

SHIPPING REVIEW

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ARREST AND DETENTION OF VESSELS AND CREW

By Abdul Salam Mohammed, Managing Director, Nigeria Ports Authority

INTRODUCTION

Port operations as seen by the Harbourmaster are the smooth handling of vessels berthing and sailing from the port without encumbrances. This simplistic form of seamless and smooth operations we agree can only exist in a utopian world. In practice, even amongst the traditional maritime nations, trade disputes or administrative detentions resulting in the arrest of vessels do occur resulting in disruption of smooth operations, among other reasons.

As for the detention of a vessel, it could occur under the following circumstances:

Detention of an unseaworthy vessel by administration on port state or flag state control grounds, and Judicial arrest. May I make a distinction that operationally; “detention” refers to port and flag control detentions of a vessel by administrative action while arrest arises from a court order.

The topic made references to arrest of vessel and crew. We must state however that the arrest of a crew in practice could only relate to the issue of a crime which compromises the security of the port. The mention of the crew would therefore be treated as an issue incidental to the arrest of the vessel; and it is only in that sense that it would have any bearing on this discourse.

ARREST JURISDICTION IN NIGERIA

“Arrest” has been defined by Article 1 [2] of the International Convention Relating to the Arrest of Sea –Going Ships, 1952’ as “the detention of a ship by judicial process to secure a maritime claim, but does not include the seizure of a ship in execution or satisfaction of a judgement”.

Admiralty jurisdiction in Nigeria is exercised by the Federal High Court by virtue of the Admiralty Jurisdiction Act 1991. The procedure for exercising the said jurisdiction is provided by the Admiralty Jurisdiction Procedure Rules, 1993.

To arrest a vessel, claimants usually obtain an order of the court for the detention and immobilization of a vessel by notifying/serving it on the vessel's master or the person in command of the vessel. In practice however, the detention is usually notified to the Harbourmaster and to the pilots of the port where the vessel is lying, so that they can adopt the necessary measures to prevent the vessel from sailing. This has the following imperative for the Harbourmaster:

1. Although the Admiralty Marshall technically has possession of the vessel, physical custody remains with the Harbourmaster who provides a berthing space for the vessel.
2. The Admiralty Jurisdiction Procedure Rules by virtue of Order VII Rule 2 provides that no port or other dues shall be payable by an interested person to any person and no

application for the same shall be entertained by the Court. Mariners are trained to believe that trade disputes are minor disagreements

load and or discharge her cargo. When a vessel in an operational berth had finished with cargo work but for some unexplainable reason remains in port, she is

usually referred to as a dead ship and moved to a lay-by berth. So a lay-by berth is the place where none working vessels, vessels under or awaiting repairs, detained and arrested vessels are moved to

EFFECT OF ARREST ON PORT OPERATIONS FROM THE HARBOUR MASTER'S PERSPECTIVE

The relative ease with which ships can be arrested

In our experience, it is the practice for a claimant to obtain an order of the court, for the arrest and immobilization of the ship, then serving the vessel's master or the person in command of the vessel with the notice. We have equally observed that most arrests are effected near weekends or public holidays when maximum psychological stress would be brought to bear on the ship-owner. Apparently, obtaining security does not seem to be the goal of these arrests.

In the same vein the Port Authority's Harbourmaster is also served so that he or the pilot does not sail the vessel in error. These are stakeholders whose opinions were not taken into consideration neither did the courts hear them in order to consider the effect of the arrest on their operations or if arrest is to be effected, how best to go about it particularly, the berth location.

In most of these arrests, the claimant only gives a written undertaking for the costs of the Admiralty Marshall which is not even a bank bond or some form of financial guarantee that could be enforced upon presentation. Enforcing it is near impossible as it ultimately requires instituting a court action.

between former friends that had gone sour and should not be viewed as opportunity to crush a competitor. So we tend to see most arrests as requiring the posting of bonds and security to allow the vessel to continue in her trade as against protracted court litigations.

free the operational berths for working or living vessels.

SHIPPING IN NIGERIA

It is worthy to note that although Nigeria is a regional and trade giant, it is not lucky to be situated within the world's major trading routes. Moreover, our economy is not robust enough to attract vessels from the traditional and top class shipping companies, listed amongst the top shipping registries in the world and as statistics would confirm, most of the vessels that visit our ports are of the off shore and flags of conveniences registries. Ships in this category as a rule of thumb are ships in the lower rungs of the ladder as regards issues relating to safety standards, manning level, protection of the environment and business ethics, etc. There is no

NATURE OF PORTS OPERATIONS

i. Arrival of vessel and allocation of berth

A vessel coming to the port would usually announce her arrival to the Harbourmaster and would commence and complete a berthing process, upon which the Harbourmaster would provide an operational berth for the vessel to safety berth to load and/or discharge her cargo. These berths being common user facilities and vessels are not meant to overstay their time as other vessels may be waiting to use that berth. There are also lay-by berths for use by vessels that are not working.

ii. Operational & Lay-by Berths

An operational berth is a berth where a vessel can safely berth to



The undertaking also covers only the cost of the Admiralty Marshall, which compared to the cost incurred by the Port Authority is an insignificant fraction. As a result, there is no burden or pressure on the claimant to diligently proceed with his case and conclude it thereby, encouraging needless arrest.



The requirement of a sufficient bank bond against costs would ensure prudence in the arrest of vessels.

Insistence that vessels are kept at the berths where the arrest order was served

Vessels are arrested at the berths without taking into account the fact that the Port Authority does not operate lay – by berths. Pressure is therefore brought to bear on the Harbourmaster to make the berth vacant for operational vessels. Faced with this situation, the Port Authority would normally apply to the court for permission to move the vessel to anchorage with armed naval or policemen.

To those in the know of the plight of these security men, we pity rather than envy them because the ship's crew would ensure that they are starved, not allowed to even take water from the ships have been known to sail off with their guards or the guards themselves would disembark out of frustration.

Lack of concern/knowledge of the nature of vessels being arrested at operational berths

Sometimes an unseaworthy vessel would come into port under the guise of distress or to take freshwater or bunkers just to escape the elements and get some repairs. The most unscrupulous owners would then arrange to get their vessels arrested while in berth so that they would legally be entitled to a berth, be able to remain at the berth, avoid paying berth rent and stay there to effect repairs to their machinery or hull.

Vessels in this category are the ones that the owner would never come to negotiate their

release and as in one case in Port Harcourt, the vessel was in imminent danger of sinking at berth, which no prudent Harbourmaster would allow on his watch. The vessel was removed to an anchorage in the interest of the nation. The Harbourmaster was then dragged to court for removing the vessel despite the fact that the vessel was not even in condition to escape from jurisdiction. The ship remained where she was anchored for the better part of a year before she sank; then came the owner purporting to be aggrieved seeking compensation and putting up all kinds of claims despite the loss of revenue to the Port Authority for deprivation of use of the berth over all that time, costs of moving the vessel and the wreck the Port Authority has to contend with.

Related to the issue of the standard of the vessels is the likelihood for the abandonment of derelict vessels, which in some cases are transported to jurisdictions with weak legal regimes/provisions on environmental protection for abandonment. Arrest within our jurisdiction affords that

opportunity for this category or vessels.

The anti Ports Authority posture of some of these arrests

The Ports Act empowers the Harbourmaster to move ships considered unsafe or even preventing such a vessel from venturing to sea; ensuring safety of navigation and properties in the port including the vessel under arrest. There were instances when applications are made to court to effect the movement of vessels for safety reasons which rank above the individual financial interest of the claimant. These applications are sometimes refused by the courts thereby, endangering the vessel under arrest and compromising the safety of the entire port. As a result of the occupation of operational berths by vessels under arrest, smooth berthing operations of vessels are disrupted. The disruptions invariably lead to congestions of vessels giving rise to demurrage and loss of revenue to the nation and whenever this occurs, the Port Authority is blamed for being inefficient.

With the concessioning of the port, the operational berths were transferred to private operators. These concession contracts are based on certain cargo and ship traffic projections which would be more difficult to meet when vessels are arrested and detained at berths.

High level of bonds and guarantees required to secure release of vessels under arrest

The amount of guarantees or bonds imposed on vessels to secure their release from arrest sometimes without regard to the actual value of the vessel is inimical to smooth port operations besides making Nigeria a high risk zone. This is one reason for high abandonment because it would be economically more prudent for a ship owner to do so than pay a fine twice or thrice the value of the vessel.

The owners faced with such a situation would be very willing to repatriate its crew and abandon the vessel which becomes a wreck thereby constituting a hazard to navigation.

Safety of navigation

Arrested vessels remain in port and on the channels. Most times, the Authority cannot remove them to the outer limits of the port for fear they may escape from jurisdiction and yet keeping them in the limits exposes other vessels to danger as channels are congested.

Furthermore, owing to long periods of detention, owners try to mitigate their losses by removing the crew thereby, leaving the vessel unmanned. With the tide, such vessels could run aground, collide with other vessels or port facility thereby constituting a hazard to safety of navigation.

Environmental impact

Vessels arrested have bunkers on board and when allowed to overstay and eventually sink, the bunker oils end up being emptied into the surrounding waters with deleterious effects on the ecosystem.

Tidal activities around the wreck can also drastically alter the natural pattern of situation resulting in erosion of the coast and could effect its configuration. Measures to curb the resultant tidal activities and reclamation are expensive and far outweigh the gains from detaining the vessel.

Wreck removal

Wreck removal is quite expensive and forms a large portion of expenses of the Port Authority. These costs could be avoided if other options for obtaining security such as P&I guarantees, bail bonds, etc, are resorted to and the vessel under arrest is allowed to sail pending the outcome of litigation.

Release from arrest

A vessel may be released upon consent of the arresting party, or where the court orders it, in both cases usually where security is sufficient to cover the value of the claim. For the release to be effected, an undertaking must be provided to pay on demand any other fees and expenses in connection with the arrest, care and custody of the vessel whilst under arrest.

It is a generally accepted practice to release a vessel from arrest upon provision of security either by way of a P&I guarantee or bail bond issued by a bank to cover the amount claimed pending final judgement. The same procedure as provided under the Admiralty Jurisdiction Procedure Rules should be adopted in order to free the berths from vessels under arrest in the ports and anchorage.

It is also worthy to note that most of the vessels arrested are in respect of cargo claims and breaches of contract for which monetary compensation is sought by claimants. These categories of claims do not require the presence of the vessel within jurisdiction if sufficient security for the payment of the claims is provided. This approach should be vigorously pursued as a matter of policy by the courts.

CONCLUSION

The essence of arrest is to obtain security for the payment of any judgement debt or liabilities of the vessel. More emphasis should, therefore, be geared towards obtaining security by way of bonds or other financial guarantees and the vessel allowed to trade [except where the vessel is the

object of the physical damage, e.g. collision, when physical inspection is required before allowing it to sail].

Most of the claims against the vessels are for loss of cargo, deviation and other commercial related claims for which monetary compensation is sought. Security by way of bank bonds, P&I guarantees/undertakings, etc, would suffice instead of the physical presence of the vessel.

The claimant should also be made to give reparation for needless arrest. This could be by way of a bank bonds, or some financial guarantees to cover the costs of the port authorities/owners to be deposited in court simultaneous with the order of arrest. If the arrest is found to be needless, the bond should be utilized to cover the cost incurred as a result of the arrest. This could serve as a deterrent against needless arrest and pay the port charges post the release of the vessel from arrest.

The provision of the Admiralty Jurisdiction Procedure Rules to the effect that port dues should not be levied nor paid while a vessel is under arrest should be reviewed in order to bring it in line with standard industry practice.

(This paper was presented at the 11th Maritime Seminar for Judges in Abuja, Nigeria)





THE SPATE OF CHARGES IMPOSED BY SHIPPING LINES AND THEIR AGENTS ON SHIPPERS IN AFRICA

By the Union of African Shippers' Councils (UASC) at the Global Shippers Forum, 2014 - Los Angeles, California, USA

INTRODUCTION

Shippers in Africa, particularly those in West and Central Africa (WCA) have for a long time been subjected to a long list of charges and surcharges which in most cases can be described as illegitimate and without basis. These charges have significantly increased the cost of goods shipped by shippers in Africa, thereby rendering their businesses uncompetitive, especially since most of these imported goods are the inputs for other productive activities, and even for exports.

