



# Building resilience in Europe - South Africa trade logistics networks: Scoping study

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# Overview

- Trade logistics costs are the largest cost component for an average European firm exporting to South Africa
- EU – SA logistics networks continues to feature strong connectivity, low costs for bulk commodity shipping, and are relatively efficient when compared to other African points of entry
- However, a combination of underinvestment in core logistics infrastructure and governance challenges in major institutions in the logistics supply chain have resulted in rising unpredictability and higher costs for European firms
- Most problems are long-term in nature, requiring substantial investment in underlying infrastructure and decades of institutional rebuilding
- EU support should be structured as a two-track process, in which long-term lobbying and capacity building among core logistics institutions sits alongside direct support to help EU firms plan for bottlenecks as they occur

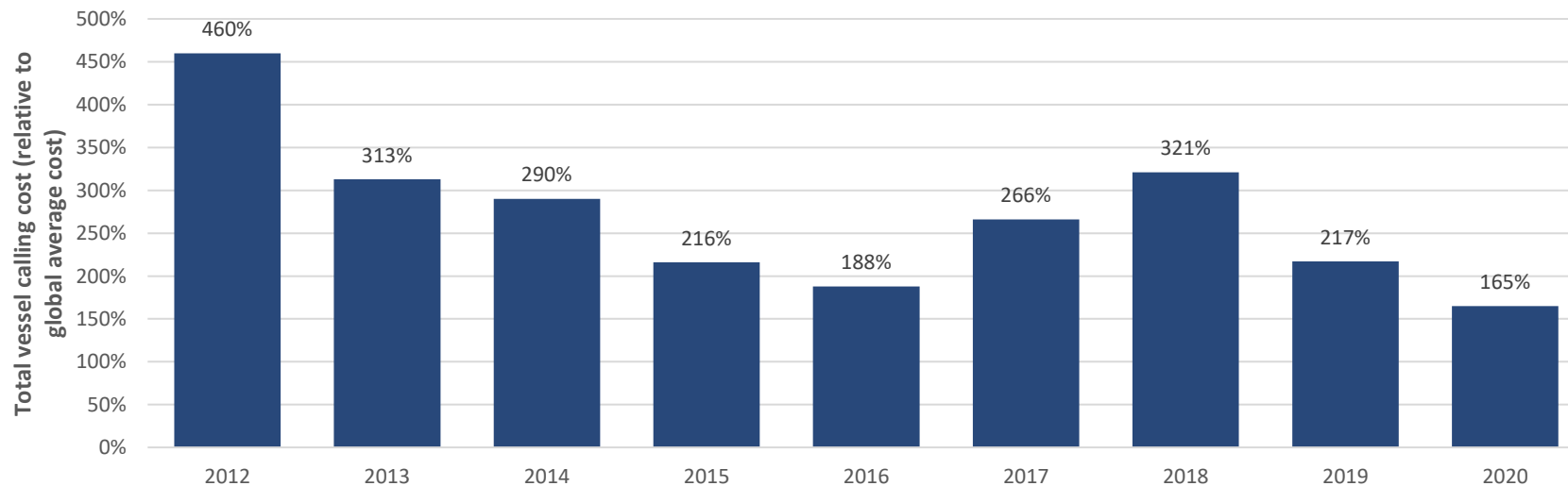
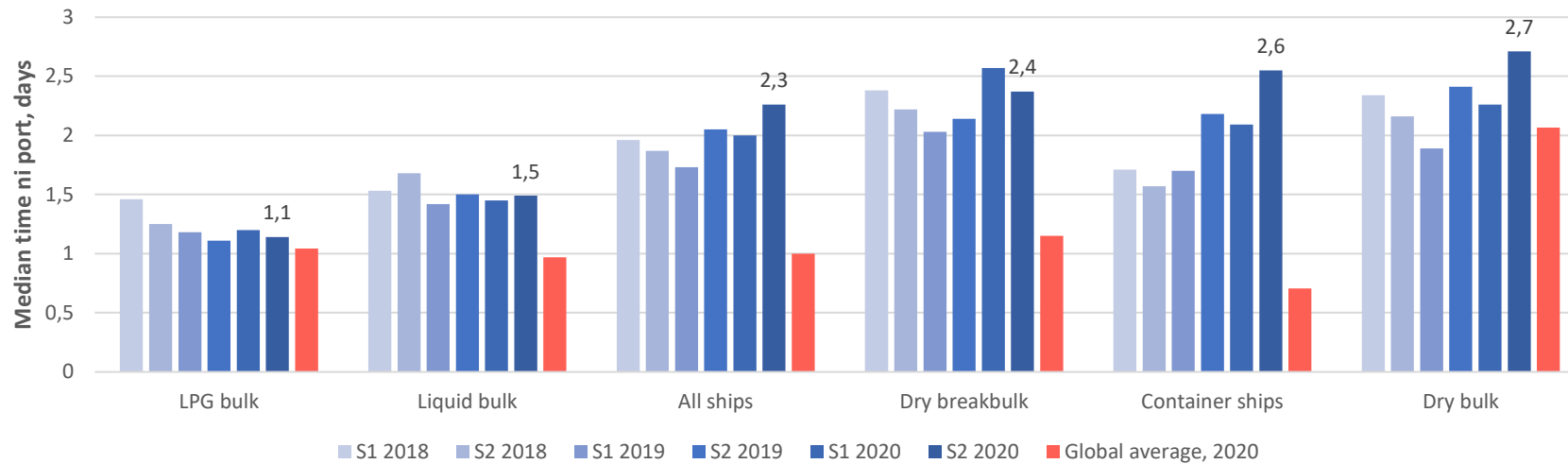
# Scoping study

