



Air Freight flows to and from the Western Cape

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1. Introduction

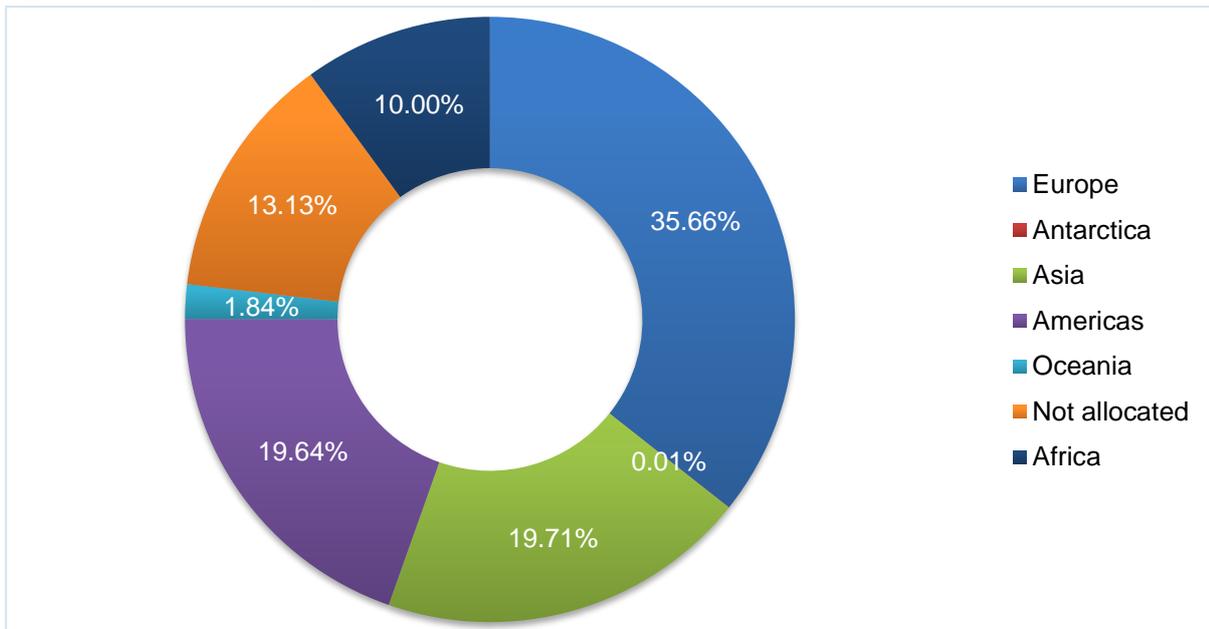
Although air cargo transportation plays a key role in global trade, it serves a relatively small portion of the volume of world trade (Meijis, Santos, Tavassy and Miranda, 2017). It is generally used to transport goods that are very time-sensitive, such as pharmaceuticals, documents, and perishable agricultural products. Air transportation is also suitable for high value cargo that requires additional security. One of the advantages of air freight is shorter transit time, which makes it ideal for the transportation of inputs to meet just-in-time production as well as emergency spare parts (World Bank, 2009). Air cargo supply chains entail a fairly complex process, which is subject to regulatory requirements. Cost is the biggest limitation of the demand for air freight.

The purpose of this paper is to analyse the Western Cape's air cargo flows. Section 2 looks at outward air freight whereas section 3 examines imports by air.

2. Outflow of air cargo from the Western Cape

Sea freight constitutes the bulk of world trade transportation. As shown in Figure 1, 60% of the Western Cape's exports are facilitated via sea ports whereas air transport only accounts for 11%. The regions with the highest share of the Western Cape's exports by air, during the 2010-2020 period, were Europe (60%); Asia (20%); and the Americas (19%). During the same period, 10% of the province's exports by air went to the rest of Africa.

Figure 1: Outward air freight from the Western Cape, 2010-2020



Source: Quantec, 2021

Table 1 shows the top ten products exported by air from the Western Cape to other parts of the world. As already emphasised, the products in this category are mostly high value in nature or are perishables. The top three exported products that were shipped by air from the province between 2010 and 2020 were petroleum oils and oils obtained from bituminous minerals (other than crude); diamonds; and articles of jewellery and part therefore, of precious metal or of metal clad with precious metal.

