

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)

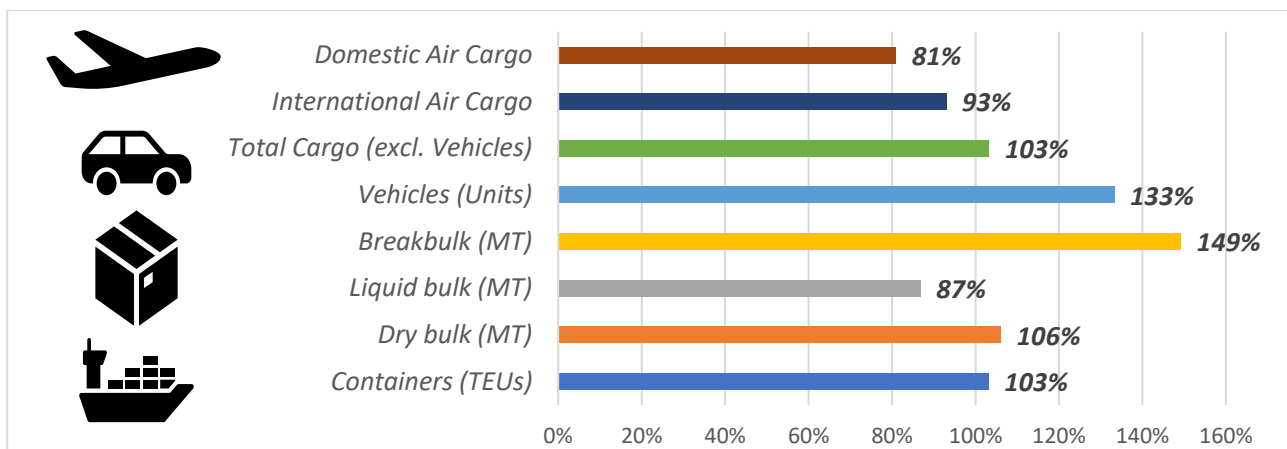


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



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 million⁶** 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 globally⁷, 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

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

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

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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.

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1. Ports Update

This section provides an overview of the flow of containerised cargo through South Africa's commercial ports.

a. Container flow overview

The following tables indicate the container flows reported for the last seven days and projections for the next seven days.

Table 2 – Container Ports – Weekly flow reported for 9 to 15 April⁸

| 7-day flow forecast (09/04/2022 – 15/04/2022) | | |
|---|--|------------------------------------|
| TERMINAL | NO. OF CONTAINERS ⁹ TO DISCHARGE (IMPORT) | NO. OF CONTAINERS TO LOAD (EXPORT) |
| DURBAN CONTAINER TERMINAL PIER 1: | 3 429 | 2 976 |
| DURBAN CONTAINER TERMINAL PIER 2: | 5 014 | 6 711 |
| CAPE TOWN CONTAINER TERMINAL: | 6 083 | 5 367 |
| NGQURA CONTAINER TERMINAL: | 3 595 | 2 844 |
| GQEBERHA CONTAINER TERMINAL: | 621 | 850 |
| TOTAL: | 18 742 | 18 748 |

Source: Transnet, 2021. Updated 15/04/2022.

Table 3 – Container Ports – Weekly flow reported for 16 to 22 April¹⁰

| 7-day flow forecast (16/04/2022 – 22/04/2022) | | |
|---|---|------------------------------------|
| TERMINAL | NO. OF CONTAINERS TO DISCHARGE (IMPORT) | NO. OF CONTAINERS TO LOAD (EXPORT) |
| DURBAN CONTAINER TERMINAL PIER 1: | 2 901 | 4 548 |
| DURBAN CONTAINER TERMINAL PIER 2: | 10 523 | 12 073 |
| CAPE TOWN CONTAINER TERMINAL: | 6 408 | 7 136 |
| NGQURA CONTAINER TERMINAL: | 3 038 | 4 150 |
| GQEBERHA CONTAINER TERMINAL: | 150 | 100 |
| TOTAL: | 23 020 | 28 007 |

Source: Transnet, 2021. Updated 15/04/2022.

An average of **~5 356 containers (↓24%)** was handled per day for the last week (9 to 15 April, Table 2), despite the projected average of **~7 598 containers (↓30% actual versus projected)** noted in last week's report. However, given the devastation caused by the worst floods in more than half a century – which made international news¹¹ - these figures were impossible to achieve. An increased average of **~7 290 containers (↑36%)** is projected to be handled next week (16 to 22 April, Table 3), but it is fairly clear from the most recent reports around clean-up operations that there is no way these numbers will be achieved. The flooding in KwaZulu-Natal ensured that the port of Durban experienced severe water- and landside disruptions because of limited staff availability, debris entering the bay and surrounding channels, washed-away roads & bridges, and flooded warehouses. In addition, a lack of STS cranes at Pier 2 will almost certainly worsen the

⁸ It remains important to note that a fair percentage (approximately 40% according to the latest TNPA figures for February) of containers are neither imported nor exported, but rather consist of empties and transshipments. Due to the ongoing container imbalances, this proportion is fluctuating more than usual and has increased since December 2020. In recent months, empty numbers have dropped, a reflection of worldwide container imbalances, but there is a sharp increase with the importation of large numbers of reefers in preparation for the deciduous fruit season.

⁹ As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container.

¹⁰ As noted above.

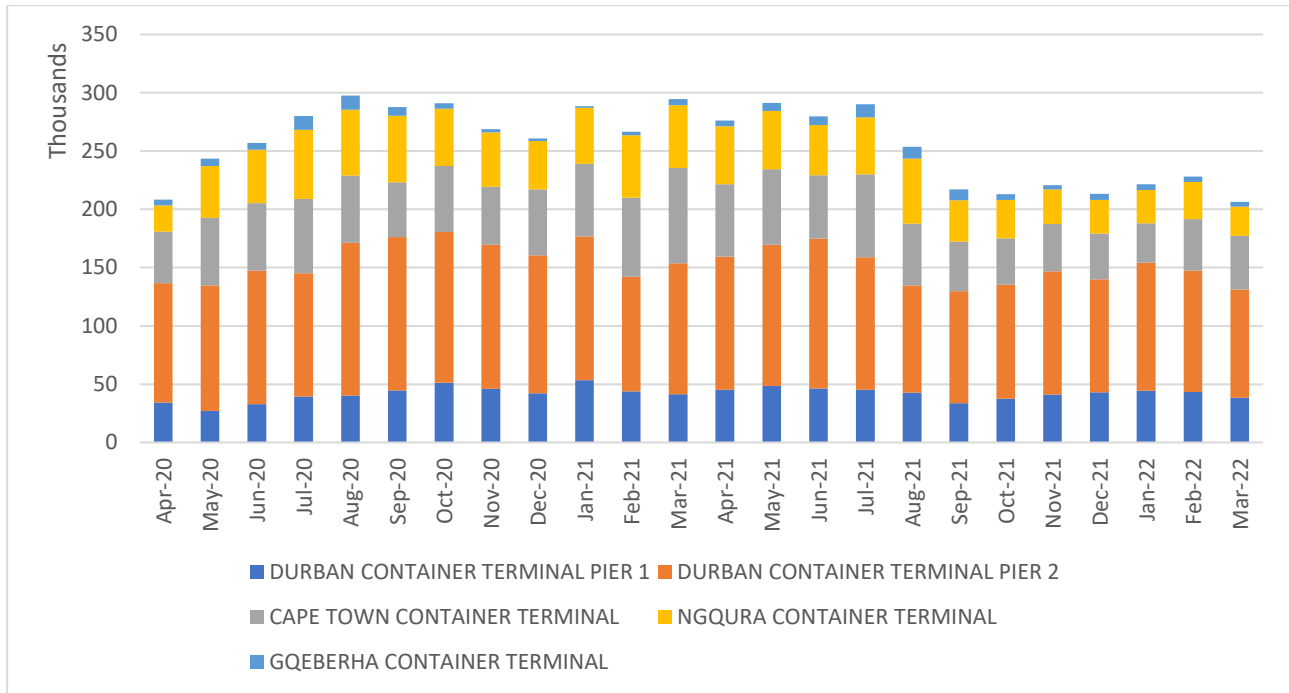
¹¹ Wacket, M. 13/04/2022. [Worst floods in half a century claim 60 lives and close Durban port.](#)

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probable waterside backlog and lengthen recovery time. CTCT is still operating with only two berths and LC8 out of operation and an inadequate complement of RTGs. (see a more detailed breakdown per port [below](#)).

The following figure illustrates the rolling *monthly* average flow of total containerised cargo passing through our commercial ports since the nationwide lockdown. Please note that the monthly flow is reported in containers and not TEUs, as mentioned in the footnote.

