The Role of Seafaring in Trade Facilitation and Bridging the Employment Gap.

By: The Editorial Team, Ghana Merchant Navy Officers Association (GMNOA)

Seafaring is an age-old profession that has played a vital role in connecting nations and facilitating trade across the world. In Ghana, seafaring has the potential to play an important role in bridging the employment gap amongst the youth. With a high youth population and increasing unemployment rates, the country is in dire need of innovative solutions to tackle this issue.

Seafaring is a profession that involves working on ships or other vessels at sea. It encompasses various job roles such as deck officers, engineers, electricians, and stewards. The industry offers a unique opportunity for individuals to travel the world, experience different cultures, and earn a good income. According to a report by the International Transport Forum, the global maritime industry employed over 1.5 million people in 2020, and the sector is projected to grow in the coming years.

Seafaring in Ghana

In Ghana, the seafaring industry is relatively small, and most of the jobs are in the fishing sector. However, there are opportunities for Ghanaians to work on ships that transport goods and commodities across the world. According to the Ghana Ports and Harbours Authority (GPHA), there are over 20,000 jobs in the ports sector, and the industry is expected to grow in the coming years. Additionally, the oil and gas sector in Ghana also presents opportunities for seafarers as the country explores its offshore oil reserves.

Seafaring as a career

One of the main advantages of seafaring as a career path is that it provides opportunities for training and career progression. Most seafarers start as cadets and work their way up the ranks, acquiring skills and experience along the way. The International Maritime Organization (IMO) has developed various training programs and initiatives to promote the development of seafarers worldwide.

In Ghana, the Maritime Authority has also developed training programs for seafarers to enhance their skills and knowledge. Furthermore, seafaring offers a good income and job security. The seafaring industry is known to pay well, and seafarers are often entitled to various benefits such as health insurance and paid vacation. Additionally, the demand for seafarers is expected to grow in the coming years due to the expansion of the maritime industry.

To promote seafaring as a career path for the youth in Ghana, there needs to be a concerted effort from various stakeholders. The government can play a key role in promoting the industry by providing incentives for shipping companies to employ Ghanaians. They can also invest in the development of infrastructure and facilities for seafarers such as training centers and accommodation. The private sector

can complement government's effort by contributing to the promotion of seafaring through collaboration with the government and investment in the development of the industry. Shipping companies for example can provide training and employment opportunities for Ghanaians and create awareness about the benefits of seafaring as a career path.

GMNOA's position

The Ghana Merchant Navy Officers Association (GMNOA) has expressed its support for the "go to sea" promotion as a means to reduce unemployment. However, the association also emphasizes the need to take note of the current technological advancements in the transport industry. With the rise of driverless cars on roads, the ocean transport sector has also seen technological innovation in the form of unmanned and autonomous ships in Europe and Asia.

In light of these developments, GMNOA emphasizes the importance of guiding Ghanaian youth who seek careers in the maritime industry. Careful planning is required to ensure that there are still opportunities for human-operated ships, which will in turn create jobs for Ghanaian youth. GMNOA's stance highlights the need for strategic planning and adaptability in a rapidly evolving industry.

Conclusion

In conclusion, seafaring has the potential to play a significant role in bridging the employment gap amongst the youth in Ghana. The industry offers opportunities for training, career progression, good income, and job security. However, there needs to be a concerted effort from various stakeholders to promote the industry and create awareness about the benefits of seafaring. With the right policies and investments, the seafaring industry can become a vital source of employment for the youth in Ghana.

Ghanaian seafarers (Marine Engineers)

A GMNOA officer advising students of RMU, soon to be seafarers

2023 Day of the Seafarer

Ghana Maritime Authority

Ghana joined the world to commemorate the "2023 Day of the Seafarer" on Friday 23rd June 2023.

The event was organised by the Ghana Maritime Authority under the auspices of the Ministry of Transport and was held at the Regional Maritime University, Nungua - Accra.

Instituted by the International Maritime Organization (IMO) to be observed on the 25th of June every year, the Day of the Seafarer is celebrated globally to recognize the sacrifices of those who work to ensure that goods, equipment, and humanity's daily consumables reach them wherever they are.

This year's celebration coincided with the 50th Anniversary of the adoption of the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78). As a result, it was celebrated on the theme; "Seafarers, MARPOL, and The Marine Environment."

The ever was attended by some of the industry's biggest brains and practitioners, including seafarers, academics, students, Regulators, employers, and the Media.

Photos from the event.

A cross section of participants

Panel discussion

2nd from left, Director General of the GMA Mr. Thomas Alonsi, Chief Director for the Ministry of Transport Mrs. Mabel Sagoe.

A participant speaking during the Q and A session.

A group photo of the dignitaries

Participants registering

Director General of GMA Mr. Thomas Alonsi being escorted to the auditorium.

MARITIME SECURITY AND MERCHANT SHIPPING IN THE GULF OF GUINEA: Analyzing the Conceptual challenges to Counter-Piracy efforts in a troubled Maritime Region.

By: Kwesi Fokuor-Benyin

Introduction:

In May 2021 the Danish Parliament agreed to a government proposal to deploy a Danish combat vessel to the deeply troubled Gulf of Guinea on a special mission to patrol the waters and protect Danish and other merchant vessels that sail within the region from pirates. Denmark has significant maritime interests within the Gulf of Guinea region, with an estimated 30-40 Danish flagged or controlled merchant ships traversing its terrifying waters.

On 24th October, the frigate HDMS Esberne Snare left the Danish Naval Base Frederikshavn for West Africa with a contingent of military police, a helicopter and special operations forces.2 Exactly a month later, the warship received reports of a suspected attack on a merchant ship and immediately sailed towards that direction. The frigate's seahawk helicopter was dispatched to survey the situation, and it reported sighting a speeding motorboat with eight suspicious men aboard with tools and materials used by pirates on board. When the warship got close enough, it called upon the pirate ship to stop for boarding and inspection, and proceeded to fire a warning shot when the pirates ignored the order. The

pirates fired directly onto the Danish soldiers, provoking a brief gun battle that resulted in the death of 4 suspected pirates, the wounding of one and the arrest and detention of the remaining three.

The wounded pirate, a Nigerian national, was sent to a hospital in Ghana for medical care that resulted in the amputation of one of his legs whilst the three others were sent to Copenhagen. They were charged and stood trial for the offence of “attempted murder of Danish soldiers.” Sadly however, the Danish court declined jurisdiction, and the captured suspected pirates had to be set free upon the same waters they caused terror without answering for their crimes, and immediately put out to sea on a dingy.

This is due in part to the fact that the Danish government could not find any country along the Gulf of Guinea which was willing to accept and trial the suspected pirates. This incident marked an important milestone in the evolution of the region's counterpiracy operations as it was the first time suspected pirates had been killed by an international Naval vessel operating within the region.3

Conceptualizing Piracy:

Piracy has its provenance in antiquity. It is coeval with sea navigation itself. As was observed by a judge of the International Tribunal of the Law of the Sea, “the very first time something valuable was known to be leaving a beach on a raft the first pirate was around to steal it.” As early as 75 BC, a young Julius Caesar was captured by pirates and held for ransom. At its most basic level, Piracy may be conceived as “armed robbery at sea”. Indeed, this was for a considerable time the prevailing definition of piracy. Sir Charles Hedges whilst charging the grand jury in the Dawson's Trial at the Old Bailey in 1696, remarked that “piracy is only a sea-term for robbery, piracy being a robbery committed within the jurisdiction of the Admiralty”.6

In the United States v Smith7 decided by the United States Supreme Court in 1820, Sir Justice Story observed thus; "whatever may be the diversity of definitions, all writers concur, in holding, that robbery or forcible depredations, animo furandi, upon the sea... is piracy ... Whether we advert to writers on the common law or the maritime law, or the law of nations, we shall find that they universally treat piracy as an offense against the law of nations, and that its true definition by that law is robbery upon the sea."

The current definition of piracy under international law, is however more expansive in scope and effect than the above. The 1992 United Nations Convention on the Law of the Sea (LOSC) contains provisions on piracy in articles 100 to 107; and 110. The Convention defines piracy as any illegal act(s) of violence or detention or depredation committed for private ends by crew or passengers of a private ship or aircraft, against a ship or aircraft, persons, or property on the high seas, or any act of voluntary participation in the above or any act of inciting or intentionally facilitating any acts described above. This definition raises a number of implications. First, there must be an illegal act of violence or detention or

depredation, and this may be committed against a ship/aircraft as a unit or its occupants or other property on board.

Secondly, such illegal acts must be committed for “private ends”. This phrase raises difficulties. For example, does “private ends” entail politically or ideologically motivated acts like ecological activism at sea by Greenpeace activists”? Two views exist as to what constitutes private ends; the first is that any illegal acts of violence for political reasons are excluded; and secondly, all acts of violence that lack state sanction or authority are acts for private ends.

The Santa Maria Affair offers some illustration on this point; In 1961, a Portuguese ship was taken over by a Portuguese political dissident, who declared that the seizure was a first step to overthrow the Dictator, Salazar of Portugal. The Flag State, Portugal designated the seizure an act of piracy but the offender sought and obtained asylum from his followers in Brazil. Clearly, there was no state sanction of this act, hence it would be for private ends going by the second school of thought.

