

COVID-19: Cargo movement update

Date: 22 January 2021

About this update

This 22nd update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. The report provides a consolidated view of the different modalities published earlier by the Business for South Africa supply chain team.

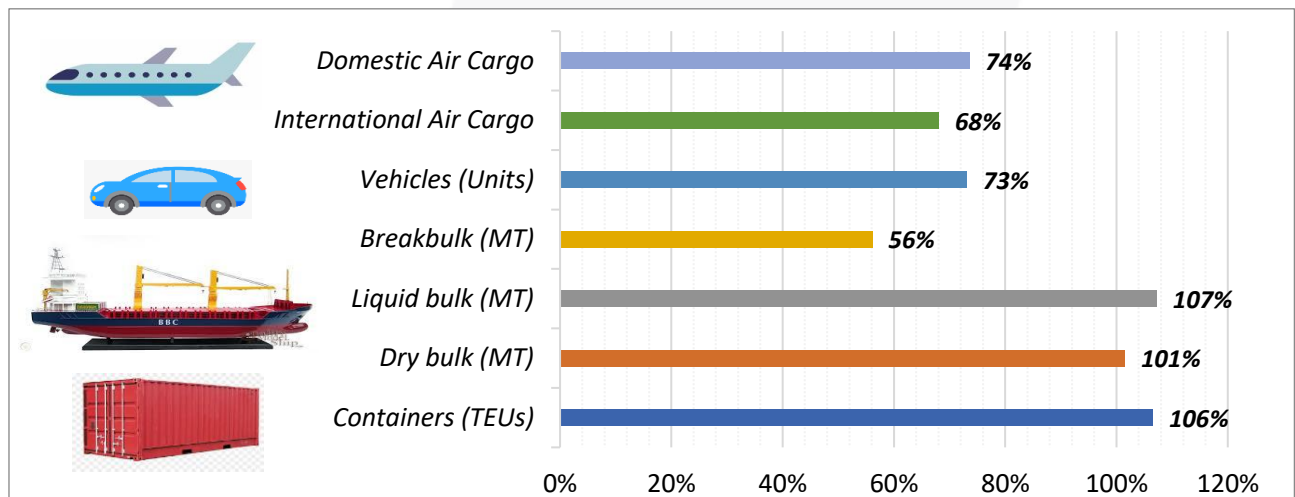
Weekly snapshot

Table 1 - Port volumes and air cargo flows compared to last week

Flows	Current ¹			Previous ²			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (TEUs)	28 928	34 930	63 858	29 459	35 600	65 059	↓2%
Air Cargo (tons)	3 562	2 408	5 970	2 758	2 142	4 901	↑22%

Monthly snapshot

Figure 1 - Monthly³ cargo flows compared to the same period a year ago



Key Notes

- An average of ~9,123 TEUs was handled a day over the last week, ↓2% from last week.
- TNPA data shows that final 2020 containerised cargo figures are down by ↓10% compared to 2019.

¹ 'Current' means the last 7 days' (a week's) worth of available data.

² 'Previous' means the preceding 8-14 days' (a week's) worth of available data.

³ 'Monthly' means the last full months' worth of available data compared to the same month in 2019 (fully up-to-date for air cargo and TEUs; the rest of the data compares Dec 2020 with Dec 2019).

- International air cargo volumes are **↑22%** since the previous week, currently at **~80%** compared to 2019 (**~61%** last week). Domestic air cargo volumes are **↑15%** from a week earlier, but more significantly, stood at **~112%** of what was handled in 2019 (**~97%** the week before that).
- The "World Container Index" is **↑2%** to **\$5,340.30** per 40' container. As a combination of spiking demand, the spot-rate surge continues, and container imbalance and endless congestion remain within the container trade.

Ports Update

This section provides an overview of the flow of containerised cargo to South Africa's commercial ports.

Container flow overview

The following two tables indicate the container flows reported for the last seven days, and the container flows projected for the next seven days.

Table 2 - Container Ports - 7-day flow reported for 16 to 22 January⁴

7-day flow forecast (16.01.2021 - 22.01.2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 473	6 419
DURBAN CONTAINER TERMINAL PIER 2:	12 950	13 951
CAPE TOWN CONTAINER TERMINAL:	5 632	7 250
NGQURA CONTAINER TERMINAL:	4 560	7 050
PORT ELIZABETH CONTAINER TERMINAL:	313	260
TOTAL:	28 928	34 930

Source: [Transnet](#), 2021. Updated 22/01/2021

Table 3 - Container Ports - 7-day flow forecasted for 23 to 29 January⁵

7-day flow forecast (23.01.2021 - 30.01.2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 432	4 766
DURBAN CONTAINER TERMINAL PIER 2:	12 449	12 741
CAPE TOWN CONTAINER TERMINAL:	5 973	9 611
NGQURA CONTAINER TERMINAL:	3 632	5 318
PORT ELIZABETH CONTAINER TERMINAL:	171	0
TOTAL:	26 657	32 436

Source: [Transnet](#), 2021. Updated 22/01/2021

An average of **~9,123 TEUs** was handled per day over the course of the last week (16 - 22 Jan, Table 2), with a decreased average of around **~8,442 TEUs (↓7%)** expected to be handled over the course of the next week (23 - 29 Jan, Table 3). For December, final TNPA figures indicated that, in a yearly sense, containerised volumes amounted to **90%** of 2019 levels. For other types of cargo, see the final TNPA figures [below](#).