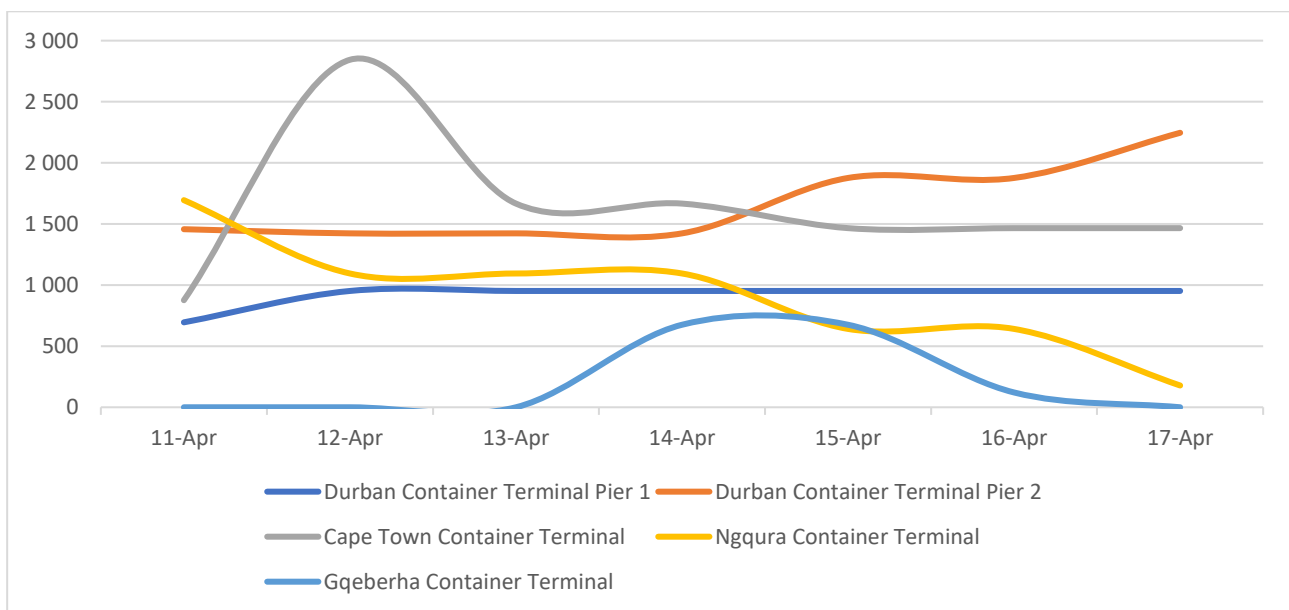
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

The figures below show the weekly container flows for the previous seven days and projections for the next seven days (however, it should be noted that these forecasts were produced before the real impact of the Durban floods was known; therefore, these numbers are unlikely to be achieved).

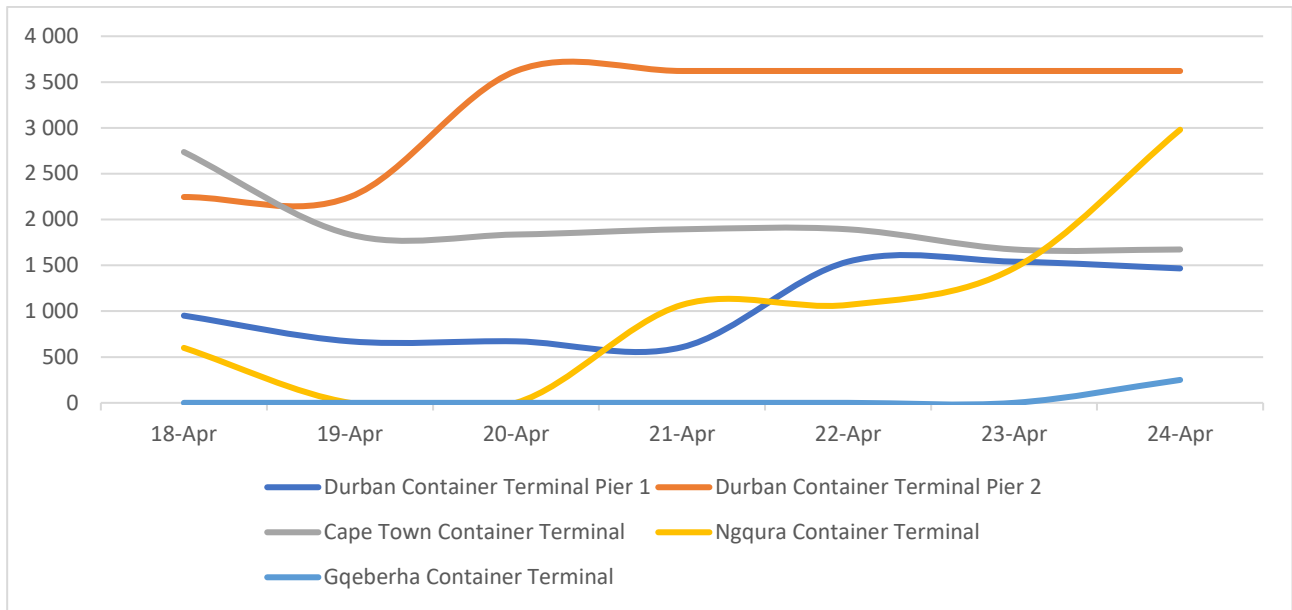
Figure 4 – 7-day flow reported for total container movements (9 to 15 April; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

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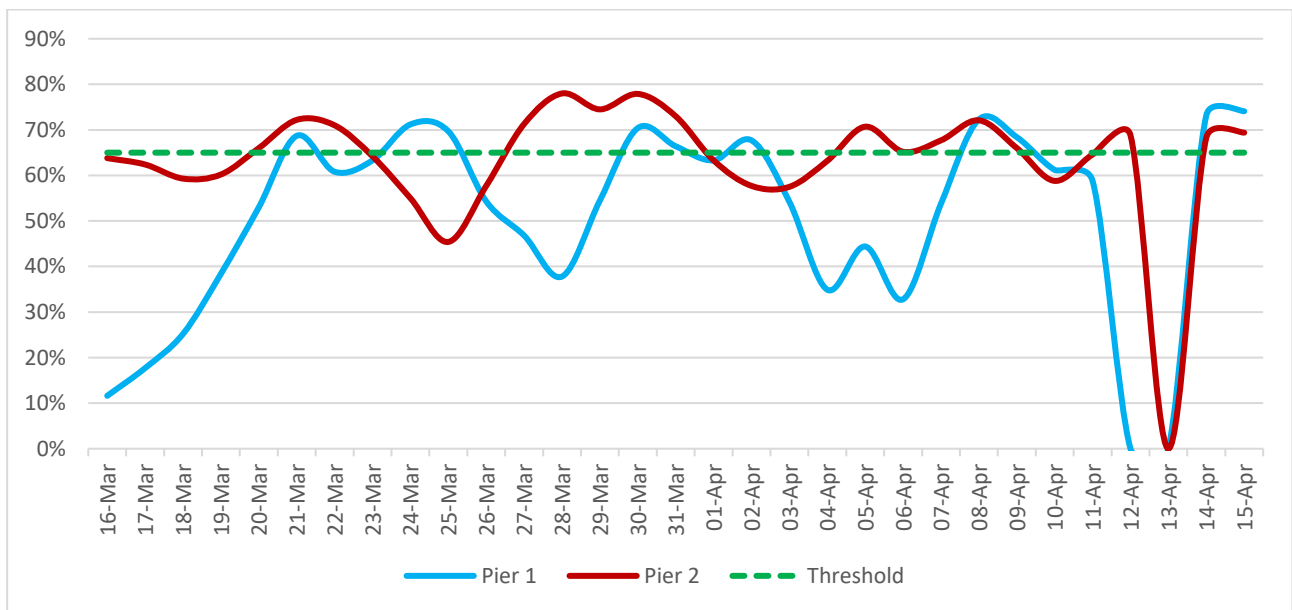
Figure 5 – 7-day forecast reported for total container movements (16 to 22 April; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

The following figure shows daily stack occupancy in both Durban terminals since mid-March.

Figure 6 – Stack occupancy in DCT, general-purpose containers (16 March to present; per pier; day on day)

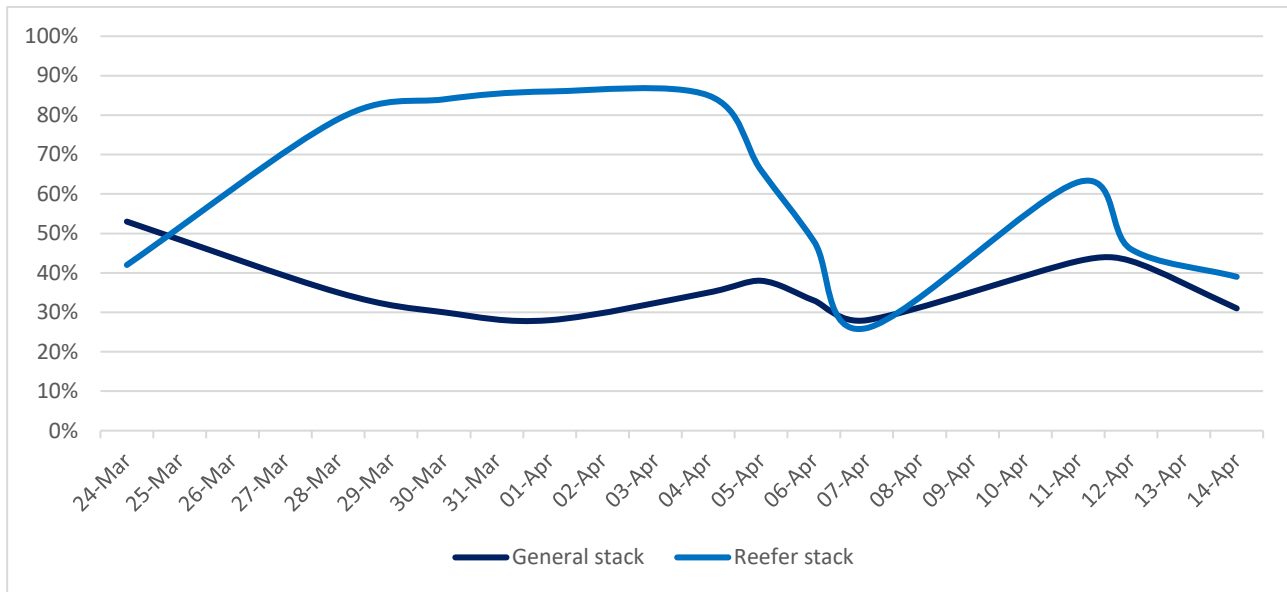


Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

The following figure shows daily stack occupancy in Cape Town over a similar period.

