

INTERNATIONAL FREIGHT FORWARDER

AFRICA



ISSUE #1 - MAY2022



The Fracht Spirit Runs Deep in all of us in Africa.



Lionel TRISTAN

The Fracht Group is today one of the largest freight forwarders on the African continent. This strength is a real asset and gives us an undeniable competitive advantage over other global forwarders.

In each of the African countries where Fracht is present, our local teams know how to understand the specificities of their market and to make the most of them.

This Africa News aims to inform you about the countries in which we are present, the latest news in the country or at Fracht and to give our teams the opportunity to express themselves so that you get to know them better.

In our different offices in Africa we also make the difference by highlighting the values of our company, the respect of the other, the dynamics of our CSR actions, the professional accompaniment; we do this while respecting the DNA of FRACHT: A caring family spirit.



Amaury LUYCKX

Africa has been part of the DNA of Polytra since 1974. So we are basing ourselves on active Africa experience of more than 45 Years.

This experience has resulted in tremendous proven expertise and – down to earth - boots on the ground experiences.

Today we are proud to be considered as a top 3 Logistics Service Provider in sub-Saharan Africa – offering logistics solutions for all leading mining companies, global traders and EPC contractors active in the region. We have a 300 people strong team, active in 5 countries, with strategic assets in the region and our own customs licenses

By combining Polytra's strong Africa team based in Antwerp (Belgium) with our local experts in each country – who are on daily basis updating the teams on the latest local challenges, issues, changes and opportunities – we are able to offer the trust and confidence to assist your clients.

Operating in Africa is in a first place – being able to offer solutions no matter what challenges lie ahead and based on terrain knowledge and trust.



Josef LENHERR

I am convinced that we have the best AFRICA TEAM. The spirit, expertise and experience are our biggest strengths. Keep it going! Memorable experiences, both positives and negatives, are helping to increase the efficiency. I am very proud to represent our AFRICA TEAM towards clients because our product is unique, also our TEAM. It is UNIQUE LIKE THE MATTERHORN.



The Matterhorn is a mountain of the Alps, straddling the main watershed and border between Switzerland and Italy. It is a large, near-symmetric pyramidal peak in extended Monte Rosa area of the Pennine Alps, whose summit is 4,478 metres (14,692 ft) high, making it one of the highest summits in the Alps and Europe. The four steep faces, rising above the surrounding glaciers, face the four compass points and are split by the Hörnli, Furggen, Leone/Lion, and Zmutt ridges. The mountain overlooks the Swiss town of Zermatt, and the Italian town of Breuil-Cervinia to the south, and Theodul Pass to the east.



Dear friends,

We are really delighted with the development of our African venture, which began about four years ago with the opening of our own Fracht offices in African countries.

Having had the chance to take over a previously family-owned company, Polytra Belgium in Africa has helped us also in getting valuable experience in many African countries.

Now we can proudly say that if you need an expert to solve difficult African logistics challenges, call Fracht-Polytra, we strive to make the impossible possible.

And it all goes down to one thing: our employees. We are very proud of them and it is all because of them.

Best regards, Ruedi









FRACHT AFRICA NEWS #1

Changes in Fracht Kenya



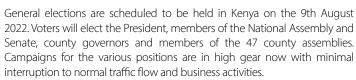
As of 01st October 2021 Fracht Kenya got a new Managing Director, with Joram Nyanzi. Joram will oversee the supervision of operations in Kenya while based in Nairobi until further notice.

In line with the further changes in the country, the physical office in Nairobi is the below new location.

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The Elections are expected to be peaceful, though we will continue to monitor and evaluate the situation as we edge towards the Election Day.



Polytra Zambia: Electrocell Project



Polytra Zambia won the transportation business to transport and warehouse electrocells destined for the DRC for our client based in Namibia.

Electrowinning is a process used to recover metals such as copper from concentrated solutions by applying a voltage across electrodes immersed in a concentrated solution.

The cells were transported from Walvis Bay to the Polytra Kitwe warehouse, where we had to offload and bond the cargo and then later move all 35 cells to Kolwezi, DRC. There are 2 different cell models where cranes were hired to lift the cells that weighed over 15 MT.

Due to the size of the cells, careful planning was needed as 2 cells behind each other caused a large overhang, which would consider the cargo abnormal.

All the cargo was safely offloaded and we are currently in the process of exporting the cells to the DRC.













