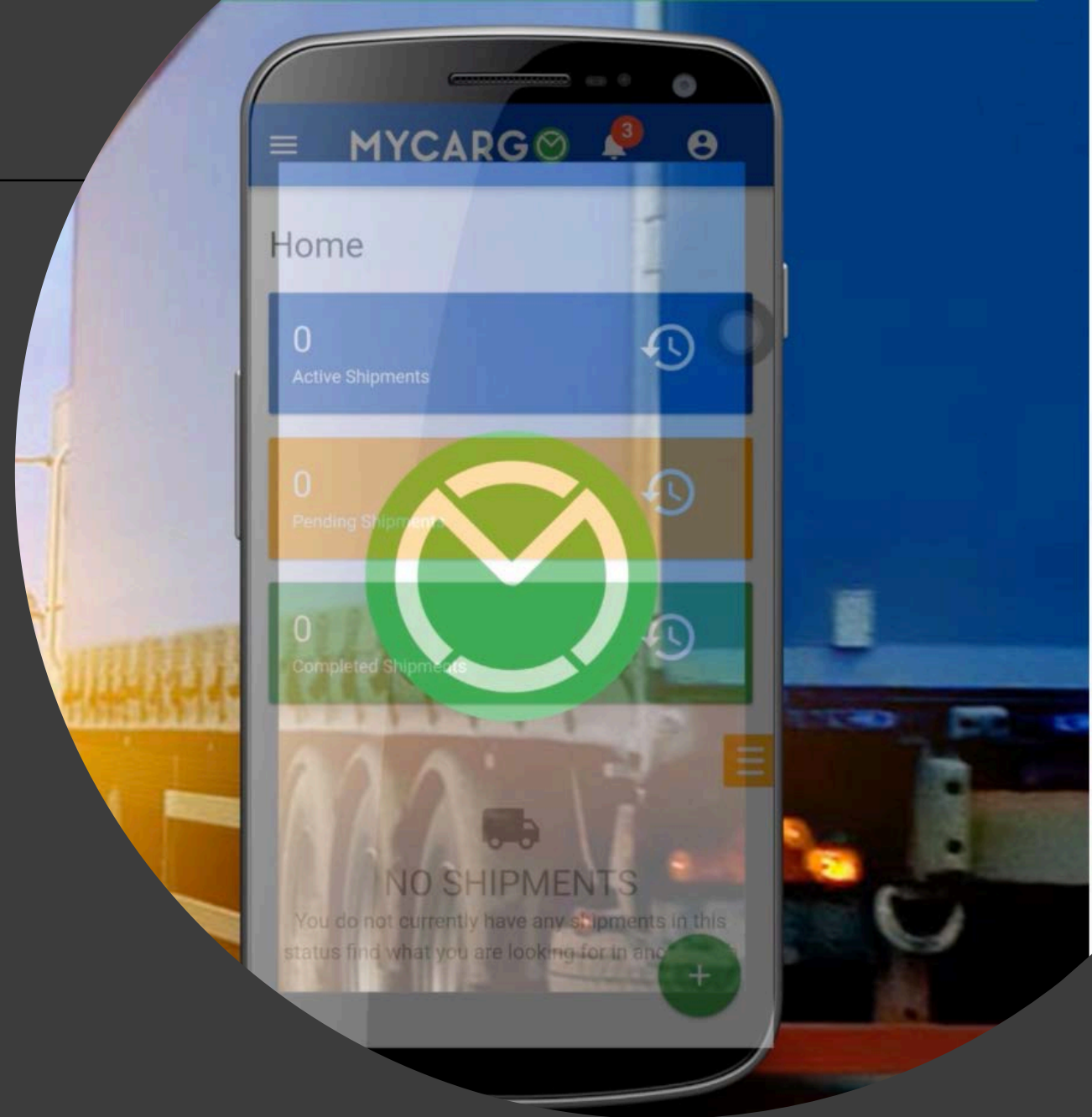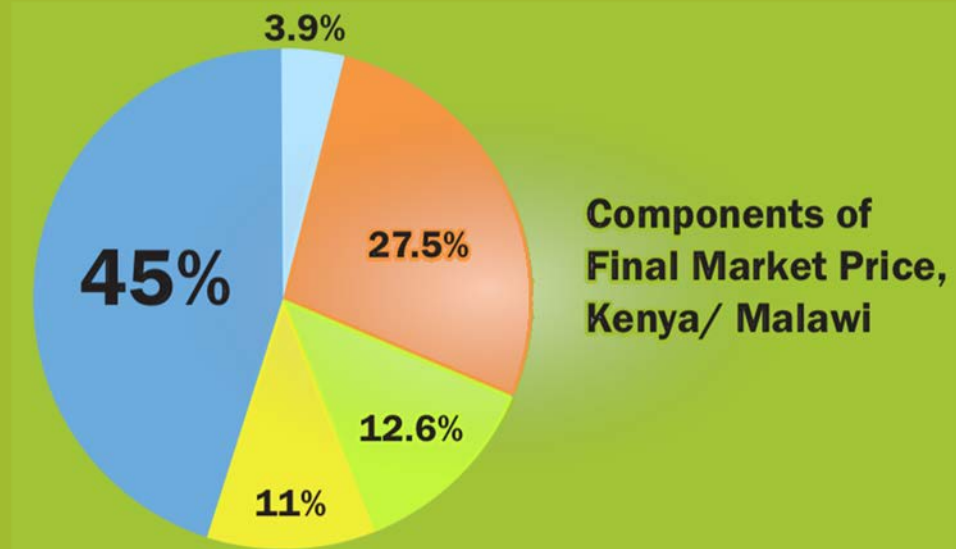# UNLOCKING THE POTENTIAL OF THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT (AFCFTA):
LOGISTICS PERSPECTIVE

