

## COVID-19: Cargo movement update

**Date: 26 February 2021**

### About this update

This cargo movement update contains a combined overview of air, sea, and road freight to and from South Africa in the last week. The report is the 27<sup>th</sup> update.

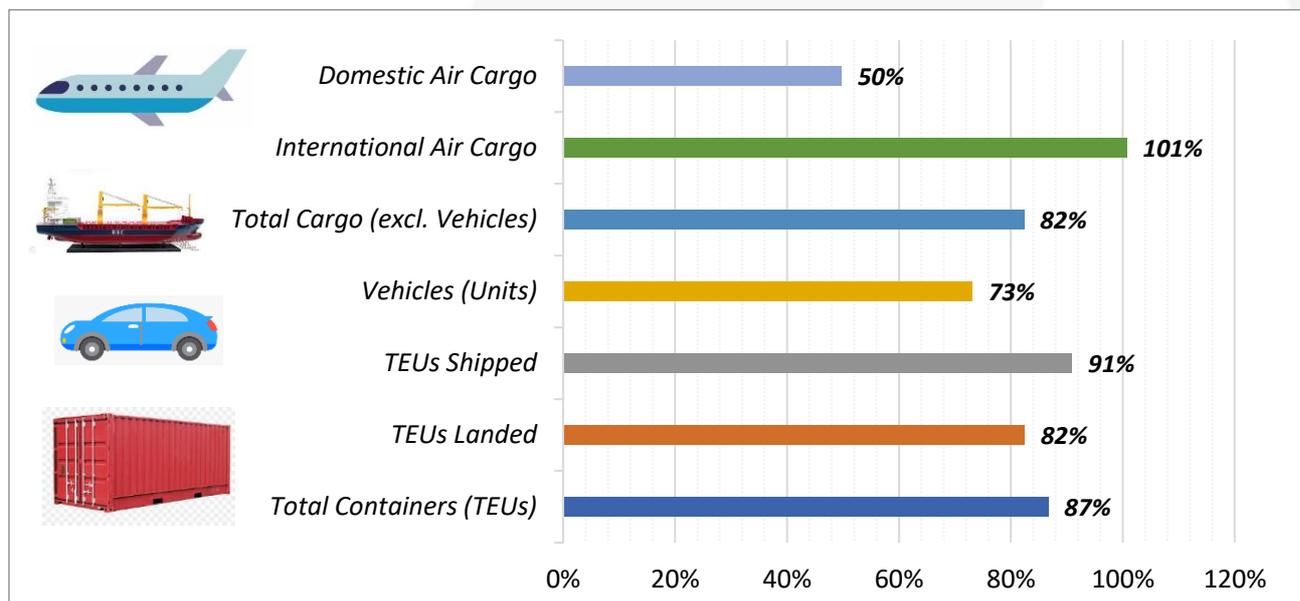
### Weekly snapshot

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

Flows	Current <sup>1</sup>			Previous <sup>2</sup>			Growth
	Import	Export	Total	Import	Export	Total	
Port Volumes (TEUs)	31 816	39 808	71 624	30 799	37 742	68 541	↑4%
Air Cargo (tons)	4 413	3 622	8 035	4 626	3 792	8 418	↓5%

### Monthly snapshot

Figure 1 - Monthly<sup>3</sup> cargo flows, year-on-year



### Key Notes

- An average of ~10,232 TEUs was handled a day over the last week, ↑4% from last week.
- Weekly international air cargo is ↓5% and currently at ~108% compared to the same time in 2020.

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

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

<sup>3</sup> '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 Jan 2020 with Jan 2019).

- Weekly domestic air cargo is **↑1%** and currently at **~41%** compared to the same time in 2020.
- Regionally, the cross-border queue and transit times have an average of **~16.7 hours** and **~18.2 hours**, respectively, which has cost the transport industry an estimated **R502 million (↓31%)** for the week.
- The "World Container Index" remains elevated but decreased slightly this week by **↓0.2%** to **\$5,237.86**.

## 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 20 to 26 February<sup>4</sup>

7-day flow forecast (20.02.2021 - 26.02.2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	5 153	4 796
DURBAN CONTAINER TERMINAL PIER 2:	13 240	14 450
CAPE TOWN CONTAINER TERMINAL:	7 230	11 550
NGQURA CONTAINER TERMINAL:	4 574	9 002
PORT ELIZABETH CONTAINER TERMINAL:	1 619	10
<b>TOTAL:</b>	<b>31 816</b>	<b>39 808</b>

Source: [Transnet](#), 2021. Updated 26/02/2021.

Table 3 - Container Ports - 7-day flow forecasted for 27 February to 5 March<sup>5</sup>

7-day flow forecast (27.02.2021 - 05.03.2021)		
TERMINAL	NO. OF CONTAINERS TO DISCHARGE (IMPORT)	NO. OF CONTAINERS TO LOAD (EXPORT)
DURBAN CONTAINER TERMINAL PIER 1:	2 464	4 300
DURBAN CONTAINER TERMINAL PIER 2:	8 992	8 350
CAPE TOWN CONTAINER TERMINAL:	8 121	10 751
NGQURA CONTAINER TERMINAL:	5 495	8 738
PORT ELIZABETH CONTAINER TERMINAL:	600	0
<b>TOTAL:</b>	<b>25 672</b>	<b>32 139</b>

Source: [Transnet](#), 2021. Updated 26/02/2021.

An average of **~10,232 TEUs** was handled per day for the last week (20 - 26 Feb, Table 2), with an increased average of around **~8,259 TEUs (↓19%)** expected to be handled for the next week (27 Feb – 5 Mar, Table 3).



