

Growing's Africa's Lion Share of Trade



Session 2
2nd ICAO Meeting on Air Cargo Development in Africa
June 27th



Perishables, Oil & Gas, Mining, Garments – Manufacturing Moving

12% of the world's people - less than 1 per cent of the global air service market. (World Bank)



Carriers Moving In

Out of Africa

- IAG Cargo - 27 per week to South Africa from both the London and Madrid.
- Air France launched a flight between Accra and Paris
- Emirates serves 24 destinations in Africa, 5 are specifically for cargo

In Africa

- 1970s -1980s - 36 African airlines (26 had intercontinental flights). Today, 12 African airlines with intercontinental operations.
- East Africa - Kenya Airways and JamboJet flying to 12 routes out of the 22.
- Bujumbura to Dar es Salaam – 6 hours to connect via Nairobi. At times 3 connections 13 hours



Opportunity - Land Locked



18% is with other African countries (source: WTO)

Intra-African trade costs are 50% with East Asia

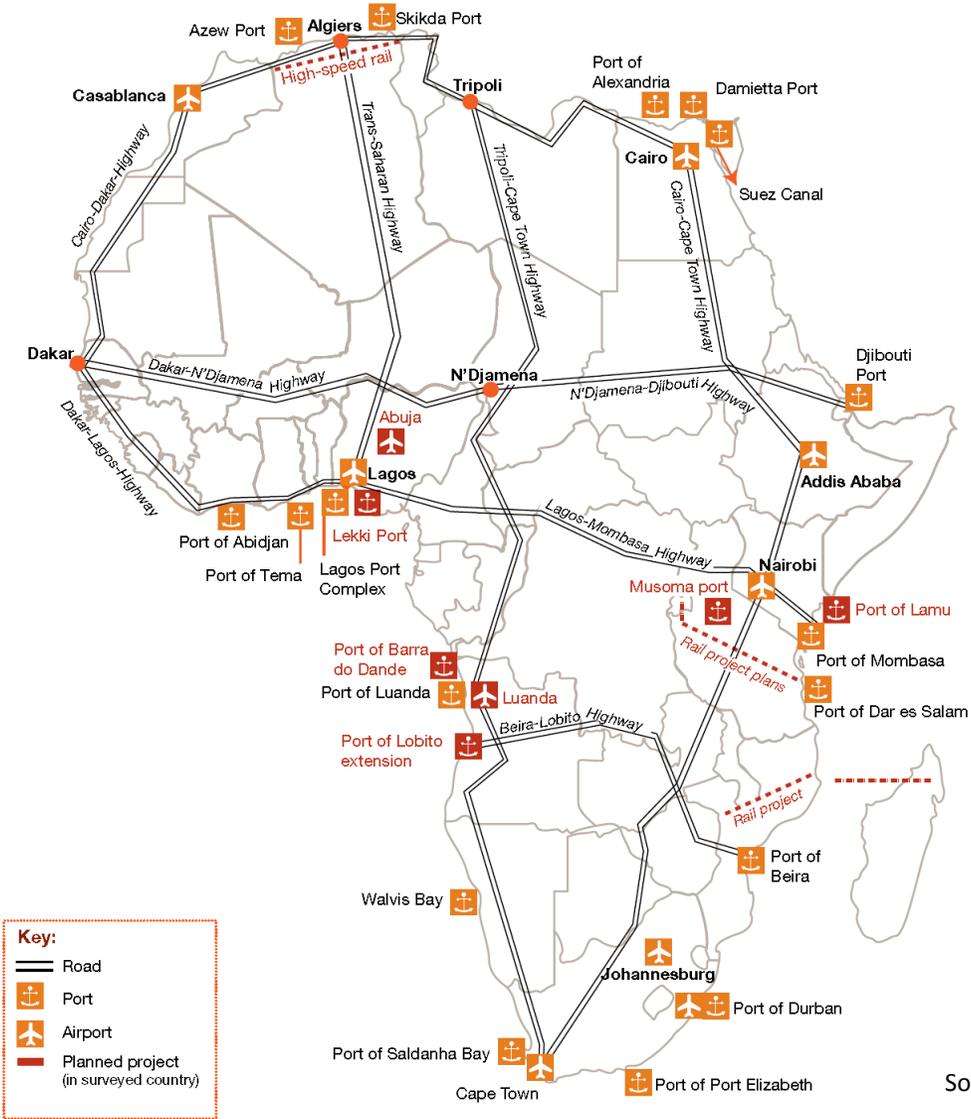


16 out of 54 Countries

- Goods bound for Uganda, Rwanda, and Burundi
 - Average of five days more (25 versus 20 days) in Dar Es Salaam port than domestically bound goods. (World Bank)



