

COVID-19: Cargo movement update¹

Date: 1 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)	22 487	24 640	47 127	18 525	19 990	38 515	↑22%
Air Cargo (tons)	4 739	2 811	7 550	4 820	2 987	7 806	↓3%

Monthly Snapshot

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

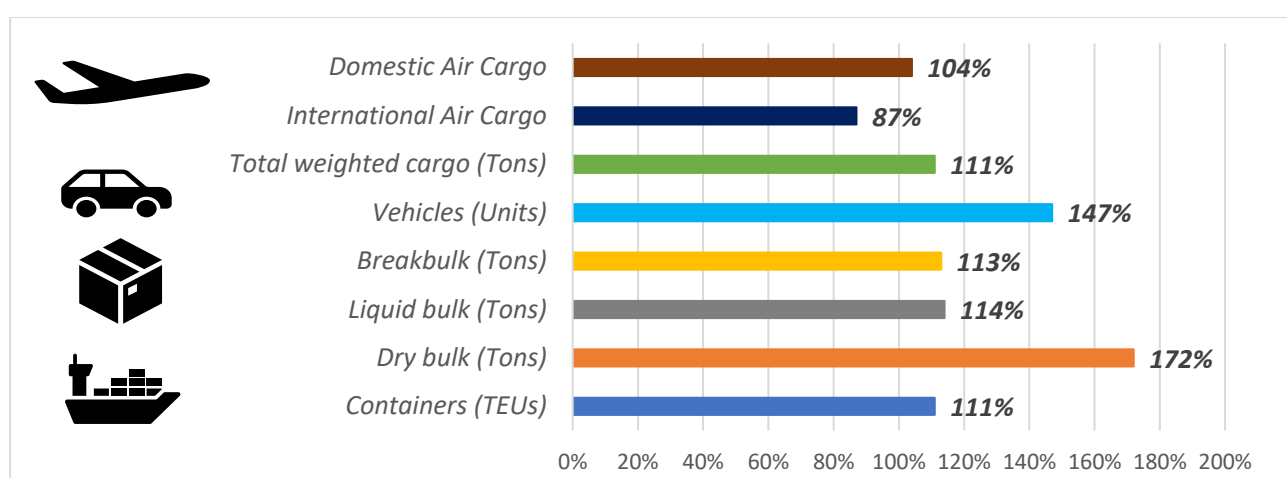
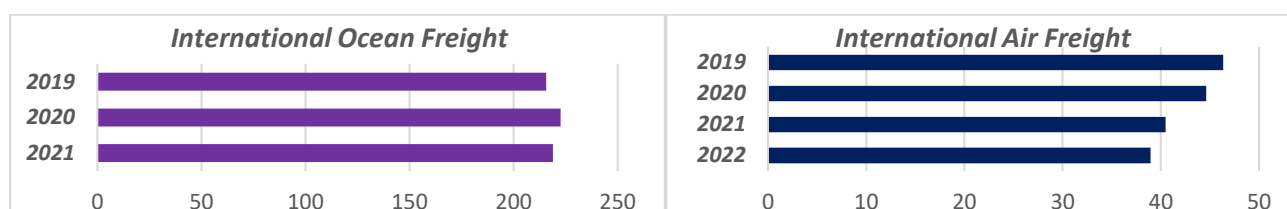


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 732 containers** was handled per day, with **~6 738** projected for next week.
- Rail cargo handled out of Durban amounted to **3 063** containers, **↓18%** compared to last week.
- This week, cross-border queue times are **↓2,8 hours**, with transit times **↓3,4 hours** (see [below](#)).
- The "WCI" continued its decrease this week, with spot rates **↓3,8%** (or **\$319**) to **\$8 152** per 40-ft.
- Global container throughput increased by **↑4%** (y/y) above January 2021 to reach **138,8 points**.
- Liner schedule reliability improved by **↑4,0%** (m/m) to **34,4%**, with average late arrivals at **7,11 days**.

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 80th 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, but for Durban only. This delay originates from the fact that TPNA 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 81st 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 increased slightly and averaged approximately **1 393** per day (**↑12%** from last week's average of **1 246**). South Africa has recorded **3,72 million**⁶ positive cases, with the recorded death breaching the unwanted **100 000-mark** this week (up by **100**). However, the true death toll may exceed **250 000** as the National Department of Health admits to possible under-reporting⁷. Globally, the case tally stands at **488 million** infected by COVID-19, with **6,14 million** deaths recorded. Around **11,28 billion** vaccine doses have been administered globally⁸, with the South African count at **33,71 million**.

This past week, port operations in Cape Town were crippled by the ongoing inclement weather conditions. Early in the week, waterside visibility was hampered due to fog, while vessels experienced ranging from Tuesday periodically until Friday. The newly installed shore tensioners at CTCT offered little relief due to the terminal being windbound, thus halting crane operations. Durban port, Pier 2, had a serious lack of cranes in operation, causing both waterside and landside congestion and resulting frustration. According to TPT, the terminal is working very hard to address the situation and has called in engineers to assist. Furthermore, with the expiry of harbour entry permits on Friday, various vessels and trucks were delayed significantly at Durban's Maydon Wharf terminal. Due to the severity of the problem, TNPA issued a communication that they would allow for a grace period of 1 month only for those port users that have not yet renewed their permits. On Friday, the industry was informed about a fire that broke out at NCT on Thursday at a substation close to the railhead. This affected cranes 1,2, and 3. TPT advised that they were still awaiting a root cause analysis.

In the global shipping industry, the headline this week was a marked increase in throughput volumes for January. However, with a two-month delay in reporting, this trend is largely expected to reverse in the coming months, especially with several known factors (including the Chinese lockdown and the Russia/Ukraine conflict) yet to show their impact. Fortunately, liner schedule reliability has improved over the same period, albeit nowhere near pre-pandemic expectations. At the same time, freight rates are coming down – slightly sooner than most shipping lines anticipated. Additional significant developments include **(1)** an update on the Shanghai lockdown, **(2)** a Liner pricing investigation underway in Africa and Korea, and **(3)** the charter market being severely debilitated to cope with industry cycles (see the detailed summary [below](#)).

South Africa's international air cargo sector volumes decreased marginally this week (**↓3%**), with domestic air cargo also slightly down (**↓4%**). Internationally, IATA data on airlines show that the pandemic has created new opportunities for airlines, with an increase in the number of new airline registrations – especially in the cargo market. Last year saw as many as 57 new airline births (including 12 new cargo airlines), up 36% from 2019, as airlines saw the worst of the crisis passing. In other aviation news, **(1)** DHL is expanding North American operations, **(2)** cargo destined for Shanghai Pudong is being diverted during the city's lockdown, and **(3)** the use of passenger aircraft to fly cargo-only is expected to continue this year with the capacity crunch persisting.

Finally, this week marks precisely two years since we entered our first hard lockdown in concluding this edition. Unfortunately, not much positive change has occurred in the global supply chain. Indeed, the extended network remains disrupted after the outbreak of the COVID-19 pandemic. With planning uncertainty still ruling, the pressure on human resources having to operate in this environment remains extreme. Indeed, it isn't digitalisation or platforms that keep containers moving. It's the expert individuals and

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

⁷ Cowan, K. 30/03/2022. [SA's Covid-19 death toll may exceed 250 000 as govt admits to possible under-reporting](#).

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

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teams who must load and discharge every, as other modes of transport are often cancelled or rescheduled several times. Our industry is known for coming to the rescue of global supply chains; however, the need to collaborate with all stakeholders remains pressing.

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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 26 March to 1 April⁹

7-day flow forecast (26/03/2022 – 01/04/2022)		
TERMINAL	NO. OF CONTAINERS ¹⁰ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 375	3 859
DURBAN CONTAINER TERMINAL PIER 2:	8 935	11 838
CAPE TOWN CONTAINER TERMINAL:	3 846	6 129
NGQURA CONTAINER TERMINAL:	3 896	2 214
GQEBERHA CONTAINER TERMINAL:	435	600
TOTAL:	22 487	24 640

Source: Transnet, 2021. Updated 01/04/2022.

Table 3 – Container Ports – Weekly flow reported for 2 to 8 April¹¹

7-day flow forecast (02/04/2022 – 08/04/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 817	4 131
DURBAN CONTAINER TERMINAL PIER 2:	8 914	9 365
CAPE TOWN CONTAINER TERMINAL:	7 203	6 875
NGQURA CONTAINER TERMINAL:	3 046	1 730
GQEBERHA CONTAINER TERMINAL:	483	600
TOTAL:	24 463	22 701

Source: Transnet, 2021. Updated 01/04/2022.

After a very quiet week last week, another low average of **~6 732 containers (↑23%)** was handled per day for the last week (26 March to 1 April, Table 2), despite the projected average of around **~7 635 containers (↓12% actual versus projected)** noted in last week's report. A very slight increased average of **~6 738 containers (↑0.1%)** is projected to be handled next week (2 to 8 April, Table 3).

This week's primary challenges revolved around limited crane availability at Durban Pier 2, which caused significant delays and created difficulties in both water- and landside operations. Cape Town's throughput was again reduced by ongoing inclement weather conditions causing serious concerns about the slow turnaround times at waterside. (see a more detailed breakdown per port [below](#)).

⁹ It remains important to note that a fair percentage (approximately 25% according to the latest TNPA figures for December) of containers are neither imported nor exported, but rather consist of empties. 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.

