

COVID-19: Cargo movement update¹

Date: 3 June 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)	25 548	26 704	52 252	22 012	26 981	48 993	↑7%
Air Cargo (tons)	5 480	3 332	8 812	4 830	2 798	7 628	↑16%

Monthly Snapshot

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

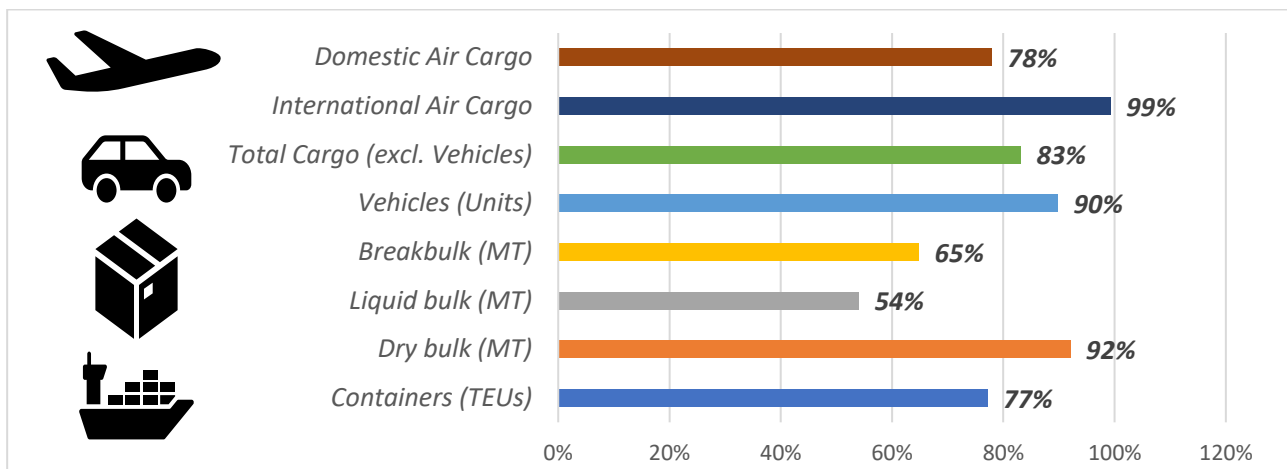
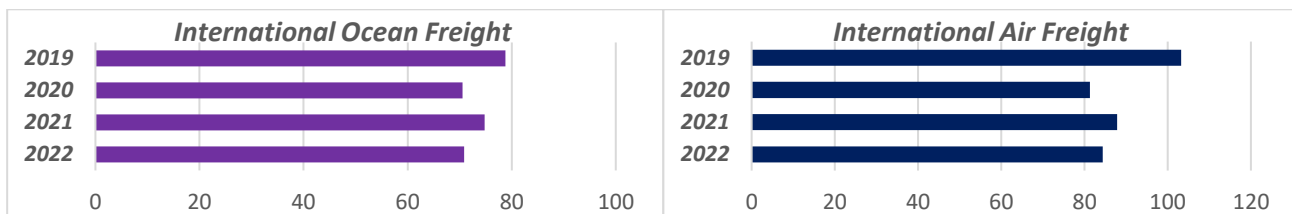


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~7 465 containers** was handled per day, with **~8 580** projected for next week.
- Rail cargo handled out of Durban amounted to **291** containers, **↑15%** compared to last week.
- SARS merchandise trade for April: exports (**↓19,1%**, m/m), and imports (**↓2,9%**, m/m), but still registering a trade surplus of **R15,49 billion**. YTD: exports **↓4,4%** (y/y) and imports **↑24,1%** (y/y).
- This week, cross-border queue times **↓0,2 hours**, with transit times **↑0,4 hours** (see [below](#)).
- The "WCI" continued to decline albeit marginally, with spot rates **↓0,1%** (or **\$9**) to **\$7 626** per 40-ft.
- The RWI/ISL container throughput index is **↓0,5** to **122,8** in April, as lockdowns in China stifled trade.
- Liner schedule reliability reversed by **↓1,3%** (m/m) to **34,6%**, with average late arrivals at **6,41 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 90th 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: Apr vs. Apr.

⁵ For ocean, total Jan-Apr cargo in metric tonnes, as reported by [Transnet](#) is used, while for air, Jan-Apr cargo to and from ORTIA is used.

Executive Summary

This update – *the 90th of its kind* – contains a consolidated overview of the South African supply chain and the current state of international trade. Newly reported COVID-19 infections continued to subside this week, averaging approximately **2 541** per day (**↓40%** against last week's average of **4 270**). South Africa has recorded **3,96 million**⁶ positive cases, with the death toll up to **101 250** this week (up by **158**). Globally, the case tally stands at **531 million** infected by COVID-19, with **6,3 million** deaths recorded. Around **11,9 billion** vaccine doses have been administered globally⁷, with the South African increasing very slowly, now at **36,2 million**.

Port operations this past week took place within generally good weather conditions, with the somewhat lower than usual volumes starting to pick up. The long-awaited LC8 crane is back in operation at Cape Town Container Terminal, and one of Durban's cranes has also been returned to operation. Overall, there were a few days of low volumes and a decrease in reports of congestion as a result. Intermittent equipment breakdowns continue to plague our ports, but lower volumes have hopefully created an opportunity for some much-needed equipment maintenance throughout the week.

On the international shipping side, international metrics such as throughput numbers and schedule reliability worsened in April after some optimism that significant momentum had been gained in March. The primary determinant on both counts appears to be the lockdowns in China, which are finally coming to an end. However, port congestion, equipment shortages, and elevated demand continue to feature in the struggle to get back to some sort of normality. Our trade, port and air freight statistics show that South Africa remains vulnerable to external events, with a typical knock-on effect some weeks later. Further developments of note included **(1)** North European ports already at capacity even before the peak season starts and **(2)** FMC update on the investigation into charges (see [below](#)).

After a strong month in March, South Africa's domestic air cargo market experienced a significant downturn in April (**-20%**, m/m), followed by a slight increase in May (**+5%**, m/m). The same is approximately true for the international side, with April (**-7%**, m/m) and May almost unchanged (**-1%**, m/m). Some of the contributing factors include the ongoing operational issues revolving around fuel shortages, load-shedding bouts, cargo security access, and the push for the implementation of the IVS System. Internationally, there has been a noticeable return to passenger travel, as the gap between domestic ticket sales – the primary post-pandemic driver of passenger growth up until now – and international ticket sales have significantly decreased. The increased passenger flights are added some much-needed cargo space to a long-constrained air cargo market. Before the pandemic, **~40%** of the international cargo was carried on passenger flights.

On the road freight front, cross-border transporters experienced various challenges in the last couple of weeks. These revolved around strike and protest action, water shortages in and around Musina, and prolonged clearing times for Beitbridge, Kasumbalesa, Lebombo, and Skilpadshek. For South African borders, clearing times in May average around **21 hours**, which is far too long for an economy relying on flourishing trade with its neighbours. As a result, the urgent need to simplify and streamline border activities – incorporating one-stop border posts and trade single windows - is once again strongly emphasized. This week, other developments for road transport included **(1)** ZRA appointing a new Assistant Commissioner at Kasumbalesa to oversee the move to a 24-hour operation, and **(2)** ZRA has ramped up wood seizures.

In summary, as the yearly consolidated SARS merchandise trade statistics show and the consolidated port figures demonstrated last week, South Africa is struggling to register any real growth in the trading sector. Even though these figures captured the devastation of the floods, those floods only highlighted the systemic issues already prevalent in our greater logistics and supply chain network. Although the country continues to be the dominant regional economic powerhouse and the "gateway" label still sticks, in recent times, our position has

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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steadily been eroded and come under more significant threat by advances made by our comparators. These include the reported growth and investment in Beira, Mombasa, Dar-es-Salaam, and Walvis Bay – and accompanying trade flowing through the respective corridors. If we are to have any hope of recovering lost ground, we need to drive growth and investment in our ports. In addition, we need to ramp up our infrastructure upgrades and improve our logistics performance and efficiency. These responsibilities do not rest only with one stakeholder but will require the collective input of all involved. These include Transnet, the shipping lines, private transporters, Customs and OGAs, freight and clearing agents, and all other parties involved.

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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 28 May to 3 June⁸

7-day flow forecast (28/05/2022 – 03/06/2022)		
TERMINAL	NO. OF CONTAINERS ⁹ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 887	3 603
DURBAN CONTAINER TERMINAL PIER 2:	12 534	13 292
CAPE TOWN CONTAINER TERMINAL:	5 573	6 210
NGQURA CONTAINER TERMINAL:	4 208	2 799
GQEBERHA CONTAINER TERMINAL:	346	800
TOTAL:	25 548	26 704

Source: Transnet, 2021. Updated 03/06/2022.

Table 3 – Container Ports – Weekly flow reported for 4 to 10 June

7-day flow forecast (04/06/2022 – 10/06/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 879	5 495
DURBAN CONTAINER TERMINAL PIER 2:	14 542	14 266
CAPE TOWN CONTAINER TERMINAL:	4 215	5 252
NGQURA CONTAINER TERMINAL:	5 931	4 403
GQEBERHA CONTAINER TERMINAL:	647	432
TOTAL:	30 214	29 848

Source: Transnet, 2021. Updated 03/06/2022.