Table 1: Outward air freight from the Western Cape, by product (2010-2020)

| Rank | Product | Value (R Billion) | Share |
|------|--|-------------------|-------------|
| 1 | Petroleum oils and oils obtained from bituminous minerals, other than crude | 16.09 | 12.7% |
| 2 | Diamonds, whether or not worked, but not mounted or set | 10.69 | 8.4% |
| 3 | Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal | 8.98 | 7.1% |
| 4 | Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans, whether in shell or not, whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling | 5.79 | 4.6% |
| 5 | Other fruit, fresh | 5.25 | 4.1% |
| 6 | Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases | 4.64 | 3.6% |
| 7 | Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14 | 3.93 | 3.1% |
| 8 | Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption | 3.79 | 3.0% |
| 9 | Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28 | 3.62 | 2.8% |
| 10 | Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations | 3.12 | 2.5% |
| | Others | 61.26 | 48.2% |
| | Total | 127.16 | 100% |

Source: Quantec, 2021

From 2010 to 2020, about 17% of the Western Cape's outward air freight was sent to the United States as indicated in Table 2. The United Kingdom (8.4%) and Belgium (8.2%) were the second and third largest destination markets for the Western Cape's exports by air. There was no African country in the Western Cape's top ten destinations for exports by air. Kenya was the highest ranked African country at number 13.

Table 2: Outward air freight from the Western Cape, by country (2010-2020)

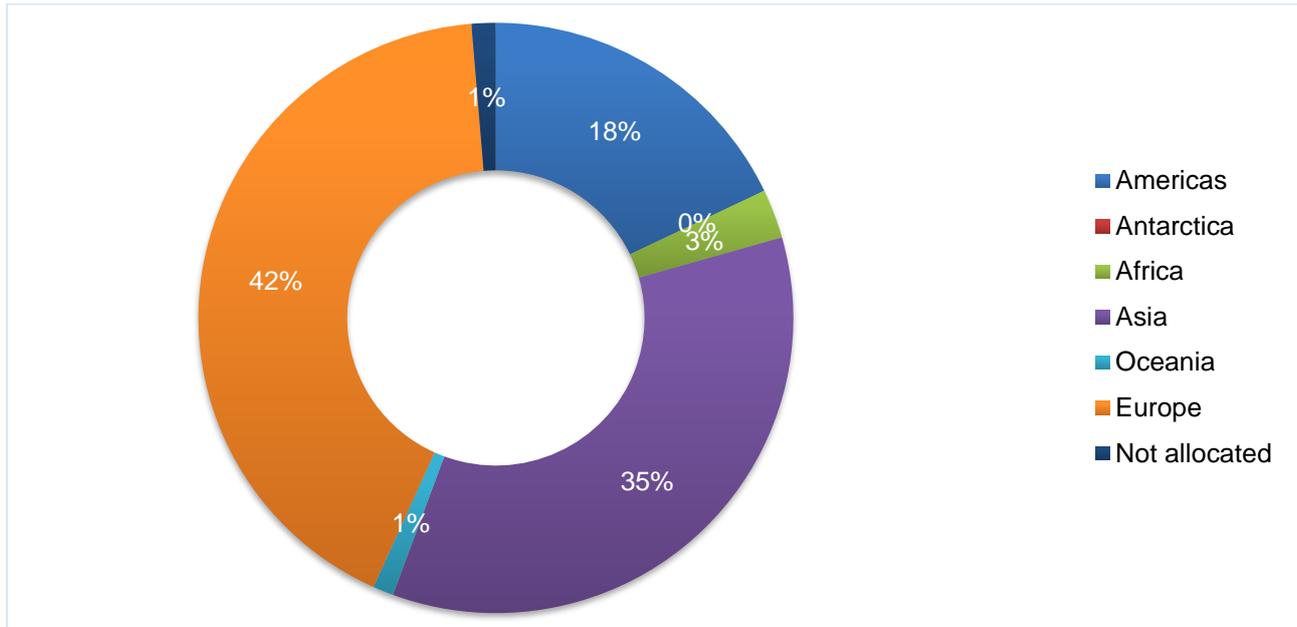
| Rank | Country | Value (R Billion) | Share |
|------|----------------------|-------------------|-------------|
| 1 | United States | 21.20 | 16.7% |
| 2 | United Kingdom | 10.69 | 8.4% |
| 3 | Belgium | 10.38 | 8.2% |
| 4 | Germany | 8.86 | 7.0% |
| 5 | Hong Kong | 5.79 | 4.6% |
| 6 | Netherlands | 4.30 | 3.4% |
| 7 | France | 3.24 | 2.5% |
| 8 | Japan | 2.95 | 2.3% |
| 9 | United Arab Emirates | 2.91 | 2.3% |
| 10 | China | 2.90 | 2.3% |
| | Others | 53.94 | 42.4% |
| | Total | 127.16 | 100% |

