

ISSUE No 1
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FLUX

MFD'S 25TH ANNIVERSARY MAGAZINE

DOSSIER
**Logistics
Operations**

RETROSPECTIVE
**25 years
in operation**

**Success
Stories**



MARKING A REMARKABLE 25-YEAR JOURNEY

MFD set sail in 1995, embarking on a journey to transform the port of Port Louis into a trade hub connecting the Indian Ocean islands to other African countries, to Asia, and to the rest of the world. The company's establishment was nothing short of a leap of faith, as the task implied nothing less than creating a new sector from scratch. However, this bold move laid the foundation for the emergence of an undisputed industry leader.

Our commitment to excellence, present from day one, never faded. The relentless investments in cutting-edge technologies, in infrastructure as well as in training and development have further consolidated our position as a preferred and trusted partner for both local and international brands when it comes to outsourcing their logistics needs.

One of our defining features has been our unwavering dedication to provide the best logistics service to our customers. Thanks to our experienced team, we adapt our offerings to meet the unique needs and industry-specific requirements of our clients, ensuring that our services align with international performance standards.

After 25 years of operation, we stand at a significant milestone. The objective is now to give a new impetus to the company's growth trajectory, exploring promising markets in East Africa, seeking out investment opportunities that will lead to further expansion and success.

Flux, the company's newly created publication, invites us to look back at the 25-year path since the start of operations. It not only highlights our unwavering commitment to innovation and high-quality services, but also emphasises our vision.

Our journey so far is a testament to the power of determination and the transformative potential of an industry leader. As we gaze into the future, we anticipate continued growth and MFD's enduring contribution in transforming Mauritius into a thriving international trade hub.



Mr Hans HERCHENRODER
Chief Commercial Officer

He worked for a major Japanese trading house, Marubeni Corporation in Perth, Western Australia as head of the minerals and chemicals trading desk. He was previously the Regional General Manager at Maersk Logistics and joined the Group in 2006. He is currently the Chief Commercial Officer.

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A SNAPSHOT OF MFD TODAY

285

clients

25

years in operation

436

employees

Surface area of our warehouses

88,850m²

of room-temperature
warehousing space

20,350m²

of chilled
warehousing space

13,800m²

of dedicated industrial
warehousing space

Average number of containers we handle annually

150,000

TEUs transported
(Empty and Full)

160,000

TEUs throughout in depot

6,000

FFEs PTI

6,000

TEUs prepared for
exportation of sugar

MFD Group Ltd

MFD

MFD Africa

MFD Distribution

MFD Forwarding

MFD Freeport Services

MFD Logistics

MFD Sky

MFD Ventures

Our fleet

24

trailers

10

prime
movers

6

distribution
trucks

2

sidelifers

FROM PIONEER TO LEADER OF MFD

A talk with **Dominique De Froberville**
CEO of MFD





MFD Office - Port-Louis

20.0829° S, 57.3003° E

Dominique de Froberville has held the position of CEO at MFD since January 2007. In this interview, he reflects on the company's inception in the mid-1990s and analyses the evolution of the market as well as future growth prospects.

How to account for the creation of MFD during a time when local and regional markets were not ripe for outsourcing their logistics?

MFD was founded in 1995 and started its operations three years later. It was established by a group of Mauritian institutional investors that teamed up with foreign logistics experts, whose task was to conceptualise and implement the project, and start the operations before handing over the management of the company to a Mauritian team.

The decision to create MFD in the mid-1990s aligned with the vision of the then government to create a new economic pillar in the service industry, specifically focusing on logistics and distribution. The Freeport Act of 1992 provided the framework for these activities and offered fiscal incentives to attract investors. At the same time, the new container terminal was developed, reclaiming approximately 50 hectares of land for these purposes. The objective was clearly to transform Port-Louis into a logistics hub operating under a Freeport regime to connect Asia and the Middle East to Africa and the Indian Ocean Islands. Being among the pioneers in the region, MFD naturally attracted investors. It's true to say that the markets were not ripe at the time MFD started to operate. Many important players – that are now using our facilities and services – were not conversant with logistics outsourcing and much work was required to convince them. It was nevertheless an interesting challenge, and the shareholders were confident that this activity would be an important economic pillar for the country. While a novel concept in Mauritius back then, it had already proven successful in most developed countries, where large corporations increasingly subcontracted

their logistics to increase efficiency, reduce cost and focus on their core competencies. There was no reason why it wouldn't work here.

How did the market evolve over the past 25 years?

Significantly! Two main factors have driven this evolution. First, Third-Party Logistics providers, like MFD, successfully convinced operators that this model added value by enhancing their processes and supply chains while reducing costs. Building trust without a prior track record was challenging, but international companies in Mauritius played a pivotal role by placing their trust in us. They recognised the evident benefits of this model. As more operators adopted our services and found them satisfactory, word-of-mouth referrals took care of the rest.

Secondly, the growth of the shipping industry which improved the connectivity of the port of Port Louis played a crucial role. Although there's still room for improvement, this encouraged regional and international players to consider Mauritius as a location to establish their facilities. The attractive fiscal incentives further motivated them to relocate their value creation or distribution processes within the Mauritian Freeport. It's important to note that the market is constantly changing, more so since the COVID-19 pandemic, and it'll stay so for a foreseeable future.

MFD has become the leading logistics platform in Mauritius in terms of both capacity and turnover. How to account for this success?

We owe our success to our commitment, since Day 1, to listen to our customers' needs and adapt our services accordingly. Two factors have endowed us with this agility. The first one being our ability to train our team to adapt to specific client requirements. This has been instrumental to our success. Offering basic logistics services is not sufficient to attract customers. Among our top 20 customers, each has a tailored process that is regularly fine-tuned and our teams are trained on an ongoing basis to deliver the best quality of service.

The second factor is our infrastructure. It was designed by French experts who created basic, non-specialised and very flexible-use infrastructure that could accommodate various operators and activities within the same facilities. For example, some buildings have been converted into cold rooms, while others are dedicated to storage, order preparation, and distribution processes for the fast-moving consumer goods (FMCG) sector. We also host factories engaged in light industrial activities.

What sets MFD apart in this competitive industry?

Our differentiator lies in our capacity to achieve significant adaptability and efficiency when responding to customer requirements. As mentioned earlier, we have a highly competent and dedicated workforce of some 450 professionals. We also leverage state-of-the-art infrastructure and equipment, incorporating the latest technology in terms of storage systems, forklifts, or container-handling machines. Efficiency maximisation, which is crucial for our customers, is our top priority. Additionally, our information technology and communication system, in which we've heavily invested, plays a vital role in all the processes. In the modern logistics landscape, the seamless flow of information is essential for an efficient supply chain.

Could you tell us more about MFD's strategy to explore new avenues for growth in Africa?

Due to its size, the Mauritian market offers limited growth potential. Consequently, we must look toward the African continent to take MFD to the next level. We're actively pursuing this by analysing suitable countries and regions for establishing facilities. Selecting the right local partner, capable of adding value to our project, is also a key aspect of this endeavour. Our ongoing work focuses on Eastern African countries, like Mozambique, Kenya, Tanzania, and Madagascar.





Mauritius has an interesting geographic position and has signed several trade agreements. What can the country offer?

Mauritius offers a wealth of advantages. We have a deep-water port with potential for further development and efficiency improvements—an essential condition for continued growth of the sector. Geographically, we're strategically positioned along the routes of numerous shipping lines. The country boasts a stable and conducive business environment, as well as a robust banking system. There're no exchange controls, taxation is attractive, and repatriation of profits and investments is unrestricted. Furthermore, Mauritius features efficient support industries, including IT and engineering. Our telecommunications system functions effectively, and air and sea connectivity, while already good, offer room for improvement. We possess a skilled workforce that can be readily trained. Moreover, Mauritius has signed numerous bilateral, regional, and international trade agreements. Consequently, operators can leverage the Freeport regime to create value and export products to these countries or trade blocs. All these factors make Mauritius an enticing destination for operators seeking to create value and export goods within the region.

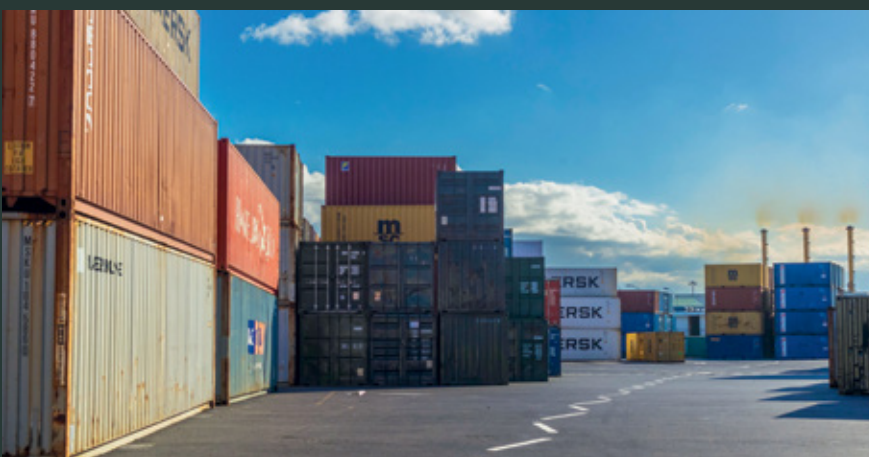
What are the activities that could be developed in the Mauritius Freeport?

There are three main areas that hold much potential. We can first highlight consolidation and re-export. Three years ago, MFD set up a warehouse for an international sports brand. This multinational chose Mauritius as its platform to supply some 12 countries in the region. This underscores the competencies we can put forward *vis-à-vis* those major players, who pay attention to performance, flexibility and operational cost.

