

COVID-19: Cargo movement update¹

Date: 20 May 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)	22 328	24 448	46 776	21 952	26 092	48 044	↓3%
Air Cargo (tons)	4 800	2 837	7 637	4 657	2 405	7 062	↑8%

Monthly Snapshot

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

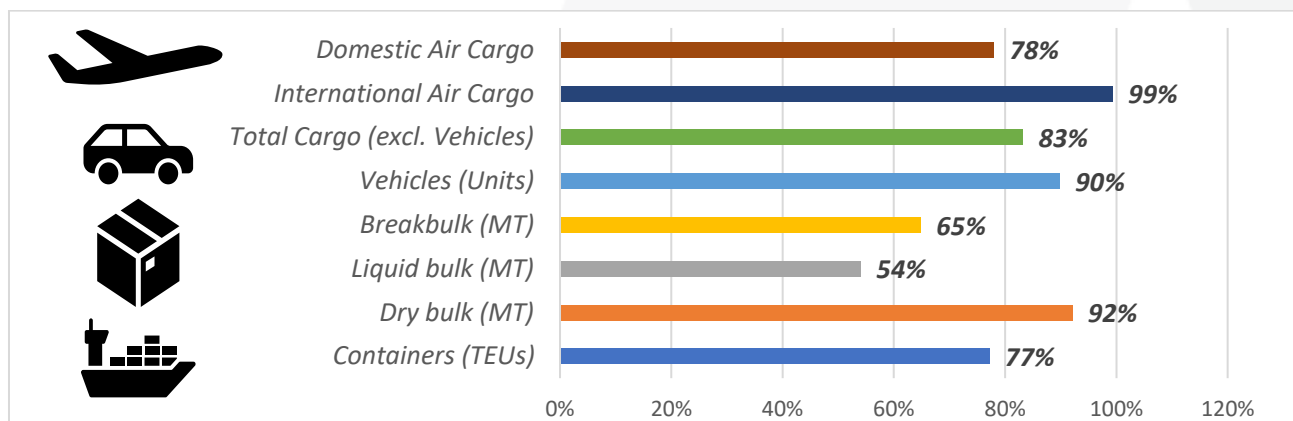


Figure 2 – Global year-to-date flows 2019-2022⁵: ocean, y/y (metric tonnes) & air freight, y/y (kg millions)



Key Notes

- An average of **~6 682 containers** was handled per day, with **~8 100** projected for next week.
- TNPA port statistics for April: containers are **↓22%** (y/y), **↑17%** versus 2020, and **↓12%** (m/m) owing to the KZN floods. Total cargo handled is **↓17%** (y/y), **↑21%** compared to 2020, and **↓15%** (m/m).
- Rail cargo handled out of Durban amounted to **444** containers, **↓42%** compared to last week.
- This week, cross-border queue times **↑0,6 hours**, with transit times **↓0,1 hours** (see [below](#)).
- The "WCI" continued to decline albeit marginally, with spot rates **↓0,1%** (or **\$9**) to **\$7 648** per 40-ft.
- Shanghai lockdowns are estimated to have prevented **260 000 TEUs** of export cargo from being shipped.

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 88th 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-Feb cargo in metric tonnes, as reported by [Transnet](#) is used, while for air, Jan-Feb cargo to and from ORTIA is used.

Executive Summary

This update – *the 88th 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 tapered off this week, averaging approximately **6 381** per day (**↓16%** against last week's average of **7 566**). South Africa has recorded **3,92 million**⁶ positive cases, with the death toll up to **100 898** this week (up by **238**). Globally, the case tally stands at **526 million** infected by COVID-19, with **6,29 million** deaths recorded. Around **11,75 billion** vaccine doses have been administered globally⁷, with the South African count at **35,5 million**.

Port operations this past week at the Port of Cape Town went well, thanks to pleasant weather conditions. The repair to LC8 was postponed again, with port users expressing their frustrations. The Port of Durban is busy preparing for the capacity for high citrus volumes planned in the coming weeks. Limited cranes were among the most significant challenges experienced. Excessive rain was experienced the past weekend, slowing operations. Transnet advised that the plans are underway to relocate the manganese ore facility from Gqeberha to the Port of Ngqura in 2027. Lastly, a temporary solution was found in exporting rail cargo through the Container Corridor.

On the international shipping side, container freight rates continue to subside; however, the other ongoing constraints of congestion, poor reliability, and a mismatch of supply and demand appear to continue. These issues are expected to be exacerbated as China's COVID policies mean that the global shipping powerhouse cannot break free from its operational constraints. As a result, Shanghai is seeing fewer vessel calls, as the situation is set to spark future shipping delays, just when the industry seemed to be on course for a return to normal service. Further developments of note included **(1)** an update on the dry bulk market, **(2)** US congestion issues, and **(3)** excess containers once global capacity constraints ease (see [below](#)).

South Africa's domestic – and international air cargo sector volumes both increased this week by **↑8% w/w**, despite air cargo operations being plagued by load-shedding and the ongoing concerns of fuel shortages. Further updates are provided on ongoing issues surrounding operations, including **(1)** scanner stops, **(2)** implementation of the IVS system, and **(3)** security access to the cargo precinct. Domestic passenger numbers are also returning slowly, as has been the case globally, but remain way down on pre-pandemic levels⁸.

Regionally, ongoing cross-border delays have been experienced, especially in Beitbridge and Kasumbalesa. The average border crossings in the SADC region remain slow, with the need for technological uptake at South Africa's and the rest of the regions' borders emphasised again. Other delays for road transport this week included **(1)** water shortages and subsequent protests in Musina and **(2)** a sinkhole on the N3, which caused massive delays but have fortunately been repaired since.

In summary, the current realities in our extended supply chain are cause for some concern, as we are seemingly offsetting periods of growth with several frequent periods of setbacks. Although some are unavoidable (floods, global congestion, wars), others are not (equipment, system enhancements, operational efficiency), which means we need to push for supply chain continuity at all times. This drive requires concerted efforts from all stakeholders, business, government, and labour. South Africa remains a relatively open economy (trade accounts for **~60%** of GDP), which makes us vulnerable to global externalities and provides us with the opportunities to leverage global growth into national growth. For our extended ocean supply chain - as has been our message throughout – we need ongoing investment in our key sectors to allow global growth to spill over to national growth.

⁶ Johns Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#).

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

⁸ Daniel, L. 16/05/2022. [Cape Town airport is doing better than OR Tambo – but still a lot quieter than pre-Covid](#).

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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 14 to 20 May⁹

7-day flow forecast (14/05/2022 – 20/05/2022)		
TERMINAL	NO. OF CONTAINERS ¹⁰ TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	3 423	4 084
DURBAN CONTAINER TERMINAL PIER 2:	10 863	11 565
CAPE TOWN CONTAINER TERMINAL:	4 350	5 233
NGQURA CONTAINER TERMINAL:	3 242	2 966
GQEBERHA CONTAINER TERMINAL:	450	600
TOTAL:	22 328	24 448

Source: Transnet, 2021. Updated 20/05/2022.

Table 3 – Container Ports – Weekly flow reported for 21 to 27 May

7-day flow forecast (21/05/2022 – 27/05/2022)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	4 094	5 722
DURBAN CONTAINER TERMINAL PIER 2:	11 649	14 269
CAPE TOWN CONTAINER TERMINAL:	5 681	6 260
NGQURA CONTAINER TERMINAL:	4 412	3 311
GQEBERHA CONTAINER TERMINAL:	550	750
TOTAL:	26 386	30 312

Source: Transnet, 2021. Updated 20/05/2022.

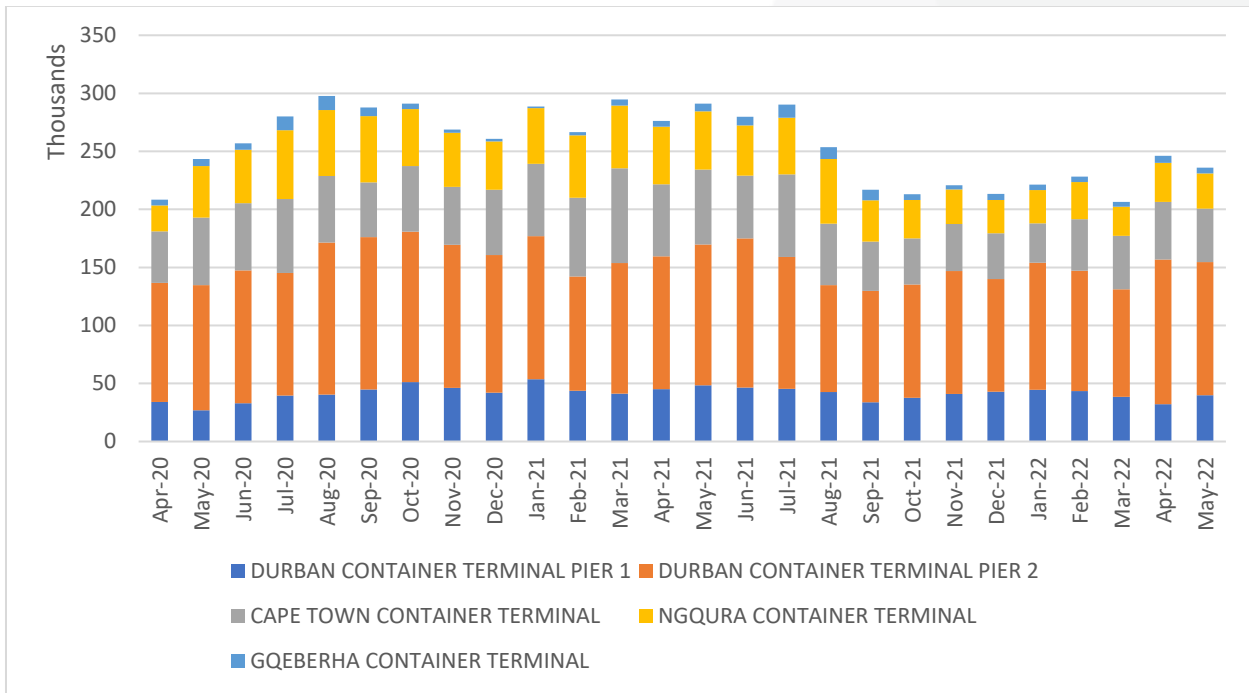
An average of **~6 682 containers** (**↑4%**) was handled per day for the last week (14 to 20 May, Table 2), despite the projected average of **~6 863 containers** (**↓2%** actual versus projected) noted in last week's report. An increased average of **~8 100 containers** (**↑21%**) is projected to be handled next week (21 to 27 May, Table 3). Operationally, the week was characterised by further intermittent equipment breakdowns and a shortage of STS cranes at the Durban Pier 2 terminal. Fortunately, a temporary solution was found in exporting rail cargo through the Container Corridor (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. Please note that the monthly flow is reported in containers and not TEUs, as mentioned in the footnote.

