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MD/CEO

Express Shipping & Logistics EA Ltd, Group  
(Kenya, Tanzania, Uganda)



**POWERING OUR CUSTOMERS TO MARKET LEADERSHIP**

# Main Drivers of Bulk Freight Rates

**Because sea transport is  
part of intermodalism**

# Summary of our Discussion Today

01

- Express Shipping, Group in East Africa

02

- Express Chartering & Shipping Limited - Tanzania

03

- Performance of the Global shipping industry-Baltic Index

04

- Factors driving the cost of shipping globally

05

- Factors driving the cost of dry bulk shipping in East Africa

06

- Conclusions and discussion

## **Express Shipping, Group in East Africa**

**An intermodal Company**



# ESL Global Standards



Institute of Chartered  
Shipbrokers (London)



Baltic of and International  
Maritime Council  
(Copenhagen)



The Federation of National  
Associations of Ship Brokers &  
Agents (FONASBA)(London)



**PROJECT  
CARGO  
NETWORK**

Project Cargo Network  
(London)

# Express Shipping & Logistics (EA) Ltd

## Group in East Africa



**+278**

Port Calls Annually



**+50**

MT Air Freight  
Annually



**+3.5M**

MT Dry Bulk  
Cargo Annually



**+100,000**

sq.ft Warehouse  
Space



**+300**

Customers



**+114**

Employees



# MISSION

Is to:

Deliver Distinctive Service that Powers our  
Customers to Market Leadership.





# VISION



To be a leading, global brand  
in shipping, and supply chain  
management

**TEAMWORK** **PASSION** **ENTREPRENEURSHIP**  
**LEADERSHIP** **PROFESSIONALISM**  
**EXCELLENCE**

Globally recognized achievers, international awards, +30 years of experience in ships agency, chartering and supply chain management