Presenter: Andrew Karani

Founder & CEO, MyCargo

LOGISTICS IN EAC: HOW WE RANK

MYCARGO
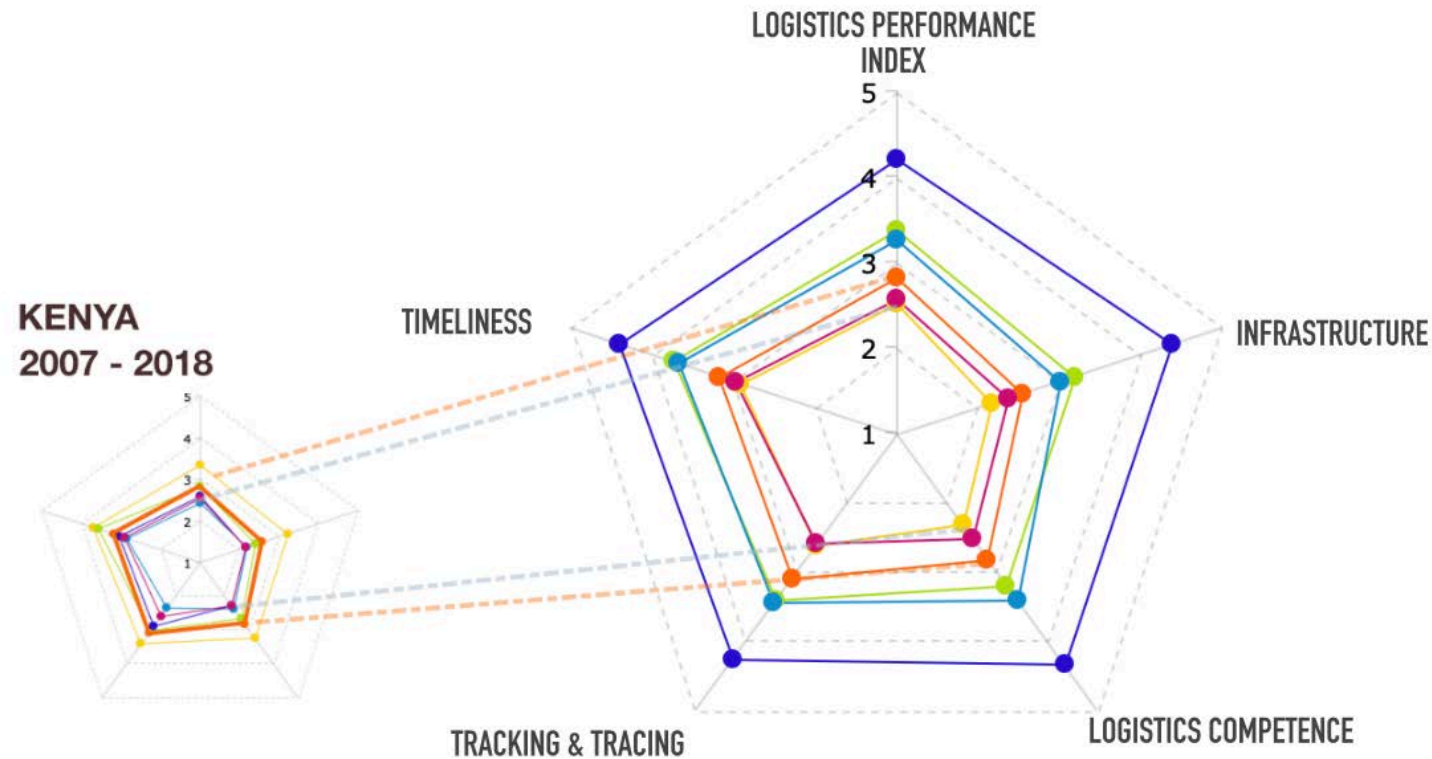
Transport costs account for around **30%** of average market prices in Kenya, twice the amount in comparable Asian countries

