

Shipping Review

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Decarbonizing Shipping: The Role of Energy and Technology

See story on page 2



Achieving Gender Parity in Maritime Industry: Need to Sustain Momentum

-Page 8



Unlocking Artificial Intelligence (AI) & CHATGPT in the Shipping Industry

-Page 24



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PAGE 19

**2023: JOB CREATION
IN THE AIR CARGO
INDUSTRY - AN
AGENDA FOR THE
IATA.**



PAGE 27

**ASSESSMENT OF
THE ROLLOUT OF THE
AFCFTA IDENTIFICATION
NUMBER AND ITS
OPPORTUNITIES
FOR TRADE
FACILITATION**



ALSO IN THIS ISSUE

Ghana's Cashew Nut Economy the story of Jabag Multi Haven Enterprise

The Role of Local Marine Insurance in the Shipping
and Logistics Industry; Risk Management
System in Safeguarding the Cargo

11

Improved Infrastructure is Key to Ensuring Safety
in the Transportation of Dangerous Cargo –
SLT Logistics Limited

17

The Seafarer's Psychology and Mental Health:
The Rejected stone

30



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DECARBONIZING SHIPPING: THE ROLE OF ENERGY AND TECHNOLOGY

By Abdul Haki Bashiru-Dine, Ghana Shippers' Authority

Background

In the words of the UN Secretary General, Antonio Guterres, “the world is in a climate crisis and urgent efforts are required to prevent the harsh impact of climate change on humanity”. Since the 2015 Paris Agreement, decarbonization has become a growing agenda item for countries, regions, and businesses around the world. Countries are now on a path to decoupling GDP from greenhouse gas emissions (GHGs) and making significant gains in the process.

Many question whether these actions are taking place at the rate needed for limiting global warming to a safe limit. At present, energy use is the main source of CO₂ (carbon dioxide) emissions, contributing 83% of emissions globally ([McKinsey](#)). Over 34 billion metric tons of CO₂ emissions are emitted every year into the atmosphere. To date, 197 of the world's nations have signed the 2015 Paris Agreement to limit atmospheric warming to less than 2°C compared to the pre-industrial average by the year 2100. In 2018, the UN Intergovernmental Panel on Climate Change ([IPCC](#)) revised the target to 1.5°C, warning that a 2°C scenario would not ensure our safety.

Limiting temperature rise to 1.5°C requires total global emissions reduction of 45% by 2030 and 100% by 2050. This requires an annual cut around the globe of 7.6%. The UN Environment Programme (UNEP)



United Nations Secretary-General António Guterres

Emissions Gap Report of 2021 shows that current emissions pledges and policies, if achieved would only limit our total warming to 2.7°C by the end of the century. Only 45% of FTSE (Financial Times Stock Exchange) companies, which are listed for their Environmental Social and Government (ESG) performance, have pledged to achieve net zero by 2050. The majority of these (84%) don't have a clear strategy in place to achieve their target.

While shifting economic infrastructure and technology away from fossil fuels will not be easy, it is not impossible. Building the collective social and political momentum to change our systems has proved more challenging.

Reaching deep decarbonization requires full participation and collaboration among businesses, consumers, and political leaders. The first step any entity can take is to identify the main sources of CO₂ emissions for their activities.

Taking steps to decarbonize requires a coordinated technological and social shift from technology that burns fossil fuels. Each sector needs to undergo decarbonization to support the other sectors, as these systems are highly interdependent. The risks of current warming scenarios threaten millions of lives, billions of homes, and trillions of dollars in global economic value. It's simply not ethical, logical, or safe to assume we can continue burning fossil fuels without rapid decarbonization. Let's take a closer look at these figures:

- An estimated \$54 trillion in costs are associated with current warming projections for the existing pledges countries have made according to the consulting firm, Moody's. Failure to meet those pledges would increase these costs to \$69 trillion.



Nana Addo Dankwa Akufo-Addo, President of Ghana

- Nearly half the world's population (40%) is vulnerable to the risks of climate change, according to the 2022 IPCC report on Adaptation. This means billions of people will likely experience 5 times more floods, storms, drought, and heatwaves without rapid decarbonization.

These impacts are already harming people around the world, especially in poorer regions. In the past decade, from 2010 to 2020, 15 times more people in Africa, South Asia, and Central and South America died from floods, droughts, and storms than in other parts of the world. In the coming decades, the death toll of these impacts will be hard to ignore. The World Health Organization (WHO) estimates 250,000 excess deaths per year from 2030 to 2050, unless we decarbonize the economy. These deaths come from impacts such as malnutrition, and heat stress.

Climate Change and Shipping

As sea levels rise, climate change impacts the overall productivity of shipping industries worldwide. Rising seas are a problem on their own. Coupled with storm surges and flooding on land and extreme sea cyclones, these become detrimental to the safety and productivity of shipping workers everywhere.

For starters, a good chunk of the shipping business relies on the round-the-clock movement of freight and materials. Gales and tidal waves put ship workers in harm's way. Almost zero activity happens during a storm for shipping industries, hence a drop in productivity.

Freight and infrastructures inundated by storm surges can drastically cut down operations of many port facilities. Even after the storms die down, flooding can continually disable port operations for a while. Laborers would be prevented from working, which creates a more drastic downtime.

To round it all up, there would also be additional costs in repairs, restorations, and, in some cases, relocation. Rather than doing work that moves cargo to its routes, management will spend precious time on rehabilitation and recovery.

The shipping industry handles more than two-thirds of the world's trade value. Climate change is slowly but surely hampering how we operate on our seas. If we don't do something about it, we can expect the world economy to come down on its knees one storm at a time.

Ports around the world stand to suffer billions of dollars in losses if greenhouse gas emissions continue to grow, a new UN Climate Change report (2022) finds. Extreme weather, flooding, and rising sea levels would all damage vital seaport infrastructure, disrupting global supply lines. Losses from storms and climate-related port disruptions could near \$10 billion a year by 2050, according to the report, commissioned by the non-profit Environmental Defence Fund (EDF). By 2100, without action on climate change, those costs could balloon to more than \$25 billion a year. For context, that last figure is more than the total operating profits for the entire global container shipping industry in a year.

Decarbonization

"Decarbonization" is the most important strategy to limit the harm from climate change. Fortunately, decarbonization comes with major benefits beyond environmental protection related to risk management,



health, value creation, and innovation opportunities.

Maritime Decarbonization

Maritime decarbonization is the process of reducing greenhouse gas (GHG) emissions from the global maritime sector, with an overall goal of placing the sector on a pathway that limits global temperature rise to 1.5 degrees Celsius.

Strategies for Decarbonization

A decarbonization strategy investigates approaches to reduce the carbon footprint of a business or equity portfolio without materially impacting performance. Three (3) main strategies can help countries meet energy needs with zero-carbon emissions: these are optimization of energy use, electrification and decarbonization.

Essentially, all countries need to: Reduce energy use (Fossil fuels) through improved efficiency (optimize); Shift energy demand to electricity and away from combustion of fossil fuels (electrify) and Reduce Carbon footprints (Decarbonize)

The IMO's 2050 Ambition for Decarbonizing Shipping

The IMO goal is to reduce the shipping industry's greenhouse-gas emissions by at least 50% by 2050, and to reduce the carbon intensity of emissions by 40% by 2030 and 70% by 2050,



compared to 2008 levels. To tackle decarbonizations' ultimate challenge of carbon-neutral fuel availability, supply chains must be built through cross-industry alliances.

As the entire world seeks to decarbonize, the maritime industry is owning its part in ensuring our greener future. The search for the best alternative fuel options and technologies have started. But available energy sources, needed to produce zero-emission fuels must be used judiciously and with consideration and collaboration beyond the maritime domain.

This year's Maritime Forecast to 2050 presents an updated outlook on regulations, drivers, technologies, and fuel availability. From that a new and

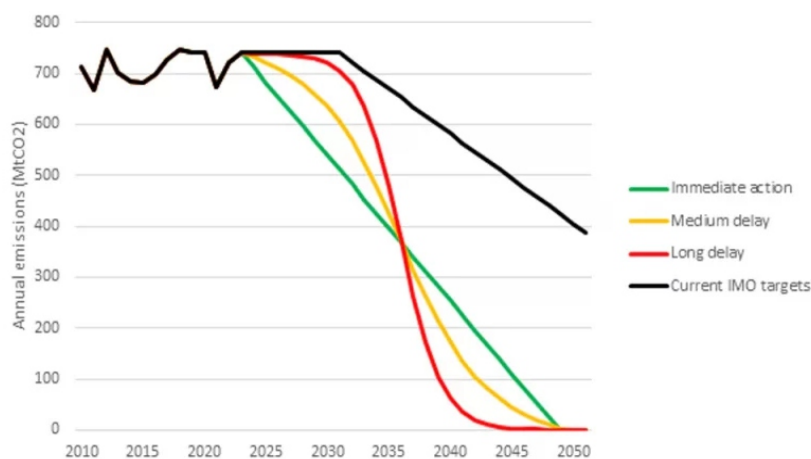
extended fuel-mix scenario library has been created, with each scenario describing a possible future fleet composition, its energy use and fuel mix, and emissions to 2050. The library can be applied to our updated Carbon-Risk-Framework and to support shipowners in their decision making.