**24/7**

Port Operations



**Global  
Connections**



**+9**

Borders Served in  
Eastern Africa

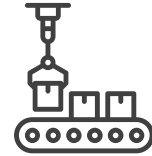
# What we do across East Africa



**Ship Agency & Consultancy**



**Stevedoring**



**Bagging**



**Financing**



**Collateral Management**

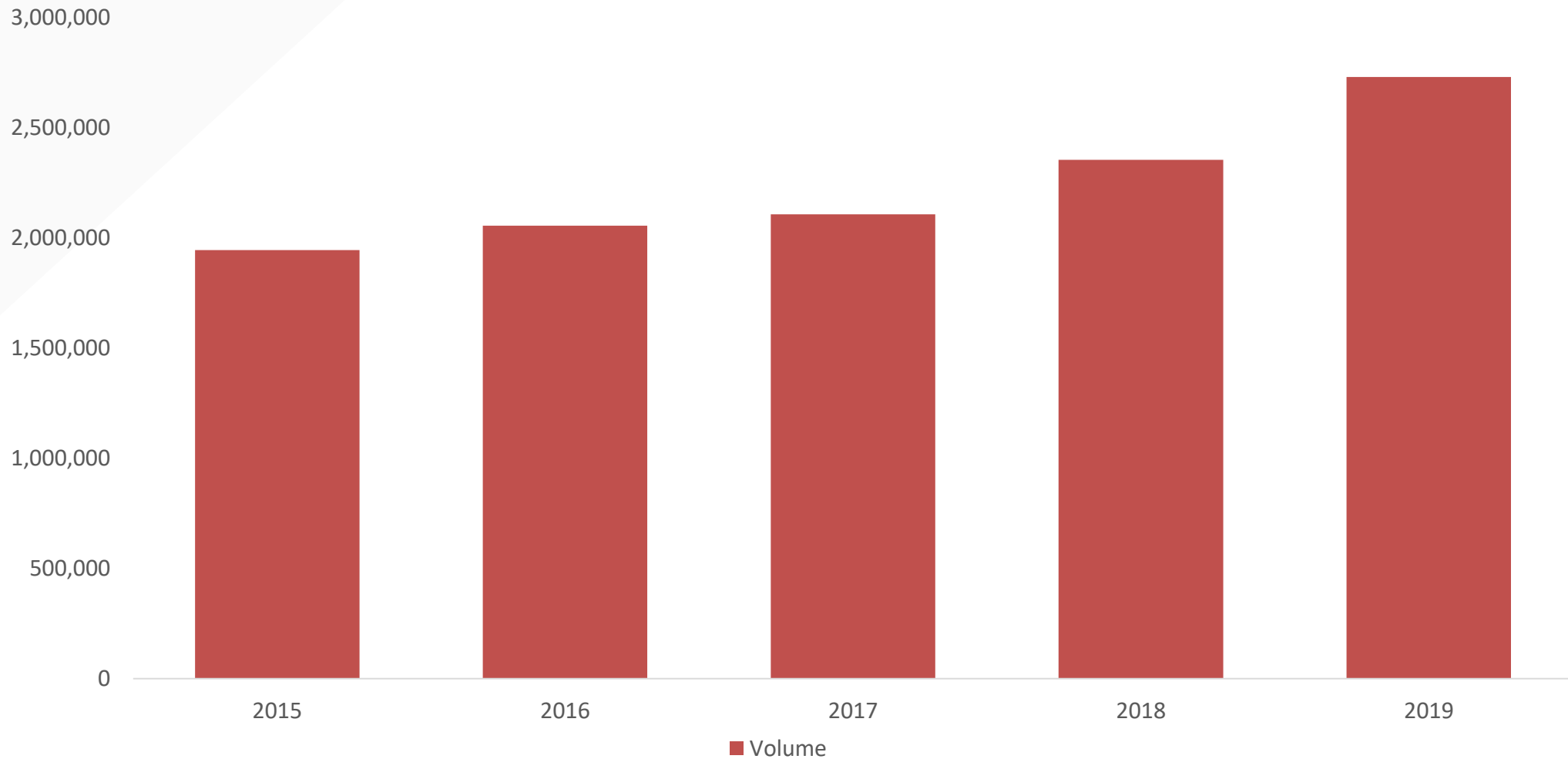


**Warehousing**



**Distribution**

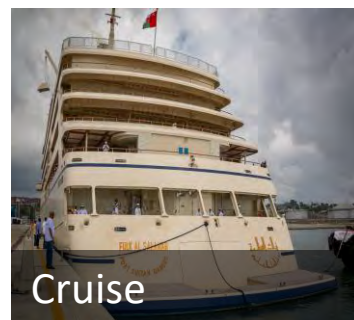
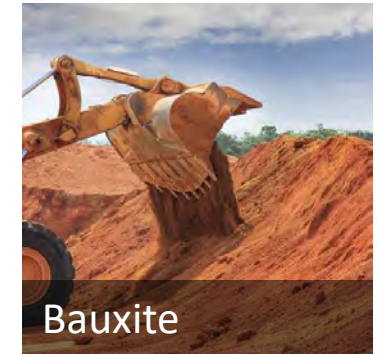
## Our Cargo Volumes East Africa





## Main Cargo

- Clinker
- Petcoke
- Fertiliser
- Containers
- BreakBulk
- Bauxite
- Oil & Gas
- Coal
- Gypsum
- Project Cargo
- Grain
- Crude Palm Oil
- Slag



