COVID-19: Cargo movement update[1]

Date: 18 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)	19 370	19 887	**39 257**	13 035	19 398	**32 433**	↑20%
Air Cargo (tons)	4 569	2 792	**7 360**	4 816	3 039	**7 855**	↓6%

Monthly Snapshot

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

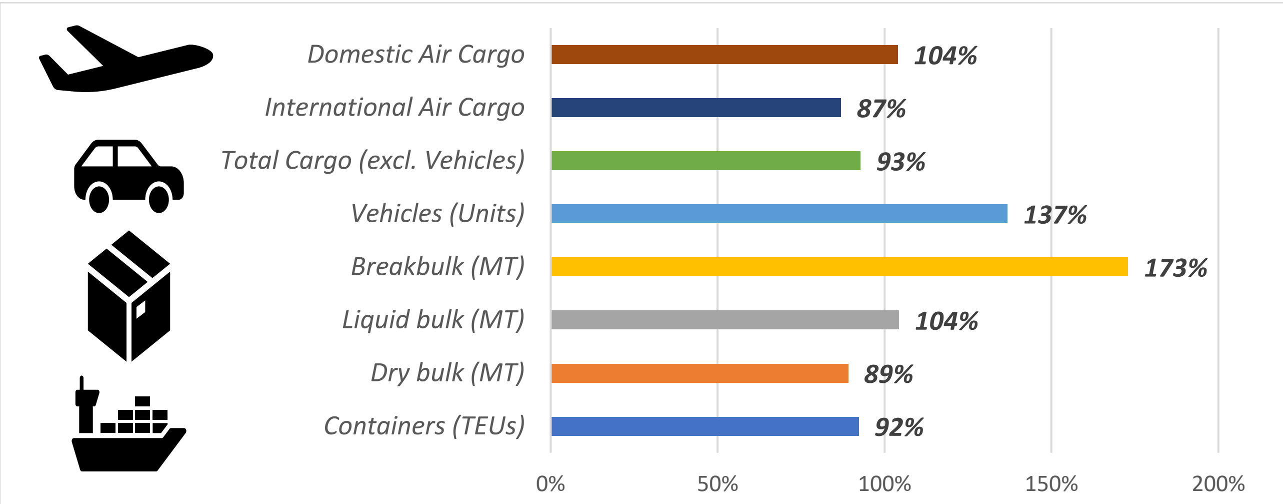
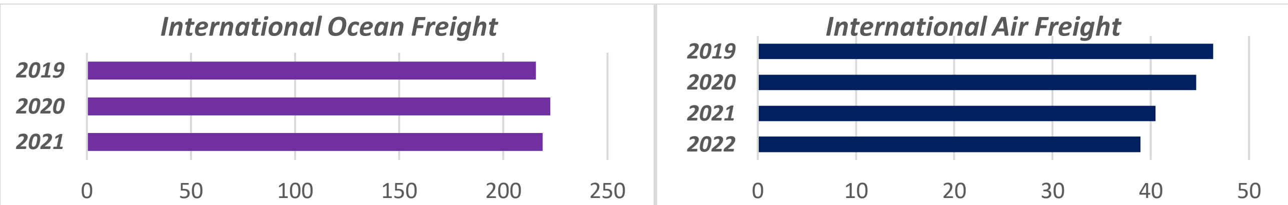


Figure 2 – Global year-to-date flows 2019-2022[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~5 608 containers** was handled per day, with **~7 015** projected for next week.
- Rail cargo handled out of Durban amounted to **3 031** containers, ↑37% compared to last week.
- This week, cross-border queue times are **↑11,1 hours**, with transit times **↑3,7 hours** (*see below*).
- The "WCI" fell significantly this week, with spot freight rates **↓3,8%** (or **$348**) to **$8 832** per 40-ft.
- International air cargo (CTKs) rose ↑7,2% y/y, but the rate of increase is much weaker than previously.

