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THE NEED FOR A COMPETITION POLICY FOR GHANA'S MARITIME INDUSTRY

By Capt. William Amanhyia, Executive Secretary GIFF

INTRODUCTION

In August 2015, the United States Federal Maritime Commission (FMC) imposed fines amounting to \$1,227,500 in civil penalties on several shipping companies and non-vessel operating common carriers (NVOCC) for infractions of various FMC anti-trust regulations.¹

In the first case, the FMC alleged that the Dubai based ship operator, United Arab Shipping Company (UASC) violated 46 U.S.C. 41104(1) by unlawfully rebating a portion of the contract rate to its NVOCC customer, Falcon Maritime and Aviation Inc. UASC was fined \$537,500 for the violation.

In the second case, three NVOCCs, City Ocean Logistics based in Shenzhen, China, City Ocean International and CTC International, both US NVOCCs and freight forwarders located in the same facility in Diamond Bar, California, were alleged to book transportation services for cargoes at less than tariff rates and also

improperly utilized rates of service contracts of other companies.

They also received forwarder compensation on export shipments in which City Ocean Logistics acted as an NVOCC. In addition, CTC International unlawfully collected forwarder compensation on shipments in which City Ocean Logistics, City Ocean International and/or CTC International had a beneficial interest.

City Ocean Logistics, City Ocean International and CTC International also provided ocean transportation that was not in accordance with the rates and charges set forth in published tariffs. In addition to surrendering the ocean transportation intermediary (OTI) license of CTC International, the company was also made to pay a fine of \$325,000 in accordance with the allegations.

One of the cases involved Oriental Logistics Group, a tariffed and bonded NVOCC located in Taipei,

Taiwan which the FMC alleged violated 46 U.S.C. 41102(a) by knowingly and wilfully obtaining ocean transportation at less than applicable rates by misrepresenting the names of shipper accounts on service contracts and by mislabeling cargoes under the contract to gain cheaper rates. Oriental Logistics Group also violated 46 U.S.C. 41104(2) by providing ocean transportation, which were in its published tariff. The company paid \$100,000 in civil penalties.

In yet another case, the FMC successfully proved that Hyundai Logistics (USA) a tariffed and bonded NVOCC and freight forwarder located in La Mirada, CA. violated 46 U.S.C. 41102(a) by knowingly and wilfully obtaining transportation by providing companies with rates under signatory contract, which was not theirs. Under the terms of an FMC compromise, the company made a payment of \$100,000.

Similarly, Falcon Maritime and Aviation, a licensed NVOCC based in Jamaica, NY, who was alleged to have violated 46 U.S.C. 41102(a) by unlawfully obtaining rebates from an ocean carrier in the form of an administrative fee, which was not identified in the service contracts of United Arab Shipping Company. The FMC fined the company \$85,000.

In the final case, Sea Gate Logistics, a licensed NVOCC and freight forwarder based in Valley Stream, NY violated 46 U.S.C. 41102(a) by knowingly and wilfully obtaining ocean transportation rates by accessing service contracts that it was not a signatory to Sea Gate also violated 46 U.S.C. 41104(2) by providing transportation not in accordance with the rates and charges in its published tariff. Under the terms of the compromise agreed to with the FMC, Sea Gate Logistics made a payment of \$80,000.

The 46 U.S. Code 41104 under which these fines were imposed basically deal with the behavior expected from Common carriers under the rate filing system and is administered and enforced by the Federal Maritime Commission which is the federal agency responsible for regulating US international ocean transportation for the benefit of exporters, importers, and the American consumer. The FMC's mission is to foster a fair, efficient, and reliable international ocean transportation system while protecting the public from unfair and deceptive practices.

The Federal Maritime Commission which was set up as an offshoot of the United States Maritime Commission grew out of the fear that collective liner pricing organizations called Conferences might gain sufficient market power



and the ability to unreasonably raise rates or reduce services, had to be weighed against the need for a stable and reliable source of international ocean shipping.

COMPETITION POLICY

The need to minimize or prevent trade practices that might be detrimental to fair competition has been of concern to nations throughout history. Competition Law (Antitrust in US parlance) is therefore increasingly attracting the attention of trade policy officials in all countries, driven by domestic export interests who argue that anticompetitive practices impede their ability to sell goods and services in foreign markets.

Both the European Union and the United States which are large economic entities therefore have in place comprehensive competition policies and laws with domestic competition authorities that are well-equipped to address anticompetitive behavior that has detrimental consequences for consumers located in their jurisdiction. Developing countries being mostly "pricetakers" on world markets have particularly been concerned about possible anticompetitive behavior by large (dominant) multinationals and many have recently expressed interest in implementing an active domestic competition policy.

Competition puts businesses under constant pressure to offer the best

possible range of services at the best possible prices. If they don't, consumers have the choice to buy the services elsewhere. Competition law is a law that promotes or seeks to maintain market competition by regulating anti-competitive conduct by companies and is implemented through public and private enforcement.

The history of competition law dates back to the Roman Empire. The business practices of market traders, guilds and governments have always been subject to scrutiny, and sometimes severe sanctions. Since the 20th century, competition law has become global. The two largest and most influential systems of competition regulation are the United States antitrust law - the Sherman Act of 1890 and the European Union competition law - the Treaty of Rome whose two central provisions, Article 85 and 86 which ensure that competition in the European Common Market is not distorted.

Ghana's attempt at competition policy resulted in the passage of the Protection Against Unfair Competition Act, 2000 (Act 589), which was not particularly successful. Another unsuccessful attempt was made in 2008 and now Ghana is in the process of putting in place another Competition Policy that would prepare the ground for a national competition law.

In the maritime sector, calls for some form of control of the pricing behavior of foreign operators in the local market have been several and regular. For example, in 2002 as a result of complaints from the indigenous Ghanaian freight forwarders, there was a directive from the Deputy Minister for Transport ordering Shipping Lines to desist from some controversial charges. Predictably, this directive was ignored by the shipping lines.

This trend has continued up till now with the latest being the controversy surrounding implementation of the Ghana Shippers' Authority Regulations, 2012 (L.I. 2190) regarding "negotiation" and filing of tariff by all maritime logistics service providers. Despite Ghana having the right as a sovereign Nation to regulate its maritime trade as countries like the USA does with its Title 46 of the U.S. Code, particularly the US Ocean Shipping Act of 1998 and the EU does so with Council Regulation 4056/86 some foreign entities are questioning Ghana's sovereign right to also do same.

While Ghanaian maritime professionals particularly those in the freight logistics sector accept that competition is good for business, there is also a strong perception that a need exists for a comprehensive competition policy because markets do not always work well.

The latest industry analysis of the freight forwarding sector has indicated that the sector is currently facing 2015 with optimism due to the good perspectives of international trade coupled with the fall in oil prices and the recovery of the European and North-American markets. Though this growth rate is expected to decrease from the high 3 % over the

past five years to about 1.5% in the near term that rate still outpaces that of global GDP.

While this might be construed, generally, as good news for freight forwarding professionals, the implication for the Ghanaian economy is rather bleak due to what I will euphemistically like to refer to as "a serious hemorrhaging exodus of capital" out of the country.

Currently, as a result of the World Trade Organization's trade liberalization initiatives, shipping carriers in order to meet their customers' needs, are agitating to be free to establish their own branch offices locally and to be allowed to conduct marketing and sales activities, shipping agency services, custom clearance services, and the full range of intermodal services, including cargo handling, storage and consolidation.

They also wish to be free from foreign equity ceilings, and to have access on a non-discriminatory basis to all port and ancillary services. The signing of the WTO Bali Declaration that is meant to usher in a new era in trade facilitation is sure to open our doors to foreign logistics service providers putting more pressure on Ghana's scarce foreign exchange reserves that has for the past few years been badly battered.

To mitigate against the effect of capital flight, indigenous Ghanaian logistics service providers need to become more competitive and increase market share that will result in a reduction in foreign capital transfer. To do so, requires a level playing field in that particular sector.

Ghanaian Maritime Professionals, especially those in the freight

logistics sector are particularly concerned about the pricing behavior of foreign maritime logistics service providers and their refusal to have their tariff published as required by Ghanaian law.

European Union anti-trust laws – Articles 81 and 82 outlaw collusion and abuse of market power while Title 46 of the U.S. Code deals with unfair practices in rate application. In both regimes, restrictions on business behavior designed to either achieve or maintain dominant power forms an important element of the policies. The implication of a section of the market's refusal to comply with Ghana's laws designed to address such issues is obvious – potential for creation of dominant powers.

According to *Hoffman-La Roche v. Commission* (case 85/76, 1976, ECR 461, para. 38), a dominant firm under EU law is one that has the power to behave to an appreciable extent, independently of its competitors, its customers, and ultimately of the consumers, a situation which is not far from the current "Yentie obia" attitude of a section of the maritime logistic service providers in the country.

Implications of failure to publish tariff rates

First, there is no way to find out if less than published tariff rates are being charged by those whose tariff is not published and neither is there a way to seek legal redress for such unfair trade practice, a situation that can be likened to "dumping".

Secondly, the failure of a section of the market to publish tariff means that section can for all practical purposes "craft" their operational tariff to undercut others. However, locally, the most serious problem with this issue is the potential of cross subsidization.

According to Salop (1979), firms can exercise market power through two ways. The first is through innocent barriers to entry – in which the nature of technology and demand in the market precludes competition. The other is through “strategic barriers” which are actions deliberately taken by incumbent firms to deter entry by new firms. In some cases these innocent barriers are used as foundations for strategic actions such as the use of revenues gained in non-competitive operations to cross-subsidize lower prices in competitive markets, especially by exploitation of vertical linkages.

There is a strong believe that currently foreign shipping lines who are moving into freight forwarding – vertical linkage locally, are able to use demurrage free days as competition tools by exploiting this methodology, thereby gaining the ability to price below some appropriate measure of costs. Through such means, these companies compel Ghanaian operators to bear costs that they the perpetrators do not incur themselves, thereby enhancing or entrenching their market power.

CONCLUSION

Price predation, whatever form it takes, is a strategy that is injurious to competitors. The presence of several oil companies in Ghana, the establishment of companies like Atuabo Free Port which has been granted a legal monopoly and other operators likely to be operating in the new Oil and Gas industry in the near future will present potential for unfair competition. It is within this context that Ghanaian freight forwarders are calling for the establishment of a comprehensive competition policy and competition law for the sector that should be supplemented with a domestic competition authority well equipped to address anti

competitive behavior that has detrimental consequences for Ghanaian consumers and other indigenous operators in the sector.

There is also a need to equip such a body with the requisite skills that will enable it unravel the many subterfuge linkages that foreign operators use to circumvent legal requirements.

The number of infringements mentioned in the FMC fines attest to the many forms that could be possible in pricing predation. Such skills, like the ability to “lift corporate veils” can be useful when investigating many of the prevalent arbitrary charges locally.

Unfortunately, knowledge about these as well as those for international trade practices are not on the curriculum of tertiary institutions in the country. This has seriously impaired the country's ability to carry out effective trade negotiations on the international arena. On several occasions, the country has negotiated away some very vital concessions.

While some Ghanaian maritime professionals have expressed concern about the original mandate of the Ghana Shippers' Authority, they are also of the view that it still happens to be the most suitable body that can fulfil this important role of Domestic Competition Authority for the Maritime Logistics sector. The author is of the opinion that with proper restructuring and equipping, as well as a revised mandate, the Ghana Shippers' Authority will be able to carry out such a vital role.

The current Ghana Shippers' Authority Regulations (L.I. 2190) which might serve as a fair beginning to an extent falls short of addressing the full spectrum of unfair trade practices in the maritime logistics sector, especially considering international trade's contribution to national economic development.

In formulating policies for this sector, policymakers should also bear in mind the provisions of the General Agreement on Trade in Services (GATS) which permit progressive opening of some nascent sectors.

This will hopefully allow the country to build adequate capacity capable of competition. China has used these provisions in developing its freight forwarding industry. There is also a need to insulate any prospective Domestic Competition Authority from political influence if it is to function effectively.

Towards this end, the author proposes the development of a Green paper that will serve to provide direction for a future competition policy for the country's Maritime and Maritime Logistics sector. Foreign operators in the sector should not be allowed to get away with trampling on our rights as a sovereign state. Ghana is a sovereign state and its Government reserves the right to protect its citizens against unfair business competition.



The Ghana Ports And Harbours Authority Introduces E-port System At The Port Of Tema



Mr. Richard Anamoo, Director-General, GPHA

The Ghana Ports and Harbour Authority has indicated in the strongest terms yet its resolve to ensure that the port of Tema becomes fully electronic in the very near future. Various electronic systems currently being deployed by the Authority at the various offices and some processes in port operations provide eloquent testimony to their commitment.