Support on the Way



Source: PwC



New East African railway



Source: Kenyan Railways, Ethiopian Railway Commission, Transit Transport Coordination Authority

BBC



Airport Infrastructure – Needs to Follow Suit



30% to 40% of all freight is transported with intermodal transportation



Advancements Are Being Made

- **O. R. Tambo International Airport**

- *2016 - Processed 350 500 tons was about 10% down on the preceding year*
- *Cargo Facilities* - Already operating at close to capacity.

“Airports Company needs to hear more from air cargo stakeholders about the particular kind of infrastructure”

- Bongiwe Pityi – GM O.R Tambo International Airport



Africa's population is expected to more than double from 1.1 billion to 2.4 billion by 2050, the biggest increase of any continent.

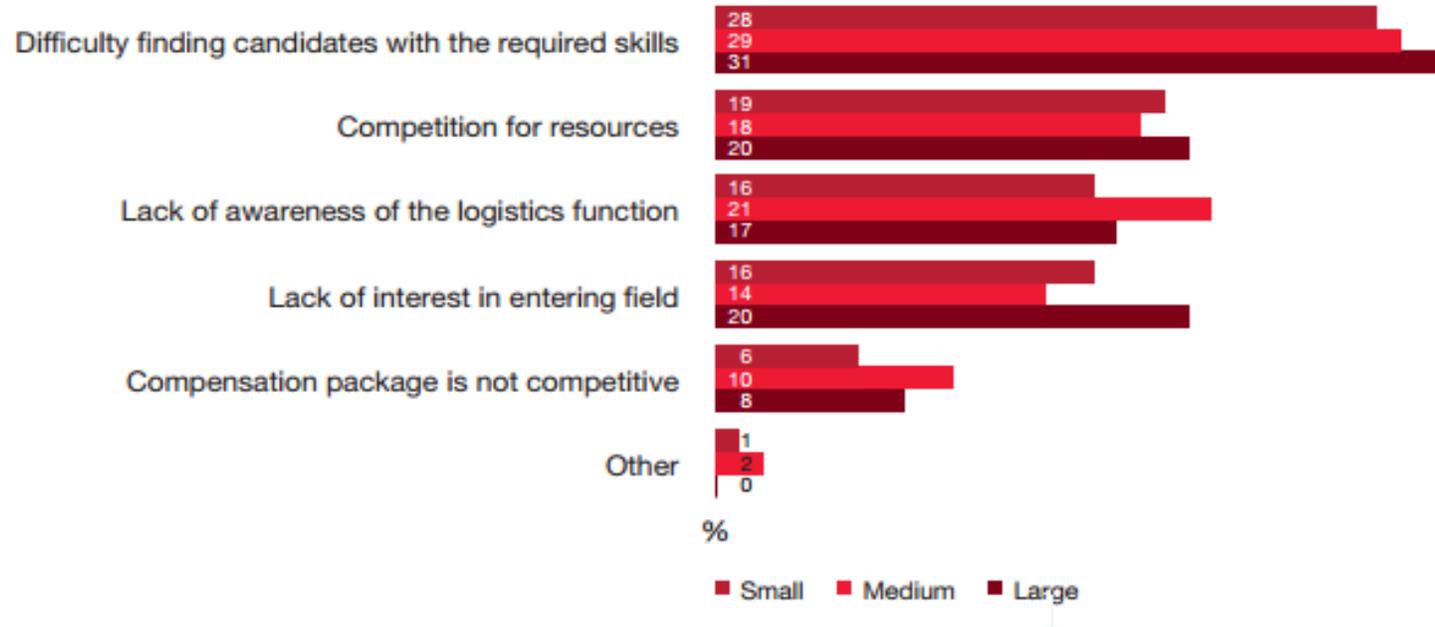
Its people are the youngest in the world, with a median age of just 19.4 years.
(EY Africa Attractiveness Survey)

By 2035, Africa's labour force will be larger than China's - PwC



Are we missing training?

