

Port and Shipping Express Management: The Challenges Faced by West and Central Africa in This Century

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ABSTRACT

Shipping industry has become more capital intensive, technically more demanding and subject to major global regulatory reforms. As a consequence, the number of African shipping lines has been severely reduced. International trade of the WCA countries remains weak, limited to 30% of their Gross Domestic Product (GDP). The goal of this paper is to provide a comprehensive overview of the port and shipping convey management in the WCA region, and of course to describe what has been achieved since then and what still have to be done to better its infrastructures and port community.

Keywords: WCA; Shipping Convey; Ports Sectors; Ineffectiveness & Disproportion; Constraints; Containerization; Port Reforms; Competence & Management

1. Introduction

Maritime transport is growing at a high pace. In a global context, WCA maritime transport and port sectors face several long-term trends such as: Ship size, (container ships), unstable tariffs, and port infrastructure. The application of measures to enhance security, by the International Ship and Port Facility Security Code (ISPS) Code, requires continuing attention. Also Poverty reduction mainly depends on economic growth, of which trade expansion is a linchpin. For the past decades, WCA ports remain largely outside several global trends. However, due to current traffic and port efficiency, shipping lines strategies seem legitimate. Africa accounts for less than 1% of world container traffic. Moreover, WCA need to improved links between a port and its hinterland, these are the only solutions for small ports to ensure increased traffic, which will result in decreasing maritime transport tariffs. Otherwise, ports will become increasingly marginalized. These global developments challenge the countries in WCA, but also offer [1] an opportunity to implement overdue reforms like improving areas around ports and better management.

2. Shipping & Port Sectors in WCA: An Amalgamation

2.1. Port Ownership and Management Mainly Public Service Model

WCA lags behind in terms of global trends affecting port

sector because port concentration is predominantly publicly-owned. For example, Lagos, Abidjan, Dakar and Douala. These ports account for almost 30% of the total port traffic in WCA (even though not a single port is ranked in the top 70 ports worldwide) (see **Table 1**).

2.2. Containerization Lingers Low despite Efforts

In Africa, containerization has grown (10% annually) more than three times compared to economic growth. However, containerized rate of traffic remains low and marginal in the world.

2.3. Ports Are Costly for Shippers and Shipping Lines

Due to numerous constraints, port charges are high for shippers. Shipping lines face congestion costs (about \$5 million) and poor port productivity. So, *Delmas* calculated 146 days in 2004.

2.4. Shipping Lines Strategies to Cope with Constraints

The agreements between shipping companies, known as Conferences in WCA. Changes in such agreements have resulted from mergers and takeovers in shipping lines industry, because of the 1974 Code of Conduct for Liner Conferences and the 40-40-20 rule. UNCTAD [2,3] recommended reforms based on: 1) Liberalization with

Table 1. Total container traffic in west and central Africa (in TEU_s).

Côte d'Ivoire	Abidjan	670,000
Nigeria	Lagos	650,000
Ghana	Tema	342,882
Senegal	Dakar	331,191
Angola	Luanda	235,411
Cameroon	Douala	156,000
Benin	Cotonou	97,801
Guinea	Conakry	47,000
Congo, DRC	Matadi	46,000
Gambia	Banjul	44,152
Togo	Lomé	42,240
Gabon	Libreville	39,000
Congo, Rep.	Pointe Noire	30,000
Sierra Leone	Freetown	25,000
Mauritania	Nouadhibou	21,000

complex mix to ensure the competitiveness; 2) Regulatory and promotional policies, to ensure national operators and best available conditions for users.

2.5. Inadequate Shipping Services

Shipping lines face increased costs in WCA mainly for poor port efficiency, low traffic and inadequate/insufficient port equipment. Although the number of vessels docking at West African coasts has grown from 15,000 to 20,000 during the year 2000, there is still a lot more to do.

3. The Ineffectiveness and Disproportion of WCA Ports

3.1. Ports Organization Greatly Impacts Port Competence

3.1.1. Impact of Port Efficiency on Port Productivity and Costs

Systematic comparative information is not available on cargo handling performance in many ports of WCA. Therefore dwell time may vary between 7 days in Abidjan and 17 days in Douala [4,5].

3.1.2. Importance of a Legal Setting

The institutional framework of a port in WCA depended primarily of French or the British model. The French model usually placed the ports under *établissement public*, (an incorporated government agency). While British

model, port authorities were also incorporated but usually enjoyed autonomy.

3.2. Awkward Measure and Poor Links to Hinterlands Diminish Port Competence

Port's need quality and fluidity of land transport networks (which costs relatively high in WCA, on account of distances) [6]. e.g. Lomé's port implemented a program, "*Solidarity on the water*" aiming to promote transit operations destined to landlocked countries.

3.3. Port Physical Constraints in WCA

3.3.1. Location Constraint for the Sustainability of Certain Ports

The location of many long established ports such as Lagos-Apapa makes them difficult for their sustainability in the future.