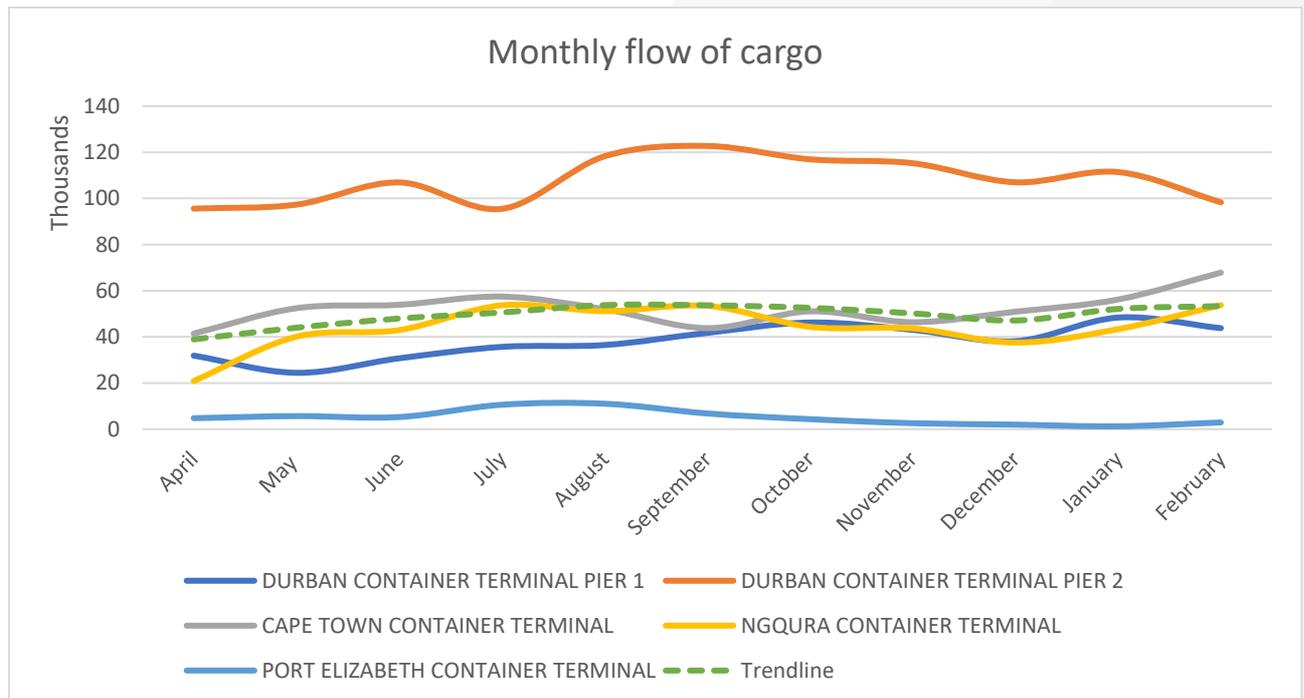
<sup>4</sup> It remains important to note that a fair percentage (approximately 28% according to the most recent TNPA figures for January) of containers are neither to be imported nor exported, but rather consist of empties and transhipments. Due to container imbalances, this proportion is fluctuating more than usual, and will have increased since December.

<sup>5</sup> As noted in footnote 1.

In general terms, our domestic maritime industry experienced a typical week. The weather treated Durban kindly during the week, but Cape Town was more affected by the wind, with an uninterrupted 50-hour stoppage by Friday evening. Stack occupancy and overall yard capacity has been flagged as a possible near-term constraint, as occupancy levels remain high. Apart from this, there is a constant refrain around less-than-ideal operating conditions in the ports (see [below](#)).

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)

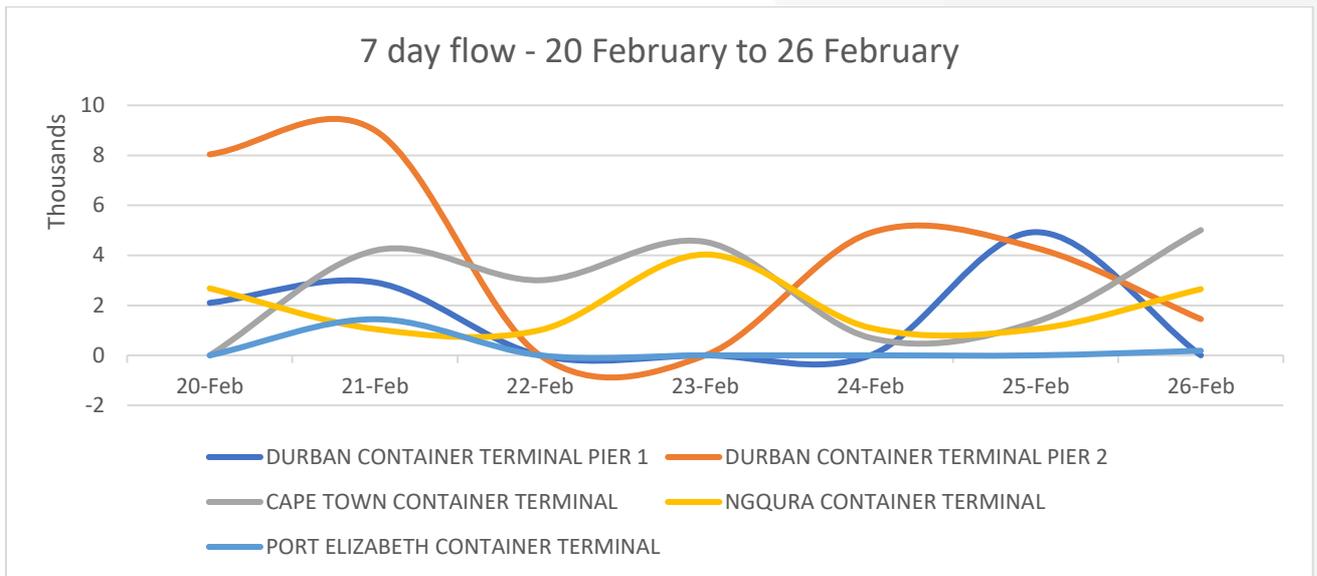


Source: Calculated using data from [Transnet, 2021](#). Updated 26/02/2021.

The figure shows that overall monthly container flows have been relatively stagnant after the initial increase experienced post the "hard lockdown", particularly in April. As optimism turned for 2021, it has been evident that more of the same can be expected for the new year. Evidently, given the global container market challenges currently faced (see [below](#)), there will be no speedy recovery for at least the first half of this year.

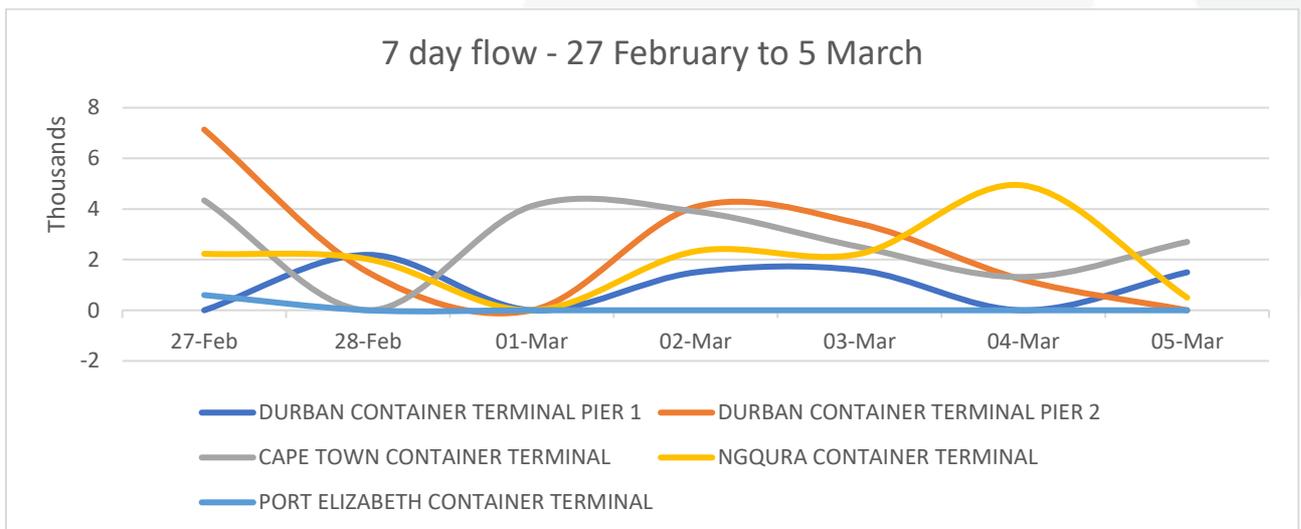
The figures below show the weekly container flows for the previous seven days and projections for the next seven days. The short-term forecast remains similar to what we have reported in recent weeks.

