Sector Report
Port Development Ghana
April 2015 (update)
Colophon

Sector Report on Port Sector

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Summary

The port sector in Ghana is the vehicle for economic growth. Whereas Ghana previously benefitted from an increase of cargo flow due to the political turmoil in Côte d’Ivoire; in 2013, the growth in traffic volumes slowed down. Despite the challenging competition of regional seaports, the ports of Ghana offers a lot of opportunities to invest. The main challenges of the ports of Tema and Takoradi is to upgrade their efficiencies in port operations on the short term and to expand the port to absorb growing cargo volumes.

For already a few years the ports in Ghana (in particular Tema) have reached their limits to accommodate trade traffic. Facing the serious risk of the current under capacity, the ports are becoming over runned. Results are the current congestions for mooring at the berths, a lack of yard space and storage areas, limited capacity for transport the cargo to the hinterland and cumbersome administrative processes. This also concerns the ongoing lack of competition within port management that remains a major obstacle for a competitive transport segment. Subsequently, delays are the outcome which leads to higher costs.

Yet, port operations are improving and capacity is increasing. Examples are the current port expansion project in Takoradi and the upgrade of handling equipment and system in Tema. Recently, a public-private-partnership invested $1.5 billion in the port of Tema, to increase the capacity of the port and improve the infrastructure.

Although Ghana encountered difficulties for accessing the Chinese soft loan of 3 billion USD, the government and GPHA firmly acknowledge to involve the private sector regarding the expansion of the port of Tema. The increasing involvement of the government has shown the crucial understanding of solid port infrastructure for regaining economic momentum. These developments provide also investment opportunities on the short term in order to accommodate growing cargo volumes for the domestic market on the medium term.

The outlook for the coming years is challenging. A strong competition from the ports of Abidjan and Lomé, macroeconomic vulnerability and an ineffective governing structure are limiting growth factors. However, the projection is that Ghana will continue the pace of economic growth and promising developments in the oil and gas sector will be monetized on short term. Therefore, the port sector needs to secure its function as vehicle for economic development. All in all, 2014 should be used to finally realize protracted ambitions for enhancing and expanding the ports capacity and hinterland connections. Attracting foreign investments and the involvement of the private sector are vital to meet these objectives.
2 General information port sector

2.1 Overview economic situation

Ghana’s economic growth remained strong over the last decades. Ghana’s growth is led by its political stability, its relatively liberal economic policies and rising primary commodity prices. Yet, the economic growth of the most recent years is more moderate. This economic success has been noticed by Dutch companies. The opportunities in the Ghanaian and regional market continue to attract trade and investment from The Netherlands.

Trade and investment promotion are the core activities of this embassy. The West African region has strong growth figures and is seen by many Dutch companies as an interesting emerging market. Ghana is an attractive vantage point for international businesses with ambitions to expand in West Africa. Accra is a preferred hub for companies as it offers security, stability, adequate education and health facilities, an internationally trained workforce at the academic level, and convenient flight connections to the major destinations in the region.

Economic growth alone is not enough to lead Ghana to sustained higher levels of development. The government needs to transform its services, to manage the increasing complexities of a fast growing economy.

The Ghanaian economy has grown steadily over the last ten years, in part due to high prices in primary commodities such as cocoa, timber and gold and since 2011 oil. The pace of growth in the Ghanaian economy moderated in 2012 reaching 8% compared to 15% in 2011. This trend continued, resulting in 7.3% in 2013, a 5% growth in 2014 and an estimated 3.7% in 2015. In order to counter this decreasing economic growth, the Government of Ghana will need to speed up reforms, including measures to budget more realistically and broaden its tax base by including the informal economy, which forms a large share of economic activities, in order to increase revenues.

Projections for the next 5 to 10 years are rather positive; most probably Ghana will continue to grow as the main drivers underlying growth are likely to improve. However, the Ghanaian government needs to show its ability to tackle the countries energy issues and rising inflation. We expect that The Netherlands will remain among Ghana’s first export destinations and that exports to Ghana from the Netherlands will continue to grow as fast as in recent years, with steadily increasing direct investments form the Dutch private sector in Ghana as well. The Netherlands is already among the top investors in Ghana.

2.2 Institutional context port sector

Ghana Ports and Harbours Authority (GPHA) is a government body, acting as a landlord of the port of Tema. Although GPHA adopted a landlord model, the authority allocates stevedoring companies and directs actively cargo handling (also for MPS). Most marine services including pilotage, towage and mooring are provided by GPHA. All in all, the division between responsibilities is perhaps unclear.
since GHPA executes cargo handling activities and well as supervisory powers. This results in a more challenging operational environment to manage the port effectively due to conflicting interests.