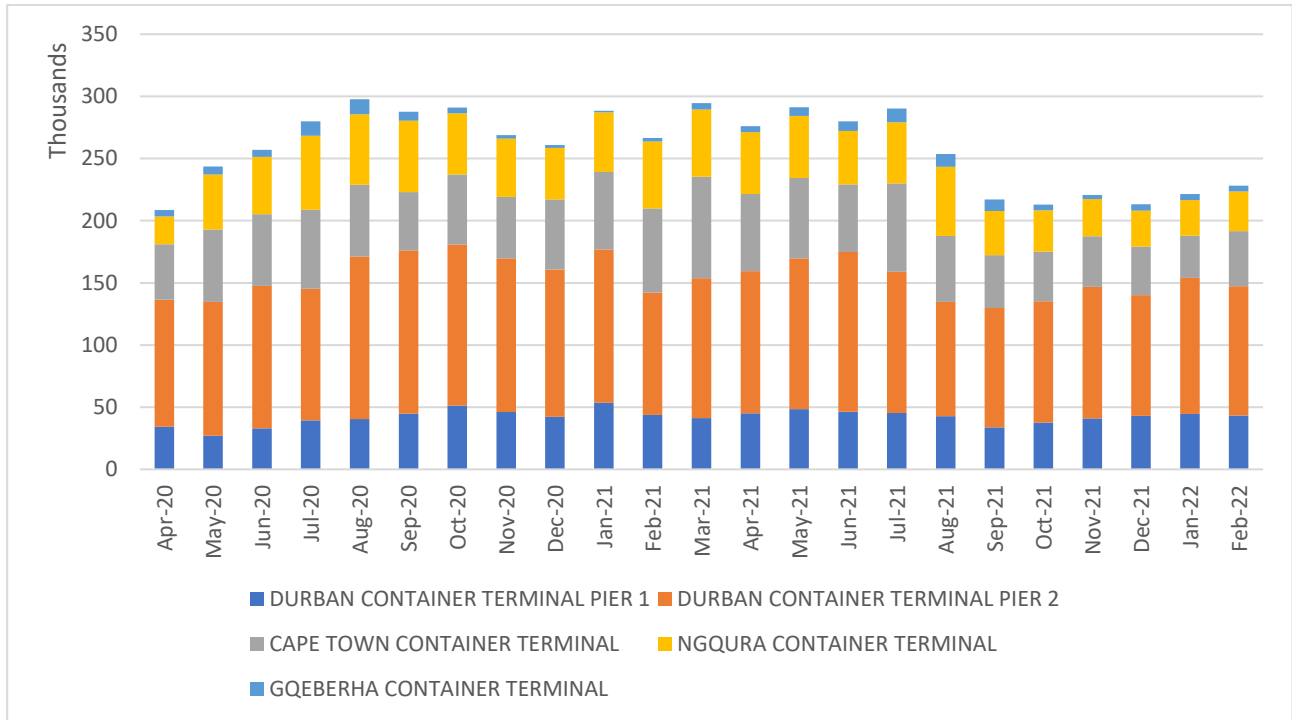
¹⁰ As mentioned before, in previous versions of the report, the measurement was incorrectly indicated as "TEUs", when it should have been noted as containers (20' and 40'). Incidentally, Transnet works on a ratio of approximately 1,4 TEUs per container.

¹¹ As noted above.

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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.

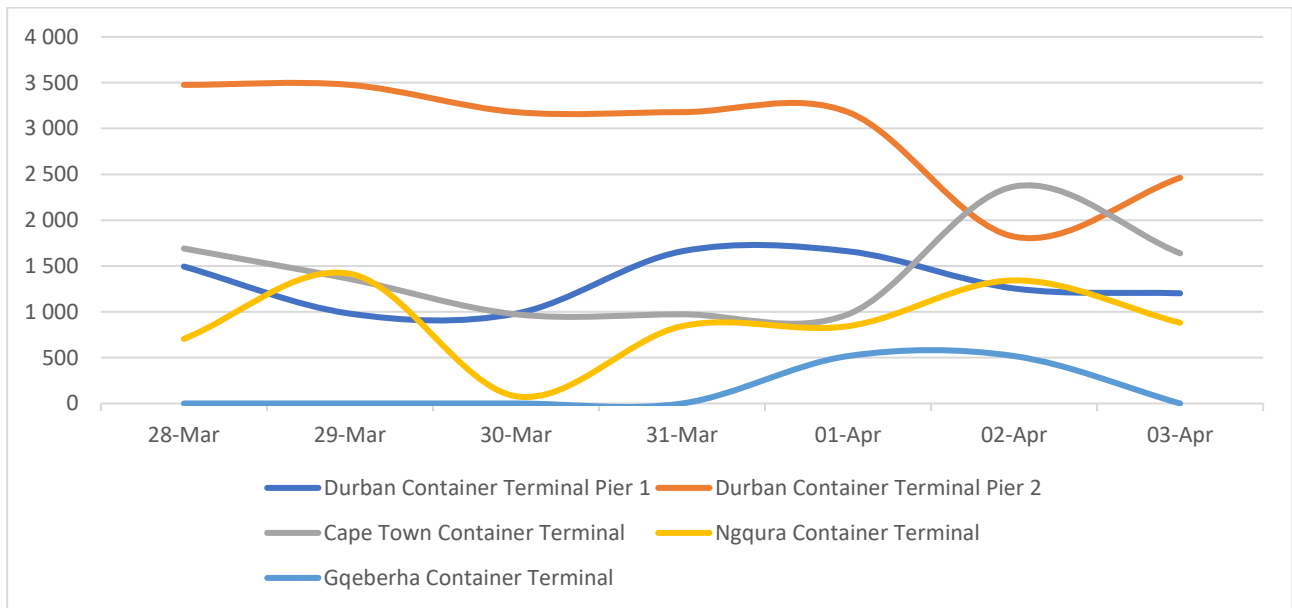
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2021. Updated 01/04/2022.

The figures below show the weekly container flows for the previous seven days and projections for the next seven days.

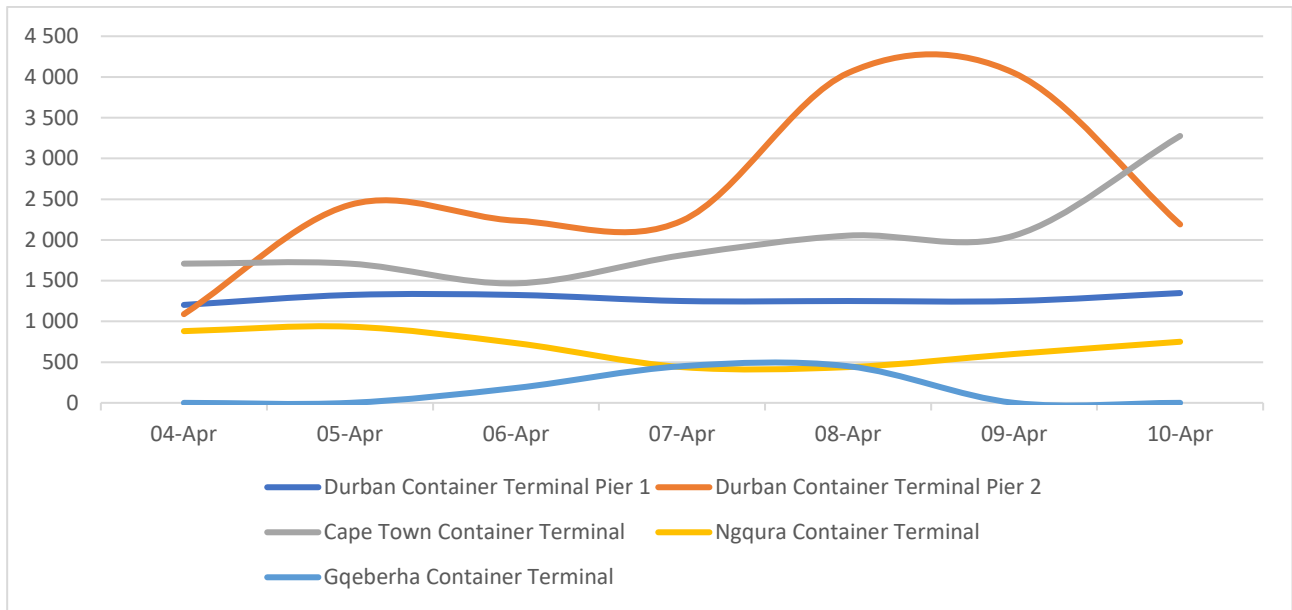
Figure 4 – 7-day flow reported for total cargo movement (19 to 25 March; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 01/04/2022.

