Logistics Sector Report

February 2026

Port of Cape Town

Western Cape Government
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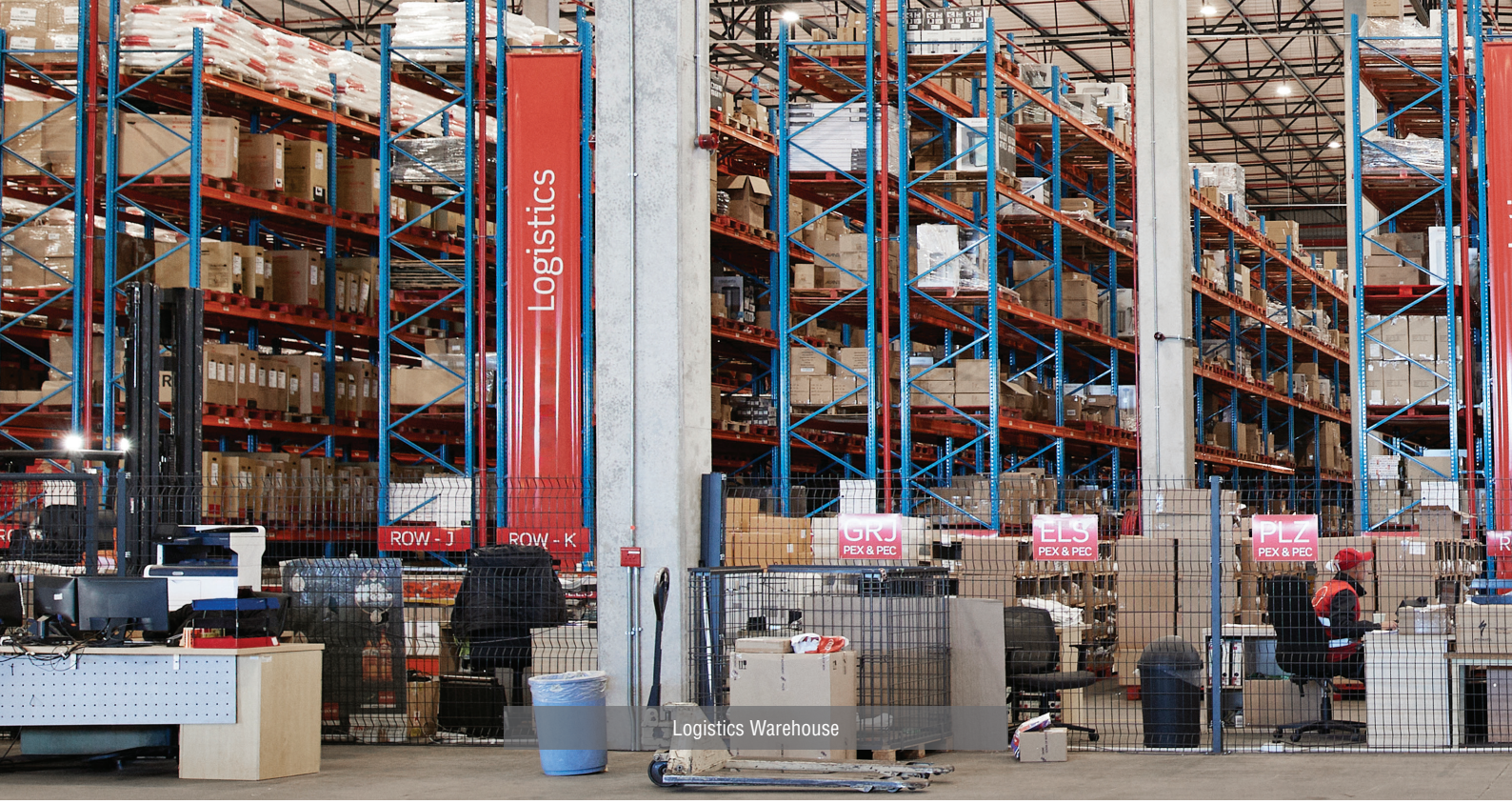


Logistics Warehouse

1 Executive Summary and Key Insights

The Logistics Sector Report provides a comprehensive analysis of global and regional logistics trends with a focus on maritime, rail and warehousing modalities. The report highlights the growth of Africa's trade and logistics market despite infrastructure challenges. It also details logistics performance, challenges and investment opportunities in South Africa and the Western Cape, particularly in ports, rail and cold-storage systems.

The Case for Investment at a Glance

Logistics has become a strategic enabler of global trade and competitiveness. The sector is projected to reach US$8 trillion by 2028, driven by rising trade volumes, e-commerce growth, digitalisation and the need for more resilient supply chains. Within this landscape, Africa, South Africa and the Western Cape present a compelling opportunity for infrastructure-led growth: demand is strong, while capacity, efficiency and reliability lag. This creates a clear space for private investment and partnerships.

Global trade exceeded US$35 trillion through 2025, sustaining demand for freight transport, ports, rail, warehousing and cold-chain services. Although growth has moderated from post-pandemic peaks, volumes remain structurally high. This increases pressure on logistics systems and raises the value of efficiency, resilience and technology-enabled solutions.

Key global investment drivers include:

- **Modal resilience:** Maritime shipping remains dominant; rail is expanding as a lower-carbon long-haul option; warehousing is evolving into a technology-intensive logistics node.
- **Geopolitical and climate risk:** Disruptions such as Red Sea rerouting and extreme weather have increased costs and highlighted the premium on diversified routes, efficient ports and strong hinterland connectivity.
- **Decarbonisation pressure:** Capital is increasingly directed toward low-emissions and energy-efficient, ESG-aligned assets, particularly in rail and cold-chain logistics.

Africa: High-growth, infrastructure-constrained

Africa's merchandise trade rebounded to approximately US$1.5 trillion in 2024, yet the continent still accounts for only approximately 3% of global trade. This underscores the long-term upside from industrialisation, value addition and regional integration driven by the African Continental Free Trade Area (AfCFTA).

From an investor perspective:

- **Ports:** Performance is uneven. North African ports operate near global benchmarks, while much of sub-Saharan Africa is constrained by congestion, ageing equipment and weak hinterland links. Targeted upgrades and private participation have delivered rapid gains where these have been implemented.

- **Rail:** Networks remain fragmented and asset-constrained but offer significant benefits in bulk commodities, mining corridors and port-hinterland connectivity.
- **Warehousing and cold storage:** Demand is growing faster than capacity, driven by urbanisation, agro-processing and modern retail. Structural cold-storage deficits underpin strong fundamentals for scalable, energy-resilient investments.

South Africa: Reform-driven opportunity

- South Africa has the most advanced logistics system in sub-Saharan Africa, ranking joint 19th globally on the World Bank's Logistics Performance Index. However, underinvestment, rail underperformance and port congestion have eroded reliability and increased costs, making logistics reform a national priority.

Key investor opportunities include:

- Public–private partnerships, particularly in rail and port operations.
- A modal shift from road to rail which will deliver benefits regarding cost, congestion and emissions.
- Cold-chain expansion, supported by strong agricultural exports and growing pharmaceutical and retail demand.

Western Cape: A gateway with scalable upside

The Western Cape is a high-value, export-oriented logistics hub, anchored by the Port of Cape Town, Cape Town International Airport and a diversified agricultural and manufacturing base. Exports reached R219.7 billion in 2025, reinforcing the province's role as a gateway for time-sensitive and perishable goods.

Constraints exist with regard to port congestion, weak inland rail connectivity and geographic gaps in cold storage. However, the investment pipeline is credible, including port upgrades, intermodal logistics precincts and strong growth potential in cold storage, air cargo and export-linked warehousing, particularly for agri-processing and pharmaceuticals.

Across global, African and Western Cape contexts, the report highlights four core investment themes:

1. Port modernisation and terminal efficiency – equipment renewal, digital systems, operational upgrades.
2. Rail rehabilitation and corridor logistics – bulk freight, intermodal solutions, Public-Private Partnership (PPP)-led reform.
3. Cold chain and export-oriented warehousing – energy-efficient, scalable, ESG-aligned infrastructure.
4. Integrated logistics platforms – assets combining ports, rail, warehousing and digital visibility to reduce risk and improve returns.

Rail Network Leading Towards Cape Town Harbour

2 Overview

Logistics is now a global strategic priority and the sector is projected to approach US$8 trillion by 2028. The sector includes the full ecosystem that enables trade at scale, freight transport, ports, airports, warehousing, distribution networks and the coordination services that keep supply chains moving across domestic and international markets. As globalisation deepens and e-commerce expands, logistics has become the connective tissue between producers, consumers and markets. Rising exposure to supply disruptions, geopolitical risk and capacity constraints has pushed resilience and agility from "nice-to-have" to core system requirements; and both governments and firms are prioritising logistics capabilities to protect supply continuity and reduce systemic vulnerabilities.[1]

Accelerating digitalisation, shifting trade dynamics and intensifying climate pressures have brought the sector to a clear inflexion point. Global freight demand is expected to double between 2019 and 2050, with much of the growth concentrated in emerging markets. China and the Middle East are leading this expansion through rapid urbanisation, rising trade volumes, sustained infrastructure investment and faster adoption of technology. China has also consolidated its position as the world's largest e-commerce market, accounting for nearly half of global transactions. This is underpinned by highly integrated logistics systems that enable fast, reliable and cost-effective freight movement. [2]

Modal growth is broad-based. Maritime shipping is expected to remain the backbone of global freight, accounting for more than 60% of the total modal share. Rail freight volumes are projected to reach approximately 2.7 times their 2019 levels by 2050, while road freight is forecast to more than double over the same period. Demand-side shifts, including supply-chain reconfiguration, regionalisation of production, the continued rise of e-commerce and more complex last-mile requirements, are reshaping network design. Digital and data-driven technologies are reinforcing these shifts by improving efficiency, visibility and coordination across increasingly complex supply chains.[3]

Across the Middle East and Africa, the freight and logistics market is forecast to reach US$173.27 billion by 2025, growing at a 6.36% compound annual growth rate (CAGR) through to 2030. This trajectory is supported by port upgrades, new cross-border corridors and large-scale logistics infrastructure programmes. Saudi Arabia has set out a particularly ambitious agenda, aiming to grow the logistics sector to US$15.31 billion by 2030 which will be anchored by 59 dedicated logistics zones to deepen hub competitiveness.[4]

Logistics also matters because of its macro footprint. The sector typically represents approximately 8% of gross domestic product (GDP) in most countries, exceeds 10% in some economies and supports approximately 10% of global employment. This scale makes the investment case clear: sustained investment and operational optimisation are central to building logistics systems that are resilient, efficient and fit for long-term economic transformation.[5]

2.1 Global Trends

Global trade in goods and services continued to expand through the second half of 2025, sustaining the strong demand for logistics and supply-chain capacity. By year-end, global trade was on track to exceed US$35 trillion for the first time, up by roughly US$2.2 trillion – an increase of approximately 7% – from 2024. Goods trade contributed about US$1.5 trillion of this increase, while services trade rose by approximately US$750 billion, or close to 9%. This signalled the growing weight of time-sensitive, digitally enabled and high-value service flows in the global trade mix.[6]

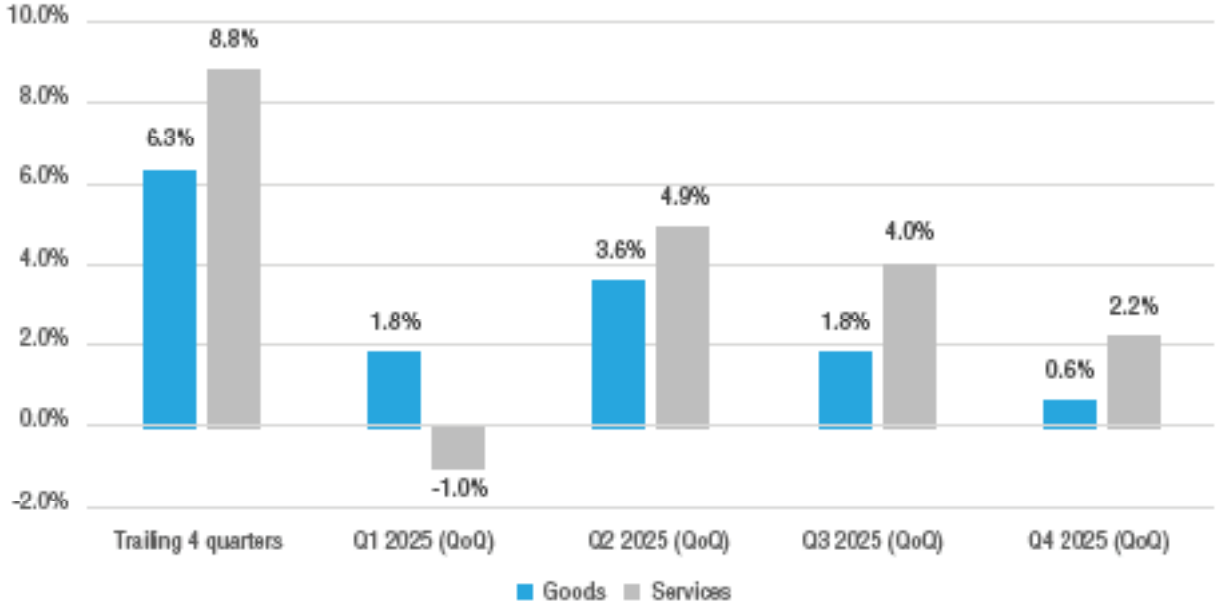
Key Insights

- **Global trade volumes reached structurally higher levels in 2025**, exceeding US$35 trillion, with the services trade growing faster than goods. This reinforced the demand for time sensitive, digitally enabled and value-added logistics solutions.
- **Logistics performance is increasingly constrained by systemic risks**, including geopolitical disruptions, infrastructure bottlenecks, climate events and labour shortages, which are raising costs and undermining reliability across global supply chains.
- **Port efficiency recovered after pandemic-era congestion but remains vulnerable**, as new shocks such as the Red Sea crisis and climate-related disruptions reintroduced volatility in 2024, particularly affecting schedule reliability and vessel waiting times.
- **Rail freight remains strategically important for bulk and long haul logistics**, with moderate but durable global growth driven by mining, energy and agricultural commodities. However, activity remains highly concentrated in a small number of countries.
- **Warehousing is shifting from passive storage to a technology intensive logistics node**, with automation, inventory optimisation and e commerce fulfilment driving higher growth and value-added logistics services beyond traditional storage.
- **Cold chain logistics is one of the fastest growing logistics segments**, supported by food and pharmaceutical demand, but scale up is constrained by high energy costs and ESG pressures which creates opportunities for low carbon and energy efficient solutions.

