



Q & A

# SINO–AFRICAN VOICES

Q&A with: **Ndiarē Sembene**  
Africa–China Desk  
DHL Global Forwarding

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**AFRICA-CHINA**  
CENTRE FOR POLICY & ADVISORY

## **Sino-African Voices**

The ***Sino-African Voices*** is a series of Q&A on broader issues regarding Africa-China economic, social and political cooperation.

The platform is used to share critical insights from individuals with first-hand experience in both Africa and China.

*We began our Sino-African Voices Q&A with Ndiare Sembene.*

*Ndiare shared broader perspectives and key insights that border on the global supply chain, logistics, technology, and unlocking the full potential between Africa and China in terms of trade.*

**Q:**

## What impact is Russia Ukraine war having on global supply chains?

Go to any hotel in the world and order a breakfast, there is a high probability that sunflower seeds, wheat, or corn-based products will be served to you. Necessities like those are part of our daily dietary routine, and the war caused a shortage overnight.

Not only did it create a market disruption, but it also pushed suppliers and consumers alike to find alternatives to those everyday products.

The food market disturbance didn't come alone: oil, gas, iron, and the auto parts industry were also impacted, increasing the fuel price, which also has a direct impact on supply chain mobility and cost.



## What are the current trends in the logistics industry?

Thanks to the above-mentioned disruption, which is also an extension of the coronavirus pandemic, we are witnessing a change in customers' and service providers' approaches regarding digitization.

Indeed, several mergers and acquisitions are taking place in the logistics industry in order to remain competitive. If you look deeper into them, they have one common denominator: the ability to adapt to the latest trends and the placement of technology at the heart of their business strategy.

Automation is one of the key trends. It has many pros, as it allows for cutting costs in the long run, improves productivity, and considerably reduces human error. With time, it allows having a pool of data that can be blended with artificial intelligence to have a better understanding of the customer's needs or to improve internal processes.

Automation will facilitate the real-time visibility of any logistics business (through EDI and APIs). It is a step forward to giving full end-to-end visibility of any operation/project to a customer and is a great foundation to anticipate a blockchain setup for businesses.

In 2022, China achieved over 100 billion parcel deliveries on a national level. This prowess is made possible through well-developed online retail-driven logistics, a non-negligible population of 1.4 billion, and, LTL. Less Than Truckload is a perfect match for the retail market as it allows to move products "fast and cheap". Indeed, why would you hire an entire truck to move a fridge if you can just pay for the occupied space instead? Not only is it appreciated by the customers who save on delivery fees, but it also helps the suppliers optimize their truck business. LTL is also environmentally friendly, as the consolidation reduces the carbon impact of each parcel.

On a side note, the African continent has, currently, the same number of people as China, and the percentage of them who are under 25

years old is 60%. E-commerce in Africa is booming, and the future seems bright. We are not at 100 billion parcels/year yet, but this optimization is and can be beneficial to the African online market.



## What are the 3 trends shaping the future of logistics in African markets?

I would first mention AfCFTA. If the implementation is done properly and the project runs correctly, this will be an intra-Africa trade booster like we have never seen before. It will facilitate the exchange of goods by making the customs clearance process lighter and cheaper, enabling small and medium businesses to grow and expand.

Second, what would the AfCFTA be without roads and railways? Through the “One Belt, One Road” initiative, China is investing heavily in setting the right foundations for unlocking Africa’s business potential. One of their biggest infrastructure projects is the transport connection between East and West Africa. The renovations and upgrades of Senegal and Mali’s railway are the first steps in paving the way for goods and people to be able to go from Dakar and Bamako all the way up to Djibouti and vice versa. This will significantly enhance trade within the continent.

Finally, let’s look at the online market. Back in 2010, the access rate to the internet in Africa was at 10%, today, that number went up to 31% on average with several countries showing performances at over 50%. The banking rate is also improving, sitting at 42%; with AfCFTA and the East and West Africa transport infrastructure project: E-commerce is meant to skyrocket.



Trade logistics and infrastructure is key to unlocking Africa's trade potential. *What role do you see China playing in this sector?*

As mentioned above China is heavily investing in Africa's infrastructures.

China has helped build over 100 African ports, more than 13 000 km of railway, and nearly 100 000 km of highways. With over 43 billion USD in Chinese FDI stock, China has led over 40% of the infrastructure investments in Africa for the past 10 years, and the result can be seen all over the continent.

To be clear, it is a two-way road, and Africa also has a role to play in this. Currently, China has over 153 billion USD in African loans, and it's important to mention that the mismanagement of those loans can be catastrophic for the development of the continent.



*What do you see as China's strategy for Africa's transport and logistics industry?*

The Trade value between China and Africa was estimated to 254 billion USD in 2021 representing a 35% increase compared to the previous year. On Africa's side, we mainly have net importers.



The volumes are growing year after year motivating the opening of new port routes and increasing the airfreight cargo tonnage transportation to almost 10% YoY for some airports. On China's side, over a third of China's oil comes from Africa as well as 20% of its cotton. For the past few years, if you go to Bissau during the cashew nuts campaign or to Senegal during the Peanut campaign you will notice an increasing number of Chinese buyers compared to previous years.

Not to mention the Manganese and Cobalt in Congo, the Bauxite in Guinea, or the newly discovered Oil and Gas Field in Senegal, China is very much a part of the scenery. It's clear that Africa is "sexy" for most of the business partners and establishing the right infrastructures to enable a win-win partnership will surely position China as a strategic trading partner for the continent. China and Africa can meet each other's needs through ease of access to raw materials and diligent management of infrastructure development projects.



## *A new wave of e-logistics start-ups in Africa has sparked interest among investors. Why and how can China come in to support their growth?*

Africa can benefit from the experienced and deep R&D that China has already developed in its tech-enabled logistic sector.

Due to the intense local competitive market, China is one of the world's champions in reducing transport costs and delays. Africa is aiming to develop this sector and its cheap labor combined with its growing connectivity will set the foundation for future M&A between Chinese Logistics companies and Africa's E-Logistics start-ups.



Jumia is seeking cooperation with China and has a partnership with a Chinese logistics company, Ali Baba Group is settling in Rwanda and has launched an air cargo route between Hong Kong and Lagos. In fact, in the future, we shouldn't be surprised to see end-to-end integrated Chinese logistics companies established in Africa.

## About Speaker

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### Ndiaré Sembene

Africa – China Desk  
DHL Global Forwarding (China) Co. Ltd

A young dynamic African who speaks fluently four languages including Mandarin and who connects people through his role: International Business Development Manager for the Africa – China desk.

The latter is an initiative from DHL Global Forwarding Middle East Africa and DHL Global Forwarding China to simplify the business relations between the two regions.

It offers to its partners and customers a tailor-made service by providing a hands-on African logistics expertise directly in China.

Africa is the future. Bridging the Business Gap between our continent and all the other regions is more than essential to further unlock our potential and allow a sustainable development that will improve the life of over 1.4 billion Africans.





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### **DISCLAIMER**

*The views and opinions expressed in this Q&A are those of the speakers and do not necessarily reflect the views or positions of any entities he works with or represent.*



INSIGHTS

# Who we are.



The Africa-China Centre for Policy and Advisory is a Sino-African research and policy think tank and advisory firm headquartered in Accra, Ghana.

The Centre is dedicated to providing unbiased policy and market research as well as distinct views on Africa-China relations.

**We offer strategic guidance on key issues regarding China and Africa, covering multiple sectors and industries.**

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