
Presentation Intermodal Africa 2019

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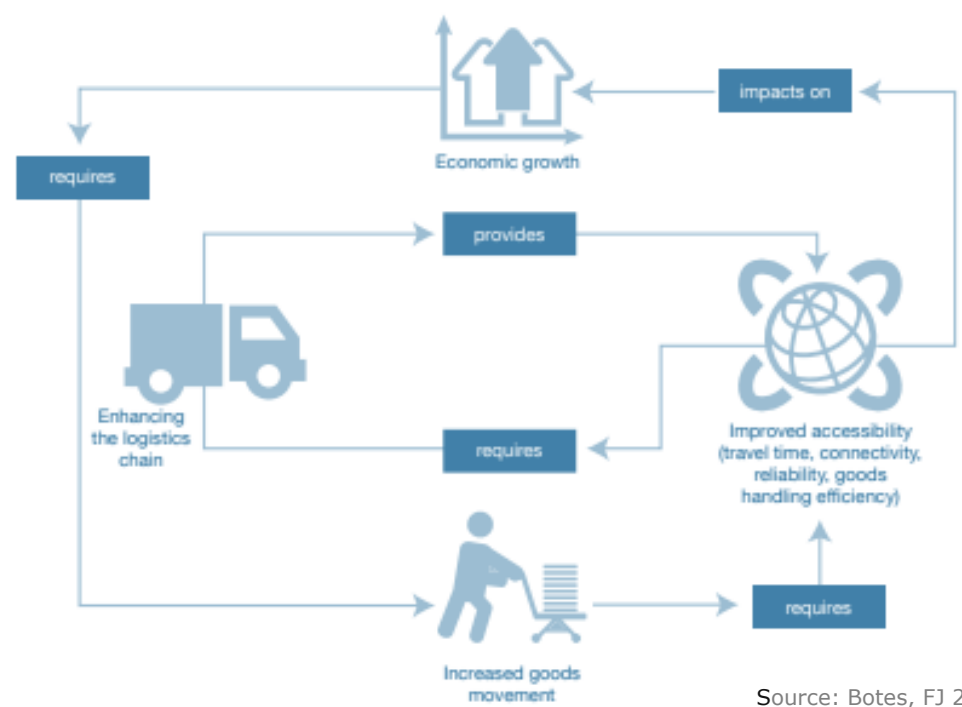


Ports are a vital part of the supply chain in Africa with each port having a far-reaching hinterland often spanning a number of countries.



Source: pwc

The transportation and logistics industry is the backbone of an economy



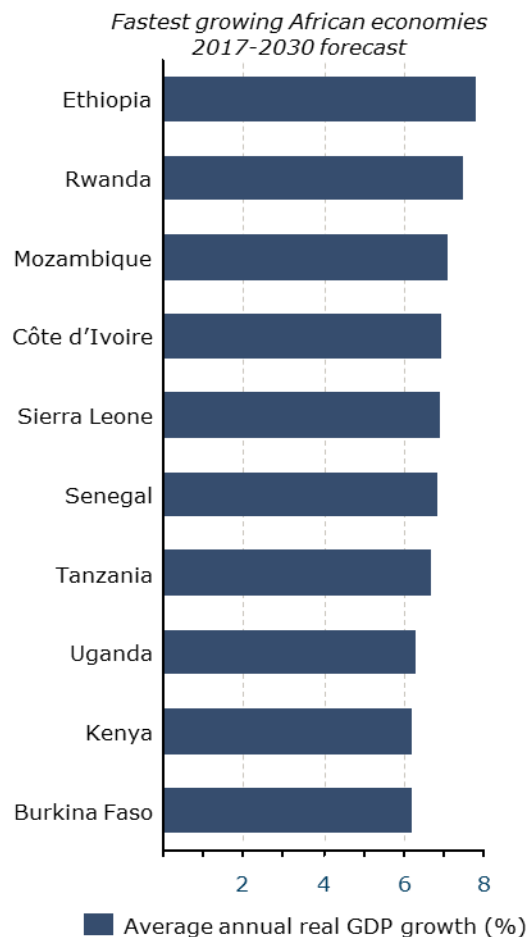
Source: Botes, FJ 2003

Ports are gateways for 80% of global merchandise trade by volume and 70% by value

