

From warzone to Special Economic Zone

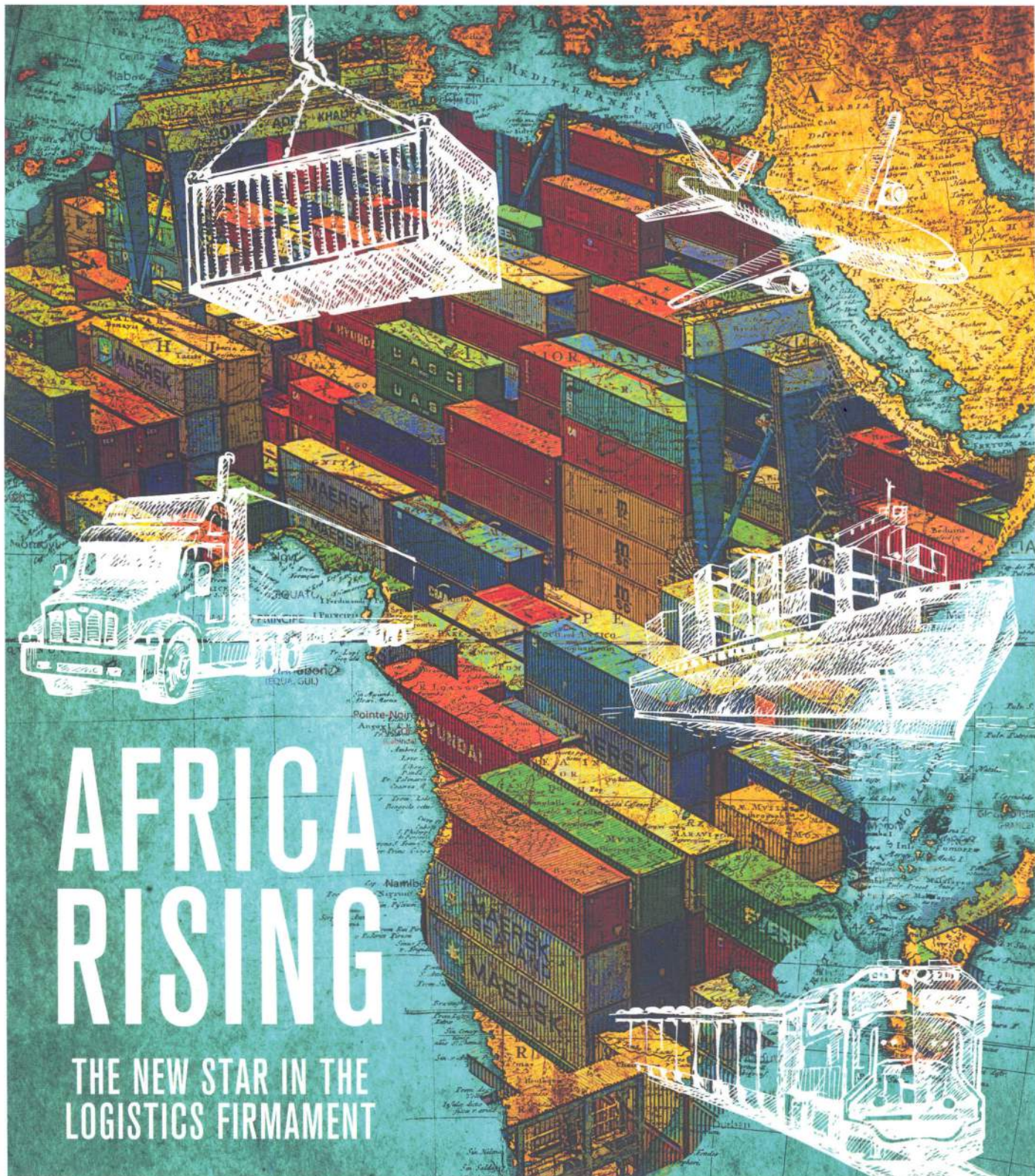
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MIDDLE EAST LOGISTICS NEWS

CONNECTING TRADE PROFESSIONALS WITH INDUSTRY INTELLIGENCE

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AFRICA RISING

THE NEW STAR IN THE LOGISTICS FIRMAMENT

Freight Reach Services reaches out to Africa

Africa accounts for 70% of FRS' annual business turnover and the continent is top priority for the company. Now well entrenched in East and Central Africa, the company plans expansion into Southern, West and sub-Saharan Africa.

