Current issues in the transport and supply-chain environment in South Africa

The Department of Transport and Supply Chain Management at the University of Johannesburg proudly presents to you Volume 9, 2015, of the Journal of Transport and Supply Chain Management (JTSCM), an accredited publication unique to South Africa.

Background

In 2005, the JTSCM was launched. It was initially managed by the Department of Transport and Supply Chain Management as the Editor was one of the academic staff members. From the beginning, it was clear that a need within the community of transport and supply-chain academic was being met as the Journal grew consistently. In order to enhance the stature of the JTSCM, an independent Editor was appointed in 2012. The decision was also taken to outsource the administrative activities to AOSIS, a professional management company that manages a range of academic journals. This arrangement commenced at the beginning of 2013. In 2012, the Journal also became an open-access Journal. It publishes articles on a continuous basis as soon as the review and approval processes have been completed.

Fields of study

The Journal continues to serve as an independent publication for scientific contributions in the field of transportation and supply-chain management, including logistics, operations management, purchasing management, distribution management, warehousing management, transportation (all modes), production planning and other related fields.

The JTSCM continues to seek to align the academic and practical aspects of transportation, logistics and supply-chain management and to disseminate information on important issues and recent developments in these fields. It also seeks to provide practical insight and guidance to the members of these industry sectors as they seek to implement processes and systems that will provide them with strategic and competitive advantages in their respective markets.

All academics in the fields of transport management, transport economics, logistics, supply-chain management and other related fields with a strong interest in transport management or supply chain management (such as general management, change management and strategic management) are invited to participate. Academics from the engineering field, such as transport engineering, are also invited to submit articles to this Journal.

The JTSCM has gained in popularity over the past six years. Each year, articles from authors on various matters relating to the fields of transportation and supply-chain management are presented. We would like to thank all of the authors who have worked so hard to make this an interesting and varied publication. Ongoing gratitude must also be expressed to the editorial panel and reviewers without whose dedication the annual publication of the JTSCM would not be possible.

This edition of the Journal contributes articles that have been reviewed and revised by national and international panel members who are acknowledged scholars and authors. They add so much value to the body of knowledge for academics, practitioners and policy makers in transport, logistics and supply-chain management. These various research topics will help to contribute to the development of these fields as our readers gain a deeper understanding of the issues in these sectors. This year, a total number of 18 high-quality articles are published (whilst three articles will be published in January 2016 due to time constraints).

Articles that were submitted and approved originate from the following institutions: University of Johannesburg, University of Stellenbosch, University of Pretoria, UNISA, Tshwane University of Technology, UKZN, NWU, University of Southampton UK, British University in Dubai, Chinhoyi University in Zimbabwe, and Bolgatanga Polytechnic Ghana.
Some issues in transport and supply chain management

South Africa has had a turbulent year with a slowdown in economic growth, a drop in tourism figures and the highly publicised student protests setting the socio-economic scene. In the midst of this, South Africans still recognise that transport is one of the most critical issues facing the country after education and health (Luke & Heyns 2015). This is perhaps unsurprising, given the extent to which South Africans have been affected by transport this year. The NATMAP 2050 Colloquium (Department of Transport 2015b) report indicates that 70% of South Africans spend at least 30% of their monthly income on transport. From a freight perspective, the cost of transport and logistics remain high with the cost of logistics still comprising almost 12% of the annual GDP (Viljoen & King 2015).

In addition, numerous transport issues have been in the spotlight in 2015, including:

- ongoing debates regarding the current e-toll system in Gauteng and a potential e-toll system in the Western Cape
- the collapse of the pedestrian bridge in Sandton, a tragic consequence of an excellent initiative to better accommodate non-motorised transport users into the current car-skewed transport infrastructure
- the torching of trains in protests against the current levels of service delivery
- irregular expenditure at the Passenger Rail Agency of South Africa (PRASA) and the departure of its CEO amidst allegations that new locomotives were not compliant with rail specifications and revelations that the head engineer had lied about his qualifications
- ongoing threats of industrial action in the transport sector
- a decline in the number of employees in the transport, storage and communications sector (Statistics South Africa 2015)
- additional guarantees to South African Airways of almost R6.5 billion to take the total guarantees granted to the airline to R14.4 billion (Ministry of Finance: Republic of South Africa 2015)
- a decline in the number of passengers on commuter trains and buses in favour of minibus taxis and cars (OECD 2015)
- deteriorating road conditions (OECD 2015)
- pedestrians accounting for 33% of the approximately 13 800 road deaths (WHO 2015)
- hijackings and road crashes
- the continued lack of appropriate skills in the sector as highlighted by numerous news articles, academic articles and policy documents.

Amidst negative press coverage, the transport sector has seen many developments over the past year, many of them being in response to these ongoing transport challenges. These included:

- the Ecomobility festival in Sandton, a month-long, car-free, city-district event to create awareness of alternative modes of transport in the city of Johannesburg
- improvement in the Global Competitive Ranking, from 56 to 49 (World Economic Forum 2015)
- the Transnet Freight Rail partnership with the Development Bank of Southern Africa (DBSA) to accelerate private-sector participation in its infrastructure-investment programme
- the release of the Green Paper on National Rail Policy, highlighting, amongst others, the need to expand rail’s funding sources to include private-sector participation and the development of appropriate skills for rail’s renewal (this need is exacerbated by the Rail Safety Regulator’s recent report that human error was responsible for over 70% of train accidents [Evans 2015])
- a colloquium aimed at reviewing and finalising the NATMAP 2050 Synopsis held in October 2015
- the release of the White Paper on National Civil Aviation Policy, highlighting, amongst others, the need for free and fair competition in the domestic market and the development of a National Airports Development Plan which will guide all present and future airport development to ensure the integration of an airport into its environment
- the publication of the National Land Transport Strategic Framework (Department of Transport 2015a)

The continuing high level of investment, particularly in capital projects, and the release of new policies and plans seems to indicate a high level of recognition of the current backlogs in infrastructure investment and the need for the constant renewal of the policy environment in response to global and local trends and developments. The current high costs of logistics and commuting, the deteriorating road conditions, commuter dissatisfaction as indicated by civil protest and labour dissatisfaction as indicated by threatening strike action suggest that many of the previous policy goals have not been achieved. Many reasons have been offered for this, including corruption (an example being the irregularities highlighted in PRASA this year), a relative lack of collaboration between the public and private sectors, ineffective law enforcement and a lack of skills. However, ongoing issues in the transport, logistics and supply-chain industries suggest that critical enquiry is required into public-sector policies and plans as well as private-sector practices and initiatives.

In this year’s edition, logistics and supply-chain issues have dominated the research topics. Some of the key issues that have been highlighted are procurement, compliance and efficiency issues in the public sector, the cost of logistics, as well as skills shortages and other challenges facing professionals in developing economies. From a private-sector perspective, the most common topics pertained to outsourcing, supply-chain integration and trust in supply-chain relationships. Cost reduction, the impact of big data and supply-chain risks were also highlighted. In the main, these topics suggest that irregularities in public-sector procurement remain an issue, that skills are still in short supply in the sector and that...
the private sector needs to continue to seek ways in which supply-chain collaboration can be translated into win-win relationships.

The developments in transport, logistics and the supply chain in South Africa in 2015 appear to indicate that the landscape within these industries will change dramatically over the next few years. Policy documents highlight greater private-sector involvement, high levels of infrastructure spending, focussed skills-development interventions, et cetera. Future research will therefore need to consider not only private-sector initiatives within the logistics and supply-chain sectors, but how both the private and public sectors will need to respond to the new policy environments.

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Authors’ contributions


References


