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Wesley Rousseau, managing director, Mega Fortris.

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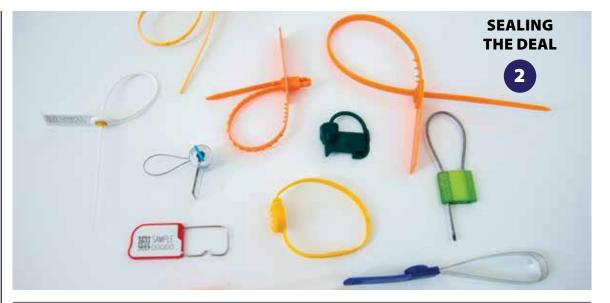
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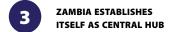
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# Manufacturer set to seal the deal in Zambia

African safari has already begun

We believe the African



in several commodity sectors, including mining," he said. He noted that the company already had distribution partners in Botswana and Namibia and was targeting Zambia, Mozambique and Zimbabwe next. Rousseau believes Zambia's stable economy and the fact that business operates according to similar

is huge potential for growth

standards and levels of professionalism as South Africa makes it the ideal candidate with which to explore a new distribution partnership. "The mining developments in the country also

offer a number

of key opportunities for our security seal products."

Rousseau said the advantage of having distribution partners in neighbouring countries was that they understood the country's trade dynamics, knew how to overcome the trade barriers and were knowledgeable about the market they served.

"Finding a partner with integrity and the right business values and standards can be tough and we have learnt that we need to look for companies that are

well established and have a solid reputation," he said. Rousseau noted that it was also critical to find a distribution partner who was able to offer a comprehensive service that included after-sales service and product support.

Mega Fortris South Africa products provide the proof of whether consignments are being tampered with, helping to secure the supply chain. The products include gold bullion boxes for the mining industry, container and tanker seals and bolt locks, as well as tamper evidence bags for sensitive or classified documents or cash transfers.

"Our target market for the products ranges from cash-intransit operators to banks, mines and logistics operators who want to ensure the integrity of the endto-end supply chain and cut down on theft and vandalism," said Rousseau

The products are currently manufactured in Malaysia, with the company logos and barcodes added locally. However the company hopes to become more competitive by manufacturing the "common and high-demand" products in South Africa. "It will further cut the costs of our products if we don't have to have them freighted over - and we have the storage and manufacturing space at our Johannesburg offices," said Rousseau.

#### Adele Mackenzie

utting through red tape and establishing a compliant, legitimate business to ensure cash flow in southern Africa is one of the biggest challenges when investing in the region, said Wesley Rousseau, managing director of Mega Fortris South Africa.

The Malaysian company, which manufactures tamper evidence seals and bags, established an office in South Africa in November last year. It plans to use its local presence as a springboard to expand its distribution footprint into Africa. "A lot of foreign companies aren't aware of the various barriers to trading and investing in the region, particularly the long process of becoming 'legitimised' by meeting the myriad requirements and regulations before the new company is approved," he told FTW, adding that often companies only have access to financing and the free flow of cash once the business is approved. "That could take months and is often a daunting

prospect for potential investors," he noted.

In making the decision to establish an office in South Africa, Mega Fortris had the advantage of being a global security seal manufacturer as well as having a strong distribution partner for the seals, Vikela Aluvin, in South Africa, said Rousseau.

"Vikela has been our local SA distributor for 12 years. Because of that relationship we were able to gauge the increased interest from the rest of Africa and it made sense for us to establish an on-the-ground presence in the region," said Rousseau. Vikela will continue to handle the national distribution of the security seals but Mega Fortris South Africa will "leave no stone unturned" to establish distribution partners in the rest of the region - and eventually further into the continent, he added. Rousseau told FTW that the company would use its "lessons learnt" to avoid business pitfalls as it expanded its manufacturing and distribution footprint on the continent.

"We believe the African market is infinite and there



#### **Ed Richardson**

ambia is putting the building blocks in place to leverage its geographic position to become a transport and logistics hub for southern and central Africa.

Government is allocating millions to the refurbishment and building of road and rail links both within the country and to its borders.

It is also working with neighbouring governments, road and rail agencies to synchronise the investments.

"Zambia, being a landlocked country, lies in the centre of the southern African region and therefore relies heavily on her neighbours for vital routes to various import and export destinations," says the Zambia Development Agency in a sector profile published in 2013.

It says transport infrastructure covers roads and bridges, railways, airports and aerodromes and maritime and inland waterways. The agency is forthright about the challenges facing the shipping industry: "The state of transport infrastructure remains inadequate to sustain and match the desired levels of growth due to weak structural and management capacity resulting in over-commitment, high cost of construction and low investment".

Action is however being taken. Government is seeking to strongly address these challenges and is focusing on construction, rehabilitation and maintenance of

physical infrastructure.

The logistics industry is taking note. Managers interviewed by FTW are now talking about an "east-west" trade axis, which is replacing the dependence on South African ports – and Durban in particular.

A number of freight forwarding and transport companies are opening up offices or appointing agents in ports like Walvis Bay and Nacala – and beefing up their presence in Beira and Dar es Salaam. Although it has raised US\$1.75 billion in two successful Eurobond issues, the government has recognised that it needs to partner with the private sector to support infrastructure development.

"Key projects to be procured under the PPP (public private partnership) arrangement will transcend sectors and include roads, railways, border support infrastructure, energy, estate and housing, agriculture services, health and airports," says the Development Agency.

Returns on the road infrastructure will come from tolling - which hauliers fear will increase the cost of using road freight and drive volumes back onto rail.

Priority toll routes identified by the government include Solwezi to Kazungula (with a spur to Kasumbalesa); Kapiri Mposhi to Nakonde; and Lusaka to Mchinji via Chipata.

"Developed and managed properly, this project could make Zambia a transportation hub for southern Africa," says the agency.

Road rehabilitation and building falls under the Link Zambia 8000 Project, which is expected to see at least five years of construction at a cost of between \$5 and \$6 billion.

Private sector investors are also invited to participate in the rail revival.

These plans, if implemented, will connect Zambia to the ports of Lobito, Beira, Nacala and Walvis Bay by rail.

Inland links include providing rail access to the Great Lakes region through Zambia.

Work has already started on improving air access to the country.

"The developments include the runways, terminals and auxiliary facilities in and around the airports such as hotels, shopping malls, conference facilities etc.

"Scope for private sector participation in development of airports also exists in airfields at Chipata, Kitwe, Kasama, Mongu, Solwezi and Mansa," says the Development Agency.

### IMF revises Zambian growth figures upwards

Growth estimates for the Zambian economy have been revised upwards following a visit to the country by an International Monetary Fund (IMF) team led by Byung Jang.

According to Jang, the "rebasing" of the national accounts "has revealed that the economy is 20-25% larger than earlier estimated, growth is projected to remain strong at 6.5% in 2014, and the medium-term outlook is supported by ongoing expansion in copper production."

There are, however, some warning signs – many of which impact directly on the freight forwarding and clearing industries.

"Fiscal and exchange rate developments point to significant vulnerabilities," said Jang.

The recent steep depreciation of the kwacha is raising inflationary pressures and expansionary fiscal policy has created large budgetary imbalances, warns Jang.

-Ed Richardson



## **Fluctuating Kwacha slows growth**

**Ed Richardson** 

nstability of the kwacha, which has been fluctuating widely over the past 18 months, has had a major impact on business confidence.

It was one of the main points of conversation during FTW's visit in June, at which time it was once again on a downward spiral.

The kwacha is the continent's worst performer this year after Ghana's cedi.

The impact is such that Bureaux de Change across Lusaka did not have any physical kwacha to exchange – they did not want to take the risk of holding a currency whose value could drop significantly over the course of a single day.

Hauliers, clearing agents and shipping companies were affected as government regulations introduced in 2012 forced them to quote in kwacha for domestic transactions, although many of their costs were in dollars.