1 World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025
2 World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025
3 World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025
4 World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025
5 World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025
6 UNCTAD Global Trade Update (December 2025)

The data from the United Nations Conference on Trade and Development (UNCTAD) in **Figure 1** shows that trade growth remained positive into the final quarter of 2025, although momentum moderated: goods trade expanded by around 0.5% and services by approximately 2%. For logistics, the implication is clear: global trade has shifted from cyclical recovery to structurally higher volumes, increasing pressure on ports, freight corridors, warehousing and digital trade infrastructure. These conditions also expand the opportunity set in value-added logistics, supply-chain resilience solutions and services-oriented trade facilitation.[7]

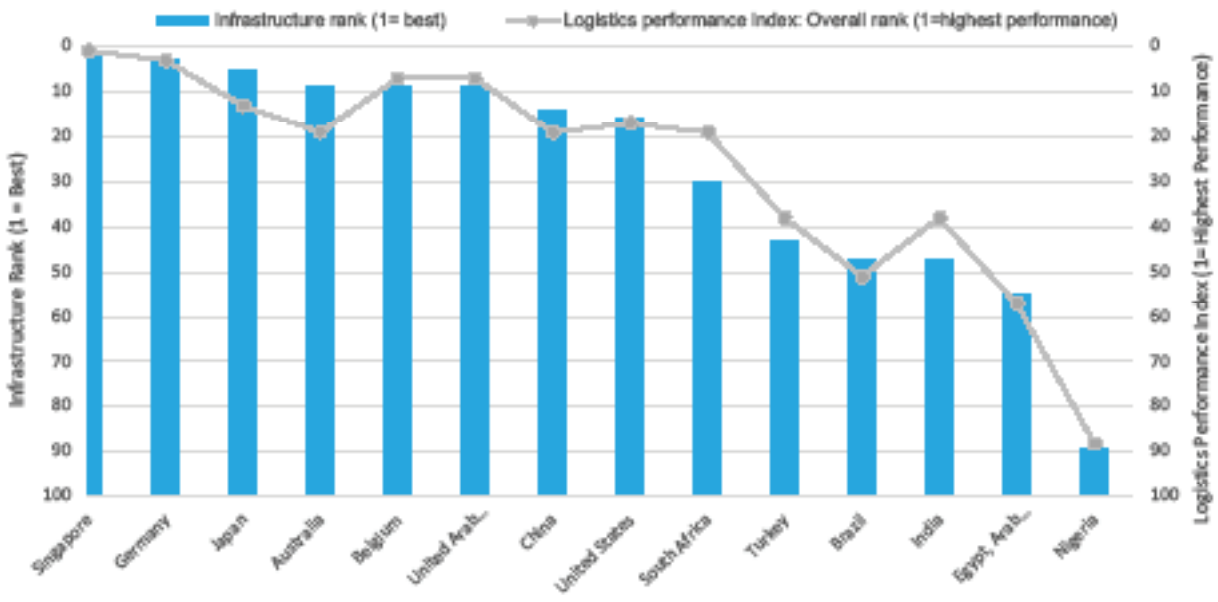
Figure 1. Trade value in goods and services (2025): trailing four quarters and quarterly growth



Source: UNCTADstat; UN Trade and Development (UNCTAD) estimates based on national statistics

To provide a perspective on these global dynamics, the comparative snapshot illustrated in **Figure 2** highlights how differences in institutional capacity, infrastructure investment and service quality produce an uneven logistics performance across advanced and emerging economies. Logistics capability continues to function as a practical determinant of trade competitiveness and economic integration.

Figure 2. Logistics performance index and quality of trade- and transport-related infrastructure of selected countries, 2024

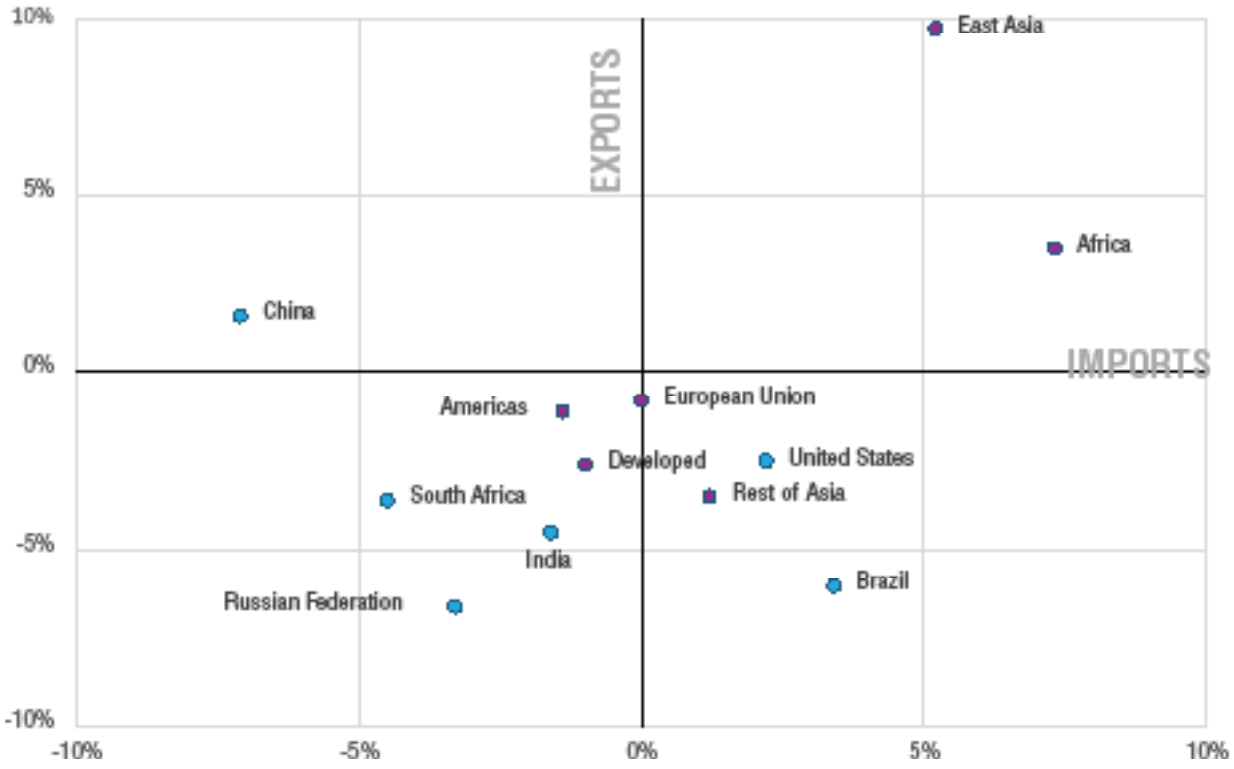


Source: World Bank Database 2025

7 UNCTAD Global Trade Update (December 2025)

Building on these global trade dynamics, **Figure 3** examines how the trade performance in individual countries has diverged from the global trend. The percentage-point difference in import and export growth, relative to the global average between January and September 2025, highlights both outperformance and underperformance amid structurally higher trade volumes.

Figure 3. Imports and exports growth: percentage-point difference from global average, January 2025–September 2025



Source: UN Trade and Development (UNCTAD) estimates based on national statistics. **Note:** Data excludes services.

Table 1 summarises the main challenges shaping the performance in global logistics in 2025, highlighting where disruption, capacity constraints, climate pressures, labour gap and rising service expectations are tightening costs and reliability across supply chains.

Table 1. Global logistics system, key challenges (2025)

Challenge Area	Description	Illustrative Example / Evidence
Geopolitical disruption and rising costs	Trade tensions, export controls and regional conflicts disrupt supply chains and increase logistics costs.	The Red Sea crisis rerouted over 2,000 ships, adding 10–14 days per trip and approximately US$1 million in additional fuel costs. US–China tensions continue to disrupt global logistics, driving costly route shifts and market uncertainty.
Infrastructure gaps and operational inefficiency	Ageing, underdeveloped and overstretched infrastructure hampers flow efficiency and worsens congestion and delays.	Empty miles account for an estimated 15–20% of trucking mileage, resulting in wasted fuel, increased driver time, higher logistics costs and added road congestion.
Decarbonisation pressure and climate risks	Companies face mounting pressure to reduce carbon footprints, comply with environmental regulations and adapt to intensifying climate extremes.	Some 72% of 44 ports or terminals have been affected by extreme weather events, causing delays, service disruptions and damage to port infrastructure.
Labour shortage and skills mismatch	The industry faces the dual challenge of attracting new talent and upskilling existing workers to operate new technologies.	In the United Arab Emirates, infrastructure development has driven a 69% increase in demand for blue-collar roles, while hiring rates have declined, particularly in port operations and supply-chain management.
Rising consumer expectations and service pressure	Customers increasingly demand faster, more flexible, reliable and transparent delivery services.	Emerging markets are struggling to meet consumer expectations, such as delivery within two days.

Source: World Economic Forum Green Logistics Innovation for Emerging Markets Report 2025

2.1.1 Ports

Maritime transport accounts for over 80% of global trade.[8] Maritime trade volumes reached approximately 12.7 billion tonnes in 2024, expanding by 2.2% – this was above the 2013–2023 average growth rate of 1.8%. This indicates renewed momentum in seaborne trade. However, growth remains well below the longer-term average of 2.9% recorded between 2003 and 2023 which signals a structural deceleration in global trade volume growth. This slowdown reflects a combination of structural, cyclical and policy-driven factors, including a weakening link between trade and GDP growth, the maturation of global value chains, recurring economic shocks, rising trade barriers, policy uncertainty and increasing geopolitical fragmentation.[9]

Key Insights

- **North America and Europe:** These regions experienced the most severe performance deterioration during the Covid-19 period, with North American ports recording the lowest CPPI scores globally in 2022. By 2024, however, port performance had largely stabilised, remaining broadly in line with 2023 levels as volumes normalised and operational conditions improved.
- **South Asia:** The region demonstrated a strong capacity for recovery and stood out as the only region where average CPPI scores in 2023 surpassed pre-pandemic (2020) levels. This resilience was partially tested again in 2024, as disruptions linked to the Red Sea crisis exerted renewed pressure on performance.
- **Middle East and North Africa:** Ports in this region initially led global CPPI rankings in 2020, but average performance declined noticeably in 2023 and 2024. This reversal was driven largely by the knock-on effects of Red Sea disruptions which undermined schedule reliability and increased congestion.
- **Sub-Saharan Africa:** Port performance continues to be constrained by structural challenges, including limited automation and weaker hinterland connectivity. These pressures were compounded in 2024 by the Red Sea crisis, with ports such as Durban and Cape Town experiencing further declines in CPPI scores, driven mainly by longer vessel waiting times at anchor rather than changes in time spent at berth.

World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024

The Container Port Performance Index (CPPI), 2020 to 2024

Table 2 presents the 20 ports with the highest CPPI scores in 2024. Strong performance in this ranking indicates consistently efficient vessel handling and shorter-than-average turnaround times across a range of vessel types and port call activities. Notably, most top-performing ports also serve as major export gateways and transhipment hubs, which reflects the close link between operational efficiency and global trade competitiveness.