Figure 3 - 7-day flow reported for total cargo movement (20 to 26 February; per port; day-on-day)



Source: Calculated using data from the [Transnet](#) updates, 2021. Updated 26/02/2021.

Figure 4 - 7-day flow reported for total cargo movement (27 February to 5 March; per port; day-on-day)



Source: Calculated using data from the [Transnet](#) updates, 2021. Updated 26/02/2021.

- **Summary of port operations**

An average of ~10,232 TEUs was handled per day for the last week (20 - 26 Feb), with an increased average of around ~8,259 TEUs (↓19%) expected to be handled for the next week (27 Feb – 5 Mar). The following significant points were evident this week, with most of the news coming from Cape Town.

## **Weather delays**

A good weekend kicked off a positive week for DCT, as the piers worked well with virtually no weather-related incidents early in the week. Matters were less favourable in Cape Town, as the Port has so far been windbound for 50 hours in total for the week with an accompanying dreary outlook.

### **Durban Container Terminal (DCT)**

Cargo flows were decent throughout the week, as volumes reported were at typical levels for this time of year. But there are still some problematic areas. The industry is still struggling with CMA/CGM, who insist on empty turn-in at DCT, which is currently a major problem for truckers. This move was purely a cost-saving measure designed to save CMA/CGM the cost of the bulk move of empties from their nominated depot, with no thought given to the massive delays and inconvenience caused to harbour carriers. Fortunately, the industry received a response from CMA/CGM, withdrawing their demand that empty imports be turned in at DCT.

Furthermore, there was an unusual proposal from TNPA to restrict foreign vessels to one call per sailing along the South African coast. This approach aims to support the element of the Merchant Shipping Act, which encourages the development of South African owned and registered vessels. Should TNPA proceed with this, it will add substantial transshipment costs and significant delays, apart from adversely affecting Eastern Cape ports, since they are hardly ever the first port of call. Legislating for a national flag restriction has never been successful anywhere else, and there is no reason to suggest it would be successful in South Africa.

### **Cape Town Container Terminal (CTCT)**

Earlier reports from Cape Town were positive, as CPTCT had a much better week on the waterside, handling 17,300 TEUs, a near-record this year. Unfortunately, the weather turned for the worse as strong South-East winds predicted on Thursday afternoon through Saturday evening. In the event, operations were suspended at 16.05 on Wednesday, and the port remains closed at the time of writing. Adding to the weather constraints, productivity remains very low at 15 GCH and 30 SWH. Due to the conditions, approximately 2,400 export reefers were waiting for shipment on Friday, which is very concerning. Vessels continue to bypass the port, with one discharging its import cargo as far afield as Tema in Ghana.

Two dedicated truck gate lanes were established for the fruit industry with night runs from Mondays to Saturdays (after gate closure at 22:00 to 06:00). The Belcon rail option will also be a useful alternative for the industry to reduce truck gate pressure. Being less affected by the weather, operations ran smoothly at the MPT and FPT.

### **Ngqura Container Terminal (NCT)**

NCT yard is currently close to capacity (at 89%). It seems that the main reason is the build-up of transshipments due to recent weather delays. This level is a concern since anything over 65% can seriously impair efficiency in a terminal.

### **Transnet Freight Rail (TFR)**

TFR performed well at DCT. However, there are still a lot of over-border containers to move. The Kaserne – Mafikeng line is experiencing various problems ranging from locomotive breakdowns to "network issue" (presumably theft). Consequently, no uplift of Gaborone containers will take place this week from DCT.

## General

Lastly worth recording are some cargo volume statistics for January coming from DCT. Transnet reported a total weighted decrease of -7.8% for y-o-y figures for January based on cargo dues data.

## 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 15 February. For comparative purposes, the average air freight cargo (inbound and outbound) handled at ORTIA in *February 2020* was about **854 139 kg** per day<sup>6</sup>.

Table 4 - International inbound and outbound cargo from OR Tambo

Flows	15-Feb	16-Feb	17-Feb	18-Feb	19-Feb	20-Feb	21-Feb
Volume inbound	460 474	312 956	323 676	624 478	302 597	450 792	614 148
Volume outbound	271 015	389 794	304 845	272 678	305 843	338 946	652 378
Total handled per day	<b>731 489</b>	<b>702 750</b>	<b>628 521</b>	<b>897 156</b>	<b>608 440</b>	<b>789 738</b>	<b>1 266 526</b>

