

## Report on Supply Chain Compliance Volume 3, Number 21. October 29, 2020 Supply chain disruption in Africa

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An <u>article<sup>[1]</sup></u> in *The Africa Logistics* discusses the major issues companies and entities in the industrials, manufacturing and transportation (IMT) sectors are facing due to COVID-19-related restrictions and regulations. According to the article, the barriers put up across regional and national lines to stem the spread of the virus have led to bottlenecks, delays and shortages as supplies and products are unable to move across borders. Critically, supply chain disruptions in Europe and Asia have put a crimp in the flow of industrial machinery and transport equipment to Africa, causing further delays and shortages.

Additionally, new regulations in South Africa will require companies to demonstrate localization data for sourcing goods and equipment. The need to now restructure supply chains and vet new suppliers to comply with the new regulations makes the situation in southern Africa even more complicated.

"'African IMT companies with disrupted global supply chains have also found it difficult to identify where the problem areas were in their supply chains, especially since the spread of COVID-19 around the world has been unpredictable,'" said Marc Yudaken, partner and head of the IMT at Baker McKenzie in Johannesburg. "As a result, they are having to consistently update their supply chain risk assessments with new information."

<u>1</u>The Africa Logistics, "Addressing supply chain disruption and compliance in the IMT sector in Africa," October 16, 2020, <a href="https://bit.ly/3klUJkd">https://bit.ly/3klUJkd</a>.

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