The kwacha depreciated by 13% against the dollar in the first half of 2014 – a trend which analysts ascribe to a falling copper price.

In March the government lifted the ban on the use of dollars for

Tanzanian cup copper: The economy in motion – copper exports continue to drive the Zambian economy.

domestic transactions in order to ease pressure on the kwacha.

Further support came in June when the Bank of Zambia increased the maximum amount lenders could charge for credit from 21% to 28%.

The kwacha started holding steady in July.

Some major investors have shelved plans until the kwacha stabilises.

Steel roofing company Safintra

Zambia has postponed a plan to open a new branch in Solwezi due, it said, to continued volatility in the foreign exchange market coupled with hikes in electricity and fuel.

A bigger impact on the regional economy – and the freight industry – comes from a decision by First Quantum Minerals (FQM) to delay investment projects worth more than US\$1 billion in Zambia due to uncertainty over the fiscal regime.

Businesses are also unhappy about delays in the repayment of VAT

In June the mines minister, Christopher Yaluma, told a conference that the government was holding around US\$600m in VAT repayments because the mines had not presented certificates from the countries that had imported the copper, cobalt and other commodities.

Mining companies have countered by saying it is difficult to comply because their copper is often sold to trading companies and cannot be traced.

Government said the measure was introduced in order to curb tax avoidance.

One measure of the growing spending power of the Zambian consumer is the new malls being built in the major mining towns, as well as the capital Lusaka.

They are changing the nature of logistics in the region, with companies developing the infrastructure and systems to handle fast-moving consumer goods.

There are also project cargo opportunities as a large percentage of the materials and fittings either have to be imported or hauled crosscountry.

An example of the mall development is a US\$200-million (R2.1 bn) project in the northern mining town of Kitwe. When completed it will be the biggest shopping mall in Zambia, according to the developers.

It is the single biggest investment outside of copper mining in the Copperbelt, according to Phoenix Materials chairman Phesto

He was speaking at the hand-over of the land for the mall by Mopane Copper Mines.

Phoenix is developing the mall as a

### New malls signal growing economy



joint venture with TGP Properties.

Development is going ahead despite the opening of the US\$45.5m Mukuba Shopping Mall in Kitwe, which is due to open in April 2015.

Meanwhile, the new Kafuba Mall opened in Ndola in April 2014.

Plans to build the first mall in Zambia's north western province have been stalled by land issues in the mining town of Solwezi. Mall development started in Lusaka, with malls such as the Levy Centre, Manda Hill and the Arcades Shopping Centre.

But the government has more ambitious plans.

According to the Regional
Investment Agency, the statutory
Zambian pension fund is proposing
to undertake the development of a
Southern African Regional mixed use

node as a satellite town of Lusaka.

It will be anchored by a 100 000m² retail mega mall, three hotels including "at least one five star hotel, three office parks, convention centre, high-density residential units and at least 8 000 high-cost houses around the shopping mall.

The town is expected to have a population of around 500 000 at a cost of US\$ 2.5 billion.

Another indicator of increasing wealth is the growing traffic jams in towns like Kitwe, Ndola and Lusaka.

Truckers and business people are now timing their trips to avoid the morning and evening rush hours.

Statistically, the improvement in the lives of Zambians can be seen by the increase in life expectancy – from 46 years in 2004 to 57 in 2012, according to the World Bank.

The gross domestic product has more than doubled from US\$ 10 702 200 822 to US\$ 22 383 715 315 between 2004 and 2013.

-Ed Richardson









weekly feeder service by Mediterranean Shipping Company (MSC) between Nacala and Durban out of Antwerp and Rotterdam has made it possible for MSC Zambia to promote the northern Mozambican port as another gateway for imports and exports into Zambia and the Democratic Republic of Congo (DRC), says MSC Zambia country director Mesele Seyuba.

This new route is a result of investment into the deep-water port of Nacala, which is linked to Zambia by rail, making it a viable option for importers and exporters, says Seyuba.

The railway line from Zambia to Nacala was commissioned in May 2014 after the project to connect the line from Muchinji to Chipata had been dormant for nearly 30 years.

Trial runs have been completed successfully on the 1050-km route, which runs from Zambia's Chipata district to Nacala through Malawi. Transit takes approximately four days.

MSC partners with road hauliers and rail operators to provide

Nacala call creates another Zambian gateway

landside logistics to support their seafreight services.

Having a shipping line providing a full through bill of lading transport service to all of the main ports serving Zambia and the DRC has a number of advantages for shippers, he believes.

"The benefit of using the rail corridor is that it reduces border delays and associated administration constraints, owing to the efforts by the rail operator to create synergies with all relevant stakeholders in the supply chain," says

Seyuba.

The bear rail correduced reduced associated administration constraints, owing to the efforts by the rail operator to create synergies with all relevant stakeholders in the supply chain," says

In addition, it adds much-needed flexibility for shippers – which is important when operating in a landlocked country like Zambia.

"MSC Zambia is unique in its operations in that we are a shipping company in a country without a port. This presents obvious challenges with respect to minimising import and export costs to clients, but at the same time it presents opportunities for innovative ways of trying to move cargo to/from ports in the most costeffective way," he says.

The benefit of using the rail corridor is that it reduces border delays and associated administration constraints.

- MESELE SEYUBA



# Walvis Bay Corridor targets one million tons

Volumes of freight travelling along the Walvis Bay-Ndola-Lubumbashi Development Corridor are expected to grow from 720 000 tons in 2013 to over a million in 2014, according to Andrew Sinyangwe Jr, Walvis Bay Corridor Group business development manager.

"We are now handling every kind of cargo, and not just copper and chemicals," he says.

Volumes of fast moving consumer goods and vehicles are both growing. There is also an increase in

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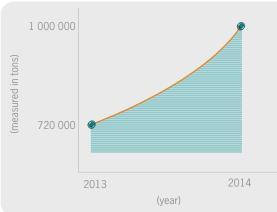


The corridor is being used for abnormal loads bound for the new mines in the central parts of Zambia.

- Andrew Sinyangwe Jr

project cargo.
"The corridor is being used for abnormal loads bound for the new mines in the central parts of Zambia.

"For one project we will be carrying over 80 000 tons of out-of-gauge cargo along the route shortly," he says.



Growth in freight volumes expected on Walvis Bay-Ndola-Lubumbashi corridor.

There is also greater balance in the movement of freight as the mines and other exporters use Walvis Bay to export cargo bound for Europe and the Americas although the trade imbalance still remains a problem with a need for export cargo to create a balance.

The volumes have attracted fresh investment by hauliers.

Namibian and Zambian companies are forming joint ventures

in order to service the route, he says.  $\,$ 

And he believes this will help reduce the transport costs along the corridor.

Rates will be driven down by a combination of competition and greater efficiencies.

"Zambian transporters are introducing their own customers to the route through the new partnerships. That means the trucks have freight going both ways," he says.

# Zambia 'ripe' for next level of logistics

Zambia is "ripe to get to the next level of logistics," says Andrew Sinyangwe Jr, Walvis Bay Corridor Group business development manager for Zambia.

Freight volumes in and out of the country are rising, and the mix is changing due to a revival of agriculture and the emergence of a middle class hungry for consumer goods.

Trade patterns are also constantly shifting, which means that shippers and their service providers need to be constantly re-evaluating the routes they are using.

"We need to have the right mix of road, rail and air. There have been mishaps, but we are learning from our mistakes," he says.

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illions of dollars are being invested by the Zambian government into putting freight back onto rail.

The government took back control of the rail system in September 2012 after privatisation through a 20-year concession did not deliver the expected results.

"There was huge deterioration in the rail infrastructure and the general operations of the system," says Zambia Railways (ZamRail) director of operations Godfrey Chibunde.

Rail is recognised by government as being one of the keys to economic growth.

"Our mandate is to contribute to lowering the cost of doing business in Zambia by providing an inexpensive but efficient mode of transport," says Chibunde.