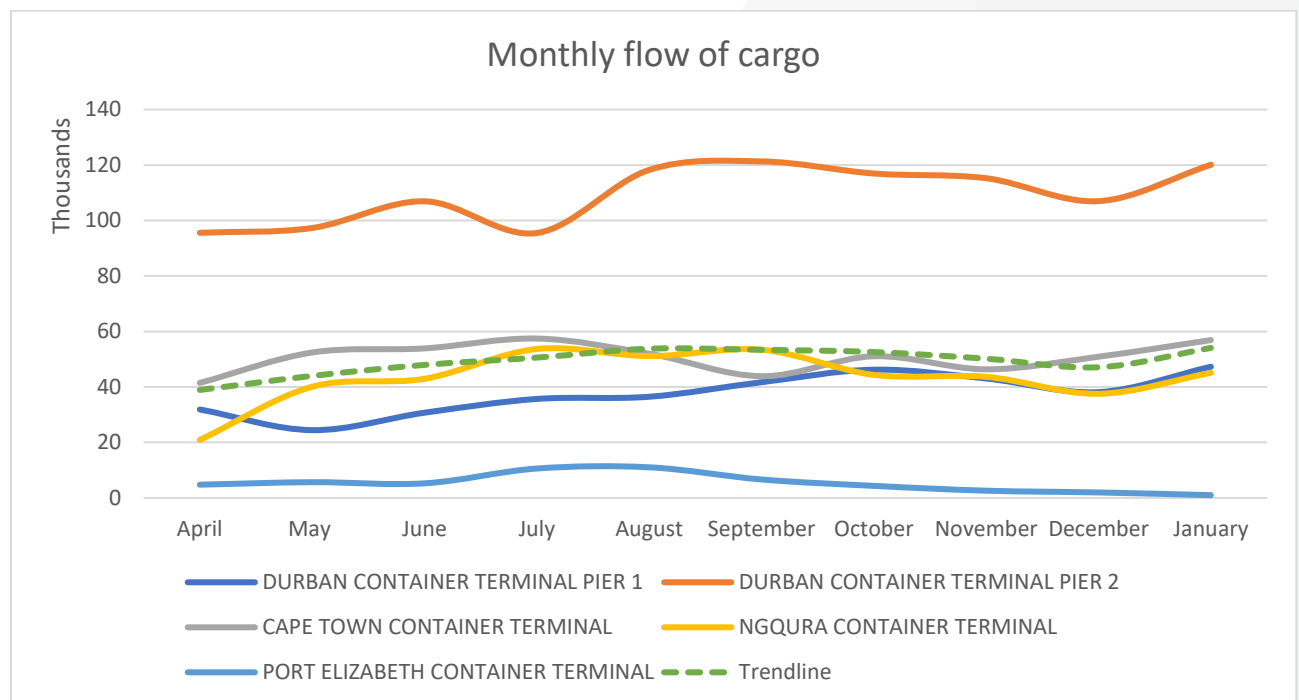


⁴ It remains important to note that a fair percentage (approximately 27% according to the most recent TNPA figures for November) of containers are neither to be imported nor exported, but rather consist of empties and transhipments. Due to container imbalances, this proportion is fluctuating more than usual.

⁵ As noted in footnote 1.

The following figure displays the rolling *monthly* average flows of total containerised cargo movement for our commercial ports since the start of the nation-wide lockdown.

Figure 2 - Monthly flow reported for total cargo movement (TEUs: April to Present; month-on-month)

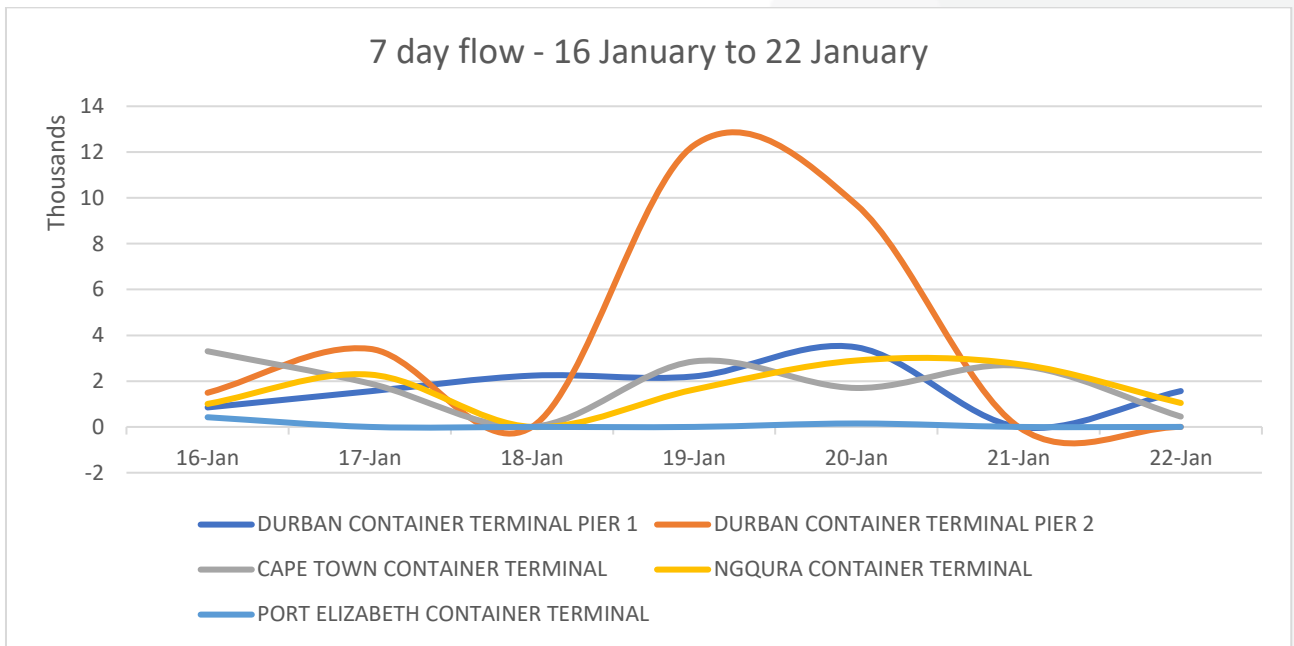


Source: Calculated using data from the [Transnet](#) updates, 2021. Updated 22/01/2021

The figure shows that the longer-term average trend has remained upward at most of our commercial ports, except for Port Elizabeth. Nonetheless, volumes remain less compared to 'normal' trading conditions.

