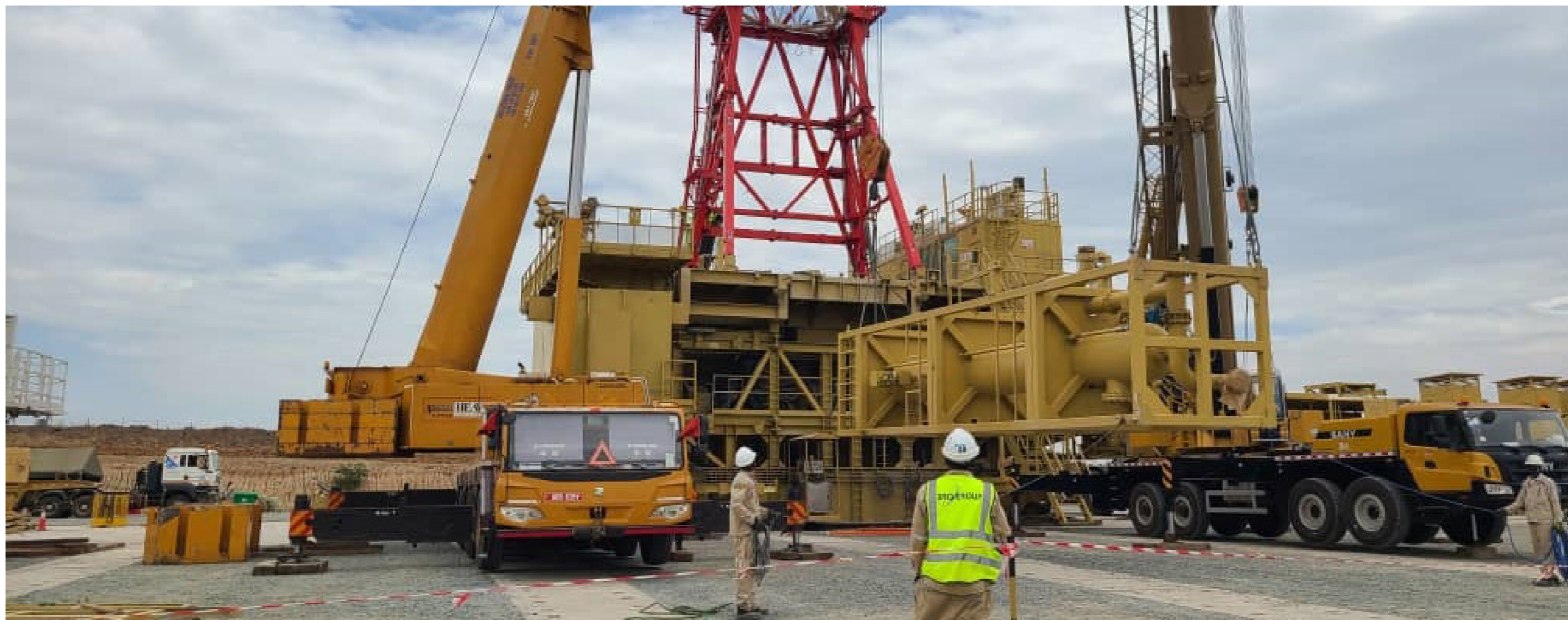


Threeways Shipping services (Group) Ltd

BOUNCING BACK
AGAINST THE ODDS





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THREEWAYS SHIPPING SERVICES (GROUP) LTD

Bouncing Back Against The Odds

RESEARCH BY JOSEPH PHILIPS



Logistics leader Threeways Shipping has successfully navigated the stormy waters of recent years and is now stepping up its game, including playing a pivotal role in TotalEnergies' Tilenga project in Uganda. Written by Andy Probert.

Threeways Shipping is once again one of Uganda's cutting-edge intra-field logistics specialists. Focused on keeping the wheels of the developing nation's economy turning, it is currently gaining major traction on oil and gas projects, where it has become the first local Tier 1 provider to global clients, such as TotalEnergies.

"We are now moving in the right direction, clearly focused and ensuring that, as a business, we are coming back stronger and wiser. We have felt the pain of recent years; now we want to see the company and its workforce gain," said Co-MD Jeff Baitwa.

Jeff, alongside his long-term business associate Daniel, runs Bro Group, which comprises Threeways Shipping Ltd, Threeways Distribution Ltd and its heavy haulage arm Transtrac Ltd. Their intra-field logistics expertise includes around \$10-\$12 million of assets, including heavy lifting equipment and machinery of all categories, from forklifts to giant cranes.

With combined contracts worth about \$50 million over the next five years providing intra-field services for TotalEnergies and China National Offshore Oil Corporation (CNOOC) on their Tilenga and Kingfisher oilfield projects respectively, Jeff admitted he could breathe a little easier after a "difficult" decade.