TERMS OF SHIPPING

Generally, shippers in WCA rely mainly on tramp and liner services for their imports and exports. The tramp service which has no fixed routing or itinerary or schedule is available at short notice (or fixture) to load any cargo from one port to the other. The liner service on the other hand operates within a schedule and has a fixed port rotation with published dates of calls at the advertised ports. This type of service is patronized by a greater number of shippers in Africa and it allows for the shipper and the

supplier or seller to agree on the terms of shipment.

The commonly used terms of shipments by shippers in WCA are the Cost and Freight (CFR) where the seller pays the costs and freight necessary to bring the goods to the named port of destination. Also, the term Cost, Insurance and Freight (CIF) to a named place of destination applies when the seller has the same obligations as under the CFR but also has to procure marine insurance against the buyer's risk of loss or damage of the goods during the carriage. The seller contracts for insurance and pays the insurance premium on behalf of the buyer.

The usual practice in shipping is that freight charged is expected to take care of the carriage of the goods from the port of loading to the port of discharge. All other additional charges are based on particular services rendered by the carrier or their agent. Unfortunately, in Africa, shipping lines and their agents impose surcharges and local handling charges indiscriminately.

SURCHARGES

Shippers in Africa suffer the well known surcharges such as Bunker Adjustment Factor (BAF) due to increases in bunker prices, Currency Adjustment Factor (CAF) due to currency switching risks in addition to numerous other ones which are imposed unilaterally by the carriers. A study conducted by the Union of African Shippers Councils (UASC) in the year 2011 revealed several of these surcharges.

The following surcharges were identified as applicable in West & Central Africa:

1. Freight Tax Surcharge
2. Bunker Adjustment Surcharge (BAF)
3. Currency Adjustment Surcharge (CAF)
4. Emergency Terminal Congestion Surcharge (ETCS)
5. Additional Port Surcharge (APS)
6. Entry Summary Declaration (ENS) [for exports]
7. Ship Security Surcharge (SSS)



8. Congestion Surcharge
9. War Risk Surcharge
10. Off-dock Surcharge
11. Transit Surcharge, and
12. Assurance Surcharge.
13. Drop-off Surcharge
14. Pick-up Surcharge
15. Scanner Surcharge
16. Port Costs Surcharge

Each of these surcharges applies in one or more countries in West & Central Africa and they may involve huge amounts. It is believed globally that, in the wake of general rates depression, shipping lines operating to and from the ports in West & Central Africa devised these surcharges to sustain their revenues. However, it has been well observed that long after the conditions that necessitated the imposition of these surcharges have disappeared, the surcharges still remain.

The general costs of these surcharges to the economies of West & Central African countries are enormous. These are third world countries with serious balance of payment problems, yet they are the ones on which these charges are being imposed. In Nigeria, the cost of the surcharges to its national economy was more than €387 million in 2010; in Ghana, the cost of surcharges alone in 2010 was more than €40 million; and in Cameroun the total cost of the surcharges in 2010 was over €10 million.

For these three countries alone, the cost is in the region of €430 million. If all the other countries were put together, you can imagine the outflow of foreign exchange that West & Central Africa suffers from these surcharges by shipping lines.

LOCAL SHIPPING LINE CHARGES

The shipping lines operating to and from West & Central Africa, represented by their shipping agents, are also imposing charges apart from the freight that they earn on the carriage of cargo. These local charges, which have different names depending on the country, include the following:

1. Container Cleaning Fee
2. Maritime Security/Safety Charge
3. Administrative Charge
4. Documentation Fee
5. Bill of Lading Release Fee
6. Release/Delivery Order Fee



7. Manifest Charge
8. Congestion Fee
9. Demurrage Deposit
10. Evacuation Fee
11. Freight Collect Commission
12. Seal Handling Fee
13. Reefer Monitoring Fee
14. Facilitation Charge
15. Coordination Charge
16. Hazardous Charge

It is standard practice in liner shipping under CFR terms of shipment that once freight has been paid to the named port, container yard, freight station, etc. there is no need for additional charges, as all such conceivable charges have been incorporated in the freight and paid to the line.

Unfortunately, the practice by these shipping lines in West & Central Africa is the direct opposite of this international best practice. There is no reason, for example for the payment of Administrative Charges to the shipping Agents when as agents of the shipping lines they receive agency fees and operate disbursement accounts on their principals' vessels when they call at our ports.

Besides, there is no need for documentation charges when freight has already been paid. There is no need for Bill of Lading charges when freight has been paid in full. There is no need for Container Cleaning fees when the cargo being carried is not a 'dirty' cargo. Manifest amendment



the issuing of a r e l e a s e (Delivery Order) for the cargo on behalf of the carrier, which he represents, who has already received freight payment for the shipment of that cargo.

shipping lines continue to talk among themselves and could be conspiring in fixing prices.

It is also important to note that the balance of trade for most West & Central African countries has shifted from Europe to Asia. However, price fixing practices in their liner conference systems are still legal and are accommodating those shipping lines who could not easily operate in the EU. Even for the EU, it is on record that the authorities that ensure fair competition among companies have had cause to undertake swoops on the offices of some of the carriers a few years ago. If these actions are happening in places where there are strong institutions and regulatory frameworks, then one can only imagine the plight of Africans at the hands of these big shipping lines. This is against the background that the shippers in Africa are mostly importers of consumables (largely from Europe and Asia), mostly small-scale importers doing LCL shipments, and exporters of low value raw materials and non-traditionals, who ought to be represented and protected against such practices of the shipping lines.

fees must not be charged to the shipper when the amendment is not the making of the shipper. Even when the amendment is called by the shipper, the charge must be commensurate with the actual cost of making such an amendment. The most difficult one to understand is that, in spite of the fact that these charges are documentation related, the charges are imposed per container and per TEU in most cases. Indeed, there is no justification for these local charges.

The Study conducted by the UASC in 2011 revealed that, shippers in Nigeria paid over USD 100 million to the local shipping lines/agents in the year 2010. Similarly, Ghana incurred over USD 90 million in shipping lines/agents charges in 2010. The figures are similar in all the West & Central African countries that the study was conducted.

Recent studies by the Ghana Shippers' Authority revealed that in Ghana the shipper pays an average of USD 300 per TEU to the local shipping lines. Therefore, for the 550,000 TEUs that were imported in 2013, it cost shippers in Ghana more than USD160 million in local shipping lines/agents charges. This is in addition to the Administrative Charges for liner bulk imports, which is USD1.00 per metric ton.

To illustrate the point, we give an example in Ghana of a Shipping Agent in Ghana that charged as much as GH¢771.00 (USD385.50) per vehicle at the Tema port in 2013, where the only work undertaken was

Another example from Ghana was an invoice with an amount of GH¢689.20 (USD344.60) from a shipping agent, for a 40 ft. container containing vehicles in 2013. The amount comprised:

- i. Administrative Charge: GH¢455.35
- ii. Evacuation: GH¢49.67
- iii. Washing Charge: GH¢10.00
- iv. Congestion Fee: GH¢62.09
- v. Delivery Order Fee: GH¢2.07
- vi. First Release: GH¢10.00
- vii. Indemnity & Guarantee: GH¢10.00

TOTAL: GH¢599.18 (USD 299.59)

The above charge was in addition to a demurrage charge of GH¢1,666.18 (USD833.09) that was paid by the shipper to the shipping line/agent.

It is disingenuous for carriers to hoodwink shippers in Africa with a so-called competitive freight only to come to the discharge port and impose charges as much as a quarter of the ocean freight in some cases.

REVOCATION OF THE LINER CONFERENCE SYSTEM

For Africa or West and Central Africa in particular, the revocation of the Liner Conference system in the European Union in 2008 has not impacted positively on its shippers. UNCTAD figures show that Africa still pays the highest freight as a proportion of the value of its imports. The introduction of surcharges and charges in a coordinated manner by all the shipping lines, most of which are registered in Europe, only heightens the suspicion that these

The challenges of shippers in Africa which accentuate the exploitative attitude of the carriers are:

- Lack of adequate information on the shipping market;
- Lack of bargaining power for competitive freight rates;
- Use of inappropriate INCOTERMS and shipment terms stemming from lack of knowledge of the implications of the terms and the lack of trust in the local freight forwarders.

WHAT SHIPPERS IN AFRICA WANT

Shippers in Africa, like their counterparts in other parts of the world, want good quality service, but these must be at competitive costs. Shippers in Africa want a level playing field for their international trade transactions and they are not afraid



of the commercial relationship.

- **Transparency in Surcharges**

Surcharges in the liner trade must be transparent and justifiable. Surcharges must not be unilaterally determined. Both the

carrier and the shipper must acknowledge the need for such a surcharge. And as soon as the condition giving rise to the surcharge ceases to exist the surcharge must be removed.

- **Adequate equipment and Sufficient Infrastructure**

Shippers want adequate equipment provided by the carrier as well as the port authorities. Sufficient infrastructure at the ports usually provided by governments is also required for efficient operations and for the competitiveness of the shipper.

- **Representation by their Shippers' Organisations**

Since shippers in Africa are small in holdings, they lack capacity to deal on equal footing with the carriers. They therefore require the services of the Shippers Organisations to champion their cause and promote and protect their interest in their dealings with all the various shipping service providers such as carriers, freight forwarders, terminal operators, port authorities among others.

IMPACT OF THE CHARGES ON THE AFRICAN ECONOMIES

It should be obvious that the overall effect of the charges imposed by the carriers and their agents on these small and fragile African economies would be extremely negative. For instance, a small country like Ghana with a Gross National Income per capita of USD1,400 cannot be losing over USD160 million every year in unjustifiable charges to ship owners who are already making money in

freight receipts. The effects of these charges on the economies of West & Central Africa include:

- The increasing cost of doing business in ports across the West & Central Africa region, which ranks amongst the highest in the world;
- High import costs leading to high cost of living for the people;
- Balance of payment situation of the countries would worsen;
- Reduced competitiveness of the shipper in Africa;
- Collapse of businesses in Africa due to their uncompetitiveness

CONCLUSION

From the discussions, it has been established that there is an influx of surcharges in West and Central African ports and there is the need to protect shippers in the sub-region against these unjustifiable and indiscriminatory charges.

In finding possible solution to the arbitrary and sometimes illegal surcharges levied by the shipping lines and agents in most West and Central African countries, the Union of African Shippers' Councils calls on its member Shippers' Councils to compliment its efforts in dealing with the proliferation of charges and surcharges in WCA and to take effective steps which would make them play a key role in the negotiation of local charges levied by Shipping lines and their Agents in the region.

The UASC also calls on Global Shippers Forum to use its influence and international networks to bring some pressure to bear on these carriers.

All that shippers in Africa are asking for is fairness and a level playing field for players in the international transport logistics chain.

to compete. Shippers want to be charged for services that have actually been rendered to them. Some of the expectations of shippers in Africa include:

- **Consistency and Reliability of service**

Shippers in West & Central Africa have enjoyed relative consistency and reliability in service by shipping lines. However, same could not be said of their agents in these African countries. Shippers face challenges with their efficiency some times. These also result in unwarranted delays, the cost of which is solely borne by the shippers.

- **Open and Clear Communication by service providers**

Information flow is very vital to the shipper. The shipper needs to be abreast with all issues surrounding his shipment. Unfortunately, the introduction of third parties such as freight forwarders which is supposed to facilitate the shipper's transactions can sometimes create serious communication problems for the shipper. In spite of the use of such intermediaries, carriers must endeavour to reach shippers with adequate and complete information.

- **Simple Freight Rate Structure**

The use of a simple freight structure by carriers ensures transparency and lays to rest the suspicion of hidden charges. It helps to boost the confidence of the shipper in his shipping service provider and engenders trust for the sustenance



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.

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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'.

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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.

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Cell Phone: 020-201 5446
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MARITIME KNOWLEDGE SERIES (2)

MARITIME CLAIMS AND THEIR ENFORCEMENT

By Dr. Kofi Mbiah, Chief Executive, Ghana Shippers' Authority

Ship ownership, management and operation is a highly capital intensive business. It requires continuous financing and credit. As the ship makes its life's journey through commercial operations it is constantly called upon to make payments to financiers such as banks, to suppliers of victuals and spares, to ship repairers, to port authorities, canal operators, ship chandlers and crew on regular basis. There could also be unforeseeable damage to the vessel through accidents in navigable waters or while in port. The ship may also encounter perils of the sea and distress for which it may need salvage.

