

# STORAGE RISKS LOSS PREVENTION IN AFRICA



- WHY CHOSE THIS TOPIC
- WHAT MAKES STORAGE THROUGHOUT AFRICA SO PECULIAR
  - DIFFERENT REGIONS, DIFFERENT RISKS
  - FOCUS ON VARIOUS WAREHOUSE RISKS
- THE CORRECT EVALUATION
- DPS RECOMMENDATIONS
- CONCLUSION
- QUESTIONS AND ANSWERS



# WHY CHOOSE THIS TOPIC

Africa is the fastest growing economy

Massive foreign investments in African countries and infrastructures

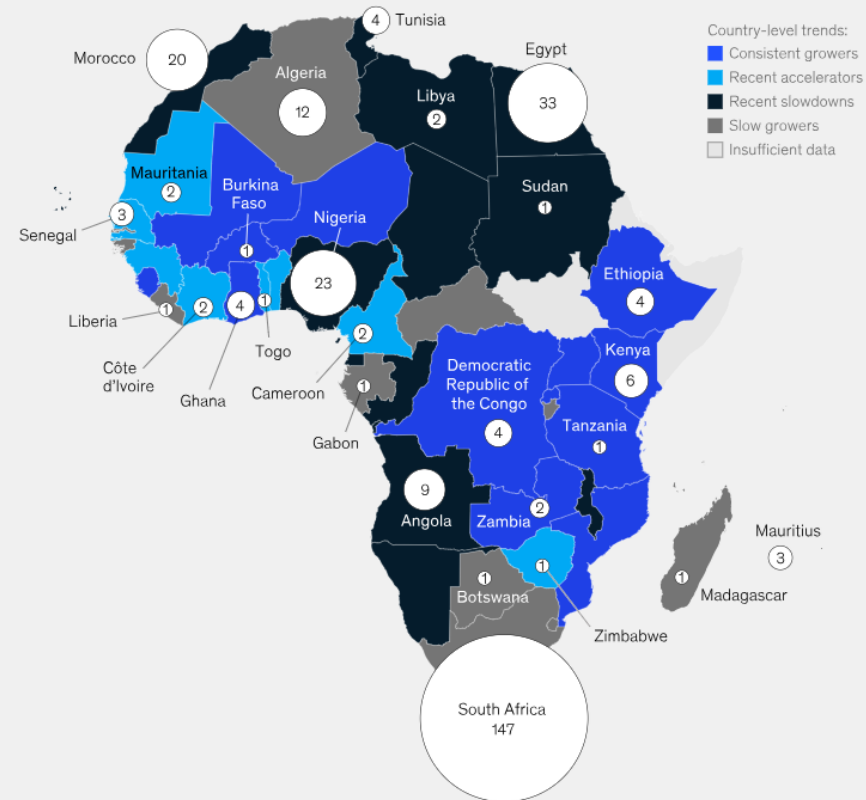
There are approximately 1.2 billion people in Africa currently, adding and additional 1.3 billion people by 2050 which equates to 2,5 billion people

With the increase there will be trade growth demands for new marine and cargo insurance solutions

With that in mind, more people equals more cargo and more storage demands in Africa.

Africa has at least 345 companies with revenues of \$1 billion or more, roughly 40% of which are headquartered in South Africa.