As part of the port automation process, an IT physical infrastructure (Data recovery site as backup) has been created to provide a firm business intelligence for the port environment. This system comprises the E-Gate, Optical Character Recognition (OCR), Turnstile, Boom Barrier, E-Card, Automatic Ship Identification System (AIS) and Close Circuit Television (CCTV). The others are Vehicle Tracking System (VTS), Integrated Media Technology (IMT), Terminal Operating System (TOS), and the ERP Microsoft Dynamics AX 2012.

The OCR identifies Container with Truck-Conditioning which is expected to resolve liability Issues with the Shipping Lines. It is purposely positioned to capture the

real condition of the truck and container during entry and exit to determine where liability may lie in the event of damage. The Turnstile is a Biometric Verification that is ISPS Compliant and regulates the movement of persons in and

around the port area.

An electronic Boom Barrier with an OCR Camera has also been mounted. This system automatically validates vehicle entry and exit to Monitor and Control traffic flow of vehicles in the Port.

Trucks which are due to transport cargo from the port to various destinations are currently being registered to ensure that such trucks are properly identified before they gain access to the port. The system will ensure the total elimination of untoward and unapproved activities, among other illegal practices. The E-Card is another Electronic Card with complex security features such as a Barcode, RFID, Magnetic and other Biometric features serving as a Harbour Permit to persons doing business at the port. Currently 15,000 Port users have been registered.

The AIS is an effective system that identifies vessels in Ghana's waters 24 nautical

miles and beyond. It emits marine signals which enable the monitoring of vessels plying the waters. The project also has a CCTV surveillance which is continuously monitored by the security Department.

The Digitization of the Port has extended to a Vehicle Tracking System (VTS) which tracks all Vehicles and Plant Equipments at any given period regardless of its location can be traced. The Shipper would also have a one-stop Information Center known as the Integrated Media Technology (IMT) earmarked to serve as a midpoint for all activities in the Port.

The TOS would have three modules which is the Harbour Management System (HMS) to handle marine activities, Vessel Handling (VH) is for vessel planning, berthing and stevedore activities and the Yard Management and Delivery (YMD) which involves tracking, positioning and management of every cargo that enters the port. The TOS would engage in data exchange with all stakeholders such as the GCNET, Shipping Lines, Clearing and Forwarding Agents/Importers/Exporters, Stevedores, FDA/GSA/EPA, GRA/Customs to a Data warehouse.

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IMPROVING ROAD TRANSPORT GOVERNANCE ALONG GHANA'S MAJOR TRADE CORRIDORS: THE ROLE OF KEY STAKEHOLDERS

By Abdul Haki Bashiru-Dine, Ghana Shippers' Authority

Introduction

Effective road governance is at the heart of improving business environment for Ghana's effective participation in international trade especially within the West African Sub-region. It entails the systematic and harmonized implementation of the Inter-State Road Transport protocol for the smooth movement of goods and persons along the trade corridors of the West African Sub-region.

Road governance also involves the implementation of strategies and initiatives that allow for a cost effective transportation of goods and services while ensuring the safety and security of other road users. In other words, it involves the efficient management of road traffic regulations and customs regime necessary for the smooth transportation of goods, services, and persons across or within borders.

Ghana's main transport corridors are the Northbound (Tema-Ouagadougou) corridor and the Eastbound, the Abidjan-Accra-Lagos (ALCO) corridor.

In Ghana, there are quite a number of challenges that border on effective road governance and trade facilitation that require urgent attention.

The key challenge along these corridors is the ineffective management of road governance regime, and poor road traffic regulations which have led to delays, numerous checkpoints and significant levels of bribery and corruptions on the part of law enforcement agencies.

There is also the blatant disregard of road traffic regulations including drivers driving without appropriate license, without international

insurance (ECOWAS Brown Card Insurance) and overloading which is against the axle load regime in Ghana.

Overcoming these challenges require the effective collaboration of all stakeholders in the Trade and Transport Industry. The Ghana Shippers' Authority is playing a lead role in this, through collaborations with its private sector partners, under the Borderless Alliance Initiative, and collaborations with other government agencies to address challenges of road governance for improved business environment to enhance the competitiveness of shippers and transport operators.

Role of key Stakeholders

The Port Authority role is pivotal when it comes to implementing strategies for improved road governance along Ghana's major



officers and other uniform personnel in order to assist in providing a secure and safe environment for international trade along Ghana's major trade corridors. This effort must be a sustained one and should be a regular feature in policing our corridors.

It is a common knowledge the police play a critical role in providing the security needed for efficient business operations; however, their work should not in any way deprive the nation of vital revenue.

transit corridors. The vision of the Port Authority is to become the maritime hub in the West African sub-region and a preferred destination of transit goods for landlocked Burkina Faso, Mali and Niger.

To achieve this vision, it will be significant for the Port Authority to contribute to improving the business environment along the major corridors. Nearly all of the goods from the country's ports are transported by road to their final destinations.

Challenges on road governance have the potential to negatively impact on the competitiveness of the corridors if they are not resolved in time. This could result in high cost of transport and serve as disincentive to transit shippers using Ghana's ports.

It will be significant for the Port Authority to show more commitment and provide the needed resources and logistics to ensure that the corridor is competitive and attractive to the transit business.

The Ghana Police Service should also support efforts in overcoming challenges of road governance along the corridors. Recent studies

by the Borderless Alliance and its partners have shown that there are more than 42 Police checkpoints along Ghana's northbound corridor alone. These checkpoints have become sources of delays, bribery and harassment which are driving up the cost of transiting goods along the corridor, thus making it unattractive to transit shippers.

Over the last five years, transit traffic has dwindled from a high of more than 850,000 tons in 2008 to about 560,000 tons in 2014. The reason for this can be attributed to a number of challenges militating against the use of the corridor by landlocked Burkina Faso, Mali and Niger. Key among the challenges are lack of predictability of transactional time and cost of trade, challenges of road governance (delays, harassment, bribery) and high transport cost.

The Police Administration should therefore sensitize its Officers along the major trade corridors about the need to ensure that trucks moving along the corridor are not delayed, drivers are not harassed and Police officers must refrain from demanding illegal payments from the truck drivers.

There is the need for attitudinal change on the part of some Police

The Customs Division of the Ghana Revenue Authority (GRA), also plays a very critical role as far as Ghana's efficient participation in international trade is concerned. Therefore, Customs must do everything within its authority to help improve the business environment along the corridors. Transit goods do not attract duty, however, the national economy benefits through indirect taxes, handling charges, etc.

Customs checkpoints along the corridor should also be manned strictly and officers manning these checkpoints should be extra vigilant in facilitating the smooth movements of goods and services along Ghana's major trade corridors. Reports from transporters indicate that Customs checkpoints have also become avenues for officers to extort monies from transitors, a situation which is not helping to improve the competitiveness and business environment along the corridors.

The Customs Administration should therefore take urgent steps to sensitize their officers about their roles and the need to help facilitate trade while safeguarding potential revenue leakages.

Transporters and cargo owners also have a critical role to play in ensuring that the trade corridors are competitive. They are expected to operate within the framework of the Road Traffic Act (?) and other regulations which border on road governance. They must avoid overloading their trucks, eschew illegal payments in order to circumvent the system and also ensure that their vehicles roadworthy.



Customs Officers have had course to express concern about the diversion and smuggling of cargo which is a major challenge in their efforts to collect the needed revenues for socio-economic development. Transporters should therefore ensure that they comply by customs regulations and road traffic regulations at all times to ensure that there is effective road governance and improved business environment which will inure to all stakeholders in the cross border trade.

The Ghana Highway Authority must also address the challenges of the axle load implementation especially the calibrations of weigh bridges, and the effective monitoring and supervision of the mobile and axle weigh stations along the corridor.

Reports from stakeholders indicate that there is some level of corruption and undue delay at the stations which have negative implications for transport cost. Every effort must therefore be put in place to ensure the smooth implementation of the axle load regime without any hindrances to effective road governance and improved business environment.

Conclusion and Way forward

The Ghana Shippers' Authority (GSA) and its partners, the

Borderless Alliance, USAID-Trade Hub Network, Ghana Ports and Harbours Authority, Customs and the Police Administrations should sustain their collaboration to ensure that the road governance is improved to provide the enabling environment for a thriving transit trade and competitiveness of our shippers.

There are enormous benefits to be gained if Ghana's major trade corridors are competitive. It will lead to significant reduction in transport cost, reduction in transit time, increase in indirect taxes, increase in jobs and incomes for truck owners and drivers, increase in handling charges for the Port Authority as well as increase in the incomes of freight forwarders and clearing agents.

The recent directive from the Police Administration prohibiting officers from stopping transit vehicles is welcome news and they must ensure the directives are complied with.

The collaborations between the Ghana Shippers' Authority, USAID-Trade Hub Network, the Port Authority, Border Alliance and other partners to overcome the challenges on the implementation of axle load, curb the incidences of diversions and smuggling must be

sustained to bring the desired change.

Advocacy through education and sensitization of stakeholders for improved road governance must continue and should be a regular feature in our campaign to create a business environment that facilitates trade and enhance competitiveness.

New initiatives must also be developed to help minimize the impact of challenges to road governance on trade along Ghana's major trade corridors.

A recent caravan organized by the Borderless Alliance, the Ghana Shippers' Authority, USAID-Trade Hub Network, Port Authority, Customs and the Police Administration for the northbound corridor from 2nd to 9th August, 2015 provided a platform for stakeholder engagement to discuss recent development along the corridor and seek solutions. Such forums must be organized periodically for the sustainability of the gains made thus far while more improvement are sought in the area of efficient road governance regime.



Ghana Revenue Authority Public Notice Pre-Arrival Assessment Reporting System (PAARS)

Hints and Tips for Successfully Applying for your Customs Classification and Valuation Report (CCVR)

- 1 . Submit your IDF twenty-one (21) days prior to arrival of the goods in Ghana as per Ministry of Trade and Industry Guidelines.
- 2 . Attach genuine and accurate documents particularly the Bill of Lading/ Airway Bills and Invoices.
- 3 . Submit legible documents in English language (Translate into English if a document is in another language).
- 4 . Forging of documents is illegal and will be severely sanctioned including possible prosecution.
- 5 . Provide accurate Container Details in the Declaration and on the Bill of Lading.
- 6 . Avoid conflicting numbers of containers on the Bill of Lading by providing individual container details.
- 7 . Avoid providing conflicting description of items and quantities on Bill of Lading, Invoices and the Declaration.
- 8 . Goods Description must be clearly stated on the Invoice and all other documents.
- 9 . Avoid manipulation of Consignment Weights.
- 10 Avoid declaring reduced quantities of items and mis-description of goods.
- 11 Indicate FOB, Freight and Insurance on your Declaration.
- 12 Ensure competence in the various Standard Units of Measurement for your commodity as stated in the Customs tariff
- 13 Provide on invoices a breakdown of international commercial terms (INCOTERMS) of agreement between the buyer and seller, as to whether to use FOB, CIF, or EX-WORKS; **OR** else quoted values on the invoice will be used as the basic units.
- 14 Complete all necessary conversion factors e.g. Yards to square metres before submitting your application.
- 15 Stowage factors (quantity that normally fits into a particular size of cargo e.g. a 20-footer container) of commodities will be strictly applied.
- 16 CCVR applications will only be accepted from Self Declarants, and Declarants registered with GIFF and CUBAG/FAG, and of good standing with Customs Division of GRA.
- 17 In the event that there are discrepancies between issued CCVR details and the goods as inspected on arrival, your CCVR will be revalued and penalties applied.
- 18 Compliant traders will be facilitated and non-compliant traders penalized.
- 19 All shipping lines/ carriers who connive with importers to alter shipping/manifest details will face severe sanctions.
- 20 Risk Profiles of Declarants and Importers will be maintained and shared with all relevant agencies, to ensure compliant trade is facilitated and non-compliant trade duly sanctioned.

*Let us work together to facilitate trade in Ghana!
Help the GRA to Help You by ensuring Compliance!*

Commissioner-General
www.ghanatradinghub.gov.gh



A CASE FOR THE DOMESTICATION OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE CARRIAGE OF GOODS WHOLLY OR PARTLY BY SEA (THE ROTTERDAM RULES) BY GHANA

(Cont'd from Vol.17 No. 2; April-June 2015 edition)

2.3 An Overview of the Rotterdam Rules

In terms of comparison, the Rotterdam Rules could be said to be more comprehensive and extensive in its scope of application than its predecessor regimes of sea carriage. Indeed the nature of the rules is suggestive that its drafters contemplated it to be a “one-stop-shop” convention for the carriage of goods that adequately provides for the aspirations of ship owners and cargo interest as well as other relevant parties. It is therefore not surprising that it is made up of eighteen chapters and ninety six articles.¹

It is therefore imperative for the purposes of this paper, to provide a general overview of the rules.