Figure 3: Recruiting issues are similar for logistics companies of all sizes



Source: Canadian Supply Chain Sector Council, Canadian Logistics Skills Committee (2005)



1. FIATA Foundation

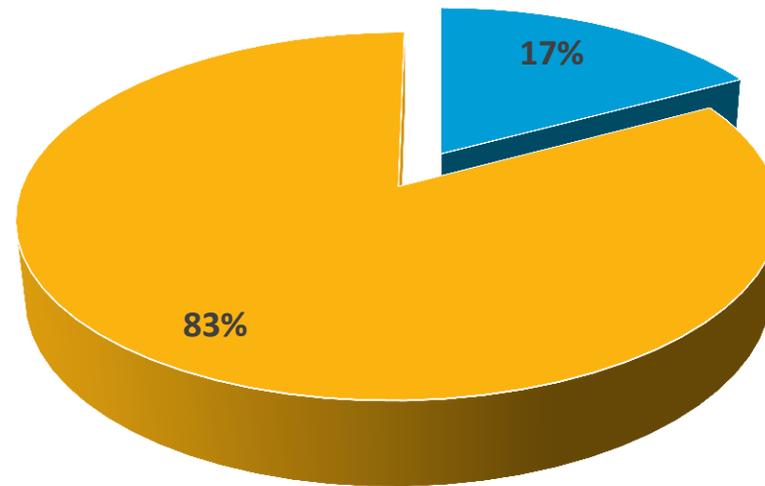
Since its inception in 2001, 12 Train-the-Trainer courses have been conducted

| Countries benefiting from a TOT course | Year |
|---|------------------|
| Mongolia - MNFFA | 2003 |
| Kenya - KIFWA | 2004 |
| Ghana - GIFF | 2005 |
| Pakistan - PIFFA | 2006 |
| Mexico - AMACARGA | 2008 |
| Syria - SIFFA | 2009 |
| Ethiopia - EFFSAA | 2010 |
| Pakistan – PIFFA (in collaboration with UNCTAD/Worldbank) | 2011 |
| Tanzania – TAFFA | 2012 |
| Chile – ALOG | Zimbabwe - SFAAZ |
| Morocco - AFFM | 2016 |

241 trainers have been trained

2. Advisory Body Vocational Training

FIATA Diploma Distribution



■ RAME ■ FIATA

15,000 Certified Individuals and counting.....



3. FIATA Logistics Academy

- Examples of what FLA holds itself accountable for through **9 projects** offering around **200 courses**



BOOK RECOMMENDATIONS



TLF
REFRESHER
COURSE



AIR CARGO COURSE

Integration through technology

Select 3 most practical methods forwarders can adopt to help combat yield dilution

