



INSIGHT BRIEF

Supply Chains in Sub-Saharan Africa

From Bottlenecks to Strategic Capability

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Supply chains in Sub-Saharan Africa are not just a logistics issue. They are central to economic resilience, regional integration, industrial policy, food systems, the future of critical minerals, and more.

For many years, firms and governments across the region have operated within a difficult environment shaped by high transport costs, border delays, weak corridor infrastructure, fragmented regulation, and limited cold chain systems. These constraints are significant. Reuters reporting in 2025 noted that infrastructure financing needs in Africa still far exceed available investment, while border frictions continue to slow intra-African trade. *(Goko & George, 2025)*

At the same time, the strategic context is shifting. AfCFTA implementation, private logistics investment, and digital coordination tools are creating new opportunities for governments, development partners, and investors. Recent academic work supports this shift, showing that logistics performance, digital adoption, and trade facilitation can materially shape trade outcomes and regional value chain development across the continent. *(Kuteyi & Winkler, 2022)*

Why This Matters Now

Supply chain performance shapes outcomes in sectors that define the region's development trajectory: food systems and agricultural exports; health and pharmaceutical distribution; regional manufacturing and processing; cross-border commerce and urban consumption; and critical minerals and energy transition industries.

This is why supply chains should be treated as a policy capability, not only as a private sector efficiency function.

The Constraints Are Still Real

Many of the region's supply chains remain expensive, slow, and uneven in quality. Though familiar, these constraints are decisive.

Infrastructure and Connectivity Gaps

Road, rail, port, warehousing, and energy constraints continue to raise costs and reduce reliability. Reuters reporting has highlighted the scale of the financing gap and the continuing pressure on development finance for infrastructure and industrialization. The

African Development Bank similarly emphasizes the importance of stronger public-private financing partnerships to close these gaps. *(Goko & George, 2025; Bank, 2023)*

Border Friction and Non-Tariff Barriers

Tariff reform alone does not move goods efficiently. Customs delays, documentation burdens, and inconsistent procedures often create more practical friction than tariffs themselves. Reuters reporting on AfCFTA implementation points to these operational barriers as a major reason progress remains uneven. This aligns with World Bank and IMF analysis, both of which emphasize that the largest gains from AfCFTA depend heavily on reducing non-tariff barriers and improving trade facilitation. *(Goko & George, 2025; World Bank Group, 2020)*

Uneven Logistics Capacity

Some hubs are modernizing rapidly, while others remain constrained by poor storage, weak handling capacity, and unreliable inland transport links. Academic research on logistics in Sub-Saharan Africa shows that these structural constraints persist and interact with institutional capacity and skills gaps. *(Kuteyi & Winkler, 2022)*

Cold Chain Limitations

Perishable goods, including fresh produce and temperature-sensitive medical products, depend on reliable storage and transport. In many markets, cold chain capacity remains underdeveloped, limiting export competitiveness and increasing losses. This is a major practical constraint in food systems and health supply chains across the region. *(Kuteyi & Winkler, 2022)*

AfCFTA Changes the Policy Horizon

The African Continental Free Trade Area is the most consequential policy development shaping supply chains on the continent. Its significance lies not only in increasing trade volumes, but in enabling regional value chains, reducing dependence on extra-continental sourcing, and supporting local value addition.

Reuters reported that AfCFTA has created momentum, but implementation remains uneven, with only a subset of countries trading at scale under the preferential framework. This gap between policy ambition and operational execution is precisely where supply chain reform becomes decisive. *(Goko & George, 2025)*

World Bank analysis on AfCFTA shows that long-term gains are strongest when countries reduce trade costs and improve border and logistics performance, not only when tariffs are lowered. IMF analysis similarly emphasizes the importance of implementation capacity and adjustment support for achieving the agreement's full benefits. *(World Bank Group, 2020; International Monetary Fund, 2020)*

Recent academic work reinforces this point. Research on AfCFTA-related logistics challenges and future value chains argues that transport, coordination, and trade support systems are central to unlocking the agreement's potential. *(Nitsche et al., 2024)*

Private Investment as a Strategic Signal

Private sector commitments suggest growing confidence in the region's long-term trade and consumption potential. DHL Group announced a planned investment of more than €300 million in Sub-Saharan Africa to expand infrastructure and service capability across sectors including commerce, perishables, energy, and healthcare. *(DHL Group, 2025)*

This signals two things. First, African supply chains are becoming more strategically important in global trade planning. Second, demand is shifting toward specialized logistics capability, reliability, visibility, compliance, and sector-specific solutions. The next phase of supply chain development in the region will be defined as much by quality and coordination as by physical movement.