"As management our first priority was damage control through the rehabilitation of the track," he says.

Average speeds had slowed to 20 kilometres an hour across much of the network as the sleepers needed replacing.

Since 2012 ZamRail has

# State adds steam to rail regeneration

Aiming to carry 1 000 000 tons in 2014

Our focus is on asset

- GODFREY CHIBUNDE

another load.

utilisation. The faster the

train goes, the quicker we

can turn it around to carry

rehabilitated hundreds of kilometres of main line and reconnected some of the larger mines to the rail grid. "We had the

situation where the mines were disconnected from rail. They had to rely on road for all inputs and outputs," he says.

It is estimated that the rehabilitation of the track network will

have been completed by "end of 2015". Freight trains will then be able to run at 60 km/hr and passenger at 80km/hr.

"Our focus is on asset utilisation. The faster the train goes, the quicker we can turn it around to carry another load," he says.

> Chibunde is confident that bulk and heavy traffic will return to rail.

"Road has filled a void left by the private rail operators over the past 10 years. But the mine traffic traditionally travelled by rail.

I believe we will get it back."

Supporting rail is the government's policy to get bulk off road and back onto rail in order to

extend the lifespan of the roads, reduce congestion and improve road safety.

Road haulage will, however, continue to move freight in Zambia alongside rail.

"The damage to the rail system over the past nine years has been massive. It will take time before it's fully operational.

"We also have to refurbish and replenish the rolling stock and locomotives in line with our Business Strategic Plan," he says.

ZamRail – and the Zambian economy – are already seeing a return on the investment.

Tonnages carried on rail grew from 500 000 tons in 2012 to 740 000 tons in 2013.

The projection for 2014 is 1000 000 tons.







### ZAMBIAN TRADE STATISTICS

Top 5 Products exported by Zambia

Refined Copper (44%), Raw Copper (29%), Maize (5.5%), Raw Tobacco (4.9%), and Raw Cotton (2.5%)

Top 5 Products imported by Zambia

Delivery Trucks (5.9%), Excavation Machinery (3.4%), Large Construction Vehicles (3.0%), Iron Structures (2.3%), and Refined Petroleum (2.2%)

Top 5 Export destinations for Zambia

China (48%), South Africa (10%), Zimbabwe (8.6%), South Korea (6.0%), and Eaupt (5.6%)

Top 5 Import origins for Zambia

South Africa (57%), China (14%), India (4.7%), United Kingdom (2.9%), and Japan (2.8%)

# Zambian mining practices under scrutiny

W orld Trade Organisation (WTO) researcher Baris Karapinar has raised the prospect of sanctions being imposed against Zambian copper exports in an effort to force certain mining companies to clean up their act.

"Some mining sites in China, India, Peru, Russia and Zambia have been identified as the world's most environmentally polluted areas — as contamination of the air, water and soil caused by discharged material from mines substantially exceeded the safety limits.

"There are also other environmental concerns arising from the high energy intensity of the production and processing of some minerals.

"Placing restrictions

on exports
of minerals
produced
through
environmentally damaging
operations, or through high
levels of energy consumption
and carbon emissions, may help
alleviate some of the adverse
impacts on the environment,"
he says in a discussion paper





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### Zambian toll fees to fund road upgrades

Toll gates at weighbridges on the cards

#### Adele Mackenzie

ambia will rely on additional toll fees from heavy-haul vehicles to fund its aggressive road sector development programme which, amongst others, will see a total of 10 400 kilometres of road being upgraded.

"The Zambian government recognises that good transport infrastructure is crucial to regional economic integration and is investing in several surface transport development initiatives," said Yamfwa Mukanga, Zambian Minister of Public Works and Transport, in Johannesburg recently. The minister noted that the projects would be funded by the Zambian Road Development Agency and that toll gates at weighbridges would be a major additional source of funding for the projects.

Mukanga said that seven toll gates had been erected at weighbridges throughout the country and tolls had been claimed from trucks during the first six months of 2014 as part of a pilot project to test the feasibility of raising funds using this method. "We raised just over US\$30 million during this period and have definitely seen the potential," he said.

As a result, the government will be rolling this out to other national roads, said Mukanga, noting that actual toll gates would be erected instead of using weighbridges to ensure all vehicles are tolled.

The road upgrades include the Link Zambia 8000 project, an initiative to upgrade and develop roads linking all the provinces with each other; the L400 campaign which will see the upgrade and L400 road upgrade campaign in the Zambian capital city of Lusaka.

rehabilitation of roads in the capital city; and the Pave 2000 programme which aims to pave 2000 kilometres of urban and township roads countrywide using concrete paving blocks.

A construction crew works on the

Makunga said the government was also investing in several new onestop-border-posts (OSBPs) and the construction of bridges.





### Private sector puts its money in rail

new 590-km rail link from A Chingola in the Zambian Copperbelt to the Angolan border is to be developed by Grindrod Mauritius in partnership with the NorthWest Rail Company

NWR, a Zambian company, has held the rights to the rail link since July 2006.

According to Grindrod, the railway is to be built in two phases - Phase I extending from Chingola to the Kansanshi, Lumwana and Kalumbila mines (290 km of track), and Phase II to connect with the Benguela line on the Zambian-Angola border near Jimbe.

Phase I is intended to service existing ore and finished copper traffic, and Phase II is intended to open up a direct corridor to Lobito which would allow landlocked Zambia to import oil directly from Angola, and to stimulate further

mining activity in the Western Copperbelt region.

The estimated capital cost of Phase 1 is US\$ 489 million while Phase 2 of the NWR project is estimated to cost US\$500 million.

Existing copper mines are located in the Eastern Copperbelt and are serviced by smelters located near to Chingola (Zambia) and Lubumbashi (DRC).

New mine developments have started, and more are planned, in the Central and Western Copperbelt area of Zambia which need to transport ore up

to 300kms for processing.

### Shippers advised to look at total package

argo owners and shippers ■ are advised to take the "total package" into account when selecting a port of entry and exit for exports and imports.

Total costs are a combination of haulage fees, stoppages at border posts, port congestion, harbour fees, shipping fees and port delays, says Ruud Walgaard, director of Reload Logistics.

Added to these costs is that of security for high-value cargo. Reload Logistics uses only security certified hauliers to carry high-value cargo in order to reduce the risk of loss.

And the combination which provided the best value a month ago could well have changed, he warns.

"It tends to go in cycles between the ports of Beira, Dar es Salaam, Walvis Bay and Durban.

Logistics service providers should be monitoring the trend all the time in order to offer the best solution to their clients," he says.

#### **Durban still competitive –** Kuntawala

Transit times for international freight through Durban are still faster than Beira, according to Yogesh Kuntawala, managing director of Celtic Freight, which specialises in the Zambia-Durban route.

"Eighty percent of the vessels calling on Beira first discharged in Durban. We can have freight

on the Zambian border within three days of loading in Durban," he says.

Delays in Beira could mean that the freight discharged in Durban arrives in Ndola before it is even unloaded in the Mozambican port.

"And that excludes the time it takes to clear freight through the Mozambican bureaucracy," he says.





# Drive to digitise logistics systems

odernisation of the forwarding and supply chain customs systems management software provider. in Zambia and "CargoWise One is a modular system that includes neighbouring countries, combined with forwarding, rapidly growing freight warehousing, volumes, has created transport, a demand for more accounting, sophisticated logistics workflow, management systems, container pack/unpack, according to Antonio Di Stefano, commercial order consultant with manager CompuClearing Africa. as well as booking CompuClearing has entered into a partnership systems," says to introduce CargoWise One Di Stefano. into the African market It caters with WiseTech Global. for all forms a global freight of transport

for exports and imports. "The system is multi-modal and multi directional."

CompuClearing is increasing its efforts to further serve

CompuClearing has entered

introduce CargoWise One

into the African market

with WiseTech Global.

- ANTONIO DI STEFANO

into a partnership to

the African market, he says.