All of these imply that various claims could be brought against the ship. It has been variously said that the ship is evasive and elusive and because of these characteristics of the ship, claimants require some form of assurance that should there be monies outstanding to their credit they can have a satisfactory avenue to make good their claims. This desire to ensure adequate insurance and protection of the claims also stems

from the fact that in its life's journey the ship traverses various jurisdictions which have differing legal systems and approaches for settling commercial disputes. Some of which may involve proprieties assigned to claims within various jurisdictions. In all of these, it is invariably a lot of expense and tedium seeking to sue a particular shipowner within a convenient jurisdiction through an action in personam.

THE MARITIME LIEN

As stated above, the claims to which a ship may be subject are varied and the attendant processes for the ventilation of those claims could be cumbersome and expensive. Consequently, even though the claims may be the subject of liens generally or statutory rights in rem, maritime law has developed the unique concept of the maritime lien because of its unique advantages.

The statutory rights in-rem are by their very nature not maritime liens as they, unlike maritime liens do not crystallize on the ship after the commencement of the proceedings in rem.

The maritime lien however crystallizes on the ship as an offender irrespective of the action in rem but will however have to be effectuated by the proceeding in rem. A maritime lien is therefore simply put, a privilege claim or charge on maritime property which arises by operation of law. Unlike the ordinary common law lien, it does not depend on contract or possession or a right found in property. It accrues from the moment of the event which gives rise to a cause of action, and travels along with the ship. The unique feature of the Maritime lien is that it survives even though the vessel may pass into the hands of a bona fide purchaser for value without notice. It affords the claimant the opportunity to proceed through an in-rem action and to 'pounce' in the res when it comes within the issuing court's territorial jurisdiction.

Because it travels with the ship and finds jurisdiction at all times, it acts as a sure way of obtaining security and providing the claimant with a guarantee that in the event of obtaining judgment against the



and has a certain ranking with other maritime liens, all of which take precedence over mortgages.

It is thus clear that the maritime lien attaches to the property the moment the cause of action arises and (like a leech to a human skin) travels with it regardless of change in ownership. It is not dependent upon possession nor is it defeated or extinguished because the res has been passed on to a new owner for value without notice.

In view of the fact that the maritime lien does not depend on possession it is distinguishable from the common law possessory lien which is the right to retain possession of a chattel pending payment of an outstanding obligation for services rendered. It will also be useful to add that the equitable lien which is a creation of the law is also not dependent on possession of the thing. It does not however have the far reaching characteristics of the maritime lien for it can be lost through a sale to a bonafide purchaser for value without notice.

In the *Bold Buccleugh*, four categories of claims that can give rise to a maritime lien were listed as:

- i. Damage done by a ship
- ii. Salvage
- iii. Seamen's wages
- iv. Masters' wages and disbursements
- v. Bottomry and respondentia

The first three causes of action which can form the basis for a maritime lien are clear and do not

require further explanation. It is however important to mention that the claims will be limited to a master's wages and disbursements in expenses incurred for necessities in respect of the ship and for its navigation. It will not cover expenses of the master made for his personal comfort.

Bottomry which is presently out of use refers to contracts entered into by the shipowner in the nature of a mortgage of the ship on which the owner borrows money to enable him fit out his ship for the intended voyage and pledges the keel or bottom of the ship, hence the name bottomry. If the ship be lost in the course of the voyage, by any of the perils enumerated in the contract, the lender shall lose his money but if the ship shall arrive³ safely, then he shall be paid back his principal and also the interest agreed upon called marine interest. Where only cargo is pledged as security, the document is known as Respondentia Bond.

In Ghana Maritime liens are provided for under section 66 of the Ghana Shipping Act⁴.

Section 66 provides as follows: Subject to this Act, any of the following claims against an owner, demise charterer, manager or operator of a vessel shall be secured



owner of the ship, the debt has a high probability of being satisfied.

This very important concept, unique to maritime law was first defined by Sir John Jervis in *The Bold Buccleugh*¹. He defined the concept "as... a claim or privilege upon a thing to be carried into effect by legal process... that process to be a proceeding in rem. This claim or privilege travels with the thing into whosoever possession it may come. It is inchoate from the moment the claim or privilege attaches, and, when carried into effect by legal process by a proceeding in rem, relates back to the period when it first attached".

It is important to point out that a maritime lien by its very nature does not depend on legal process to enable it attach to the property (the res) even though it needs a legal process to activate it. The same cannot be said of a statutory lien or a statutory right in rem which can only bring the lien into being on the issue of the in-rem claim form.

In *The Tolten*² it was pointed out that the maritime lien comes into existence automatically without any antecedent formality, and simultaneously with the cause of action and confers a true charge on the ship and freight of a proprietary kind in favour of the privileged creditor. The charge goes with the ship everywhere, even in the hands of a purchaser for value without notice,

¹[1851] 7 Moo OC. 267, P 284

²[1946] 2 All ER 372, P. 379.

³See Article titled: Fundamentals of a Successful Arrest and Issues of Release and Security by Kofi Ameley in "The Admiral" a publication by the Ghana Shippers' Authority

⁴Act 645, (2003)



Maritime Liens and Mortgages, salvage claims are given priority ahead of all other maritime liens. This is predicated on the fact that it is from the sale of the salvaged res that various claimants would be paid.

Without the res

there would be no fund the satisfaction of claims. All the other claims set out in section 66 of the Ghana Shipping Act rank in the order listed. Another characteristic of the maritime lien is exemplified in the words of Scott L.J.⁶ when he says of the maritime lien that it:

... consists in the substantive right of putting into operation the Admiralty Court's executive function of arresting and selling the ship, so as to give a clear title to the purchaser and, thereby, enforcing distribution of the proceeds amongst the lien creditors in accordance with several priorities, and subject these to rateably.

As pointed out earlier, the maritime lien, once it attaches may be enforced through the action in rem. Enforcement of the admiralty action in rem may be invoked under a number of conditions. These include:

- a) Any claim to the possession or ownership of a ship or to the ownership of any share therein.
- b) Any question arising between the co-owners of a ship as to the possession, employment or earning of that ship
- c) Any claim in

respect of a mortgage or a charge on a ship or any share therein

- d) Any claim for damage received by a ship
- e) Any claim for damage done by a ship including pollution damage
- f) Any claim for loss of life or personal injuries sustained in consequence of any defect in a ship or in her apparel or equipment, or in consequence of the wrongful act, neglect or default of.
 - i. The owners, charterers or persons in possession or control of a ship or
 - ii. The master or crew of a ship or any other person for whose wrongful acts neglects or defaults the owners, charterers or persons in possession or control of a ship are responsible, being an act, neglect or default in the navigation or management of the ship, in the loading carriage or discharge of goods on, in or from the ship, or in the embarkation, carriage or

by a maritime lien on the vessel:

- (a) Claims for wages and any other sums due to the master, officers and the other members of the vessel's complement in respect of their employment on the vessel including costs of repatriation and social insurance contributions payable on their behalf;
- (b) Claims in respect of loss of life or personal injury, whether on land or water, in direct connection with the operation of the vessel;
- (c) Claims for reward for salvage of the vessel
- (d) Claims for ports, canal and other waterway dues and pilotage dues;
- (e) Claims based on tort arising out of physical loss or damage caused by the operations of the vessels other than loss of or damage to cargo, containers and passenger's effects carried on the vessel

The above brings Ghana laws with respect to maritime liens in accord with Article 4 of the Maritime Liens and Mortgages convention⁵.

Section 68 of the Ghana Shipping Act deals with the Order of priority of maritime liens. In accordance with the International Convention on



⁵Adopted in Geneva on the 6th day of May 1993. Entered into force on 5th September 2004. Ghana is not yet a contracting party. However a number of the provisions have been incorporated in the Ghana Shipping Act, 2003.

⁶Ripon City [1897] P. 266



disembarkation of persons on, in or from the ship.

- g) Any claim for loss of or damage to goods carried in a ship
- h) Any claim arising out of any agreement relating to the carriage of goods in a ship or to the use or hire of a ship
- i) Any claim in the nature of salvage
- j) Any claim in the nature of towage in respect of a ship or aircraft
- k) Any claim in the nature of pilotage in respect of a ship or aircraft
- l) Any claim in respect of goods or materials supplied to a ship for her operation or maintenance.
- m) Any claim in respect of construction, repair of equipment of a ship or in respect of dock charges or dues.
- n) Any claim by a master or member of the crew of a ship for wages.
- o) Any claim by a master, skipper, charterer or agent in respect of disbursements made on account of a ship
- p) Any claim arising out of bottomry
- q) Any claim for the forfeiture or condemnation of a ship or of goods which are being or have been carried, or have been attempted to be carried, in a ship, or in their

storage of a ship or any such goods after seizure, or for droits of Admiralty

Upon an examination of the detailed list above one would find the following:

- ② That (a) to (c) are connected with the ownership or title to a ship;
- ② The next group of three, (d) to (f) might loosely be described as covering collisions and related matters. Personal injury claims are exhaustively described so as to make it clear that the cause of the injury must be the regular operation of the ship
- ② Paragraphs (g) and (h) cover cargo claims whether based upon a bill of lading or upon a charter party
- ② The next group (f) to (n) covers services rendered to ships
- ② Paragraphs (o) to (p) deal with money claims by the master and crew
- ② Paragraphs (q) to (r) deal with general average claims and bottomry.
- ② It must however be noted that the Ghana Shipping Act, Act 645 of (2003) has made some modifications to English Law in the respect.

DISCHARGE OF MARITIME LIENS

Discharge by satisfaction. Where there has been due satisfaction of any existing claim, the admiralty court would not invoke its jurisdiction to enforce a maritime lien. A maritime lien may also be discharged as a result of laches. This may arise where due to excessive delay in the enforcement of the right it will no longer

be equitable to enforce the lien⁷. The maritime lien may also be discharged when there is a:

- i. Total and permanent destruction of the res
- ii. Condemnation of the res as prize
- iii. Sale of the res by the Admiralty Court in proceedings in rem or a foreign court is seized with jurisdiction and proceedings are already underway
- iv. Sale of the res to the state or to a foreign sovereign in circumstances where they will have sovereign immunity from suit.

The Ghana Shipping Act has made provisions for the extinction of maritime liens.⁸ It provides for a period of one year after which the maritime liens set out in section 66 of the Act are deemed extinguished unless prior to the expiration of the period, the vessel has been arrested or seized, and the arrest or seizure leads to a forced sale.

Thus it is clear from the above that the maritime lien is a unique creation of the law meant to provide security for claimants and travels with the vessel regardless of a change in ownership. It is this special characteristic of the maritime lien which makes it unique and which makes it a very strong security for maritime claimants.



⁷Sometimes a statute may fix a limitation period in respect of the enforcement of the maritime lien. The Ghana Shipping Act, Act 645 (2003) has fixed the limitation period at between 1 and 2 years depending on the type of lien

⁸See Section 72.



THE CONTRIBUTION OF THE GHANA SHIPPERS' AUTHORITY TO THE MARITIME TRADE AND TRANSPORT INDUSTRY OF GHANA

INTRODUCTION

The Ghana Shippers' Authority (GSA) was established by NRCDC 254 of 1974 to, among others, effectively manage the demand side of Ghana's shipping industry with a view to protecting the interests of Ghanaian shippers in relation to port, ship, inland transportation and other ancillary problems in order to ensure a quick, safe, reliable and cost effective delivery of cargo for the shipper in Ghana

Since its establishment four decades ago, the Authority has worked closely with other sectors of the industry in protecting and promoting the interests of Ghanaian shippers and ensured the provision of relevant logistics for the growth of the shipping and trade industry in Ghana.

HIGHLIGHTS OF CONTRIBUTIONS

Education of shippers and the business community

The GSA upholds the need to educate and sensitize shippers, the business community and other relevant stakeholders in order to assist them improve upon their knowledge and skills and also adopt best business practices. The education

programmes take the form of seminars, conferences and workshops. These programmes are held across the nation and they include:

- The GSA regularly holds open fora in order to interact with importers, exporters and traders in their trading localities to learn of problems confronting them in their day-to-day business transactions. Several of these fora have been held for members of the Ghana Union of Traders Associations around the country over the years.
- The GSA also holds a National Shippers' Day (NSD) biennially to bring together suppliers and consumers of shipping services in Ghana. Instituted in 1997, the NSD has become a national platform for interaction among key players along Ghana's international trade and transport chain, including shippers (exporters/importers), ship

owners, port authorities, freight forwarders, Customs, multimodal transport operators and other ancillary service providers. It is an occasion for all the stakeholders in the industry to deliberate on issues affecting the trade and the transport sectors of the country's economy.