In the 1986 case of The Castle John v Babeco, Greenpeace activists took action against two Dutch vessels engaged in illegal discharge of toxic waste into the sea, which involved boarding, occupying and causing damage to the ships with a view to attracting public awareness. The Belgian Court of Cessation held that these were for private ends. A similar incident involved the Institute of Catecian Research v Sea Shepherd Conservation Society9, where the defendants harassed a Japanese whaling fleet. The United States Court of Appeal held that this was clearly an act of violence committed for private ends, and the fact that the protesters believed they were serving a public good did not render their acts “public”. (See also the Arctic Sunrise case between Holland and Russia).

Thirdly, piracy must be committed by the crew or passengers of a private ship or aircraft against another ship or aircraft; persons or property aboard it. There must be two vessels, the pirate vessel and the victim, and the former must necessarily be private. Thus, piracy cannot be committed by a warship or government ship/aircraft unless the crew have mutinied and taken control of the vessel to perpetrate violent acts against another vessel.. The requirement of duality of ships is best illustrated by the Achille Lauro Affair, where members of a Palestinian group boarded an Italian Passenger ship disguised as passengers and hijacked the ship later. They demanded the release of some Palestinian prisoners, and in the process, a disabled American citizen was brutally killed. As the offenders were not passengers of another vessel but the victim vessel itself, the act did not constitute piracy within the meaning of the Convention.

The fourth definitional requirement of piracy is that, it must be committed on the high seas or an area outside the sovereignty of any state. By virtue of the cross-reference provision in article 58(2) LOSC to its provisions on the high seas (i.e. articles 86-115), piracy can take place within the EEZ. The English law decision in Republic of Bolivia v Indemnity Mutual Assurance applied this principle when it held that an

attack by war insurgents upon the Amazon river, did not constitute piracy. This is because inland/internal waters constitute part of the territory of the state within which they flow.

Piracy & Universal Jurisdiction:

Jurisdiction is understood to mean “the extent of each state's right to regulate conduct or the consequence of events, and the legal competence of a state…to make, apply and enforce rules of conduct upon persons.” This implies the state's authority to enact laws (prescriptive jurisdiction) and to enforce their compliance (enforcement jurisdiction). The default basis for the exercise criminal jurisdiction by states is the territorial principle, which underlies the state's competence to prescribe, adjudicate and enforce its penal laws over its own territory.

Exceptionally, international law affords states limited extra-territorial bases for exercising jurisdiction, as are necessary to protect their sovereign interests as well as to control and protect their nationals. The nationality principle for instance, allows states to exercise criminal jurisdiction over their nationals abroad. States may also exercise jurisdiction over conduct by foreign nationals outside of their own territory, if the said conduct affects its nationals outside of its territory (“passive nationality principle”). Furthermore, a state may exercise extraterritorial jurisdiction if the offence is directed against a critical national interest of the state (“protective principle”).

The other basis for exercising extra-territorial jurisdiction apart from those identified above, is the “universality principle.” Whilst the nationality principle, the passive nationality principle and protective principle all maintain some necessary nexus between the offence and the state seeking to exercise jurisdiction, the universality principle has no such requirement for a direct connection. Under this principle, a state is permitted by international law to prosecute and punish offenders for a class of offences recognized by the community of nations as posing a universal concern, without regard to territoriality or nationality. The characterization of some offences as international crimes, or what a writer refers to as jus cogens offences reflects the extreme revulsion and reprobation held of such offences by the international community. This is indeed predicated upon the notion that such crimes are so abhorrent that their very nature jeopardizes the interests of all humanity, and in fact, imperils civilization itself18. Bassiouni proceeds to identify the following to be examples of jus cogens offences; aggression, genocide, crimes against humanity, war crimes, piracy, slavery and slave-related practices and torture.19 He argues further that the characterization of these offences as international/jus cogens crimes do not just imply a universal jurisdiction to arrest and punish, but a peremptory duty upon all nations to arrest, try and punish such offenders; an obligations erga omnes arising by virtue of customary international law.

Piracy constitutes a quintessential example of universal jurisdiction. It has long been considered, indeed, to be the “grandfather” of all universal crimes.20 Judge Guillaume noted in the Arrest Warrant case21 that customary law knows of only one true case of universal jurisdiction; piracy. Pirates are thus

international criminals, and may be captured by the authorized agents of any recognized state, subjected to its criminal jurisdiction and punished according to its local laws.22 Some of the reasons for characterizing pirates as international criminals, subject to universal jurisdiction under the law of nations are discussed as follows;

Mare Liberum and the Common Heritage of Mankind:

Firstly, unlike land-based banditry which is subject to the jurisdiction of the state of occurrence or nationality of its victims, pirates are marauders who prowl upon the high seas for vessels to attack and plunder indiscriminately, without recourse to their nationality. Since the early 17th Century when Grotius published the Mare Libervm, the principle of the open seas has been the dominant rule concerning the use of the sea. This principle underscores the notion that the sea, both as a whole and in its constituent divisions, cannot be subject to private ownership. In modern international law, the coastal states have the right to appropriate up to 12 nautical miles of coastal waters, and establish an exclusive economic zone of up to 200 nautical miles from the baseline along the coast. The coastal zone beyond these waters constitute the high seas, the locus of maritime piracy. Being nullius territorium, no governmental authority extends onto the high seas. It is res communis, i.e. open to all mankind, and possessed by none. It forms a substantial part of the global commons. There is therefore a universal interest in the prompt arrest and punishment of pirates, due to the locus of their operations and their effects on mankind. This universal interest constitutes an important basis for the concept of universal jurisdiction, which allows all states to arrest and punish pirates without regard to the nationality of the pirates or their victims.

Pirates as Hostis Humani Generis:

There is a universally-held view that pirates are common enemies of all mankind, hostis humani generis. Cicero, the great Roman scholar wrote that “…a pirate is not included in the list of lawful enemies, but is the common enemy of all; among pirates and other men, there ought be neither mutual faith nor binding oath.” The evident revulsion in Cicero's denunciation of pirates stems not just from the heinousness of piratical attacks per se. More heinous offences are committed by brigands, thieves and murderers on land. What appears to gall Cicero about piracy, however, is the fact that these acts are committed at sea - an element of nature that is not the natural habitat for mankind. Seafaring has always been a treacherous venture in and of itself. At sea and in the air, men are deemed to be at their most vulnerable state since they are not upon their natural environment-terra firma. It is practically impossible to escape from a ship at sea or from a plane in the skies without a risk of predictable death or serious injuries, at best. This is why international law imposes a moral duty upon all nations and persons at sea to assist anyone in distress at sea.

The intrinsic perils of sea navigation and the heightened vulnerability of men at sea makes it the more objectionable to purposely attack and endanger seafarers with the aim of plundering their possessions. The idea of saving lives and property at sea is diametrically opposed to deliberate acts of depredation, murder and plunder at sea. This is what makes the offence of piracy particularly revolting. Furthermore,

the indiscriminate nature of piracy attacks equates to waging of war on all countries. Also, attacks on commercial vessels disrupt international trade in general. This reality was echoed by the court in Rex v Dawson25 when it observed thus; “Suffer pirates, and the commerce of the world must cease.” A disruption in international commerce affects all nations in the world, hence there is a universal interest in curtailing the scourge of maritime piracy.

Statelessness

Another basis for the exercise of universal jurisdiction over piracy, is that by their conduct, both the pirates and their ships are rendered stateless. Modern international law makes it mandatory for every seagoing ship to be registered in one state or another. The vessel automatically assumes the nationality of the state and becomes entitled to fly its flag. The vessel also becomes subject to the jurisdiction and regulatory control of the flag state, and enjoys its protection in much the same way as its natural citizens. Thus, on the high seas, where no national laws exist in whatever form, the concept of flag state jurisdiction applies exclusively to regulate vessels and maintain maritime order. The underlying assumption for the exclusivity of flag state jurisdiction, is that the ship is an extension of the territory of the flag state.27 An unregistered ship is considered to be stateless, and enjoys no protection from any state.28 This principle was confirmed by the Privy Council in the Asya29, where Lord Simonds remarked that “the freedom of the open sea…is a freedom of ships which fly, and are entitled to fly, the flag of a state.” Some jurists like Blackstone, argue that, as enemies of all mankind, pirates are denuded of their nationality, and thereby become subject to the jurisdiction of every state.30

According to him, the crime of piracy is an offence against the universal law of society: a pirate being, according to Sir Edward Coke, hostis humani generis [enemy to mankind]. As therefore he has renounced all the benefits of society and government, and has reduced himself afresh to the savage state of nature, by declaring war against all mankind, all mankind must declare war against him: so that every community has a right, by the rule of self-defense, to inflict that punishment upon him which every individual would in a state of nature have been otherwise entitled to do, any invasion of his person or personal property.”

Modern conception of international law, however, no longer supports this view. The LOSC now makes it clear that a pirate ship does not automatically lose its nationality. Instead, it leaves it to the discretion of the flag state, whether the pirate ship will retain its nationality or not. The Convention nonetheless, emphasizes that every state may seize a pirate ship or any other ship under the control of pirates and detain the occupants on the high seas or in any other place outside national jurisdiction.