Components of Final Market Price, Kenya/ Malawi

3.9%
45%
27.5%
12.6%
11%

Components of Final Market Price, Bangladesh/ Indonesia

0.6%
13.8%
4%
1.6%
80%

- Percentage received by producers
- Transport and associated costs
- Profit
- Transaction costs
- Taxes

LOGISTICS IN EAC: HOW WE RANK

LPI Rank

	2007	2018
Kenya	76	68
Vietnam	53	39

Efficient logistics are a precondition for regions, countries, and businesses to participate in the global economy, boost growth, and improve livelihoods.

MYCARGO

INNOVATING LOGISTICS IN AFRICA

120+ LOGISTICS COMPANIES

SERVICES

SHIPPING/FREIGHTING
Organisations that provide shipping or freighting of goods in bulk by trucks, trains, ships or aircrafts.

FREIGHT FORWARDING OR MANAGEMENT
Organisations that that organise shipments for individuals or companies from production to the end-user, or offer management solutions and networks for the supply chain.

COURIER SERVICES & LAST MILE DELIVERY
Organsations that offer on-demand delivery and transport of commercial goods and food products, or delivery to the final mile.

STORAGE & WAREHOUSING
Organisations that offer storage facilities where raw materials or manufactured goods can be stored prior to further distribution or collection.

COLD CHAIN
Organisations that offer temperature-controlled transport or storage of perishable goods.

ADDRESSING SYSTEM
Organisations that faciliate, deliver or manage post related services.

NOT INCLUDED

FOOD DELIVERY

E-COMMERCE DELIVERY

MOBILITY & TRANSPORT

PHARMATECH & MEDICAL SUPPLY DELIVERIES

BRITER BRIDGES

#INNOVATIONMAPS

- 10+ STARTUPS
- 4-9 STARTUPS
- =<3 STARTUPS

NON-AFRICAN BRANDS
Glovo, logistimo, fetchr

ALGERIA
OPTICHARGE, easy relay, COLIVRER, CITY LOCKER

TUNISIA
Naviacom, optima logistic, DROPPEX, Tuniliv

EGYPT
JLB, Bosta, Wayak, wint, OPEX, Transporter, move me, trella., Ufelix, VOO, Grid, maxab

MOROCCO
Freterium, KOURTIM

SENEGAL
CRP, afrikamart, YOBANTÉ EXPRESS, Qui CARRY, paps

CÔTE D'IVOIRE
Jexport, KAMTAR, BIFASOR, KeyOpsTech, RakTak, woro woro

KENYA
TRUCK, GSela, iProcure, MPost, OkHi, LORI, SOTE, SOKOWATCH, Sengo, TMX, Sendy, bwala, Getboda, VAKAVA

SOMALIA
GULIVERY

LIBERIA
LIBdelivery

GHANA
movestack, AQUANTUO, ProFish, Swiftly, TRUCKR, Jetstream, Cliqhoul, Sh Storehouse, SnooCODE