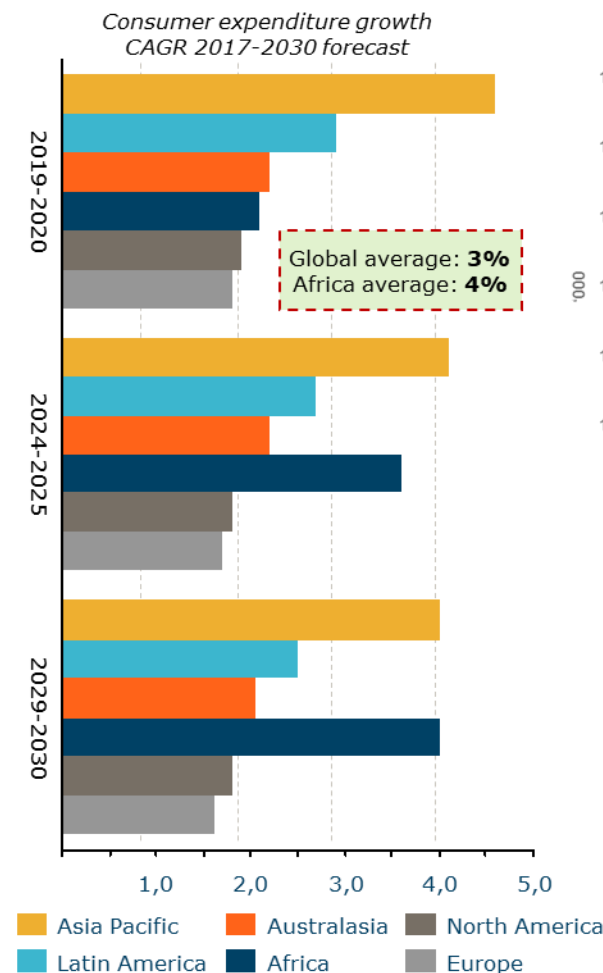


Socioeconomic significance of Africa is rising providing key opportunities for consumer good retailers

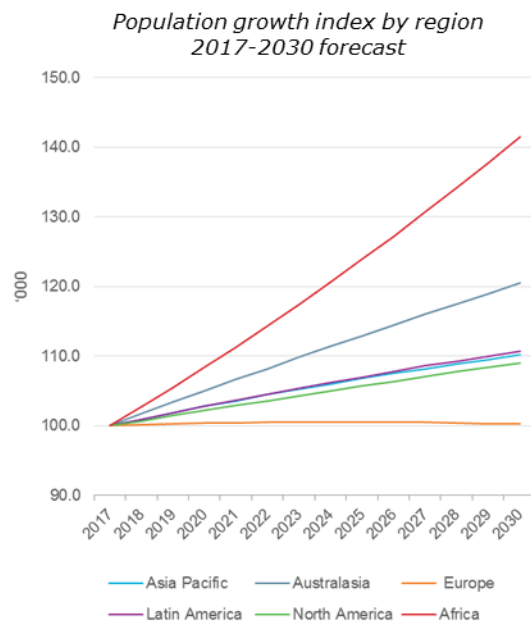
Africa will be home to some of the world's fastest growing economies...



