Passenger-to-Freighter Conversion: KQC’s New Lease of Life

Profile on Kinshasa: Africa’s 3rd Largest City and D.R.C’s Trade Hub

Interview with Redson Onyango: On Humble Beginnings, Samantha Blooms & Success
Sauda Says!

Here at KQ Cargo, however, we like to think that we’re not just about cargo. Rather that we provide a vital link in promoting international and regional trading links. We’re also proud to be part of a national initiative dedicated towards promoting Jomo Kenyatta International Airport as one of the most competitive airline hubs in the world.

Though the last year presented its challenges, 2012 also permitted KQ Cargo to make major strides forward. One of our most inspirational steps relates to our decision to convert four B737 passenger aircrafts into dedicated freighters. And, we’re pleased to report that the conversion of one of the aircrafts is already underway and we expect to welcome it back in March 2013. We’re also honoured to have been instrumental in showcasing Kenyan products to a whole new range of markets in Angola and Djibouti, and to have forged a whole new family of relationships with both Kenyan and regional freight forwarders. On the business front, we confidently expect the African cargo sector to grow by at least four percent this year. Consequently, we’re keen to explore the fascinating range of new markets that are opening up all over the continent. Closer to home, we’re engaged in reviewing and refining our processes so that they will deliver optimum efficiency, flexibility and unrivalled cost-efficiency.

Finally, may we take this opportunity to extend a warm ‘thank you’ to all our business partners: your loyalty and trust has been a constant source of inspiration and we consider ourselves privileged to have served you.

We look forward to working with you throughout 2013, and to cooperating with you in extending the boundaries of Africa’s ‘new growth frontier’.

Enjoy your reading!

Sauda S. Rajab

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Kinshasa is the capital and the largest city of the Democratic Republic of the Congo (DRC), with a population of about 8.5M up from 3.6M in 1990. It is also Africa’s third largest city after Lagos and Cairo. If current demographic trends continue, Kinshasa is expected to surpass Paris in population by the year 2020. The United Nations projects its population to grow faster than that of any other world metropolis over the next 15 years; expecting the population to hit 15M by 2025. The province of Kinshasa accounts for over 21% of DRC’s GDP.

The city is located along the southern bank of the Congo River, directly opposite Brazzaville, the capital of the Republic of Congo, which can be seen in the distance across the wide Congo River. This is the only place in the world where two capital cities face each other and are in sight of each other on opposite banks of a river.

All cargo imports to and exports from DRC must be accompanied by an ECTN [Electronic Cargo Tracking Notice], which is provided by OGEFREM agents at the loading port. The list of agents can be found on the website »www.ogefrem.com/liste-agents

The Congolese Control Office (the OCC) is charged with the control of the effective application of these measures at the arrival ports. OFIDA, the customs authority in Democratic Republic of Congo (DRC), also requires every import shipment to have a Bureau Veritas Certificate of Inspection (also called BIVAC certificate). Carriers cannot accept any cargo without a valid BIVAC number, and in case of noncompliance cargo is returned to port of loading at the exporter’s expense. For more information log onto Bureau Veritas or http://www.bivac.com

The major banks in Kinshasa include African Development Bank, World Bank, Citibank Zaire, Banque de Kinshasa, Barclays Bank, Stanbic Bank Congo, Grindlays Bank, Fransabank and Nouvelle Bank of Kinshasa.

Credit cards and ATM cards are hardly ever accepted except at major hotels and some of the more recent banking points. The most widely used currency is the US Dollar, but old dollar bills and bills under $20 are not accepted by most traders.

Kinshasa Facts & Figures:

Local Time: GMT +1:00
Dialing Code: +243
Languages: French is the official language and Lingala the lingua franca
Currency: The Congolese Franc (CDF) which is subdivided into 100 centimes
Exchange Rates: 1 USD = 920 CDF
1 EUR = 1200 CDF
1 ZAR = 105 CDF
1 KES = 10 CDF
Banking Hours: Weekdays from 0800hr to 1130hr
Exports Value: $10.66 billion (2011 est.)
Exports: Diamonds, gold, copper, cobalt, wood products, crude oil, coffee

Sources: CIA, Wikipedia
In October, KQ made the decision to convert four of its Boeing B737-300 passenger aircrafts into freighters. We spoke to Kennedy Juma, Senior Development Engineer at KQ, about the reasons behind this decision and what is involved in passenger-to-freighter conversion.