The future carbon-neutral fuel mix has not yet been decided. However, to supply several of the carbon-neutral fuel options, the supply chains will need to change dramatically. Being flexible as a shipowner remains key to taking advantage of future fuel availability.

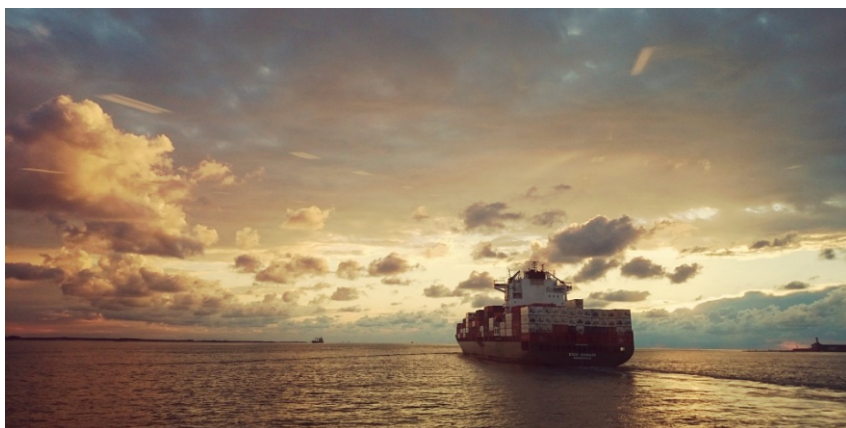
To help the industry navigate a way forward to shift to carbon-neutral fuels, our 6th Maritime Forecast to 2050 report offers a fresh outlook on regulations, drivers, technologies, and fuel availability.

It considers several critical issues underpinning the decarbonization challenge:

- What comprehensive production, distribution and bunkering infrastructures are required?
- What the future fuel-mix might look like?
- Ways to find the most efficient and cost-



The IMO's targets and Paris-compatible 1.5°C pathways



effective ship designs,
and

The potential impact of regional policy interventions like the creation of green corridors.

Energy Sources

Fuel availability is increasingly becoming an energy and production resource challenge and less of a technical challenge. Key onboard technologies for use of hydrogen and ammonia will be available in 3-8 years, while other technologies for methanol already are.

Shipping's energy transition is reliant on, but might be constrained by the availability and price of energy sources: electricity from renewable sources, biomass, or fossil energy with Carbon Capture and Storage (CCS). To maximise the potential of biomass, it should be reserved for hard to abate sectors like aviation and shipping. Provided energy can be made available, production capacity will be a barrier and must be scaled up to meet shipping's coming demand for carbon-neutral fuels.

For shipowners to choose carbon-neutral fuels, the fuels must be available in relevant ports, and coordinated plans must be made for increasing availability: from extracting energy from an energy source, to fuel production and distribution.

- Methanol

- Ammonia
- Hydrogen
- Biomass
- Fossil Fuel

Fuel Mix Scenarios

The push for decarbonization is accelerating and the more ambitious scenarios see a mix of carbon-neutral fuels only. Big cargo owners have already set more ambitious targets for decarbonisation and expect low and zero-emission shipping services to be in place this decade. Already by 2030, 5% of the energy for shipping should come from carbon-neutral fuels.

The carbon-neutral fuels dominating the energy mix in 2050 are likely to be bio-MGO, and bio-LNG, e-ammonia and blue ammonia, and bio-methanol.

In decarbonization by 2050 scenarios, all fossil fuels are eliminated. Grid electricity provides around 7-8% of total

energy, while 92-93% comes from carbon-neutral fuels.

The decarbonization by 2050 scenarios require about 2,5 times as much carbon-neutral fuel, with about 2,5 times the capital needed for investments on-shore.

In the scenarios aiming for decarbonization by 2050, the share of drop-in fuels decreases and the need for investments in ammonia and methanol technology increases.

Regulations

From 2025 the focus will shift to calculating lifecycle Green House Gas (GHG) emissions, creating an additional urgency for a green supply chain to control emission costs.

For shipowners the pressure is on to build and run compliant, low emission vessels and to make sure charterers know how to run these efficiently.

The International Maritime Organisation (IMO) Strategy will be revised this year (2023), possibly strengthening its emission-reduction ambitions. This will be followed by developing the next wave of regulations including market-based measures setting a price on CO₂ and a requirement to account for well-to-wake GHG emission intensity of fuels.

The EU has proposed to include



shipping in the EU Emissions Trading System (EU ETS). The Fuel EU Maritime regulation which aims to increase the use of carbon-neutral fuels through an increasingly stringent well-to-wake GHG intensity requirement. These proposals may be finally adopted later in 2023 and take effect from 2024 and 2025, respectively.

Government and authority incentives are necessary to encourage first movers to invest and be part of pilot initiatives such as green corridors, which can form the basis of a global zero-carbon fuel market.

Decarbonization Technologies
The International Maritime Organisation (IMO) is introducing new regulatory standards for ship energy efficiency - the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) which are to take effect in January 2023.

The climate emergency increasingly and faster than ever requires vessels to cut their level of [greenhouse gas \(GHG\) emissions](#). Ship owners are urged to implement solutions that will help improve the energy efficiency of their fleet through efficient and viable means. As early as January 2023, new measures, namely the [Energy Efficiency Existing Ship Index \(EEXI\)](#) and the [Carbon Intensity](#)

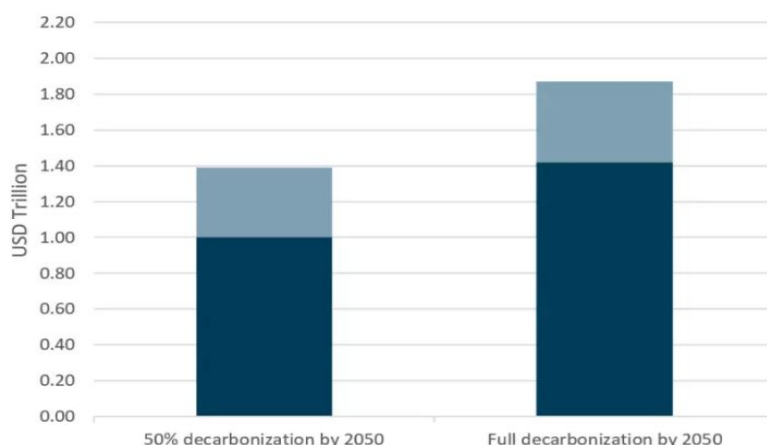


Figure 1: Total investments needed to achieve IMO decarbonization targets and investments needed to fully decarbonize shipping by 2050

[Indicator \(CII\)](#), will come into force as part of the ['IMOs short-term'](#) ambitions towards the initial carbon emissions reduction plan for 2050.

The [CII](#) will take effect in January 2023 alongside the [EEXI](#) and will apply to all [cargo](#), [RoPax](#) and [cruise](#) vessels above 5,000 gross tonnage trading internationally. The CII is an annual indicator of the ship's transport efficiency rated from A (best performance) to E (worst performance) and expressed in grammes of CO₂ emitted per transport capacity and distance.

While the EEXI is a one-time certification covering design parameters, the CII is given based on the actual emissions of the vessel during operation and is to be revised yearly. The requirements of the CII rating

scheme as well as other climate-related regulatory measures are meant to become increasingly stringent over time in order to meet the ['IMOs'](#) initial emission reduction goals for 2030-2050.

To meet these targets as set out by the IMO, shipping companies are expected to ensure that they use the best fuel options with limited CO₂ emissions. Example of sustainable fuels from modern technologies are;

- Gas (LNG)
- Digitization
- Automation (E-mobility)
- Use of Artificial Intelligence and Machine Learning (AI/ML) (optimizing gas combusting and turbines)
- Direct Air Capture (DAC) around port ecosystems.





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ACHIEVING GENDER PARITY IN MARITIME INDUSTRY: NEED TO SUSTAIN MOMENTUM

By Maclean Kwofi



Group Picture - Women in Maritime of West and Central Africa

The Women in Maritime of West and Central Africa (WIMOWCA) joined the rest of the world to mark another International Women's Day (IWD) on 8th March 2023 in Accra, Ghana. The day is set aside annually to celebrate the economic, political, social and cultural achievements of women across the globe. It is also a call-to-action to progress gender parity in all spheres of the world. But the celebration of the day, which is the focal point of Women's Rights, started after the Socialist Party of America organised a Women's Day in New York (NY) on February 28, 1909. After women gained suffrage in Soviet Russia in 1917, 8th March became a national holiday in that country. The day was then predominantly celebrated by the socialist movement and communist countries until it was adopted in 1975 by the United Nations (UN).

Today, the issues confronting women have not changed. According to the Global Poverty Project, women make up half the world's population but also represent a staggering 70 per cent of the world's poor. In fact, there are 250 million girls living in poverty today. Inequalities persist everywhere – in business, education and politics.

