repair is scheduled to take place within five days.

This week, the global shipping industry reacted to the current geopolitical events, with much of the worldwide carrier fleet suspending services to Russia. Unfortunately, due to the interconnectedness of the global economy, these events are already impacting food prices (mainly wheat and maize), fuel, and other commodities and financials (including sanctions from SWIFT<sup>9</sup>). In addition, some of these developments have already impacted the logistics sector in Russia, as transport options diminish, and payment systems lose support. But, crucially, the most acute sanction to hit Russia is the decision of the EU authorities and other nations to close their airspace to Russian flights, shipping lines and logistics operators, thereby severing services to the country<sup>10</sup>.

The broader impact is likely to come in the form of further deteriorations in the global supply chain, notably a further shuffle of sailing schedules to omit Russian ports. Furthermore, sanctions against Russia will exacerbate the current labour shortages, as some 200 000 Russians are employed in the global shipping industry. Some predictions are close to doomsday proportions, with container freight rates predicated to increase another three-fold. However, in the nature of global shipping, the adjustments are expected to be delayed somewhat. Consequently, all extended role players are bracing themselves for the worst. Further significant developments include **(1)** another rate hike to travel through the Suez Canal and **(2)** reports that vessel sizes are to blame for American port congestion (see the detailed summary [below](#)).

South Africa's air cargo volume growth went in the opposite direction this week. International air cargo increased by **↑5%** this week, with the domestic industry decreasing by the same amount (**↓5%** this week). Both sectors closely track the anticipated fuel increases, which has a massive knock-on impact on operations, as is the case internationally. Indeed, Putin's war has already impacted the global aviation industry, as services have been suspended and rates have increased. Furthermore, airlines are staying clear of Ukraine skies, despite the still firm position of authorities not declaring a "no-fly zone" over Ukraine. In other developments, IATA this week noted that the return to pre-pandemic levels of passenger flights and travellers has now been pushed out even further, with a complete restoration only expected in 2024.

<sup>7</sup> Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).

<sup>8</sup> Our World in Data, Coronavirus (COVID-19) Vaccinations. [Our World in Data](#)

<sup>9</sup> Blenkinsop, P. 03/03/2022. [EU bars 7 Russian banks from SWIFT but spares those in energy](#).

<sup>10</sup> Whiteman, S. 03/03/2022. [Russian logistics 'grinding to a halt' as sanctions begin to bite](#).

## *COVID-19: Cargo movement update*

As the world's attention drifts away from the pandemic and zooms in on Russia's invasion of Ukraine, we can only speculate to what extent the repercussions will ravage our industry. All modes have been impacted – even rail cargo carried on the China-Europe Belt and Road initiative<sup>11</sup> – with supply chain role players now pondering their next move in anticipation of escalations in Europe. This decision will not be easy, given that even before any of the fuel shortages, disrupted schedules and related uncertainties, the extended supply chain was already struggling to come to terms with equipment shortages, poor efficiency, and widespread congestion.

Although it may seem to South Africans that we are far removed from the northern hemisphere action, if the recent pandemic induced challenges are anything to go by, it is clear that if global supply chains sneeze, the entire world catches a cold. We are not immune, but fortunately for South Africa, the immediate impact of the conflict will be minimal, as imports from Russia and Ukraine are limited. However, there is likely to be a serious impact on grain prices. The most significant effect (albeit not a substantial one in the broader picture) will be agricultural exports, as we exported over R3,7 billion worth of agricultural products, with citrus, apples, and pears making up nearly 90% of those exports. In total, more than 7% of our citrus and more than 12% of our apples and pears go to Russia. Hopefully, the conflict will be resolved soon.

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<sup>11</sup> Whelan, S. 02/03/2022. [Shippers with an eye on tougher sanctions cancel China-Europe rail bookings.](#)