Source: Quantec, 2021

3. Inflow of air cargo to the Western Cape

Air transport only accounted for 7% of total imports by the Western Cape between 2010 and 2020. Most of the imports that arrived in the province during this period were facilitated via the sea ports. With regards to the source regions of the Western Cape's imports by air, Europe had the highest share at 42% between 2010 and 2020. This was followed by Asia (35%) and the Americas (18%). Only 3% of inward air freight to the province originated from Africa in the same period.

Figure 2: Inward air freight to the Western Cape, 2010-2020



Source: Quantec, 2021

Just like in the case of outward air freight, the top ten products imported by air into the Western Cape were mostly high value items. The top three products that were imported via air transport to the province, between 2010 and 2020, were instruments and appliances used in medical, surgical, dental or veterinary sciences; medicaments for therapeutic or prophylactic uses; and telephone sets.

Table 3: Inward air freight the Western Cape, by product (2010-2020)

| Rank | Product | Value (R Billion) | Share |
|------|--|-------------------|-------------|
| 1 | Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments | 6.57 | 4.5% |
| 2 | Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packi | 5.58 | 3.8% |
| 3 | Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network | 4.25 | 2.9% |
| 4 | Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes; mounted piezo-electric crystals | 4.12 | 2.8% |
| 5 | Discs, tapes, solid-state non-volatile storage devices, smart cards and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs | 4.12 | 2.8% |
| 6 | Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included | 3.72 | 2.5% |
| 7 | Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect | 3.68 | 2.5% |
| 8 | Other aircraft (for example, helicopters, aeroplanes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles | 2.90 | 2.0% |
| 9 | Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal | 2.36 | 1.6% |
| 10 | Spectacles, goggles and the like, corrective, protective or other | 2.07 | 1.4% |
| | Others | 107.61 | 73.2% |
| | Total | 146.97 | 100% |

Source: Quantec, 2021

China, with a share of approximately 18%, was the province's largest source market for inward air freight during the 2010-2020 period, followed by the United States (15%) and Germany (11%). There was no African representation in the top ten source market for inward air freight to the Western Cape. Mauritius, the top ranked Africa country, occupied the 12th position.

Table 4: Inward air freight to the Western Cape, by country (2010-2020)

| Rank | Country | Value (R Billion) | Share |
|------|--------------------------|-------------------|-------------|
| 1 | China | 26.26 | 17.9% |
| 2 | United States | 22.49 | 15.3% |
| 3 | Germany | 15.80 | 10.8% |
| 4 | United Kingdom | 11.11 | 7.6% |
| 5 | India | 8.00 | 5.4% |
| 6 | Italy | 7.25 | 4.9% |
| 7 | France | 6.08 | 4.1% |
| 8 | Taiwan Province of China | 3.92 | 2.7% |
| 9 | Switzerland | 3.92 | 2.7% |
| 10 | Netherlands | 3.24 | 2.2% |
| | Others | 38.90 | 26.5% |
| | Total | 146.97 | 100% |

Source: Quantec, 2021

4. Conclusion

In conclusion, both inward and outward air freight typically include high value goods. Air freight transportation applies to a relatively small portion of the Western Cape's volume of trade with the rest of the world. It accounted for 11% of the province's total exports and 7% of its total imports between 2010 and 2020. Furthermore, Europe was identified as the Western Cape's largest trading partner in relation to both inward and outward air freight to and from the province. From 2010 to 2020, Europe accounted for approximately 37% of province's total exports by air and 42% of its imports by air.

Reference

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