CAMEROON
DITEX

BENIN
ZemExpress, Zèxpress

RWANDA
CANGO

UGANDA
SafeBoda, Godel, CheetahMana

D.R.CONGO
TINDA

NIGERIA
swift, Arone, kwik, max.ng, parcel it, Goopro, chekkit, BIDSHIP fieldinsight, Unifuels, Deliver, Hubbon, eazyhire, ACE, tradedepot, Kobo

ANGOLA
O GARÇON Angola, KUBINGA, TUPUCA

ZAMBIA
MUSANGA

MAURITIUS
EXPERT.MU

SOUTH AFRICA
PARCELNINJA, Cquential, Sxuirrel, DRONE SCAN, zande, CYBER LOGISTICS, BIDSHIP FASTVAN, emptytrips, line booker, Spazapp, Z, FETCH, picup, WumDrop, pargo, Rush, mzansi, S

ZIMBABWE
movecool, ParcelTip, VAYA, MERCHANT COURIER

BOTSWANA
L

COST-EFFECTIVE
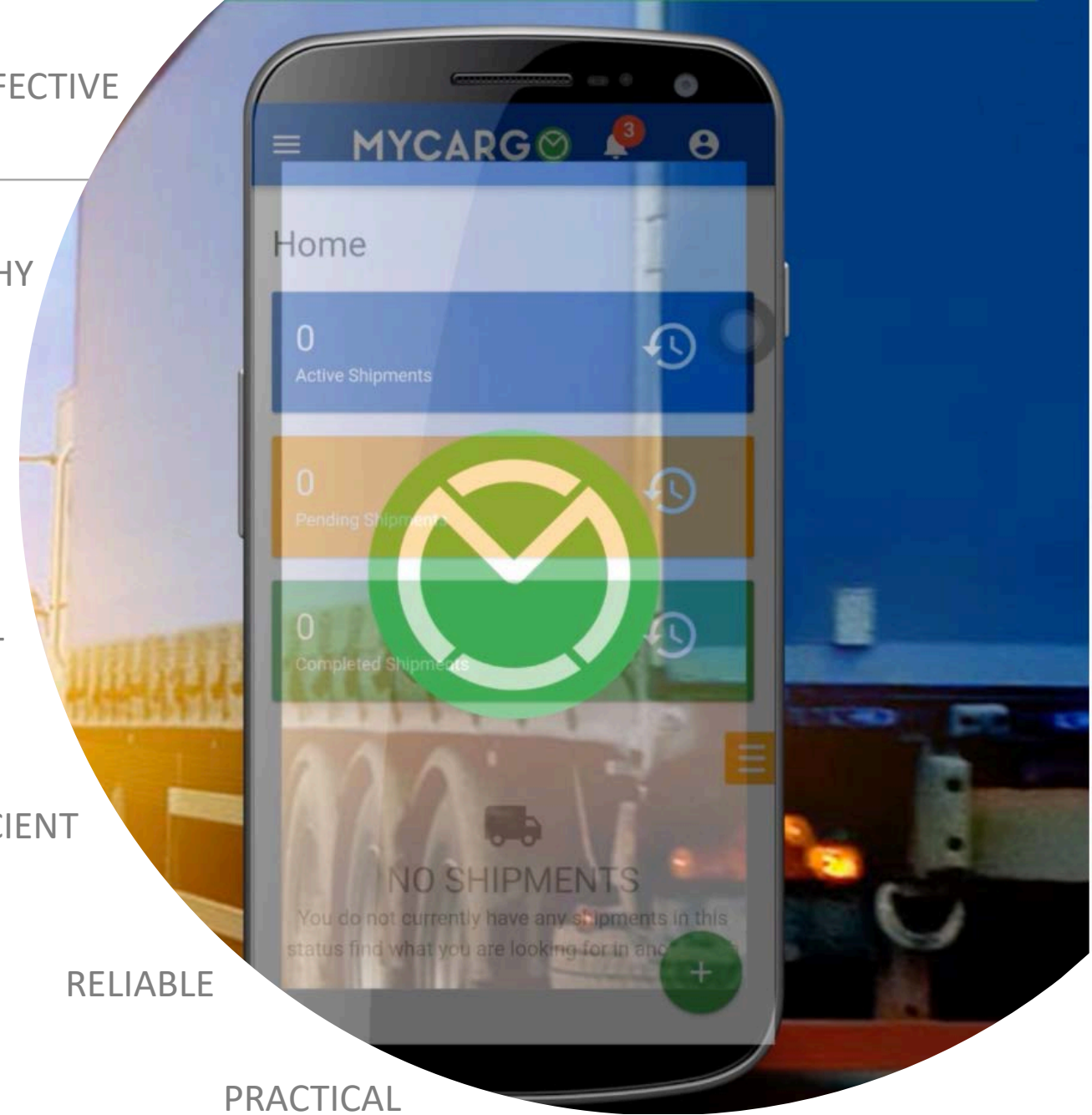
TRUSTWORTHY

PREDICTABLE

LOGISTICS IN THE DIGITAL AGE

TRANSPARENT

EFFICIENT

RELIABLE

PRACTICAL

MYCARG

LOGISTICS TREND RADAR

LOW IMPACT ‹   HIGH IMPACT   LOW IMPACT ›
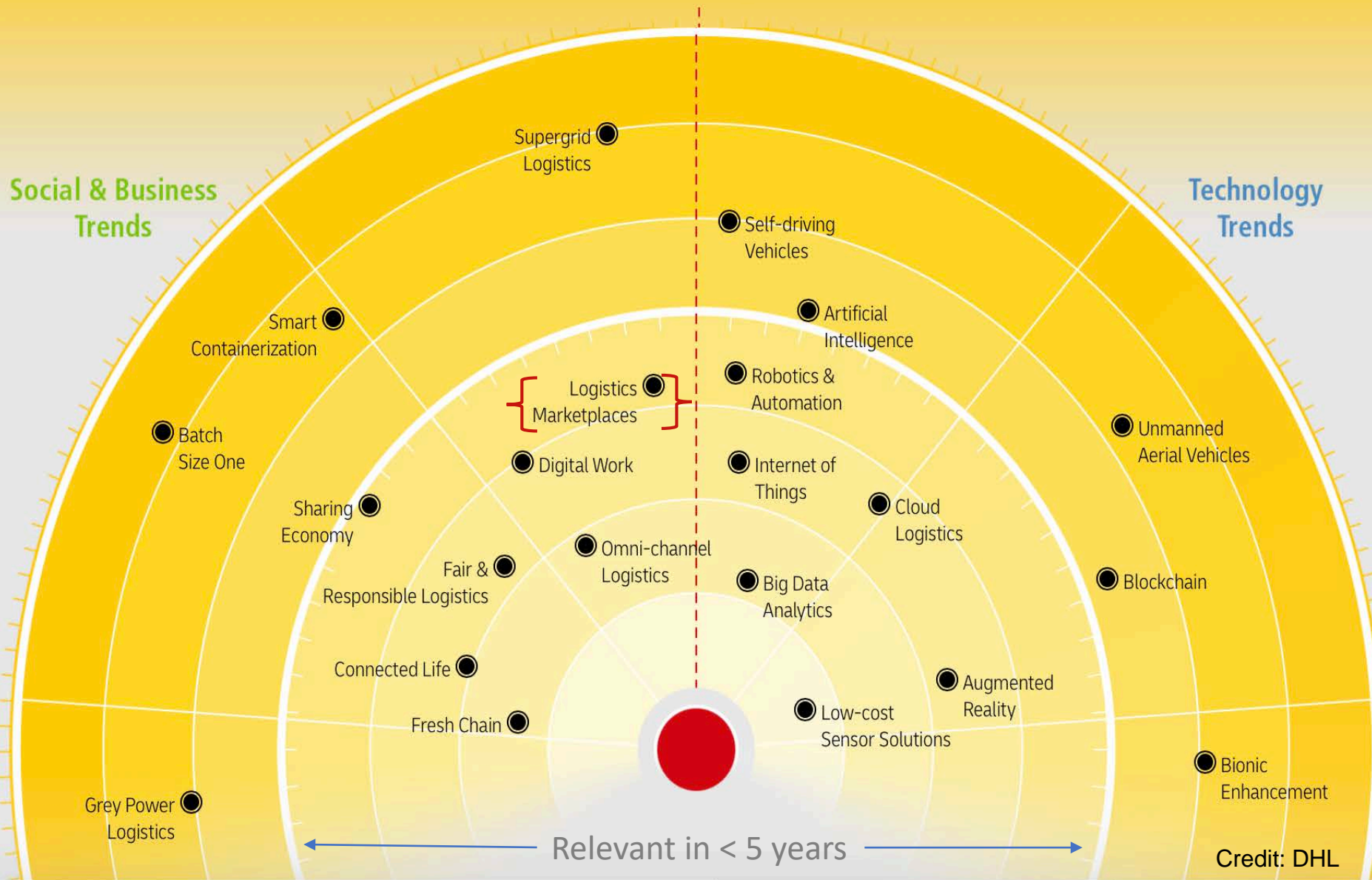
Social & Business Trends