Table 2. Top 20 ports in the CPPI, 2024

Rank	Port	Economy	CPPI
1	Yangshan	China	146.3
2	Fuzhou	China	139.2
3	Port Said	Egypt, Arab Rep.	137.4
4	Dalian	China	136.5
5	Tanger Med	Morocco	135.8
6	Mawan	China	133.0
7	Cai Mep	Viet Nam	132.5
8	Guangzhou	China	130.2
9	Chiwan	China	129.5
10	Ningbo	China	127.9
11	Hamad Port	Qatar	124.8
12	Hong Kong	Hong Kong SAR, China	122.5
13	Tanjung Pelepas	Malaysia	118.3
14	Tianjin	China	117.8

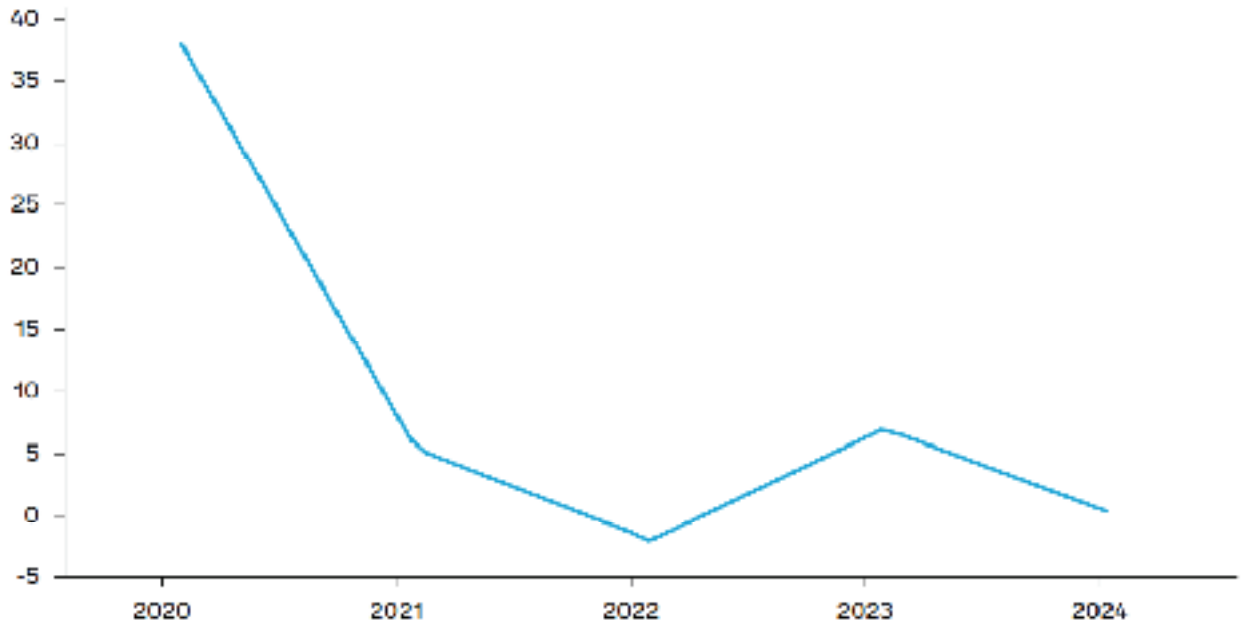
8 https://unctad.org/news/shipping-data-unctad-releases-new-seaborne-trade-statistics
9 UNCTAD Review of Maritime Transport 2025

Rank	Port	Economy	CPPI
15	Salalah	Oman	116.9
16	Yokohama	Japan	115.2
17	Xiamen	China	115.1
18	Kaohsiung	Taiwan, China	112.9
19	Yantian	China	111.3
20	Algeciras	Spain	109.0

Source: World Bank, based on data provided by S&P Global Market Intelligence[10]

Over the past five years, the CPPI has closely tracked the broader cycles of stress and recovery across global supply chains, moving in step with indicators such as the GSCPI, GSCSI, PCI, and SCFI[11], which suggest that port performance is shaped as much by systemic shocks as by terminal-level efficiency. Figure 4 illustrates the global average CPPI from 2020 to 2024 and indicates that performance held up relatively well in 2020, despite the onset of Covid-19, although early congestion emerged in North American and European ports. Conditions deteriorated sharply in 2021 and 2022 as congestion, vessel delays, labour constraints and equipment shortages intensified, pushing freight rates higher and driving CPPI scores to their lowest global average in 2022, with North American ports among the most affected.[12]

Figure 4. The global average CPPI, 2020 to 2024



Source: World Bank, based on data provided by S&P Global Market Intelligence. Note: The average is the unweighted arithmetic average of all 403 ports.

A strong rebound followed in 2023 as congestion eased and freight markets stabilised, with notable performance gains in South Asia and a broad recovery across high-income economies supported by improved coordination and investment. This recovery softened in 2024 as new geopolitical and climate-related disruptions, most notably the Red Sea crisis and Panama Canal capacity constraints, reintroduced volatility. This was caused by rerouted shipping, reduced reliability, and renewed congestion. While the impact was less severe than during the pandemic, it highlighted a shift in global supply-chain risk from demand-driven shocks towards increasingly geopolitical and climate-induced vulnerabilities.[13]

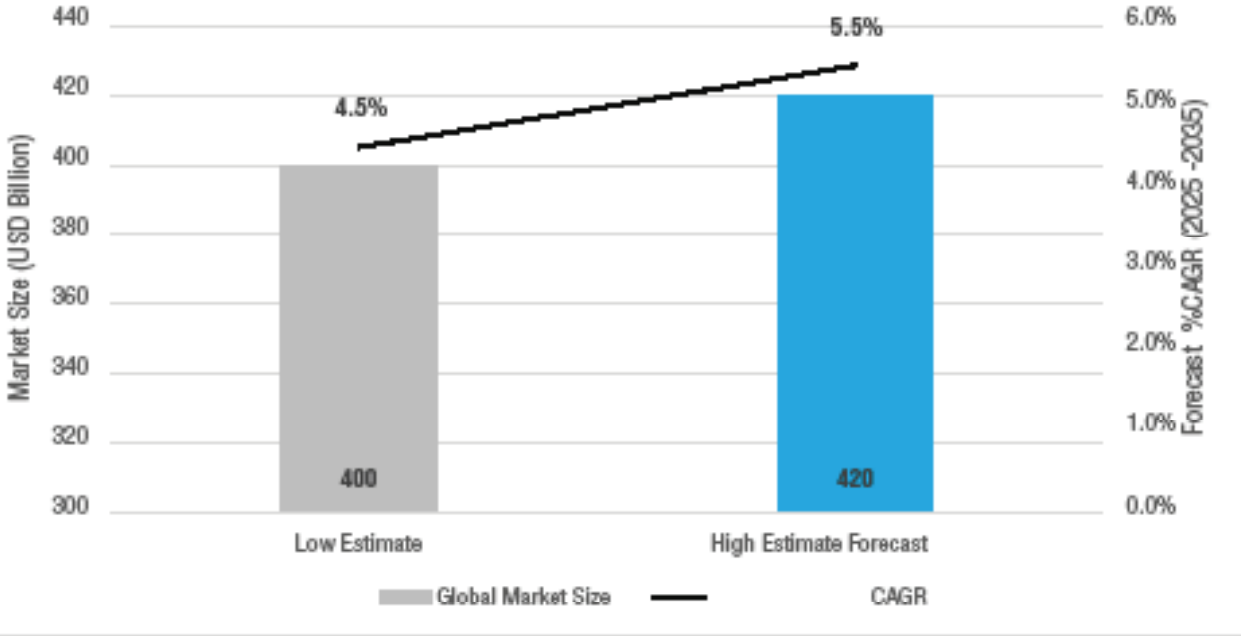
10 World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024
11 GSCPI — Global Supply Chain Pressure Index | GSCSI — Global Supply Chain Stress Index | PCI — Port Congestion Index | SCFI - Shanghai Containerized Freight Index
12 World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024
13 World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024

2.1.2 Rail

Freight rail is a core component of long-distance logistics and involves moving large volumes of bulk, manufactured and containerised cargo efficiently between production centres, ports and inland markets. Compared with road transport, rail offers lower long-haul unit costs, higher energy efficiency, reduced congestion and materially lower emissions per tonne-kilometre, making it strategically important for trade competitiveness, port–hinterland connectivity and low-carbon freight systems.

Globally, rail freight and rail logistics were valued at roughly US$400–420 billion in the mid-2020s, with market assessments pointing to moderate but durable growth of around 4.5–5.5% per year. On this trajectory, the market is projected to reach US$600–700 billion by the early-to-mid 2030s, driven by demand for long-haul freight, bulk commodities and intermodal solutions. Bulk freight, particularly in mining, energy and agriculture, accounts for approximately 40–45% of activity, while containerised and intermodal traffic contributes roughly a quarter.[14 15 16] Figure 5 provides an overview of market size estimates for global freight rail (2024–2026) and the forecast for the CAGR.

Figure 5. Market size estimates for global freight rail (2024–2026) & forecast CAGR (2025–2035)



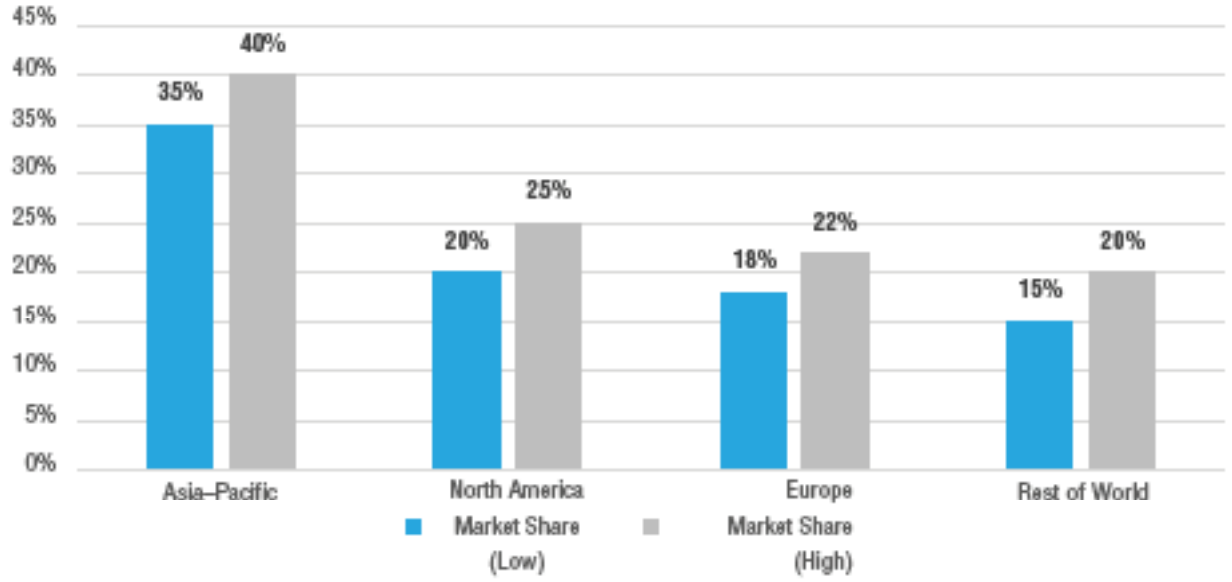
Source: Market size and growth ranges compiled from Global Market Insights (2024), Future Market Insights (2024), and Mordor Intelligence (2023)

On this basis, the global market is projected to reach between US$600 billion and US$700 billion by the early-to-mid 2030s, driven by rising demand for long-haul freight, bulk commodities and intermodal rail solutions that link ports with inland production and consumption centres. Segment-level estimates suggest that freight transport accounts for the dominant share of rail logistics value, with projections placing this segment at US$350 billion or more by 2033–2035, while long-haul movements alone represented roughly US$150 billion in the mid-2020s. Bulk freight, particularly for mining, energy and agricultural commodities, continues to anchor volumes, accounting for around 40–45% of total market activity, while mining-related freight accounts for approximately 20%.[17 18 19]

14 Mordor Intelligence Report: Global Rail Freight Transport Market.
15 Future Market Insights Report 2025: Rail Freight Market
16 Global Market Insights Report 2025: Rail Logistics Market
17 Mordor Intelligence Report: Global Rail Freight Transport Market.
18 Future Market Insights Report 2025: Rail Freight Market
19 Global Market Insights Report 2025: Rail Logistics Market

Figure 6 summarises the regional distribution of the global freight rail market, illustrating how market share is concentrated across regions.

Figure 6. Regional market distribution estimates (% of global market)



Source: Market size and growth ranges compiled from Global Market Insights (2024), Future Market Insights (2024), and Mordor Intelligence (2023).

Table 3 highlights the countries with the largest shares of national rail freight activity in 2023, measured in million tonne-kilometres, along with recent momentum which is measured year-on-year and over a five-year CAGR. It offers a quick view of where rail freight remains most structurally significant and where growth is accelerating or softening.

Table 3. Top 10 countries with largest share of national rail freight transport (million tonne-kilometres), 2023

Rank	Country	Share (%)	Year	YoY Change	5-Year CAGR
1	Australia	56.96	2023	+1.42%	+1.13%
2	Canada	33.75	2023	+0.75%	–1.54%
3	Japan	2.17	2023	–0.66%	–1.89%
4	Belarus	1.39	2023	+1.97%	+0.90%
5	Romania	1.18	2023	–0.88%	+0.095%
6	Finland	0.83	2023	+0.25%	–0.66%
7	Czech Republic	0.66	2023	–4.87%	–1.76%
8	Austria	0.53	2023	+0.71%	–0.74%
9	New Zealand	0.45	2023	–0.79%	–0.83%
10	Lithuania	0.44	2023	+6.14%	–0.40%

Source: Report Linker Industry Reports 2024: Global Volume of National Rail Freight Transport Share by Country

Australia and Canada dominate national rail freight transport, together accounting for over 90% of the top 10's share, which indicates the central role of these countries in moving bulk commodities. Most other countries have share levels below 3% which reflects the high concentration in a few markets. In 2023, year-on-year performance varied: Lithuania had the highest increase (+6.14%), while the Czech Republic experienced the largest decline (–4.87%). Overall, the five-year CAGR is negative for most countries listed, suggesting that recent short-term gains have not yet led to sustained growth, except in Australia and Belarus which show ongoing positive trends.[20]

Against that backdrop, the next question is where freight demand is actually concentrated, because modal investment decisions ultimately follow the cargo mix. Table 4 breaks down the market by freight type, highlighting the relative weight of bulk and mining-linked flows versus containerised and intermodal volumes.