Piracy in the Gulf of Guinea (GoG):

The coast of the GoG abuts the territories of 17 African countries: Benin, Cameroon, Equatorial Guinea, Ghana, Gabon, Ivory Coast, Nigeria, Togo and the archipelago of Sao Tome and Principe. Angola and the Republic of the Congo lie south, with Liberia, Sierra Leone, Guinea, Guinea-Bissau, the Gambia and Senegal to the north. With a combined gross domestic product (GDP) of $866.343 billion as of 2021,

These countries account for approximately 45% of the GDP of Sub-Saharan Africa. The GoG region contains vast reserves of hydrocarbon, fisheries and mineral resources that contribute significantly to the national revenues of the adjoining coastal states. The region also constitutes an important shipping zone for international trade between Europe and Asia. Furthermore, it accounts for about 25% of Africa's maritime traffic with about 1000 merchant and fishing vessels crisscrossing the nearly 20 commercial seaports along its coastline every day. The region also provides two-thirds of Africa's oil production and holds up to 4.5% of the world's proven oil reserves, and 2.7 of proven natural gas reserves.35 Currently, countries like France, Italy and the United Kingdom have significant investments in oil and gas exploration within the region. It is self-evident, therefore, that the requirement for peace and security within the GoG region, is not just a concern for the coastal states, but also for the wider international community in general. With the signing and operationalization of the African Continental Free Trade Agreement (AfCFTA), there is an even greater need to maintain security in the region for a more effective continental integration and continent-wide economic prosperity.

Maritime insecurity in the GoG is exemplified by a cocktail of criminal activities at sea. Foremost among these “blue crimes” are piracy and armed robbery at sea. The region has historically had its own share of piracy incidents, but these did not constitute major global threats until recent years. Data from the International Maritime Organization (IMO) shows that armed attacks in the GoG increased from 23 in 2005 to 60 in 2007, and slightly declined until the mid 2010's when it started gaining attention at the regional and international levels as a piracy hotspot, comparable to the scourge in the Somali coast. By 2012, the alarming surge in armed attacks, vessel boarding and hijacking, kidnapping and murder of seafarers had made the GoG the number one hotspot for maritime piracy in the world. In fact, it was reported that more seafarers were attacked in the GoG than along the Somali coast in the year 2012.

Of the 191 cases of piracy attacks that were reported in 2016, 47 occurred within the GoG. In 2018 the number increased to 74 cases out of a total of 201 cases reported worldwide. In 2020, 130 maritime kidnappings were recorded in the GoG out of 135 cases worldwide, being the highest ever recorded in the region. A previous high was reached in 2019 when 121 seafarers where abducted. In the first four months of 2021 alone, a total of 40 kidnapping incidents were recorded worldwide, all in the GoG. It is estimated that the direct and indirect costs of maritime crime in the GoG amount to at least $2 billion. The GoG piracy situation has been attributed to institutional breakdown, systemic corruption, ineffective governance and activities of militant groups in the region, especially the Niger Delta area.

In view of the rising insecurity at sea, African countries in West and Central Africa bordering the GoG, engaged in collaborated efforts to contain the situation, which culminated with the Yaoundé Code of Conduct in 2013, aimed at achieving sustained cooperation, information and intelligence sharing. The international community has also been supportive in the fight for security in the GoG. The United Nations Security Council adopted UNSC Resolutions 2018 in 2011 and 2039 in 2012 respectively, on maritime piracy in the GoG.

At its meeting on 31st May 2022, Ghana and Norway co-authored a draft resolution on maritime security in the GoG to the Security Council for consideration, which was adopted as Resolution 2634 (2022). These resolutions have rallied international support for regional efforts in reversing the tides of maritime insecurity in the GoG. Consequently, several nations including France, Denmark, the UK, Brazil, the USA and Spain have contributed to bilateral partnerships in this regard.

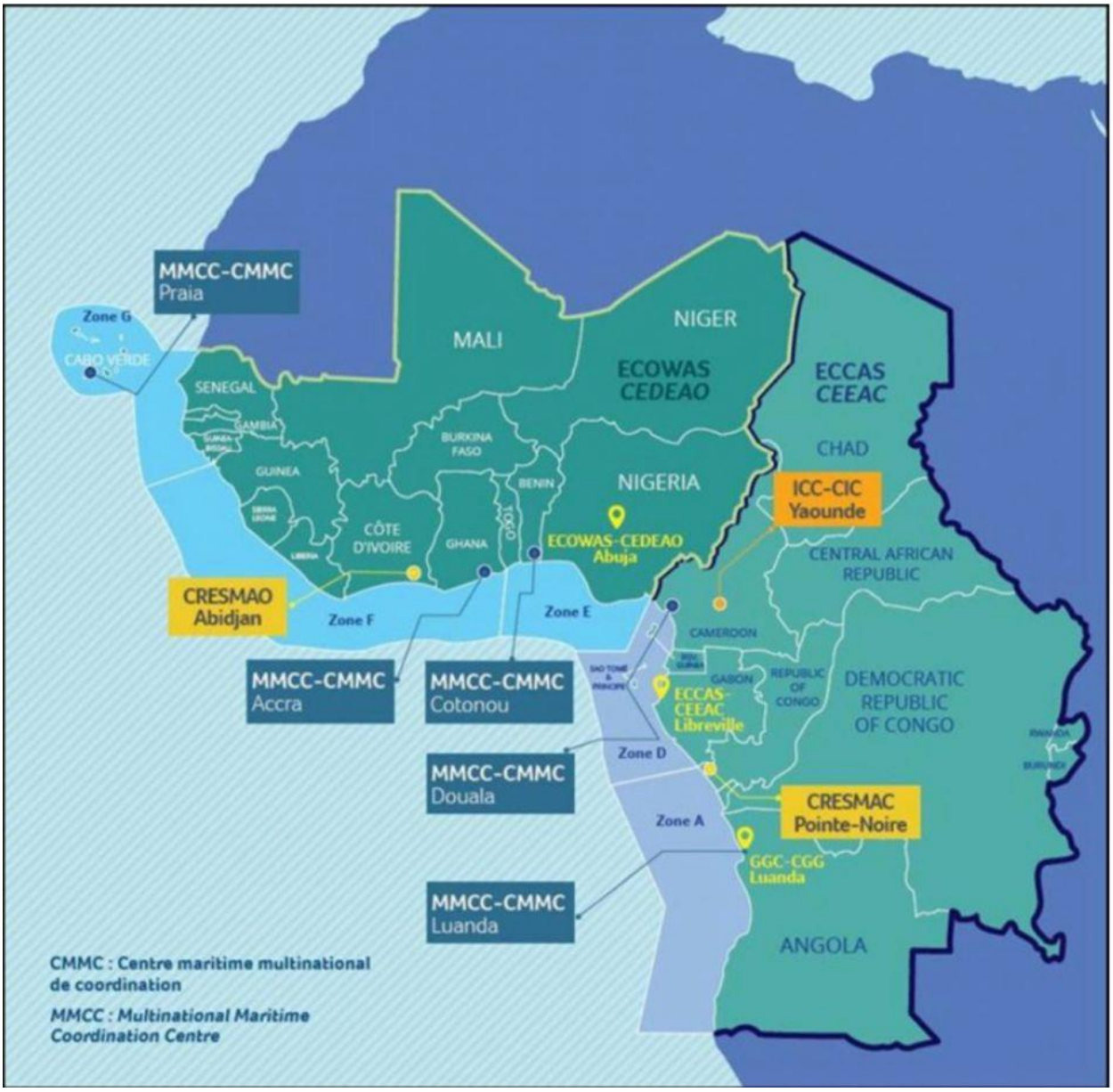
Since April 2021, the GoG started to experience a sharp decline in the rate of piratical attacks after it reached a crescendo in 2020 and the first quarter of 2021. There was no recorded incident of a successful attack in the region in 2022, though as many as 12 attempts were reported within the first half of the year. This welcoming development arguably evidences the apparent potency of the counter-piracy measures that have been deployed so far. The heavy presence of naval vessels within the region accounts in large part, for this development. But this is by no means a cause to relax just yet. A recent report by the European Commission shows a sharp increase in oil theft and illegal bunkering activities in the Niger Delta enclave, amidst a surge in riverine piracy.

The report further suggests that the same actors involved in deep-sea piracy in the region, have shifted their attention to what they consider now to be more lucrative and less risky operations. If this is indeed so, it means then, that the root cause of GoG piracy is still intact, and the risk of resurgence or relapse is still real. If the foregoing is true, it means that the presence of heavily armed naval patrol boats has deterred Gulf of Guinea pirates, who have now shifted the focus of their operations elsewhere. The unavoidable implication is that the threat is still there, and there can be a resurge anytime we let our guards down.

Conclusion:

In view of the foregoing disquisition, there is the need for littoral states to devise ingenious and sustainable on-shore measures to complement off-shore naval patrols. More particularly, GoG nations ought to align their penal statutes with the modern definition of piracy under international law, and retool their judicial and prisons systems to engender efficient and expeditious trial and punishment of pirates captured at sea. In essence, Gulf of Guinea states must own the counterpiracy architecture in the region, and not just rely almost entirely on international support.

If the Esberne Snare incident recounted supra teaches us anything, it is the fact that foreign assistance can go only so much. After apprehending pirates in West African waters and sending them to Denmark, the Danish government ended up releasing them back to sea to resume their terrifying activities. This is a poignant reminder that GoG maritime insecurity is principally a West African problem, which must be tackled by West African states with efficient home-grown measures whilst utilizing as efficiently as possible, whatever support the international community may avail to us.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CMMC : Centre maritime multinational de coordination
MMCC : Multinational Maritime Coordination Centre

MERCURY

Africa's Perspective on Decarbonizing Shipping

By: Abdul Haki Bashiru-Dine

The African maritime domain is collectively leading the efforts to address issues of decarbonization including efficient energy use and sustainable shipping. These efforts are anchored through the IMO Maritime Technology Cooperation Centre (MTCC), based in Nairobi Kenya.

