

# Tradelanes

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# Tradelanes

Africans number roughly one billion today but will be 2.4 billion by 2050 with a workforce exceeding 1.5 billion people. These figures point to a massive transformation, especially in Sub-Saharan Africa, where the bulk of investment in Africa is targeted. As Geoffrey White, Agility CEO for Africa, says: "For the first time, the world needs Africa more than Africa needs the world."

In this edition of *Tradelanes*, we provide an overview of the development underway across the Sub-Saharan region. The 48 countries of Sub-Saharan Africa are racing to shift from commodity and mineral-based economies to more diversified economies with vibrant consumer and service sectors. Many of the world's leading banks, manufacturers and brands are placing sizeable bets on Africa's future. To fulfill this potential requires a massive expansion in the continent's "connectivity": new logistics infrastructure (ports, airports, roads, distribution centers, and streamlined customs procedures and tariffs), and a quantum leap in sources of energy through the exploitation of oil and gas, solar, wind and hydro generation.

This is where Agility's experience in frontier markets and its fast-expanding African network comes into play, providing the local knowledge and building the supply chains essential to manage big projects and introduce new brands to African consumers.

Sources quoted in this edition of *Tradelanes* include World Bank, Voice of America, United Nations, Forbes, PriceWaterhouseCoopers, African Development Bank, and Ernst & Young.



*Africa's time is now. For the first time, growth is anchored in solid economic fundamentals.*



# Connecting Africa

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Africa, no longer stalled on the cusp of change, is in the midst of a historic transformation that is remaking the continent and the globe.

Africa's population growth will lead the world for the next 50 years, making it the fastest-growing consumer market. In Sub-Saharan Africa, huge new oil and gas discoveries in Kenya, Mozambique, Nigeria, Angola and Tanzania can make the region a potential energy powerhouse. With up to 60% of the globe's unplanted arable land, Africa is developing the potential to feed itself and become an agricultural export giant. And by 2060, it will have the world's largest workforce, a pool of low-cost labor that will help it industrialize and plug into the global value chain at last.

"For the first time, the world needs Africa more than Africa needs the world," says Geoffrey White, CEO of Agility Africa.



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world.**

What Africa lacks is connectivity. The race is on to link rural and urban, landlocked and coastal, east and west, north and south – Africa markets to world markets. "Africa is the least integrated continent in the world," says Ibrahim Mayaki, chief executive officer of the New Partnership for Africa's Development.

#### **Power Deficit**

Deficient infrastructure – power, transportation, water, sanitation and other basics – depresses private-sector productivity by 40%, the World Bank says.

Most problematic is energy supply. The World Bank says the 48 countries of Sub-Saharan Africa – with a population ▶





Africa contains 60% of the world's unused arable land. Africa's sources of growth are discussed on page 10 by Geoffrey White, CEO of Agility Africa and a expert commentator about Africa on radio and TV.

of 800 million – generate the same amount of power as Spain, a country of 45 million. Thirty of those countries experience chronic power outages.

Household electrification stands at 43%, leaving 600 million people and 10 million small and medium-sized businesses in the dark. The average cost of electricity in Africa is three times as high as in the United States and Europe, despite its vast reserves of coal, oil and natural gas and its unmatched capacity for hydropower, geothermal, wind and solar generation.

Power demand is forecast to increase more than 90% by 2035. "There are any number of large, well-funded projects

in the works, but most won't come on line soon," White says. "Everything else is dependent on the ability to boost supply, expand grids, improve reliability, lower prices and find alternatives for people, farms and businesses off the grid."

### Ending Isolation

Elsewhere in the world, two-thirds of rural residents are within two kilometers of a paved or all-season road. In Africa, only one-third of people in the countryside live that close to a decent road. Fifty-four years after its independence, the Democratic Republic of Congo, Africa's second-largest country, still has no roads connecting one end of the country to the other.

Roads carry more than 80% of African goods and 90% of passengers. Lack of paved surfaces makes transport of commercial goods and people difficult, expensive and dangerous (Africa accounts for one-fifth of the world's road fatalities). Vehicle overloading is common, and high transport costs add up to 75% to the cost of African goods. The dearth of good roads is "isolating people from basic

*FACING PAGE: As electricity coverage increases and industrialization takes place, power demand is expected to increase 93% between today and 2035. Only 10% of Sub-Saharan Africa's hydropower potential has so far been harnessed.*

*BELOW LEFT: Rail is vital to the efficient movement of bulk commodities, minerals and farm output. It remains to be seen whether this neglected sector will receive the investment it needs.*

*BELOW: Massive road projects are underway across Africa to provide much needed connectivity. Eighty-percent of African goods are carried by road. Here a truck approaches the Zimbabwe-Zambia border post.*



education, health services, transport corridors, trade hubs and economic opportunities," says the African Development Bank (AfDB).

Massive, ambitious road projects are underway across Africa. One seeks to upgrade and connect nine existing highways that would link Cairo, Egypt and Dakar, Senegal. Another would connect West African countries Ivory Coast, Burkina Faso and Mali.

Even less developed is Africa's rail network, vital to movement of bulk commodities such as the farm goods, minerals and other products at the heart of the continent's economy. Most rail lines date to colonial days, and 13 Sub-Saharan countries have no railway.

Air transport remains expensive by international standards. African countries have not made good on promises to deregulate. Consequently, intra-African connections are limited, airspace is overly restricted, fares are high, and safety issues persist.

Improvements in air connections would quickly make African perishables – vegetables, fruit, meat, fish – staples in homes and restaurants of Europe and Middle East and provide Africa with much-needed foreign exchange.

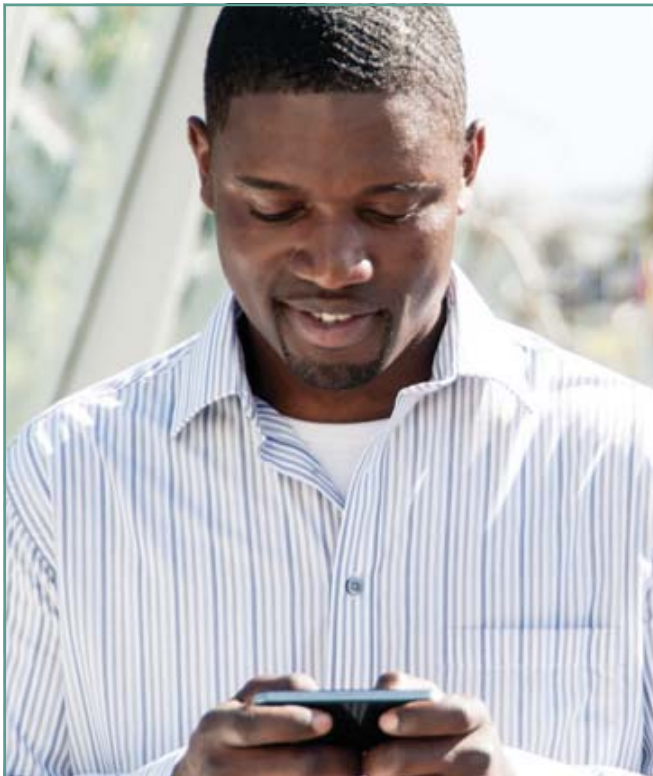
Durban, Dar Es Salaam, Mombasa, Djibouti and Abidjan are vying to become dominant sea ports, but Africa's 64 ports are "badly in need of investment and regulatory reforms to remove the bottlenecks and chronic congestion problems," the AfDB says. Port costs, 50% higher than in other parts of the world, need to come down to cut the cost of production and contribute to growth.

"Transportation corridors create trade routes and urban clusters large enough for consumer companies to target,"

*Household electrification stands at 43%, leaving 600 million people and 10 million small and medium-sized businesses in the dark*

says Essa Al-Saleh, CEO of Agility GIL. "Underinvestment in African infrastructure has spillover effects that take time to reverse. Investment is pouring in now, so you are starting to see some of these big gaps in the supply chain get filled." ►





Mobile telecoms have grown faster in Africa than anywhere in the world. For this and other innovative applications of technology, see page 17.

Connected, At Last

The connectivity provided by the mobile telecommunications revolution has been transformative for Africa, the world’s fastest-growing and second-largest mobile market. There are eight mobile subscriptions for every 10 people – 760

**AFRICA FACTS**

- Africa’s population of 936 million could be 2.4 billion by 2050. Workforce of 617 million today is expected to grow to 1.6 billion by 2060.
- Gross National Income per person at \$1,615 in Sub-Saharan Africa is marginally ahead of South Asia’s \$1,474 but a long way behind the world average of \$10,566.
- 37% of Africans live in cities today; 50% are expected to live in urban areas by 2030
- African GDP growth is estimated at 4.6% in 2014 and is projected to grow to 5.2% in 2015-2016.

subscriptions in all – up from just 15 million in 2000. (Household access to mobile phone services is double the access to piped water.)

