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To be a world class service organisation that ensures for Shippers in Ghana, quick, safe and reliable delivery of import and export cargoes by all modes of transport at optimum cost.

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To effectively and efficiently protect and promote the interests of shippers in Ghana's commercial shipping sector in relation to international trade and transport logistics.

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IMPLEMENTING THE MARINE INSURANCE ACT 2006 (ACT 724): THE BENEFITS TO IMPORTERS IN GHANA

Introduction

Supply chains are becoming highly technologically dependent, which on one hand improve efficiency of doing business but at the same time, in the case of the risks that lead to business interruptions, the potential consequences are far more devastating than they were twenty(20) years ago due to strong interdependence of risks.

One of the methods of mitigating risks associated with business is through insurance. There are varied forms of insurance for different purposes and one of such is Marine Insurance. Marine insurance is a contract whereby an Insurer undertakes to indemnify an Assured in a manner and to the extent thereby agreed, against losses incident to a marine adventure.

In Ghana, Marine Insurance is regulated by the Insurance Act 2006 (Act 724) and the National Insurance Commission (NIC) is the body mandated to oversee compliance with the law.

The Marine Insurance Act 2006 (Act 724)

The Marine Insurance Act, (Act 724) states in section 37(1) that "unless authorized by the Commission, a person shall not enter into a contract of insurance with an offshore insurer in respect of (a) Property situate in the country, (b) Liabilities arising in the country, or (c) Goods, other than personal effects, being imported into the country. Section 37(2) further states that "A person who contravenes subsection (1) commits an offence."

The law is therefore aimed at ensuring that all imported goods are insured locally. By implication, if a person imports goods into the country on Cost-Insurance-Freight (CIF) basis with insurance undertaken outside Ghana then that person is clearly in breach of the law.

The Current Situation

Even though the Insurance Act, 2006 (Act 724) requires insurance on goods being imported into the country to be effected with a Ghanaian-registered insurer, most goods imported into the country are insured with overseas or offshore insurers, contrary to the Act.

It is estimated that in 2018, only 6% of imports into Ghana were insured locally. A market research conducted by the National Insurance Commission in 2019, estimated that about 75% of importers have no knowledge or little knowledge about the Marine Cargo cover they pay for. The research also indicated that most importers in Ghana have less or no knowledge about how to make claims on Marine Cargo insurance with offshore insurers.

The Ghanaian insurance market has not benefited much from the huge investments in infrastructure and high value of imports/exports in the shipping industry. The multi-national companies, importers and freight forwarders have taken the lead role in the placement of cargo insurance business on the


Commissioner of Nation Insurance Commission, Dr. Justice Yaw Ofori

overseas market at the expense of the Ghanaian insurance market.

The table below shows that imports insured on the local market have reduced.

Table 1: Total imports for 2018 and 2019 into the country

Year	Total Imports (GH¢ Billions)	Imports Insured (GH¢ Billions)	Percentage of imports Insured (%)
2018	62.42	4.15	6.65
2019	76.55	4.5	5.88

It is germane to mention that prevailing market conditions made it difficult to enforce the Insurance Act at the time it was enacted because insurance penetration in the country over a decade ago was very low. In addition, importers and other relevant stakeholders had not been sensitised enough about the Act and the advantages it portends.

Challenges with Offshore Cargo Insurance

The Insurance Act (Act 724) is intended to protect importers in Ghana, although in most cases their exporters provide insurance cover for their goods with offshore insurers. It is significant to point out that most of the foreign insurance cover do not provide inland protection for imported goods. Once goods dock at the port, their insurance cover expires and therefore importers need to acquire an additional insurance policy to cover the risk in transporting the goods to the warehouse or to the final destination.

The second issue with the present insurance arrangement is that most of the importers do not know their offshore insurers and there is clear limitation in terms of language and communication in most cases.

Additionally, there is difficulty in filing for claims if there is an eventuality and in most cases, importers do not know the extent of insurance cover, making it difficult for them to get the desired results from the filing of claims. Some of the difficulties emanate from the form of underwriting and policy wording and the fact that marine insurance per se is very technical.

The payment of offshore insurance premiums constitutes high cost to the Importer in terms of foreign exchange losses and bank charges.

Advantages of Insuring Goods in Ghana

The benefits of insuring goods with local insurance companies include:

- Quicker claims handling process locally in cases of loss or damage to cargo;
- Reduction in foreign exchange flight in the form of overseas insurance premiums;
- Direct and better access to insurers for importers;
- Reduced language barriers as insurance policies will now be in English;
- Appropriate policy contents (scope and terms) that cover the actual risks of insurance.

National Insurance Protocol

Due to the significant level of imports into the country, a well-placed marine cargo insurance mechanism could give a major boost to the insurance penetration rate in the country. The need for a well-thought-out mechanism for the placement of cargo insurance for all modes of transportation has given rise to the development of a National Insurance Protocol as a first step towards the implementation of the Insurance Act.

The Ghana Shippers' Authority (GSA), the Ghana Revenue Authority (GRA) and the National Insurance Commission (NIC), supported by industry stakeholders have developed this protocol to set out the rationale and principles underlying the placement of cargo insurance in Ghana in line with the Insurance Act 2006, (Act 724). The protocol will open a window of opportunities for the underwriting companies and brokers to actively participate and play a lead role in the cargo/shipping business in Ghana.

In Ghana, the business of insurance and the activities of the insurance market players are regulated and supervised by the NIC per the Insurance Act, 2006 (Act 724). The activities of the GSA are geared towards the protection and promotion of the interest of shippers in Ghana's commercial

shipping sector in relation to international trade and transport logistics. The GRA is also charged with the task of assessing, collecting and accounting for tax revenue in Ghana. The Customs Division of GRA is the agency vested with the mandate of monitoring, regulation and inspection of exports and imports in Ghana under the Customs Act 2015, (Act 891) as amended.

The three state institutions are collaborating to ensure compliance with respect to the placement of marine cargo insurance in Ghana. The National Insurance Protocol was formally signed on 23rd December, 2020 at the Ghana Shippers' House in Accra. The implementation of the protocol is expected to bring enormous benefits to key players in the international trade community, particularly shippers and the country as a whole.

HIGHLIGHTS OF THE NATIONAL INSURANCE PROTOCOL

Some of the highlights contained in the Protocol include but not limited to:

1. All Cargo/Shipping sector operators/entities must give full consideration to existing Laws and Regulations before signing the imports and exports agreements regarding cargo/shipping and transportation activities in the country.

2. All imports of cargo and the associated letters of credit or such similar documents issued by a bank or other financial institutions in Ghana in respect of such cargo shall be on a Cost and/or Freight basis only; hence, it will be illegal for importers to buy goods on Cost, Insurance and Freight (CIF) basis as stated under Section 37 of the Insurance Act, 2006 (Act 724). Importers and exporters must have local marine cargo certificate before opening letter for credit. Wherefore, Marine certificate issued by an insurance company licensed in Ghana should be part of the clearance document required by Customs for all cargoes.

3. The National Insurance Commission requires all insurance and reinsurance policies of a contractor, subcontractor, licensee or other allied entities to be in strict compliance with the Insurance Act 2006, (Act 724) and all subsequent amendments.

4. If the services of a broker are required, the primary placements of all insurances relating to cargo activity in Ghana shall be placed through a local insurance brokering firm duly licensed under Insurance Act, 2006 (Act 724).

Risks to be Insured

These shall include but not limited to the following:

1. Cargo loss/damage
2. Freight Shipping Liability
3. Container Liabilities

All other insurable assets /properties and cargo/shipping liabilities shall be insured locally with individual insurers in accordance with the Insurance Act 2006, (Act 724).

Compliance Monitoring

The National Insurance Commission shall monitor compliance with this Protocol in accordance with Section 168 of the Insurance Act, 2006 (Act 724).

The Ghana Revenue Authority shall ensure that all importers make available to them, import documents, evidence of insurance cover by a local insurer or an offshore insurer with an authorisation from the NIC. These are part of the documents required at the time a declaration is lodged in accordance with Sections 37 and 38 of the Insurance Act 2006, (Act 724) and Section 49 of the Customs Act 2015, (Act 891) as amended.

The compliance monitoring shall include requests for validation of information contained in the quarterly and annual reports and submission of documentary evidence of insurance services utilized.

Penalty for non-Compliance

The National Insurance Commission shall enforce Sections 205 and 206 of the Insurance Act 2006, (Act 724) which sets out penalties for non-compliance.