*Courtesy of ACOC. Updated: 26/02/2021*

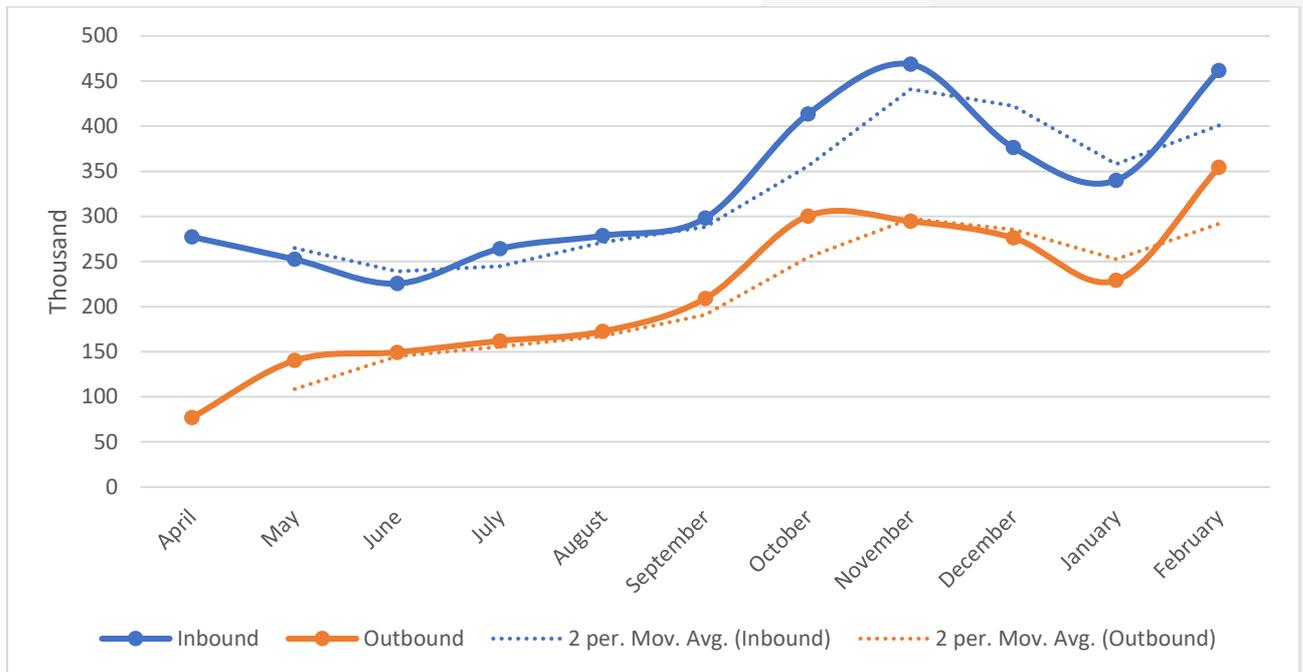
The daily average volume of air cargo handled at ORTIA over the seven days starting 15 February amounted to **441 303 kg** inbound and **362 214 kg** outbound. In total, that results in an average of **803 517 kg** per day, which is approximately **108%** compared to the two months before the lockdown period (compared to **~113%** last week).

The following figure shows the monthly international cargo handled at ORTIA since April last year. February has improved significantly after a very poor month in January. We see gradual increments in international volumes passing through ORTIA. A two-period moving average trendline has been added to the figure to show a better short-term outlook more clearly.



<sup>6</sup> 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 **1 046 962 kg** per day.

Figure 5 - International inbound and outbound cargo from OR Tambo



Courtesy of ACOC. Updated: 26/02/2021.

### Global air cargo traffic

The image below depicts international air traffic at around mid-morning of 26 February 2021. Traffic volumes have largely returned to normal levels in the Northern Hemisphere, despite being dominated by freighters. Traffic in African and South American skies, on the other hand, remains light.

Figure 6 - Global air traffic: 26 February 2021



Source: [FlightRadar24](https://www.flightradar24.com), 26/02/2021, 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 the 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 *February 2020* was approximately **88 590 kg<sup>7</sup>** per day.

Table 5 - 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
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
Jan Average	20 961	2 739	2 859	22 818	5 491	5 238	57 781
Feb 1-20 Average	29 268	3 691	3 599	31 107	7 402	3 718	78 784
21-Feb-21	827	419	81	1 878	174	439	3 817
22-Feb-21	48 885	4 743	6 076	51 495	11 278	4 760	127 238
23-Feb-21	41 692	4 743	4 468	45 620	10 065	5 081	111 668
24-Feb-21	41 813	5 506	4 412	57 549	10 360	4 829	124 469
25-Feb-21	40 731	5 284	5 836	29 826	9 854	4 993	96 523
Grand Total	1 409 100	179 405	181 492	1 515 868	359 992	256 834	3 830 611

Courtesy of BAC. Updated: 26/02/2021.

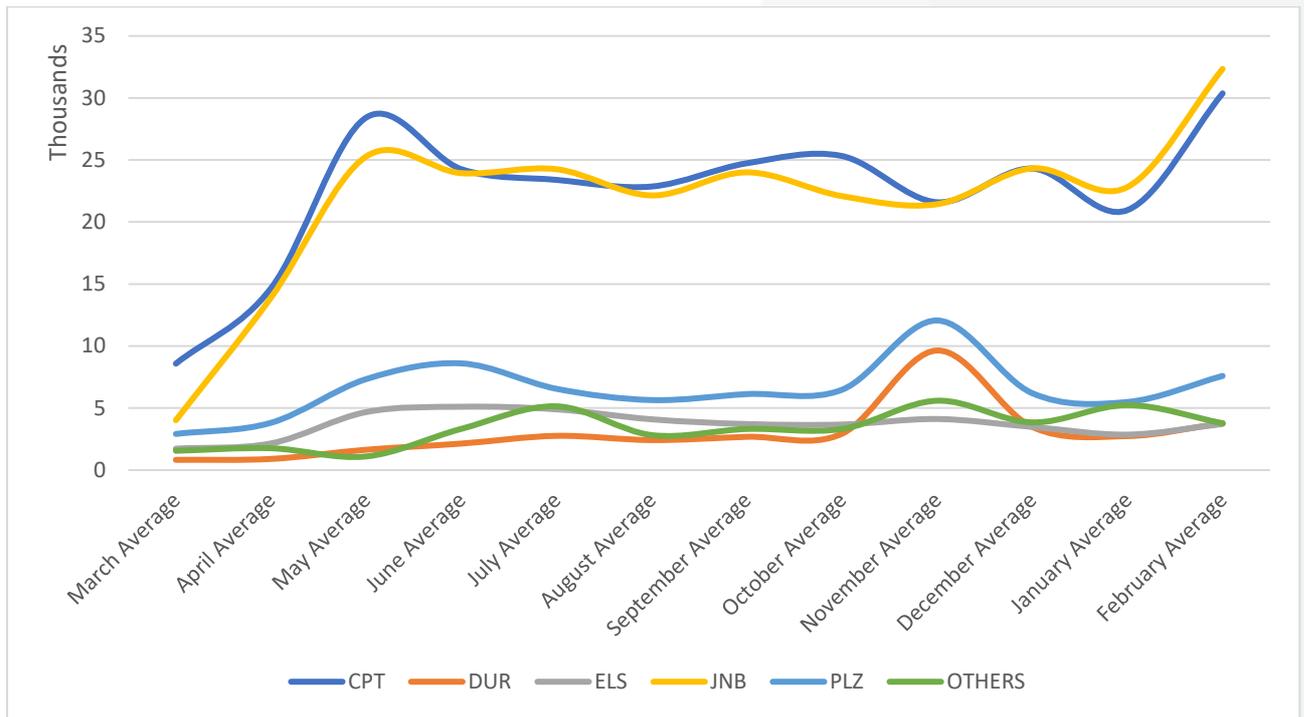
The average domestic air cargo moved during the lockdown period has amounted to **~68 307kg** per day (**↑1%** compared to last week), which constitutes approximately **~41%**, compared to the previous year (**~40%** previous week).

