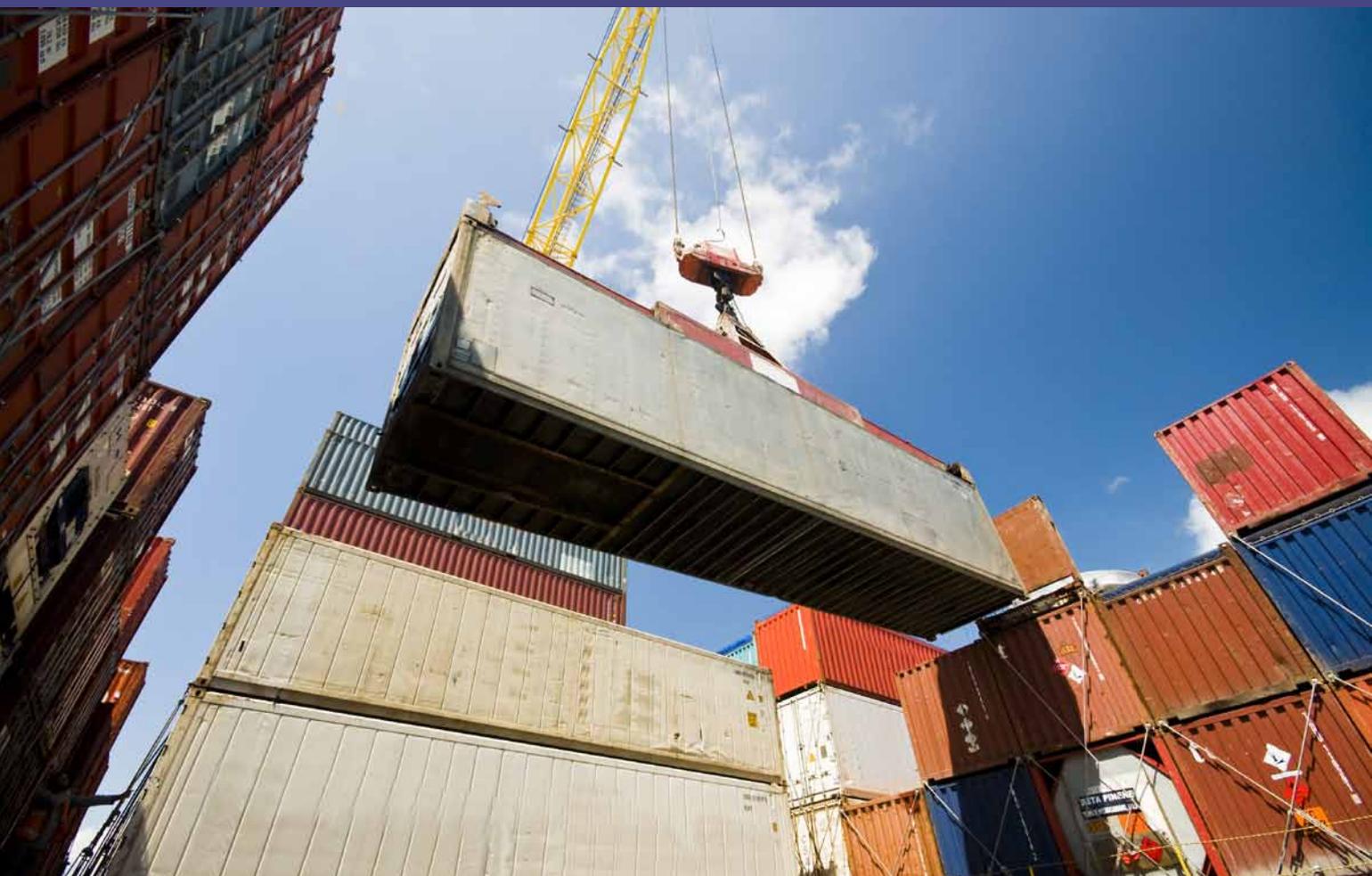




# THREWAYS SHIPPING SERVICES [GROUP] LTD

IN SAFE HANDS



[www.threewaysshipping.com](http://www.threewaysshipping.com)

# IN SAFE HANDS

*Threeways Shipping has shown it can deliver and is poised to take its place as a global logistics partner*

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**T**hreeways Shipping Services was first conceived back in 1990 in the United Kingdom by brothers Oscar Baitwa and Jeff Baitwa as a courier and freight forwarding business. Four years later the business was moved to Uganda and incorporated as part of the Bro Group, which today comprises the flagship company Threeways Shipping Services, its heavy haulage arm Transtrac, Threeways Distribution, and a radio station, Touch FM, which, under the stewardship of the managing director Franco Baitwa, is a great place to hear lively music.

Though it's an indigenous station, Touch may be more familiar to readers than Threeways. However, the latter is one of Uganda's best kept secrets, a logistics company that has made a huge impact on the local market. The figures speak for themselves. Its first decade or so was spent getting established as a local player in the importing and freight forwarding field and this is precisely what it had become by 2007, at the start of a five-year strategic growth plan that is just coming to completion. "At that time we had a turnover of almost five million dollars mainly from customers within Uganda," says Group managing director Jeff Baitwa. "We were running 36 trucks, many of them up to seven years old."

Five years later Threeways Shipping's annual revenues stand at around \$45 million: it has a fleet of 180 new trucks supported by modern standard trailers. An additional 36 specialised trailers and nine heavy duty cranes up to 70 tonnes in capacity are operated by Transtrac—the kind of



Inland haulage from Mombasa to Kampala: improving infrastructure

equipment required for supporting major oil and gas industry customers operating in the region such as Tullow, Total, and China's CNOOC, and a host of other mining projects in the region. The demand for this kind of support in the new oilfields of Uganda and southern Sudan and other similar projects in the whole region is only in its infancy.

