

SA freight businesses step in right direction

As the government continues to significantly invest in moving freight from road to rail, strategy and collaboration, as well as infrastructure development, will ensure a seamless transition and cause minimal disruption to the ailing trucking industry in South Africa.



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This is according to Adam Orlin, CEO of Blue Strata, a South African integrated end-to-end import and working capital specialist, who says that the recent agreement between Transnet Freight Rail and road haulier Imperial Logistics to develop an intermodal freight business in South Africa is a step in the right direction.

He says that while moving freight back to rail will help to ease some of our transport infrastructure challenges, it could potentially lead to job losses and place more pressure on the profitability of trucking businesses.

"There is no doubt that South Africa has the capacity to revive its railway system. However, we need to strike the correct balance to successfully move freight from road to rail."

A clear strategy is needed

He explains that solely investing in the development of rail infrastructure without having a clearly defined strategy that addresses both the needs of the transport and railway industries would not be effective.

South Africa needs a holistic approach to effectively deal with the challenges facing its transport and logistics industries.

Transporting freight by road only is not sustainable due to infrastructure problems, high transport costs and capacity issues. The industry is also grappling with labour unrest, increasing petrol prices, maintenance costs due to heavy cargo

loads and imminent toll fees.

"We are reaching a point where transporting freight is becoming troublesome for truckers and costs are being passed on to consumers," adds Orlin.

Once a comprehensive strategy has been defined and it meets both the needs of the transport and logistics industry, efforts should be directed at developing an effective support infrastructure.

"We need an efficient railway system to enable the moving of containers from ports to Johannesburg which is the business centre of South Africa," he concludes.

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