Chapter 1 of the convention is devoted to the general provisions of the rules. For instance the new convention envisages a regime applicable from door to door rather than the tackle to tackle and port to port coverage favored by the Hague-Visby and Hamburg regimes respectively, provided that the carriage includes a sea leg and that sea leg involves cross-border transport.²

This undoubtedly, is an innovation that the rules bring into the international carriage of goods by sea through the unification of the various regimes under a multimodal transport regime. It also provides that a contract under the rules is to be against the payment of freight.³ Goods for the purposes of the rules means wares, merchandise, and

articles of every kind whatsoever that a carrier undertakes to carry under a contract of carriage and includes the packing and any equipment and container not supplied by or on behalf of the carrier.

Another area worth considering is the applicability of the rules which is dealt with by Chapter 2 of the Convention. The new convention applies to contracts of carriage where the place of receipt and place of delivery are in different States, and the port of loading of a sea carriage and port of discharge of the same sea carriage are in different States.⁴ There is however, no provision that requires that both places/ports must necessarily be contracting states.

¹The Convention ²Article 1 of Convention, ³Article 1 of Convention,p.5

⁴Article 5 of the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea,p.9, United Nations Commission on International Trade, United Nations Publication, Sales No. E.09.V9



Similarly, the convention does not apply to the nationality of the vessel, the carrier, the performing parties, the shipper, the consignee or any other interested party.⁵

It is also important to note however, that the Rules exclude certain categories of contracts in their application particularly in liner transportation.⁶ These include charter parties and other contracts for the use of a ship or any space thereon.

However, the Rules will apply to contracts of carriage of non –liner transportation if there is no charter party or other contract between parties for the use of a ship or any space thereon. It would also be applicable in situations where a transport document or electronic transport record is issued.⁷

One of the imminent gaps existing in the current carriage of goods by sea regimes is the absence and use of transport documents and electronic transport records vis-à-vis the growing acceptance and penetration of electronic commerce in modern transactions in the industry. The current regimes fail to furnish the requisite legal framework that provides adequate basis for e-commerce. It is against

this backdrop that the new Convention has made provisions in Chapter 3 that permit the use of electronic transport records if the shipper and carrier so agree or consent to its usage.⁸

Accordingly, the issuance, exclusive control, or transfer of an electronic transport record has the same effect as the issuance, possession or transfer of a transport document.⁹ The introduction of e-commerce by the rules is therefore one of the ways by which the Convention has responded to the quest and clarion call for the modernization of the carriage of goods by sea regime.

Chapter 4 of the Convention is devoted to provisions dealing with the obligations of the carrier. With respect to the period of responsibility of the carrier for the goods, the Convention provides that it begins when the carrier or a performing party receives the goods for carriage and ends when they are delivered.¹⁰ The rules also oblige the carrier to properly and carefully receive, load, handle, stow, carry, keep, care for, unload and deliver the goods.

With respect to the voyage by sea, the carrier is bound before, at the beginning of and during the entire period to exercise due diligence to make and keep the ship seaworthy, properly crew, equip and supply the ship and keep the ship so crewed, equipped and supplied throughout the voyage as well as make and keep the holds and other parts of

the ship in which the goods are carried, and any containers supplied by the carrier in or upon which the goods are carried, fit and safe for their reception, carriage and preservation.¹¹

It is relevant in the review of the carrier's obligation to address briefly the Rotterdam Rules' concepts of "performing parties" and "maritime performing parties". Performing parties are essentially the carrier's subcontractors of any kind.¹²

They are persons other than the carrier who perform or undertake to perform any of the carrier's obligations in relation to the goods, directly or indirectly at the carrier's request or under his supervision or control- a definition capable of encompassing a large circle of individuals.¹³

These performing parties do not become directly liable under the rules but they may naturally incur liabilities under some other legal framework. If a performing party is liable under such other legal framework, the carrier is not vicariously liable by virtue of the Rotterdam Rules; the liability of the carrier is based on the Rotterdam Rules and for breaches that result from the acts of omissions of these third parties.

Maritime performing parties are performing parties that carry out obligations in relation to the goods, from the point in time of arrival of the goods at the port of loading until their departure from the port

⁵Ibid, ⁶Ibid

⁷Article 6 of Convention

⁸Article 8 of Convention

⁹Ibid, ¹⁰Article 12 of Convention

¹¹Article 14 of Convention

¹²Article 1(6) of Convention

¹³The Rotterdam Rules in a Nutshell, Accessed at http://www.fd.unl.pt/docentes_docs/ma/wlcs_MA_201.

of loading.¹⁴ By way of example, stevedores would qualify obviously as a maritime performing party, unless retained by the shipper.

A freight forwarder who carries the goods on a land leg would qualify if he also handles the goods within the port area. It is important to note however, that unlike the performing parties, the maritime performing party is liable on the same contractual terms as the carrier with the same defenses and limits.

They are subject to more or less the same liabilities as the carrier provided some part of their performance was carried out in a contracting state and the damage to the cargo is related to their part of the performance of the carriage contract.¹⁵ However, in a situation where the carrier and the maritime performing party are both liable under the rules, liability shall be joint and several.¹⁶

Undoubtedly, these innovations of the Rotterdam Rules have settled and brought a lot more clarity to the Himalaya problem that has attended to the Hague-Visby Rules.

The carrier's liability for loss, damage as well as delay in delivery of the goods is the subject matter of Chapter 5 of the Convention. According to the provisions covered therein, the carrier is liable if the claimant is able to prove that the loss, damage or delay or the event or circumstance that contributed to it took place during the period that the carrier had responsibility for the goods.¹⁷ In the light of this provision therefore the carrier is presumed to be at fault unless he proves that the cause of

the loss, damage or delay was not attributable to his fault or any person (master, crew of ship, performing party) who undertakes any of the carrier's responsibilities.¹⁸

In the same vein however, the Convention also allows the carrier a host of defenses and immunities which include the Act of God, perils, dangers and accidents of the sea or other navigable waters; war, hostilities, armed conflict, piracy, terrorism, riots and civil commotions; acts or omissions of the shipper; saving or attempting to save life at sea and reasonable measures to avoid or attempt to avoid damage to the environment.¹⁹ Visibly missing, however, from the listed immunities available to the carrier is the omnibus nautical fault regime of the Hague-Visby Rules. This development is indeed a novelty and of great significance and enormous relief to the shipper.

Indeed under the Hague-Visby Rules the carrier, his servants and agents are exonerated from liability where damage or loss is as a result of their negligence in the management of the ship. This has now been jettisoned by the Rotterdam Rules and could have significant effect in increasing the carrier's liabilities.

Also relevant and worth mentioning is the fact that under the Rotterdam Rules the carrier's responsibility with respect to seaworthiness is now not only before and at the beginning of the voyage as prevails under the Hague-Visby Rules but shall continue throughout the entire voyage. It should however, be noted that in



spite of the above a number of the exculpatory clauses of the Hague-Visby Rules have been maintained by the Rotterdam Rules.

By way of scope, the Rotterdam Rules also apply to all types of cargo including deck cargo and live animals as provided for in Chapter 6. According to the rules, cargo qualifies as deck cargo on the basis of statutory requirements and that, it is carried in containers or vehicles that are fit for deck carriage.

The decks must be specially fitted to carry such containers or vehicles or that the carriage on deck is in accordance with the contract of carriage, or the customs, usage and practice in the trade in question as well as being contingent on agreement between the parties to the contract.²⁰

It should however be noted that the carrier under these circumstances is not liable for loss or damage or delay emanating from the special risks inherent to such carriage.²¹ This provision basically mimics that contained in the Hamburg Rules which were however manifestly absent in the Hague and Hague-Visby Rules and could be said to be one of responses of the new Convention to accommodate some of the developments in the industry that had overtaken the older regimes of carriage by sea particularly containerization.

¹⁴Article 1(7) of Convention ¹⁵Article 19 of Convention ¹⁶Article 20 of Conventions

¹⁷Article 17 of Convention ¹⁸Article 18 of Convention ¹⁹Article 17 of Convention

²⁰Article 25 of Convention, p.19 ²¹Ibid, p.19



In terms of comparison, it can be said without any shade of doubt that the new Convention covers more grounds with respect to the responsibilities of the shipper than the existing regimes and these are captured in Chapter 7. Relatively speaking, there are no obligations on the shipper with respect to the Hague-Visby Rules except for the fact that he shall not ship dangerous goods.

The Hamburg Rules however, provides that the shipper shall not ship dangerous goods unless he has informed the carrier about the nature of the particular goods.

The Hamburg Rules also require the shipper to indemnify the carrier from losses occasioned by the carriage of such goods.

Furthermore, the shipper under the Hamburg Rules is required to guarantee the accuracy of the information provided to the carrier in respect of the labels and marks on the goods. By far the most elaborate provisions on the obligation of the shipper are contained in the Rotterdam Rules.

A good number of these obligations of the shipper under the Rotterdam Rules represent a codification of practice.²²

The shipper is obliged under the Rotterdam Rules to deliver goods ready for carriage and in such conditions as to withstand the potential perils and vagaries of the sea voyage so as not to cause harm to persons or property.²³ If the loading and stowing of the goods fall within the obligations of the shipper, he is required to undertake these activities properly and carefully.

Similarly, the shipper has additional responsibilities to provide information, instructions and documents in a timely manner²⁴ and most importantly to bring to the attention of the carrier if the character or nature of the goods is dangerous and shall accordingly mark and label them as such in conformity with any law, regulation or requirements of public authorities.²⁵

The shipper is therefore presumed liable for loss or damage sustained by the carrier if he proves that such loss or damage is consequent to the breach of the shipper's obligation under the convention.²⁶

Another important innovation of the new Convention is the expansion of the time limitation for bringing an action or suit. The paucity of the time allowed under the Hague-Visby Rules, which is one year, inherently makes it difficult for a shipper to bring an action if the carrier reneges on his obligation under the contract of carriage. Chapter 13 of the new Convention deals with this exhaustively.

Specifically the rules provide that

no judicial or arbitral proceedings in respect of claims or disputes arising from a breach of an obligation may be instituted after the expiration of a period of two years.²⁷ The provision gives ample time to a claimant to establish the identity of the carrier which is the shipper's bane under the Hague-Visby Rules.

This provision is in consonance with the time limitation provided by the Hamburg Rules, which is two years from the time the goods are delivered or should have been delivered.

In addition, provision has been made by the rules for the extension of the time for suit so that an action for indemnity by a person held liable may be instituted after the expiration of the period provided that the indemnity action is instituted within the time allowed by the applicable law in the jurisdiction where proceedings are instituted or ninety days from the day when the person instituting the action for indemnity has either settled the claim or been served with process in the action against itself, whichever is earlier.²⁸

Again, actions against the identified carrier may be instituted after the expiration of the period provided in Article 62 if the action is instituted within the circumstances cited immediately above.²⁹

According to Berlingieri, the formulation of the provision on the time suit in the Hamburg Rules as well as the Rotterdam Rules is opposite to that of the Hague-Visby Rules in that it considers the time

²²Updating the Rules on International Carriage of Goods by Sea: The Rotterdam Rules. , Accessed at <http://www.comitemaritime.org/Uploads/Rotterdam>

²³Article 27 of Convention,p.20

²⁴Article 29 of Convention,p.21

²⁵Article 32 of Convention

²⁶Article 30 of Convention

²⁷Article 62 of Convention

²⁸Article 63 of Convention

²⁹Article 65 of Convention

from the standpoint of the claimant rather than from that of the defendant.³⁰ The limitation period is one year for the Hague-Visby Rules, while Rotterdam borrows the two year period from the Hamburg Rules.

Chapter 14 of the Rotterdam Rules is devoted to jurisdictional matters. The rules provide that proceedings against the carrier can be instituted in a competent court at the domicile of the carrier, place of receipt agreed in the contract of carriage, place of delivery of carriage, port where goods were initially loaded or port where goods finally were discharged from the ship.³¹ It is important to observe however, that the jurisdiction provisions in the rules are not a radical departure from that of the Hamburg regime.

There is rather a complete lack of jurisdiction provisions in the Hague-Visby Rules which works seriously against developing economies. This situation motivates the inclusion by carriers of ship owner oriented jurisdiction clauses in the bills of lading.

The effect is that it prevents shippers from developing economies from bringing suit or seeking arbitration at destination countries where in fact almost all cargo claims arise. In such situations the local courts situated where the cargo arrives damaged, is bereft of jurisdiction and the poor shipper is left in the lurch. The inclusion of the provisions on

jurisdiction is thus a positive development that would put a fetter on exclusive court or arbitration agreements.

