

Logistics lift-off for Africa in 2015

DHL Sub-Saharan Africa expects 2015 to be a year of growth for the logistics industry on the continent, largely driven by increased consumer demand and the rapidly developing e-commerce industry, in line with Sub-Saharan Africa's projected economic growth of 4.9% this year, which is double the projection for advanced economies (2.4%).



Charles Brewer

This is according to Charles Brewer, MD of DHL Express SSA, who was commenting against the backdrop of Deutsche Post DHL Group's full year results released in March. The group ended 2014 with revenues of EUR 56.6 billion, up 3.1% compared to 2013. He says that the company's increased focus on e-commerce and emerging markets, including Africa, has led the group to achieve growth in both volume and revenue in 2014.

A new report by yStats.com² revealed that despite Africa lagging behind other regions when it comes to the development of online infrastructure, business-to-consumer (B2C) sales will grow to double-digit numbers in EUR billions in the next three years.

A key focus for DHL Express Sub Saharan Africa in 2015 is to strengthen connectivity further, both within the continent and globally. This will be crucial to meeting the growing e-commerce market on the continent, and assist in driving further growth.

"There is a growing B2C e-commerce market in Africa due to the development and accessibility of technology on the continent, so it is no longer just the larger corporations that need to make use of logistics and delivery services, but individual consumers and small businesses too. Our goal is to develop the necessary infrastructure in Africa to make the global market more accessible. Our aggressive expansion strategy has seen us grow our retail presence from 300 outlets to over 3,800 outlets in just over three years."

East Africa Community developing fast

He believes that intra-African trade will continue to grow in 2015, and continue to improve on the growth witnessed by the group in 2014. "There are a number of successful trade blocs in place which focus on better connecting the region. A good example of this is the recent and rapid progress made by the East Africa Community (Kenya, Uganda, Tanzania, Rwanda and Burundi) who are working incredibly hard on developing a number of critical and trade boosting areas. For example, they are working to improve the roads, ports, rail and critically, the customs border environment and have recently introduced a common visa for the region. The Economic Community of West African States (ECOWAS) and The African Economic Community (AEC) are other prime examples,"

International Data Corporation (IDC) statistics predict that closer intra-Africa trade will be witnessed in 2015, promoted by ICT initiatives such as payment systems, financial inclusion initiatives and cross-border payments.

"While markets within Africa offer numerous opportunities, there are also challenges. Underdeveloped infrastructure, lack of air connectivity and customs inconsistencies remain very real issues that can hamper growth on the continent. With that said, the situation is improving, and more countries are recognising that they need to find ways to make their markets accessible and easier to do business with them. We will continue our aggressive investment and expansion strategy on the continent, with a number of planned upgrades scheduled for 2015, including state of the art smartphone scanners to further enhance our tracking capabilities.

"We firmly believe that Africa is the place to be and that it offers unlimited growth opportunities. We aim to drive the growth with strategic investments and programs that will make the global market more accessible. We are committed to connecting Africa to the world and the world to Africa," he concludes.

For more, visit: <https://www.bizcommunity.com>