3.3.2. Port Capacity Usually Results from Inadequate Maintenance

Only Abidjan (3 cranes), Lagos, Tema, Dakar and Douala, (2 cranes) are equipped with gantry cranes in container terminals [7].

3.3.3. Port Capacity Could Become a Serious Challenge in the Future

Larger ships are more demanding in terms of installations. The ship to shore gantry cranes need to be sufficiently large to reach all the containers (a depth up to 14 meters) [8-10].

3.4. Port Performance in WCA, Slow Motion as Seen in Table 2 Below

Table 2. Average port delays... [11].

Region	Range of truck cycle times	Range of container dwell times
East Africa	3.5 hours to 1 day	5 to 28 days
Southern Africa	2 to 12 hours	4 to 8 days
West Africa	6 hours to 1 day	11 to 30 days

4. Thriving Model: Case Study of Nigeria Port Sector

Nigeria ports have for a long time been globally recognized as one of the least efficient. Nevertheless approval was by the President or the Minister. In 2005, a reform process was initiated, with the adoption of the "Landlord" model, where the public sector is responsible for regulation of the sector, port planning, and the ownership of port land and infrastructure. The private sector would be responsible for marine and terminal operations, super

structure and equipment. The agreed reform included: Creation of two Autonomous Port and Harbor Authorities Creation of a National Transport Regulatory Commission; limiting the role of the Government, while Private operators perform operations, reforms as: Legal and regulatory reform and Labor reform. In 2006 the initial concessions became operational. Within a few months of private operation of the Lagos container terminals, productivity went up. Chronic delays for berthing space had nearly vanished, leading to the reduction of congestion (surcharge from Euro 525 in March 2006 just before concessioning to Euro 75 in January 2007). Therefore reduction in congestion earned Nigerian economy about \$200 million annually. As part of a broader program of port reform in early 2006, the Nigerian Ports Authority awarded a concession to APM Terminals to manage, operate, and develop the Apapa container terminal, increasing capacity from 220,000 TEUs/year to 1.6 million TEUs. Within months, shipping lines reduced their congestion, saving their economy \$200 million a year. By early 2009, new gantry cranes had been acquired. However, although the port's equipment is able to handle more than 500 containers per day for customs examinations, the majority are returned to stacking by the end of each day. By January 2009, the port was clogged by uncollected containers, and at the end of February, the Ports Authority announced a temporary suspension of ship entry, lasting until mid-April, to clear "alarming" backlogs. The controller of Customs Service for Apapa blamed the low clearance volume on the need to physically examine every container because of high false declaration by importers. However, even cleared containers were not collected. By January, end, out of 9741 containers, only 851 had been cleared by customs, with all charges paid with documentation by agents. Ports Authority consequently proposed demurrage charges of \$4 per TEU in a bid to force owners to move their containers. In their turn, the containers' agents blamed a lack of trucks, arguing that many had been booked.

(Source: Press reports assembled by C. Bert Kruk, World Bank, ILO) [12].

5. Strategic Analysis

The Nigerian ports as well as WCA ports have not been able to integrate into global trends. Yet, their current challenges may be an opportunity in future development. Due to their new reforms, the Apapa port has witness a lot of progress, which has increased capacity from 220,000 TEU per year as well as the economy to \$200 million. Congestion has gradually reduced. This let me evaluate, that the port operation by the public (president or minister) is costly and worthless, while the private operators have made it possible that larger ship can be

served, infrastructure consideration, productivity to minimize turnaround time and country's economic stability. Government operators can only appraise administratively, whereas, businessmen see into a future expansion of the port terminals. Though all these notions, more improvements are needed.

6. Recommendation and Conclusions

In recommendation, eventually in conclusion, the recently observed development of larger vessels calling WCA as well as prospect for even larger vessels being used, offers an opportunity for reduction in shipping costs, provided that necessary maritime transport, land transport and port reforms are undertaken. The main objectives of upcoming reforms for Governments should be aimed at: *facilitating procedures and controls in ports, such as procedures affecting turnaround time, dwell time and handling costs [13]: *facilitating trade and land transport outside the port on the main trade corridors: *improving port access in view to develop multimodal transport. Areas around ports are usually congested and investing in road infrastructure to improve port access: *fostering private sector participation both to provide investment for new installations and equipment: *increasing competition among shipping lines in countries where informal barriers to market entry still prevail: developing knowledge sharing between ports and countries on current port reforms in the region: *carrying out cost-benefit analysis of current port management and efficiency in countries facing very high port charges and high maritime transport rates.

Moreover, there is need to reduce dwell times and handling costs, countries need as well to invest in information systems, communications technology, and modern customs practices. Customs procedures, in particular, act as a bottleneck to port efficiency when they are outdated or open to corruption. Also, Striving for efficient ports must be complemented by associated measures to increase transparency and reduce corruption in customs administration [14]. The African ports, like all world ports, must create port community systems not only to improve productivity and efficiency but also to respond to the growing importance of and future obligation in supply chain security. I personally think that, if all WCA port follows most of these recommendations (even 50% of it); there will be a drastic charge in their respective ports, which will shoot them at a top world record.

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