20 Report Linker Industry Reports 2024: Global Volume of National Rail Freight Transport Share by Country

Table 4. Market composition by freight type

Segment	% of Total Market (approximates)
Bulk Freight (Mining, Energy, Agriculture)	40
Mining-related Freight	18
Containerised / Intermodal	25
Other Freight	10

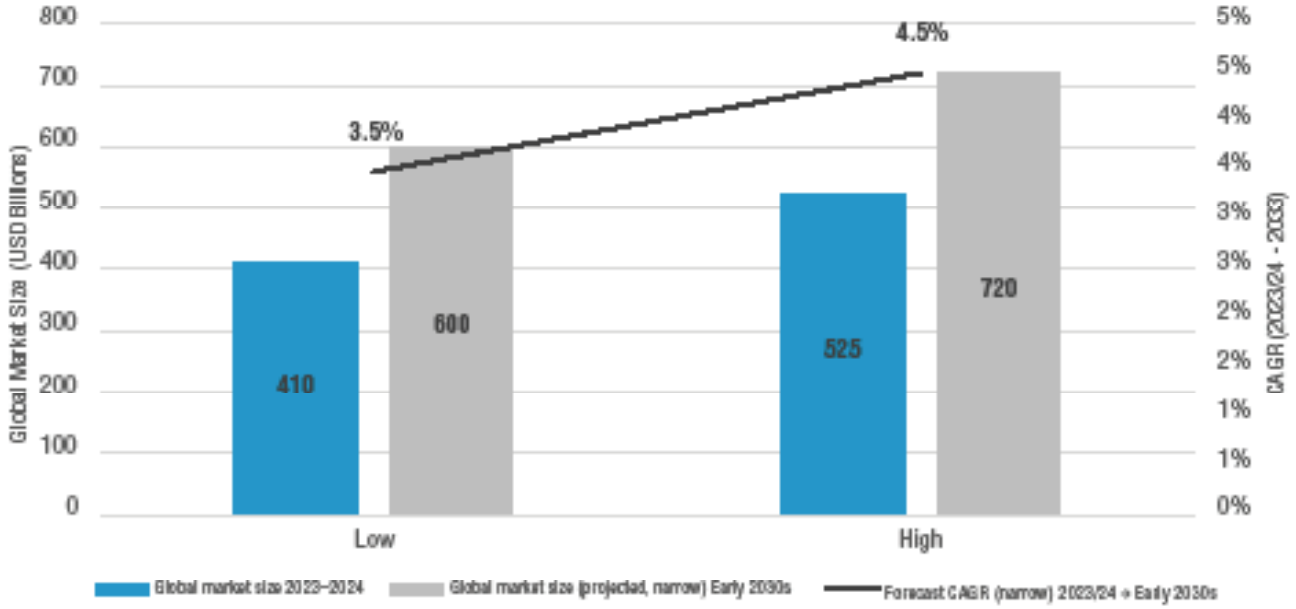
Source: Market size and growth ranges compiled from Global Market Insights (2024), Future Market Insights (2024), and Mordor Intelligence (2023).

2.1.3 Cold storage & warehousing

Overview of global warehousing market

The global warehousing and storage market has become a critical pillar of modern logistics systems, and reflects deeper structural shifts in trade, consumption patterns and supply-chain design. **Figure 6** combines market estimates: it reflects a global market size of US$410–525 billion in the early-to-mid 2020s (2023–2024), depending on whether the focus is limited to core warehousing and storage services or extends to broader logistics-enabled functions.[21] [22] Forward-looking projections under this narrower definition suggest expansion to approximately US$600–720 billion by 2033, implying moderate annual growth of roughly 3.5%–4.5%.[23] [24] This trajectory is characteristic of a relatively mature infrastructure segment which is closely tied to baseline growth in trade volumes, inventory holding requirements and storage demand.

Figure 7. Global warehousing market estimates (2023/24) and CAGRs (2024–2033)



Source: IMARC Group (2024). Dataintelo (2023). Report Linker Industry Reports 2024

A broader market lens points to a significantly larger and faster-growing opportunity. When warehousing is assessed as an integral component of end-to-end logistics and distribution networks, particularly those serving e-commerce, manufacturing and increasingly complex global supply chains, market valuations rise substantially.

Under this expanded scope, global warehousing has been estimated at around US$1.0–1.1 trillion in the early 2020s with projections ranging from US$1.6 trillion to over US$1.7 trillion by 2030, corresponding to CAGR estimates of approximately 8%–9%.[25] These higher-growth projections reflect the rapid expansion of value-added services such as fulfilment, cross-docking, inventory optimisation and technology-enabled distribution, rather than pure storage alone. The divergence across market estimates, therefore, reflects differences in scope and service definition as opposed to disagreement on underlying demand dynamics.

Across both narrow and broad definitions, the growth drivers are consistent. Inventory optimisation, globalised production networks and the shift to e-commerce are turning warehousing from passive storage into a technology-intensive logistics node. Investment is being driven by warehouse management systems, automation, robotics and real-time tracking, alongside rising expectations for speed and reliability. E-commerce remains the strongest catalyst, particularly in the Asia-Pacific and North America, where high online penetration is accelerating the growth of fulfilment centres and regional distribution hubs.[26] [27]

21 IMARC Group. (2024). Warehousing and storage market: Global industry trends, share, size, growth, opportunity and forecast 2025–2033. https://www.imarcgroup.com/warehousing-storage-market-statistics
22 Dataintelo. (2023). Global warehousing market size, share, trends, and forecast to 2032. https://dataintelo.com/report/global-warehousing-market
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Overview of global cold-chain logistics market

A cold chain is an end-to-end logistics system that keeps perishables in controlled temperatures and humidity ranges from production to consumption. It covers post-harvest handling, grading and packaging, processing, storage and distribution, typically using packhouses, reefer transport, cold stores and, for some commodities, ripening chambers. Performance depends on continuity across the full chain, including wholesale and retail refrigeration.[28]

The global cold-chain logistics and cold storage market is one of the fastest-growing logistics segments, valued at US$300–450 billion in 2024–2025, depending on scope. Forecasts point to CAGRs of approximately 11.8% to 14.1%, taking the market to US$875 billion to US$1.4 trillion by the early-to-mid 2030s with most projections clustering around US$900 billion to US$1 trillion by 2032–2034. Growth is driven by the rising demand for temperature-controlled food and pharma handling, outsourcing by retailers and pharmaceutical firms, and the rapid expansion of last-mile refrigerated delivery.[29] [30] [31]

North America remains the largest market due to mature food retail and strong pharma demand, while Asia-Pacific is the fastest-growing, supported by urbanisation, shifting diets, expanding pharma manufacturing and investment in modern cold storage and refrigerated transport. The sector is also moving beyond warehousing toward digitally enabled cold chains, including cloud-based monitoring and integrated platforms that improve traceability, reduce spoilage and support compliance.[32] Table 5 provides an overview of the major players operating in the cold-chain logistics industry.

Table 5. Major players operating in the cold-chain logistics industry

Company	Primary Logistics Focus	Relevance to Cold Chain
DHL International	Integrated logistics, express, freight forwarding, contract logistics	Extensive global cold-chain solutions for life sciences, healthcare and perishables
United Parcel Service (UPS)	Parcel delivery, freight, supply-chain solutions	Strong pharma cold chain, last-mile temperature-controlled delivery
Maersk	Ocean freight, ports, integrated end-to-end logistics	Rapidly expanding cold chain via reefer containers, cold storage and inland logistics
DSV	Air, sea and road freight forwarding, contract logistics	Growing exposure to temperature-controlled freight and pharma logistics
CEVA Logistics	Contract logistics, freight management	Dedicated cold-chain solutions for food and life sciences
C.H. Robinson Worldwide	Freight brokerage, managed transportation, supply-chain services	Limited asset ownership but strong coordination of refrigerated trucking and intermodal
Lineage Logistics	Cold-storage warehousing, automation, cold-chain logistics	One of the world's largest temperature-controlled warehouse operators
Americold Logistics	Temperature-controlled warehousing and distribution	Global leader in cold-storage infrastructure and food supply chains
NewCold	Highly automated cold-storage facilities	Technology-led, energy-efficient cold storage focused on scale and automation
US Cold Storage	Public refrigerated warehousing and distribution services	Major North American cold-storage provider serving food and retail sectors

Source: Global Market Insights: Cold Chain Logistics Market 2026

Table 6 summarises the key constraints that hold back cold chain scale-up and the main opportunities to improve project economics, resilience, and ESG alignment over the next decade.

28 World Bank Group: Practical Guide on Sustainable Cold Chain 2022
29 Research and Markets. (2024). Cold chain logistics market size, share & outlook 2025–2034. https://www.researchandmarkets.com/reports/6176292/cold-chain-logistics-market-size-share-outlook
30 Global Market Insights. (2024). Cold chain logistics market size, industry analysis report, 2026–2035. https://www.gminsights.com/industry-analysis/cold-chain-logistics-market
31 Persistence Market Research. (2025). Cold chain market: Global industry analysis and forecast 2025–2032. https://www.persistencemarketresearch.com/market-research/cold-chain-market.asp
32 https://www.thebusinessresearchcompany.com/report/cold-chain-global-market-report

Table 6. Market dynamics: constraints and opportunities

Theme	Key Issue	Description and Implications
Constraint	**High operating costs and energy intensity**	The cold chain's scalability is constrained by the high cost of maintaining temperature-controlled environments. Cold-storage facilities and refrigerated transport rely on energy-intensive infrastructure such as blast freezers, cold warehouses and reefer fleets, which drive higher electricity consumption and ongoing operating costs. These costs are particularly acute in markets with high power tariffs or unreliable grid supply, directly undermining project viability.
	Environmental and regulatory pressure	Conventional refrigeration systems contribute to greenhouse gas emissions, placing cold-chain operators under increasing scrutiny from regulators, investors and ESG-focused stakeholders. As sustainability standards tighten, operators face rising compliance costs and growing pressure to transition away from carbon- and energy-intensive cooling technologies.
	Structural barriers in developing markets	In parts of Africa and South Asia, cold-chain expansion is limited by infrastructure gaps, constrained access to capital and logistical inefficiencies. In price-sensitive markets, these challenges are compounded by competition from alternative logistics options that may offer lower upfront costs or greater flexibility, weakening the short-term investment case for large-scale cold-chain infrastructure despite strong long-term demand fundamentals.
Opportunity	**Energy-efficient and low-carbon cold-chain technologies**	The global sustainability transition is unlocking new opportunities through energy-efficient refrigeration systems, solar-powered cold storage, and low global-warming-potential refrigerants. These technologies are beginning to reduce operating costs and carbon intensity materially, so improving lifecycle economics and making cold-chain investments more resilient over time.
	Alignment with renewable energy expansion	Broader energy-system shifts are strengthening the investment case for cold-chain infrastructure. Projections by the International Energy Agency indicate that approximately 5,500 GW of new renewable energy capacity will be added globally between 2024 and 2030, supporting off-grid and hybrid cold-chain solutions, particularly in energy-constrained regions.
	Innovation in packaging and materials	Innovation is extending beyond infrastructure into packaging, especially in the pharmaceutical sector. Companies such as Sonoco ThermoSafe are developing solutions that maintain temperature integrity while reducing environmental impact, in line with tightening global regulatory standards.
	Policy support and green investment incentives	Government-led initiatives, including the European Union's Green Deal and India's renewable energy programmes, are catalysing investment in sustainable cold-chain infrastructure. Financial incentives, concessional funding and regulatory alignment are accelerating the adoption of greener technologies and supporting the long-term resilience and compliance of cold-chain systems through the early 2030s.

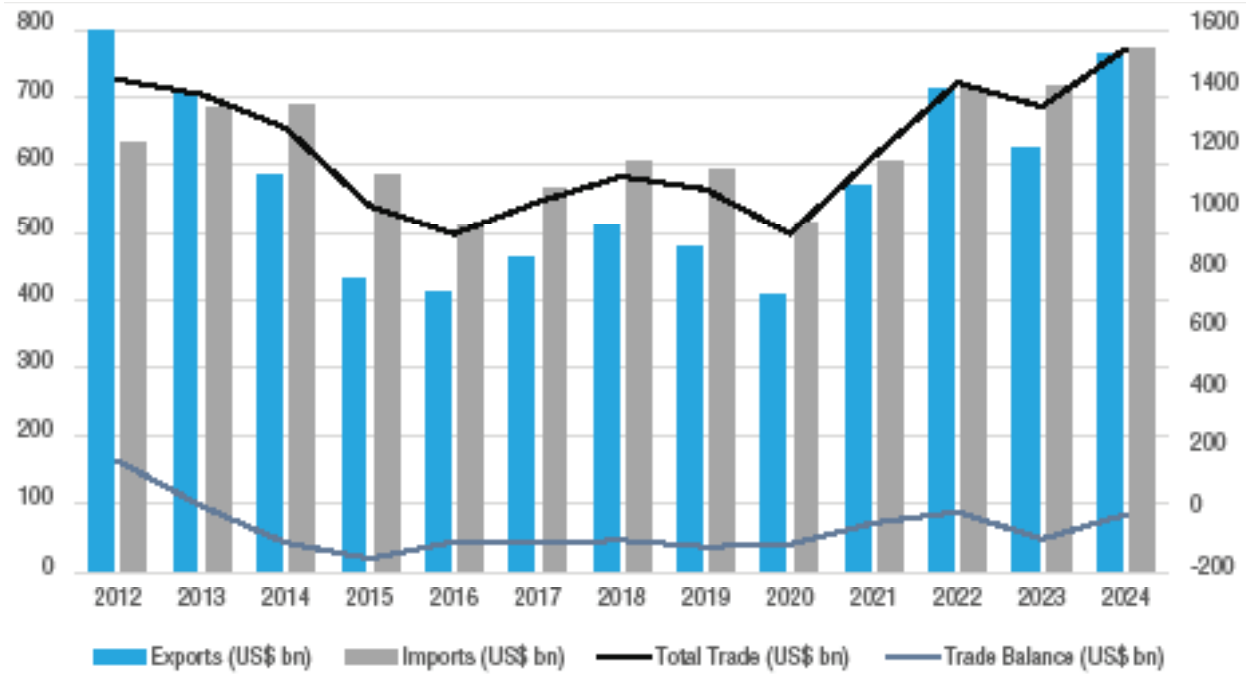
Source: Persistence Market Research 2025: Cold chain market: Global Industry analysis and forecast

Truck Delivering Freight

2.2 African Trends

Building on improving global conditions, Africa's merchandise trade rebounded in 2024, rising by 13.9% to approximately US$1,520.1 billion. This followed a 5.4% contraction in 2023, when trade fell to about US$1,341.1 billion after the region had recorded growth of more than 20% in 2022 which reached around US$1,417.3 billion. The 2024 recovery was driven primarily by stronger commodity prices, especially oil, which lifted export values and increased the overall value of Africa's trade basket.[33] Figure 8 illustrates how Africa's merchandise trade has evolved from 2012 to 2024.