Why conversion?
Firstly, a PTF (passenger-to-freighter) conversion extends the life of a plane; secondly, it offers a cost effective means of boosting efficiency and reliability. From a commercial point of view, since cargo demand is on the rise, it also allows KQ to strengthen its cargo profile and retain its position as a market leader in the African air industry.

What advantages does the PTF bring?
Environmentally, a PTF allows us to replace an ageing craft with one that is more fuel-efficient, cleaner and quieter. Commercially, it allows us to keep pace with the current trends in fleet mix, and feature more wide-body freighters. Economically, it allows us to translate our own increased economic viability into savings for our customers, and practically, it offers us the flexibility to immediately adapt to multiple ULD configurations at a moment’s notice.

Kenya Airways is a valued customer and we appreciate their confidence in Boeing Shanghai. This PTF conversion provides an important milestone for us to continue our plans to expand capability to serve the global market and we look forward to a long-term relationship with AEI and Kenya Airways.

Dermot Swan, CEO of Boeing Shanghai

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In celebration of this great achievement and in thanks to the loyal customers who have made this success possible, we are running a special promotion from 25th January to 24th April. The prizes include 4 family trips to a selection of exciting holiday destinations, 31 return tickets and the chance to win a brand new Range Rover Sport 4WD!

KQ celebrates 36 years

Kenya Airways is celebrating 36 years! Commenting on the milestone, CEO Dr. Titus Naikuni said, ‘Our 36th anniversary is an opportunity for us to celebrate our achievements so far, learn from our experiences and re-energize for the future.’

Our flight path to success began in 1977, when we inherited just 6 aircraft from the defunct East African Airways. We have flown a long way since then! Today, we operate 41 aircraft with more expected to join the fleet this year and flies to over 50 destinations worldwide.

In celebration of this great achievement and in thanks to the loyal customers who have made this success possible, we are running a special promotion from 25th January to 24th April. The prizes include 4 family trips to a selection of exciting holiday destinations, 31 return tickets and the chance to win a brand new Range Rover Sport 4WD!
The B737-300SF Cargo Conversion (per FAA STC ST01827LA), consists of the installation of an 86"x140" cargo door on the left side of the fuselage, and modification of the main deck to a Class E cargo compartment. After conversion, the aircraft can carry ten containers or pallets (or accommodate eight AAA containers and 2 half containers). The process calls for extensive structural work in the strengthening of the floor, frames and door cut-out. System changes will also be made to the Environmental Control System, smoke detection and flight controls.

What will the new aircraft offer?
The converted plane will feature a ‘10 Pallet Configuration’ with an ‘Ancra Main Deck Cargo Loading System’ capable of carrying: 8ea 88”x125” Full Height AAA Containers/ Pallets or 8ea 88”x108” Full Height ULD’s plus one AEP or AEH (size 53” x 88”) in Position 1 and one AEP or AEH (size 53” x 88”) or AKE, AKN or LD3 (size 60.4”x61.5”) or AYY (size 61.5”x88”x56”) containers in Position 10.

Where is it being done?
At Boeing Shanghai’s authorized conversion center at Pudong International Airport, Shanghai, China.

Why China?
Boeing Shanghai represents a joint venture between Boeing, Shanghai Airport Authorities and China Eastern Airlines. Boeing is the largest foreign customer of China’s aviation industry, which majors on the production of parts and components for all Boeing commercial airplane programs.

Who’s doing it?
The PTF will be undertaken by Aeronautical Engineers Inc. (AEI), a subsidiary of Boeing Shanghai Aircraft Services, an MRO (maintenance, repair and overhaul) facility established in 2006 and drawing on 37 years of corporate experience in aircraft modification.

What is AEI’s track record?
Established in 1958, AEI is the oldest airplane conversion company in existence today and the global leader in PTFs. This will, however, be the first PTF to be undertaken by Boeing Shanghai.

What is the scope of the conversion programme?
AEI is to complete two B737-300SF 10 Pallet Configuration Conversions (MSN 29088 and 29750, built in 1998 and 1999 respectively) with the option to complete two additional conversions in 2013.

How long will it take?
The first aircraft is scheduled to come into service in March 2013, the second one in June.

What will the conversion cost?
In the region of USD $3.2 million per aircraft.

Where will the freighters operate?