This year, the UN chose the theme: “DigitALL: Innovation and technology for gender equality,” to

recognise and celebrate women and girls who are championing the advancement of transformative technology and digital education. IWD 2023 explored the impact of the high number of men who utilise the internet compared to women, a phenomenon widening economic and social inequalities. It also placed the spotlight on the importance of protecting the rights of women and girls in digital spaces and addressing online and ICT-facilitated gender-based violence.

Creative Solutions

Bringing women and other marginalised groups into technology results in more creative solutions and has greater potential for innovations that meet women's needs and promote gender equality.

Their lack of inclusion, by contrast, comes with massive costs: as per UN Women's Gender Snapshot 2022 report, women's exclusion from the digital world has shaved \$1 trillion from the gross domestic product of low- and middle-income countries in the last decade—a loss that will grow to \$1.5 trillion by 2025 if no action is taken.

Reversing this trend will require tackling the problem of online violence, about which a study of

51 countries revealed that 38 per cent of women had personally experienced. A gender-responsive approach to innovation, technology and digital education can increase the awareness of women and girls regarding their rights as well as civic duties.

Advancements in digital technology offer immense opportunities to address development and humanitarian challenges, and to achieve the Sustainable Development Goals. Unfortunately, the opportunities also present a risk of perpetuating existing patterns of gender inequality.

Growing inequalities are becoming increasingly evident in the context of digital skills and access to technologies, with women being left behind as the result of this digital gender divide. The need for inclusive and transformative technology and digital education is therefore crucial for a sustainable future.

Women in Maritime

It was for the above reason that women in the maritime domain of West and Central Africa converged in Accra, Ghana to commemorate the 2023 International Women's Day (IWD). The event was made possible through the collaborative efforts of the British High Commission in Ghana, the United Kingdom (UK) Department of Transport and WIMOWCA.

The theme for the event "Embrace Equity" aligns with the principal theme of the International Women's Day Celebration, "Innovation and Technology for Gender Equality". It is not only fundamental to achieving inclusive participation, but also more importantly, speaks to efforts at removing all structural and systemic barriers that impede the promotion of women in the global maritime ecosystem.

In a speech read on his behalf, the Minister of Transport, Mr. Kwaku Ofori Asiamah commended women for their remarkable contributions towards the growth and development of the country, particularly in the maritime industry. "Indeed, you are our inspiration, and the maritime industry is better off with your bold initiatives and participation especially at leadership levels," he said.

Significant barriers

For her part, the President of WIMOWCA, Ms. Sylvia Asana Owu, pointed out that women have faced significant barriers to entry, ranging from access to

education, training and career advancement opportunities.

As a result, women have been underrepresented in all areas of the maritime industry. She said; "Fortunately, in recent years, the industry has made significant progress in promoting gender diversity and inclusion with many organisations launching initiatives to raise awareness and supporting women to pursue careers in maritime". She challenged organisations and individuals working in the maritime industry to promote a culture of diversity and inclusion.

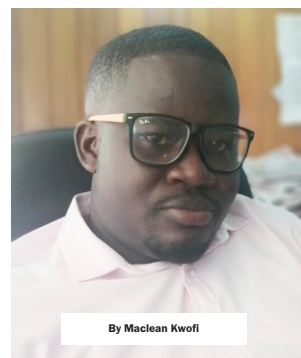
Way forward

The important role that women play in the realisation of the economic benefits of Africa's Blue Economy cannot be overemphasized. It is therefore important that due cognizance is taken of how much more women can contribute, when the right conditions are created to facilitate not just their participation in this industry, but more importantly, their sustained career growth and development in the maritime ecosystem.

It is also obvious that the sustainable development of the Blue Ocean economy requires effective management of diversity within the maritime domain. The encouragement of women's participation in the maritime industry must therefore go beyond mere flamboyant rhetoric into ensuring that timely interventions are implemented at all levels.

Women are engaged in all aspects of interaction with our ocean, yet their voices are, more often than not, crowded out especially at the decision-making levels.

This status quo must change. We must ensure diversity and gender inclusiveness at all levels to set a balanced course for humanity. The country may have made significant and tremendous progress towards achieving gender parity in the maritime industry with some appointments in recent times, but much more effort ought to be put in place to sustain the momentum.



By Maclean Kwofi



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THE ROLE OF LOCAL MARINE INSURANCE IN THE SHIPPING AND LOGISTICS INDUSTRY; Risk Management System in Safeguarding the Cargo

By Kojo Frimpong, Ghana Shippers' Authority



NATIONAL INSURANCE COMMISSION

INTRODUCTION

Risk and uncertainty are the two most fundamental facts of life. We all know that the one event which is certain about our lives on this planet is that one day, we will die, but the actual date, time and circumstances of our death remain in the realms of uncertainty. Apart from the certainty of ultimate death, which most of us prefer not to contemplate, everything else about our lives and the future remain uncertain.

Having recognized this element of risk and uncertainty as inevitable features of our lives, humans as intelligent, rational and creative beings devise methods to combat and respond to the possible adverse circumstances. Insurance is one of the most important of these responses to risk and uncertainty. The basic role of insurance in the economic and social structure of society as a risk management tool is to provide relief from the financial consequences of this element of uncertainty.

Its principles have been refined and applied over time to protect individuals and corporate bodies against financial losses resulting from loss or damage to their

properties or other business assets, as well as against financial losses resulting from death or injury in the case of life and accident insurances.

INSURANCE

The traditional legal definition of insurance describes it as a contract whereby one party, the insurer, undertakes, in return for a consideration, (the premium) to pay the other, the insured or assured, a sum of money in the

event of the happening of one or various specified uncertain events.

The transportation of goods by ship has been described as a "maritime adventure" that promotes three main interests. The first is an interest in the ship, which is the vehicle used to transport goods from one location to another. The second is an interest in the cargo, or the goods being transported, which is the primary reason for the entire adventure. The freight or remuneration due to the ship for the service it renders in transporting the cargo is the third interest that is being promoted.¹

The freight is the consideration for which the ship's owner, or charterer in the case of a ship under charter, agrees to expose



Commissioner of NIC, Mr. Justice Yaw Ofori

¹ The compendium



Seminar on the Acquisition of Mandatory Local Cargo Insurance

his property and the lives of the crew to the hazards of the sea. Under normal circumstances, it would be expected that any damage or loss suffered by any of the various interests during the course of the adventure would be borne by that interest, unless the damage or loss was caused by the fault of any of the others or unless there is a specific stipulation to the contrary in the carriage contract. In other words, any damage to a specific interest will be located where it has fallen. Insurance is obtained directly from a registered insurance company or through the intermediary of an insurance agent or broker. As consideration for the insurance protection given by the insurer, the insured is required to pay an agreed premium, which depends on the extent of the risk induced into the insurance programme by the insured or policyholder.

From the foregoing, it is evident that the insurance industry exists primarily for the purpose of providing protection against financial losses arising from unexpected events. In addition to this primary function of insurance protection, the insurance industry today provides several other secondary

services to the policyholder and the wider society in such areas as risk management and loss prevention advice, inspection of plants and buildings, and the promotion of savings and investments. Notwithstanding these additional functions, the primary function of insurance remains the provision of insurance cover against the financial consequences of uncertainty or the provision of financial security to the insured or policyholder.

The business of insurance is imperative to the progress of any economy. A high insurance penetration shows that people understand the levels of risk they face and have put in place mechanisms to reduce the effect of the risk should it occur. From the early 20th century, insurance has been commonly practiced in developed countries, but the case is different for emerging and developing countries like Ghana. Specifically, relating to marine insurance; it is one of the oldest forms of insurance practices in most developed countries where imports have been consistently less than exports. With most of our consumption from imports, marine insurance should have increased significantly. For

example, in 2017, the value of imports was GH¢60.30 billion and this increased to GH¢62.42 billion in 2018, suggesting that there is a huge potential for marine insurance. The percentages of marine insurance premium to total premium in 2017 and 2018 were 3.86% and 2.39% attesting to the fact that, marine insurance contribution to total insurance premium remains very low. The contribution of marine insurance premium to total insurance premium was also very low; hovering around GH¢94.31 million in 2017 and decreased to GH¢70.33 million in 2018 while total premium was GH¢2.44 billion in 2017 and GH¢2.94 billion in 2018 respectively.²

MARINE INSURANCE

The term marine insurance refers to the insurance of vessels, cargoes; shipowner's, ship repairer's, and other marine liabilities, and of the various other moveable property and associated interests exposed to the risks incidental to marine transport.³ It protects the insured against damage, loss, and liability arising from exposure of a vessel, goods, or any moveable property to maritime perils: meaning the perils consequent on, or incidental to, navigation at sea. A contract of marine insurance may cover mixed sea and land, or inland water risks.⁴

In a wider sense, the term marine insurance may also refer to all types of insurance of transport risks, including transport by rail, road, inland waterways, and air. Modern transport insurance originally developed from marine insurance and is based on very similar rules and principles. Nowadays, in the era of

² Marine-research-final-011120192019.pdf (nicgh.org)

³ The compendium

multimodal transport, the general tendency in cargo insurance is that the application of marine insurance rules is frequently extended to insurance against losses on inland waters or against any land risks. This is done based on express contract terms, applicable national laws, or by the usage of the trade.

