



Invest in the Logistics Sector in Cape Town & the Western Cape

September 2025

**Wesgro is the
tourism, trade and
investment promotion
agency for Cape Town
and the Western Cape**



- Wesgro is part of the broader economic leadership team in Cape Town & the Western Cape
- Proudly South African
- Responsible for ensuring that the region is positioned to compete in a challenging global economy
- Our mandate
 - Differentiate Cape Town & the Western Cape as a leading regional economy
 - Increase foreign and domestic investment into Cape Town & the Western Cape
 - Grow Western Cape exports of goods and services
 - Grow leisure tourism consideration in international and local markets as well as growth in business events
 - Be a future-fit, relevant and trusted Tourism, Trade & Investment Promotion Agency (TTIPA)
- Publicly-funded with a private sector Board, +100 Staff
- Located in the nexus between
 - Government & Private Sector
 - Present & Future Economies
 - Local & Global Stakeholders

Key messages – Logistics

1

The Western Cape is a strategic springboard into the rest of the African continent, and beyond, linking businesses to high growth opportunities through preferential market access

2

Economic reforms, through requests for private sector participation, are boosting infrastructure investment potential in the region, particularly with respect to port and rail developments

3

South Africa aims to increase freight movement to 250 million tonnes per year by 2030, up from 150 million tonnes (current), creating opportunities for investors in rail and port upgrades to meet rising demand

4

The Western Cape specializes in cold storage, agri-processing, and mineral bulk shipping. The Port of Cape Town facilitates agri-processing, while the Port of Saldanha optimises iron ore and manganese exports

5

The Western Cape provides an enabling business environment with Wesgro providing support throughout the investment lifecycle

WESGRO

cape town & western cape
tourism, trade & investment

South Africa A vibrant, emerging market connecting Africa with the world



USD363 billion economy



Market of 63 million people



Africa's most industrialized and most diversified economy



50% of multinationals in Africa located in SA



AfCFTA gateway with preferential access to African markets



Sophisticated financial services and banking sector

JSE

Deep bench of powerful & well managed corporations which via the JSE have the highest capitalization to GDP ratio in the world



Western Cape A leading regional economy

- Unprecedented, multi-billion USD public & private sector infrastructure investment pipeline, reshaping the economic future
- Leading South Africa's job recovery
- Modern, services-led economy
- Growth sectors aligned to the future
- Leading tourism destination
- Institutional stability and good governance
- Global connectivity
- GFCF is rising, however needs spatial rebalancing

