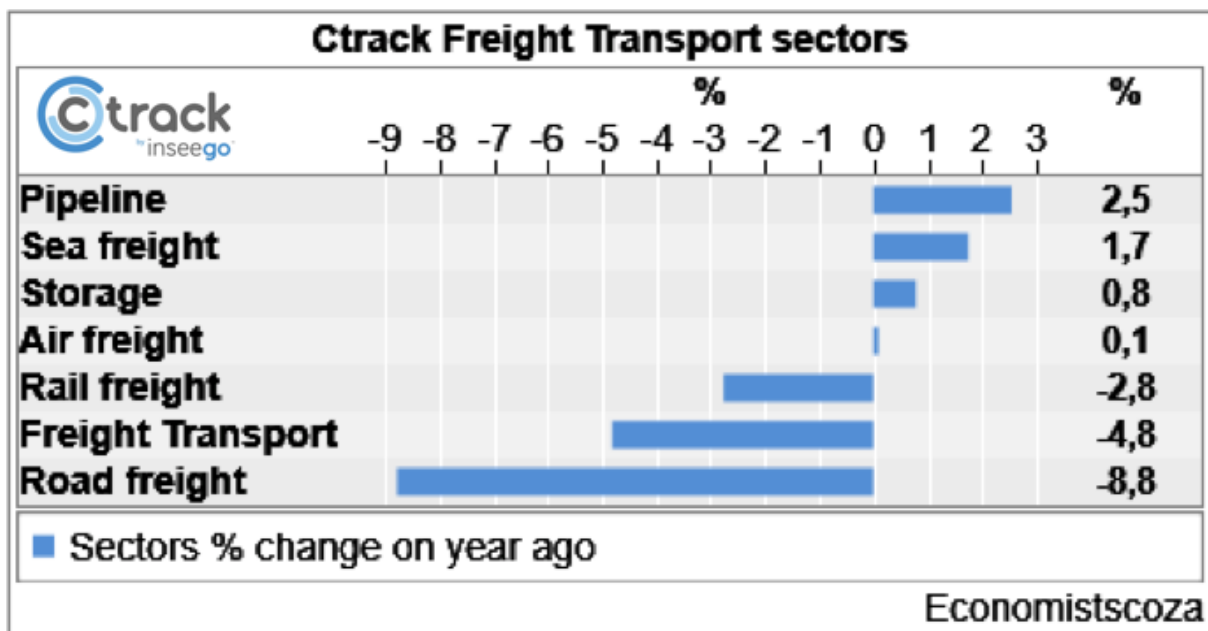




South African freight volumes drop, albeit less than expected

The Ctrack Freight & Transport Index for February 2020 shows an overall freight volume decline of 4,8% versus the same period a year ago. While substantial, the fall is less than the 5,1% decline in freight volumes reported in January 2020 compared to January 2019.

