

# Recovery in minerals market helps grow volumes

BY Joy Orlek

Thanks to innovative solutions and solid partnerships, the 4PL Group has recorded increased volumes and increased profitability over the past year – and the outlook for the year ahead remains positive, according to minerals division business manager, Joost Hogewoning.

“The increase in business can be attributed to the recovery of the minerals market as a whole in a post-recession economy, and the lessons learned during the 2008/9 downturn in the market,” he said.

“The 4PL Group business model thrives on significant agricultural and mineral base tonnages, which assist in optimising the assets we use to transport the cargo – both imports and exports.

“The acquisition of AFGRI LOGISTICS – and along with it an exclusive supply agreement – has significantly increased the agricultural base tonnages, and therefore makes our mineral service offerings that much more attractive.”

Once the EU financial situation improves, Hogewoning is

confident of a dramatic increase in volumes.

Established five years ago, the 4PL Group provides a blend of business models ranging from fourth party logistics solutions to third party logistics services.

The commodities industry has been a strong focus, says Hogewoning, and the company consistently works on re-engineering its service offerings within this sector.

“We offer road and rail transport, and this includes more than 260 dedicated vehicles as well as our own rail capacity. We also have direct ties with TFR, NRZ and CFR which gives us access to their rail capacity if our own facilities are fully utilised.

“We service all major ports and routes in southern Africa, ranging from short hauls to cross-border deliveries.”

The company currently serves South Africa, Mozambique, Botswana, Tanzania, Zambia and Angola.

Contract management is one of its focus areas. “Here we oversee and manage clients’ supply chains on an open-book basis. We provide



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the customer with daily detailed feedback on volumes executed, non-conformances, exceptions, overall project status and progress reports. Not only is our focus here on reporting, but also on assisting our customers to remedy any issues swiftly and efficiently.”

The company’s technology business (LMS) provides the industry with weighbridge technology, described by Hogewoning as unique. “It allows

our customers to keep track of all cargo movements via secure web access in real time. LMS also places weighbridges and operators at sites where the need exists.”

As the world looks ahead to a somewhat uncertain future, Hogewoning believes the challenge for 2012 will be to remain competitive in an ever-expanding industry, and for the company to continuously develop its service offerings.

## SA’s regional gateway status offers big benefits

The mining and minerals industry remains vital to the economy, according to Jonathan Sims of Core Freight Systems – provider of software used by a diverse client base managing imports and exports through South Africa.

“This,” he told FTW, “despite the relative decline of its contribution over the past 10 years, while other economic sectors have grown within the Republic.

But, from the logistics industry viewpoint, Sims added, it still has to be noted that over 50% of merchandise exports are related to mining (if secondary benefited mineral exports

are added). Also, that mining industry export sales increased by 26.8% to R224.2 billion for 2010.

“The industry thus provides an important market for logistics service providers,” Sims said.

Of equal importance from an SA-based freight forwarding and clearing operator perspective, is the opportunity offered by the growth of the mining industry in the total Southern African Development Community (SADC) region.

“The mining and minerals sector is estimated to account for 60% of the region’s foreign currency earnings, and is thus a significant regional activity

in Angola, Congo, Tanzania, Botswana, Zambia, Namibia and Mozambique.”

This is where SA’s traditional position as the “international gateway” to many of the sub-Saharan countries gives it an advantage in the provision of both import and export expertise required by these countries.

“This supports the primary mining activity, and then the secondary development which it stimulates,” Sims added.

“SA-based operators should leverage the established infrastructure and the local skills to ensure their participation and contribution to this important sector in the region.”



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