Technology Trends

Sectors

Only show the following sectors:

- Automotive
- Engineering & Manufacturing
- Technology
- Energy
- Life Sciences & Healthcare
- Retail & Consumer

Supergrid Logistics

Self-driving Vehicles

Smart Containerization

Artificial Intelligence

Batch Size One

Logistics Marketplaces

Robotics & Automation

Unmanned Aerial Vehicles

Digital Work

Internet of Things

Sharing Economy

Cloud Logistics

Fair & Responsible Logistics

Omni-channel Logistics

Big Data Analytics

Blockchain

Connected Life

Augmented Reality

Fresh Chain

Low-cost Sensor Solutions

Bionic Enhancement

Grey Power Logistics

Relevant in < 5 years

MYCARGO

Credit: DHL

DIGITAL LOGISTICS MARKETPLACE

MYCARGO

- Real-time Configuration of Logistics Services
- Real-time Quotes
- Proactive Network Cost-Saving/Capacity Alerts

Logistics Marketplace

Service Requester	Service Provider	Ecosystem
Request Transport Service	**Find Best Match**	**Lower Costs & Higher Utilization**

After creating an online account, customer list their requirement in details - what they need to ship, pickup point, delivery destination

Transporters can accept offers or post bids to counter those of their competitors.

The most viable offer or bid is accepted by the requestor.

It has been observed that shipment owners can save up to 60% in transportation costs.
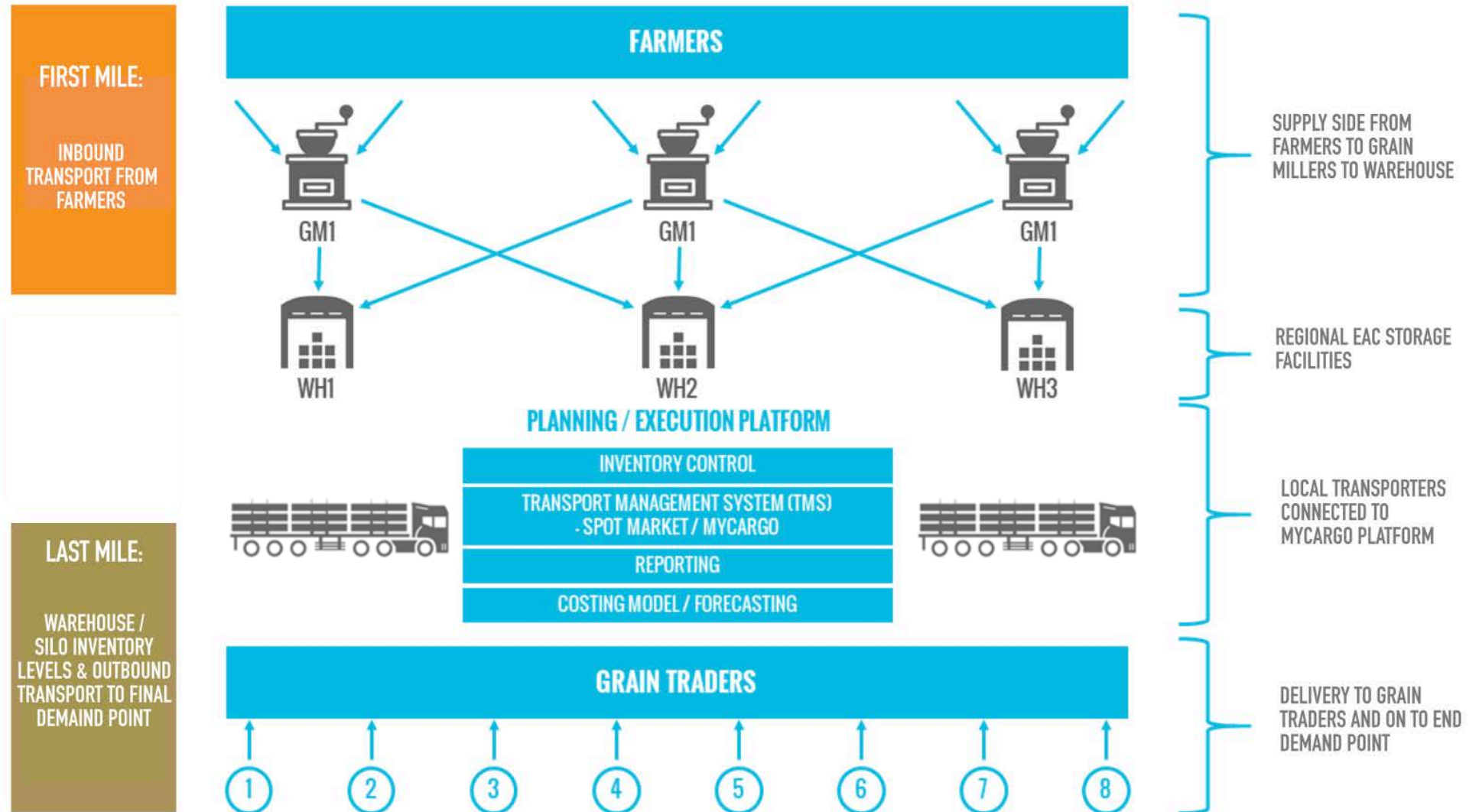
Win-win for all participants