Kenya’s M-Pesa and other carriers have turned phones into tools for payment, essentially giving millions of “unbanked” people a bank. Mobile phones also are the way most Africans access the Internet, where broadband coverage is otherwise low (16%).

Information previously unavailable – especially outside of cities – is now at the fingertips: education, professional training, remote medical diagnosis and treatment, weather updates, crop reports, and market pricing.

IT incubators and development hubs have sprung up across Africa, producing software and African mobile applications. Kenya is building a massive technology city, Konza City, in hopes it can be Africa’s answer to the Silicon Valley in the United States.

The Coming ‘Green Revolution’

Dependent on international food aid for so long, Africa is slowly gaining the ability to feed itself and could eventually supply food for Europe, the Middle East and parts of Asia.

Nearly 230 million Africans work the land but most remain subsistence farmers rather than growing crops and raising livestock commercially. Total yields are increasing, but that’s mainly because more land is under cultivation. Modern techniques are not in practice: water storage, use of machinery, improved planting methods, soil conservation, fertilizer, high-quality seed, irrigation, and animal husbandry.

Post-harvest crop losses are an estimated 40% because of bad storage and processing or because inadequate road and rail access cuts growers off from markets.

Sub-Saharan Africa has abundant water, including Lake Victoria and four of the world’s longest rivers (Nile, Congo, Zambezi, Niger). Irrigation could boost crop yields by 50%. Today, less than 5% of Africa’s cultivated acreage is irrigation-equipped, but that area accounts for 20% of the value of agricultural production.

“Urbanization will drive a green revolution in Africa,” White says. “Demand from the cities is pushing growers and commercial agriculture providers to modernize and boost output.”

**Money, Knowledge Pour In**

The private sector in Africa has become the largest driver of growth and jobs, surpassing the public sector, aid and remittances. Africa’s share of global trade is up, but only ►



*In 2013, foreign direct investment (FDI) fell in every region except Africa and Latin America. Only North America ranks ahead of Africa in terms of attractiveness*

**MEGA CITIES**

Fifty-two African cities now have populations of 1 million or more, the same number as Europe. Several, such as Dar es Salaam and Kinshasa, are among the fastest-growing cities in the world.

City	Country	Population (millions)	
		2015	2025
Lagos	Nigeria	12.4	15.8
Kinshasa	DR Congo	10.7	15
Luanda	Angola	6	8
Abidjan	Ivory Coast	4.8	6.3
Nairobi	Kenya	4.3	6.2
Dar es Salaam	Tanzania	4.2	6.2
Kano	Nigeria	3.9	5.1
Johannesburg	S. Africa	3.9	4.1
Cape Town	S. Africa	3.6	3.8
Addis Ababa	Ethiopia	3.4	4.8
Dakar	Senegal	3.4	4.3
Ekurhuleni	S. Africa	3.4	3.6
Ibadan	Nigeria	3.3	4.2
Durban	S. Africa	3	3.2
Accra	Ghana	2.8	3.5
Douala	Cameroon	2.5	3.1

Source: United Nations Human Settlements Programme (UN Habitat)





*Mombasa is vying to become one of the dominant east coast ports; but with port costs in Africa 50% higher than the rest of the world, investment and efficiency are essential to stimulate trade. Elsewhere, efficient ports unload and move containers out of port in two or three days. In Sub-Saharan Africa the average is 14 days.*

to a miniscule 3.1%. Intra-African trade – another measure of connectivity – is only 11% of total African trade.

“African countries are losing out on billions of dollars in potential trade every year because of a fragmented regional market and because cross-border production networks that have spurred economic dynamism in other regions, especially in East Asia, have yet to materialize,” says the AfDB.

Investors and multi-nationals see that fragmentation giving way rapidly to integration. South Africa’s Shoprite supermarket chain is building 47 new outlets across the continent. Other South African powerhouses such as Standard Bank, Coca-Cola Sabco, MTN, Nando’s and Tiger

Brands are pushing into new markets too. Meantime, Nigeria’s giant Dangote Cement is investing in Zambia, Cameroon, South Africa and Tanzania.

In 2013, foreign direct investment (FDI) fell in every region except Africa and Latin America. Only North America ranks ahead of Africa in terms of attractiveness, according to a 2014 Ernst & Young investor survey. South Africa, Ghana, Nigeria, Kenya, Mozambique, Tanzania and Uganda have drawn the most interest.

For four decades, mining and fuel have accounted for over half of Africa’s exports, compared with 10% in Asian and advanced economies. Even in countries with mineral and energy wealth, there is a strong desire to diversify by expanding consumer sectors and lessening reliance on commodities. Extractive-sector FDI was the lowest ever as a share in 2013 as investors put money into African technology, media, mobile telecoms, retail, consumer products, financial services and infrastructure.

## FOREIGN INVESTMENT

Foreign direct investment in Africa rose to an estimated \$50 billion in 2012, from \$15 billion in 2002. Top 10 sectors ranked by number of projects (2003-2012)

- |                                   |                            |
|-----------------------------------|----------------------------|
| ● Financial services – 958        | ● Software & IT – 356      |
| ● Business services – 469         | ● Food and tobacco – 313   |
| ● Coal, oil and natural gas – 461 | ● Hotels and tourism – 240 |
| ● Metals – 419                    | ● Automotive & OEM – 198   |
| ● Communications – 407            | ● Transportation – 197     |

Sources: fDi; Ernst & Young

Banks from China, India and Europe are investing, along with Japanese automakers. Walmart, Nokia, H&M, and Ericsson, Microsoft, Intel, Primark, Tata, Huajian, Airtel, and IBM also have made big Africa bets.

If anything, investment is outpacing the development of fresh talent. Ernst & Young says multi-national and regional companies rely too much on expatriates and are looking to find skilled workers in other African countries or the returning African diaspora. “The war for talent in Africa is just beginning,” the firm says. “Organizations in Sub-Saharan Africa are currently weak in those talent-management skills they deem to be a high priority.”

## Governance Improving

Bureaucracy and corruption remain stubborn foes.

Nearly one in two people reported having paid a bribe in the past 12 months when interacting with public institutions and services, according to the AfDB.

Even so, governance is clearly improving. Twenty Sub-Saharan countries are considered democracies versus just four in 1991. Botswana and Cape Verde score respectably in Transparency International’s Corruption Perception Index, ranking alongside more developed nations.

Across Sub-Saharan Africa, the costs of a business start-up have fallen by more than two-thirds over the past seven years and the time required for business starts has fallen by half. “New property registration programs, improvements to trading across borders, simplified tax processes, improved solvency framework, and strengthened investor protections have contributed to growth,” says the AfDB.

The tiny Indian Ocean island of Mauritius has become a business showcase, rising to No. 19 in the World Bank’s

Doing Business indicators. Rwanda gets credit for adopting global best practices such as one-stop construction permits, ease-of-credit reforms and simplified tax payment. Zambia and Zimbabwe created Africa’s first one-stop border post, shortening wait times for trucks from three days to same-day and for passengers from three hours to 30 minutes. Ghana is working to create a cross-sector online business directory to match SMEs with investors and suppliers.

## No ‘False Dawn’ This Time

Since 2000, African GDP has risen 5% a year, and real income per capital has grown 2.1% a year. The percentage of people living in poverty has fallen slowly but steadily since 1981, leading economists and others to believe that Africa will remain on the rise.

The World Bank says 27 African countries are now “middle income,” and another 13 will be middle income in 10 years. The IMF says 11 of the world’s 20 fastest-growing economies will be African through 2017.

Within a generation, Ernst & Young says, “the likes of Nigeria, Ghana, Angola, Egypt, Kenya, Ethiopia and South Africa will be considered among the growth powerhouses of the global economy.” ■

*There is a strong desire to diversify by expanding consumer sectors and lessening reliance on commodities*



Agility and its employees around the world are making a difference in education, health and the environment in Africa, see page 35.



# Africa's time is now

Q&A with Geoffrey White



**G**eoFFrey White is CEO of Agility Africa and a frequent commentator on Africa on the BBC, CNN and CNBC, and in public forums such as the World Economic Forum, CCA and Chatham House.

**Q: "Africa rising" is a recurring theme. How can we be sure this isn't another false dawn?**

I am a firm believer that Africa's time is now. This is an emerging market where, for the first time, growth is underwritten by solid economic fundamentals. The economics of Africa have subtly, but very significantly, altered. Historically, Africa was of little importance to the world, but this has recently changed as the world becomes increasingly dependent on Africa for agricultural output and as a source of energy. Today, as never before, Africa has become increasingly important to the global economy, holding an estimated 15%+ of the world's energy resources and 60% of the world's unused arable land. Africa is attracting increasing FDI for development of its energy and agricultural resources. This in turn creates and stimulates jobs and prosperity. A recent report by Deloitte noted that Africa's economy is expected to grow by 50 per cent in the next five years to \$3.7 trillion by 2019, driven by an expanding middle class that is spearheading rapid urbanization. According to the World Bank, more than half of African countries will be middle income and 30% of Africans will be middle class by 2050, with a forecasted consumer

expenditure of \$2.6 trillion. With a population of 2 billion by 2050, that is a market global manufacturers ignore at their peril.