An average of **~7 465 containers** (**↑7%**) was handled per day for the last week (28 May to 3 June, Table 2), compared to the projected average of **~7 949 containers** (**↓6%** actual versus projected) noted in last week's report. An increased average of **~8 580 containers** (**↑15%**) is projected to be handled next week (4 to 10 June, Table 3). Operationally, the week was characterised by increased equipment availability in DCT Pier 2 (between 78 and 86 straddles), although these numbers are not yet ideal. As is the case with our other container terminals (notably Cape Town), the industry often hears of intermittent equipment breakdowns in the daily port meetings. Nevertheless, volumes handled have increased over the last period, which is positive (see a more detailed breakdown per port [below](#)).

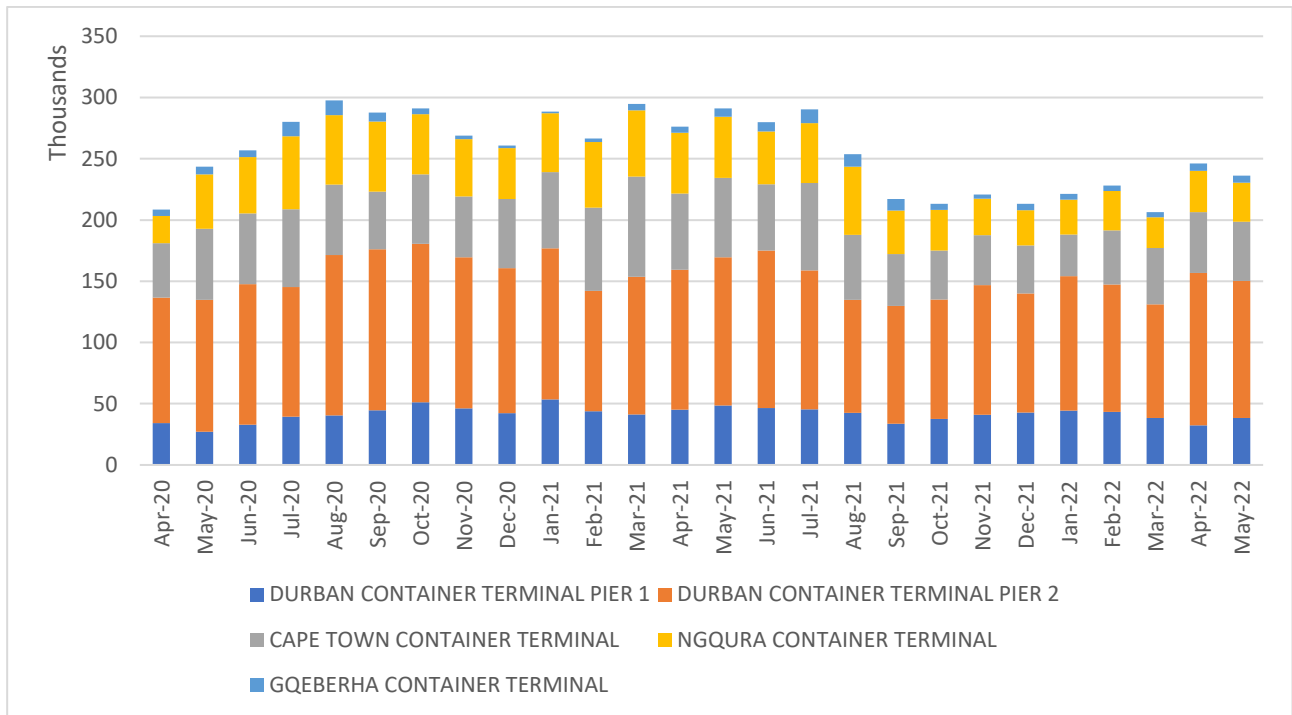
The following figure illustrates the rolling *monthly* average flow of total containerised cargo passing through our commercial ports since the nationwide lockdown.

⁸ It remains important to note that a fair percentage (approximately 46% according to the latest TNPA figures for April) 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 empty 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.

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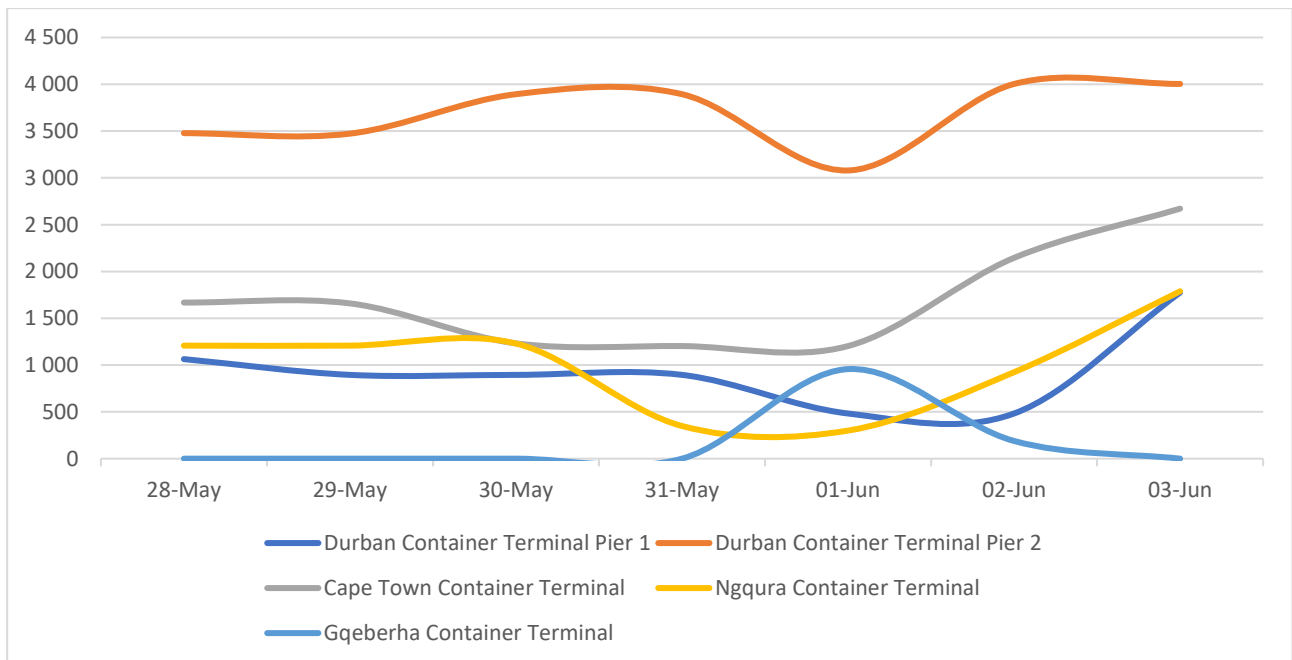
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

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

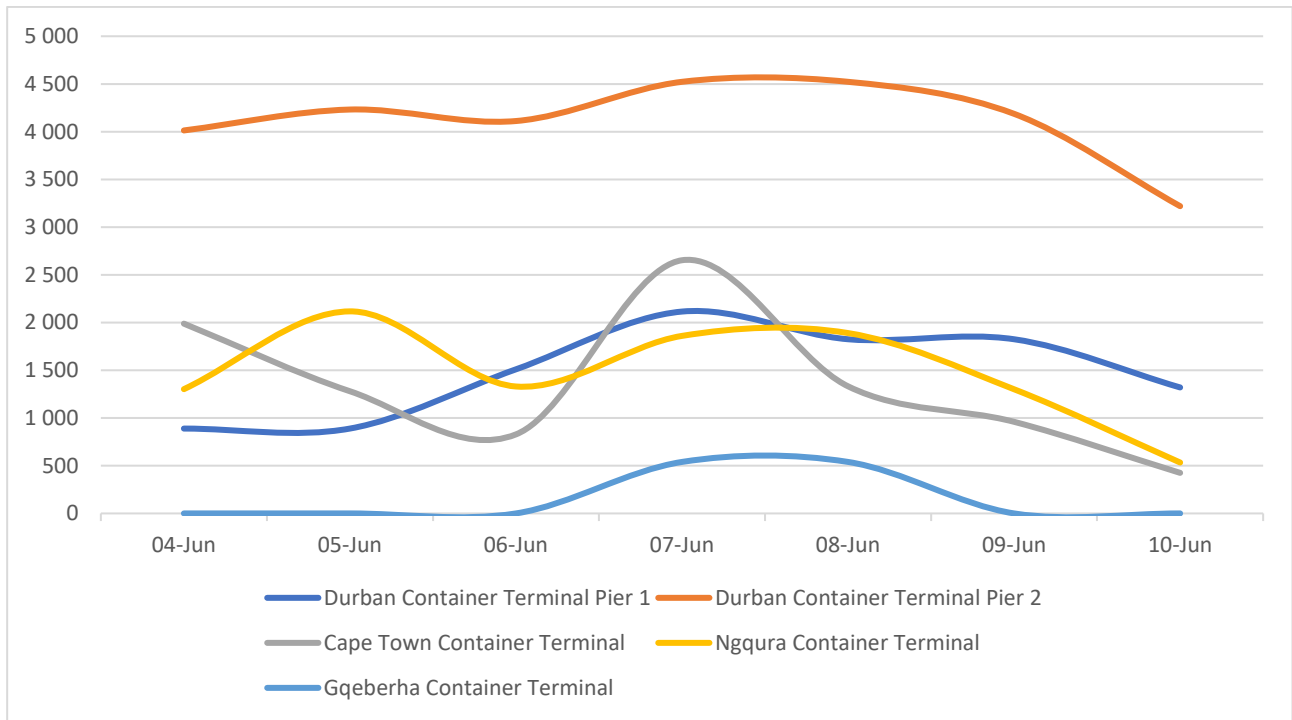
Figure 4 – 7-day flow reported for total container movements (28 May to 3 June; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