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FROM BOANKRA INLAND PORT TO BOANKRA INTEGRATED LOGISTICS TERMINAL- The journey so far

Conceived in the early 90s by the Ghana Shippers' Authority (GSA) in partnership with the Ghana Ports and Harbours Authority (GPHA), the Boankra Inland Port (BIP), now Boankra Integrated Logistics Terminal (BILT), was purposed to create a dry port as an extension to the Tema Port.

To bring life into the BIP, a parcel of land was acquired in Fumesua, near Kumasi in 1996 during the regime of the late Flt. Lt. Jerry John Rawlings. But, due to encroachment on the land and other challenges, the Fumesua Project was abandoned. However, in 2001, under the John Agyekum Kufour led government, the GSA acquired a 413-acre land at Boankra to facilitate the construction of the inland port.

Even though the new site also suffered some challenges, the GSA was able to address them with the support of other stakeholders, particularly the Asantehene, Otumfuo Osei Tutu II. Eventually, development started on the Boankra land with the construction of an administration block and the extension of water, electricity and telecommunication facilities. An access road was also constructed to connect the Inland port to the Kumasi-Konongo highway.

Benefits of the Inland Port Project

As a provider of shipping solutions, the GSA conceptualised the inland port project to bring port and shipping services closer to the doorsteps of shippers in the middle and northern parts of Ghana, increase the movement of goods and services in the country, facilitate transit trade with the landlocked countries of Burkina Faso, Niger and Mali to enhance Ghana's competitiveness in international trade and improve on the socio-economic and commercial development of the country.

Additionally, the inland port project was also purposed to improve the operational efficiency of the seaports of Tema and Takoradi. Most importantly, it was also intended to provide employment opportunities in the activities within the inland port supply chain such as export processing, warehousing, transportation, receipt and delivery operations, among others.

The Search for an Investor

To fully operationalise the Boankra Inland Port project, the GSA together with the GPHA, with the support of the Ministry of Transport, began a long search for a strategic investor. Since 2007, many prospective strategic investors were approached to take over the project, but these engagements did not yield any meaningful results.

However, in 2013, the use of a transaction adviser was considered to re-package and market the project to fast-track the search for a strategic investor. Accordingly, PriceWaterhouse (PwC) was selected to lead the search. In 2018, PwC organised a market sounding event which attracted prospective investors, both locally and internationally.

After an eighteen (18) years lull in getting a concessionaire for the BIP, the Ashanti Port Services Limited, (APSL) a consortium of Afum Quality Limited of Ghana and DSS Associates of South Korea finally won the bid to bring life to the project - Boakra Integrated Logistics Terminal (BILT). The concession agreement will last for thirty (30) years including a 3-year construction period for the development of various project facilities with an investment capital of US$330 million. The concessionaire is expected to design, engineer, finance, procure, construct, operate and maintain the project and transfer title to Government after the 30-year period

Ashanti Port Services Limited (APSL)

APSL with the support of the Ghana Government will seek to position BILT as a central hub for the efficient movement of goods within Ghana and across the borders of Ghana into neighbouring countries such as Burkina Faso, Mali and Niger. BILT will provide sufficient storage and processing facilities to support Ghana's Planting for Food and Jobs initiative; One District One Factory policy initiative; Planting for Export and Rural Development initiative and Food Crops initiative.

BILT is expected to be an ultra-modern integrated logistics terminal consisting of a Container Service Yard (CSY), Container Freight Station (CFS), Reefer, Warehouses, Truck Parking Area, Trucker's Facilities, Fuel Station, Commercial Complex, Freight Forwarders Offices and facilities for postal, telecommunication, utility services among others.

The project will focus heavily on the construction of specialised warehouses for the storage of cocoa beans and grains. APSL will also provide customized warehousing, processing and storage facilities for target companies currently operating in Ghana such as the Ghana COCOBOD, GHACEM, National Food Buffer Stock Company (NAFCO), Cargill, Nestle, Guinness, Premium Foods and ADM Cocoa (Ghana) Limited.

Additionally, APSL will position BILT to attract new market participants such as Lotte Logistics, CJ Logistics, Daewoo Logistics and LogisALL from South Korea; ALSCO from China; and NDW from Netherlands. Warehouses will also be constructed for the storage of petroleum and petrochemical products, cement and other bulk cargo.

Sod-cutting of Boankra Integrated Logistics Terminal

On 5th November, 2020, President of the Republic, H.E. Nana Addo Dankwa Akufo-Addo cut the sod for the construction of the $330 million Boankra Integrated Logistics Terminal.

Addressing the sod-cutting ceremony, the President said the implementation of the African Continental Free Trade Area (AfCFTA) would be buoyed by the construction of the BILT which will ensure "an effective and efficient transport system, especially as Ghana is playing host to the Secretariat."

"The President was hopeful that the BILT and other similar infrastructure projects, such as the development of the Keta Port, the Tema-Akosombo Railway Line and the ongoing port expansion projects in Tema and Takoradi Ports, would make a positive contribution in ensuring that Ghana derives maximum benefits from the AfCFTA."

The Minister of Transport, Mr. Kwaku Ofori Asiamah commended the Asantehene, Otumfuo Osei Tutu II for the instrumental role he played in securing the land for the project and particularly in helping to address the litigation challenges that followed its acquisition.

For her part, the Chief Executive Officer (CEO) of the GSA, Ms. Benonita Bismarck, among others, paid tribute to the two former CEOs of the GSA, Mr. Magnus Teye Addico and Dr. Kofi Mbiah, for their past contributions which have culminated into the current state of the BILT.

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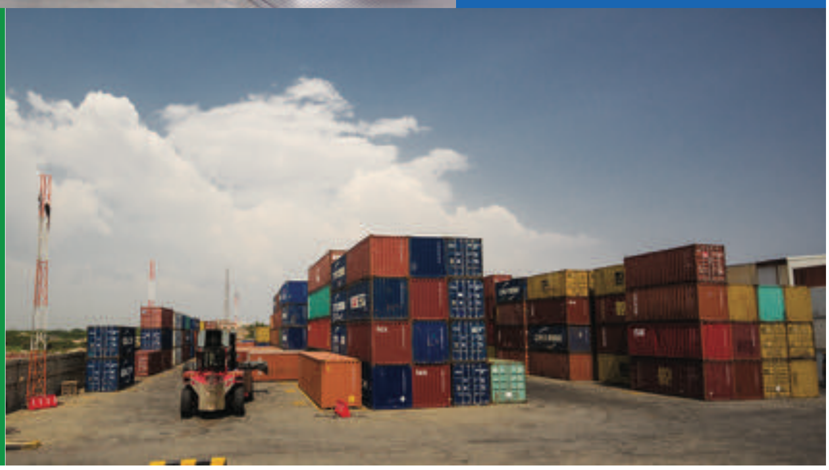

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Bolgatanga Basket Weavers Cooperative Club Society Limited

Started in 1995 by an American Peace Corps female volunteer, Malema Cord who was posted to the National Board for Small Scale Industries (NBSSI) in Bolga. The Bolgatanga Baskets Weavers Cooperative Club Society Limited (BBWCCSL) was formed to help rural communities in the Bolga Municipality harness their potential in basket weaving for economic empowerment.

During her stay in Bolgatanga, she, together with stakeholders identified several women weaving baskets and organised them into groups in order to have a better bargaining power in the negotiation of prices of the baskets with buyers.

From 1995 to 2000, they were able to organize basket weaving groups in almost all communities in the municipality. In 2001, the group was registered as a cooperative. The current membership of the cooperative stands at 1,053 with 95 per cent being women. The basket weaver groups are operating in three districts: Bolga Central, Bolga East and Kassena-Nankana Districts.

Export market and contributions

Woven baskets by BBWCCSL have a unique and beautiful feel and look. They are exported to the European market to countries such as the United Kingdom (UK), Holland, Germany, France and the United States of America (USA). Members of the cooperative also produce for local buyers such as Havilak Company Limited who also export to various destinations across the world.

BBWCCSL continues to make significant contributions to the lives of communities in the Bolga Municipality and the nation as a whole. The group is the largest

basket weaving Cooperative in the Upper East region. Their regular supply of woven baskets to local traders for the export market continues to generate foreign exchange for the country. In assessing the value of woven baskets as a component of non-traditional exports (NTEs) to the economy of Ghana, BBWCCSL remains a major contributor.

The Cooperative has also helped in providing livelihoods to over 1,000 basket weavers and their dependents. This is helping to address the unemployment situation in the Bolga Municipality.

Support from MDAs, Challenges and Way forward

The Coordinator of BBWCCSL, Mr Charles Asabila said his outfit enjoys considerable support and cooperation from Ministries, Departments and Agencies (MDAs) in the running of their trade.

“We have an excellent relationship with the National Board for Small Scale industries (NBSSI), the Ghana Export Promotion Authority (GEPA), Ministry of Trade and Industry (MOTI) and the Ghana Shippers' Authority (GSA).”, he said.