# Express Chartering & Shipping Limited Tanzania

Samora Towers



# Express Chartering & Shipping Limited

- Tanzania



**+169**

Port Calls Annually



**+1.3M**

T Dry Bulk  
Cargo Annually



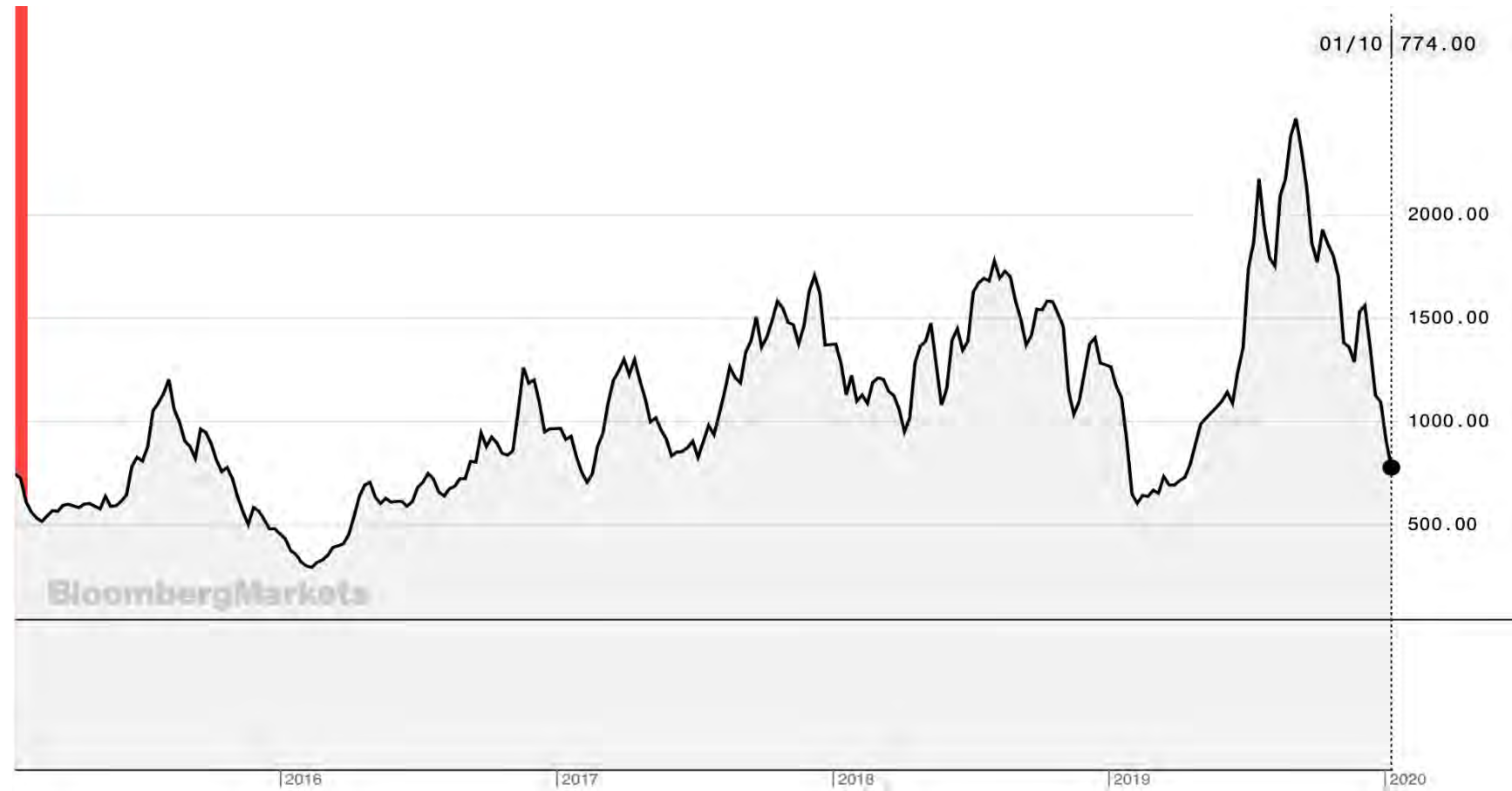
**Performance of the Global shipping industry**