**Q: What's most striking in terms of how today's Africa differs from a decade ago?**

Improved governance, better education and health, greater democracy, wider access to capital – these are all significant drivers of progress. But, to me, the most fundamental change in Africa in the last decade is that everyone now has a cellphone. The arrival of 750 million new cellphone users (twice as many as in the USA) has fundamentally changed society. Cellphones have delivered connectivity, access to information, knowledge and commerce to even the remotest parts of Africa and that, in turn, has directly driven economic growth, transparency, accountability, and progress. Africa has leapfrogged many developed countries in the use of cellphones for commerce, banking and market information. Growing access to the Internet is having an even greater impact on growth, especially when you consider that half the population is under the age of 25 and the median age is 20. The adoption and increasing spread of an Internet-accessible generation is potentially another massive step forward for Africa because the number of Africans under age 18 could swell to almost a billion by 2050.

**Q: In basic terms, what will it take to "connect" Africa – to integrate its markets with one another and connect them to the world?**

This is one of Africa's biggest challenges. There is a substantial shortage of infrastructure and power to support growth and development. Without both, the rate of economic development is stifled. There is a growing private sector investment in these critical areas and organizations such as the African Development Bank (AfDB), the Africa Finance Corporation and the International Finance Corporation, as well as the Chinese are investing heavily in building capacity. In 2012, for instance, FDI for infrastructure projects grew by 14% to

*Africans are very entrepreneurial. There are great examples of SMEs in every country you visit*

reach \$47 billion. This is still short of the \$93 billion the AfDB and the World Bank estimate needs to be spent annually until 2020 to close Africa's infrastructure deficit.

**Q: The African economy seems two-dimensional. Africa sells commodities such as energy, minerals and agricultural products, and buys western consumer goods and technology. What's the outlook for manufacturing? Knowledge-**



**ABOVE:** a new FPSO (floating production storage off-take) vessel is under construction to service Ghana's offshore oil sector. Operated by Tullow, the vessel will launch in 2016 and be capable of producing 80,000 barrels of crude per day and storing 1.7 million barrels. For information about Agility's Oil & Gas services in Africa see page 33.  
**BELOW:** Kenya's capital Nairobi, one of the economic standouts and cities on the east coast.

**based industries? Other things farther up the value chain?**

Africans are very entrepreneurial. There are great examples of SMEs in every country you visit. As the infrastructure and power available across the continent develops, businesses are thriving. Intra-Africa trade is currently only 11%, very low in comparison with developed countries. Globally, trends show that manufacturers are moving closer to their markets, and as the continent develops I believe manufacturers will increasingly locate in Africa for assembly and OEM. As economic prosperity develops, a whole new service industry is yet to emerge in Africa, which will create further jobs and expansion.

**Q: What countries are making strides that impress you?**

Many are progressing, but those that stand out are Ghana, Angola, Cote D'Ivoire and Senegal on the west coast, and Mozambique, Kenya and Tanzania on the east. Nigeria remains a huge market in its own right with 185

million people, and it is finally showing some real signs of economic progress.

**Q: What's the biggest mistake foreign companies are making in Africa?**

Africa is open for business. Those who are engaging and committing to the continent and investing in long-term sustainable businesses are already profiting and succeeding. The winners will be the first movers, those who commit early. It is a very different market from the mature western economies. The commercial focus isn't on stealing 1% market share from your competitors, but rather scaling up to have the capacity to meet the burgeoning demand. There are very



few established pan-African brands, so it's a marketing director's dream opportunity! The perception by those who aren't engaged with the continent is probably ten years behind reality on the ground. Those prepared to spend the time and resources to understand the reality of the opportunity will make significant strides forward.

**Q: Some consumer companies manage African distribution through Dubai. Others are trying to work it through regional hubs such as Nairobi and Johannesburg. What makes the most sense?**

Interestingly, all of them have individual attractions and logic. The reality is that Africa, excluding South Africa, is so underserved from a logistics perspective that any international standard integrated logistics solution finds a warm welcome and a willing market. Dubai is seeing very strong growth as a "gateway to Africa," a hub for both administration and logistics. This is primarily due to Emirates Airlines, which now provides an unparalleled ►



*This is a frontier, emerging market, with all the development challenges and growing pains that a young continent brings*

service to the major cities of Africa from Dubai, making it the center of choice for meetings, banking, trade and commerce.

**Q: Most of the risks in Africa are well publicized. Corruption, instability, poor physical and IT infrastructure, lack of policy-making capacity, a shallow pool of skilled labor. How real are the risks, in your view?**

Africa is a frontier, emerging market, with all the development challenges and growing pains that a young continent brings. The encouraging thing is that progress is being made

*"Emirates Airlines has developed an unmatched range of services from Dubai to major cities of Sub-Saharan Africa." See page 21 for more about Africa's ties with the Gulf.*



and the commercial environment is improving. There is a very noticeable new generation of well-qualified African human resources professionals emanating from schools and universities who are extremely capable. This new generation will be a stimulus for further steps forward in governance, responsible business and social and economic development.

**Q: What can you tell us about Agility's approach to Africa?**

Agility has vast experience of operating to international standards in emerging markets, so it has perfect synergy with Africa and its requirements. Agility Africa is focused on building long-term sustainable business that supports the growth and development of Africa and has implemented a plan to develop a network of Agility Distribution Parks (ADPs) across the continent to meet the demands and serve our existing and new customers as they enter the African market and expand across the continent. These will be international standard logistics parks, providing warehousing facilities and services and acting as a solid, secure and reliable platform from which businesses can safely and smoothly operate within the African market. They will also provide a route to export African products to the rest of the world. There is an ADP under development in Accra in Ghana and another in Busia, Uganda. In 2015, we will see further ADPs being developed in both East and West Africa. All of Agility's Group companies, including GIL, Tristar, NAS, GCC Services, RED, DGS and ICS will be able to use Agility Africa and the increasing Agility brand awareness and presence on the ground to increase their footprint in Africa and pursue new opportunities in this rapidly developing market. ■

# Mega projects

A

frica is in the midst of an unparalleled construction boom. A look at some of its biggest, most ambitious projects.

**Great Inga Dam** (\$80 billion) – With 40,000MW capacity, the Democratic Republic of Congo's Great Inga will be the largest dam in the world, doubling production of China's Three Gorges Dam. First phase is expected to provide over 4,500MW of electricity with a cost of \$12 billion. Once complete, Inga will be able to provide over 500 million Africans with energy.

■ **Konza City** (\$14.5 billion) – Located southeast of Nairobi, the "African Silicon Savannah" is Kenya's answer to the United States' Silicon Valley. The technology and financial mega city, expected to be completed in early 2018, will include a business district, a science park, residential apartments, hotels and malls, and a university. It is expected to attract over 100,000 jobs.

■ **Mombasa-Kigali-Nairobi Rail Project** – (\$13.5 billion) – The project seeks to link Kenya, Uganda and Rwanda, covering an estimated 3,000 kilometers and dropping barriers to regional trade and import and export costs for landlocked Uganda and Rwanda.

■ **Great Ethiopian Renaissance Dam** (\$4.8 billion) – Despite tension between Egypt, Ethiopia and Sudan over use of the Nile, the dam is to generate 6,000MW of energy and provide Egypt and Sudan with electricity. It will create over 12,000 direct and indirect jobs. It is expected to be completed in 2017. ▶

*Lake Turkana in Kenya will be the site of the largest wind farm in Africa and Kenya's largest single private investment.*

Many of the world's biggest construction projects are now in Africa.



## SQUARE KILOMETER ARRAY TELESCOPE

The Square Kilometer Array (SKA) will be the world's biggest radio telescope and will be developed in South Africa, where the view of the Milky Way Galaxy is best and radio interference least. It is a global project with 10 member countries and aims to provide answers to fundamental questions about the origin and evolution of the universe. Construction is scheduled to begin in 2016 for initial observations by 2019 and full operation by 2024. It will require high performance central computing engines and long-haul links with a capacity greater than the current global Internet traffic. Thus a related development is the plan to have 13,125 km of fiber-optic cable refurbished and strengthened across South Africa by 2020. The expected cost of the SKA is \$2 billion.



■ **Eko Light Rail Project** (\$1.2 billion) – Built by a Chinese construction giant, the Blue Line rail project aims to decongest traffic in Lagos, Nigeria's commercial hub. The line will move commuters from Marina – a densely populated business district – to Okokomaiko, with 13 stops in-between, providing workers with an easier alternative to the hectic traffic faced daily on roads.