In 2015, the Ghana Exim Bank assessed a proposal for support from the Cooperative for the building of craft centres for the weavers. The bank eventually built seven (7) new craft centres and renovated five (5) others, making it twelve (12) in total. These craft centres serve as production centres for the Bolga basket weavers.

One key challenge of BBWCCSL is its limited access to the international market through exhibitions to directly attract foreign customers to patronise its baskets. Mr. Asabila appealed to government and other non-governmental agencies to

CONSOLIDATION IN LINER SHIPPING – An analysis of market concentration in liner shipping in Ghana

By Kwesi Saforo, Ghana Shippers' Authority

INTRODUCTION

International trade has over the last century grown exponentially, with exports recorded today, four thousand (4,000) times more than the values in 1913 (Ortiz-Ospina et al., 2014). This has mainly been driven by diminishing trade barriers resulting in the integration of national economies into a global economic system (globalization) as well as advancements in telecommunication technology and transportation (Ma, 2017). This has resulted in companies in all sectors of the global economy seeking growth and profits through co-operations, cross-shareholding agreements and mergers and acquisitions.

The shipping industry has been no stranger to the trends of consolidation through integration, mergers and acquisitions (Hoffmann, 1998). Liner shipping companies have pursued economies of scale in terms of vessel size and operations (Ha & Seo, 2013: UNESCAP, 1999: UNCTAD, 2011), as well as consolidated through mergers & acquisitions and formation/joining of strategic alliances to remain efficient and profitable.

Notwithstanding the advantages, the consolidation in the liner-shipping sector has resulted in the shrinking number of shipping companies participating in the trade, with 'the big getting bigger'. According to United Nations Conference on Trade and Development (UNCTAD), between 2017 and 2018, small island developing States and developing economies recorded a decrease in the number of liner operators. Furthermore, the combined market share of the top ten (10) container shipping lines increased from 68 per cent in 2014 to 90 per cent in 2019 due to consolidation in the container-shipping segment (UNCTAD, 2019).

Consequently, there have been concerns among some industry observers that successive waves of industry consolidation would likely have an impact on the degree of market concentration (Sys, 2007). Consumers of liner shipping services (ports and shippers) in regions most affected by market concentration are likely to suffer from weak bargaining power, the reduction in competition in the market as well as services, constrained supply and market power abuse (Welsh, 2018).

It is quite obvious that Sub-Saharan Africa (SSA) represents a region which would be highly affected by constrained supply, market abuse and market power of global liner operators. Consequently, it is of great interest to analyze the market concentration of liner shipping in Ghana, a sub-Saharan African country, within the context of increased consolidation among global liner operators in the liner shipping industry.

Overview of Liner Shipping

A liner shipping service as defined by Fayle (2005) refers to a commonly owned and operated fleet of fixed-service ships for cargoes between named ports at regular intervals by their sailing dates. According to the Organization for Economic Co-operation and Development (OECD), it is a crucial sector of the global trade and one of the keystones of globalization (OECD, 2015).

The World Trade Organization (WTO) estimates that containerized cargo accounts for more than half of total value of global seaborne trade with exports of manufactured goods growing at an average annual rate of 2.3 per cent since 2008 (WTO, 2019).

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industry over the past two decade
(Lun et al., 2010). In adjusting to the changes, liner shipping companies have employed strategies by integrating horizontally and vertically which has resulted in further consolidation and an equally critical integration phase between upstream and downstream transportation firms (Van de Voorde & Vanelslander, 2010).

From the first large consolidation wave which occurred in 1995, the container liner shipping industry has been redesigned by consecutive waves of consolidation (Sys, 2009). A notable example of consolidation in the container liner shipping was the acquisition of Royal P&O Nedlloyd by Maersk Sealand (Maersk Line) in 2006 which prompted other takeovers and mergers in the liner shipping industry such as the merger between COSCO and China Shipping to form China COSCO Shipping and subsequent acquisition of OOCL; the acquisition of CSAV and United Arab Shipping by Hapaq Lloyd etc.

Liner Shipping Consolidation through Mergers and Acquisitions (M&A)
In Liner Shipping, Alexandrou et al. (2014); Fusillo (2009); Van de Voorde and Vanelslander (2010)

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ports. Between 19
seven (7) principal merger
thirty (30) acquisitions have occurred in the liner shipping industry (Federal Maritime Commission, 2001).

They have been an important mechanism used by shipping firms for fast growth leading to increased levels of consolidation and integration (Cariou, 2008; Frémont, 2009). The current global market leader in container shipping Maersk Line attributes its growth to several mergers and acquisitions and it accounts for 16.8 per cent of the global market share in the deployed capacity as at June 2020 (Alphaliner, 2020).

Liner Shipping Consolidation through Strategic Alliances
One of the significant developments in the container shipping industry has been Strategic Alliances (Slack et al., 2002). Since the adoption of containerization, container shipping companies have been active in cooperative enterprises (Brooks, 2000). According to OECD/ITF alliances have become a key aspect of container shipping. It is formed when two or more

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classification of ports into layers according to vessels calling and increasing the pressure on ports to expand and improve their infrastructure to attract and handle these mega-vessels. Ports that can position themselves appropriately stand to benefit from an increased number of containers handled due to transhipment. Transhipment ports like Algeciras and Malta have emerged and benefitted from transshipment.

Also, consolidation among carriers will reduce the number of lines calling at particular ports thus increasing the market share of port throughput for remaining carriers. Ports become heavily dependent on a few big clients which make carriers very powerful. According to Lloyds List (2000), the port of Singapore is estimated to have lost a staggering 10% (1.8 Million TEU's) volume of business as a result of Maersk Sealand's decision to change main-haul service calls from Singapore to the Port of Tanjung Pelepas in Malaysia. The consolidated market makes carriers a powerful force with more market clout and bargaining powers than individual shipping lines in negotiations with ports about preferential treatment, port services and port charges.

The growing commoditization of container shipping has increased the need for container lines to invest in ports and terminals to differentiate themselves from competitors (OECD/ITF, 2018). Carriers like MSC, COSCO and APM (Maersk) to improve their competitiveness have been actively acquiring container terminals, hence increasing the share of carrier operated terminals from 18 per cent in 2001 to 38 per cent in 2017. This development introduces some complexities to the relationship between container lines and ports with some implications for terminal concessions approaches, as container lines become competitors of ports.

Notwithstanding the above, Hoffmann highlights some benefits of consolidation in liner shipping to ports. Lower freight rates due to consolidation lead to an increase in trade and general growth in the market, thus, ports stand to benefit from the increase in throughput.

Impact on Shippers

Container shipping companies have formed and reformed alliances as well as consolidated through M&A to provide more efficient and comprehensive services with lower freight rate fluctuation at lower tariffs and prices when cost savings are effectively passed on to shippers. However, this has some negative effects on the shipper, such as less choice and quality of service, as well as higher service reliability costs, eroding bargaining power and constrained risk management (OECD/ITF, 2018).

Saxon (2017) and Drewry (2018) cite the considerable frustration and dissatisfaction among shippers concerning the 'widening gap' between the service they wish to receive and the one they receive, coupled with a decrease in reliability in the schedule. They further highlight the unreliability of booking and transit times since 2016 and conclude that alliances can be generally associated with less choice, less service differentiation and less service quality for shippers. These developments disrupt the supply chains which end up in additional costs for the shipper. Shippers in their bid to mitigate this risk of delays and unreliability, have to increase expenditure on stock holding and inventory management (OECD/ITF, 2018).

Also, risk diversification by shippers has become more complicated by the increase in the spate of alliances. In the era of Just-In-Time delivery, the shippers' ultimate concern is the prompt delivery of cargoes before a crucial time, e.g. Christmas. Traditionally, shippers have spread their cargo over various carriers to mitigate the risk of 'putting all your eggs in one basket'. However, the probability that containers from different carriers can end up on the same ship is high due to the dominance of alliances, thus reducing the risk diversification possibilities for shippers as their choices are reduced. According to Inbound Logistics (2017), some shippers as part of their contracts, require and demand a guarantee from carriers not to place their cargoes on a vessel operated by an alliance partner.

OECD/ITF (2018) highlights the widening imbalance in carriers' size and the size of shippers. Large shippers account hardly for more than 1 per cent of the total number of containers transported by major carriers. In a highly competitive industry, the bargaining power of shippers has diminished due to their limited possibilities to negotiate with the carrier. OECD/ITF (2018) further states

that the terms of contract have become more restrictive in some jurisdictions, allowing less container free time with higher demurrage and detention charges.