The following figure highlights the total monthly domestic air cargo moved per airport as per the table above. As with the international air cargo outlook, the current numbers reported for February are at least trending in the right direction in the near-term. February volumes have been the best (and expected to improve with three more days' worth of cargo to come) for domestic air cargo trade since we have started to track the data, and given that it is the shortest month, this is encouraging.



<sup>7</sup> For Cape Town, the figure corresponds to **63 191 kg** per day, and **16 329 kg** per day for Durban during the same period (February 2020).

Figure 7 - Total domestic inbound and outbound cargo



Courtesy of BAC. Updated: 26/02/2021.

### Southern Africa air traffic

The following image shows the air traffic across Southern Africa at around mid-morning of 26 February. Traffic is dominated by the busiest domestic route, Cape Town-Johannesburg. With domestic cargo improving, the broader industry hopes that there will be a corresponding rise in passenger numbers given the reduction in South Africa’s COVID infection rate (see [below](#)).

Figure 8 - Southern Africa air traffic: 26 February 2021



Source: [FlightRadar24](https://www.flightradar24.com), 26/02/2021, 09:00.

## Regional update

### a. Cross-border delays

Recent investigation has continued into cross-border delays experienced at several SADC border posts on the regional road freight front. The following table summarises several borders delays' operational experience in the last week.

Table 6 - Delays<sup>8</sup> summary – Selected SADC borders

Countries	Border	Queue Time (hh:mm)	Border Time (hh:mm)	HGV Arrivals per day	HGV Tonnage per day	HGV Tonnage	HGV Arrivals	HGV Delay Hours	Queue Time Delays
SA/Zim	Ariamsvlei		2:00		100	3 000	21 000	700	-
SA/Bot	Beit Bridge	96:00	23:00	21.00	943	28 290	198 030	6 601	138 621
SA/Bot	Cassacatiza/Mlolo	1:00	15:00	13.00	60	1 800	12 600	420	5 460
Zam/Zim	Chirundu	6:00	28:00	26.00	616	18 480	129 360	4 312	112 112
Zam/Bot	Dedza	2:00	16:00	14.00	50	1 500	10 500	350	4 900
Zam/DRC	Grobelaarsbrug	1:00	13:00	11.00	400	12 000	84 000	2 800	30 800
Moz/Mw	Kasumbalesa	1:00	47:00	45.00	592	17 760	124 320	4 144	186 480
Moz/Mw	Kazungula	120:00	32:00	30.00	212	6 360	44 520	1 484	44 520
SA/Bot	Kopfontein/Tlokweng	2:00	40:00	38.00	100	3 000	21 000	700	26 600
Zam/Nam	Recano Garcia	14:00	23:00	21.00	400	12 000	84 000	2 800	58 800
SA/Bot	Machipanda/Forbes	2:00	9:00	7.00	320	9 600	67 200	2 240	15 680
Nam/Ang	Milange	0:50	10:00	8.00	30	900	6 300	210	1 680

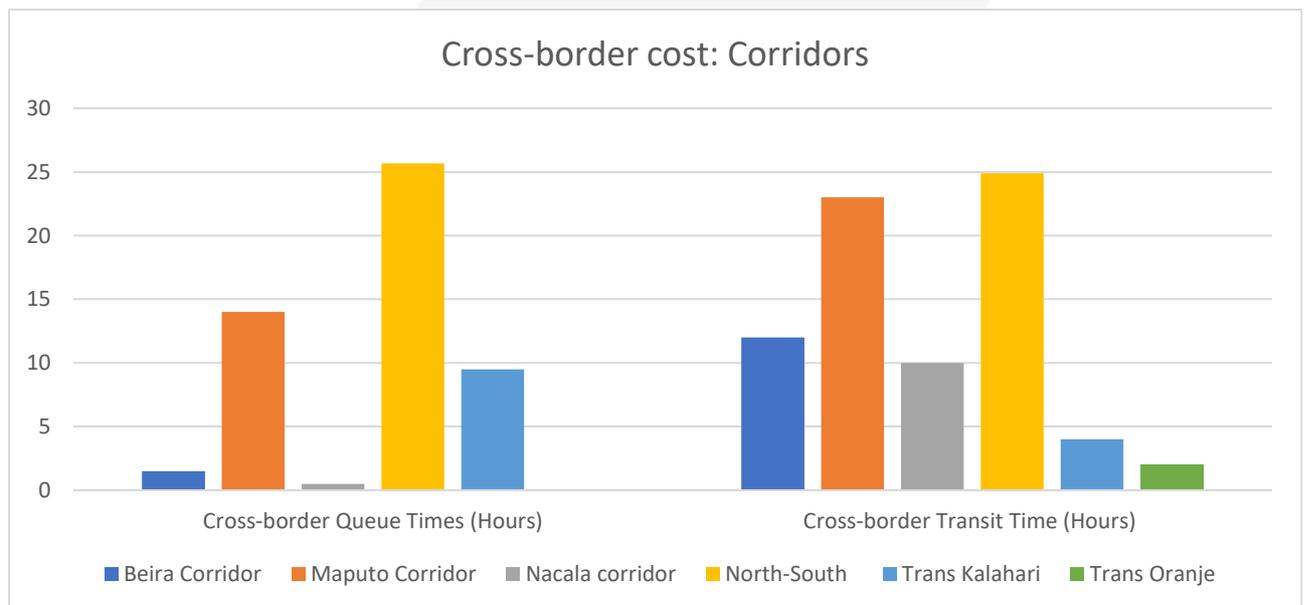
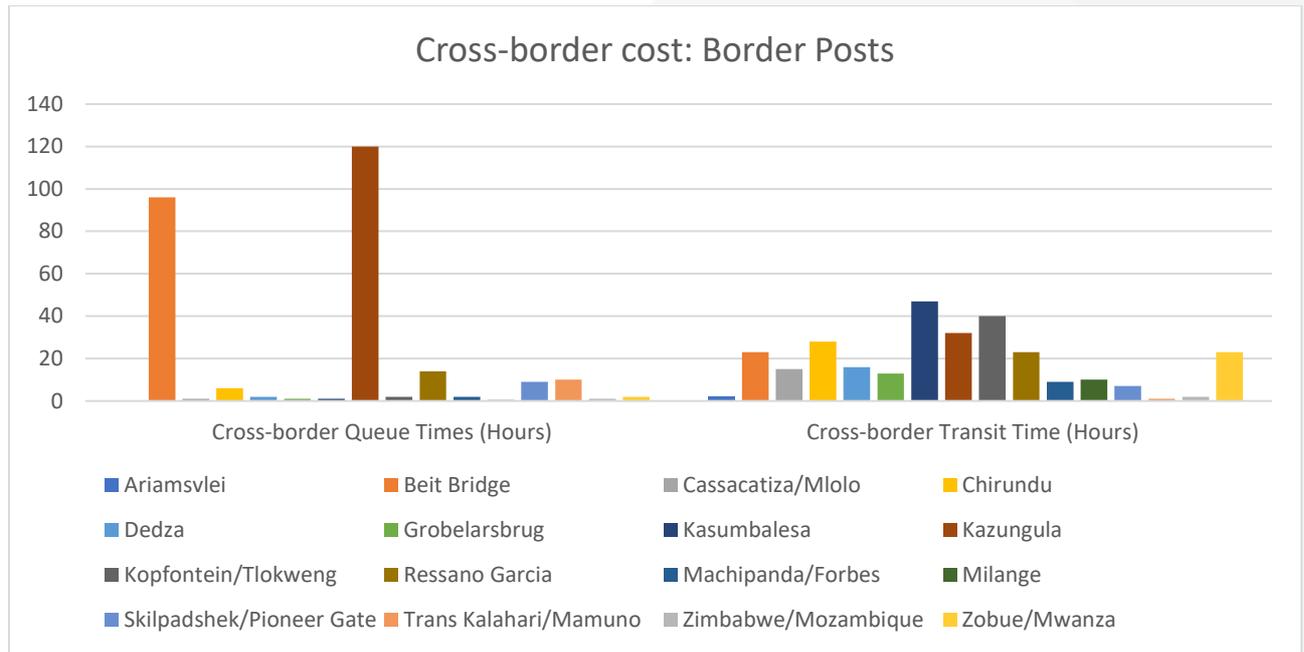
<sup>8</sup> As mentioned before, it should be noted that the root cause of the reported delays is uncertain at this point. Moreover, the delays can be multiple and widely distributed. Therefore, they cannot be exclusively attributed to a specific common cross-border constraint since we do not have a transparent view of the entire border process in granular detail. The causes of these bottlenecks typically include poor infrastructure, road congestion, lack of coordination between neighbouring countries and Customs (or OGA) stops, among other trade obstacles.

