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Western Cape targets logistics reform to triple exports by 2035

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The Western Cape aims to triple its exports by 2035, but says the target will only be achievable if longstanding bottlenecks in ports, rail, air cargo and logistics infrastructure are addressed.

The province's newly launched Export Strategy 2035 identifies inefficient ports, rail constraints, limited air cargo capacity and high logistics costs as some of the biggest obstacles to export growth, placing freight and trade infrastructure at the centre of its long-term economic development agenda.

The strategy forms part of the Western Cape Government's Growth for Jobs programme and is built on the premise that export-led growth offers the province its best opportunity to create jobs and grow the economy. It argues that the domestic market is too small to sustain long-term economic growth and that many of the province's industries depend on export markets to achieve scale.

While expanding into new international markets remains a priority, the strategy acknowledges that improving logistics performance and reducing the cost of moving goods will be just as important as trade promotion.

It identifies logistics and infrastructure costs as one of the region's most significant export constraints, citing rail and port inefficiencies, ageing infrastructure, widespread reliance on road freight, container availability, limited air cargo capacity from Cape Town, expensive airfreight and high storage and warehousing costs.

The report notes that South Africa's transport system accounts for around 60% of overall logistics costs, with road transport responsible for 83% of total freight transport costs. Exporters continue to face capacity constraints at ports and airports, inefficiencies in the rail network and inadequate road infrastructure, particularly elsewhere in Africa.

"The Western Cape shares these challenges," the strategy states, adding that ports remain inefficient, airports have limited capacity and the cost of airfreight remains high.

The province also warns that logistics constraints are reducing the competitiveness of Western Cape exports. It highlights high transport delays and costs, limited shipping container availability, insufficient air cargo capacity, expensive storage and warehousing, and telecommunications delays that restrict exporters' ability to take advantage of e-commerce and services trade opportunities.

Agricultural exports underline the importance of efficient freight infrastructure. The strategy notes that agriculture-related products account for around half of the province's exports, with citrus ranking as the largest export product in 2025, followed by apples and grapes. Petroleum products, wine, fish, yachts and chromium ore also feature among the province's leading exports.

Beyond identifying constraints, the strategy sets out a dedicated outcome focused on creating "more efficient, cost-effective and sustainable infrastructure" to support exporters.

Planned interventions include strengthening collaboration with national government and state entities, improving logistics research and planning, investing in export-related infrastructure, and ensuring provincial infrastructure investment is better aligned with efficient freight networks and supply chains to reduce transport and storage costs while improving market access.

The strategy acknowledges that many of the most significant freight constraints fall outside the provincial government's direct control and remain the responsibility of national departments and state-owned entities, requiring sustained investment and coordination over the longer term.

It also seeks to position the Western Cape as a stronger regional logistics and services hub by leveraging opportunities created by the African Continental Free Trade Area (AfCFTA). However, it notes that achieving this ambition will depend on improving transport infrastructure, lowering logistics costs and strengthening regional connectivity.

The strategy argues that the province's future economic growth depends on expanding exports into new markets while diversifying beyond its traditional export base. It identifies logistics reform, improved infrastructure and better integration between government and industry as essential to improving the competitiveness of Western Cape exporters and achieving the province's target of tripling exports by 2035.