Over the last four (4) years, MTCC is collaborating with various stakeholders along the shipping industry in Africa to collect data on energy efficiency and to also determine best practices in addressing concerns of decarbonization.

At the COP27 held in Egypt last year, the IMO-MTCC and the African Union organized a forum on the topic “Mobilizing Global Support for Green Maritime Transition in Africa.”

This forum was well attended by state and non-state actors within the African maritime domain. The key takeaway was for Africa to own its efforts in addressing sustainable shipping. To this end Africa must invest in green port infrastructure, promote environmental sustainability, and more importantly invest in digitalization in maritime transport value chains.

Within the broader agenda of the Africa Maritime Charter (AIMS, 2050) African countries are to ensure sustainable maritime transport through innovation and technology. The port of Mombasa, Abidjan, Tema, Dakar, and Mauritius are leaders in this regard in Africa.

Greening of Port operations is key to achieving decarbonization. The use of Solar PV installation at terminals would be a good initiative for African ports.

For example, in Mauritius, the oil jetty and Container Terminal use energy management opportunities such using solar panels for terminal lighting, improvement in control of the operation, electric RTGs, electric vehicles, etc. The Mauritius Port Authority (MPA) also use shore power supply for Cruise Terminal and invested in initiatives to improve the image of Mauritius as a green destination. Shipping lines also seek to improve their image and so look for ports that have green policies.

At the Operational level, Productivity in High Occupancy Berths and 16mt Cranes with state-of-the-art technologies are crucial elements of greening port operations.

The use of Automation (Maritime Single Window Systems) and Intelligent Infrastructure (Use of NAVIS for Vessels and Terminal Operations) are also critical aspects of decarbonization initiatives adopted by African ports such as the MPA.

On the environment, African ports have implemented standards that meet ISO requirements. The implementation of ISO 14001 Environmental Management System for example is operational in major ports in Africa.

Visible action towards waste management and resource conservation such as recycling all E-waste including batteries, used oil, promoting sustainable use of paper, and the set-up of rainwater harvesting systems are initiatives that require investments in African ports. MPA is a leader in this regard.

Air and water quality as well as biodiversity conservation in the port are also major aspects that are being monitored (emissions and pollution control). Port stakeholders have also joined hands with the MPA to show their commitment to a better and more sustainable port environment through the signing of a Port Environment Charter.

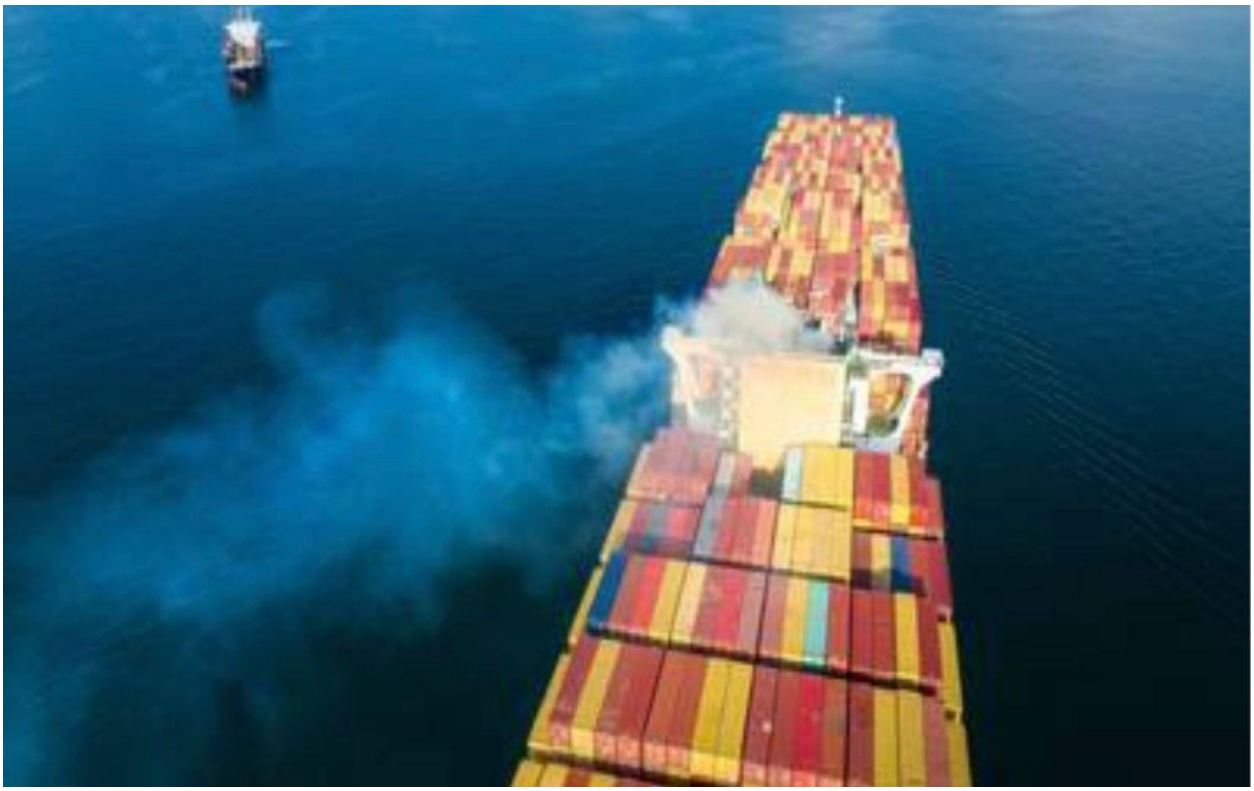
With respect to Energy, its usage in ports is critical to the decarbonization agenda. In Africa, major ports such as MPA's have invested in efficient energy use, the use of renewables, and energy management. Greenport Initiatives such as the use of Solar PVs, Wind, Electric Vehicles started as far back as 2013 at Port Louis Harbour in Mauritius.

Research and development into sustainable energy usage is a key aspect of the MPA-EU Technical Cooperation Facility. This cooperation funded the study titled “Port Energy Efficiency and Renewable Energy Strategic Planning” which is guiding the efficient energy usage and management at Mauritius' Port Louis.

Building the collective social and political momentum to change systems has proved more challenging than was anticipated. While shifting economic infrastructure and technology away from fossil fuels will not be easy, it is not impossible. Achieving decarbonization in shipping requires the full participation and collaboration of businesses, consumers, and political leaders.

To tackle the ultimate challenge of the sustained availability of carbon-neutral fuel, supply chain systems must be built through cross-industry alliances. As the entire world seeks to decarbonize, the maritime industry must own its part in ensuring our greener future. Research and Development are key in the search for the best alternative fuel options and technologies, therefore energy sources required and currently available for the production of zero-emission fuels must be used prudently, and with consideration that transcends the maritime domain.

The Maritime industry must consider decarbonization as a business opportunity. It should thus define clear objectives and indicators to guide players, raise awareness on the subject matter and facilitate engagements on it among industry players.



The Significance of Cubic Meter Measurement (CBM) and its Impact on Freight.

By: Nathaniel Nartey

Cubic Meter Measurement (CBM) is one of the most important activities of the import and export sector which shippers are expected to be very knowledgeable about if they are to derive maximum benefits from their business operations. This is because CBM plays a crucial role in determining the cost of transporting goods from a point of origin to the point of destination in international trade.

Importing and exporting by sea can be done in three (3) ways:

1. Bulk shipment, where cargo is loaded in loose form onto vessels. This is usually the case with grain shipments such as rice and wheat.

2. Full Container Loads (FCL), where the shipper pays for a full container to transport their goods.

3. Where cargo is in smaller quantities/volumes i.e., too small for 20-footer or 40-footer containers, they are shipped as Less than Container Loads (LCL). Shipping companies combine multiple loads from various shippers to create a consolidated shipment and each individual pays for the volume of goods

they ship. To determine the amount to be paid by each shipper, the CBM is used to calculate the applicable charges.

What is CBM?

CBM is the measurement of the volume of a shipment. It determines how much space cargo will take up on a ship, aircraft or truck, and that informs how much it will cost to transport that volume of shipment. CBM is thus, the mechanism or formula used to calculate the volume of goods transported by any mode of transport.

Calculating the CBM

Calculating the CBM of goods can be simple and straightforward. For goods in containers of regular shape such as a cube or cuboid containers, its length, width and height in meters are multiplied to arrive at the CBM of the package to be shipped.

In the instance where the cartons used for shipment are not of the same size, the shipper or consolidator must calculate the CBM for each carton by using the same formula. To measure the CBM of such a package, the shipper needs to measure the longest length, longest width and longest height of the container, then multiply them. The sum of the CBM for the shipments provides the total CBM for the container. For instance, the CBM of a pallet of goods that measures 2 meters x 1 meter x 1 meter will be 2.

The calculation for irregular containers requires a different approach. On some occasions, the shipping lines use pallets to calculate the CBM of irregular objects. In this case, the shipping line would charge a specific amount per pallet. For instance, if a shipping line charges $20 per pallet for goods of irregular shape, the shipper will be required to pay $100 if the goods occupy 5 pallets in the container.