Similarly, proceedings against a maritime performing party may be instituted at the domicile of the maritime performing party, port/ports where goods are received or delivered by the maritime performing party or the port where maritime performing party performs activities in relation to the goods.³²

It is however worth noting that the convention as it stands in relation to jurisdiction permits ratifying countries to opt in or opt out of the clause.³³ In that regard, it is important to note that mere ratification of the rules by a state does not result in its being bound by the provisions on jurisdiction.

Rather the provisions bind only states that make a declaration to that effect. Because of this so-called “opt-in opt out” system, parties to a contract of carriage are advised to investigate not only whether the country in which the dispute is brought to a court is a party to the Rules but also whether it has made such declarations.³⁴

The arbitration provision of the Rotterdam Rules are contained in Chapter 15 and provides that the parties to the contract may agree that any dispute that may arise relating to the carriage of goods shall be referred to arbitration.³⁵

The arbitration proceedings shall, at the option of the person asserting a claim against the carrier, take place at any place designated for that purpose in the arbitration agreement or the domicile of the carrier, the place of receipt agreed in the contract of carriage, the place of delivery agreed in the carriage of contract or the port where the goods are initially loaded on a ship or the port where the goods are finally discharged.³⁶ It is important also to note that the arbitration provisions are subject to the “opt in and opt out” system and a party to the rules must necessarily declare to be bound by those provisions.

Chapter 16 of the new Convention deals with the validity of contractual terms and makes the contract of carriage void if it directly or indirectly excludes or limits the obligations of the carrier or maritime performing party, directly or indirectly excludes or limits the liability of the carrier or maritime performing party for breach of an obligation under the convention.³⁷

Similarly, the Chapter provides that any term in the contract that seeks to directly or indirectly exclude, limit or increase the obligations of the shipper, consignee, controlling party, holder or documentary shipper renders the contract void. Also, any term that directly or indirectly excludes limits or increases the liability of the shipper, consignee, controlling party, holder or documentary shipper for breach of any of its obligations under the convention is void.³⁸

³⁰Berlingieri, Francesco. ,”A Comparative Analysis of the Hague-Visby Rules, the Hamburg Rules and the Rotterdam Rules” Accessed at http://www.uncitral.org/pdf/english/working_group/1

³¹Article 66 of Convention,p.41

³²Article 68 of Convention,p.42

³³Article 74 of Convention

³⁴The Rotterdam Rules in a Nutshell. , Accessed at http://www.fd.unl.pt/docentes_docs/ma/wlcs_MA_201.

³⁵Article 75 of Convention

³⁶Article 75 of Convention

³⁷Article 79 of Convention

³⁸Article 79 of Convention

The Rotterdam Rules also introduce the concept of volume contracts.³⁹ According to the Rules volume contracts means a contract of carriage that provides for the carriage of a specified quantity of goods in a series of shipments during an agreed period of time and that the specification of the quantity may include a minimum, a maximum or a certain range.⁴⁰

This definition is fraught with uncertainty as there is no minimum quantity, period of time, frequency or number of shipments.⁴¹ It has been argued that within the context of the Rotterdam Rules the provisions on volume contracts remain the most controversial.⁴²

The Rules provide for derogation and set out some mandatory clauses to guide the conduct of transactions with respect to volume contracts compared to the one way mandatory regimes of both the Hague-Visby and Hamburg Rules.

This provision, just like the jurisdiction and arbitration provisions is subject to the “opt-in opt-out” system and countries will accordingly be required to elect appropriately if it would wish to be bound by the provision or not. With all intents and purposes, Ghana will opt out and accordingly declare not to be bound by the volume contract provisions of the rules as it appears to only meet the whims and caprices of some powerful states.

The above overview of the areas covered by the new Convention is by no means exhaustive. Suffice it however to mention that the instrument covers in addition various areas of existing mandatory liability regimes in the field of carriage of goods by sea akin to the Hague, Hague-Visby and Hamburg Rules. It however, goes further to modernize the existing legal regime in relation to current practice by covering areas such as freight, transfer of rights, right of control and the right to sue.

2.4 Critique of the Rotterdam Rules

Already a number of criticisms have been leveled against the Rotterdam Rules to the extent that one could aptly describe it as dead at birth. According to the critics, the Convention fails to provide uniform rules of liability throughout the stages of transport.⁴³ It is further noted that it gives precedence to mandatory rules in uni-modal transport conventions in cases where a loss or damage can be attributed to a particular stage of the multi-modal transport.

Again, even though the rules attempt to distribute risk and liability between carriers and cargo interests, the view is widely held especially amongst cargo interest that the balance is disproportionately skewed in favor of the carrier.⁴⁴

Tetley has also argued that one of

the major shortcomings of the Rotterdam Rules is the multiple opting-outs made to explicit rules and cites the most egregious examples as those of the jurisdiction and arbitration provisions.⁴⁵

It is worth noting that each opt-in provision in the Rotterdam Rules decreases uniformity of the law and thereby introduce uncertainty that will discourage international commerce.⁴⁶ This undoubtedly, defeats one of the strongest objectives of the Rotterdam Rules with respect to achieving uniformity of the rules.

Many observers have also noted that the volume contracts exemptions is a most worrying development that favors the large scale stakeholders and allows them to make their own rules. Such a situation will indubitably end up with the large scale stakeholders gaining such market power to enable them hold the international supply chain to ransom. This nomenclature of the rules is likened to such freedom on an international basis in the banking sector that recently created a worldwide financial crisis.⁴⁷

Some have also argued that interpretation of the rules is made a little more difficult. This is because tried and tested provisions which provide certainty are jettisoned in an attempt to review the structure, substance and text of the existing regimes.⁴⁸

³⁹Article 80 of Convention

⁴⁰Article 1(2) of the Convention

⁴¹Updating the Rules on International Carriage of Goods by Sea: The Rotterdam Rules, Accessed at <http://www.comitemaritime.org/Uploads/Rotterdam>, p13

⁴²Ibid

⁴³Mbiah, Emmanuel Kofi, International Transport Law for the 21st Century-The Rotterdam Rules; A Brief, p. 3

⁴⁴Ibid, p.3

⁴⁵Tetley, William. ,” A summary of some of general criticisms of the UNCITRAL Convention (the Rotterdam Rules). ,Serving the Rule International Maritime Law, Essays in Honor of Professor David Joseph Attard, Routledge, London and New York. 2010, p.253.

⁴⁶Jose Alcantara et al. ,” Particular Concerns with Regard to the Rotterdam Rules” April, 2010, p.8

⁴⁷Ibid, p.10

⁴⁸Mbiah Emmanuel Kofi. ,”International Transport Law for the 21st Century: the Rotterdam Rules” . , p.3

Others have made the point that the very language of the Rules is tough, complex and verbose which might have been borne out of political wrangling as well as the quest and zeal to fill the gaps in the previous carriage of goods by sea conventions.

In that regard it is argued that the structure of the drafting makes it convoluted, complex and unwieldy with extensive cross referencing. This position is shared also by both Tetley⁴⁹ and Reynolds.⁵⁰

It is important however, that the rules are construed in an objective manner and in accordance with Articles 31⁵¹ and 32⁵² of the 1969 Vienna Convention on the Law of Treaties which state that a treaty shall be interpreted in good faith in accordance with the ordinary meaning to be assigned to the terms of the treaty in their context and in the light of its object and purpose. If such construction creates ambiguous or obscure meaning or leads to a result that is manifestly absurd or unreasonable, recourse may be had to the relevant travaux préparatoires.

Those that argue in favor of the new Convention point to the deletion of the nautical fault rule, the continuing obligations of due diligence and seaworthiness, the inclusion of the provisions on delay, the higher limits of liability, the extension of time for suit, the widening of the period of responsibility, the opening up of the forum and the door-to-door possibilities that it offers.⁵³

It is expected that the harmonization and modernization of the international legal regime, coupled with the attempt to balance carrier and cargo interest should lead to a reduction in transaction costs, increased predictability and greater commercial confidence in international business transactions.

It is important to note that no attempt to balance the interests of carriers and cargo owners can come out with provisions or a regime that would be perfectly satisfactory. Like compromises, no one leaves completely satisfied but all leave in the hope that they have taken away something and this can more or less be related to an oxymoronic situation.

Having taken cognizance of the above, it is important to concede that looking at the generality of the new Convention; it would involve more significant changes for some countries than others. This derives from the fact that the Rotterdam Rules in a very considerable measure draws on the Hague-Visby and Hamburg Rules incorporating significant elements from each.

Consequently those countries that have already adopted a national law incorporating major Hague-Visby and Hamburg elements are less likely to see significant changes in their legal systems under the new regime (although from the very nature of the compromise, every country can expect some significant changes to be made).⁵⁴

On the other hand those countries that still adhere to the Hague Rules are more likely to see greater changes.⁵⁵

The patchwork of conflicting laws that seem to be symptomatic of the international carriage of goods by sea regime does a poor job of providing international traders with uniform and predictable laws that can govern their transactions consistently wherever they do business.⁵⁶

In the light of the above illumination on the rules, it would be said that the decision to elect to ratify and make the new Rules part of a country's laws would be contingent on a number of factors which may be circumstantial to the individual country in relation to how their present regimes meet the aspirations of its commercial operators as well as government policy.

3.1 Ghana's case for Incorporating the Rotterdam Rules into its municipal laws

Ghana is party to the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading enunciated at Brussels on 24th August 1924. In order to make the Convention operational in Ghana, Parliament passed the Bills of Lading Act, 1961(Act 42). Consequently, all carriage of goods by sea transactions have been done within the framework of this legislation.

⁴⁹Tetley, Williams. ,” A Summary of some general criticism of the UNCITRAL Convention (the Rotterdam Rules). , Serving the Rule of International Maritime Law, Essays in Honor of Professor David Joseph Attard, Routledge, London and New York, 2010, p.252

⁵⁰Reynolds, Francis. , “ Hague, Visby, Hamburg and Rotterdam: A maritime tour of northern Europe” . , Serving the Rule of International Maritime Law, Essays in Honour of Professor David Joseph Attard, Routledge, London and New York, 2010, p.248

⁵¹Vienna Convention on the Law of Treaties 1969,Article 31,p12,United Nations, Treaty Series, vol 1155

⁵²Ibid, Article 32,p.13s

⁵³Mbiah, Emmanuel Kofi, International Transport for the 21st Century, The Rotterdam Rules, A Brief, p.3

⁵⁴Professor Michael F. Sturley-Transport Law for the 21st Century: An introduction ,philosophy, and potential impact of the Rotterdam Rules. Anarticle in the Journal of International Maritime Law,Vol 14, Issue 6, November –December2008.

⁵⁵Ibid ⁵⁶Ibid

The enactment of the Bills of Lading Act, 1961 (Act 42) and its provisions contained in section 10, repealed the Carriage of Goods by Sea Ordinance (Cap 24) and also the United Kingdom Bills of Lading Act, 1855(18 and 19 Vict, C111)⁵⁷ which were both part of the Received Law and had hitherto governed all carriage of goods transactions in Ghana.

Accordingly, it could be said that the Hague Rules have held sway in the carriage of goods by sea transactions in Ghana for well over fifty (50) years. During this period a number of observations and complaints have been made by commercial operators with regard to certain provisions of the Hague Rules that have been annihilating to their businesses and for which they see the provisions in the Rotterdam Rules as improvements on the *status quo*.

One of such innovations of the Rotterdam Rules that make it more receptive to Ghana is the fact that as a shipping services user the making of seaworthiness a continuing obligation over the entire voyage brings a sigh of relief to the shipper and boosts his overall confidence in the international carriage of goods by sea regime. While the Hague Rules provide that the carrier must exercise due diligence to make the ship seaworthy in all respects, the Rotterdam Rules require a higher standard of care reflected in the obligations imposed on the carrier to exercise due diligence before, at the beginning and during the entire voyage.

The extension of the time limitation for bringing a suit against the carrier for short delivery or loss or damage to cargo from one year under the

Hague Rules to two years as provided for in the Rotterdam Rules is a welcome improvement as far as the Ghanaian shipper is concerned. This is very important in view of the fact that court processes in themselves are long and involving and that by the time the carrier is identified and all records properly assembled for the case to be heard time would have elapsed under the Hague Rules. The Ghanaian shipper is assured that by this extension of the time limitation to two years he can appropriately have the opportunity to ventilate his claim and receive justice.

Another motivating factor for Ghana to incorporate the Rotterdam Rules into its municipal laws is the introduction and use of electronic documentation and records, which is becoming pervasive and more acceptable as the way to go in contemporary international business transactions.

As earlier noted, the industry is moving in the direction of greater e-commerce but the current law does not furnish the appropriate framework and platform to bolster that development. The modernization of the law would therefore afford Ghanaian shippers the opportunity to transact and interact with their partners on the same electronic platform making international transactions and business much easier.