Moz/Zim	Skilpadshek/Pioneer Gate	9:00	7:00	5.00	300	9 000	63 000	2 100	10 500	
Moz/Mw	Trans Kalahari/Mamuno	10:00	1:00	-1.00	110	3 300	23 100	770	-770	
Mw/Zam	Zimbabwe/Mozambique	1:00	2:00	-	100	3 000	21 000	700	-	
Zam/Tza	Zobue/Mwanza	2:00	23:00	21.00	100	3 000	21 000	700	14 700	
<b>Total</b>					<b>4 433</b>	<b>132 990</b>	<b>930 930</b>	<b>31 031</b>	<b>650 083</b>	<b>919 597</b>

Source: TLC & FESARTA, week ending 22/02/2021.

The following graphs illustrate the immense estimated cost to the road freight industry due to the delays. The graphs show both the respective border crossings as well as the collective corridors.

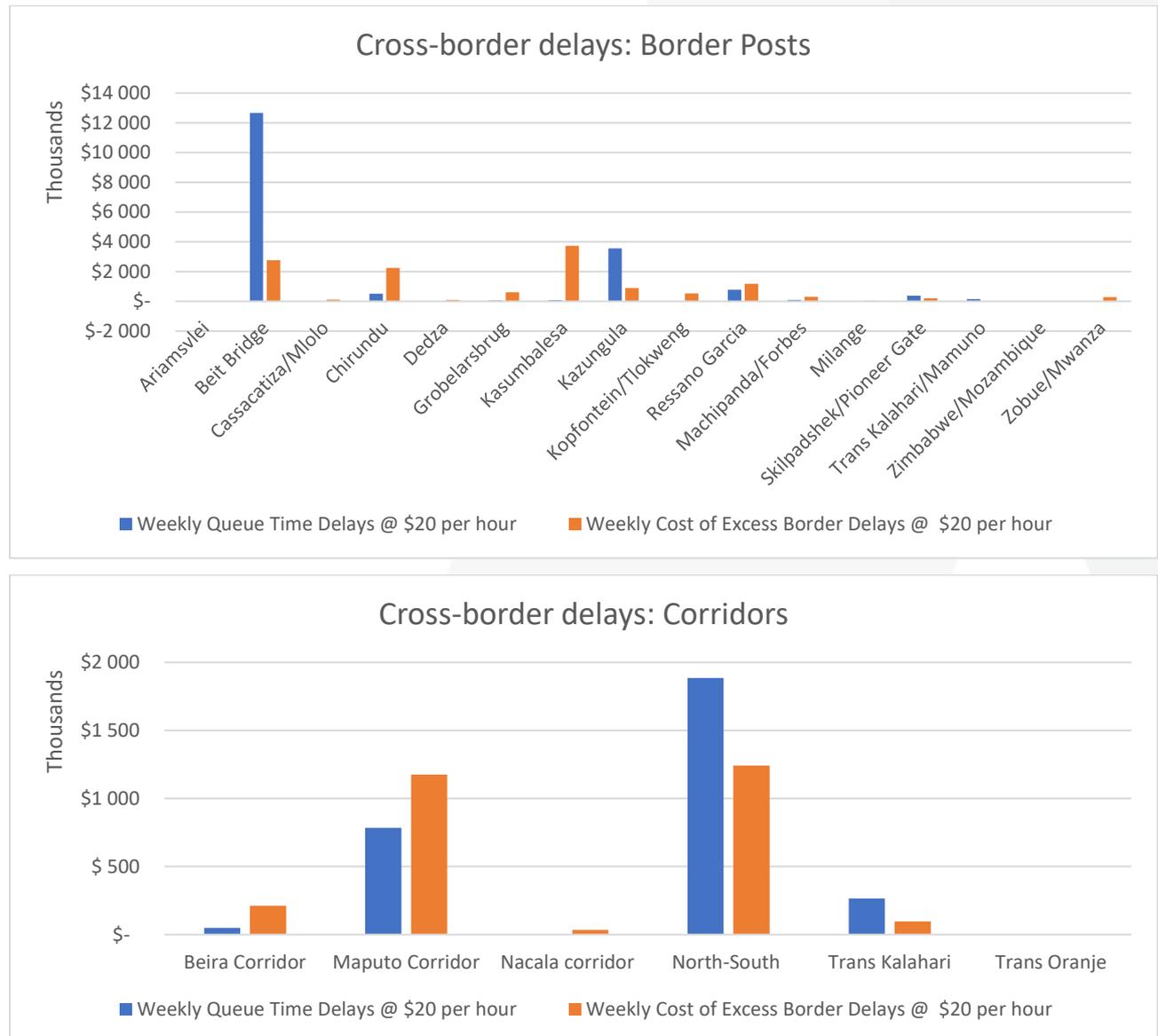
Figure 9 - Cross border delays (in hours)



Source: TLC & FESARTA, week ending 22/02/2021.

The image below shows the cross-border delays experienced in the region. The graphs show both the individual border crossings as well as the collective corridors.