"There is currently massive growth in cargo volumes in Zambia, the DRC as well as the rest of Africa as a whole.

"This gives us a very good opportunity to assist in growing the economies of the countries by helping companies to streamline their processes through our systems," he says.

Zambia is recognised by CompuClearing and CargoWise One as being strategically very well positioned.

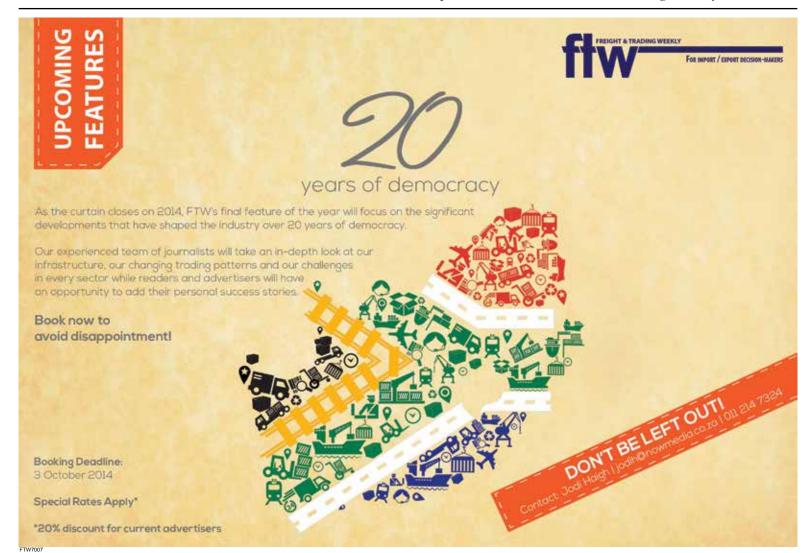
"Zambia is bordered by eight countries, which geographically puts it in a better position to serve as a cargo hub than any other Southern African

> Development Community (SADC) or Common Market for Eastern and Southern Africa (Comesa) country.

"They have the potential to become Africa's business hub

as they are not only able to cater for their own market, but also for the other 170 million people in the region," he says.

Investment by the Zambian authorities in road and rail links is helping the country to build on its natural geographic advantages, he says.



# Local entrepreneurs focus on personal effects

We are able to handle

Zambia and from any

competitive rates.

any shipment to and from

location in the world, at

**Z** ambian-founded, owned and managed Smooth Movers has homed in on the steady stream of diplomats in Zambia, catering specifically for the personal effects market.

There are large numbers of United Nations and nongovernmental agency workers, as well as business leaders and skilled people moving in and

out of Zambia, according to managing director Andrew Kabwe.

The partners decided to start their own business after working in the freight industry for a number of years.

They identified a niche, and founded the company five years ago.

It offers full service

residential and office relocation services within Zambia and internationally by road, rail, sea and air.

"We are able to handle any shipment to and from Zambia and from any location in the world, at competitive rates," he says.

A network of agents in over 130 countries around the world provides a full door-to-door service.

The service includes customs clearance, insurance, arranging

logistics, and packing and crating.

It takes an average of two days to pack or unpack the average three- to four-

bedroom house, according to Kabwe.

Smooth Movers now has three 20 foot containerised trucks, two open trucks (one 10 and the



other 15 tons), and a 30-ton truck for breakbulk or containerised shipments.

Household effects and office furniture and equipment are stored in a modern secure warehouse. Smaller one- and two-ton vans are used for local deliveries and pick-ups.

The company's packing expertise is in demand for the shipping of hunting trophies, works of art and fragile artefacts.





# African boom brings expansion opportunities in transport sector

Having a local operation,

the lie of the land better

than we do, is vitally

important.

someone who understands

- Andre Jansen van Vuuren

outh African freight operators have set their sights on growth opportunities in Zambia and its neighbours.

In 2014, according to the United Nations Department of Economic and Social Affairs, African economies should see average growth of 4.7%, compared to 1.5% in Western Europe or Japan, and 2.5% in the USA.

The World Bank forecasts 2% growth for South Africa.

Up to 80% of all goods within Africa are carried by road.

"It's not rocket science. South African companies looking to expand should be taking advantage of booming African development," says Andre Jansen van Vuuren, divisional marketing director of Cargo Carriers.

"Especially when you consider that many African contracts are dollar-based - providing a valuable currency hedge," he adds.

In July 2012 Cargo Carriers acquired a 55% stake in Zambian haulage company BHL in order to expand its footprint in Zambia, Namibia, the DRC and Angola.

"Having a local operation, someone who understands the lie of the land better than we do, is vitally important," says Van Vuuren.

"Local knowledge makes it easier, and as a springboard into Africa it was definitely a good move."

Initially focused on the mining industry, BHL is successfully expanding into the manufacturing and agricultural sectors.

it 60% more

Both parent company and subsidiary are confident of long-term returns.

Road wheels of

economies turning.

Despite accelerating upgrades,

its own unique challenges. "Lowering these risks," Van Vuuren says, "was one of the co-ownership with a local partner rather than trying to open a new division on their own".

The variable quality of African roads and the vast distances between maintenance facilities, also have to be taken into account.

Buks van Rensburg, founder and now co-owner of BHL, considered it a priority when their fleet was

upgraded in 2012.

"Your trucks need to be tough enough to handle bad road conditions, but you don't want something too complicated either. The reason we elected to buy FAW trucks

direct-fromsource in China was that they're actually less sophisticated than trucks we could have bought from

"The problem there is that they have such sophisticated computer diagnostics built in. If anything goes wrong, you need to call in an expert to service them - and the truck stands idle while you wait.

"The FAW trucks aren't as

dependent on complex electronics, so we are able to service and maintain them in our own workshops and minimise downtime on each vehicle. Not only are we saving 8% in fuel costs, but we're also running at over 90% utilisation - compared to our 65% utilisation on 'more sophisticated' European vehicles. It all adds up to reduced costs that we can pass on to clients."

Reducing fuel costs, turnaround times and downtime all help reduce costs, but sustainable penetration into Africa also requires constant innovation.

A tipper/tanker configuration built to Van Rensburg's design allows BHL trailers to carry bulk and liquid cargo simultaneously or on alternate trips.

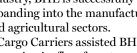
This means that BHL can carry copper concentrate via tipper from mine to smelter, for example, and then return with a tanker full of sulphuric acid for the mine.

The tippers can also be swapped for container trailers.

BHL is continuing to grow.

"We're receiving enquiries from existing customers in South Africa," van Vuuren says.

"So the market is definitely there, and it's growing - especially in SADC and East Africa."



Cargo Carriers assisted BHL in increasing its fleet from 75 to 126

trucks - giving capacity.

transport is keeping the the growing African

the rail infrastructure is not able to handle the volumes of freight being moved in and out of ports, as well as cross border, he says.

Africa's road network presents reasons Cargo Carriers opted for



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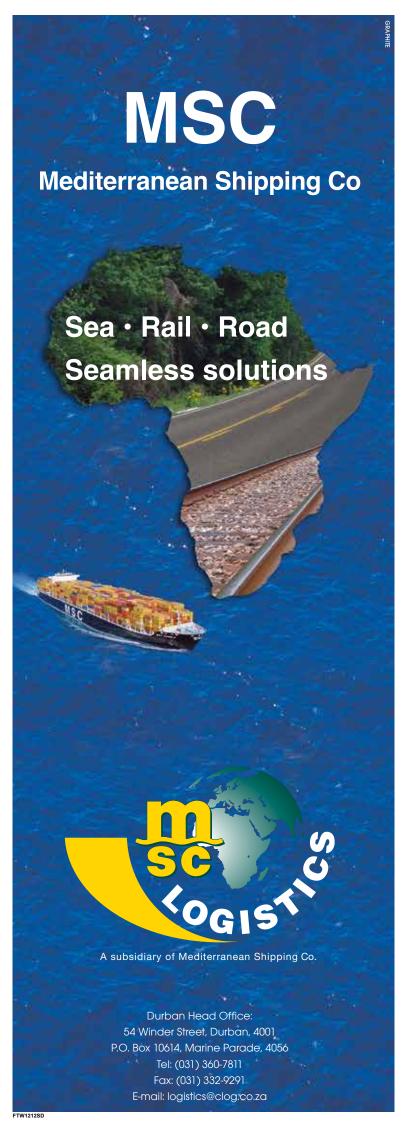












ambian ground handling specialist and clearing company NAC2000 has

increased capacity of a new cold storage facility opened in August 2013.