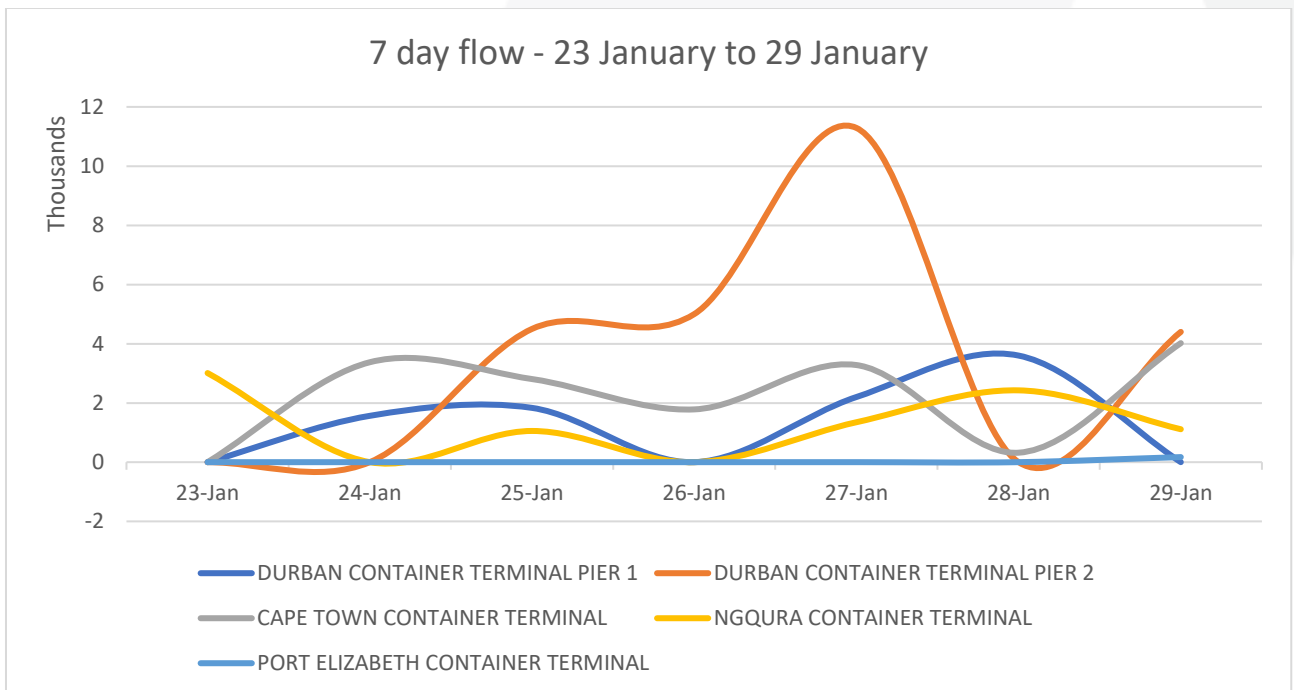
The figures below show the weekly container flows for the previous seven days and projections for the next seven days.

Figure 3 - 7-day flow reported for total cargo movement (16 to 22 January; per port; day-on-day)



Source: Calculated using data from the [Transnet](#) updates, 2021. Updated 22/01/2021

Figure 4 - 7-day flow reported for total cargo movement (23 to 29 January; per port; day-on-day)



Source: Calculated using data from the [Transnet](#) updates, 2021. Updated 22/01/2021

Transnet National Ports Authority update for November

The following section provides a comparative overview of all cargo movement in and out of South Africa's ports for December of 2020; compared to the same month in 2019, as reported by TNPA⁶.



⁶ Transnet, 2020. Port statistics. [TNPA](#)

Table 4 - TNPA - Volume and growth: December 2019 versus December 2020

	Dec 2019	Dec 2020	Movement	Growth
Containers (TEUs)	331 914	353 488	21 574	6%
Landed	162 642	167 269	4 627	3%
Shipped	169 272	186 219	16 947	10%
Dry bulk (MT)	15 453 687	15 681 691	228 004	1%
Liquid bulk (MT)	3 005 963	3 222 842	216 879	7%
Breakbulk (MT)	461 701	259 093	-202 608	-44%
Vehicles (Units)	57 828	42 269	-15 559	-27%
Total Cargo (excl. Vehicles)	18 921 351	19 163 626	242 275	1%

Source: [TNPA](#), updated 19/01/2021

From the figure, several key observations can be made, most notably that December marks the second consecutive month since February (pre-lockdown) where positive returns in container volumes have been achieved. Dry bulk and liquid bulk are also both marginally up. Nevertheless, breakbulk and trade in motor vehicles remain way down compared to the same time last year. This change in the latter two types of cargo is a mirror image to November's numbers, where both types were considerably up. Nonetheless, as the table below indicates, December primarily reflects the situation experienced year-round.

The following table provides a consolidated view of the year-to-date compared to the same time last year:

Table 5 - TNPA - Volume and growth: Jan-Dec 2019 versus Jan-Dec 2020

	Jan-Dec 2019	Jan-Dec 2020	Movement	Growth
Containers (TEUs)	4 525 366	4 074 618	-450 748	-10%
Landed	2 319 624	2 016 264	-303 360	-13%
Shipped	2 205 742	2 058 354	-147 388	-7%
Dry bulk (MT)	185 680 653	177 699 490	-7 981 163	-4%
Liquid bulk (MT)	41 666 684	38 255 183	-3 411 501	-8%
Breakbulk (MT)	5 314 201	3 601 646	-1 712 555	-32%
Vehicles (Units)	774 028	496 768	-277 260	-36%
Total Cargo (excl. Vehicles)	232 661 538	219 556 319	-13 105 219	-6%

Source: [TNPA](#), updated 19/01/2021

Now that the final figures are available, the consolidated table shows that overall cargo movement is down by **↓6%** across all categories. For November, this figure was also **↓6%**. As with the monthly statistics, both breakbulk and motor vehicle trade were the significant casualties for 2020. Despite the overall negative trend in 2020, some positive trends for December have been seen, as shown in *Table 4*. The following table provides an overview of the containerised cargo for the period.