Figure 10 - Weekly cost of delays - North-South Corridor/Trans Kalahari Corridor/ Maputo Corridor)



Source: TLC & FESARTA, week ending 22/02/2021.

In summary, for this week, the cross-border queue time has averaged **~16.7 hours** (which is somewhat less compared to the previous weeks at **~19.6 hours**), which has cost the transport industry an estimated **\$18.4 million** (or **R294 million**). In comparison, the average cross-border transit time was an average of **~18.2 hours**, which has cost the transport industry an estimated **\$13 million** (or **R208 million**). The total cost for the week mentioned above amounts to an estimated **R502 million** (down by approximately **R223 million**

since last week), which, although somewhat lower than last week, remains detrimental to regional intra-African trade.

Attempting to alleviate some of the constraints, the private sector has collectively provided a consolidated comment on the One-Stop Border Post (OSBP) Policy gazetted (Gazette No. 44048) public comment on December 31, 2020. The comment was due on 28 February.

In summary, the private sector has proposed SMART borders, as advocated by the WCO, instead of the OSBP submitted by the government. SMART borders and OSBPs are not mutually exclusive concepts or solutions, and any final model can incorporate elements of both. Ideally, the policy should incorporate the SMART border approach for freight/goods movement in close cooperation with SARS Customs to align with their legal mandate to manage the movement of freight and trade goods, notably on the data processing side. Therefore, the approach should combine the best efficiencies in managing physical cargo movement with the modern connected electronic processes for goods processing and the expedited release of non-targeted cargo. This collaborative environment would be essential for faster and more effective secondary processing (inspections, scanning, etc.) and dealing with the challenges of processing large flows of people. The private sector hopes will add its voice on this extremely important topic, impacting as strongly it does on Inter-African trade.

## 1. International update

The following section provides some context of the global economy and particularly the impact of COVID-19 on trade. The section includes an update on the **(a)** Global container industry and the **(b)** Global aviation industry.

### 1. Global container industry

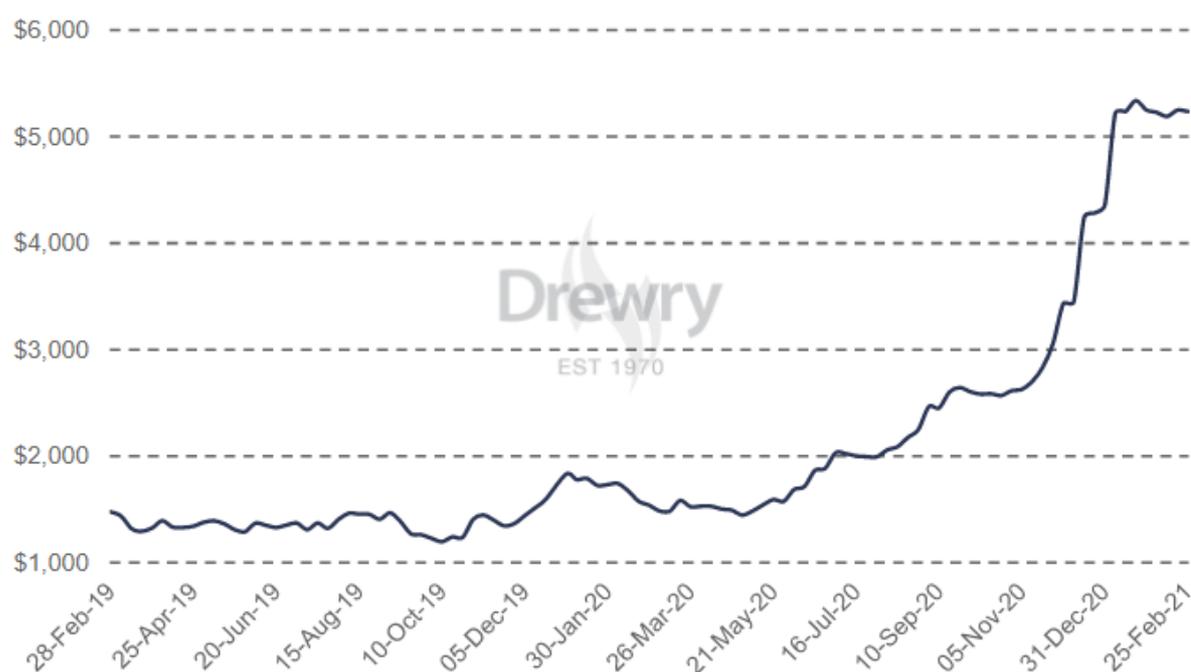
According to Drewry, the UK-based maritime research and consulting firm<sup>9</sup>, international freight rates remain elevated and continues to drift in uncharted waters. The current "*World Container Index*" (WCI) index stands at **\$5,237.86** per 40ft container, which is a marginal decrease of a mere **↓0.2%** last week. The following image shows recent changes.



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<sup>9</sup> Drewry Supply Chain Advisors. 18/02/2021. [World Container Index](#).

Figure 11 - World Container Index - Assessed by Drewry (\$ per 40 ft. container)



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

The composite index is now up by **232.4%** compared with the same period of 2020. Once again, no significant changes were experienced across the major trade routes since last week. Continuing the current narrative, the global situation of container imbalances, port congestion and poor efficiency remains and will keep rates high for the short-term. The average composite index of the WCI for year-to-date is **\$5,245** per 40ft container, which is **\$3,589** higher than the five-year average of **\$1,676** (up by **\$16** last week for two consecutive weeks now). What is perhaps more concerning is the stabilisation of rates at these high levels since the beginning of the year. Could this be the new normal?

In a recent supply chain round table presented by GIBS titled "*The Impact of COVID-19 on Global Supply Chains and Cross Border Trade: Lessons Learned & Best Practices*", Professor Dan Gardner outlined America's experience to date. Their findings largely mirror ours, as the following points were emphasized:

- Initially, the impact on global supply chains (i.e., USA and EU) and logistics infrastructures from the Coronavirus came in the form of a "supply shock",
- China's shutdown and the slow return to full production capacity caused the USA and EU importers to panic and "front-load" their purchases on Chinese vendors (buy early/buy often mentality),
- When surges answer a supply shock in goods movement, a ripple effect of bottlenecks occurs across both international and domestic supply chains,
- In terms of the effect on a maritime eco-system, some of those bottlenecks show up at crucial points:
  - Port terminals
  - Freight corridors
  - Warehousing and distribution facilities
- In the case of the USA, there were fewer ships at ports from which empty containers could be returned to China, creating bottlenecks and congestion at terminals,