■ **Eko Atlantic City** (\$6 billion) – This development in Lagos, Nigeria is a joint venture between Lagos State

government and South Energyx. It is expected to occupy 10 square kilometers of land reclaimed from the Atlantic Ocean and will contain financial institutions, commercial and retail, residential and tourist accommodations with state-of-the-art high-tech infrastructure.

■ **North South Corridor** – NSC is a series of inter-related projects that address road, rail, port, air transport infrastructure; border posts and energy interconnectors. It includes a corridor linking the Port of Dar es Salaam in

## Mega projects

Tanzania with the Copperbelt in Zambia and Democratic Republic of Congo; and another link is via the Copperbelt to the Port of Durban in South Africa. It spans eight countries and entails improvements to 8,650 km of roads (outside S. Africa) and 600 km of rail tracks. There are 157 identified projects, including 59 road projects, 38 rail projects and six bridge projects. Ultimate goal: a 7,300 km trans-African highway from Cape Town to Cairo.

■ **Lake Turkana Wind Power** (\$600 million to \$700 million) – Africa's largest wind farm, under development since 2005, will provide 300MW of clean power to Kenya's national electricity grid. It will be the largest single private investment in Kenya's history. The wind farm covers 40,000 acres in northeast Kenya and will contain 365 wind turbines, a grid collection system and a high voltage substation.

■ **Mmamabula-Walvis Bay Trans-Kalahari Rail Line** (\$9 billion) – The rail line, to be known as the Trans-Kalahari Railway, will run 1,500 km from the landlocked Botswana's Mmamabula coal field to the port of Walvis Bay in Namibia.

■ **DESERTEC** (\$400 billion) – This project is intended to harness solar power from the Sahara and pipe it through a Mediterranean super-grid to energy-hungry Europe. DESERTEC includes a consortium of European and MENA companies. Under its proposal, concentrating solar power systems, photovoltaic systems and wind parks would be spread over the desert in northern Africa. Electricity would be transmitted to European and African countries by a super grid of high-voltage direct current cables. It would

provide a considerable part of the electricity demand of MENA countries and provide continental Europe with 15% of its electricity needs by 2050.

■ **Mtwara Development Corridor** – A 300-project transportation corridor involving Malawi, Mozambique, Tanzania and Zambia. The aim is to give these regions easier access to the port at Mtwara, Tanzania. Involves development and rehab of roads and bridges, sea and lake ports, telecoms, air transport facilities and ferry services. Anchor projects include a \$1.7 billion Manda-Mchuchuma-Mtwara rail line from Lake Malawi to the coast.

■ **BRICS Cable Project** (\$1.5 billion) – This is a 21,000-mile undersea fiber-optic cable that will run from Fortaleza, Brazil, through Cape Town, South Africa, to Chennai, India to Shantou, China to Vladivostok, Russia to carry high-speed Internet traffic without reliance on U.S. and European networks.

■ **O3b Networks** – Continent-wide project deploying a \$1 billion, next-generation satellite network that combines the reach of satellite coverage with the speed of fiber-optic, providing an Internet backbone for Africa.

■ **Durban Waste-to-Energy Project** – Converts methane gas from household waste into electricity. Will supply up to 6,000 low-income households in South Africa with reliable power.

■ **Ethiopia-Djibouti Railway** (\$1.2 billion) – A 656 km line connecting Addis Ababa with Djibouti, giving landlocked Ethiopia access to the sea and lowering the cost of transportation. ■

Sources: Frontier Market Network, Ernst & Young, KPMG, Business Day

## Japan Helps in Battle Against Ebola

In December, Agility GIL Japan assisted the Japan Self-Defense Forces (JSDF) with an urgent shipment of 20,000 sets of personal protective equipment from Komaki Air Base to Accra, Ghana in West Africa.

The equipment, mainly suits for healthcare workers, caregivers and others working to stop the spread of Ebola, was donated by the Japanese government in response to a request from the United Nations Mission for Ebola Emergency Response (UNMEER).

In the fall, UNMEER established its headquarters in Accra. The latest outbreak of Ebola has claimed more than 6,000 lives, mainly in the West African nations of Sierra Leone, Liberia and Guinea. Japan has agreed to donate 700,000 sets of personal protective equipment to UNMEER and to make financial contributions and offer other assistance aimed at battling the epidemic and strengthening the health systems in affected countries. Lack of protective suits and other gear has hampered the international response to the Ebola outbreak.

"We must stop this outbreak any way we can," said Japanese Prime Minister Shinzo Abe. "Japan is determined to put forth its best in the fight against the Ebola virus disease."

The Japan Self-Defense Forces (JSDF) had the 20,000 donated suits moved from a warehouse in Shinagawa to Komaki outside Nagoya, where the cargo was loaded onto a JSDF KC-767 airplane. Agility GIL Japan assisted the JSDF by managing the ground handling at stops along the way. The flight made stops at Male in the Indian Ocean and Djibouti in East Africa before making the final leg of the journey to Accra, where Agility again managed ground handling and the shipment was cleared and moved to a warehouse.

Yoshimichi Yoneda, Agility Japan Managing Director, was on the tarmac at Accra to make sure the shipment was unloaded and moved as planned. "Our role was to provide ground handling and to make sure nothing prevented this life-saving equipment from getting to where it is needed. We are glad we were able to help Japan make a difference in the effort to stop Ebola," he said. ■



For more about Agility's work with NGOs in support of relief in Africa turn to page 31.





# Leapfrogging the world

## Leapfrogging the world



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**C**reative, unconventional use of technology and raw materials helps Africa “leapfrog” product cycles and traditional stages of development.

“Africa is already bypassing traditional means with technologies such as wireless, satellite bandwidth and frugal mobile technologies that have relatively lower physical infrastructure requirements and investment costs,” says Carlos Lopes, executive secretary of the UN Economic Commission for Africa.

Lopes calls Africa “a breeding ground for frugal innovation and resilient entrepreneurs who can literally make treasure out of trash, from tools to grass-cutting machines to water pumps.” Examples:

**Off-grid solar and alternative energy.** Crowd-funding website SunFunder is bringing cheap power and light to African homes, schools, businesses and communities. It provides short-term loans for solar home systems, micro-grids and commercial solar projects in



rural Uganda, Tanzania, Kenya and Zambia. SunnyMoney sells and distributes solar lights in Africa to replace kerosene and paraffin lamps. LEDsafari shows people how to make their own \$2 solar lamps. Solar Wind East Africa is building solar-powered stations to pump water and generate electricity for livestock farmers in Kenya. Sun and biogas are being used to fuel refrigeration systems and cool milk in Uganda and Mozambique. Crop

residue is converted into biogas as part of efforts to set up small-scale, low-carbon, energy efficient plants for communities in Kenya’s Rift Valley. A byproduct of the process is liquid fertilizer.

**Mobile technology.** Mobile telecoms have grown faster in Africa than anywhere in the world. Subscription penetration is expected to reach 97% by 2017. Less than 2% of households have traditional landlines. Safaricom’s M-Pesa pioneered mobile banking and payments in Kenya. It has been widely imitated across Africa with mobile services expanded to allow users to pay taxes, utility bills, taxi fares and to pay for goods in stores. Soko is an e-commerce platform that allows craftswomen and micro-manufacturers to sell globally using mobile phone SMS messaging. Namibia used mobile ▶



**FACING PAGE:** Mobile technology has revolutionized telecoms in Africa, growing faster than anywhere in the world and bringing wide-ranging benefits in sectors such as banking and healthcare.  
**ABOVE:** Companies such as Coca-Cola are harnessing local entrepreneurs to maintain distribution by whatever means are best suited to the locale and terrain.  
**LEFT:** Home-scale portable solar panels are introducing electricity to remote communities.





phone data to identify and map malaria hotspots and organize the response by health workers.

## On the horizon in Uganda are bananas with enhanced vitamin A and resistance to bacterial wilt

**Irrigation.** Inexpensive, lightweight, human-powered MoneyMaker pumps offer the ability to irrigate cheaply and have increased small farmers' incomes by 200% through higher yields. The pumps, developed by KickStart International, allow farmers to irrigate up to two acres a day, pulling water from depths of seven meters and distributing it through hand-held hoses and nozzles. KickStart also has developed two hand-operated presses.

One creates building blocks from soil-cement mixtures that are half the cost of concrete or stone. The other allows users to start businesses that turn sunflower, sesame and other seeds into cooking oil.

**Genetically modified crops.** Burkina Faso, South Africa, Sudan and Egypt are the only African countries growing transgenic crops, mainly insect-resistant cotton, according to the Brookings Institution. Cameroon, Ghana, Kenya, Nigeria and Uganda are conducting promising research. On the horizon in Uganda are bananas with enhanced vitamin A and resistance to a bacterial wilt. In Nigeria, the focus is on insect-resistant blackeyed peas.