The COVID-19 pandemic has also unveiled some negative impact of consolidation in the liner shipping industry on shippers. According to OECD/ITF (2020), since the outbreak of the virus, reduced demand for liner shipping services has not translated into lower prices for customers. The system of alliances and consortia in liner shipping still has the power to control prices to a certain degree (OECD/ITF, 2018), which not only prevents the collapse of freight rates but also deprive customers of cost reductions during declining demand.

Despite the negative implications of consolidation to shippers such as less choice for shippers, increased monopoly and bargaining power for shipping companies, Hoffmann (1998) paints a positive picture. According to his paper, shippers benefit from increased competition, more choices due to the introduction of more transhipment services/options and lower freight rates due to productivity increases and economies of scale.

ANALYSIS OF EFFECT OF INDUSTRY CONSOLIDATION ON MARKET CONCENTRATION IN THE LINER SHIPPING INDUSTRY IN GHANA

Using measures of concentration, such as Concentration Ratio (CR) and the Herfindahl-Hirschman Index (HHI) and a simple linear regression, the study assessed the market share and trend of market concentration in liner shipping in Ghana and analyzed the relationship between the market concentration in liner shipping in Ghana and the concentration index of the global liner shipping industry.

The study found the market share of the top five (5) liner operators increased from 68.46% in the first quarter of 2013 to 75.14% in the fourth quarter of 2019, with an overall average of 69.2% of total liner trade in Ghana over the same period. The market share of the top ten liner operators increased from 89.68% in the first quarter of 2013 to 91.09% in the fourth quarter of 2019, with an overall average of 88.4% of total liner trade in Ghana over the same period.

The findings of the study also suggested an increasing trend in market concentration in liner shipping in Ghana due to continued consolidation among carriers in the global liner industry.

The above confirm and also support what the reviewed literature (Luo et al., 2012; UNCTAD, 2019) asserted that increasingly, a smaller number of liner shipping companies control a larger portion of production capacity and serving a larger share of the market even in developing economies/countries like Ghana.

CONCLUSION

The abovementioned findings have some implications for users of liner services such as the port authority, shippers as well as the role of policymakers and regulatory agencies in Ghana.

The increasing trend of concentration in liner shipping in Ghana implies the growth in the market power of a few shipping companies which presents threats to competition. Shippers in Ghana, majority of which have low bargaining power which limits their ability to negotiate, are faced with less choice, high freight rates and local charges as they deal with a few large liner shipping service providers.

In the case of the port authority, increased concentration on liner shipping in Ghana would lead to a higher dependence on a few big clients. It places the port in a weak bargaining position as such clients may require preferential treatment in terms of port services and charges.

With the top ten (10) liner operators controlling about 91 per cent of the liner market in Ghana, policymakers and regulatory agencies must take a proactive stance against anti-competitive and collusive practices. There is the need for organizations such as the Ghana Shippers' Authority which represents shippers in Ghana as per their mandate to deal with abuse of market dominance through continuous engagement with the liner shipping service providers on their charges and service standards.

The role of the Ghana Shippers' Authority needs to be clearly defined and its mandate fully implemented as it acts as a counterbalance, enhancing the position of shippers to the increasing bargaining and market power of liner operators in Ghana.

(The above is an extract from a dissertation written in partial fulfilment of an MSc Degree in Maritime Affairs from the World Maritime University in Malmo, Sweden)

GHANA SHIPPERS' AUTHORITY

BACKGROUND

The Ghana Shippers' Authority (GSA) is a state agency operating under the auspices of the Ministry of Transport. It was established in 1974 by NRCD254 and has over the years collaborated with private and public organizations in the maritime industry to pursue its primary objective of protecting and promoting the interests of shippers in Ghana in relation to port, ship and inland transport problems in order to ensure safe, reliable and cost effective cargo handling.

SERVICES TO SHIPPERS

- Sensitising and empowering shippers and stakeholders in the shipping and logistics sector through programmes such as open fora for trade associations, annual seminars for journalists, biennial maritime law seminars for Judges, workshops for truck owners and drivers, etc.
- Establishment of Import/Export Shipper Committees across the country to enable shippers and shipping service providers interact regularly in order to resolve challenges confronting their businesses;
- Negotiation of freight and port charges of shipping service providers on behalf of shippers;
- Establishment of Shipper Complaints and Support Units at the country's entry points to provide real-time assistance to shippers engaged in cross-border trade.
- Negotiation and monitoring of service standards of shipping service providers;
- Conducting research on emerging issues in Ghana's maritime transport industry;
- Facilitation and promotion of the Transit Trade along Ghana's transit corridor;
- Advocacy in matters affecting shippers such as Implementation of IMO Sulphur Regulations 2020, Terminal Handling Charges, payment of VAT on transit services and levy on transit exports, etc;
- Intervening, investigating and finding solutions to recurrent shipment problems such as loss/damaged cargo, late arrival of shipping documents, cargo insurance claims, illegitimate charges, shortlanding of cargo, etc.
- Representation of the interests of shippers in the deliberations of international bodies such as IMO, WTO, UNCTAD, Global Shippers Forum, etc.
- Provision of infrastructure such as the Takoradi Logistics Platform project, Boankra Inland Port project, Akatekyiwa Freight Park project, Shippers Centres, etc to support the shipping and logistics sector.

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SUPPLY CHAIN STRATEGIES TO ENHANCE EFFICIENCY AND COMPETITIVENESS OF PORT OPERATIONS MANAGEMENT

By Ishmael Prah, Transport, Logistics and Supply Chain Management Expert

INTRODUCTION

Marine shipping has been the most important transportation means of international trade. Ports are the key nodes of ocean shipping and therefore, their performance and efficiency play a part in a location's overall competitiveness. With the increasing regional competition, many ports are aggressive to identify a suitable strategic plan and core competencies in order to become strong and financially viable. A customer-oriented business climate, however, demands ports to clearly define their value propositions and communicate their service offerings. For the port system to reduce the system cost and improve the service level depends on the efficiency of port operations and port authority management, which not only determines the efficiency of the whole port system, but also induces the sustainable development of the port vicinity.

For the port hinterland economy, port activities are of substantial importance, and the activities are geographically concentrated on a limited number of regions where the geographical conditions are favourable. According to the Asian Development Bank, macro level logistics systems consist of four components, namely, (1) shippers, traders and consignees; (2) public and private service providers; (3) regional and national institutions, policies and rules and (4) transport and communications infrastructure. Components (1) and (2) are the participants, component (3) provides conditions to support the regional logistics and component (4) offers the hard-physical prerequisites for port performance. For ports to work towards maintaining a competitive edge by developing an integrated approach to the logistics system the port should introduce these four strategic components.

STRATEGIES FOR PORT EFFICIENCY AND HIGH PERFORMANCE

For ports to work towards maintaining a competitive edge by developing an integrated approach to the logistics system the port should introduce these six strategies:

Institutional framework

Ports that top the American Association of Port Authorities (AAPA) and Logistics Performance Index (LPI) rankings are typically hubs and key players in the port sector in relaxed constitution, like Hong Kong and Singapore. Ports at the bottom of the AAPA ranking are typically trapped in a vicious circle of over regulation.

A comprehensive reform of logistics and trade facilitation is therefore essential. This suggests that policymakers should initiate a strategic role to promote the regional port performance with government support, which includes ease of shipment, simple documents and effective port governance. Port governance refers to a set of institutions and actors drawn from and beyond government.

The governance must provide a useful analysis for a single port or a regional port system which is deeply influenced by globalization, coupled with complex forces from region-specific or city-specific configurations of administrative structures and political systems. The port authority should have a clear insight into market dynamics and avoid over-optimism, which leads to overcapacity, redundancies and cut-throat competition.

Preferential policies on customs, border inspection and tax

As the port economy has a very close relationship with the neighbouring countries, the port authority should provide special services of customs, salvage and admiralty court, apart from the general logistics services.

Government support is important to port performance. Government should prepare for the logistics development scheme. Port development results from logistics decisions and the subsequent actions of carriers, shippers and Third Party Logistics (3PLs). As for logistics decisions, the government is in the right position for the strategic logistics scheme. They should put appropriate port governance structures in place to face the challenges confronting port-hinterlands development.

Preferential government policies will direct port development effectively. In international logistics, government plays a prominent role in the complex cross-border environment which sometimes involves wasteful transaction cost due to operations between companies and government agencies. To improve port efficiency, the government should offer proactive policies to address these issues, by reducing coordination failures and build strong domestic constituencies to support reform. Government should offer preferential policies on customs and border inspection to simplify customs procedures and border inspection procedures to reduce transaction time and cost for cargo interests.