Another approach used by shipping lines to calculate the CBM of irregular-shaped shipments is the use of boxes of regular shape. The consignment is put in boxes of regular shape, and then the CBM of the box is calculated using the regular formula. An example in this instance is the calculation of CBM for office supplies like notebooks, pens, and files.

Some Consolidators and De-consolidators in Accra who spoke to the Shipping Review asserted that although the use of CBM is mostly associated with Less Container Load (LCL), some of the Shipping Lines use the weight of the cargo instead, in the instances where the consignment is heavy. This means a Shipping Line is likely to charge a large but light-weight consignment using the CBM, and then use the weight of heavy cargo to determine the charge for shipping it. According to the Consolidators and De-consolidators, most shippers are not aware of this difference in the determination of charges, and it has become one of the major challenges they face in their business.

Impact of CBM on Freight

The volume of cargo or CBM has an impact on freight charges. It goes beyond the mere cost of transporting goods from a point of origin to the point of destination, and it is for this reason that a typical freight quote includes many other charges and surcharges. On many occasions, all or some of these charges are determined on the basis of CBM. These include Terminal Handling charges, local taxes, special charges, and Inland Haulage charges among others.

Terminal Handling charges are costs associated with the use of equipment and property owned by terminals at the origin and destination of a cargo, as well as the use of labour provided for the loading and offloading of shipments and their transportation inland. Inland Haulage Charges are costs associated with the movement of cargo from the inland container depot or container freight station to the port of loading or vice-versa.

Terminal operators use forklifts and other equipment and logistics to aid the movement of very heavy cargo. A lot of manpower is used to inspect, process and clear consignments. All these services are factored into the freight charges.

For all the reasons, it is evident that the higher the CBM, the more likely that a higher freight charge would apply.

Conclusion and Recommendations

From the above insight into the determination and use of CBM, it is evident that CBM has a huge impact on the overall cost of freight, and shippers need to pay critical attention to it. Knowledge and understanding of the calculation of CBM helps to reduce the cost involved in the import and export business. Shippers who are conscious of CBM consciously package their goods in a way that makes the best use of space, and are able to calculate the volume of their goods to determine when they are over-charged by the shipping lines.

To avoid challenges with CBM, shippers need to:

a. insist on a contract or agreement.

b. ensure that they obtain documentary proof of the contract from the supplier.

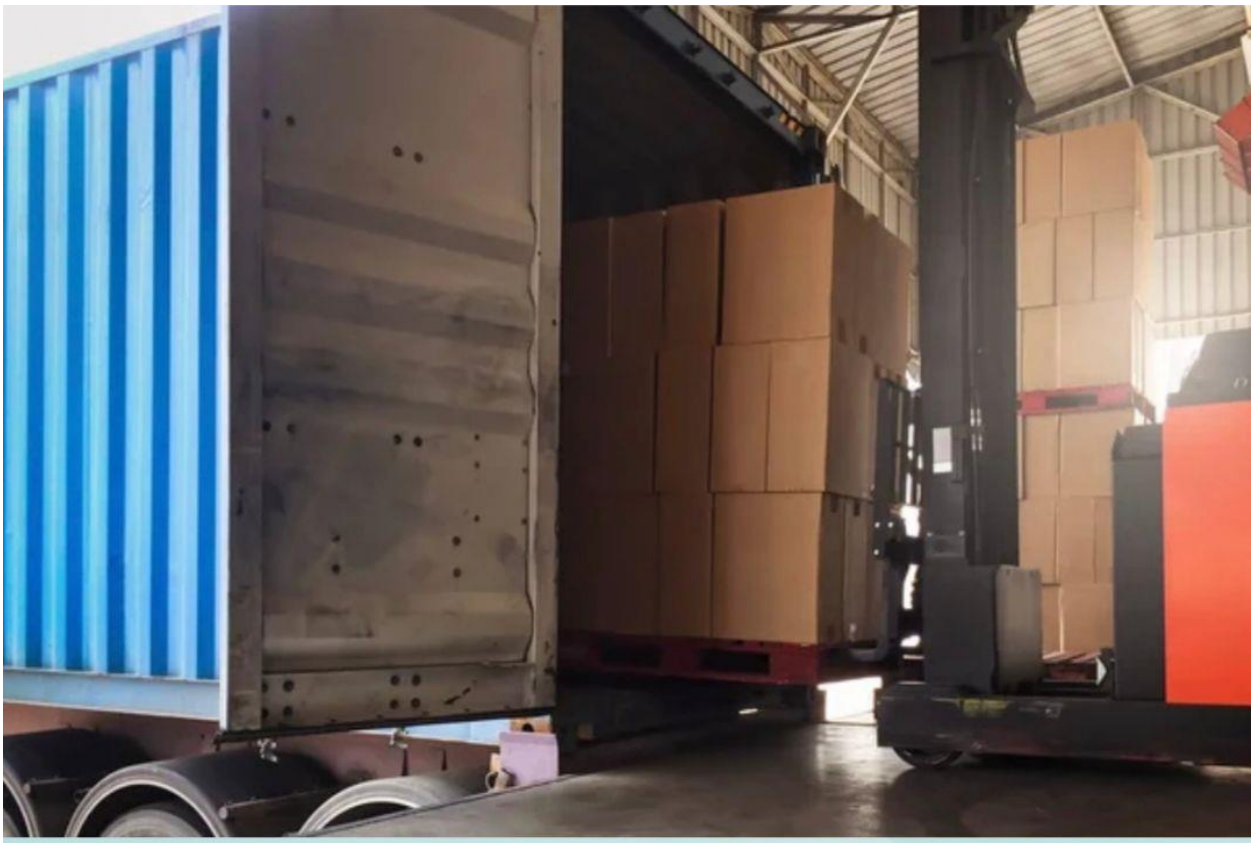
c. pay attention to the terms and conditions of the consolidator.

d. enquire about the charges that apply to their goods per cubic meter of space in the container.

e. know the shipping Agent's physical office.

f. check the duty value of the goods by providing details such as Net weight, quantity of goods, Free on Board (FOB), Cost Insurance and Freights (CIF), Harmonized System Code as well as country of origin on the ICUMS platform.

The onus lies on a shipper to take an interest in the calculation of the CBM of their goods before transporting them to make their business a cost-effective venture.



Cargo Safety and Security Insurance: A Priority for Logistics Companies-FCGL

GSA Desk Report

Cargo insurance is a key requirement in the shipping process, which provides a safety net for importers and exporters. A typical cargo insurance policy covers goods in transit via road, rail, sea or air. In its simplest form it provides cover against accidental damage and other risks. It is also a comprehensive all-risk policy, covering a range of specified accidents including damage during loading, transport, theft and negligence.

Many events can occur during transit that could result in shippers losing their cargo partially or entirely if they are not insured. A recent example is the regrettable Appiatse explosion which occurred in the Western region when a truck driver transporting dangerous chemicals to a mining site exploded at the Appiatse community in the Prestea Huni-Valley District in the Western Region after it collided with another vehicle. The resultant explosion killed scores of people and caused extensive damage to property, almost wiping out the entire Appiatse township. The government has had to pool resources to rebuild the town.

For example, a haulier may be involved in an accident that could lead to the destruction of the goods being hauled, or could be attacked by robbers and suffer the entire loss of the cargo to theft. The ripple effect could be loss of profits, productivity, and buyer goodwill, however the impact of such incidents on a business could be minimised if not eliminated by cargo insurance.

It is common for shippers of cargo that require intermodal transport to rely on third party logistics companies to load and secure their cargo. The practise however necessitates verification that such third parties have the right experience to properly protect the cargo through insurance. This is imperative to avert unforeseen disasters such as occurred at Appiatse in January 2022.

It is for such third party services that logistics companies like Freight Connect Ghana Limited (FCGL) exist. FCGL prioritises cargo insurance in its operations to provide a cushion against such eventualities.

FCGL has handled large volumes of cargo safely and securely and has by that earned trust and recognition from stakeholders in the shipping and logistics industry. With its vast knowledge and several years of hands-on experience, FCGL has the capacity, capability and resources required to handle the varied services for effective intermodal transportation of cargo.

Prioritizing the Safety and Security of Cargo - FCGL

In line with its core values and mode of operation, FCGL invests in being abreast with emerging trends in intermodal cargo transport, and is proactive in ensuring that goods are well packaged and appropriately positioned in the holding receptacle before the vehicle for transporting the cargo moves.

The company conducted its own analysis into the Appiatse explosion and found that the disaster was caused largely by a combination of poor storage of the dangerous cargo and reckless driving.

In a chat with the Shipping Review, Mr. Paul Jesse Mensah, the Chief Executive Officer (CEO) of FCGL said "we make sure they are well examined for any substance capable of intoxicating the driver while he is driving before embarking on any journey so as to avoid any incident capable of denting our reputation."

The Management of FCGL drew a lot of lessons from that explosion and used them to reform its operations. The company boasts of well-trained drivers who are examined periodically by medical officers before they embark on trips, especially those that require the transportation of dangerous cargo.

Mr. Paul Jesse Mensah went on to say that "The Appiatse explosion changed our perspective of cargo transportation and has impacted our operations as well. Our desire to ensure that the cargo we transport is safe and secure has gone up a notch higher since then, and has remained our priority."