Number of \$1 billion+ companies by country<sup>1</sup>

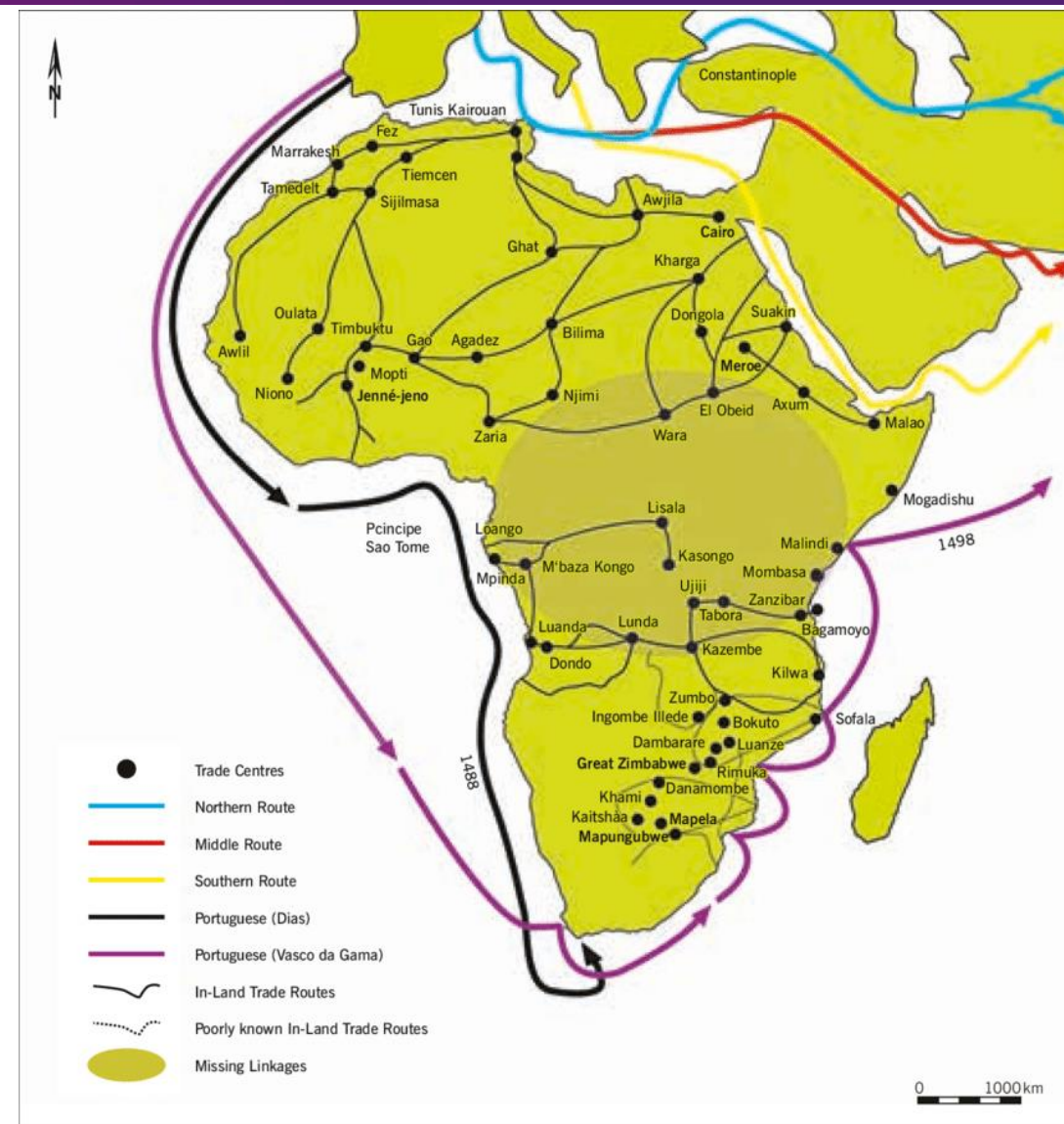


The boundaries and names shown on this map do not imply official endorsement or acceptance by McKinsey & Company.  
<sup>1</sup>Excluding 54 foreign companies with no particular base in any African country.  
Source: McKinsey African Companies Database; McKinsey Global Institute analysis



The African continent has long been an important player in the shipping industry. However, the sector has suffered significant setbacks in recent years, including changes in global commodity prices, rising geopolitical tensions, and the Covid-19 pandemic. These difficulties have had an impact not only on Africa's export market but also on its ability to import critical goods which in turn affect storage across the African Continent.