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Figure 7 – Stack occupancy in CTCT, general-purpose, and reefer containers (24 March to present; d/d)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

b. Summary of port operations

The following sections provide a more detailed picture of the operational performance of our commercial ports over the last seven days.

i. Weather delays

Cape Town experienced pleasant weather conditions at the beginning of the week, but on Wednesday night at around 21:35, CTCT was declared windbound. The terminal worked slowly from 16:00 due to strong winds affecting water- and landside performance. On Thursday, the terminal recorded severe truck congestion due to waterside operations being at a standstill.

All Durban terminals were closed on Monday evening due to severe flooding in KwaZulu-Natal. Windspeeds of up to 40 knots were recorded, with swells reaching 5,2 meters. However, operations resumed on Wednesday morning at selected terminals. As widely reported in the media, the flooding in the province this past week destroyed homes, claimed nearly 400 lives, and caused damage to roads, containers, warehouses, and trucks, adversely disrupting all logistical operations in and out of the port.

Fortunately, this weather system (a cut-of low pressure) was kind enough to skip the Eastern Cape province again, and no weather-related disruptions were reported from that area.

ii. Cape Town

On Monday, CTCT recorded two vessels on berth and six at outer anchorage. The terminal was manned by seven gangs, 21 RTGs, and 42 hauliers. CTCT managed to handle a whopping 4 586 TEUs across the quay 24 hours to Friday, with the bad weather conditions out of the way. Stacks were sitting at 43% for GP containers, 63% for reefers, and 62% for empties. The terminal managed to handle 652 trucks on the landside with an average TTT of 25 minutes. The new window for LC8 was fitted the previous Saturday, but the supplier did not pass the quality checks, and unfortunately, TNPA is again searching for a competent supplier to fix the window. Port users have expressed their frustrations due to the prolonged outage of the crane and suggested that TNPA prioritize bringing the crane back as soon as possible, considering the current situation in Durban and that it's reefer season. Cape Town Multi-Purpose Terminal recorded two vessels on the berth on Monday and one at anchor. The terminal serviced 84 external trucks on the landside within an average TTT of 24 minutes. Stacks were at 2% for GP containers and 34% for reefers. On Tuesday, CTCT experienced some

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system issues around 08:00 in the morning. Wednesday at 21:35, CTCT was declared windbound leading to significant landside congestion until the next day.

The Cape Town Multi-Purpose Terminal (MPT) has taken delivery of a fully assembled Liebherr mobile harbour crane. The crane is equipped with the latest generation diesel engine and the new technology enhancing safety. With an outreach of 58 meters and the ability to reach up to 19 container rows, the crane also boasts rapid and efficient handling of loads up to 109 tonnes and allows maintenance service intervals to go up to ~1 000 hours. In addition, the crane is flexible to work on vessels of all sizes and handle different cargoes, including containers and general and bulk cargo.

iii. Durban

KwaZulu-Natal has been declared a provincial area of disaster following this past week's severe flooding and terrible weather conditions. President Cyril Ramaphosa described the flooding as a "catastrophe of enormous proportions" during his visit to the province. Unfortunately, the South African weather service has warned of continuing high wind and rain, bringing the risk of more flooding in KwaZulu-Natal and some other provinces over the Easter weekend. Meteorologists admitted that although they distributed impact-based warnings promptly, the flooding had taken them by surprise. Some parts of KwaZulu-Natal recorded almost their average monthly annual rainfall in 48 hours.

In response to these conditions, Transnet closed port operations on Monday evening. Operations only resumed on Wednesday morning at selected terminals. On Tuesday, TNPA and TPT staff struggled to access the port, especially employees travelling from the South Coast, due to flushed away roads and the badly damaged city infrastructure. Marine services were suspended due to debris that needed to be removed from the bay and surrounding channels. According to Transnet clearing, the debris will take approximately 7 to 10 days to complete. TNPA, using its helicopters, managed to rescue 80 people trapped in various flooded areas around the city.

On Monday, Pier 2 reported 11 gangs in operation, albeit with limited straddle carriers available (66) due to the rainy weather conditions. Regarding the crane situation, cranes 520 and 522 at the south quay were still out due to fault finding. At the east quay, crane 524 was out waiting for spares and 535 due to fault finding. The terminal had four vessels at berth and one at anchor. Stacks were sitting at 65% capacity. The terminal managed to handle 2 747 gate moves on the landside in the past 24 hours to Friday. Pier 1 recorded two vessels at berth. The terminal had 14 RTGs available in terms of equipment while stacks were sitting at 55% capacity. 1 142 truck moves were recorded in the past 24 hours with 144 cancelled slots and 32 wasted slots.

On Wednesday, Pier 1 commenced operations with a staff complement of 73%. There were two vessels on berth with a total of four gangs and one vessel at outer anchorage. On the landside traffic, volumes were low due to zero appointment slots available. Stacks were 73% occupied with 106 imports, 130 exports and 144 reefers on hand. At Pier 2 on Wednesday, the terminal commenced work with a staff complement of 50%. There were four vessels on berth and an additional two at outer anchorage. On Tuesday, Pier 2 managed to clear the backlog of trucks (105 inside the terminal and 292 in staging) by deploying all available resources to the landside. Stacks were at 68% capacity, with 3,970 imports, 7 905 exports, 1 823 transshipment containers, and 450 reefers on hand. No truck appointments were available until further notice.

On Wednesday, the Durban Multi-Purpose Terminal (MPT) recorded two vessels on berth with a manning level of 2 gangs that improved during the day. Landside operations focused on import evacuation. Maydon Wharf terminal was operational with a staff complement of 75% and one vessel on the berth.

Bayhead road was washed away during the flood, drastically jeopardising access to the port via the Bayhead precinct – the main route for container and liquid cargo access. Contractors were assigned to work during the Easter weekend at the wash-away site and are busy with a temporary solution projected to complete by

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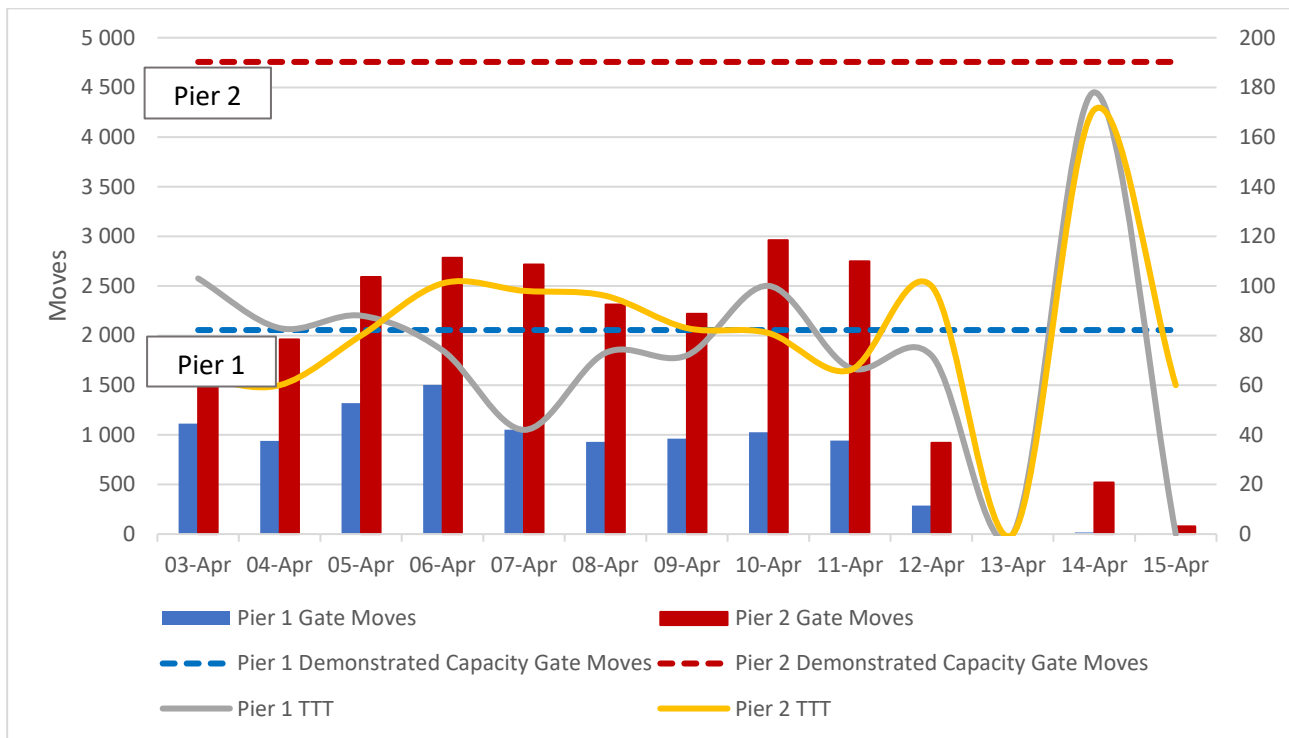
Tuesday, 19 April 2022, if all goes well. This fix should allow for two lanes to be operational, one for inflow and one for outflow of trucks. That will still lead to bottlenecks and delays, but at least there should be a partial restoration Phase 2 of the restoration project is planned for completion by the end of the month, allowing three lanes in and out. This situation will still be a temporary fix, necessitating the use of any available diversions. An alternative route (via Bluff Road) was identified in the interim, but it presents difficulties as the existing roadway is narrow and overgrown. It will require substantial work to widen and fill.