The Free Trade Zone (FTZ) is one form of regional port development that must be supported by government. FTZs are specialized areas for international trade, foreign investment, bonded warehouses, and export processing. They are considered as outside customs territory, to attract investment capital such as Foreign Direct Investment (FDI) and create employment by providing a business-friendly environment with incentives, good infrastructure and other advantages such as tax exemption.

Almost all the key ports worldwide have set up FTZs, such as Klang in Malaysia, Rotterdam in Netherlands, Antwerp in Belgium, Hong Kong in China, Busan in South Korea and Singapore. The preferential policies improve port services in customs clearance and border cargo inspection, as well as benefit shippers with lower cost and therefore FTZs should be promoted in Ghana.

The government must invest hugely on physical infrastructure such as banks, revetment, dredging works, bridge, special roads and rails for containers, while dock and terminal construction given to private sector. As ports would contribute to the regional economy, government of Ghana should speed up investment in the construction of ports and other port-related infrastructure.

Investment in port development

Government should invest more on port development which include physical infrastructure, port technical infrastructure and ICT, which are all capital intensive. This investment will improve the transport quality and port efficiency. The ports which are ranked at the bottom by LPI are found to be usually underinvested with poor quality services and so government should help and invest in infrastructure as a public investor. And with this, government can share the risks with port operators. On the other hand, it can also reduce the big financial burden on port authorities and operators.

Again, E-governance system needs to be promoted to link the different governmental departments such as customs, border agencies, border cargo inspection, tax payment and financial payment. The ICT system could improve the port quality service and reduce time and cost by paperless documents. Apart from the above supports government should motivate openness to trade and provide assistance in local marketing and entry strategy alternatives. The banking policies and regulations for financial support ought to be provided to cargo interests. Port authorities can play an important role in the creation of core competencies and economies of scope by active engagement in the development of inland freight distribution, information systems and intermodality.

Transport and communications infrastructure

Since ports have become a prominent node in integrated logistics chains, quick and safe access to port facilities from an inland transport system becomes a basic factor in evaluating port performance. The ADB has included infrastructure as a key attribute of the logistics system, as enlarging the hinterlands has much to do with the landside links to the hinterlands to enhance the idea of the port belonging to a system.

Again, inland distribution is becoming a foremost important dimension of the globalization and maritime transportation paradigm. Infrastructure investment can have both a direct and a complementary effect on economic production. It

may result in greater travel time reduction, transportation cost reduction and business expansion encouragement. For example, the Oresund has improved the infrastructure to merge Copenhagen Port and Malmo Port to benefit the cooperation between the two cities.

Containerization implies that increasing cargoes are from the hinterlands. On the one hand, this has inevitably increased pressure on port and inland connections to the hinterlands and other related systems. This has made the inland accessibility and port-hinterlands relationships a competitive factor in port improvement. The transport infrastructure has therefore become more important to match port regionalization and expansion of port hinterlands.

Besides, ports need to be linked to broader hinterlands for more cargo, which has stimulated the emergence of port regionalization to compete for a stronger hinterlands dimension with a greater geographical scope. Improving landside infrastructure can not only relieve container congestion, but also help with port regionalization to reach broader hinterlands. Consequently, inland accessibility has become a cornerstone in port competitiveness.

Cargo interests

Cargo interests refer to consignors and consignees. They need to expand the market and obtain more trading orders so that more cargoes are available for the logistics movement. The economic status of the domestic hinterlands will decide whether there is sufficient cargo or demand to support port development, while the status of the international economy decides whether foreign countries have a strong demand for the cargo.

Ultimately, the development of both the hinterlands economy and world economy are critical for port development. They are the actual logistics demand with increasing importance, which include port city GDP, port hinterlands GDP, hinterlands foreign trade in terms of volume and value, hinterlands nearness and port-urban relative concentration index. The demand for cargo volume by cargo interests will determine the logistics demand, which increases port performance.

Public and private service providers

Public and private service providers that provide port activities constitute another component of port logistics system as a system player. Services by Logistics Service Providers (LSPs) include the services by shipping lines, the port authority, port operators, forwarders, warehousing operators and government agencies. All the services are related to port efficiency, which is critical for port performance. The service quality is highly related to their logistics skills, which are one critical factor to influence the performance of that sector.

PORT PERFORMANCE AND EFFICIENCY INDICATORS

According to the Oxford English Dictionary, a performance indicator is a variable by which the success or productivity of a venture, policy, or product can be gauged. This definition is applied to the current research of Port Performance Indicators (PPIs). Ports, as part of regional logistics assets, constitute an important link of the logistics chain. Many great cities are centered on natural ports such as Hong kong, Rotterdam, Bombay, Dubai, Shanghai and New York. The efficient management of ports is self-evidently important to the port users who care about the efficient flow of ships and cargoes through the docks, which determines the port's prosperity.

Improving port performance is beneficial to improving international trade, attract foreign investment and increase employment. Port performance is important to the hinterlands, as the hinterlands' economy often has increased by the effect of port performance. Port performance measurement is complicated, as a port is a cluster of economic activities where a large number of firms provide products and services and together create different port products. Widely accepted performance measurements are unavailable, although there is a wide range of measures and indicators for port efficiency and performance, as ports are dissimilar. Below are some port performance and efficiency indicators.

Output

The major measures of economic impact of ports are output, household income and

employment. Cargo output measures the port activities, such as output per worker, output per terminal/wharf or cargo handling productivity. A port's economic optimum throughput satisfies an economic objective of the port. The port economic performance may be evaluated from the standpoint of technical efficiency, cost efficiency and effectiveness. Throughput of goods shipping tonnage is often used as an indicator of port development.

Time

Time includes ship turnaround time, ship waiting for berth time, cargo dwell time, labour idle time, time between cargo unloading and ship leaving, truck queuing times at port gates, waiting to service vessel time ratio, total time for a trade transaction, document processing time, time for customs clearance, vessel/working time at berth, minimum elapsed time, turnaround times for processing information and documents about ship arrivals, loading and unloading and departures. The time indicators show how efficiently or inefficiently the ports serve the customers of carriers, shippers, consignees and Port Service Providers (PSPs). The ship turnaround time refers to the time between ship arrival and ship departure.

Cost

Price is always an important factor for customers to consider when they decide to choose which product or service to buy. Similarly, as businesses are profit oriented, when port customers decide at which port to call, they will compare the port cost, which includes charge for carriers and charge for shippers by port authority or port operators. Ports, as practical business entities, undoubtedly seek profitability. To maximize profit, the ports need to minimize cost. A cost trade-off analysis between functions, processes and even supply chains is often adopted to measure the performance in business logistics and supply chain, and this approach is beneficial to port efficiency.

Seaside connections

Seaside connections include a variety of shipping routes and options, frequency of vessel calls, ship direct calling and number of ships, feeder operations, container transport routes as well as port connectivity worldwide. The indicators show how ports are linked with other deep-seaports and feeder ports. They indicate where the customers are and how often they need the cargoes to come and go. UNCTAD generated the Liner Shipping Connectivity Index (LSCI) by country in 2004, including the number of ships, TEU carrying capacity, and the number of services, the number of shipping companies and the maximum vessel size. The LSCI index is proposed to quantify how well a port is connected to overseas and domestic destinations, measuring both overseas accessibility and hinterlands accessibility. The indexes are calculated based on the quality of connections to other ports and intermodal terminals in the hinterlands.

Landside connections

In recent times, port measures do not only focus on seaside performance but also landside efficiency, including intermodalism, transport efficiency, availability and efficiency of transportation, inland transport speed, highways and railways in miles in port hinterlands. These indicators show how well the port is linked with the hinterlands by rail, road, air, waterway, pipeline or intermodalism.

Infrastructure

Most ports regard accessibility as an important marketing element. Some experts distinguish port superstructure (buildings and equipment on ports) from port physical infrastructures (subordinate parts and a foundation of a port) and information system. Port physical infrastructure refers to the length of bound lines, navigation distance, water channel and channel/berth depth, ground slots, wharf/berth/draft/terminal's number, length and depth, terminal/berth accessibility, area, size of storage and locks. Port infrastructure offers the natural conditions for ship calling.

Increasing international trade and economies of scale have driven the emergence of increased scale of vessel size. The large vessels need deeper channels and more dredging work to allow their calling.