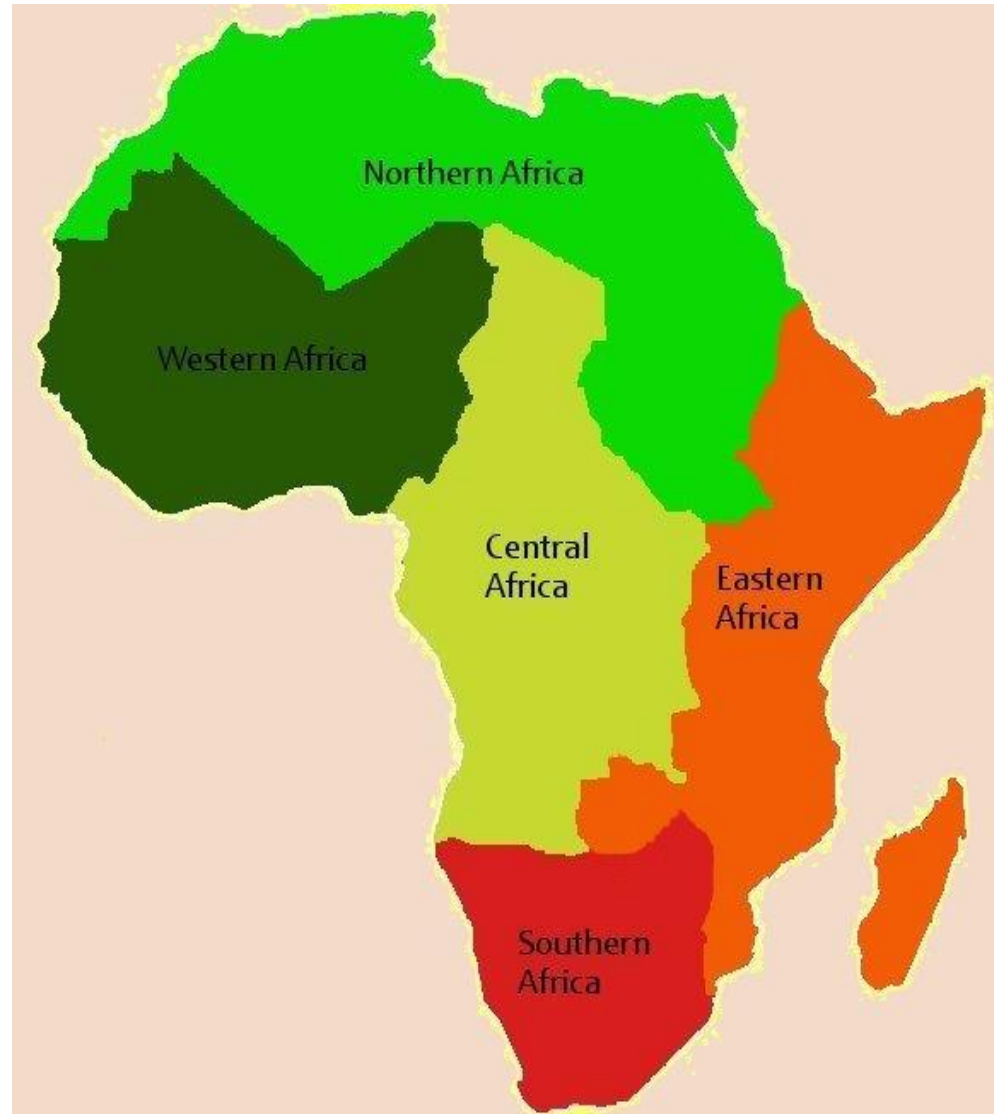
According to a report by the United Nations Conference on Trade and Development (UNCTAD). The African shipping industry has continued to grow at an impressive rate, demonstrating remarkable resilience, despite the fact that most of the continent is still recovering from the effects of the pandemic, Africa's maritime trade grew by 5.6% in 2021. For example, even before all movement restrictions were lifted, the ports of Mombasa and Dar es Salaam showed growth in 2021.