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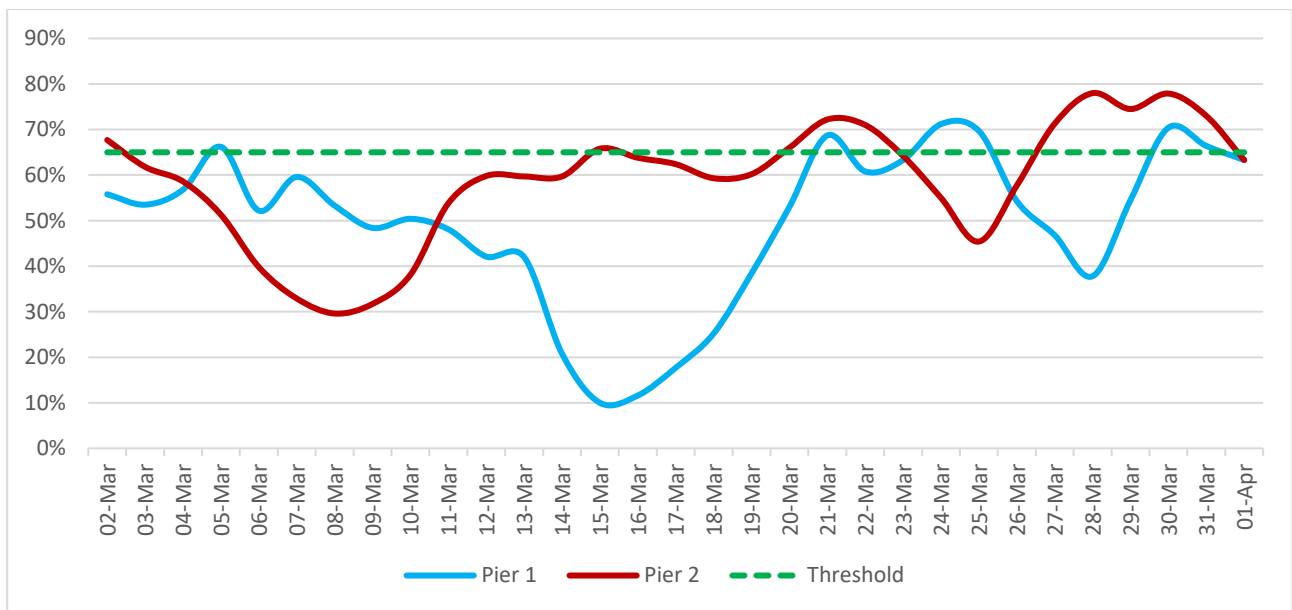
Figure 5 – 7-day flow reported for total cargo movement (26 March to 1 April; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 01/04/2022.

The following figure shows daily stack occupancy in both Durban terminals since the start of March.

Figure 6 – Stack occupancy in DCT, general-purpose containers (2 March to present; per pier; day on day)

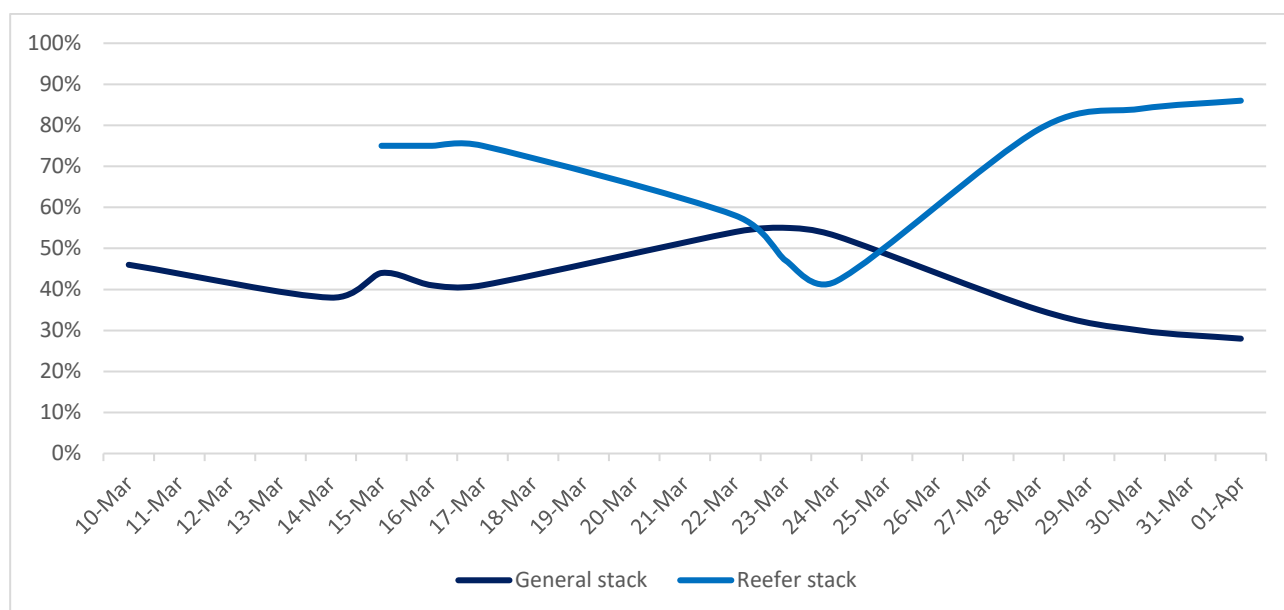


Source: Calculated using data from Transnet, 2021. Updated 01/04/2022.

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 (10 March to present; d/d)



Source: Calculated using data from Transnet, 2021. Updated 01/04/2022.

b. Transnet National Ports Authority: January and February update for Durban

Transnet National Ports Authority has released some monthly port statistics for January and February, although only for the port of Durban. For containers, the headline figure shows that y/t/d volume has increased by **↑10,9%**, after a m/m growth of **↑10,0%**. This change has been welcomed after the substantial reduction experienced lately (note Figure 3). For total cargo, y/t/d volume has increased by **↑11,2%**, after a m/m growth of **↑6,5%**. These figures bode well for the rest of the year as the industry works towards reaching pre-pandemic levels. The following table summarises the cargo dues for the respective segments:

Table 4 – TNPA – Volume and growth: January-February 2022

	Jan-Feb 2021	Jan-Feb 2022	Growth: y/y	Feb 2021	Feb 2022	Growth: m/m
Containers (TEUs)	418 066	463 716	10,9%	224 966	247 484	10,0%
Dry bulk (Tons)	1 362 294	2 343 195	72,0%	932 277	1 273 473	36,6%
Liquid bulk (excl. fuel, tons)	308 556	351 468	13,9%	141 279	219 440	55,3%
Petroleum (Tons)	4 519 117	3 996 566	-11,6%	2 346 762	1 980 685	-15,6%
Breakbulk (Tons)	448 773	506 708	12,9%	299 957	248 757	-17,1%
Vehicles (Tons)	563 427	828 639	47,1%	303 093	438 363	44,6%
Total bulk & b/b (Tons)	7 202 167	8 026 576	11,4%	4 023 368	4 160 717	3,4%
Total weighted cargo (Tons)	13 891 223	15 446 032	11,2%	7 622 824	8 120 461	6,5%

Source: TNPA, updated 31/03/2022.

c. 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

This week, Cape Town port experienced several delays to its waterside operations due to fog hampering visibility. CTCT and Cape Town MPT were fogbound on Monday morning from 5:30 till 09:00 and again on

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Tuesday from 06:00 till 07:30. CTCT experienced vessels ranging Tuesday and Wednesday, intermittently delaying vessels' working. As a result, vessels were asked to move outside port limits on Wednesday. CTCT was windbound again from around 18:00 on Thursday until Friday morning. Inclement weather conditions throughout the weekend affected throughput, causing delays and increased costs for all port users.

During the past weekend, landside congestion was experienced at Durban's Maydon Wharf terminal due to inclement weather conditions. During Monday's night shift at Pier 2, waterside and landside operations were confronted by gusting winds. In addition, several waterside operations in the port of Durban were delayed on Tuesday afternoon due to high swells. As a result of unpleasant weather, Pier 2 was windbound at waterside from 23:00 on Tuesday till 01:00 Wednesday morning. On Thursday night, Pier 1 experienced heavy gusting winds, causing some landside congestion due to slowed-down operations.

In the Eastern Cape, the Port of Ngqura experienced high swells on Wednesday.

ii. Cape Town

On Monday morning, waterside operations started slowly because the port was declared fogbound from 05:30 till 09:00. CTCT recorded two vessels at berth and another six at anchor. Stacks were sitting at 35% for GP containers, a high 79% for reefers, and 30% for empties. Apart from the fog delays, CTCT and Cape Town MPT experienced waterside interruptions due to stoppages on cranes on Monday. Fortunately, these were brought back into operation on the same day. In addition, CTCT recorded 20 RTGs available with six gangs. On Wednesday, CTCT started to test the installed shore tensioners. Cape Town MPT had two vessels at berth and zero at anchorage. Stack occupancy was 55% for GP containers, a worrying 80% for reefers, and 26% for empties. The terminal managed to handle 195 trucks and 40 wagons via rail on the landside.

CTCT managed to handle a mere 172 TEUs across the quay on Thursday due to gusting winds. STS crane # LC8 is still out of operation as the service provider cracked the new window twice while attempting to instal it. The technical team is currently sourcing a new service provider. The two new shore tensioners were installed at berth 604 on Wednesday, and on Thursday, the first vessel was secured, stopping the vessel from ranging successfully. Unfortunately, the vessel was still on standby due to the terminal being windbound from 18:00 till Friday morning, and subsequently, the cranes were not in operation. Training for the use of the shore tensioners is ongoing. The next pair of shore tensioners will arrive at CTCT in May 2022, planned for installation at berth 601. Vessels berthing at berths 602 and 603 do not experience ranging to the same degree as at the other berths.

iii. Durban

Some serious issues were raised throughout the week due to the lack of cranes at Pier 2, especially at South quay. Various prolonged outages on cranes were communicated to the industry. Crane 521 had a faulty trolley, and crane 522 experienced a blown main switch, and spares had to be ordered to be shipped in. According to TPT, the port's gantry cranes are outdated, which causes a challenge when spares are required. Some spares need to be individually produced and shipped from abroad as they are not freely available. The industry highlighted the risks associated with this situation. A jam-packed and congested tower 205 was causing serious frustrations among transporters, and this problem was exaggerated due to the lack of crane availability. According to TPT, the terminal is working hard to address the situation and has called in engineers to assist.