South Africa's most resilient & investable province



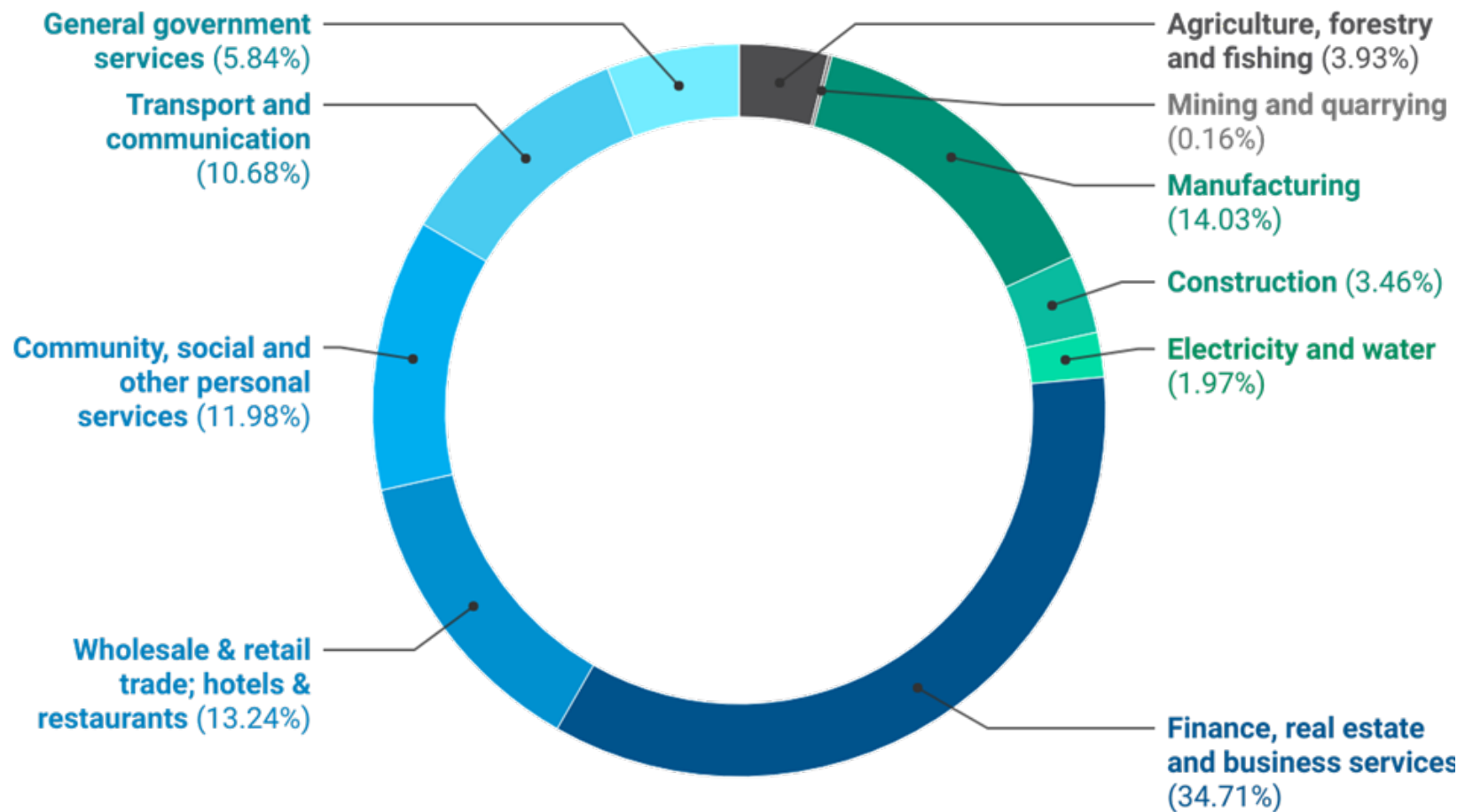
Western Cape Diverse & resilient regional economy with substantial investment potential

USD51 billion regional economy

7.5 million people

Diversified & export-oriented

Composition of GVA at constant 2015 prices (2024Q4), WC



Logistics Compelling reasons to invest in the Western Cape

1

Economic reforms boosting infrastructure investment

Economic reforms by the South African government are unlocking new infrastructure investment and enhancing logistics efficiency.

2

Strategic Location

Direct maritime access to Europe, Asia, and the Americas via the Port of Cape Town, with integrated road and rail links to SACU, SADC, and AfCFTA markets, as well as high-frequency logistics supporting agriculture, manufacturing, and the green economy.

4

Export-Driven Economy

A leading exporter of citrus, table grapes, wine, and flowers. Growing demand for cold chain logistics and air freight solutions.

5

Private-Public Collaboration

New private-public collaboration opportunities are emerging for global port, rail and logistics operators, with Requests for Information and Request for Proposals being issued by the South African government and Transnet.

3

Extensive Road & Rail Network

The Western Cape benefits from South Africa's extensive transport network, which includes over 750,000 km of roads and 30,400 km of rail tracks - the largest in Africa. Direct market access via key road corridors:

N1: Connects to Gauteng.

N2: Links to the Eastern Cape and Durban.

6

Growing E-Commerce & Retail Demand

Expanding e-commerce drives demand for warehousing, last-mile delivery, and advanced logistics.

7

Stable & Business-Friendly Government

A fiscally responsible government with clean audits fosters investor confidence and supports public-private collaboration.

8

Private Sector Momentum

Major logistics firms, including Maersk, DHL, and DP World are expanding in the region. They are creating an integrated logistics systems for many sectors in the economy.

9

Strategic Access to African Markets via AfCFTA

The Western Cape, a key logistics hub for cross-border movement, warehousing, and value-added services, is set to benefit from the AfCFTA, which will open access to a

US\$ 3.4 trillion market.

