

# COVID-19: Cargo movement update<sup>1</sup>

**Date: 17 June 2022**

## Weekly Snapshot

Table 1 – Port volumes and air cargo flows, week on week

Flows	Current <sup>2</sup>			Previous <sup>3</sup>			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (containers)	25 596	31 268	<b>56 864</b>	27 009	24 900	<b>51 909</b>	<b>↑10%</b>
Air Cargo (tons)	5 138	3 239	<b>8 377</b>	4 779	2 856	<b>7 635</b>	<b>↑10%</b>

## Monthly Snapshot

Figure 1 – Monthly<sup>4</sup> cargo volume levels, year on year (100% = baseline)

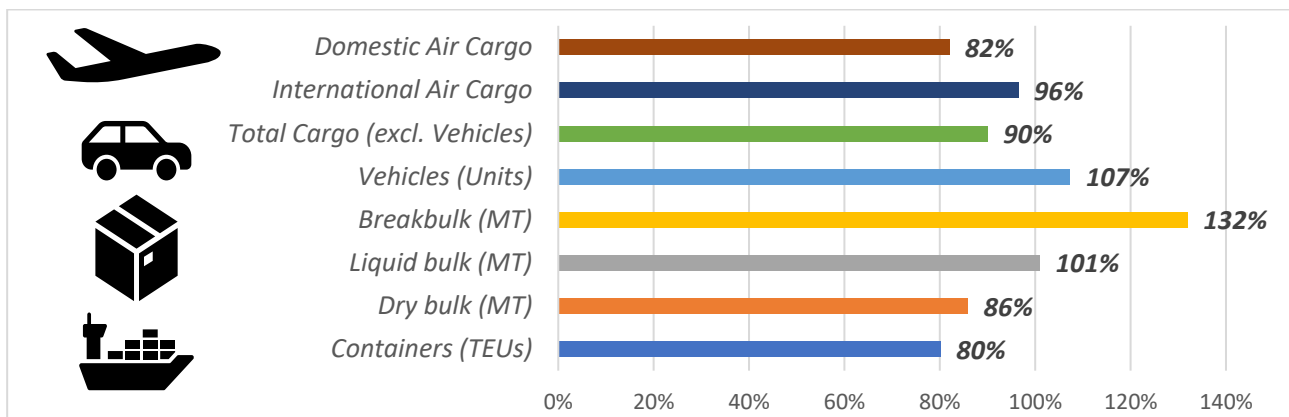


Figure 2 – Global year-to-date flows 2019-2022<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~8 123 containers** was handled per day, with **~9 450** projected for next week.
- TNPA port statistics for May: containers are **↓2%** (m/m), **↓20%** (y/y), but **↑6%** versus 2020. Compared to 2019, YTD containers are at **↓3,1%**. Total cargo handled is **↓5%** (m/m), **↓10%** (y/y).
- Rail cargo handled out of Durban amounted to **734** containers, **↑44%** compared to last week.
- This week, cross-border queue times **↓0,1 hours**, with transit times **↓1,3 hours** (see [below](#)).
- The "WCI" declined for a 16<sup>th</sup> straight week, with spot rates **↓1%** (or **\$77**) to **\$7 502** per 40-ft.
- Average container call duration at Northwest European ports increased by over **↑50%** in 1Q22.
- The top carriers' combined earnings before interest and tax (EBIT) were **\$43,9 billion** in Q1 of 2022.
- Air cargo volumes and freight rates (**↑21,7%** y/y in May) are expected to surge as China returns online.

<sup>1</sup> 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 92<sup>nd</sup> update.

<sup>2</sup> 'Current' means the last 7 days' (a week's) worth of available data.

<sup>3</sup> 'Previous' means the preceding 8-14 days' (a week's) worth of available data.

<sup>4</sup> 'Monthly' means the last full month's worth of available data compared to the same month in the previous year. All metrics: May vs. Apr.

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

## Executive Summary

This update – *the 92<sup>nd</sup> 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 declined significantly this week, averaging approximately **1 142** per day (**↓36%** against last week's average of **1 777**). South Africa has recorded **3,98 million<sup>6</sup>** positive cases, with the death toll up to **101 589** this week (up by **141**). Globally, the case tally stands at **538 million** infected by COVID-19, with **6,3 million** deaths recorded. Around **11,98 billion** vaccine doses have been administered globally, with the South African trickling along very slowly, now at **36,6 million**.

Port operations this past week remained somewhat consistent, with vessels spending short periods at anchorage and berths remaining occupied. There was a slowdown in road movements for Pier 2 towards the end of the week, while other terminals showed stable and average performance. Crane breakdowns continue to plague our ports on the landside, while waterside equipment reported very few breakdowns over the past week. The impact of the COSATU strike seems to have been contained, while the impact of the roadblocks on the N3 corridor is yet to be fully realised, but with Pier 2 recording low truck movements and high cancelled slots as the week progressed, there is possibly still more to come.

On the international shipping side, container terminal productivity across Northwest European ports has deteriorated significantly over the past three years. However, this situation has not been restricted to Europe, as container terminal productivity has been a global issue since the pandemic's outbreak. The major determining factors have resulted from handling more extensive exchanges, as carriers have consolidated port calls in the face of volatile cargo demand. But despite the ongoing delays and congestion, shipping lines continue to make all-time record profits in current market conditions, with margins per container nearly the same as total freight rates only 18 months ago. Further developments of note included **(1)** US Ports handling near-record volumes, with shipping reforms imposed this week, **(2)** South Korea truck strike update, **(3)** Shanghai quarantines update, and **(4)** MPV indices holding steady at high levels (see [below](#)).

South Africa's international air cargo sector volumes increased (**↑10%**) this week, while domestic air cargo was slightly down at **↓3%**. Internationally, developments of note include **(1)** airfreight operations at Shanghai Pudong are reaching near-normal levels of activity by Friday after further lockdown measures threatened to derail supply chain recovery in China, **(2)** air freight rates are expected to rise with an accompanying surge in volume predicted, and **(3)** aircraft production hit by supply chain constraints.

On the road freight front, cross-border transit times for South African borders averaged around **27 hours** this week, as delays continue at Kasumbalesa, Kopfontein, Lebombo/Ressano Garcia and Groblersbrug. Apart from regional cross-border constraints, this week's focus was more on the widespread road blockages by trucks (notably on the N3), which has been described as "*economic sabotage*". It is imperative that this situation will be resolved very soon: South Africa cannot afford to have its main economic arteries clogged and restricted. This week, other developments for road transport included **(1)** 24-hour operations imminent in Zambia/DRC and **(2)** massive queues persisting in Kasumbalesa, with alternative measures being made to solve the problem.

In concluding this edition, the consolidated TNPA trade volumes show the amount of work ahead, as our containerised economy is standing still (or even regressing slightly). Consequently, and importantly, we need sustained growth in our national economy, reflected in container numbers, to offset this trend. Also, we need ongoing investment, accelerated private sector participation, and the drive to link all the different nodes of the logistics network into a workable integrated solution. Finally, this week's blockages on the main roads have shown just how reliant South Africa's economy is on the flow of trade, transport and logistics – it remains crucial to keep our networks constantly flowing to avoid further significant stumbling blocks – something to which we have regrettably grown all too accustomed.

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<sup>6</sup> Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).