



BOLLORE

TRANSPORT & LOGISTICS



STRATEGIES TO KEEP SUB-SAHARAN AFRICA CONTAINER PORTS COMPETITIVE

Opportunities For Business: A Case Study of the Mombasa Port

Situational Background



Sub Saharan Africa Ports have made great progress in recent years through investments and change in the way they are managed.

This has happened mainly through:

- 🌐 Public Private Partnerships
- 🌐 Management Partnerships
- 🌐 Concessions

Gaps however remain in same key areas and these impact negatively on the competitiveness of ports. These gaps include but are not limited to:

- 🌐 Colonial locations of the ports
- 🌐 Lack of commercial approach in port management matters
- 🌐 Strong socio-political angle to jobs allocation within the port sector
- 🌐 Dearth of knowledge on the workings of the maritime sector.

Considerations that make a port competitive



- 🌐 Lower costs - provided through efficiency and a predictable port tariff
- 🌐 Consistent access to capacity
- 🌐 Physical infrastructure and services linking off-dock facilities and the hinterland
- 🌐 Predictable and consistent services offered by the port operator
 - a) *Fixed (Secure) berthing arrangements*
 - b) *Consistent (and world class) productivity levels*
- 🌐 An enhanced safety culture (that secures lives and goods)

Strategy Prioritization

1. Investment

- 🌐 Improving / upgrading/expanding existing infrastructures include relocation and diversification on usage of port facilities to attract cargo.

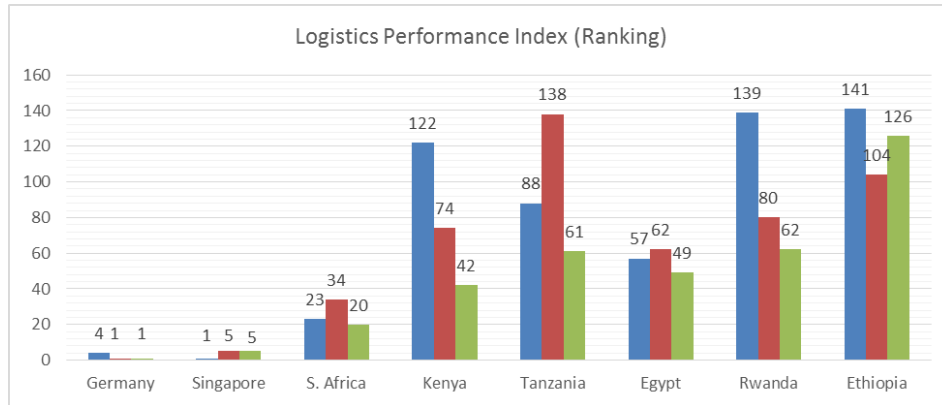
Case study Mombasa Port 2013 – 2017 strategic plan.

Key pillars of the strategic plan

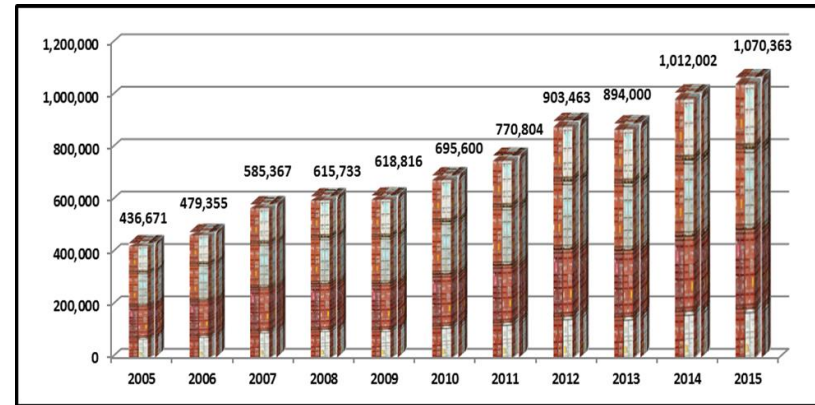
- 🌐 Modernization of port infrastructure and equipment
- 🌐 Improvement of documentation processes
- 🌐 Targeted improvement on key port performance parameters
- 🌐 Stakeholder involvement in determined desired outcomes of the port performance improvement initiatives.

Case study Mombasa Port 2013 – 2017

Dividends



Improved Global LPI ranking



Throughput growth above Global average

Strategy Prioritization

2. Creation of reliable corridors

Mixed intermodal transportation rail, road, air barge/ ferry.

Develop a corridor approach in port investments.

Reduction of operational bureaucracy through application of technology and policy (SCT)

3. Benchmarking and Application of Operational Best Practices

Productivity improvement

Safety standards enhancement

Opportunities for business

GDP GROWTH

African economic outlook forecasts **2.5% growth in 2017** but expected to leap in **4.1% in 2017/2018**

(Source WB global economic prospects for 2016)

MID-TERM OUTLOOK

Strong investments in: **Telecom, Energy, Transport Infrastructure, Retail** providing opportunity for fence sitting entrants. Mobile telephony (Internet /Data, Mobile money) making business transaction relatively easy.



MARKET KEY FACTS

African Imports are over performing

2005-2012 Average Annual growth

African imports	World trade
+18%	+8%
+7%	+3%

Growth of Intra Africa trade current 10-2% compared to 50% in Asia and 60% in Europe

POPULATION & CONSUMERS

60% of Africa's population will be **urbanized** by 2050

130 M Middle Class Households by 2020

Increasing demand of quality products

Increasing **share of young population**: 400 M < 25y by 2040

4%

LONG-TERM OUTLOOK

Development of manufacturing activities

Agri-Business development (will be worth 880M\$ by 2030)



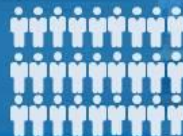
Conclusion



Mombasa has shown given clear example of what a well-executed strategy can achieve. Lots of lessons learnt and positives to be highlighted for benchmarking!

PRESENCE IN **105 COUNTRIES**
ON **5** CONTINENTS

2015 **€8,3Mds**
TURNOVER



36,000
EMPLOYEES

1,600,000 M² OF WAREHOUSES



450 MILLION EUROS
INVESTED ANNUALLY

No. 1
INTEGRATED
LOGISTICS NETWORK
IN AFRICA

3 RAILWAY CONCESSIONS



2,700 km
OF RAILWAY LINES



4 BUSINESS UNITS

21
PORT CONCESSIONS
AROUND THE WORLD