

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

**Date: 24 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)	27 961	32 749	<b>60 710</b>	25 596	31 268	<b>56 864</b>	<b>↑7%</b>
Air Cargo (tons)	5 386	3 058	<b>8 445</b>	5 138	3 239	<b>8 377</b>	<b>↑1%</b>

## Monthly Snapshot

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

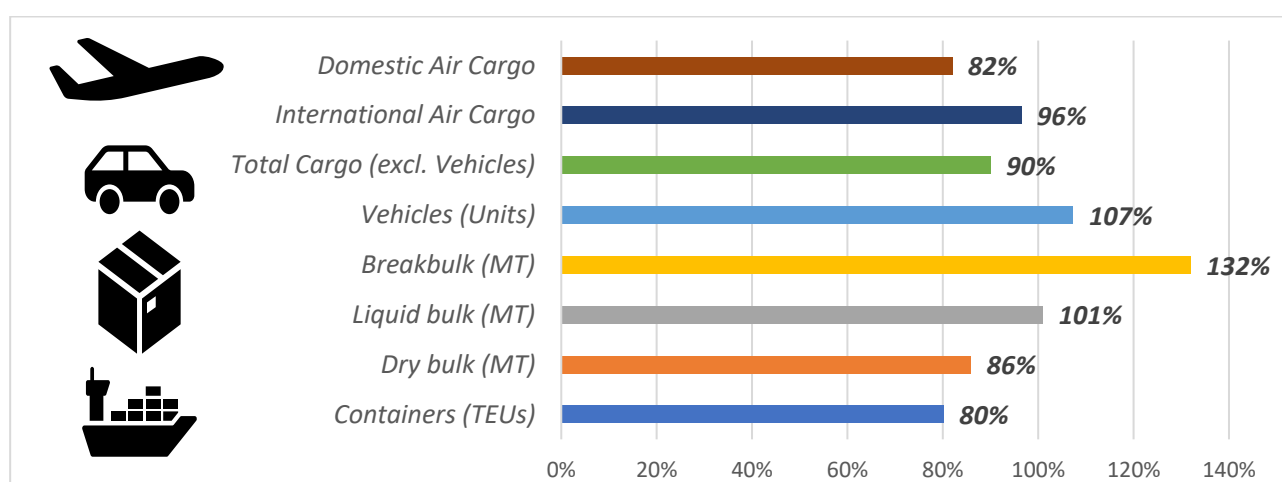
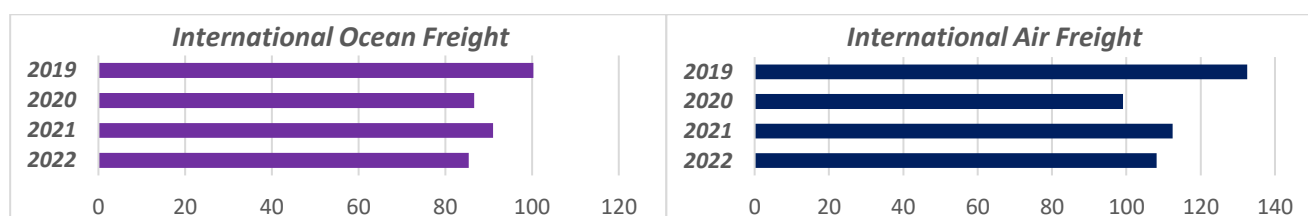


Figure 2 – Global year-to-date flows 2019-2022<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~8 673 containers** was handled per day, with **~9 047** projected for next week.
- Rail cargo handled out of Durban amounted to **1 172** containers, **↑60%** compared to last week.
- Stats SA shows land transport (payload) increased by **↑2,5%** (y/y) in April 2022; income at **↑6,2%** (y/y).
- This week, cross-border queue times **↓0,5 hours**, with transit times **↓4,8 hours** (see [below](#)).
- The "WCI" declined for a 17<sup>th</sup> straight week, with spot rates **↓3%** (or **\$216**) to **\$7 286** per 40-ft.
- Rising freight costs – particularly containers – are responsible for **~1,6%** of inflation globally.
- Global aviation continues with its recovery, with air cargo the main driver at **only ↓3,8%** versus 2019.

<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 93<sup>rd</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. May.

