

#### EAST AFRICAN ONLINE TRANPORT AGENCY



#### CONNECTING AFRICA: Using technology to promote Trade in Africa

#### PRESENTATION BY: SOFIA GETAMBU CEO

### AGENDA

- I. Connecting Africa- EAOTA's Story
- 2. The Move to Technology
- 3. Challenges facing Shippers & Transporters
- 4. What we do
- 5. The Future

## **CONNECTING AFRICA**

• The EAOTA beginning- the move into logistics

# **CONNECTING AFRICA**

- Why should we trade amongst ourselves:-
- I. Cultural similarities (easier to understand each other)
- 2. Population growth at 2.5%
- 3. GDP's are growing e.g. Rwanda at 7%
- 4. Trade blocs are integrating (integration of EAC, COMESA & SADAC is currently underway already)

# THE MOVE TO TECHNOLOGY

- EAOTA's story towards the move to technology
  - I. Inefficiency
  - 2. Side businesses by staff in logistics firms
  - 3. Manipulation of logistics by forwarders
  - 4. Bribery/ corruption in the industry

### THE CHALLENGES IN CONNECTING AFRICA

3.

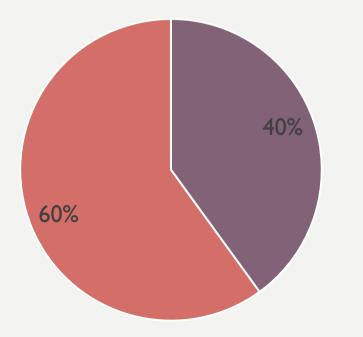


### CHALLENGES FACING SHIPPERS

- I. Access to information ( customs or border requirements)
- 2. Easy access to available transport
- 3. Security of cargo- tracking the cargo
- 4. Demurrage or penalty charges
- 5. NTB's (e.g. regional politics/road blocks etc.)
- 6. High transport costs (40-70%)

#### **COST OF TRANSPORT**

- World bank reports transportation in East Africa as a significant portion of the cost of goods.
- In Kenya, as high as 40% of the cost of goods.
- In the hinterland countries, as high as 70% of the cost of goods.



#### **COST OF GOODS IN KENYA**

#### TRANSPORT COST

 OTHER COSTS ( RAW MATERIALS, LABOUR, FIXED COSTS)

## CHALLENGES FACING TRANSPORTERS

- I. Lack of sufficient cargo loads
- 2. Low rates or delayed payments (facilitating NTB's vs long credit periods)
- 3. Poor management of resources( fleet management, drivers &staff)
- 4. Loading & offloading times
- 5. NTB's (customs, loading clerks, multiple agency verification processes, ports, police etc- SA taking 90 minutes for trucks to enter, load & leave port)

#### HOW WE ARE CONNECTING AFRICA

#### THE TRUCK FINDS THE CARGO! The cargo can be anywhere in the East , Central and Southern Africa region.



www.eaotransport.com



### HOW WE ARE CONNECTING AFRICA



## WHAT WE DO

- What we are promoting :-
  - I. Efficiency
  - 2. Convenience
  - 3. Expertise
  - 4. Information
  - 5. Transparency
  - 6. Security

# **OUR MISSION**

- Connecting people
- Connecting business
- Connecting Africa
- Improving Lives

## THE FUTURE

- What the future holds currently:-
  - I. Expansion of Ports
  - 2. Growth in the sizes of Ships
  - 3. Growing populations
  - 4. Growing trade amongst countries (integration)
  - 5. Growing economies
  - 6. Massive investments by governments in infrastructure & use of ICT

## THE FUTURE

#### • BUT WHERE IS THE PRIVATE SECTOR?

- I. Do we have enough trucks to move all the cargo out of the ever expanding ports?
- 2. Is private sector at the same level with governments in terms of planning? Are they aware of the plans?
- 3. Do we have sufficient truck holding areas in ports or truck tops along our corridors?
- 4. Impact of growth in logistics:- road safety, congestion, pollution

#### We cannot do today's business with yesterdays methods and still be in business tomorrow'



#### **CONTACT INFORMATION**

Sofia Getambu CEO +254 720 851 896 sofia.getambu@eaotransport.com

Wanja Kiragu Operations Director + 254 900 351 wanja.kiragu@eaotransport.com

www.eaotransport.com