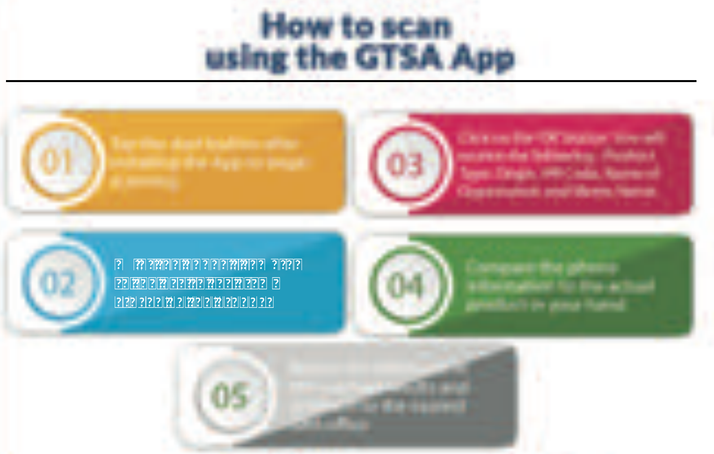
Port superstructures include loading and unloading facilities, equipment of quay cranes, yard cranes (number and types) and warehousing facilities. The

The Ghana Tax Stamp Authenticator

- It is an android based App which assists you to scan the Excise Tax Stamp on products to determine the genuineness of the Stamp.

- It can easily be accessed at any location

- You need an android phone with at least 5.0 android capacity, internet data and internet enabled



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superstructures offer the physical conditions and port facilities for port operations efficiency. The equipment perspective indicators are cargo handling rate, number of ships and amount of cargo handled, containers handled per crane and cargo handled per man-shift. Port information system includes the port ICT system, information interchange with customs and between the intermodals (UNCTAD 2006). The relevant indicators reflect the quality of the information system, which is composed of networks and systems between different components of port systems and relevant government department.

Finance

Many ports treat the financial indicator as the most important indicator of port performance. Finance indicators include value added, profit, revenues, customs revenues, local and state tax revenue, return on capital employed, return on turnover, weighted average cost of capital, gearing, capital required to load/unload from a ship, wage comparator. Value-added indicators refer to expenses on labour, depreciation and profit, which reflect the value of changes passing through the port, but they are difficult to measure and compare because of the diversity of the activities involved (e.g. cargo reprocessing, packing, repacking, labelling and inspection). Financial measures are the most commonly used indicators of port performance. Service quality and customer satisfaction are principal drivers of financial performance. Therefore, it is critical for a port to improve customer satisfaction in today's competitive global marketplace, as customer satisfaction increases customer loyalty. Port managers should thus increasingly focus on evaluating customer satisfaction with port services and identifying critical service performance factors.

Efficiency

Efficiency is a critical indicator for port services. Good performance in efficiency will attract more customers. There are three broad categories to measure port efficiency: physical indicators, factor productivity indicators and economic and financial indicators. Physical indicators generally refer to time measures. Factor productivity indicators focus on the maritime side of the port, measuring both labour and capital required to load or unload cargoes from a ship. Economic and financial indicators are usually related to sea access, e.g. operating surplus or total income and expenditure related to Gross Register Tonnage (GRT) or Net Register Tonnage (NRT), or charge per TEU. Port impacts on the economy are sometimes measured to assess the economic and social impacts of a seaport on its respective hinterlands or foreland.

Services

The port service indicators include responsiveness to customers, flexibility, complexity for documents (signatures for a trade transaction, number of documents per transaction, percentage of containers inspected, level of inspection and criteria for inspection) and reliability (port channel reliability, port berth reliability, entrance gate reliability and departure gate reliability. Efficiency of customs clearance has become a key factor in the port to attract shippers. Port customers want simplification of signatures, inspection and documents.

They also like to choose a port based on whether the port service is reliable and quickly responsive. Ghana has achieved the advanced paperless customs clearance, which has greatly improved the customs efficiency. Other service indicators include confidence in port schedules, port availability and accessibility, port shutdown day, port service capacity, port reputation and loyalty, assistance in claims, quality of jobs, labour and capital required to load or unload from a ship, processing capability, distribution capability, tracking capability, logistics competence, effectiveness, customized service, technical control, ship maintenance and supplies.

Risk

Risks include ship/cargo damage probability risks, port congestion, and percentage of congestion, cargo loss/damage probability, safety and probability of damage/loss to inland-carrier vehicles. The indicators for ship risks include average delay to ships waiting for berths and average delay to ships while alongside berths. Port risk and safety are closely related and important for port management. Unsafe is part of port risks. Such unpredictable factors as strikes, equipment

breakdown and weather make carriers and shippers suffer loss. If such occurrences are frequent, the carriers and shippers will leave for other ports.

Human Resources
Human resources include skills of port operators, stability of port labour, management level such as warehousing management and port management, labour productivity, cargo handled per man-shift, average age of employment at port and average wage level in port related industries compared to the average of other countries. Labour perspective indicators include number of employees, average age of labour force, average hours worked per week by employees and labour idle time. Human resources are critical, as all operations and management need personnel to make them happen.

For example, easy access to qualified people is one of the most important drivers that developed the Oresund regional logistics. Well-educated and hardworking labour force is one attribute of Singapore's good port performance. The capability of human resources and logistics skills determine operations efficiency to some extent.

Potential development
Port investment, cost of infrastructure, investment volume of port authority, private investments in port, development in turnover, increase in port city Gross Domestic Product (GDP), volume growth rate, international trade increase rate and container increase rate are indicators that evaluate a port's potential development. Apart from the indicators mentioned above, there are plenty of other indicators, such as change of social environment, international politics, regulations, such as environmental issues, geographical location, image marketing and communications, water quality in the ports and market share in the State.

RECOMMENDATION
Historical ports in Italy, Portugal, the Netherlands and the UK and current ports such as Hong Kong, Rotterdam, Singapore and Shanghai have been recognized as successful ports in terms of cargo volume and container TEUs. Their logistics strategies on international trade with the support of government have attracted a huge volume of logistics cargoes.

The port infrastructure investment ensures their efficient port facilities to provide efficient port services. Quality port connectivity attracts logistics demand from broader hinterlands. The deep-water harbours enable large vessels to call and the technology functions as a stimulus for port performance improvement in ICT.

The ports in Africa should adopt the following six strategies to ensure high performance and efficiency.

- geographical conditions (locations and water depth)
- port connectivity,
- quality port services,
- improvement in ICT
- government support,
- good port facilities
- sufficient logistics demand from the hinterlands.

CONCLUSION
As there are many activities and participants involved in the complex port environment, it is not appropriate to evaluate port performance with a limited number of indicators, as each indicator has its own constraints and Port Performance Indicators (PPIs) are not fully satisfactory. For example, some writers have criticized a few important indicators such as: ship turnaround time, berth occupancy rate, throughput, employment and average profitability.

1. Ship turnaround time can be used to evaluate the ship efficiency but it is influenced by the cargo volume, port facility availability and cargo composition;
2. The berth utilization rate seems more useful than the berth occupancy rate, but it also varies according to the type of cargo handled (general cargo, container, bulk);
3. The throughput relates to cargo handling but does not reflect productivity;
4. Average profitability is a problematic indicator, as clustering does not necessarily lead to higher profits of firms in a cluster. Moreover, high profitability of firms in the cluster could indicate a lack of internal competition;
5. Productivity is not a good indicator, as it is a partial measure and does not consider decline or increase in the number of firms in the industry.

Bethel Logistics - the expert in shipping logistics

Bethel Logistics (BethLOG) started as a courier company in 2008 from small office space at the Aviance Cargo Village. Due to its timely delivery and excellent customer relations, it drew the attention of World Courier-an international company with expertise in handling biological substances.

BethLOG is a registered member of the Ghana Institute of Freight Forwarders (GIFF) and the International Federation of Freight Forwarders Association (FIATA). It is also affiliated with eleven (11) freight forwarders and shipping networks worldwide, which enable to have presence in more than Two hundred (200) countries across the world.

Services and clientele

Founded by Mr. Kofi Annor-Adu, an accomplished executive with extensive experience in logistics, shipping and freight forwarding and expertise in growth management and business development, Bethel Logistics provides services such as custom brokerage, logistics and warehousing, air and sea freight services, international freight forwarding, handling of heavy lift, special equipment, perishable cargo and dangerous goods, among others.

The company's services cut across various industries such as oil and gas, healthcare & pharmaceuticals, mining and energy, automotive/spare parts and ship spares, building materials and chemicals.

With offices in Accra, Tema and Takoradi, BethLOG has thirty five (35) professional staff who deliver cutting-edge services to the delight of clients. Its clientele base includes the Noguchi Memorial Institute for Medical Research (NMIMR), Sandoz, Novartis, Volta River Authority-Takoradi International Company (VRA-TICO), International Energy Services (IESL) and FINCOS Resources. Others include Ensol Energy, Medical and Equipment Services (MES), Panofi Company Limited, K. Yalley Company Limited, Mendanha & Sousa, OLAM Ghana Ltd, Kumasi Centre for Collaborative Research (KCCR), amongst others.

