

# The realities of trading in Africa

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It's often agreed that the trickiest part of the supply chain is not the sourcing, but getting the product to the consumer. And if you're planning to extend your supply network into a Third World continent like Africa, you should know that logistical issues tend to rise in complexity.



At the Produce Marketing Association's (PMA's) [Fresh Connections: Southern Africa Conference](#) this week, Andy Connell from A-bar-C Services discussed some of the logistical challenges that may await companies as they expand their business into the rest of Africa.

A South African himself with experience building supply networks in a number of African countries, Connell promotes doing business on the continent but warned that it requires a good deal of toughening up and flexibility. "Africa is not for sissies. Anybody that has done business there knows that. You can't have the same expectations as you have going into Antwerp or Florida or the Far East. It's not the same environment and you don't have access to the same resources."

He offered some of his top tips for building supply networks on the continent.

## Forget what you're accustomed to

In Africa, you're dealing with a less developed supply chain environment that you'd find in a First World setting. In some areas, the most basic of machinery coupled with manual processes can result in shipping delays, and Connell spoke of unsurfaced container yards resulting in equipment getting bogged down when it rains.

"It's business as usual for the locals but for us it can cause extreme frustration. You'll need to learn to live off what you find when you get there."

## Study your supply chain

While this may seem obvious, Connell said he sees many companies jump at the chance to do business in Africa without fully understanding how they'll get produce in and out of the country. Port structures and shipping lines need to be investigated in order to run an efficient supply chain, but they also need to be constantly monitored.

“Look at the routes that shipping lines service and you’ll find that they’re all written in pencil, because it changes all the time. Too much congestion in Abidjan, for example, and the shipping line will drop that port call.”

He also said to remember that your supply ship isn’t going direct to its final destination, there may instead be three or four different vessels involved. “And don’t think you can do it all yourself; outsource work to local experts,” he advised.

## **Review import regulations and understand customs zones**

Investigate and understand what the trade rules and import permit fine print is - your own country’s if you’re importing from Africa, and the target country’s if you’re exporting.

Then understand the customs zones. “For example, getting product to Kenya, you may find a much better supply chain going via Dar es Salaam, because there isn’t the port congestion you’d find in Mombasa. Don’t ignore it because it’s a different country, it may be cheaper in the long run.”



## **Forge authentic connections**

Connell stressed the importance of making contact and establishing sincere and ethical relationships with organisations and people working within the space. These connections, he said, should extend into the diplomatic core and political arena, especially in countries where bribery and harassment are commonplace.

“When things get tough in the supply chain, out there on the roadway or in the creek, having these solid relationships will result in them having your back when you need it. But engage them in an authentic manner, they’ll appreciate the sincerity.”

## **Observe rules of engagement**

He advised to leave expectations at home, pack in a sense of humour and be open to follow rules of engagement that differ from what you're used to.

While in South Africa it may be considered rude to start a meeting late, in Nigeria this would be business as usual. And at meetings or conferences in the latter, it would also not be customary to speak before observing proper protocol, meaning acknowledging who's in the room - a ritual that can last anywhere from two to fifteen minutes.

## Respect ethnic and cultural codes

"There's a lot of ethnic differences and cultural diversity and we need to understand what those are within the different cluster groups in Africa," said Connell. Familiarising yourself with a 'map' of the continent's religions and ethnicities is key to understanding the respective cultural environments and how to work within them. He noted that a simple mistake of calling somebody on the wrong day or at the wrong time could land you in hot water.

## Evaluate the risks

Make sure you do a proper risk evaluation and ensure that you're in a position to manage them. Be aware of health risks – like the recent resurgence of Ebola, for example – and of areas affected with violence and unrest. However, Connell noted that some issues can be sensationalised when in fact it only affects certain pockets of the region, and therefore it may not be necessary to avoid a country completely.

## Adopt a can-do approach

"Be enthusiastic about going into Africa, it's an exciting and vibrant place to do business. You will face logistical challenges but you will learn to roll with it and you'll come up with a Plan B. The difficulties are not insurmountable, in fact conditions are constantly improving," he said.

Instead of moaning about the problem, Connell said to be part of the solution. "Get involved. Set up liaison forums, get stakeholders together and engage."

"In Africa we are absolutely can-do. We make things happen."

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