COVID-19: Cargo movement update[1]

Date: 11 March 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 (containers)	13 035	19 398	**32 433**	19 802	25 972	**45 774**	**↓29%**
Air Cargo (tons)	4 816	3 039	**7 855**	4 478	2 786	**7 264**	**↑8%**

Monthly Snapshot

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

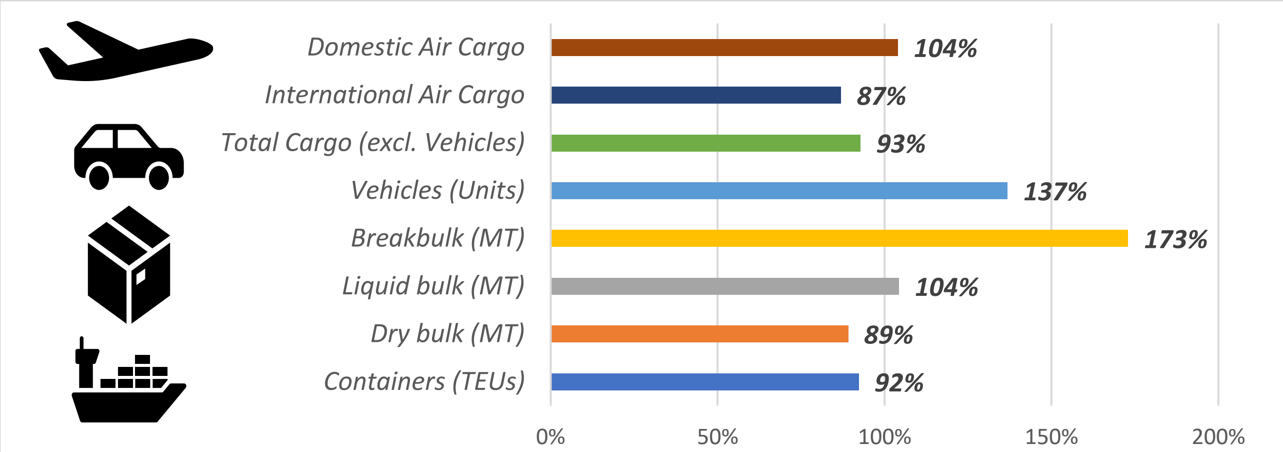
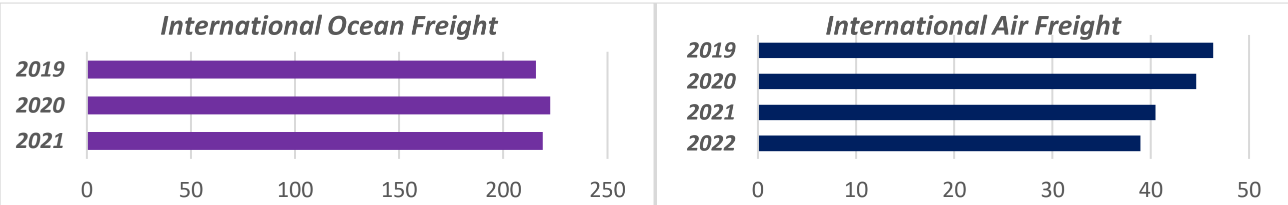


Figure 2 – Global year-to-date flows 2019-2022[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~4 633 containers** was handled per day, with **~6 523** projected for next week.
- Rail cargo handled out of Durban amounted to **2 217** containers, **↓42%** compared to last week.
- This week, cross-border queue times are **↓0,6 hours**, with transit times **↓3,1 hours** (*see below*).
- SA's GDP grew by **↑1,2%** in Q4 and **↑4,9%** for 2021 but remained smaller than pre-pandemic levels.
- The "WCI" fell marginally this week, with spot freight rates **↓1,1%** (or **$99**) to **$9 180** per 40-ft.
- Global schedule reliability is **↓0,9%** to a record low of **30,9%**, with average late arrivals at **7,38 days**.
- Some 40 countries (EU members, the UK, and the US) have closed their airspace to Russian airlines.

