

SA's logistics sector is weathering the storm despite myriad challenges

 By [Maria du Preez](#)

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There is no doubt that Covid-19 has caused all kinds of havoc in the logistics sector.

We are still facing enormous backlogs, not just in South Africa but globally. Cargo and containers continue to be held up in congested ports, with America and the UK also burdened by a shortage of truck drivers as a consequence of increased trade and impact of Brexit.



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Not only have we felt the effects of the US, UK and Europe closing their borders, but the airline industry has also moved away from having dedicated freighters, choosing instead to reconfigure fleets to carry passengers and cargo. This has presented challenges in terms of the availability of capacity into South Africa.

The macro trend is even more evident on the ocean freight side. It would be fair to say the shipping lines have made the most of current circumstances by increasing rates by as much as 400% in some cases. Unfortunately, the airline industry is now starting to follow suit, by rapidly increasing freight rates.

The truth is it's not going to be easy for South African businesses and consumers.

At Bidvest International Logistics (BIL), we are determined to supply our clients with as much information as possible about these global trends to help them plan, though the coronavirus remains highly unpredictable and even the best-laid plans will require adjustments.

While we have seen some gradual improvements recently, the supply chain situation is still nowhere near where it's supposed to be.

At the local level, negotiating Transnet's low productivity numbers and decades-long maintenance issues remain problematic, though some new challenges have also arisen. For one, Durban is experiencing strong winds that you would normally only associate with Coega and Cape Town. For another, Transnet recently introduced a new truck booking system that is still not working effectively.

Rail also remains a huge problem in South Africa. Not being able to move your cargo by rail means there is a backlog of trucks in the ports and more trucks on our roads. Another obstacle is vandalism, particularly on the Durban to Johannesburg and Pretoria to Cape Town rail networks.

In the past year, our industry has also faced a horrific situation on South Africa's borders where trucks have been backed up for kilometres. Thankfully the chaos at the Beitbridge border was eventually remedied, but now problems have developed on the border between South Africa and Mozambique.



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On the plus side, this is getting high-level attention from the government, industry bodies and other role players. These same role players are now focused on sorting out the issues on the Maputo Corridor.

What is important to note is that demand for goods remains high despite the impact of the pandemic. By no means has it come to a standstill. Our clients have reported that even unusual commodities are selling out as soon as they arrive.

It is one of the reasons why South Africa can simply ill-afford truckers blocking the highways. Not only do the protests against foreign drivers operating on our roads open the way for retaliatory protests in their own countries, but the cost associated with the delays are passed onto the consumers in the end.

Particularly in light of the African Continental Free Trade Area, it's not simply a matter of trading goods; you are also trading services, and transport is very much a part of the trade in services.

While we understand that we should preserve jobs in South Africa, we need to look at the bigger picture.

It may sound strange to suggest some good has come out of Covid-19, it cannot be denied that we have learnt so much about the importance of data in our industry.

Since the outbreak, the South African Association of Freight Forwarders (SAAFF) has started to accumulate a lot more data, which has resulted in private and public sector sharing more information than before.

It has allowed SAAFF to compile and issue reports on a range of aspects, such as cargo movements, what's happening in the global market and on the oceans, the availability of capacity, the volume of containers coming in or out, airfreight volumes and exports, and domestic air freight.

If you have data you can work effectively with governmental departments and organisations. For example, focusing on manual processes in the supply chain, establishing how long it takes between the interventions and time it is released, and communicating this with the respective entities, has improved the turn-around times to get releases.

Data has become absolutely crucial.

This is why it is so important that we embrace technology and learn how to live and work with it. In the future, we will need technology-based skills, as we have to compete on global standards.

The world is once more looking at Africa as a potential growth market, so we need to be on top of our game.

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