From 50 customers in 2007 the company has grown a customer base of 150 regular clients, mainly corporate firms and major importers and exporters globally; with attrition rate fewer than three per cent annually in a fiercely competitive market. It has built up a portfolio of development land in Uganda, Tanzania and Kenya in preparation for future planned expansion and is involved in projects worth many millions of dollars. It's worth noting that the complex logistical requirements of some of Uganda's most exacting customers, such as very sensitive embassies and missions in Kampala, are also entrusted to Threeways Shipping, a sign of confidence many customers have in its ability to handle even the most sensitive projects.

All these facts and figures show a company moving in the right direction and offering tailor-made logistics solutions that are actually effective. "We have the confidence



Excellent working experience in complex African logistics (remote and rough terrain)



Ivory Avenue in Mombasa, Kenya

of the financial institutions willing to support our investment plans," says Jeff. "We now have teams able to deal with any size of project and any size of customer." But impressive though these achievements are, they just represent a staging post in Threeways' fortunes.

The next strategic plan covers seven years rather than five, and 'ambitious' doesn't begin to describe it. "In the coming seven years we

aim at re-engineering our business and growing our turnover tenfold. We intend to deepen our involvement in major projects while not neglecting the logistics capability that we have built up. And we will develop our own facilities rather than leasing them from third parties."

Back in the present, the three companies work seamlessly together, Jeff explains: "Say Volvo or Mercedes want us to manage parts distribution and warehousing on their behalf. Threeways Shipping would get the parts from anywhere in the world by sea, for example, Transtrac would handle the containers and bring them to the warehouse

.....

**180**

**New trucks in Threeways Shipping's fleet**

.....

where Threeways Distribution would take the goods into stock, stack them, then distribute them round the country in its fleet of smaller trucks as the client requires."

Last year Threeways Shipping started a new operation at the port of Dar es Salaam: once that has been fully manned the total number of directly employed staff in East Africa alone will approach 1,000. And the basis of the land bank for expansion has been laid. Twenty-three acres on two separate sites in Kampala will house the largest new facility, a fully automated warehouse that will include cold store facilities. A smaller but

**"WE HAVE THE CONFIDENCE OF THE FINANCIAL INSTITUTIONS WILLING TO SUPPORT OUR INVESTMENT PLANS"**

equally modern facility will be built at Dar es Salaam to handle the increasing amount of trade coming through that port.

Though Mombasa is currently the main point of entry for Kenya, Uganda, the eastern part of the Democratic Republic of Congo (DRC) and Sudan, it is getting very congested and goods often get delayed there, he says. “We are looking at alternative ports, and Dar es Salaam is rapidly becoming a viable competitor.”

And turning its attention to Dar makes sense for the way the business is developing, he adds. While the focus has

been on the northern part of East Africa to date, countries like Mozambique, Zambia, Malawi and of course South Africa itself are entering a new phase of activity: Tanzania’s principal port is ideally placed to serve these expanding markets, while retaining excellent connections to the old EAC countries.

While the merchant trade, covering retail and commodities, remains the bread and butter business for Threeways Shipping, the major project work that Threeways is now aggressively pursuing will have to provide the lion’s

**150**  
.....  
**Current number of regular clients**

“THERE IS RELATIVE POLITICAL STABILITY IN EAST AFRICA AND THIS IS NOW FACILITATING THE GROWTH OF TRADE”

share of future growth. The company is well established in this kind of work in the domestic market, with a number of road construction projects, infrastructure development and more recently hydroelectric schemes in its portfolio. It is currently supplying the country’s largest road improvement scheme, launched by President Museveni in June: “We are going

to distribute up to 400 units spread over every district in the country, all within a space of eight weeks.”

Elsewhere, in southern Malawi the company is involved in the latest phase of the Kapichira hydroelectric power station, thermoelectric power plants in Kenya and is bidding for further infrastructure projects in Zambia. It counts the largest distributors of drugs in Uganda among its customers and, staking its claim in Africa’s burgeoning telecommunications industry. Threeways is the logistics partner to the two major players in the region, Warid and MTN.

East Africa is a region of challenges and opportunities. Foreign exchange makes business very difficult, with two of the countries with the lowest per capita income, Rwanda and Southern Sudan, having the highest valued currencies, but the region as a whole has made great strides since Threeways moved here from London. “There is relative political stability in East Africa and this is now facilitating the growth of trade. Governments are getting more accountable to their people, building more infrastructures and putting meaningful budgets in place to support small and large scale trade.”

This is a great background against which to build a company fit to rival the



Dar es Salaam Waterfront



Expertise in special projects logistics includes extreme OOG

**\$45 MILLION**

Threeways Shipping's approximate annual revenues

best logistics and distribution companies in the world. Before the next seven years are up, Jeff expects the business to have a very different footprint. "Firstly, we want to rewrite the reputation of local indigenous companies," he says. "Eventually we would like to go public, listing not in East Africa but in one of the European markets." If Threeways were to choose the London Stock Exchange it would be like a homecoming, and there is no doubt that its performance to date would attract a great deal of interest from investors keen to get a piece of the action in what is predicted to be the next tiger economy.

Meanwhile Threeways plans to become a global operator in its own right, however well the current model of partnership with the best freight forwarding companies is working in each of its key markets. The first new overseas office is likely to be in China, though, a reflection of the high level of Chinese investment in Africa generally. Once it has sorted out its own headaches, Europe needs to look to its laurels! **BE**

For more information about Threeways Shipping Services [Group] Ltd visit: [www.threewaysshipping.com](http://www.threewaysshipping.com)

Some of the well-maintained facilities leased by Threeways



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