FCGL has over the years developed a reputation built on its effective collaboration with partners in West African countries such as Nigeria, Benin, and Togo among others and that has helped the company to establish a third party haulage system for the smooth transportation of cargo. The company has a system that tracks all cargo from when the trucks move till when they arrive at the destination.

Establishing FCGL

After completing a program with the Institute of Expert and Shipping Management in Accra, CEO Mr. Paul Jesse Mensah developed a special interest in Ghana's fledgling maritime industry. He later subscribed to an online Maritime Magazine, “London Matters” which was dedicated to promoting the London maritime industry. His interest in reading the 'London Matters' magazine inspired him to practicalize the knowledge he gained from the Institute of Expert and Shipping Management. He worked with some companies to gain hands-on experience before establishing his company; Freight Connect Ghana Ltd – FCGL.

PJM as he is affectionately called, is a global Supply Chain Management and Logistics expert with vast knowledge in the maritime field. He is an award-winning entrepreneur and motivational speaker who engages in youth development and empowerment. PJM graduated as a Logistician from the Pentecost University College, Ghana and is currently pursuing an MBA in International Trade from the Anhalt University in Germany via a program being run by the Ghana Communication University.

His passion for entrepreneurship inspired him to establish FCGL in 2015. Mr. Paul Jesse Mensah is a member of the Association of Business Management and Administrators – ABMA, UK.

Services

Since its establishment in 2015, Freight Connect Ghana Ltd (FCGL) has provided a complete portfolio of services to cater for its client's logistical needs. As one of the leading privately owned logistics and supply chain management service providers, FCGL has strategically developed global partners & agencies throughout the world. FCGL strives to provide top tier service with unprecedented operational excellence.

Air Freight

FCGL has proven through its dependable team that air freight handling has been its pivotal strength. The company is strategically positioned in the country's ports of entry and exit and are poised to handle the shipment of goods by air to any part of the world.

Ocean Freight

FCGL has developed good cooperation with sea freight carriers such as Maersk Line, CMA, COSCO, PIL and others. They strive to offer the best competitive ocean freight at affordable rates to complement the tailored services they offer their clients.

Warehousing & Trucking

FCGL offers secured facilities for storage and distribution of consignments at affordable prices.

Why Freight Connect Ghana Limited is the Preferred Choice

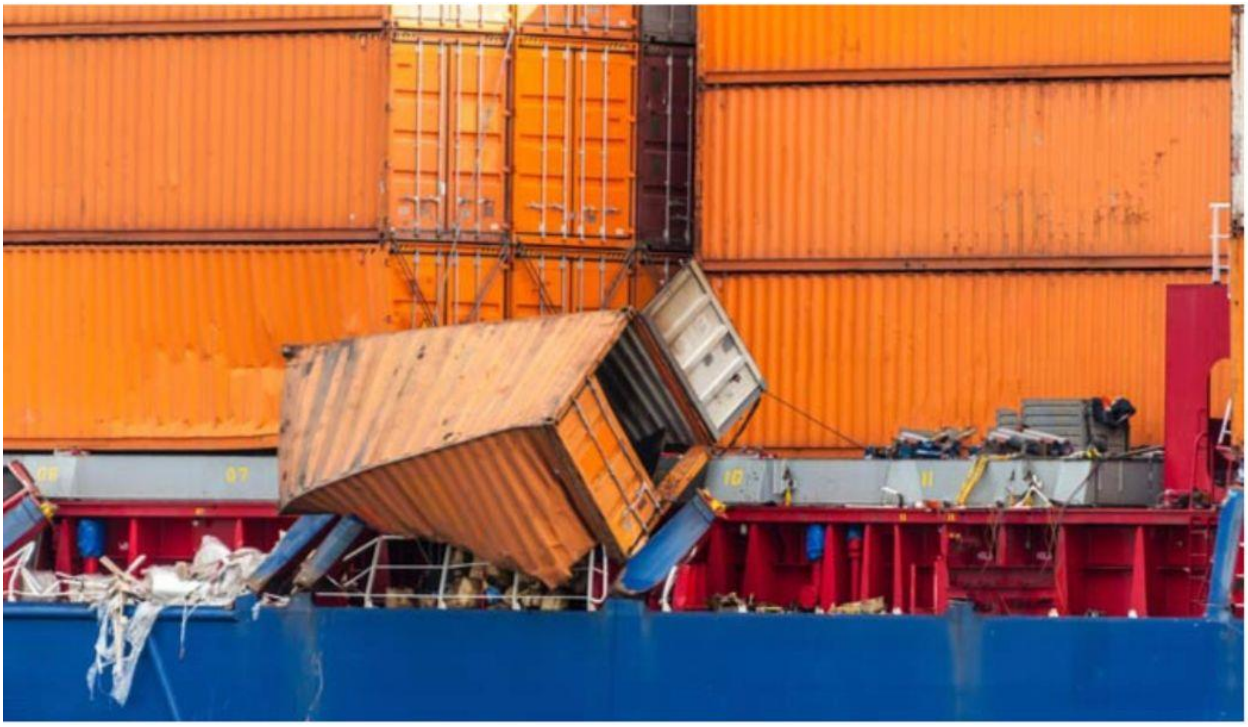
The company has the Ghana Revenue Authority's Customs Clearance facilities across Ghana, and reliable partners beyond the shores of Ghana. They also have technical expertise and state of the art package interfacing with the Customs Systems, as well as weekend Clearance and Delivery mechanisms.

FCGL also proactively monitors corporate accounts through a centralized Pricing and Customer system that enables a seamless operations system and a centralized coordination team. They continuously improve their Customer Satisfaction parameters which is set to a standard 72 hours for sea shipment and 48 hours for air shipment after the payment of the applicable duty.

FCGL have full visibility tracking of shipments as well as a proactive notification system.

Staff of Freight Connect Ghana Limited

Mr. Paul Jesse Mensah with his award for "Promising CEO of the Year" at the 2022 Ghana Shippers' Awards.



Ghana Strengthens Regulations on Electronic-Waste: Bans 19 Additional Substandard Appliances

By: Maclean Kwofi

A mass ban on import of new but substandard and used appliances has come into force in Ghana to reduce energy consumption and harm to the environment. It came after the Energy Commission (EC) secured fresh overarching powers to effectively deal with the influx of electrical and electronic waste into the Ghanaian market. Consequently, the EC has now been equipped with 19 additional regulations on the import of electrical appliances and renewable energy products in order to prevent the country from becoming a desirable destination for both new but substandard and used appliances.

The affected appliances include washing machines, industrial fans, rice cookers, computers, set-top boxes, ventilating fans, microwave ovens, storage water heaters, public lighting, and television sets. The rest are electric motors, electric kettles, air conditioners, distribution transformers, comfort fans, solar panels, improved biomass cookstoves, renewable energy batteries and inverters.

It also secured an amendment to the existing three (3) Energy Efficiency Regulations on refrigerators, air-conditioners and incandescent filament lamps. In all the EC has been clothed with 22 regulations to check the Electronic Waste (E-Waste).

Transitional period

The Regulations which came into force in November 2022 offered a one-year transitional period for the market to adjust. The transitional period is expected to be used to create the needed awareness on the Regulations.

In the wisdom of Parliament, actors and dealers in the business would use the transitional period to prepare themselves for the full implementation of the Laws to begin. The period was also offered to protect the source of livelihood of people in the Electrical Appliances and the Renewable Energy products markets.

Adoption of a New Minimum Energy Performance Standard (MEPS)

The Assistant Manager of Energy Efficiency Regulation at the EC, Hubert Nsoh Zan, said that the Regulations have adopted a new Minimum Energy Performance Standard (MEPS), an international tool used to determine the standard of an electronic appliance.

He said that, with these regulations, importers are required to ensure that their imports meet the new MEPS otherwise their goods would not be approved to enter the country, whether they are brand new or used appliances.

Mr. Zan also said that the EC had noticed that there were often a lot of complaints about fire outbreaks caused by electrical and electronic appliances that are substandard and / or used. “The only way to resolve the situation is to design a benchmark for the products and so you can actually have a brand-new alliance that does not meet the MEPS. The idea is also that a used appliance would definitely not meet MEPS when set as a barrier. This is because there is no way an old version of a product will meet that standard because its efficiency has been lost,” he added.

Being Scientific

The EC must now operate by the MEPS which are globally accepted to regulate the market and protect consumers in order not to be scientific. The EC, therefore, worked closely with the Ghana Standards Authority (GSA) to adopt the MEPS for all the appliances under the scope of the 22 Regulations.

As part of the requirements, importers that deal in any of the affected appliances must furnish the EC with a Performance Test Report from a third party or an independent accredited laboratory before they

would be allowed to import. These requirements have been included in the new Regulations because most of the importers do not have the technical know-how to determine the standard of an appliance.

The EC will now play the role of a referee to protect the importer from the manufacturer or any source of an appliance, to ensure that whatever appliance is imported into the country meets the standard.

Should an importer refuse to seek approval from the EC before importing an appliance, the law now provides the EC powers to protect the consumer.

Registry

As part of the new Regulations, importers must register each model being shipped into the country with the EC. A registry of all importers and their products have already been created to hold them responsible for the performance of appliances they bring into the country. Thus, should there be a fire outbreak caused by a particular appliance, the EC would be able to trace which brand and importer is responsible and that would make it easy for a market recall of the defective appliance.