## RISK ASSESSMENTS ARE AS CRUCIAL IN AFRICA, AS THEY ARE ELSEWHERE

- **Natural Disasters:** Africa is prone to various natural disasters such as floods, droughts, hurricanes, and earthquakes. Risk assessments help in identifying vulnerable areas and populations, enabling better preparedness and mitigation measures.
- **Health Emergencies:** Africa faces various health challenges, including outbreaks of diseases like Ebola, malaria, and most recently COVID-19. Risk assessments are vital in understanding the spread of diseases, assessing healthcare system capacities, and implementing effective response strategies.
- **Political Instability:** Some regions in Africa experience political instability, conflicts, and civil unrest. Risk assessments can help in evaluating the potential impact of such events on businesses, communities, and infrastructure, allowing for contingency planning and risk mitigation.
- **Economic Vulnerability:** Many African countries rely heavily on agriculture, mining, and other natural resources for their economy. Risk assessments assist in identifying economic vulnerabilities, such as fluctuations in commodity prices, market risks, and trade disruptions, aiding in the development of strategies for economic resilience.
- **Climate Change:** Africa is particularly vulnerable to the impacts of climate change, including changes in rainfall patterns, rising temperatures, and sea-level rise. Risk assessments play a crucial role in understanding the potential impacts of climate change on various sectors such as agriculture, water resources, and infrastructure, helping in the development of adaptation and mitigation strategies.
- **Infrastructure Development:** With ongoing infrastructure development across the continent, risk assessments are essential for identifying potential hazards and vulnerabilities in infrastructure projects. This ensures that infrastructure is built to withstand various risks and is resilient to future challenges.

# WHAT MAKES STORAGE THROUGHOUT AFRICA SO PECULIAR



# DIFFERENT REGIONS, DIFFERENT RISKS

We have five (5) regions within the African Continent namely:

- Northern Africa Region with 6 Countries
- Western Africa Region with 17 Countries
- Central Africa Region with 8 Countries
- Eastern Africa Region with 13 Countries
- Southern Africa Region with 10 Countries

Our presentation will touch on a few countries in the different regions.



# DIFFERENT REGIONS – DIFFERENT RISKS





- Some of the warehousing risks we have encountered during our warehouse inspection include but are not limited to:
  - Lack of maintenance
    - leaking roof
    - collapsing walls
    - lack of isolation of the walls
    - lack of ventilation
    - electrical insulation not done and/or not done properly.
    - lack of maintenance and inspection of firefighting equipment
    - old to no pest control to avoid rodents
  - Poor building infrastructure
    - lack of water draining system
    - lack of temperature and moisture control system
    - no paving outside the warehouse and sometimes inside the warehouse



CONGO



NIGERIA



IVORY COAST

# SOMALIA



# DRAINAGE CHANNELS



NIGERIA



ZAMBIA



CONGO

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# DRAINAGE CHANNEL IMPLEMENTATIONS