**Tema Port**
The port of Tema, the larger of two seaports of Ghana is located on the east coast of Ghana and 21 nautical miles off the north-east coast of the capital city, Accra. The port of Tema consists of 12 berths. The draughts of these berths are between 8.0 to 10m. As cargo handler, GPHA operates ten multipurpose berths. Furthermore, GPHA has a joint venture in Meridian Port Services (MPS - container terminal) for the two larger berths (berths 1 and 2, 11.5m draught).

In 2014, the Tema Port secured funding worth $1.5 billion for expansion. GPHA and MPS (with Bolloré and APMT) signed an MoU and the finalisation of the contract between GoG and MPS is expected to be signed mid-2015. With this investment, the port will be the largest cargo port in West Africa. Also the infrastructure around the port will get a boost. Part of this public-private-partnership programme is APM Terminals, based in the Netherlands. The project will take four years to complete.

![Tema Port Map](image)

**Takoradi Port**
The port can be accessed via the entrance of 150 meters with a depth of 10.5 meters. The port of Takoradi provides four multipurpose berth (with depths ranging 9-10 meters) and three dedicated berths, namely manganese, clinker and oil (with depths ranging from 5.5-8.7 meters).
3 Port Sector information

3.1 Port performance

<table>
<thead>
<tr>
<th>Performance measure (2013)</th>
<th>Port of Tema</th>
<th>Port of Takoradi</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall traffic (tons, 2013)</td>
<td>12,2 million</td>
<td>5,4 million</td>
<td>17,6 million</td>
</tr>
<tr>
<td>Total traffic imports (tons)</td>
<td>10,0 million</td>
<td>1,9 million</td>
<td>11,9 million</td>
</tr>
<tr>
<td>Total traffic export (tons)</td>
<td>1,5 million</td>
<td>3,5 million</td>
<td>4,9 million</td>
</tr>
<tr>
<td>Transit Traffic (tons)</td>
<td>620,668</td>
<td>38,710</td>
<td>661,391</td>
</tr>
<tr>
<td>Cargo (TEUs)</td>
<td>841,989</td>
<td>52,373</td>
<td>894,000</td>
</tr>
<tr>
<td>Calls of vessel</td>
<td>1,553</td>
<td>1,364</td>
<td>2,917</td>
</tr>
</tbody>
</table>

In 2013 (for the period January to December), the generated cargo through the port of Ghana totalled 17,6 million tons – surpassing the previous year records of 16,7 million tons. The total amount of cargo that is imported in Ghana is 11,9 million tons, or 68 percent of total. Export from Ghana encompasses around 4,9 million tons, or 28 percent of the total maritime trade. Comparing this data to the performance in 2012 depicts an increase of 5,4 percent. The port of Tema handled 69 percent of the total trade, leaving 31 percent up to the port of Takoradi. Total transit through the ports of Ghana was 4 percent of total.

- Key importing commodities are: clinker, cement, grain, general cargo, processed food, machinery, and iron/steel.
- Key exporting commodities are: manganese, bauxite, cocoa beans, timber, and cocoa products.
- Important trade corridors are: Far East (38%), Europe (26%), Middle East (10%), North America (8%), Inter Africa (18% huge increase).

3.2 Infrastructural connections

Tema

In 2013, the port faced growing traffic congestions in the port area. Reasons are the lack of traffic flow, insufficient gate capacity, quality of roads and inadequate hinterland connections.

Firstly, the lack of traffic flow is caused by the inability to manage seasonal peaks. The port authority does not have a plan to absorb the cyclic traffic flow entering the port and the goods that exit the port. This concerns peaks in during the summer and increasing imports heading towards Christmas.

Secondly, the quality of the infrastructure remains a concern causing congestions in the surroundings of the port. Currently, the roundabouts in Tema lead to an uncontrolled traffic system of goods from the port area to the motorway. A positive
indication is the planned improvements in road capacity. In 2014, a $1.5 billion investment has been announced. This project has a road component, aiming to expand the Tema-Accra motorway to three lanes in each direction. Another planned improvement is the construction of a new interchange at the Tema Roundabout to direct the traffic flow entering and leaving the port more efficiently. Another improvement, GPHA awarded Messrs Louis Berger SAS to design a by-pass towards the motorway. It should link the port to the motorway with a four-lane dual carriageway. This aims to decongest the traffic through the urban area of Tema. Still, this plan needs to facilitate traffic movements by solving bottlenecks instead of relocating current constraints. The French consulting firm will publish their report in July 2014.

In closing, the quality of trucks in combination with the two-lane roads infrastructure remains problematic. It leads to a vulnerable local road infrastructure used by local traffic as well as cargo carriers.