Table 6 - TNPA - Volume: Jan-Dec 2019 versus Jan-Dec 2020: Containerised cargo

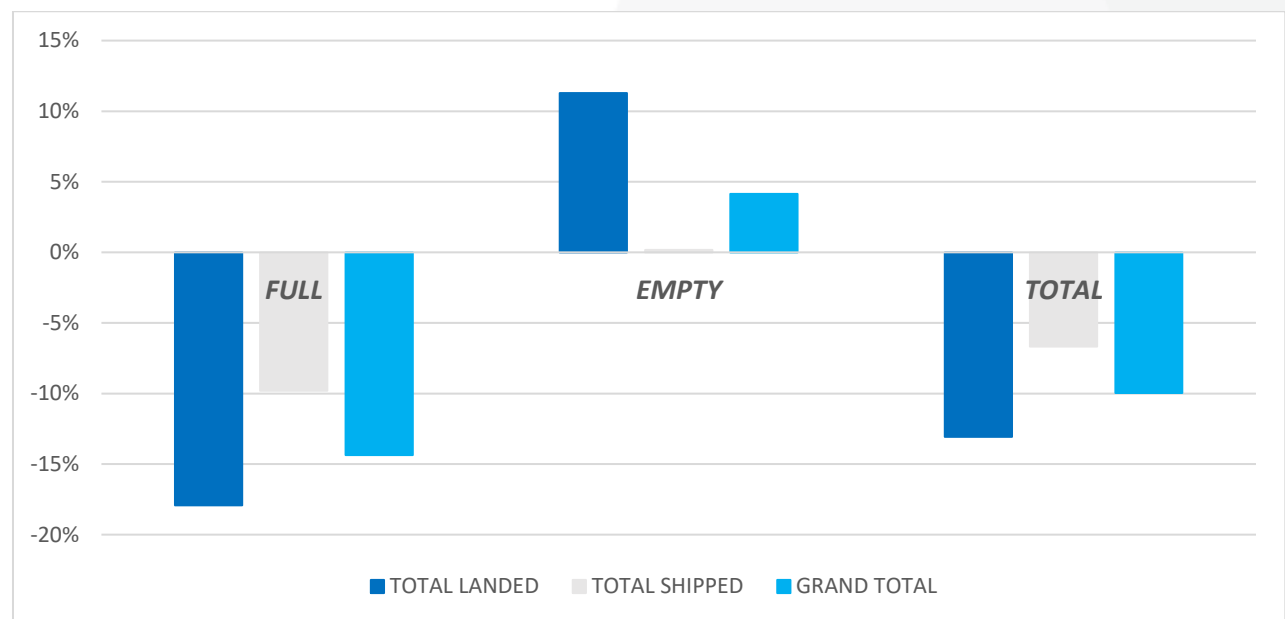
	2019			2020		
	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL
LANDED:						
DEEPSEA	1 590 723	258 310	1 849 033	1 314 591	290 867	1 605 458

COASTWISE	5 589	42 033	47 622	3 836	50 439	54 275
TRANSHIPPED ⁷	337 831	85 138	422 969	268 889	87 642	356 531
TOTAL LANDED	1 934 143	385 481	2 319 624	1 587 316	428 948	2 016 264
SHIPPED:						
DEEPSEA	1 168 933	579 251	1 748 184	1 095 251	553 690	1 648 941
COASTWISE	6 386	26 510	32 896	5 058	47 412	52 470
TRANSHIPPED	339 910	84 752	424 662	266 348	90 595	356 943
TOTAL SHIPPED	1 515 229	690 513	2 205 742	1 366 657	691 697	2 058 354
GRAND TOTAL	3 449 372	1 075 994	4 525 366	2 953 973	1 120 645	4 074 618

Source: [TNPA](#), updated 19/01/2021

The following figure provides a visual representation of the table above.

Figure 5 - TNPA - Growth: Jan-Dec 2019 versus Jan-Dec 2020: Containerised cargo



Source: [TNPA](#), updated 19/01/2021

As the year has drawn to a close, the final capacity levels amount to **~90%** compared to last year, in the lower band as previously predicted. Once again, it is very clear from the figure above that the volume of full containers has significantly decreased over this period. Simultaneously, the volume of empty containers (especially containers *landed*) has shown substantial growth (more on this matter [below](#)). This phenomenon is testament to ocean freight's slowdown and the industries that feed it across this period. It also clarifies the container imbalances being experienced by global shipping lines, which have resulted in the surcharges imposed on container freight rates (see [below](#)).

- **Summary of port operations**

An average of **~9,123 TEUs** was handled per day over the course of the last week (16 - 22 Jan, [Table 2](#)), with a decreased average of around **~8,442 TEUs (↓7%)** expected to be handled over the course of the next week (23 - 29 Jan, [Table 3](#)). For December, final TNPA figures indicated that, in a yearly sense, containerised

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⁷ 'Transhipped' means an act of off-loading cargo from one ship (generally at the hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transhipment port for a period of time.

volumes decreased by ↓10% and amounted to 90% compared to 2019 levels. This week's narrative is built around the significant weather delays experienced at our commercial ports, among other pitfalls.

Earlier in the week, Durban Container Terminal (DCT) Pier 2 struggled with COVID-19 among staff, resulting in running at 70% capacity with numbers of staff in the technical teams reporting sick. Some assistance was requested from the OEMs in this regard. The other significant operational delay included strong winds gusting at over 100km/h, putting the Pier on standby earlier in the week, with further recurrences throughout the week. The situation is likely to impact operations over the weekend. The root cause of the strong winds is Cyclone Eloise currently over Madagascar, presenting definite threats to Southern Mozambique and northeast South Africa. Although both Piers at DCT were quiet over Thursday and Friday, Eloise will most likely bring high winds over the weekend to the country's east coast.

The delays at DCT resulted in substantial vessel and truck build ups — a constant throughout the week. The impact on cartage is severe, as congestion in the somewhat limited staging area builds up. Consequently, slot availability reduces or even disappears. Some vessels subsequently missed their berthing windows, with the standout example being KOTA LANGSAR being delayed in Durban for over ten days — already having been on the coast for 20 days — and yet to berth at Cape Town CT.

In Cape Town, the weather was not quite as bad, although some delays were experienced up to 11 hours early in the week, with total delays amounting to 36 hours' loss. Some wind delays were also felt at Ngqura CT. Regarding COVID in Cape Town, there are currently two active cases in isolation, luckily not impacting operations. Second wave cases in Cape Town CT now stand at 26 and 85 in total. The port handled some 13,000 TEUs with a slight increase expected next week. Reefer occupancy dropped significantly over the course of the week. Cape Town MPT is operating two berths and handled 2,081 TEUs and has two vessels alongside. However, ongoing concerns revolve around equipment failure/breakdowns, resulting in a 5-hour truck delay. The ongoing deciduous fruit season continues prolifically, with FPT handling five vessels this week, with a further four expected in the coming week.

Concerning Transnet Freight Rail (TFR), a sinkhole was reported at Kalkfontein south of Pretoria during the week, bringing the direct service to that area to a halt. Decisions were made to reroute trains via Central Rand and Pyramid. Further delays were reported due to cable theft at Jupiter south of Kaserne in the early hours of Wednesday, halting export trains at City Deep pending repairs.

In summary, some figures are worth noting. As mentioned above, the final 2020 TNPA figures were reported during the week. In summary, imports of full container loads — our bread and butter, so to speak — were down by 14.42% annually, whereas full container loads exports were down by 10.04%. The global shortage of empty containers was reflected in the 18.8% increase in available exports. As mentioned above, vehicle trade was ominously down on last year. Incidentally, fully built vehicle exports registered their lowest return since 2014. Better news for the economy as a whole was the considerable increase reported in bulk exports, especially chrome and manganese — both up by over 20%. Lastly, our staple export — maize — was up by 8% annually.



