

COVID-19: Cargo movement update¹

Date: 15 April 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)	18 742	18 748	37 490	24 738	24 669	49 407	↓24%
Air Cargo (tons)	5 172	3 178	8 350	4 917	3 181	8 098	↑3%

Monthly Snapshot

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

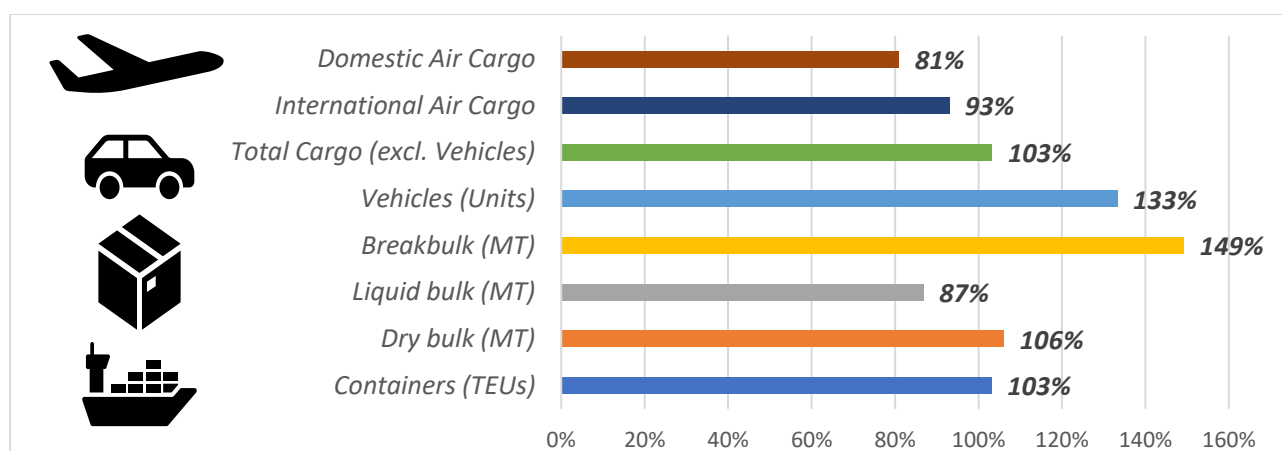


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~5 356 containers** was handled per day, with **~7 290** projected for next week.
- Rail cargo handled out of Durban amounted to **1 407** containers, **↓56%** compared to last week.
- This week, cross-border queue times are **↓0,4 hours**, with transit times **↓2 hours** (see [below](#)).
- The "WCI" continued its decrease this week, with spot rates **↓1,2%** (or **\$107**) to **\$7 945** per 40-ft.
- WTO predicts merchandise trade volume growth of **↑3,0%** in 2022, revised downwardly from **↑4,7%**.
- Belly-hold air cargo is back to **28%** of total CTks, as the part played by preighters (passenger-freighters) continues to diminish.

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 83rd 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: Jan & Feb versus Jan & Feb.

⁵ For ocean, total Jan-Feb 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 83rd 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 decreased slightly and averaged approximately **1 273** per day (**↓11%** against last week's average of **1 391**). South Africa has recorded **3,7 million** positive cases, with the death toll up to **100 138** this week (up by **63**). Globally, the case tally stands at **504 million** infected by COVID-19, with **6,2 million** deaths recorded. Around **11,5 billion** vaccine doses have been administered globally, with the South African count at **34,3 million**.

The narrative around port operations was dominated by the devastating floods in KwaZulu Natal, which severely impacted the port and associated operations. Workers could not access the port as roads and bridges were washed away. Debris in Durban Bay and environment connections prevented marine services from operating, and this will take an estimated 7 to 10 days to clear. Bayhead Road (the main access to the container terminals) has suffered severe damage and is under repair, while haulage contractors focus on providing short-term solutions to secure access to the port. Rail services in and out of the port are not operational until further notice. Luckily, there has been no damage to the main fuel pipeline's infrastructure, and Transnet Pipelines will continue to supply fuel that was already in the system to the inland market.

This week, it was encouraging to see CTCT reporting record volumes handled across the quay at the beginning of the week. The terminal is still operating with only two berths, thanks to ongoing problems with repairing the window on Crane #LC8. CTCT was windbound on Wednesday night, leading into Thursday morning.

A slow return to normal operations has been noticed in the global shipping landscape, despite the persistence of current issues of lockdowns, capacity crunch, and port congestion. The decline in freight rates has been most welcome, and ocean carriers seem to be relaxing their dominant position's use (or abuse) to drive revenue and profitability. But there is still a long road to travel before we reach anything near normality, as sustained efforts to rebalance the location of container equipment worldwide continue and have now spilt over into South Africa. Moreover, the disturbing media images of containers littering roads and ravines in the Durban this week provide a stark illustration of the challenges that will have to be overcome before operations there can be returned to normal. Nevertheless, the extended logistics industry remains hopeful of moderation or a return to normal (albeit a new, adjusted "normal") around the Chinese New Year in 2023 (February at the earliest). Additional significant developments include **(1)** an update on the Chinese lockdowns, **(2)** smaller vessels coming onstream on Transpacific routes, and **(3)** Russia's maritime lawyers call for an end to the war in Ukraine.

South Africa's international air cargo sector volumes increased marginally this week (**↑3%**), with domestic air cargo slightly down (**↓2%**). Internationally, IATA highlighted this week that the importance of freighters has faded drastically with the return of belly-hold space on passenger flights. After representing as much as a quarter of total air cargo during the second quarter of 2020 through the utilisation of grounded passenger flights, the freighter share is now standing at around 13%.

Finally, as the country takes a break over the Easter period, it is worth pointing out that supply chains never take breaks. This reality means that the smooth functioning of supply chains remains a necessity for all global players, especially South Africa. The terrible destruction at Durban port again highlights that a chain is only as strong as its weakest link, with the unfortunate events laying bare the shortcomings that we could experience in a disaster. For example, there is only one viable route into Island View, so those berths were immediately unable to operate, and as they handle most of the liquid cargo, there were immediate shortages. Although no one could have predicted the full extent of the devastation, the effects reemphasize the need for supply chains to be predictable, sustainable, and agile, especially in times of crisis – something which South Africa, and Durban in particular – have had to become accustomed in recent times.