Thirdly, hinterland connections remain problematic. Failing hinterland connections create traffic stagnation affecting port operational costs, turnaround time of calling vessels and the terminal productivity. On the one hand, the Ouagadougou–Tema road corridor is functioning. On the other hand, hinterland connections still lack capacity to stimulate more cargo to Burkina Faso, Mali and Niger. The absence of well functioning rail transport system deteriorates the competitiveness with neighbouring seaports like Lomé and Abidjan. A railway between Tema and Kumasi would contribute to transport larger volumes.

In 2013 the government paid attention to the longtime proposed Boankra Inland Port. This dry port, situated close to Kumasi, would stimulate transport to the hinterland. In March 2014, the Government of Ghana reviewed the last six proposals for the Boankra Inland Port and the construction of railway. In May 2014, the government will choose the winning party in this PPP construction.

In 2013, GPHA expressed their attention for capacity expansion onshore. In the coming years, the port of Takoradi is planning to construct two dual-carriageway roads that will be linked with the local road network. Furthermore, their attention

**Takoradi**

The physical infrastructure in terms of roads constrains the traffic flow out of the port of Takoradi. Two developments are indicated here: the growing traffic flow of commodities as cocoa, timber, bauxite and secondly the quality of roads. The port of Takoradi is prone to seasonal peaks in traffic following the campaigns of the commodities and import demands.

Although the quality of local road infrastructure is reasonable for local standards, the roads in the city of Takoradi are not well equipped to accommodate traffic. From the port area towards the hinterland, infrastructure exists out of two-lane roads. Moreover, cargo needs to pass the urban area which is also used by the community (taxi’s, moto’s). Besides, the nearby located Lagoon worsens the traffic heading East for directing towards one specific route, a natural bottleneck. Another reason, the road system has not been upgraded to absorb the size of traffic. Combining the limit capacity of two-lane road, local traffic and quality of trucks/general vehicles, leads to the conclusion that the infrastructure in Takoradi is prone to serious congestions. Especially the traffic heading eastwards passing through Sekondi is problematic. In closing, overloaded trucks in Takoradi lead to a rapid deterioration of the road network in the surrounding area of Takoradi and Sekondi.

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effectuate in a plan for two roads to link the port to the planned inland container depot in Nkotompo.

The cargo from and towards Takoradi can be transported by road as well as with rail. Currently, the railway is mainly used for transporting manganese. This railway is operated by Ghana Railway Corporation. Last year, the railway suffers a lack of technical capacity and doubts are prevailing whether the railway is equipped to meet the increasing traffic of manganese. Problems in this value chain resulted in uncertainty in the delivery of manganese for exporting this to counties like Russia and China. The inefficiency leads to higher port costs due to waiting time of vessels. The total export of manganese in 2013 was 2 million tons.

Currently the large companies in infrastructure in Ghana are: Chinese construction companies, Julius Berger, France consultants.

**Investment Opportunities**

This infrastructure segment in the port sector gains more (political) attention and offers interesting investment opportunities. The key areas for investment are:

- The projects for the Eastern and Western railway as well as the Tema-Akosombo rail line provide market opportunities for civil engineering, rail infrastructure and providing information systems. Whereas the infrastructural construction market in Ghana is dominated by Chinese players, a consortium of Dutch or European companies would distinguishes itself by its technological knowledge including a long-term and holistic approach.
- Hiring and selling heavy (mining) equipment for infrastructural construction works.
- As the French company is conducting the design study for the Tema motorway, designing and feasibility studies have to be conducted for other infrastructural projects (e.g. the dual-carriageway in Takoradi).
- For the coming years, there will be a demand for procurement and transaction advisors for large infrastructural projects. This also concerns the implications of public private partnerships.
- Other opportunities for consultancy works orientating on managing traffic congestions in the ports of Tema and Takoradi. A suggestion is to report on allowing and releasing trucks at night to alleviate the peak traffic during the day/season. This could result in an effective port plan to speed up deliveries and manage high traffic peaks.
- Furthermore, a consultancy project would be to improve port operational efficiency including a truck scheduling system. This entails the establishment of a system providing more parking and staging areas outside the urban area as well as an enforcement of the authorization system (including fines and penalties).

### 3.2 Port capacity

**Tema**

The port of Tema reached its limits in terms of facilities for container traffic. Not only the quay, but also the yard space and warehousing are insufficient.
Firstly, the port of Tema is currently more than saturated with berths capable due to enough draught. A serious problem is caused because an increasing number of larger vessels are only able to mourn at the two MPS-berths that have enough draught and suitable quayside equipment. Subsequently, both berths are constantly used. Larger vessels occupying MPS-berths result in waiting time (resulting in anchorage costs) for other vessels to access the port. In 2013, the waiting time for vessel is about 6 days.