The NSD has over the years provided opportunities for importers and exporters to take stock of the performance of Ghana's international trade and transport industry and to highlight the problems and challenges they face in the shipment of goods. The event also provides an opportunity to recognize and celebrate the hardworking shippers of this country for their invaluable contribution to the economic development of our dear nation as well as their commitment and resilience in the face of challenges and problems inherent in



international trade processes.

- Maritime Law Seminars for Judges of the Superior Courts are also held annually to update the knowledge of the Judges on current developments in international maritime law. The ninth in the series of Maritime Law Seminars was held in 2013
- Seminars are also held annually to keep media practitioners abreast with the new developments in international trade and transport industry. The fourth in the series of media seminars was held in 2013.
- Workshops are regularly held across the country to educate transporters, haulage truck drivers and their owners on the rules and regulations governing the transportation of cargo on the country's roads as a means of reducing cargo truck accidents in the country.

Import/Export Shipper Committees

The GSA has a Shipper Committee in each of the country's ten regions as a medium of bringing its activities to the doorsteps of shippers in Ghana. These Committees meet regularly to discuss common shipping problems affecting the shipping industry in Ghana. These Committees have also become a conduit for providing training to shippers.

Facilitation of Transit Trade

The GSA also continues to collaborate with other industry

stakeholders to promote the use of Ghana's corridor by its landlocked neighbours for their transit cargoes. In this regard, the GSA has signed Memoranda of Understanding with its counterpart organisations in Burkina Faso, Mali and Niger.

The GSA, since 2006, has been collaborating with USAID West Africa Trade Hub to systematically monitor the prevalence of delays, checkpoints and bribes on Ghana's transit corridors in comparison with other corridors in the subregion.

The Authority has also formed Transit Shipper Committees at Tema and Takoradi, which meet regularly to discuss and find solutions to critical issues and problems hindering the smooth operation of the transit trade in the country.

Negotiation of Freight and Port charges

The GSA negotiates freight and Port charges on behalf of shippers. For instance, it teams up annually with the Cocoa Marketing Company to negotiate freight rates and other conditions of shipment (for transporting cocoa beans abroad) with the shipping lines serving Ghana's cocoa trade. These negotiations have always resulted in huge savings for Ghana in terms of the cost of freight for cocoa.

It has recently negotiated the charges of some shipping service providers such as Freight Forwarders, Sea Freight Consolidators and the Ports Authority and published the negotiated rates in the media under the caption "Do Not Pay More".

Resolution of shipper complaints

The GSA has over the years intervened, investigated and resolved several challenges and complaints of shippers on daily basis in respect of Loss/damage to cargo; Cargo insurance claims; late arrival of shipping documents; Illegal charges levied on shippers.

Shipper Complaints and Support Units

The Shipper Complaints and Support Units (SCSU) are established at strategic points of the country's entry points to enable the GSA to provide real-time assistance to shippers who use these access routes and find solutions to challenges confronting them in the course of their business transactions. Five of the SCSUs at the Aviance Cargo Village, Elubo border, Takoradi Port and the Aflao and Paga borders have so far been established and are in full operation.

The GSA also collaborates with the USAID West Africa Trade Hub to establish Border Information Centres (BIC). The BICs, currently at Aflao and Elubo Borders, provide information and assistance to traders with the simple aim of reducing delays and costs associated with moving vehicles and goods across the border.

Provision of shipping related information

The GSA regularly provides information through its publications such as the quarterly journal – *Shipping Review, Admiral, Maritrade* and the *Maritime Trade & Transport Digest*. These publications are widely distributed among shippers, freight forwarders, lawyers, Government Ministries, institutions of higher learning and the business community.

Maritime Infrastructure/Projects

One of GSA's key objectives is to assist in the provision of up-to-date infrastructure to meet current developments and technological changes in the shipping industry. Consequently, the GSA has been undertaking the following projects to





enable it meet the challenges of the maritime industry in the years ahead:

- The Boankra Inland Port is being established near Kumasi to link the ports of Tema and Takoradi to the inner parts of the country and the landlocked countries of Burkina Faso, Mali and Niger. It is expected to among other things ease congestion at Ghana's seaports, create employment opportunities and also facilitate the transit trade of Ghana's land-locked neighbours.
- Takoradi Logistics Platform project, a joint venture company which is nearing completion is expected to deliver warehousing and other related services to companies engaged in Ghana's oil and gas industry.
- Construction of the GSA head office building in Accra, dubbed Shippers House, which is due to be completed by the end of 2014. The facility is also intended to house a Ship Brokerage hall, the first of its kind in West and Central Africa, which would facilitate the creation of a freight market as well as a Maritime Arbitration Centre. A similar project in Takoradi dubbed the Takoradi Shippers' Centre has been constructed and is in full operation.
- The GSA has six large warehouses in a prime location at the Tema

Harbour, to provide warehousing facilities to shippers especially shippers of landlocked countries transiting through the Tema port.

- The GSA has a stake in the Ghana Community Network (GCNet) Services Limited. The GCNet provides an electronic platform which enables quick processing of all customs clearance documentation online and facilitates clearance of goods through the ports.

Activities on International Scene

The GSA is a founding member of the Union of African Shippers' Councils and it was recently elected to the position of Vice-chair of the Union. It continues to play a prominent role in the activities of the Maritime Organization for West and Central Africa (MOWCA) and the International Maritime Organisation (IMO).

Corporate Social Responsibility

The GSA has over the years embarked on numerous social responsibility activities with the view to supporting and giving back to the shipping industry and the society in general. It has for instance donated computers with accessories as well as established an Internet Café at the Regional Maritime University.

In addition, the GSA has constructed two six classroom school blocks for the Boankra and Hwereso communities, donated whiteboards and accessories to the Bishop Mix JSS, assorted items to the Accra Psychiatric Hospital and also supported students of the University of Ghana Medical Students Association and Kwame Nkrumah University of Science and Technology

Future outlook

The GSA looks forward to strengthening its structures for the protection of the interests of the

shipper through its negotiation mechanisms, research and development activities, information services and dissemination to shippers. The GSA would also continue its collaboration with the private sector for the development of major infrastructure for the shipping and logistics industry. Some of the key projects contemplated in the medium term include Freight Parks and Lay Bys along Ghana's major transit corridors for haulage drivers to take mandatory breaks as well as provide warehousing facilities at strategic locations.

CONCLUSION

It is evident from the foregoing, that the GSA has for the four decades of its existence contributed immensely to the development of the international trade and transport industry of Ghana within the framework of its mandate. This fact is supported by the numerous laurels that the organization has attained over the years including the Most Innovative Shippers Organisation (2008), Best Maritime Agency in Trade Facilitation (2008 & 2013), International Quality Crown Award in the Gold category at the BID Quality Convention in London (2012).

In spite of challenges such as financial constraints and lack of cooperation by some stakeholders in the shipping industry, the GSA is unwavering in its commitment to developing innovative solutions that would engender competitiveness for the shipper in Ghana and ultimately realize its vision of becoming a world class service organization that ensures for shippers in Ghana quick, safe and reliable delivery of import and export cargoes by all modes of transport at optimum cost.





CHALLENGES IN THE OPERATIONS OF PORTS IN GHANA: IMPLICATIONS FOR THE SHIPPER

By Bashiru-Dine Abdul Haki, Ghana Shippers' Authority

INTRODUCTION

Over the last decade, the ports of Ghana have seen some appreciable level of transformation, both in terms of operational capacity and human capital.

At the helm of driving this transformation is the Ghana Ports and Harbours Authority (GPHA) which applies the landlord management concept in the operations of the ports. In other words, the operation of the port is largely in the hands of the private sector.

The major players at the ports are the Port Authority, the Stevedoring Companies, the Regulatory Agencies, which include the Customs Division of the Ghana Revenue Authority (GRA), Ghana Standards Authority, Freight-forwarders, Terminal Operators, Shipping Lines, the transporters (hauliers), Destination Inspection Companies (DIC), and the GCNet System among others.

It is important to note that all these agencies operate like a seamless web and any break in the chain has serious consequences to the shipper who is most often vulnerable.

The operations of the ports is challenged in a number of ways that has affected, to some degree, the efficiency and effectiveness of the Ports in the delivery of quality and competitive services to its users.

This article seeks to examine the challenges that the ports face in terms of their operations and the implications of such challenges on the competitiveness of shippers who are the primary beneficiaries of the services delivered at the ports.

It is important that the ports operate efficiently, to firstly enable shippers become more competitive in international trade and secondly play a critical role in the national economy in terms of affording the country the platform to generate revenue for

national development. About 80% of Ghana's revenue is realized from the taxes and duties paid at the ports.

Volume of Trade at the Ports

Available statistics at the Ghana Shippers' Authority (GSA) and the GPHA show that trade volumes recorded at the ports have seen a steady growth over the last decade (2002-2012).

The cargo traffic at the ports (Tema and Takoradi) in the last decade has seen an increase from an estimated 8.5 million tons in 2000 to 17.9 million tons in 2012. This translates to over 110% increase in trade volume over the 10 year period.

Import trade accounts for about 70% of this volume while 26% is accounted for by export trade. Transit trade accounts for about 4% of this trade volume.



CHALLENGES IN PORT OPERATIONS AND ITS IMPACT ON SHIPPERS

1. The Cumbersome Clearance Process at the Ports

The human factor and the lack of automated and harmonized regime in the clearance process at the ports account largely for the cumbersome nature of clearing goods at the ports.

The clearance regime in Ghana requires the inspection of goods through Destination Inspection Companies (DICs) locally. The DICs have been allocated ranges for the inspection of imported goods. They are required to issue Final Classification & Valuation Reports (FCVRs) through the GCNet System.

This Valuation report is then validated by Customs. Inherent in this process are delays occasioned by factors such as wrong and improper declarations, under invoicing, improper documentations, etc. Some delays also result from the actions and inactions of clearing agents, shipping lines, scanning companies and Terminal operators. The delays translate into added costs, increased cost of doing business and invariably reduce significantly the competitiveness of shippers in international trade.

One of the solutions to addressing this problem is the application of a *Single Window system* for clearing cargo. The implementation of a single window system will enable shippers submit regulatory documents at a single location and/or single entity.

origin and trading invoices. This system requires full automation of the cargo clearance process.

2. Role of Clearing Agents in the Cargo Clearance process

To some extent, clearing agents have contributed to the cumbersome nature of clearing goods at the ports. Like any human institution, there are unprofessional agents at the ports who create problems in the clearing process.

Clearing agents, generally, are required to submit their declarations through the GCNet system to the DICs; however, if this is not done properly, problems arise in the clearing process. The work of the agents at the ports is therefore very critical and must be given the needed attention. Delays arising from challenges confronting clearing agents also add to the cost of doing business for the shipper and render them uncompetitive.

The Customs Division of the Ghana Revenue Authority (GRA) trains and certifies clearing agents but there is the need for the work of the agents to be monitored and this is where the Ghana Shippers' Authority (GSA) comes in since shippers are the beneficiaries of the services of the agents. Fortunately, the GSA as per its Regulations (LI2190) is required to negotiate minimum standards on the quality of services provided by shipping service providers including clearing agents. This regulation is in line with the GSA's broader mandate

of promoting and protecting the interest of the Ghanaian shippers.

Such documents are typically customs declarations, applications for import/export permits, and other supporting documents such as certificates of

3. Challenges in GCNet operations

A very important stakeholder in the port operations is the GCNet system through which all import declarations are made. The system has performed quite satisfactorily since its inception, but a lot more needs to be done to improve its operational efficiency. There have been complaints of system breakdown by shippers who depend on it to make their declarations. Any delays or difficulty adds to the cost and time of clearing goods at the port.

4. Security, Delays and Theft at the Ports

The GPHA has over the years taken steps to improve security and eradicate pilfering at the ports. There have been installations of CCTV cameras at vantage points in and around the ports. The port is a restricted area and individuals who want to access it need a pass to do so. Despite these efforts, the GSA continues to receive reports of lost and pilfering of cargo from shippers, mostly importers.