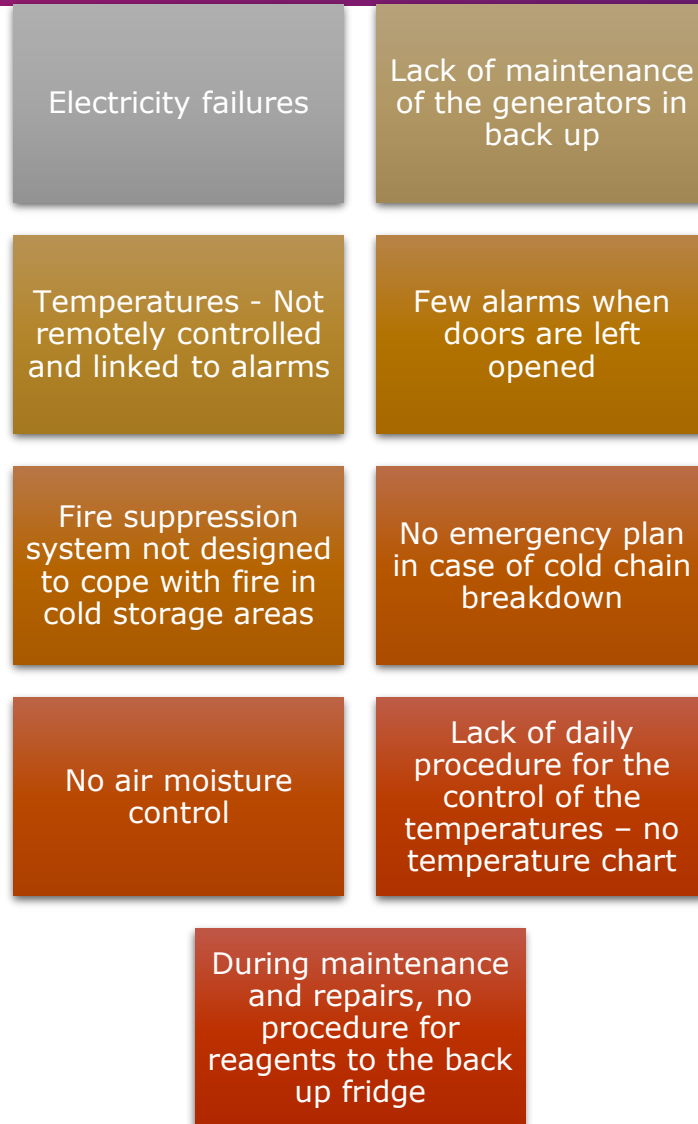


NIGERIA



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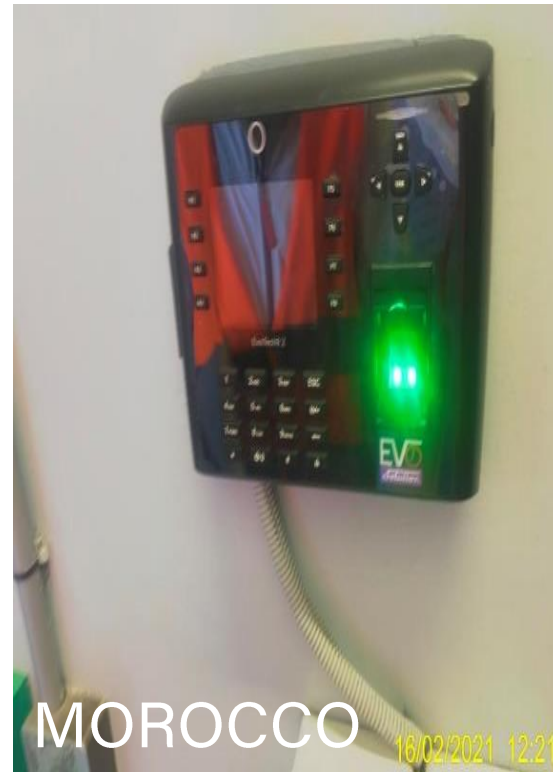
# REFRIGERATED AND FROZEN PRODUCTS



- Poor handling and management of stock within the warehouse
  - no computerized receiving and intake/outtake systems
  - no proper record keeping of the stock and no regular stocktaking
  - poor racking system within the warehouse
- Security
  - Whilst we have seen warehouses with poor to non-existent security measures we have seen better warehouses with great security measures.
  - We are of the view that the following measures should be at least the minimum-security measures inside every warehouse
    - High perimeter walls (if possible, with razor wire on top)
    - Operation CCTV Cameras with sufficient off-site backup period
    - 24/7 Security Guard with enough/sufficient guards on call per shift



# SECURITY RISK





# WEIGHING EQUIPEMENT – STOCK RECORDS



- Lack of temperature and moisture control of cargoes prone to self heating
- Cargo stored up to the roof without ventilation
- Cargo stored in contact with lights
- Lack of signage for fire fighting equipment and non-smoking
- Lack of cleanliness with dust creating short circuits
- No storage facilities for forklift batteries
- Lack of training and/or knowledge on storage procedures