On Monday, Durban Pier 2 recorded three vessels at berth and one at anchor. Pier 2 had 75 straddle carriers available, manned by ten gangs. The terminal recorded 3 660 imports on hand, while stack occupancy was high at 78% capacity. On the landside, the terminal managed to service 2 094 external trucks. Operations were interrupted due to a power outage from 13:30 till 15:10 that left phone lines down. Gusting winds during the night shift slowed down operations once again. Pier 1 on Monday recorded two vessels at berth

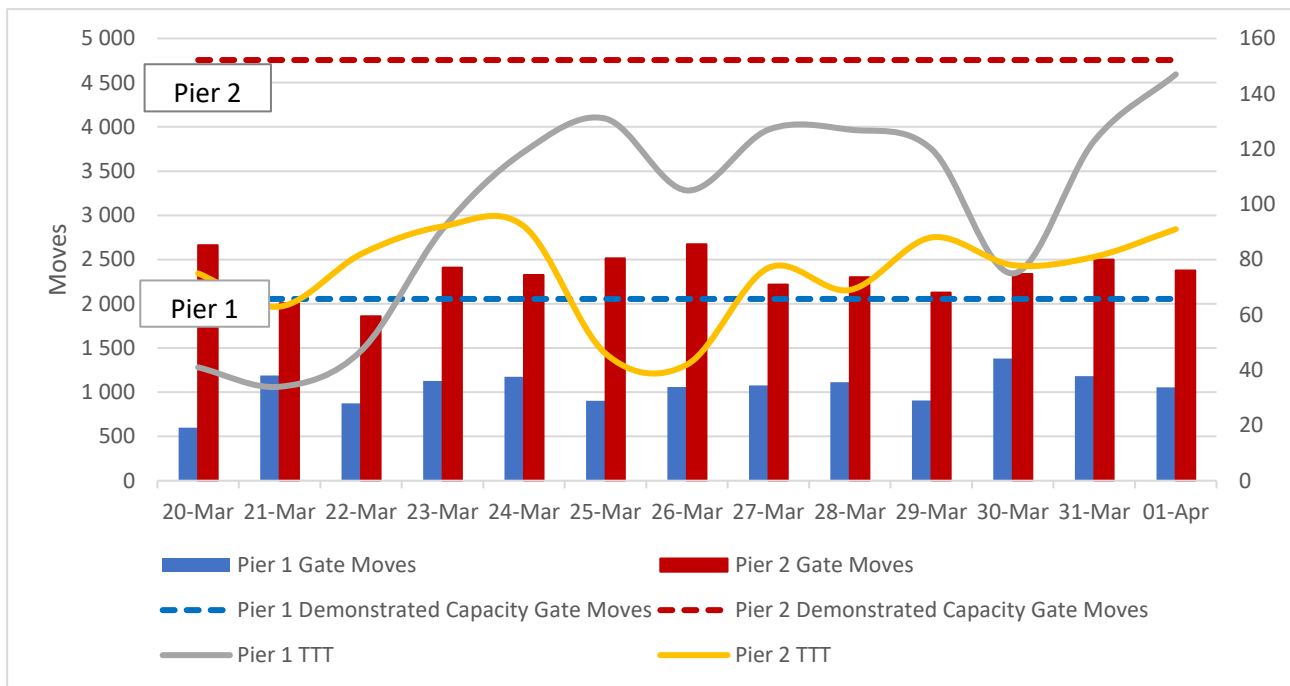
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and zero at anchor. The terminal recorded 1 428 imports on hand, with 336 road stops and 229 unassigned units. Various cranes were reported out periodically for planned maintenance. Stack occupancy was sitting at 38% capacity, and the terminal recorded 15 RTGs in operation. The terminal handled a low 486 gate moves on the landside and recorded 332 cancelled slots and 71 wasted slots. At the rail, Pier 1 experienced a breakdown on an RMG over the previous weekend that interrupted and blocked the rail loading plans for most of the week.

The industry was made aware of the expiry of port entry permits on 1 April 2022. However, many port users did not apply for their new permits in time, causing immense frustration for both TNPA and those port users who were denied access on Friday, 1 April. For example, three vessels at the Maydon Wharf terminal were on standby due to expired permits. In addition, two roads were heavily congested due to trucks piling up with expired permits. Due to the severity of the problem, TNPA issued a communication that they would allow a grace period of 1 month only for those port users that have not yet renewed their permit.

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 01/04/2022.

iv. Eastern Cape ports

On Monday, GCT had zero vessels at berth or outer anchorage. The terminal received its first and only vessel for the week on Tuesday night. Consequently, the terminal recorded a GCH of ~17 and an SWH of ~16. The terminal handled 95 trucks on the landside on Wednesday with an average TTT of ~21 minutes. A crane broke down, causing a 45-minute delay. Stacks were sitting at 25% for GP containers and 6% for reefers. On Monday at NCT, there was one vessel at anchor and one at berth. The terminal recorded a GCH of ~16 and an SWH of ~44. The terminal serviced 293 external trucks on the landside with an average TTT of 40 minutes. Stacks were sitting at 28% for GP containers and 23% for reefers. On Friday, the industry was informed about a fire that broke out on Thursday at a substation close to the railhead. This affected cranes 1,2, and 3. TPT advised that they were still awaiting a root cause analysis.

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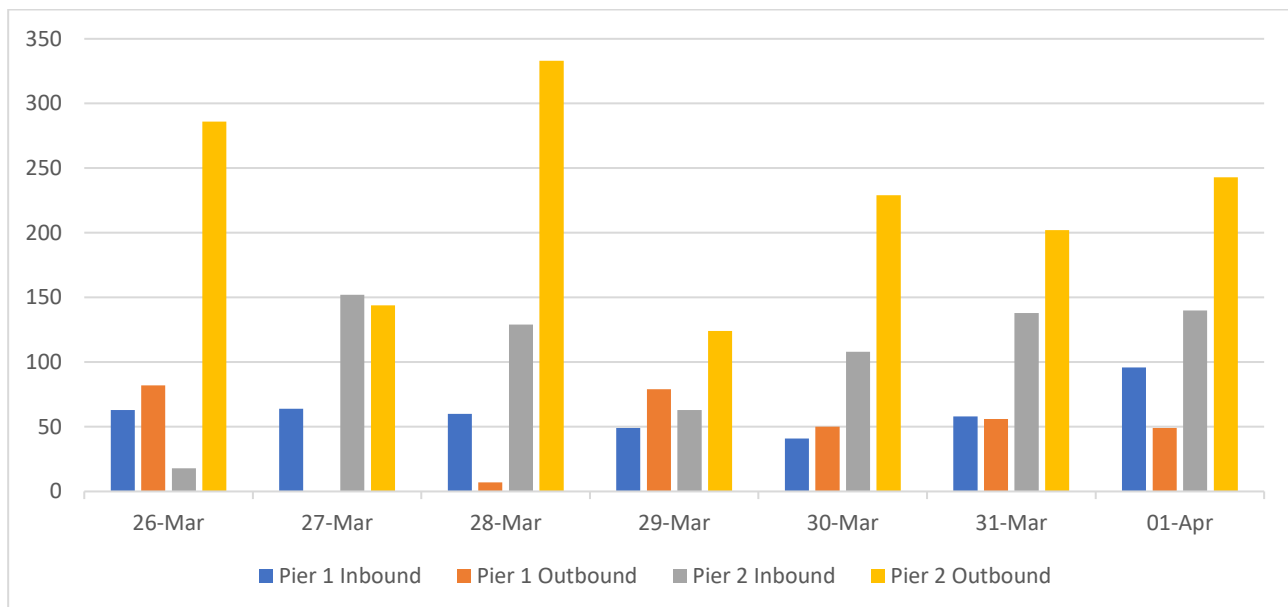
v. Transnet Freight Rail (TFR)

Transnet advised port users this week about the several network incidents experienced in the CTC Danskraal, Breedal and Harrismith sectors, resulting in service suspension. As a result, the running of trains was negatively affected between the Reef and Durban, causing an imbalance of resources. In addition, Transnet notified port users that they were experiencing a backlog of 7 export loads in both Kaserne and City Deep yards due to a high number of cable theft incidents in this area as well. As a result, customers were prepared for possible short shipments due to these incidents.

Transnet halted timber raling services for a week to divert locomotives to ease the crisis on the plagued coal export line. The Wood Owl train, which moves masses of timber on Transnet's North Corridor from the forestry heartland of the highveld to processing plants in Richards Bay, has increasingly been affected by locomotive shortages. Consequently, Forestry South Africa (FSA) advised that these continuous supply chain disruptions would adversely affect the sector's performance.

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 01/04/2022.

In the last week (26 March to 1 April), rail cargo handled out of Durban was reported at **3 063** containers, **↓18%** from the previous week's **3 728** containers.

vi. General

This week, it was announced that Transnet temporarily suspended the broad-based black economic empowerment (BB-BEE) criteria in its tenders. The Treasury granted Transnet a temporary exemption from the criteria to allow Transnet to meet its urgent and immediate operational requirements aligning with its economic objectives.

Treasury is awaiting clarity on the judgment from the Constitutional Court after it recently ruled that the finance minister exceeded his powers in making regulations that excluded businesses that were not black-owned from tendering. In the meantime, it released updated tender regulations in terms of the Preferential Public Procurement Framework Act (PPPFA) about two weeks ago.

National Treasury's draft regulations bring procurement back in line with the system that existed before 2017, which proposes an 80/20 BEE preference point system for acquiring goods with a value of up to R50 million.

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This condition means that 80% of the points scored for the tender is awarded for the price, while 20% is based on the bidder's BEE level. In addition, a 90/10 BEE preference points system for goods valued higher than R50 million.