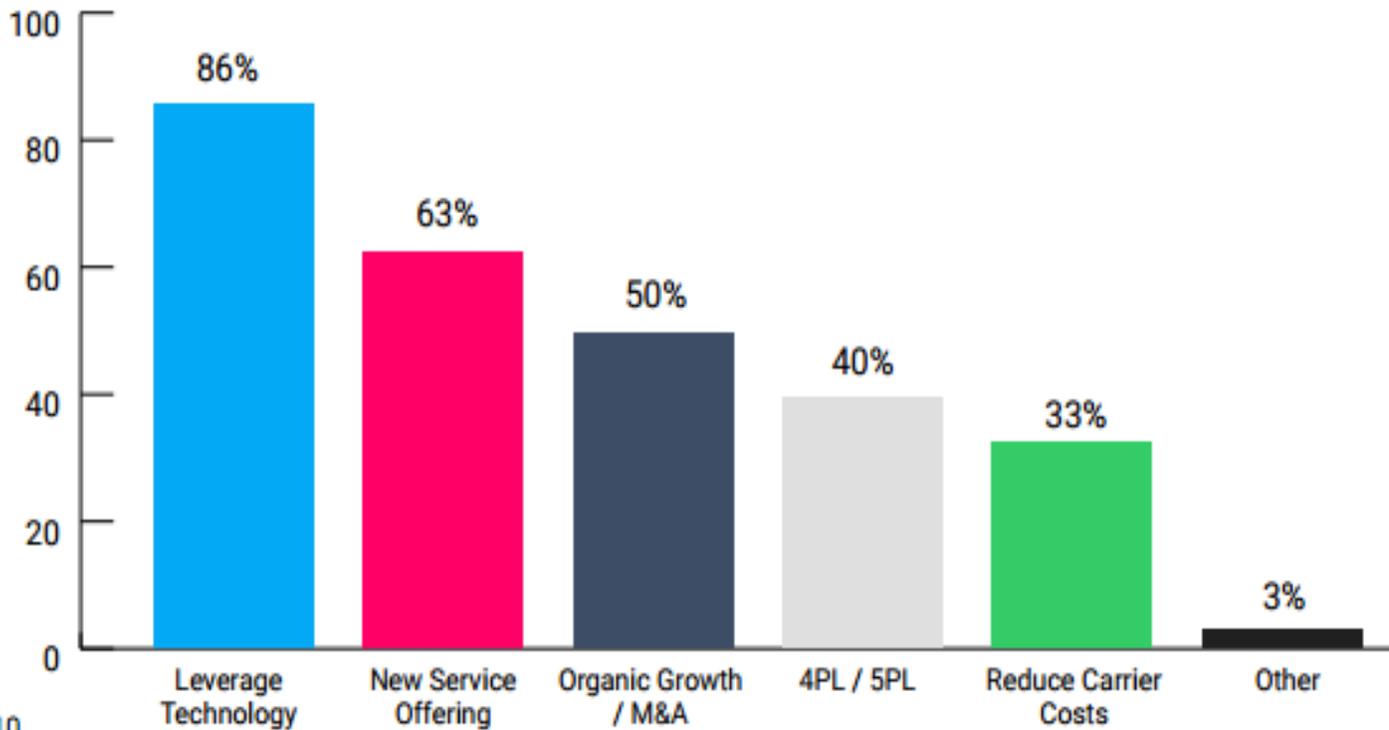


Figure 10



*There are now nearly **900 million mobile phones** in operation in Africa.
There is now mobile broadband networks in many rural areas of the
continent.*

(PwC Africa Mega Trends)



The Leapfrog



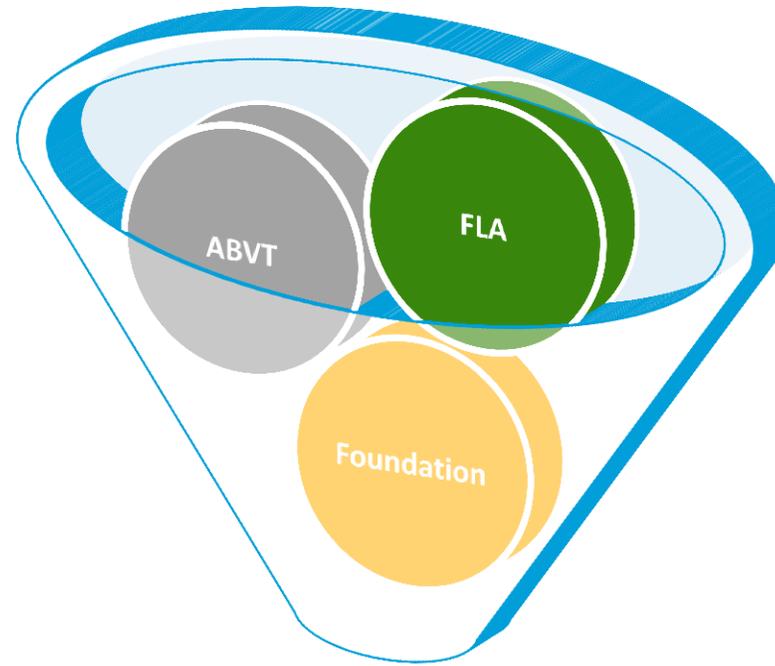
Thank You



ANNEX



3 FIATA Training Wings



“Building Capacity”