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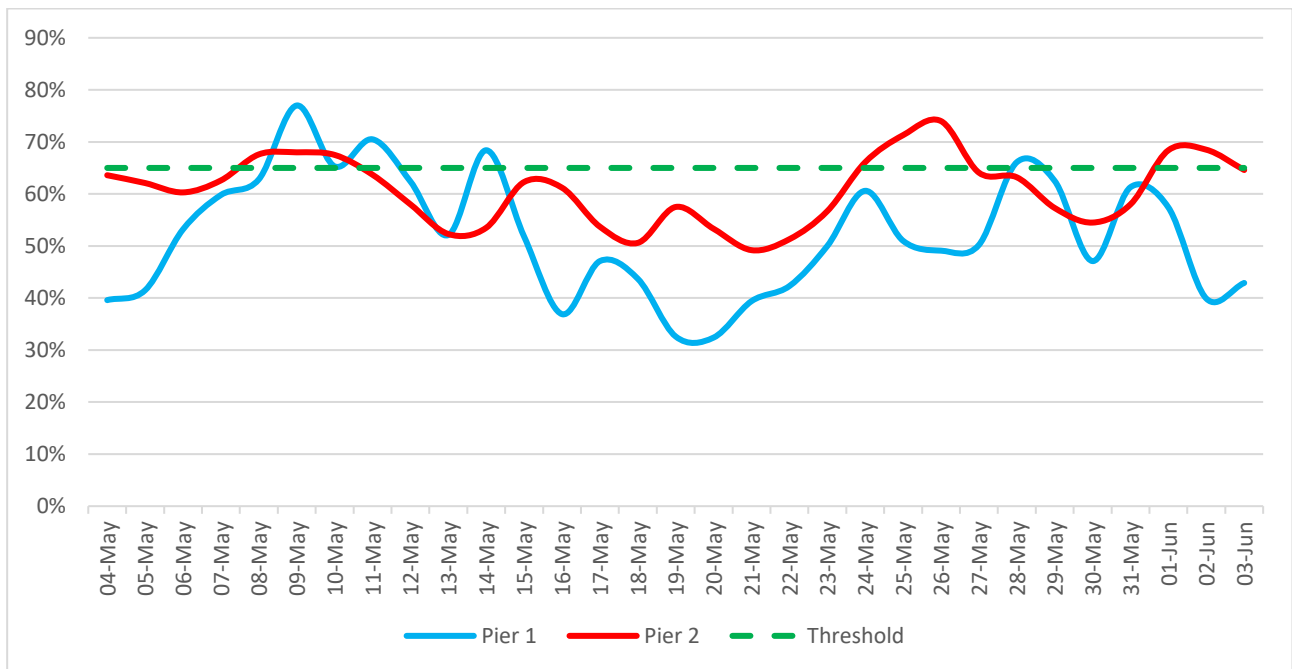
Figure 5 – 7-day forecast reported for total container movements (4 to 10 June; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

The following figure shows daily stack occupancy in both Durban terminals over the last five weeks.

Figure 6 – Stack occupancy in DCT, general-purpose containers (4 May to present; per pier; day on day)

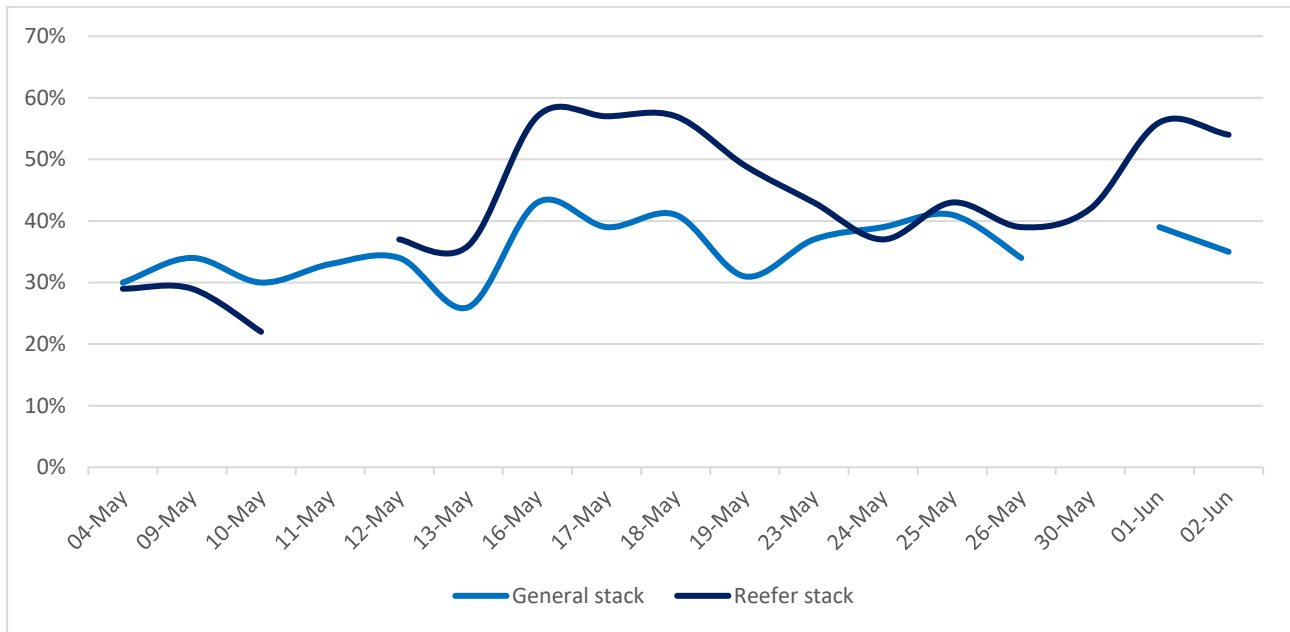


Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

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 (4 May to present; day on day)



Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

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 and the Eastern Cape reported no weather delays over the past week

On Monday, Durban reported some delays due to rain, followed by high swells on Tuesday.

ii. Cape Town

Cape Town MPT had a quiet start to the week with no vessels on outer anchorage or at berth, although further vessels did arrive throughout the week. Three gangs complemented the terminal (split two at landside and one at H-Berth). Stack occupancy for GP containers was sitting at 16%, reefers at 66%, and empties at 23% capacity. The terminal serviced 83 trucks at a truck turnaround time of 5,37 minutes.

On Wednesday, CTCT recorded zero vessels at outer anchorage, keeping the number of vessels at outer anchorage low throughout the week. Two vessels on berth were crewed by seven gangs, seven STS cranes, 20 RTGs, and 42 hauliers. Stack occupancy for GP containers was sitting at 39%, reefers at 56% and empties at 18% capacity. In the latest 24-hour period, the terminal managed to handle 2 694 TEUs across the quay. The terminal serviced 1 135 external trucks on the landside, while 102 containers were moved via rail. In terms of challenges, the terminal reported intermittent equipment breakdowns. STS Crane LC8 is back in operation; only seven cranes were operational because LC3 was out for technical maintenance, in line with the terminal's stated policy of always having one crane on maintenance while seven are working. Obviously, the plan to bring an extra crane in from Durban will assist greatly. On the TNPA side, the launch was out of commission for a few days over the past week; however, it did not significantly impact operations as the rest of the waterside equipment was fully complemented.