<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 93<sup>rd</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 **885** per day (**↓22%** against last week's average of **1 142**), with the positivity rate the lowest in months at around **6%**. South Africa has recorded **3,99 million**<sup>6</sup> positive cases, with the death toll up to **101 704** this week (up by **115**). Globally, the case tally stands at **542 million** infected by COVID-19, with **6,3 million** deaths recorded. Around **12,02 billion** vaccine doses have been administered globally<sup>7</sup>, with the South African trickling along very slowly, now at **36,7 million**. Also, this week saw the Health minister repealing the country's COVID-19 regulations, including the wearing of masks, curbs on gathering sizes and border checks<sup>8</sup>, as the country started to exit the fifth wave.

Port operations this past week were somewhat hampered by wind and weather delays. However, the week's performance significantly improved on many indicators, which bodes well for the future. Also, there were some further positive points with Durban indicating an improvement in slots wasted via the NAVIS booking system. Unfortunately, some of the gains were offset by congestion at the port following closures of the N3 earlier in the week. On a further positive note, Cape Town reported having a full complement of eight STS cranes on Monday and also reported that they are in the process of obtaining a ninth crane (a contract to move the crane has already been awarded).

On the international shipping side, role players are not expecting the ongoing congestion to ease until next year. After several weeks of reduced throughput (primarily due to the situation in China), ports are concerned that the return to normal will coincide with the third-quarter peak season before the current problems of port congestion and the lack of drivers are solved. These challenges are coming at an interesting time, as spot rates continue to subside – with many shipping lines now having shippers on long-term contracts rather than spot prices. Further developments of note included **(1)** labour action impacting German ports, **(2)** further accusations of collusion and profiteering by shipping lines, and **(3)** new directives on dangerous goods at Chittagong (see [below](#)).

South Africa's international air cargo sector volumes remain high and slightly increased (**↑1%**) this week, while domestic air cargo was significantly down at **↓25%**, primarily because of the public holiday on Thursday, 16 June. Internationally, the latest IATA reports highlighted the aviation sector's ongoing resilience. The key takeaway in the industry is that the recovery is well underway and forecast to continue through 2022 and beyond after the biggest shock in aviation history. However, despite the optimism, IATA warns that several "headwinds" are currently keeping the "tailwinds" in balance. Other developments of note include **(1)** the imminent end of "preighters" and **(2)** the continued success of the cargo charter market.

On the road freight front, cross-border transit times for South African borders averaged around **13 hours** (**↓52%**) this week, as delays continue at Kasumbalesa, Kopfontein, and Lebombo/Ressano Garcia. Apart from regional cross-border constraints, this week's focus was again on problems on the N3. There were urgent calls for transporters to stay off the main trade lane from Harrismith/Tugela onwards due to a considerable backlog of trucks after a massive spillage of cobalt near Peter Brown Road. This week, other developments for road transport included **(1)** stakeholders agreeing on an eleven-point action plan to deal with industry challenges and the recruitment of foreign nationals, and **(2)** road works on the road to Sakania causing the recently increased truck flows from Kasumbalesa to be diverted back.

In concluding this week's report, constant supply chain pressures continue to affect all parties involved, perhaps none more so than transporters. If roads are not being blocked and bureaucratic regulations being tightened,

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

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

<sup>8</sup> Business Tech. 23/06/2022. [South Africa ends Covid curbs including mask wearing](#).

## *COVID-19: Cargo movement update*

the rise in costs dampens the robust recovery of a critical node in our logistics network. On Wednesday, the latest inflation figures showed that the upper band of the SARB targets had been breached. Moreover, transport costs soared by **↑15,7%** in the year to May. Transport costs were the most significant contributor to the May inflation rate of **↑6,5%** for the fourth consecutive month, contributing **↑2,1%**<sup>9</sup>. At this juncture, it is worth reiterating that South Africa's freight demand remains very high, and with the abject failure of rail to alleviate the pressure, road transport must bear the brunt. Consequently, we must ensure that road transport can function unhindered by artificial constraints since the South African economy will grind to a halt without trucks.

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<sup>9</sup> Mahlaka, R. 22/06/2022. [South Africa's cost-of-living crisis worsens as consumer inflation breaches the Reserve Bank's 6% target.](#)