

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

**Date: 1 July 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)	30 941	32 976	<b>63 917</b>	27 961	32 749	<b>60 710</b>	<b>↑5%</b>
Air Cargo (tons)	4 993	2 815	<b>7 808</b>	5 386	3 058	<b>8 445</b>	<b>↓8%</b>

## Monthly Snapshot

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

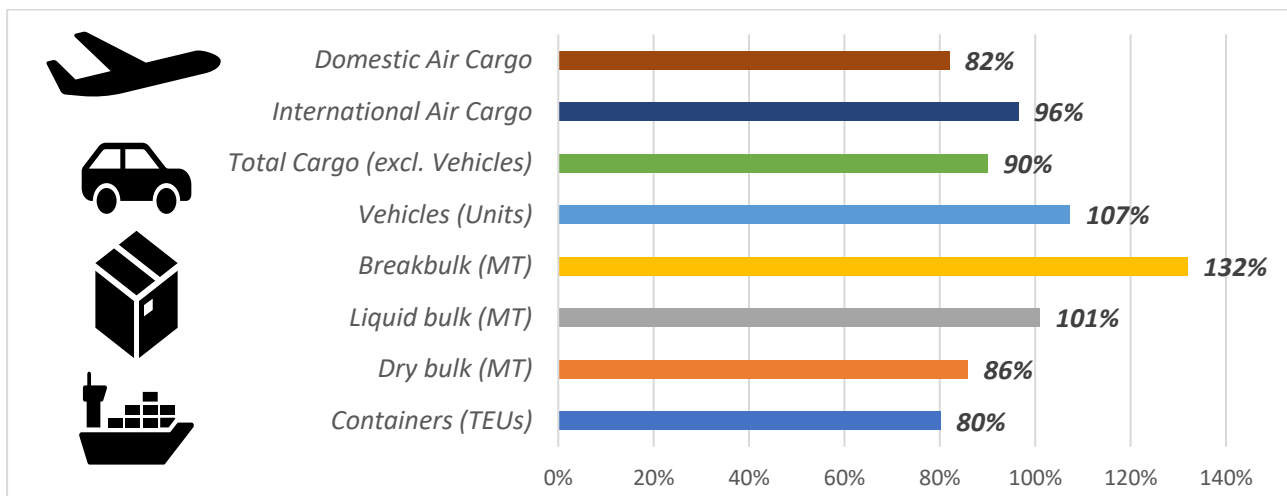


Figure 2 – Global year-to-date flows 2019-2022<sup>5</sup>: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



## Key Notes

- An average of **~9 131 containers** was handled per day, with **~8 915** projected for next week.
- Rail cargo handled out of Durban amounted to **1 261** containers, **↑8%** compared to last week.
- This week, cross-border queue times **↓0,4 hours**, with transit times **↑2,6 hours** (see [below](#)).
- The "WCI" declined for the 18<sup>th</sup> straight week, with spot rates **↓3%** (or **\$220**) to **\$7 066** per 40-ft.
- The RWI/ISL container throughput index increased from **122,1** (revised) to **123,6** points in May.
- Liner schedule reliability improved by **↑2,1%** (m/m) to **36,4%**, with average late arrivals at **6,17 days**.
- South African container terminals all experienced significant improvements in connectivity in Q2 2022.

<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 94<sup>th</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 94<sup>th</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 **469** per day (↓**47%** against last week's average of **885**). South Africa has recorded **3,99 million**<sup>6</sup> positive cases, with the death toll up to **101 793** this week (up by **89**). Globally, the case tally stands at **548 million** infected by COVID-19, with **6,3 million** deaths recorded. Around **12,1 billion** vaccine doses have been administered globally<sup>7</sup>, with South Africa now at **36,8 million**.

Port operations this past week were characterised by equipment breakdowns, delays in the Cape regions, and road congestion in the KZN region. However, the overall port performance showed a positive trend, with rail at DCT recovering and Pier 1 moving a record number of containers at waterside operations.

On the international shipping side, the ongoing narrative of increased container throughput amid decreasing spot rates continues, as schedule reliability and liner connectivity have also increased slightly. All the indicators point to a continuation of supply chain recovery, despite the warnings made by UNCTAD that the ongoing war in Ukraine is pushing up global shipping costs, stifling trade, and exacerbating existing supply chain disruptions (see [below](#)). As a result, many countries are looking elsewhere for the commodities they import, notably oil, gas, and grain. These disruptions have intensified rising food and fuel prices, with accelerated global inflation the net result. As mentioned in last week's report, rising freight costs – particularly containers – are responsible for ~**1,6%** of inflation globally. However, when the accompanying increase in grain prices is added, these two factors lead to a **3,7%** increase in consumer food prices globally. Further developments of note included **(1)** FIATA calling for a fair maritime market system, **(2)** Singapore continues \$14 billion port expansion, **(3)** MSC launches more solo services, and **(4)** ONE Line introducing overweight surcharges (see [below](#)).

South Africa's international air cargo sector volumes continue to post reasonable numbers despite a slight drop this week (↓**8%**), while domestic air cargo increased significantly (↑**28%**) after the quiet week last week. Operationally, the jet fuel shortages experienced at ORTIA in the aftermath of the KZN floods have been rectified, with fuel reserves back to normal levels. Internationally, the recovery in aviation continues to gain momentum, as financial forecasts indicate that airline losses are forecasted to be limited to **\$9,7 billion** in 2022. Other developments of note include **(1)** global air cargo capacity almost back to 2019 levels but might reduce in the future in Europe, as **(2)** the Dutch government on Friday ordered Schiphol to cut flight numbers by **12%**, with other major hubs potentially following suit.

On the road freight front, cross-border transit times for South African borders averaged around **13 hours** (no change) this week, as delays continue at Kasumbalesa, Kopfontein, and Groblersbrug. Apart from regional cross-border bottlenecks, this week's focus was on getting operations running at alternative borders to Kasumbalesa, notably Sakania and Mokambo. Further developments for road transport included **(1)** Chirundu started dipping all tankers – adding to delays, and **(2)** issues with Beitbridge boom gates because of load-shedding.

In concluding this week's report, there remain some causes for optimism in our extended logistics network. TPT shared positive news this week, as Pier 1 broke a volume record. The terminal handled 17 863 TEUs in a week, a one-week record. These metrics indicate that TPT is heading in the right direction after the devastation caused by the floods. Once the TTT, GCH and SWH numbers follow suit, moving towards the upper bounds of the set KPIs, our extended maritime economy will be on a winning track. And the same rings true for many aspects of our industry, as several important cogs need to work together to make the entire wheel turn.

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

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