10

Incentives

For additional information scan here:

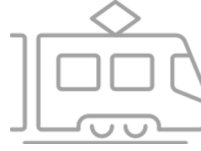


Logistics Investment opportunities across the Logistics sector in the Western Cape



Ports

- Port Upgrades
- Terminal Operations
- Inland Logistics



Rail

- Rail Upgrades
- Private rail participation being welcomed



Cold storage & warehousing

- Cold storage
- Warehousing
- Logistics infrastructure
- Logistics support services

Logistics Western Cape home to prominent global and local investors

Ports



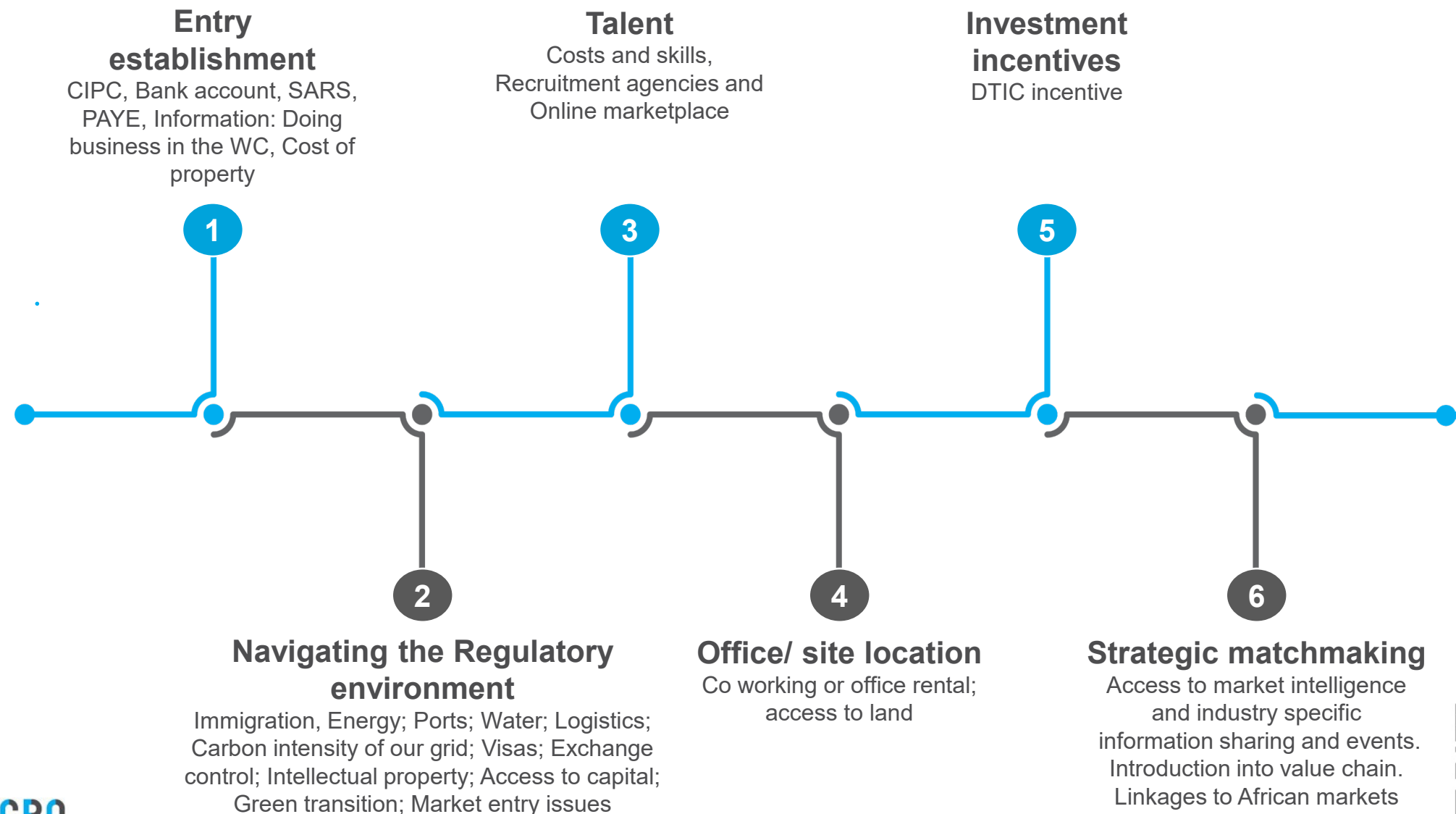
Rail



Cold storage & warehousing



Investment Facilitation How Wesgro supports investors





More detail

17 September 2025

Ports Transnet plans a five-year investment plan valued at approximately USD \$8.1 billion, including private sector participation

Africa & Sub-Saharan Africa

- **Market Value:** Estimated at USD 173.27 billion, with Africa contributing USD 150 billion annually.
- **Freight Volume:** Expected to exceed 100 million tonnes, driven by growing trade and infrastructure investment.
- **Growth Drivers:** AfCFTA, e-commerce expansion, and logistics modernization fueling 5-10% annual growth.

