

SA's logistics amongst the best in the world

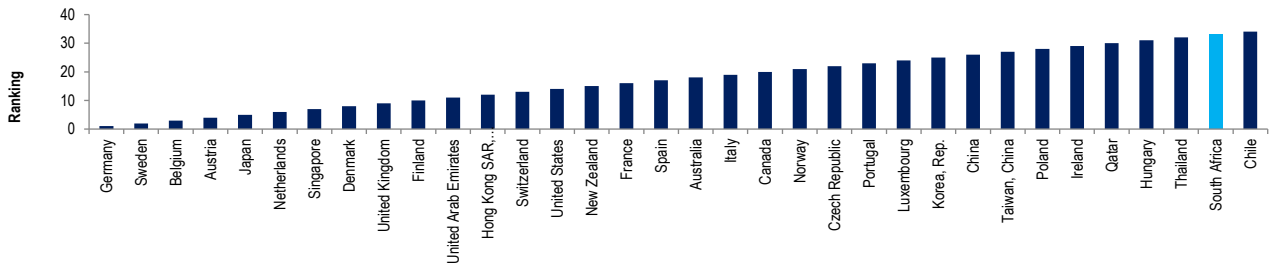
South Africa's logistics are comparatively more efficient than most industrialising countries, albeit showing a concerning trend in having regressed from 2016's ranking. This is according to the World Bank's Logistics Performance Index which ranked South Africa at number 33 out of 160 countries surveyed, down from number 20 in 2016, with Germany still leading the world (see Figure 1). With growing expectations that South Africa could potentially have large agricultural surpluses for export markets, particularly in maize, the logistics services will play a critical role in ensuring the success of the activity.

- The World Bank's Logistics Performance Index (LPI) reflects perceptions of a country's logistics system. The sub-indices that make up the overall LPI are the *efficiency of customs clearance process, quality of trade and transport-related infrastructure, ease of arranging competitively priced shipments, quality of logistics services and competence, ability to track and trace consignments*, and *frequency* with which shipments reach the consignee within the scheduled time.
- South Africa's *efficiency of customs clearance process* is ranked 34th out of 160 countries, down from 18th in 2016 survey. With regards to *quality of trade and transport related infrastructure*, South Africa is ranked 36th, down from 21st in 2016. South Africa is ranked 22nd with respect to the ease of *arranging competitively priced shipments*, improved from 23rd in the previous survey, and ranked 39th on the *quality of logistics and competence* (down from 22). With regards to the *ability to track and trace consignments*, South Africa is ranked 35th (down from 17). Lastly, the country is ranked 35th with respect to the *frequency* with which shipments reach the consignee within the scheduled or expected time. This also deteriorated from 24th in the 2016 survey.
- Although the index is not specifically targeted to the agricultural sector, it gives a perspective of South Africa's logistics performance and ability to export large volumes of commodities with minimal interruptions. South Africa's 2018/19 maize exports could exceed 2.5 million tonnes.

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Figure 1: World Bank's Logistics Performance Index rankings (top 34)



Source: World Bank, Agbiz Research

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