Pilfering at the ports still remains a challenge because of the human factor. There have been reports of some form of collusion between unscrupulous individuals and some security personnel at the ports which make the menace of pilfering quite difficult to tackle. However, the GPHA is making frantic measures to address this situation. For these measures to succeed there is the need for improvement in the incentive packages for security personnel and the streamlining of the port procedures to make it easier for theft cases to be reported. The overall effect of delays, security lapses is that, they reduce the competitiveness of Shippers and the port for that matter.



5. High cost of doing business at the Ports

The high cost of doing business remains one of the biggest disincentives to the growth of import and export businesses in the shipping industry. Generally, the opinion among shippers is that the cost of doing business at the ports is relatively high compared to other neighbouring ports. Due to delays at the ports, the shipper is saddled with added cost in the form of demurrage and high rent charges. Demurrage payments account for a large chunk of a shipper's operational cost according to a study by the GSA.

The GSA and other stakeholders in the shipping and trade industry are working towards the introduction of a single window system for cargo clearance. It is expected that the implementation of this system would improve on the clearance time and thereby reduce the elements of added cost to the shipper.

6. Lack of stakeholder collaboration in the Port operations

Another issue that also hinders operations at the ports is the lack of close cooperation among stakeholders and the duplication of some functions by regulatory agencies at the port. There should be a one-stop-shop (Clearance House) for all checks by regulatory agencies and National Security in order to facilitate the speedy clearance of goods at the ports.

For example, joint inspections by

regulatory agencies should be a main feature in cargo inspections but this is currently not the case in the operations of the ports.

Regulatory agencies such as the Food and Drugs Authority, Ghana Standard Authority, Environmental Protection Agency and the Ghana Energy Commission could undertake joint inspections of sample of imported goods thereby reducing delays and cost to shippers.

7. Unregulated Fees and charges at the Ports

Generally, the level of fees and charges at the ports is viewed by shippers to be high. However, the problem has to do more with illegitimate charges.

Over the years, the GSA has received a number of complaints from shippers not only on exorbitant charges but illegal charges as well. The nature of port operations is such that shippers are often unaware of what goes into clearing of containers, a situation some clearing agents take advantage of by charging them unreasonably.

The shipper most often is unaware of the details of the payment of clearing fees of GH¢450.00 in the case of a 40ft container or GH¢250.00 in the case of a 20ft container.

Administrative charges levied by shipping lines/agents are examples of fees that shippers have to deal with at the ports. These charges are increased from time to time in the

name of exchange rate fluctuations which do not allow the shipper to plan his/her business.

There is therefore the need for some form of regulation of charges at the ports in order to protect shippers.

8. Delays by Regulatory Agencies

Delays by regulatory agencies in ensuring compliance to various standards and requirements of imported cargo also come with consequences for shippers in terms of cost. In most cases these delays lead to payment of demurrage, high rent and other port surcharges.

This also has a critical impact on the efficiency of the ports because of the lack of adequate space for other cargoes arriving at the ports.

It is crucial that the operations of the regulatory agencies are streamlined and harmonized in a manner that does not impede the smooth flow of the clearance process. The use of IT based solutions and information sharing through a common platform by these agencies would be a welcome relief.

9. Lack of efficiency in Terminal Operations

Operations at the ports main terminals still leave much to be desired. The operations of these terminals are quite inefficient and thereby lead to added cost of transaction in terms of cargo clearance. There are a number of delays relating to inadequate personnel and Customs officials for cargo inspections, and delays in obtaining release of containers. In the end, the shipper is burdened and the port operational efficiency is compromised.

10. Challenges in Scanning of Containers at the Ports

Scanning of containers at the ports is one critical source of delay and reduced efficiency in the ports operations which comes with it

added cost to the shipper in relation to high haulage charges, high turnaround time, etc. The delays arise from the lack of harmony and coordination in the application of the Risk Management System and also demands by customs for physical examinations.

11. Axle load regime

The laws of Ghana under the Ghana Highway Code, allows for a limit for loading under the axle load regime. Thus, trucks loading cargo at the ports are checked at the port's weigh bridge to ensure strict adherence to this load limit regulation.

This protocol was agreed at the ECOWAS level to help reduce the fast deterioration of roads and other incidental problems due to overloading of trucks. However, Ghana seems to be the only country since 2006 to have implemented this law to the letter. This regulation has come with it some challenges to both hauliers and cargo owners in the transit trade.

Ghana at the ECOWAS level must take steps to ensure uniform



implementation of this regulation on axle load across the sub-region to ensure fairness and a level business environment for all players.

12. Lack of Minimum Service Quality Standards

The operations of service providers at the ports are without any clear benchmarks for minimum service quality standards. Shippers are at the mercy of operators who most often render poor services without due regard to cost implications to shippers. This is certainly a drawback for the competitiveness of shippers and the efficiency of port operations.

competitive, the stakeholders in the shipping and trade industry should put in place measures to make the Ports in Ghana more efficient in the West Africa sub-region. The measures should include:

- Streamlining the procedures of port operations in clearing cargo to make them less cumbersome;
- Ensuring that the cost of doing business in the country is more competitive in relation to neighbouring ports;
- Maintaining a harmonized Customs procedures for clearing goods;
- Establishing a single window platform to help speed up the processing of import and export cargoes;
- Implementing an efficient and strong regulatory framework that would monitor the quality and standards of service by service providers.

It is hoped that the Ghana Shippers' Authority Regulations LI2190, which give the GSA the legal mandate to negotiate with shipping service providers, minimum service quality standards would be a welcome relief to all stakeholders in the shipping industry, most especially shippers.

CONCLUSION
In order to make our ports more

The implementation of all these recommendations would not only assist in making the Ports more efficient and effective but would go a long way to eliminate additional costs to shippers and invariably enhance shippers' competitiveness.

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THE GHANA UNION OF TRADERS' ASSOCIATIONS (GUTA): The Mouthpiece of the Ghanaian Trader

The Ghana Union of Traders' Association (GUTA) is the umbrella organization which is at the forefront of championing the course of Ghanaian traders, especially small and medium scale operators in the trading sector. GUTA seeks to promote the interest of traders in order to better their lot as members of the informal sector of the economy.

GUTA's mission is to bring all traders associations together so as to champion their course and ensure that government creates the enabling environment for businesses to thrive by way of formulating good policies that will lead to the growth and development of the trading sector.

The Union is a federation of traders associations where member associations retain their individual identities and self-sufficiency.

The Shipping Review (SR) recently spoke to the President of GUTA, Mr.

George Ofori about the Union's activities and challenges. Below is an extract of the chat:

SR: How is GUTA faring?

Mr. Ofori: The Union is doing well and still pursuing its mandate of advocating for improved conditions to facilitate the businesses of traders in the country. Our focus has basically been on trade and commerce related issues. These issues require the formulation and implementation of policies. Consequently, the Union has over the years paid greater attention to the formulation of policy through various consultations with various government and private agencies. The Union has for instance recently vehemently opposed the infiltration of foreigners into the retail sector of the economy.

SR: What informed the formation of GUTA?

Mr Ofori: GUTA was formed as far back as 1989. It commenced its activities by ensuring that policies that were inimical to businesses were

dealt with. In the past for instance, due to the non existence of organisations that protect the interests of traders, the traders were treated badly. Traders were also perceived as people who evaded tax and their sole aim was to make profit at the expense of their clients (Negative comments were made about them), and this called for the formation of the Union and need to advocate on behalf of traders so as to protect their interests and image.

GUTA created awareness about the main issues causing the negative perceptions associated with traders. Some officials in the trade sector were not aware of some of these issues. An example is in relation to the country's Ports, where it is assumed that only the traders are involved in under and over invoicing, smuggling, etc. Attention is never paid to the collaborating officials at the Ports, without whose connivance the traders cannot succeed in cheating 'the system'.

Price hikes have often been



attributed to the profit maximization agenda of traders which it is sad to note has never been the intention of traders. Sight is lost of the fact that the Ghanaian economy is a liberalised one where competitive marketing is the order of the day. Traders cannot price their goods 'anyhow', since they will do that at their own peril. The traders compete among themselves and no trader will price his product so high that he/she will eventually be priced out of business.

SR: How many members do you have and what is your membership structure like?

Mr Ofori: The Union has a membership base of about 1.5 to 2 million traders. GUTA was initially formed based on individual membership but it was later realized that membership was so huge that a structure that facilitated information flow was devised to enable all the members to be informed of all issues concerning the activities of the Union.

The development of a structure of sector associations or organisations such as Ghana National Association of Spare-parts Dealers, Ghana Electrical Dealers Association, Ghana Used Clothes Dealers Association, etc, some of which are national in scope and others local, was to bridge that communication gap between the leadership of the Union and the members.

Three members are elected from each association to form the National Council, out of which 18 members are elected to form the National Executive Committee. Some members of the individual associations are also members of the National Executive Committee.

This structure has made it possible for information flow from the 'top to the down', and from 'down to the top'.

SR: How are the Union's activities funded?

Mr. Ofori: Funding has been a big issue even though the Union is seen as a business oriented entity. Individually, members are doing well financially, but collectively we are financially challenged. Collection of dues by sector associations has been one of the main problems confronting the Union. The Union has been receiving support from some Executive members and individuals who appreciate its work.

Contributions from members usually increase a little when government policies affecting their businesses are being implemented. They (members) believe the Union will fight their course and therefore several of them do contribute. The Bank of Ghana directives, the depreciation of the Cedi, two and a half per cent increase in VAT, container cleaning fee, congestion surcharge, two percent

special levy are examples of issues affecting business activities of members and traders are worried over such issues as they impact negatively on their businesses.

SR: How do you organize activities for your members in the midst of financial challenges?

Mr Ofori: In spite its financial challenges, the Union manages to push its agenda of advocacy, influencing policy formulation as well as undertaking some programmes for the sensitization of its members.

The Union receives support in the form of collaboration with state agencies to educate or sensitize its members on key policies. Examples of such policies are the implementation of the VAT Act by the Ghana Revenue Authority, Ghana Investment Promotion Council's, Review of the Investment Code through the Parliamentary Select Committee on Trade and Industry. We also get support from other state agencies such as the Ghana Shippers' Authority, Bank of Ghana, Ministry of Trade and Industry, etc in organising educational programmes for our membership.

The Union also negotiates with firms to enable them push their (firms) agendas. An instance is the advocacy on the plight of the local pharmaceutical industries that they should be allowed to manufacture, distribute and retail, which in the end will serve the interest of Ghanaians. The Union does not receive financial support from government and this has been the case for some years now.

SR: How does the Union handle the issues of welfare of members?

Mr Ofori: With regards to welfare issues, the Union is in the process of introducing a Pension Scheme for (the informal sector) its members. This has already begun on pilot basis. This initiative will allow traders in the informal sector to also enjoy the



benefits of a Pension Scheme. The Union's pension scheme will be controlled by the National Pension Scheme.

One significant thing that the Union has done is not to set an age limit for members undertaking the scheme. Under our scheme, age is not considered as a yardstick for determining the eligibility of a member as pertains in the formal pension scheme.

The scheme has been drafted in a way to meet the needs of members of the Union. When this informal pension scheme is implemented successfully, there could be a transformation into a traders' bank. The scheme is funded by GLICO, Strategic African Securities (SAS), First Atlantic Bank and other industries.

SR: What are some of the challenges confronting the Union?

Mr Ofori: There are numerous challenges. Some governmental policies for instance can either bring down ones business or make it thrive. The issue of foreigners operating in the country's retail sector is negatively impacting on the businesses of our members. If this issue is not explained well, people might think we are against foreign direct investments. Foreigners must not be allowed to operate in areas

that they are not supposed to because when you talk of Foreign Direct Investment, it consists of two main parts, namely capital injection and the transfer of technology. One question we must ask ourselves is whether buying and selling is a form of transfer of technology. This therefore must tell Ghanaians that these foreign retailers have no right doing business in the country since their activity of buying and selling is not associated with the policy on foreign direct investment. Buying and selling should rather be a business area for Ghanaians as our law stipulates and not for foreign retailers.

When it comes to the issues regarding the Union's meetings, all Executives do attend, so there is no much problem in terms of meetings. Current issues to be discussed in our upcoming meeting include the Bank of Ghana directive, special levy, issues concerning foreigners in the trade sector in the country, and the VAT increment.