⁹ 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 reefers in preparation for the deciduous fruit season.

¹⁰ 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.

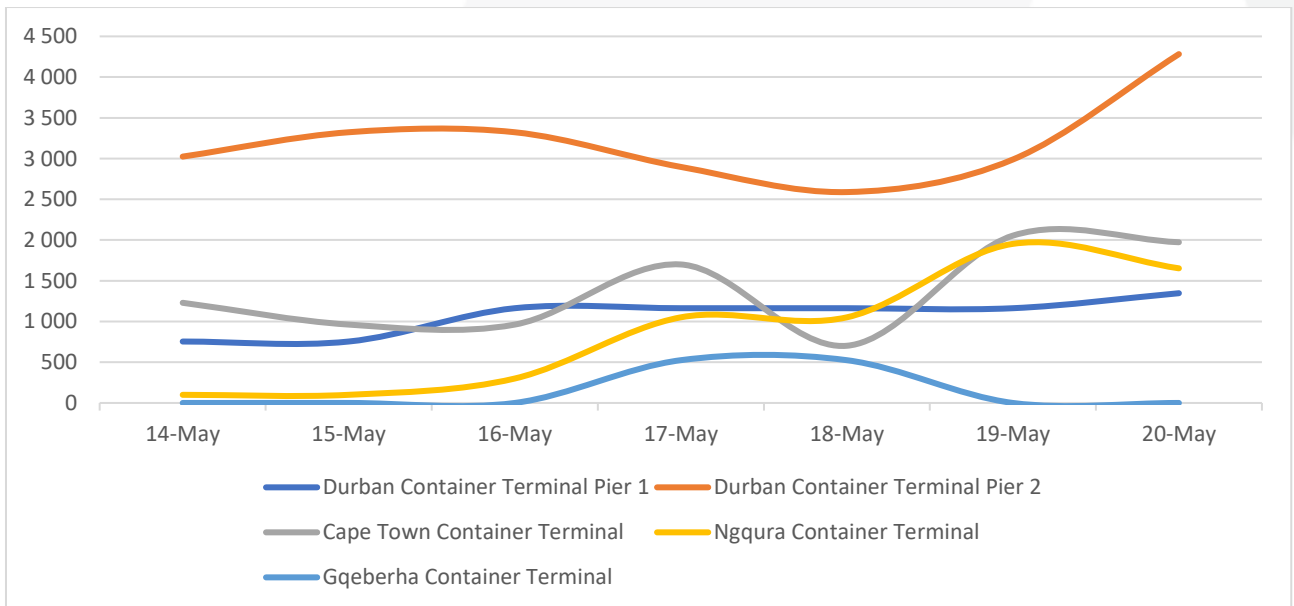
Figure 3 – Monthly flow reported for total cargo movement (containers April 2020 to present, m/m)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

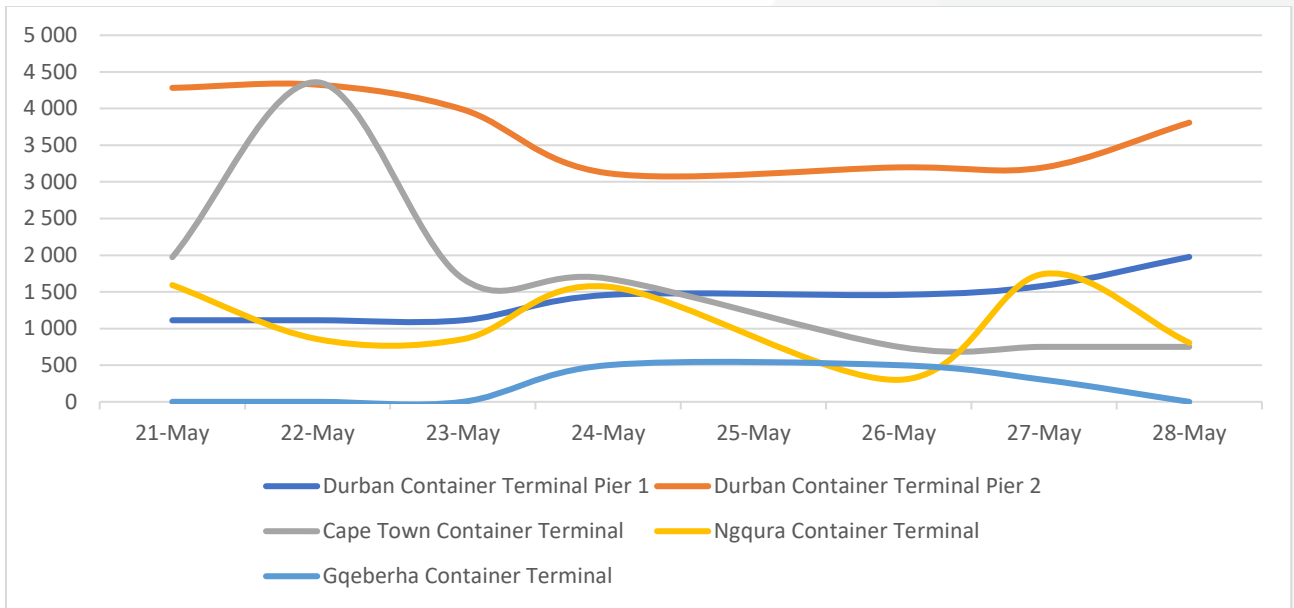
The figures below show the weekly container flows for the previous seven days and projections for the next seven days.

Figure 4 – 7-day flow reported for total container movements (14 to 20 May; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

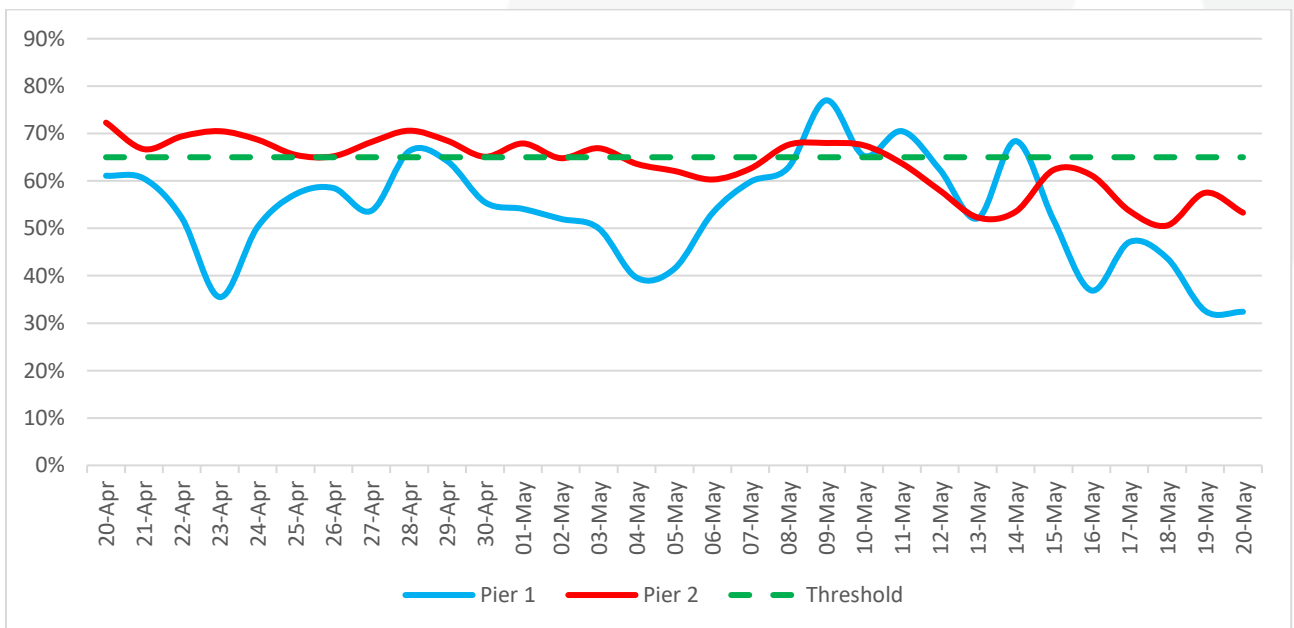
Figure 5 – 7-day forecast reported for total container movements (21 to 27 May; per port; day on day)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

The following figure shows daily stack occupancy in both Durban terminals since mid-April.

