

Global DHL CEO optimistic about Africa's potential

"Africa is the last bastion for business globally and, over the next few years, will prove its potential as a stable, lucrative continent for international commerce." These are the words of Ken Allen, chief executive officer of global express and logistics provider, DHL Express.



Allen is in sub-Saharan Africa to visit countries including Zambia, Kenya, Ethiopia and South Africa, as the operator continues to expand into the continent and increase its already vast footprint into the far-flung, rural areas. He will also attend DHL's internal employee celebration in Livingstone, Zambia, which acknowledges the company's 'superstars' from over 60 countries.

Allen's visit follows the announcement on 5 March 2013 by Deutsche Post DHL that the DHL Express division made an EBIT contribution of EUR 1.11 billion in 2012, a 21% improvement over 2011. He is also upbeat about commerce in Africa and eager to use this proven global business approach to further entrench DHL in the continent, spurring on trade and connecting the markets to increase the continent's global competitiveness.



Ken Allen, CEO of DHL

"Much has been said around Africa's potential and, while it currently only contributes 3% of the global GDP, it is still the fastest growing continent. We have seen positive economic indicators from countries across sub-Saharan Africa - Nigeria, Cote d'Ivoire, Ghana, Kenya, Mozambique and Uganda to name a few - and I believe we will continue to see Africa improve its standing on the international business stage."

He continues, "The major challenge for Africa and, primarily for us as logistics operators, is to improve infrastructure - whether this is road infrastructure or air capacity. Current road conditions are responsible for approximately 40% of transport costs in coastal countries and 60% in landlocked countries, and we know that transport costs can make up 50-70% of the actual retail price of goods in countries such as Malawi, Rwanda and Uganda. We are currently transporting over 80% of our cargo by air, which can be between 3 and 9 times more expensive than road or rail. For Africa to become competitive, this situation needs urgent review, with a strong focus on the developments of the transport infrastructure."

And Allen's major focus for the next few years? "Continuing to motivate and engage our employees, in both Africa and abroad. We have seen the culture of DHL Express reformed and reshaped through employee engagement and training, and the financial turnaround of the business is testament to this. Putting your human capital at the centre of your company leads not only to great service, but loyal customers and unparalleled business returns."