

FREIGHT & LOGISTICS

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Cargo shipment has been made easy with electronic payments

Logistics conference due in Kampala

By John Odyek

Uganda Freight Forwarders Association (UFFA) will host the second edition of the Global Logistics Convention from September 17-18 at Sheraton Kampala Hotel. The conference has been organised in partnership with the Federation of East African Freight Forwarders Associations (FEAFFA), the National Logistics Platform and the transport ministry.

The Global Logistics Convention 2018 is supported by UK Aid through Trademark East Africa. It will have an assembly of business leaders and captains from across the world. They include logisticians, finance institutions, insurance firms, manufacturers and traders as well as truck and equipment dealers. Others are government officials, members of civil society organisations, development partners, academicians and other private sector stakeholders from all over the region. The convention coincides with various activities and developments. These are Continental Free Trade Area for Africa (CFTA) that is beginning to take shape, new and disruptive technologies impacting on the logistics market place, increasingly complex and demanding supply chains.

Additionally, changing skill sets and competence requirements for logistics professionals, organisations and governments globally are increasingly positioning logistics as a key driver to economic competitiveness. About 500 delegates are expected to participate in the convention.

ONLINE PAYMENTS HAVE INCREASED. E-COMMERCE IS A DRIVING FACTOR OF SALES

By Owen Wagabaza

Uganda's freight and logistics industry started with the building of the Uganda Railway. At the time, the major purpose of the railway was to transport copper at Kilembe mines. Coming all the way from Mombasa, the railway made things possible, especially for those along the railway line.

The first railway into Uganda was extended in the mid-1920s from Nakuru to Soroti through Tororo in 1929, before coming down to Jinja through Namasagali. The railway finally reached Kampala in 1931, before being extended to Kasese in western Uganda, where it reached in 1956 and the northern line reaching Pakwach en route to Arua in 1964.

No borders

In the 1960s, the three East African countries of Uganda, Kenya and Tanzania decided to form the East African Community (EAC). The EAC was more of a country with no borders between the three countries.

"There was one airline under the name East African Airlines, all the ports belonged to the community under the East African railways and harbours and most importantly, there was one currency, the East African shilling. One would

Freight and logistics through the years

move from one country to another without any identification. Passenger trains would travel all the way from Kasese to Mombasa without any hindrance," Charles Kareeba, the chairperson of Uganda Shippers Council, says.

In 1977, however, the EAC collapsed, and this led to a change in many things. The three partner states, including Zambia, had bought ships under the East African National Shipping Line. "With our own ships, we carried our own imports and exports, and we competed favourably with other super ferries. But all these collapsed with the community," Kareeba explains.

With the breakup of the community, the East African Railways and Harbour Authority was no more and it gave birth to the Uganda Railways Corporation in 1977. The Uganda Railways covered 190km from Kampala to the Kenyan border and 8km between Kampala and Port Bell. From Kampala, it went to Kasese in western Uganda,

Opportunities in the sector

The oil and gas sector has come with lots of opportunities for the freight and logistics industry in Uganda.

Jennifer Mwijukye, the former chairperson of the Uganda Freight Forwarders Association, says more than 800,000 tonnes of

and its northern route went through Tororo, Mbale, Soroti, Pakwach, Lira and Gulu town, covering 1,266km in Uganda alone.

Collapse

"The collapse of the Uganda Railway in the 1980s encouraged more and more people to go into trucks. By 1990, cargo had shifted from railway to trucks and up to today, trucks are the dominant form of transport used in the freight and logistics industry in Uganda," Kareeba says. Sanon Sserunjoji, the

equipment is expected to be transported to the Albertine oil region as Uganda seeks to produce first oil by 2020 thus presenting. She says this is a huge opportunity for the freight and logistics industry. However, the high standards required may cut off many people.

founder of Noble Clearing and Forwarding, says the industry has registered a tremendous growth in technology usage. "We have come a long way and things are getting better. We are getting less human contact in the clearing of goods and services and the technology has greatly improved. There is a lot you can do on the computer now," he says.

Competitive markets today demand not only agility, but also flexibility in terms of the supply chain. Digital supply chain management

is a next generation model that successfully combines automation with superior logistic services.

"A recent MHI Annual Industry Report indicates that within the next five years, the digital supply chain will become the predominant business model. Not only will this benefit businesses by functionality, but it will also give them complete predictability for supply chain trends and movements," Sserunjoji adds.

Tracking

"Technology is also enabling us to track shipments. At the touch of a button on a smartphone or tablet, consumers can track their shipments from each location until it reaches the final destination of delivery," he says.

Sserunjoji says this form of service highly satisfies consumers by giving them a piece of mind, knowing exactly when their items will arrive, business owners will their orders, as well as the

everyday individual placing an order.

Online payments have also increased tremendously. Today, e-commerce is a driving factor of sales. Digital sales are made every day through electronic payments, all through the touch of a button. This has empowered companies with increased growth opportunities.

Challenges

Without railway transport, Kareeba says the freight and logistics industry will remain costly in Uganda. "Works on the Standard Gauge Railway should start and the project should be completed in time to enable Ugandan entrepreneurs save money and time," he says.

He adds that railway transport is essential in the economic development of a country because it is much cheaper and saves time. "One engine can carry up to 20 wagons, with each wagon carrying two containers, which comes to 40 containers at the same time. This cannot be compared to trucks where 40 containers will require 20 trucks," Kareeba says.

He adds: "We also have a challenge of standards in the oil industry. For instance, people have not been trained enough and yet the standards are international and cannot be compromised. Standards in areas such as health, security and safety have to be followed to the dot," Kareeba says.