The second area is value creation and re-export, whereby operators add value to raw materials or semi-finished products before re-exporting them. We can leverage our trade treaties with India and several African countries, while the African Continental Free Trade Area (AfCFTA) is soon to become a reality. Mauritius also has a sophisticated workforce that can be easily trained, as well as cutting-edge technology and support services. The third area is about other services, such as ship building and repairs, bunkering, repair and maintenance of containers or activities within the Ocean Economy including the Seafood Industry, for which the freeport offers a very conducive environment. The future growth of the Freeport will come from a combination of existing and new activities, which have not yet been developed but have potential to fit in the Mauritian Freeport development strategy. It is very important to focus on identifying and attracting operators involved in these 'new' activities to differentiate ourselves from other freeports in the region and ensure the future growth of this sector.

Given the commitment and vision of freeport developers, what will be the most likely evolution of this sector over the coming decade?

This sector will undoubtedly grow over the coming decade not only in terms of volumes handled for existing activities but also in terms of the range of new activities to be developed. This will materialise if we can fully harness the potential of the trade and commercial treaties we have signed. Building upon our achievements and attracting more operators will be crucial. For the upcoming decade, I foresee growth in all sectors, provided that significant improvements in terms of port efficiency, productivity, and connectivity are achieved.



RETROSPECTIVE:

6 MILESTONES THAT SHAPED THE MFD

Three years to set up; a lifetime to go. MFD's 25 years of operation tell a tale of resilience and teamwork that conquer all. Discover 6 milestones that may just change the way you see the company today.

1995

1996

Master Agreement with the Government of Mauritius is signed

A little-known fact about the origins of the MFD? The project was initially presented by a French conglomerate to the authorities in 1992 before being subsequently dropped. The project was then reignited by Mauritian investors, alongside the Norbert Dentressangle Group, who shaped the MFD we know today.

1997





April 1998

We're officially in business!

Operations start with the opening of the warehouse. Under the freeport scheme, incoming goods are not subject to customs duties, and goods that are sold from Mauritius are not subject to VAT. Mauritius emerges as a business hub of choice for international trade thanks to its appealing incentives, ideal location and stability, both political and social. Right from these beginnings, MFD's ever-expanding infrastructure represents a precious competitive edge that helps the company overcome external operational challenges.

2000

1999

1998

The first phase of warehouse construction begins

The initial idea behind this project in Mer Rouge was to develop a freeport sector to boost job creation and increase foreign direct investment (FDI). What started as a warehouse would grow, over time, to become the largest logistics centre in the Indian Ocean. One could hardly imagine, back then, that this growth would bring on a wealth of opportunities, as well as one of the organisation's biggest challenges in our current context: recruitment and staffing.



Building the Fish Quay

This starting point is built with the long-term vision of providing an integrated logistics platform catering for all the needs of the fishing industry. Ever since, the private quay offers a full range of services including transshipment of fish, stevedoring, handling, sorting, grading, weighing, packing, labelling and storage of the catch, processed products and baits. With cost-efficient cold storage solutions, MFD's main challenge today is to weather the cost of electricity in order to keep providing clients with a competitive offer.



2005

2007

2015

2011

2019



5,000 m² of facilities are built at the airport

Situated within the New Cargo Village, this direct point of access marks a turning point in terms of service. Being closer to the airport implies quicker and more efficient operations, as the organisation focuses on customer experience and satisfaction.



MFD sets up 26,000 m² of warehousing for Decathlon

Situated in Riche Terre, the one-of-a-kind premises align with the rigorous expectations of such a franchise. As Decathlon opens its first store in 2021, 18,000 m² of the facilities are already operational. Despite the then complicated sanitary context, this feat proves that MFD is as dedicated as ever to perform, with the ultimate goal of generating FDI. In so doing, the company proudly contributes to maintaining the country's hallowed reputation as a trading hub.

2020

2024



Mr Sheo GUJADHUR
Chief Finance Officer

Sheo Gujadhur qualified as a Chartered Accountant while working for Touche Ross & Co in their London office. After returning to Mauritius in 1992, he worked for De Chazal Du Mée before joining MFD in 1998. He is currently the Chief Finance Officer and was appointed to the Board of Mauritius Freeport Development Co Ltd in 2007.

MAURITIUS: The Indian Ocean's logistics hub of choice



A tropical island, but not just a tourist's paradise, Mauritius has been an important stopping point for maritime voyagers since the sixteenth century. Its strategic position in the Indian Ocean has made the island an obvious port for sailors plying the trade routes between Africa, Europe, the Middle East, India, and Asia for hundreds of years.

Now one of the most efficient deep water ports in the region, the island's appeal for businesses and shipping companies is enhanced by its superb infrastructure and business-friendly policies, a history of political, social, and economic stability, an exceptional industrial base, skilled workforce, and a flourishing economy that stands among the strongest in Africa. Welcoming to organisations and their people, with an attractive lifestyle and excellent facilities to serve the practical needs of a population of diverse origins, ages, and priorities, Mauritius is open for business!

Comprehensive Connections

Mauritius is well-connected – for travel, for international trade, and on a regulatory level, making it an ideal operational hub for multinationals from all over the world. Served by the world's biggest shipping lines, including MSC, Maersk, and CMA CGM, plus more than twenty leading airlines from its airport-adjacent Sky port, MFD has created a one-stop logistics hub in Mauritius that provides a full range of logistics services and facilities. From climate-controlled storage of all kinds to a container park, plug-and-work office spaces to a vast range of industrial facilities and services at your disposal, not to mention transport, security, maintenance, state-of-the-art technology and equipment... MFD has built the largest and most comprehensive logistics platform in the Indian Ocean, and is dedicated to serving its customers with logistics solutions that make complex operations simple, protect the supply chain from disruption, and ensure the highest levels of safety and compliance every step of the way.

Whether your business goals focus on accessing the developing, or the developed, world, Mauritius has a lot to offer. Trade agreements with COMESA, SADC, and a bespoke agreement with India facilitate regional trade, while those wishing to export benefit from agreements with the EU, the USA, Turkey, Pakistan, and the first trade agreement between an African nation and China. Alongside its deep-water port, equipped with modern equipment and facilities designed to facilitate use by the widest possible range of vessels, Mauritius is endowed with a vibrant

Freeport Zone, allowing duty- and VAT-free storage of goods and commodities and other consumer and electronic goods. The Freeport in Mauritius is also the ideal place for value-added transformations and also allows for manufacturing, benefitting fully from the complete range of Trade Agreements in place.

An Emerging Industrial Powerhouse

Across numerous industries, major organisations increasingly recognise Mauritius as an exceptional base for all or part of their operations; an industrial eco-system allows for diverse industries to be set up and expand, with access to state-of-the-art equipment, capacity for growth, and a workforce with the expertise to manufacture or process a wide range of goods and raw materials. This creates the necessary environment for companies looking for an efficient, high-quality production location, or whose product requires value-added services before being exported to the rest of the world. As labour costs have risen in traditional manufacturing countries such as China, the appeal of accessing smaller, more compact, workforces has grown, with costs in Mauritius now lower than in many of the countries typically associated with mass production.

Good for Business — Whatever your Business

A highly competitive tax rate (just 3% corporation tax) and ease in obtaining international licences, courtesy of the island's regulatory alignment with major global organisations such as the European Union and World Trade Organisation, plus a raft of trade agreements with some of the biggest economies in the world broaden Mauritius' appeal; the island is already home to numerous major players in the finance and services sectors, as well as to manufacturers and leading regional distributors. Mauritius' advanced technological development, storage capacity, and skilled workforce also makes it an appealing partner to companies that produce valuable raw materials – from precious metals and stones to high-value edible commodities such as Madagascar vanilla, which is shipped to Mauritius for storage and processing, giving the island one of the world's largest vanilla stockpile!

Sunshine and Synchronicity — It's all Here!

All of the skills and the technology to make even the most complex logistical conundrums simple can be found right here in Mauritius. Add to that a warm, multi-cultural community and a lifestyle that combines European sophistication with life's simple pleasures, plus 300 days of sunshine a year, and the only question is: what are you waiting for?



Port Louis
 $20.0829^{\circ} \text{ S}, 57.3003^{\circ} \text{ E}$





DOSSIER

Driving profitability WITH tailored logistics

Logistics plays a pivotal role in a company's bottom line. Indeed, the success of any business venture relies on the operator's ability to store, process, and move goods efficiently and cost-effectively throughout the supply chain, until they reach the end customers. It is therefore crucial to choose the solution that best meets the company's strategy and its customers' expectations.

Over the past 25 years, MFD has developed a modern and comprehensive logistics platform, leveraging state-of-the-art technologies, best-in-class infrastructure, as well as groomed a seasoned and agile workforce. As a leading third-party logistics provider in the region, the aim is to craft customised and scalable solutions for clients in an array of sectors, enabling them to consistently optimise their own supply chain.

Customised logistics: Unveiling MFD's secret powers

From a layman's perspective, logistics is rather simple: "It's getting goods from point A to point B," one may say. A quick tour of MFD's facilities, next to the container terminal at the port of Port Louis, suffices to demonstrate that this is an overly simplistic statement. In fact, when it started its operation in 1998, MFD ushered in a new era in this sector by pioneering a then new concept to Mauritius: logistics outsourcing, promising to each client a solution tailored to their needs.