Figure 8. Trends in Africa's merchandise trade (US$ billion), 2012–2024



Sources: International Monetary Fund Direction of Trade Statistics 2025; Afreximbank research.

Africa's 2024 export rebound was concentrated in Algeria, Angola, Egypt, Nigeria and South Africa, which together accounted for over 56.6% of total exports. Oil exporters led the surge, with Angola (up 130.3%) and Nigeria (up 113%) standing out. Imports rose 7.6% to about US$769 billion, while exports grew faster by approximately 21%, narrowing the trade deficit to around US$11 billion from US$88.4 billion in 2023. Despite the recovery, Africa still accounts for roughly 3% of global trade, reinforcing the case for industrialisation, value addition and AfCFTA-enabled regional value chains.[34]

Key Insights

- **Africa's merchandise trade rebounded strongly in 2024, rising by 13.9% to US$1.52 trillion after a contraction in 2023.** This was driven primarily by higher global commodity prices, especially oil, rather than by structural diversification.
- **Trade performance remains highly concentrated,** with Algeria, Angola, Egypt, Nigeria and South Africa accounting for over 56.6% of total exports, underscoring continued reliance on a small group of commodity exporters.
- **North African ports remain the continental benchmark**, particularly Port Said and Tangie-Med on major Asia–Europe routes, while many sub-Saharan ports continue to lag behind global averages due to persistent capacity, technology and institutional constraints.
- **Sub-Saharan Africa's rail network remains fragmented and corridor-based**, with limited cross border interoperability; South Africa is the only broadly integrated system which extends into neighbouring countries.
- **The condition of rail infrastructure is the binding constraint** with large sections requiring rehabilitation or replacement, resulting in speed restrictions that erode competitiveness; and rolling stock productivity across long corridors.
- **Industrial warehousing markets are tightening**, with average occupancy in modern facilities rising to 83% in 2025, reflecting growing demand from e-commerce, agro-processing and fast-moving consumer goods (FMCG) supply chains.
- **The cold-chain opportunity is geographically uneven,** with South Africa the largest and most mature market, while significant growth potential exists along trade corridors, ports and Special Economic Zones, particularly under AfCFTA-driven regionalisation.

33 Afreximbank: African Trade Report 2025
34 Afreximbank: African Trade Report 2025

2.2.1 Ports

The Autonomous Port of Dakar ranked first in sub-Saharan Africa in 2024 in the CPPI, published by the World Bank and S&P Global Market Intelligence. Table 7 lists the CPPI's ranking of African ports. The CPPI tracks the total time spent in port for container vessels, from arrival at anchorage through to departure from berth, making it a practical proxy for operational efficiency and trade facilitation outcomes.[35]

Table 7. Ranking of African ports according to the CPPI (2024)

African Rank	Port	Country	CPPI 2024	World Rank
1	Port Said	Egypt	137	3
2	Tanger Med	Morocco	136	5
3	Dakar	Senegal	23	108
4	Mogadishu	Somalia	8	163
5	Toamasina	Madagascar	6	177
6	El Dekheila	Egypt	5	190
7	Sokhna	Egypt	2	217
7	Freetown	Sierra Leone	2	216
9	Conakry	Guinea	-2	235
10	Berbera	Somalia	-3	243
11	Damietta	Egypt	-4	245
11	Alexandria	Egypt	-4	247
13	Rades	Tunisia	-5	251
14	Namibe	Angola	-11	277
15	Casablanca	Morocco	-12	288
16	Beira	Mozambique	-13	292
41	Port Elizabeth	South Africa	-169	395
43	Cape Town	South Africa	-281	400

Source: World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024

Dakar recorded a step change in performance in 2024, with its score improving from –82 in 2023 to +23, one of the largest year-on-year gains globally. The World Bank Report attributes this to operational and infrastructure upgrades led by DP World, including new cranes, expanded storage areas and a port community system that improved coordination across port users. Progress also reflected stronger corridor connectivity and process reform, supported by upgraded road links, the rehabilitation of the rail corridor to Mali and a customs one-stop shop that reduced landside friction and administrative delays.[36]

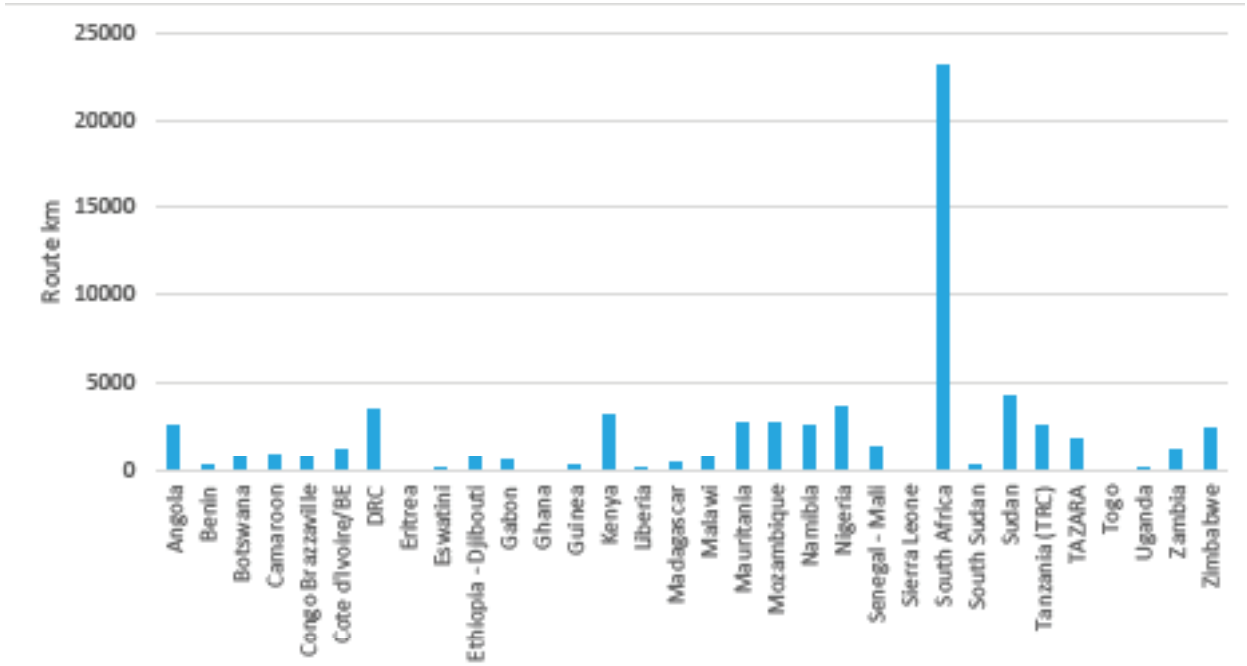
Dakar is not an isolated case. Cotonou also improved between 2023 and 2024, although its score remained negative, while South Africa's Cape Town and Coega rebounded after several weak years, despite ongoing constraints such as long anchorage waits and ageing infrastructure. North Africa remains the continental benchmark, with Port Said and Tanger Med among the strongest performers on high-volume Asia–Europe routes. The wider takeaway is that improvement is achievable, but many African ports still sit below global averages due to persistent gaps in capacity, technology, human capital and institutional capability. In some contexts, the perceived cost of faster operating models is not yet matched by the value at stake in cargo and service levels.

35 World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024
36 World Bank Group, S&P Global Market Intelligence Report: The Container Port Performance Index 2020-2024

2.2.2 Rail

Railways in sub-Saharan Africa were largely built as single-purpose corridors, linking coastal ports to inland trading centres, farming zones or mines. Some branch lines were added over time and ownership differed across countries, ranging from state operators to concessions and mine-owned lines. The overall structure remained corridor-based rather than a connected network.37 As a result, the region's rail system is still fragmented with limited cross-border interoperability. The main exception is the network anchored in South Africa which extends into Zimbabwe, Zambia and the DRC; and west into Namibia and Botswana. Weak intra-African trade, driven partly by similar primary-commodity export profiles, has also limited the demand base for deeper inter-regional links. By the end of 2019, railways operated in 32 sub-Saharan countries, totalling approximately 65,760 km and ranging from under 100 route-kilometres in Togo and Ghana to more than 23,000 route-kilometres in South Africa.[38] Figure 9 illustrates the sub-Saharan railway network in various countries.

Figure 9. Sub-Saharan railway network by country (route-km)



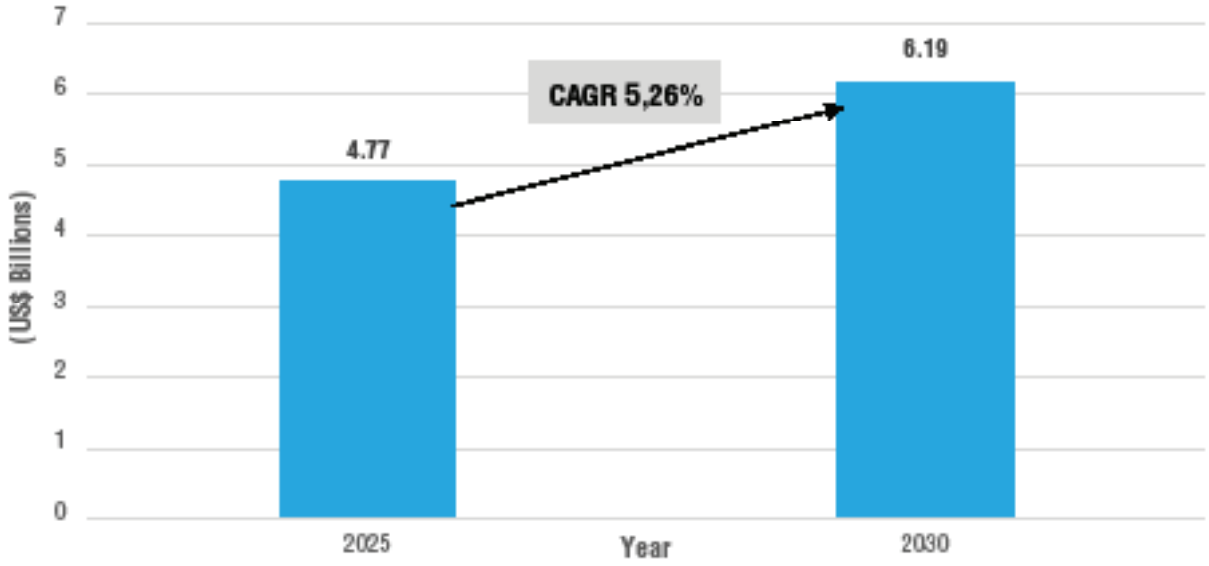
Source: World Bank Report 2020: Modern Railway Services in Africa - Building Traffic - Building Value

Across most of sub-Saharan Africa, the rail network remains overwhelmingly single-track, with only limited double-track sections, most notably on parts of South Africa's Transnet system. South Africa is also an outlier in relation to electrification, with a significant share of its network powered by electricity. Beyond South Africa, electrified rail infrastructure in sub-Saharan Africa is extremely limited, largely confined to the DRC's mining corridors, a short (currently dormant) electrified section in Zimbabwe and the newer Djibouti–Addis Ababa line.[39]

37 World Bank Report 2020: Modern Railway Services in Africa - Building Traffic - Building Value
38 World Bank Report 2020: Modern Railway Services in Africa - Building Traffic - Building Value
39 World Bank Report 2020: Modern Railway Services in Africa - Building Traffic - Building Value

The bigger constraint, however, is the condition of assets. Large portions of track across the region require repair or full replacement. In several countries, entire sections are effectively offline and will need substantial rehabilitation before operations can realistically resume. Even where rail services are still running, degraded track quality often forces widespread speed restrictions, eroding rail's competitiveness and reducing rolling-stock productivity over long corridors.[40] Figure 10 shows the market size of the sub-Saharan Africa rail freight transport system.

Figure 10. Market size of sub-Saharan Africa rail freight transport



Source: https://www.mordorintelligence.com/industry-reports/sub-saharan-africa-rail-freight-transport-market

Table 8 provides an overview of the major players in freight rail in sub-Saharan Africa in no particular order.