Permission has been granted for controlled and limited use of Bluff Road to move essential goods such as food, medicals, and fuel. Communication has been shared with port users explaining the rules and requirements for using this route. The Bluff route will be used for the trucking companies from 15 April 2022. According to the communication, no trucks are allowed between 05:00 to 07:00 and 13:00 to 14:15. Should the use of Bayhead road continue next week, these times will change to 05:00 to 08:30 (13:00 – 14:15) and for the high-peak time between 16:00 to 18:00. No double trailer rigs are allowed, and shipping lines must submit a list of critical containers to TNPA, TPT, and the SAPS. The list will be accompanied by a list from Customs (manifest) confirming the contents of the containers. The terminal will indicate the number of trucks in terms of slot availability. Only five containers per shipping line will be permitted; the shipping line will provide the truck details to be used by the terminal to create an appointment. Export reefers will only be accepted if stacks are open during the day shift only. Vehicles that have been loaded must leave the port precinct immediately.

There has been no damage to the pipeline infrastructure, and Transnet Pipelines will continue to supply fuel already in the system to the inland market. Transnet and port users continue to be concerned about the spillover effect that the weather disruption may have on supply chains, especially during the reefer season, as various vessels have bypassed Durban and subsequently called at neighbouring ports such as Gqeberha, Ngqura, and Cape Town.

The following figure summarises the port performance of Durban's container terminals for the last two weeks, focusing on gate moves and time spent in the terminals.

Figure 8 – Gate moves (left axis), and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

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iv. Eastern Cape ports

QCT received its first vessel this week on Tuesday at 23:00. The terminal recorded handling 210 external trucks with an average TTT of 14 minutes on Monday. Stacks were sitting at 22% capacity for GP containers and 15% for reefers. One MHC and STS crane no 4 was out of commission due to planned maintenance on Thursday. NCT recorded zero vessels at anchor and two vessels at berth on Monday. In terms of performance, the terminal recorded a GCH of ~19 and an SWH of ~42. The terminal handled 406 trucks on the landside with an average TTT of 30 minutes. Stacks were sitting at 34% for GP containers and 23% for reefers.

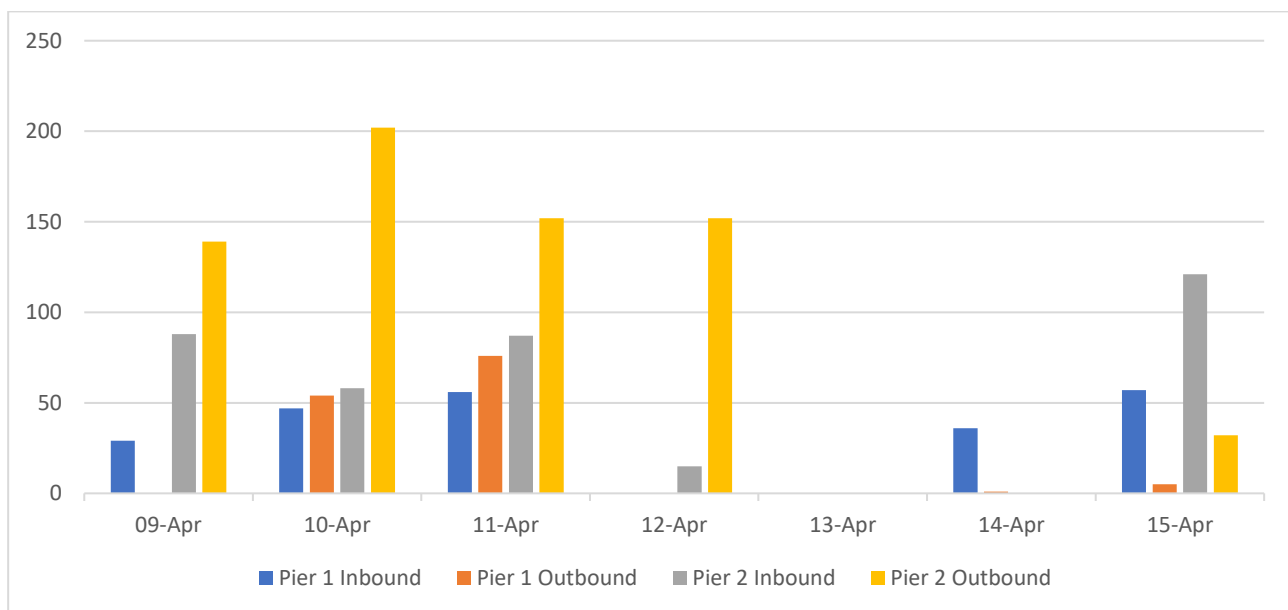
v. Transnet Freight Rail (TFR)

On Thursday, Transnet Freight Rail (TFR) declared force majeure and advised that due to circumstances that detract from its ability to perform for at least the next six months, it plans to negotiate amendments to its raiiling agreements with coal exporters. TFR continues to struggle with persistent security and legal issues. In addition, rampant cable theft and the inability to acquire critical parts for locomotives on the coal line caused the rail performance of coal delivered to Richards Bay Coal Terminal (RBCT) to drop to 58,3 million tons in 2021 from its nominal capacity of a reported 77 million tons. Unfortunately, continued trouble on the coal line comes at precisely the wrong time, as export coal prices are at historical highs, and coal demand is surging amid sanctions against Russia. Nevertheless, coal exporters continue to actively engage with Transnet to clarify the contractual position and ensure the stability of coal deliveries to RBCT. Thungela, a major coal exporter, advised that Transnet reaffirmed its commitment to the existing material commercial terms of the agreements and did not foresee that these developments would have any material commercial impact on its operations.

After this week's storm hitting Durban, Transnet Freight Rail advised that it was carrying out ongoing assessments on the rail network in and around Durban to determine the extent of damage before any train services into and out of the port can resume. As a result, the North Coast, South Coast, and mainline from Durban to Pietermaritzburg were closed from Monday until further notice.

The following figure illustrates the rail cargo handled to and from Durban in the last seven days.

Figure 9 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2021. Updated 15/04/2022.

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In the last week (9 to 15 April), rail cargo handled out of Durban was reported at **1 407** containers, ↓56% from the previous week's **3 201** containers. As shown by the low numbers, the flooding severely impacted rail cargo.

2. Air Update

a. International air cargo

The following table shows the in- and outbound air cargo flows to and from ORTIA for the week beginning 4 April. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in April 2021 averaged **~737 047 kg** per day.

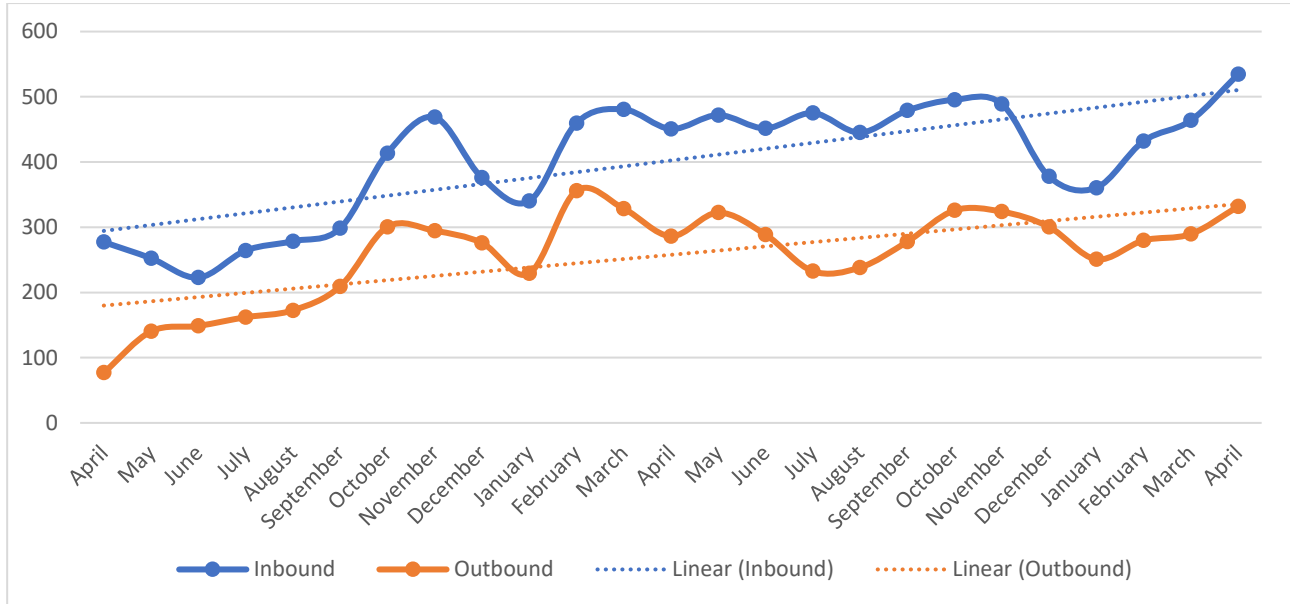
Table 4 – International inbound and outbound cargo from OR Tambo

| Flows | 04-Apr | 05-Apr | 06-Apr | 07-Apr | 08-Apr | 09-Apr | 10-Apr |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Volume inbound | 421 237 | 479 322 | 338 109 | 555 650 | 313 669 | 278 828 | 1 233 428 |
| Volume outbound | 246 228 | 210 325 | 186 200 | 223 027 | 182 450 | 225 524 | 950 958 |
| Total | 667 465 | 689 647 | 524 309 | 778 677 | 496 119 | 504 352 | 2 184 386 |