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iii. Durban

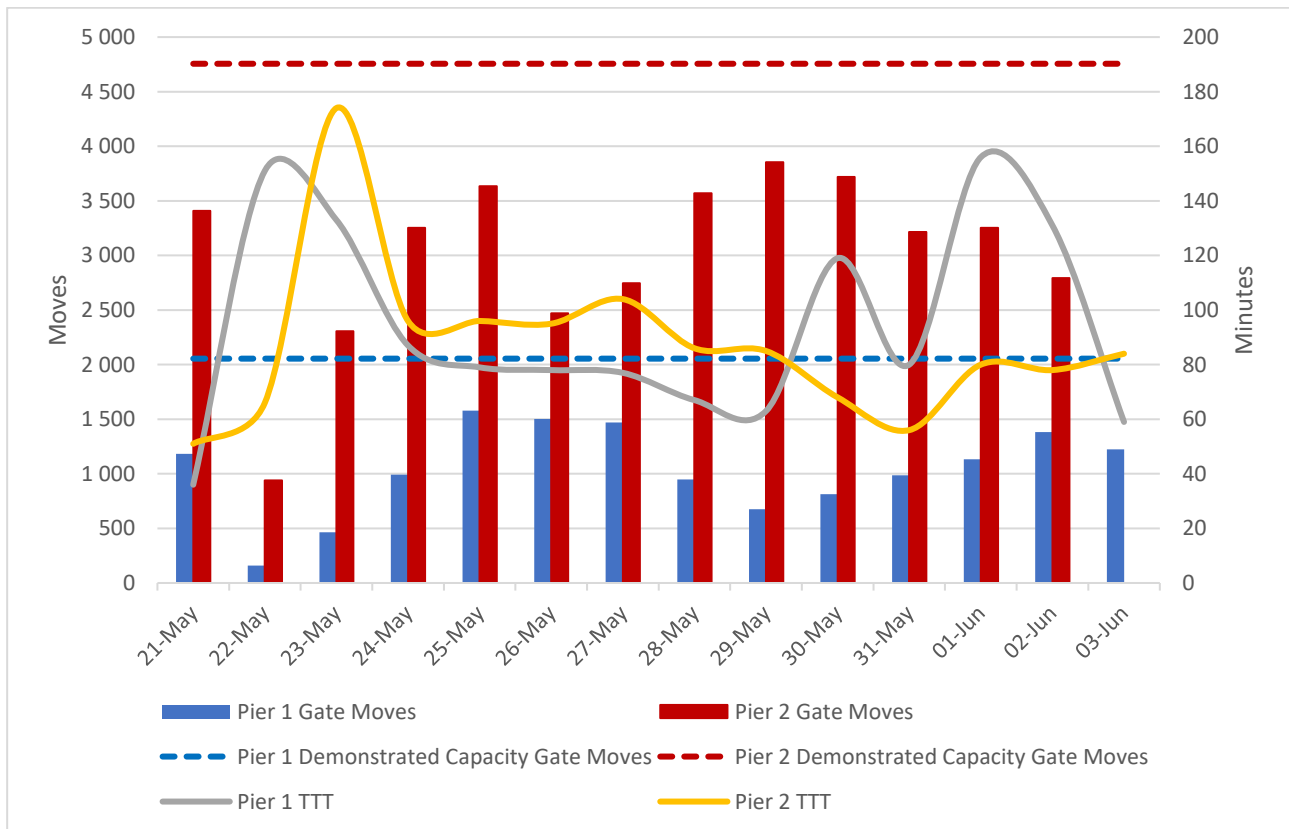
Pier 1 on Tuesday recorded two vessels at berth and one at anchor. Stacks were sitting at 61% for GP and 42% for reefer capacity with 2 008 imports on hand and 161 unassigned units. The terminal recorded 986 gate moves on the landside, with 755 cancelled slots and 136 wasted. 39 TEUs were handled via rail.

Durban Pier 2 had a relatively quiet week, with two vessels at berth and one at anchorage on Wednesday. However, in the 24 hours to Friday morning, the terminal managed to handle an impressive 5 049 TEUs across the quay. Stack occupancy was sitting at 58% overall and for reefers specifically at 65% capacity. Between 78 and 86 straddles were in operation throughout the week, manned by six gangs on Wednesday (due to the low volumes). Incidentally, in TPT's "Response to industry" dated 30 May, TPT notes a "straddle availability" of between 80 and 86 but a "straddle reliability" of between 50 and 57 for the week. The aim is obviously to get these numbers up, with the overall reliability closer to the availability.

Crane 527 returned to operation by mid-week, while 522 and 528 are still out till further notice. In addition, Crane 532 is out for fault finding. The terminal recorded servicing 3 214 external trucks within an average TTT of 56 minutes and a staging time of 65 minutes on the landside. A total of 2 218 import containers were on hand, with 62 TEUs moved by rail. The Transnet team has noted that the number of wasted slots for Pier 2 reduced in the past week.

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 03/06/2022.

iv. Eastern Cape ports

GCT on Tuesday recorded no vessels at berth or anchorage, with the next vessel expected to arrive later in the week. In terms of performance within the past 24-hours, the terminal recorded a very low GCH of ~13 and an

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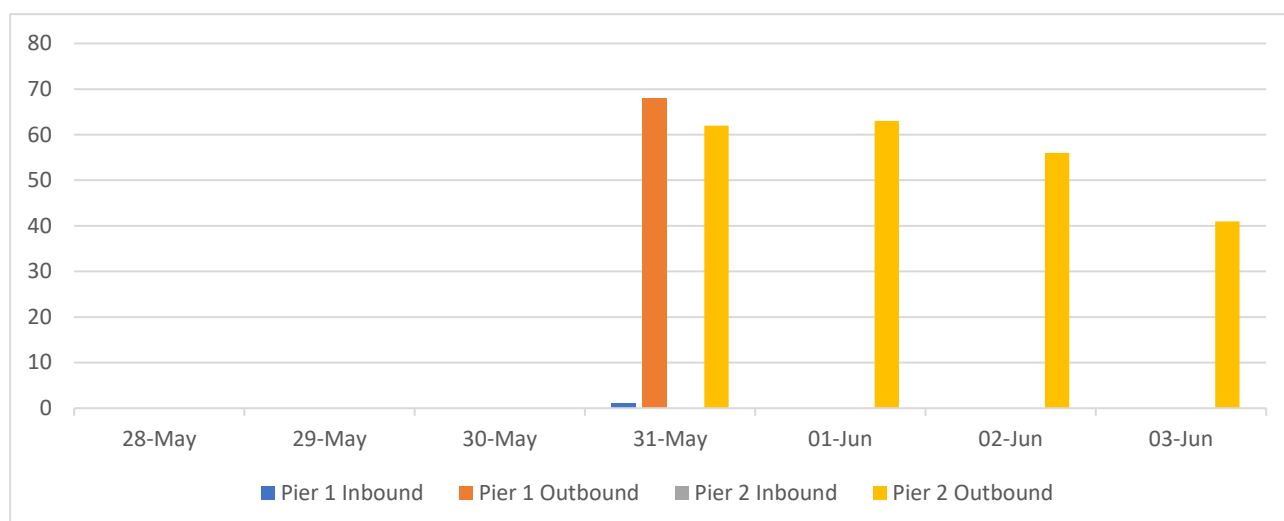
SWH of ~11 while handling 191 TEUs across the quay. Stacks were sitting at 38% for GP containers and 26% for reefers. In addition, the terminal recorded handling 243 external trucks with an average TTT of 33 minutes on the landside. GCT's Pilot Boat is out of commission, and one is being shared with NCT; however, this has not caused severe delays.

NCT recorded two vessels at berth and three at outer anchorage. The terminal handled 2 051 TEUs across the quay and recorded a GCH of ~11 and an SWH of ~28. These are not encouraging figures. Stacks for GP containers were sitting at 41% capacity and reefers at 36% capacity. On the landside, the terminal recorded 487 gate moves with an average TTT of 34 minutes.

v. Transnet Freight Rail (TFR)

Following some rain over the previous week, TFR advised that the planned reopening of the first Concor line will be moved from 9 June 2022 to 11 June 2022, as the rain caused delays in construction and repairs. However, the timeline for the second line remains constant, estimating that the line will open towards the end of September. Over the past week, TFR handled the first ambient train since the wash away, carrying 20 reefer containers. It was reported that all these trucks were offloaded within less than 2 hours.

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



Source: Calculated using data from Transnet, 2021. Updated 03/06/2022.

In the last week (28 May to 3 June), rail cargo handled out of Durban was reported at **291** containers, ↑15% from the previous week's **254** containers.

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 23 May. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in May 2021 averaged ~**820 740 kg** per day.

Table 4 – International inbound and outbound cargo from OR Tambo

Flows	23-May	24-May	25-May	26-May	27-May	28-May	29-May
Volume inbound	552 124	278 656	480 157	546 642	340 455	310 005	935 009
Volume outbound	213 131	208 006	215 085	220 248	261 559	276 355	575 532
Total	765 255	486 662	695 242	766 890	602 014	586 360	1 510 541

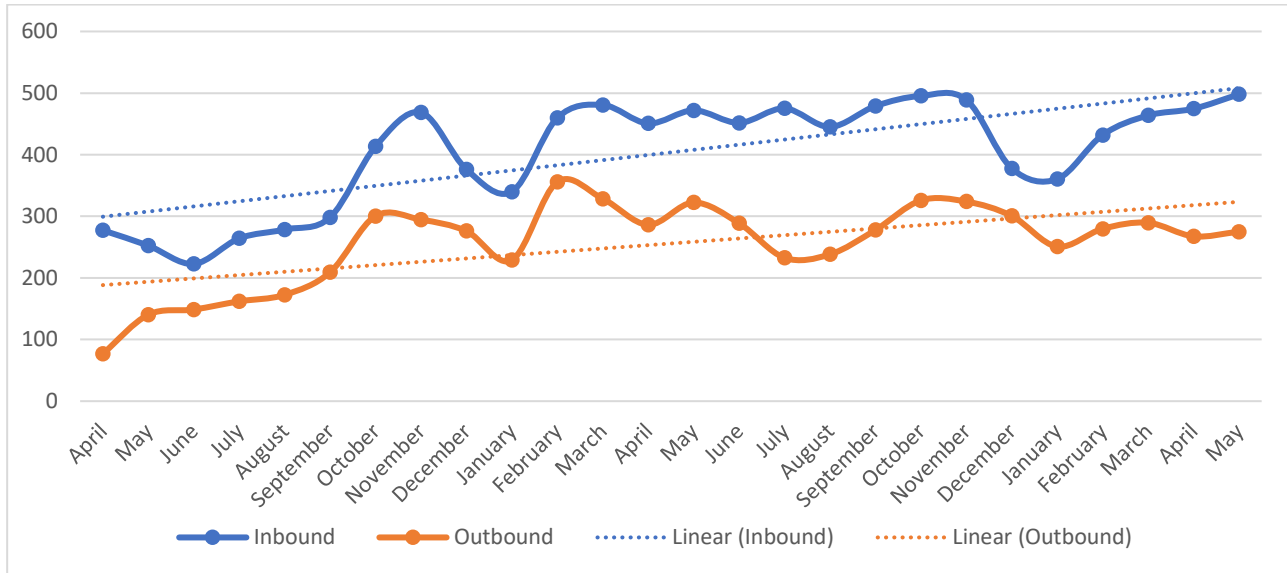
Courtesy of ACOC. Updated: 30/05/2022.

