

AN INFORMATIVE TALK WITH COLIN RHODA,

AN EXPERT IN SUPPLY CHAIN WITH 40+ YEARS EXPERIENCE IN ZAMBIA

ZGSC: Lets begin with some context: Talk to us a bit about your background and experience, working in the Zambian cargo industry.

COLIN RHODA: I come from a purchasing background, graduating into the freight industry in the 80's, initially based in Ndola and covering the Copperbelt on all aspects of air, sea road and rail freight.

Moved to Lusaka, early 90's heading up a major freight forwarder with eight branches countywide. Served as a Committee member, as well as a trustee, Zambia Clearing and Forwarding Agents Association.

Late 90's appointed to head Zega Limited, Lusaka International Airport, principally looking after expansion of perishable exports industry and ground handling operations. During this period Zega was second only to state-owned National Airports Corporation in terms of passenger handling cargo, handling 90% of passenger and cargo airlines operating into the country.

After leaving Zega 2010, moved into airline consultancy working with Eurocargo Aviation, Netherlands and latterly, local airline, Proflight, Zambia.

ZGSC: What are the biggest challenges aviation cargo faces in Zambia today?

COLIN RHODA: The biggest effect is the continued impact of dollar - related aviation fuel price increases, also felt world wide, but particularly hard for land-locked Zambia. This also affects airline ground handling fees and well as airfreight, handling and clearance fees, all contributing to operating costs and all of which inevitably, have to be borne by importers and/or exporters. This of course contributes to costs which are paid for by their customers, affecting their competitiveness and ultimately, their ability to survive in business.

ZGSC: How can these be addressed?

COLIN RHODA: The upgrading of KKIA (KENNETH KAUNDA INTERNATIONAL AIRPORT) has helped reduce these limitations, whilst the private sector also invested in expanding cargo handling facilities. However, this needs to be



part of an ongoing process with emphasis on private sector investment, leaving the regulatory authorities to independently oversee the industry.

Consideration also needs to be given to putting in place an aviation fuel system which can alleviate the impact of constant price increases, perhaps spread over a longer period.

ZGSC: What global issues affect air cargo rates and operations in Zambia?

COLIN RHODA: Global health crises, such as the COVID-19 pandemic, can significantly disrupt air cargo operations. Restrictions on international travel, lockdowns, and health safety measures can affect the movement of goods.

Economic downturns or fluctuations in the global economy can impact trade volumes and the demand for air cargo services. Changes in consumer behavior and business activities may affect the type and quantity of goods being transported.

Changes in international trade relations, tariffs, and trade agreements can influence the flow of goods and impact air cargo volumes.

Fluctuations in fuel prices can impact the operational costs of airlines and, consequently, air cargo rates.

Advances in technology and automation can both enhance and disrupt the air cargo industry. The adoption of new technologies may improve efficiency, but it can also require significant investments and adaptation by industry stakeholders.

Increasing concerns about environmental sustainability and emissions may lead to stricter regulations on the aviation industry. Compliance with environmental standards can influence operational costs and practices in air cargo.

Changes in international aviation regulations, safety standards, or security requirements can impact air cargo operations, requiring adjustments and investments in compliance.

It's essential to monitor the dynamic nature of global events and their potential impact on the aviation cargo sector in Zambia. Local

factors, such as government policies, infrastructure development, and economic conditions, also play a significant role in shaping the challenges and opportunities for the air cargo industry in any specific region.

ZGSC: What positives can you see in the industry today and do you see potential for the future?

COLIN RHODA: Zambia is rich in natural resources, including copper, cobalt, and other minerals. The mining industry has traditionally been a significant contributor to the country's economy.

We have fertile land suitable for agriculture. The agriculture sector has the potential for growth, contributing to food security and exports.

We have abundant renewable energy resources, particularly hydropower. Investments in renewable energy projects can contribute to sustainable development.

We boast of natural wonders such as Victoria Falls and diverse wildlife. The tourism sector has the potential for growth, attracting visitors to the country's national parks and cultural sites. We have ongoing and planned infrastructure development projects, including roads and energy projects, aim to enhance connectivity and support economic activities.

Zambia has a youthful population, and leveraging this demographic dividend through education and skills development programs can contribute to economic growth.

Participation in regional and international trade agreements can open up new markets and opportunities for Zambian businesses.

Government initiatives aimed at economic diversification, poverty reduction, and job creation can positively impact various industries.

ZGSC: Could Zambia become an air cargo hub for the region?

COLIN RHODA: Most definitely, given it's land-locked geographical position. As we speak, private-owned Zambian airline Proflight is in the process of setting up a regional freighter operation which will initially operate between KKIA and ORT, Johannesburg with plans to expand to other regional destinations. The idea is to compete with roadfreight operations to reduce cross border delays and improve transit costs, with particular emphasis on more expensive imports.

Zambia's central location within the Southern African region could make it strategically positioned as a transportation hub. Proximity to key markets and trade routes is crucial for the success of an air cargo hub.



Supportive government policies, including trade-friendly regulations, incentives for businesses, and a commitment to developing the aviation sector, are crucial for attracting investments and fostering growth.

Ensuring the security of air cargo is paramount. Adhering to international security standards and implementing robust security measures will build confidence among cargo carriers and clients.

Facilitating trade and reducing bureaucratic obstacles can attract businesses looking for efficient logistics solutions. Simplifying import/export procedures and documentation processes is crucial.

It's important to note that the success of becoming an air cargo hub involves a combination of these factors and may take time. The government, in collaboration with private sector stakeholders, needs to work towards creating an environment that is conducive to the growth of the aviation and logistics sectors. Regular assessments and adjustments to strategies will be necessary to address challenges and seize opportunities. Additionally, the global and regional economic climate, as well as changes in trade dynamics, should be considered in the long-term planning process.

ZGSC: What factors should a business consider when looking at Air/Sea/Road/Rail Cargo?

COLIN RHODA: When a business is considering transportation options for moving goods, several factors come into play. The choice between air, sea, road or rail cargo involves assessing various considerations to find the most suitable and cost-effective solution for the specific needs of the business. The key factors being:

- Cost
- Speed
- Transit time
- Reliability and Schedule

When deciding on the optimal transportation mode, businesses often engage in a thorough analysis of these factors, considering the specific nature of their goods, destination, budget, and timeframe. Additionally, a multimodal approach, combining two or more transportation modes, may be considered for certain shipments to optimize cost and efficiency. Using a freight forwarder or agent based in Zambia can make this process significantly easier.

ZGSC: What advice would you give a potential investor before they do business in Zambia as far as Supply Chain is concerned?

COLIN RHODA: Understand the local business environment! Analyse the local business landscape, regulatory landscape and market condition. Familiarize yourself with local laws, trade regulations, and business practices.

Evaluate the transportation and logistics infrastructure in Zambia, including road, rail, and air connectivity. Consider how well the existing infrastructure supports efficient supply chain operations.

Gain a clear understanding of customs and import/export procedures in Zambia. Ensure

compliance with regulations and assess the efficiency of customs processes to avoid delays in the supply chain.

Establish strong partnerships with local suppliers, distributors, and logistics providers. Building relationships with reputable local partners can enhance the efficiency and reliability of your supply chain.

Explore any government incentives or investment promotion programs that may be available for businesses in Zambia. These incentives can support your supply chain and overall business operations.

By thoroughly assessing these factors and tailoring your supply chain strategy to the local context, you can position your business for success in Zambia. It's also advisable to seek guidance from local experts, industry associations, and government agencies such as the Zambia Development Agency (ZDA) to gain insights and support for your investment.

