

Kenya Freight Forwarding Market Outlook to 2023

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The report titled "Kenya Freight Forwarding Market Outlook to 2023 – By Sea, Land, Air, Rail and Pipeline Freight; International and Domestic Freight, Integrated and Contract Logistics Freight Forwarding" provides a comprehensive analysis of the Freight forwarding market in Kenya. The report covers the overall size and future outlook of Kenya Freight Forwarding in terms of value, segmentation on the basis of service mix, by geography, by ownership and by type of industries. The report also covers the competitive landscape and company profiles of major Freight Forwarding companies. The report concludes with market projections for future and analyst recommendations highlighting the major opportunities and challenges.

Kenya Logistics Market Overview and Size

Logistics is vital for the economic performance of any economy. Kenya, like other African countries, has structural issues such as logistics infrastructure but the ease of doing business and favorable political climate has steered it ahead in the race. In 2018, Kenya has achieved rank 61 in the Ease of Doing Business Index and rank 68 in the Logistics Performance Index. Kenya Logistics Market has witnessed positive growth over the past few years. The growth was mainly due to government initiatives such as the Standard Gauge Railway (SGR), Kenya's strategic location as the gateway to East Africa and the prospering retail and import business.

Kenya Freight Forwarding Market Segmentation

By Mode of Freight

Road Transport dominates the freight forwarding market due to the monopolistic demand for road transport for delivery in remote regions, to the landlocked neighboring countries, and for the last-mile delivery. After Road freight, Freight through Sea Transport is popular in Kenya. It is mainly used for international freight since the Mombasa Port is one of the largest commercial ports in entire Africa. Freight through Rail Transport is minimal at present and is expected to grow with the introduction of SGR.

By Type of Freight

The market share of Domestic Freight as against International Freight increased in the last few years. The increase in the share of Domestic Freight is due to government emphasis on manufacturing, such as the Big Four plan under Vision 2030. Moreover, with the formation of the African Union and implementation of African Continental Free Trade Agreement (AfCFTA) and the African Growth and Opportunity Act (AGOA), international trade of Kenya is at an all-time rise.

By Flow Corridors

Over the past decade, Asia has replaced Europe as the major trading partner of Kenya. However, Europe is the biggest export destination in Kenya's cut flower market. Majority of Kenya's other exports are destined to neighboring countries and a majority of their imports arrive through the Mombasa Port. Kenya is also a member country of Common the market for Eastern and Southern Africa (COMESA) and the East African Community (EAC).

By End Users

The major end-users of freight forwarding services in Kenya include the Food and Beverage, FMCG and Industrial sectors. The F&B sector also creates a demand for cold transportation for perishable items. The Kenya government in its Big Four Development Plan for lays emphasis on food security and manufacturing. This is expected to boost demand for logistics in FMCG and Industrial sector furthermore. Kenya's manufacturing industry was evaluated to contribute 7.9% in the country's GDP as of 2017.

By Contract and Integrated

Third-Party Logistics in Kenya has been thriving in the Kenya Freight Forwarding Market. Kenyan freight forwarding market constitutes numerous small and medium enterprises. Due to infrastructural challenges, big market players prefer to outsource services to local transporters and focus on their core competencies. Companies do not wish to employ their own logistics arm since it involves capital investment and a lot of hassle.

Competitive Scenario

The Kenya Freight Forwarding the market is highly scattered with over 400 domestic and international players. While the international players are few, they control about 70% of the market. While multi-service firms are mostly international, almost all transporters/truckers are local and regional. The industry is at a growth stage in terms of parameters such as technology, efficiency, service portfolio, and pricing.

There is also a shakeout happening of smaller firms that are unable to sustain in the competitive environment and a number of mergers and acquisitions are taking place in an effort to increase market shares.

Future Outlook and Projections

The market is expected to grow at a positive double-digit CAGR and the key growth drivers would include rising demand for products through online purchases which has augmented the E-commerce market. The increasing international trade volumes and domestic manufacturing are expected to increase the demand for freight forwarding services. The increasing year on year investment by the government of Kenya on infrastructural and development projects such as the LAPSSET corridor, SGR, and improving the state of road, sea, and air transport network is also witnessed to positively impact the market. Due to such reasons, new firms continue to enter the market despite any tariff or trade barriers.

Key Segments Covered:-

Freight Forwarding Market

By Mode of Freight

Road Freight (Revenue, Transport Costs)

Rail Freight (Revenue, Volume, Stock of Transport Equipments, Railway Lines, Tariff and Volume Discounts)

Air Freight (Revenue, Volume, Flow Corridors, Clearing & Forwarding Charges, Export/Import Rates)

Sea Freight (Revenue, Number of Ships & Containers, Volume, Principal Commodities, Clearing & Forwarding Charges)

Pipeline (Revenue, Throughput Volume)

By Type of Freight

International Freight Revenue

Domestic Freight Revenue

By Flow Corridors (Revenue, Volume of Trade, Principal Commodities)

Asian Countries

European Countries

Middle East

North America

African Countries

By Contract and Integrated

Contract Logistics Revenue

Integrated Logistics Revenue

By End User Revenue

Food and Beverages

FMCG

Industrial

Others (Construction, Chemical, Automotive and others)

Key Target Audience

Freight Forwarding Companies

E-Commerce Logistics Companies

3PL Companies

Consultancy Companies

Express Delivery Logistics Companies

Time Period Captured in the Report:-

Historical Period: 2013-2018

Forecast Period: 2019-2023

Companies Covered:-

DHL

DB Schenker

CEVA Logistics

Kuehne Nagel

Panalpina

Maersk Line

Agility Logistics

FedEx TNT

Key Topics Covered in the Report:-

Logistics Infrastructure in Kenya

Kenya Freight Forwarding Market Overview

Kenya Freight Forwarding Market Size

Kenya Freight Forwarding Market Segmentation

Competitive Scenario in Kenya Freight Forwarding Market

Company Profiles of Major Players in Kenya Freight Forwarding Market

Kenya Freight Forwarding Market Future Outlook and Projections

Kenya Freight Forwarding Future Market Size

Kenya Freight Forwarding Market Future Segmentation

Analyst Recommendations

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