Another challenge is the issue of free movement of goods, services and people within the ECOWAS zone. According to ECOWAS protocols member countries are allowed to freely conduct trade within and across member states. This was a Protocol that heads of states of the member states of ECOWAS appended their signatures to. On the

contrary, this objective has not been met. A typical example is the numerous barriers or borders that one crosses when travelling from Aflao to Badagry for instance and this poses a serious threat to trading activities. Members of the Union are affected in this regard.

SR: The recent hikes in tariffs and utility has generated a lot of concerns and heated debate among the Ghanaian populace. What has been the effect on your members?

Mr Ofori: This has been of great concern to our members since it affects every sector of the economy. The hikes have even resulted in the closure of the shops of some members of the Union and unemployment among our members is beginning to increase as a result.

The hikes in tariffs have also resulted in illegal connections of electricity, increase in the smuggling of goods and extortion of government funds (corruption). I think Government stands to lose a lot of revenue in the long run when a cost-benefit-analysis is undertaken. These kinds of situations worsen the living conditions of individuals in a nation.

SR: How do members of your Union stand to benefit from some of the policies the President laid out in his recent State of the Nation's Address?

Mr. Ofori: With regards to the address by the President, the Union lauds the call on Ghanaians to patronise made-in-Ghana products since it deals with the trade and commerce sector of the economy. The policy will also enable the local manufacturing firms to stay in operation and thereby create more employment for Ghanaians.

The Union has already developed the marketing sector. It will be laudable if the government could support the private sector such as GUTA with funds from agencies such as the Japan International Cooperation



to even inform members of what the Directives really meant.

Prior to the announcement of the Directives, the BoG came out with the Gh₵5,000.00 baseline above which third parties cannot not withdraw cash from Banks. It was a good policy because it was a way of safeguarding individual's money. But the problem with this directive was that, it had adverse effects on the productivity of our members since the directive required our members to withdraw amounts above Gh₵5000 themselves. This situation means they have to leave their businesses to transact Bank business.

Agency (JICA), the Badia Impact Fund, etc. This will help champion the course of promoting the policy of patronizing made in Ghana goods as advocated by government.

There should also be the availability of specially designated markets for the purpose of marketing our local products. This can boost the nation's tourism sector and will rake in more revenue.

Largely, I can say that the government policies will benefit the Union in a way, since the State of the

Union address has touched on the trade and commerce related issues.

SR: What has been the effect of the Bank of Ghana Directives on your members?

Mr Ofori: I would say in general, this has created a panic situation among members due to poor packaging and management of information by the Bank of Ghana (BoG). Scanty information from the BoG has led to many of our members hazarding their own interpretations of the Directives. It was a challenging task

SR: What should be expected from GUTA, with regards to the future?

Mr Ofori: The Union intends to transform the Pension Scheme into a Trader's Bank. Another plan is to assist government in crafting good policies to make the business environment more friendly and the nation a safe haven for doing business. We would also continue to collaborate with State Agencies on the education and sensitisation of our members.

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Maritime Trade Review

(January-December, 2013)

INTRODUCTION

Total maritime trade for the period January to December 2013 amounted to more than 21.5 million tons. This was made up of about 16.5 million tons of imports and 5.0 million tons of exports. The port of Tema handled more than 77 percent of the total

trade which amounted to about 16.7 million tons while the port of Takoradi handled the remaining 4.4 million tons (or 23% of total trade for the period). Total transit through the ports of Ghana was only 5 percent of the total maritime trade of Ghana as shown in Table 1 below.

Table 1 MARITIME TRADE REVIEW, JAN-DEC, 2013

	IMPORT	EXPORT	TOTAL	%SHARE OF PORT
TAKORADI	1,505,264	3,369,916	4,875,180	23
TEMA	15,062,942	1,638,684	16,701,626	77
TOTAL	16,568,206	5,008,600	21,576,806	
%SHARE	77	23		
TRANSIT	1,006,016	31,547	1,037,563	5

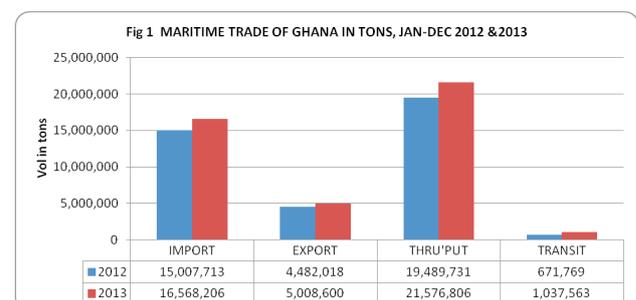
A comparison of this performance to that of the 2012 period shows an increase of about 10.7 percent in total cargo throughput in 2013. Total import for the review period was 10.4 percent more than what

was obtained in 2012. Total export also increased by about 11.7 percent over the 2012 tonnage. Table 2 below gives details of the two periods.

Table 2 MARITIME TRADE OF GHANA COMPARED IN TONS, JAN-DEC, 2012 & 2013

	TEMA			TAKORADI			TOTAL		
	2012	2013	%DIFF	2012	2013	%DIFF	2012	2013	%DIFF
IMPORT	13,364,604	15,062,942	12.7	1,643,109	1,505,264	-8	15,007,713	16,568,206	10.4
EXPORT	1,678,747	1,638,684	-2.4	2,803,271	3,369,916	20	4,482,018	5,008,600	11.7
THRU'PUT	15,043,351	16,701,626	11.0	4,446,380	4,875,180	10	19,489,731	21,576,806	10.7
TRANSIT	664,985	1,021,812	53.7	6,784	15,751	132	671,769	1,037,563	54.5

From Table 2 above it can be seen that total transit trade for the review period amounted to more than 1.0 million tons. This was an increase of more than 50 percent over the 2012 tonnage. The transit tonnage was made up of more than 1.0 million tons of import and 31,547 tons of export. Fig. 1 below gives pictorial details



IMPORT TRADE

Total Import for the review period was slightly above 16.5 million tons. This comprised of 6.6 million tons of Liner items, 3.3 million tons of Break Bulk, 3.6 million tons of Dry Bulk items and 2.9 million tons of Liquid Bulk items.

In Table 3 below it can also be seen that maritime import for the review period increased by about 10.4 percent from what was obtained in the previous year. For the other types of trade, dry bulk import decreased by 11 percent while liquid bulk by 28.6 percent. The situation is depicted pictorially in Fig 2 below.

	Tema			Takoradi			Total		
	2012	2013	%Diff	2012	2013	%Diff	2012	2013	%Diff
Import									
Liner	6,540,814	6,166,874	-5.7	241,856	471,781	95.1	6,782,670	6,638,655	-2.1
Break Bulk	0	3,277,482	0	0	64,198	0	0	3,341,680	0.0
Dry Bulk	2,920,062	2,934,076	0.48	1,243,003	752,773	-39.4	4,163,065	3,686,849	-11.4
Liq. Bulk	3,903,728	2,684,510	-31.2	158,250	216,512	36.8	4,061,978	2,901,022	-28.6
Total	13,364,604	15,062,942	12.71	1,643,109	1,505,264	-8.4	15,007,713	16,568,206	10.4
Export									
Liner	1,518,944	1,228,860	19.10	564,109	333,202	-40.9	2,083,364	1,562,062	-25.0
Break Bulk	0	242,456	0	0	66,452	0	0	308,908	0.0
Dry Bulk	60,264	87,916	45.9	2,225,823	2,967,128	33.3	2,286,087	3,055,044	33.6
Liq. Bulk	99,539	79,452	-20.2	13,028	3,134	-75.9	112,567	82,586	-26.6
TOTAL	1,678,747	1,638,684	-2.4	2,802,960	3,369,916	20.2	4,482,018	5,008,600	11.7

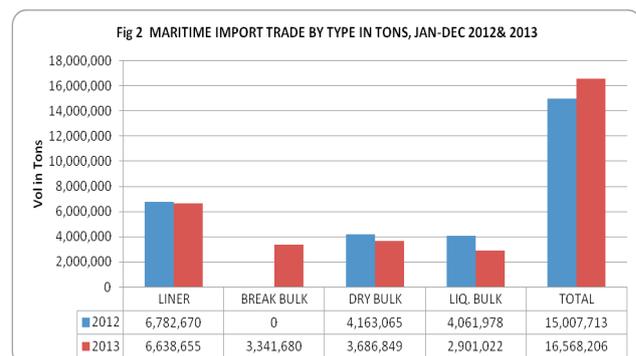
Liner Import Trade

The liner import trade for 2013 was made up of items such as processed foods (1,215,911 tons) and chemicals amounting to over 438,667 tons. Other items included tiles (469,057 tons), frozen meat and food (452,220 tons), machinery and equipment (345,437 tons), polythene raw materials (599,413 tons) and bagged rice (51,444 tons).

Table 4 below shows how the liner import trade for the review period fared as compared to the previous year. There was a general increase of more than one (1) percent in total liner volume imported during the review period; but there were lots of individual items that saw decreases in the quantities imported as compared to the previous year.

Dry Bulk Import Trade

Total dry bulk import for the year 2013 amounted to about 3.7 million tons, 12 percent decrease over the performance in the previous year. Clinker was the highest import item in this trade category, recording about 1.77 million tons. This represented a decrease of 4% over the previous year's tonnage. This was followed by cement (775,514) and bulk wheat (600,449). Limestone and other dry bulk imports dropped by over 14 percent and nearly 54 percent respectively.



Liquid Bulk Import Trade

This trade showed an overall decrease of 29 percent during the review period. Most of the items saw decreases in the quantities imported compared to the figure recorded in 2012. Petroleum products decreased by 15 percent while bitumen decreased by 95 percent. However, liquefied petroleum gas saw an increase of 25 percent. Table 6 below gives details.

DIRECTION OF THE MARITIME IMPORT TRADE

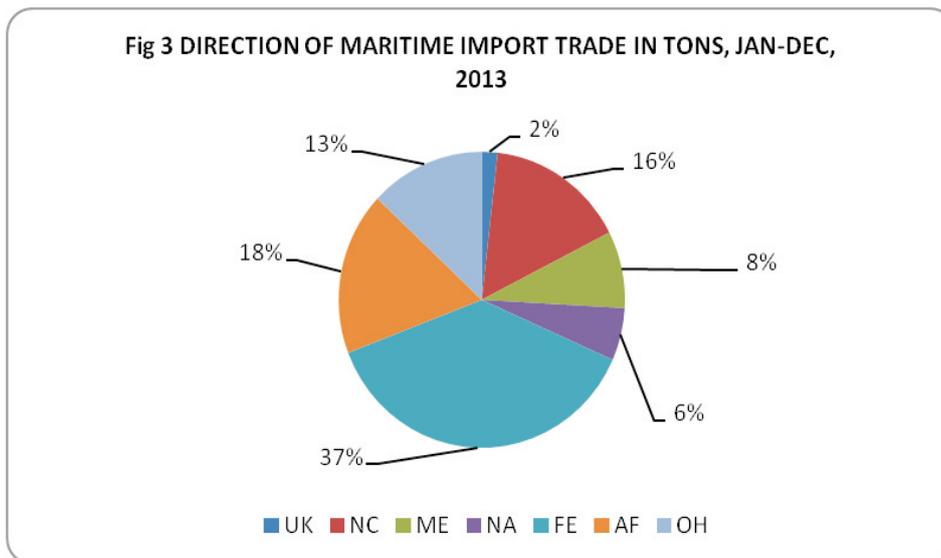
Table 7 below shows that majority of the maritime import for 2013 came from the Far East, Africa and the North Continent, the Mediterranean, the Others ranges. Each of these ranges recorded tonnages as follows: Far East, 6.2 million tons or 38 percent; Africa, 2.9 million tons or 18 percent; North Continent, 2.6 million or 16 percent; Mediterranean, 1.3 million tons or 8 percent; and the Others range, 2.1 million tons or 13 percent.

Maritime import from the North America range recorded 950,780 tons or close to eight (8) percent of the total import trade for the review period. The UK range recorded 295,517 tons amounting to only

two (2) percent of total maritime import for the period. The direction of the maritime import trade is also depicted in Fig. 3 below.