Courtesy of ACOC. Updated: 12/04/2022.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **517 178 kg** inbound and **317 816 kg** outbound, amounting to an average of **834 994 kg** per day or **~103%** compared with April 2021. Compared to pre-COVID-19 times, the level is currently at **~236%** compared with the same period in 2020. The following figure shows the monthly global freight movement at ORTIA since the pandemic outbreak.

Figure 10 – International in – and outbound cargo from OR Tambo (thousands)



Courtesy of ACOC. Updated: 12/04/2022.

b. Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows for the duration of the state of disaster period as reported by the industry. By way of comparison, the average domestic air freight cargo (inbound and outbound) handled in April 2021 was **~66 213 kg** per day.

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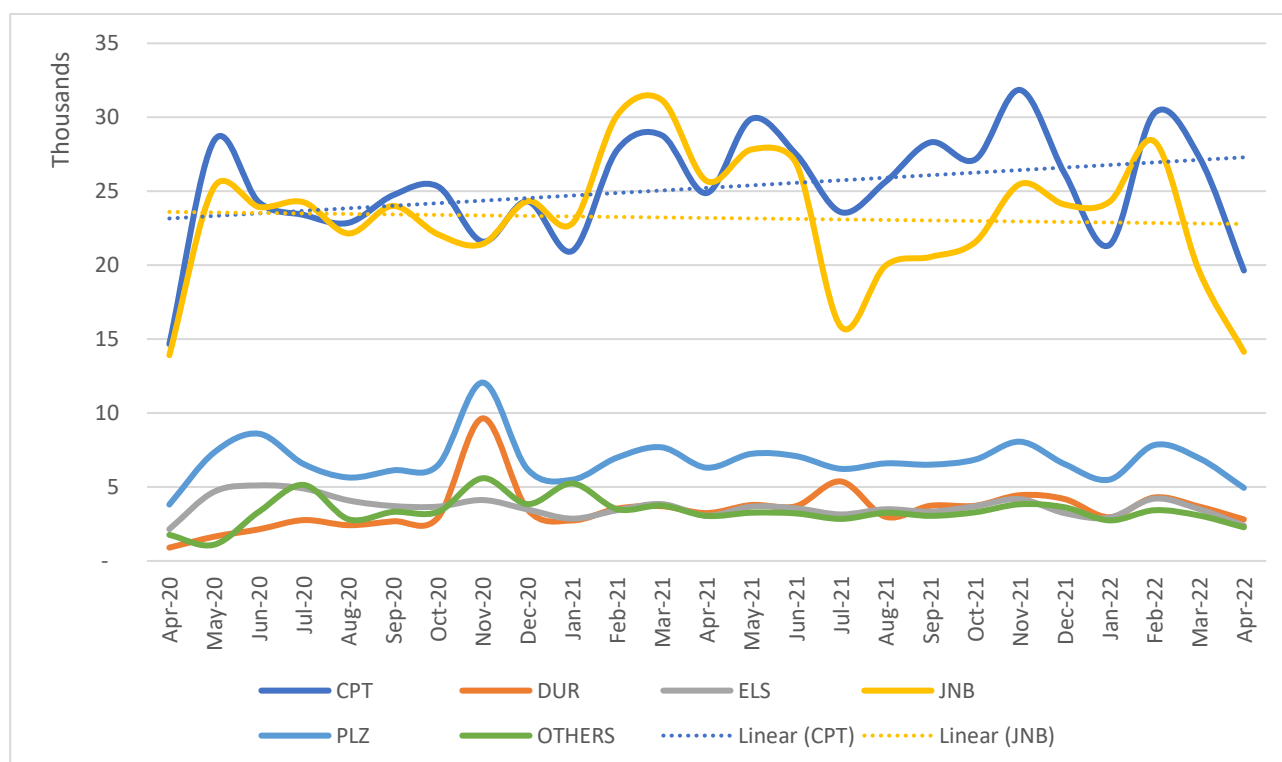
Table 5 – Total domestic inbound and outbound cargo

| DATE / AIRPORT | CPT | DUR | ELS | ORTIA | PLZ | OTHERS | TOTAL |
|------------------------|------------------|----------------|----------------|------------------|----------------|----------------|------------------|
| Mar-Dec '20 Av. | 21 813 | 2 941 | 3 751 | 20 539 | 6 571 | 3 176 | 56 713 |
| Jan-Dec '21 Av. | 26 817 | 3 754 | 3 452 | 24 270 | 6 789 | 3 483 | 68 218 |
| Jan Average | 21 367 | 2 954 | 2 929 | 24 288 | 5 501 | 2 742 | 59 780 |
| Feb Average | 30 276 | 4 291 | 4 213 | 28 370 | 7 835 | 3 428 | 78 412 |
| Mar Average | 27 325 | 3 677 | 3 504 | 19 611 | 6 946 | 3 069 | 64 131 |
| Apr Average | 19 638 | 2 808 | 2 390 | 14 137 | 4 942 | 2 272 | 46 188 |
| 06-Apr-22 | 45 618 | 5 020 | 5 103 | 32 285 | 10 800 | 4 253 | 103 079 |
| 07-Apr-22 | 44 673 | 5 568 | 4 960 | 24 774 | 10 548 | 5 276 | 95 799 |
| 08-Apr-22 | 21 111 | 4 777 | 2 556 | 22 145 | 5 555 | 3 110 | 59 255 |
| 09-Apr-22 | 1 609 | 421 | 7 | 431 | 352 | 190 | 3 010 |
| 10-Apr-22 | 2 308 | 582 | 157 | 276 | 591 | 738 | 4 650 |
| 11-Apr-22 | 49 092 | 5 804 | 7 122 | 31 958 | 11 674 | 5 409 | 111 059 |
| 12-Apr-22 | 1 230 | 618 | 106 | 567 | 329 | 251 | 3 100 |
| Total for 2022: | 2 633 570 | 365 682 | 351 572 | 2 376 913 | 672 650 | 306 783 | 6 707 171 |

Courtesy of BAC. Updated: 14/04/2022.

The average domestic air cargo moved last week was ~54 279 kg per day, which is ↓2% compared with the previous week and ~72% compared to April 2021. The following figure shows the monthly domestic freight movement at our commercial airports during the state of disaster.

Figure 11 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 14/04/2022.

3. Road and Regional Update

a. Cross-border and road freight delays

The following events have caused some delays on roads in and around the SADC region this week:

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- The northbound queue for Kasumbalesa was at the junction outside Chingola to Solwezi, a massive 40 kilometres away from the border post. Also, drivers were unhappy to pay \$45 for a PCR test when entering DRC after presenting a negative PCR test. This issue has fortunately now been resolved.
- On Thursday, 7 April, Beit Bridge had no water. Consequently, all SARS staff, gate, operations and management, and port health personnel were pulled off the border, effectively closing it.
- As reported elsewhere, the most significant issues for road freight were created by the terrible flooding in KwaZulu Natal, where the main entrance to the port of Durban washed away and needs massive repairs. Fortunately, repairs at Bayhead Road have commenced in the hope to restore full operation soon.
- The floods have massively damaged various depots, warehouses, truck-stop facilities, and other infrastructure, with reports of looting of trucks standing in long queues caused by closed access to the port¹².
- During the last seven days, there were no closures of any South African borders. However, we encourage traders to stay abreast of border post communications as per the SARS [website](#).
- Transporters, traders, and cargo owners are still encouraged to use the non-tariff barrier (NTBs) [online tool](#) developed by UNCTAD and the AfCFTA Secretariate.