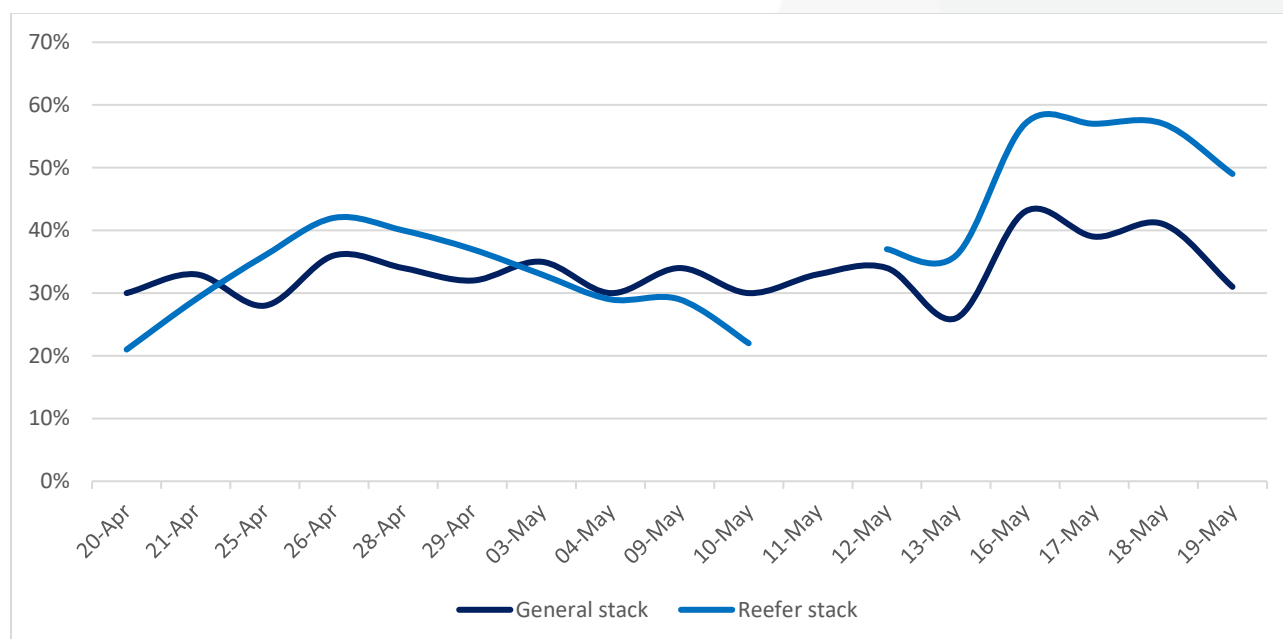
Figure 6 – Stack occupancy in DCT, general-purpose containers (20 April to present; per pier; day on day)



Source: Calculated using data from Transnet, 2021. Updated 13/05/2022.

The following figure shows daily stack occupancy in Cape Town over a similar period.

Figure 7 – Stack occupancy in CTCT, general-purpose, and reefer containers (20 April to present; day on day)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

b. Transnet National Ports Authority: April update

Transnet National Ports Authority (TNPA) has released its consolidated monthly port statistics for April¹¹, with the devastation of the KZN floods unequivocally displayed. Most sub-sectors (except for vehicles) are substantially down compared monthly and annually. The following table shows the monthly movement compared to March, with almost all sectors being considerably down compared to last month.

Table 4 – TNPA – Volume and growth: April 2022

	Mar	Apr	Movement	Monthly growth
Containers (TEUs)	364 711	319 231	-45 480	-12%
Landed	180 149	181 425	1 276	1%
Shipped	184 562	137 806	-46 756	-25%
Dry bulk (MT)	14 113 948	12 785 166	-1 328 782	-9%
Liquid bulk (MT)	3 265 503	2 254 262	-1 011 241	-31%
Breakbulk (MT)	522 115	253 933	-268 182	-51%
Vehicles (Units)	80 843	53 252	-27 591	-34%
Total Cargo (excl. Vehicles)	17 901 566	15 293 361	-2 608 205	-15%

Source: [TNPA](#), updated 18/05/2022.

After a customary cyclical monthly decrease in port activity in March, there was a widely expected drop in April, with several days' worth of operations wiped out at Durban, given the impact of the floods. Overall, total cargo handled is **↓15%** (m/m), with all sub-sectors except containers landed recording massive declines from March. April typically sees a substantial growth from March, owing partly to the downturn in trade from China (our biggest trade partner) as they celebrate the Chinese New Year. Since the pandemic struck, cargo handled through our ports in April has had varying degrees of fortune. In 2020, operations were riddled with challenges owing to regulatory disparities (evacuation plans, essential cargo, intended

¹¹ Transnet. 2022. Port statistics. [TNPA](#)

designation, and the like). In 2021, Transnet registered an excellent return, with strong growth across most sectors. In 2022, our ports have had to deal with business contingency plans as the floods laid bare our systemic shortcomings (port access and fragile state of our port and accompanying infrastructure). The following table provides a comparative overview of all cargo movement in and out of South Africa's ports for April 2022, compared to the same month in 2021 and 2020.

Table 5 – TNPA – Volume and growth: April 2020-2022

	Apr 2020	Apr 2021	Apr 2022	Growth: '21-'22	Growth: '20-'22
Containers (TEUs)	271 807	407 411	319 231	-22%	17%
Landed	150 334	211 624	181 425	-14%	21%
Shipped	121 473	195 787	137 806	-30%	13%
Dry bulk (MT)	10 127 585	13 886 529	12 785 166	-8%	26%
Liquid bulk (MT)	2 376 115	4 168 742	2 254 262	-46%	-5%
Breakbulk (MT)	171 483	391 654	253 933	-35%	48%
Vehicles (Units)	19 687	59 288	53 252	-10%	170%
Total Cargo (excl. Vehicles)	12 675 183	18 446 925	15 346 613	-17%	21%

Source: [TNPA](#), updated 18/05/2022.

A yearly contraction was noted across the board in the maritime trade sub-segments after significant strides were made in April 2021. The contrasting view is also apparent when including April 2020 in the comparison, as the country was locked down with the most stringent regulations. Nevertheless, the annual changes make for some alarming viewing, as containers (**↓22%**), liquid bulk (**↓46%**), breakbulk (**↓35%**) and vehicles (**↓10%**) were all down by double digits. The contraction in the dry bulk sector (**↓8%**) was the least significant, as the industry continues to show strong demand globally (see [below](#)). Overall, total cargo is down by **↓17%** compared to 2021 levels, with the figure for 2020 coming to **↑21%**. These figures mean that our extended ocean supply chains have some work to do to get back to desired levels for the rest of the year. The following table provides a more in-depth year-to-date view of containerised cargo.

Table 6 – TNPA – Volume: Y-T-D January-April 2020-2022: Containerised cargo

	2020			2021			2022		
	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL
LANDED:									
DEEPSEA	456 412	64 637	521 049	499 296	77 838	577 134	484 084	83 226	567 310
COASTWISE	1 494	17 990	19 484	1 253	15 785	17 038	1 359	21 893	23 252
TRANSHIPPED ¹²	100 250	30 646	130 896	76 669	40 921	117 590	113 821	27 751	141 572
TOTAL LANDED	558 156	113 273	671 429	577 218	134 544	711 762	599 264	132 870	732 134
SHIPPED:									
DEEPSEA	333 458	187 652	521 110	354 274	222 486	576 760	346 158	228 919	575 077
COASTWISE	2 898	19 407	22 305	1 240	17 065	18 305	1 005	18 060	19 065
TRANSHIPPED	98 009	27 943	125 952	88 601	38 504	127 105	86 885	30 376	117 261
TOTAL SHIPPED	434 365	235 002	669 367	444 115	278 055	722 170	434 048	277 355	711 403
GRAND TOTAL	992 521	348 275	1 340 796	1 021 333	412 599	1 433 932	1 033 312	410 225	1 443 537

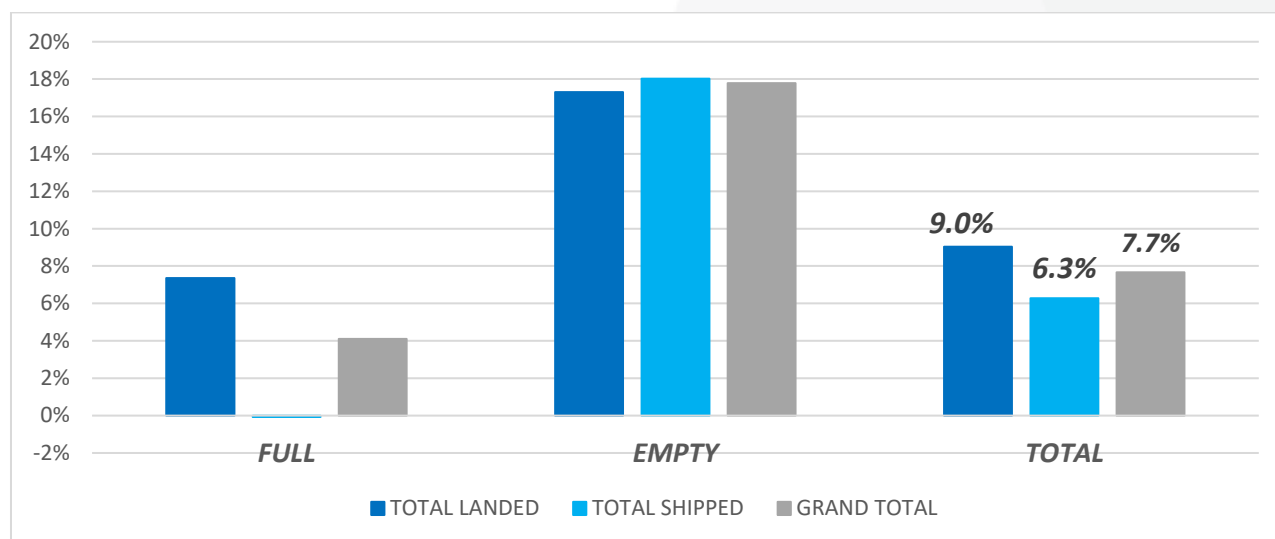


¹² 'Transhipped' means an act of off-loading cargo from one ship (generally at a hub port) and loading it onto another ship to be further carried to the final port of discharge. In the process, the cargo is often held at the transshipment port for a period.

Source: [TNPA](#), updated 18/05/2022.

Fortunately, the devastation still levels us at similar y/t/d levels compared to 2021, with numbers slightly up from 2020. However, the continued steady improvement since the onset of the pandemic has not been evident. Moreover, some growth realised has been concentrated on the increase of empty containers. As an ongoing theme since the global outbreak of the pandemic, there has been a concerted drive to reposition empty containers throughout the world. The repositioning is apparent when investigating the growth of empty containers handled at our container terminals, illustrated below.

