

Growing market in Africa



By [Ilse van den Berg](#)

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Hapag-Lloyd recently opened a new office in Tema, Ghana as it continues its expansion across the continent. We interviewed Samad Osman, the Africa managing director for Hapag-Lloyd, and found out more about the current state of business for a logistics company in Africa.



Samad Osman

■ ***What are your thoughts on the state of digital transformation in the shipping industry (particularly in Ghana)? Are African countries lagging far behind other countries?***

I think that the world at times does underestimate Africa. It is estimated that by 2023 Africa will be the fastest growing digital market worldwide with 600 million users. Our e-business in Africa in certain sectors is at par with global our respective e-presence in other countries. The use of phone and internet is now widespread in Africa and most operations tend to happen in the main cities where penetration is very high.

■ ***What are the main opportunities for companies in the logistics industry in African markets at the moment? And what are the main challenges?***

Logistics providers and third party logistics companies can make better use of technology to present a real value proposition to their end customers. By fully integrating customers into the processes of the shipping lines service providers will be able to optimise the entire end-to-end supply chain management. This also means real savings for both parts.

Main challenges are congestion in ports, landside logistics, the standard of infrastructure and administrative bureaucracy. Admittedly in certain locations, things have significantly improved – e.g. in Tema where massive investments have been made.



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■ ***Hapag-Lloyd has been expanding its presence across Africa over the last two years. You also recently opened a***

new office in Tema, Ghana. Tell us a bit more about this decision.

It is true that we have grown our throughput threefold over past three years. This, however, is also because the company comes from a very low base and only ten years' existence in Africa.

As one of the top five global shipping lines in the industry, we are just taking our legitimate market share and presence in markets where our global customers expect us to be as a global player. Still, with this growth, we have some catch-up to do and this is what we are attempting to do.

With the EAS service, Hapag-Lloyd is now playing in East Africa for the first time ever in a shipping history of 170 years. The results have been very good with ships almost full from just a few weeks of sailings. This shows the confidence that customers globally have in Hapag-Lloyd.

Tema was an obvious decision given our growth in West Africa, based also on Ghana as a country and the new port under construction in Tema.



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■ ***How important are partnerships and collaboration across the continent?***

It is important to have solid partners who are deeply rooted in Africa and have the local knowledge and capabilities to support company growth.

Whilst one can always recruit people who have African roots and knowledge, the growth strategy will not be possible without local partners and compliance with local rules and regulations including indigenisation.

In our case, we are committed to upskilling our staff and we have regular training done in workshops abroad, locally with super users in a "train the trainer concept" and online as well with compulsory as well as optional training.

■ ***Why is Africa the place to be?***

First of all, I am African and I truly believe in this continent. I believe that Hapag-Lloyd now has a clear strategy about Africa stemming mainly from demand from our global customers given our position in the industry after our mergers with the shipping lines CSAV and UASC.

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Africa is huge, complex and also offers growth with the highest number of countries with the highest GDP growth per continent. Africa also has one-third of the world's arable land with less than 40% used today and this speaks for itself of a bright future mainly in agricultural products.

From a demographic perspective, Africa's population is also expected to grow fast and it already has a spending power of over \$3-trillion.

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ABOUT ILSE VAN DEN BERG

Ilse is a freelance journalist and editor with a passion for people & their stories (check out Passing Stories). She is also the editor of Go & Travel, a platform connecting all the stakeholders in the travel & tourism industry. You can check out her work [here](#) and [here](#). Contact Ilse through her website [here](#).

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