... with consumer spending growing faster than world average



... and its population to be the fastest growing globally

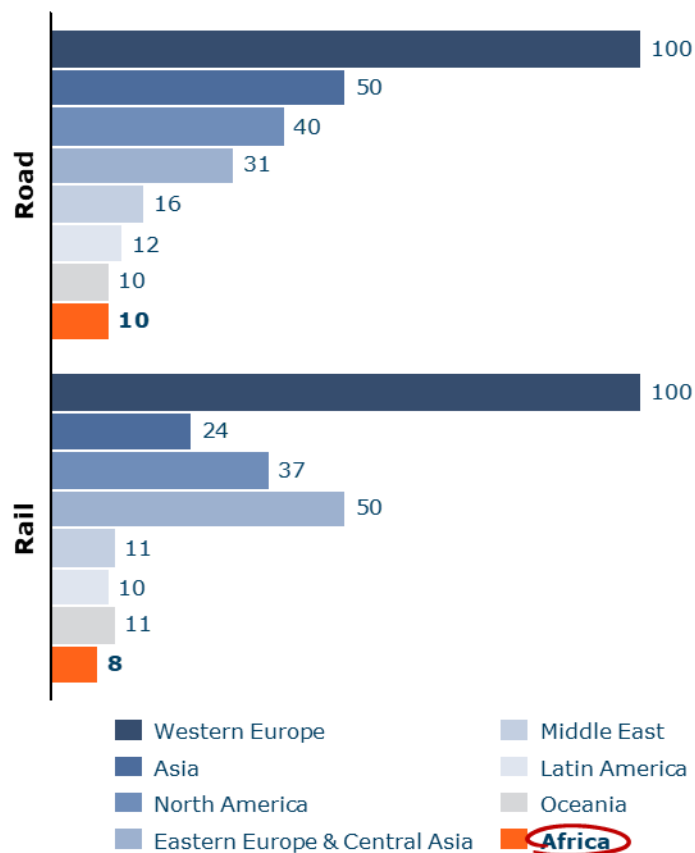


- Africa is the second most populous region after Asia Pacific and will **add another 450MN by 2030**
- Key growth drivers are **Nigeria** (over 73MN people), **Congo** and **Ethiopia**
- **Median age** remains relatively young rising from 21 in 2017 to 23 in 2030

Yet, Africa's infrastructure is complex to navigate leading to increased cost and time of logistics for consumer retailers and others

Africa has poor infrastructure stock compared to rest of the world ...

Selected Infrastructure segments (indexed: 100= highest)

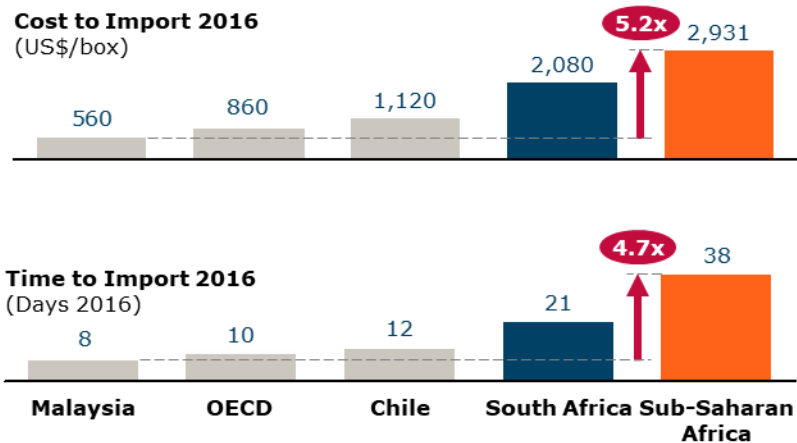


...which has direct impact on FMCG cost and time of logistics operations in the region

A lack of developed logistics companies

- Many **trivial 3PL providers** of logistics solutions, often **lacking service professionalism and capacity**, eventually leading to poor service standards for FMCGs and consumers

... leading to increased cost and time of general imports



The primary challenges shared by most African ports are long cargo clearance times and underdeveloped hinterland infrastructure



Source: World Bank; OECD;

Implementation of Single Windows finds its importance in the search for optimization of the logistics and formalities of the Foreign Trade.



Source : <http://www.swguide.org>

Cote d'Ivoire # AACE Member

Single Window Type	Single Window for foreign Trade
Date of creation	2013
Current state of the SW	Operational
What kind of Solution	Webb Fontaine Group

Sharing Manifest	Pre-clearance formalities	Clearance	Electronic Signature
X	X	X	In project

Congo # AACE Member
Structure: GUOT

Name of Single Window	GUOT
Single Window Type	Guichet Unique des Opérations Transfrontalières (Système automatisé)
Date of creation	2007
Current state of the SW	Operational - 2014
What kind of Solution	Internally

Sharing Manifest	Pre-clearance formalities	Clearance	Electronic Signature
In project	Operational since 2014	In project	Operational since 2015

Burkina Faso # AACE Member

Name of Single Window	SYLVIE
Single Window Type	Single Window for foreign Trade
Date of creation	2011
Current state of the SW	Operational
What kind of Solution	Foreign

Sharing Manifest	Pre-clearance formalities	Clearance	Electronic Signature
-	X	X	-

Ghana # AACE Member
Structure: GCNET

Name of Single Window	TradeNet
Single Window Type	Single Window for foreign Trade
Date of creation	2000
Current state of the SW	Operational
What kind of Solution	Foreign

Sharing Manifest	Pre-clearance formalities	Clearance	Electronic Signature
X	X	X	-

Improving Import Dwell time & Cross-border / regional / international exchange of trade transactional information

Trade corridors facilitate trade throughout the region by connecting seaports to inland markets and landlocked countries through various modes of transport but much remains to be done

Over 90 percent of freight and passenger movements are still carried out by road in West Africa.