The case for incorporating the Rotterdam Rules into Ghana's legislation is also predicated on the fact that it has done away with the controversial nautical fault rule, and included provisions on delays, increased the limits of liability, tightened conditions for invoking the fire exception, widened the scope of application and expanded

the scope for the assumption of jurisdiction amongst others.

CONCLUSION

If for nothing at all, the uniformity, stability, certainty, predictability and modernization that the Rotterdam Rules bring into international carriage of goods by sea is good enough reason for them to be adopted and integrated into the Ghanaian legal framework.

In addition to the above, it creates the needed flexibility for multimodal contracts and the utilization of electronic documents which to a large measure represent the codification of current shipping practices. Indeed, the removal of the omnibus nautical fault regime of the Hague-Visby Rules and the extension of the time limitation for bringing an action or suit to two years were great novelties that would inure enormously to the benefit of shippers in developing economies.

As has also been alluded to already, the Rotterdam Rules have been variously subjected to criticisms including their multiple opting outs which decreases their uniformity, the volume contracts regime which principally favors the developed economies, and the complexity and verbosity of the language of the rules amongst others.

However, from the perspective of the developing economies which belong to the demand side of the shipping equation the advantages of the new Rules far outweigh the disadvantages. In that light the Rotterdam Rules represent a welcome improvement over the current regime of the Hague Rules operating in Ghana, and should therefore be incorporated into the municipal laws of Ghana.

⁵⁷Section 10 of the Bills of Lading Act, 1961 (act 42)

Members Of Eastern Regional Shipper Committee (ersc) Of The Ghana Shippers' Authority Visit To Chocho Industries



From left to right: Mr E O Amankwah, Vice Chairman, ERSC; Mr E K Arku, Branch Manager, GSA, Tema; Mad Hajia Jameela Boateng, Proprietress, Chocho Industries; Mrs A Asamoah-Duku, Deputy Manager, Freight & Logistics, Ghana Shippers' Authority, Tema; Rev Sampson K Boye, Chairman, ERSC.

As part of its programme for the year 2015, the Eastern Regional Shipper Committee (ERSC) undertook an educational visit to Chocho Industries at Suhum in the Eastern Region on Thursday, July 2, 2015.

Members of the Committee were briefed on the operations of the Company and were walked through the fascinating production lines by Mr. Habib Suleman, Marketing Manager of the Company. He also briefed members on the company's wide range of products, which were over 16 in number.

Mr Suleman spoke on the export activities of Chocho, especially the packaging, the transportation and the export markets. He said the Company exported to about 5 African countries, including Nigeria, Togo, Sierra Leone and South Africa, as well as to some European countries.

Mr Suleman noted that one major challenge facing the company in exporting to some West African countries as the fact that their products had to go to European hub ports before they were brought back to their final destination on the West African coast, and this obviously increased their costs and their competitiveness. This he said was because of the low level of connectivity between West African ports as the major shipping lines followed their scheduled routes, which invariably extended transit time, and increased freight cost.

The ERSC members were very satisfied with the tour of the factory and expressed their gratitude and appreciation to Mr Suleman and Chocho Industries for their hard work, foresight and above all their hospitality to Members. They wished Chocho Industries well in all its endeavours.

Cont. from Page 7

The Ghana Ports And Harbours Authority Introduces E-port System At The Port Of Tema

The system would handle Marine activities, Vessel Discharge/Load, Yard Management, Storage and Delivery. The system which has an online feature would enable online Booking of Vessel, Online Location of Cargo, and Online Printing of Proforma Invoice. Etc. The TOS is looking at efficient and prompt cargo delivery and curbing cargo dwell time as it would enable prompt cargo turnaround. It is expected to eliminate most operational inefficiencies.

The Management of the Terminal would be equipped with information to help in pre-planning prior to the arrival of vessels, and also planning for the discharge of cargoes to aid the decongesting process. Cargoes considered to have longer stay periods due to recurrent experiences would be planned for which reduces delays in cargo identification at the terminals. It would also reduce approximating of figures since it would ensure accuracy even in ETA'S. Ultimately it would provide absolute information in the management of the yard and reduce delays that lead to Demurrage and Rent.

The Port would also adopt a system known as the ERP-Microsoft Dynamics AX to manage all internal Processes and Procurement, HR, Engineering and Finance.

The last of the innovations would be a Business Intelligent system that accommodates all data of transactions with the port. e.g. Asset flows and performance, profitability statements, among others, for analysis and decision making.



MARITIME TRADE REVIEW

(April-June, 2015)

INTRODUCTION

For the second quarter of 2015, total cargo throughput at the sea ports of Ghana amounted to over 4.5 million tons. This was made up of 4.5 million tons of Ghanaian trade and 258,302 tons of transshipment/transit goods. Of the 4.2 million tons of Ghanaian trade, total import was 3.11 million

tons or 73% of the total Ghanaian trade while total export amounted to over 1.16 million tons or 27% of total volume of Ghanaian trade.

Total volume of Ghanaian trade through the port of Tema was over 3.18 million tons (75% of total volume of cargo) while the Takoradi port handled 1.09 million tons (25%).

Total transit cargo (import and export) for the period was 5% (221,086 tons) of the total volume of cargo through the sea ports of Ghana.

The total transshipments and transit trade amounted to 258,302 tons. Table 1

Table 1 MARITIME TRADE OF GHANA IN TONS, APRIL-JUNE, 2015

	IMPORT	EXPORT	TOTAL	%SHARE OF PORTS
TAKORADI	304,660	785,825	1,090,485	25
TEMA	2,806,758	380,131	3,186,889	75
TOTAL	3,111,418	1,165,956	4,277,374	
%SHARE	73	27		
TRANSIT/TRANSHIPMENT	252,468	5,834	258,302	6
TRANSIT	216,291	4,795	221,086	5

APRIL-JUNE 2014 AND 2015

Table 2 below compared the performance of the maritime trade in the review period of April to June 2014 to the performance in the same period in 2015.

Total throughput of trade for the review period decreased by about 6% from 4.5 million tons in 2014 to 4.2 million tons in 2015. Total import decreased by 2% while total export showed 15% decrease in tonnage.

Total transit volume also decreased by 5% during the review period while transshipment recorded over 10% decrease. Details of the port performances are shown in table 2 below.

Table 2 MARITIME TRADE COMPARISON IN TONS , APRIL-JUNE, 2014/2015

	TEMA			TAKORADI			TOTAL		
	2014	2015	%DIFF	2014	2015	%DIFF	2014	2015	%DIFF
IMPORT	2,909,960	2,806,758	-4	251,915	304,660	21	3,161,875	3,111,418	-2
EXPORT	552,642	380,131	-31	815,210	785,825	-4	1,367,852	1,165,956	-15
TOTAL	3,462,602	3,186,889	-8	1,067,125	1,090,485	2	4,529,727	4,277,374	-6
TRANSIT	223,076	216,291	-3	8,749	4,795	-45	231,825	221,086	-5

THE 2015 IMPORT TRADE

From Table 3 below it can be seen that the maritime trade was grouped into liner, break bulk, dry bulk and liquid bulk trades.

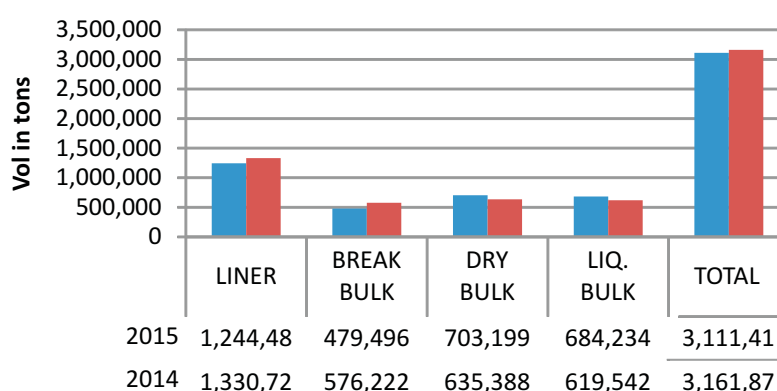
On the import side the total liner

trade amounted to over 1.24 million tons for the review period. This was 6% less than what was recorded for the 2014 period. Total break bulk recorded for the period was 479,496 tons, a decrease of 17% from the 2014 record.

The dry bulk trade for the review period was 11% more than the 2014 tonnage while the liquid bulk trade saw a 10% increase from the 2014 tonnage. Fig. 1 below gives a pictorial view of the import trade.

Table 3 MARITIME TRADE RVEEIW BY TYPE, APRIL-JUNE, 2014/2015 IN TONS

	TRADE TYPE	2015	2014	%Change
IMPORT				
	LINER	1,244,489	1,330,722	-6
	BREAK BULK	479,496	576,222	-17
	DRY BULK	703,199	635,388	11
	LIQ. BULK	684,234	619,542	10
	TOTAL	3,111,418	3,161,874	-2
EXPORT				
	LINER	414,696	442,993	-6
	BREAK BULK	98,994	134,503	-26
	DRY BULK	649,731	779,031	-17
	LIQ. BULK	2,535	11,325	-78
	TOTAL	1,165,956	1,367,852	-15

Fig 1 MARITIME IMPORT TRADE IN TONS, APRIL-JUNE 2014/2015**Direction of Maritime Import Trade**

Most of the Import trade for the second quarter of 2015 came from the Far East and the North Continent ranges, with the one recording over 1.0 million tons or 32 percent of total import while the Africa recorded a 21% share of the

total import trade. The North Continent recorded 19% share (591,559 tons) of the total import trade..

The Mediterranean and the others ranges followed with 511,587 tons (16%) and 161,539 tons (5%)

respectively. North America range had 153,700 tons or 5 percent while the United Kingdom range recorded 31,017 tons or 1 percent of the total import. The direction of the Import trade is depicted in Table 4 below.

Table 4 DIRECTION OF MARITIME IMPORT TRADE, APRIL-JUNE, 2015

	UK	NC	ME	NA	FE	AF	OH	TOTAL
LINER	26,700	231,577	136,784	55,455	499,169	171,090	123,715	1,244,489
BREAK BULK	4,317	15,109	10,691	3,433	397,454	10,668	37,824	479,496
DRY BULK	0	68,436	360,429	94,812	102,822	76,700	0	703,199
LIQ. BULK	0	280,389	3,683	0	9,026	391,136	0	684,234
TOTAL	31,017	595,511	511,587	153,700	1,008,471	649,594	161,539	3,111,418
%SHARE	1	19	16	5	32	21	5	100

Import Laden Container Trade

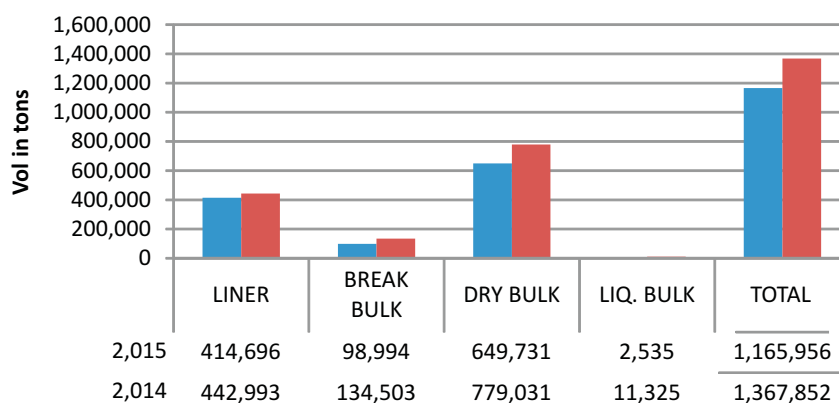
Table 5 DIRECTION OF MARITIME IMPORT LADEN CONTAINER TRADE IN NO. AND TEUS, APRIL - JUNE, 2015

	TEMA		TAKORADI		TOTAL	
	NO.	TEU	NO.	TEU	NO.	TEU
IMPORT						
UNITED KINGDOM	1,827	3,258	124	187	1,951	3,445
NORTH CONTINENT	7,397	11,528	361	596	7,758	12,124
MEDITERRANEAN EUROPE	4,489	6,089	1,024	1,706	5,513	7,795
NORTH AMERICA	3,887	6,968	75	129	3,962	7,097
FAR EAST	32,956	43,273	253	384	33,209	43,657
AFRICA	5,382	7,685	70	98	5,452	7,783
OTHERS	7,118	10,457	275	350	7,393	10,807
TOTAL	63,056	89,258	2,182	3,450	65,238	92,708

From table 5 above a total of 62,412 containers amounting to 89,957 TEUs were used to carry the import trade for the period.