To date, the status of the 2017 regulations is still unclear. The Constitutional Court dismissed an appeal by the finance minister's office in February 2022 and confirmed that the PPPFA regulations of 2017 were invalid. Transnet anticipates the situation to be short-term, depending on either the new rules or clarification of the Constitutional Court judgment.

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 21 March. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in March 2021 averaged ~809 193 kg per day.

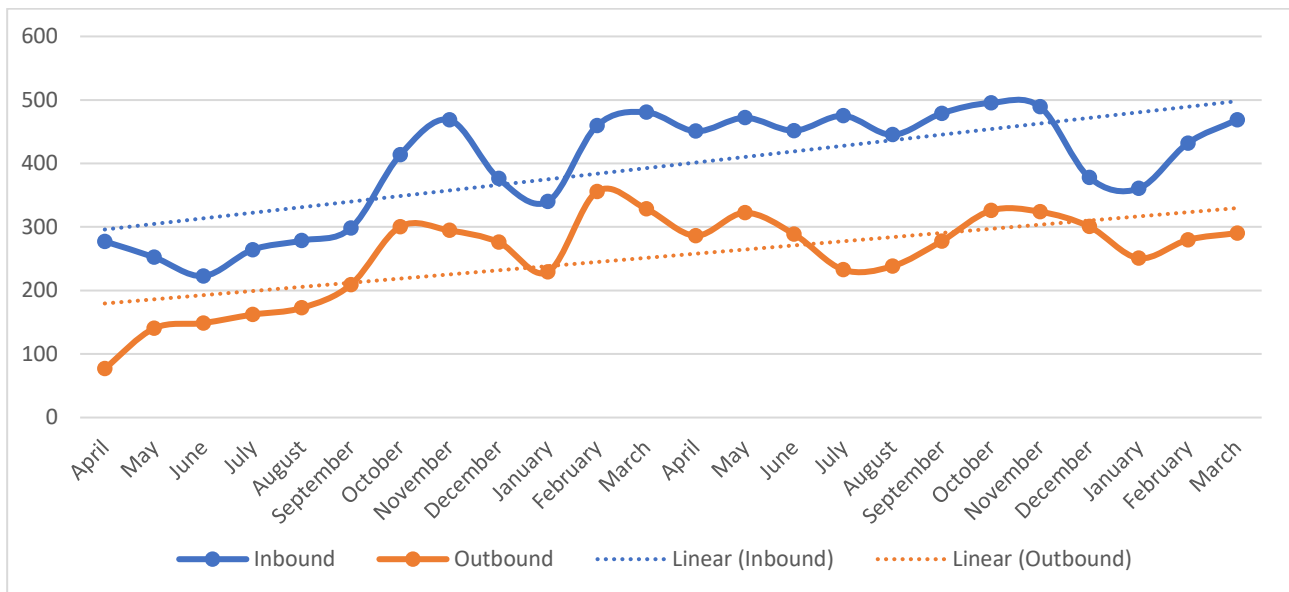
Table 5 – International inbound and outbound cargo from OR Tambo

Flows	21-Mar	22-Mar	23-Mar	24-Mar	25-Mar	26-Mar	27-Mar
Volume inbound	347 197	474 552	478 574	476 948	320 508	235 881	983 754
Volume outbound	187 938	304 918	199 602	191 394	249 566	217 296	616 915
Total	535 135	779 470	678 176	668 342	570 074	453 177	1 600 669

Courtesy of ACOC. Updated: 29/03/2022.

The daily average volume of air cargo handled at ORTIA for the week starting 21 March amounted to **473 916 kg** inbound and **281 090 kg** outbound, amounting to an average of **755 006 kg** per day or ~93% compared with March 2021. Compared to pre-COVID-19 times, the level is currently at ~100% 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: 29/03/2022.

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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 *March 2021* was **~79 071 kg** per day.

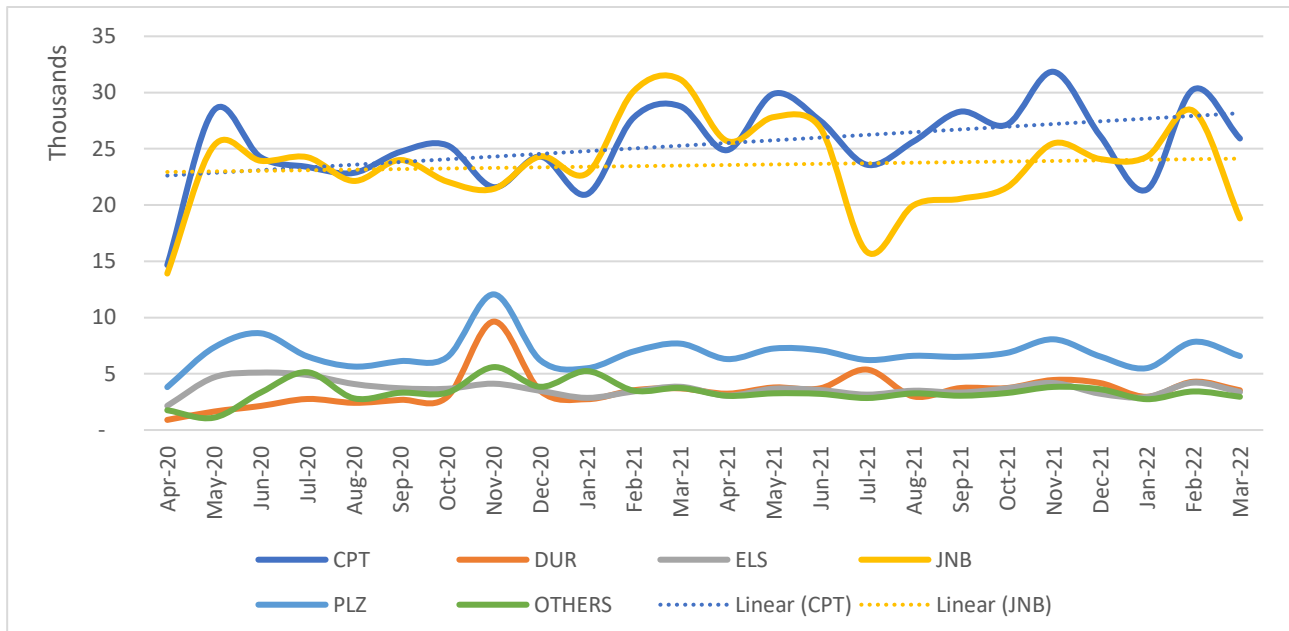
Table 6 – Total domestic inbound and outbound cargo

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	25 915	3 530	3 378	18 806	6 573	2 955	61 157
23-Mar-22	47 779	7 703	5 788	38 076	12 427	6 215	117 989
24-Mar-22	46 907	5 415	5 500	27 575	11 664	4 327	101 389
25-Mar-22	19 791	4 110	2 631	25 010	4 796	2 133	58 471
26-Mar-22	2 761	1 298	69	1 442	377	212	6 159
27-Mar-22	2 713	430	312	598	841	377	5 270
28-Mar-22	43 650	3 733	5 037	32 974	9 609	4 858	99 861
29-Mar-22	1 189	705	109	628	384	179	3 194
Total for 2022:	2 302 385	320 378	312 243	2 144 681	588 658	270 060	5 938 406

Courtesy of BAC. Updated: 29/03/2022.

The average domestic air cargo moved last week was **~56 047 kg** per day, which is **↓4%** compared with the previous week and **~74%** compared to March 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: 29/03/2022.

3. Road and Regional Update

a. Cross-border and road freight delays

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

- The challenges at Kasumbalesa – which have been ongoing since March – have still not abated. At times, queues have stretched for 20km, as drivers are sitting in queues for over a week with little or no security and sanitation and very little rest. In addition, the parking area is being extended on the DRC side, resulting in trucks having to queue on the road while construction is in progress. Furthermore, the DRC has implemented mandatory vaccines for drivers without warning, which adds to the predicament and has resulted in some strike action from drivers.
- Also, the National Road Fund Agency (NRFA) has released K4,5 million to the Road Development Agency (RDA) to fix potholes on some roads in and around the area¹²; however, there is no indication of how long this will take.
- There were no closures at any South African borders during the last seven days. 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, with the slow traffic at Kasumbalesa and Skilpadshok still the major concerns.

Table 7 – 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	-	7:00	0	0	0	24 640	0
SA/Zim	Beit Bridge	0:00	14:00	943	28 290	6 601	79 212	0
Moz/Zam	Cassacatiza/Mlolo	1:00	21:00	175	5 250	1 225	23 275	1 225
Zam/Zim	Chirundu	0:00	17:00	620	18 600	4 340	65 100	0
Moz/Mal	Dedza	2:00	18:00	50	1 500	350	5 600	700
SA/Bot	Groblersbrug/Martins Drift	1:00	12:00	400	12 000	2 800	28 000	2 800
Zam/DRC	Kasumbalesa	192:00	54:00	750	22 500	5 250	273 000	1 008 000
Zam/Bot	Kazungula	0:00	18:00	240	7 200	1 680	26 880	0
SA/Bot	Kopfontein/Tlokweng	1:00	29:00	100	3 000	700	18 900	700
Moz/Zim	Machipanda/Forbes	1:00	9:00	320	9 600	2 240	15 680	2 240
Mal/Zam	Milange	0:00	7:00	30	900	210	1 050	0
Zim/Moz	Nyamapanda	1:00	5:00	100	3 000	700	2 100	700
SA/Moz	Lebombo/Ressano Garcia	7:00	11:00	1 100	33 000	7 700	69 300	53 900
Zam/Nam	Shesheke/Wenela	-	0:00	100	3 000	700	-1 400	0
SA/Bot	Skilpadshok/Pioneer Gate	3:00	8:00	300	9 000	2 100	12 600	6 300
Nam/Bot	Trans Kalahari/Mamuno	-	68:00	100	3 000	700	46 200	0
Zam/Zim	Victoria Falls	1:00	1:00	114	3 420	798	-798	798

¹² Malunga, J. 01/03/2022. [NFRA releases K4.5m for fixing potholes](#).