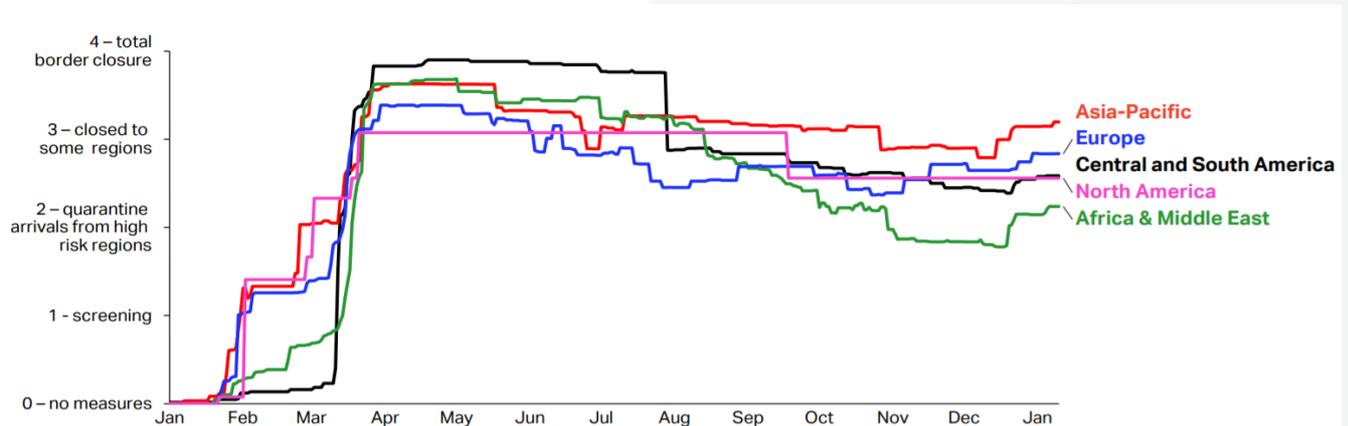
- Intermodal export shipments originating in the US's interior have been slowed down due to a lack of empty containers to load.

These experiences largely mirror South Africa's. In the broader picture, it can be said that these same issues have typified the global maritime industry's operational challenges over the last twelve months.

### Global aviation industry

The global aviation industry will continue to burn through cash quicker in 2021 than expected. The poor financial situation is not improving, mainly due to continued stringent international travel restrictions. The following clearly illustrates the current constraints.

Figure 12 – International travel stringency index weighted by population (Jan 2020-Jan 2021)



Source: [IATA Economics](#)

The International Air Transport Association (IATA) made the following points at a media briefing on 24 February<sup>10</sup>:

- Passenger bookings indicate a weak first half of the year before vaccines are expected to boost the industry – cumulative bookings for February are currently **-78%** down on February 2019 levels,
- New COVID-19 cases remain high in most regions, as new variants have meant virus control has been much harder than expected,
- H1 2021 will be weaker than was forecast in December, and there is also a risk for a similar situation to develop in H2 if new variants continue to muddy the waters,
- Airlines' cash burn is also worse than expected – travel delay implies 2021 cash burn of USD 75-95 billion.

Although weak recovery is continuing – driven mainly by air cargo – the immediate outlook remains poor. The bottom line is that the aviation sector needs planning and cooperation between industry and governments, supported by global standards to record vaccinations and test results to allow aviation to open once more.

### Conclusion

This update — *the 27<sup>th</sup> of its kind* — contains a consolidated overview of the South African supply chain and the current state of international trade. A gamut of constraints that have typified 2020 largely remains, although some minor positive changes impacted the supply chain during the last week. New cases of COVID-19 have continued to decrease, averaging approximately **1,480** per day (down from **1,981** last week). Several days have even dipped below the 1,000-mark this week. South Africa remains at **16<sup>th</sup>** position globally, with

<sup>10</sup> IATA. 24/02/2021. [Airline industry cash burn now expected to continue through 2021](#).

the total number of cases recorded now amounting to **1,509,124**<sup>11</sup> at the time of writing. Globally, more than **228 million** people have now been given at least one dose of vaccine, which constitutes **3%**<sup>12</sup> of the world's population as of writing.

An average of **~10,232 TEUs** was handled per day for the last week, with a decreased average of around **~8,259 TEUs (↓19%)** expected to be handled next week. Weather-wise, DCT had a decent week. However, Cape Town was not so lucky as the weather turned for the worse. Adding to the weather constraints, productivity remains very low, and the upshot is that nearly 2,400 export 40' reefers were awaiting shipment on Friday. Fortunately, both MPT and FPT, which are both better sheltered from the wind, reported better weeks, but neither of them has the capacity to make any real dent in the volumes handled at CTCT. In Durban, operations primarily reflected a typical February week. Nonetheless, in an overall sense, cargo flows are less than ideal as Transnet reported a total weighted decrease of **-7.8%** for y-o-y figures in January.

Internationally, global container freight rates remain high at **\$5,237.86** per 40ft container. Container throughput has also stalled, as the Lunar New Year is ending in China. Consequently, the three-pronged impact of container imbalances, port congestion and low productivity continues to affect trade. Holistically speaking, some of the bottlenecks created because of the supply chain shocks experienced have impacted port terminals, freight corridors, warehousing and distribution facilities. So, the challenging South African experience of late is not unique and has been mirrored throughout the international maritime eco-system.

The outlook remains somewhat better on the air cargo side as air cargo volumes to and from South Africa are slowly increasing. The daily average volume of air cargo handled at ORTIA over the seven days starting 15 February amounted to **441 303 kg** inbound and **362 214 kg** outbound. In total, that results in an average of **803 517 kg** per day, which is approximately **108~%** compared to the two months before the lockdown period (compared to **~113~%** last week). For the domestic industry, average air cargo moved during the lockdown period has amounted to **~68 307kg** per day (**↑1%** compared to last week), which constitutes approximately **~41%**, compared to the previous year (**~40%** previous week).

The aviation industry will continue to burn through cash quicker in 2021 than expected on a global front. The poor financial situation is not improving due mainly to continued stringent international travel restrictions. To turn matters around, the aviation sector needs planning and cooperation between industry and governments, supported by global standards to record vaccinations and test results to allow aviation to relax restrictions. It will also be necessary to restore the confidence of the travelling public. Airlines' cash burn due to the travel delay implies 2021 losses totalling a staggering **USD 75-95 billion**.

In summary, the South African supply chain's security remains fragile as it is greatly affected by global pressures persisting throughout 2021. It should be remembered that the economy was already in a recession when the pandemic hit South Africa nearly a year ago, which has exacerbated an already strained situation. Consequently, there is significant economic ground to recover. The message remains the same for our supply chain. On the one hand, there is the crucial distribution of COVID-19 vaccines. On the other hand, there is a desperate need to increase trade flows that have been lagging since the pandemic.



<sup>11</sup> John Hopkins, Coronavirus Resource Centre. [Coronavirus JHU](#)

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