



Africa Logistics: Keep Cool for Growth

Charting growth trends in logistics markets to 2016

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In its published research, **Africa Logistics**, Analytiqa forecasts impressive growth of logistics expenditure across the region:

- Spending on logistics set to increase by almost US\$28.8 billion to 2016
- Kenya, Morocco, Nigeria and Uganda are set for the greatest growth
- The largest market on the continent, South Africa will post a CAGR of over 4.0%
- 3PLs must 'keep cool' to embrace opportunities and maximise chances of success

Africa Logistics Market Value 2012-2016			
	Logistics Market Value US\$bn 2012	Logistics Market Value US\$bn 2016	Logistics Market CAGR 2012-2016
Africa	US\$128.5	US\$157.3	5.19%
Note: Algeria, Egypt, Kenya, Morocco, Nigeria, South Africa, Tunisia, Uganda			
Source: Africa Logistics / Analytiqa			

Outsourced Logistics Market to Grow by 38%

Analytiqa, London - Wednesday, 27 Feb. 2013: Analytiqa's research, "**Africa Logistics**", reveals that spending on logistics services by manufacturers and retailers, both in-house and outsourced, is set to increase by almost US\$28.8 billion by 2016 as the size of the outsourced logistics market grows by 38.4%.

Analytiqa's research shows that third party logistics providers (3PLs) are set to take advantage of new growth opportunities in the African region, but they must understand new markets well and acknowledge the operational challenges that will inevitably arise.

Rates of logistics outsourcing to specialist contract logistics service providers are at some the lowest levels in the world, but the market is evolving and the region includes many countries with highly varying characteristics.

Analytiqa's in-depth study of eight markets across the region show that South Africa is the most developed contract logistics market, valued at around US\$3.0 billion, though countries which currently have smaller, less developed markets, such as Kenya Nigeria and Egypt, will post double digit growth through until 2016.

Opportunity and challenges: 3PLs must 'keep cool' to maximise growth

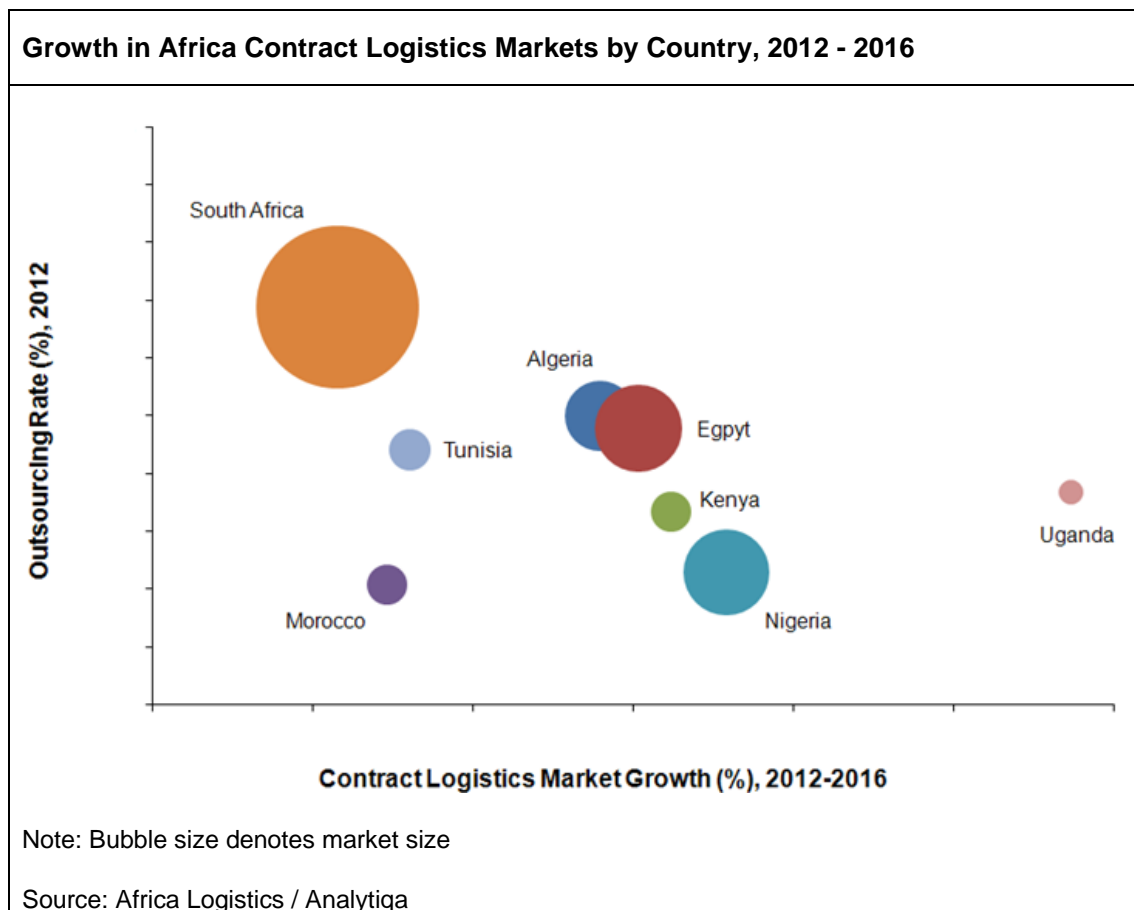
Whilst Analytiqa forecasts significant growth in logistics spend across on the African continent, further development of infrastructure in many countries is essential. If current plans to invest in infrastructure are realised, demand for logistics services will boom based on meeting rising consumer demands.

