BIZCOMMUNITY

DHL optimistic for African air cargo industry in 2013

By Charles Brewer

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Despite the current global economic uncertainty, stable growth within the air cargo industry in Africa is likely to be recorded in 2013. This growth will be as a result of the traditional oil and energy sector, increased consumer spending and economic activity, which remains the main driver of air cargo traffic on the continent.

We predict that, in Africa, we will see solid single-digit volume growth in the short term, led by the oil, energy and mining sectors, and solid double-digit growth in the medium term as e-commerce grows and manufacturing takes root within the region.

Within the sub-Saharan region, routes between Nigeria, Cote d'Ivoire, Ghana, Kenya, South Africa, Tanzania, Mozambique, Ethiopia and Uganda will grow as a result of major investment into those markets and their positive economic indicators, as well as other factors, including oil and gas finds, or regulatory changes.

Nigeria will be main trading partner within Africa

In 2013, according to our own data and volume trends, we predict that South Africa's main trading partner within Africa will be Nigeria due to the high volume of technology and electronic goods shipped into that country. From a global perspective, sub-Saharan Africa's fastest growing partner will be the Asia Pacific region, which has recently instituted new ties with Africa as it looks to secure sources of raw materials to fuel the future expansion of the region.

According to the International Air Transport Association (IATA), global cargo volumes contracted by 2% in 2012 due to low business confidence. DHL Express, sub-Saharan Africa, however, recorded solid single-digit growth in 2012, despite high fuel prices and a slowing world economy, and is therefore positive about 2013 going forward.

It is, however, reported that oil and jet fuel prices are expected to remain around mid-2012 levels or, in some cases, perhaps even decline over the next three to five years, which is obviously positive for the industry as a whole.

Labour problems

South Africa's current customs laws could be a challenge for the local industry in 2013 due to the significant obstacle of the informal threshold of R500 for duty-free imports, which continues to hamper the e-commerce industry, slow clearances and prevent becoming more globally connected. South Africa cannot currently realise its e-commerce potential and prevents local consumers from benefitting from internationally competitive prices, as well as the wide choice offered by global retailers.

Lastly, the other major challenge that South Africa could face is around labour. We saw a major strike in 2012 that crippled most of the transportation industry. While we were still operating, this had a significant impact on our business - the labour environment is a challenging one in Africa, and South Africa is no different.

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