THE 2015 EXPORT TRADE

The export trade during the review period recorded decrease of 6% in the liner tonnage moving from 442,993 tons in 2014 to 414,696 tons in 2015. The break bulk trade recorded 26% decline, moving from 134,503 tons in 2014 to 98,994 tons in the review period. The dry bulk trade recorded a decrease of 17% during the review period. The liquid bulk trade showed a decrease of 78% during the review period, moving from 11,325 tons in 2014 to 2,535 tons in review period. Total export trade thus for the review period showed 15% decrease as can be seen in Table 3 above and Fig 2 beside.

Fig 2 MARITIME EXPORT TRADE IN TONS, APRIL-JUNE, 2014/2015

Direction of Maritime Export Trade

The 1.24 million tons of maritime export recorded for the second quarter of 2015 was shipped to various destinations in the world. Majority of the items were exported to the Far East and the

Other Ranges. The Far East range received a total of 432,031 tons (35% of total export) while The Other range recorded 29% or 358,268 tons for the review period. The Africa range had a tonnage of 189,332 or 15 percent of total export. A total of 105,954 tons which amounted to 9

percent of the total export was shipped to the North Continent range while the Mediterranean range had 105,235 tons or 8 percent. The United Kingdom and North America ranges had 2 per cent each.

Table 6 DIRECTION OF MARITIME EXPORT TRADE IN TONS, APRIL-JUNE, 2015

	UK	NC	ME	NA	FE	AF	OH	TOTAL
LINER	19,260	84,108	53,358	24,161	24,161	186,330	23,085	414,696
BREAK BULK	245	4,536	7,377	4,700	129,028	467	26,104	172,457
DRY BULK	0	17,310	44,500	0	278,842	0	309,079	649,731
LIQ. BULK	0	0	0	0	0	2,535	0	2,535
TOTAL	19,505	105,954	105,235	28,861	432,031	189,332	358,268	1,239,419
%SHARE	2	9	8	2	35	15	29	100

Table 6 above and give details of the direction of the export trade for the review period.

Laden Container Export Trade

Table 7 DIRECTION OF MARITIME LADEN EXPORT TRADE IN Nos. AND TEUS. APRIL-JUNE, 2015

	TEMA		TAKORADI		TOTAL	
	NO.	TEU	NO.	TEU	NO.	TEU
EXPORT						
UNITED KINGDOM	467	608	161	201	628	809
NORTH CONTINENT	2,909	4,282	494	799	3,403	5,081
MEDITERRANEAN EUROPE	1,865	2,904	531	909	2,396	3,813
NORTH AMERICA	835	1,521	345	650	1,180	2,171
FAR EAST	11,644	15,128	1,327	1,819	12,971	16,947
AFRICA	1,181	1,643	57	105	1,238	1,748
OTHERS	288	377	1,671	2,224	1,959	2,601
TOTAL	19,189	26,463	4,586	6,707	23,775	33,170

From Table 7 above it can be seen that export trade was handled with a total of 23, 775 containers which amounted to 33,170 TEUs.

TRANSHIPMENT/ TRANSIT TRADE THROUGH THE SEAPORTS OF GHANA IN TONS

Total transshipment and transit trade for the review period was 258,302 tons comprising 252,468 tons of import items and 5,834 tons of export items. The total transshipment and transit tonnage

for the review period was 6 percent of cargo throughput and 10 percent less than what was recorded in the second quarter of 2014.

Transit trade during the review period amounted to 221,086 tons or 5 percent of cargo throughput and 5 percent less than what was

recorded in the second quarter of 2014. The transit tonnage was 81 percent of total transshipment/transit tonnage for the review period. Tables 8 and 9 below give details of the Transit and Transshipments situation for the review period.

Table 8 Transshipment /Transit Trade in tons, April -June, 2015

	Import			Export			Total		
	2014	2015	%DIFF	2014	2015	%DIFF	2014	2015	%DIFF
Benin	12,270	3,356	-73	0	64	-	12,270	3,420	-72
Burkina Faso	189,448	193,825	2	466	2,826	506.4	189,914	196,651	4
Cameroon	393	0	-100	0	0	-	393	0	-100
Others	7,987	4,953	-38	0	24	-	7,987	4,977	-38

Cote D'ivoire	15,999	13,822	-14	750	609	-18.8	16,749	14,431	-14
Guinea	40	0	-100	0	0	-	40	0	-100
Mali	11,889	14,021	18	2,654	1,956	-26.3	14,543	15,977	10
Niger	25,422	8,445	-67	1,936	13	-99.3	27,358	8,458	-69
Nigeria	34	0	-100	0	150	-	34	150	341
Senegal	328	110	-66	0	23	-	328	133	-59
Togo	16,483	13,935	-15	267	169	-36.7	16,750	14,104	-16
Total	280,293	252,468	-10	6,073	5,834	-3.9	286,366	258,302	-10

Table 9 TRANSIT TRADE , APRIL-JUNE, 2015

	Import			Export			Total		
	2014	2015	%Diff	2014	2015	%Diff	2014	2015	%Diff
Burkina Faso	189,448	193,825	2	466	2,826	506	189,914	196,651	4
Mali	11,889	14,021	18	2654	1,956	-26	14,543	15,977	10
Niger	25,422	8,445	-67	1,936	13	-99	27,358	8,458	-69
Total	226,760	216,291	-5	5,056	4,795	-5	231,816	221,086	-5

THE PERFORMANCE OF THE SHIPPING AGENTS IN THE MARITIME TRADE OF GHANA, APRIL- JUNE, 2015

A total of one hundred and fifteen (115) Shipping Agents were involved in handling the over 4.5 million tons of cargo in the maritime trade of Ghana for the second quarter of 2015.

Liner Trade

A total of fifty-four (54) shipping agents took part in the liner trade of over 1.88 million tons or 42 percent of the total maritime trade during the review period.

The highest performer in the liner trade was Maersk Gh Ltd with 401,019 tons or 21 percent of the total liner cargo. MSCA Gh Ltd with 211,711 tons (11.5%) came next. Next were MOL Shipping with 111,532 tons (6.0%) and PIL Shipping with 103,578 tons (5.67%). The rest handled between 0.01 percent and 5.28 percent as shown in Table 8 below.

Break Bulk

Thirty Four (34) shipping agencies participated in the break bulk trade

of 409,642 tons or 9.42 percent of total maritime trade for the review period.

Global Cargo Commodities Gh. Ltd was the highest performer in this trade. It handled over 67,892 tons of break bulk items for the period. This amounted to over 16.57 percent of the break bulk trade. Maersk Line Shipping Gh. Ltd was next with over 58,969 tons (14.40 %). Scanship Shipping Gh Ltd handled over 33,163 tons amounting to over 8.10 percent. The rest of the agents handled between less than one percent and about 0.5 percent of the trade.

Dry Bulk Trade

Fifteen (15) shipping agents handled the over 1.42 million tons of dry bulk cargo or 32.7 percent of the total maritime trade for the review period.

The highest performers were Hullyblyth with over 516,936 tons or about 36.23 percent of the total dry bulk trade, Supermaritime GH LTD. recorded 32% or 469,126 of the dry bulk trade, Micro Shipping GH LTD recorded 16.5% or 235,587 tons of

the dry bulk trade and Global Commodities with 118,662 tons (8.32%). The others handled between less than one percent and about 1.3 percent.

Liquid Bulk Trade

Twelve (12) shipping agents handled the over 684,224 tons of the liquid bulk trade which was 15.73 percent of the total maritime trade.

The highest performers in this trade were Marine Agencies with 361,912 tons or 52.89%, Daddo Maritime Services GH LTD with 111,169 tons or 16.25%, Delmas Shipping with 66,907, or 9.78%, Sea & Shore shipping and Inchcape Shipping Services with tons of 60,002 tons or 8.77% and 38,174 tons or 5.58% respectively. The rest of the agents handled less than one percent.

Table 10 below gives more details of the performance of the shipping agents in the maritime trade for the second quarter of 2015.

Table 10 GHANA SHIPPERS' AUTHORITY

PERFORMANCE OF SHIPPING AGENTS IN GHANA'S SEABORNE TRADE - APR - JUN 2015

IMPORT AND EXPORT - TEMA – TAKORADI

	<u>IMPORT</u>	<u>EXPORT</u>	<u>TOTAL</u>	<u>% SHARE / TRADE TYPE</u>	<u>%SHARE</u>
<u>LINER</u>					
ADVANCED MARITIME TAKORADI	14,673	0	14,673	0.80	0.34
AFRICAN STEAM SHIP	17	0	17	0.00	0.00
A&J SHIPPING SERVICES	8,524	0	8,524	0.47	0.20
ANDIPEX CO. LTD	3,796	0	3,796	0.21	0.09
AMT GH. LTD	0	1,826	1,826	0.10	0.04
ANTRAK GH. LTD	30,786	14,665	45,451	2.49	1.04
AQUA MARINE SHIPP. GH. LTD	774	93	867	0.05	0.02
BAJ FREIGHT T EMA	387	0	387	0.02	0.01
BEACON SHIPP. HANJIN GH.	14,170	0	14,170	0.78	0.33
BLUE FUNNEL GH. LTD	32,202	0	32,202	1.76	0.74
BOLLORE AFRICA LOGISTICS	0	14,430	14,430	0.79	0.33
BULKSHIP & TRADE LTD	23	0	23	0.00	0.00
COMEXAS GHANA LIMITED	4	0	4	0.00	0.00
DAMCO LOGISTICS GHANA LTD	31,501	6,009	37,510	2.05	0.86
DELMAS SHIPP. GH. CMA CGM	6,546	25,438	31,984	1.75	0.74
DOLPHIN SHIPP. SERVICES	9,281	0	9,281	0.51	0.21
DW CABLE NET SHIPPING GH LTD	219	0	219	0.01	0.01
ELDER DEMPSTER GHANA	3	0	3	0.00	0.00
FACULTY LOGISTICS LTD	1	0	1	0.00	0.00
FAIRPOINT BUSINESS T EMA	1,744	0	1,744	0.10	0.04
GETMA GHANA LTD	22,235	0	22,235	1.22	0.51
GLOBAL CARGO & COMMODITIES	43,537	0	43,537	2.38	1.00
GMT SHIPPING LTD	4,835	44	4,879	0.27	0.11
GRIMALDI GH. LTD	33,759	13,239	46,998	2.57	1.08
HULL BLYTH GH. LTD	16,649	33,345	49,994	2.74	1.15
ICM LOGISTICS SERVICES LTD	113	0	113	0.01	0.00

INCHCAPE SHIPP. SERVICES GH. LTD	58,202	0	58,202	3.18	1.34
INTERMODAL SHIPP. AGENCY GH. LTD	38,510	72,566	111,076	6.08	2.55
KHUDA SERVICE T EMA	3,375	0	3,375	0.18	0.08
KOYANKS COMPANY LIMITED	11,083	0	11,083	0.61	0.25
MACRO SHIPPING LTD	7,393	1,331	8,724	0.48	0.20
MAERSK GH. LTD	306,409	94,610	401,019	21.94	9.22
MAP SHIPPING LTD	74,681	0	74,681	4.09	1.72
MOL GHANA LTD	86,292	25,240	111,532	6.10	2.56
MSCA GH. LTD	122,544	89,167	211,711	11.58	4.87
NAVITRANS GH. LTD	12,560	5,567	18,127	0.99	0.42
OIL & MARINE AGENCIES	36,265	19,194	55,459	3.03	1.27
PANALPINA GH. LTD	4	0	4	0.00	0.00
PIL GHANA LTD.	65,258	38,320	103,578	5.67	2.38
PORTS MARINE LTD	873	0	873	0.05	0.02
SAFMARINE	0	13,869	13,869	0.76	0.32
SCANSHIP GHANA LIMITED	31,739	23,372	55,111	3.02	1.27
SDV GHANA LTD	26,956	0	26,956	1.47	0.62
SEATRANS GHANA LTD	5	0	5	0.00	0.00
SEVENLOG LIMITED	42,071	0	42,071	2.30	0.97
SHARAF SHIPPING AGENCY LIMITED	3,392	0	3,392	0.19	0.08
SIFAX AGENCIES GHANA LTD	48	0	48	0.00	0.00
SILVERMARITIME GHANA LTD	1	0	1	0.00	0.00
STARDEX MARINE CONSULT	10,491	0	10,491	0.57	0.24
SUPERMARITIME GHANA LIMITED	81,009	21,213	102,222	5.59	2.35
TRAMSCO SHIPPING T EMA	636	0	636	0.03	0.01
TRANSGLOBAL SHIPPING	4,039	0	4,039	0.22	0.09
TTV LIMITED	2,091	0	2,091	0.11	0.05
UNITED ARAB SHIPPING AGENCIES	12,649	0	12,649	0.69	0.29
SUB-TOTAL	1,314,352	513,538	1,827,890	100.00	42.01
<u>BREAK BULK</u>					
ADVANCED MARITIME TAKORADI	24	0	24	0.01	0.00
ANTRAK GH. LTD	3,789	0	3,789	0.92	0.09
AQUA MARINE SHIPP. GH. LTD	0	0	0	0.00	0.00