- The scoping study provides an initial overview of the impact of South African logistics systems on the competitiveness of European companies exporting-to and operating-in South Africa
- The aim of the scoping study is primarily to direct further work, and its findings should not be treated as final or comprehensive
- This presentation will highlight core risks identified by the study in three key areas:
  - Berthing & unloading
  - Documentation, clearance & inspection
  - Domestic logistics & transshipment
- The presentation concludes with an analysis of potential interventions and further areas for study

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# Berthing & unloading



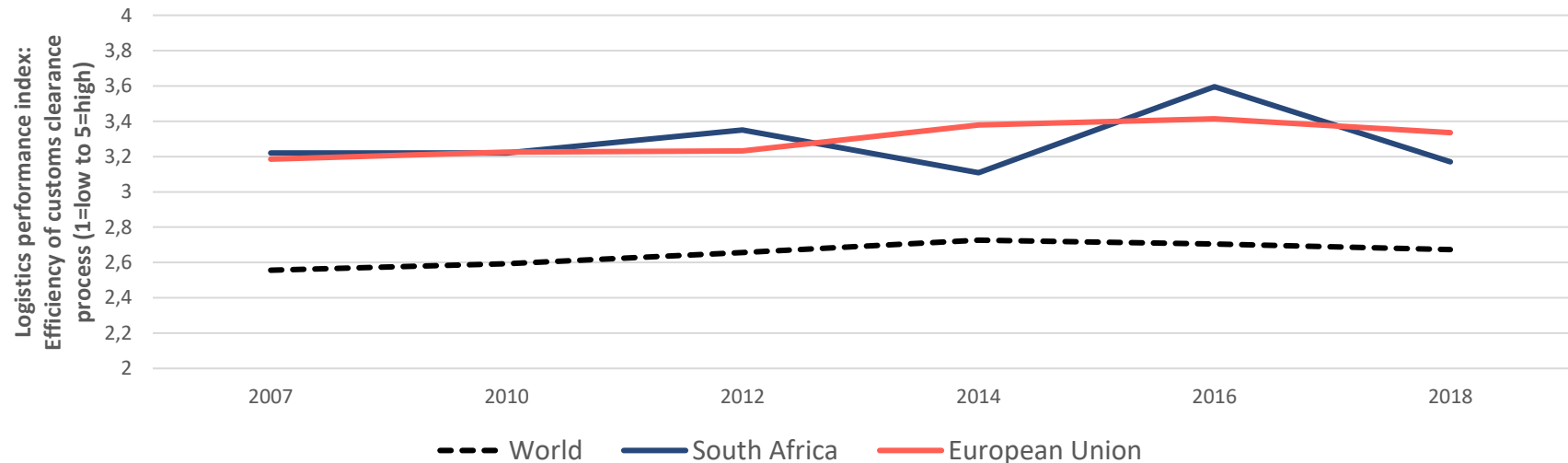
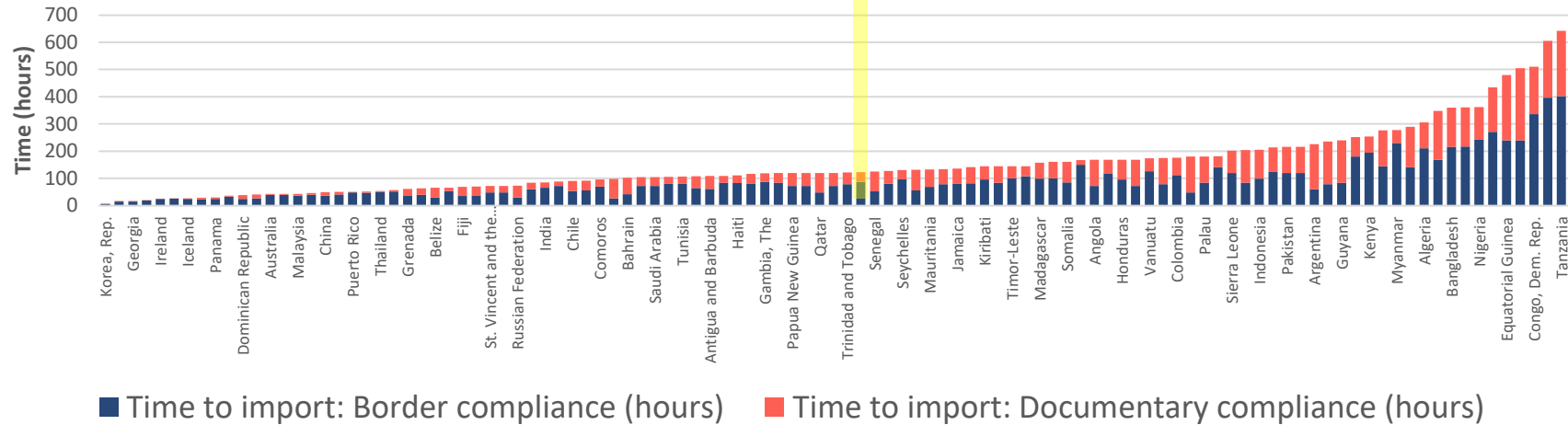
## Key findings