**Bamboo bicycles.** In Ghana and elsewhere, small manufacturers import Asian-made gears, brake parts and

other bicycle components for installation on strong, vibration-dampening frames made from renewable African bamboo. The result is a cheaper, more durable made-in-Africa bicycle that can increase the income of a poor, rural family by up to 35%, according to the Bamboo Bike Project.

**Manual distribution centers (MDCs).** In Tanzania and elsewhere, Coca-Cola maps clusters of sales outlets within a two-kilometer radius. It recruits and trains local entrepreneurs to maintain 24-hour distribution and replenishment of those outlets using pushcarts, motorbikes and pickup trucks.

**Mobile power sources.** GE's 616 diesel engines are "power plants on wheels" capable of providing enough energy to power 33,000 Nigerian homes and to supply power to industrial users. GE has modified smaller diesel locomotive engines into standalone mini power plants that can power 6,600 homes. ■

*ABOVE LEFT: Genetically-modified bananas are set to improve infant health by combating the effects of vitamin-A deficiency such as blindness, delayed bone development and risk of respiratory infections. BELOW: Radios that can be powered by hand windup or via an inbuilt solar panel were one of the first low-cost solutions to give communities in Africa better access to information and entertainment.*



## Saving Lives and Improving Health

Africa's weak public health infrastructure and tropical climate make its battle against exotic and infectious diseases difficult and logistically complex.

Last year, Agility Defense & Government Services (DGS) was approached by the MRC, a UK-based funding agency dedicated to improving human health by supporting research across the entire spectrum of medical sciences in the UK and Africa. The MRC asked Agility to transport urgent medical supplies and equipment to Gambia quickly so that the valuable cargo reached its destination in time to ensure there were adequate stocks of critical supplies needed for clinical and research centers.

Moving sensitive cargo to West Africa presented a challenge because Agility's scope of work included the shipment of biological samples, perishables, medical and scientific equipment and non-life sciences products such as vehicles, spare parts, IT equipment and consumables from UK.

Agility's team in the UK moved quickly to arrange for the cargo to be screened and to prepare airway bills for a flight departing from London's Heathrow Airport. The supplies failed to arrive at Heathrow in time. When all the goods finally made it, the team raced to consolidate the shipment, get the load re-screened, prepare new

airway bills and documentation to secure space on a connecting flight to Brussels. There, the load was transferred to a flight bound for Banjul, Gambia. The materials made it to a clinic and research centers in Gambia on time and in good condition. Agility staff worked closely with the Medical Research Council staff, suppliers and Gambian import agents to ensure time in transit was kept to a minimum.

In a letter to a colleague in the UK, the MRC director in Gambia wrote, "Say thanks to the Agility team, it is nice to know that there is professional team caring for us on the other side. Let them know that we consider them part of our team, too." ■

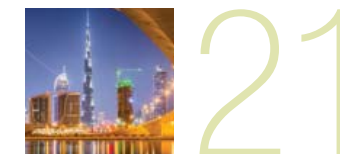
### MEDICAL RESEARCH

The MRC unit in Gambia is the UK's single largest investment in medical research in a developing country and is internationally recognized for its track record of research into infectious tropical diseases. Its success is based on innovative lab-based research, excellent clinical studies and field-oriented science, and the translation of research into clinical and public health practice. The unit's vision is to lead scientific research to save lives and improve health across the developing world.



# Trade and investment

AFRICA'S TIES WITH THE MIDDLE EAST



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Africa's Middle East trade ties, dating to first millennium caravan routes and shipping lanes, connected the continent's interior to merchants in the Arabian Peninsula and Asia over the centuries. Today, much of Africa still connects to the world through the Middle East, which acts as a gateway, facilitator, trading partner, logistics hub and banker.



Sylvain Kluba, head of Agility's Global Integrated Logistics business in Africa.

is leading the charge into Africa and has invested \$7 billion on a dedicated fleet and a further \$2 billion for operating costs to service the continent. Emirates flies to 22 African

countries, more than any other airline in the world and has plans to add another 10 countries by 2025, as well as raising the frequency of flights on some existing routes.

Banks in the Gulf are serving as invoicing and procurement centers for operations in Africa. Gulf bank revenues from Africa have almost doubled over the last five years. Demand for Islamic finance tools and expertise, strong in the Gulf, is increasingly in demand in Nigeria, Kenya and Tanzania. All have expressed an interest in issuing *sukuk*, a form of bond permissible in Islam, targeted at the Middle Eastern investment market.

Standard Chartered Bank says annual trade between the Middle East and Africa has grown fivefold over the past decade from \$10 billion to \$49 billion.

African countries are a major source of raw materials for Gulf Cooperation Council (GCC Services) countries pushing to diversify through manufacturing. At the same time, economic growth is fueling demand for Gulf oil in Africa, which is on the cusp of its own energy boom following recent discoveries of huge oil and gas deposits in several countries. GCC Services exports to Africa have grown 15% a year in recent years; imports from Africa have been growing at nearly 28% a year.

"Africa's importance to the Dubai economy is growing with the UAE's emergence as a multi-modal global logistics hub and transit point," says Sylvain Kluba, head of Agility GIL Africa. "Dubai's Jebel Ali port is the most important trans-shipment hub for East and southern Africa. A lot of multi-national consumer companies are running African distribution from Dubai while they build up regional hubs in places like Nigeria, Kenya and South Africa."

Dubai has made itself an aviation crossroads for Africa. Emirates Airline



## Business community

The Gulf's business community is using Dubai as a base to pursue opportunities across Africa in areas ranging from logistics to telecommunications and banking. The city's import-export operations and "free zones" are drawing African entrepreneurs. Dubai's extensive pool of expertise in infrastructure, logistics, transport, finance and trade is a strong attraction to African businesses that want to reach out to potential customers in Europe, North America and Asia.

## Investment in Africa

Gulf investment in Africa was \$144 billion from 2003 to 2012, and another \$61 billion has been earmarked for projects in infrastructure, telecoms, logistics, agriculture and energy.

DP World, the Dubai-based port infrastructure firm, operates container shipping marine terminals in Djibouti in the Horn of Africa, Senegal in West Africa and Mozambique in the southeast. Private equity firm, Abraaj Group recently acquired a 51% stake in Fan Milk, a Ghana-based dairy ►

*Africa's importance to the Dubai economy is growing with the UAE's emergence as a multi-modal global logistics hub and transit point*



### WAREHOUSING AND DISTRIBUTION

Agility manages Africa logistics for a number of customers from Dubai. It distributes apparel and sporting goods to 20 African countries for one of the world's leading athletic brands and manages warehousing and distribution of more than 24,000 spare parts for a leading

automotive manufacturer with a network of dealers throughout Africa. Agility's Dubai team also helps a top global mobile phone provider distribute 800,000 handsets each month from four manufacturing locations in Asia to 14 African destinations.

Oman's Hasan Juma Backer Trading & Contracting is developing a \$700 million dry-port in Ferkessedougou, Ivory Coast.

### Improvements needed

Despite long-standing regional ties, Africa's deficient infrastructure, bureaucracy, human resources constraints and corruption are no less formidable for its Middle East partners. Red tape in Africa is among the worst in the world: A recent report from the African Development Bank says the average customs transaction involved 20-30 parties, 40 documents, 200 data points and the re-keying of 60-70% of

business. This Abraaj-Fan deal is believed to be the largest-ever private equity purchase of a consumer goods company in Sub-Saharan Africa, outside of South Africa. Dubai's sovereign wealth fund, Investment

prompted Gulf states to invest heavily in that sector. Qatar's Hassad Food, an arm of the country's sovereign wealth fund, spent \$1 billion as part of a farmland development venture in Sudan. A consortium of Saudi



Corporation of Dubai (ICD), recently bought a \$300 million stake in Nigerian firm Dangote Cement.

In telecoms, UAE giant Etisalat has built sizeable stakes in Atlantique Telecom, which operates in six countries in West Africa, as well as Tanzania's Zantel and Sudanese fixed-line operator Canar. Kuwait's Zain Telecoms played a major role in building up Africa's mobile network, investing heavily in the region.

Africa's agricultural potential has

agricultural firms invested \$40 million in food production in Sudan and Ethiopia, while another Saudi group, Hadco, is reported to have acquired 25,000 hectares of Sudanese cropland. Standard Chartered says Gulf countries have tended to focus their agricultural investment on seven countries: Sudan, Mozambique, Ethiopia, Tanzania, Kenya, Mali and Senegal.

In infrastructure, Abu Dhabi's Royal Group committed to \$16 billion in road and rail projects across Africa.

data at least once. Border bureaucracy impedes the supply chain, stretching lead times, forcing companies to tie up working capital in extra inventory and adding to costs. Africa's regional trading blocs acknowledge the problem and pledge improvements.