Ever since, the company has emerged as a leading third-party logistics (3PL) provider and, more importantly, as a strategic partner whose expertise is acknowledged by both local and international companies. Over the years, MFD has indeed invested massively to expand its capabilities to create one of the largest and most comprehensive logistics platforms in the Indian Ocean. It now boasts a full suite of value-added services, which combine human expertise, best-in-class infrastructure, and top-notch technologies, to help operators navigate the intricacies of the supply chain.

Understanding Clients' Needs

Much like seasoned couturiers, MFD's experts always start by measuring the unique contours of each client's needs. "We have a set of questions that we ask to understand the business's long-term strategy and objectives as well as its challenges. In some cases, we even ask to have a look at the business plan to make sure we grasp our client's vision. This is essential to provide the best assistance during the different phases of the project. In fact, when we commit to a project, we do so for the long haul," explains Jean-Alain Seerungen, Senior Manager – Sales at MFD.

Indeed, this preliminary work allows the team working alongside the client to identify, and even preempt, all upcoming needs: from permits and licenses that should be applied for, to human, technological and hardware resources to be deployed, such as staff, IT systems, warehousing spaces, lorries, amongst others. MFD has fostered a relationship of trust with all the key stakeholders in Mauritius and beyond, including government departments, the Economic Development Board (EDB), the Customs Department, the chambers of commerce and industry, amongst others.

During the implementation phase, clients are supported and assisted by a core team, whose mission is to liaise with all stakeholders, namely the authorities and other service providers, such as accountants, building contractors, architects, engineers, and management companies, to name a few. Thanks to this

simplified *modus operandi*, this team becomes the single point of contact for the client, who is therefore able to focus entirely on its core business. Once the project is up and running, a Key Account Manager takes over. His or her mission is to tackle any issue that may arise, whether it relates to accounting, supply chain, customer service...

Unique Blend of Expertise

"At MFD, though we all have our speciality, we are all ultimately business consultants, who leverage their knowledge, experience, and extensive network to advise our clients on the best way forward. Sometimes, we go as far as to recommend certain adjustments to their business strategy based on market intelligence. We also drive our clients to explore other growth avenues," he underlines. One of the company's traits lies in the unique blend of expertise within its team. The senior management, for instance, comprises professionals with different backgrounds, who learned their trade by working in various industries (shipping, manufacturing, textile, banking, etc.) prior to joining MFD. They bring with them a wealth of first-hand experience and knowledge to assist clients.

In addition, agility is another quality MFD's workforce possesses. Regularly trained to keep abreast of emerging trends and techniques as well as changes in local and international regulatory frameworks, it has demonstrated the ability to adjust seamlessly to clients' needs, but also working method. This capability cannot be better evidenced than by the company's partnership with Decathlon for the setting





Mr Dhaneswar BEEHARRY
Chief Operations Officer

He was previously Deputy General Manager of a major international textile company, managing factories in both Mauritius and Madagascar. He joined MFD in 2006 and is currently Chief Operations Officer.

up of a distribution platform in Mauritius to serve regional markets as well as Middle East and East African countries.

"We had to put everything we knew aside to start from scratch. We had to build a new warehouse according to new standards, but also understand the client's IT system and procedures, which required extensive coaching and training of our personnel. This regional distribution platform is the fourth of its kind in the world, but the only one where operations are fully outsourced. Fiscal incentives were not as decisive as the trust in our services and *savoir-faire* in the client's decision-making," the Senior Manager points out.



"At MFD, though we all have our speciality, we are all ultimately business consultants, who leverage their knowledge, experience, and extensive network to advise our clients on the best way forward. Sometimes, we go as far as to recommend certain adjustments to their business strategy based on market intelligence. We also drive our clients to explore other growth avenues."



Leveraging Flexible Facilities

The state-of-the-art infrastructure is another key enabler when it comes to customisation. Comprising ambient temperature warehouses, cold rooms, industrial zones and office spaces, MFD's facilities boast one main advantage: flexibility. Strategically situated near the port of Port Louis, within the New Cargo Village at the airport, and in the industrial zone of Riche Terre, these ready-to-use, versatile and secure infrastructure offer a wide range of possibilities to accommodate industries with specific needs. This includes sectors such as seafood and food processing, bulk logistics, light engineering, textile, Fast-Moving Consumer Goods (FMCG), Hotel, Restaurant, and Café/Catering (HoReCa), automotive, amongst others. The warehouses, all built in concrete, can be fitted out with all the required amenities to accommodate operators undertaking manufacturing or processing activities under the Freeport regime.

Cutting-Edge Technologies

In an era where data-driven decision-making has become the norm, 3PLs have this unique capacity to provide their clients with invaluable insights and supply chain visibility. MFD invested substantially in Reflex WMS, a modern warehouse management system. Developed by Hardis Group, a France-based software publisher for logistics, this system has been adopted by some leading multinationals across the world. "Thanks to this WMS, we have complete visibility over our activities and can provide this information to our customers with a level of accuracy, which is unique in Mauritius."

Indeed, this tool generates real-time data analytics, thus enabling businesses to have a comprehensive overview of their logistics operations. This WMS can be connected to the client's Enterprise Resource Planning (ERP) for the seamless transfer of information, thus providing them with timely updates on their stock. Having a good IT tool and a seamless flow of information is essential to create scalable solutions that can accommodate fluctuations in demand. Whether a client is experiencing growth or a temporary downturn, the logistics services can be adjusted accordingly to enable businesses to swiftly respond to market dynamics and customer demands while maintaining optimal levels of efficiency and cost-effectiveness.

These data on the quantity, quality and value of stored goods are crucial as they empower companies in their strategic decision-making. The information is used to decide which products to order, in which quantities and

when. It also provides data on the quantity of damaged goods. This is very useful as it enables clients to file a claim with their suppliers, insurer or the MFD if we are responsible. More importantly, it helps to take preventive measures to avoid products from breaking by recommending changes to their packaging or the way they are stacked on pallets before being consigned.

"Thanks to the Electronic Data Interchange, clients will place their orders directly via their ERP. This information will be conveyed to the control tower after being filtered to see whether the product references are well labelled, etc. Once the checks are completed, the operational team takes over to prepare the orders. When this is completed at our end, the information is relayed back to the clients via their ERP," explains Dimitri Lagesse, MFD's Chief Process and Information Officer.

Going forward, the aim is to go a step further into system integration to provide clients a complete supply chain visibility, from the orders placed with their suppliers, consignment status to upcoming administrative procedures. This information already exists but is scattered. The ambition is to gather them in a single system with a view to sharing them via a user-friendly interface.

MFD's approach is not about responding to short-term challenges, but rather about creating scalable solutions that serve long-term growth strategies. The collaboration is nurtured through a two-way exchange of information and feedback. The company has fully embraced the *Adopt, Adapt, Improve* concept.

"The 'adopt' step is to understand what the operator does or wants to do, and how he operates. We start from this base, before moving on to the 'adaptation stage', to make incremental changes. After 12, or even 18 months, we move on to the 'improve' stage, and see how we can increase profitability, reduce the cost to serve, and make constructive suggestions," Jean-Alain Seerungen sums up. "The aim is to allow clients to focus on their core activities while we take care of the rest. That peace of mind is priceless."

"Thanks to this WMS, we have complete visibility over our activities and can provide this information to our customers with a level of accuracy, which is unique in Mauritius."

DIMITRI

MFD Office - Port-Louis

20.0829° S, 57.3003° E

Lagesse

Chief Process and Information Officer



What would you say to a CEO who's uncertain about outsourcing his company's logistics operations?

Despite its apparent advantages, outsourcing logistics operations is a tough call for business leaders. In fact, they need to carefully consider their company's specificities to find the most fitting solution, and fully capitalise on the benefits. The first and most evident one is cost saving. Indeed, outsourcing spares the company from investing in infrastructure, equipment, or human resources to carry out its logistics operations.

It also improves operational efficiency as it allows the staff to focus on core activities and expertise. It also provides increased agility, facilitating swift adjustment to changes in demand without the burden of managing internal human resources, equipment or storage capacity. Time saving is another noteworthy benefit.

However, some may feel a loss of control over their operations. This concern can be addressed by setting up proper monitoring mechanisms. Risks related to confidentiality are real, but they can be addressed in commercial agreements. The third risk is linked to the complex nature of data management. While outsourcing could simplify some processes, it could also be challenging if information does not flow seamlessly between the company's and service provider's IT systems.

In today's fast-paced global economy, how do third-party logistics providers optimise supply chains?

It's a fact that 3PLs play a key role in supply chain efficiency. Service providers, like MFD, have developed an in-depth expertise in logistics operations management. Their understanding

of market trends and ever-evolving regulations allows them to design innovative solutions quicker than any non-logistics company. Their know-how is crucial to any company with a global reach, being well equipped to help them navigate the intricacies of different regulatory frameworks, languages and cultures. Leveraging their agility, they can provide their clients with operational flexibility to seamlessly adjust to fluctuating capacity needs, therefore avoiding certain fixed costs.

Thanks to their unique business model, they provide their clients access to warehouses, equipment and state-of-the-art information systems. Their substantial capacity allows them to pool resources and negotiate preferential tariffs with suppliers, thus generating economies of scale, reducing both storage and transport costs. Their macro perspective on the supply chain allows them to identify bottlenecks, inefficiencies, and areas of improvement to optimise the workflow and shorten delays. Their cutting-edge IT systems, such as predictive analysis tools, improve visibility, traceability, and decision-making across the global supply chain. Thanks to their sectoral expertise, these can offer effective business management tools, with economic, operational and strategic KPIs, such as environmental impact. 3PLs provide a mix of expertise, resources, technology and flexibility that can significantly improve the supply chain efficiency in a modern economy.