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Polytra Kinshasa: Coal vessel



Since 2021, we have managed 3 vessels of coal, each of 16.5Kt, 20Kt, and 22Kt respectively, for our internal and international client Heidelberg through their representative here: La Cimenterie de la Lukala, which is the oldest amongst the others, with 101 years of existence. It is an old player who knows the logistics market and chose Fracht/Polytra due to the best services we are offering with very tight followup of operations and reports.

Since there is only river port available to access the region, it is important that vessel specs comply with local regulations regarding main points:

- Speed: river current can go up to 12 knots at that very last curve before reaching Matadi port. Some vessels could not make it and ended up hitting the hard rocks (Matadi means rocks in local language, the city itself is built on rocky mountains) underneath the imposing Marechal bridge.
- Draft: with limitation that varies depending on dredging campaign and seasons.
- Length: due to berth size and curve of the river, the length can be a problem when it gets over 190m long.
- Necessity to deal with maritime authorities that need to give the greenlight and embark a pilot onboard to guide the captain through the river and its uncertainty.
- Gearing selection: gear selection is very important as vessel and crane lifting need to be high enough to reach the hoppers that would permit an eco friendly discharging when it comes to breakbulk cargo as of coal.
- •Truck selection: according to season, space in port, discharge site distance and road conditions, appropriate trucks need to be selected. The smaller the truck the best it is for manoeuvers and bad road conditions but more you would need and vice versa.
- Loader selection: appropriate loader is necessary here, big enough to stack all the coal high up to 4m and small enough to be able to jump into the holds and clean the remaining coal left. 5 days are usually required to discharge 20.000t of coal with an average pace of 4000 a day, knowing that a slower pace is witnessed during the last 3 days due to holds being emptied. A very good discharging rate needs to be communicated to client to avoid penalties.







Polytra Katanga region Situation at the Kasumbalesa border (Zambia – DRC)

Parking issues in Zambia

Only a portion of the parking lot is paved. Because of the small capacity of the parking, trucks are forced to park in the mud. Some drivers refuse going there and prefer to park on the road.

The current situation at the border:

- Southbound: a 25-kilometer line with 2,650 trucks in two lanes
- Northbound: 2,040 trucks in line

Trucks stay at the border for 10 days before crossing. Customs officials from the DRC and ZRA are constantly meeting to find solutions. A bypass road is in place and exceptionally open, yet there is a 900-truck queue for the southbound lane.

This situation has a negative impact on our backloads as trucks arrive late at the mine. Only 53% of the April allocation has been uplifted.

















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Polytra Tanzania

This is the second sulphur shipment of 38,500mt we have handled in Dar. We did the trading, port handling, trucking, and rail transportation to the DRC, where we also offered customs services to the mines.





Fracht Burkina Faso

Construction of a USD 61.8 M airport in Ouagadougou – Burkina Faso

The new government has relaunched the construction project of Donsin International Airport, which is located 35km northeast of Ouagadougou and will have the capacity to handle one million passengers. Burkina Faso's government secured loans totalling USD61.8 million from the West African Development Bank and ECOWAS Bank for Investment and Development for the construction of this new airport. The total economic impact of the airport project is estimated at EUR420 million. Construction is expected to create nearly 5,000 direct and indirect jobs. Maîtrise d'Ouvrage de l'Aéroport de Donsin (MOAD) is in charge of the project, and SOGEA SATOM is the main contractor for road works. This is a business opportunity for Fracht Burkina, which is already working with SOGEA SATOM.



Fracht Mauritius on the move...
You heard that right! We are moving!





We are pleased to announce that as of May 2, 2022, we have relocated to a larger office within the MFD Building.

Fracht (Mauritius) Ltd started operations in December 2018, with a team of five people. Three and a half years later, and despite having gone through two waves of COVID, the team is now bigger, with 13 colleagues, and certainly much stronger.

To cater for further growth, it was the right time for us to find a more comfortable office for our colleagues and clients.

The local staff proudly joined hands to help in painting the new office and making it a welcoming place for everybody.

We will continue to offer the same friendly and professional service from our new premises. We invite you to come visit us and discuss opportunities to grow your business further.









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Fracht Ivory Coast - Important updates

- •Since January 2022, the customs service has carried out a new procedure to digitize all information relating to dangerous goods that will have to be updated automatically in the customs system. Previously, this was done manually.
- Also, since January 2022, any Pharmaceutical and Parapharmaceutical product is automatically considered as dangerous good.
- We are in the middle of a cashew campaign that causes port congestion, causing slowdowns in berthing and consequently lengthening delivery times. The campaign started at the end of February and will end in September.