Table 8. Major players in freight rail in sub-Saharan Africa

Company / Operator
Transnet Freight Rail
Traxtion
African Rail Company
National Railways of Zimbabwe
Grindrod Rail

40 World Bank Report 2020: Modern Railway Services in Africa - Building Traffic - Building Value

2.2.3 Cold storage & warehousing

Overview of the African warehousing market

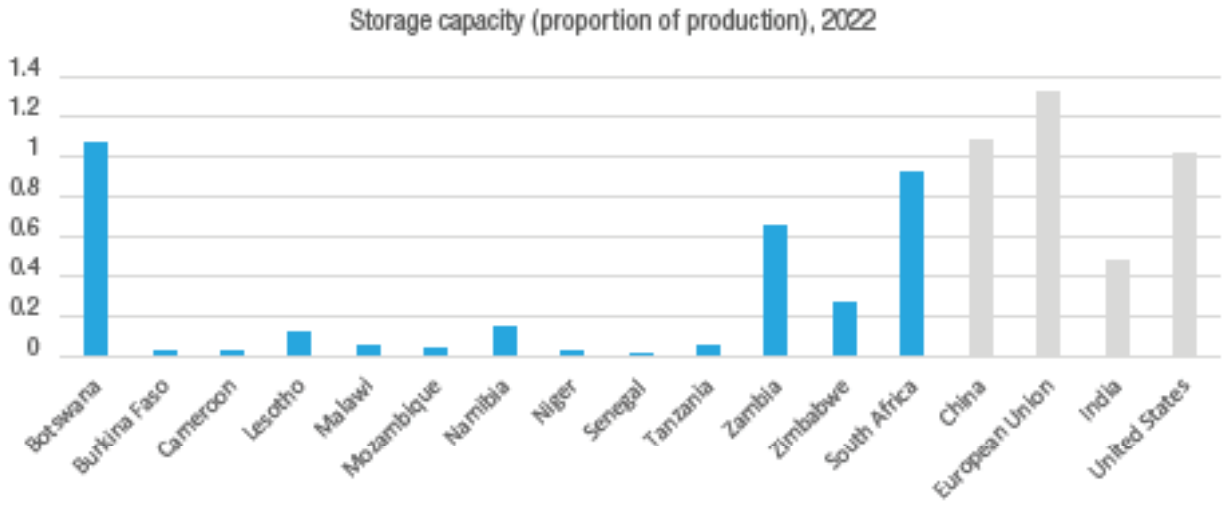
Africa's industrial real estate and logistics market is tightening. Average occupancy in modern warehouse stock rose to 83% in 2025, up from 75% in 2024. This represented a 10.7% year-on-year improvement, with the least availability for space in Grade A facilities along major urban hubs and trade corridors.[41]

Demand is being reinforced by e-commerce and by agriculture-led industrialisation, with Africa's online retail market projected to exceed US$75 billion by 2025. Agriculture contributes approximately 32% of GDP and supports livelihoods for more than 65% of the population (World Bank). The African Development Bank (AfDB) estimates that moving from raw exports to processing (for example, cotton-to-textile) can cause growth in value capture by up to 600%, which will increase requirements for warehousing and logistics.[42]

Interest in storage infrastructure across Africa is closely linked to the continent's heightened exposure to drought, other climate-related shocks and episodes of conflict. In this context, the ability to position and release relief supplies is often anchored in strategic reserves that form part of wider food security and disaster response systems. However, the limited evidence base indicates a clear capacity constraint: grain storage in much of sub-Saharan Africa remains well below what is required to buffer production volatility and import dependence. In higher-income regions, storage capacity frequently exceeds a full year of production (see Figure 11), enabling greater flexibility in managing supply disruptions and price spikes. By contrast, estimates for the 12 sub-Saharan African countries (with available data) suggest that storage capacity is typically less than 20% of annual food production and under 50% of annual food import volumes.[43]

In the logistics sector, this gap is more than a food security concern; it is a structural constraint on resilience, trade continuity and the development of modern distribution networks.

Figure 11. Estimated food storage capacity in selected regions and countries, 2022



Source: World Bank Report: Transport Connectivity for Food Security in Africa 2025

Regionally, South Africa, Egypt, and Nigeria remain the leading industrial markets (Africa Prime Rent Index). South Africa is anchored by a diversified manufacturing base and relatively mature infrastructure; Egypt benefits from strategic proximity to Europe and the Middle East; and Nigeria's scale is underpinned by large industrial players. A second tier of emerging hubs – Kenya, Ethiopia, Ghana, Zambia, and Tunisia – is also gaining momentum. Zambia, in particular, is seeing a stronger uptake of mid-sized production and warehousing units. This is linked to agri-manufacturing growth and the expansion of FMCG supply chains.[44]

To translate these market dynamics into investable signals, Table 9 benchmarks 2025 prime industrial rents (US$/sqm) and average yields (%) across selected African cities, offering a practical view of relative pricing and return expectations by market.

41 KnightFrank: The African Industrial Market Dashboard 2025
42 KnightFrank: The African Industrial Market Dashboard 2025
43 World Bank Report: Transport Connectivity for Food Security in Africa 2025
44 Knight Frank: The African Industrial Market Dashboard 2025

Table 9. A summary of 2025 prime industrial rents and average yields in selected African countries

Country	City	Prime Rents (US$ per sqm)	Average Yields (%)
Botswana	Gaborone	4.5	8.5
Egypt	Cairo	4.0	10
Kenya	Nairobi	6.0	9.50
Malawi	Lilongwe	3.0	12
Nigeria	Lagos	5.0	8.0
South Africa	Johannesburg	5.50	8.25
Tanzania	Dar es Salaam	5.0	10
Uganda	Kampala	7.0	13
Zambia	Lusaka	4.5	12
Zimbabwe	Harare CBD	2–5	7

Source: Knight Frank 2025

Overview of the African cold-storage market

Africa's cold-storage and wider cold-chain market is shifting from a niche logistics sub-sector into core infrastructure for enabling food security, modern retail, export competitiveness and healthcare resilience. Demand for temperature-controlled warehousing and distribution is rising faster than the continent can add reliable, compliant capacity, particularly beyond the most mature nodes. Key demand drivers include rapid urbanisation, changing diets, the expansion of modern retail and e-commerce grocery models, and the steady growth of pharmaceutical and vaccine supply chains.[45]

Market sizing varies because sources define the "market" differently; some measure logistics-service revenues across food and pharma, while others estimate the value of food volumes moving through cold chains. Mordor Intelligence estimated Africa's cold-chain logistics market at US$14.45 billion in 2025, rising to US$15.03 billion in 2026 and US$18.29 billion by 2031 (CAGR approximately 4.0%, 2026–2031). A Research and Markets listing, reflecting a Mordor report that focused specifically on food cold-chain logistics in Africa, which was measured in gross merchandise value, indicates growth from US$9.92 billion in 2025 to US$14.53 billion by 2030 (CAGR approximately 7.9%, 2025–2030). The practical takeaway is consistent: the addressable cold chain is expanding steadily, but headline growth rates depend on scope. Food-led volumes and modern trade channels are scaling quickly, while the broader logistics services market is growing more moderately as infrastructure catches up.[46] [47] [48]

Structurally, the market remains led by factors relating to storage. Refrigerated storage is the largest segment, accounting for approximately 50% of the market in 2025, while higher-margin value-added services, such as packing, ripening, monitoring and compliance, grow as supply chains formalise.[49] On the demand side, perishables dominate, with fruits and vegetables the largest application and accounting for approximately 27% in 2025, alongside fast-rising demand from pharmaceuticals and healthcare for compliant facilities and monitored distribution.[50]

The core constraint is capacity and reliability, not demand. Multiple sources converge on a persistent infrastructure gap that drives high spoilage. The Research and Markets listing cites estimates that over one-third of food produced in Africa is lost to spoilage or waste, while UN Food and Agriculture Organisation (FAO) estimates over 40% of food in sub-Saharan Africa perishes before reaching consumers (potentially up to 60% for fresh produce).[51] This is the commercial case for cold storage, but scaling is complicated by energy intensity, grid instability and volatile operating costs. In South Africa, the continent's most developed cold-storage base, electricity shortages and extended daily power cuts are highlighted as a material operating risk, strengthening the case for energy-resilient designs and alternative power solutions.[52] [53]

Geographically, the market is uneven. South Africa is consistently identified as the largest and most mature node, with an estimated 30.6% share in the cold storage market in 2025, while growth momentum is strengthening in large consumption markets such as Nigeria.[54] The Global Cold Chain Alliance (GCCA) illustrates the disparity in per-capita capacity, citing an external comparison: South Africa has 13 m³ of cold storage per 1,000 residents, whereas smaller markets often have far lower or more specialised capacity profiles. For example, Rwanda's limited capacity in 2019 focused heavily on floriculture exports.

45 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market
46 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market
47 Research and Markets Report 2025: Africa Food Cold Chain Logistics Market
48 Cold Facts Magazine: The Cold Chain in Africa, May-June 2025
49 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market
50 Cold Facts Magazine: The Cold Chain in Africa, May-June 2025
51 Research and Markets Report 2025: Africa Food Cold Chain Logistics Market
52 Research and Markets Report 2025: Africa Food Cold Chain Logistics Market
53 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market
54 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market

In West Africa, GCCA notes that port and Special Economic Zone cold-chain infrastructure still requires significant development, and identifies where enabling investments can unlock the next wave of trade-linked growth.[55]

Looking ahead, the strongest opportunity sits at the intersection of (1) urban demand for safe, high-quality perishables, (2) trade corridor efficiency, and (3) healthcare cold-chain expansion. GCCA highlights that trade in products requiring cold-chain handling represents approximately 5% of Africa's total exports and imports by value, and that the European Union is the dominant external trading partner, accounting for over 40% of import values and 35% of export values for cold-chain-related products in 2019–2023. In the longer term, AfCFTA-driven regionalisation is expected to lift intra-African trade, strengthening the investment case for cross-border refrigerated logistics, port-based cold storage, and corridor-linked distribution platforms.[56] [57]

Bloukrans River Bridge on the Garden Route

55 Cold Facts Magazine: The Cold Chain in Africa, May-June 2025
56 https://www.mordorintelligence.com/industry-reports/africa-cold-chain-logistics-market
57 Cold Facts Magazine: The Cold Chain in Africa, May-June 2025

2.3 South African Context

South Africa's transport and logistics system is a critical economic enabler, supporting trade, market access and labour mobility. In 2024, the sector contributed R518.4 billion to GDP, up by 4.3% from 2023. This was underpinned by an established multimodal base across road, rail, ports and aviation. Performance, however, has been increasingly constrained by prolonged underinvestment, operational weaknesses and governance failures, which have raised costs and reduced reliability along key corridors. As a result, reform has returned to the centre of the policy agenda with government actively pursuing greater private-sector participation, particularly in rail. Recent shifts signal a clear strategic direction involving the leveraging of public–private partnerships to rebuild capacity, improve service quality, strengthen resilience and lift the sector's contribution to growth.[58] [59]

2.3.1 Logistics environment

South Africa's economic performance is closely tied to the efficiency of its logistics system in moving goods domestically and into regional and global markets. Despite persistent infrastructure and operational constraints, the country retains the most capable logistics system in sub-Saharan Africa and compares favourably with global peers. This is reflected in the World Bank's 2023 Logistics Performance Index, where South Africa ranked joint 19th out of 139 countries with a score of 3.7, up from 3.38 in 2018, when it ranked 33rd.[60] Figure 12 gives details regarding the Logistics Performance Index (LPI) with a comparison between South Africa and sub-Saharan Africa (2023).

Figure 12. LPI: South Africa compared to sub-Saharan Africa (2023)

Source: The World Bank: Logistics Performance Index (LPI) 2023. Note: The LPI is the weighted average of the country's scores on six key dimensions

Structurally, South Africa is a transport-intensive economy. The country's position at the southern gateway to Africa, its large landmass and its long coastline create both opportunity and complexity, while the concentration of economic activity in Gauteng, approximately 600 km inland from the port of Durban, makes overland freight central to competitiveness. As a result, transport and logistics are not ancillary functions but are embedded in the daily movement of agricultural and manufactured goods and in the trade flows that sustain industry and consumption.[61]

South Africa's logistics sector reliance is broad-based, as shown in Table 10.

58 Who Owns Whom: Transport and Logistics Trends in South Africa, 2025
59 BusinessTech
60 World Bank Logistics Performance Index (LPI) 2023
61 https://www.gov.za/about-sa/geography-and-climate

Table 10. South Africa's logistics sector: reliance on transports and logistics, and critical requirements

Sector	How the Sector Relies on Transport & Logistics	Critical Logistics Requirements
Agriculture	Moves inputs and products via road and rail to markets and processing sites; supports export value chains (e.g., citrus, wine).	Cold-chain logistics; reliable port access and dependable road/rail corridors.
Fishing	Enables the distribution of fresh and processed seafood to domestic and export markets.	Cold storage; efficient port connectivity; access to airfreight for high-value/perishable products.
Mining	Moves bulk commodities from mine to port and processing hubs at scale.	Integrated rail–road–port systems; high-capacity corridors; operational reliability.
Construction	Supports the delivery of heavy machinery and large volumes of building materials to sites.	Heavy-haul transport capacity; dependable road access; and efficient scheduling and delivery.
Manufacturing	Secures a consistent inbound supply of raw materials and outbound distribution of finished goods.	Predictable inbound logistics; efficient distribution networks; time and cost reliability.
Pharmaceuticals & medical supplies	Ensures secure, on-time delivery of sensitive and essential goods.	Secure transport; time-critical logistics and cold-chain for temperature-sensitive products.
Retail & e-commerce	Drives fast replenishment and customer delivery, with growing emphasis on speed and reliability.	Warehousing and fulfilment; courier networks; last-mile delivery capability; tracking and traceability.

2.3.2 South African logistics market: trends and insights

Table 11 outlines the key demand and supply drivers that are shaping the growth outlook in South Africa's logistics and freight sector, and the channels through which they are expected to influence sector expansion over the forecast period.