How can 3PLs facilitate risk mitigation and resilience in supply chains, especially in the face of unforeseen disruptions, like the COVID-19 pandemic?

Inventory management and safety stock are crucial elements to be considered in logistics. 3PLs are indeed well equipped to advise their clients on optimal safety

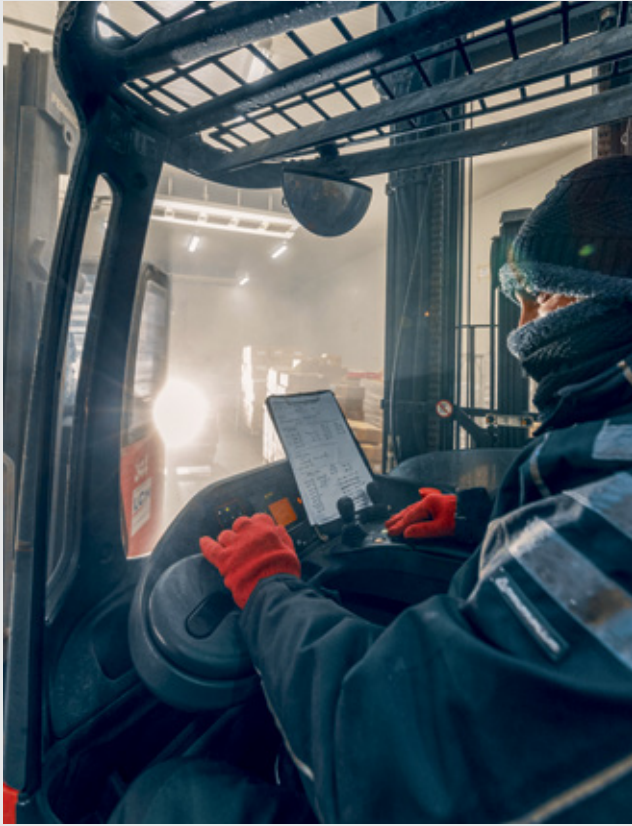
stock levels and implement demand management strategies to cope with unforeseen fluctuations. Real-time monitoring and traceability are now facilitated by technological tools, allowing operations tracking, goods movements in the warehouse, and resulting inventory. Potential issues can therefore be quickly spotted, and remedial actions taken in a timely manner.

3PLs also offer flexible transportation strategies. In case of disruptions, they can swiftly adjust by finding alternative routes, different modes of transportation, and build on existing solutions to optimise efficiency. Another significant contribution they have lies in diversifying supply sources. They assist businesses in identifying alternative suppliers and flexible logistics pathways, reducing dependence on a single source.

Sometimes, disruptions can lead to product returns and changes in demand. 3PLs can effectively manage these return flows to minimise losses. Finally, given their experience, 3PLs can collaborate with businesses to develop business continuity plans and crisis response plans, hence ensuring business continuity.

Since their emergence in the 1970s, 3PLs evolved from mere service providers to strategic partners. What led to this evolution?

Globalisation, diversification of distribution channels, and the need to adapt to ever-changing consumer demands have made the supply chain increasingly complex. In this context, companies have realised the necessity of specialised expertise to effectively manage intricate operations. In fact, outsourcing logistics functions to 3PLs allows companies to hone in on their core strengths, and therefore enhance their competitiveness.



Sustainability and environmental concerns are gaining prominence, driving a shift towards greener logistics solutions. Customisation remains a central theme while flexible and adaptable supply chain solutions are becoming a priority.

The other factor is technological advancements. 3PLs have invested in sophisticated management systems, data analysis tools, real-time tracking solutions, and other tools that enhance visibility, increase efficiency, and enable more informed decision-making. This allowed 3PLs to design tailored solutions that adjust to each company's unique requirements and expectations.

They've also demonstrated their ability to decrease operational costs by leveraging economies of scale, streamlining logistical processes, and adopting efficient practices. Companies now rely on them to provide risk management strategies and business continuity plans when faced with economic crises, natural disasters, and pandemics.

According to your analysis, how can we expect the 3PL model to evolve in the coming decade?

The landscape is rapidly evolving, driven by various trends. The rise of automation and digitisation is the first and most apparent one. 3PLs are increasingly adopting advanced technologies with a view to enhancing visibility, efficiency, and overall logistics operations management.

Sustainability and environmental concerns are gaining prominence, driving a shift towards greener logistics solutions. Customisation remains a central theme while flexible and adaptable supply chain solutions are becoming a priority.

Considering recent disruptions, such as the COVID-19 pandemic, the importance of supply chain resilience and risk management cannot be overstated. 3PLs are therefore poised to take on a more significant role in implementing risk management strategies and business continuity plans.

Collaboration is key. 3PLs are moving towards closer collaboration with client companies to improve visibility and coordination across the entire supply chain. Shared multi-client logistics warehouses and communication systems are facilitating this collaborative approach.



Cost to serve: The key to maximising profits

Have you ever wondered how much it costs to transport your favourite biscuits or chocolate from the port to the supermarket shelves? We guess not, unless you are the one selling them. In the retail jargon, this is referred to as the cost to serve. Though technical, this analysis has strategic importance as it allows retailers to calculate their margin, define their inventory threshold and even decide on promotional actions to boost sales of specific products at given periods.





"The cost to serve is directly related to our capacity to design the best logistics solutions for our clients, allowing them to sell their products cost-efficiently and stay competitive," underlines Dimitri Lagesse, Chief Process and Information Officer at MFD. For third-party logistics (3PL) providers, it requires a close analysis of several key components such as operational efficiency, inventory management, handling and storage processes, order fulfilment, and of course, customer satisfaction.

"An accurate analysis of these costs helps to identify areas of improvement in our process, our information system and our organisation at large with a view to lowering our cost to serve while streamlining our clients' supply chain operations," says Dimitri Lagesse. He identifies two main levers that local 3PLs can use to optimise the cost to serve. "The first one is operational excellence, the end goal of which is to see how we can do better and faster with less resources. The second one is our ability

to pool resources to serve multiple clients. As 3PLs, it is one of our core expertise on which we leverage," he underscores.

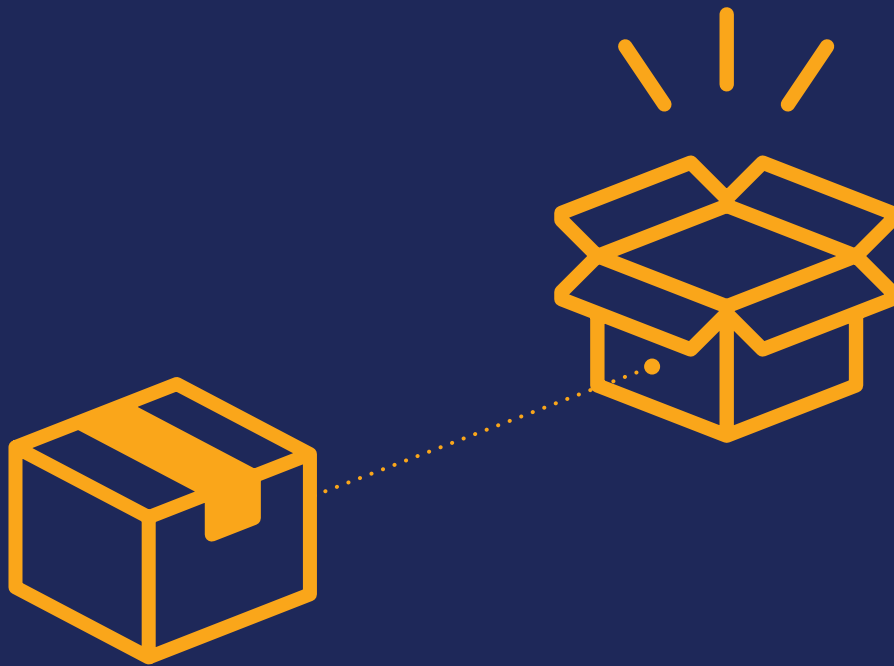
Over the years, MFD has made significant investments to continuously reduce these costs and contribute to its clients' competitiveness, irrespective of the sector in which they operate. The internal process, for instance, has been further streamlined by the setting up of the Supply Chain Office. "It is a control tower with a dedicated team, whose job is to ensure that all information is standardised before being entered in the system. All issues are identified upstream and filtered downstream, enabling us to effectively resolve critical problems on the spot." The control tower captures real-time operational data and uses them to provide visibility and improve decision-making.





A set of supply chain key performance indicators (KPIs) are used to assess performance, such as the logistics costs as a measure percentage of sales; stock turn in days and total stock day; inventory stock losses and damage; delivery in full on Time (DIFOT); and order to delivery cycle time. All these KPIs are mentioned in Service-Level Agreements signed between MFD and their clients, in which the 3PL specifies the services it will furnish with clear and measurable targets.

"Cost to serve is often overlooked by some operators, especially those who run their own warehouse with their own personnel. This is where our expertise can add value, as very often, outsourcing these operations to us can lower the cost to serve, while providing service guarantee. Working with a 3PL offers cost visibility over two or three years, barring unforeseen circumstances," concludes Jean-Alain Seerungen, Senior Manager – Sales at MFD.



From Aisles to Algorithms

FMCG TODAY

Fast-Moving Consumer Goods (FMCG) are an integral part of modern society. From our morning cereals to our skincare routines, they've got our backs. But as consumer shopping trends evolve, the industry is experiencing a major shift in how it operates and delivers products.