"Trade between the Middle East and other regions – Southeast Asia and Europe, for example – still dwarfs its trade with Africa," Kluba says. "But that is changing fast." ■



## Security upgrades improve bottom line

Redington, a major distributor of IT and computer products in Nairobi, Kenya, struggled to maintain its stock of high-value laptops, printers and products imported from an American manufacturer. It was plagued by theft, late deliveries, and high storage fees. These problems led to dissatisfied customers, higher insurance premiums and mounting operating costs.

Redington was not getting the level of service it wanted from other logistics providers, so it turned to Agility for help. Redington wanted to fix its security issue – fast – and wanted to increase the speed of delivery and avoid escalating storage and demurrage costs.

Agility reviewed Redington's security and warehousing system, identified the flaws, and proposed changes that would improve the integrity of its warehouse and transportation security. Among the proposed changes: safety measures such as putting armed guards in trucks, installing seals that send out SMS alerts when tampered with, GPS tracking of trucks from origin to destination, and remote immobilization of truck engines.

Night journeys are also avoided as much as possible. And on rare occasions when stocks arrive late at night from the airport or sea port, they are stored in Agility's

secured yard, manned by armed guards, until Agility delivers the goods to Redington's warehouse the next morning.

In addition to road freight, Agility handles customs clearance for Redington and works to minimize extended storage costs due to customs valuation or documentation issues. Agility also provides daily and continuous updates on the status of cargo, giving Redington total visibility to its stock.

*Warehouse and transportation security changes implemented by Agility reduced incidents of theft to almost zero*

It didn't take long for Redington to see remarkable changes. Warehouse and transportation security changes implemented by Agility reduced incidents of theft to almost zero. With significantly fewer losses, Redington could fulfill more orders on time, satisfy its customers, and lower its insurance premiums. ■



# Aviation needs overhaul

Liberalization will unlock growth, especially in the landlocked countries.

## Aviation needs overhaul

One of the most dramatic steps African countries can take to boost growth, trade and connectivity is to sweep away arcane rules that restrict commercial aviation, often to protect national "flag" carriers.

In 1999, 44 African countries pledged to liberalize by signing the Yamoussoukro Decision that committed them to deregulation of air services, promotion of regional air markets and opening to transnational competition. Sixteen years later, implementation has been "slow and limited," according to the International Air Transport Association (IATA).

"Liberalizing would lower fares, improve safety, increase traffic and unlock growth in African economies, particularly the 16 landlocked countries," says Hassan El Houry, CEO of Agility's National Aviation Services (NAS).

A recent study for the IATA by

The benefits, according to IATA:

- Fare reductions of 25%-35%
- New routes, more flights, increased traffic and direct service between more countries
- Dramatic time savings for travelers (e.g. 4.5 hours Algiers direct to Lagos vs. today's 9 to 17 hours Algiers-Casablanca-Lagos)
- 155,000 direct jobs and \$1.3 billion in annual GDP in the 12 largest African economies
- \$1.3 billion in additional tourism in those 12 countries

Deregulation could have a profound effect in ending the isolation of millions of Africans, who account for 12% of the world's population but only 1% of its air market.

"The record of deregulation in Africa is a good one. South Africa, Kenya and Ethiopia are the leaders in that area, and they have the strongest, most competitive carriers," El Houry says.

The World Trade Organization says passenger volumes increase an average of 30% after liberalization. Liberalization of routes between South Africa and Kenya in recent years led to a 69% rise in passenger traffic. Low-cost carrier service between South Africa and Zambia lowered fares 38% and increased traffic by the same amount.

Liberalization entails nine distinct "air rights" involving freedom to overfly territory of other countries without landing there, to make refueling stops, and to carry passengers and cargo between countries.

"You get all kinds of knock-on effects. Businesses are more productive. They can visit customers and look for new markets cheaper and more quickly," El Houry says. "Countries that have liberalized see immediate job creation and investment in offices,



NAS, a specialist in aviation services for frontier and emerging markets, is working with aviation authorities in several African countries to modernize infrastructure and introduce world-class ground handling and other services.

manufacturing and warehousing clustered near the airport. They can attract production because there will be efficient air cargo and the ability to do special handling of raw materials, perishables, pharmaceuticals, high-tech goods and products that are part of just-in-time inventory supply chains."

Rwanda has invested in airport expansion and development, increasing traffic 30% in two years at Kigali International Airport, and Ivory Coast is set to do the same at Abidjan International Airport. "They know there are spin-off benefits for the larger economy if they get the aviation piece right," El Houry says. ■

### REGISTERED AIR CARRIER DEPARTURES\* ANNUALLY

Worldwide	31.1 million
USA	9.7 million
Sub-Saharan Africa	631,000

\* These are domestic takeoffs and takeoffs destined abroad of air carriers registered in the country.



InterVISTAS, an aviation and transportation consulting group, shows how quickly there is a payoff for aviation liberalization. Sweeping away restrictions would allow air travel by "several million passengers who can now travel by air, but who are currently unable to do so for reasons of cost, flight availability or convenience," the IATA report says.



# Agility distribution parks

Uganda's capital Kampala, pictured here, is heavily reliant on Kenya's ports and the east-west road corridor. Agility is creating a distribution Park in Busia, just inside the Uganda-Kenya border, to provide much needed additional warehousing and customs management.

Know-how in frontier markets is giving Agility a cutting edge.

## Agility distribution parks

To connect better to the world, African countries have to improve connections to one another. Intra-African trade accounts for only about 11% of Africa's total trade. Agility, which has built world-class logistics and distribution parks in China, India, UAE, Kuwait, Iraq, and Jordan, believes the same idea will spur trade between African countries.

Industrial parks dedicated to distribution and logistics are "one of the most important infrastructure investments these countries can make," says Ajay James, CEO of Agility Real Estate. "You need intra-African connections between major hubs. Look at Tanzania, as an example. It's a large country bordered by eight others, and six of those are landlocked. So its border is a vital conduit for other countries."

Even now, transport costs in landlocked African countries are as much as 75% of the value of exports. Poor roads alone add an estimated 40% to transport costs in coastal countries and 60% in landlocked countries. The cost of shipping a 40-foot container from Dubai to Mombasa, Kenya is \$1,400 to \$1,700. But it costs about \$3,800 to move that same container inland from Mombasa to the Ugandan capital of Kampala.

Agility broke ground in June 2014 on a multi-purpose transport park near the Kenya-Uganda border and has plans for distribution parks elsewhere in East Africa, West Africa and southern Africa. "You can speed the flow of goods and traffic, enhance border security, improve fee and revenue collection, and create jobs," James says. "There is substantial time lost at the border due to poor infrastructure in these interior countries."

Existing logistics infrastructure is being overwhelmed by the pace of urbanization and population growth in Africa. That trend will continue: Africans number roughly one billion today but will be 2.4 billion by 2050. By 2030, half the population will live in cities, and a decade from now,

Poor roads alone add an estimated 40% to transport costs in coastal countries and 60% in landlocked countries

the number of African cities with more than a million residents is expected to increase from 52 to 68.