Figure 8 – TNPA – Growth: Y-T-D January-April 2020 versus January-April 2022: Containerised cargo



Source: [TNPA](#), updated 18/05/2022.

The y/t/d comparison shows our containerised segment currently stands at **↑7,7%** compared to 2020. However, as evident in the figure, there is more to this figure than meets the eye. Trade in full containers is up by approximately **↑4,1%**, with empties increasing by a massive **↑17,8%**. Also evident is the drop in our export activity – which can also be seen in the container market, with full shipped containers the only sub-sector similar to 2020 levels (**↓0,1%**, in fact). As with many comparisons lately, it is vital to view current growth with the situation before the pandemic. Therefore, by going further back and comparing the y/t/d figure with 2019, it is interesting to note that the container segment is precisely the same versus 2019. Unfortunately, the growth is with empty containers (**↑22,3%**), as full containers come in at (**↓6,7%**).

These realities show that we need sustained growth in our national economy spilling over into containers to offset this trend. South Africa remains a relatively open economy (trade accounts for **~60%** of GDP), which makes us vulnerable to global externalities and provides us with the opportunities to leverage global growth into national growth. For our extended ocean supply chain - as has been our message throughout – we need ongoing investment in the ports with a sustained focus on equipment maintenance and procurement, system enhancements, and employee training, none of which have been ideal over the last decade or so.

c. 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

On Wednesday afternoon, Cape Town experienced some rain, luckily not affecting waterside operations at CTCT or CT MPT.

Rain affected some operations on Friday afternoon and Saturday and Sunday at the Port of Durban.

Eastern Cape ports experienced good weather conditions throughout the week. Some light showers were experienced Thursday afternoon, clearing up quickly Friday morning.

ii. Cape Town

On Monday, CTCT recorded two vessels at berth and an additional two at outer anchorage. The terminal lost 24 hours on a vessel due to ranging on Saturday at the berth without a line tensioner. In the past 24 hours, CTCT handled 2 261 TEUs across the quay. The terminal recorded 6 STS cranes, 19 RTGs, and 43 hauliers in operation in terms of equipment. Stacks were sitting at 38% for GP containers, 57% for reefers, and 41% for empties. The terminal recorded servicing 1 216 external trucks on Thursday within an average TTT of 26 minutes. The repair on LC8 was delayed on Wednesday due to the rain.

CT MPT recorded zero vessels at anchor, one container vessel, and two fishing vessels at berth on Monday. In terms of equipment, the terminal recorded having two MHCs, two reach stackers, two spreaders, and seven forklifts in operation. Stacks were sitting at 16% for GP containers, 65% for reefers, and 2% for empties. A total of 41 140 metric tons of manganese were recorded in the sheds. The terminal handled only six trucks on the landside with an average TTT of 34 minutes. A faulty spreader costs the terminal to lose 1 hour and 40 minutes on operations.

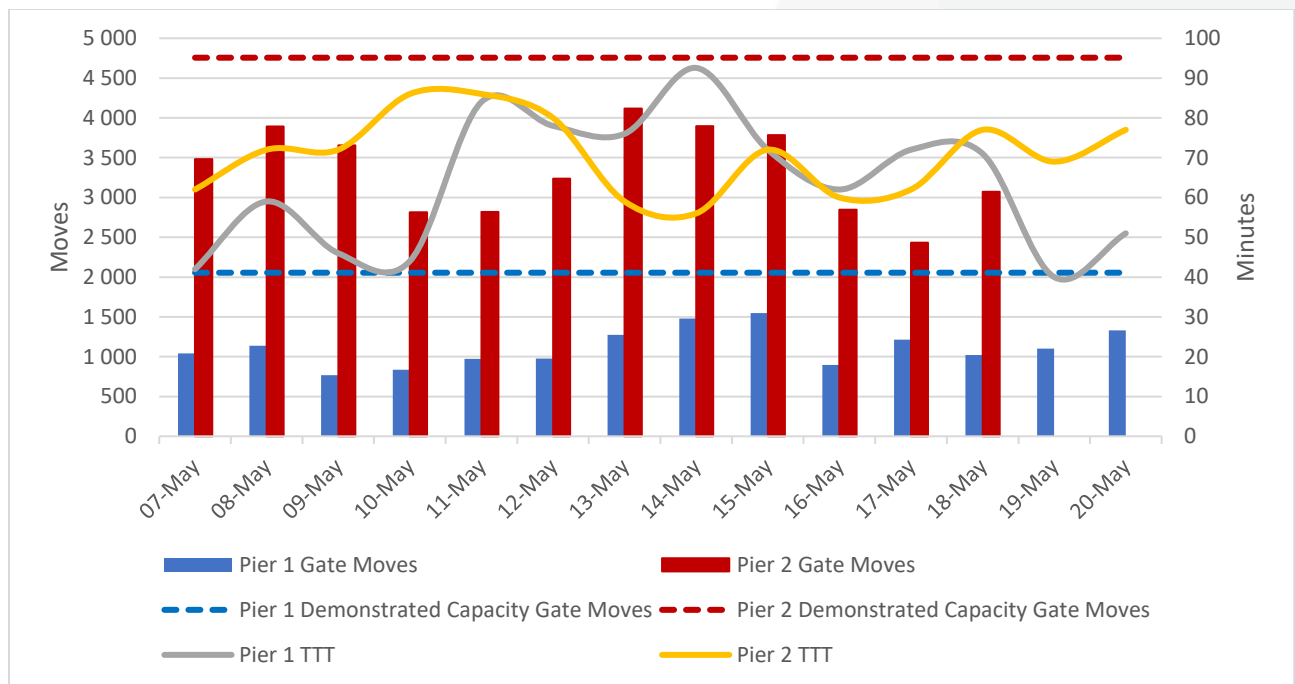
iii. Durban

Durban Pier 2 on Monday recorded three vessels at berth and zero at anchorage. In the past 24 hours, the terminal managed to handle 4 028 TEUs across the quay. Stack occupancy was sitting at 61% overall and for reefers specifically at 61% capacity. The terminal recorded 76 straddles in operation manned by ten gangs. Cranes 527, 528, and 522 are still out till further notice. In addition, Crane 535 is out for fault finding. On the landside, the terminal recorded servicing 3,784 external trucks within an average TTT of 59 minutes and a staging time of 47 minutes. A total of 5 063 import containers were on hand, with 166 for rail and 131 for over-border rail.

Pier 1 on Monday recorded two vessels at berth and one at anchor. Stacks were sitting at 37% capacity with 1 372 imports on hand, 148 road stops, and 179 unassigned units. The terminal recorded 897 gate moves on the landside, with 527 cancelled slots and 83 wasted.

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 9 – Gate moves (left axis), and time spent in the terminal (in minutes, right axis)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

iv. Eastern Cape ports

GCT on Tuesday recorded one vessel at berth and zero at anchorage. In terms of performance within the past 24-hours, the terminal recorded a GCH of ~29,5 and an SWH of ~25 while handling 822 TEUs across the quay. Stacks were sitting at 39% for GP containers and 9% for reefers. The terminal recorded handling 208 external trucks with an average TTT of 23 minutes on the landside. NCT recorded two vessels at berth and zero at outer anchorage. The terminal handled 2 912 TEUs across the quay and recorded a GCH of ~24 and an SWH of ~65. Stacks for GP containers were sitting at 34% capacity and reefers at 35% capacity. On the landside, the terminal recorded 206 gate moves with an average TTT of 40 minutes.

v. Transnet Freight Rail (TFR)

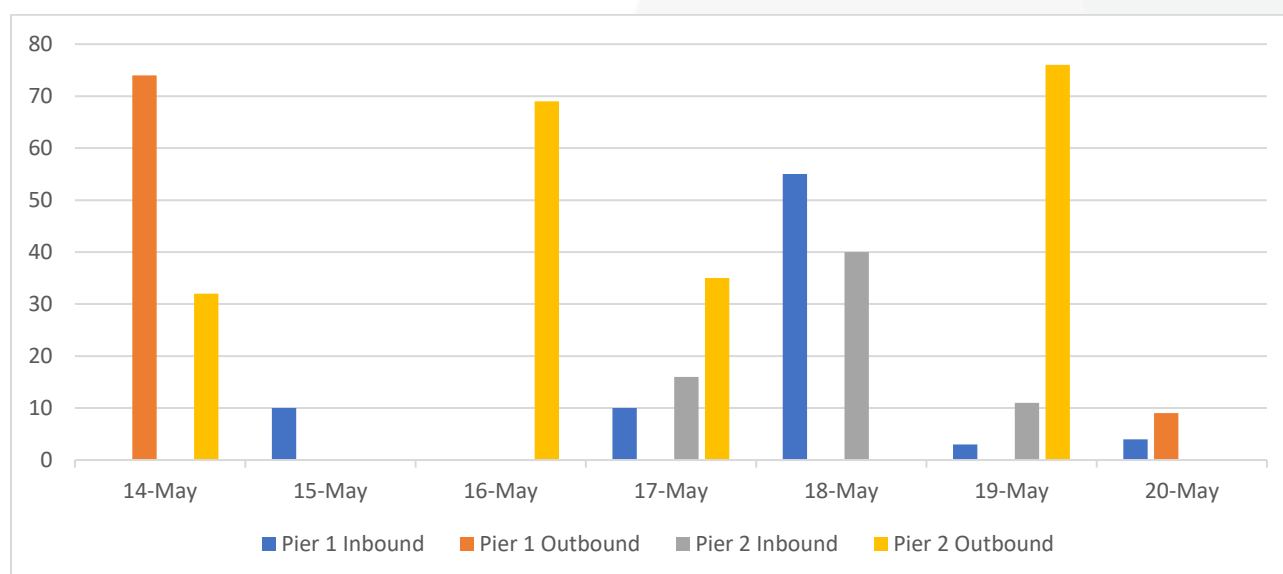
The more than 30 trains with ± 3000 TEUs" trapped" on the line immediately after Monday the 11th of April can now be moved to inland terminals after approval from SARS. Most of these train sets were held under load at the TFR facility at Newcastle. Currently, there is no likelihood of the line between Cato Ridge and Durban port being operational before early June. Members whose customers have containers currently on rail have been encouraged by TFR to obtain instructions from clients as to what action they wish to take. In the case of carrier haulage, members are encouraged to contact the line concerned and contact the appropriate TFR representative for merchant haulage.