Freight Reach Services (FRS), founded in Dubai in July 2010 by a team of committed logistics professionals with abundant expertise, capabilities and extensive global experience in the freight and forwarding industry, offers a comprehensive package of value-added freight solutions including air, sea, road freight and multimodal transport to Africa, the Indian subcontinent, the Far East, Europe and the USA.

Africa has been in FRS' focus since its inception and the company has developed a wide network of offices, agents and representation across the continent. "Africa is very significant for our operations and a whopping 70% of our business turnover comes from this continent," reveals Rajagopalan 'Raj' Subramanian, CEO, Freight Reach Services in an exclusive interview with Logistics News Middle East. "Our strategy and priority has been to develop the Africa trade lane and we foresee a lot of potential in this vast continent. The commercial ports of Mombasa and Dar Es Salaam serve as our two gateways through which we serve Kenya, Tanzania, Uganda, Rwanda, Burundi, Zambia and other Southern and Central African countries in Africa," he adds.

According to Rajagopalan, Kenya, Zambia and Uganda are the biggest markets for FRS followed by the Democratic Republic of Congo (DRC), Rwanda and Burundi, which are fast catching up. "FRS offers comprehensive logistics solutions to this fast-growing continent. We do air, sea, road and rail transportation into Africa. We also do hinterland and inland transportation across the region. Our full-fledged offices, complete facilities and professional capabilities in Africa imply that we can offer a wide-ranging suite of services to our customers and the trade," notes Rajagopalan.

FRS support African traders from across the continent—importers and exporters who come into Dubai to purchase and trade goods. The company's employees constitute several African nationalities in the UAE in addition to local staff



in its regional offices. Its warehouses both in Jebel Ali Free Zone and Nairobi, Kenya, serve as holding points shipments for finite periods prior to delivery at destination.

FRS performed well in 2014 and closed with sales of \$ 22 million which represented a 30% growth over the previous year. Rajagopalan admits 2015 has been a challenge due to oil price depression and also the strengthening US dollar. "We expect to do 10% lower in 2015 than 2014. Under the current conditions, this is a general economic malaise faced by all," he states candidly.

However even in this scenario, Africa continues to dominate FRS' business.

80% of FRS' business is sea freight. The company's airfreight component is also growing year on year. Multiple airlines have given freight forwarders options on space, price and connectivity. Sea freight volumes will continue to grow as some products and volumes can only be served by sea, he observes. "Also due to our presence in Dubai we are the hub for both sea and air into Africa with lot of options we can provide our customers," affirms Rajagopalan.



Rajagopalan Subramanian,
CEO, Freight Reach Services



In Rajagopalan's estimation, virtually all industry sectors are growing in Africa. As the continent's economy and trade develops, the population needs consumer goods, commodities, health sector products, construction material, heavy machinery and also project cargo. There are also a lot of ongoing UN, World Bank and various NGO projects in addition to new investments coming from wealthier nations keen to harness the continent's abundant agro and mineral resources.

Rajagopalan also foresees good logistics growth potential going forward. "In the loca-

tions we are in, we expect all the markets will grow. There is also political stability and reconciliation in many countries where formerly there was strife and civil wars. Governments are pushing for reforms and development, which bodes well for national and regional economies," he asserts.

Although growth in the energy sector is stunted due to falling oil prices, many African governments are investing in the oil and gas sectors for the future. Rajagopalan is hopeful a lot of project business will unleash for the energy industry and general infra-

FREIGHT REACH SERVICES

We are represented in Nairobi and Mombasa (Kenya); Kampala (Uganda); Kigali (Rwanda); Lusaka, Kitwe and Ndola (Zambia); Dar Es Salaam (Tanzania) and Kinshasa, Goma and Bukavu (Democratic Republic of Congo—DRC). All the offices has been set up in the last five years are fully owned by FRS. The company has warehouses in Nairobi, Kenya In addition to Jebel Ali Free Zone.

"Our full-fledged offices, complete facilities and professional capabilities in Africa imply that we can offer a wide-ranging suite of services to our customers and the trade."

structure if and when oil prices rebound.

FRS plans to explore and expand now into other parts of Central, Southern and the emerging economies of West Africa—Nigeria, Ghana, Ivory Coast, Cameroon and sub-Saharan Africa following its successes in East Africa. However, the road ahead is fraught with challenges.

"There is a lack of proper infrastructure and policies to support the growing economies. However, in fairness, there have been improvements in many countries as they try to develop, but still a lot still needs to be done," he rues.