Digital Coordination as a Real Advantage

One of the region's strongest opportunities lies in digital coordination. In many markets, mobile-first business environments have supported rapid adoption of digital payments, tracking tools, platform-based freight matching, and commerce fulfillment systems.

Academic research argues that digitalization can help firms operate more effectively despite infrastructure constraints, particularly when paired with skills development and regulatory improvements. Digital tools reduce information asymmetry, improve asset utilization, and support better coordination in fragmented operating environments, without replacing roads, ports, or warehousing. *(Kuteyi & Winkler, 2022; Nitsche et al., 2024)*

Trade Facilitation Is Where Gains Become Real

One of the clearest findings from recent academic literature concerns trade facilitation. Research shows that time-to-trade, logistics performance, and trade-enabling measures significantly influence trade outcomes in Africa. This matters for policy design because it suggests that some high-impact reforms are not the most capital-intensive. Improvements in customs processes, documentation harmonization, border agency coordination, and digital clearance systems can produce meaningful gains when implemented consistently. *(Mengistu Alamneh Wassie et al., 2025)*

UNCTAD similarly underscores the importance of reducing non-tariff trade costs, streamlining procedures, and upgrading infrastructure to support resilience and regional trade integration. *(UN Trade & Development, 2025)*

Agriculture, Food Systems, and Critical Minerals

Agricultural transformation in Sub-Saharan Africa is often discussed in terms of production, inputs, and yields. But supply chain performance is equally important. The strategic question is whether countries can build systems that support aggregation, quality control, storage, traceability, and reliable routes to domestic and export markets. Without this, productivity gains do not fully translate into incomes, competitiveness, or food system resilience.

Sub-Saharan Africa is also becoming more central to global supply chains because of the energy transition. Countries producing copper, cobalt, lithium, and other strategic minerals are increasingly important to industrial policy worldwide. The key question is not only extraction, it is whether African economies can capture more value through processing, logistics services, and regional industrial linkages. That outcome depends heavily on supply chain strategy. *(Nitsche et al., 2024; UN Trade & Development, 2025)*

What a Stronger Supply Chain Agenda Looks Like

A credible supply chain strategy for Sub-Saharan Africa must prioritize implementation and institutional coordination across four areas.

Corridor-Focused Reform

Concentrate effort on a limited number of high-impact corridors, reducing friction across ports, border posts, inland transport, warehousing, and customs processes.

Trade Facilitation Reform

Digitize customs and clearance procedures, harmonize documentation, and improve inter-agency coordination. Academic evidence suggests these reforms can have substantial trade effects. *(Mengistu Alamneh Wassie et al., 2025)*

Sector-Specific Logistics Capability

Perishables, pharmaceuticals, and critical minerals each require distinct infrastructure, compliance systems, and service models. Generic logistics improvement is rarely sufficient.

Public-Private Delivery Partnerships

Infrastructure and capability gaps are too large to close through public finance alone. The AfDB points to the need for stronger financing and partnership models for regional infrastructure and industrial development. *(Bank, 2023)*

Conclusion

Supply chains in Sub-Saharan Africa remain constrained by infrastructure deficits, border friction, and uneven logistics capacity. But they are also becoming one of the region's most important frontiers for economic transformation.

AfCFTA has changed the policy horizon. Private investment is signaling confidence. Digital tools are improving coordination. And academic research increasingly supports trade facilitation and logistics reform as core development priorities.

The opportunity now is to move from ambition to execution. For governments and development partners, the message is clear: treat supply chains as development infrastructure and state capability, not only as transport.

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