SARS sent a notification on Monday in response to TFR's request accepting to change the movement of export containers from the Reef destined for the Port to its KZN inland Terminals (Newcastle Container Terminal ("NewCon") and Cato Ridge Container Terminal ("CatCon") and private terminals (Jacob's Bulk Terminal, Cato Ridge Inland Port terminal, Estcourt Intermodal Terminal, and East Coast Containers), to offload rail containers for road haulage to the Port.

The process flow stipulated by TFR has been approved and should be adhered to at all times, together with the below recommendations from SARS:

1. All containers are to be sealed, and seal/container verification is to take place during the on and offloading of the containers.
2. The verified container and seal number loaded per schedule on the nominated truck.
3. Gate in Navis report: Truck, container, and seal to reflect.
4. Agent to process a VOC for new vessel details as modality type can't be changed on the VOC.
5. Cato Ridge to bring in additional checks to secure offloading and loading.
6. The above approval is to be in place until 15 July 2022, after which normal operations are expected to resume.

Figure 10 – TFR: Rail handled (Pier 1 and Pier 2)



Source: Calculated using data from Transnet, 2021. Updated 20/05/2022.

In the last week (14 to 20 May), rail cargo handled out of Durban was reported at **444** containers, **↓42%** from the previous week's **765** containers.

vi. General

Transnet advised that the plans are underway to relocate the manganese ore facility from Gqeberha to the Port of Ngqura in 2027. For years there have been complaints that the black manganese dust poses a health hazard to people living in nearby residential areas near the harbour. In addition, the high traffic volume of overloaded trucks has a devastating impact on the city's roads. Manganese is transported to Gqeberha by both rail and trucks from Northern Cape mines and is stockpiled in Swartskop (due to a lack of capacity at Gqeberha) and Markman before it is loaded into ships. It is anticipated that the construction activities will be completed by 2026, with operations set to commence by mid-July 2027, subject to the Environmental Impact Assessment Amendment process.

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 9 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 7 – International inbound and outbound cargo from OR Tambo

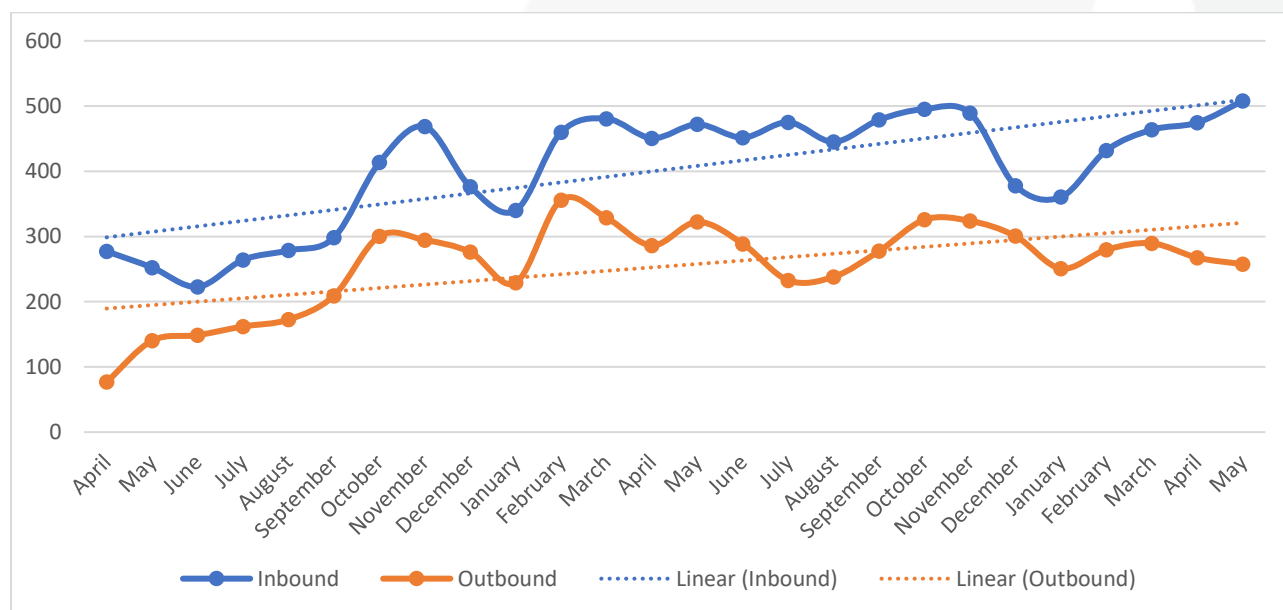
Flows	09-May	10-May	11-May	12-May	13-May	14-May	15-May
Volume inbound	389 028	309 385	430 568	421 346	355 649	422 273	931 363
Volume outbound	182 010	147 106	164 012	168 506	190 072	241 519	590 482
Total	571 038	456 491	594 580	589 852	545 721	663 792	1 521 845

Courtesy of ACOC. Updated: 18/05/2022.

The daily average volume of air cargo handled at ORTIA the previous week amounted to **480 029 kg** inbound and **283 716 kg** outbound, resulting in an average of **763 746 kg** per day or ~94% compared with May 2021. Also, the level is currently at ~188% compared with the same period in 2020.

The following figure shows the monthly global freight movement at ORTIA since the pandemic outbreak.

Figure 11 – International in – and outbound cargo from OR Tambo (thousands)



Courtesy of ACOC. Updated: 18/05/2022.

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.

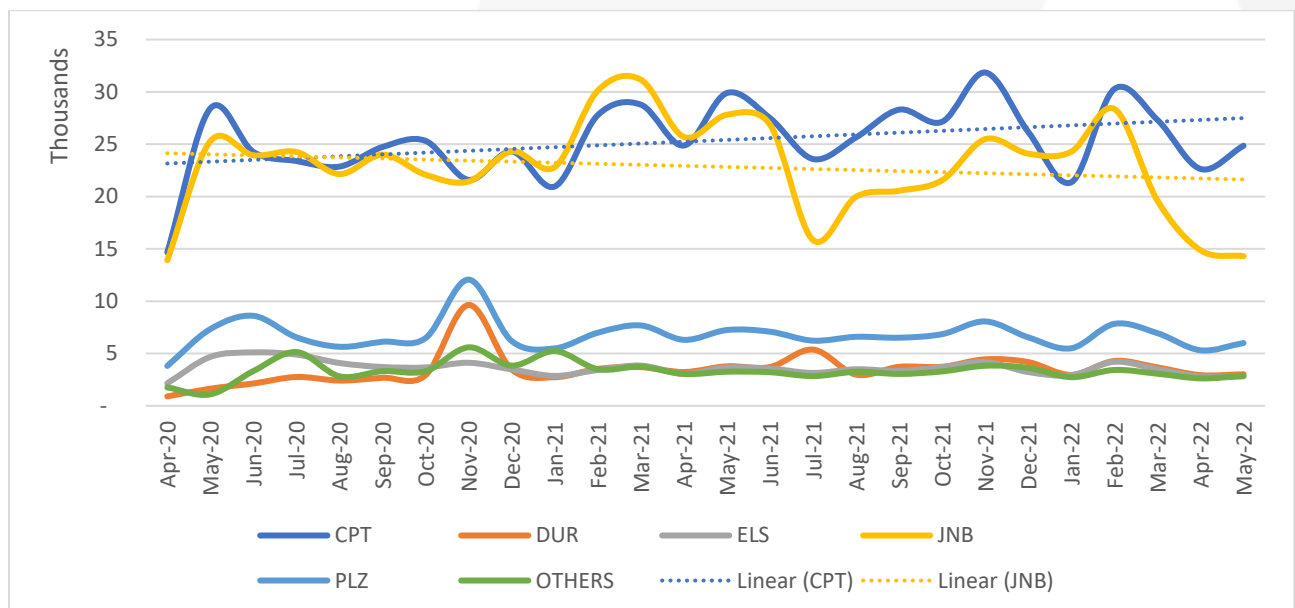
Table 8 – Total domestic inbound and outbound cargo

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	24 854	3 019	2 821	14 301	6 002	2 859	53 856
11-May-22	44 336	4 422	5 219	30 280	11 452	5 300	101 009
12-May-22	41 467	4 336	4 862	28 573	10 459	4 154	93 852
13-May-22	17 914	3 881	2 710	15 734	3 885	4 234	48 358
14-May-22	2 285	797	45	595	409	95	4 225
15-May-22	1 159	387	139	520	737	487	3 429
16-May-22	44 095	4 109	6 028	25 173	12 530	4 925	96 859
17-May-22	43 039	4 303	6 278	24 046	12 175	4 182	94 024
Total for 2022:	3 530 373	475 844	456 188	2 913 891	879 340	410 285	8 665 921

Courtesy of BAC. Updated: 18/05/2022.

The average domestic air cargo moved last week was ~63 108 kg per day, which is ↑8% compared with the previous week and only ~83% compared to May 2021. The following figure shows the monthly domestic freight movement at our commercial airports during the state of disaster.

Figure 12 – Average domestic inbound and outbound cargo (thousands)



Courtesy of BAC. Updated: 18/05/2022.

c. Summary of air cargo operations

Along with the fuel shortage and load-shedding issues plaguing operations on the air cargo side, there are some further updates on ongoing issues:

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. The industry has feverishly pushed the upgrade and uptake of this system, as it will increase productivity while alleviating security concerns.