The introduction of modern trade and the exponential growth of e-commerce offer opportunities and access to a global market. But these advancements also create a new set of complexities in the supply chain management of the FMCG industry.



TRENDS DEFINING the FMCG LANDSCAPE

1. The Growth of Modern Trade

In the past, shopping mostly meant visiting local, small-format stores that had limited choices. It wasn't just a shopping errand, but a proximity-focused activity, where the relationship with the shopkeeper was part of the experience.

Modern trade is dominated by big format, international corporation-owned supermarkets and superstores. This model has dramatically changed the FMCG landscape. Instead of store-hopping, consumers can now find an expansive range of products under one roof. Modern trade has elevated the shopping journey, from a routine chore into an immersive experience. The vast aisles, organised displays, and variety have turned shopping into an exploration.

While old-school trade truly had its charm, rooted in personal connections and neighbourhood familiarity, modern trade offers convenience, choice, and efficiency. Both have their unique strengths, but it's clear that the modern approach better meets the needs of today's fast-paced world and continuously evolving consumer expectations.

2. The e-Commerce Revolution

e-commerce has redefined convenience. Consumers have a world of choices at their fingertips, and the ability to make their purchases from the comfort of their homes.

Beyond this, the digital nature of e-commerce is transformative for FMCG brands. The data obtained from online platforms provides profound insights into consumer behaviours and trends. This allows FMCG brands to understand consumer preferences, customise their offerings, and reach new markets. By 2027, it's estimated that 40% of the Mauritian population will become online consumers, with a projected market volume of \$352 million.

In this new marketplace, competition will thrive, and supply chain operations will determine success.

3. Responsible Consumerism

Empowered by online information, consumers are increasingly aware of their choices. This well-informed consumer base seeks to better understand the broader implications of their decisions. They are more inclined to support brands that align with their values, whether it's environmental responsibility, ethical labour practices, or local sourcing.

For FMCG companies, this entails more than just meeting market demands. It involves aligning business practices with the values and principles of a more discerning consumer base. Companies that embrace this shift stand to gain not only in sales but also in building trust and loyalty in a values-driven market.

FMCG supply chain challenges

Coordinating Complexity

Once linear and predictable, supply chain management now grapples with heightened complexities. Modern trade and e-commerce require FMCG companies to engage with a vast network of suppliers, manage an increasing number of SKUs, and stick to multiple delivery timelines. Geopolitical disruptions and other external factors only add to this complexity.

Information Fragmentation

Given the heavy reliance on technology, seamless information flow is vital. Ineffective system integrations can result in data discrepancies, mismanaged inventory, increased manual work and massive cost increases. Building up and maintaining the technological capabilities and workforce is a particularly difficult challenge.

Sustainability

The modern consumer demand for eco-friendly practices poses another hurdle. Balancing global e-commerce deliveries with reduced carbon footprints is a challenge that FMCG companies now unanimously face.

WHAT'S NEXT?

The evolving landscape of FMCG, influenced by modern trade and e-commerce, brings forward its own challenges. Ironically, the solution is better technological implementation. Data flow becomes as important as the flow of goods. Embracing technologies for forecasting, fortifying ERP and SCM systems, for enhanced collaboration among stakeholders, is the way forward.

THE CLICK AND ITS ECHO

ROLE OF LOGISTICS IN E-COMMERCE



E-commerce, despite its digital nature, is deeply intertwined with the physical world. Behind the scenes, there's a flurry of activities: inventory checks, order preparation, shipping, tracking, delivery, and if those shoes aren't the right fit, returns!

The convenience of modern online shopping is extraordinary but at the heart of this experience is the indispensable role of logistics. As consumer demands and expectations from online shopping have soared, so has the intricacy of logistics operations, giving birth to innovative business models, real-time logistics technology, and ever-evolving consumer trends.

Imagine this:

**It's a lazy Sunday afternoon.
You're lounging in your favourite
armchair with a cup of coffee.
Sunlight streams through the window,
and as you browse the internet,
a pair of shoes catches your eye.
With a few simple clicks, you order them.
Little do you realise that those few
clicks have set a meticulous dance
of logistics in motion.**

- Cue Tango music



THE ART OF FULFILMENT

E-commerce introduced a paradigm shift in logistics, prompting a significant pivot from traditional operations. In the past, logistics centred on delivering bulk orders to specific wholesalers and physical storefronts, maintaining predictable schedules and routes. Today, the emphasis is on rapid, direct-to-consumer deliveries of individual items.

This shift has driven companies to reconsider their strategies and embrace a pivotal element in supply chain management: fulfilment logistics – the comprehensive process of managing and completing an order from purchase to delivery.

Here's why great fulfilment is important in e-commerce:

Customer Satisfaction

In e-commerce, a great product is just one piece of the puzzle. Meeting customer delivery expectations is just as important for customer satisfaction. Imagine if the shoes you ordered arrived slightly late for that special occasion you planned. A tragic thought, indeed.

Profitability

Efficient fulfilment has an impact on the bottom line. By optimising warehousing, inventory handling and shipping costs, businesses can spend smarter on operational overheads.

Scalability

The e-commerce landscape is ever-evolving. Successful businesses showcase a remarkable ability to ramp up their fulfilment processes, especially during high-demand times like holidays or major sales events.

Brand Reputation

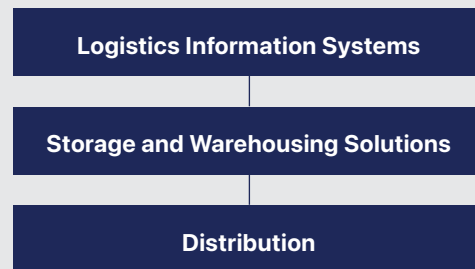
Every delivered package is a silent ambassador of the brand. Order fulfilment isn't just about efficiency; it crafts a narrative, fosters trust, and adds to brand reputation. E-commerce is a competitive space. To stand out, businesses see fulfilment as a critical factor—offering the right product at the right price, speedy deliveries, and unparalleled service.

THE RISE OF 3PL PARTNERS

Despite its importance, handling fulfilment logistics internally can overwhelm any business and divert attention from core areas like product development, marketing, and customer engagement. This is where third party logistics providers, or 3PLs, make for the perfect logistics outsourcing partners.

3PLs offer a range of services, from transportation, warehousing, picking, packing, inventory forecasting, order fulfilment, and freight forwarding to intricate tasks like product kitting, cross-docking, and integrated IT solutions.

3PL providers particularly excel in:



Collaborating with a 3PL provider empowers online businesses to immediately tap into this expertise, infrastructure, and technology without the associated capital expenditure. A 3PL lets online businesses have their cake, eat it and maybe even ship it too!

THE GROWTH PARTNERSHIP CONTINUES

So now you know. Behind that online shoe purchase are processes, systems, and people working tirelessly, making sure your online shopping experience feels nothing short of magic!

As online shopping continues to dominate the retail landscape, the need for efficient, fast, and flexible logistics, along with reliable logistics partners, will only grow.

SUCCESS STORIES

PROPELLING PRODUCTIVITY FOR DECATHLON, RIOU OCEAN GLASS, AND INNODIS

MFD has notably illustrated its unwavering dedication to its mission, values and vision, exemplified through its impactful collaborations with three key customers, namely Decathlon, Riou Ocean Glass, and Innodis. MFD capitalises on its strengths and operational excellence, manifesting in tangible success stories. In its dynamic partnership with Decathlon, MFD delivers logistic solutions that seamlessly meet the rigorous demands of the sports retail giant. The synergy with Riou Ocean Glass reflects MFD's steadfast commitment to prompt, value-added services, fostering a bond built on trust and satisfaction. Additionally, MFD's collaboration with Innodis played a vital role in optimising the client's operations. These success stories underscore MFD's indispensable qualities that consistently translate into positive outcomes.





SUCCESS STORY

DECATHLON

Collaborative Leadership Underpins the Seamless Synergy between Decathlon and MFD

Decathlon, a globally acclaimed sports goods retailer, strategically aligned itself with MFD in a pioneering venture, marking the establishment of its fourth booster-type warehouse globally. Encompassing an extensive and fully integrated facility in the locale of Riche-Terre, this warehouse serves as a pivotal supply hub for the territories of the Western Indian Ocean, Africa and the Arabian Peninsula. The fundamental question that arises is why Decathlon, a global sports retail giant, opted for Mauritius and, by extension, MFD. To better understand this decision, it is imperative to recognise the various factors that contribute to the attractiveness of Mauritius as a strategic location. "Benefiting from good political stability, great geographic location wedged between Asia and East Africa, adequate maritime facilities, but most importantly a diverse population with a can-do attitude, Mauritius and MFD became the leading contender in this project," explains Adhiraj Daby, Supply and Logistics Director for Decathlon.

The decision to select Mauritius to establish such a major facility underscores the confidence that foreign investors have in the nation's thriving economic landscape.

Decathlon's discerning choice of Mauritius was not arbitrary; rather it emerged from a comprehensive planning phase that spanned nearly six years. Within this timeframe, a detailed sorting exercise was conducted to identify countries that met the criteria essential for the establishment of a logistics hub of such magnitude. In this discerning process, Mauritius

emerged triumphant, standing out among the ten shortlisted nations.

Mauritius not only offers a conducive business environment but also positions itself as a platform for regional development. The confidence that Decathlon places in Mauritius is a testament to the nation's commendable business facilitation, a quality that resonates with investors and underscores the country's aspiration to attract and retain foreign investment.

MFD, as the chosen partner in this monumental endeavour, played a pivotal role in facilitating Decathlon's expansion into Mauritius.