An example of a legal definition of a contract of marine insurance can be found in section 1 of the UK Marine Insurance Act 1906 (MIA 1906) which provides: 'A contract of marine insurance is a contract whereby the insurer undertakes to indemnify the assured, in manner and to the extent thereby agreed, against marine losses, that is to say, the losses incident to marine adventure.

Ghana Insurance Act 2006 (Act 724)



at making sure all imported goods are insured locally. The law is intended to protect the Ghanaian importer, although in most cases their exporters cover their goods with offshore insurers.

The Nation Insurance Commission (NIC) and Ghana Revenue Authority (GRA) Customs Division signed a

goods other than personal effects. Local importers have over the years bowed to terms of foreign insurance companies including paying premium in US dollars. This has seen the country empty its foreign exchange coffers to meet the need. There is therefore a need to alter the narrative to secure this premium paid to external insurance companies for the growth of our local insurance companies and ultimately the economic growth for our country.

Section 222 (1) states in effect that; a person who imports goods, other than personal effects, into the country shall insure the goods with an insurer licensed under Insurance Act, 2021. Section 221(1) (c) of the Insurance Act 2021, (Act 1061) states:

“A person shall not, unless authorized by the Commission, enter into a contract of insurance with an insurance company not licensed under this Act in respect of (c) goods other than personal effects being imported into the country”.

Section 3 of the Marine Insurance Act, 1963 defines Marine Insurance as “A contract of marine insurance is an agreement whereby the insurer undertakes to indemnify the assured, in the manner and to

Ghana's Insurance Act, Act 724, states in Section 37 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”. This law is clearly aimed

Marine Cargo Insurance Protocol on 23rd December 2020 to facilitate a smooth implementation of section 37 of the Insurance Act 2006 (Act 724) as amended by section 222 of Act 1061.

The purpose of the engagement was to explain the need to take local Insurance for imported

⁴ “23 The Law of Marine Insurance - Oxford Public International Law”

the extent thereby agreed, against marine losses, that is to say, the losses incidental to marine adventure”.

This covers the loss of ship or the vessel as well as the goods or cargos which are being transported by land, road, air, or water.

It is important to state that, most of the foreign insurances do not provide inland protection for imported goods. Once the goods get to the port, there is no insurance cover and therefore importers need to ensure that, their goods are transported to the warehouse bearing all the risk. In some cases, the importers need to buy a different policy to get such cover.

Similarly, for inland insurance to be covered, the importer must buy an additional policy to ensure the safety of the goods. The issue with the current insurance arrangement is that most of the importers do not know the offshore insurers and there is a clear limitation in terms of language and communication. There is difficulty in filing for claims if there is an eventuality and, in most cases, importers do not know the extent of coverage, making it difficult for importers to get the desired results from the filing of claims. In some cases, these difficulties come in the form of underwriting and policy

wording and the fact that marine insurance is very technical.

These pose a challenge for importers with respect to understanding the terms of the policy. The marketing of marine insurance is progressive, but the actual uptake of marine insurance has been very low in Ghana, and it is important to examine the challenges local insurers face in the marketing and sale of insurance to importers.

Cargo Insurance

The word cargo refers to goods and merchandise in transit by sea, road, rail, or air. While in transit, there is a risk of the goods (raw materials, finished goods, equipment, wares) being damaged and thus the need for marine cargo insurance to indemnify the shipper against the financial loss that may be caused should there be damage to the cargo. The risks include:

- Inland Transport by countrycraft
- Import and export of goods by the ocean through all types of vessels
- Consignments by air, rail, or road
- Goods sent by post
- Trans shipments

The coverage provided under this policy is defined by the Institute

of London Underwriters and are standardized in the international market into three clauses which are:

- Clause A: All Risk Institute Cargo
- Clause B: Basic Cover Institute Cargo
- Clause C: Fire and Lightening Institute Cargo, which covers loss or damage caused by war, strikes, riots, capture, fire, storms, earthquake, accident, lightening and any other which is specified in the policy.

Marine Insurance Regulation

Section 221 of the Insurance Act 2021, (Act 1061) states that, “A person shall not, unless authorized by the Commission, enter into a contract of insurance with an insurance company not licensed under this Act in respect of

- a) a property situate in the country
- b) liability arising in the country; or
- c) goods other than personal effects being imported into the country”.

What is the Process for Taking Local Insurance for Imported Cargo?

To obtain local insurance for cargo that is being imported into the country, the insurance company must be given the specifics of the Bill of Lading or the Invoice for the goods that will be brought in. These documents describe the type and nature of the goods as well as their value:

- The cost of goods
- Nature of packaging
- The country of importation
- Transshipment (if any)
- Port of arrival
- The vessel and the flag (if any)



- The cost of freight

The NIC has developed a Marine and Aviation Insurance Database (MAID) to assist with the compliance with sections 221 (1) (c) and 222 of the Insurance Act 2021, (Act 1061) to ensure that that the cargo importers insure with the local insurers that are regulated by the Commission.

Measures in Place to Facilitate the Uptake of Cargo Insurance Locally

The NIC has ensured regular publication of the names of Insurance Companies in good standing on their webpage www.nicgh.org and also made it available to Media houses. Some of the other measures that are being put in place are:

- Digitizing the issuance of Certificates of Marine Cargo Insurance for efficiency and confidence
- Awareness creation among the investing public on the protection offered by local insurance cover versus overseas insurance in relation to their investments.
- Enhancing the claims process through the publication of a Marine Cargo Insurance Claim Guidelines (currently, Marine claims are governed by the General Insurance Claims Guidelines which cover all claims). A separate Claim Guidelines is being worked on for Marine Cargo Insurance.
- Procedures concerning claims administration, premium payments, and ratings shall be subject to NIC directives.⁵

Benefits of Local Marine Insurance

There are numerous benefits a shipper could derive from taking marine insurance locally. They include the following:

1. Peace of mind with guaranteed protection of investment and business continuity.
2. Value for money – adequacy of cover, access to professional advice, no language or geographical barrier, efficient claims service, and access to regulator's intervention, among others
3. Confidence to the insurer
4. Addresses issues about quick claim settlement
5. Easy access to insurance
6. Local market backed by good regulatory framework.
7. Competitive pricing
8. Every credit facility given to an importer will have local Cargo Insurance Cover with the Bank of Ghana's interest noted on the certificate.
9. Growth with significant premium income for the insurance industry of Ghana.

Documentation Required for Local Marine Insurance

The following supporting documents are normally required by the insurance companies for local Marine insurance:

- Original policy or certificate of insurance
- Original commercial /supplier's invoice
- Original bill of lading or other contracts of carriage
- Packing list
- Ghana Ports and Harbours delivery tally

sheet or Harbour Waybill

- Letter of intent to carriers or responsible parties
- Landing account and weight notes at destination
- Statement of claim
- Customs Bill of Entry
- Loss Adjuster's Report

Conclusion

Primarily, Ghanaian importers use major international commercial terms for sale/purchase of goods for exports, where importers freely enter into agreements with offshore or local insurers that they desire. There is a clear limitation and difficulty in filing for claims when eventualities occur, and, in most cases, importers do not even know the extent of coverage they have, making it difficult for them to get the desired results from the filing of claims.

The goal of the Insurance Act, Act 724 as amended by Act 1061 (2021), is to safeguard the interest of Ghanaian importers. Consequently, the policy to promote local marine insurance will help in the resolution of such difficulties that manifest in the form of underwriting, policy wording and the technical aspect of dealing with offshore insurers and should be embraced by all stakeholders.



⁵ Presentation on marine cargo insurance at the 118th Greater Accra Shipper Committee Meeting



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Improved Infrastructure is Key to Ensuring Safety in the Transportation of Dangerous Cargo – SLT Logistics Limited

GSA Desk Report

Despite its highly toxic nature, hazardous materials which in most cases are highly poisonous and harmful to humans and properties, and the environment at large, are often transported on road as cargo. These materials include petroleum products, paints, various pressured gases, refuse, industrial chemicals, explosives (for mines and quarries), radioactive equipment and materials, industrial wastes, pesticides and weedicides among others. The rate of road accidents involving hazardous materials on Ghana's transit corridor appears to be relatively low. This implies that stakeholders involved in the transportation of hazardous cargo often adhere to a high level of safety consciousness in their operations.

One such transport entity is SLT Logistics Limited. SLT Logistics Limited is a household name not only in Ghana but on the continent when it comes to the transportation of dangerous substances (chemicals) and materials to mining firms.

Safety is Key in SLT Logistics Operations

To underline the level of seriousness attached to safety precautions on the road, the company developed a pre-delivery plan for timely delivery. This includes checking;

- i. to confirm beyond reasonable doubt that all trucks are fit for purpose before they are dispatched.
- ii. the availability of emergency equipment on the trucks before departure.
- iii. to ensure that border agents are alerted of the arrival of the trucks ahead of time, hence ensuring that less than 24 hours are spent at border crossings.

SLT Logistics has its own fleet of Heavy and Light Duty vehicles including trucks, trailers, Vans and Pick-ups. The company has at its disposal third Party Trucks that it utilizes occasionally. Management of the company ensures that personnel from the technical

department like mechanics, accompany each cross-border delivery.