Table 11. Impact analysis – drivers for growth in South Africa's logistics and freight sector

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Surge in e-commerce parcel volumes	+1.2%	National, concentrated in Gauteng, Western Cape, KwaZulu-Natal	Short term (≤ 2 years)
Public–private partnerships for rail revamp	+0.9%	National, with early gains in the Gauteng-Durban corridor	Medium term (2-4 years)
Growing intra-Africa trade under AfCFTA	+1.1%	Cross-border corridors, particularly to the SADC region	Long term (≥ 4 years)
Cold-chain demand from agro-exports	+0.8%	Western Cape, Limpopo, and Mpumalanga agricultural zones	Medium term (2-4 years)
Adoption of freight visibility platforms	+0.6%	National, led by major urban centres	Short term (≤ 2 years)
OEM shift to alternative-fuel	+0.4%	National, pilot projects in mining regions	Long term (≥ 4 years)

Source: Mordor Intelligence Report: South Africa Freight and Logistics Market 2025

Table 12 sets out the core constraints likely to weigh on growth in the logistics in the forecast period, along with the indicative drag on the baseline CAGR. It highlights where these bottlenecks are most acute – across priority rail corridors, major port gateways and long-haul road networks – and distinguishes between shocks that can constrain performance in the near term, versus structural frictions that typically take longer to resolve.

Table 12. Impact analysis – restraints

Restraint	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Rail network under-maintenance and theft	-1.4%	National rail corridors, particularly Gauteng-Durban	Short term (≤ 2 years)
Chronic port congestion and equipment age	-1.1%	KwaZulu-Natal and Western Cape ports	Medium term (2-4 years)
Driver shortage and rising labour costs	-0.8%	National, acute in long-haul routes	Short term (≤ 2 years)
Currency volatility is impacting imports	-0.9%	National, affecting import-dependent sectors	Short term (≤ 2 years)

Source: Mordor Intelligence Report: South Africa Freight and Logistics Market 2025

2.3.3 Logistics sector's performance

Across South Africa's freight and logistics system, Transnet remains a central platform that enables strategic corridors, port gateways and bulk supply chains. The government entity's operating footprint extends beyond the domestic network into the wider southern African region, which is supported by a hub-and-spoke presence that includes joint operating centres and satellite offices. From a commercial perspective, the group's revenue base reflects a logistics system that is still anchored in high-volume freight rail and port operations: freight rail generates R42.7 billion in total revenue with a workforce of 21,688, while the ports value chain is split between the landlord function (National Ports Authority, R14.7 billion, 3,818 staff) and terminal operations (Port Terminals, R19.5 billion, 9,206 staff). Complementing this, pipelines contribute R8.2 billion in revenue (headcount: 661), while engineering services, critical to rolling-stock manufacturing and maintenance, add R10.7 billion (headcount: 7,478). Even smaller units, such as property (R1.6 billion, 643 staff), play a supporting role in asset optimisation.[62]

Table 13 presents a consolidated revenue snapshot of this operating footprint, showing how income was distributed across Transnet's core freight, port and supporting business units in 2024/2025.

Table 13. Freight transportation (income at current prices): 2024/2025

Year	Month	Rail Payload (000 tons)	Rail Income (R million)	Road Payload (000 tons)	Road Income (R million)	Total Payload (000 tons)	Total Income (R million)
2024	Jan	12 751	3 336	80 951	16 504	93 702	19 840
	Feb	13 831	3 609	79 782	16 500	93 613	20 109
	Mar	13 270	3 520	81 531	16 663	94 801	20 183
	Apr	13 738	3 651	80 388	16 619	94 126	20 270
	May	13 198	3 692	82 703	17 052	95 901	20 744
	Jun	13 341	3 635	82 385	16 763	95 726	20 398
	Jul	13 019	3 510	83 945	17 146	96 964	20 656
	Aug	13 572	3 750	85 171	17 305	98 743	21 055
	Sep	14 044	3 732	80 486	16 226	94 530	19 958
	Oct	12 504	3 422	83 586	16 993	96 090	20 415
	Nov	13 140	3 531	85 173	17 178	98 313	20 709
	Dec	14 337	3 810	73 697	14 850	88 034	18 660
	Total	**160 745**	**43 198**	**979 798**	**199 799**	**1 140 543**	**242 997**
2025	Jan	13 681	3 560	78 224	15 677	91 905	19 237
	Feb	14 794	3 859	76 687	15 507	91 481	19 366
	Mar	13 854	3 664	80 466	16 284	94 320	19 948
	Apr	14 839	4 070	75 630	15 600	90 469	19 669
	May	13 464	3 856	83 975	17 052	97 439	20 908
	Jun	13 897	3 781	85 345	16 920	99 241	20 702
	Jul	11 570	3 296	86 114	17 334	97 684	20 630
	Aug	14 527	4 008	84 701	17 132	99 228	21 140

Source: Statistics South Africa 2025

62 https://static.pmg.org.za/Transnet_Integrated_Report_2025.pdf

Table 14 complements the revenue profile by presenting recent port-level operating volumes, cargo throughput, container movements and vessel arrivals for 2024 and into mid-2025, based on cargo dues invoiced by the Transnet National Ports Authority.

Table 14. Port statistics: Cargo statistics from Transnet National Ports Authority

Period	Total Cargo	TEUs[63]	Vessels Arrivals
June 2025	18 633 397	373 644	842
May 2025	17 637 901	346 480	817
April 2025	16 426 799	290 682	742
March 2025	21 213 493	396 653	923
February 2025	17 988 808	356 584	776
January 2025	18 714 015	332 965	730
Calendar Year 2024	**211 228 740**	**4 303 758**	**9201**
December 2024	18 882 723	320 815	727
November 2024	19 125 941	348 104	789
October 2024	15 908 192	309 948	683
September 2024	19 276 054	438 782	825
August 2024	16 825 993	381 626	689
July 2024	16 506 637	329 418	745
June 2024	18 430 412	392 616	810
May 2024	17 564 635	374 397	842
April 2024	15 624 849	292 595	752
March 2024	17 673 934	389 911	852
February 2024	18 203 714	398 981	789
January 2024	16 834 436	326 671	583

Source: Transnet National Ports Authority 2025

63 TEUs means Twenty-Foot Equivalent Units: a standard way to measure container cargo volume, where 1 TEU = one 20-foot shipping container (and a 40-foot container is typically 2 TEUs).

Large Vessel Entering Cape Town Harbour

2.4 Western Cape Context

The logistics sector is a critical enabler of the Western Cape's export-oriented growth model, supporting the movement of high-value agricultural produce, manufactured goods and emerging green-economy exports into regional and global markets. The province benefits from a strong multimodal platform, anchored by the Port of Cape Town and Cape Town International Airport, which together emphasise the Western Cape's role as a nationally significant and regionally connected trade hub. Moreover, expanding air cargo volumes and diversified freight corridors continue to support exporters' competitiveness, particularly for time-sensitive and perishable goods.

Key Insights

- **Transport and logistics remain a core economic pillar**, contributing R518.4 billion to GDP in 2024, with growth supported by South Africa's established multimodal network despite mounting operational pressures.
- **System performance is increasingly constrained by underinvestment**, ageing infrastructure, governance failures and security challenges. This increases costs and reduces reliability along key freight corridors.
- **Economic geography reinforces logistics intensity**, with inland industrial concentration (notably Gauteng), making road and rail-based freight critical to national competitiveness.
- Public–private partnerships in rail represent the most material upside, offering a medium-term boost to freight efficiency and corridor performance.
- **Structural constraints continue to weigh on growth**, with rail under maintenance, port congestion, labour shortages and currency volatility collectively exerting a drag on expansion in the logistics sector.
- **Transnet remains systemically central** with revenues still heavily anchored in freight rail and port operations, which underscore both its strategic importance and the economy's exposure to its operational performance.
- **Freight volumes show broad stability with seasonal volatility**, including a clear year end slowdown and a rebound into early 2025, reflecting both cyclical demand patterns and infrastructure capacity limits.

Trade outcomes over the past five years highlight both momentum and structural exposure. Exports have risen steadily, increasing from R160.9 billion in 2021 to R219.7 billion in 2025, although the pace of growth has moderated. Imports remain larger and more volatile, peaking sharply in 2022, easing through 2024 and rising again to R337.9 billion in 2025. This pattern reflects the province's deep integration into global supply chains and its reliance on imported intermediate and capital goods, while reinforcing the importance of logistics reliability and cost efficiency in sustaining export growth.[64]

Table 15 and Figure 13 illustrate these dynamics, showing a structurally negative but narrowing trade balance; and a clear divergence between the relatively stable export trajectory and more cyclical import flows.

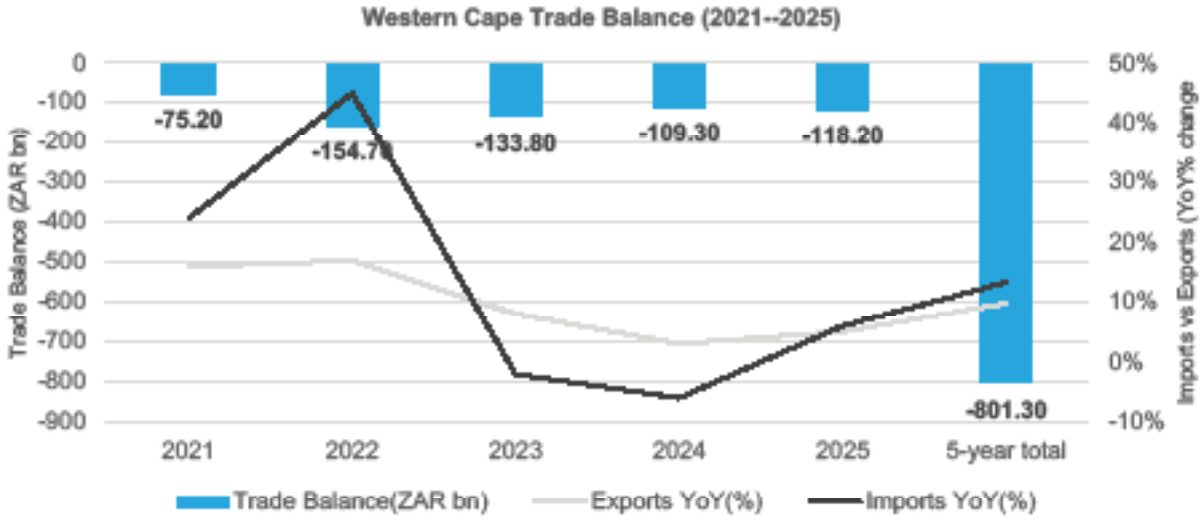
Table 15. Western Cape: total exports and imports

Year	Exports (ZAR)	Exports YoY	Imports (ZAR)	Imports YoY
2021	160,913,896,178	16%	236,145,822,670	24%
2022	188,708,245,718	17%	343,396,666,810	45%
2023	204,165,340,630	8%	338,008,432,073	-2%
2024	210,059,322,694	3%	319,364,371,120	-6%
2025	219,745,566,795	5%	337,926,233,597	6%
5-year total	**773,533,049,321**		**1,574,841,526,270**	

Source: Quentec 2026

64 Quantec 2026 Easy data

Figure 13. Western Cape's trade balance



Despite its strengths, performance in the Western Cape's logistics sector remains constrained by port congestion, underinvestment in infrastructure, rail underperformance and rising operating costs. These pressures, coupled with global supply-chain volatility, limit throughput efficiency, raise logistics costs for exporters and reduce system reliability at critical nodes, particularly at the port–hinterland interface.

Nevertheless, the province remains well-positioned for improvement. Ongoing national reforms, the expansion of public–private partnerships and targeted investments in port operations, freight rail and intermodal connectivity, provide a credible pathway to restoring performance. With coordinated investment and operational modernisation, the Western Cape can reinforce its position as a competitive, resilient logistics gateway, supporting export expansion, attracting investment, and strengthening long-term economic stability.

2.4.1 Ports

The Western Cape's ports operate as a complementary system that underpins the province's export economy, supports national trade connectivity and anchors emerging opportunities in the oceans and green economies. The ports of Cape Town, Saldanha Bay, and Mossel Bay play distinct but interlinked roles, collectively supporting agricultural exports, bulk minerals, industrial activity, tourism and offshore services.[65] Table 16 provides a snapshot of the Western Cape's port system.

Table 16. Snapshot of Western Cape's port system

Port	Primary Role in the System	Typical Vessel/Cargo Focus	Economic Linkages (High Level)
Cape Town	Main mixed-cargo and container gateway; cruise entry point	Containers; general cargo; fruit exports; dry & liquid bulk; RoRo	Trade facilitation, FMCG/retail supply chains, export agriculture (incl. cold chain), tourism (cruise)
Saldanha Bay	Deep-water bulk/industrial port; export hub	Bulk mining exports (iron ore); tankers; large vessels	Mineral exports, heavy industry, industrial development zone (IDZ), green fuels (H_2/NH_3) potential
Mossel Bay	Supplementary regional port	Smaller vessels; fishing-related activity; tourism-linked port activity	Fishing value chain (landing/processing), regional tourism, local trade

Source: Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

The Port of Cape Town functions as the province's primary mixed-cargo and container gateway, handling containerised trade, fruit exports, general cargo, and cruise activity. Its role is particularly critical for time-sensitive and cold-chain-dependent exports, and it is supported by established container, multipurpose and refrigerated infrastructure. However, performance is constrained by weak inland rail connectivity, equipment shortages, weather-related disruptions and capacity limits which translate into congestion, higher logistics costs and reduced reliability. Tables 17 and 18 provide more information on the Port of Cape Town.