KQ Cargo to introduce M-Pesa Payments

Coming soon to KQ Cargo is the convenient and easy mobile transaction mode of paying bills and money transfers; M-Pesa, the popular service used across Kenya as a mode of making payments will enable customers to pay for cargo services. This is in line with keeping up with current trends and making processes easier and faster for both current and potential customers.
KQ senior management and KLM Cargo team at the launch of the B747 freighter jointly operated by KQ and KLM.

KQ Cargo team at Air Cargo India 2012. From left to right: Vivienne Wandia, Luke Arrum and Bradley Dlima.

KQ Cargo G.M. Sauda Rajab and KQ C.O.O. Mbuvi Ngunze present a sponsorship cheque to Arbi Mussani, CEO Global Freight and Valerie Gunputrav from Rhino Ark Charitable Trust.

Kenya Airways CEO Dr. Titus Naikuni addressing the visitors at the launch of the B747 freighter.

Titus Naikuni, Sauda Rajab, Evanson Mwaniki (KQ Chairman), Camiel Eurlings (KLM Cargo M.D) and Mbuvi Ngunze toast at the launch of the B747 freighter.

KQ Cargo stand at Air Cargo India 2012.

Arbi Mussani, CEO of Global Freight (at the wheel) and his car, No. 20 with the crew in action at last year’s Rhino Charge.

Mbuvi Ngunze, James Waweru (P.S Ministry of Sports), Katrina Hanson, Paul Otuoma (former Minister for Sport), Vivienne Wandia and Mwangi Muthee (Chairman KRU) at Twickenham.
We talk to Nairobi-based businessman, Redson Onyango, founder, CEO and driving force behind Samantha Blooms, a blossoming Kenyan freight-forwarder and loyal KQ Cargo customer.

Where did it all begin?
I was inspired to establish my own business after working in freight clearing and forwarding for 12 years. I guess you could say that it was during this time that I cut my cargo teeth.

Outline your growth path?
I started simple, operating out of a briefcase. I thought I was well prepared by my experiences working in the industry, but I have to say that initially the outlook wasn't that rosy. Being an entrepreneur is tough, not for those who are easily discouraged.

How big is the company?
We are a team of seven, but growing rapidly.

How do you see your mission?
I want to propel the business forward, inspire creativity and dedication among my team and build a strong reputation among our clients. I want to offer the kind of service that makes them recommend us to their friends.

What motivates you?
I love what I do. My business is my life. As far as I am concerned, it's not money that drives me but passion. Striving for bucket-loads of money is all very well ... but without passion you have nothing to fall back on if it doesn't arrive as fast as you thought it might.

Tips for other entrepreneurs?
Persevere, be dedicated, do everything in your power and more! If this means taking a client's call when you are already in bed – take the call and spring into action immediately. It's all about service. I also believe that you have to treat your employees well: be fair, be supportive, inspire them, keep their morale high and offer them the very best leadership you can.

Why do you use KQ Cargo?
Because they care: I may be a 'small agent' but I have a BIG relationship with my KQ business manager. The level of service that KQ gives me means that I can extend that same level of care to my clients. It's a symbiotic relationship.

What does success mean to you?
Well, it's certainly not measured by how much money you have in the bank. Rather, it's all about doing what you love, continually honing your business skills, pushing that learning curve as far as you can, and overcoming every challenge that might stand in your way. It also means realizing that I am blessed to have managed to get where I am today.

Redson Onyango can be contacted through info@samanthablooms.net

What is True Leadership?

“The key is not to prioritize what’s on your schedule, but to schedule your priorities.”
Stephen Covey, Total Quality Management Guru (1932-2012)

“Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.”
Stephen Covey, Total Quality Management Guru (1932-2012)

“It takes more than capital to swing business. You’ve got to have the A. I. D. degree to get by - Advertising, Initiative, and Dynamics.”
Isaac Asimov, Scientist (1920-1992)

“There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”
Sam Walton (1918-1992)

Cargo Trivia Question

Q. In which city is the passenger-to-freighter aircraft conversion being done?

Email your answer to shehena@kenya-airways.com with the title ‘Cargo Trivia’ by 20/02/2013. The winner stands a chance to win a great prize.

Talk to us!
We welcome your feedback on Shehena and will be delighted to share your news and air your views. Please send your comments to: shehena@kenya-airways.com
Opening up new trade opportunities across Africa and the world.