Traders Using Ports

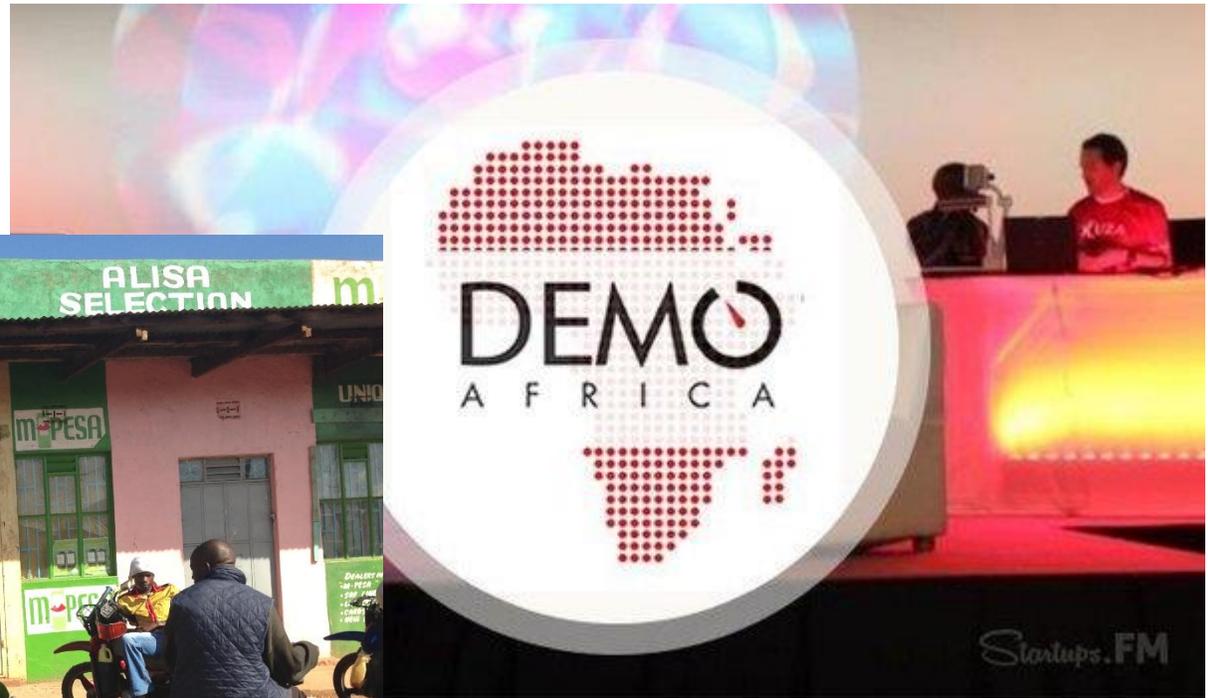
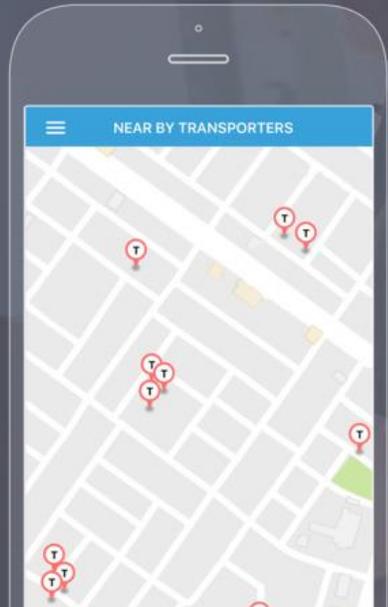
37 of Africa's 54 countries are sea-facing

- **Durban, South Africa**
 - More container handling facilities including a second container terminal
- **Kenya, Mombasa**
 - Installing new cargo handling equipment at Mombasa and reducing bureaucracy through training programs
- **Lagos, Nigeria**
 - Handles trade from neighbouring Benin, Niger and Cameroon.



NEW REQUESTS

Here you can see transporters nearby you





Current Track



Direct Track



Perishables are King

- Year-over-year African export volumes of avocados increased by 26 percent in 2015.
 - Citrus experienced 2 percent growth (Source: PPECB)
- Cited in Tanzania - 40 % of fruits or vegetables harvested are ruined before being loaded aboard a plane. – Poor Infrastructure

12% of the world's people - less than 1 per cent of the global air service market. (World Bank)



The Potential

Agriculture: 60-80% of the workforce employed by the sector in Ghana, Tanzania and Kenya. (PwC)

DRC - Reserves of copper, cobalt, diamonds, coltan, and gold.

Tanzania - underdeveloped deposits of gold, diamonds, gemstones, industrial minerals, coal, kaolin, tin, gypsum and phosphate

Mozambique - potential to be the world's third-biggest liquefied natural gas exporter, after **Qatar and Australia**