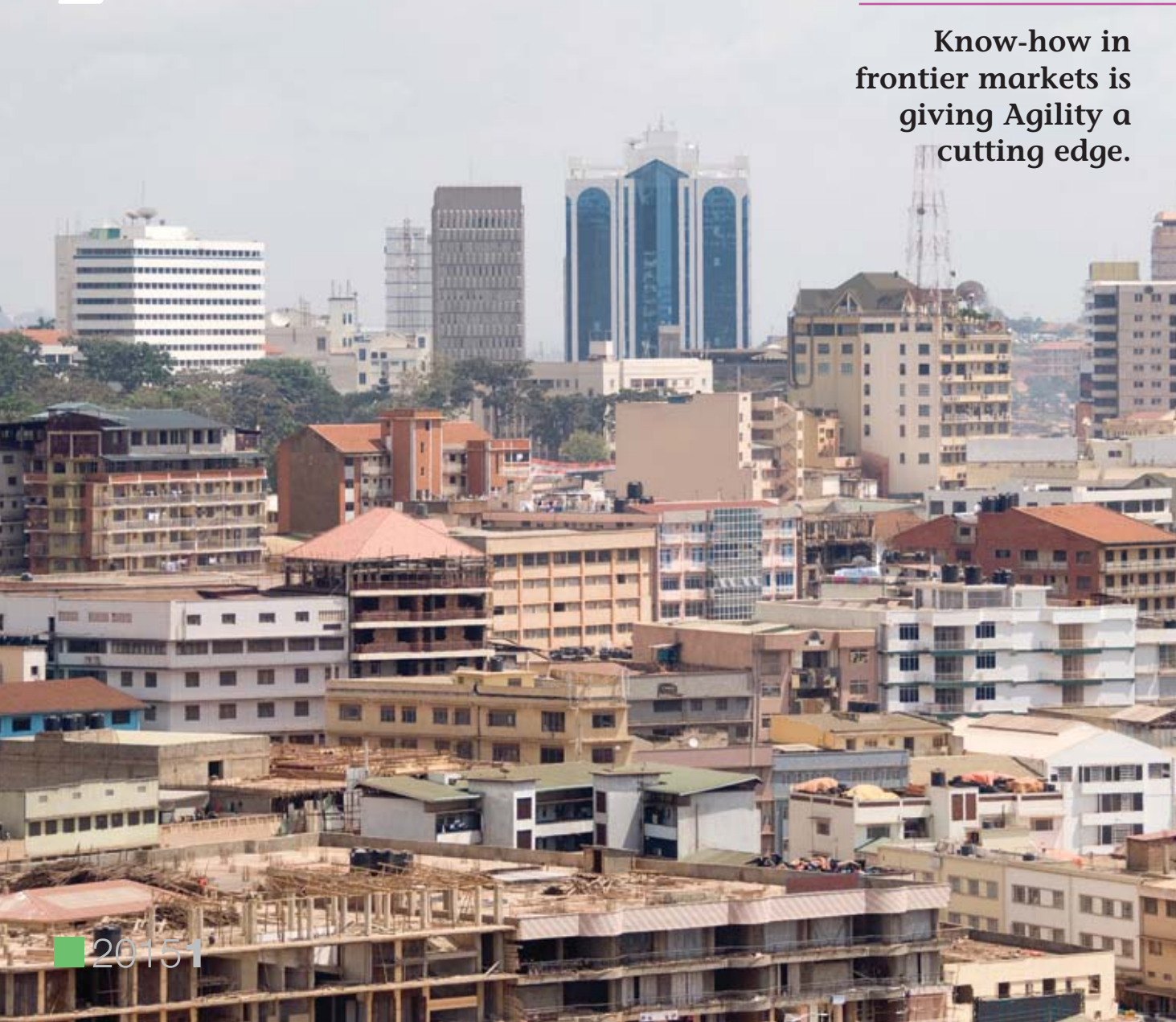
Urbanization, population growth and growing investor interest are the main factors behind rising property prices across Africa. The best ground for logistics parks is at major trade gateways like ports and border crossings, along main highway hubs and near existing logistics clusters. Complicating the search for good sites is competition from real estate speculators, difficulty obtaining clear titles and, in some cases, a lack of government mapping of plots and tracts.

Agility "knows how to overcome challenges in frontier markets, how to be flexible," James says. "The work we did in the Middle East and South Asia and other emerging markets trained us well for getting into Africa." ■

### AN AGILITY DISTRIBUTION PARK: WHAT'S INSIDE?

The logistics parks developed by Agility vary, depending on local needs and requirements. In many, Agility provides 3PL and 4PL logistics services. Features available:

- Bonded, unbonded warehousing
- Container, lay-down yards
- Weighbridge
- Customs inspections area
- Customs, police, border, tax, management offices
- Fuel, maintenance facilities
- Material handling equipment
- Security
- Business center
- Retail/restaurants
- Banking
- Firefighting station
- Overnight accommodations
- Cold storage and cold chain storage
- Facilities for handling chemicals, agricultural goods
- Training centers





# Peacekeeping supplies



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## Peacekeeping supplies

**A**gility Defense & Government Services (DGS) works with governments and NGOs to deliver equipment and supplies to hotspots around the world.

### Central African Republic

The international peacekeeping force in Central African Republic (CAR) has worked to end the sectarian violence that broke out there in 2012, a job that includes trying to stabilize conditions so that relief can be delivered to hundreds of thousands in need of shelter, drinking water, health services and proper sanitation.

The mission, known as the Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), needed heavy equipment and supplies that were available in Pakistan moved to landlocked CAR.

Agility DGS mobilized to collect critical shipments of general cargo infantry carriers, armored recovery vehicles (ARVs), ambulances, jeeps, bulldozers, and static water tanks. In Karachi, MINUSCA counted on Agility to provide local movements, transportation, unloading, stevedoring, physical survey, port wharfage and documentation.

The equipment was bound for Door Kaga Bando in the CAR but had to transit through Douala Seaport in Cameroon. There, Agility managed the stevedoring and shore handling of the equipment, arranging for temporary storage. Agility conducted physical surveys and loaded truck convoys from Douala for the 700-mile move over the border into CAR to Door Kaga Bando.

The 7,600 troops, police, military observers, civilian staff and local employees that are part of MINUSCA are working to protect civilians, meet humanitarian needs, promote human rights, and support political transition.

### Feeding the Peacekeepers in Somalia

African peacekeeping troops deployed to Somalia have been vital to efforts to begin to restore peace and stability there after decades of violence and civil war caused by extremists, warlords and shipping pirates. The ability of the peacekeepers to be effective operationally has depended in part on logistics support from Agility and others.

In August 2009, Agility DGS was tasked with procuring, transporting and storing food rations and perishables for 8,000 peacekeeping troops in Somalia. The challenge was to transport goods including fresh fruits and vegetables, reserve rations, food and bottled water, and other equipment to Kenya's Mombasa Seaport and the Mombasa Airport, and to



the Port of Mogadishu in Somalia in support of peacekeeping troops there.

African peacekeepers are part of the African Union Mission in Somalia (AMISOM), the force deployed to Somalia by the African Union with the approval from the United Nations.

The international peacekeeping force in Somalia counted on Agility to handle customs clearance, air transportation, freight forwarding, ground handling, logistics coordination and security as needed for critical cargo in Somalia and Kenya.

The work also included the supply and delivery of refrigerated containers, generators, and all fuel required for the performance of the contract. The Agility team was able

## *Logistics coordination and security for critical cargo*

to work seamlessly to consolidate all international air and local land transportation of the shipments to a centralized warehouse in Mombasa. There, Agility managed and operated warehouse facilities, including cold and freezer storage units, tapping into its global expertise in support of critical operations.

Manjot Dhooria, an official in charge of rations for the mission, said: members of his team "applaud the efforts by Agility to achieve food safety and overall quality assurance in its warehouses in Mombasa." Dhooria also noted Agility's efficiency and said: "Agility supplements these efforts with well-coordinated regular staff training and written plans of procedures and documentation activities." ■

Mobilizing to deliver vital equipment and food supplies





# South Sudan

A NATION IN FLUX

Since gaining independence, South Sudan has gone from relative peace to political infighting and violence requiring the assistance of the United Nations and aid organizations. There have been major logistical hurdles to overcome in positioning personnel and supplies.

## Supporting UN operations

Japan was one of the countries that the United Nations called on to help with a peacekeeping mission after South Sudan won independence in 2011. Japan activated its Self-Defense Force (JSDF), dispatching troops, an engineering unit and a local support coordination unit. Their mission was to help build badly needed infrastructure such as roads, bridges and drainage.

South Sudan is a landlocked country that's 1.7 times the size of Japan. The JSDF set up its headquarters in Juba, South Sudan's capital, to coordinate and consult with the UN, the



*South Sudan gained independence from Sudan in July 2011 following a referendum that passed with more than 98% of the vote. The country has six international borders, with: Sudan, Ethiopia, Kenya, Uganda, DR Congo, and Central African Republic.*

South Sudan government and other organizations. To get up and running quickly, the headquarters needed basic supplies to equip offices and living quarters for its contingent of more than 200 JSDF troops – paper, office furniture, garbage bags, disposable tableware and other necessities. The goods were unavailable in Juba.

Agility was able to locate and transport the supplies quickly. The Agility team in neighboring Uganda worked ►





closely with GCC Services and Tristar from Agility's Infrastructure group to carry out the mission, locating suppliers in the Ugandan capital Kampala that had what the JSDF needed. After purchasing the supplies, Agility prepared customs documentation, loaded the shipment onto a truck headed for Juba, a 320-mile journey.

The cargo hit a bottleneck at the border, which was closed because of a truckers' strike. When the strike ended two days later and the borders reopened, Agility's close relationship with customs brokers in both countries helped ensure its truck crossed promptly into South Sudan. Agility delivered the goods to JSDF in Juba ahead of schedule four days later, much to the delight of officials from Japan's Ministry of Defense, who did not expect the shipment so soon.

#### Overcoming obstacles to deliver fuel

The political infighting that erupted between South Sudanese leaders in late 2013 has since uprooted 1.5 million people and put more than 7 million at risk of hunger and disease. In addition to armed conflict, relief groups and their logistics providers have to deal with the country's treacherous terrain, severe weather and malarial swamps. In the dry season, they race to pre-position life-saving and livelihood supplies, and carry out repairs to roads, airstrips and other facilities needed for aid operations.