BAJ FREIGHT T EMA	21	0	21	0.01	0.00
BEACON SHIPPING HANJIN GH.	5,024	0	5,024	1.23	0.12
BLUE FUNNEL GH.	1,690	0	1,690	0.41	0.04
DAMCO LOGISTICS GHANA LTD	17	0	17	0.00	0.00
DELMAS SHIPPING GHANA	1,077	0	1,077	0.26	0.02
FACULTY LOGISTICS	15,499	0	15,499	3.78	0.36
GETMA GH. LTD.	5,210	0	5,210	1.27	0.12
GLOBAL CARGO & COMMODITIES	67,892	0	67,892	16.57	1.56
GMT SHIPPING LTD	65,328	0	65,328	15.95	1.50
GRIMALDI GHANA LT D.	3,445	0	3,445	0.84	0.08
HULL BLYTH GH. LTD	3,566	0	3,566	0.87	0.08
ICM LOGISTICS SERVICES LTD	2	0	2	0.00	0.00
INCHCAPE SHIPPING SERVICES	8,798	0	8,798	2.15	0.20
INTERMODAL SHIPP. AGENCY GH. LTD	5,340	0	5,340	1.30	0.12
MACRO SHIPPING LTD	4,473	0	4,473	1.09	0.10
MAERSK GH. LTD	58,969	0	58,969	14.40	1.36
MAXITIDE VENTURES LTD	4,237	0	4,237	1.03	0.10
MOL GH. LTD	10,495	0	10,495	2.56	0.24
MSCA GH. LTD	26,717	0	26,717	6.52	0.61
NAVITRANS GHANA LIMITED	2,819	0	2,819	0.69	0.06
OIL & MARINE AGENCIES	2,410	0	2,410	0.59	0.06
PIL GHANA LTD	20,151	0	20,151	4.92	0.46
PORTS MARINE LTD	0	0	0	0.00	0.00
SCANSHIP GH LTD	33,163	0	33,163	8.10	0.76
SDV GH. LTD	5,855	0	5,855	1.43	0.13
SEATRANS GHANA LTD	17,193	0	17,193	4.20	0.40
SEVENLOG LTD	8,607	0	8,607	2.10	0.20
SHARAF SHIPPING AGENCY LTD	6,001	0	6,001	1.46	0.14
SILVERMARITIME GH. LTD	1,999	0	1,999	0.49	0.05
SUPERMARITIME GH. LTD	16,869	0	16,869	4.12	0.39
UNITED ARAB SHIPP. AGENCIES	2,962	0	2,962	0.72	0.07
SUB-TOTAL	409,642	0	409,642	100.00	9.42
DRY BULK					
AMT GH. LTD	0	762	762	0.05	0.02

ANTRAK GH. LTD	0	1,676	1,676	0.12	0.04
DAMCO LOGISTICS GHANA LTD.	26,500	0	26,500	1.86	0.61
DELMAS SHIPP. GH. CMA CGM	0	1,168	1,168	0.08	0.03
GLOBAL CARGO & COMMODITIES	118,662	0	118,662	8.32	2.73
HULLBLY TH GHANA LTD	487,275	29,661	516,936	36.23	11.88
INCHCAPE SHIPP. SERV	0	3,835	3,835	0.27	0.09
INTERMODAL SHIPPING AGENCY GH LTD	769	4,888	5,657	0.40	0.13
MACRO SHIPP. GH. LTD	0	235,587	235,587	16.51	5.41
MAERSK GH. LTD	0	12,077	12,077	0.85	0.28
MSCA GHANA LTD	1,120	4,629	5,749	0.40	0.13
SCANSHIP GH. LTD	0	17,221	17,221	1.21	0.40
SUPERMARITIME GH. LTD	54,750	414,376	469,126	32.88	10.78
UNITED ARAB SHIPPING AGENCIES GHANA	102	0	102	0.01	0.00
WESTERN FREIGHT AND LOGISTICS	14,020	0	14,020	0.98	0.32
SUB-TOTAL	703,199	725,880	1,426,641	100.00	32.79
BULKSHIP & TRADE LTD	111,169	0	111,169	16.25	2.56
DADDO MARITIME SERV. GH. LTD	66,907	0	66,907	9.78	1.54
DELMAS SHIPPING GHANA	1,004	0	1,004	0.15	0.02
GETMA GH. LTD	38,174	0	38,174	5.58	0.88
INCHCAPE SHIPPING SERVICES	32,735	0	32,735	4.78	0.75
INTERMODAL SHIPPING AGENCY GH LTD	18	0	18	0.00	0.00
MAERSK GHANA LTD	18	0	18	0.00	0.00
MSCA GHANA TEMA	100	0	100	0.01	0.00
OIL AND MARINE AGENCIES	361,912	0	361,912	52.89	8.32
SEA AND SHORE SERVICES GHANA LTD	60,002	0	60,002	8.77	1.38
SUPERMARITIME GHANA LTD	3,182	0	3,182	0.46	0.07
UNITED ARAB SHIPPING AGENCIES GHANA	9,003	0	9,003	1.32	0.21
SUB-TOTAL	684,224	0	684,224	100.00	15.73
GRAND TOTAL	3,111,418	1,239,418	4,350,836	100.00	99.94

THE PERFORMANCE OF SHIPPING LINES/CHARTERERS IN THE MARITIME TRADE OF GHANA, APRIL-JUNE, 2015.

A total of One Hundred and Seventy-Five (175) shipping lines and charterers participated in the carriage of the over 4.23 million tons of maritime trade comprising over 3.1 million tons of imports and over 1.20 million tons of exports during the first quarter of 2015.

The Liner Trade

Ninety (90) shipping lines and charterers handled the over 1.82 million tons of liner cargo or 42.0 percent of the total maritime trade for the second quarter of 2015.

The highest performer was Maersk Line accounting for 401,029 tons representing 21.94 percent of the total liner trade. Mediterranean Shipping Company came next with

211,711 tons or 11.58%, Mistsui O.S K Shipping came next with 111,532 tons or 6.8% and Seafish Trade came next with 116,694 tons or 6.38%. The rest of the shipping lines and charterers handled between less than one percent and 3 percent of the liner trade for the review period.

The Break Bulk Trade

A forty-eight (48) shipping lines and

charterers participated in this trade which amounted to over 409,643 tons or 9.41% during the review period.

China Ocean Shipping was the highest performer handling 66,762 tons or 16.30 percent of the total breaks bulk trade. This was followed by Maersk Line with 58,969 tons or 14.40% and Royal Bow (41,897 tons or 10.23%) and Conti Shipping line (31,780 tons or 7.76%). The rest handled between less than one percent and three percent.

The Dry Bulk Trade

Eighteen (18) shipping lines

participated in the over 1.4 million tons or 32 percent of dry bulk trade for the period under review. This comprised 703,199 tons of import and 723,347 tons of exports.

The highest performer was HC Trading with 516,936 tons or 36.6% and IMT Trading with 333,102 tons or about 24% of the total dry bulk trade. Universal Africa Line followed with 235,587 tons (16.71%). The rest of the line had between less than 1 percent and 1.5 percent.

The Liquid Bulk Trade

A total of 19 shipping lines and charterers participated in the liquid bulk trade of 684,224 tons

accounting for 15.73 percent of the maritime trade.

EBONY OIL was next with 149,986 tons or 21.92 percent and followed by Fuel Trade with 111,169 tons or 16.25 %. HAPPA LLOYD recorded 94,698 tons while BP Oil International was next with 64,000 tons or 9.35 percent of the liquid bulk trade.

Table 11 below shows the detailed performance of the shipping lines and charterers involved in Ghana maritime trade for the second quarter of 2015.

Table 11 GHANA SHIPPERS' AUTHORITY					
PERFORMANCE OF SHIPPING LINES IN GHANA'S SEABORNE TRADE - APR - JUN 2015					
IMPORT AND EXPORT - TEMA - TAKORADI					
SHIPPING LINES/CHARTERER	IMPORT	EXPORT	TOTAL	% SHARE / TRADER TYPE	%SHARE
LINER					
ADOM MBROSO COLDSTORES LTD	5,139	0	5,139	0.28	0.12
ADVANCED MARITIME TRANSPORT	167	0	167	0.01	0.00
AFCOTT GHANA LTD	13,200	0	13,200	0.72	0.30
AFRICA EXPRESS LINE	3,288	7,679	10,967	0.60	0.25
AFRIKA BIO ENERGY	0	6,009	6,009	0.33	0.14
AFRITRAMP	336	1,024	1,360	0.07	0.03
ALPHA REEFER	700	0	700	0.04	0.02
AMISACHI LTD	131	0	131	0.01	0.00
AMT LINES	0	1,826	1,826	0.10	0.04
APOLLO SHIPPING	9,000	0	9,000	0.49	0.21
ARKAS LINE	32,202	7,560	39,762	2.18	0.91
AUG BOLTEN	403	0	403	0.02	0.01
AVNASH IND. GHANA LTD	803	0	803	0.04	0.02
BOLLORE AFRICA LTD	1,626	4,150	5,776	0.32	0.13
CCB LA COMPAGINE DU CAP BLANC	2,188	0	2,188	0.12	0.05
CHINA OCEAN SHIPPING	29,940	16,084	46,024	2.52	1.06
CHINA SHIPPING	12,564	5,567	18,131	0.99	0.42
CMA CGM	4,846	13,527	18,373	1.01	0.42
COMMODITIES TRADING	1,130	0	1,130	0.06	0.03
CONTI GMT SHIPPING	104	0	104	0.01	0.00
COSCO LINES	4,742	0	4,742	0.26	0.11

COSMO SEAFOODS CO.	587	0	587	0.03	0.01
CCTC GHANA LTD	1	0	1	0.00	0.00
DANGOTE	28,529	0	28,529	1.56	0.66
DELMAS	1,700	11,911	13,611	0.74	0.31
DREAM SEAS	562	0	562	0.03	0.01
EAGLE WEST AFRICA SERV.	8,808	11,614	20,422	1.12	0.47
ED&F MAN SHIPPING	32,550	0	32,550	1.78	0.75
EUROAFRICA	3,200	0	3,200	0.18	0.07
EUKOR CAR CARRIERS	2,503	0	2,503	0.14	0.06
EVERGREEN SHIPPING LINE	27,332	14,430	41,762	2.28	0.96
FIRESTONE NATURAL RUBBER CO.	0	0	0	0.00	0.00
COSCO LINES	7	0	7	0.00	0.00
CTCC GHANA LTD	4,999	0	4,999	1.22	0.11
DELMAS	8	0	8	0.00	0.00
EVERGREEN SHIPPING LINE	5,855	0	5,855	1.43	0.13
FIRESTONE NATURAL RUBBER CO.	1,000	0	1,000	0.24	0.02
GLOVIS	6,001	0	6,001	1.46	0.14
GOLD STAR LINE	4,716	0	4,716	1.15	0.11
GRIMALDI LINES	3,458	0	3,458	0.84	0.08
HANJIN SHIPPING	5,023	0	5,023	1.23	0.12
HAPAG -LLOYD	2,410	0	2,410	0.59	0.06
HB SHIPPING	1,063	0	1,063	0.26	0.02
HC TRADING	2,503	0	2,503	0.61	0.06
HEAD OF COMPASS ROSE SHIPPING	698	0	698	0.17	0.02
HOEGH AUTOLINERS	159	0	159	0.04	0.00
LOUIS DREYFUS COMMODITIES	9,248	0	9,248	2.26	0.21
MAERSK LINE	58,969	0	58,969	14.40	1.36
MANSELL GHANA LTD	10,000	0	10,000	2.44	0.23
MARVEL OCEANWAY S.A	4,498	0	4,498	1.10	0.10
MAXITIDE VENTURES	4,237	0	4,237	1.03	0.10
MEDITERRANEAN SHIPP. CO	26,717	0	26,717	6.52	0.61
MESSINA LINE S	710	0	710	0.17	0.02
MITSUMI O.S.K. LINES	10,495	0	10,495	2.56	0.24
NECOTRANS	5,210	0	5,210	1.27	0.12
NIPPON YUSEN KAISHA	2,047	0	2,047	0.50	0.05
NMT LINES	0	0	0	0.00	0.00
NOVELLE SUGAR PLUS LTD	1,000	0	1,000	0.24	0.02
OLAM GHANA	25,995	0	25,995	6.35	0.60
OLDENDORFF	9,976	0	9,976	2.44	0.23
OTHER	18,935	0	18,935	4.62	0.44
PACIFIC GLORY SHIPPING	0	0	0	0.00	0.00
PACIFIC INT'L. LINES	20,151	0	20,151	4.92	0.46
ROYAL BOW CO. LTD	41,897	0	41,897	10.23	0.96
SALLAUM LINES	0	0	0	0.00	0.00
SBM SHIPPING	21	0	21	0.01	0.00
SEVENLOG	8,607	0	8,607	2.10	0.20
UNITED ARAB SHIPP. CO.	2,963	0	2,963	0.72	0.07