When the new 1000sqm facility comes on line, NAC2000 will have a total of 2 500 sqm of cold storage.

in addition to more than 1000sqm of ground storage - bringing the total to around scanner meets airline 3 500 sqm of storage space at the Kenneth Kaunda International Airport

(KKIA), NAC2000's

new US\$1m multipurpose storage facility is situated

### NAC adds c

Cool room caters for frozen card

alongside the main KKIA apron and is equipped with Zambia's largest state-of-the-art dual view

> cargo scanner, according to managing director Jonathan Lewis.

Since January 1 it has been mandatory for all air cargo to be screened before it is loaded.

The dual view scanner meets airline requirements for cargo to be

scanned across two different angles in a single pass.



single pass. - Jonathan Lewis

requirements for cargo

two different angles in a

to be scanned across

The dual view

### New freight airline takes t

Start-up airline Khuphuka Kings Airways is set to launch weekly flights into the Democratic Republic of Congo.

Based in the Dube Trade Port in Durban, the company is also planning to open routes to Zambia, Nigeria and Swaziland.

The service will do ad hoc flights to Ndola Zambia if and when the demand arises. according to the airline's marketing director Sihle Bam.

Initially it will operate two ILyushin 76 planes, which have a carrying capacity of 46 tons each.

The ILvushin 76 aircraft have the range to fly anywhere in the world from Durban, which

means that shippers can use the Dube Trade Port as a hub for freight into Africa, savs Bam.

Responding to news of the launch of the company in February 2014, **Dube Trade Port Corporation's** chairperson Bridgette Gasa, said the new airline would facilitate trade between South Africa and the rest of the continent.

"On the back of poor road and rail networks linking major African cities, air transport is essential for intra-African business.

"Driving this integration among African countries will continue to be critical in terms of creating an open environment for business,



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### old storage capacity

This reduces handling and improves productivity, according to Lewis.

In addition to scanning before being loaded, cargo is weighed on an electronic weighbridge both when it arrives and when it leaves the warehouse.

Temperature-sensitive cargo is stored at between 0 and 8degrees Celsius.

One of the cool rooms can also be cooled down to below zero for frozen cargo if required.

"We now have the capacity to assist clients who want to ship frozen products like fish and meat," says Lewis.

He says the investment is to assist farmers who are increasing production in order to take advantage of the depreciating kwacha.

The company provides full aircraft ground handling services at Zambia's four international airports.

It recently replaced its entire fleet of carriers at Ndola International Airport.

NAC2000 currently handles all cargo for Kenya Airways Ethiopian Airlines, KLM Royal **Dutch Airlines, South African** Airways, Fast Jet and Air Malawi.

It also provides full handling and support services for ad hoc cargo and passenger aircraft in Zambia.

### o the air



an environment which allows goods and people to transcend borders more freely," she said.

According to Bam, the airline plans to start operating from August 2014.

Services will include cargo flights to and from the new King Mswati 3 Airport (KM3) in Swaziland.





# Helping Zambian suppliers to increase market share with mines

combination of logistics and procurement knowhow is linking Copperbelt mines to local suppliers of goods and engineering services.

"When we first arrived in the Copperbelt we found it was quicker for a mine in the Democratic Republic of Congo (DRC) to source components from Johannesburg than from neighbouring Zambia,' says Mike French, who has opened a Nucleus Mining Logistics office in

Johannesburg-based Nucleus works with the full supply chain procuring on behalf of its clients; working with suppliers in order to optimise the use of resources; and providing warehousing and inventory management, distribution and customer relationship management and segmentation.

These systems are helping Zambian-based suppliers to increase their market share with mines that want to raise their levels of local procurement.

French brings with him the experience of working the supply chains of major mining houses and providing back office and logistics support services through Nucleus.

What he found when arriving in Kitwe was that, while many Copperbelt suppliers and agents have the ability to service the mines, they do not understand the procedures that need to be followed in order to be included in the supply chain.

Nucleus has been working with the suppliers in the Copperbelt and has seen local procurement volumes grow steadily.

Nucleus has developed an information system which manages the procurement process from the mine to the supplier and back.

"One of the problems we identified was that every supplier had its own systems, most of which did not talk to the mine's procurement system."

Further delays were caused by each supplier having its own transport company and clearing house. Goods would therefore arrive piecemeal rather than as a single

Shipments bound for the DRC are now consolidated in a Nucleus warehouse, which is handling around 9000 tons of general mining supplies such as pumps, bearings and repaired components.

Nucleus Zambia has two 10-ton trucks for deliveries and collection, and two one-ton bakkies for urgent loads.

"The company also has direct investment in or access to more than 150 triaxles and superlinks,"

It takes responsibility for ensuring that the right components are loaded, and for the clearing and forwarding.

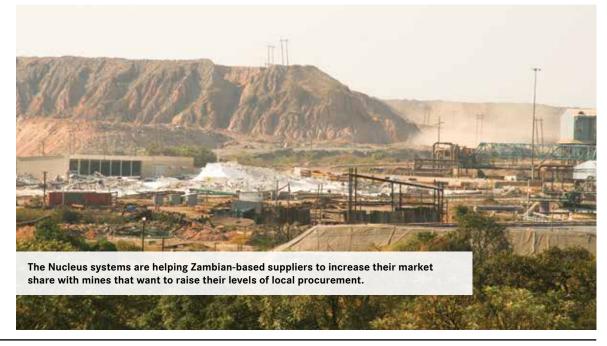
There is a strong base on which to work, believes French.

The engineering services in

Shipments bound for the DRC are now consolidated in a Nucleus Warehouse.

Kitwe are "of world standard. The engineering companies are investing in new machinery. For example, one recently installed a US\$1.1 million CNC machine," he says.

Other mines in the region are watching the rollout with interest as it will serve as a model for local procurement, says French.







### State-of-the-art staging facility on the Zambia-DRC border

new US\$ 5-million bonded staging facility situated 400 metres from the Zambia-side boom at the Kasumbalesa border post is reducing transit times between the two countries.

This 12 000-sqm warehouse and staging facility is equipped with a 24-metre weighbridge and protected by 24-hour-a-day security, according to Ruud Walgaard of Reload Logistics.

The facility is designed to transfer breakbulk cargo, bagged cargo, copper anodes and blisters between trucks registered in the Democratic Republic of Congo (DRC) and Zambia or other countries in the region.

Road freight in the DRC is de facto carried only by vehicles registered in that country.

With the new facility shippers are given a choice of which ports to use for

With the new facility shippers are given a choice of which ports to use for exports and

exports and imports.

Trucks have been turned around fully loaded with new cargo in an hour and 20 minutes, Walgaard says.

The cargo is stored on site when the arrival of vehicles is not synchronised, or when it needs to be cleared through customs.

Cargo is pre-cleared by Reload Logistics, which provides on-site customs brokerage services.

Hauliers benefit because their equipment is kept on the road rather than waiting for clearance, says Walgaard who with his partner Rubi Sabag have a combined 25 years of experience working on the Zambia-DRC route.

"It is because we understand the route so well that we were able to

identify the need for

the facility at the





## **Swift Freight joins forces with DSV**



the African transport market.
So far we like what we see, and that is why we have taken this step to increase our focus and commitment in Africa even mo

commitment in Africa even more," said Jens Bjorn Andersen, DSV Group CEO, when announcing the purchase.