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The daily average volume of air cargo handled at ORTIA the previous week amounted to **491 864 kg** inbound and **281 417 kg** outbound, resulting in an average of **773 281 kg** per day or **~96%** compared with May 2021. Also, the level is currently at **~191%** 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: 30/05/2022.

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 *May 2021* was **~75 664 kg** per day.

Table 5 – Total domestic inbound and outbound cargo

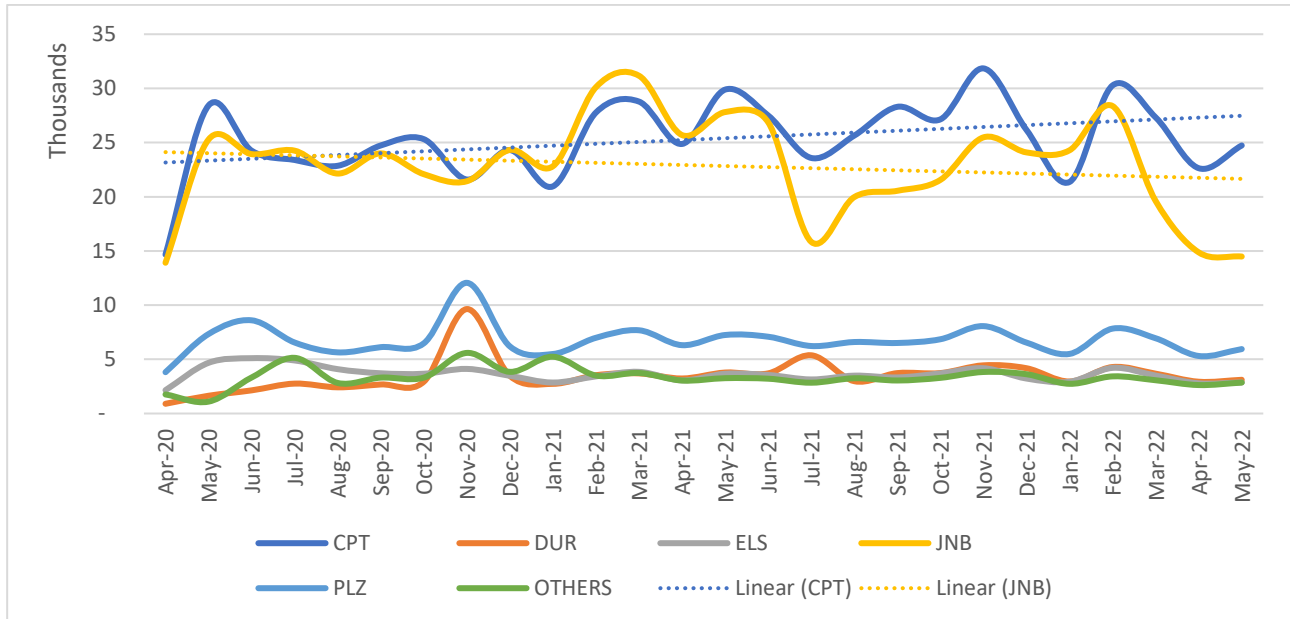
DATE / AIRPORT	CPT	DUR	ELS	ORTIA	PLZ	OTHERS	TOTAL
Mar-Dec '20 Av.	21 813	2 941	3 751	20 539	6 571	3 176	56 713
Jan-Dec '21 Av.	26 817	3 754	3 452	24 270	6 789	3 483	68 218
Jan Average	21 367	2 954	2 929	24 288	5 501	2 742	59 780
Feb Average	30 276	4 291	4 213	28 370	7 835	3 428	78 412
Mar Average	27 325	3 677	3 504	19 611	6 946	3 069	64 131
Apr Average	22 637	2 934	2 787	14 870	5 311	2 627	51 165
May Average	25 622	3 039	2 909	14 743	6 119	2 914	55 346
25-May-22	43 747	6 026	4 598	26 877	9 704	4 614	95 567
26-May-22	40 953	6 771	5 259	26 786	10 057	3 565	93 391
27-May-22	19 204	3 790	2 607	15 961	4 861	3 096	49 519
28-May-22	2 466	460	74	1 048	151	17	4 215
29-May-22	2 536	414	292	281	471	778	4 771
30-May-22	42 118	5 453	6 080	24 150	12 077	6 246	96 125
31-May-22	867	588	282	104	103	247	2 191
Total for 2022:	3 849 816	517 949	494 408	3 105 528	955 588	447 323	9 370 613

Courtesy of BAC. Updated: 31/05/2022.

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The average domestic air cargo moved last week was **~49 397 kg** per day, which is **↓4%** compared with the previous week and only **~65%** compared to May 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: 31/05/2022.

c. Domestic air cargo

The following update can be provided as to the most critical operational issues currently:

1. Scanner stops:

- a. The scanner stops at ORTIA are ongoing, albeit in small volumes. According to ACOC members, the process is luckily running smoothly and swiftly.

2. Implementation of IVS System:

- a. The air cargo industry is awaiting feedback from ACSA security regarding the latest IVC implementation proposal and its integration with the ACSA access and egress control system.
- b. ACSA is planning a meeting with the ACOC for the second week of June.

3. Security access to the Air Cargo Precinct:

- a. Unfortunately, no contingency plans were implemented for the recent cases of load-shedding in and around the cargo facility. This situation meant that staff and customers were not allowed to enter or leave the facility until an agreement with the ACOC and ACSA to allow manual processing.
- b. We trust that this issue is now a thing of the past, as the line between the passenger terminal and cargo terminal has now been repaired. Moreover, ACSA has also deployed one of its generators to cargo on standby as well.

4. Fuel shortage at ORTIA:

- a. The industry has made numerous interventions, notably by establishing a Fuel Forum Committee (FFC) headed up by BARSAs (Board of Airline Representatives of South Africa) CEO.
- b. Transnet also issued a notice of TPL transporting a backup stock of jet fuel between Natref and ORTIA.
- c. The ORTIA fuel forecast indicates that fuel stocks should be back to normal by 9 June 2022. At the end of May, fuel stock was hovering around approximately six days' worth of jet fuel, thus continuing to meet the demand of most airlines.

3. National Update

a. SARS merchandise trade statistics: April

On Tuesday, 31 May, SARS released merchandise trade stats for April¹⁰. Monthly exports have significantly decreased from March (↓19,1%, m/m), while imports have decreased (↓2,9%, m/m). The current figures result in a positive trade balance of **R15,49 billion** for April. However, despite these impressive numbers, the trade balance for April 2022 is still a deterioration from the surplus of **R48,99 billion** recorded for the same period in 2021. For the YTD figures, the preliminary trade balance of **R79,43 billion** is a deterioration from the **R148,03 billion** positive trade balance for the comparable period in 2021. This change is primarily attributed to a substantial increase in YTD imports, growing at ↑24,1% (y/y). Exports, in turn, showed a decrease, coming in at ↓4,4% (y/y).

Regionally, trade with BELN countries for April resulted in a trade surplus of **R7,00 billion**, resulting from exports of **R139,19 billion** and imports of **R132,19 billion**. For the month, the floods in KZN undoubtedly impacted trade, as shown by the TNPA port figures reported last week. Consequently, exports to our neighbouring countries decreased by ↓18,8% (m/m) between March and April, with imports also decreasing – by ↓2,6% (m/m) over the same period. However, as the with the cumulative figures, we see a massive deterioration in the yearly positive trade balance with BELN countries – from **R43,01 billion** compared to **R117,28 billion** trade balance surplus during 2021.

4. 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:

- For South African borders, clearing times in May average around **21 hours**, which is too high for an economy relying on flourishing trade with its neighbours.
- Specifically, clearing times were the following at the respective South African borders: Beitbridge (**14 hours**), Groblersbrug (**11 hours**), Kopfontein (**41 hours**), Lebombo (**37 hours**), Nakop (**5 hours**), Skilpadshek (**16 hours**), and Violsdrif (**12 hours**). As border crossings have laboured in May, the clearing times remain very high.
- Last week, ZRA appointed Levy Simatimbe as the new Assistant Commissioner at Kasumbalesa. Levy was at one time a manager at Chirundu and oversaw the conversion to 24-hour operation. The industry is very confident in Levy's abilities and looks forward to seeing improvements at this border.
- In an update from Kasumbalesa, transits through Kasumbalesa were to be suspended for three days to clear the backlog, as the Congolese have refused to extend the operating hours until it has been passed into law. As a result, transporters have been asked to use either Mokambo or Sakania and for tankers to use Sakania only.
- Last week saw SARS embark on a strike due to a wage dispute, which affected several borders. For example, Kopfontein had almost no staff on-site, as some industry footage also showed the SARS office at Beitbridge to be completely empty. Fortunately, SARS made provisions and sent managers to deal with the situation. In the end, most borders operated relatively smoothly into the weekend of 28/29 May.
- The industry received some notices saying that all transporters making trips for Mukulu wood in Zambia should only proceed if they are 100% certain of its authenticity, as ZRA has ramped up wood seizures.

