

Changing face of freight industry

Established in 2001 with a core aim of enhancing public confidence in the industry, The Uganda Freight Forwarders Association (UFFA) brings together 114 freight and forwarding companies in the country. The association's chairman, Hussein K. Kiddeedde told Prisca Baike about their activities.

For how long have you been at the helm of the association?

It is now one year. I became UFFA chairman in 2017 after serving as the general secretary since 2015 and board member since 2008. I serve with an energetic and committed executive committee comprising a vice-chairman, general secretary, treasurer and three board members. Steering committees that focus on specific aspects of the sector are also in place and very supportive.

How much experience do you have in the freight and forwarding industry?

Quite a lot I must say. I made 22 years in the industry this year. I started in 1996 while in school vacation, starting on the "shop floor" as a trainee. I have gradually risen through the ranks due to experiential learning, training, mentoring and continuous professional development with different logistics organisations that accorded me the opportunity in different parts of the world, thus attaining the status of Chartered Member of the Institute of Transport and Logistics (CMILT). I am also a board member of the National Logistics Platform (NLP) and the Federation of the East African Freight and Forwarding Association (FEAFFA).

Why was UFFA started yet there were already other associations?

UFFA was born out of a desire by members to belong to an association that is driven to enhance public

confidence in the freight and forwarding industry. Although there were other associations, the approach UFFA took was not to look at the sector as only clearing and forwarding.

We instead focused on the actors within the entire logistics chain, thanks to our visionary founders. Existing associations at the time were only bringing together a limited scope of players, essentially excluding those other actors in the supply chain who were playing an important role.

Today it is an umbrella association for logistics companies in Uganda whose total membership handles 90% of the country's freight logistics and import, export and transit, a member of both the regional federation (FEAFFA) and the global body FIATA.

What are the roles of



Hussein Kiddeedde, the chairman of the Uganda Freight Forwarders Association

How to become a member of UFFA

Membership is through application. The application form is available online or can be obtained from the secretariat. Different membership categories available are corporate, ordinary and associate. Membership is open to all firms related to freight logistics in the region.

"Being an actor in the logistics industry is not the sole requirement. Generally, we carry out due diligence to ascertain who you are and your commitment to adhere to our code of conduct before you join us," Kiddeedde says.

necessary if Uganda is to attain the status of a leading logistics hub in the Great Lakes region and beyond.

The great lakes region has the highest cost of doing business. Why is it so?

Majorly, the lack of railway transport and efficient rail connections between the gateway ports, strategic production areas and main land is partly why the region has become uncompetitive, with what is termed as "the highest cost of doing business" in the world.

The high unemployment, especially of the youth, is also partly attributed to the poor rail transport system as is the fact that the rail freight market share is 3% which is said to be down from 15% in 2004. An efficient rail transport system and functional inland water ways would significantly spur productivity for domestic and export markets. This would in turn lower the cost of doing business in the region.

Do you think the proposed revival of Uganda airlines will boost the sector?

There is almost no doubt that trade volumes will grow in the coming years. Assuming positive factors are in place, such as the right revival strategy, a total transformational mapping of the previous system, a sound business model canvas, the right leadership and management that focuses on achieving great customer experience, cost control, safety, efficiency and reliability, the airline will go a long way in boosting the sector. It is, however, a long term investment that the government must be willing to shoulder without profit expectations.

What are the benefits of being a member of the association?

UFFA offers a number of services to its members and has registered several achievements over the last 16 years of its existence. The main services offered include training to promote professional ethics, advocacy, networking and partnerships, communications and publicity and arbitration services.

What does it take for one to start a freight and forwarding business?

Like other businesses, it is subject to the business registration procedures laid down by the Uganda Registration Services Bureau. However, in addition, Warehousing facilities and freight forwarding and clearing agents are regulated under the customs legislation of Uganda. With the launch of the East African Customs Union, the East African Community enacted the East African Community Customs Management Act 2004 (EACCMA). Currently about 350 customs agents are licensed in Uganda. Increasingly the regulator is emphasising competency of c&f agents and measures are underway to ensure this is sustainably observed. Depending on how one chooses to position him or herself, it can be a capital intensive business.

What are some of the challenges faced by UFFA?

First and foremost, the government policy and administration is fragmented. This greatly impacts our role of advocacy. There is also a disparity between the public and private sector. Other challenges include the inadequate infrastructure, lack of access to affordable finance, high costs of logistics services and the skills gap. But we are working to level the ground.

What are you doing to address the above challenges?

We, as UFFA, have taken a multi-dimensional approach to addressing the several challenges faced by the sector. The support of development partners and government continue to be critical in this cause. Following our advocacy, government has only recently made efforts to involve the private sector in planning especially for the logistics industry. We are also addressing these challenges through capacity building of the human resource, advocacy, networking and partnerships.

What does the future look like for the sector?

The future of the sector is promising but requires fundamental changes at individual, organisational and government level.

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Give a brief overview of the freight logistics sector in the country.

Uganda's freight logistics industry comprises trade, transport and storage infrastructure including their operators. The overall logistics market structure has changed over the last few years, as has the legal framework.

It now includes financial and ICT infrastructure and service providers and other government agencies and institutions that provide policy guidance and act as regulators and enforcers. However, there is still need to support the logistics industry through policy, institution, regulatory and legal reforms as well as addressing skill gaps, fragmentation challenges, co-ordination infrastructure, technological and creative financing gaps. These interventions will be