

Landlocked Africa: increased trade needed to meet development goals

For both South African and global businesses, access to trade will remain a logistical challenge for the foreseeable future, particularly in landlocked countries such as Malawi, Zimbabwe and Zambia. This due to the continent's lack of infrastructure and challenging customs procedures.

This is according to Bruce Marshall, country manager: Zambia, Zimbabwe and Malawi of Maersk Line, who says that, despite these challenges, the continent has massive economic potential and fostering trade plays a critical role in stimulating various growing industries in the rest of the world, as well as Africa, such as financial services, energy and technology. "Establishing reliable trade lanes between the continent and the rest of the world is therefore key to stimulating Africa's economy-generating industries, in order to meet the growing needs of its customers. Increasing trade activity between landlocked countries and the rest of Africa and the world will not only stimulate their own economies but also assist them to become more self-sufficient.



The engine that drives growth

Jonathan Horn, managing director of Maersk Line in Southern Africa - a member of the Maersk Group - points to the The United Nations' Sustainable Development Goals which was once again in the spotlight at the UN Sustainability Summit 2015 that took place 25 - 27 September 2015. The eighth goal is to promote inclusive and sustainable economic growth, employment and decent work for all. "Ahead of the summit, it is important to raise awareness of the importance of trade between Africa and global markets, as it is the cornerstone of sustainable economic growth and can be an engine that drives employment and growth in Africa's economies."

Horn explains that the key to achieving optimal trade is a perfect marriage between maritime, road and rail transportation, depot and warehousing facilities, and recommends that businesses looking to explore the opportunities that Africa presents should consult experienced trade partners such as Maersk Line, who have been present in the region for several decades. "Experienced partners possess the necessary expert knowledge to provide solutions and reliable transportation of goods, as well as have representation in the relevant countries."

Growing need for energy solutions

Marshall says that an example of the one of the commercial opportunities present in Africa is the need for energy in Africa.

"This has been recognised by global exporters of energy products such as China. Africa is the ideal place for alternative and innovative energy solutions, as many countries cannot depend on conventional electricity resources." He explains that energy exporters such as China, which is currently the biggest exporter to these landlocked regions, supply products such as solarised traffic and street lights, solar lamps, torches, inverters, generators, solar panels and other alternative energy sources.

Marshall says that there is a very strong relationship between Asian energy manufacturers and reliable trade partners that distribute these energy products to the importers in various African regions which in the past may have been unable to access international supply chains and global markets due to lack of scale, export and market knowledge, investment capacity or lack of transport, cold chains and logistics services.

"Partnering with an experienced trade specialist can help facilitate and unlock the opportunities and commercial prospects available in landlocked African countries. Specialists such as Maersk Line are able to assist with the challenges, and provide cost-efficient methods of the transportation of goods, as well as shorter transport times, as they are familiar with the quickest routes on the continent."