Table 7 DIRECTION OF MARITIME IMPORT TRADE OF GHANA, JAN-DEC, 2013

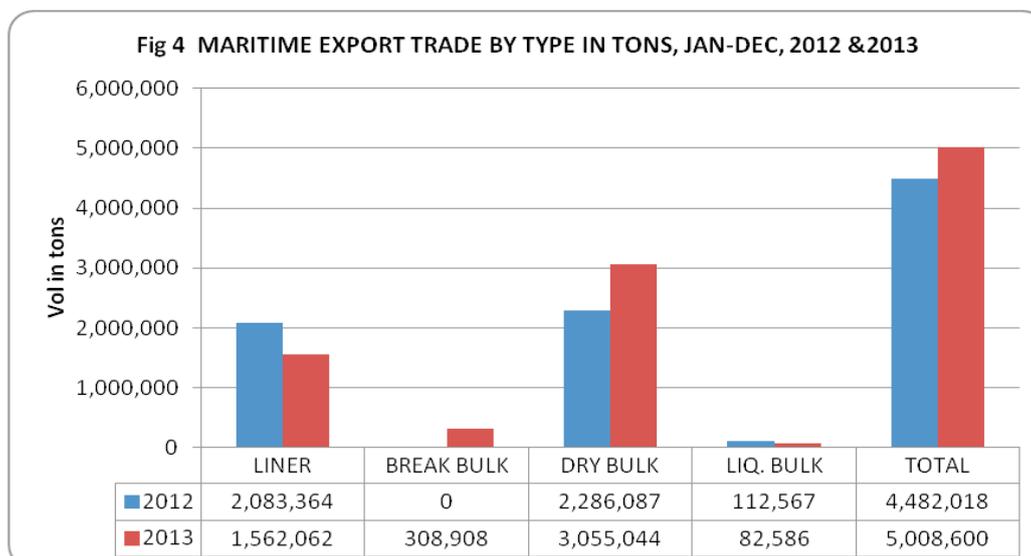
	UK	NC	ME	NA	FE	AF	OH	TOTAL
Liner	247,322	953,545	535,883	270,781	2,888,584	844,418	898,122	6,638,655
Break Bulk	19,120	214,145	65,394	153,273	1,939,004	176,130	774,613	3,341,680
Dry Bulk	180	562,897	771,311	517,255	1,393,146	355,607	86,454	3,686,850
Liq. Bulk	28,895	875,394	14,798	9,471	4,950	1,566,786	400,729	2,901,022
Total	295,517	2,605,981	1,387,386	950,780	6,225,684	2,942,941	2,159,918	16,568,207
%Share	2	16	8	6	38	18	13	100



EXPORT TRADE

The total export trade for the review period amounted to about 5.0 million tons. This was made up of more than 1.5 million tons of liner items, 3.5 million tons of dry bulk items. The remaining 82,568 tons comprised of liquid bulk items. Break bulk items amounted to 308,908 tons.

Compared to the 2012 tonnage, 2013 recorded slightly over 11.7 percent increase in export trade. Table 3 above shows that the liner trade recorded a decrease of 25 percent while the dry bulk trade recorded an increase of more than 33 percent. The liquid bulk trade recorded a decrease of nearly 27 percent. Fig. 4 below gives details of the comparison.



Liner Export Trade

From Table 8 below it can be seen that the liner export trade for the year 2013 was made up of cocoa beans which recorded a tonnage of 431,870 tons, depicting a decrease of 35 percent as compared to the previous year's performance.

Other items included cocoa products, 188,017 tons, an increase of 6% from the 2012 tonnage; log timber recorded 122,452 tons (a decrease of over 55%); sheanut and sheabutter recorded 58,528 tons which amounted to an increase of over 67 percent.

Dry Bulk Export Trade

Table 9 below gives a summary of the dry bulk export items for the review period. Total dry bulk export increased by about 33 percent. Dry bulk items included bauxite which increased by more than seven (7) percent. Manganese export increased by 35% and bulk sheanut export also saw about 30 percent increase in tonnage during the

review period.

Liquid Bulk Export Trade

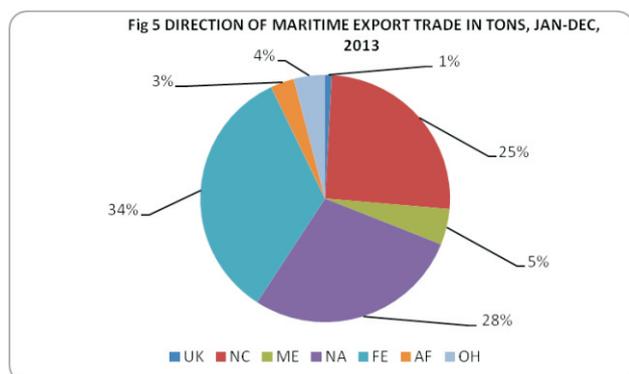
Total liquid bulk export for the review period decreased by about 27 percent. All the items in this trade saw decreases in their tonnages as follows: petroleum products decreased by 10 percent while other liquid bulk decreased by about 50 percent. Table 10 below gives details of the liquid trade for the review period.

DIRECTION OF THE MARITIME EXPORT TRADE

The 5.0 million tons of maritime export recorded for the year 2013 was shipped to various destinations in the world. Majority of the items exported went to the Far East and the North Continent ranges. The Far East range received a total of 3.0 million tons (61% of total export) while the North Continent range had a tonnage of 2.3 million tons or 46 percent of total export. Table 11 below gives a pectorial view of the situation.

Table 11 DIRECTION OF MARITIME EXPORT TRADE OF GHANA IN TONS, JAN-DEC 2013

	UK	NC	ME	NA	FE	AF	OH	TOTAL
Liner	57,074	434,430	165,072	125,034	585,882	115,185	79,385	1,562,062
Break Bulk	283	693,174	46,328	39,755	250,091	5,311	41,368	3,055,044
Dry Bulk	20,000	18,095	0	2,209,108	2,209,108	16,786	44,697	82,586
Liq. Bulk	0	1,160,101	212,590	168,983	3,008	140,771	200,709	1,886,162
Total	77,357	2,305,800	423,990	2,542,880	3,048,089	278,053	366,159	5,008,600
%Share	2	46	8	51	61	6	7	100



TRADE

Total transit trade for the period was 1.03 million tons comprising 1.0 million tons of import items (88%) of the total transit trade and 31,547 tons of export items. The total transit tonnage for the review period was about 97 percent more than what was recorded in 2012. All the transit countries including Burkina Faso, Mali and Niger recorded increases in their performance. Burkina Faso recorded a total of 757,253 tons, or 83 percent of the total transit trade. The tonnage recorded for Mali increased by 71 percent and Niger's trade increased by about 257 percent. Table 12 below give details of the performance of the transit trade for 2012.

Table 12 Transit Trade Through The Seaports Of Ghana In Tons , Jan-Dec 2013

	Tema			Takoradi			Tema/Takoradi		
	2012	2013	%DIFF	2012	2013	%DIFF	2012	2013	%DIFF
Burkina Faso	408,213	744,576	82	4,904	12,677	159	413,117	757,253	83
Mali	64,635	112,419	74	1,286	64	-95	65,921	112,483	71
Niger	46,635	165,065	254	500	3,010	502	47,135	168,075	257
Total	519,483	1,022,060	97	6,690	15,751	135	526,173	1,037,563	97

TRANSHIPMENTS THROUGH GHANA'S SEAPORTS

Table 13 below shows the various transshipments destinations and tonnages through the seaports of Ghana. For the review period, a total of 170,527 tons

of transshipments passed through the Tema/Takoradi Ports. The port of Tema handled 168,840 tons of transshipments while the Takoradi port handled 1,687 tons.

	Tema			Takoradi			Tema/Takoradi		
	2012	2013	%Diff	2012	2013	%Diff	2012	2013	%Diff
Ivory Coast	11,001	26,576	142	94	523	456	11,095	27,099	144
Togo	65,895	89,793	36	-	18	-	65,895	89,811	36
Nigeria	52,123	4,636	(91)	-	-	-	52,123	4,636	-91
Senegal	2,472	1,229	(50)	-	-	-	2,472	1,229	-50
Other	10,349	35,632	244	-	1,071	-	10,349	36,703	255
Benin	3,382	9,649	185	-	71	-	3,382	9,720	187
Guinea	50	301	502	-	-	-	50	301	502
Cameroun	42	1,024	2,338	-	-	-	42	1,024	2338
Gambia	-	-	-	-	4	-	-	4	0
Total	145,314	168,840	16	-	1,687	-	145,408	170,527	17

THE PERFORMANCE OF THE SHIPPING AGENTS IN THE MARITIME TRADE OF GHANA, JANUARY-DECEMBER, 2013

A total of 125 Shipping Agents were involved in handling the maritime trade of about 21.57 million tons for the year 2013.

Liner Trade

A total of 54 shipping agents took part in the liner trade for the period under review.

The highest performer in the liner trade was Maersk Gh. Ltd with 1.78 million tons or about 8.3 percent of the liner throughput. MSCA Gh. Ltd. was the second highest performer with 826,008 tons or 3.8 percent of the liner throughput. PIL Gh. Ltd came next with 538,574 tons or 2.5 percent of liner throughput. Intermodal shipping recorded 446,110 tons or 2.07 percent while Hull Blyth Gh. Ltd was the next highest performer with 687,248 tons or 7.75 percent of the total liner trade activity.

The least performers in the liner trade were Afrimat and Advance Maritime who handled less than 600 tons each of liner cargo.

Dry Bulk Trade

Nineteen (19) shipping agents handled the about 6.7 million tons of dry bulk cargo or 31 percent of the total maritime trade for the year, 2013.

The highest performer was Supermariitme with 2.59 million tons or about 12 percent of the total dry bulk trade. The second highest performer was Hullblyth with 1.9 million tons representing 8.8 percent of the dry bulk trade for the period. Global Cargo Shipping was the third highest performer with 763,014 tons representing 3.4 percent of the dry bulk trade.

Macro Shipping was the next highest performer in

the dry bulk trade with 578,657 tons or 2.68 percent. The least performers were Silver Maritime, Movis Gh. Ltd, Ports Marine and MSCA Gh. Ltd. with less than one percent.

Break Bulk Trade

Forty-five (45) agents handled the 3.3 million tons of break bulk trade which was about 15.4 percent of the total maritime trade.

Scanship shipping was the highest performer with 2.76 percent or 594,613 tons followed by Global Cargo Shipping which handled 1.64 percent of the total break bulk cargo. Setrans Shipping came next with 342,465 tons or 1.59 percent of the total break bulk trade. Maersk Line came next with 1.3 percent or 281,008 tons of the break bulk trade. Table 14 below gives details of other performers in the break bulk trade for the review period.

Liquid Bulk Trade

Seventeen (17) shipping agents handled the over 2.98 million tons of liquid bulk trade which was 13.83 percent of the total maritime trade.

The highest performer in this trade was Inschape Shipping with 811,185 tons or about 3.76 percent of the liquid bulk trade. Daddo Maritime handled the second largest share of the liquid bulk trade with 732,992 tons or 3.4 percent of total liquid bulk trade. This was followed by Sea and Shore which handled the third largest share of 582,411 tons or 2.7 percent of the liquid bulk trade.

The least performers in the liquid bulk trade were Oil & Marine, Sevenlog Gh. Ltd., Getma Gh. Ltd., Global Cargo & Commodities, Hull Blyth Gh. Ltd., Macro Shipping Gh. Ltd, etc.

The table 14 below give more details of the performance of the shipping agents in the maritime trade for the year 2013.