DSV, which has been represented in the Zambian market for the past 20 years, has its own offices in 75 countries on six continents.

Its African network covers

66

We're now able to offer turnkey deliveries from any origin to any destination for clients in Zambia and the Democratic Republic of Congo.

- Vishal Joshi

South Africa, Mozambique, Zambia, DR Congo, Tanzania, Rwanda, Burundi, Uganda, Kenya, Ethiopia, Nigeria, Ghana, Togo, Morocco and Egypt, according to the company.

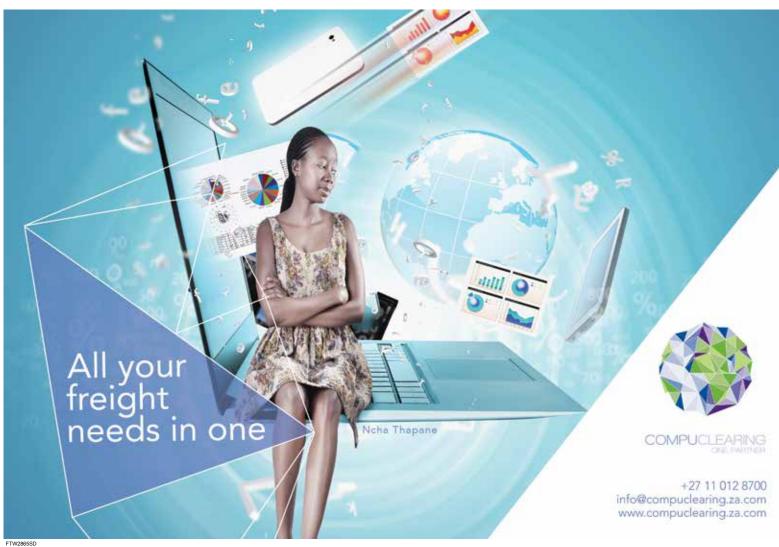
"The formation of DSV Swift gives us the opportunity to help our clients move cargo more efficiently through the rest of Africa and the world," says Joshi.

DSV has specialised road, air and sea divisions.

It handles more than 700 000 TEUs of sea freight and 250 000 tons of air freight a year, according to the company,

New services being offered in the Zambian market through DSV Swift include the handling of project cargo through DSV Solutions.

"DSV Swift is now able to offer turnkey deliveries from any origin to any destination for clients in Zambia and the Democratic Republic of Congo," says Joshi.





### Zambia urged to simplify procedures

he World Bank (WB) has urged Zambia to establish trade blocs with neighbouring countries in order to open up new markets.

Country director for Zambia, Malawi and Zimbabwe, Kundhavi Kadiresan, told a discussion forum organised by the Consumer Unit Trust Society (CUTS) International Zambia that the country had the potential to increase non-traditional exports (NTEs) to neighbouring countries. In order to exploit the opportunities it needs more trade engagements with neighbouring countries.

Zambia has a lot of opportunities to increase NTEs through agricultural products like maize, soya beans and other products which calls for building trading blocs for integration, especially since it is a landlocked country," Kadiresan said.

Zambia is a net exporter of

foods such as maize, pears, grapes and apples.

Between 2008 and 2013 the maize harvested increased by 64%.

The country has been a net exporter of wheat since 2013, while sugar production has doubled from 200 000 tons a year in 2000 to 400 000 tons in 2012, according to the Bureau for Agricultural Policy Baseline Agricultural Outlook study for 2013-2022.

# SA blocks grape imports

Z ambian farmers started supplying table grapes to Sainsbury's in Britain in 2012, but the South African market remains closed – to the growing wrath of Zambian authorities.

Commerce, Trade and Industry Minister Emmanuel Chenda told Parliament in February that the Zambian government was negotiating with South Africa to relax its rules on the export of Zambian products to that country's market.

Accusing South Africa of imposing non-tariff barriers, he said tests by both South African and Zambian laboratories had shown that Zambian table grapes were disease-free.

Chenda said Zambian grapes were being exported to countries across the European Union.



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# **CML** ramps up warehousing capacity

ML is planning to increase its warehouse space on the Zambian Copperbelt to meet a growing demand for bonded storage space, according to Richard Powell, who is based in

This will be in addition to the company's current 1000sqm of bonded warehousing in Ndola and 5000sqm

days.

of general warehousing in Kitwe.

According to Powell, additional bonded space can be added at relatively short notice. "We have a good

relationship with the Zambian Revenue Authority and can have a bond in place within 14 days," he says.

Mining supplies bound for the neighbouring Democratic Republic of Congo (DRC) are being stored in bond in Zambia and released when needed.

"Cargo can be bonded for up to 12 months," he says.



### **Total costs** should dictate choice of ports

otal transport costs should be taken into consideration when selecting a port, says Richard Powell of CML Zambia.

Shippers and cargo owners are sometimes put off by the relatively high road transport costs through Walvis Bay, but these can be offset by the efficiencies in the port and its proximity to European markets.

'Cargo from the United Kingdom can be delivered to the Copperbelt within 30 days of shipping," he says.

Volumes along the corridor to Walvis Bay would be growing faster if the hauliers were more competitive. Other ports serving the region are adding to the choice as they become more efficient.

"Dar es Salaam has improved, and a lot of nitrates are moving through the port," he says.

CML has a network of 14 offices in Zambia, with representation in Beira, Durban, Walvis Bay and Dar es Salaam.

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### Industry welcomes investment in rail

nvestment in rail and other Zambian infrastructure will power the economy through its current challenges, believes Hiten Bhagat, general manager of Hill & Delamain Zambia.

"The economy is expanding. We can see it in the growing volumes of traffic we are handling," he says.

Hill & Delamain Zambia provides full end-to-end sea, air, road and rail services for the movement of cargo into and out of Zambia.

It provides supply chain management for cargo ranging from fast moving consumer goods to bulk chemicals.

Bhagat welcomes the investment by the Zambian government in the rail infrastructure.

The government "is pushing hard on rail," and as a company Hill & Delamain is monitoring developments carefully in order to ensure that it is able to help its clients to take advantage of the revived infrastructure, he says.

"There are still challenges with rolling stock, but we are starting to see the benefits of rail being back on track," he told FTW.

Lower transport costs and greater efficiencies for bulk commodities and containers will support economic growth in Zambia and neighbouring countries, he believes.

Rail is being supported by the upgrading of roads throughout Zambia.

"It is exciting to see the

66

Rail is being supported by the upgrading of roads throughout Zambia.

- HITEN BHAGAT







ambia's growing status as the springboard out of southern Africa was what motivated a "strategic' decision to establish a fleet, according to Mike Koch, a founder shareholder of the Greendoor Logistics Group.

Zambian-registered company and "With exporters no longer being

reliant on

shipping

out of

South

Africa,

# **Zambian company provides** strategic presence

Hauloads gears up for growth



we decided it was strategically important," he told FTW.

The group's Zambian based operation, Hauloads, has found its feet and is expanding, says Koch. Initially a fleet of 20 triaxles was sent to Zambia - but soon sub-contractors had to be brought in to pick up the

> "We are expecting rapid growth in demand not only in Zambia, but also in neighbouring countries such as Mozambique, Tanzania, Angola and Namibia," he said.

> > As the trade patterns shift east-west from the current northsouth routes, Hauloads

is gearing up for this growth. Last month it added 20 Freightliners to its fleet, bringing the total to 40 truck tractor combinations.

Over and above the heavy haulage vehicles, the company runs a fleet of smaller trucks

As the trade patterns shift east-west from the current north-south routes, Hauloads is gearing up for this growth

– Міке Косн

and LDVs, used mainly for distribution within Zambia and for express/emergency loads into the DRC.

Hauloads is supported by "Big Brother" Cargo 2 Congo which specialises in project transport between South Africa and the

At present it is running 140 trucks pulling both superlinks and 15-metre tri-axles. "Hauloads allows us to offer our existing customers a far wider range of transport solutions than ever before," says Gary Hall, who heads up the Cargo 2 Congo operation.