Human resource capital is of utmost importance to the company. SLT Logistics Limited can boast of well-trained, responsive and dedicated truck drivers making it one of the continent's safest and most reliable transporters of dangerous cargo. SLT delivers these services to various sectors particularly all the mining companies in the country as well as Burkina Faso, Cote d'Ivoire, Mali and Guinea.

SLT Logistics Limited is a member of the Ghana Institute of Freight Forwarders, Association of Ghana Industries, Ghana Chamber of Commerce, JC Trans Logistics Network, Majestic Global Logistics Network and United Oceans Lines.



CEO of SLT Logistics, Mr. Kwesi Bensti Wilson, with one of his Field Officers



A Portion of SLT Logistics' Fleet of Heavy-duty Cargo Trucks

The Inspiration Behind the Name – SLT Logistics

The desire to set up a unique logistics company was a dream of the Chief Executive Officer (CEO), Mr. Kwesi Bensti Wilson, popularly known as K.B Wilson. In October 2015, Mr. Wilson resigned from his position as the Supply Chain Manager of a Mining Company to pursue this vision.

The next challenge was getting a name for the newly established company. Mr. K.B. Wilson explained the inspiration behind the name of his company to the *Shipping Review* saying: *“The idea of a name struck me when I was under the shower preparing to visit my mother at Saltpond. I quickly came out of the shower and wrote down 'Salt' from the word 'Saltpond'. The 'a' in the 'Salt' was removed leaving the acronym ‘SLT’. By adding Logistics to it, the name of the new company came out, 'SLT Logistics'. SLT later became the perfect acronym for the company's values being **SERVICE, LOYALTY AND TRUST**”.*

The Challenges

The various global challenges experienced since 2020 have undoubtedly impacted every aspect of commerce, and SLT Logistics has not been an exception. According to Mr. Wilson, the adverse impact of these challenges affected the sales volumes of the company's clients, leading to

less logistics support demand by SLT as agents.

Recommendations

Improvements in infrastructural development is the main concern for SLT Logistics Limited. Mr. K.B. Wilson, therefore, recommended that “government should invest in improving infrastructure to enable stakeholders to enhance transit cargo operations. These include extending the rail lines to the Northern part of Ghana, construction of more freight parks as well as inland ports”. This, he said will augment existing ones such as the Elubo

Freight Park and the Boankra Integrated Logistics Terminal (BILT).

He also suggested that the construction of additional freight parks will among other things provide an avenue for the haulage truck drivers to rest, re-fuel and complete all documentation in time before crossing the borders to neighbouring countries; while the inland ports will lead to a reduction in general transport costs on international cargo to importers and exporters from the middle and northern parts of Ghana, including the Sahel sub-region. It will also help to ease the congestion at the Tema and Takoradi ports, and facilitate the provision of up-to-date infrastructure to meet current developments and technological



Dangerous Cargo Truck Transporting Goods

2023: Job Creation in the Air Cargo Industry - An Agenda for the IATA.

GSA Desk Report

There have been numerous calls for African governments to put in place relief measures to protect jobs in the Aviation sector as the impacts of the Covid-19 pandemic deepen.

At the peak of the Covid-19 pandemic which begun in 2020, the International Air Transport Association (IATA) estimated that airlines operating in Africa could lose \$6 billion of passenger and cargo revenue compared to the previous year. The IATA also projected an increase in job losses in the aviation and related industries by more than 3 million; that is half of the continent's 6.2 million aviation-related employment, with the preceding year's estimate pegged at two (2) million.

The cancellation of passenger flights as a result of the Covid-19 pandemic also affected the operations of cargo airlines as very few ground handlers were available to perform crucial services at the airports. These sentiments were re-echoed at the World Cargo Symposium held in London in September 2022.

The 2022 World Cargo Symposium

The World Cargo Symposium (WCS) is the largest and most prestigious annual event on the calendar for stakeholders in the aviation sector. The 2022 World Cargo Symposium held in London from 27th - 29th September gave an accurate reflection of current happenings in the air cargo industry since the onslaught of Covid-19. It featured plenary sessions, specialized streams, workshops, executive summits, and aspects of Technology & Innovation, Security & Customs, Cargo Operations and Sustainability.

Employment – IATA's Priority for The Air Cargo Industry In 2023

The Global Head of Cargo at the IATA, Brendan Sullivan enumerated four (4) issues of concern to the Association, where they intend to intensify efforts to build resilience and thereby strengthen the post-pandemic prospects for air cargo. In his speech at the World Cargo Symposium, Mr. Sullivan said that the IATA's focus for 2023 are;

- Achieve net zero carbon emissions by 2050
- Continue to modernize processes
- Find better solutions to safely carry lithium batteries
- Make air cargo attractive to new talent. (Employment)



Global Head of Cargo at the IATA, Brendan Sullivan

The human resource of industries like the air cargo sector forms the core of any improvements they can achieve. Without human resource it will be near impossible to reach new heights or sustain any significant achievements made in the past. This is why many have sounded the alarm, especially as the thousands who lost their jobs during the pandemic were cargo handlers.

Also of concern is the bureaucracy involved in the recruitment of personnel in the air cargo industry. It makes the industry unattractive to the emerging workforce. Perhaps the IATA's Global Head of Cargo, Brendan Sullivan summarized the situation better in his speech at the World Cargo Symposium when he said *"We are now competing for talent in a very tight job market. And when we do find the right and willing talent, training and longer-than-usual security clearance processes delay their entry into the workforce."*

RECOMMENDATIONS

In view of the challenges affecting the recruitment of qualified and willing workforce into the air cargo industry, governments need to institute measures to quicken the clearance processes, including those for security, as a short-term solution.

In the long term, countries need to enact policies to attract, maintain and retain critical human resource personnel in the sector.

There is also the need to create equal opportunities for females in the industry. It is for this reason that air cargo carriers are encouraged to sign on to initiative and also work to make it thrive.



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Ghana's Cashew Nut Economy: The Story of Jabag Multi Haven Enterprise

GSA Desk Report



CEO of Jabag Multi Haven Enterprise Mr. Jacob Amponsah Baah

Statistics from the Ghana Export Promotion Authority (GEPA) indicate that earnings from Non-Traditional Exports (NTEs) increased from \$2.84 billion in 2020 to \$3.33 billion in 2021. According to the report, the top 10 leading products which comprised cocoa paste, cocoa butter, cashew nuts, articles of plastics, canned tuna, iron/steel, natural rubber sheets, refined palm olein, cocoa powder, and aluminium plates contributed up to \$2.096bn representing 62.96% of the total NTE earnings for 2021. From the above, it is evident to conclude that agricultural produce constitutes a larger portion of the NTEs.

Out of the list of agricultural products, cashew nuts have contributed significantly to the steady rise in NTE earnings. Over the years, the demand for cashew nuts has increased significantly in the trade between Ghana and several Asian countries including India and Vietnam. The West African nation has positioned itself as a net exporter of the commodity to the second-most populous country in South Asia (India) and Vietnam, with export values of US\$ 533 million and US\$ 445 million

respectively. It is therefore not surprising that most Small and Medium Scale Enterprises (SMEs) in Ghana's export sector are involved in the production and export of cashew nuts. One such entity is Jabag Multi Haven Enterprise.

The India Inspiration

After feeling unfulfilled as a vertical and venetian blinds technician for several corporate organizations, despite being self-employed, Mr. Jacob Amponsah Baah, the Chief Executive Officer (CEO) of Jabag Multi Haven Enterprise decided to start a journey in the agricultural sector. Upon identifying India's high demand for cashew nuts, he ventured into its production and export. During one of his routine maintenance activities, Mr. Baah encountered an Indian national who was the CEO of an alcoholic beverage production company in Ghana. The two had discussions on the potentials of producing and exporting cashew nuts to India where the demand for the commodity is high. He was convinced beyond reasonable doubt to venture into the production of cashew nuts after realizing its potential.

Mr. Baah's Indian friend had promised him a ready market in Ghana for his alcoholic beverage production company as well as the potential to export the produce to India where the demand for the commodity was high.

Unfazed by the financial requirements involved, Mr. Baah used the GH¢ 2,000.00 he received as payment for the service rendered as seed money to invest in his newfound entrepreneurial adventure; initially travelling to the Brong Ahafo region to research the cashew trade (where to get it, warehouse rental and procurement of the sack for the business, etc.). In an interview with the Shipping Review in Accra, Mr. Amponsah Baah said he also invested in "quality marketing tools and strategies to help get my commodity trade off the ground."

He was compelled to travel to India to learn and master the acceptable standards for exporting cashew nuts before commencing his journey.

"I bought a truckload of cashew to supply the Indian man who introduced me to the business, then I



enquired about what he going to use the cashew for. He informed me that he was an intermediary that buys large quantities of cashew nuts for exports to India. After that, I decided to go to India to explore their market. On my return, I felt convinced and ready to commence my journey in the production and export of raw cashew nuts to India and have been doing that till date.”, he said.

Currently, the company has expanded and has included Sesame seeds and Soya beans in the list of agricultural products that it exports.

