Freight logistics industry seeks to professionalise ahead of oil

Investment

By Vision Reporter

Last week, the "train-the-trainer" course in international logistics and freight forwarding was launched in Uganda, to help the industry attain the 14 Federation of International Freight Forwarders Association (FIATA) minimum standards.

Taking place at the Sheraton Kampala Hotel, the train-the-trainer 10-day programmeme that ended yesterday, will see graduates attaining international accreditation to teach the FIATA diploma course. This will then provide a pool of a reliable workforce in the industry that requires continuous reskilling, given the ever changing and growing business environment.

It is a result of collaboration between the Uganda Freight Forwarders Association (UFFA), the Uganda Revenue Authority (URA) and the National Logistics Platform under the Private Sector Foundation Uganda.

Blenda Nakkazi Mwogeza (pictured), the chairperson of the National Curriculum Implementation Committee and a Uganda Revenue Authority official, said for freight logistics to be recognised as a professional industry, it is high time the masqueraders are separated from the genuine or qualified practitioners; who will now be equipped with the right skill-set and will be able to follow the set standards.

Sim during the training at Sheraton Kampala Hotel recently

GLOBAL TRAINERS

The programme is facilitated by internationally certified master trainers and industry practitioners from Germany, Switzerland, Singapore, and Hong Kong and other parts of Europe.

They include renowned Thomas Sim, the chairperson of FIATA Advisory Body Vocational Training and lecturer at Singapore Logistics Academy, Dr Vincent Valentine from the United Nations Conference on Trade and Development in Geneva, Switzerland, Dr Peter Wong, the senior lecturer of shipping and logistics at Polytechnic University of Hong Kong, Mr Uwe Schick, the director of studies and head of department for forwarding and logistics at Julius-Leber-Schule, Frankfurt am Main, Germany.

"This training is an international discipline that will help both Uganda and East Africa, in general, to achieve professionalism and acceptability on the international scene. This is why it is being conducted by FIATA, the global umbrella body of freight logistics," says Hussein Kiddedde, the chairperson of the UFFA, who was also one of the trainees.

LOGISTICS GIANT

Based in Switzerland, FIATA is the largest non-governmental organisation in the industry of logistics and transportation. It protects and promotes the interests of its members that include 10 million employees and 40,000 companies in over 150 countries.

The train-the-trainer programme comes at a time when the industry is seeking self-regulation, throughout the region.

A Self-Regulation Bill has been drafted at the regional level to emphasise ethical standards in the freight forwarding industry, in consultation with key stakeholders.

This aims to hold members accountable for the type of service they provide in the industry.

> "Logistics firms are expected to handle huge volumes of cargo for Uganda's budding oil and gas industry

Once the FIATA diploma programme commences, Uganda will be the first to offer it in East Africa, and the third country in Africa to do so.

PROFESSIONALISM

The journey towards professionalism of the logistics and freight forwarding industry in East Africa started in 2006, with the National Curriculum Implementation Committee (NCIC) tasked with overseeing the implementation of the capacity building programmes in the industry. The committee reports to the Federation of East Africa Freight Forwarding Association and the East African Community Directorate of Customs and Trade.

ACHIEVEMENTS

So far, the East African Customs Freight Forwarding Practising Certificate (EACFFPC) has been implemented with 6,600 graduates across the region to date, with over 1,300 graduates coming from Uganda. Currently, another 438 participants are undergoing the certificate training in Kampala, Mutukula and Entebbe.

"For freight logistics to be recognised as a professional industry, it is high time the masqueraders are separated from the genuine or qualified practitioners; who will now be equipped with the right skill-set and follow the set standards," Blenda Nakkazi Mwogeza, the chairperson of NCIC, said.

Before the EACFFPC programme, most practitioners, such as customs and clearing agents, were ignorant of logistics and freight forwarding industry practices, which had an impact on the quality of service being provided to taxpayers at the point of clearance of goods, Nakkazi Mwogeza, who also works with URA, said.

"As URA worked on the improvement of its services, it was pertinent that the customs agents who interface with the clients, are equipped with the necessary knowledge and skills for their effectiveness and efficiency. Continuous development programmes, such as the FIATA diploma, enhance our customs and freight forwarding practices to globally accepted standards," she added.

Sim said: "Logistics is the lubricant of the economic development engine. Hence, it is important that we always get it right to ensure the economy runs smoothly. Such trainings help Uganda stay in touch with the ever-evolving freight logistics industry."

Logistics firms are expected to handle huge volumes of cargo for Uganda's budding oil and gas industry. The signing of the Final Investment Decision, which is expected later this year, will see over $20b (about sh7.5 trillion) invested in the country to kick-start the construction of different infrastructures, such as pipelines, central processing facilities and a refinery – all critical before Uganda starts producing its oil.

"One can have the entire physical infrastructure in the world in place, but without the soft-infrastructure, nothing will run. One needs efficiency and speed, which means skilling; hence these vocational trainings," Kiddedde said.

He applauded TradeMark East Africa, UKAID and the UFFA founders and the advisory board, who he said have been instrumental in capacity building in the industry, over the years.

Total oil, gas output up, despite soaring prices

French energy giant Total lifted oil and gas output to record levels to bolster cash flow and lift first quarter net profits on Friday, but price volatility kept the results in check.

Net profits rose 18% year-on-year to $3.11b (about sh11.7 trillion), enabling the firm to keep a swathe of new projects on the ramp and hail its "strong" balance sheet.

But that figure was aided by exceptional items that helped rein in adjusted net income, which slipped 4% to $2.76b (about sh10.4 trillion), slightly below analysts' expectations.

"Markets remain volatile with Brent settling at a first-quarter average $63 (about sh237,000) a barrel, down 6% on last year, while gas prices were down 11% in Europe and 30% in Asia," Total's chairperson and chief executve officer, Patrick Pouyanne, said.

During the final quarter of last year, Brent dove from $80 (about sh301,500) a barrel down to $50 (about sh188,000).

However, the benchmark has risen this year, on the unrest in Libya, the collapsing production in Venezuela, the toughened US sanctions on Iran and an accord to limit production between the Organisation of the Petroleum Exporting Countries members and non-members, notably Russia.

That led to Brent pushing past the $75 (about sh237,000) mark on Thursday for the first time in six months.

Total pushed production of hydrocarbons by 9% year-on-year to a record 2.95 million barrels of oil equivalent per day.

That was instrumental in lifting cash flow by more than 15% year-on-year to $6.5 billion (about sh24.5 trillion).

Total has many new and major gas projects in the offing, with Russia's Yamal in the Arctic and Ichthys in Australia, as well as offshore oil ventures in Angola and Nigeria and has also benefitted from its recent purchase of Danish group Maersk Oil.

The group confirmed a 2019 target to raise overall output by more than 9%, while adding it would seek to maintain financial "discipline", which it has pursued since oil prices slumped from 2014.

Net investment targets for this year remain between $15b and $16b (about sh56.6 trillion and sh60 trillion) on planned savings of $4.7b (about sh17.7 trillion) for average per barrel production costs of $5.5 (about sh20,700) with Total noting that refinery margins remained volatile.

Total shares were down 1.4% on the news in late Friday trading on Paris stock market.

Analysts at RBC Capital Markets said the data marked a solid start to 2019, while UBS acknowledged "continued progress in a volatile quarter."

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