- Container ships face costs 65% above global averages, and wait times 370% above averages
- Major ports, notably Durban, are at design capacity and will be structurally unreliable for the foreseeable future
- Operational concerns, such as aging equipment (notably cranes) worsen underlying fragility
- Lack of viable alternative entry points further increases fragility

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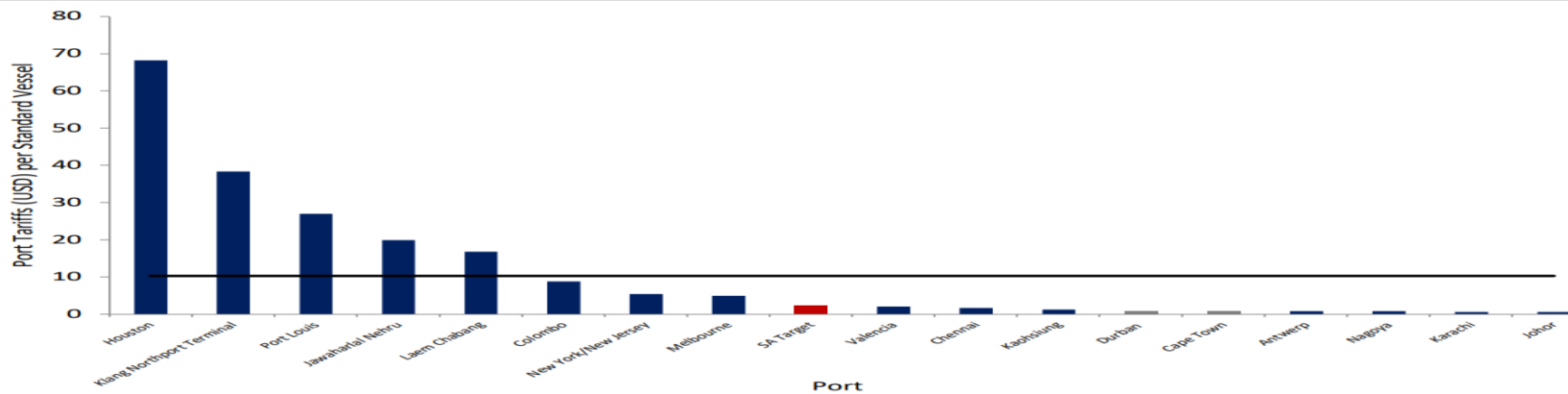
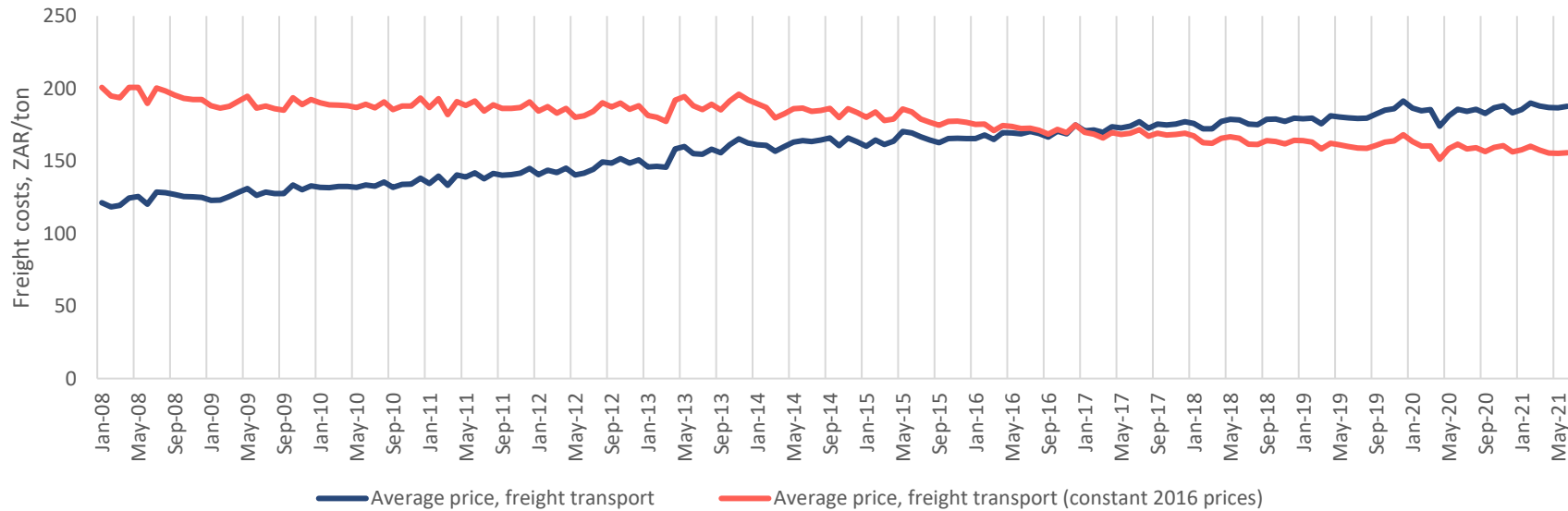
# Documentation, clearance & inspection



## Key findings

- South African customs performance remains relatively on par with global standards
- Digital systems are in place, but there are obvious gaps (most famously for cert. of origin) and a lack of connectivity between agencies
- Certainty on the BMA and border coordination is essential
- COVID highlighted challenges with billing practises in ports

# Domestic logistics & transshipment



## Key findings

- Core road connections remain strong, but bottlenecks remain at the port gate and regional borders
- Attacks on truck drivers is a major emerging concern, as is ongoing legal gridlock on high cube containers
- Improvements in rail would add resilience and reduce costs – but options to intervene are very limited and complex
- SA transshipment costs are competitive but limited by underdeveloped connectivity

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# Recommendations

- A **policy menu** of eight potential interventions have been identified during the scoping phase, but priority recommendations are:
  - The development of a **reporting and notification system** to inform EU firms of blockages and the state of operation at South African ports.
  - Targeted engagement focused on **certificates of origin**, the **cost of in-port storage**, and on **improving digital systems** currently in operation in core ports of entry
- These issues are given priority because (1) they respond to major logistics risks and concerns facing EU firms, (2) there are practical actions that can be taken in the short-term, and (3) they were confirmed as relevant during the limited consultations with EU Chambers undertaken as part of this study.
- Interventions should be informed by a **further, more detailed round of research**, focused primarily on **engagement with European firms**. This is essential to move beyond the relative high-level analysis of the scoping study



**Thank you**  
**Any questions?**

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