COVID-19: Cargo movement update[1]

Date: 29 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)	26 395	27 267	**53 662**	20 297	24 792	**45 089**	↑19%
Air Cargo (tons)	5 062	2 600	**7 662**	4 681	2 539	**7 220**	↑6%

Monthly Snapshot

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

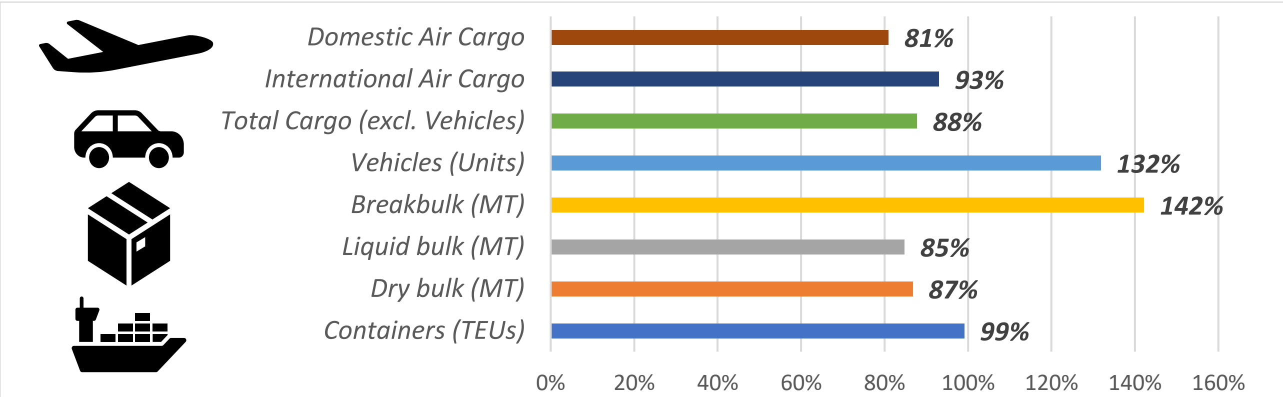
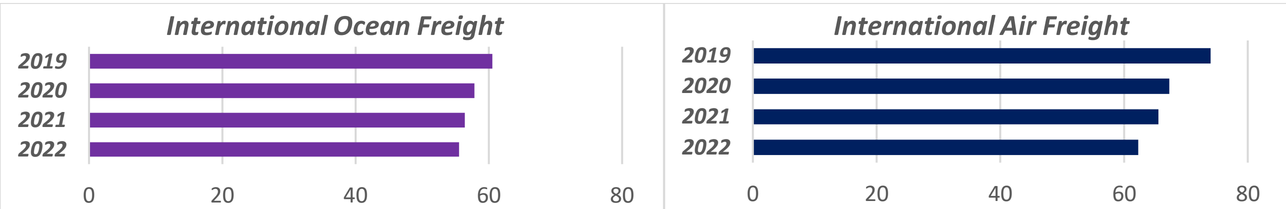


Figure 2 – Global year-to-date flows 2019-2022[5]: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 666 containers** was handled per day, with **~6 404** projected for next week.
- TNPA port statistics for March: container throughput is ↑2% (y/y) and ↑12% versus 2020 levels, but ↓5% (m/m). Total cargo handled is ↓12% (y/y), ↓4% compared to 2020 levels, and ↓8% (m/m).
- Rail cargo handled out of Durban amounted to **458** containers, ↓19% compared to last week.
- This week, cross-border queue times are **↑0,4 hours**, with transit times **↓0,4 hours** (*see below)*.
- The "WCI" continued its decrease this week, with spot rates **↓1,3%** (or **$106**) to **$7 768** per 40-ft.
- Global container throughput for February is **↓0,7%** (m/m) falling to an index of **138**, but **↑2,8%** (y/y).
- Liner schedule reliability improved by ↑1,5% (m/m) to **35,9%**, with average late arrivals at **7,26 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 85th 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 All metrics: Mar versus Mar.
[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 85th 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 again rose sharply, averaging approximately **4 231** per day (**↑120%** against last week's average of **1 927**). South Africa has recorded **3,78 million**[6] positive cases, with the death toll up to **100 355** this week (up by **79**). Globally, the case tally stands at **512 million** infected by COVID-19, with **6,2 million** deaths recorded. Around **11,6 billion** vaccine doses have been administered globally[7], with the South African count at **34,73 million,** leaving some 40% of the population unvaccinated.

Port operations once again revolved around restoring the Port of Durban and its surroundings, with Bayhead Road rebuilding and focusing on import evacuation. The restoration of Bayhead Road is proceeding well, although somewhat delayed due to water and sewage pipes that need to be replaced or restored. Unfortunately, neither Pier 1 nor Pier 2 have performed satisfactorily with a build-up of import boxes reported. A combination of depot closures, poor productivity, particularly on the night shift at both piers, and truck availability have hampered evacuation. The Port of Cape Town is finally showing an improvement in the average turnaround time of vessels at outer anchorage, and hopes are high that with the restoration of crane QC8, the terminal will allow for a three-berth operation again although the shortage of serviceable RTGs may not allow for that. NCT and GCT experienced weather disruptions and intermittent equipment breakdowns, slowing performance.

The latest throughput figures demonstrate the expected seasonal decline for February in the global container industry, with the outlook somewhat down with various uncertainties hanging over the near term. Fortunately, liner schedule reliability improved for a second month, albeit marginally, with average vessel waiting times also trending positively. Moreover, freight rates continue their long-awaited and welcome decline as container freight rates move slowly back to something like more realistic pricing. Against that, with Chinese lockdowns being accompanied by global port congestion, the industry is set to continue its bumpy ride for the time being. Further developments of note include **(1)** an update on the Shanghai and extended Chinese lockdowns, **(2)** carriers are on course for a $300 billion profit as Maersk hikes forecast by $6 billion, and **(3)** Hapag-Lloyd fined by the FMC for levying 'wilful' and 'erroneous' detention and demurrage charges.

Both South Africa's domestic – (**↑76%**) and international (**↑6%**) air cargo sectors experienced some welcome resurgence after reduced volumes caused by the Easter weekend. However, as with the global container industry, uncertainty still reigns supreme, with the ongoing lockdowns in Chine now also significantly impacting the air cargo sector. Additional developments include **(1)** the expectations of a surge in demand – and rates – out of China once the lockdowns ease, and **(2)** a group of airlines will appeal a recent decision by the Dutch Authority ACM to allow Schiphol Airport to increase its fees by up to **↑37%**.

In summary, it appears as if the industry will focus on crisis management situations, as all sectors continue to experience significant unexpected challenges on both the domestic and international fronts. Moreover, as the short-term figures read with TNPA's historical data show, we have yet to recover from the pandemic fully, especially with all the added short-term constraints now being thrown at our industry. Nevertheless, trade continues to flourish – as it has done since the initial shutdowns in 2020. Therefore, all stakeholders need to stay on point to ensure that our supply chain is working in as agile, reliable, and sustainable a manner as possible. Consequently, we again call for united public-private partnerships to ensure that the extended South African logistics networks continue to be a going concern capable of competing internationally.

[6] Johns Hopkins, Coronavirus Resource Centre. Coronavirus JJHU.
[7] Our World in Data, Coronavirus (COVID-19) Vaccinations. Our World in Data