Source: Business Tech Africa's report

South Africa

- **Investment:** Transnet plans USD 8.1 (R152,8 billion) in overall capital investment over next 5 years
- Approximately R47 billion going into Port and terminal operations
- Private sector interest being welcomed through numerous RFIs and RFQs
- **Key Ports:** Durban, Cape Town, Richards Bay, and Saldanha Bay undergoing modernization, with private sector involvement.
- **Trade Growth:** Projected 5-10% annual growth, with AI-driven logistics and sustainability initiatives in development.

Source: Business Tech Africa's report

Western Cape

- **Economic Outlook:** Focus on cold storage, reefer container handling, and bulk exports, with investment in Cape Town and Saldanha Bay.
- **Infrastructure Upgrades:** ZAR 16 billion in Western Cape port upgrades planned.
- Numerous RFIs and RFQs already released across South Africa – including for Port of Cape Town and Port of Saldanha
- **Sustainability Focus:** Exploring green port initiatives and AI-driven logistics solutions.

Source: Western Cape Government

Ports Western Cape offers a competitive edge in port infrastructure due to its unique positioning and economic strengths

Strategic Gateway to Africa

- Africa serves as a vital trade link between Africa, Europe, and Asia, with the Western Cape positioned as a key export hub. Its ports—Cape Town, Saldanha Bay, and Mossel Bay—facilitate direct access to global markets, enhancing trade efficiency.
- The Cape of Good Hope is a critical maritime route, especially for vessels avoiding congestion in the Suez Canal.

Export Ready Infrastructure & Industry Presence

- South Africa's ports are equipped with specialized cold chain logistics, warehousing zones, and industrial parks, ensuring efficient handling of perishable and bulk goods. Major global logistics companies already operate here, enhancing supply chain integration

Economic reforms boosting infrastructure investment potential

- Port of Cape Town
 - Plans include Container Terminal expansion, Reefer capacity enhancement, Equipment upgrades, Back of port development.
- Port of Saldanha
 - Plans include terminal expansion and infrastructure improvements.
- Port of Mossel Bay
 - Plans include cruise terminal development and slipway enhancement.

Innovation & Digital Transformation

- Ports are integrating AI-driven logistics, block chain-enabled transparency, and smart automation to improve efficiency and sustainability. These innovations are strengthening South Africa's position as a future-ready logistics powerhouse.

Ports Western Cape home to prominent global and local investors



Rail Transnet plans a five-year investment plan valued at approximately USD \$8.1 billion, including private sector participation

Africa & Sub-Saharan Africa

- **Market Size:** The African rail network is projected to grow from 82,100 km to 96,360 km by 2027, with major rehabilitation projects underway.
- **Investment Trends:** The African Development Bank (AfDB) and international partners are funding rail modernization projects, including the Lobito Corridor connecting the DRC to Angola.
- **Growth Drivers:** Demand for natural resources, urban expansion, and trade agreements are fueling rail development

Source: International Railway Journal

South Africa

- **Investment:** Transnet plans USD 8.1 (R152,8 billion) in overall capital investment over next 5 years
- Approximately R94 billion going into rail operations
- **Public-Private Partnerships:** The government has restructured Transnet, allowing private operators access to the rail network from April 2025.
- **Economic Impact:** The freight rail market is expected to grow at a 5.26% CAGR, reaching USD 6.19 billion by 2030

Source: Transnet annual report; Mordor Intelligence’s Rail Market Report

Western Cape

- **Connectivity:** Rail investments aim to improve access to Cape Town, Saldanha Bay, and Mossel Bay for bulk exports and cold chain logistics.
- **Infrastructure Upgrades:** Key projects expected to enhance competitiveness by 2028.
- **Sustainability & Innovation:** AI-driven logistics and smart rail solutions are being explored to optimize transport efficiency