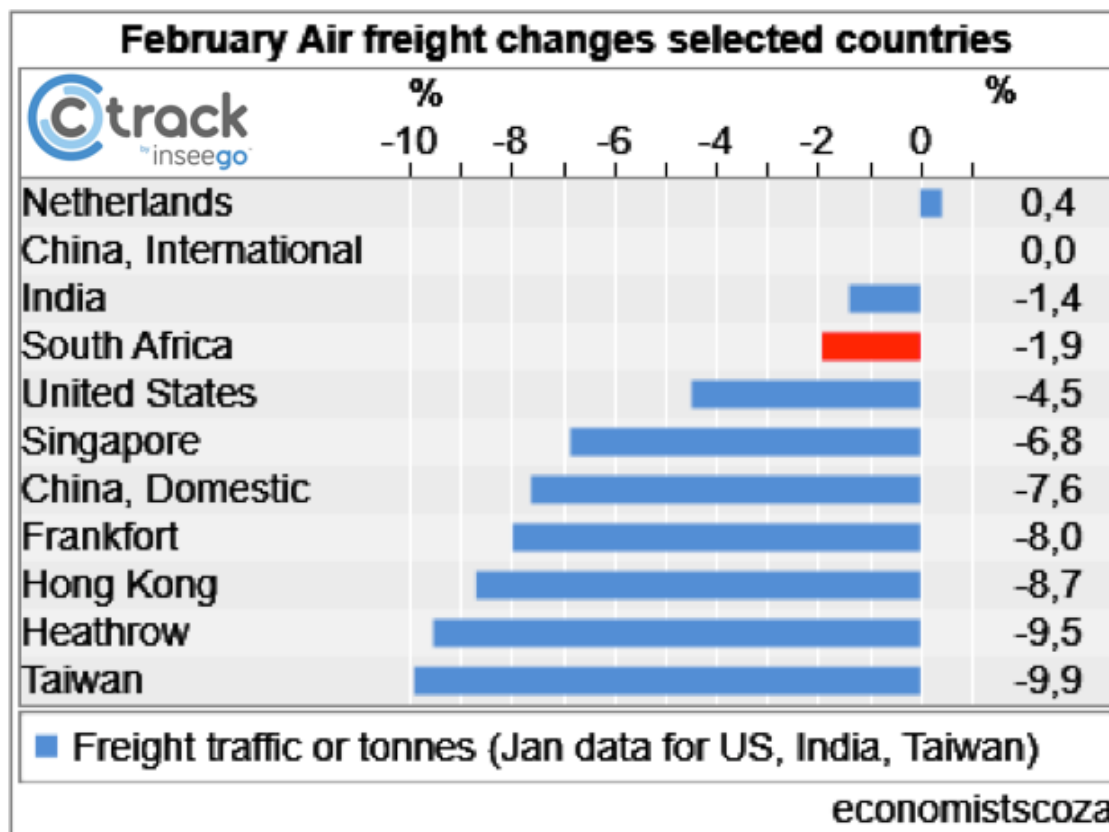
Graph 1: Recent performance of the different logistics sub-sectors, as recorded by the Ctrack Freight & Transport Index.



Coronavirus fears likely drove pre-emptive buying, which resulted in slightly increased storage volumes and inflated internationally linked sea and air freight volumes. However, air freight the world over is in a steep decline and has been for a while. The exceptions to the overall drop of 3,3% in world air freight volumes stem from improved volumes in Africa and Latin America.

As can be seen for some selected countries in graph two, air freight is a fragile sector which the virus impacted first. However, there are reports that suggest air freight will benefit from emergency shipments of medicines and medical equipment needed to fight the pandemic in the short term.

Graph 2: Air freight volume changes versus a year ago in selected countries / airports.



The storage/warehousing sector reversed dramatically, from -8% to +0,8%, which we believe is a function of previously low inventories and attempts to mitigate supply-chain disruptions. It seems that the increase in storage volumes was primarily due to foreign freight arriving in South Africa. The only explanation we have at present is that the fear of running out was exacerbated by already low levels of stock caused by the weak economy.

The land transport sector remains in recession as the domestic economy continues to splutter. Road freight volumes, which makes up nearly half the weight of the freight transport sector, is close to recording a double-digit decline.

“The reduction in numbers were expected considering the growing fears of the Corona virus. As we are experiencing right now, the lockdown in SA will worsen matters during the next 3-6 weeks. What is positive is the stockholding that was increased due to Corona effect, and the current general stock in warehouses shows that SA could recover very fast once the lockdown is uplifted during April, says Hein Jordt, Managing Director of Ctrack South Africa”.

February 2020 Tables



Percentage Change between	Rail	Road	Pipeline	Sea	Air	Storage & Handling	Ctrack Freight Transport Index
Quarter to February: 2020 vs 2019	-2,8%	-8,8%	2,5%	1,7%	0,1%	0,8%	-4,8%
February 2020 vs January 2020	4,3%	0,4%	-0,6%	5,8%	-3,0%	-3,2%	1,0%
Quarter to FEB 2020 vs. Quarter to Nov 2019.	-2,0%	-4,6%	4,8%	2,8%	2,0%	5,7%	-1,6%

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

January 2019 tables (adjusted)

Percentage Change between	Rail	Road	Pipeline	Sea	Air	Storage & Handling	Ctrack Freight Transport Index
Quarter to January: 2020 vs 2019	-1,7%	-6,9%	-0,8%	0,4%	-1,9%	-8,0%	-5,1%
January 2020 vs December 2019	-4,7%	-0,2%	-3,2%	-3,2%	-3,2%	0,0%	-1,6%
Quarter to Jan 2020 vs. Quarter to Oct 2019.	-3,2%	-4,2%	3,8%	-0,1%	-0,2%	-5,2%	-3,5%

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

For more information and historical data, please visit:

<https://www.ctrack.com/za/transport-and-freight-index/>

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