3. Security access to the Air Cargo Precinct:

- a. The past weeks' load-shedding problems affected access to the cargo section at ORTIA, notably causing the feed between the passenger terminal and the cargo precinct to develop a fault.
- b. The power to Cargo was then changed to feed on Kempton Park in the afternoon. However, Kempton experienced load-shedding from approximately 18:30 until 21:00 on Monday.
- c. Unfortunately, no contingency plans were implemented except for a complete lockdown of the facility. This situation meant that staff and customers were not allowed to enter or leave the facility for two hours until an agreement with the ACOC and ACSA to allow manual processing.
- d. On Tuesday evening, manual processing of customers and staff was introduced during load-shedding hours of 18:00 and 21:00, which went much better. Operators were advised on Wednesday evening that the fault has been repaired and power is back from the passenger terminal feed. The

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 on Saturday, 14 May, that TPL is transporting 14 million litres of jet fuel between Natref and ORTIA. On Wednesday, 18 May, fuel stock was hovering around 5,8 days' worth of jet fuel and continued to meet the demand of most airlines.
- c. Nevertheless, the situation highlights the need for ongoing monitoring and improvement of these non-negotiables for the aviation industry.

3. 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:

- Close to the Zimbabwean border, Musina continues to experience significant water shortages, which have led to protests and subsequent road closures, including the N1 and bypass roads¹³. These issues are affecting cross border flows between South Africa and Zimbabwe.



¹³ SARS. 12/05/2022. [Protests in Musina likely to affect movement at Beit Bridge border post.](#)

- Heavy delays were experienced over the last week on the N3 south at the Key Ridge interchange due to a sinkhole. Fortunately, this has been subsequently repaired¹⁴.
- Cross border flows through Kasumbalesa continue to labour. To help alleviate the queues, truck staging areas have been created before the border. However, there has yet to be a significant change in border crossings, with drivers sitting for four or more days before they even get to the queue.
- Besides the issues in Musina, there were no further closures of any South African borders during the last seven days. However, we encourage traders to stay abreast of border post communications as per the SARS [website](#).
- 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 remaining.

Table 9 – Delays¹⁵ 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	-	-	-	0	0	24 640	0
SA/Zim	Beit Bridge	0:00	15:00	953	28 590	6 671	86 723	0
Moz/Zam	Cassacatiza/Mlolo	1:00	8:00	175	5 250	1 225	7 350	1 225
Zam/Zim	Chirundu	0:00	20:00	620	18 600	4 340	78 120	0
Moz/Mal	Dedza	2:00	18:00	50	1 500	350	5 600	700
SA/Bot	Grobblersbrug/Martins Drift	1:00	8:00	499	14 970	3 493	20 958	3 493
Zam/DRC	Kasumbalesa	192:00	60:00	750	22 500	5 250	304 500	1 008 000
Zam/Bot	Kazungula	0:00	17:00	240	7 200	1 680	25 200	0
SA/Bot	Kopfontein/Tlokweng	1:00	39:00	100	3 000	700	25 900	700
Moz/Zim	Machipanda/Forbes	1:00	11:00	320	9 600	2 240	20 160	2 240
Mal/Zam	Milange	0:00	1:00	30	900	210	-210	0
Zim/Moz	Nyamapanda	1:00	6:00	100	3 000	700	2 800	700
SA/Moz	Lebombo/Ressano Garcia	12:00	20:00	1 100	33 000	7 700	138 600	92 400
SA/Bot	Skilpadshek/Pioneer Gate	17:00	2:00	300	9 000	2 100	0	35 700
Zam/Zim	Victoria Falls	1:00	6:00	114	3 420	798	3 192	798
Moz/Mal	Zobue/Mwanza	2:00	14:00	100	3 000	700	8 400	1 400
				5 451	163 530	38 157	751 933	1 147 356

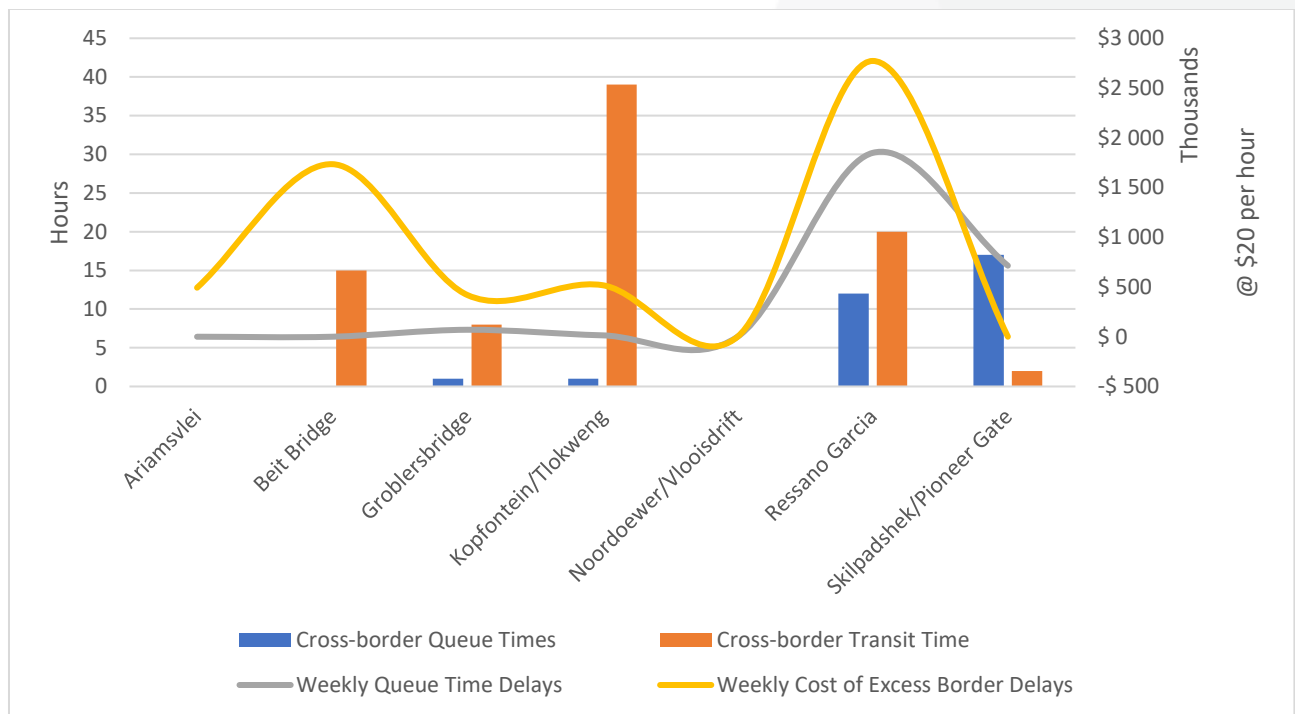
Source: TLC & FESARTA, week ending 16/05/2022.

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

¹⁴ Pillay, Y. 17/05/2022. [Sinkhole on the N3 near Key Ridge has been repaired.](#)

¹⁵ 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.

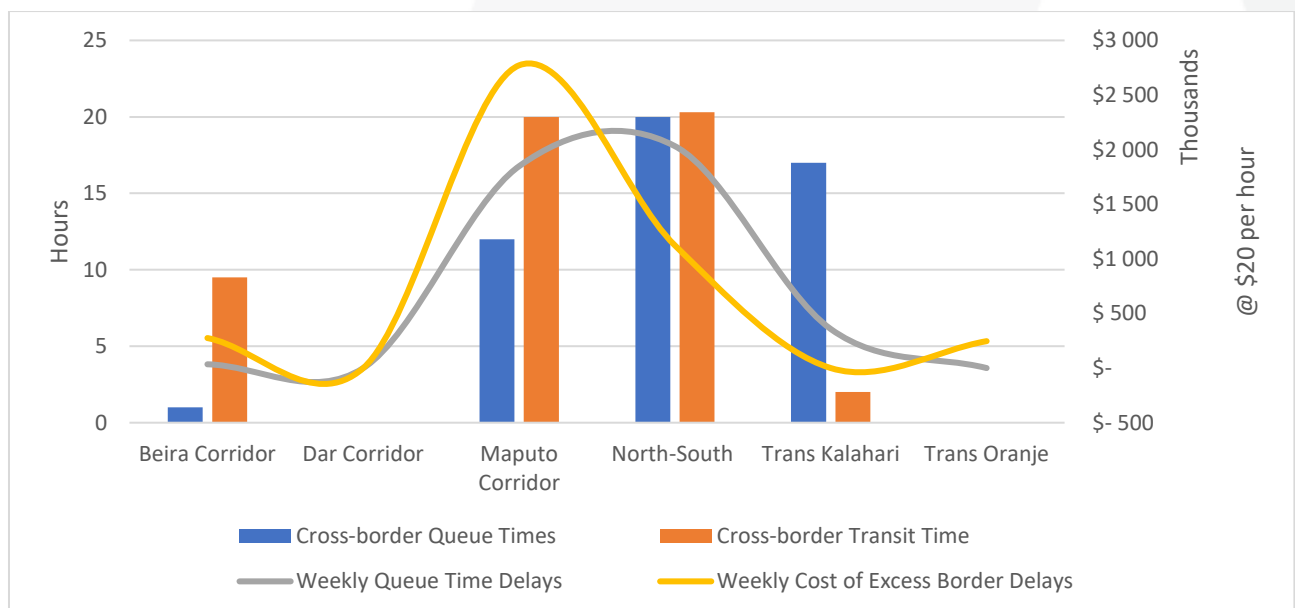
Figure 13 – Weekly cross-border delays & est. cost from a SA border perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 16/05/2022.

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

Figure 14 – Weekly cross-border delays & est. cost from a corridor perspective (hours & \$ thousands)



Source: TLC & FESARTA, week ending 16/05/2022.