¹⁰ SARS. 31/05/2022. [Merchandise trade stats](#).

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- 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 lengthy queuing times at Lebombo/Ressano Garcia and Kopfontein still giving cause for concern.

Table 6 – Delays¹¹ 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	-	6:00	100	3 000	700	24 640	0
SA/Zim	Beitbridge	0:00	13:00	943	28 290	6 601	72 611	0
Moz/Zam	Cassacatiza/Mlolo	1:00	32:00	175	5 250	1 225	36 750	1 225
Zam/Zim	Chirundu	0:00	18:00	620	18 600	4 340	69 440	0
Moz/Mal	Dedza	2:00	22:00	50	1 500	350	7 000	700
SA/Bot	Grobiersbrug/Martins Drift	1:00	11:00	400	12 000	2 800	25 200	2 800
Zam/DRC	Kasumbalesa	192:00	69:00	750	22 500	5 250	351 750	1 008 000
Zam/Bot	Kazungula	0:00	22:00	240	7 200	1 680	33 600	0
SA/Bot	Kopfontein/Tlokweng	1:00	34:00	100	3 000	700	22 400	700
Moz/Zim	Machipanda/Forbes	1:00	10:00	320	9 600	2 240	17 920	2 240
Mal/Zam	Milange	0:00	2:00	30	900	210	0	0
Moz/SA	Nakonde/Tunduma	-	1:00	550	16 500	3 850	0	0
Zim/Moz	Nyamapanda	1:00	5:00	100	3 000	700	2 100	700
SA/Moz	Lebombo/Ressano Garcia	14:00	25:00	1 100	33 000	7 700	177 100	107 800
SA/Bot	Skilpadshek/Pioneer Gate	7:00	4:00	300	9 000	2 100	4 200	14 700
Nam/Bot	Trans Kalahari/Mamuno	-	2:00	100	3 000	700	0	0
Zam/Zim	Victoria Falls	1:00	5:00	114	3 420	798	2 394	798
Moz/Mal	Zobue/Mwanza	2:00	19:00	100	3 000	700	11 900	1 400
				6 092	182 760	42 644	859 005	1 141 063

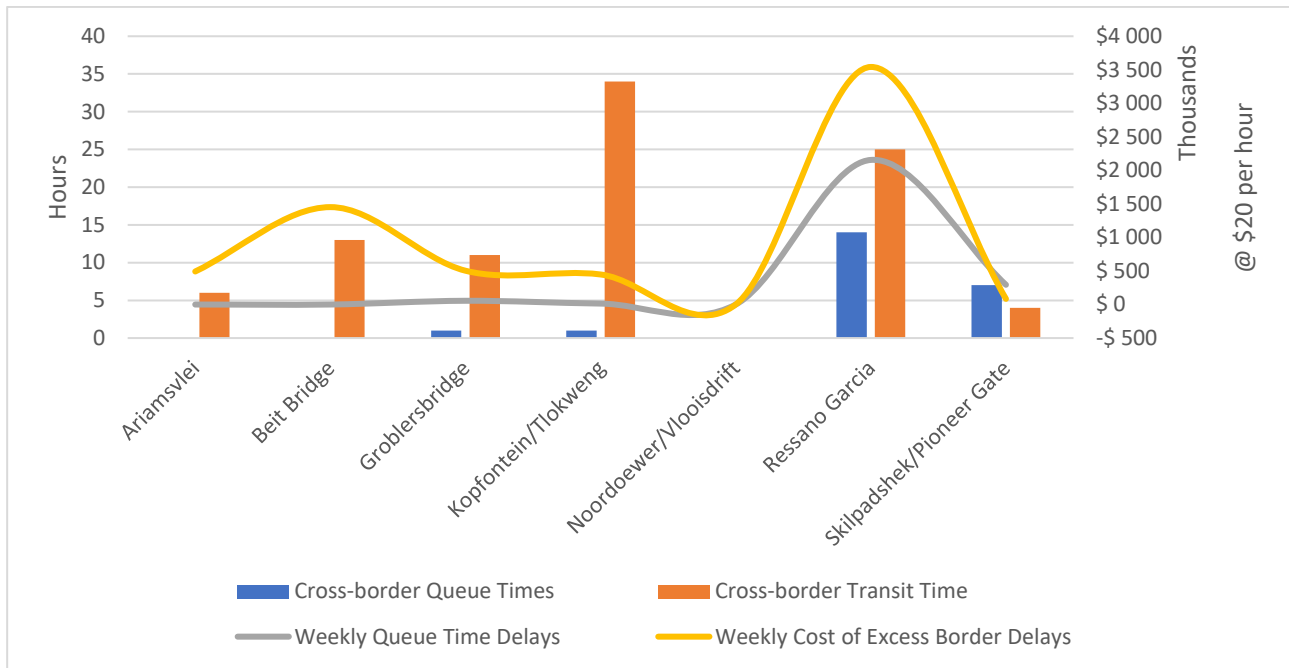
Source: TLC & FESARTA, week ending 31/05/2022.

The following graph shows the weekly change in cross-border times and associated estimated cost.

¹¹ 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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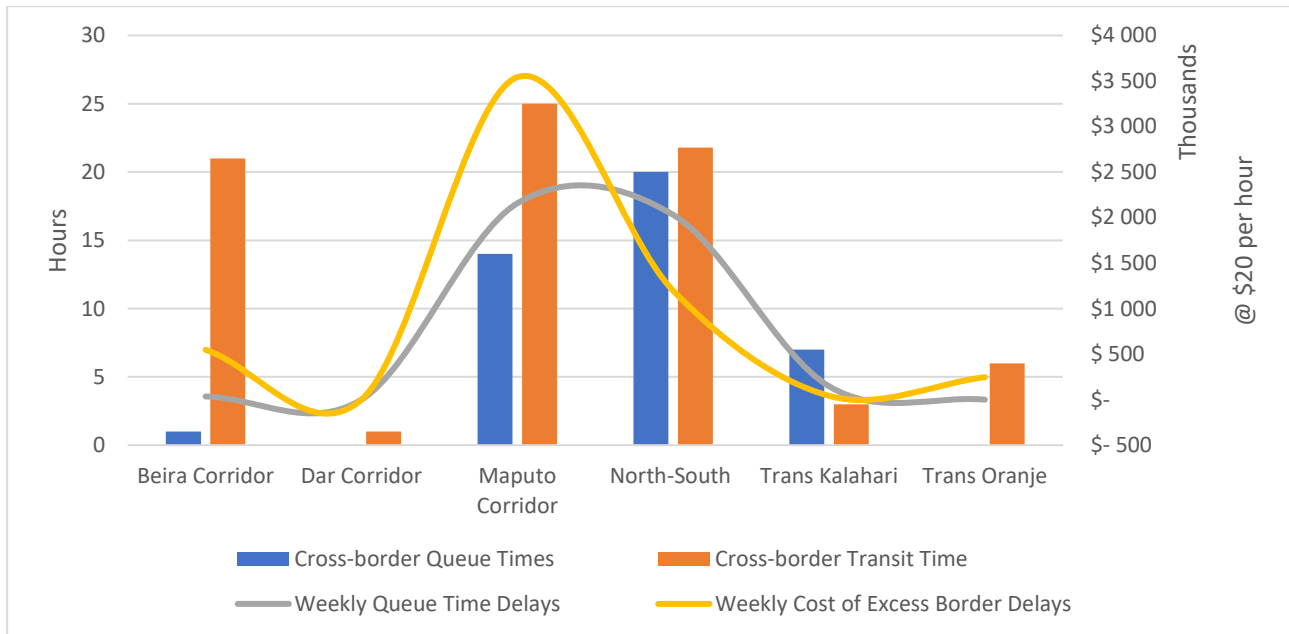
Figure 12 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 31/05/2022.

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

Figure 13 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 31/05/2022.

In summary, cross-border queue time has averaged **~13,9 hours** (down by **~0,2 hours** from the **~14,1 hours** recorded in the previous report), costing the transport industry an estimated **\$23 million (R365 million)**. Furthermore, the week's average cross-border transit times hovered around **~16,7 hours** (up by **~0,4 hours** from the **~16,3 hours** recorded in the previous report), costing the transport industry **\$17 million (R275 million)**. As a result, the total cost for the week amounts to an estimated **~R640 million** (down by **~R19 million** or **↓3%** from **R659 million** in the previous report).

