



Substantial good news in latest Ctrack Transport & Freight Index

The Ctrack Transport & Freight Index for June shows that South Africa's transport and freight volumes increased 20.6% compared to May across all sectors. The Ctrack headline change however declined with 23,2% for the rolling three month average to June compared to June 2019.

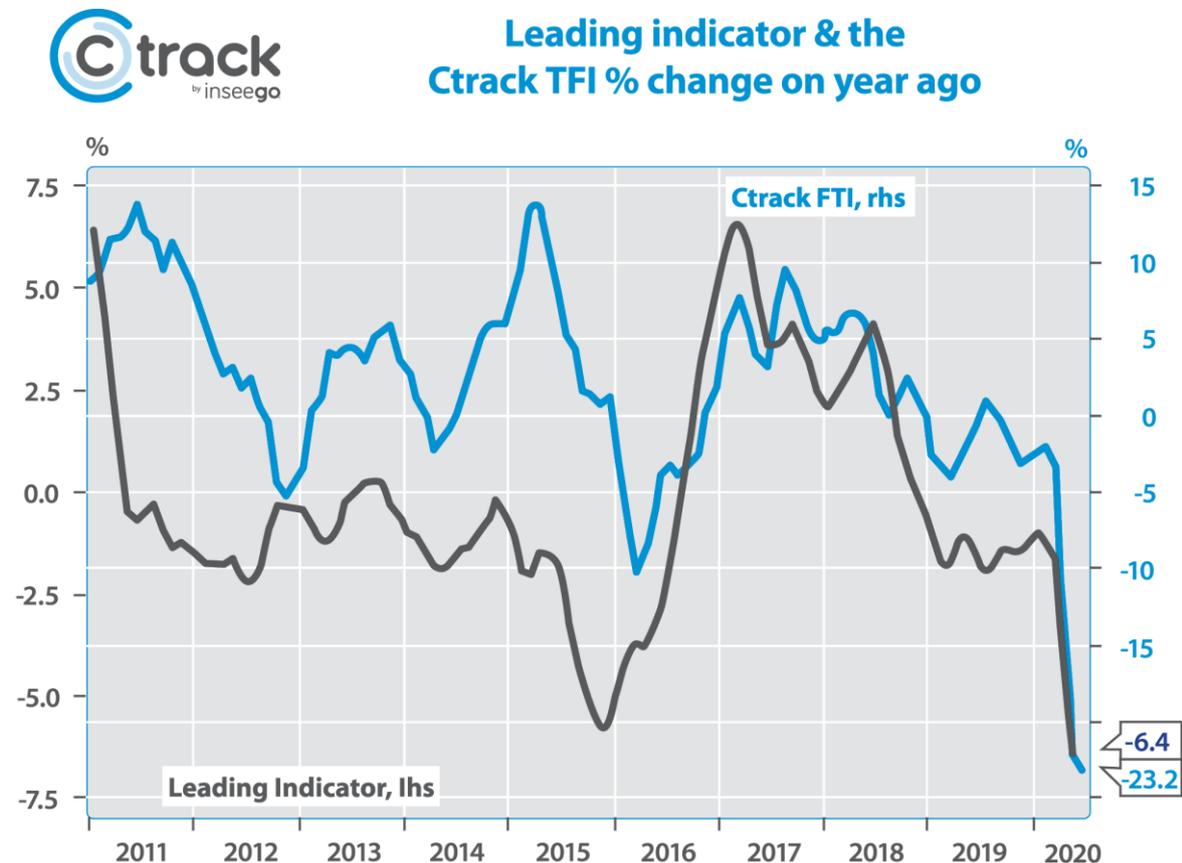
Total freight volumes in June also indicate double-digit growth for the second consecutive month, having recorded a 15,2% increase in May compared to April. However, the depth of the April decline was such that the quarter still reflects a decline.

The data shows that the industry is on the way back, with the bounce back of the whole supply chain. The speed of the bounce is surprising at present and may not stay at double digits.

“Every cloud has a silver lining,” says Ctrack SA CEO, Hein Jordt. “While we remain cautiously optimistic, the recovery does seem real, even though the industry still faces significant supply chain challenges.

“But clearly, the worst is now behind the transport and logistics industries.”

Graph 1: The percentage change over the last quarter compared to a year ago





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Our data shows that warehouses are getting fuller and that the country's biggest ports have got going again.

That said, overall transport and logistics volumes are about 13% below the country's January 2018 high point, and are unlikely to be reached again before 2022.

The air freight sector is unlikely to fully recover unless tourism picks up dramatically. The same can be said of the pipeline sector.

Unfortunately, the average South African consumer is unlikely to display pre-pandemic levels of buying confidence for at least another year.

Car, furniture, and property sales will not return to 2019 levels until 2021 or even 2022.