Air Update

a. International air cargo

The following table depicts the inbound and outbound air cargo flows to and from ORTIA for the week starting 13 January. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *January 2020* was about **640 733 kg** per day⁸.

Table 7 - International inbound and outbound cargo from OR Tambo

Flows	13-Jan	14-Jan	15-Jan	16-Jan	17-Jan	18-Jan	19-Jan
Volume inbound	408 798	239 201	195 784	228 640	603 972	618 470	198 684
Volume outbound	261 027	203 783	174 590	155 742	428 047	220 481	241 991
Total handled per day	669 825	442 984	370 374	384 382	1 032 019	838 951	440 675

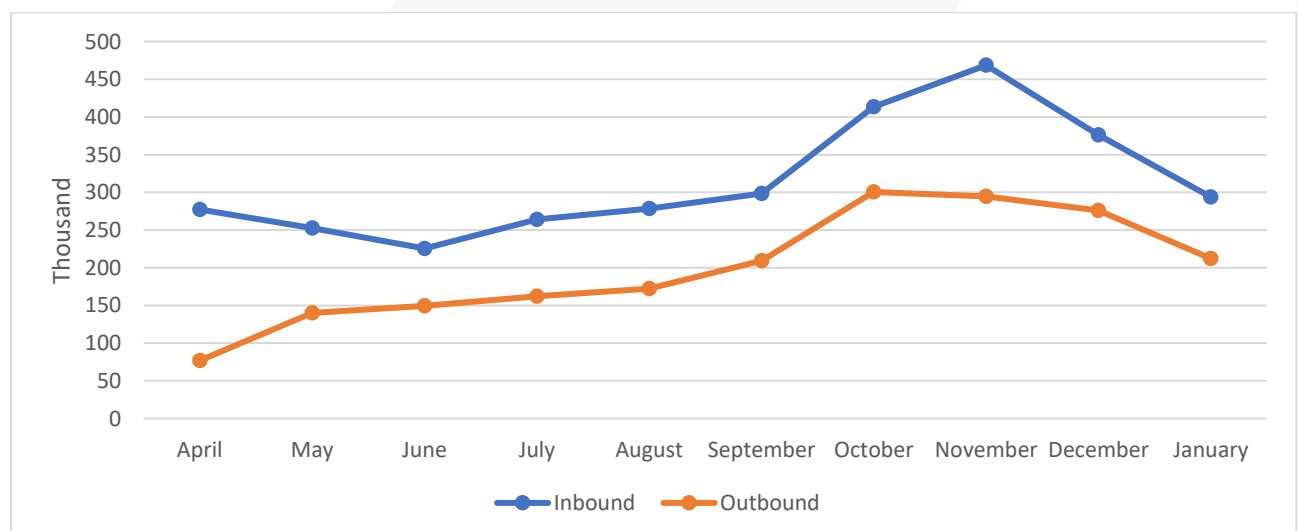
Updated: 22/01/2021

Despite the ongoing and inexplicable refusal to allow freighters to operate as essential services during curfew hours, international air cargo volumes rebounded significantly compared to the depressed figures reported last week. As such, the daily average volume of air cargo handled at ORTIA over the seven days starting 13 January amounted to **356 221 kg** inbound and **240 809 kg** outbound. In total, that results in an average of **597 030 kg** per day, which is approximately **~80%** compared to the two months before the lockdown period (compared to **~61%** last week).

Industry continues to call for the revision of regulations to allow aircraft to operate as essential services. The overnight movement of urgent cargoes by air is a vital artery in keeping the wheels of the economy turning, and this regulation must be rescinded as a matter of urgency. As international traffic continues to grow, this restriction will impact even more severely.

The following image displays the monthly international air cargo flowing to ORTIA. Although the short-term volumes increased during the week, the longer-term outlook remains depressed, as shown below.

Figure 6 - International inbound and outbound cargo from OR Tambo



Updated: 22/01/2021



⁸ Note, when including statistics from South Africa's other two international airports, Cape Town International and King Shaka (Durban) International airports, the total figure rises to **793 825 kg** per day.

Global air cargo traffic

The image below depicts international air traffic at around mid-morning of 22 January 2021. Air traffic lately has largely mirrored this image shown below — being mostly driven by cargo flights as passenger bookings are on average 79% below their level a year ago (see [below](#)). Air activity has mostly returned to South Africa. However, the recently introduced enforcement of bans on aircraft operating during curfew hours (contrary to the situation throughout most of the 'hard lockdown' earlier this year) has severely curtailed industry operations.

Figure 7 - Global air traffic: 22 January 2021

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Source: [FlightRadar24](#), 22/01/2021, 09:00

Domestic air cargo

The following table shows the domestic inbound and outbound air cargo flows for the duration of the lockdown period, as reported by industry. The table includes the main domestic hubs, with a summary for the other airports. For comparative purposes, the average domestic air freight cargo (inbound and outbound) for ORTIA handled *before* the lockdown period was approximately **75 000 - 90 000 kg** per day (calculated from industry feedback). For further comparisons, the average domestic air freight cargo (inbound and outbound) for ORTIA handled in *January 2020* was approximately **72 330 kg⁹** per day. CTIA volumes have also declined, thereby also underlining the impact of the imposition of curfew hours.

Table 8 - Total domestic inbound and outbound cargo

DATE / AIRPORT	CPT	DUR	ELS	ORTIA	PLZ	OTHERS	TOTAL
Mar Average	8 581	823	1 728	4 020	2 912	1 555	19 619
Apr Average	14 664	900	2 152	13 911	3 814	1 760	35 956
May Average	28 421	1 639	4 677	25 282	7 333	1 099	58 064
Jun Average	24 256	2 137	5 105	23 935	8 601	3 324	63 236
Jul Average	23 395	2 759	4 896	24 255	6 550	5 139	63 116

⁹ For Cape Town, the figure corresponds to **51 307 kg** per day, and **14 610 kg** per day for Durban during the same period (January 2020).