## MOZAMBIQUE



# SENEGAL





## SOUTH AFRICA



# THE CORRECT EVALUATION



**NON-COMPLIANCE**



## PREMIER FIRE SAFETY ENGINEERS SAFETY DOES NOT HAPPEN BY ACCIDENT

Premier Attraction 343 T/A PREMIER FIRE - PO BOX 76275 | NEWLANDS EAST | 4035  
REGISTRATION NO: 2004/069403/23 | VAT NO: 4750265573  
39 EATON ROAD, UMBILO, 4001 | 031-205 0548 | 079 411 2716 | [www.premier-fire.co.za](http://www.premier-fire.co.za)

### CERTIFICATE OF COMPLIANCE

This certificate serves to confirm that the Fire Equipment listed below has been serviced, installed and certified in accordance with the South African National Standards (SANS) 10139, South African Bureau of Standards (SABS) 0400, SANS 10400 and SANS 1475 regulations. All work was carried out by SAQCC approved Technicians.

Type of Equipment	Qty	Condition	Non conformance
Fire extinguishers	52	Good	
Fire hose reels	9	Good	
Fire hydrants	6	Good	

COC issue date : 15-12-2021  
Expiry date : 15-12-2022  
SABS PERMIT NO : 10264/16218  
REG NO : 01/519

Nqubeko Brightman Khuzwayo  
SAQCC Technician 21/150

THIS CERTIFICATE IS VALID FOR 12 MONTHS ONLY  
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# THE CORRECT EVALUATION





fire certificate

firefighting training procedure

building maintenance procedure and records

electrical installation control procedure and records

fumigation certificate and temperature/moisture control of cargoes

business registration certificate

recruitment procedure of the watchmen and employees

weighbridge last calibration certificate

dangerous goods license



High Medium And Low Icon with Risk Indicator



<i>Item</i>	<i>Recommendations</i>	<i>State of severity</i>		<i>Date of</i>
		<i>High</i>	<i>H</i>	<i>planned</i>
		<i>Medium</i>	<i>M</i>	<i>compliance</i>
		<i>Low</i>	<i>L</i>	<i>To be planned</i>
A	Fire assembly points and instructions prohibiting smoking in the warehouse premises be implemented		H	Immediately
B	Fumigation procedures and traps should be implemented as one warehouse had insects		H	Immediately
C	Drainage channels noted with stagnant water should be maintained		H	Immediately
D	More fire extinguishers should be added inside the warehouse, hung on the walls, marked and duly serviced: 15 in warehouse 1 10 in warehouse 2 10 in warehouse 3 Fire hose and standpipes should be installed in front of the warehouse, duly serviced.		H	Immediately
E	Empty wooden pallets should be evacuated at the end of each working day and stored in a separate building		H	Immediately
F	CCTV cameras should be installed inside the warehouses		L	When possible
G	The warehouse should be supplied with weighing scales duly serviced/calibrated to avoid relying on weighing done at UGACOF		M	As soon as possible
H	The walk paths inside the warehouse should be clearly marked		L	When possible
I	A grain temperature and moisture monitoring system and procedure needs to be installed		M	As soon as possible
J	Cleaning of the warehouse and rebagging should be done immediately after each operation		M	As soon as possible
K	Fire alarms should be installed in the warehouses		M	As soon as possible

Factors that are positively influencing the increase in new and/or improved warehouses across the continent, which are led by rising demand for African goods, particularly in Asia, however, we do have bad potatoes that spoil the whole bag.

- Increased demand for African goods.

The increased demand, particularly in Asia over the years, has been on agricultural products, minerals, and oil.

- Investment in port infrastructure:

countries such as Egypt, Nigeria, and Kenya have launched large-scale port expansion projects to accommodate larger vessels and increase cargo-handling capacity. This are often financially driven by China.

- Digitalization driving Africa's logistics disruption.

The adoption of digital technologies has also been critical in the resurgence of Africa's shipping industry. Many African countries are implementing digital platforms to streamline port operations, increase efficiency, and reduce costs.





QUESTIONS?



DP SURVEY GROUP  
DPS SOUTH AFRICA