[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 78th 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 Air, Feb versus Feb, for the rest: Dec versus Dec.
[5] For ocean, total Jan-Dec (2019-2021) cargo in metric tonnes, as reported by Transnet is used, while for air, Jan-Feb cargo to and from ORTIA is used.

Executive Summary

This update – *the 78th 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 continued to decrease and averaged approximately **1 536** per day (**↓10%** from last week's average of **1 711**) this week. In total, South Africa has now recorded **3,69 million**[6] cases, with **99 681** (up by **182**) regrettably succumbing to the virus. Globally, the case tally now stands at **454 million** infected by COVID-19, with **6,03 million** deaths recorded. Around **10,85 billion** vaccine doses have been administered globally[7], with the South African tally standing at **32,3 million**.

Port performance this week at Cape Town port was slow due to inclement weather conditions and equipment outages. Both CTCT and CT MPT were windbound intermittently from Sunday to Tuesday, followed by fog on Wednesday. CTCT is still missing crane LC1 and LC8 due to repairs. At the Port of Durban, Pier 2 experienced a container igniting on Saturday afternoon, affecting waterside and landside operations at berths 108 and 109. Again, a container emitted smoke on Monday, which delayed landside operations at berths 108 and 109. At the Port of Gqeberha, the GCT terminal was declared windbound on Wednesday and Thursday, slowing down operations. NCT terminal received no vessels this past week.

This week, the global shipping industry continues to be impacted by Russia's invasion of Ukraine. As a result, shipping lines, freight forwarders, and cargo owners typically dealing with Russian ports, suppliers, and services have arranged alternatives. Furthermore, there has been a significant increase in cancelled sailings, which comes as a further alarm given the current near-record low of schedule reliability even before the crisis. Although freight rates have decreased somewhat in recent weeks, the precarious situation of global supply chains is almost palpable, with an increase almost inevitable as the crisis wreaks havoc on dwell times and sailing schedules. Further widespread uncertainty is present with fuel prices, commodity increases, and global sanctions, all in a state of flux. Further significant developments include **(1)** Hapag-Lloyd's acquisition of DAL, **(2)** the UN call for further action to end the current seafarer crisis, and **(3)** carriers requested to provide rate information to US lawmakers (see the detailed summary *below*).

South Africa's international air cargo sector volumes increased marginally this week (**↑8%**). Internationally, IATA published an update on the impact of the conflict between Russia and Ukraine on aviation, noting that Russia accounted for **0,6%** of the global total cargo traffic in 2021, among other metrics. Further impacts include the rise of jet fuel prices (already up by **↑27%** to $141 per barrel on 4 March), the knock-on effect on passenger demand, and a further increase in air freight rates, which are already close to record highs at **↑120%** above pre-crisis levels. Lastly, the industry-wide cargo tonne-kilometres (CTKs) continued to grow in January 2022, rising **↑2,7%** y/y, albeit slower than previous months.

Finally, Stats SA released our latest economic figures for the fourth quarter of 2021, noting that South Africa's gross domestic product (GDP) increased by **↑1,2%** for Q4 in 2021[8]. However, as is often the case, matters may seem worse than they actually are. Indeed, most economists expected growth of only around **1%**, as the economy still struggled to recover from the July unrest, not to mention the existing COVID-19 induced obstacles to trade. But it is clear that we are still not yet back to pre-pandemic output levels, highlighting the hard work ahead of us. In our industry – the extended supply chain – the same is true. Therefore, the narrative remains the same. We need to work together with all stakeholders to break free from the challenges and create a prosperous South Africa for all involved.

[6] Johns Hopkins, Coronavirus Resource Centre. Coronavirus JJHU.
[7] Our World in Data, Coronavirus (COVID-19) Vaccinations. Our World in Data
[8] Stats SA. 08/03/2022. GDP increased by 1,2% in the fourth quarter of 2021.