Aug Average	22 860	2 418	40 93	22 142	5 643	2 819	59 559
Sept Average	24 735	2 682	3 712	24 003	6 126	3 315	64 572
Oct Average	25 317	2 931	3 552	22 085	6 475	3 315	63 676
Nov Average	21 592	9 641	4 117	21 434	12 060	5 592	73 698
Dec Average	24 311	3 475	3 480	24 326	6 194	3 845	65 630
01-Jan-21	462	245	44	580	41	0	1 372
02-Jan-21	319	350	13	493	20	106	1 301
03-Jan-21	1491	325	7	341	222	4	2 390
04-Jan-21	25 480	2 569	2 980	43 049	7 074	4 325	85 477
05-Jan-21	26 420	4 717	3 899	15 896	6 753	3 788	61 473
06-Jan-21	27 707	3 258	4 310	35 238	6 458	3 445	80 416
07-Jan-21	272	832	233	22	83	127	1 569
08-Jan-21	12 636	1 665	2 560	11 499	4 004	2 098	34 462
09-Jan-21	527	365	110	303	72	4	1 380
10-Jan-21	1 375	316	76	307	246	76	2 395
11-Jan-21	36 957	3 881	4 989	47 651	10 166	5 833	109 477
12-Jan-21	35 412	4 080	4 393	27 011	9 245	3 986	84 127
13-Jan-21	35 436	5 888	5 455	45 415	9 061	28 000	105 688
14-Jan-21	32 659	3 946	4 627	29 038	8 593	4 026	82 890
15-Jan-21	13 739	1 409	3 015	23 706	4 066	3 062	48 997
16-Jan-21	748	943	103	1 912	130	30	3 866
17-Jan-21	2 212	531	22	308	96	72	3 240
18-Jan-21	47 533	4 811	5 740	44 836	10 446	54 966	119 818
19-Jan-21	37 012	4 658	6 028	38 921	10 583	5 904	103 106
20-Jan-21	41 611	4 947	4 572	47 441	10 124	5 775	114 470
Grand Total	408 917	53 148	56 508	440 434	105 372	129 835	1 122 131

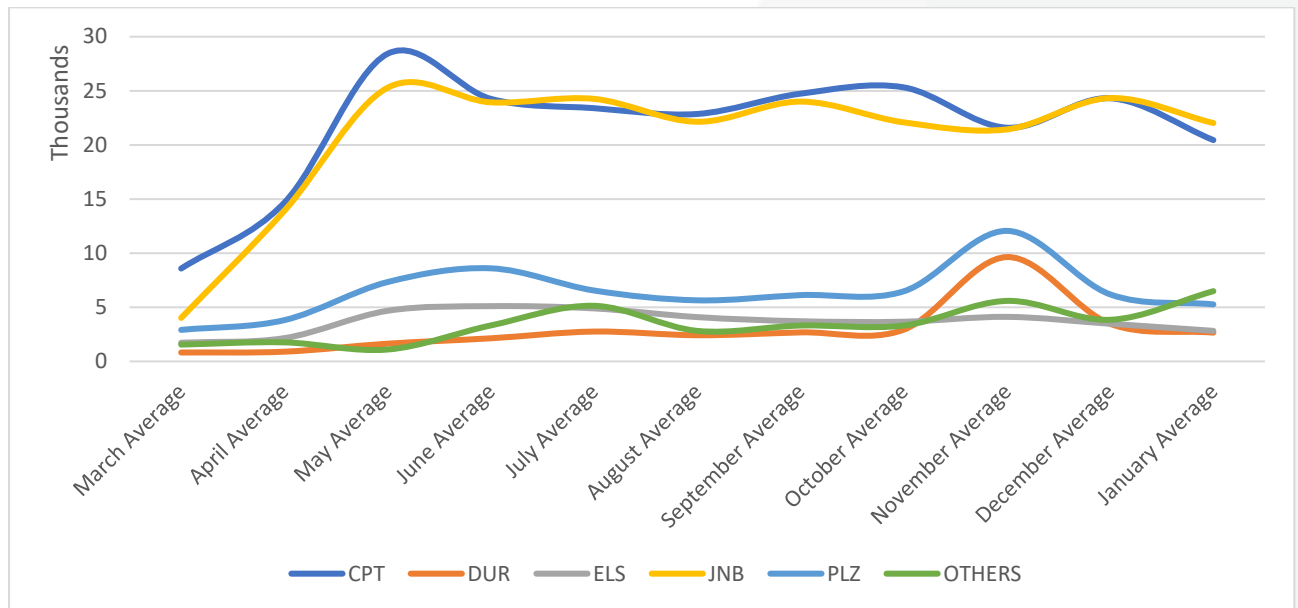
Updated: 22/01/2021

The average domestic air cargo moved during the lockdown period has amounted to **~68 055 kg** per day (**↑15%** compared to last week), which constitutes approximately **112%** of the volume moved pre-lockdown. Comparative y-o-y figures currently stand at **~72%** of the volume of January 2020 (**~56%** last week).

The domestic volumes for the week — although up by some **10 000 kg** per day since last week — have been severely affected by the regulations banning aircraft from operating during curfew hours. Although the aviation industry understands the need to limit people's movement in and around busy public space such as airports, the domestic air cargo operations provide critical supplies into the local economy every night. This support was available right through lockdown after the initial 5-week hiatus when the stringent lockdown regulations were introduced. There is no evidence that these operations had, or could have, any effect on the transmission of the virus, so once again the authorities are urged to reconsider the vital sustaining role played by air cargo and its ancillary role players as essential services.

The following figure highlights the total monthly domestic air cargo moved per airport as per the table above. Domestic air cargo levels seem to have plateaued in recent months, and it can be expected that the night flying ban will reduce the volumes, even from the existing low level.

Figure 8 - Total domestic inbound and outbound cargo



Updated: 22/01/2021

Southern Africa air traffic

The next image shows the air traffic across Southern Africa at around mid-morning of 22 January. With the restrictive curfew implementation in place and more stringent restrictions applied to foreign airlines, air traffic will likely subside once again. The situation is a hard blow for the aviation industry in South Africa.

Figure 9 - Southern Africa air traffic: 22 January 2021



Source: [FlightRadar24](https://www.flightradar24.com), 22/01/2021, 09:00

1. International update

The following section provides context as to the health of the global economy and the impact of COVID-19.