5. International Update

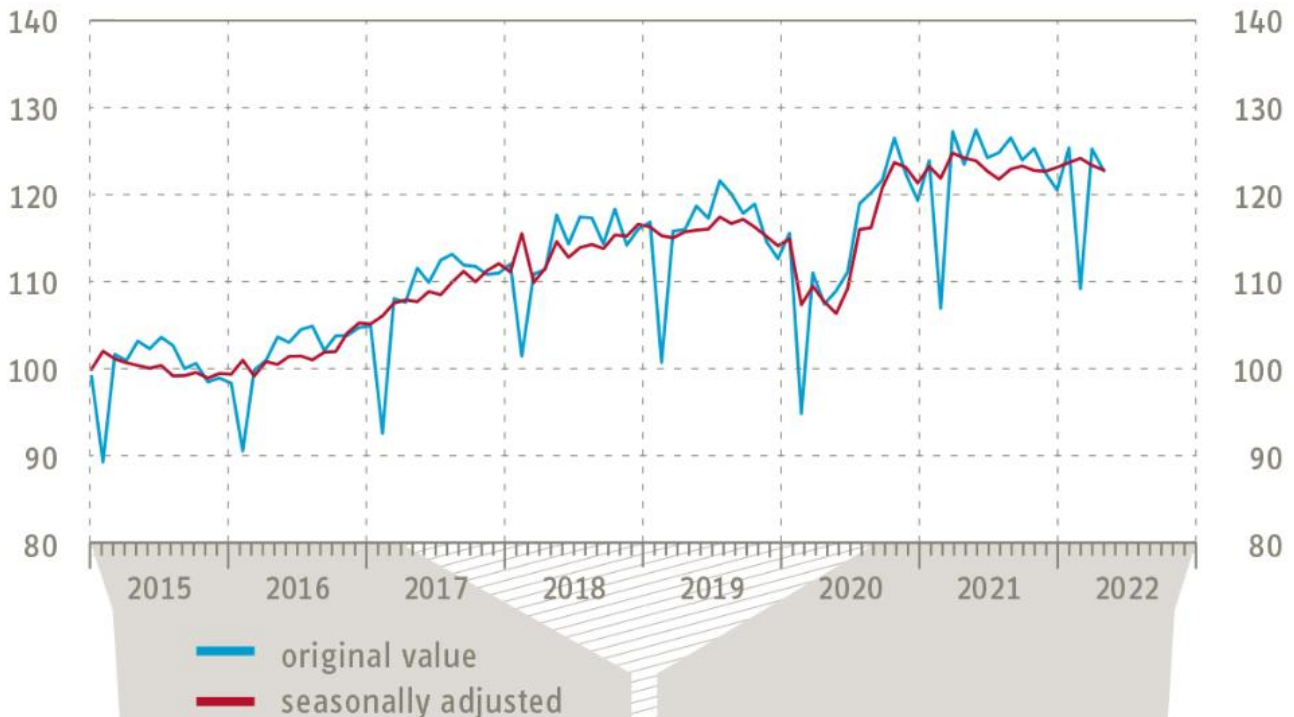
The following section provides some context around the global economy and the subsequent impact on trade. In addition, the section includes an update on **(a)** the global shipping industry and **(b)** the global air cargo industry.

a. Global shipping industry

i. Container port throughput

The latest *RWI/ISL*¹² figures showed a significant decrease in global container throughput, which was led by the closure of some Chinese ports because of the prolonged lockdowns. The *RWI/ISL* index decreased seasonally adjusted from **123,3** (revised) to **122,8** points in April¹³. The main driver was the significant decrease in throughput witnessed in Chinese ports, as the Chinese index decreased from **132,5** (revised) to **130,2** points. On the other hand, the North Range Index, an indicator of economic development in the northern euro area and Germany, increased slightly from **113,1** (revised) to **114,2** points compared with the previous month, which is above average growth for this time of year. The following figure shows the evident plateau in the throughput volume after the massive surge experienced in the aftermath of the hardest lockdown of early-2020:

Figure 14 – *RWI/ISL* Container throughput index (2015 = 100)



Source: [RWI/ISL](#)

The *RWI/ISL* Container Throughput Index consists of data from 90 international ports, constituting approximately **64%** of global container traffic. As is typically the case, we look forward to seeing the movement of Drewry's "*Container Port Throughput Index*", which is more comprehensive than the *RWI/ISL* Index. Nevertheless, the *RWI/ISL* serves as a good precursor of throughput data and is released a month earlier. Looking ahead, we expect a slight increase in container throughput, as supply chain pressures have been easing in most major ports in May. Collectively, the low container numbers observed in South Africa's major trading partners - along with the devastating effects of the KZN floods – further explain why our own numbers reported

¹² Container Throughput Index of RWI – Leibniz Institute for Economic Research and the Institute for Shipping Economics and Logistics (ISL)

¹³ *RWI/ISL*. 30/05/2022. [RWI/ISL Container Throughput Index: Significant Recession of Container Throughput in Chinese Ports](#).

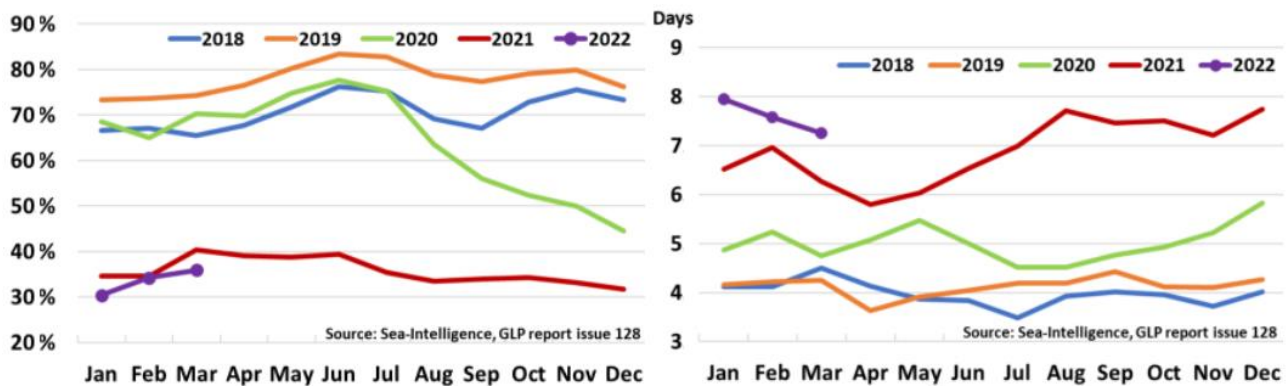
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by TNPA for April¹⁴ are so low. Therefore, as is the case globally, we should expect to see some gradual increases as the year continues.

ii. Schedule reliability

According to the latest April figures published by Sea Intelligence, global liner schedule reliability has again taken a turn for the worse after the slight improvement seen last month. Liner Schedule reliability is down by **↓1,3%** (m/m) to **34,6%**¹⁵. Although the monthly regression is insignificant, the great picture shows that the global liner network is still deeply in negative territory, as reliability levels have been low for the best part of 18 months, with the annual figure down **↓4,7%** (y/y). Despite the reduced scheduling certainty, the global average delay for vessels waiting at ports has improved, as the metric decreased to **6,41 days** (**↓0,85** m/m). The improvement means that average delays have dropped below the 7-day mark since August 2021. That said, it continues to be the highest across each month when compared historically.

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 April 2022 at **47,5%** (**↓2,8%**), followed by Hamburg Süd at **42,5%** (**↓3,4%**). In addition, there were six carriers with schedule reliability of **30%-40%** and six with schedule reliability of **20%-30%**. Although the metric produced by Sea Intelligence provides a decent overview of the current state of liner service levels, few insights are provided in the methodology used to measure reliability. For example, is it calculated on set schedules determined when a service commences, or is it measured more flexibly considering each consecutive berthing window per port per service? Whichever method (or a combination thereof) is used, global liner services continue to be plagued by port congestion, human resources constraints, and widespread equipment shortages at key ports connecting the global network. The picture is clear enough; even if the methodology used in painting it may be obscure!

iii. Global container freight rates

Global container freight rates continued their steady decline, albeit again only marginally this week, with freight rates seemingly reaching a limit. Drewry's "World Container Index" decreased by **↓0,1%** (or **\$9**) to **\$7 626** per 40-ft container this week¹⁶. After a fourteenth consecutive week of decrease, the average composite index remains **↑18%** (y/y), with the y/t/d average at **\$8 614** per 40ft container, approximately **\$5 214** higher than the five-year average of **\$3 400**. Despite the continued reduction in spot rates, the elevated rates have also spilt over into longer-term contracts, with Xeneta reporting that its XSI long-term contracted crowd-sourced rate index had soared **↑30%** this month and is now **↑150%** higher than a year ago¹⁷. As container space remains at a premium given the global conditions, shippers have been placed in an unenviable position of trying to fix

¹⁴ Transnet. 2022. Port statistics. [TNPA](#)

¹⁵ Murphy, A. 01/06/2022. [Schedule reliability improvement reversed in April 2022](#).