Mr Daniel Pettersson



Mr Jeff Baitwa



Mr Oscar Baitwa

By 2012, Threeways Shipping's revenues had arced up to \$45 million on the back of mega-contracts and a fleet of 180 new trucks supported by modern standard trailers, which supported major oil and gas clients in the region

Back from oblivion

Threeways Shipping Services was conceived in 1990 in the UK as a courier and freight forwarder. Four years later, the operation relocated to Uganda and established itself as a \$5 million turnover business by 2007.

By 2012, Threeways Shipping's revenues had arced up to \$45 million on the back of mega-contracts and a fleet of 180 new trucks supported by modern standard trailers, which supported major oil and gas clients in the region. From 50 customers in 2007, the company's client base swelled to 150 strong. Then problems began.

Many, including Bro Group, heavily invested in the hope the transition from oil exploration to production in the country would be short, but that didn't materialize

for TotalEnergies and CNOOC for several years.

In the meantime, Threeways' revenue slumped due to various local and international issues, and economic factors. All Jeff could do was stand on the sidelines and sweat the financial investments.

In trying to get ahead of the competition, Threeways retained highly skilled workers who then needed to be laid off despite relief from smaller contract wins on hydropower construction projects.

By the time reality hit, the company was staring down the barrel of receivership between 2016 and 2018. Then Covid-19 struck and put the company on ice as lockdown bit. "When the exploration period went down, it was a volatile period for us," recalled Jeff. "We had substantial

human resources capacities. We tried to keep the team together for another two years, but the transition plans never materialized.

"Then things went south quickly; the business went down, and it was a very troubling time with financial challenges. It was a strong but bitter fight to the end. Covid-19 forced us to sit things out, but now we are bouncing back. The past is the past, hard lessons learnt, and we are looking to a bright future. We have another shot and one we intend to fully grasp."

Stronger and wiser

While Bro Group remains in a "recovery phase", Jeff is allowing himself to appreciate the glimpse of turning the



corner, looking up rather than over his shoulder, thanks to several contacts.

"We have always done business based on relationships as opposed to them being transactional. Loyal customers who could see what we have done based on past



performances and relationships have allowed us to engage with them. Through those strong links, we have been able to survive."

The group has retained a majority of its assets to perform and execute projects but "remains cautious but hungry and looking for more opportunities to fully utilize our skills expertise equipment and trucks".

The company's present fleet includes a large number of trucks, cranes, forklifts, and various support vehicles. Jeff said

90% of the fleet is dedicated to the oil and gas contracts it presently manages.

"Over the next year, we hope to pick up more business wins, but we are cherry-picking with who we want to work. While our work and strength are presently within Uganda's borders, I am hopeful we will begin operating in Mombasa in the near future."

The company currently employs over 200 people but that can rise to 300 depending on prevailing contracts. "Oil and gas has

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always been our mainstay of business," he said. "We have built formidable experience in previous contracts, and due to our past performance and historical relationships, we are responding to present-day demands.

"Today, we are focused on intra-field logistics, supporting Total and CNOOC. We move equipment and materials to different locations, support lifting operations, and provide manpower, logistics, and rentals to clients."

According to the Petroleum Authority of Uganda, Threeways was one of several companies in Uganda to benefit in 2022 from over \$600 million out of \$3.9 billion for the Tilenga and Kingfisher oil field projects.

Threeways is also involved with another significant oil project, the East African Crude Oil Pipeline (EACOP), which will transport oil from Western Uganda to

Tanzania's coastal city of Tanga. It is also engaged on other contracts and joint ventures, and freight forwarding sub-contracting. All these activities have ensured around 95% of Bro Group's assets are at full capacity.

With the intra-field logistics at Tilenga, Threeways successfully relocated two rigs simultaneously within 30 days. "That was an exceptional phase, and all went smoothly for us and Total," he said. "Otherwise, we provide extensive support



in moving materials and equipment from their support base to the active site. We are acting as a true partner with Total. It is a good backbone for Threeways to become something we wish. "

Jacob Omondi, Threeways' Logistics Manager at Tilenga, said: "Threeways was given this project based on our strict professionalism, experience, knowledge, personnel and safety record. We have over 200 staff working Tilenga's two sites."

He said their truck drivers are required to follow higher standards compared to other industries. "We have to consider things like fatigue management and speed limits. And once our drivers get into the TotalEnergies bloc, they have to adhere to even stricter speed limits. Our drivers are highly trained through monthly and annual training, and in-house awareness training on a weekly basis."

Threeways' trucks are equipped with



an IVMS system for fleet management and the Fleetio system for equipment management. These solutions help monitor the trucks and any issues arising.

He said: "If a truck driver is speeding our technology alerts supervisors in charge and managers in real-time via email and text. This ensures we can maintain checks on all our drivers. The IVMS offers a weekly report that is shared with the client on our driver's performance which helps to meet their quality management commitments."



He pinpointed a few challenges currently affecting Threeways and the industry in general. "The first one is the quality of the manpower available and the speed at which Tilenga contracts were issued did not allow companies to be prepared sufficiently for the manpower required."

Some of Threeways' workforce were relocated to other countries, such as Sudan and Kenya, to learn and build capacity in the oil and gas sector. "This is how we have been able to maintain and even exceed the standards present locally." The company has also launched an apprenticeship

program and internal training which seeks to address the requirements on Tilenga.