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.

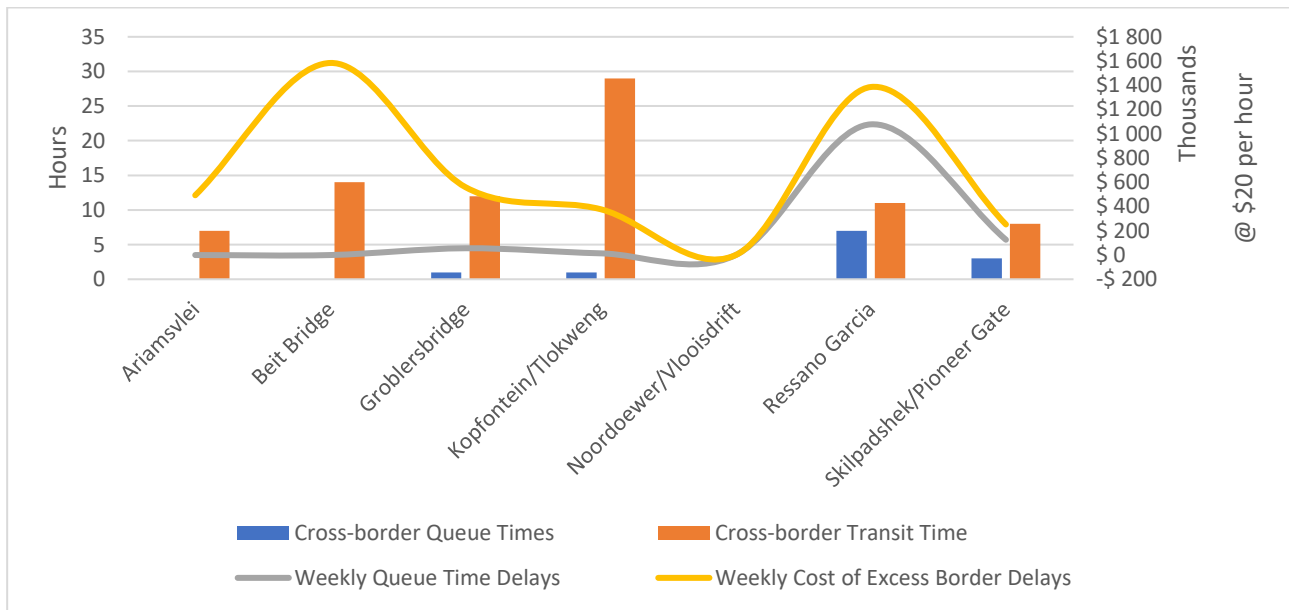
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Countries	Border	Queue Time (hh:mm)	Border Time (hh:mm)	HGV Arrivals per day	HGV Tonnage per day	Weekly HGV Arrivals	HGV Delay Hours	Queue Time Delays
Moz/Mal	Zobue/Mwanza	2:00	18:00	100	3 000	700	11 200	1 400
				5 542	166 260	38 794	700 539	1 078 763

Source: TLC & FESARTA, week ending 28/03/2022.

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

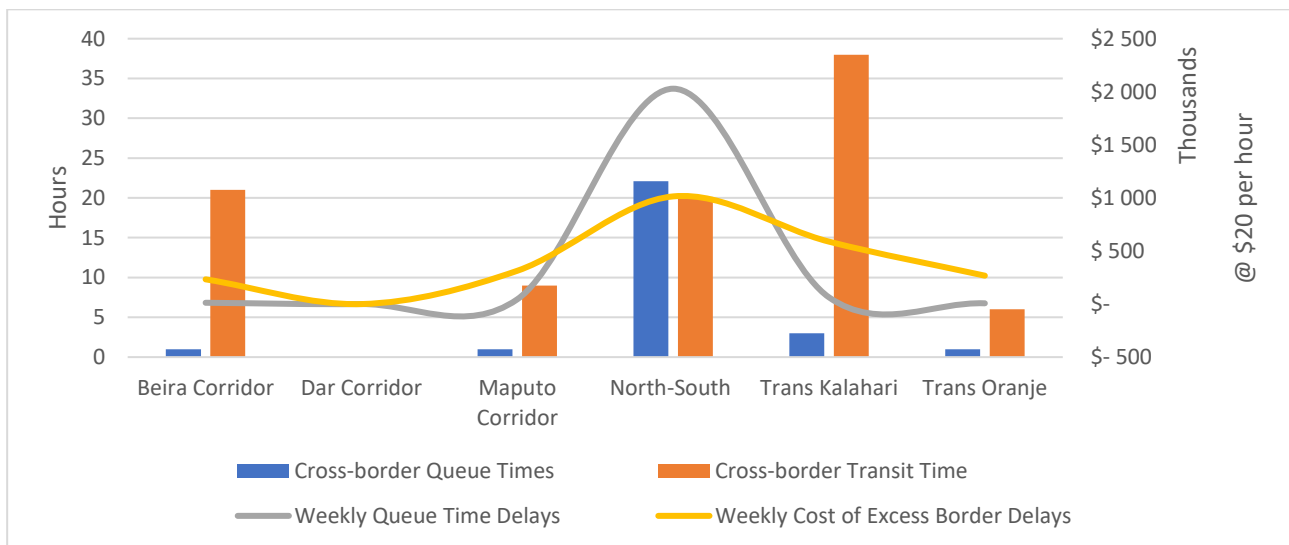
Figure 12 – Weekly cross-border delays and estimated cost from a South African border perspective (delay in hours; cost in \$ thousands)



Source: TLC & FESARTA, week ending 28/03/2022.

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

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



Source: TLC & FESARTA, week ending 28/03/2022.

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In summary, cross-border queue time has averaged **~13,3 hours** (down by **~2,8 hours** from the **~16,1 hours** recorded in the previous report), costing the transport industry an estimated **\$22 million (R345 million)**. Furthermore, the week's average cross-border transit times hovered around **~15,9 hours** (down by **~3,4 hours** from the **~19,3 hours** recorded in the previous report), costing the transport industry **\$14 million (R224 million)**. As a result, the total cost for the week amounts to an estimated **~R609 million** (down by **~R40 million** or **↓6,5%** from **R609 million** in the previous report).

4. International Update

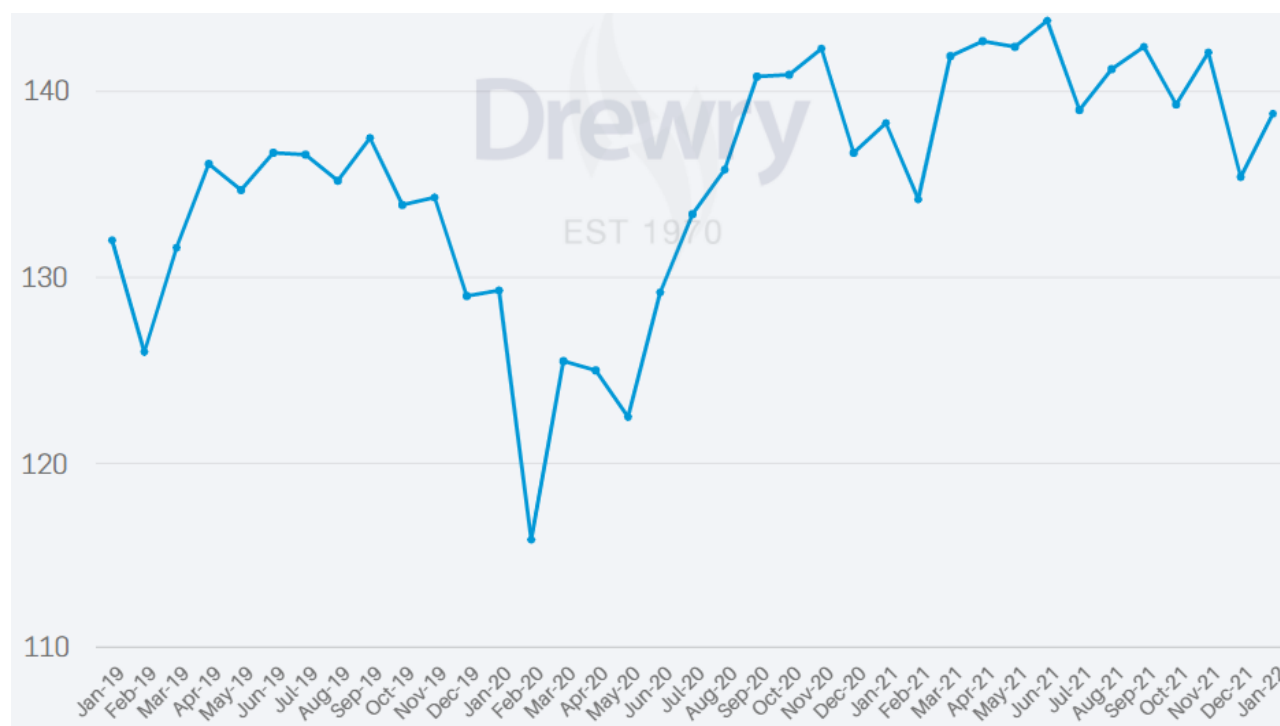
The following section provides some context around the global economy and the impact of COVID-19 on trade. In addition, the section includes an update on **(a)** the global shipping industry, and **(b)** the global aviation industry.

a. Global shipping industry

i. Container port throughput

The latest global container throughput figures show that the volume moving through container terminals has significantly increased in January's latest statistics. Drewry's "Container Port Throughput Index", based on monthly throughput data for a sample of over 235 ports worldwide, representing over 75% of global volumes, increased by **↑4%** (y/y) above January 2021 levels. The index reached **138,8 points**, **↑7,4%** above January 2020, but less than the record highs achieved in June.