**The Baltic Index example**



## Performance of the Global shipping industry

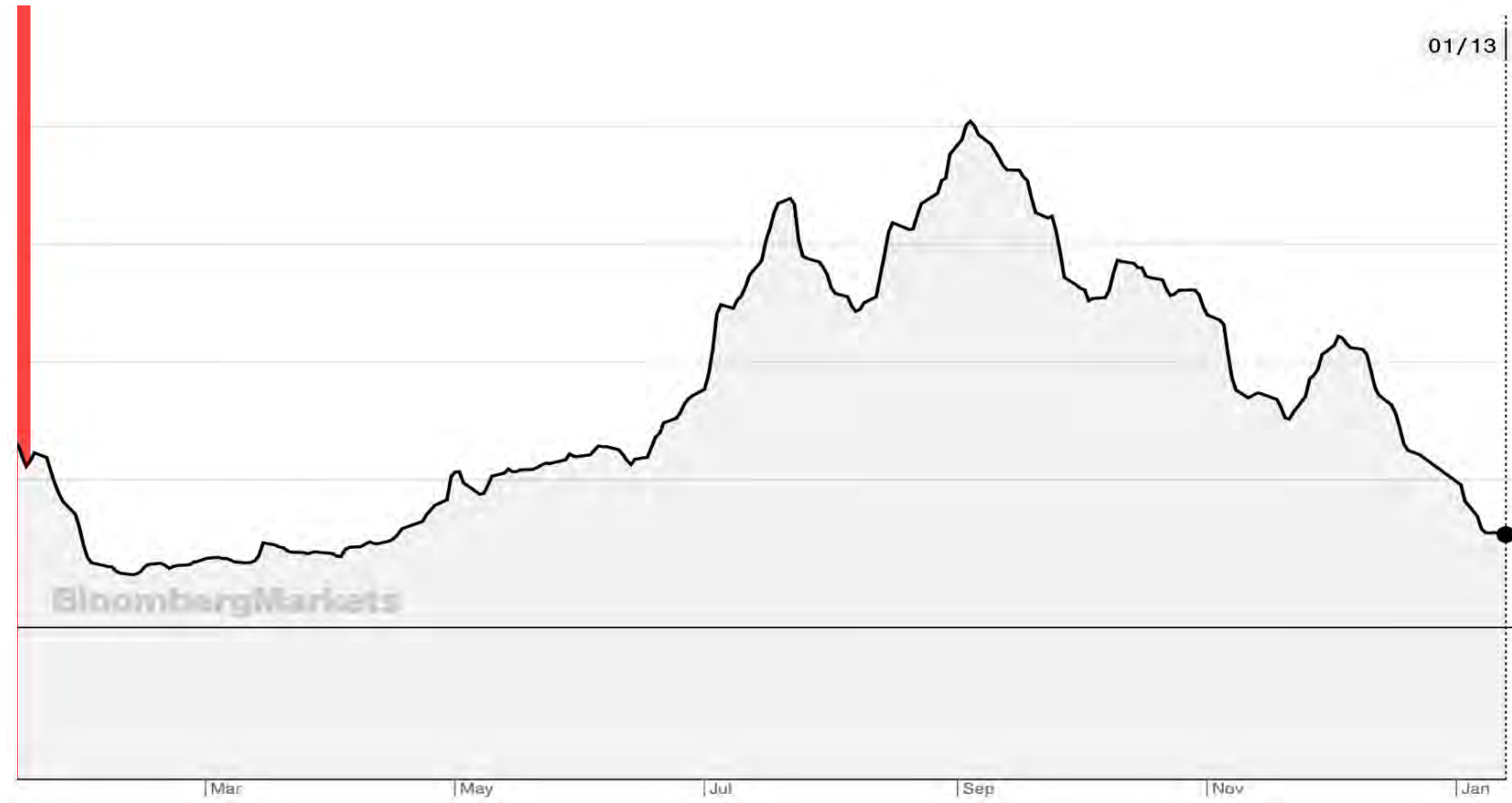
### Baltic Dry Index 10 years



Source: Bloomberg

Performance of the  
Global shipping industry

**Baltic Dry Index**  
**1 year**



Source: Bloomberg

## **Global factors driving the cost of shipping**

# Global factors driving the cost of shipping

## 1. IMO 2020:



1. Beginning Jan 2020
2. MDG goal: reduce GHG by ships
3. <0.5% sulphur (LSD) in fuel>>>\$\$\$
4. LNG>>>>>\$\$\$\$
5. Scrubbers>>>>>+/- 40days in shipyards, mostly in China

### IMPACT

- A. Container trades>>>>compliance levy per TEU
- B. Cold ironing in ports
- C. Bunker compliance & availability
- D. Heavy port state penalties on non-compliant ships

## Other global factors driving the cost of shipping

- Port congestion
- Global economy
- Geopolitics>>>US-Iran, US-China >>>\$1pmt insurance in the gulf
- Culture – Chinese new year
- Government regulations
- Attention on environmental matters
- Rising protectionism and inward-looking policies
- Benefits and risks of digitalization

## **Factors Driving The Cost of Shipping in East Africa**

# Factors Driving The Cost of Shipping in East Africa

- Global factors (previous slides)
- Port berthing delays
  - Bureaucracy
  - Berth availability
  - Congestion in peak periods
  - Port infrastructure (and inland networks)
  - Port productivity >>>voyage estimates
  - High port tariffs
- Ballast voyages
- Recurrent Piracy threats

## CONCLUSIONS AND Q&A

- 1** Our freight costs are quite expensive, due to port inefficiencies, facilities and low economies of scale
- 2** Expect increased global regulation>>>>>VGM, IMO 2020.....
- 3** Everyone in the value chain will play a role>>>>ship owners>>>ports>>>shippers.....
- 4** A close follow-up of global shipping trends will help logistics companies, shippers and governments make better decisions



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