He also discussed a government policy of 40% local content on the project. "This goes beyond the locality and extends to the rest of Uganda. Threeways ensures it employs staff with capacity in the local community where the Tilenga project is located as well."

Revitalized

Jeff said that his team's experience, knowledge, agility and speed of moving equipment was down to global clients recognizing Threeways as a respected "safe pair of hands" on the ground in Uganda.

"We have a very astute and skillful workforce, which has enabled us to be a force to be reckoned with in a very competitive sector. In our niche, specifically heavy lifting, we are the leaders given the size of our work, capacity, and people."





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He said: "Our philosophy is no shortcuts. That becomes a culture and drives the rest of the business. We empower our staff with simple values they can adopt in their work, lead by example, cultivate a sense of responsibility, and seek to achieve the highest professional standards."

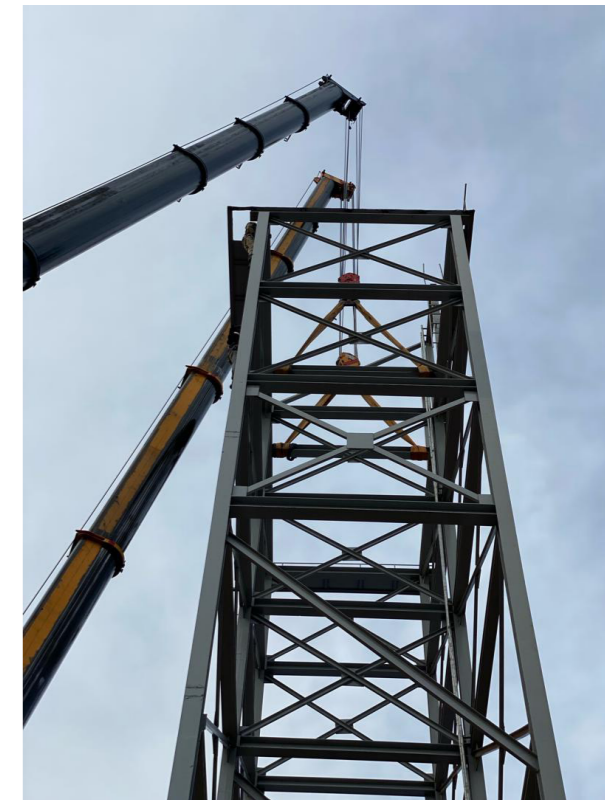
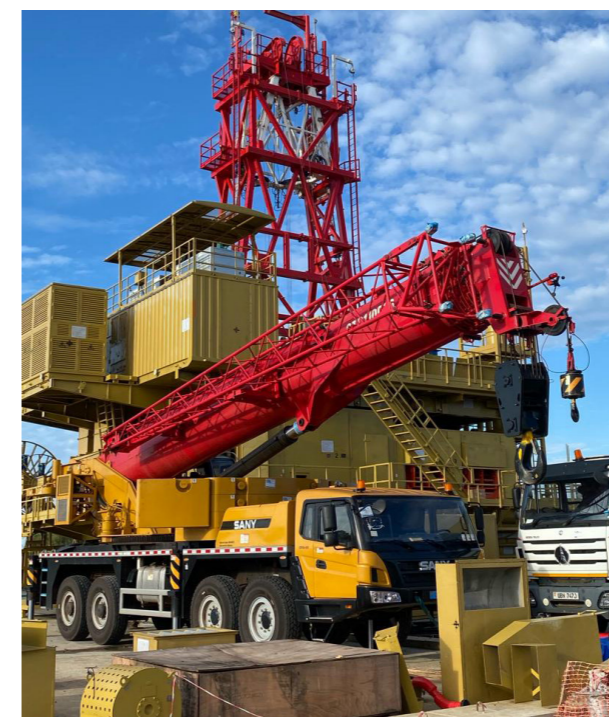
"By giving our best in everything we do, we can meet and exceed customer expectations in compliance and safety. Being ethical, professional, innovative, and

maintaining integrity also ensures we can provide added value."

While the business remains male-dominated, Threeways adopts several best practices to encourage female workers into the operation and is trying to recruit more specialists for various roles.

He added Threeways was an all-inclusive and diverse company with a healthy complement of female staff. "Transparency, trust and teamwork are vital to maintaining excellent client relationships, but "engaging between teams on issues and challenges, sharing experiences and seeking solutions all help," Jeff asserted.

He concluded: "There are still some opportunities in the oil and gas sector, but not as many as there used to be. Currently, we are focused on the existing opportunities. We have to follow the opportunities that arise and be agile to them."



"Threeways is always looking to diversify. Our business model is based on being very selective and systematic about who we work with and ensuring that both partners can flourish over the long term."

"We want to use this present phase to get as much work as possible while ensuring our services are professional and world-class. Hopefully, by the end of 2024, we will be expanding and engaging with more clients of the quality of the partnerships we have enjoyed with Total and CNOOC."

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