Fewer trucks run empty. Transporters get extra cash, reduce waste and provide improved service at lower cost

GRAIN LOGISTICS

- **Efficient Grains Logistics is a key element in achieving sustainable food security in the Africa, and thus a driver of competitiveness and economic development**

FIRST MILE:

INBOUND TRANSPORT FROM FARMERS

LAST MILE:

WAREHOUSE / SILO INVENTORY LEVELS & OUTBOUND TRANSPORT TO FINAL DEMAND POINT

FARMERS

GM1   GM1   GM1

WH1   WH2   WH3

PLANNING / EXECUTION PLATFORM

INVENTORY CONTROL

TRANSPORT MANAGEMENT SYSTEM (TMS) - SPOT MARKET / MYCARGO

REPORTING

COSTING MODEL / FORECASTING

GRAIN TRADERS

① ② ③ ④ ⑤ ⑥ ⑦ ⑧

SUPPLY SIDE FROM FARMERS TO GRAIN MILLERS TO WAREHOUSE

REGIONAL EAC STORAGE FACILITIES

LOCAL TRANSPORTERS CONNECTED TO MYCARGO PLATFORM

DELIVERY TO GRAIN TRADERS AND ON TO END DEMAND POINT

ROADBLOCKS TO OVERCOME

- Address non-tariff barriers - simplify and harmonize compliance procedures and establish "single source of truth" Kenya – Ethiopia examples:
  - Reduce processing times at the border
  - Need to harmonize axle limits and other vehicle and operator regulations to allow for regional hauling
  - Equip One Stop Border Point facilities with adequate infrastructure (such as weigh bridges, laboratories and warehouses) for fewer delays and quicker turnaround

- Need for continent-wide accepted trading hubs that also cater for the less developed economies which may be ill-equipped to enable trade flows

- Address corruption and self-serving interests – partially through automation, instituting performance SLAs and allowing for easy access to regulatory information (with timely updates)

- Establishing a common trading currency and embracing innovations such as blockchain

OPPORTUNITIES UNDER AFCFTA

- New and expanded markets for digital logistics marketplaces

- Improved connectivity of Africa's rural communities beyond national to regional supply chains

- Expanded regional scope and hauling opportunities for transport partners

- Easier and often cheaper access to resources under the expanded market

Through organizations like East Africa Grain Council and their G-Soko platform, we aim to make logistics one less headache for grain farmers, millers and traders who need to trade move their product in a safe predictable, efficient and cost-effective manner across Africa.

THANK YOU!!

Feel free to reach out at
karani@mycargo.io