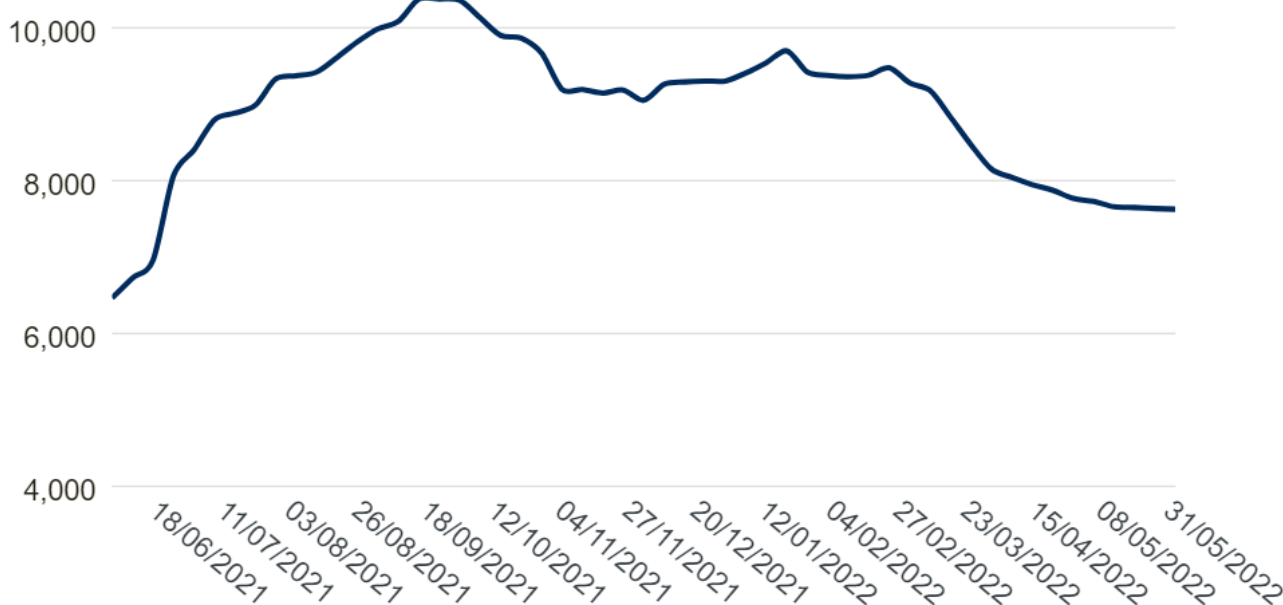
¹⁶ Drewry. 02/06/2022. [World Container Index](#).

¹⁷ Wackett, M. 31/05/2022. [Contract rates soaring above spot, with shippers being 'bled dry'](#).

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capacity at higher rates against the risk of not getting space at spot rates, which are, in any case, at excessive levels. Nevertheless, the following shows the one-year spot rates of the composite index:

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



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

Despite the recent stabilisation of rates – and an annual increase of *only* around **↑18%** - the situation with which shippers have had to contend since the outbreak of the pandemic has been staggering, considering spot rates are now over four times higher than pre-pandemic levels when spot rates were trading around **\$1 500**. There are, of course, two sides to the story, as shipping lines have endured long periods of poor financial returns, whilst shippers, cargo owners and intermediaries have moved goods on the cheap. The situation is moderating, but some educated estimates are that the current volatile market trends could only stabilise by 2024¹⁸. Furthermore, container rates may only decline by around 40% in the next decade, meaning a new baseline will undoubtedly be set.

iv. Further developments of note

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

1. Major North European container terminals are already at capacity even before the peak season starts:

- With a wave of import containers expected from Shanghai's reopening and peak season just around the corner, North Europe's box port hubs remain severely congested¹⁹.
- Reports have been received of the massive stacks of empty containers built up at the major North European hubs as carriers blanked a third of their advertised sailings during the recent two-month Shanghai lockdowns. Moreover, the ports have used much of their off-dock overflow capacity for the long-term storage of thousands of customs-blocked Russia-destined containers, as containerised operations have completely seized to and from Russia.
- The major ports affected include Hamburg, Bremerhaven, Rotterdam, and Antwerp, with smaller feeder ports also affected.

¹⁸ Bruno, M. 25/05/2022. [Skyrocketing freight rates could head back to normality by 2024](#).

¹⁹ Wackett, M. 01/06/2022. [North European box ports at capacity even before peak season starts](#).

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2. FMC update into charges by ocean carriers and terminals:

- a. The Federal Maritime Commission's investigation into the ocean supply chain in the US, known as Fact Finding 29, has ended with a slew of recommendations and an admission that it lacks regulatory tools²⁰.
- b. According to the FF29 report, competition between carriers is fierce in both the Atlantic and Pacific trades with no antitrust issues. However, the 'interpretive rule', applied to detention and demurrage charges used by shipping lines and marine terminal operators, has seen some lack of compliance around the issue of incentivising the flow of cargo through ports.
- c. The FF29 report makes 12 requests²¹ for action by the government, including:
 - i. a rule to provide coherence and clarity on empty container return practices and earliest return date practices,
 - ii. a commission investigation into practices relating to the numerous charges assessed by ocean common carriers and seaports and marine terminals through tariffs,
 - iii. a rule to provide coherence and clarity on merchant haulage and carrier haulage,
 - iv. an FMC Supply Chain Innovation Teams engagement to discuss blank sailing coordination and information availability,
- d. The FMC has indicated that although it can find no evidence of collusion and anti-competitive behaviour with respect to ocean freight rates, the same may not be true of demurrage detention and carrier haulage charges, and these will be investigated in more depth

b. Global air cargo industry

This week, the International Air Transport Association (IATA) highlighted how relaxed COVID-19 restrictions are encouraging passengers to return to the skies. In their latest "*Chart of the Week*", IATA²² shows how vacation travellers have boosted international bookings as the Northern Hemisphere gears up for the summer holidays. Presently, international, and domestic sales are at ~66% and ~72% of 2019 levels, respectively. These figures – especially for international travel – are the highest sustained numbers reached in the last three years, as shown below.

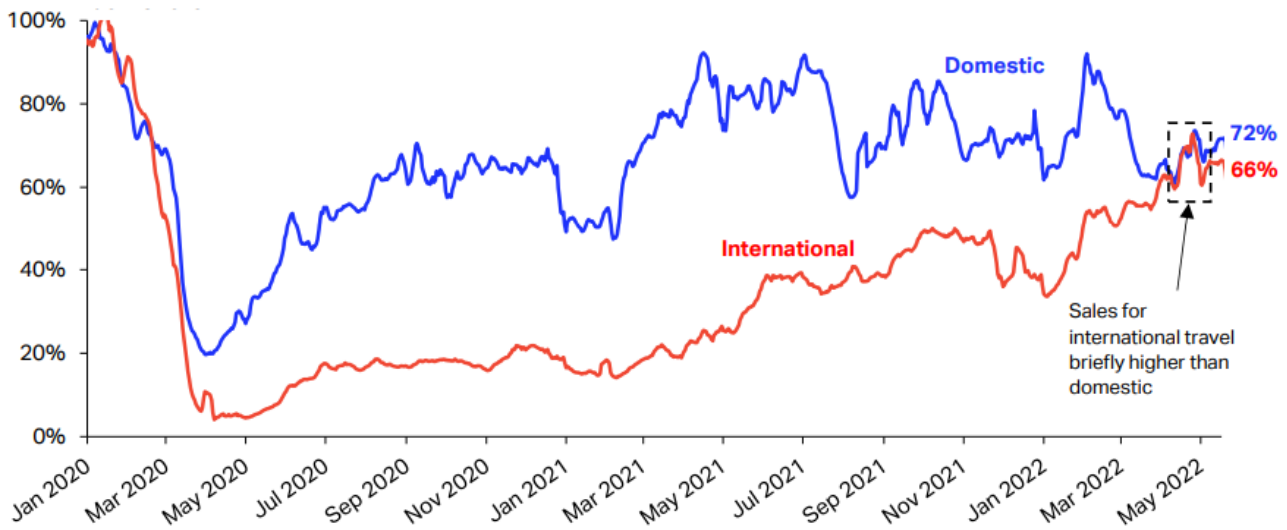
²⁰ Savvides, N. 01/06/2022. [FMC calls for probe into new charges by ocean carriers and terminals.](#)

²¹ FMC. 31/05/2022. [Fact Finding 29 – Federal Maritime Commission.](#)

²² IATA. 03/06/2022. [International bookings are boosted by summer vacation travellers and fewer restrictions.](#)

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Figure 17 – International and Domestic bookings (7 days moving average, % versus 2019)



Source: [IATA](#)

These figures have ramifications for international air cargo, as much-needed capacity is added to the current fleets. The belly hold capacity – which in pre-pandemic times accounted for some 40% of global cargo load factor (CLF) – comes when air cargo has been stretched to its limit. The relatively novel development is narrowing the gap between international and domestic bookings. As travel restrictions were the most limiting to international travel, the past two years of air traffic recovery were primarily thanks to domestic travel.

Despite these positive developments for the air cargo sector, IATA warns that there is still a high degree of volatility and uncertainty, translating into shorter lead times in bookings. For example, around 92% of international and 96% of domestic bookings were for travel through April and May. Of this, 43% of international and 63% of domestic bookings were for travel in April and May versus 49% of international and 33% of domestic bookings for summer travel (Jun-Sep). Furthermore, only 8% of international and 4% domestic bookings were for travel beyond September. This evolution shortens the horizon over which airlines can plan their services with some degree of visibility, and it can thus introduce greater uncertainty into operations.

Despite the increase in passenger numbers in other air cargo developments, the air cargo market has softened substantially with the summer season coming up. According to the latest data by Clive Data Services, cargo volumes are $\downarrow 7\%$ (m/m) and demand $\downarrow 8\%$ lower than pre-COVID levels. Capacity, meanwhile, was still down $\downarrow 12\%$ against May 2019, while dynamic load factors fell $\downarrow 9\%$ last month to $\sim 60\%$ ²³. Also, Shipping and airline partners are jostling for positions to take over 80% of the new Italian airline ITA²⁴, as air and sea transport interests begin to align. Lufthansa, with partner MSC, reportedly put in bids last week for 20% and 60%, respectively, no doubt looking to strengthen their market position, especially in the light of CMA CGM's recently announced investment in Air France-KLM.

²³ Lennane, A. 01/06/2022. [Air cargo market softens substantially as summer slow season looms.](#)

²⁴ Lennane, A. 30/05/2022. [Shipping lines and airlines battle for control of Italy's ITA Airways.](#)