Focus on Customer Satisfaction

Customer Satisfaction is at the heart of the operations of Jabag Multi Haven Enterprise. The CEO, Mr. Jacob Amponsah Baah, mentioned that he was encouraged to venture into the processing and export of cashew nuts by a satisfied customer (the above-mentioned CEO from India), while he was still a blinds technician.

The company does not compromise on quality; it focuses on honouring its contract with clients in a timely

manner. It maintains a minimum capacity of 509 metric tonnes and a maximum of 1500 metric tonnes annually.

The Challenges

Like any other SME in the sector, Jabag Multi Haven Enterprise has had its fair share of challenges since its establishment in 2006. According to Mr. Baah, the biggest challenge faced in the export of cashew nuts to India is the difficulties in negotiating the right price for the commodity. This according to him is affecting his capacity to generate the needed income to sustain his business and stay afloat.

This challenge he says is not peculiar to his business alone, adding that, other exporters face similar challenges. To this end, Mr. Baah has appealed to the government and relevant stakeholders to intervene.

He pointed out that the performance of Cashew nuts as one of the list of top ten (10) NTEs in 2021 is proof that it has the potential to generate the needed foreign exchange for Ghana, provided that the country prioritize the sector.





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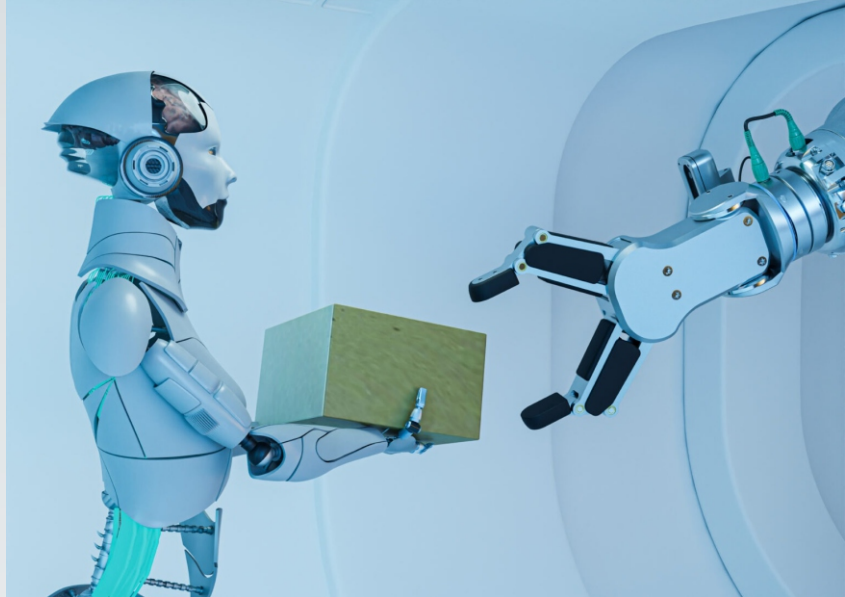
UNLOCKING ARTIFICIAL INTELLIGENCE (AI) & CHATGPT IN THE SHIPPING INDUSTRY

By: Robert Etiga, FMVA

Corporations are enlarging their customer base and prioritizing their online storefronts. Brick-and-mortar retail stores are in decline while online sales continue to skyrocket. As trade becomes increasingly globalized, the need for efficient and cost-effective means to ship goods increases exponentially. This trend is forecasted to go up in the future, which will lead to increased demand for fast and reliable delivery.

The shipping and logistics industry has long been a critical part of global trade, allowing goods and commodities to be conveyed across tremendous distances to reach consumers anywhere. However, the industry has undergone rapid technological headways in recent years, and Artificial Intelligence (AI) is proving to be a game-changer in the field of shipping. Most executives whose companies have adopted AI report that it has provided an upward trend in revenue in the business areas where it is applied, and 44% say AI has reduced costs. A recent study by Goldman Sachs indicates that advancements in AI, particularly generative AI systems like ChatGPT (Chat Generative Pre-trained Transformer), may significantly transform operational landscapes in many industries.

The dynamic and interrelated nature of the supply chain of the shipping and logistics industry compels constant interaction between shippers, carriers, and suppliers with respect to ordering



products, scheduling appointments, communicating with carriers about a delivery, solving unforeseen but unavoidable problems that arise in transit, and communicating with shippers and receivers about delivery. According to Priyesh Ranjan, CEO of Vorto; *"ChatGPT is a superior tool for dealing with those dynamic communication need, and solving logistics challenges quickly and optimally across the separate but interconnected domains of shippers, suppliers, warehouses, and truckers."*

Chat GPT, a long-form question-answering AI and context recognition chatbot developed by OpenAI has the extraordinary ability to interact in conversational dialogue form, and provides responses that appear surprisingly human. Combining this GPT model with optimization algorithms that utilize a company's data would create a skilled virtual worker with the inherent ability to get

better over time. Shipping corporations could realistically start thinking of significantly increasing the number of ships in its fleet without increasing headcount in chartering, voyage operations, and fleet management.

AI-driven platforms such as ChatGPT hold great potential for the industry. By leveraging large quantities of data points that corporations capture, ChatGPT can be used to make logistics processes less complex. It can also play a vital role in automating processes, analyzing customer data, identifying patterns, and proactively communicating with customers about their shipments. ChatGPT can thus keep customers informed about the status of their orders and / or get answers to their inquiries in real time, and thereby significantly impact brand perception positively.

In the modern era of globalization, the popularity of



online purchasing and digital transactions will grow to record highs in the coming years, which will only further increase the demand for fast and reliable delivery. Therefore, inventory control systems are areas of operations within the shipping industry that need to be automated fast. These automated tools should require little manual oversight as they will incorporate best-practice ML (Machine Learning) techniques for automatic continuous improvements.

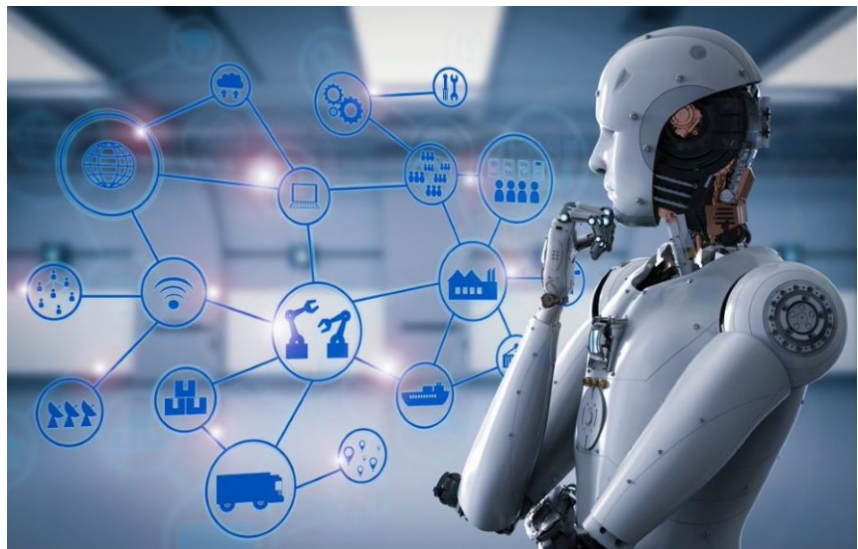
Currently, shipping corporations are exploring automation in everything from marketing, through route planning to logistics center operations, and inventory control systems. This focus on automation is quickly becoming the standard within the shipping industry and the competition is fierce. Shippers continuously search for and experiment with new technologies to decrease delivery costs and time, and to improve reliability. For example, UPS reduced gasoline usage by millions of gallons and avoided emissions equivalent to over 20,000 passenger cars per year by using software that predicts the most efficient route for each truck.

By 2027, experts predict that all major shipping concerns will utilize artificial intelligence and automation tools to improve these key factors. As the Senior Director of Business Intelligence & Analytics at Hapag Lloyd AG, Florian Heinemann, explains, AI is becoming increasingly important in the shipping industry due to the vast amounts of data generated by this sector. By leveraging AI, shipping companies can analyze this data to detect patterns and identify potential scenarios, allowing them to make informed decisions and optimize their operations.

One of the most significant areas where AI is having a transformative impact in the

shipping industry is the field of predictive maintenance. AI can predict possible failure points at various stages of the shipment life cycle and automatically organize the action plans to handle potential issues. By analyzing data collected from sensors installed on ships and other equipment, AI algorithms can identify challenges before they occur, enabling shipping companies to schedule maintenance and prevent costly breakdowns. It can also be used to monitor vessel performance, identify areas for improvement, and ensure compliance with environmental regulations.

The application of AI is also proving useful in the shipping industry with respect to supply chain optimization. The industry's supply chain depends on complex communication to keep each moving part on track — from the supply through shipping and storage, and to the last mile. These domains are nuanced, and the frequent crossover causes challenges because communicating effectively and at a high level to solve problems is difficult. ChatGPT can bridge these divides across domains and raise the level of communication to levels that allow for better outcomes. By leveraging AI technology,





shipping companies can optimize shipping routes, reduce transit times, and minimize costs. These would inure to the benefit of customers who would receive their goods faster and at a lower cost, and also to the shipping corporations by helping them maintain a competitive edge in the industry.