Fracht Group opens a new freight forwarding office in Mali







The size of Mali is approximately twice bigger as France or the State of Texas in USA.

Our office is in the capital, Bamako, between the customs administration and Bamako business district.

Fracht Mali offers all range of freight forwarding services.

We will have our own customs license before the end of September 2022.

We are a motivated team of 4 employees, and we should be 7 to 8 by the end of this year.

Mali is very strong in the export of gold, cotton and fertilizer.

Fracht Cameroun

NEW WIN: 24 MARCH 2022

We have signed a new contract with one of our loyal customers in Cameroon for the transport of 8 transformers of 75,3 MT each, divided into 4 shipments of 2 transformers and 7 containers 40' of accessories. This new contract will run until the rest of the year.

The scope of works:

- Port services
- Customs clearance
- Transport to the Nachtigal hydroelectric dam site

NEW WIN: 14 APRIL 2022

Fracht Cameroon has also just signed a new contract with another of our biggest corporate clients. A vessel is chartered from Tianjin to Douala and Fracht Cameroon is taking care of all the local management. It is a package of OOG parts representing 2,295 FT / 496 MT including 2 pieces of $6.67 \times 6.28 \times 3.65$ m.

The scope of works:

- Port services
- Customs clearance (carried out by Bollore on all lots)
- Transport to the Nachtigal hydroelectric dam site









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Fracht Senegal





*Pape Ali Kebe standing on the complete right of the photo

Demarcation from the market:

Fracht Senegal decided to focus and develop the transportation and logistics services of some selected niche markets.

- DG cargo: ammonium nitrate (AN) & civil explosives (boosters, detonators, etc.)
- Energy: power stations, transmission lines, and solar plants

From a relatively good background of handling the above-mentioned products in our "previous working lives", we further strengthen our expertise by the recruitment of an experienced colleague with solid knowledge in non-standardized cargo movement. Mr. Pape Ali Kebe joined us 2 years ago as our project logistics manager, and together with the team, we have successfully accomplished many things.

Fracht Senegal is now positioned among the most reputable LSPs in handling AN and civil explosives. We handle approx. 1500 Mts of "AN cargo" in chartered vessels every 2 months with operations running from import permits, police authorization, port handling, custom clearance (port and border crossing for cargo delivery to Mali) and transportation (trucks).

Together with Fracht France, we have successfully handled over 250 containers and some breakbulk cargo related to the Mali Sirakoro power plant project. The political instability of Mali as a result of the military coup, which resulted in several sanctions from ECOWAS (western African countries) countries closing the borders to Mali, has made it difficult, but the local Fracht team has been crucial in finding solutions and continuing the deliveries of this important cargo.



Fracht Rwanda

Rwanda is known for its breathtaking scenery. Rwanda is often referred to as "le pays des mille collines" (English: "land of a thousand hills"). The capital is Kigali, located in the centre of the country on the Ruganwa River.

Intense demographic pressure, the shortage of arable land, and a lack of access to the Indian Ocean have been three critical problems in Rwanda's economic development. Nevertheless, tremendous strides have been made in infrastructure investments such as an improved road network, rural access to clean water and electricity, with a focus on high-end tourism to support the protection of the Mountain Gorillas.

As part of the "Visit Rwanda" campaign, which sponsors not only Arsenal but now also Paris St Germain football teams, a lot of superstars have been visiting the country and are also part of the youth training programs organized by the respective clubs.

The latest development in wildlife protection has been the completion of the Ellen DeGeneres Campus, which was gifted by her spouse, Portia de Rossi. This is an effort to help protect the endangered mountain gorillas, which live in Rwanda, Uganda, and the Democratic Republic of the Congo.















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Gearing up for Oil & Gas Operations

On 2nd February 2022 the Final Investment Decision (FID) for Uganda's oil and gas Projects by partners TotalEnergies EP Uganda, CNOOC Uganda Limited, the Uganda National Oil Company (UNOC), and the Tanzania Petroleum Development Corporation (TPDC) was announced. This shall see an investment of close to US\$ 10 billion to develop Uganda's oil and gas resources through the implementation of the Tilenga & Kingfisher Projects -Upstream, and the East African Crude Oil Pipeline (EACOP) - Midstream that will cross over ten (10) districts in western Uganda.

Tier I Contractors on the Tilenga project Include Schlumberger Oilfield Eastern Limited, Sinopec International Petroleum Service Corp & McDermott consortium, Vallourec Oil and Gas France and ZPEB Uganda Co. Limited. Fracht Uganda is keen on participating in this sector, as already witnessed by forwarding cargo on behalf of Schlumberger.