The six-year project planning phase involved not only selecting the right location but also identifying a service-provider capable of navigating the intricacies of this large-scale undertaking. In this selection process, MFD emerged as the preferred partner due to its commendable skills and competitive edge. With a history spanning over two decades, MFD has diligently built a robust team, a testament to its proficiency in implementing and managing complex projects with global brands.

"MFD has a proven track record of implementing and managing complex and large-scale projects with international brands, which gave Decathlon confidence that MFD has the right expertise to take on Decathlon's logistic hub, being the biggest single-use warehouse in the region with a very unique operating model which is proprietary to the Decathlon group," remarks Daby. This expertise distinguishes MFD from its local and regional competitors.

"MFD has a proven track record of implementing and managing complex and large-scale projects with international brands, which gave Decathlon confidence that MFD has the right expertise to take on Decathlon's logistic hub, being the biggest single-use warehouse in the region with a very unique operating model which is proprietary to the Decathlon group"





MFD's selection as the strategic partner for Decathlon underscores its ability to stand out in a highly competitive landscape.

The company's expert handling of logistics, combined with its competitiveness, positioned it as the ideal collaborator for Decathlon's ambitious venture.

The partnership with MFD marks a significant milestone for Decathlon as it positions Mauritius as the fourth booster-type warehouse globally for the renowned sports retailer.

The decisive role played by MFD in the development trajectory of Decathlon in Mauritius extends beyond technical competencies; it delves into the realm of collaborative leadership and adept management. At the core of Decathlon's operational philosophy lies a profound belief in the power of people as the driving

force behind every endeavour. "Within the MFD leadership team, we have found the right counterparts to address our concerns, tackle challenges as they arise, and most importantly, take constructive feedback positively and make the right calls at the right time," states Daby.

MFD's instrumental role in coordinating with key stakeholders goes beyond the realms of traditional project management. The collaborative effort involved engaging with local authorities, construction teams, land developers, and various other entities crucial to the successful implementation of Decathlon's logistics hub in Mauritius. This orchestration ensured a seamless integration of the project within the Mauritian landscape, setting the stage for Decathlon to establish its presence and foster growth within the region.

SUCCESS STORY

RIOU OCEAN
GLASS





“Additionally, the strategic location of Mauritius in the heart of the Indian Ocean facilitates the distribution of our products across the region”

MFD's Operational Excellence Propels the Expansion of Riou Ocean Glass

Drawing from over 40 years of expertise in the glass industry, entrepreneur Pierre Riou ventured into the Indian Ocean market with the inception of Riou Ocean Glass (ROG) in 2023. As the first glass manufacturer in the region, ROG strategically operates from an extensive processing and storage site in Mauritius, complemented by 18 processing partners in mainland France. ROG stands as a unique force, catering to the African continent, Indian Ocean Islands, French DOM-TOM and Australia.

Pierre Riou's strategic choice of MFD and Mauritius for the establishment of Riou Ocean Glass was influenced by a confluence of crucial factors. In the case of Mauritius, the allure lies in its business-friendly atmosphere, complemented by attractive incentives, trade agreements, political stability, and availability of qualified personnel. This unique blend of favourable conditions establishes Mauritius as a welcoming environment for foreign investments. “Additionally, the strategic location of Mauritius in the heart of the Indian Ocean facilitates the distribution of our products across the region,” explains Emmanuel Thieblin, CEO of Riou Ocean Glass.

MFD, with its well-established reputation as a developer of industrial free zones, played a pivotal role in the decision-making process. Their expertise in managing logistics parks, and a track record of successful expansion, demonstrated their capability to effectively support ROG's growth endeavours. The choice of MFD as a partner was further solidified by their commitment to operational excellence, which would serve to optimise ROG's operations, and their visionary approach to long-term business strategies.

This alignment of values and goals set MFD apart from its local and regional competitors, positioning them as an invaluable ally in ROG's journey.

MFD has distinguished itself from local and regional competitors through its unwavering commitment to long-term vision and operational excellence. “They have created an integrated logistics ecosystem that offers unparalleled connectivity, both nationally and regionally,” expounds Mr Thieblin. Notably, MFD places a strong emphasis on environmental sustainability, investing significantly in eco-friendly infrastructure – an alignment with ROG's own sustainability goals. “Their reputation for transparent and efficient management of their industrial free zones makes them an ideal partner for our company,” continues Mr Thieblin.

SUCCESS STORY

INNODIS



Trust: The Cornerstone of MFD's Relationship with Innodis

Established in 1973, Innodis Ltd stands as a prominent player in the Mauritian business landscape, specialising in food production, distribution, and fast-moving consumer goods (FMCG). As a publicly listed company, Innodis boasts an impressive annual group turnover exceeding MUR 4 billion. With over four decades of experience, the company has evolved into one of the largest groups engaged in production and distribution within Mauritius. The workforce of approximately 1,400 dedicated individuals propels Innodis, enabling it to cater to a vast network of over 5,700 outlets, including hypermarkets, supermarkets, corner shops, food chains, and hotels across the island. Innodis, a powerhouse in the industry, continues to shape the culinary and retail landscape with its commitment to excellence and extensive reach.

The enduring business collaboration between Innodis and MFD spans more than two decades, starting from a simple space rental and gradually developing into a strong, multifaceted logistics partnership. The association began when Innodis became

tenant of the Mer Rouge facility, taking a significant step in the collaboration efforts. Identifying the necessity for streamlined logistics activities, Innodis further solidified the partnership by enlisting MFD for third-party logistic services. This involved the thorough management of frozen goods, including reception, warehousing, and seamless delivery.

"The infrastructure of MFD is quite impressive, with modern equipment and software which enable us to perform our tasks to the satisfaction of our customers," states Sonny Wong, COO of Innodis. The certification accolades earned by MFD, including HACCP for quality assurance and ISO certifications for effective management, stand as tangible testament to their unwavering commitment to delivering nothing short of the best to their clients.

"As a client of MFD, we are very satisfied with the excellent customer service approach, openness to discussion when encountering hurdles along the way and most important, we have built trust between the two companies," concludes Wong. This element of trust underlines the enduring success of the synergistic relationship between MFD and Innodis.



In conclusion, MFD's success in trade, distribution and logistics is a testament to its strategic positioning and unwavering commitment to excellence. The success stories with Decathlon, Riou Ocean Glass, and Innodis showcase MFD's ability to customise solutions, navigate global complexities and play a pivotal role in its partners' growth. As a regional logistics leader, MFD's success resonates through class-leading solutions, meeting, and exceeding client expectations, therefore creating a ripple effect of excellence across diverse industries. Stakeholder satisfaction remains crucial to MFD's ongoing journey of evolution and success.



“As a client of MFD, we are very satisfied with the excellent customer service approach, openness to discussion when encountering hurdles along the way and most important, we have built trust between the two companies”

Sustainability

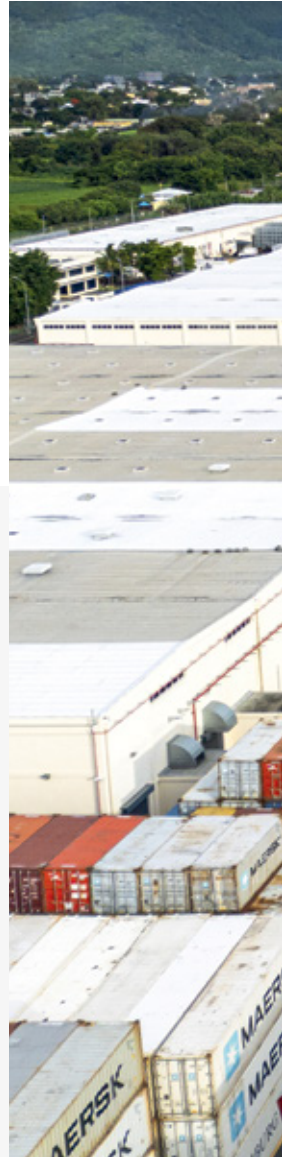
Sustainable Logistics Solutions for a Planet in Need

Did you know? In the year 2022, 58 billion tonnes (BT) of global greenhouse gas emission (GHG) were recorded, the largest level ever recorded. This revelation is even more unsettling with alarming statistics from CarbonCare: the logistics sector, the silent giant that powers movement of goods across the globe, contributes to roughly 24% of global carbon emissions. An astounding 13.9 BT of carbon pollution is being swirled into our atmosphere. Indeed, logistics, the very backbone of modern society, comes at significant environmental cost, primarily due to its reliance on fossil fuels for transportation. Yet, despite this unsettling reality, a transformative shift is underway. A global awakening has ignited the urgent need to address climate change and the imperative to reduce our environmental impact. Governments, businesses and consumers all embark on this sustainability mission, a beacon of hope for a better and environmentally conscious planet.

Logistics and the Global Sustainable Agenda

Sustainability transcends a company's environmental footprint; it encompasses the Triple Bottom Line – economy, society, and environment. "Sustainability is the ability to meet the needs of current generations without compromising the ability of future generations to meet their needs" stated the Institute for Supply Management in a 2022 white paper. The goal is to minimise negative impacts while maximising positive outcomes for us and future generations. This sustainability mission aligns with the United Nations' Sustainable Development Goals (SDGs), a global agenda aimed at addressing social, economic, and environmental challenges for a better and more equitable world by 2030. In this race against time, logistics sector is set to achieve particular SDGs: Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), Goal 12 (Responsible Production and Consumption) and Goal 13 (Climate Change Mitigation). This mission further harmonises with the European Union Green Deal and the 2050 Climate Neutrality target. A sustainable logistics system would not only provide safe, inclusive, affordable, and clean freight mobility but also entails a commitment to a better and greener Earth for current and future generations.

