

Imperial Logistics cautious amid economic slowdown

With tough trading conditions and increasing pressure from declining commodities markets, Imperial Logistics has posted interim results reflecting marginal revenue growth in the majority of the industries in which it operates.



Cobus Rossouw

Cobus Rossouw, chief business development officer, reports that in the last six months, the group's South African business has expanded across almost all industries, considering reduced fuel prices. "This is good news. To achieve real organic revenue growth in this testing economic climate is truly commendable," he stresses.

Rossouw notes that, while substantial declines in the mining sector have offset this, and placed expected pressure on Imperial Logistics' revenue and profitability, mining remains a very small part of the organisation's business. "We will continue to limit our exposure in this market going forward," he adds.

Rossouw says that the continued slowdown of the economy is expected to exert ongoing pressure on profitability and margins. "We recognise that our clients are under the same pressure, and remain committed to working alongside them to find ever more efficient, cost-effective solutions to streamline their supply chains and optimise their logistics operations," he affirms.

New markets, partnerships and acquisitions

A strong performance by the division's operations in the rest of Africa reflects the continued success of the group's strategy, with revenue and operating profit growing by 17% and 41% respectively. Expansion into new markets and partnerships with new principals delivered favourable results. Recent acquisitions also performed well and delivered continued good growth in the distribution, pharmaceutical, consumer and healthcare operations.



"While our cross-border transport operations are under increasing pressure due to volume and price challenges, we have continued to see very good growth in our distribution, pharmaceutical, consumer and healthcare operations in the rest of Africa. Businesses that have been in the Imperial stable for a long time and recent acquisitions are both performing well, and I believe this trend will continue," Rossouw concludes.

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