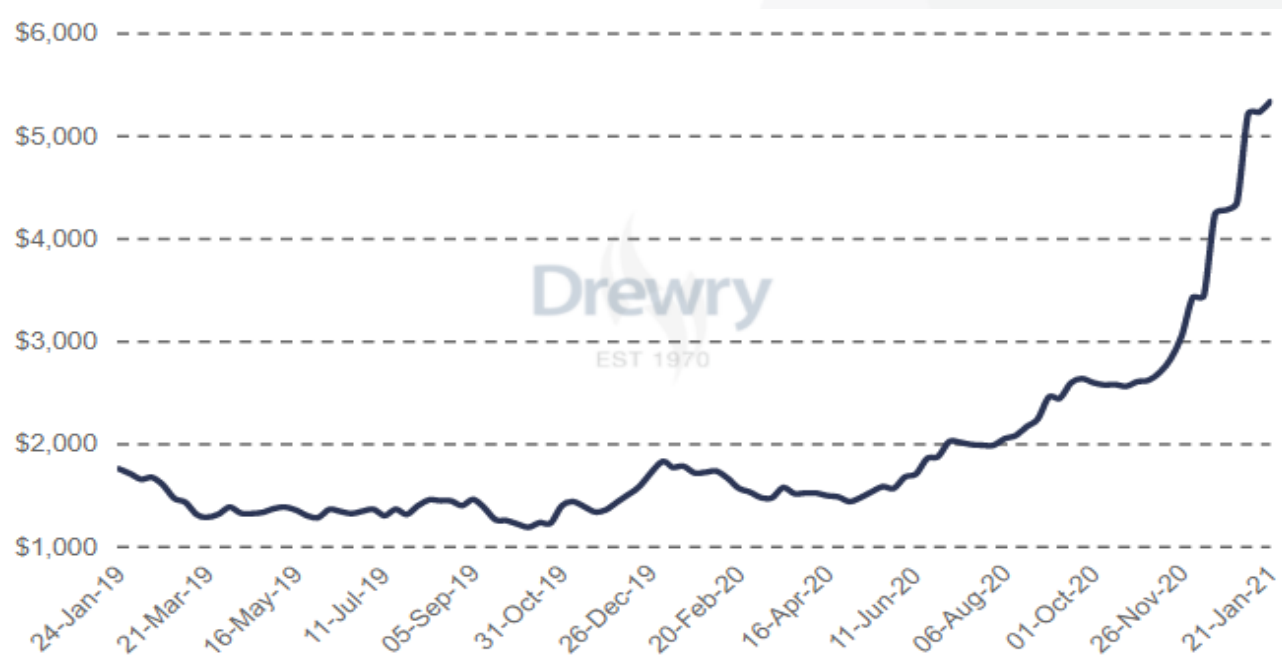
1. Container industry at a glance

Container freight spot rates once again increased to a new record-high this week. The "World Container Index" (WCI) compiled by Drewry, the maritime research and consulting firm¹⁰, rose by **↑2%** to **\$5,340.30** per 40ft container. The change continues its unprecedented surge, as a combination of spiking demand and endless congestion is taking its toll on the industry. The following figure summarises the current trend.



¹⁰ Drewry Supply Chain Advisors. 21/01/2021. World Container Index. [World Container Index](https://www.drewry.com/world-container-index)

Figure 10 - World Container Index - Assessed by Drewry (\$ per 40 ft. container)



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

Underpinning the recent sustained upturn in demand with its accompanying capacity crunch and container imbalances is the increased production and exports, especially prevalent in China. The surge has been an ongoing theme of the second half of 2020. The driving factor is making up for the loss in production experienced at the start of the year when the pandemic wreaked havoc on the industry.

The following table combines the monthly and annual changes for the eight major East-West trades.

Table 9 - World Container Index per major trading route - Assessed by Drewry (\$ per 40 ft. container)

Route	07-Jan-21	14-Jan-21	21-Jan-21	Weekly change (%)	Annual change (%)
Composite Index	\$5,221	\$5,238	\$5,340	2% ▲	198% ▲
Shanghai - Rotterdam	\$8,882	\$8,815	\$9,066	3% ▲	296% ▲
Rotterdam - Shanghai	\$1,357	\$1,357	\$1,409	4% ▲	110% ▲
Shanghai - Genoa	\$8,380	\$8,412	\$8,792	5% ▲	230% ▲
Shanghai - Los Angeles	\$4,194	\$4,194	\$4,178	0%	153% ▲
Los Angeles - Shanghai	\$518	\$518	\$530	2% ▲	28% ▲
Shanghai - New York	\$6,385	\$6,748	\$6,517	-3% ▼	132% ▲
New York - Rotterdam	\$690	\$663	\$646	-3% ▼	24% ▲
Rotterdam - New York	\$2,185	\$2,116	\$2,283	8% ▲	-5% ▼

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

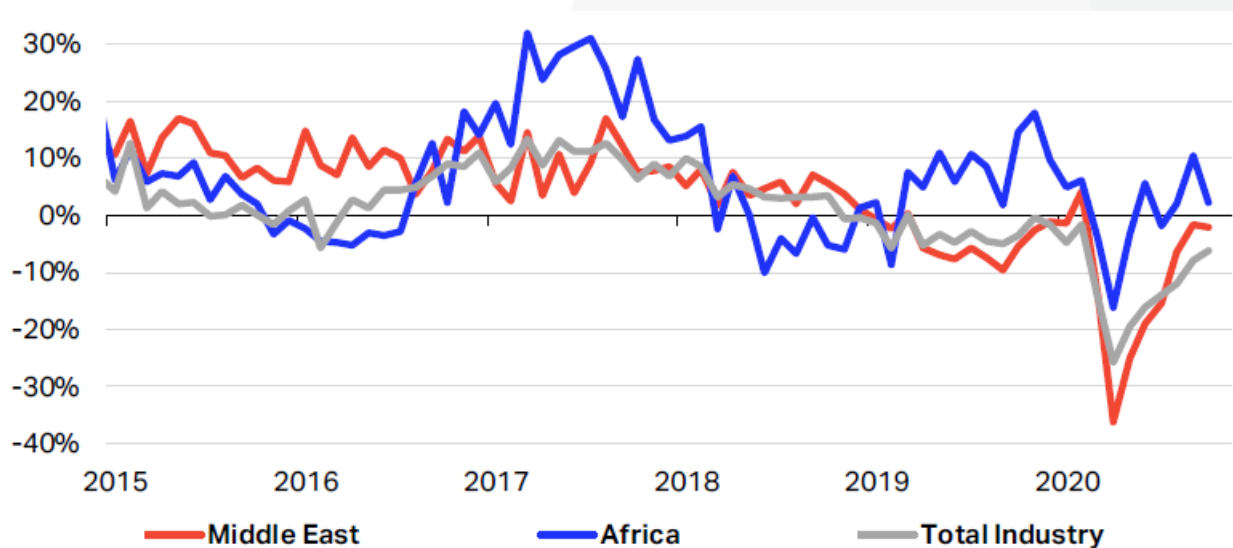
As a summary of the WCI, Drewry provides the following reasons for their recent assessment:

- The average composite index of the WCI for year-to-date is **\$5,340** per 40ft container (up by **\$111** from last week).
- Regionally, the biggest mover was the Rotterdam - New York route, up by **8%**.
- Except for Rotterdam - New York, all major routes are up by more than 26% compared to last year.
- Container freight rates to and from China are significantly elevated.
- The global demand is expected to remain strong until at least the start of the second quarter.