Figure 14 – Container port throughput indices (January 2012 = 100)



Source: [Drewry](#)

Despite the recent increase, global supply chain disruption continues to hold back growth in many markets, but Drewry notes that congestion shows signs of easing – especially at US West Coast ports. Global growth was led by the Chinese ports (**↑7,5%**, m/m). Moreover, the largest port – Shanghai – reported record-breaking throughput in January 2022 of **4,35 million TEUs** (**↑9%**, m/m and **↑8%**, y/y). So it will be readily understood that this week's total lockdown of Shanghai will have a big impact. Ningbo also recorded its highest-ever monthly throughput, with volumes in January 2022 up by **↑40%** compared to December 2021.

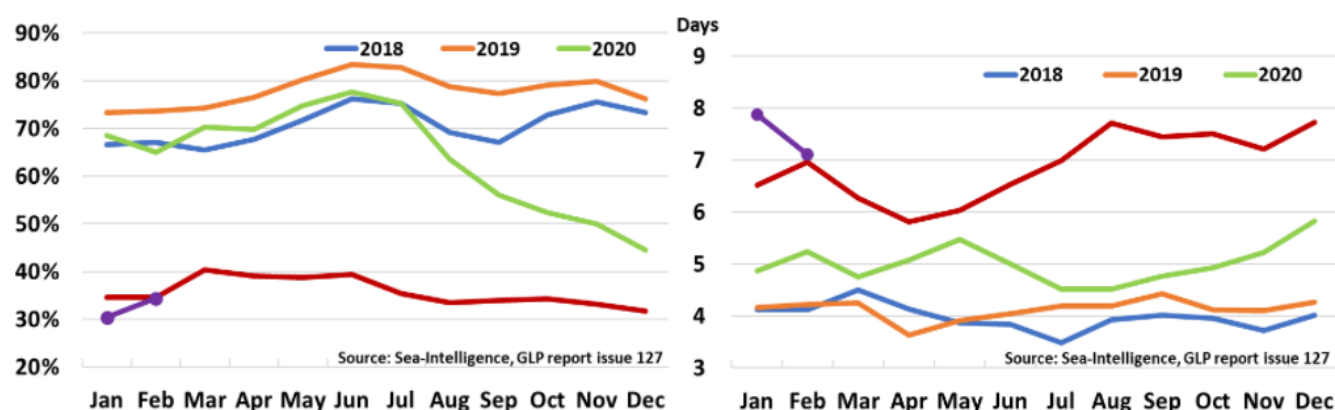
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Conversely, Latin America witnessed the most significant monthly decline, as African throughput increased by **↑8%** (y/y) and **↑1,7%**, versus January 2020, respectively.

ii. Schedule reliability

According to the latest February figures published by Sea Intelligence, global liner schedule reliability has improved after an all-time low recorded in January. Reliability is up by **↑4,0%** (m/m) to **34,4%** - the first significant improvement since March 2020¹⁴. Despite the monthly improvement, annual reliability is almost at the same level as this time last year, as liner shipping schedule reliability hovered between **30%** and **40%** for most of the preceding 12 months. In addition, the global average delay for vessels waiting at ports also improved, as the metric decreased slightly to **7,11 days**. The improvement still means that average delays have been more than seven days since August last year. Furthermore, the metric continues to be the highest each month when compared annually and historically, as the delay figure for February 2022 was **0,16 days** higher.

Figure 15 – Global schedule reliability (%) and average days for late vessel arrivals (days)



Source: [Sea Intelligence](#)

On an individual carrier level, Maersk was once again the most reliable top-14 carrier in January 2022 at **47,8%** (**↑0,9%**), followed by Hamburg Süd at **42,4%** (**↓0,4%**). MSC, CMA, CGM, and ZIM had schedule reliability between **30%-40%**, with eight carriers recording schedule reliability between **20%-30%**. Indeed, since July 2021, schedule reliability has nosedived to all-time lows as liners have chased record profits. Consequently, many port calls (especially in Africa) have been dropped, as liners have prioritised more profitable trade lanes to Europe and North America.

iii. Global container freight rates

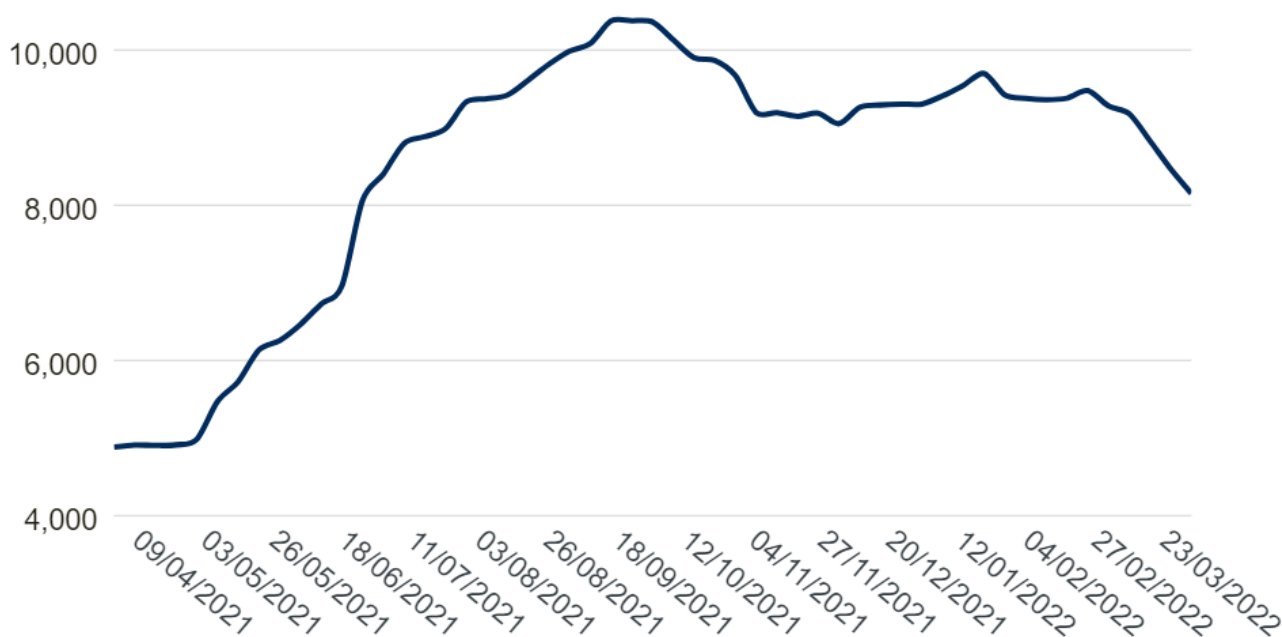
Global container freight rates continue to drop amid reduced demand, as Drewry's "World Container Index" fell again this week, down by **↓3,8%** (or **\$319**) to **\$8 152** per 40-ft container¹⁵. After a sustained surge, the eagerly awaited downward trend has finally arrived for shippers and cargo owners. However, with the situation in China (see below), the question of how long the reduction in rates will last is certainly up for discussion, as most shipping lines and industry commentators expect the elevated (albeit slightly reduced) rates to remain for some time yet. The following image shows the one-year spot rates with the sustained downward trend now clearly visible.

¹⁴ Murphy, A. 30/03/2022. [Schedule reliability improves slightly in February 2022](#).

¹⁵ Drewry. 31/03/2022. [World Container Index](#).

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Figure 16 – World Container Index – assessed by Drewry (\$ per 40 ft. container)



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

With a fifth consecutive week of a rate decrease, the average composite index is now **↑67%** compared to this time last year, with the y/t/d average currently at **\$9 198** per 40ft container, approximately **\$6 016** higher than the five-year average of **\$3 182**. The long-term trend remains much higher than at any previous time of recording; however, the reductions across the board have been welcomed. Incidentally, only Rotterdam – Shanghai is anywhere near the same level as last year, with all other routes up by more than **↑48%** annually. Nevertheless, five of the eight major East-West trade lanes experienced significant rate decreases during the past week, with the most significant shift on the Shanghai – Los Angeles route, down by **↓8%**. As a result, Drewry is expecting a decrease in container freight rates over the coming months for the first time since the trend started reversing.

Interestingly, according to new research, despite the ongoing decrease in container freight rates, automotive carrier rates are hitting record highs¹⁶. For example, Eastern Pacific's 2008-built, 4 902 car equivalent unit (CEU) Lake Wanaka was fixed earlier this month to Volkswagen for a year at \$50 000 a day. This figure is to a premium of \$10 000 a day compared to other vessels, mainly because of the strong underlying demand for cars since Q3 2020, after the first major wave of COVID-19 passed through Europe. As a result, global light vehicle production slipped to just 76,5 million units in 2021, weighed down by a chronic microchip shortage, compared to 81 million sales units reducing inventory by 4,5 million. However, improved semiconductor material supply and more expansive spread immunity have enabled trade to flourish more freely this year.

iv. Further developments of note

Apart from the overview provided above, some additional notable developments occurred this week:

1. Shanghai lockdown update:

- a. Amid the ongoing lockdown in Shanghai, with half of Shanghai confined to their homes¹⁷, port operations appear to be normal. Indeed, Shanghai Customs has taken extraordinary measures

¹⁶ Chambers, S. 30/03/2022. [Car carrier rates hit record highs](#).