*In addition to delivering relief goods, Agility saved the IMC more than \$100,000 through supply chain planning*

Fuel specialist Agility TriStar transports fuel to peacekeepers and relief workers in camps in South Sudan, a job that requires tenacity and creativity. The work is difficult and dangerous but necessary to the efforts to bring stability and deliver humanitarian relief.

Moving fuel by road over long distances is impractical. Only a small percentage of roads in South Sudan are paved. Most secondary roads are unpaved and in disrepair. During



rainy season, many roads are impassable. Another option, air freight, is limited by high operating costs and the need for time-consuming aircraft modifications and installation of the fuel tanks.

TriStar has become master of the rivers, engineering its supply chain around barge movements to transport the fuels. TriStar builds and commissions fuel barges to suit the different storage and movement needs. It uses two customized 600

cubic meter barges and a pusher tug to move large volumes of fuel up the Nile River from the South Sudan capital of Juba to depots in the north. To distribute fuel from the Malakal depot to more isolated areas, TriStar uses smaller, self-propelled deck barges.

#### Medical aid, hope in a humanitarian crisis

Agility's humanitarian partner, the International Medical Corps (IMC), has worked to address outbreaks of hepatitis C, cholera and malaria among those displaced by the conflict in South Sudan.

While IMC provides medical services to about half a million refugees in South Sudan, Agility has deployed resourceful logisticians to maintain the humanitarian supply chain so relief goods can flow into the camps.

The United Nations has declared South Sudan a level-3 emergency – the worst level of humanitarian crisis. Aid is delivered in extremely challenging circumstances. Hostilities and attacks against humanitarian workers constrain access to those in need. The situation is worsened by torrential rain and floods that render roads unusable.

The team of Agility volunteers planned transport air charters, helped manage the IMC ground fleet, and set up warehousing facilities to store and distribute relief supplies. They also readily shared their knowledge in supply chain management with the IMC logistics team.

In addition to delivering relief goods, Agility saved the IMC more than \$100,000 through supply chain planning.

Sean Casey, South Sudan Country Director for the IMC, said the organization was grateful to Agility "for bringing its unparalleled expertise in global logistics to International Medical Corps' emergency response in South Sudan. Due to Agility's critical support, our team was able to more efficiently and effectively deliver humanitarian relief in an extremely challenging environment, ultimately saving lives." ■

## Uganda oil

Uganda has recoverable oil reserves estimated at more than 1.4 billion barrels. As exploration work continues, this figure could substantially increase. Additionally, reserves of 500 billion cubic feet of gas hold the promise of electricity generation and the production of liquefied natural gas.

#### Partnering with O&G companies

To begin producing oil at Uganda's Lake Albert, the international energy companies that are part of Lake Albert Development Group are looking at what it will take to haul equipment and supplies inland from the nearest ports, which are at least 2,000 km away in Kenya and Tanzania.

Agility, which has oil and gas expertise globally and regional expertise in Houston, Aberdeen, Dubai and Singapore, meets regularly with the consortium companies Tullow Oil, Total and CNOOC. The idea is to help them find answers to such questions as what should move by road and what by air, what should be containerized versus breakbulk, and how to support and sustain a complex drilling project over a long period.

As part of that effort, Agility has met with the group to discuss the challenges the members confront and to show best practices that Agility has developed elsewhere:

- Planning of moves that involve environmental and cultural sensitivities, as with massive natural projects in Papua New Guinea and Australia.
- Preparation of route surveys in remote and isolated areas, such as Central Asia.
- Development of safety programs and driver training academies like those in the Middle East.
- Safe transport of crude and finished products modeled after work for other demanding energy customers and for NGOs.
- Shipment of out-of-gauge and breakbulk material requiring aviation and ground-handling expertise.
- Construction, maintenance and operation of home-away-from-home camps, along the lines of those in harsh environments in the Middle East and Indonesia.
- Development of local talent and identification of reliable local suppliers and vendors.

The Lake Albert project stands to benefit from a much-needed transportation park that Agility is developing in



the Ugandan town of Busia on the border with Kenya. Plans originally called for a simple parking lot for trucks. Agility proposed a more ambitious facility that would contain offices for the Uganda Revenue Authority, inspection bays, bonded warehousing, open-yard storage for oil-and-gas equipment and pipes, a commercial building and a fuel station. Groundbreaking took place in June 2014.

#### Facilities maintenance

Two of the toughest obstacles for the international energy companies moving into East Africa are establishment of camp services and hiring of local talent.

One company turned to Agility's GCC Services in 2012 for facilities management at offices and residences in the capital of Kampala, facilities at Entebbe International Airport, and field locations in and around drilling sites. The job included full camp and field maintenance in Kisiinja and Bulisa.

The company needed skilled workers – electrical, civil, maintenance – hired from the local population. Agility GCC Services was able to find individuals with the right expertise, but most lacked the international certifications that the customer required because certification was unobtainable in Uganda. GCC Services and its customer worked on an extensive training and knowledge-transfer program to get local maintenance teams certified. In the meantime, GCC Services Uganda has been ISO 9001 certified and aims soon to be ISO 14001 certified.

GCC Services is now upgrading the camp to transform existing camps at Bulisa and Kisiinja into more comfortable, efficient ones. Working with a local construction firm, GCC Services helped the oil company procure as many services as possible locally. GCC Services buys 98% of its materials in Uganda. ■



# Difference makers

AGILITY CSR IN AFRICA



## Difference makers

**In teams and as individuals, Agility employees around the world are supporting African communities where targeted efforts offer the chance to make a big difference in education, health and the environment. The company matches most of these efforts with dollar-for-dollar donations.**

For example, in Sierra Leone, Agility Middle East employees provided financial support to the All as One Children's Center, which feeds, cares for and educates 100 orphaned and abandoned children.

"Agility has been rapidly growing its commercial and investment portfolio in Africa," says Frank Clary, Agility's Director of Corporate Social Responsibility (CSR). "We are simultaneously developing and implementing a broad CSR strategy that will promote education, facilitate employment, and develop local prosperity."

Martin Sequin of Agility Switzerland raised enough money to pay the annual salary of a World Wildlife Fund forest ranger in Madagascar, plant 180 fruit trees and provide needed seeds for other plants. In the village of Tienfala, Mali, where Agility DGS France was working on a waste-treatment project, Agility provided hygiene products and instructional materials, along with high-quality surplus mosquito netting, tents and sustainment equipment.

In 2014 students at Camp Kenya in Kwale, Kenya started the school year with backpacks, pencil cases, badges and other supplies sent by Agility Fairs & Events UK employees. Agility Tasmania in Australia worked with Care for Africa to move a container of donated medical and school supplies to King'ori Primary School in Tanzania.

In North Africa, Agility employees have been just as active. Agility Egypt employees refurbished five schools in the city of El Fayoum, distributing books and supplies,

installing water treatment equipment, providing new computers and windows, donating playground equipment and preparing first aid kits. Agility UK's Eve Allen recently returned from Morocco, where she worked with orphans and the homeless, and donated food, arts and crafts materials, games and toys to children in need.

Since 2007, Agility UK and Spain have partnered with the Great Football Giveaway, a non-profit organization, to finance

*Agility has been rapidly growing its commercial and investment portfolio in Africa*

the logistics and transport to send thousands of footballs, netballs and pumps to poor children in Angola, Rwanda, Tanzania, Uganda, Zambia, Malawi and the Democratic Republic of Congo. The equipment has gone to schools, orphanages, community centers, refugee camps and youth centers.

Clary says Agility's long-term social investments in Africa will focus on areas intended to boost economic growth and prosperity through community-level education initiatives. In Africa, Agility frequently partners with non-governmental organizations supporting elementary education and professional, technical and vocational training.

"We realize this isn't a one-way thing. Agility benefits by strengthening ties with local communities and government entities, building capacity to run our business, and generating future demand for goods and services. Plus our employees get to make a positive impact on peoples' lives, and this makes a big difference to Agility and to those who benefit from our employees' engagement. It's a win-win for everyone when Agility operates anywhere." Clary says. ■



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# About Agility

Agility brings efficiency to supply chains in some of the globe's most challenging environments, offering unmatched personal service, a global footprint and customized capabilities in developed and developing economies alike. Agility is one of the world's leading providers of integrated logistics. It is a publicly traded company with \$5 billion in revenue and more than 22,000 employees in 500 offices across 100 countries.

Agility's core commercial business, Global Integrated Logistics (GIL), provides supply chain solutions to meet traditional and complex customer needs. GIL offers air, ocean and road freight forwarding, warehousing, distribution, and specialized services in project logistics, fairs and events, and chemicals. Agility's Infrastructure group of companies manages industrial real estate and offers logistics-related services, including e-government customs optimization and consulting, waste management and recycling, aviation and ground-handling services, support to governments and ministries of defense, remote infrastructure and life support.