65 Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

Table 17. Port of Cape Town: infrastructure, operations and services

Category	Key Insights
Operating profile	Operates 24 hours/day, 7 days/week; described as South Africa's second-busiest container port
Navigational access	Entrance channel depth -15.9 m (chart datum). Duncan Dock -9.9 m to -12.4 m; Ben Schoeman Dock -9.0 m to -13.9 m
Pilotage & traffic management	Pilotage mandatory; pilot boards ~1.6 miles off the breakwater; Vessel Traffic Service (VTS) supports navigation
Berths & terminals	34 berths including lay-by berths; container operations concentrated at Berths 601, 602, 603 (Cape Town Container Terminal)
Handling equipment (container terminal)	9 post-panamax STS cranes (up to 14,000 TEU vessels); 30 RTGs
Landside equipment (container terminal)	14 straddle carriers, 14 reach stackers, 8 empty handlers
Cold-chain capacity	~200 refrigerated container plug points (container terminal); multipurpose terminal reported with 300 plug points
Multipurpose terminal (MPT)	Located in Duncan Dock; 3 berths; equipment includes 10 straddle carriers, 2 mobile harbour cranes, 3 reach stackers, 14 hauliers
Ship repair	Robinson Dry Dock (161.2 m length; 7.9 m depth) and a synchrolift (reported 386.6 m length; 14 m depth); synchrolift noted as handling vessels up to 61 m length
Marine services	4 tugs equipped for firefighting and salvage; bunkering points supply marine fuel/oil; gas/oil within port area
Cruise	Passenger cruise terminal at Victoria & Alfred Waterfront

Source: Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

Table 18. Port of Cape Town: constraints and response initiatives

Constraint	What it Causes	Noted Response/Pipeline
Weak inland rail linkage	Higher reliance on road freight → higher logistics costs	(Pipeline emphasis) infrastructure upgrades and coordinated planning
Equipment reliability + shortages	Breakdowns and sub-optimal operations	Key gap: ~20 Rubber-Tyred (or Rubber-Tired) Gantry cranes (RTGs) available vs ~30 needed, affecting ship working hours (SWH) and truck turnaround time (TTT)
Strong winds & "vessel ranging"	Estimated ~1,200 operational hours lost annually	52 shore tensioning units ordered (2023–2024); 18 allocated to Cape Town; 6 had already arrived.
Capacity constraints	Congestion and delays	Cape Town Container Terminal Expansion (Phase 2B): capacity from 1.0m → 1.4m TEUs; investment R1.775bn; design completion targeted Dec 2024; construction targeted to start Sep 2025
End-to-end export efficiency needs	Friction for time-sensitive exports	Belcon logistics park: 163,000 m² multimodal facility supporting fruit exports, with integrated cold-chain facilities (incl. dedicated cold store)
Back-of-the-port logistics integration	Need for better intermodal coordination	Culemborg Intermodal Logistics Precinct: intended to expand back-of-port capacity and streamline cargo handling; RFP planned during 2024/25 FY
System-wide port investment	Modernisation requirement	Transnet National Ports Authority indicated >R13bn in port infrastructure investment over the next 5 years (modernising equipment, improving performance, enhancing logistics capability)

Source: Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

Saldanha Bay plays a structurally different role as a deep-water bulk and industrial port, anchored by iron-ore exports and strong rail connectivity to mining regions. It is also central to the province's industrial and energy-transition ambitions, with the Freeport Saldanha IDZ and planned deep-water repair and fabrication facilities supporting the oil, gas, maritime services and future green-fuel value chains. Its scale, depth and capacity make it a long-term growth node within the Western Cape logistics system. Table 19 provides more information on the Port of Saldanha Bay with regard to scale, capacity and growth opportunities.

Table 19. Port of Saldanha Bay: scale, capacity and growth opportunities

Category	Key Insights
Strategic positioning	Described as the largest and deepest natural port in the Southern Hemisphere
Navigational capacity	Accommodates vessels with a draft of up to 21.5 m
Physical footprint	Sea surface just over 19,300 hectares; circumference ~91 km; maximum water depth ~23.7 m
Export specialisation	Major export hub for iron ore (and other minerals)
Key terminal capacity	Iron Ore Terminal installed capacity ~57 million tons/year
Recent performance signal	Multipurpose terminal recorded ~6.2% annual cargo handling volume increase (timing referenced as "earlier this year")
Connectivity advantage	Strong rail links to mining regions; also connected to well-maintained roads (supporting export supply chains)
Industrial development	Freeport Saldanha IDZ focuses on oil & gas, maritime fabrication/repair and support services
Future capex pipeline	Deep-water oil rig repair facility (Berth 105): berth length ~380 m; water depth ~21 m; plus quay extensions to support rigs/supply vessels
Green fuels/hydrogen	Identified as the Western Cape's green hydrogen hub; potential production cited: up to 50,000 tons green H_2/yr, convertible to ~280,000 tons green ammonia/yr (slide also links this to wider maritime green fuels ambitions until 2050)

Source: Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

Mossel Bay operates as a supplementary regional port, supporting fishing, offshore energy logistics, and tourism-linked activity. While smaller in scale than the other ports, it plays an important supporting role in regional supply chains and offshore services, reinforcing system resilience and diversification Table 20 gives insights pertaining to the role of the Port of Mossel Bay in the Western Cape's port system and the port's economic functions

Table 20. Port of Mossel Bay: role in port system and economic functions

Dimension	What it Means for Mossel Bay
Role in Western Cape's port system	A supplementary regional port, supporting the broader Cape Town–Saldanha system
Typical operating profile	Generally supports smaller vessels with regionalised cargo and service functions
Core local economic linkage	Fishing industry support (port role in landing/processing-linked activity)
Offshore energy linkage	Functions as a logistics base for offshore oil & gas, supporting supply operations for exploration and production
Tourism linkage	Cruise / marine tourism potential, reinforced by recorded cruise activity and recent cruise terminal conversion signals

Source: Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025

2.4.2 Rail

Rail remains a critical but underperforming component of the Western Cape's freight system. Transnet Freight Rail operates a national network of over 30,400 km, yet within the province the 460 km rail network across four main lines has struggled with persistent infrastructure and operational constraints. These limitations have capped capacity, reduced service reliability and kept logistics costs elevated, despite clear underlying demand for rail-based freight solutions.[66]

In 2023, total road and rail freight with an origin or destination in the Western Cape reached 143.6 million tonnes, with modal shares unchanged at 61% for road and 39% for rail. Rail's presence in the general freight business (GFB) remained marginal, with 99% of volumes moving by road, reflecting service and consolidation constraints rather than commodity suitability. Rail volumes were dominated by mining-related traffic, particularly from the mining company Namakwa Sands, while agriculture, manufacturing and GFB rail volumes contracted sharply. This resulted in a 25% year-on-year loss of rail market share in GFB. The near-absence of fruit exports by rail remains a notable missed opportunity.[67]

66 Business Outlook on Logistics in Cape Town and the Western Cape: A view of the logistics landscape in the region 2025
67 Western Cape Freight Demand Model, December 2024

Despite this decline, the upside is material. Even under a low-uptake scenario, around 2.7 million tonnes could shift from road to rail, which would involve removing more than 100,000 truck trips and generating savings of roughly R2.0 billion. Under a full-uptake scenario, the shift increases to 8.3 million tonnes, involving the elimination of close to 300,000 truck trips annually and delivering savings of approximately R7.1 billion. Table 21 highlights the commodity-level rail volumes and market shares that underpin this rail-shift opportunity.[68]

Table 21. Rail volumes and market share (2023 and 2022)

Commodity on Rail	Rail Volumes (Thousand Tonnes) 2023	Rail Volumes (Thousand Tonnes) 2022	Rail Market Share 2023	Rail Market Share 2022
Ilmenite (Titanium ore)	403.3	428.3	100%	50%
Barley	129.6	195.9	33%	62%
Maize	107.9	199.7	9%	15%
Zircon	88.9	107.9	77%	70%
Cement	57.9	69.8	3%	3%
Rutile	28.0	31.4	94%	18%
Beverages	19.8	36.8	0.4%	1%
Coal mining domestic	19.5	29.9	1%	2%
Gypsum	8.0	14.4	6%	12%
Fertilizer	7.8	8.5	2%	2%
Chemicals	4.2	4.0	0.3%	0.3%
Metal products, machinery and electronic equipment	0.1	–	0.01%	0%
Titanium slag	–	–	0%	1%
Wheat	–	17.7	0%	16%
Grain sorghum	–	6.9	0%	1%
Iron & steel	–	11.2	0%	0%
Diesel	–	–	0%	0%
Other manufacturing industries	–	–	0%	0%
Granite	–	–	0%	0%
Limestone	–	–	0%	0%

Source: Western Cape Freight Demand Model, December 2024

2.4.3 Cold storage & warehousing

The Western Cape's cold-chain infrastructure is strong but highly oriented towards exports. Provincial estimates point to 120,000+ pallet positions of cold-storage capacity, overwhelmingly configured to support horticultural exports, particularly deciduous fruit, rather than broad-based domestic distribution. Major facilities are clustered around Cape Town and port-linked logistics corridors, reinforcing the province's role as an export gateway rather than a regional distribution hub.[69] The region's major cold storage and logistics assets are listed in Table 22.

68 Western Cape Freight Demand Model, December 2024
69 "Pallet positions" are the number of pallet "slots" you can store; each pallet is stored in one defined location.

Table 22. The Western Cape's major cold storage and logistics assets:

Facility	Location	Scale / Capacity	Primary Roles
Maersk Belcon Cold Store	Bellville	Approximately 32,000 pallet positions	Primarily supports citrus and table grape exports
CCS Logistics Cape Town (CCH/ AIIM)	Cape Town	-	Bulk cold-storage operations linked to port-facing supply chains
Sequence Logistics, Stikland (CCH/AIIM)	Stikland	-	Regional distribution and consolidation hub
Table Bay Cold Storage	Cape Town Harbour	-	Over 80 years in operation, strong import–export orientation
SAFT Atlantic Hills and SAFT Paarl (SEA-invest Group)	Atlantic Hills and Paarl	-	Purpose-built fruit export infrastructure
Blaauwberg Cold Storage	Blaauwberg	Approximately 2,000 tons, includes blast-freezing	Cold storage with blast-freezing capability

Source: https://coldchainsa.com/mapping-south-africas-cold-storage-gap-a-provincial-assessment/

While aggregate capacity is substantial, the primary constraint is geographic coverage. The Garden Route corridor, stretching more than 300 km from George to Plettenberg Bay, has no dedicated cold-storage facilities. As a result, temperature-sensitive products must be backhauled to Cape Town, adding transport costs, extending lead times and increasing temperature risk, thereby undermining efficiency and supply-chain resilience outside the metropolitan core.[70]

Air cargo plays a complementary and increasingly strategic role. Cape Town International Airport anchors the province's high-value perishables trade with an estimated handling capacity of 92,550 tonnes per year and upgraded cold-handling infrastructure. Air volumes are driven by low-weight, high-value exports which include around 85% of South Africa's raspberry exports, alongside cut flowers and soft citrus. These products are structurally dependent on reliable cold-chain integrity and rapid market access, reinforcing the Western Cape's export-oriented logistics profile as opposed to a profile related to domestic redistribution.[71]

3 Conclusion

Logistics has moved decisively from a supporting function to a strategic pillar of trade competitiveness, economic resilience and long-term growth. As global trade volumes stabilise at structurally higher levels and supply chains reconfigure around resilience, efficiency and decarbonisation, logistics infrastructure has emerged as a durable, asset-backed investment class with strong, long-term fundamentals.

Across global and African markets, the evidence is consistent: demand for ports, freight rail, warehousing, and cold-chain capacity continues to outpace the reliability and performance of existing infrastructure. This imbalance is particularly pronounced in emerging markets where trade growth, urbanisation and industrialisation are advancing faster than logistics systems can adapt. For investors, this gap is not a risk signal but an opportunity – one in which targeted capital deployment, operational expertise and partnership models can unlock outsized returns.

South Africa sits at the centre of this opportunity set. The country retains the most advanced logistics platform in sub-Saharan Africa, yet years of underinvestment and operational strain have created binding constraints across ports and rail corridors. These pressures have elevated logistics costs, reduced reliability and limited throughput, but they have also catalysed a reform agenda that is explicitly opening space for private participation. Rail concessions, port modernisation and corridor-based logistics solutions now form the backbone of a reform-driven investment pipeline with clear demand visibility and strong policy alignment.

Within this national context, the Western Cape stands out as a high-value, export-oriented logistics gateway with scalable benefits. Anchored by the Port of Cape Town, strong air cargo capability and a diversified agricultural and manufacturing base, the province plays a critical role in time-sensitive, cold-chain-dependent trade. While performance constraints remain – most notably port congestion, weak inland rail connectivity and geographic gaps in cold storage – the pipeline of planned upgrades, intermodal logistics precincts and export-linked warehousing points to a credible pathway for performance recovery and expansion.

From an investor perspective, the opportunity is clear and multi-layered. Port modernisation offers scope for efficiency gains and throughput growth; rail rehabilitation and corridor logistics enable a modal shift, cost reduction and decarbonisation; and cold-chain and export-oriented warehousing provides structurally strong demand underpinned by agriculture, pharmaceuticals and modern retail. Critically, these assets are increasingly investable through public–private partnerships, long-term concessions and platform-based models that align returns with performance improvements.

In sum, logistics in South Africa, and particularly in the Western Cape, represents an infrastructure-led growth opportunity at the intersection of trade, reform and resilience. For investors with a long-term horizon, operational capability and appetite for partnership, the sector offers a compelling combination of demand certainty, policy momentum and the potential to generate sustainable, risk-adjusted returns while supporting economic competitiveness and regional integration.

70 Cold Chain South Africa: Provincial Assessment 2026
71 Cold Chain South Africa: Provincial Assessment 2026

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