¹⁷ EWN. 28/03/2022. [Half Of Shanghai in lockdown to curb COVID-19 outbreak](#).

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to ensure that customs clearance at the world's largest port for imports and exports will not be affected by the city's phased lockdown¹⁸.

- b. Unfortunately, despite ports and airports remaining open, manufacturing has been shut down, which will impact supply chain flows. Also, although international FCL trucking has been largely unaffected, LTL has not been exempted. The situation is currently being monitored, as authorities began locking down some western areas of Shanghai two days ahead of schedule, as new cases jumped by a third despite stringent measures already in place to stop the virus from spreading¹⁹.
- c. Although international costs have not yet been impacted, Chinese forwarders say that the lockdown is playing havoc with Chinese supply chains, driving up inland logistics costs and disrupting shipping schedules²⁰.

2. Liner pricing investigation underway in Africa and Korea:

- a. Following the US (FMC and Department of Justice) and the EU (EU Commission), Africa has become the latest region to investigate liner pricing tactics²¹. The COMESA Competition Commission (CCC), a regional competition watchdog, has launched an investigation into Maersk, CMA CGM and German-controlled United Africa Feeder Line for allegedly coordinating in raising freight charges.
- b. The CCC has preliminary concerns that price announcements are a form of coordinated behaviour or concerted practice. Agreements between companies that prevent, restrict, or distort competition in the African common market are banned (and might be an infraction of Article 16 of the regulations). The commission said it assessed the extent to which price announcements "are compatible with regulations"²². The commission has invited all interested stakeholders to submit responses by 30 April.
- c. Also, the Korea Fair Trade Commission (KFTC) is following up on their collective \$81 million fine on shipping lines²³ for price-fixing with an investigation probe into 20 carriers²⁴. Moreover, the probe goes back way before the pandemic, as allegations are that liners have fixed freight rates on South Korea-China and South Korea-Japan lanes for 17 years.

3. Container capacity boom sees charter market severely debilitated to cope with industry cycles:

- a. The shift by some ocean carriers (especially the large ones – MSC and Maersk) to owning more tonnage rather than chartering-in ships has depleted the containership charter market significantly since the pandemic outbreak. Indeed, data by Alphaliner has shown that the charter market has decreased by nearly 1,6 million TEU, according to Alphaliner data²⁵.
- b. Although this buoyant shift is good for the liner trade, there are concerns that the reduction of previously open tonnage will hinder the ability of the industry to cope with the normal seasonal peaks and troughs of the liner trade.

b. Global aviation industry

In last week's "Chart of the Week"²⁶, the International Air Transport Association (IATA) showed how the pandemic created opportunities in aviation, especially in the cargo market space. Cargo's appeal is evident thanks to record-high yields. In addition, the pressure on international and long-haul travel stemming from

¹⁸ Manaadiar, H. 29/03/2022. [China reports normal trade and shipping activities – Shanghai lockdown update](#).

¹⁹ Reuters. 30/03/2022. [Shanghai expands COVID-19 lockdown as new daily cases surge by a third](#).

²⁰ Whelan, S. 31/03/2022. [Higher costs and disruption hit supply chains as Shanghai lockdown bites](#).

²¹ Chambers, S. 30/03/2022. [Liner pricing investigation under way in Africa](#).

²² Lennane, A. 30/03/2022. [Africa's COMESA launches pricing probe into Maersk, CMA CGM and UAFL](#).

²³ Li, M. 18/01/2022. [Korean antitrust body slaps \\$81m fine on price-fixing liner operators](#).

²⁴ Li, M. 31/03/2022. [Korean antitrust body probes more price-fixing allegations against 20 lines](#).

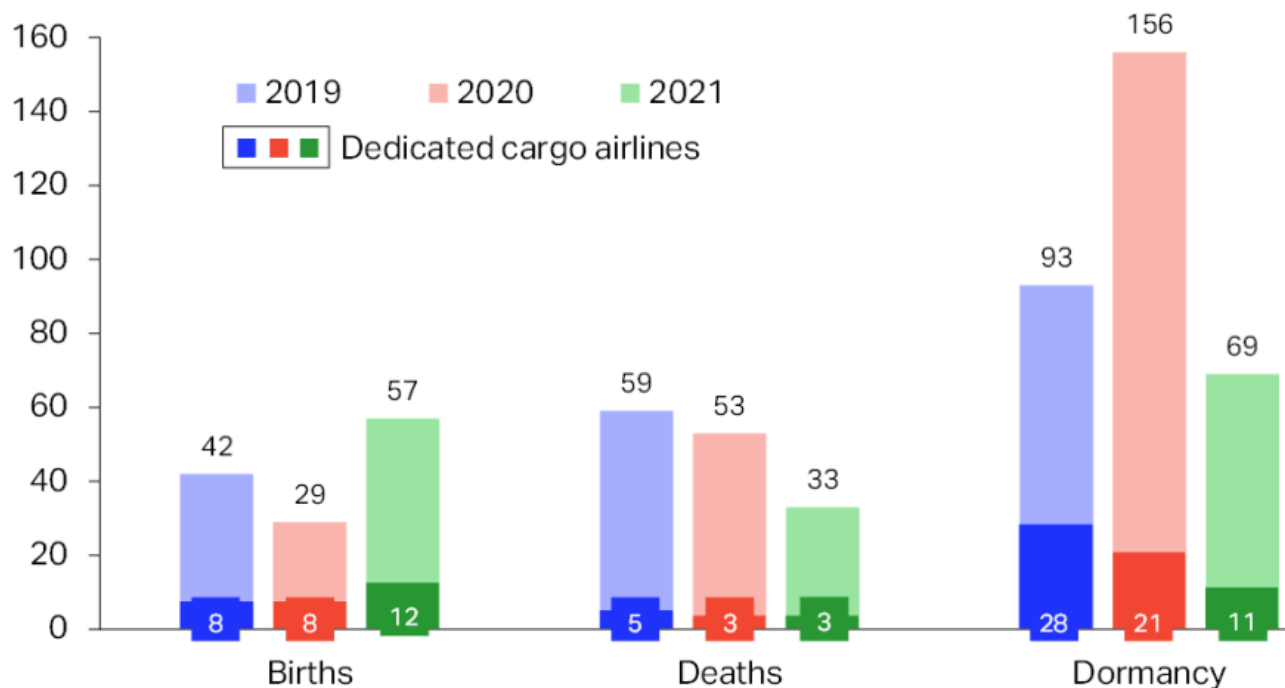
²⁵ Wackett, M. 30/03/2022. [Shipbrokers desperate for 'something to sell' after box ship tonnage exodus](#).

²⁶ IATA. 25/03/2022. [Chart of the Week](#).

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the pandemic adds to a changing entrepreneurial environment. Historically characterised by its high barriers to entry, the pandemic has arguably brought about a more favourable environment for start-up airlines. The following figure shows the deaths and births of airlines, with dedicated cargo airlines in bold.

Figure 17 – Number of airline births, deaths, and dormancy²⁷



Source: [IATA](#)

Although the pandemic reduced the number of new commercial operations (from 42 in 2019 to 29 in 2020), airline "deaths" (the cessation of an airline's Air Operator Certificate) were limited to 53 in 2020 - below the 59 seen in 2019. However, IATA cautions that this figure must be analysed in conjunction with the sharp increase in airlines being dormant, which hit 156 in 2020, up from 93 in 2019. Also, this figure would probably have been higher had it not been for the support provided by governments that year. Nonetheless, 2021 data shows that the pandemic has created new airline opportunities. Last year, as many as 57 airline births, up 36% from 2019, as airlines saw the worst of the crisis passing. That includes 12 new cargo airlines, 50% more than those coming to market in 2019.

In other aviation news, DHL has expanded its cargo operations with a long-term agreement with Cargojet, mainly in North America²⁸. The Canadian carrier already deploys 12 aircraft for DHL and plans to add five 767Fs to the fleet, as DHL said it had expanded its capacity in the Americas by **↑18%** in the 2021 peak season. On the other side of the globe, airlines have diverted cargo from Shanghai Pudong (PVG) in response to the city's lockdown. Consequently, there are fears that the move will further increase already inflated airfreight rates, as other airports are typically more expensive for trucking and airfreight and add time to the overall transit²⁹. Airfreight rates from China flattened in the past week, having rallied from a three-month low at the start of March. The TAC index shows China-US rates at **\$8,54** per kg, up **↑0,2%** w/w but up **↑22%** compared with **\$6,97** less than a month ago (7 March). For China-Europe, rates are **\$7,27**, down **↓1,5%** this week, but up from the **\$6** three weeks ago. Lastly, with air cargo capacity remaining limited, the use of passenger aircraft to fly cargo-only is expected to continue this year, as COVID still hinders passenger operations³⁰.

²⁷ "Dormancy" means less than 10 flights per month.

²⁸ Lennane, Al. 29/03/2022. [DHL secures five-year 'partnership' deal with Cargojet for airfreight capacity.](#)

²⁹ Whelan, S. 29/03/2022.

³⁰ Lennane, A. 31/03/2022. [Passenger-freighters set to stay as air cargo bemoans lack of capacity.](#)