At a macro level, growth in logistics markets will be driven by the performance of individual country economies, levels of government spending and consumer confidence within those economies. The changing dynamics of globalisation will also feature prominently, as the many African countries are looking to their neighbours as new markets and intra-African trade is expanding rapidly.

Food commodities and agri-business will play an important role. A shift is expected in terms of moving towards higher levels of food processing within Africa, rather than the more simple 'grow it - ship it' model, which has been prominent until recently.

Much higher levels of trade in food products will create further opportunities for 3PLs. Facilitating trade will require vast improvements in cold-chain services, including both transport and temperature controlled storage facilities.

Demand for such services is surging in emerging regions across Asia and the Middle East, with Africa catching up quickly. Increasing levels of what is termed South-South trade between these regions is a key element of this growth.



Logistics outsourcing in infant stages in many countries means opportunities for exciting growth

By 2060, there will be 1.1 billion Africans in the middle class, creating a significant rising consumer base and demand for contract logistics services. Indeed, by 2011, Africa already had more households in the middle class than India.

Whilst Africa has the smallest contract logistics market of any region globally, during the forecast period to 2016, it will experience some of the strongest growth rates in the world. Egypt and Kenya will see growth in the region of 60.0% whilst Nigeria is set to lead the way growing by over 70.0% in the period to 2016.

There is a real sense of boom in many parts of Africa, which is providing great opportunities for 3PLs. Investment in large-scale projects such as infrastructure and construction not only provides a business opportunity for logistics providers, it is breaking down some of the inefficiencies in the Continent's supply chains.

That said, countries in Africa do still have high logistics costs due to these inefficiencies, and despite investment having a positive effect on reducing them, they are expected to remain for some time yet. Other challenges include a lack of skilled supply chain personnel, poorly managed labour relations and bureaucratic blocks to efficient trade across countries.

Mark O'Bornick, Research Director, Analytiqa commented:

"There is a huge amount of optimism from 3PLs about the future of logistics markets across Africa, as economic growth is driving stronger consumer demand and creating higher market attractiveness for retailers and manufacturers alike. We are seeing European fashion brands and Chinese automotive manufacturers now locating in Africa aiming to tap into the Continent's impressive potential, which has some commentators calling Africa 'the new Asia'."

About This Research:

In contract logistics markets, the leading African countries offer many undeniable opportunities for 3PLs looking for new sources of growth and revenue. The business environment in many countries is challenging, but an expanding middle class is driving growth in consumer markets and production in manufacturing and industry.

Africa Logistics: Analysing contract logistics developments across industry sectors and eight major markets, this 290-page report identifies:

- > Logistics market sizes and growth 2007-2016
- > Key industry sector dynamics, business opportunities and threats to growth
- > Changes in logistics outsourcing rates
- > Primary-research sourced market forecasts

As a supplier, service provider to the sector or a 3PL, the unique data set will enable you to produce highly focused marketing campaigns, boosting customer retention and contract wins, by demonstrating understanding of market dynamics and industry sector trends.

Sourced from a combination of Analytiqa's secondary and unique primary research, this report provides up to date information that delivers in-depth understanding of trends across the African Logistics industry, covering the key markets of Algeria, Egypt, Kenya, Morocco, Nigeria, South Africa, Tunisia and Uganda.

Title: Africa Logistics

Pages: 290

More details: www.analytiqa.com

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About Analytiqa:

Analytiqa is a leading business analysis company providing published reports and databases, custom research and consulting for multi-national clients across a number of industry sectors from Logistics and Distribution through to FMCG and Professional Services.

As a business information provider, Analytiqa is positioned between the logistics providers and their customers to provide the supply chain sector with commercially relevant business intelligence. Analytiqa works closely with logistics providers to source new customers and to better help them understand their existing clients. Similarly, retailers and manufacturers use Analytiqa's supply chain profiles, databases and research services to analyse the operational and service capabilities of service providers and to benchmark the services they receive against those of their own competitors.

Analytiqa works closely with its clients, building partner relationships based on trust and the delivery of high quality and commercially relevant research. Analytiqa's services correspond to client's demanding requirements, assisting with their business development and profitability objectives.

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