In summary, cross-border queue time has averaged **~14,4 hours** (up by **~0,6 hours** from the **~13,8 hours** recorded in the previous report), costing the transport industry an estimated **\$23 million (R367 million)**. Furthermore, the week's average cross-border transit times hovered around **~16,3 hours** (down by **~0,1**

hours from the ~19,4 hours recorded in the previous report), costing the transport industry \$15 million (R241 million). As a result, the total cost for the week amounts to an estimated ~R608 million (down by ~R34 million or ↓5,3% from R642 million in the previous report).

4. International Update

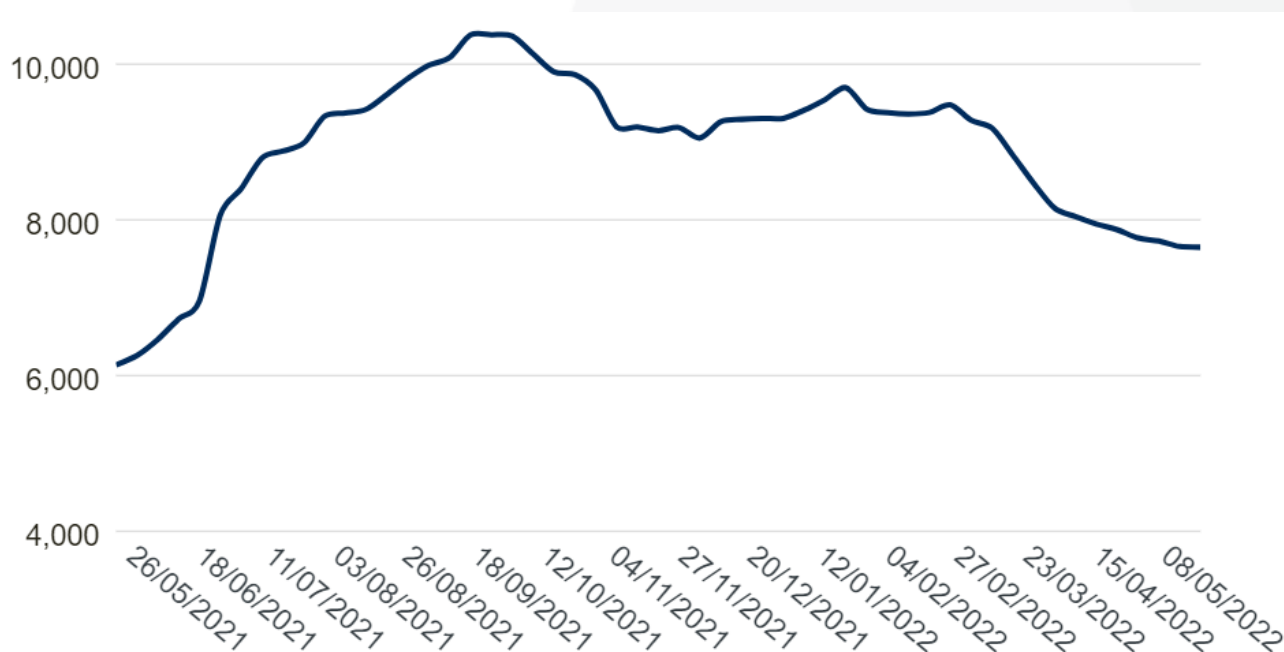
The following section provides some context around the global economy and the impact of COVID-19 on trade. In addition, the section includes an update on (a) the global shipping industry.

a. Global shipping industry

i. Global container freight rates and FIATA's response to anti-competitive carrier behaviour

Global container freight rates continued their predicted decline, albeit only marginally this week. Drewry's "World Container Index" decreased by ↓0,1% (or \$9) to \$7 648 per 40-ft container this week¹⁶. After a twelfth consecutive week of decrease, the average composite index remains ↑24,7% (y/y), with the y/t/d average at \$8 712 per 40ft container, approximately \$5 360 higher than the five-year average of \$3 352.

Figure 15 – World Container Index – assessed by Drewry (\$ per 40 ft. container)



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

Despite the seemingly welcome downturn in rates, the carrier alliances have, in turn, continued to increase blank sailings to reduce capacity and prop-up rates artificially¹⁷. Along with influencing rates, carriers are blanking sailings for a mixture of additional reasons, including congestion, reduced exports out of China, and waning import demands globally. The actions of the shipping lines have been widely scrutinised of late, including at the recent FIATA conference. Besides the hot water that the shipping lines have been landing in regarding artificially high rates, debatable (and illegal) detention and demurrage charges, and now, "violent" competitive moves in their attempts at vertical integration and imposing themselves in the space of freight forwarders¹⁸.



¹⁶ Drewry. 12/05/2022. [World Container Index](#).

¹⁷ Miller, G. 16/05/2022. [Container shipping rates: Still sky high but falling back to Earth](#).

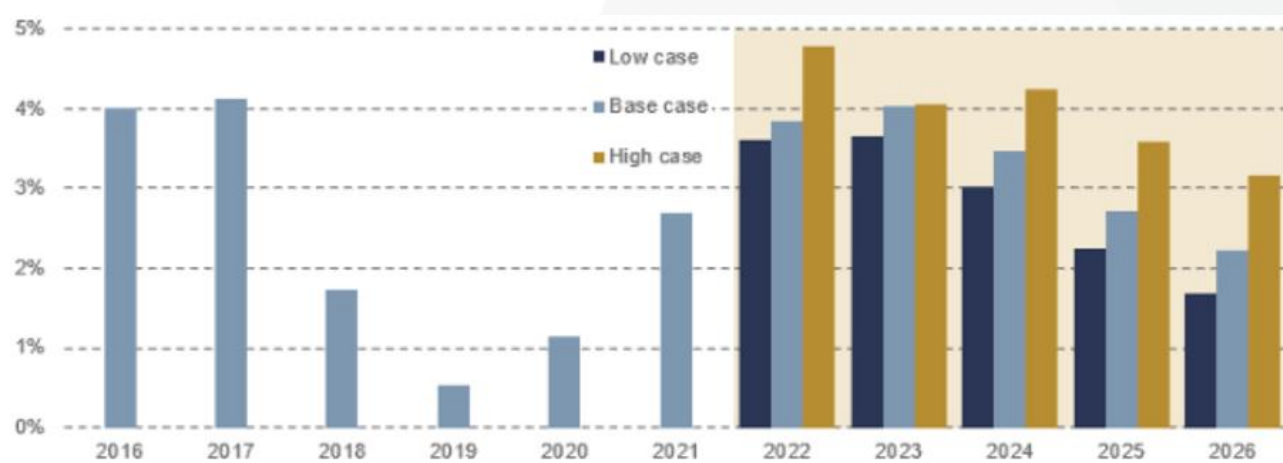
¹⁸ Lennane, A. 18/05/2022. [FIATA blasts box line dominance and wants an end to 'competition violence'](#).

At a FIATA meeting on Tuesday, former president Ivan Petrov alleged that some shipping lines were forcing customers to buy additional services – a recent claim raised by many shippers and forwarders. "Vertical integration is being done by the majority of the big 10 carriers, which have a dominant position. This is drastic violence on the competitive edge of the market". As a result, the position of freight forwarders – who contribute more than 10% of the world's GDP¹⁹ – is being threatened, according to FIATA.

ii. Dry bulk market

The current dry bulk upcycles to set to continue in 2022, with all major sectors (bar grain exports in the US and Ukraine) showing significant for the year. Although the high level of volatility of 2021 might slow down, growth in the bulk sector is driven by relatively strong demand for bulk commodities. However, infrastructure bottlenecks and supply chain constraints that affect the whole shipping universe continue also to impact the bulk sector²⁰. The following illustration shows the relevant scenarios (low, base, and high) for dry bulk demand according to the latest "Dry bulk shipping market outlook" hosted on Tuesday, 17 May²¹.

Figure 16 – Growth in dry bulk shipping demand



Source: [Drewry](#)

Despite the ongoing – albeit flattening – demand, the outlook for new building orders remains relatively controlled, thus offering ground for low fleet growth²². Furthermore, additional cross currents are apparent, with anticipated government actions to energy security combined with geopolitical developments set to drive the flows of bulk commodities, which will indirectly determine the path of freight rates. The "Baltic Dry Index" (BDI) had continued to creep up after the turning point just before the war broke out in Ukraine.

BLISA

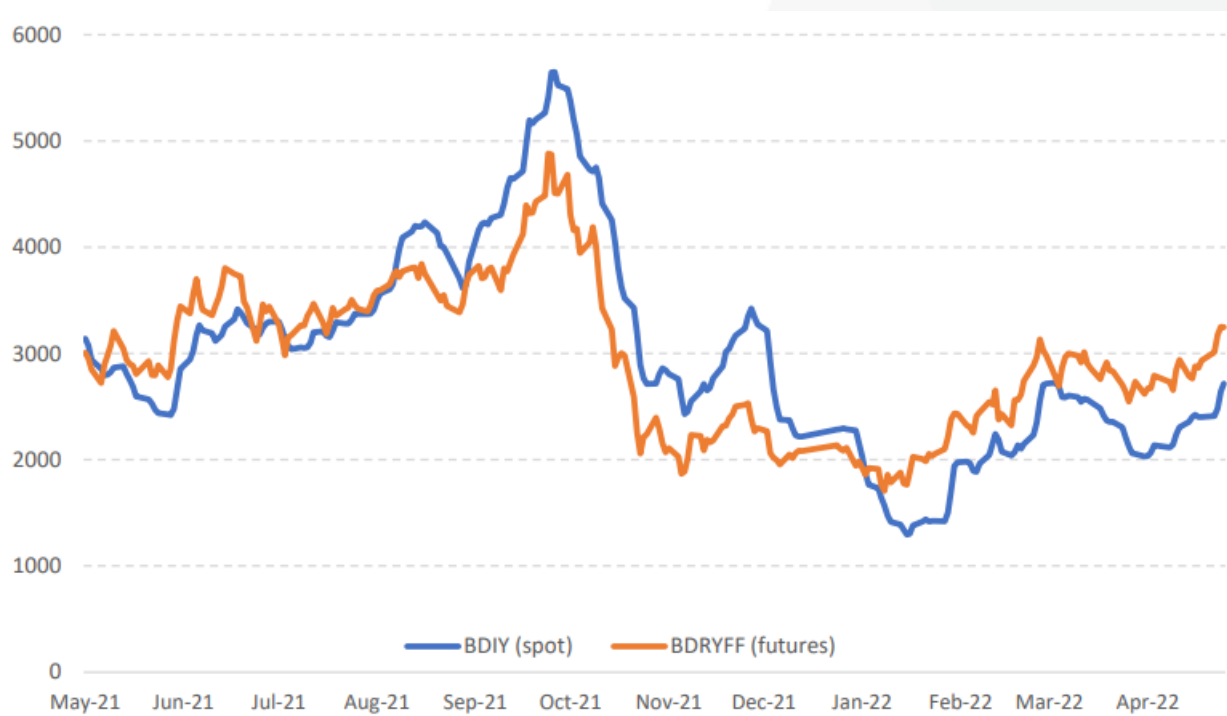
¹⁹ FIATA. 18/05/2022. [FIATA HQ Meeting 2022 Recap: Day 1](#).