Source: STANLIB’s Freight Rail Analysis

Rail South Africa's rail infrastructure is undergoing significant reform

<h3>Economic Reform & Rail Revitalization</h3> <ul style="list-style-type: none">• The South African government is restructuring freight rail operations, allowing private-sector participation to improve efficiency and boost investment.• With a 90 million-ton shortfall in freight capacity, rail expansion is crucial for supporting industrial growth and trade competitiveness.• The freight rail market is projected to reach USD 6.19 billion by 2030, growing at 5.26% CAGR, positioning South Africa as a logistics hub.	<h3>Road Congestion Driving Rail Utilization</h3> <ul style="list-style-type: none">• Increasing road freight congestion and deteriorating highways are pushing industries towards rail as a preferred mode of transport.• The modal shift from road to rail could improve logistics efficiency, reduce transport costs, and lower emissions.• Rail upgrades are expected to enhance capacity for bulk commodities, containerized goods, and cold chain logistics, easing pressure on road networks	<h3>Regional Trade & AfCFTA Integration</h3> <ul style="list-style-type: none">• South Africa's rail sector is positioned to enhance cross-border trade under the African Continental Free Trade Area (AfCFTA), improving connectivity to neighboring markets.• Rail corridors linking South Africa to SADC nations (such as Namibia, Botswana, and Mozambique) will strengthen regional freight efficiency and supply chain resilience.• Investment in high-capacity freight corridors aims to improve exports to Africa, Europe, and Asia, boosting trade competitiveness and inter-modal connectivity	<h3>Western Cape Rail Infrastructure & PPP Initiatives</h3> <ul style="list-style-type: none">• The Western Cape Department of Infrastructure is actively promoting public-private partnerships to modernize rail corridors and improve trade flow.• Strategic rail connections to Cape Town, Saldanha Bay, and Mossel Bay ports aim to strengthen bulk exports and cold storage logistics.• By 2028, major upgrades to rail corridors are expected to improve trade efficiency, sustainability, and private-sector investment opportunities.
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Rail Western Cape home to prominent global and local investors



Cold Storage & Warehousing Sector experiencing rapid growth, expected to grow at a CAGR of 7.3% from 2025 to 2030

Africa & Sub-Saharan Africa

- **Market Size:** The cold chain market in Africa is projected to grow significantly, with Southern Africa leading in infrastructure development.
- **Investment Trends:** Governments and private investors are focusing on cold chain logistics to reduce post-harvest losses and improve food security.
- **Growth Drivers:** Rising urbanization, increasing demand for fresh produce exports, and the expansion of AfCFTA trade agreements are fueling growth

Source: EEP Africa

South Africa

- **Investment Outlook:** South Africa has the most sophisticated cold chain market in Africa, supported by advanced warehousing and logistics infrastructure.
- The South Africa warehousing market generated a revenue of USD 14.4 billion in 2024 and is expected to reach USD 22.1 billion by 2030.
- The South Africa market is expected to grow at a CAGR of 7.3% from 2025 to 2030

Source: Transnet annual report ; Grandview Research

Western Cape

- **Strategic Positioning:** The Western Cape is focusing on cold chain logistics for fresh produce exports, particularly through Cape Town Port.
- **Infrastructure Upgrades:** Investment in cold storage facilities and warehousing zones is expected to enhance trade competitiveness by 2028.
- **Sustainability & Innovation:** AI-driven logistics and smart warehousing solutions are being explored to improve efficiency and reduce environmental impact

Source: FurtherAfrica

Cold Storage & Warehousing Expansion driven by agricultural exports, infrastructure upgrades, and digital transformation

Agricultural Powerhouse & Cold Storage Demand

- The Western Cape is a leading exporter of fruit, wine, and seafood, requiring advanced cold storage facilities for global distribution.
- Growth in temperature-sensitive supply chains has driven demand for reefer container handling at Cape Town Port and specialized storage across logistics hubs

Export-Ready Infrastructure & Mature Logistics Sector

- South Africa has Africa's most developed cold chain logistics network, supporting warehousing zones for fresh produce, pharmaceuticals, and retail distribution.
- The sector benefits from inter-modal transport connectivity, integrating ports, road, and rail to optimize efficiency and reduce costs.

Government reform in support of Market Growth

- Growing support for and interest by private investment in logistics infrastructure is modernizing warehousing zones and expanding cold storage capacity.
- The Western Cape Government is encouraging private sector involvement to improve export competitiveness, especially for fresh-produce logistics

Innovation & Digital Transformation in Warehousing

- AI-driven logistics, block chain transparency, and smart warehousing solutions are improving cold storage efficiency and reducing waste.
- Investments in energy-efficient cooling are aligning the sector with sustainability goals, ensuring future-ready infrastructure by 2028

Cold Storage & Warehousing Western Cape home to prominent global and local investors



THANK YOU



Contact us for more information

For further information on setting up or expanding your business in Cape Town & the Western Cape please contact Wesgro's Investment Team

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