[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 79th 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. This delay originates from the fact that Transnet National Ports Authority has not yet updated its website with the latest statistics.
[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 79th 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 **1 430** per day (**↓7%** from last week's average of **1 536**). South Africa has now bridged the **3,7 million**[6] mark in recoded cases, with **99 829** (up by **148**) regrettably succumbing to the virus. As cases and deaths continue to dwindle, many have questioned the government's decision to further extend South Africa's national state of disaster until 15 April 2022[7]. Globally, the case tally now stands at **466 million** infected by COVID-19, with **6,06 million** deaths recorded. Around **10,95 billion** vaccine doses have been administered globally[8], with the South African tally standing at **32,7 million**.

Port operations this week at the port of Cape Town were interrupted by inclement weather conditions and power outages. Balancing that, some good news was received regarding the two cranes out of commission at CTCT. LC1 was fitted with the new hoist motor on Tuesday, although fault-checking was delayed due to strong winds. The crane was back into operations on Friday for testing. LC8 received its window, but installation was also postponed due to the bad weather. The window was planned to be installed on Saturday. In last week's Durban decongestion meeting, it was announced that plans would commence to fence off the port to counter congestion in and around the harbour area. On Wednesday, a power outage experienced at Pier 2 caused significant landside delays, whereas Pier 1 had an exceptionally quiet week, receiving its first two vessels only on Friday.

The global container shipping industry continues to be impacted by Russia's invasion of Ukraine, although to a lesser extent than first envisaged. It is still too early to assess the overall impact in the long run, although major North European ports are seeing a build-up of Russian transhipment cargo from Asia, which, since the imposition of sanctions following Russia's invasion of Ukraine, now has nowhere go. The downstream delays might not necessarily involve Russian cargo, but the delays are bound to cause a reduction in available equipment, and supply chain fluidity will be impacted.

On the subject of container freight rates, it does appear increasingly likely that the hoped-for turnaround in exorbitant rates could come to fruition. Recent fuel price increases and other inflationary pressures appear to have been factored into pricing by now, and this, aided by the ongoing investigations into price manipulations, can be expected to curb the trend of runaway freight rate increases. Additional significant developments include **(1)** Shenzhen lockdown set to disrupt global supply chains, **(2)** FMC issues Advance Notice on detention and demurrage charges, and **(3)** another Evergreen shipping vessel runs aground (see the detailed summary *below*).

South Africa's international air cargo sector volumes decreased marginally this week (**↓6%**), with domestic air cargo also down (**↓18%**). The recent suspension of British Airways (operated by Comair) and Kulula operations in the domestic market has been lifted, and flights started operating again on Thursday morning, 17 March[9]. Internationally, IATA notes that seasonally adjusted growth has slowed down recently despite continued growth in cargo volumes. Fortunately, capacity on dedicated freighters remains stable, with belly cargo continuing its ever-increasing availability. Lastly, the conflict between Russia and Ukraine has resulted in a notable decrease in passenger bookings worldwide. The week starting 24 February saw bookings decline by **↓8%** compared to the week prior.

---

[6] Johns Hopkins, Coronavirus Resource Centre. Coronavirus JJHU.
[7] Business Tech. 15/03/2022. Pushback against South Africa's extended state of disaster.
[8] Our World in Data, Coronavirus (COVID-19) Vaccinations. Our World in Data
[9] Smith, C. 16/03/2022. Comair suspension lifted, kulula.com and BA flights can resume.

As we continue to watch the events in Ukraine transpire from afar, South Africa remains largely unaffected so far. However, the global disruptions – whether in terms of sanctions, scheduling, or COVID lockdowns – will continue to affect international trade as long as the war continues, and the longer-term impact on food security has yet to be felt. Moreover, these effects provide a stark reminder of the interconnectedness of all role-players within the extended supply chains. For South Africa's part, we must absorb as much of the external pressure as we can by having our own house in order. The narrative remains unchanged – all stakeholders in the extended South African supply chain must work cohesively and in close collaboration to minimise the impact of all the challenges posed. This sentiment is especially true given that we have yet to return to pre-pandemic levels in many trading sectors.