In Conversation with Takao Omori, CEO, Portek

Building trade lifelines

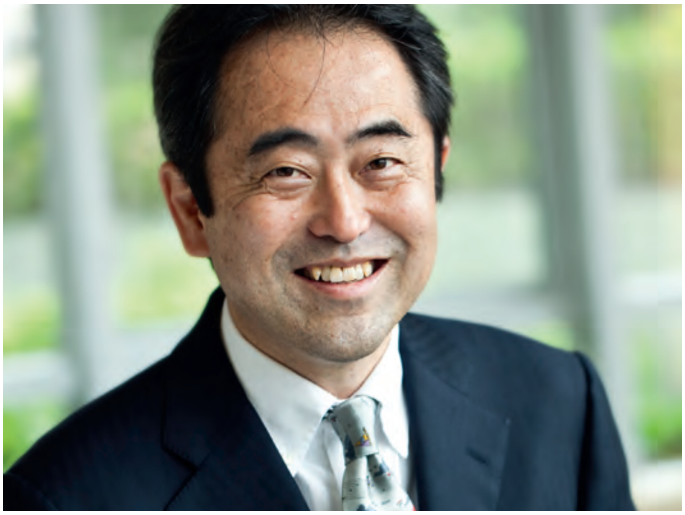
What difference has your inland port in Rwanda made to trade to and from the country?
Magerwa Limited, our subsidiary, forms the central logistics platform in the country.

Our facilities include warehouses in the capital providing 1.4 hectares of covered space; the Gikondo facility which offers 16 hectares of yard space for storing bulk cargo, containers and parking space for up to 250 trucks, plus space for smaller vehicles; 10 border posts with handling and warehousing facilities across the country; one state-of-the-art cold room at the Kigali International airport; and two oil tanker-truck transit yards.

Rwanda is a landlocked country and the smooth flow of goods into and out of it is essential for its economic development. The high standard of our handling services as well as the excellent warehousing facilities we provide, at very competitive prices, are vital for this flow of goods.

So you can say that our facilities have made all the difference in the world for the economic prospects of Rwanda. Magerwa Limited also plays an important role in the region for transit cargo to neighbouring countries such as the DR Congo.

It is now looking at extending its services to Mombasa, Kenya, and Dar es Salaam, Tanzania. This will enable it to service its clients in the East African Community under the single customs territory implementation.



We attribute our success in the region to the 'can do' spirit of our people and local partners. This has enabled them to overcome these challenges and achieve excellent results over the years

How important is your relationship with local players, including governments?
One of the primary reasons behind the success of the Bejaia Mediterranean Terminal in Algeria (BMT), and many of our terminals, has been the ability of our partners to complement each other and form stronger partnerships than otherwise.

Our commitments are always to ensure positive contributions to our partners and to the countries in which we invest – in line with Portek's philosophy of maximising throughput and accelerating growth. We feel African governments should provide investment incentives, such as freedom of capital flows, tax incentives, efficient ancillary logistics infrastructure and customs processes to encourage investments from private investors.

The main drawback is that fees in Africa are generally high due to the lack of efficient port and supporting infrastructure – as well as the lack of the volume that would justify the greater investment.

But in the long term, efficient infrastructure will create the impetus for volumes to grow, as it stimulates industry growth and consumption.

Since both private and public partners have a common long-term vision, the interests of both sides can be very much aligned.

You have operations in Asia, Europe and Africa. Are there any special challenges to operating in Africa compared to the other regions?
Examples of the challenges we hear about from traditional operations in Africa include long anchorage and long vessel dwell time and congested yards. These, in turn, lead to high operating costs. However, our African affiliates are performing better than most among our group – if not the best.

We attribute our success in the region to the 'can do' spirit of our people and local partners. This has enabled them to overcome these challenges and achieve excellent results over the years.

Specifically, we would like to highlight our achievement at Port d'Owendo in Gabon. Through the introduction of two mobile harbour cranes in 2012 and a third one in 2013, the port doubled its productivity (20 TEUs per hour per vessel) and helped to decrease the vessel waiting and dwell time by almost half.

How important are your African operations in terms of your global footprint?
Africa will certainly continue to feature prominently in our expansion going forward. We regard ourselves as a specialist in unlocking value for emerging markets with high growth potential. We are innovative in finding technical, financial and strategic solutions for Africa. We are actively seeking opportunities throughout the continent. ■