Contributions, relationship with MDAs, Challenges and way forward

BetLOG was voted as “African Top Agent for 2020” by Airfreight Logistics Network Africa (ALNA) in

recognition of its sterling performance and support given to Network members' job requests.

According to the company's Chief Executive Officer, Mr. Annor-Adu, Bethel Logistics has also contributed significantly to the handling of the Personal Protective Equipment (PPE) imported and distributed across the country in the fight against COVID-19.

On relations between BetLOG and the Ministries, Department and Agencies (MDAs) for the delivery of excellent services to clients, he said the company has "a good relationship with them (MDAs) and we are able to also do business with any of them on time and with no hindrances." However, the outbreak of the COVID-19 pandemic, he said, has affected the smooth flow of their operations.

"We are able to clear consignments overnight on pre-entry basis due to our solid relationship with government agencies. We deliver overnight irrespective of your delivery location.", he assures. Waiting for goods to arrive before submitting documents for the commencement of clearance processes may sometimes cause delays and other challenges under the clearance regime. BetLOG advises clients to submit shipping documents ahead of the date of arrival of goods/consignments.

Corporate Social Responsibility

BethLOG believes in giving back to society and it occasionally gives support to individuals and institutions. The company donated PPE to the Mamobi Polyclinic during the height of the COVID-19 pandemic COVID 19 to assist with healthcare delivery. With the support of the Dromo Foundation in conjunction with the 37 Military Hospital, the company has also reached out to the public to support blood donation campaigns.

Why must shippers do business with Bethel Logistics? "Shippers must do business with us (BethLOG) because we understand the needs of customers. Customer satisfaction is our priority. We have the required experience to meet the needs of clients. We also have well-trained professional staff to handle all requests from clients.", Mr. Annor-Adu assures.

REMOVAL OF NON-TARIFF BARRIERS ON GHANA'S TRANSIT CORRIDORS – A Collaboration between Shippers' Authority and the Ghana Police Service

Ghana's position in the sub-region presents her with an opportunity to maximise its international trade, particularly transit trade. Over the years, governments have made efforts to deepen the country's transit trade with the three landlocked countries of Burkina Faso, Mali and Niger along the North-South corridor and the coastal states of Nigeria, Cote d'Ivoire, Benin and Togo on the East-West corridor.

Maritime statistics generated by the Ghana Shippers' Authority (GSA) for the transit trade from 2014-2017 has indicated a rise in Ghana's transit trade with countries in the sub-region albeit some trade volumes declined and picked up during the period.

With the steady increase in transit trade over the years, government is doubling efforts for the country to reap the full benefits of the trade and make Ghana's transit corridor the most attractive in the sub-region. The ongoing expansion works in the Tema and Takoradi ports, are also expected to increase Ghana's transit trade.

Benefits of transit trade to the economy of Ghana

Transit trade in Ghana has contributed significantly to revenue generation for operators along the chain. In 2015, Ghana's import and export cargo volume amounted to 16 million metric tons (mt), and the total transit volume for Burkina Faso, Mali and Niger amounted to 951,698 mt. This brought Ghana's cargo throughput to almost 17 million mt in 2015. The transit cargo volume for the period had tremendous financial benefits for the country.

Per the 951,698 mt of transit imports transited through Ghana's ports in 2015, Ghanaian truckers carried one third (i.e. the general sharing arrangement) an estimated 317,233 mt of the transit cargo. With transit transportation fee averaging CFA 30,000 per metric ton, Ghanaian truckers would have earned around CFA 9.5 billion (or USD 16 million) or (GH¢ 65 million).

The over 950,000 mt of transit cargo imports in 2015 translates into over 23,700 trucks (of 40 mt cargo) moving the cargo from the seaports to their destinations in the landlocked countries. For a tracking device of USD 50.00 per truck, that translates into earnings of USD 1.2 million (GH¢4,8 million) by the Ghana Community Network Services (GCNet), operators of the electronic tracking device.

In 2015, the GPHA generated revenue of GH₵ 17,445,848.54 (USD 4,361,462.14) on services in relation to the transit cargo from both Tema and Takoradi Ports. The State Insurance Company (SIC) also generated revenue amounting to over GH¢12,021,343.5419 (slightly above USD 3million) from Transit Bond Risk in 2015.

Apart from revenues generated from the transit trade by the state and other stakeholders in the shipping and logistics industry (USD 34 million, GSA study, 2015),

many people have been employed by shipping lines, freight forwarding agencies, haulage transportation companies, oil distribution companies, hotels, workers from Ghana Dock Labour Company (GDLC) handling cargoes from ships, among others, due to the transit trade business.

Interventions by GSA to increase Ghana's transit trade

The GSA has signed a Memorandum of Understanding (MoU) with the Shippers' Councils of Burkina Faso, Niger and Mali aimed at strengthening their roles in the promotion and implementation of policies geared towards continued improvement of the efficiency of the transport chain between Ghana and these landlocked countries.

Other interventions taken by the GSA to promote Ghana's corridors for transit trade include the organisation of regular sensitisation workshops for truck owners and drivers on road safety regulations, embarking on trade missions with the Ghana Ports and Harbours Authority (GPHA) to meet transit stakeholders in the landlocked countries and establishment of Shipper Complaint and Support Units (SCSUs) at the land border entry and exit points to provide real-time shipping solutions. Others include the establishment of two regional transit shipper committees which meet quarterly to discuss and address challenges of transit shippers and service providers, French proficiency classes for freight forwarders in Ghana, among others.

Non-tariff barriers removal-the role of the police

The police are a critical stakeholder in the promotion of transit trade between Ghana and the landlocked countries, particularly in the removal of non-tariff barriers. This is buttressed by the findings of the GSA's quarterly fact-finding trips on Ghana's corridors.

The GSA, recently, identified seventy-five (75) police barriers between Tema and Paga during its quarterly road trips and monitoring exercises along the corridor. These barriers along Ghana's corridors serve as security check for the safe passage of truck drivers, traders and goods between Ghana and its neighbouring landlocked countries. This gives confidence to the transit trade community to conduct their business without fear of armed robbery attacks and other security infractions. The development makes Ghana's transit corridor one of the safest to conduct business in the sub-region.

Regrettably, the mounting of the barriers and results of the GSA-Borderless Alliance E-platform for monitoring and addressing non-tariff barriers, show several road governance challenges involving truck drivers and key state actors such the Motor Transport and Traffic Directorate (MTTD) of the police service, Customs, Ghana Highway Authority, among others.

The barriers have become a conduit for some officers of the police service to extort monies from transit shippers, especially truck drivers for supposed road traffic infractions. Drivers also spend between one (1) to three (3) hours at check points leading to delays.

GSA's engagement with the Inspector General of Police

The Chief Executive Officer (CEO) of the GSA, Ms Benonita Bismarck called on the Inspector General of Police (IGP), Mr. Oppong-Boanuh on 1st September,2020 to discuss the findings and the way forward for the two state institutions to collaborate in removing the barriers.

The barriers, Ms Bismarck said, have led to the increasing cost of doing business along Ghana's

corridors with its associated delays which sometimes cause damage to perishable goods. She appealed to the IGP to assist the GSA in resolving the challenge.

On his part, Mr. Oppong-Boanuh assured the GSA of the Police Administration's support in removing non-tariff barriers along the corridor. He intimated that the police service would appoint Liaison Officers to work with Regional Commanders to collaborate with the GSA to address the issue. He appealed to shippers and truck drivers to report officers who extort monies from them to be sanctioned.

Nationwide transit sensitisation seminar for police

In the light of the bottlenecks along Ghana's transit corridors and the important role of the police in assisting to address them, the GSA is collaborating with the Ghana Police Service to organise nationwide sensitisation seminars for the police to drive home their role in promoting transit trade, particularly in the removal of non-tariff barriers.