Aviation industry at a glance

Air cargo trends in South Africa are mainly mimicking the movements experienced in the broader Middle East region and are closely correlated to the global industry experience. The situation is quite different in the rest of Africa, where air cargo growth has been less affected than South Africa. The following figure graphically illustrates the current situation.

Figure 11 - CTKs, percentage growth year-on-year



Source: [IATA Economics](#)

Industry-wide cargo tonne-kilometres (CTKs) fell by 6.2% y-o-y versus a 7.8% fall in the previous month. In terms of South African growth, cargo volumes are down by approximately 25% y-o-y. This drop is in contrast to the rest of the continent, where Africa remained the second-best performer of all regions after North America. The region's CTKs rose by 2% y-o-y, compared with an 11% expansion in September. South Africa hopes to follow the patterns seen in the rest of Africa; however, given the ongoing freighter ban during curfew hours, the reality still seems far off, despite the imminent demand increase due to vaccines.

Globally, although the aviation industry is welcoming the increased demand created by the distribution of COVID-19 vaccines, IATA notes that the near-term outlook remains challenging. News flow regarding COVID vaccine developments fuelled hopes for future global economic recovery over the past month. This positive sentiment boosted global financial markets performance which is trending above pre-pandemic levels.

Nonetheless, passenger bookings have not shared the market sentiment yet. Bookings at the start of 2021 point to another problematic quarter, as they are on average 79% below their level a year ago¹¹. IATA notes that the booking numbers are even a slight deterioration compared to the start of the previous quarter indicating that the recovery in air travel demand, which has already stalled in the last quarter of 2020, could

¹¹ IATA. 15/01/2021. Chart of the Week. [IATA](#)

weaken further. Repeating the message conveyed during the previous week's report, IATA urges effective testing instead of quarantine to accelerate market opening critical for airlines' survival in many regions. The impact of stricter regulation of travel in the Northern hemisphere contributes to this gloomy assessment.

Conclusion

This update — *the 22nd of its kind* — contains a consolidated overview of the South African supply chain and the current state of trade internationally. Since the previous version, new cases of COVID-19 have remained elevated during the second-wave surge, averaging approximately **11,975** per day (down from **18,031** during the last week). Luckily, it seems that the worse of the second wave has passed, although we are far from safety just yet. It also appears that a third wave cannot be ruled out. To illustrate the point, the total number of deaths has now surpassed **2 million** globally. On a more positive note, several countries are continuing with their aggressive vaccination rollouts. As of writing, **0.73%**¹² of the world's population have now been vaccinated.

In terms of the total number of cases, South Africa moved up into **15th** position globally, overtaking Iran in the past week, as predicted last week. The total number of cases recorded in South Africa has now amounted to **1,380,807**¹³ at the time of writing. This number is rapidly rising. We can but hope that South Africa follows suit and gets the vaccine rollout programme up to speed. As reported in the media this week, it is broadly expected that South Africa will receive its first shipment of vaccines during the coming week¹⁴.

For the ocean modality, containerised cargo to and from South Africa shrank by **10%** during 2020. The immediate outlook is not significantly better, as volumes have remained relatively low. This week's average stands at **~9,123 TEUs** handled per day, with a decreased average of around **~8,442 TEUs (↓2%)** expected to be handled over the next week. In total, our container industry shrank by **10%** for 2020. Imports of full container loads were down by **14.4%** annually, whereas full container loads exports were down by **10%**. As mentioned above, the continued global shortage of empty containers was also reflected in the TNPA numbers, with our empty container exports increasing by **18.8%** for the year. At the very least, the ocean freight industry hopes to return to 2019 volumes this year.

The average volume of international air cargo handled at ORTIA over the seven days starting 19 January amounted to an average of **597 030 kg** per day, which is approximately **~80%** compared to the two months before the lockdown period (compared to **~61%** last week). Current levels correspond to **~68%** compared to the same period the previous year. For the domestic industry, average air cargo moved continues to be relatively low, hovering around **~68 055 kg** moved per day since the start of lockdown, which constitutes approximately **~112%** of the volume moved compared to pre-lockdown. Concerning the ongoing banning of night flights, the industry reiterates the request to allow aircraft and accompanying services to operate as they have ever since lifting level 5 restrictions.

In the international ocean economy, weekly global freight spot rates remain stratospherically high, currently at **\$5,340.30** per 40ft, which increases **↑2%** from last week. The change continues the record surge, as the two-fold difficulty of spiking demand and ceaseless congestion is taking its toll on the industry. Underpinning the recent sustained upturn in demand and accompanying capacity crunch is the increased production and exports, especially prevalent in China. The global demand is expected to remain strong until the start of the second quarter, as the global economy is trying to turn the wheel and make up the lost time of the first half

The logo for BUSA (Business and Supply Association) features the letters 'BUSA' in a large, bold, sans-serif font. A horizontal line is positioned below the letters, extending to the right.

¹² Our World in Data, Coronavirus (Covid-19) Vaccinations. [Our World in Data](#)

¹³ John Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#)

¹⁴ Business Tech. 22/01/2021. [Business Tech](#)

of 2020. However, it must be said that recent developments in China, with rising infections and accompanying stricter regulation, might alter this picture.

In terms of the global aviation industry, there has recently been a spike in demand, especially for air cargo as countries worldwide are ramping up the distribution of COVID-19 vaccines. In the face of the demand in cargo, passenger demand remains very low, despite a short-term hike around the festive period. Very low passenger bookings continue to persist, as much of the global fleet is yet to resume normal operations, so belly-hold space availability is expected to remain restricted.

The focus now turns to the vaccine's rollout strategy for the South African supply chain, as we are expecting the first shipments to flow in next week. Significant stress will be placed on our cold chain networks since several vaccines will need to be shipped at extremely cold temperatures. For the National Department of Health's optimistic plan to vaccinate two-thirds of the population by the end of 2021, there is no time to waste since the project would entail inoculating more than 140,000 people every day until December. As such, it seems that South Africa is at a new critical juncture every week. A collaborative partnership between all stakeholders within the broader supply chain is needed now more than ever.