The Group's Ka Go 2 Go fleet, which specialises in consolidated and express cargo from South



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Africa to Zambia, adds a third service within the group.

"There has been steady growth over the last few years with 2014 being no exception," says Ka Go 2 Go managing director, Richard Hall. "To accommodate the increase in volumes we have added a number of superlink and tri-axle taut liners to our fleet over the past six months," he said.

Whitelion Carriers rounds

off the group's list of transport services, focusing on transport to and from Mozambique and more recently into Zimbabwe.

Head of Whitelion, Sandra De Kock, is confident that demand to Mozambique is growing, "The increase in project cargo has been astronomical over the past five years and a lot of these projects have started production now."

The Hauloads operation is

based at the group's Chingola warehousing and distribution centre – Crossloading.

In addition to its warehousing and distribution function, Crossloading runs a full-time workshop and mobile breakdown vehicle which looks after the Hauloads fleet and provides support to Cargo 2 Congo and Ka Go 2 Go vehicles throughout Zambia and the DRC.

### 'Specialist' units provide know-how

The Greendoor Logistics Group has been structured to allow each "individual" company to concentrate on a specific market and become specialists in it while still being able to rely on the others for advice and support if necessary, says founder Mike Koch.

"Although these African markets share a lot of similarities, the group has found that having experts in each area allows them to offer a far superior service to its clients than would otherwise be possible," he says.

The Group has invested heavily in a driver training and wellness programme, which is based at the group's head office in Olifantsfontein.

The training programme is Teta-accredited.

It is also accredited to do defensive driving and dangerous goods training.

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usaka-based Celtic Freight is using information technology to speed up the flow of information to clients.

"We are introducing new systems and procedures to provide a service that is quicker, slicker and faster," says managing director Amish Kuntawala.

He has been upgrading the systems since returning to Lusaka after studying business at the University of Texas.

Now, as managing director (he succeeded his father Yogesh earlier this year), Kuntawala is able to roll out the full vision.

The introduction of the Asycuda World customs system in Zambia has provided further impetus for the introduction of the Celtic Freight client information system.

"Once it is running smoothly it will reduce the time taken to clear cargo through customs," he says.

Information from Asycuda will be captured by the Celtic system and combined with the company's track and trace service to generate live reports of the status of the cargo.

**Celtic leverages IT to speed** up information flow

"Our aim is to make our feedback to our clients better and more efficient. Instead of having to call in and speak to our helpdesk they will be able to check the status online," he says.

The Celtic warehouses in Gauteng, Durban and Lusaka are already geared up for the system, with all cargo being barcoded on entry.

"We even barcode our waybills," he adds.

Celtic is also helping clients to move smaller loads more costeffectively using its fleet of 1.5-. 3- and 6-metre

containers. They can be filled at the client's premises or consolidated in one of the Celtic warehouses.

"Importers don't have to tie up capital by filling a 6m container. They can bring in smaller loads more often," he says.

500 6m containers moving between Durban and Zambia.

We are introducing new systems and procedures to provide a service that is quicker, slicker and faster.

- AMISH KUNTAWALA









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# Trucking company roars into life

With the support of Iveco's

are able to provide services

network of workshops we

to the whole Southern

African Development

Community.

- DEON CATO

Relative newcomer to the Zambian trucking sector, Alliance Stream is set to grow and consoidate its market share through the purchase of 50 new Iveco truck

"With the support of Iveco's network of workshops we are able to provide services to the whole Southern African Development Community," Alliance Stream director Deon Cato told FTW.

tractors.

The company was initially established in Zambia as both a trucking and warehousing operation.

However it has decided to focus

its resources on trucking and has outsourced the management of the Alliance Stream warehouses in Ndola.

Reliability is a cornerstone of

the business, says Cato, with carefully chosen drivers and investment in reliable equipment playing an important role.

"Drivers are selected through a meticulous screening process, which

includes testing of their skills," said Cato.

"Before being put behind the wheel, they are given specific training by Iveco SA, as well as training related to the transport



of hazardous cargo. They are treated as professionals and are assigned their own trucks with their names on the door.

"We also pay top wages. And as a result our driver turnover is very low and we have had only one serious accident in two years," he said.

Keeping trucks and trailers roadworthy is also top priority as is a strict no-overloading policy. "We load only up to the legal and design limit," he added.



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# Zambian shipper tunes into benefits of Walvis Bay route

**Liesl Venter** 

amibia is gradually making inroads as more and more cargo owners realise the benefits of an alternative trade route for southern Africa, says Johny Smith, CEO of the Walvis Bay Corridor Group (WBCG).

He said it had been a long road convincing industry – especially in South Africa – of the viability of the Walvis Bay corridor and the Port of Walvis Bay.

"Our biggest challenge has been in changing the mindset of people. We are now starting to see people giving it a go," he said, citing one example where it took three years to convince a customer to use the Port of Walvis Bay for his cargo to Zambia.

"He finally decided to give it a go and has seen major benefits as it has cut down his cargo movement by fourteen days between Europe and Lusaka. The biggest benefit for him is simply that he has better cash flow as his cargo is moving faster," said Smith. "We were convinced of the benefits of Walvis Bay as an alternative trade route from the start – hence our investment in the corridor and the ports, but

convincing the industry at large has been exceptionally challenging."

Despite this the corridors between Namibia and its neighbours, South Africa, Botswana and Angola, have seen fundamental growth in recent years.

The country has also undertaken to create dry ports for landlocked countries such as Botswana and Zambia as added incentives for cargo owners to use Walvis Bay.

"Major investment into transport and logistics infrastructure continues as the country puts in

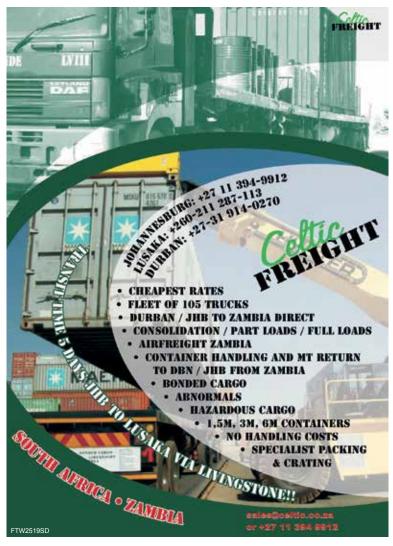
A Zambian shipper has seen major benefits in using Walvis Bay as it has cut down his cargo movement by fourteen days between Europe and Lusaka.

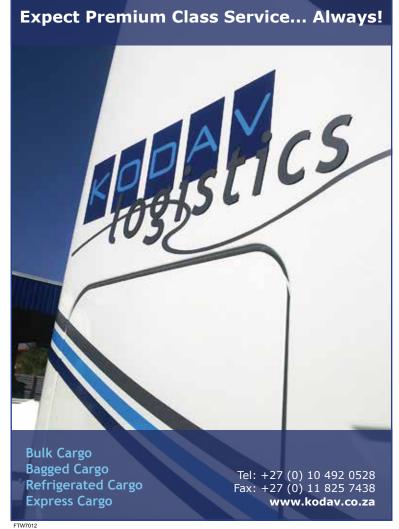
– Іониу Ѕмітн

motion its plan to be a logistics hub in southern Africa by 2025," said

> "Our strategic plan has been to ensure regional integration. We believe we can grow trade within the region significantly and offer a viable, wellconnected entrance into southern Africa for traders."

> > He said while shipping lines calling at Walvis Bay did not necessarily offer the variety of other ports currently in the region, this was a changing landscape as well.





### Providing an end-to-end logistics chain

reight patterns between the Democratic Republic of Congo (DRC) and Zambia show the strong inter-dependence of the economies of these neighbouring countries savs Ronaldo Chilembo

Logistics. Zambia serves as the conduit for the bulk of DRC

exports.

of NIK International

In return mining equipment, chemicals, fuel and other inputs travel through Zambia into the DRC.