GHANA SHIPPERS' AUTHORITY

TABLE 14 PERFORMANCE OF SHIPPING AGENTS IN GHANA'S SEABORNE TRADE - JAN - DEC. 2013

Import and Export - Tema & Takoradi

	IMPORT	EXPORT	TOTAL	%SHARE
LINER				
A&J Shipping Services	26,085	0	26,085	0.12
Advanced Maritime	325	0	325	0.00
African Steam Ship	2,682	0	2,682	0.01
AMT Gh. Ltd	0	526	526	0.00
Andipex Co Ltd	29,537	0	29,537	0.14
Antrak Gh. Ltd	213,538	31,487	245,025	1.14
Aquamarine Shipp. Gh. Ltd	6,418	719	7,137	0.03
Baj Freight	38,810	0	38,810	0.18
Beacon Shipping Hanjin Gh.	324,158	0	324,158	1.50
Blue Funnel Gh. Ltd.	16,021	0	16,021	0.07
Blueseas Maritime	0	2,500	2,500	0.01
Bollore	0	544	544	0.00
Bulk Ship & Trade Limited	242	0	242	0.00
Bulkers	40	0	40	0.00
Ccb Freight Services Gh. Ltd	1,283	0	1,283	0.01
Consolidated Shipping	10,672	4,314	14,986	0.07
Coral Marine Ltd	15,895	0	15,895	0.07
Daddo Maritime Services Ltd	6,053	0	6,053	0.03
Delmas Shipp. Gh. Cma Cgm.	369,513	207,793	577,306	2.68
Dolphin Shipping Services	55,968	0	55,968	0.26
Elder Dempster Gh	260	0	260	0.00
Fairpoint Business	13,705	0	13,705	0.06
Fantega Co. Ltd	445	0	445	0.00
Getma Ghana Ltd	66,768	48	66,816	0.31
Global Cargo & Commodities	21,540	0	21,540	0.10
GMT Shipping Limited	102,023	0	102,023	0.47
Grimaldi Gh. Ltd	222,074	40,162	262,236	1.22
Hull Blyth Ghana	170,616	254,918	425,534	1.97
ICM Logistics Services Ltd	170	0	170	0.00
Inchcape Shipp. Services Gh. Ltd	184,191	147	184,338	0.85
Intermodal Shipping Agency Gh. Ltd	276,985	169,125	446,110	2.07

Khuda Service	28,934	0	28,934	0.13
Koyanks Company Limited	26,764	0	26,764	0.12
Macro Shipping Gh. Ltd	5,992	47,091	53,083	0.25
Maersk Gh. Ltd	1,566,068	221,616	1,787,684	8.29
Maritime Agencies	79	14,057	14,136	0.07
Map Shipping	427	0	427	0.00
MOL Ghana Ltd	293,529	60,311	353,840	1.64
MSCA Gh. Ltd	640,900	185,108	826,008	3.83
Navitrans Gh. Ltd	977	0	977	0.00
Oil and Marine Agencies	228,623	78,588	307,211	1.42
Overseas Shipping & Logistics	2,720	0	2,720	0.01
Panalpina Gh Ltd	99,158	4,519	103,677	0.48
PIL Gh. Ltd	414,594	123,980	538,574	2.50
Ports Marine Ltd	37,613	118	37,731	0.17
Safmarine	0	132,908	132,908	0.62
Scanship Ghana Ltd.	301,230	68,930	370,160	1.72
SDV Ghana	141,948	0	141,948	0.66
Sea & Shore	27	0	27	0.00
Seatrade Shipping And Logistics	262	0	262	0.00
Seatrans Ghana Limited	37,255	59,565	96,820	0.45
Sevenlog Limited	22,617	11,360	33,977	0.16
Sharaf Shipping Agency	33,640	0	33,640	0.16
Silvermaritime Ghana Ltd	2,235	0	2,235	0.01
Star Maritime Gh. Ltd	0	2,657	2,657	0.01
Stardex Marine Consult	43,182	0	43,182	0.20
Supermaritime Gh. Ltd	320,563	95,781	416,344	1.93
T-Point Logistics	43,287	0	43,287	0.20
Tramsco Shipping	26,310	0	26,310	0.12
Transglobal Shipping	32,287	0	32,287	0.15
TTV Limited	6,550	0	6,550	0.03
United Arab Shipping Agencies	124,320	0	124,320	0.58
SUB-TOTAL	6,658,108	1,818,872	8,476,980	39.29
BREAK BULK				
Advanced Maritime	336	0	336	0.00
Antrak Gh. Ltd	28,404	0	28,404	0.13
Aqua Marine Shipping Gh. Ltd.	5	0	5	0.00
Baj Freight	76	0	76	0.00

Beacon Shipping Hanjin Gh.	89,712	0	89,712	0.42
Blue Funnel Gh.	3,425	0	3,425	0.02
Blue Sea Maritime	0	0	0	0.00
Bulk Ship and Trade Limited	8	0	8	0.00
Consolidated Shipping	11	0	11	0.00
Delmas Shipp. Gh. Cma Cgm	59,070	0	59,070	0.27
Elder Dempster Gh.	4	0	4	0.00
Faculty Logistics Ltd	239,900	0	239,900	1.11
Fantega Company Limited	31,121	0	31,121	0.14
Getma Gh. Ltd	45,232	0	45,232	0.21
Global Cargo And Commodities	353,677	0	353,677	1.64
Gmt Shipping Gh. Ltd	290,539	0	290,539	1.35
Grimaldi Gh. Ltd	16,323	0	16,323	0.08
Hull Blyth Gh. Ltd	2,243	0	2,243	0.01
ICM Logistics Services Ltd	3	0	3	0.00
Inchcape Shipping Services	60,608	0	60,608	0.28
Intermodal Shipping Agency Gh. Ltd	55,611	0	55,611	0.26
Macro Shipping Gh. Ltd	910	0	910	0.00
Maersk Gh. Ltd	281,008	0	281,008	1.30
Map Shipping Limited	25,967	0	25,967	0.12
Maxitude Ventures Ltd.	13,732	0	13,732	0.06
Maritime Agencies	682	0	682	0.00
MOL Ghana Ltd	34,287	0	34,287	0.16
MSCA Gh. Ltd	144,701	0	144,701	0.67
Navitrans Ghana Limited	137	0	137	0.00
Oil and Marine Agencies	38,607	0	38,607	0.18
Oversea Shipping & Logistics	1	0	1	0.00
Panalpina Gh. Ltd	22,488	0	22,488	0.10
PIL Ghana Ltd	148,221	0	148,221	0.69
Ports Marine Ltd	3,550	0	3,550	0.02
Safmarine	0	0	0	0.00
Scanship Gh. Ltd	594,613	0	594,613	2.76
SDV Ghana Ltd	36,453	0	36,453	0.17
Seatrade Shipping And Logistics	42,147	0	42,147	0.20
Seatrans Ghana Ltd	342,465	0	342,465	1.59
Sevenlog Limited	9,636	0	9,636	0.04
Sharaf Shipping Agency	694	0	694	0.00
Silvermaritime Ghana Ltd	198,556	0	198,556	0.92
Supermaritime Gh. Ltd	28,566	0	28,566	0.13

T-Point Logistics	29,938	0	29,938	0.14
United Arab Shipping Agencies	48,557	0	48,557	0.23
SUB-TOTAL	3,322,224	0	3,322,224	15.40
DRY BULK				
Antrak Gh. Ltd	11023.65	24700	35723.65	0.17
Baj Freight	0.09	0	0.09	
Beacon Shipping Hanjin Gh.	1766	0	1766	0.01
Blusea Maritime	0	58250	58250	0.27
Consolidated Shipping	0	41920	41920	0.19
Damco Logistics	277114	0	277114	1.28
Delmas Shipp. Gh. Cma Cgm	0	1152	1152	0.01
Getma Gh. Ltd	12500	0	12500	0.06
Global Cargo And Commodities	763014	0	763014	3.54
Grimaldi Gh. Ltd	1151	0	1151	0.01
Hull Blyth Gh. Ltd	1870263.97	39146	1909409.97	8.85
Inchcape Shipping Serv.	57000	6563	63563	0.29
Intermodal Shipping Agency Gh. Ltd	120	5275	5395	0.03
Maersk Gh. Ltd	194	4750	4944	0.02
Map Shipping Ltd	132877	0	132877	0.62
Marco Shipping Gh. Ltd	0	578657	578657	2.68
Maritime Agencies	0	3554	3554	0.02
MOL Ghana Ltd	40	3375	3415	0.02
MSCA Gh. Ltd	1804.43	41536	43340.43	0.20
Oil And Marine Agency	3	0	3	0.00
Panalpina Gh. Ltd	0	9893	9893	0.05
Safmarine	0	629	629	0.00
Scanship Gh. Ltd	3102.02	200154	203256.02	0.94
SDV Gh. Ltd	131	0	131	0.00
Sevenlog Gh. Ltd	49448	0	49448	0.23
Supermaritime Gh. Ltd	505245.28	2087584	2592829.28	12.02
United Arab Shipping Agencies	50	0	50	0.00
SUB -TOTAL	3,686,847	3,107,138	6,793,935	31.49
LIQUID BULK				
Bulkship & Trade Ltd	607,428	0	607,428	2.82
Antrak Gh. Ltd	3,687	0	3,687	0.02
Daddo Maritime Serv. Gh. Ltd	717,908	15,084	732,992	3.40
Delmas Shipping Gh. Ltd	79	0	79	0.00
Getma Gh. Ltd	55,844	0	55,844	0.26
Hull Blyth Ghana	0	0	0	0.00
Inchcape Shipping Service	764,936	46,249	811,185	3.76
Marine Mor	9,922	0	9,922	0.05
Maxitude Ventures	2,418	0	2,418	0.01
MSCA Gh. Ltd	1,248	0	1,248	0.01
Multiplan	4,470	4,470	8,940	0.04
Oil & Marine Agencies	120,992	0	120,992	0.56
Panalpina Gh. Ltd	0	1,012	1,012	0.00
Scanship Gh. Ltd	0	6,093	6,093	0.03
Sea & Shore	582,411	0	582,411	2.70
Supermaritime Gh. Ltd	27,911	9,677	37,588	0.17
SUB -TOTAL	2,901,022	82,585	2,983,607	13.83
GRAND TOTAL	16,568,201	5,008,595	21,576,796	100.00

THE PERFORMANCE OF SHIPPING LINES IN THE MARITIME TRADE OF GHANA, JANUARY-DECEMBER, 2013.

A total of 293 shipping lines/charterers participated in the carriage of the 21.57 million tons of maritime trade comprising over 16.5 million tons of imports and 5.0 million tons of exports during the year 2013.

The Liner Trade

A total of 144 shipping lines/charterers handled the over 8.4 million tons of liner cargo or 39.29 percent of the liner trade for the period under review.

The highest performer was Maersk Line which accounted for 1.77 million tons representing 8.2 percent of the liner trade.

Mediterranean Shipping company came second with 824,903 tons or 3.8 percent of the liner trade. Pacific International Lines (PIL) was the third highest performer with 489,872 tons or 2.27 percent and Hanjing Shipping came next with 446,895 tons or two (2) percent of the total liner trade. Gold star was next with 336,903 tons or 1.56 percent of the liner trade.

Several of the shipping lines/charterers performed below one (1) percent of the total liner trade.

Break Bulk Trade

A total of 74 shipping lines handled the over 3.3 million tons of break bulk cargo representing 15.40 percent of the total maritime trade.

The highest performer in that category was China Ocean Shipping with 684,782 tons or 3.17 percent of the break bulk trade. The Other category came next with 679,281 tons or 3.15 percent of the break bulk trade.

Maersk Line came next with 279,343 tons or 1.29 percent of the break bulk trade.

Table 15 below gives details of other performers in the break bulk trade for the review period.

The Dry Bulk Trade

Forty-six (46) shipping lines participated in the over 6.79 million tons of dry bulk trade or 31% of the maritime trade for the period under review.

The highest performer in the dry bulk trade was I.M.T Trading with 2.2 million tons amounting to over 10.3% of the dry bulk trade. HC Trading placed second with 1.7 million tons or over 8% of the dry bulk trade while Dangote placed third with 763,014 tons or 3.54% of the dry bulk trade.

The Other category came fourth with 485,323 tons (2.25%) of the dry bulk trade.

Some of the least performers were Zim line, Tullow Ghana, Seaboard Overseas Ltd, Bay Phoenix Shipping, etc with less than one (1) percent of the dry bulk trade.

The Liquid Bulk Trade

A total of 29 shipping lines participated in the liquid bulk trade of 2.98 million tons accounting for 13.83 percent of the maritime trade.

Fuel trade was the highest performer in this trade with 504,650 tons or 2.34 percent. Next came Vihama Trade with 440,872 tons or 2.0 percent of the liquid bulk trade. The third and fourth places were taken by the Cirrus Oil and TOR with 430,256 tons (1.99%) and 303,484 tons (1.4%) respectively.

The detailed performance of the shipping lines/charterers involved in Ghana's maritime trade for the year 2013, will be published in the Maritime and Trade Transport Digest.

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