Market Surveillance

The new Regulations have also clothed the EC with more legal powers to undertake periodic market surveillance to ensure that appliances meet the MEPS requirement. This has been done because the old Energy Efficiency Regulations were not punitive enough and for that reason the EC could effectively not regulate the three (3) appliances comprising refrigerators, air-conditioners, and incandescent filament lamps it superintended.

With the old Regulations, once an importer was able to smuggle the appliance into the market, nothing could be done, but the new laws make provision for enforcement by the Law Enforcement Agencies which include the EC, Ghana Standards Authority, the Customs Division of the Ghana Revenue Authority (Customs) and the Ghana Police Service (GPS).

Conclusion

The measures brought into force by the new Regulations are part of interventions to prevent the country from becoming an environmental dumping site for used electrical and electronic waste from Europe. With the advent of the Regulations, stakeholders must work together to block the influx of electronic waste from other jurisdictions into the Ghanaian market. Doing so would help to save the economy avoidable cost by reducing the demand for electricity with its attendant cost for additional generation capacity.

The new Regulations will also protect the environment and safeguard the health of citizens from air pollution caused by increased power generation; and consumers from purchasing inefficient appliances and paying unnecessarily high electricity bills to use them.

HAS AfCFTA SURMOUNTED ITS BIGGESST HURDLE WITH THE IMPLEMENTATION OF PAN-AFRICAN PAYMENT AND SETTLEMENT SYSTEM (PAPPS)?

By: Bright Kweku Azumah (BA, MBA), Ecobank Ghana PLC

“Let's make the African market, the market of Africans. Produce in Africa, transform in Africa and consume in Africa. Let's produce what we need and let's consume what we produce instead of importing”- H.E. Thomas Sankara, President of Burkina Faso.

Background

In 2020, the World Bank stated that the implementation of the African Continental Free Trade Area (AfCFTA) has the potential of growing African exports by $560 billion while increasing Africa's income by $450 billion by 2035. The AfCFTA is a treaty that is going to connect approximately 1.3 billion people across 55 African countries with a combined GDP of $3.4 trillion. The possibilities that abound with the implementation of this treaty are not without their own intendent challenges. Chief amongst these challenges is creating a common system of payments given the numerous currencies and payment systems in use in the various economic sectors of the continent. To address this challenge the Pan-African Payment and Settlement System (PAPSS) was created.

The implementation of the PAPSS by Central Banks is a significant step towards the successful enactment of the African Continental Free Trade Area (AfCFTA).

The PAPSS is an African Union infrastructure developed in collaboration with the African Export-Import Bank (Afreximbank) to support trading under the AfCFTA. The PAPSS works in partnership with Central Banks on the African continent to offer a payment and settlement service to which commercial banks, payment service providers and fintech organizations across the continent can connect as participants. As at March 2023, the PAPSS network consisted of nine (9) Central Banks, sixty (60) commercial banks and four (4) six switches. It will expand further into the five (5) regions of Africa before the end of 2023. All Central Banks in Africa under the AfCFTA are to sign up by the end of 2024 and all commercial banks by the end of 2025.

However, there are other important challenges that must be tackled for the successful implementation of the PAPSS under the AfCFTA. These include fragmented financial infrastructure, differences in payment systems, regulatory frameworks, technological capabilities, limited digital penetration and financial inclusion, complex currency conversion and exchange rate risks, regulatory and compliance hurdles, cybersecurity concerns, and integration with existing payment systems. Additionally, there are

concerns about the lack of competitiveness of some African economies, which could limit their ability to benefit from increased trade opportunities under AfCFTA.

What is the Pan-African Payment and Settlement System (PAPPS)?

The Pan African Payment and Settlement System (PAPSS) is a payment and settlement platform designed to enable intra-African trade and payments by enabling African countries to settle transactions in their local currencies, rather than in foreign currencies like the US dollar (USD), the British Pound Sterling (GBP), or the Euro. This is anticipated to lessen the transaction costs and currency risks related with cross-border trade and promote the use of African currencies in trade settlements. The platform minimizes risk and contributes to financial integration across the regions.

Benefits of Pan-African Payment and Settlement System (PAPSS)

i. Reduction in demand for foreign currency and its intendent benefits.

Conceivably, the biggest benefit of AfCFTA on the African banking sector is the PAPSS. The PAPSS can streamline and facilitate trade transactions within the free trade area by providing a secure and efficient payment and settlement system. It enables businesses across Africa to transact seamlessly, reducing barriers and delays associated with cross-border payments.

As a continent-wide platform for processing, clearing, and settling intra-African payments. The system is designed to enable individuals, businesses, and governments to make instant cross-border payments in the more than 40 different African currencies, thus reducing the need for US dollars (USD), and other hard currencies. This in the long term will simplify cross-border trade in Africa.

Acquiring hard currency is a particular challenge for small and medium-sized enterprises (SMEs). There are fewer than 55 African currencies because of the two CFA Franc zones in Central and Western Africa, which themselves demonstrate that while common currencies are useful, barriers to trade also need to be eroded if trade volumes are to grow. The hunger for non-African hard currency is destroying African currencies, causing depreciation and inflation within the African continent. The implementation of this system will thus help to reduce the rate of currency depreciation and inflation in African countries.

ii. Provision of greater transparency and control

All payment channels, whether banks or fintech operators, will be able to utilize the PAPSS on behalf of their customers. Instant transactions would increase trust and confidence between trade partners, reducing liquidity requirements for settlements and freeing up more money for other uses.

The creation of a single window for all cross-border transactions made across the continent would provide Central Banks with greater transparency and control. With the implementation of the PAPSS, Africa can expect to begin to reap the fruits of the AfCFTA.

PAPSS is not positioned to replace existing regional and national payment systems but to collaborate and work with them to better integrate African economies for the benefit of all.

iii. Ease of payments across the continent

The PAPSS establishes a standardized payment infrastructure across African countries participating in AfCFTA. This harmonization of payment systems promotes interoperability, making it easier for businesses to conduct transactions, regardless of the country or currency involved.

iv. Lower Transaction costs

The Pan-African Payment and Settlement System can contribute to cost reduction in trade activities by offering a single platform for payment and settlement, businesses can avoid multiple currency conversions and associated fees. This can result in lower transaction costs, making trade more affordable and attractive for businesses within the AfCFTA.

v. Increased efficiency

With the PAPSS, trade processes become more efficient. The system enables real-time or near-real-time payment settlements, eliminating the need for lengthy delays and paperwork. This improved efficiency contributes to smoother trade operations and enhances business productivity within the AfCFTA.

vi. Enhance financial inclusion

The PAPSS has the potential to enhance financial inclusion within the AfCFTA region. By providing a digital platform, it can reach remote and underserved areas, enabling individuals and businesses to participate more actively in regional trade.

This inclusion would foster economic growth and opportunities for a broader segment of the population.

The PAPSS would play a vital role in strengthening economic integration among African countries. By promoting seamless cross-border transactions, it would encourage trade and investment within the AfCFTA region, and the improved economic integration could lead to increased intra-African trade, job creation, and overall economic development.

vii. Risk mitigation

The PAPSS could help to mitigate risks associated with cross-border trade. The platform provides a secure channel for payment and settlement, reducing the risk of fraud and transactional disputes. This enhanced security and transparency can build trust among businesses and boost trade activities within the AfCFTA.

viii. Data insights

The PAPSS generates valuable transactional data that can be leveraged for data insights and analysis. The data can provide useful information on trade patterns, market trends, and consumer behavior within the AfCFTA. Such insights can assist policymakers and businesses to make informed decisions and promote trade growth and economic development.

Potential Hurdles to the Smooth Implementation of PAPSS.

i. Implementation challenges

The implementation of the PAPSS across multiple African countries could be complex and challenging. It requires coordination, cooperation, and investment from participating nations. The PAPPSS must navigate through various regulatory frameworks and compliance requirements across African countries.

Each country may have its own financial regulations, data privacy laws, and security standards. Ensuring compliance with these diverse regulations could be complex, and requires ongoing coordination and cooperation among participating countries.

Varying levels of technological infrastructure, regulatory frameworks, and financial systems in different countries could pose obstacles to the seamless integration and adoption of the PAPSS.

ii. Limited access and adoption

The PAPSS might face issues related to limited access and adoption, particularly in regions with low digital penetration and inadequate financial infrastructure. In areas where internet connectivity and technological literacy are low, businesses and individuals may struggle to utilize the system effectively. This could create a digital divide and hinder the full potential of PAPSS within AfCFTA.

iii. Currency conversion challenges

While the PAPSS aims to streamline cross-border transactions, it may still face challenges related to currency conversions. African countries use different currencies, and fluctuations in exchange rates could impact the cost and efficiency of transactions. PAPSS thus needs to address these challenges to ensure smooth and cost-effective currency conversions.

iv. Operational and technical risks

The PAPSS, like any other digital payment system, is susceptible to operational and technical risks. System outages, cybersecurity threats, and technical glitches can disrupt payment and settlement processes, leading to delays and potential financial losses. Robust risk management and mitigation measures need to be in place to address these risks effectively.

v. Dependency on a single system

As the PAPSS becomes a central payment and settlement system within the AfCFTA, there is the risk of over-reliance on a single system. Any disruptions or failures in the PAPSS infrastructure could have a significant impact on cross-border trade and financial activities. Diversification and contingency plans should be considered to mitigate such risks.

vi. Limited integration with existing systems

The PAPSS may face challenges in integrating with existing payment systems and financial institutions within African countries. Legacy systems, different technical protocols, and varying levels of readiness for integration can impede the seamless adoption of PAPSS. Collaborative efforts and investment would therefore be needed to bridge the gaps and thereby ensure effective integration.