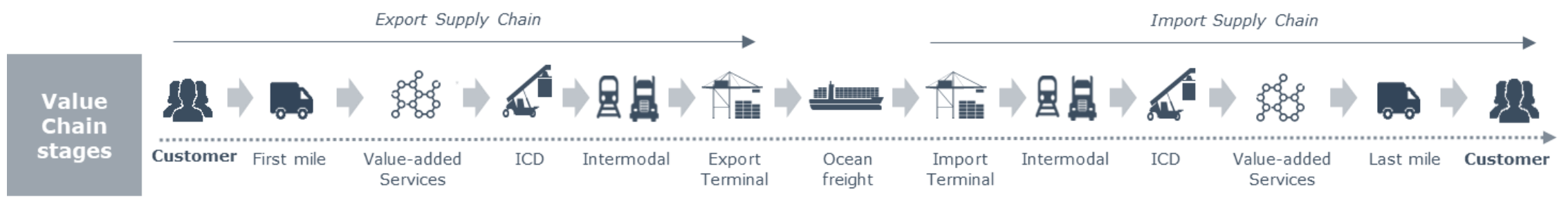
- Despite the almost exclusive dominance of this transport mode, ECOWAS countries are still under-equipped in terms of road infrastructure.
- In fact, **this region has only about 4.7km of roads per 100 km²**, well below the average 6.8 km for the entire African continent.
- Existing roads along the corridors are in a poor state. This situation generates relatively high production costs for the region & affects international and intra-regional trade.

West Africa has a railway network with a total length of 10,188 km.

- This network includes 12 national networks, of which six could become sub-regional networks
- As in road transport, **railway infrastructure is, in general, dilapidated and unsuitable for modern rail transport needs.**
- Rail gauges differ from one country to another; the network is divided into three different gauge types – 1,435 mm (about 1,179 km), 1,067 mm (about 4,536 km), and 1,000 mm (about 4,473 km) – making interconnections difficult and expensive

Nevertheless countries are working towards improvement and even transport alternatives

- Lagos barge service** helps ease road congestion while **Congo Republic barge services** are a pure extension of the network waterway
- The **deployment of drones** and the ever-growing spread of drone testing corridors in Africa presents new opportunities. As drone technology enters the African market, there are several sectors they can be plugged into, such as agriculture or farming, pharma. in **Ghana**, drones will be deployed to deliver vaccines, blood supplies, and medicines to remote areas in the country.



According to FAO, "the lack of reliable and adequate cold chain facilities in Africa is one of the main causes of losses of perishable products, which are estimated to be about 25-30% for animal products and 40-50% for roots, tubers, fruits and vegetables."

The **most critical factor** to keeping food and meat fresh is proper **transportation and cold storage**. Despite this, the cold chain system is still weak or nonexistent in some countries. Consistent refrigerated transportation instability is at the core of why **cold chain logistics** in Sub-Saharan Africa is **nine times more expensive than anywhere else in the world**.

*The last studies presented by the FAO (Food and Agriculture Organization of the United Nations) show the **increase production of fruit and vegetable in the french-speaking States in Africa**. The market has become 50% bigger, reaching **the 60 millions tones food produced in the Middle and in the West Africa**. Today most of this supply is consumed by the local market and **only a 10% of the volume is exported**.*

The African producers are slowly trying to combine the management of a local and a foreign market, but this process is still evolving in order to the customers preferences.

- OPPORTUNITIES**
- A number of exporters are **investing in processing facilities closer to the point of production**, and not limiting them to urban areas and the locations of transport terminals
 - **European consumers**, like those in other industrialized countries, are **demanding new forms of prepared fresh fruits and vegetables**, which can include washing, peeling, cutting, and packaging in small units, such as pre-mixed vegetables. These activities are labor-intensive and they increase **the opportunities for adding value to exports**.
 - **The containerized reefer trade** will continue **growing over the next few years** and as demand on shipping lines, solution providers and specialist terminals increases, so will the need for new technologies and smarter operations to accommodate this.

- CHALLENGES**
- Larger exporters are moving away from out-grower networks, due to the unreliability of quality and volume.
 - There is limited access to finance for agribusinesses to acquire cold storage and processing machinery.
 - There is a **lack of infrastructure**, such as roads and **reliable electricity grids**, which present significant challenges for investment in cold chain, especially in rural areas.
 - The increase in **sensitivity and quality standards** further creates the need for companies to improve food cold chain management.
 - Relatively **low traded volumes at national level** and weak organizational arrangements for value chain activities

Thank You