Apart from these developments, investigations continue into cross-border delays experienced at several other SADC border posts in the sub-region:

Table 6 – Delays¹³ summary – Selected SADC borders

| Countries | Border | Queue Time (hh:mm) | Border Time (hh:mm) | HGV Arrivals per day | HGV Tonnage per day | Weekly HGV Arrivals | HGV Delay Hours | Queue Time Delays |
|-----------|-----------------------------|--------------------|---------------------|----------------------|---------------------|---------------------|-----------------|-------------------|
| Nam/SA | Ariamsvlei | - | - | 0 | 0 | 0 | 24 640 | 0 |
| SA/Zim | Beit Bridge | 0:00 | 21:00 | 943 | 28 290 | 6 601 | 125 419 | 0 |
| Moz/Zam | Cassacatiza/Mlolo | 1:00 | 29:00 | 175 | 5 250 | 1 225 | 33 075 | 1 225 |
| Zam/Zim | Chirundu | 0:00 | 17:00 | 620 | 18 600 | 4 340 | 65 100 | 0 |
| Moz/Mal | Dedza | 2:00 | 20:00 | 50 | 1 500 | 350 | 6 300 | 700 |
| SA/Bot | Grobblersbrug/Martins Drift | 1:00 | 11:00 | 400 | 12 000 | 2 800 | 25 200 | 2 800 |
| Zam/DRC | Kasumbalesa | 192:00 | 54:00 | 750 | 22 500 | 5 250 | 273 000 | 1 008 000 |
| Zam/Bot | Kazungula | 0:00 | 24:00 | 240 | 7 200 | 1 680 | 36 960 | 0 |
| SA/Bot | Kopfontein/Tlokweng | 1:00 | 51:00 | 100 | 3 000 | 700 | 34 300 | 700 |
| Moz/Zim | Machipanda/Forbes | 7:00 | 25:00 | 1 100 | 33 000 | 7 700 | 177 100 | 53 900 |
| Moz/Zim | Mchinji/Mwame | 1:00 | 7:00 | 320 | 9 600 | 2 240 | 11 200 | 2 240 |
| Mal/Zam | Milange | - | - | - | 0 | 0 | 0 | 0 |
| Moz/Mal | Nakonde/Tunduma | 0:00 | 2:00 | 30 | 900 | 210 | 0 | 0 |
| Zam/Tan | Noordoewer/Vioolsdrif | - | - | 0 | 0 | 0 | 0 | 0 |
| Zim/Moz | Nyamapanda | 0:00 | 0:00 | - | 0 | 0 | 0 | 0 |
| Zim/Moz | Oshikango/Santa Clara | 1:00 | 1:00 | 100 | 3 000 | 700 | -700 | 700 |
| SA/Moz | Lebombo/Ressano Garcia | - | - | - | 0 | 0 | 0 | 0 |
| Zam/Nam | Shesheke/Wenela | - | 0:00 | - | 0 | 0 | 0 | 0 |
| SA/Bot | Skilpadshek/Pioneer Gate | 10:00 | 9:00 | 300 | 9 000 | 2 100 | 14 700 | 21 000 |

¹² Magubane, K. 13/04/2022. [Logistics nightmare as stranded trucks looted, roads damaged amid KZN flood chaos](#).

¹³ It should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays may be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border problem since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, and a lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles.

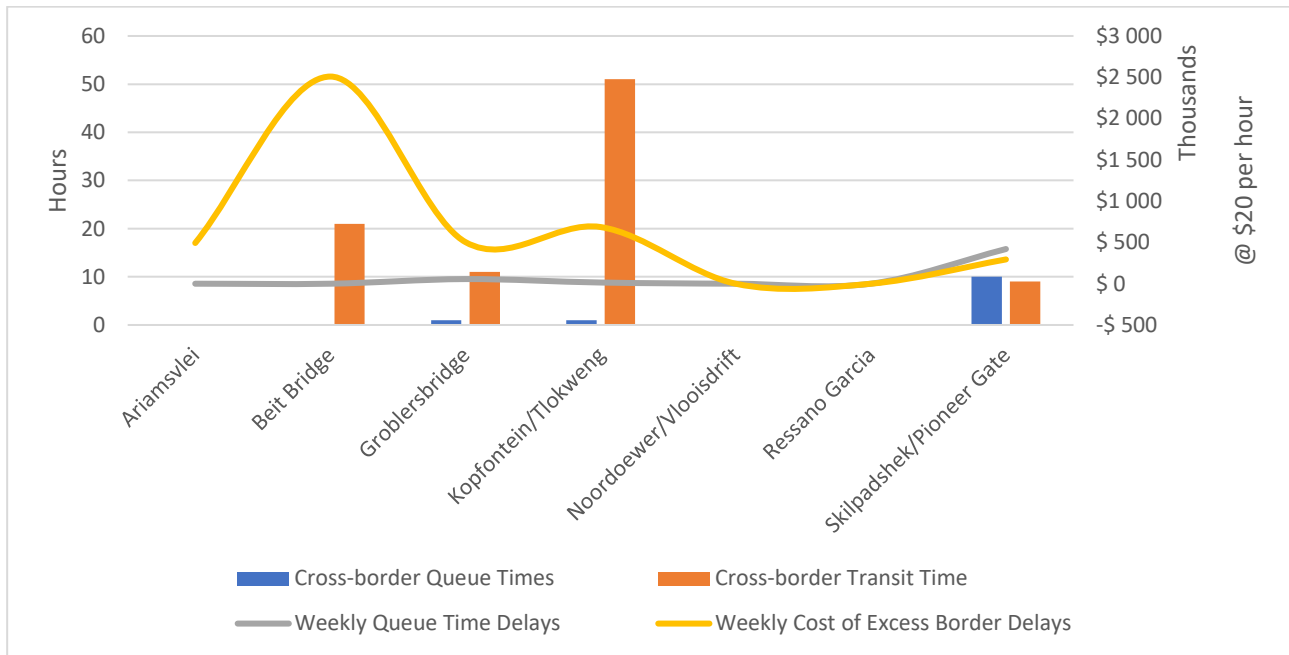
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| Countries | Border | Queue Time (hh:mm) | Border Time (hh:mm) | HGV Arrivals per day | HGV Tonnage per day | Weekly HGV Arrivals | HGV Delay Hours | Queue Time Delays |
|-----------|-----------------------|--------------------|---------------------|----------------------|---------------------|---------------------|-----------------|-------------------|
| Nam/Bot | Trans Kalahari/Mamuno | - | 13:00 | 100 | 3 000 | 700 | 7 700 | 0 |
| Zam/Zim | Victoria Falls | 1:00 | 5:00 | 114 | 3 420 | 798 | 2 394 | 798 |
| Moz/Mal | Zobue/Mwanza | 2:00 | 24:00 | 100 | 3 000 | 700 | 15 400 | 1 400 |
| | | | | 5 442 | 163 260 | 38 094 | 851 788 | 1 093 463 |

Source: TLC & FESARTA, week ending 11/04/2022.

The following graph shows the weekly change in cross-border times (and associated estimated cost) from South Africa's perspective.

Figure 12 – Weekly cross-border delays and estimated cost from a South African border perspective (delay in hours; cost in \$ thousands)

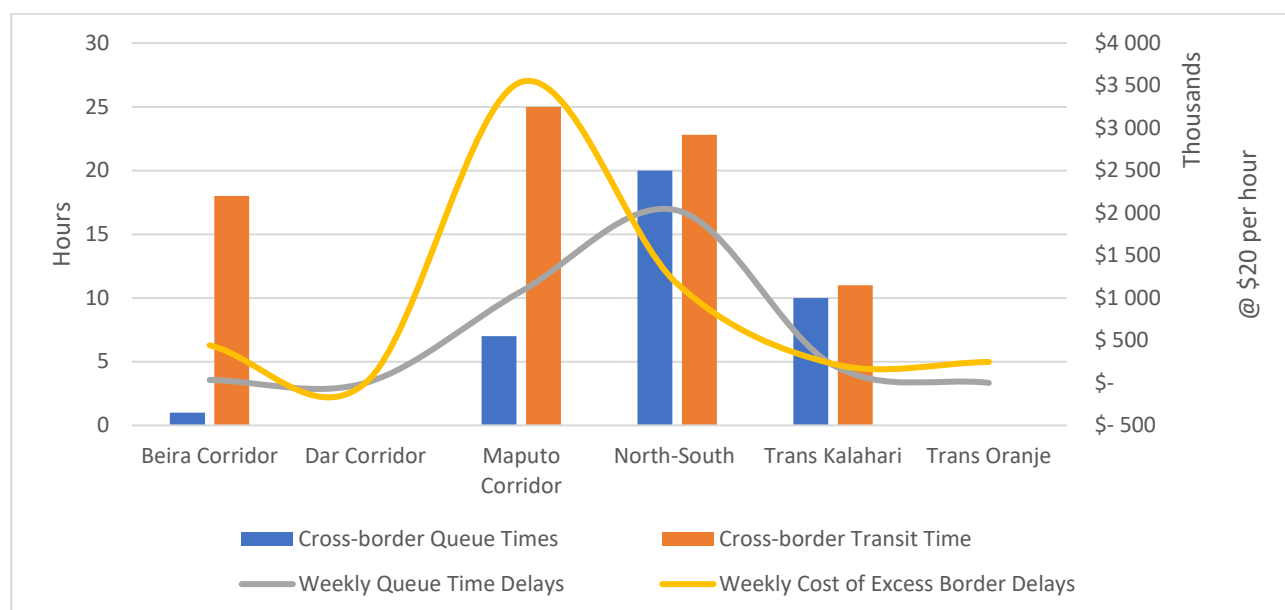


Source: TLC & FESARTA, week ending 11/04/2022.

The following figure echoes those above, this time from a corridor perspective.

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Figure 13 – Weekly cross-border delays and estimated cost from a corridor perspective (delay in hours; cost in \$ thousands)



Source: TLC & FESARTA, week ending 11/04/2022.