Rise in Fuel Prices

The month of April saw an increment in the price of fuel (both diesel and petrol) of 30% from USD 1.2 to USD 1.54 per litre. The surge in fuel prices has been attributed to the Russia-Ukraine war which is impacting global fuel prices.

This has potential impact on transport rates in the region. Kenya truckers through their association (Kenya Transporters Association) on 5th May announced a 22% increment in transport rates for Uganda bound cargo transiting through Kenya from USD 1.74/Km to USD 2.12/Km. Local transport rates have equally increased; and as a result impacting commodity prices.



ASSOCIATION

Association

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COST OF ROAD TRANSPORT AS AT 15th APR 2022.

Dear Members.

In response to various members' inquiries to be guided by the association on the costings of various routes and especially in lieu of the recent fuel increases, the KTA Costing Committees (Mombasa and Nairobi) have considered the current prices of fuel and other costs to come up with the minimum costs incurred by transporters when delivering goods to various destinations.

The minimum transport cost is USD 2.12 per kilometer one way for transit cargo excluding road user.

The minimum transport cost is **Kshs 225 per kilometer one way** for local cargo but does not include last mile whose costs vary.

Members can then use the kilometres to the various delivery points to calculate costs to various destinations.

Note that, fuel at the current rates of Ksh123.3 per litre forms 47% of the costs.

Further, please note this is a cost guidance only to be used by our members who are at liberty to decide on their margins.

A sample of two route costs are below.

MOMBASA TO KAMPALA	RETURN EMPTY
	USD
COST PER TRUCK LOAD	2,550
COST PER TON	91
COST PER KM	2.12

MOMBASA TO NAIROBI	RETURN EMPTY
	KSHS
COST PER TRUCK LOAD	112,000
COST PER TON	3,999
COST PER KM	225

On Behalf of the Board

Newton Wang'oo

Chairman

Kenya Transporters Association



An update on the flooding situation in Durban

There is still a backlog of import containers in the port. The authorities have issued an evacuation plan to all the shipping lines. Until further repairare done on the Bayhead road – it is unwise to ship to Durban in the interim. Options could be to Port Elizabeth, Coega if cargoes are destined to Johannesburg or further inland. This could be more expensive, but it is at least an alternative in the interim.

Whilst there have been small repairs done to one side of the Bayhead road, this can only accommodate very few trucks into and out of the port now. Special permission and permits were issued for essential cargo only – via Bluff Road (one truck at a time) – this covers fuel, pharmaceuticals and food stuff.

Currently only reefer cargo is being accepted via the booking system at the port with limited access on the export side.







FRACHT AFRICA NEWS MAY

Fracht Egypt





Aya Raafat, Customer Service Manager

The Russia Ukraine war has had a very negative effect on the Egyptian economy

As in the case for all emerging markets during times of war and global crises, capital flight is very common. Billions of USD hot money were pulled out of Egypt with the advent of the war. This has created a hard currency crunch and a lot of pressure on the Egyptian pound.

Egypt is also the biggest importer of wheat in the world and its two main suppliers are Ukraine and Russia. Hence, it has been forced to check other more expensive sources for wheat. One third of the tourists that traditionally visit Egypt are from Russia and Ukraine. This stuation has also adversely affected the Egyptian tourism industry.

All the above factors have forced the Egyptian government to officially devalue the Egyptian pound against the USD from USD1 = EGP15.5 to USD1 = EGP18.5. Consequently, inflation in Egypt has soared to over 15%.

KSA, UAE, Qatar and Kuwait have come to Egypt's aid and pumped in billions of USD to prop up the Egyptian pound and support the Egyptian economy. Yet a lot of government projects have been temporarily put on hold.

To ease the demand on the USD and Euro by importers, the Egyptian government has implemented a new system whereby any importer has to open a 100% covered Letter of Credit to be allowed to import. This has practically halted imports into Egypt for traders. Only manufacturers have been exempt from this rule recently.

The Egyptian government has just declared this week that it plans to privatize certain governmental entities and companies to raise cash.

It is fascinating to see Egypt, a North African country's fate so intertwined with the Russia-Ukraine conflict in Eastern Europe. We live in a truly globalized world.

Say Hello!



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16. Zambia

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About our 3 colours!

10. RD Congo - Lubumbashi This 3-colour code has been set to help you see easily the groups of countries that are under the leadership of Belgium, France & Switzerland.