²⁰ Breakwave. 10/05/2022. [Dry Bulk Shipping Report](#).

²¹ Drewry. 17/05/2022. [Dry bulk shipping market outlook](#).

²² Hellenic. 18/05/2022. [Dry Bulk Newbuilding Review: The Spring Sentiment](#).

Figure 17 – Baltic Dry Index



Source: [Breakwave](#)

In the last month or so, most of the action has been felt across the board in the Capesize market, with the Panamax and Handymax remaining stable or slightly positive²³. Although, as with the situation globally, the Shanghai lockdowns continue to hamper vessel movements across all sectors, the Capesize market appears to push as good tonnage demand comes from Brazil and Australia.

iii. Shanghai lockdown update and implication for the global shipping industry:

The ongoing Chinese lockdowns are exacerbating the global container system that is already severely stressed and facing reduced capacity due to insidious congestion²⁴. Although schedule reliability has been creeping up lately ($\uparrow 1,5\%$ m/m to $35,9\%$ ²⁵), the warning sign remains. A potential positive angle might be the resultant reduction in volumes within the overall system – which might speed up the normalisation of liner network performance and port productivity – but the problem of port congestion at the opposite ends of the world is curtailing the potential for improvement.

Although said congestion is easing in US and Europe, the starting point when the lockdowns hit had the global systems already severely stretched. In Shanghai, where lockdowns started in mid-March, the most immediate impact was on road hauliers who had to quarantine 14 days before being allowed to exit the 'infected area' and return to the port hinterland. Consequently, all major ports in China experienced a significant downturn in vessel calls at a time when manufacturing and accompanying economic activity typically get ramped up after the Chinese New Year.

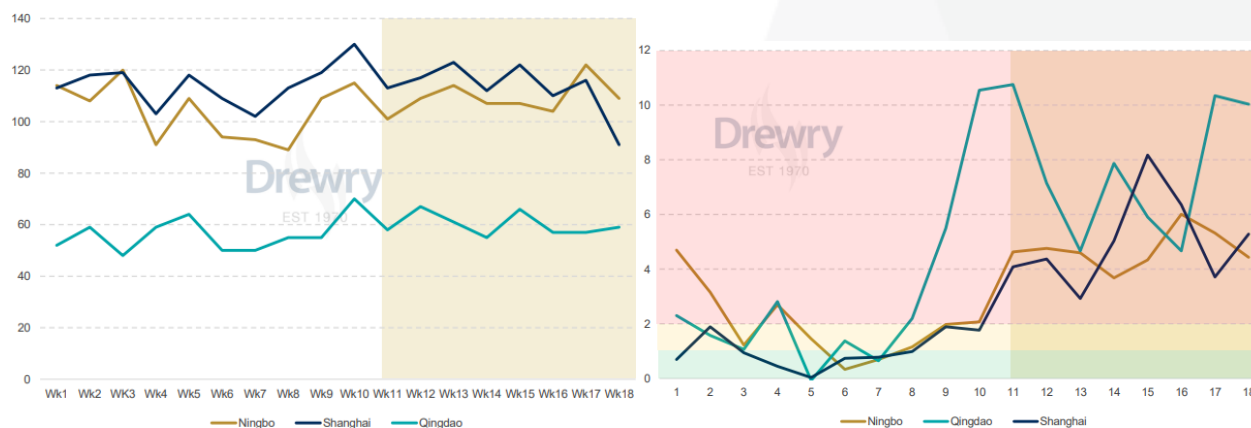


²³ Hellenic. 16/05/2022. [Dry Bulk Market: Capesize Market Jumps Across the Board.](#)

²⁴ Drewry. 17/05/2022. [Logistics Executive Briefing: Shanghai lockdown sees fewer vessel calls... and stores up future problems.](#)

²⁵ Murphy, A. 29/03/2022. [Schedule reliability improves again in March 2022.](#)

Figure 18 – Weekly number of vessel calls and number of vessels waiting before berthing (Z-score)



Source: [Drewry](#)

As illustrated, there has been a significant decline in the number of calls, especially to Shanghai and Ningbo. This phenomenon has been accompanied by a substantial increase in vessels awaiting berthing, standardised through a Z-score²⁶. An immediate normalisation looks unlikely, as the most significant uncertainty is when China's lockdown restrictions will end. The fears are that the accompanying "bullwhip" impact these constraints will have across the supply chain is expected to be similar to previous occasions throughout the pandemic.

The lockdowns are estimated to have prevented up to **260 000 TEUs** of export cargo from being shipped, equating to 26 fully loaded post-Panamax vessels – the maximum size servicing South African ports. Given that the summer peak season is usually busier, the Shanghai rebound will likely support a strong peak season and new capacity shortages. The envisaged impact on South African services will follow a similar pattern, as further delays in receiving cargo will continue, especially into the second half of the year.

iv. US port congestions easing

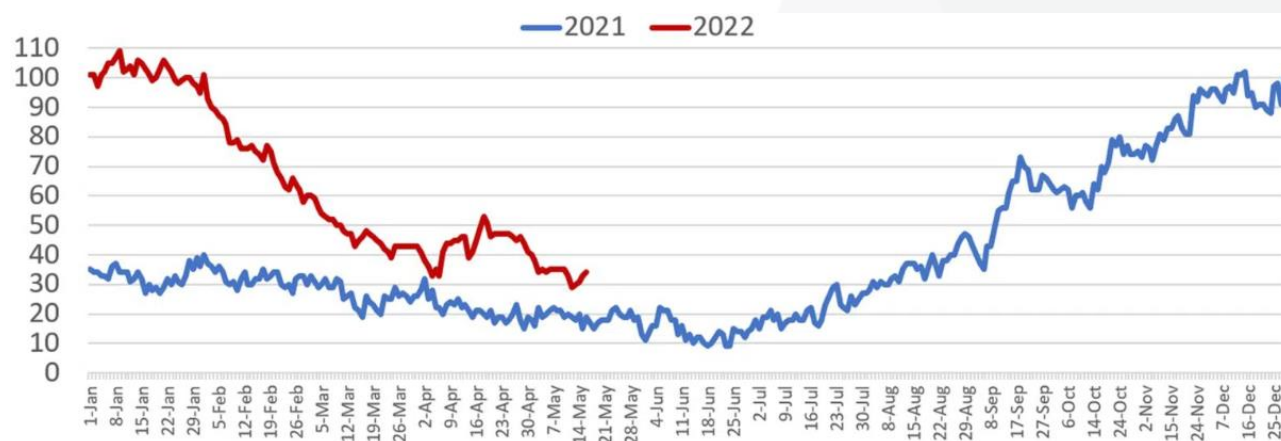
There has been a significant downturn despite predictions of a further growing trend in the ship queues off Los Angeles/Long Beach ports. On the other side of the American coast, there was also a prediction of heightened pressure on East Coast ports, based on liner schedules showing much higher calls. However, it hasn't panned out that way, whether due to blank sailings or other reasons. According to the Marine Exchange of Southern California, the queue off Los Angeles/Long Beach fell to 29 container ships this week²⁷. That's the lowest level since early August 2021, as illustrated below:



²⁶ A Z-score provides a perspective on how far from the mean a data point is – i.e., how many standard deviations below or above the population mean a raw score is.

²⁷ Miller, G. 16/05/2022. [Container shipping rates: Still sky high but falling back to Earth.](#)

Figure 19 – Number of container ships waiting off Los Angeles/Long Beach



Source: [Marine Exchange of South California](#)

Although the congestion has not entirely abated – nor even returned to similar levels of last year – the situation remains fragile with other global issues ongoing. And while there has indeed been more congestion off East and Gulf Coast ports this year, the number of waiting ships is also down from earlier highs. Number-wise, around 70 container ships were waiting off these coasts in late February. On Monday, 16 May, ship-position data from Marine Traffic²⁸ showed only 45 ships waiting offshore. Almost all East and Gulf Coast port queues have declined since February, except for the one-off New York/New Jersey, where an unusually high 20 ships were waiting on Monday. As is the case throughout the global shipping world, all role players are watching the developments in China with bated breath whilst keeping an eye on every move from the carriers' point of view.

v. Further developments of note

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

1. Excess containers once global capacity constraints ease:

- a. Although there is currently a shortage of containers in many parts globally, there will be an estimated excess of **13 million TEUs** once port congestion eases. According to research by Sea Intelligence²⁹, congestion in the supply chain has led to a significant extension of the transportation time for the ocean and accompanying hinterland connections.
- b. Longer lead times naturally result in more containers because each container is needed for a more extended period. Once the supply chain normalises – along with the new-built containers of approximately **4,8 million TEU** to be delivered in 2022, we end up with **13 million TEU** of excess containers in 2023.



²⁸ Marine Traffic. 15/05/2022. [US East Coast marine traffic](#).

²⁹ Sea Intelligence. 18/05/2022. [13 million TEU too many](#).