Travel restrictions and shortened holidays will hurt the local travel industry, new car sales, clothing and, to a lesser extent, entertainment-type products.

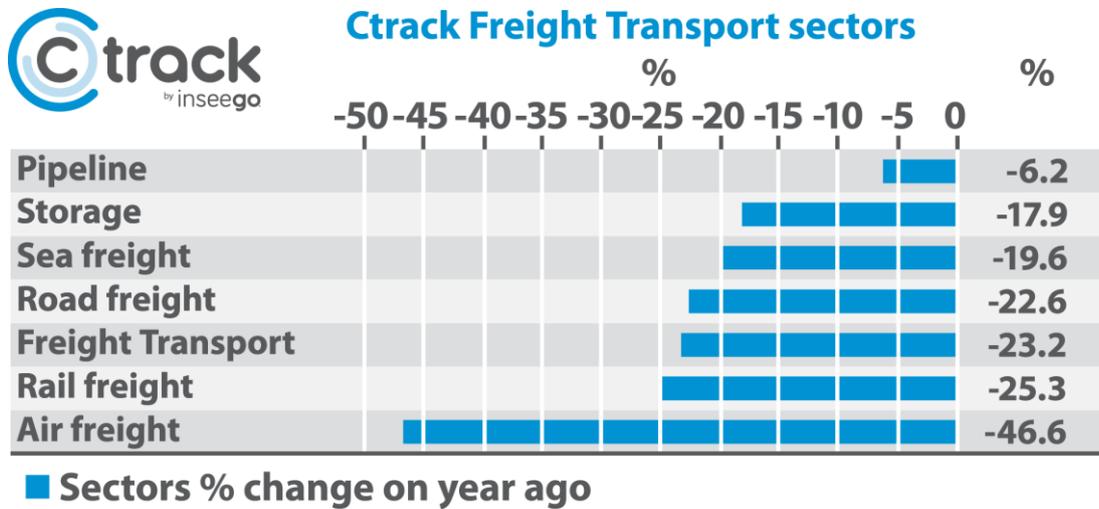
The bad news in the pipeline sector is likely to also continue.

Large reductions in traffic volumes have been recorded in all the big cities of South Africa, and long distance travel on the country's major routes is also radically lower.

Fuel sales will remain well below normal. With massive fuel stocks in some parts of the country, we believe that pipeline volumes will disappoint for some time still.

Furthermore, China has indicated that it has a massive steel stockpile. Iron ore shipments to that country will also be low for the next few quarters, which will impact South Africa's sea and rail transportation sectors.

Graph 2: 2nd quarter 2020 sector changes vs the same quarter a year ago



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Road transport volumes are back at similar levels to March 2020.

The sector shows very promising signs of recovery. Some of this may be due to courier services which are growing due to a change in shopping habits.

However, one should expect a few hiccups along the way, with full recovery still more than a year away.

The storage and warehousing sector are perhaps overstocked at present due to lower retail and wholesale demand.

Conversely, shortages of high-end consumer items such as cell phones have been recorded, due to air freight volumes being well below normal.

The warehousing sector should be watched closely as it provides clues to the prospects of other transport sectors in the short-term.

Table 1: The Ctrack Freight Transport Index



June 2020 Tables

Percentage Change between	Rail	Road	Pipeline	Sea	Air	Storage & Handling	Ctrack Freight Transport Index
Quarter to June: 2020 vs 2019	-25,3%	-22,6%	-6,2%	-19,6%	-46,6%	-17,9%	-23,2%
June vs May 2020	15,2%	25,9%	-15,1%	12,0%	52,5%	16,9%	20,6%
Quarter to May 2020 vs. Quarter to March 2019.	-21,6%	-18,9%	-1,2%	-17,3%	-37,7%	-14,5%	-19,3%

Note: the row highlighted in blue is the main Ctrack Transport and Freight Index values used.

May 2020 Tables

Percentage Change between	Rail	Road	Pipeline	Sea	Air	Storage & Handling	Ctrack Freight Transport Index
Quarter to May: 2020 vs 2019	-21,0%	-22,9%	-1,1%	-18,6%	-40,6%	-19,4%	-22,2%
May 2020 vs April 2020	33,0%	11,7%	-2,4%	17,3%	-23,8%	18,0%	15,2%
Quarter to May 2020 vs. Quarter to February 2019.	-18,1%	-19,7%	0,4%	-16,8%	-35,6%	-17,9%	-19,3%

Note: the row highlighted in blue is the main Ctrack Transport and Freight Index values used.

Note to editors

Due to Covid-19, some indicators were based on estimates. At present there is a delay in some storage and rail freight data, which is partly estimated. StatsSA data is not fully available in some cases and may change.

The headline data we use is the rolling quarter compared to the same quarter a year ago. Monthly data is in many cases very volatile and may not express the full trend.