UNIVERSAL AFRICA LINE	4,473	0	4,473	1.09	0.10
ZIM LINE	626	0	626	0.15	0.01
SUB-TOTAL	409,643	0	409,643	100.00	9.41
DRY BULK					
AMT LINES	0	762	762	0.05	0.02
BOLLORE LINES	0	1,676	1676	0.12	0.04
CARMEUS TRADING	14,020	0	14020	0.99	0.32
CHINA OCEAN SHIPPING	0	9,994	9994	0.71	0.23
CMA CGM	0	1,168	1168	0.08	0.03
DANGOTE	56,100	0	56100	3.98	1.29
GOLD STAR LINE	769	4,888	5657	0.40	0.13
HC TRADING	487,275	29,661	516936	36.66	11.88
I.M.T	31,250	301,852	333102	23.62	7.66
MAERSK LINE	0	12,077	12077	0.86	0.28
MEDITERRANEAN SHIPP. CO	1,120	4,629	5749	0.41	0.13
OCEANCREST TRANSPORT INC.	26,500	0	26500	1.88	0.61
OLAM GHANA	40,562	0	40562	2.88	0.93
OTHER	22,000	13,259	35259	2.50	0.81
SCHULTE & BURNS	23,500	0	23500	1.67	0.54
SUPERMARITIME	0	106,000	106000	7.52	2.44
UNITED ARAB SHIPP. CO	102	1,794	1896	0.13	0.04
UNIVERSAL AFRICA LINE	0	235,587	235587	16.71	5.41
SUB-TOTAL	703,199	723,347	1,410,088	100.00	32.41
LIQUID BULK					
AFRICA EXPRESS LINE	0	2,535	2,535	0.37	0.06
BRITISH PETROLEUM	64,000	0	64,000	9.35	1.47
PETROL OIL & TRANSPORT	46,201	0	46,201	6.75	1.06
CHASE PETROLEUM	36,363	0	36,363	5.31	0.84
CIRRUS	4,008	0	4,008	0.59	0.09
CMA CGM	1,004	0	1,004	0.15	0.02
EBONY OIL & GAS	149,986	0	149,986	21.92	3.45
FUELTRADE	111,169	0	111,169	16.25	2.56
GOLD STAR LINE	18	0	18	0.00	0.00
GUNVOR	30,545	0	30,545	4.46	0.70
HAPAG -LLOYD	94,698	0	94,698	13.84	2.18
I.M.T	3,182	0	3,182	0.46	0.07
MAERSK LINE	18	0	18	0.00	0.00
MEDITERRANEAN SHIPP. CO	100	0	100	0.01	0.00
PETROINEOS TRADING LTD	32,735	0	32,735	4.78	0.75
SAHARA	3,020	0	3,020	0.44	0.07
TUNE CHEMICAL TANKERS	9,003	0	9,003	1.32	0.21
VIHAMA/JUWELL	38,174	0	38,174	5.58	0.88
VOLTA RIVER AUTHORITY	60,002	0	60,002	8.77	1.38
SUB-TOTAL	684,224	2,535	684,224	100.00	15.73
GRAND TOTAL	3,111,418	1,239,421	4,350,839	100.00	99.56



GHANA DOCK LABOUR COMPANY LTD

The Ghana Dock Labour Company Limited (GDLC) is a registered limited liability company established in 2002 to provide non-permanent dockworkers to Dock Labour Employers (DLEs), maritime institutions and the industrial sector of the economy.

The vision of the company is 'to become the most effective and respected Labour Supply Company in Ghana'.

The mission is To develop and deliver competent, disciplined and highly motivated Labour, tailored to meet the needs of our clientele each and every day, at highly competitive costs'.

The core values of the company are as follows:

Professionalism, Reliability, Innovation, Excellence, Integrity, Discipline, Efficiency, Excellent Customer Relations and Team work.

GDLC has over 13,000 Dockers comprising, record and tally clerks, topside men, drivers, plant operators, sew bags, lashing and gangway men. Other trades men include mechanics, painters, carpenters, IT Professionals, Audit and Accounting Staff, plumbers and masons, the company has been the main supplier of labour to the Dock Labour Employers (DLE) working in the Tema and Takoradi ports. Labour is also supplied to the private container terminals in Tema, including MPS, GJT, and TCT among others. In Takoradi, GDLC has been the sole supplier of labour to the NCP and Unicontrol - a bulk cocoa loading company.

GDLC takes pride in the continuous development of its labour to meet the diverse changes in the business of its customers.

For all your Labour needs, please contact the following:

TEMA :
THE OPERATIONS MANAGER
GHANA DOCK LABOUR CO. LTD
PMB C1 TEMA
TEL: 0303 202561
Cell Phone: 020-201 5446
FAX: 0303 202561
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TAKORADI:
THE BRANCH MANAGER
GHANA DOCK LABOUR CO. LTD
P.O. BOX TD 1433, TAKORADI
TEL/FAX: 03120-24077
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TRANSFORMING AFRICA INTO A LEADING SUPPLIER OF SEAFARERS IN INTERNATIONAL SHIPPING: NIGERIA'S EXPERIENCE

A Paper Delivered By Barr Calistus N. Obi, Executive Director, Maritime Labour & Cabotage Services at the 5th Africa Shipping and Oil Roundtable, held in Asaba Delta State.

INTRODUCTION

The focus of this paper is essentially to underscore the importance of the maritime sector as a veritable tool in our nations resolve to reinvent its economy and by extension cause a complete turnaround of the African economy.

The African maritime sector is endowed with vast potentials and play host to various economic resources such as shipping, one of the oldest professions that has remained the cheapest and most efficient means of moving bulk cargoes and finished products around the globe.

According to the statistics, maritime industry is responsible for the facilitation of over 90% of international trade activities. The marine environment, in addition, reserves over 70% of oil and gas deposits that accounts for over 80%

of the revenue of most African countries including leisure, tourism agriculture, etc.

Nigeria is the largest trading post south of the Sahara and attracts high volume of import trade globally. The Nigerian market of crude and gas import and export accounts for 60% of total inbound and outbound seaborne traffic into West and Central Africa. Nigeria has a coastline of about 853km and 200 nautical miles Exclusive Economic Zone (EEZ) and a population of over 160 million, most of which are youths.

Historically, account show that nations with economic, technology and political stability give priority attention to education and training of their citizens to unlock and utilize their potentials for development of their countries.

The IMO, the global maritime regulatory body, in 2008 observed that there has been global decline in Seafarers' supply, especially the officer cadre, a development that threatens international shipping.

BIMCO (Baltic and International Maritime Council) Report of 2010 and the International Shipping Federation (ISF) predicted the likelihood of an increase in the supply of seafarers by 7.2% by the year 2020. Therefore, nations that provide the required manpower will experience improved contribution to their economy. It is also reported that out of the 105 million seafarers in the world, 35% as at 2011 were Philipinos with a contribution of USD2.5 billion annually to the Philippines Seafarers by their President. Taking into consideration the huge population youths in the Nigeria and Africa, this can be replicated by governments of African nations if



they join the league and supply of the world Seafarers.

NIGERIA'S CONTRIBUTION

The Federal Government of Nigeria in the realization of the enormous economic potentials inherent in seafaring and the deficiency and gap existing in the availability of competent and professional seafarers required for safe manning of modern highly technical ocean going vessels, established through the Nigeria Maritime Administration and Safety Agency (NIMASA), the Nigerian Seafarers Development Programme (NSDP).

The Nigerian Seafarers Development Programme initiated in 2008 therefore captures the necessity of a short to medium term manpower growth of the sector with a view to creating a large pool of Nigerian seafarers to meet local demand and also contribute to manpower of international shipping.

The NIMASA, under the NSDP is currently training over 2,500 students in various Maritime Universities in India, Philippine's Romania, United Kingdom, Egypt and Malaysia. Under this scheme, testimonies abound of exceptional and brilliant performances by Nigerian cadets who have graduated from the programme. For instance, out of the 23 NSDP cadets who studied navigation technology and maritime

engineering and graduated from the Arab Academy of Science, Technology and Maritime Transport, Alexandria, Egypt, three (3) emerged as best all round graduating students in the College of Maritime Technology while a total of eleven

(11) graduated with distinctions, Nigeria's equivalent of a first class degree, thus showing the tremendous benefits of the NSDP. These graduates have undergone sea time training as contained in the Academy's curriculum and have acquired certificates of competency and can now man ships.

The NSDP, for funding purpose is divided into two components. The first is the 60-40 percent counterpart funding arrangements under which participating State governments provide 60 percent cost of the training of their indigenes while the Agency provides the remaining 40 percent. Available records show that a total of 16 States are currently participating in the programme.

Due to the low participation of the States in this revolutionary programme, the Agency in 2012 introduced a second window of the programme wherein it undertakes full sponsorship of a considerable number of cadets.

The gains of the NSDP notwithstanding, the programme was considered inadequate to meet the demand for seafarers. This inadequacy has further led to the development of a strategy to indigenize manpower training and stem capital flight. This propelled NIMASA into establishing the first

Nigerian Maritime University and Shipyard/Dock yard both in Delta State.

Additionally, NIMASA has established institutions of maritime studies in six (6) Nigerian universities namely; University of Nigeria, Nsukka, University of Lagos, Niger Delta University, Amanssoma, IBB University of Nigeria Lapai, Niger State, Federal University of Technology Kashere, Gombe State and Anabra State University, Uli with the objective of contributing to the production of high quality global maritime professionals through quality maritime education, training and research.

As the catalyst for maritime education and training in Nigeria, NIMASA has consistently complied with its statutory obligation contributing not less than 5% statutory limit.

The Maritime Academy of Nigeria (MAN) was established by the Federal Military Government in 1977. Initially named the Nautical College of Nigeria, it later became the Maritime Academy of Nigeria (MAN)

The primary objective is to build the much needed human capacity for the growing maritime industry. Prior to this time, most of the nation's Merchant Navy officers were trained mainly in the United Kingdom, India and Ghana among other places at a very high cost to the government. It was in line with this objective that the academy was designed as an integrated institution basically for the education and training of shipboard officers ratings and shore-based management personnel in line with the requirements of the IMO and the National Board for Technical Education (NBTE).

In addition to training the nations Merchant Navy Officers, MAN was also expected to facilitate the certification of Nigerian Seafarers in line with the provision of the Merchant Shipping Act 1962 and IMO Convention on Standards, Certification and Watch-Keeping (STCW), 1995 for Seafarers.

The academy's vision is to be internationally recognized as a center of excellence in Maritime education and training. Statics show that as at 2013 academic session the MAN had trained over 5,000 Merchant Navy officers among others for both shipboard and shore-based operations. Maritime experts, however say this is like a drop in a mighty ocean considering Nigeria's population of 160 million when compared with the Phillipines with a population of less than 100 million but exports over 300,000 Seafarers annually. This represents about 30% of world Seafarer export from which she also earns about US\$5 billion annually.

With a population of over 160 million people, Nigeria desires and is targeting to control 10% of the seafarer's supply of the world on a short time basis.

There is therefore, more than ever before the need for the continuous training and retraining of Nigeria

Seafarers with a view to upgrading their skills and competences. This no doubt will afford our nation adequate and skilled Seafarers with a view to upgrading their skills and competences. This in no doubt will afford our Nation in good stead to achieve her goal of being the number one maritime hub in Africa and to a largest extent, the world. The expanding opportunities provided by the Liquefied Natural Gas (LNG) projects will be a major boost for manpower demand in the sector.

The prospects for the commencement of operations of the brass LNG, the expansion of the NLNG trains and the Olokola Gas project are all expected to increase manpower demands in the sector. This is in addition to increasing off-shore oil exploration and production activities with its attendant demand for tonnage increase. Other areas with significant prospects include the fishing sector, the manning of Inland Waterway Crafts and Coastal Tankers.

CONCLUSION

It is evident from the above, that for Africa to transform to a leading supplier of Seafarers to



international Shipping, African countries must emulate Nigeria's example and commit themselves to programmes that will expose our teeming youth to the enormous opportunities available in the Seafaring Profession. With dedication, consistency and increased industry awareness, Nigeria will attain her goal of being a leading supplier of Seafarers to the International shipping world.

A well trained crew on board a modern ship, working in a decent environment with improved condition of service, is a veritable tool for national and continental development. No effort should therefore be spared in the training and retraining of African Seafarers. Through sustained training of Seafarers, the transformation of the Nigerian and indeed African economy will no doubt usher in unprecedented economic boom and engender social and political stability.