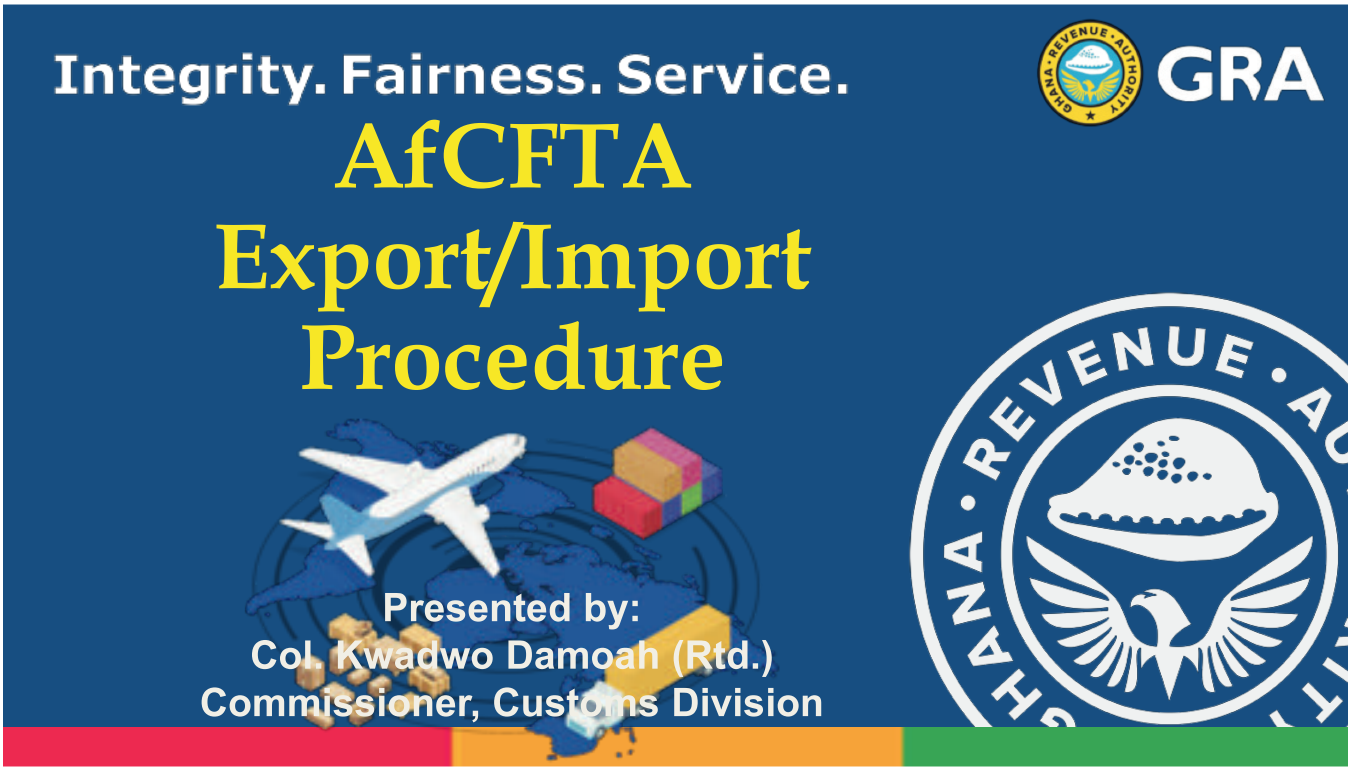
The first in the series of the nationwide sensitisation seminar was held in Kumasi on 11th November,2020.

The Ashanti Regional Deputy Police Commander, DCOP David Agyemang, who spoke on behalf of the IGP, called on police officers to demonstrate professionalism in dealing with transit truck drivers along Ghana's transit corridors. He said the police service was committed to discipline officers found frustrating and harassing transit truck drivers through extortion of monies and other unhealthy practices leading to avoidable delays and associated costs.

He underscored the need for safety and security on Ghana's corridors and stressed the need for the police to enforce road traffic regulations. DCOP Agyemang commended the GSA for the strong collaboration and partnership with the police administration to ensure that Ghana benefits from the transit trade business.

Resource persons from the GSA and the Ghana Police Service made presentations on an evaluation of the contribution of transit trade through Ghana's corridors and the role of the police in facilitating transit trade, respectively.

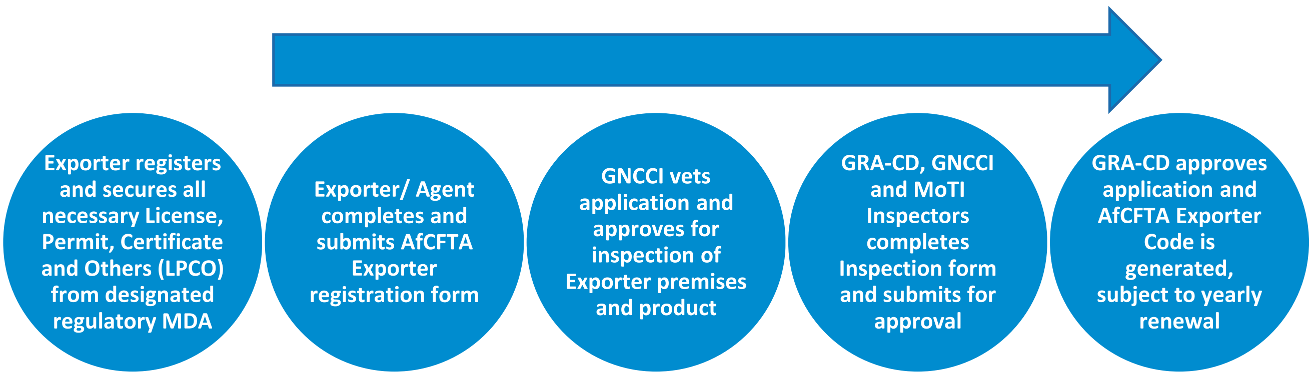
A total of 30 senior police officers, including all divisional heads in the Ashanti Region, attended the sensitisation workshop. The nationwide sensitisation seminar is expected to continue in 2021 for selected senior police officers across the country.



INTRODUCTION

- The Protocol on Trade in Goods (TiGs) under African Continental Free Trade Area (AfCFTA) provides the framework under which products can be moved among State Parties
- Customs Administrations have the responsibility to implement six (6) out of the nine (9) Annexes developed under TiGs protocol
- Effective implementation of all these six (6) annexes is critical to the success of AfCFTA

EXPORTER REGISTRATION PROCESS



EXPORT AND CERTIFICATE OF ORIGIN (COO)

1
- Exporter/agent secures all necessary License, Permit, Certificate and Others (LPCO) from designated regulatory MDA for particular export

2
- Exporter/ Agent confirms if product to export qualifies under destination importing State Party AfCFTA Preferential Tariff Rates

3
- Applicant creates Bill of Entry (BOE) declaration and attaches all required LPCO CPC 10X04 - Direct export of goods under Africa Continental Free Trade (AfCFTA)

4
- Exporter/agent secures reservation with Shipping Line/ Airline for cargo to be loaded onboard the departing means of conveyance

5
- GRA-CD approves declaration and cargo is inspected and transferred to quay side for loading onto departing vessel

6
- Terminal/ Master of departing means of conveyance confirms quantity loaded for export

7
- Exporter/agent applies to GRA-CD through GNCCI for AfCFTA Certificate of Origin (CoO)
  CoO certificate processing fee bill is generated and applicant pays at any participating commercial bank

8
- GNCCI vets application and approves for further processing by GRA-CD

9
- GRA-CD checking officer vets application and forwards to Designated Authority for signage

10
- GRA-CD Designated Authority signs certificate and forwards to Customs Officer who confirmed exportation of the consignment at the last port of departure

Customs Officer who confirmed exportation of the consignment at the last port of departure signs CoO and presents to Exporter

IMPORTATION OF GOODS UNDER AFCFTA

1

•Any importer bringing goods from an AfCFTA State Party and intends to benefit from ECOWAS Preferential Tariff Rates is required to provide the following documents from the exporting State Party:

1. Certificate of Origin/ Origin Declaration or Producer/ Supplier Declaration (*issued by Designated Competent Authority at the country of exportation*)
2. Export Declaration covering goods from exporting State Party

2

Declarant creates Bill of Entry (BOE) declaration and attaches all required LPCO

1. CPC **40C04 - Direct Home Consumption under Africa Continental Free Trade (AfCFTA)**
2. **Zone Code: AfCFTA**

3*

•GRA-Customs Division verifies declaration and performs tax assessment
The following taxes are affected:
01 – Import Duty (Preferential Rate under ECOWAS Tariff Offers payable)
98 – AU Import Levy – Exempted
06 – ECOWAS Levy (Exempted for AfCFTA goods originating from ECOWAS)

4

•Importer/agent accepts assessment and pays any other assessed tax at participating commercial bank

5

•Goods are inspected and released for import upon its arrival at the port

***NOTE**:

THE ECOWAS TARIFF OFFERS AND DISMANTLING SCHEDULES SUBMITTED UNDER CATEGORY A: NON-SENSITIVE PRODUCTS (90% TARIFF LINES):

ECOWAS CET (%)	Year 1 (%)	Year 2 (%)	...	Year 9 (%)	Year 10 (%)
0	0	0		0	0
5	4.5	4		0.5	0
10	9	8		1	0
20	18	16		2	0
35	31.5	28		3.5	0