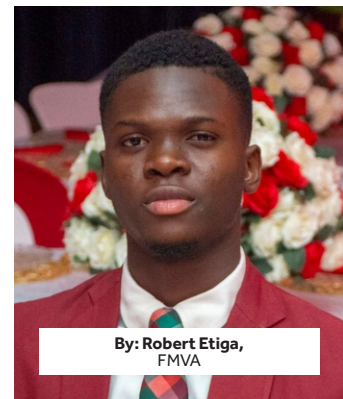
Tarry Singh, a top AI expert, when asked, "How AI is driving the economic growth of the maritime industry" commented, "AI may be an opportunity that shippers should be looking at very seriously. Maritime operations have been extremely optimized,

but there are "last nautical mile" efficiencies such as vessel precision operations using various geographical data to make ETAs/ETDs, fine-tuning container routing, and re-routing, fuel-consumption models that offer Fuel Savings Guarantees." He recommends for the industry to move forward by identifying patterns through Machine Learning, becoming aware of, and accessing "big data," training IT staff about Machine Learning, and more.

In conclusion, AI-driven platforms such as ChatGPT hold enormous potential for the industry and are

already transforming the ways shippers operate globally, proving to be a particularly valuable tool in optimizing operations, improving customer service, and driving cost savings. Shipping and logistics industry players need to keep up with the rapidly changing technological landscape to remain competitive and avoid being left behind the fiercely competitive industry.

Players in the shipping and logistics industry that fail to adopt technology-driven operations risk extinction as more innovative application of AI technology is expected in the future to ramp up the industry's efficiency and competitiveness.



By: Robert Etiga,
FMVA



ASSESSMENT OF THE ROLLOUT OF THE AfCFTA IDENTIFICATION NUMBER AND ITS OPPORTUNITIES FOR TRADE FACILITATION

GSA Desk Report

Background

The African Continental Free Trade Area (AfCFTA) is a project of the African Union's Agenda 2063. Its implementation is to attain inclusiveness and promote sustainable development across the continent over the next 50 years. The aim is to boost intra-African trade by providing a comprehensive and mutually beneficial trade agreement among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy. According to the World Bank, the AfCFTA agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at US\$3.4 trillion. It has the potential to lift 30 million people out of extreme poverty, but achieving its full potential will depend on putting in place significant policy reforms and trade facilitation measures.

Ghana hosts AfCFTA Secretariat

The selection of Ghana as the administrative seat of the Africa Continental Free Trade Area (AfCFTA) was historic because it marked the first time that the West African country would host an organ of the Pan-African organization despite the significant roles that Dr. Kwame Nkrumah played in the formation of the Organization of African Unity (OAU), the predecessor of the African Union (AU).

The country has geared up to blaze the trail by implementing policies and programmes that befit her status as the host of the AfCFTA Secretariat.

Progress under AfCFTA

The Secretary-General of AfCFTA, Wamkele Mene announced on 30th August 2022 that "all is set for commercially meaningful trading in goods under the AfCFTA regime to commence". He added that the E-tariff Book and Rules of Origin Manual are already on its website to be used by member states to trade under the continental trading agreement.

Barely two (2) months after the announcement, the Government of Ghana successfully assisted thirty (30) Ghanaian Small and Medium Enterprises (SMEs) to secure certifications of origin that will enable them to start trading under AfCFTA, marking yet another milestone that befits her status as the host of the AfCFTA Secretariat.

The certified SMEs who are part of two hundred and thirty (230) potential exporters identified to be guided through AfCFTA processes, procedures and protocols were assisted through the (Ghana) National AfCFTA Coordination Office, which serves as the liaison between Ghana and the AfCFTA Secretariat. Two of the SMEs, Benso Oil Palm Plantation Limited and KEDA Ghana Ceramics Company Limited have been exporting palm oil products to Kenya and ceramics to Cameroon, respectively since October 2022.

Another noteworthy achievement is that, about thirty-five (35) banks have so far signed on to the Pan-African Payment and Settlement System (PAPSS), which is an efficient cross-border payment system to enhance the smooth operationalization of AfCFTA.

The AfCFTA Secretariat has also secured \$9billion (\$7billion from the Equity bank and \$2billion from the World Food Programme and the Afrieximbank) to be disbursed to SMEs to support value addition, agriculture and minerals among others. As at



Mrs. Ursula Owusu-Ekuful - Minister of Communications and Digitalization

August 2022, the Secretariat had raised \$1billion from the Afrieximbank out of the \$10billion Adjustment Fund it is expected to raise, to assist member states to develop industrial capacity. Private companies interested in securing funds from the facility are encouraged to apply through their respective governments.

Government of Ghana (GOG) AfCFTA Initiatives

On 29th August 2022, the Government of Ghana launched the “AfCFTA Hub” to facilitate digital trading and electronic commerce under AfCFTA. The initiative is also expected to enhance marketplace transactions to accelerate the implementation of AfCFTA and maximize its benefits. The notable feature of the Ghana AfCFTA Hub is the AfCFTA identification number (AfCFTA ID), a unique code to be provided to Small and Medium Scale Enterprises (SMEs), startups and other economic actors that would engage in trading under the initiative.

The immediate target group for the AfCFTA identification number roll out are persons and SMEs offering courier, postal, delivery, logistics, E-taxi, E-commerce, digital trading, and related services. It will enable enterprises to easily obtain a secure navigational tool as well as a trusted profile to speed up connections across the continent. The roll out of the identification number will be extended to other categories of businesses eventually.

Ghana and six (6) other African countries will soon commence the registration of young entrepreneurs and SMEs to enable them obtain their AfCFTA ID Numbers in Ghana free of charge. This will complement existing AfCFTA mechanisms that are already in operation.

Importance of Ghana's AfCFTA Hub and the AfCFTA identification Number

In February 2020, the Heads of State and Government Assembly of the African Union decided to include E-commerce in the third phase of negotiations on AfCFTA. The E-commerce Protocol, also known as the Protocol on Digital Trade aims at promoting the emergence of African-owned E-commerce platforms at national, regional and continental levels. The launch of Ghana's AfCFTA Hub and subsequent roll out of the AfCFTA ID therefore falls in line with the strategic intent of the continental agreement.

The AfCFTA Hub is expected to open the market space and make it easier for technology startups and other producers of Information and Communication Technology (ICT) goods and services to find markets across the continent. The

use of digital technology would bolster the competitiveness of all sectors of the shipping and logistics industry and enable expansion of their markets. As a result of the AfCFTA identification number, the process of validating the background of any commercial counterparty would be highly automated, quick, and hassle-free, which will be adopted and the regulatory certification taking place on a unified platform.

It is worthy to note that the AfCFTA ID together with the AfCFTA Common Transaction ID are designed to protect Ghanaian importers and exporters from online fraud as more business transactions become digitalized. They form a significant step towards ensuring that the AfCFTA works efficiently for Ghanaian shippers, who by the click of a button, can identify the origins of demand for their goods, logistics, freight and haulage support whilst at the same time being protected from the ever-growing phenomenon of online fraud.

Way Forward

The launch of the Ghana AfCFTA Hub provides an avenue for SMEs and other such businesses to rake in foreign exchange to drive the growth of Ghana's economy. The onus now lies on these categories of businesses to effectively and efficiently take advantage of the platform to obtain their AfCFTA ID and by that accelerate free trade for Africa's economic transformation.

The AfCFTA Secretariat should also intensify collaboration with key stakeholders such as the Ghana Shippers' Authority (GSA), Ghana Export Promotion Authority (GEPA) and the Ghana Free Zones Authority (GFZA) to embark on a nationwide education drive just as has been done with the Bank of Ghana with respect to the Letter of Commitment (LOC) for exporters; and also with the Customs Division of the GRA with respect to the Benchmark Reduction Value Policy in the recent past.

The collaboration between the GSA and various stakeholders has led to positive reviews from shippers on the LoC and Benchmark Reduction Value Policy, hence a similar collaboration would aid the effective acceptance of the AfCFTA ID.

Conclusion

The roll-out of the Ghana AfCFTA hub is timely as it comes at a time when the country is fervently driving its digitalization agenda to promote E-Commerce and digital trade, and also to protect SMEs and Startups that utilize electronic platforms.



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THE SEAFARER'S PSYCHOLOGY AND MENTAL HEALTH: THE REJECTED STONE

By: Jeffery Hewlett, Level 400 student Regional Maritime University

The psychology of an individual is in direct correlation with his / her surrounding environment. An individual finds complete comfort and wholeness in an environment of love and security. Naturally when one is born, it is into an environment that fulfils all these; known as a family.

What happens when a person is moved out of such an environment? The psychological assurance that is associated with that environment is lost and the person must make a very conscious effort to re-build it in their new environment for their sustenance.

Now one will ask, what is psychology? What is it about psychology that makes its appreciation a requirement for a successful life?

According to the American Psychological Association (APA), psychology is the study of the mind and behavior of an individual. APA also defines psychology as the collection of behaviors, traits, attitudes that characterize an individual or a group (e.g., the psychology of women). This shows clearly that psychology deals with the mind, and at the mention of the mind, Mental Health cannot be overlooked. These two terms are therefore interrelated.