In summary, cross-border queue time has averaged **~13,7 hours** (down by **~0,4 hours** from the **~14,1 hours** recorded in the previous report), costing the transport industry an estimated **\$22 million (R350 million)**. Furthermore, the week's average cross-border transit times hovered around **~17,4 hours** (up by **~2 hours** from the **~15,4 hours** recorded in the previous report), costing the transport industry **\$17 million (R273 million)**. As a result, the total cost for the week amounts to an estimated **~R622 million** (down by **~R23 million** or **↓4%** from **R645 million** in the previous report).

4. International Update

The following section provides some context around the global economy and the impact of COVID-19 on trade. In addition, the section includes an update on **(a)** global trade, **(b)** the global shipping industry, and **(c)** the global aviation industry.

a. Global trade outlook

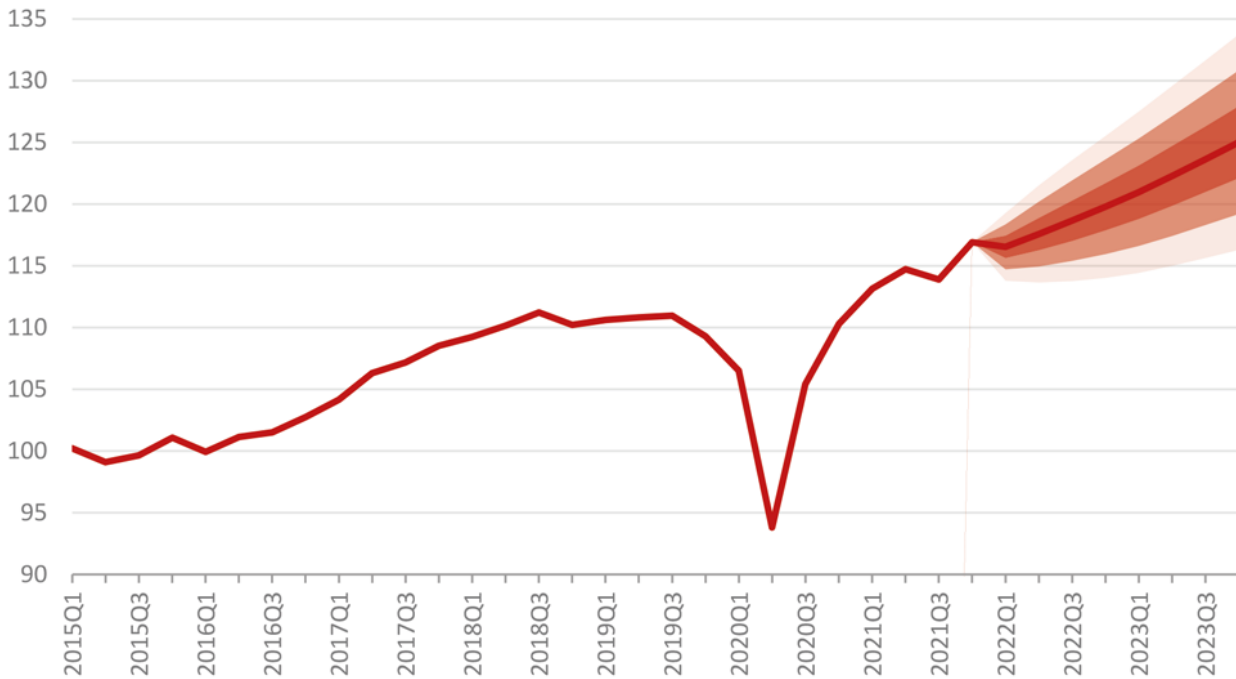
The World Trade Organisation (WTO) provided an update on the prospects for the global economy, noting how the outbreak of war in Ukraine on 24 February has darkened the outlook¹⁴. Consequently, WTO economists reassess their projections for world trade over the next two years, with the headline figure predicting a merchandise trade volume growth of **↑3,0%** in 2022. This prediction is down from the previous forecast of **↑4,7%** and **↑3,4%** in 2023. Heightened economic uncertainty is evident in the estimates (as illustrated), with the WTO warning that the situation in Ukraine is the primary determinant of the current fluid situation. On Friday, the World Bank predicted that the Ukrainian economy would shrink by nearly half (**↓45,1%**) in 2022¹⁵.

¹⁴ WTO. 12/04/2022. [Russia-Ukraine conflict puts fragile global trade recovery at risk.](#)

¹⁵ WB. 14/04/2022. [Europe and Central Asia Economic Update.](#)

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Figure 14 – Volume of world merchandise trade, 2015Q1-2023Q4 (Seasonally-adjusted volume index, 2015=100)



Source: [WTO](#)

Given current GDP assumptions, merchandise trade volume growth in 2022 could be as low as **0,5%** or as high as **5,5%**. These projections will be updated in October, but an earlier revision could be issued if incoming data warrant it. In addition, the forecast considers higher frequency data for selected economies, including monthly statistics on container throughput of the US and Chinese ports to capture port congestion in these countries. Other main points in the publication include:

- World GDP at market exchange rates is expected to increase by **↑2,8%** in 2022 after rising **↑5,7%** in 2021. Output growth should increase to **↑3,2%** in 2023, assuming persistent geopolitical and economic uncertainty.
- The CIS region should see a **↓12,0%** decline in imports and a **↓7,9%** drop in GDP in 2022, but exports should grow by **↑4,9%** as other countries rely on Russian energy. Regional disparities may narrow due to weak import demand in Europe and Asia.
- The volume of merchandise trade rose **↑9,8%** in 2021. As a result, the US\$ value of this trade grew **↑26%** to **US\$ 22,4 trillion**. The value of the commercial services trade was also up **↑15%** in 2021 to **US\$ 5,7 trillion**.
- Services trade will also be affected by the conflict in Ukraine, including in the transport sector, which covers container shipping and passenger air transport.

Finally, as we frequently report, the WTO warns that the war is not the only factor weighing on world trade. For example, lockdowns in China to prevent the spread of COVID-19 are again disrupting seaborne trade at a time when supply chain pressures appeared to be easing, which could spark renewed shortages of manufacturing inputs and prolonged higher inflation as we've grown accustomed to. In addition, the IMF warned that global trade needs more supply diversity, not less, to combat the constant supply chain disruptions, as evidence shows that countries with trade partners that implemented more stringent

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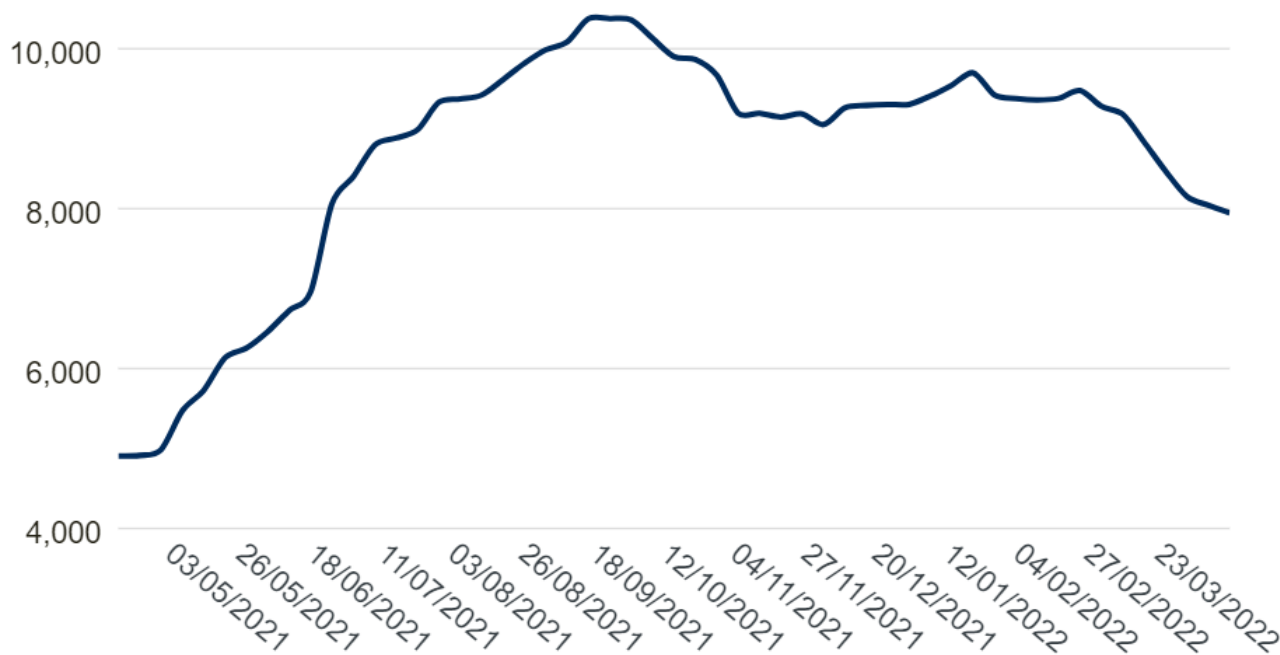
lockdowns had a sharper drop in imports¹⁶. Indeed, lockdowns had significant—if unintended—international spillovers. Consequently, the IMF urges a shift in patterns since, although trade flows have adjusted, more diversified global value chains could help lessen the impact of future shocks.

b. Global shipping industry

i. Global container freight rates

Global container freight rates continued their welcome and steady descent, as Drewry's "World Container Index" fell again this week, down by **↓1,2%** (or **\$107**) to **\$7 945** per 40-ft container¹⁷, declining for the seventh straight week. Although many supply chain constraints remain – most notably the lockdown in China, the Russia/Ukraine geopolitical conflict, and port congestion in the US and Northern Europe (see [below](#)) – the easing of spot rates is a testament to the lag effect in global shipping costings, with many events not yet fully factored in to show their indirect effect on cost. Nevertheless, even though market principles are at work, ocean carriers have a noticeable response in preventing a drop in elevated demand that they've enjoyed. Simply put, if container rates are too high, low-end high cubed goods will not sail, and time-sensitive cargo will migrate to air freight, which is currently enjoying an increased comparative advantage. The following image shows the one-year spot rates with the sustained downward trend now clearly visible.