Conclusion

Overall, PAPSS contributes to the goals of the AfCFTA by facilitating trade, reducing costs, promoting financial inclusion, and fostering economic integration among African countries. It is important to note that while potential hurdles exist, they are not insurmountable. With proper planning, investment, and collaboration, the challenges could be addressed effectively to maximize the benefits of the system.

To overcome implementation challenges, there should be focus on capacity building and infrastructure development. Initiatives should be undertaken to promote financial inclusion for quick adoption.

For a smooth implementation, there is the need to create transparent and competitive exchange rates and offer currency hedging solutions that can facilitate smooth cross-border transactions.

Regular monitoring, maintenance, and upgrading of the PAPSS infrastructure are necessary to minimize disruptions. Collaboration with cybersecurity experts and adherence to international best practices would enhance the security of the system.

By adopting these solutions, the drawbacks associated with the implementation of the PAPSS within the AfCFTA could be effectively addressed to ensure a smoother and more efficient cross-border payment and settlement system.

Therefore, while the implementation of the PAPSS is an important step towards the success of AfCFTA, there is still a long way to go to overcome the significant challenges that exist. It would require sustained efforts from governments, businesses, and other stakeholders to address these challenges for the full realization of the potential of AfCFTA.

African delegates pose for a group photo during the official launch of Pan-African Payments and Settlement System (PAPSS)

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Bridging the Import-Export Gap: Cargo Consolidation, the Best Bet?
By: Osei Owusu Amankwaah

Introduction

Shipping was once an elite venture deemed to be the preserve of highly knowledgeable and technical people. The idea of shipping is said to have started back in the 3rd Century BC. Merchants operating during that time came to the realization that sending products overseas via sea transport was cheaper and faster than doing so by land.

In its early days, goods were loaded onto ships in sacks, barrels, and wooden crates with scores of dock workers on board vessels to ensure their safe arrival. This has evolved into containerization and break bulk; and today, there are automated ports and vessels that globe trot with a seven-member crew on board for both liner and non-liner sectors of shipping.

Throughout the years shipping goods by sea remains popular due to the comparatively lower cost, high sea vessel load capacity, and minimal restrictions on vessel carrying capacity; a development which is greatly supportive of the e-commerce market not only in Ghana, but globally.

Export Targets

GEPA is working towards achieving a set target of US$5.3 billion in non-traditional exports (NTEs) to foreign markets by the end of 2023. In the latest GEPA Annual NTE Statistics Report, non-traditional exports (NTEs) for 2022 reached USD 3,531,048,234 representing a 6% growth over the USD 3,330,317,588 realized in 2021. The amount reported represented 20.22% of the total merchandise exports for the year.

The CEO of GEPA, Dr. Afua Asabea Asare, attributed the positive development to various interventions implemented under the framework of the National Export Development Strategy (NEDS), such as the Youth in Export Programme, Export School, and Training for Small and Medium Scale Enterprises (SMEs). As it is well documented, shippers who utilize liner services are usually numerous, often widely dispersed, and on shipping matters, they usually lack any form of commercial relationship with each other. Consequently, their bargaining power is weak.

Growth of SME Shippers

The initiatives being promoted under the National Export Development Strategy (NEDS) among others have resulted in the growth in the number of SME shippers across the country. Many shoppers and businesses are exposed to various commodity requests globally but are not able to fully meet the demand due to capacity challenges.

The initiatives by GEPA have also resulted in the discovery of new markets for SME shippers resulting in a growing number of entrepreneurs in the shipping sector. Many of them are youthful, mostly graduates exploring a means to survival after school.

Ghana, as a growing player in the global trade arena, has embraced cargo consolidation as a vital component of its shipping industry. With the country's increasing export activities and a burgeoning import market, SMEs have found cargo consolidation to be a transformative solution. The Ghana Shippers' Authority (GSA) and other key stakeholders have been instrumental in promoting and facilitating cargo consolidation in the country. Through collaboration with the Regional Shippers Committees and State Agencies, the GSA aims to standardize and optimize cargo consolidation services.

Cargo Consolidation

In the ever-expanding global marketplace, efficient and cost-effective shipping solutions are vital to the success of businesses worldwide. Cargo consolidation, also known as Freight Consolidation, has emerged as a game-changer in the shipping industry, revolutionizing how goods are transported. This article explores the concept of Cargo Consolidation and its impact on international trade, particularly in enhancing efficiency and cost savings.

Whether for import or export, Cargo Consolidation provides the best opportunity for SME shippers to enhance their operations and maximize their gains. Cargo Consolidation is a logistics strategy that involves combining multiple small shipments from different exporters or importers into a single, larger shipment. Instead of shipping individual small consignments, the goods are grouped together to form a more substantial and cohesive load. This process optimizes container space, reduces shipping costs, and increases efficiency in the transportation of goods.

The Cargo Consolidation process begins with a Freight Consolidator, a specialized logistics provider, who collects shipments from various businesses and assembles them into a consolidated load. The Consolidator organizes the cargo according to its destination, type, or specific requirements. Once the container is filled with multiple shipments, it is sealed and transported as a single unit to the intended location.

E-Commerce

The vast opportunity shipping offers has led to exponential growth in the e-commerce sector as shippers have come up with a strategy where they seek partnership to consolidate their freight, by combining with other shippers who have less-than-container loads, resulting in one container rather than shipping small deliveries.

To further maximize the gains of Cargo Consolidation, the Ghana Shippers' Authority (GSA) and the State Agencies mandated to negotiate freight charges, have already taken steps to standardize the operations of Cargo Consolidators and de-Consolidators operating locally to help improve their services. The initiative has gained importance as the operations of Consolidators have become key in the shipping and logistics sector, offering cost-efficient services to importers.

Export – Cargo Consolidation

In Ghana, a significant number of export companies operate in silos as they undertake their shipments individually and thereby fail to take advantage of the benefits accruing from aggregating their produce for shipment. They also lack the capability to undertake effective negotiations for freight and other conditions of shipment for their produce.

The GSA, mandated as the negotiator of charges with shipping service providers and also the facilitator of outbound cargo for shipping lines has taken the pole position to lead this charge. Through its nationwide presence and its Regional Shipper Committees, the GSA has a strong network to collaborate with key State Agencies and stakeholders to push the increased export agenda.

Import – Cargo Consolidation

On the import side, Cargo Consolidation is quickly becoming the order of the day with the growing number of SME importers. While the traders in the Central Business Districts of the country depend heavily on consolidation to import their products, many SME Shippers scan online shops around the world and purchase products that they can resell for a margin. Most of them import through the aid of Cargo Consolidation.

Mavis Adomah Kyeremeh has been an SME exporter for over 5 years and has created a network of SME shippers who periodically share their import experiences to guide their operations. She told the Shipping Review that, but for consolidation, many of her colleagues could not have been shippers.

Benefits of Cargo Consolidation

Cost Savings: One of the most significant advantages of Cargo Consolidation is cost savings. By combining multiple shipments into a single container, businesses benefit from economies of scale. Sharing the transportation expenses with others results in reduced shipping costs per unit, which is particularly beneficial for small and medium-sized enterprises (SMEs) with limited shipping volume.

Enhanced Shipping Efficiency: Cargo Consolidation streamlines the shipping process by reducing the number of individual shipments. This results in simplified documentation, customs clearance, and administrative procedures, saving time and resources for both shippers and Freight Forwarders.

Environmental Sustainability: Fewer shipments mean reduced carbon footprint. Cargo Consolidation contributes to environmental sustainability by minimizing the number of transportation vehicles required and, in turn, reducing greenhouse gas emissions.

Access to Global Markets: Cargo Consolidation opens new markets for businesses. SMEs can now affordably ship goods to international destinations previously considered out of reach due to high shipping costs.

Risk Mitigation: Consolidated shipments are typically handled by experienced logistics providers who ensure secure and safe transportation. This reduces the risk of damage or loss during transit.

Conclusion

Cargo Consolidation has emerged as a strategic and efficient shipping solution in the modern trade landscape. Its ability to reduce costs, enhance efficiency, and expand market reach makes it a game-changer for businesses, especially SMEs, across the globe.

As the world continues to embrace globalization and e-commerce, Cargo Consolidation will play a crucial role in streamlining trade and fostering economic growth. By leveraging this innovative logistics approach, businesses can effectively navigate the complexities of international shipping and reap the rewards of a more connected and prosperous global market.

The concept of Cargo Consolidation as a conduit to bridge the country's import-export gap requires some innovative thinking and determination, and there is sufficient motivation and goodwill to initiate the process for its implementation. The nation's economic woes have been blamed on the significant trade imbalance which puts a huge pressure on the local currency resulting in consistent depreciation. The successful implementation of the Cargo Consolidation project will deliver tremendous benefits to

shippers; and more so, the national economy. State Agencies consequently need to forge strong alliances to determine the broad framework within which to execute the Cargo Consolidation agenda.

An entrepreneur, Mavis Adomah Kyeremeh received her goods which was part of a cargo consolidation consignment