



## **Economic Digest 42**

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### **Ports, Rail and Roads: Logistics 101**

Efficient logistics has been causing headaches for centuries. Sun Tzu, the famous Chinese general, military strategist, author of *The Art of War*, and philosopher who lived in the 6<sup>th</sup> century BC, wrote, "The line between disorder and order lies in logistics"; a seemingly simple truth that has escaped our government and the management at Transnet. The National Logistics Roadmap, the painkiller for the logistics headache, has been a work in progress for quite some time but the final version has not been published yet. Government promises that this will be done soon. The articles below shine a light on what the issues are, what the mess at our ports is costing our economy, and what the possible solutions are.

#### **South Africa's port and logistics crisis: 11 things to understand**

More than 100 vessels are anchored outside South Africa's ports, causing a logistics nightmare that is costing the economy more than R1bn a day. What is going on and how can this be fixed?

<https://tinyurl.com/26ns6dfj>

#### **The economic toll of port and rail inefficiencies**

"At the heart of South Africa's economy lies a colossal transportation network comprising both port and rail. However, recent years have witnessed a decline in its efficiency, resulting in economic losses that ripple far beyond its infrastructure."

<https://tinyurl.com/yck23bz7>

#### **South Africa's ports and rail system facing imminent collapse**

"Transnet's container ports, mostly situated in Durban and Cape Town, are rated among the world's worst in terms of efficiency, featuring in the bottom 10 of 348 ports ranked by the World Bank in its latest container port performance index."

<https://tinyurl.com/47yj2jxy>

#### **South Africa's logistics crisis: RFA lays into government and SOEs**

"In one of the strongest expressions yet about the utter neglect, intransigence and lack of urgency to address the collapse of supply chain efficiencies in South Africa, the Road Freight Association (RFA) has laid into the government about the state of its logistics utility, Transnet."

<https://tinyurl.com/mry59nu4>

## **Business expects a quick turnaround from Transnet after Treasury's lifeline**

"Transnet's acting management will be under pressure to effect a quick turnaround at SA's failing port and rail network after the Treasury yielded to pressure for a bailout, providing a R47bn guarantee that will make it easier for Transnet to borrow and go to the market for capital."

<https://tinyurl.com/58tcpx7p>

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