Figure 15 – World Container Index – assessed by Drewry (\$ per 40 ft. container)



Source: [Drewry Ports and Terminal insights](#)

With a seventh consecutive week of a rate decrease, the index is mainly following the same trend as last year this time, albeit at much higher levels. The average composite index is **↑62%** compared to the previous year, with the y/t/d average currently at **\$9 038** per 40ft container, approximately **\$5 805** higher than the five-year average of **\$3 232**. Of the eight major East-West trades, only Rotterdam – Shanghai has changed considerably (**↓4%**) from last week. Incidentally, the change now puts this route at the same level as last year, as all the other routes remain up by **33%** or more (Rotterdam – New York is **↑164%** y/y). These trends are set to continue in short to medium term, with best guestimates pointing to another **\$1,000** drop by the end of the year.

¹⁶ IMF. 12/04/2022. [Global Trade Needs More Supply Diversity, Not Less.](#)

¹⁷ Drewry. 14/04/2022. [World Container Index.](#)

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ii. Further developments of note

Apart from the overview provided above, there were some additional noteworthy developments this week:

1. Shanghai and Guangzhou lockdown update:

- a. With Shanghai lockdowns now entering a second week, the impact on international shipping is spreading, as ocean carriers are increasingly omitting calls at terminals and preparing to announce more blank sailings¹⁸. Although port operations are working, most sections are operating well below full capacity. The same applies to the port feeder networks and, more importantly, manufacturing. The situation has also forced carriers to keep vessels awaiting service idle, and the number of vessels at anchorage has steadily increased. In addition, some carriers, including Maersk, Hapag-Lloyd, MSC, ONE and others, have said dangerous goods and reefer containers will be transferred to other ports for unloading¹⁹. Nevertheless, the full impact of China's 'dynamic zero-COVID' strategy will not be felt by western consumers for a month, or longer as the current supply chain congestion in North Europe and the US unwinds²⁰.
- b. The lockdown is not limited to Shanghai, as Guangzhou has become the latest port city to undergo mass COVID-testing, a frequent precursor to harsh restrictions under China's zero-Covid policy. City-wide testing began on Saturday evening, along with travel restrictions on who can leave and enter the city²¹.

2. Smaller vessels coming onstream on Transpacific:

- a. In line with vessel capacity trends already seen before the pandemic, smaller vessels have been added to transpacific services. For example, Sea Intelligence notes that the Asia-North America West Coast (NAWC) saw a considerable decrease in average vessel sizes from a pre-Covid baseline of 6 000 to 6 500 TEU to just under 4 500 TEU in 2022. The same was the case on Asia-North America East Coast (NAEC), with the figure dropping from a 2020 baseline of 7 500 8 000 TEU to just over 6 000 TEU in 2022²².
- b. On Asia-NAWC, nearly 35% of all weekly departures are under 5 000 TEU, a staggering increase from a pre-pandemic baseline of 15%-20%. In Asia-NAEC, this figure is at nearly 40%, a substantial increase from the 20%-25% level in the first half of 2021.

3. Russia's maritime lawyers call for an end to the war in Ukraine:

- a. The Russian Maritime Law Association (RUMLA) has issued a statement calling for an end to the conflict in Ukraine and a return to "*reason and legal mechanisms to resolve*" disputes²³.
- b. RUMLA's members opposed the war and called for an "immediate termination of all military action". RUMLA said: "We believe there is no legal or political justification that would allow troops to enter the territory of another state. Any military actions result in the loss of lives. We cannot and will not support or justify human suffering. The decision to launch the military actions is contrary to the interests of both Russia and Ukraine, and humanity."
- c. While the RUMLA statement was chiefly concerned with human suffering, there were also other consequences in Russia due to the invasion of its neighbour, with some of the most challenging issues revolving around banning all Russia-flagged and Russia-controlled vessels from most of the world's ports. However, the country itself has very few containerships. Perhaps the more difficult restriction on domestic commerce is the cessation of maritime

¹⁸ Chambers, S. 11/04/2022. [Lines start to omit calls to Shanghai, the world's largest container port.](#)

¹⁹ Whelan, S. 14/04/2022. [Carriers hunt alternative ex-SE Asia cargo as lockdowns hobble China ports.](#)

²⁰ Wackett, M. 11/04/2022. [Lines eye more missed calls and blank sailings as Shanghai lockdown goes on.](#)

²¹ Whelan, S. 12/04/2022. [Covid testing in south China could bring more limitations on exports.](#)

²² Sea Intelligence. 13/04/2022. [Smaller vessels coming onstream on Transpacific.](#)

²³ Savvides, N. 11/04/2022. [Russia's maritime lawyers call for an end to war in Ukraine.](#)

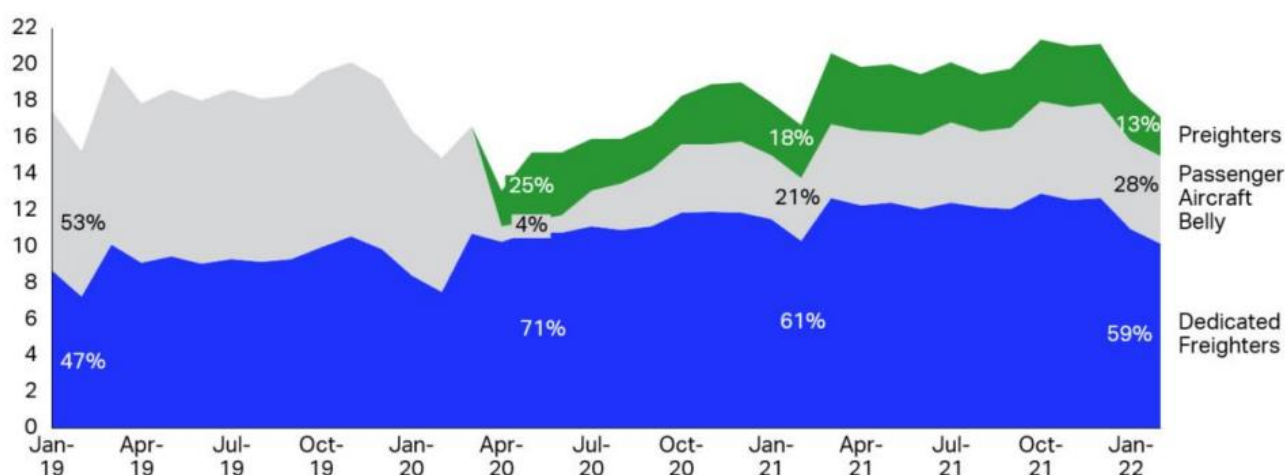
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operations by the world's leading container lines that have suspended operations to and from Russia, including Maersk, MSC and CMA CGM.

c. Global aviation industry

Although the pandemic decimated many sub-sectors in aviation – none more so than passenger flights – some sub-sectors performed exceptionally well, notably "preighters" (passenger-freighters). However, after representing up to **25%** of the total cargo volume transported worldwide in Q2 2020, the International Air Transport Association (IATA) noted that their importance had now dramatically diminished²⁴. The following chart elucidates the decline, which shows the breakdown of total air cargo per mode, measured in industry-wide cargo tonne-kilometres (CTKs).

Figure 16 – Breakdown of total international cargo traffic (CTKs) by category



Source: [IATA](#)

Before the pandemic, as illustrated above, belly cargo represented more than half of all air cargo. However, as the pandemic resulted in the sudden grounding of passenger aeroplanes, a large chunk of the belly cargo capacity disappeared from the market: belly cargo represented only about **4%** of total cargo volumes in May 2020. Airlines reacted to this by increasing the utilisation of dedicated freighters and by starting to operate preighters. As passenger freighters entered the market in response to an acute shortage of capacity, we expect them to phase out as passenger aircraft capacity comes back online gradually.

With COVID-related travel restrictions easing and passenger demand increasing, the trend has reversed. In February 2022, only **13%** of the total cargo volume was transported by preighters, which is the lowest share since they first appeared in the market in April 2020 and **↓5%** y/y lower than in the same month last year. Part but not all of this reduction is accounted for by a seasonal drop in cargo demand every January-February after the year-end holiday season. However, while the total cargo volume in February was **↓19%** below December last year, the volume carried in preighters dropped by a more significant **↓34%** during the same period. In contrast, belly volume shrunk by only **↓8%**, suggesting that the substitution of preighter capacity for belly capacity might have started.

²⁴ IATA. 13/04/2022. [The importance of 'preighters' seems to start to diminish.](#)