Zambia also provides food staples such as rice and maize meal to the DRC Copperbelt.

Founded in 2004 in the DRC, NIK has grown into a regional company with offices in South Africa, Zimbabwe, Zambia and the DRC.

"Our objective has been to create a logistics chain from the DRC to South Africa which we control from end to end. This means that clients do not have to worry about

their freight being handled by a third party. "Given that duty rates, customs clearance, and entry processes vary from country to country,

critical. ʻNIK International has the network and the staff to handle these

expert local

knowledge is

Services provided by NIK include clearing and forwarding, SADC certificates of origin, the movement of cargo in bond, consolidation and transport.

challenges," he says.

#### J&J set to expand in Zambia

We are seeing an increase

confidence in the corridor

in copper movement via

Beira port as exporters'

B eira-based transport group J&J Africa is investing in Zambia as road transport continues to provide the logistics backbone for economic growth.

"Zambia has one of the fastest-

growing economies in the region and we see great potential," says Karel Mare, general manager J&J Transport Zambia.

- Karel Mare The Zambian company services Zimbabwe. Mozambique and Democratic Republic of Congo, transporting containers for all major shipping lines.

grows.

A wide range of cargo is moving on the route, including fast moving consumer goods, steel, manganese, timber,

tobacco, sugar and fertiliser.

'We are also seeing an increase in copper movement via Beira port, as exporters' confidence in the corridor grows" he says.

The Beira corridor is the

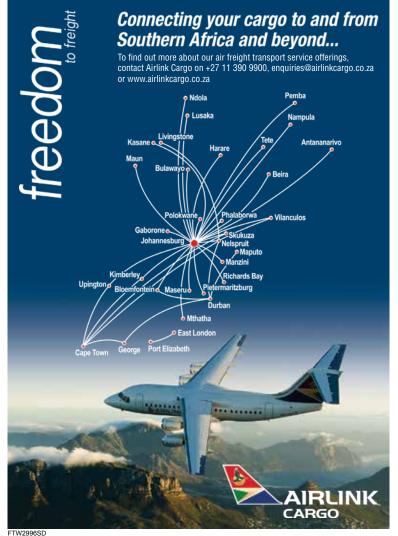
shortest landside route to a port for Zambian shippers, he added.

"There is a fast turnaround of containers, with an average dwell time of between

four and five days on the road transport leg.'

J&J carries both containers and breakbulk, which can be stored and packed in the group's Beira warehouses.

The planned investments in Zambia will support the group's growth in the region.





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# BidAir Cargo connects with Proflight

ndependent Cargo GSA BidAir Cargo has been contracted by Proflight of Zambia to handle all the private airline's cargo-related matters as part of a drive by BidAir – which has a

66



Other than the Zambian domestic routes BidAir, in conjunction with other airline partners such as Ethiopian Airlines, SA Airlink and Fastjet, is able to move cargo between Zambia and any destination in the world.

- VINCENT BANDA

comprehensive cargo network in Southern and Eastern Africa – to put more cargo into the air.

"Shippers within Zambia continue to use road freight despite the challenges and unreliability that come with it," says Vincent Banda, director Africa at BidAir Cargo.

"Our goal is to change this trendto sensitise shippers to use air freight, which is efficient, reliable and fast," he said.

Proflight serves all the main domestic airports in Zambia. BidAir Cargo has sales and administration offices in Ndola, Livingstone and Lusaka.

The introduction of a Boeing 737 on the Lusaka to Livingstone and Ndola routes in May 2013 increased the airline's internal freight capacity, said Banda. Proflight is the only airline

providing scheduled services within Zambia.

BidAir Cargo, through its airfreight airline partner FastJet, now also connects Zambia to Dar es Salaam and the rest of its East Africa network.

"We saw the need to work with airlines to promote and grow the airfreight market in the country while the airline remains focused on its core business – passenger service.

"Other than the Zambian domestic routes BidAir, in conjunction with other airline partners such as Ethiopian Airlines, SA Airlink and Fastjet, is able to move cargo between Zambia and any destination in the world," adds Banda.

Our clients include freight forwarders, courier companies and individual shippers.

# Moving up in economic freedom league

A chieving its highest economic freedom score since 2001, Zambia has rejoined the ranks of the "moderately free" in the 2014 Index of Economic Freedom published by the Heritage Foundation in partnership with the Wall Street Journal.

The country scored 60.4 in the 2014 Index, making it the 88th freest country economically, according to the index.

The rating is 1.7 points higher than in 2013 due to notable improvements in five of the 10 economic freedoms including business freedom, investment freedom, and the management of public spending.

Zambia is ranked 9th out of 46 countries in the Sub-Saharan Africa region, and its overall score is just above the world average.

Over the 20-year history of the Index, Zambia has advanced its economic freedom score by over five points.









### ZamRail plans access to all major ports

**Z**amRail's medium to long-term plans will see the country linked to Walvis Bay and Nacala by rail.

"We want to provide access by rail to all the major ports," says Zambia Railways (ZamRail) director of operations Godfrey Chibunde. Zambia is working with the governments of Botswana and Namibia to provide a link from Livingstone through to Walvis Bay.

The plan requires the extension of the Namibian rail line from Tsumeb or Grootfontein. Another ambitious plan is to link Mpika on the Tazara rail line to Chipata on the Malawi border.

Rail services between Chipata and Nacala have recently been reintroduced.

Discussions have also started

on redeveloping the rail corridor through to the Angolan port of Lobito.

"We need to open up as many connections to the ports as possible in line with our corporate strategic plan," says Chibunde.



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# The logistics of keeping vehicles on the road

Motor dealerships rely on flexible logistics systems

#### **Ed Richardson**

otor dealerships in Zambia need to have reliable and flexible logistics systems in place to ensure that they can keep their customers' cars and trucks on the road.

Zambia's exclusive Ford distributor is Vehicle Centre Zambia, which is based in Lusaka, and also has branches in Kitwe and Livingstone. It provides support across the rest of the country from the Lusaka and Kitwe outlets.

The company leverages the logistics capabilities of the French CFAO Group, and in particular its storage platforms in Europe, to ensure availability and short delivery lead times for vehicles and spare parts, according to sales and marketing manager George Roberts.

CFAO Automotive has 50 subsidiaries across Africa. supporting a range of brands.

Vehicle Centre Zambia started selling Ford and UD trucks in June 2013.

Roberts says the distance from suppliers of vehicles and parts in South Africa and elsewhere around the world means that the company has to hold more stock than dealerships in South Africa.

Most dealers in South Africa are no more than a day's road freight away from the main warehouses, and there are no border delays to cope with.

"Our policy with spares is that if we sell two of an item a year we will hold it in stock. This means we hold 10 times as many parts as South African dealers," he says.

There is careful management of the stock in order to control costs.

'We count the parts on a daily basis to ensure that we only order to replace what has been sold," he says.

Orders are consolidated to make up consignments which come

mainly from South Africa, and take three to four days to arrive from loading.

"We generally order on a weekly basis," he says.

Urgent parts are airfreighted into the country.

Loads of vehicles are imported weekly, and are kept in bond until sold in order to manage cash flow. According to Roberts,

gaining traction in Zambia, with the highly successful



The distance from suppliers of vehicles and parts means that the company has to hold more stock than dealerships in South Africa.

- GEORGE ROBERTS

Ford Ranger one ton bakkie helping to drive awareness and

Economic growth in the west and other parts of the country is also creating opportunities for the opening of new branches.



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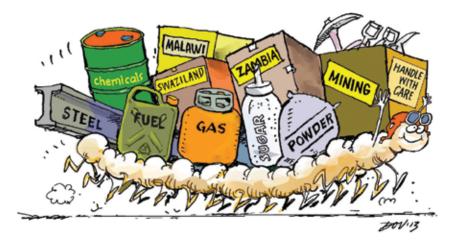
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