"Sustainability is the ability to meet the needs of current generations without compromising the ability of future generations to meet their needs"





The Roadmap to Greener Logistics

The future is quite worrying. The Intergovernmental Panel on Climate Change (IPCC) warns us that by 2050, CO₂ emissions from logistics could grow from 16% to 50%. This alarming forecast isn't just about statistics, it's about the chaos GHG emissions wreak on climate, the environment, and our lives. Think of the polluted air we breathe, the tainted oceans that hold our precious marine life, the risk of devastation to our ecosystem and biodiversity, it is upsetting. In some parts of the world, like Asia and Central America, the

consequences of climate are not a distant threat but a harsh reality. They endure extreme high temperatures, intense rainfall, floods, intense winds and storms, and sea level rising, compelling them to migrate. Climate migration is a heart-breaking phenomenon that we may need to adapt in the face of significant changes. Unfortunately, there are no magicians to call to save us! We might hope for a miracle, but only rapid, and immediate GHG emissions reductions are essential to maintain the global temperature at the 1.5°C target set by the 2015 Paris Agreement.

Now, in today's global economy, sustainability is a must for any business that wants to build a positive reputation and mitigate further damages. Some key environmentally-friendly practices and growing trends include:

1 Green Transportation

Eco-friendly transportation methods such as electric and hybrid vehicles as well as utilising alternative fuels like biofuels, low emissions hydrogen and derivatives can reduce CO² emissions and improve air quality. Electric vehicles are not a long-term solution because of the non-recyclability of batteries and the use of critical minerals. Cargo sailboat, like Canopée, is another alternative to reduce CO² emissions. Nonetheless, decarbonisation can only happen with a switch to alternative fuel leading to 60% reduction of GHG emission from freight in 2050, according to the IPCC Report.



2

Sustainable Packaging

The use of sustainable packaging, recyclable or biodegradable options, is increasing to reduce waste and environmental impact. Amazon has introduced its certified Frustration-Free Packaging that reduces packaging materials and is easily recyclable. Even though sustainable packaging is a positive step, not all countries, particularly in Asia and Africa, possess the adequate infrastructure for proper processing and recycling.

3

Route Optimisation and Cargo Consolidation

Optimising transportation routes reduces fuel consumption and GHG emissions. Companies rely on emerging technology and softwares for route planning and real-time tracking to be more efficient, and reducing empty miles, ensuring that containers or vehicles travel to distance in full or optimal load only. DHL has partnered with Greenplan, introducing an optimising technology using machine learning algorithms to better its delivery routes, resulting in significant fuel savings and less carbon emissions.



4

Energy-Efficient Warehouse

Warehousing activities contribute to approximately 13%, that is 7.4 BT, of global carbon emissions, making them energy efficient is a priority. Energy-saving technologies like LED lighting, solar panels, automated systems controlling heating, cooling and lighting can help in reducing their carbon emission. Furthermore, efficient stock management is essential for limiting energy waste. However, while these solutions may appear sustainable, the production processes and minerals used for these energy-saving technologies may not align with sustainability principles.

5

Reverse Logistics

Optimising reverse logistics is as crucial as forward logistics in dealing with product returns. The idea behind reverse logistics is that the return goods are not wasted but instead recycled, refurbished, and reused.

6

Data Analytics and IoT (Internet of Things)

Data Analytics and IoT allows real-time monitoring and optimisation of operations. These technologies help identify areas where energy can be saved, routes can be optimised, and resources used more efficiently. Maersk, a global shipping company and partner of Mauritius Freeport Development (MFD), uses IoT sensors to monitor the condition of cargo, ensuring it is transported under optimal environmental conditions.

**Sustainable Policies and Initiatives by Logistics Companies**

Logistics companies, at the front of this sustainability mission, are demonstrating their commitment to a better and greener future by adopting these growing trends and innovative practices. CMA CGM, another of MFD's partner, has, on top of implementing a policy based on three pillars "Acting for People", "Acting for Planet", and "Acting for Fair Trade", created a USD 1.5 billion fund to accelerate the energy transition in shipping logistics to support development, production of renewable fuels and accelerating decarbonisation. They have, furthermore signed a partnership agreement to protect ocean and marine life with IFREMER.

Imagine a world where logistics not only moves goods but moves closer to a healthier Earth, where our supply chains are powered by clean energy and our packaging leaves no waste behind. It's an inspiring ideal, isn't it? Luckily, logistics companies are increasingly prioritising sustainability practices not only to minimise their environmental impact but also meeting the demands of environmentally-conscious consumers. However, in spite of a 50% reduction of global emission, relying on polluting technologies remains a concern, contributing to 6.5 BT of global emission. It's time to rethink the way we consume. Every choice we make, every package we send and every mile it travels offer an opportunity to reduce our carbon footprint. As active participants in this mission, what role will each of us play in shaping a cleaner and greener future?

CHEERS TO THEIR YEARS OF SERVICE

Some of them have accompanied us since the very beginning. Meet the most loyal and experienced faces of MFD. Always eager to share their knowledge and expertise, these people are the very DNA of our company. Now is their time to shine, as we express our gratitude for their hard work and longstanding contribution to MFD.



Mr Trilok PURRYAG
Chief Human Resources
Officer

He has previous experiences in Human Resources Management in various sectors of the economy. He joined MFD in 2007 and is currently Chief Human Resources Officer.





1. Steven Antoine, 2. Dominique De Froberville, 3. Kreshna Naeck, 4. Christian Mestry, 5. Yasdeo Hurreeram, 6. Lindsay Angeline, 7. Tayab Thoophany, 8. Ramon Cassimally, 9. Christanand Choony, 10. Jaganaden Mooneesamy, 11. Desire Lacrice, 12. Reza Dilmahomed, 13. Yane Marianne, 14. Joel Castel, 15. Soondarajen Govandan, 16. Rajen Lutchmun, 17. Bhanumatee Lutchmun, 18. Samynaden Veerapen, 19. Narainsing Luckun, 20. Pierre Minerve, 21. Shameer Abdollah, 22. Christel Damarsing, 23. Sardanand Sophi, 24. Ramphul Jhagdambi, 25. Robert Malie, 26. Moise Toulcanon, 27. Georgy Manon, 28. Sew Gangaram, 29. Concheeta Donald, 30. Clement Hurdoyal

THE RIGHT WOMEN FOR THE JOB



Meet the women who make it all happen. From warehouses to operations, to strategic planning, their skills and power of organisation account for the smooth run of all departments. These ladies spare no effort, whether on the field or in the office to unlock new possibilities, and we are ever so grateful for their dedication!



THE PRIME MOVERS OF MFD

Meet the senior managers and managers at the helm of MFD, driving our logistics operations with expertise and dedication. Their leadership and vision ensure that we remain industry leaders, delivering innovative solutions and exceptional service. We are proud to introduce the team shaping the future of MFD.

1. Jean-Alain Seerungen, Senior Manager & Commercial Head Freeport and Industrial Sectors 2. Itish Ramen, Senior Manager, Decathlon Division 3. Nitin Dabhee, Senior Manager, Finance 4. Narden Petapermal, Dry Operations Manager 5. Ashvin Betchoo, Senior Manager, IT 6. Jilany Soogund, Manager, Quality Assurance & DPO 7. Claudia Petit, Supply Chain Manager 8. Shane Ramburn, Manager, Transport & Depot 9. Richard Toussaint, Commercial Head Distribution and Retail 10. Joonas Peerun, Warehouse Manager, Cold Division 11. Raj Ramlogun, Facilities Manager 12. Christian Davy, Manager, Brokering and Customs Broker





Testimonials

OUR CUSTOMERS' POV

While our staff is our main strength, we value our customers, whose feedback and opinion help us grow. By sharing their impressions of our services, they hand us the most priceless tool of improvement.





Kha Yang Seafoods Co. Ltd.

This company dealing in export and trading has trusted us right from the early days of their operations.

“We work hand in hand with MFD and value this partnership. They are a major player in the African region and provide us with a comprehensive range of services. This excellent service provider stands out because of its great customer satisfaction mechanism”.

Innodis Ltd

Established for over 50 years, one of the major food and non-food production and distribution companies also chooses to stand by us.

“We very much like the synergies between Innodis and MFD, and appreciate the professional mindset of the staff. Their dynamism truly helps this relationship. As clients of the warehouse rental service and frozen warehousing operations, we find the offer to be very competitive. Of course, there is always room for improvement, and we feel free to voice our recommendations as and when needed.”





Coralquip Ltd

This professional branding equipment supplier is happy with our partnership... And so are we!

"We were looking for a manufacturing hub with access to SADC and COMESA markets, and the MFD proved to be a strategic partner in this endeavour. It is conveniently situated and provides us with everything we require for our business. All the infrastructure is in place, and operations are up to standard. What we appreciate most, on top of the reasonable prices, is the professional staff who always welcome our feedback. In this company, we found logistics beyond expectations."

House of Lords Beverages Ltd

This distributor of premium spirits needed a trustworthy partner to meet his objectives.

"We were looking to expand our reach to the EMEA region, basing our operations in a country with a stable Government and favourable tax regime. The good infrastructure and ease of deployment at MFD makes it a one-stop shop. It also grants us freeport access for exports to the rest of the world, which was an important criteria. Although there are areas of improvement, and a few services that could make the offer even more attractive, we value this company as a reliable, responsive and resourceful partner."



Yu Din Metal Works

This company is a member of a Taiwanese group and needed warehousing facilities.