Also, according to the APA, Mental Health is a state of mind characterized by emotional well-being, good behavioral adjustment, relative freedom from anxiety and disabling



symptoms, and a capacity to establish constructive relationships to cope with the ordinary demands and stresses of life.

So, what is the difference between Psychology and Mental Health?

Many people believe there is no difference between Psychology and Mental Health, and they are often regarded as being the same, just as their specialists are also perceived.

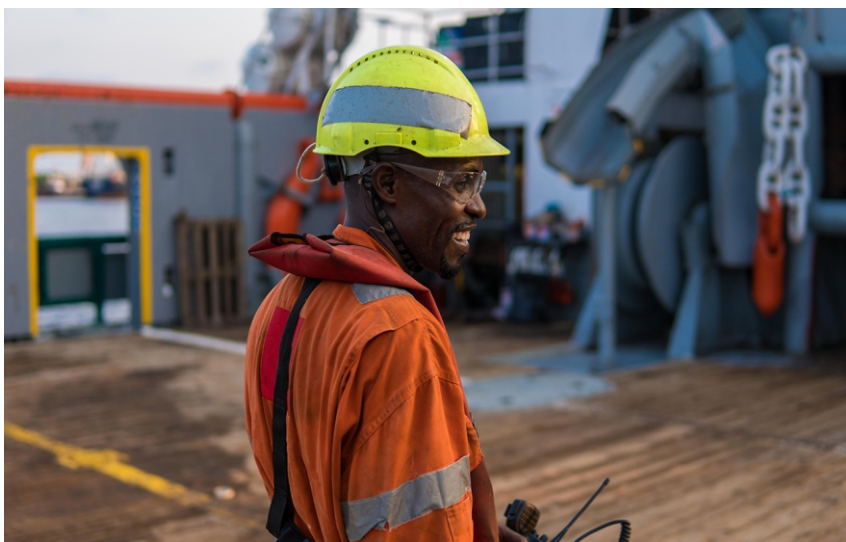
A Mental Health expert is known as a Psychiatrist and an expert in Psychology is known as a Psychologist. The difference that comes to my mind when the two areas of human health are considered is that Mental Health is usually followed by the word 'disorder' whereas Psychological health does not often have that description.

Per the definitions stated above, Psychology is the study of the mind. It is the investigation of

human behaviour, whereas Mental Health is a state of mind.

The disorders in Mental Health have less effects on the psychology of a person, but lead to feelings like depression, anxiety, stress, inter-personal relationships, and many more. Disorders in Psychology on the other hand have a significant effect on the mental health of the person, and often lead to mood swings, personality issues and behavioral issues.

Let's take a step back and talk a bit more about psychology. As defined earlier, psychology is the study of the mind, how it works, and how it affects behavior. When in a safe, secure, and enabling environment, the mind of an individual is tuned to be productive. It helps to appreciate the different factors that can impact the human mind, behavior, health and general well-being of a person. Psychology is therefore pivotal in the creation of safer and efficient workspaces in organizations and



something similar happens to their brain. Nowhere is this more the case than in the macho environment of a ship. Seamen are supposed to be tough, and it doesn't do to show any form of weakness at sea – physical or otherwise. They're typically a superstitious lot too, and in the past it was considered unlucky to have a madman on board – in the same way that it was unlucky to have a woman or a pig or a dead body on board. A sailor showing signs of mental illness was more likely to be thrown over the side than given a course of counselling.”

thereby helps to motivate people to achieve their goals and ultimately, improve productivity.

Mental health is important at every stage of life, from childhood through adolescence to adulthood. Low levels of mental health leads to ailments like depression, anxiety disorders, schizophrenia, eating disorders and addictive behaviors. Thus, mental health has a direct impact on the physical health of an individual.

For example, depression often increases the risk for many types of physical health problems like increased aches and pains, and particularly long-lasting conditions like diabetes, heart diseases, and stroke. Such Similarly, the presence of chronic conditions can increase the risk for mental ill-health.

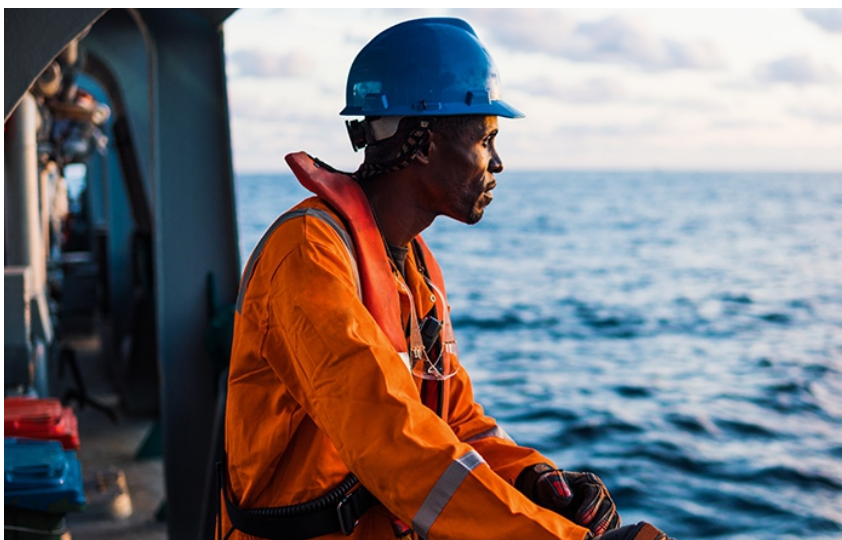
The decision-making capabilities of an individual are based on the quality of his / her mental health.

In Nic Compton's book “*OFF THE DEEP END: A HISTORY OF MADNESS AT SEA*”, he talks about the perils at sea and the effects of these on the mental well-being of people.

Nic in the book says that “*Madness at sea is a largely*

hidden, unreported phenomenon. This is partly because, by definition, it takes place in an alien environment, away from society's gaze, and only the most dramatic examples make the news. Many people have heard of Donald Crowhurst, the singlehanded sailor who became delusional and jumped over the side after faking his position in a round-the-world race, but few know about the dozens of merchant seamen 'lost at sea', every year without explanation, half of whose deaths are thought to be suicides. It's also a little-discussed subject because of the more general stigma attached to mental illness. Most people are quite happy to talk about their physical injuries in great detail, but rather more squeamish when

He further goes on to highlight other reasons why seamen are more-than-usually susceptible to mental illness. “Then there's the stress of travelling to unknown lands, far away from family and friends, facing unpredictable hazards, with no support mechanism other than your fellow crewmates. If you're bonded within the group, then you'll do fine, but if you're on the periphery, then things are only going to get worse – much worse. Even on a huge cruise ship packed with 3,000 or more passengers, it's possible to feel claustrophobic, lonely and isolated – as testified by the hundreds of suicides on ocean liners.”





It appeared as if all of this was not enough. Then came the mighty blow of COVID-19. The issue of COVID-19 is a very dicey issue in trying to pin point which sector of the world was the worst affected; and I'm far from trying to do that. But with the awful lot of abandoned psychological and mental health issues of seafarers, being hit by the COVID-19 pandemic was the worst ever form of “unconscious manslaughter” (for lack of a better word) in the history of the maritime industry.

In a news article published by Marine Insight on September 30, 2020, it reported that a Filipino seafarer by name Michael Dequito Monegro, stabbed a colleague seafarer to death 17 times with two knives. A paragraph of the article read *“Monegro admitted to stabbing the victim repeatedly during an interview on the ship by two FBI agents, the affidavit states. It also states that the incident has traumatized some of the crew members who witnessed the attack.”*



Lijung Tang, Sanley Abila et al, conducted a research project and published a paper titled *“Seafarers' mental health during the COVID-19 pandemic: An examination of current supportive measures and their perceived effectiveness.”* The paper tried to examine the various support mechanisms developed for seafarers and their realistic impacts on them.

Lijung Tang et al. employed a mixed methods design involving qualitative interviews with 26 stakeholders and a quantitative questionnaire survey of 817 seafarers. A total of 22 mental health support measures were identified, all of which were perceived to have positively contributed to seafarers' mental health.

Their research highlighted the initiatives of organizations like Sailors' Society and the International Seafarers' Welfare and Assistance Network (ISWAN) to improve seafarers' mental health using the Wellness at Sea mobile app and the Seafarer Help line respectively.

Recommendations made in their research included; companies prioritizing the provision of “facilitating timely crew changes”, “provision of immediate family support”, “increase in Wi-Fi data allowance”, and “reduction of overtime hours”.

They also recommended that governments around the world should categorize seafarers as essential workers and prioritize inoculation.

“Overall, companies should improve their efforts to support seafarers' mental health and wellbeing onboard and be flexible in their provisions to adapt to the needs of seafarers during crisis.” the paper recommended.

In conclusion, the maritime industry will be sitting on a ticking time bomb if it does not pay closer attention to the psychological and mental wellbeing of the seafarers it employs. A competent seafarer is skilled, fit, strong, and healthy in the brain.



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