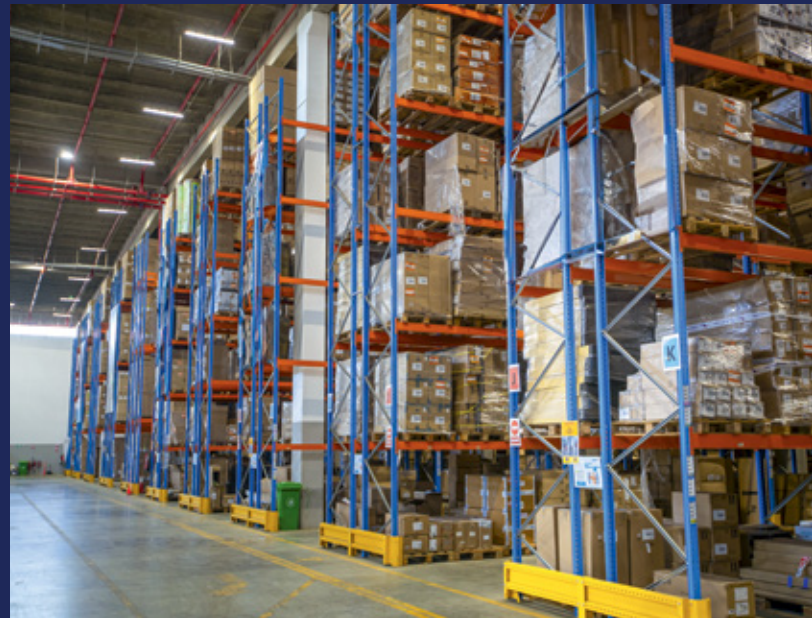
“It is our first time renting warehousing premises, and the MFD is a qualified service provider. The varying sizes of spaces fit our specific needs. We appreciate the professional staff of the warehouse who are always there to help whenever we need them.”



Zapatero International

This company needed an ideal location in relation to its Europe, Asia and India-based suppliers.

“The MFD offered an interesting package of logistics services which facilitated the smooth functioning of our business. We have experience with a broad range of freeport operators from different industries, and MFD’s ability to tailor a solution for our particular needs truly stood out. The biggest impression we had was the ease of setting up our warehouse when we first arrived in 2006. Above all, this company is easy to work with!”



While our expertise helps us deliver satisfactory customer service, the key to excellence remains our openness to feedback, and the ability to enrich our offer. After all, the only way to keep growing is to keep up with our clients’ ever-evolving expectations.

Logistics 4.0

How Technology is Driving the Logistics 4.0 Evolution

The logistics and supply chain industry is constantly under scrutiny. Industry players often walk the tightrope between efficient operations and sustainability. To strike a balance and navigate the complexities inherent in this dynamic sector, the industry leans on technological innovation.

Digital transformation is worth US\$1.5 trillion in value for the global logistics industry. In a time defined by rapid change and escalating consumer expectations, technology acts as the linchpin, offering solutions that address the industry's challenges. This puts technology at the centre stage of Logistics 4.0 evolution, more as an intrinsic part of the industry narrative rather than just an add-on.

The Need for Visibility, Agility, and Automation

Rapid geopolitical, trade, and economic disruptions are constantly challenging global supply chains. The future supply chain must be agile, flexible, efficient, and digitally connected to enhance visibility and response time.



Disruptive technologies in the logistics sector broadly fall under 3 categories.

1.0

Exchange of information:

IoT, Digital Platforms for Integration, Blockchain.

2.0

Analysis of information:

AI, Decision Support Systems, simulations.

3.0

Physical task performance:

Warehouse robots, autonomous vehicles, drones.

When coupled with each other, these technologies make supply chain management incredibly efficient, agile, and robust.

The exchange of information stack provides unprecedented visibility throughout the supply chain and feeds data to the analysis tech. The analysis of information helps organise, optimise, predict, and automate the flow of information. And lastly, physical task performance technology allows for the physical operations to run autonomously.

The Tech Behind the Logistics 4.0 Evolution

1. Enhanced Visibility with IoT (Internet of Things)

The integration of IoT devices, such as sensors and smart tags, throughout the supply chain, enables real-time monitoring of goods from production to delivery. Whether tracking a package's location or its storage conditions, IoT offers unmatched visibility. This leads to timely deliveries, decreased loss from damages, and heightened accountability.

2. Optimisation through Artificial Intelligence

AI is emerging as a significant force in managing the vast volumes of data within the supply chain. AI can forecast demand, identify potential challenges in the supply chain, and recommend optimal delivery routes. This approach not only reduces costs but also enhances operational efficiency, aiding businesses in better planning, improvement, and anticipation.

3. Robotics and Automation in Warehousing

Over the last decade, there has been a staggering increase in automation within warehouse operations. Robots are now more frequently employed for tasks such as picking, packing, and sorting. This ensures faster order fulfilment, fewer errors, and consistent operations, which is especially beneficial during peak demand periods.

4. Advanced Analytics for Informed Decision-Making

Leveraging sophisticated data analytics tools powered by AI, enterprises can achieve unprecedented insights into their operations. From pinpointing operational inefficiencies to comprehending consumer patterns and assessing supplier efficacy, data analytics serves as a cornerstone for informed strategic decision-making. Enhance responsiveness to disruptions through real-time oversight and surveillance of the entire supply chain, complemented by comprehensive scenario planning and simulations.

5. Digital Platforms for Integration and Collaboration

Supply chain management involves a large number of stakeholders, ranging from suppliers and transporters to retailers. Digital platforms facilitate the cohesive integration of these entities, fostering real-time communication and collaboration. Such a streamlined approach accelerates decision-making processes, leading to a more agile and adaptive supply chain.

6. Sustainability through Smart Solutions

As sustainability becomes a central business concern, technology is driving eco-conscious advancements in supply chain management. Software dedicated to route optimisation minimises fuel use, IoT devices regulate energy consumption in storage facilities, and AI capabilities are leveraged to predict alternate scenarios.

The Road Ahead

The business world is now recognising a high-performing supply chain as an indispensable competitive edge. Embracing technologies in the sector paves the way for more streamlined, autonomous, and sustainable operations.

While investment in technology is vital, so is the upskilling of staff and willingness to onboard change management. Upskilling becomes crucial to leveraging these technologies effectively, and robust change management ensures seamless and rapid transitions.

The real challenge and opportunity ahead is to foster an environment where technology complements human collaboration, as that will continue to be the driving force behind an ever-evolving, efficient, and innovative supply chain landscape.

Will AI TAKE OVER MY supply chain job?



Hot Take on the Future of industry jobs from MIT Professor Yossi Sheffi.

Integration of AI and robotics in supply chain and logistics is reshaping the industry's landscape and raising significant questions about the future of work. In MIT Professor Yossi Sheffi's recent book, "The Magic Conveyor Belt: AI, Supply Chains, and the Future of Work," we find a well-informed response. It provides a compelling narrative on how technology and workforce dynamics are shaping the future of supply chains.

In an interview with MIT News, Sheffi highlights the remarkable nature of global supply chains and their support for our modern lifestyle. Rather than just observing occasional product shortages, such as those seen during the pandemic, he emphasises the incredible logistical orchestration that ensures consistent product availability. He emphasises that the true marvel of the supply chain lies not only in providing what we need but also in managing disruptions while meeting sustainability expectations from consumers.





Lessons from the Past

AI is already reshaping warehouses worldwide, with robots undertaking various tasks. The human workforce in warehouses is also evolving, shifting from the traditional image of male-dominated labour-intensive jobs to increasingly more technical roles and a diverse workforce.

Despite the increased use of AI and robotics, Sheffi dispels the common fear of widespread job loss. Instead, he anticipates a transformation in job roles and responsibilities, possibly leading to an increase in jobs. He supports his predictions with historical examples where disruptive technologies created more jobs than they replaced.

1908

Ford introduced the Model T, the first ever mass-produced and affordable car on a moving assembly line. Cars were largely handmade prior to that. Contrary to what people expected, Ford's workforce grew to 157,000 from a few hundred. On top of that, more cars on the road meant motels, restaurants, and hotels which sprang up everywhere, creating millions of jobs.

1969

ATMs were introduced in the US, initially feared to eliminate bank teller jobs. However, the number of bank branches doubled as ATMs made it cheaper to operate branches.

What's different with AI this time, according to Professor Sheffi, is the speed of change due to rapid software deployment. He emphasises the need for swift retraining and upskilling within the population.



Navigating Change: Automation-Led Employment Shifts

At its peak right now, AI automation cannot completely replace humans in the supply chain but is sufficient to necessitate restructuring. For instance, autonomous trucks cannot navigate urban routes due to programming limitations, but excel on highways. This situation has given rise to the "exit-to-exit" system, involving transfer stations near highways and city outskirts. This shift is expected to create jobs in the first and last mile of the supply chain, as well as various roles within these transfer stations, spanning retail, maintenance, and audit/check services.

This transition might seem unconventional, but it is anticipated to generate numerous employment opportunities. This optimistic outlook aligns with the nature of evolving industries. As technology advances, it often creates unforeseen roles and avenues for employment, a positive outlook on the future of work.

The Future of the Industry

Sheffi considers supply chains as ultimately 'human networks,' a fusion of technology, processes, and human connections. These networks rely on industry professionals who manufacture, store, move, and collaborate, now empowered by robust technologies.

Technology doesn't aim to replace, but to enhance human capabilities. It's a reliable ally, augmenting human skills and collaboration. This partnership between technology and human expertise paves a promising path for supply chains—a future where adaptation, innovation, and the human touch drive success.