A reason for queuing vessels at the MPS-berths is the availability of adequate ship-to-shore cranes. The handling capacity for the other 10 berths is scarce; a vessel should use a deck crane to unload the goods. It will take more time to create a vacant berth because of the reduced handling movements. Ships do not prefer other berths since the productivity is lower due to the absence of adequate equipment and lower skilled cargo handlers. The unavailability of suitable berths might bring shipping lines to the conclusion to move to neighbouring seaports like Lomé or Lagos. Currently, the utilization rates for other berths are around 60-70%.

In June 2013, MPS delivered nine gantry cranes at the container terminal. When operational, the terminal is able to unload vessels faster that will speed-up the turnaround time.

Secondly, storage of imported goods is directed outside the port because of the little amount of space behind the first four berths (including the MPS-berths). Around half of the containers are stored in one of the ICDs outside the port area. This includes uncleared cargo. As a consequence, this transfer of containers creates additional costs compared to the storage in the container yard. To avoid this port inefficiency, physical infrastructure in the port of Tema needs to improve in order to enlarge the capacity of the port. More space is needed for a proper movement of the containers and goods.

A weakness of the port of Tema is an easily congested quay side and the fragmented storage of containers. Consequently, the port is prone to a failure in finding specific containers because of the stopgap solutions. Whereas container handling ship-to-shore is functioning relatively well; the use of trailers, reach stackers in the staking area is lacking. Exemplary is the insufficient amount of reach stackers per container vessel resulting in delays and a longer vessel turnaround time.

Thirdly, warehousing and yard space are insufficient to fulfil the growing demands. An example is the problematic storage facilities for export products: the port lacks capacity to cool these. In 2013, GPHA aimed to build a new reefer farm consisting of 800 plugs (current capacity is 630 reefer plugs). Yet the authority cancelled the construction of this facility. Furthermore, storage areas are not accessible during the night operations causing inefficiency due to the inability to functionally use cranes and handling equipment.

In 2013, GPHA began a tender with calls for Expression of Interest. After the evaluation of initial stage and tender documents, the tender for expansion of the port of Tema resulted in seven valid bid offers. The scope of the proposed expansion entails five stages. The first phase focuses on the main basic port infrastructure (breakwater, dredging to -16 meters and quay wall foundation) as well as the construction of 5 berths and the other (phases 2, 3 and 4) orientates on container terminals and food/fruit terminals. The last phase targets the oil and gas sector (in particular oil rigs market). The bid values range from 489million USD to over 2 billion USD, depending on planned works over the five phases expressed by bidders. Finally, GPHA will award the winning bid in May 2014.
The earlier mentioned $1.5 billion investment was announced in 2014 and contains a project of four years to increase the capacity of the port of Tema. Four deep water berths will be build and a new channel should give access to larger vessels with high capacity equipment.

**Takoradi**

In 2013, the port of Takoradi faced a lack of capacity to accommodate the calling vessels and to handle trade volumes adequately. Reasons for this incapacity are: the growing pressure due to increasing cargo traffic, lack of storage facilities and offshore developments.

The increasing demand of cargo traffic, import and export of bulk and offshore operations depicts the problem of insufficient draught resulting in lacking berth capacity. The result, ships have to wait outside the port (offshore waiting time of 3 days) causing an increase of anchorage costs for shipping lines. The draught of four multipurpose berths range from 9-10 meters. Other dedicated berths (manganese, clinker, oil) are ranging from 5,5-8,6 meters.

Exemplary for the lack of berth availability is the case of SMT. From February 2014 onwards, the Ghana Manganese Company (GMC) and Shipping Management and Transport (SMT) will conduct transhipment operations in the port of Takoradi. Their operations will decongest the port and improve berth availability.

The warehouses are managed by GPHA. Except Unicon and SIVOM, there are no private companies owning warehouses in Takoradi. An ongoing port infrastructure project also affects the capacity of warehouse. It entails the demolition and reconstruction of port office buildings, the expansion and reconstruction of access roads, land reclamation and the development of water and electricity facilities. This 150 million USD project is executed by the Chinese contractor, China Harbour Engineering Company (CHEC). Recently, many warehouses were demolished causing a lack of storage capacity. Though, this project should be completed in 2016, this will be delayed because of uncertainty about financing options for the next phase and the role of CHEC.

The yard space in the port of Takoradi is limited. This mainly concerns the relatively small container terminal which is easily congested. The growth of containerized traffic urges the port of Takoradi to develop a larger container terminal equipped with unloading facilities. Some vessels are taking a long time to unload their cargoes. For example, ship-to-shore cranes are needed to increase the discharge of the vessel by the operator of the berth. New cranes purchased by GPHA would be welcomed.

Furthermore, offshore developments (e.g. Jubilee Field and Cape Three Points) adjacent to the port Takoradi are transforming the current port operations. The growing oil exploration activities require more dedicated port facilities. Exemplary for this lack is the fact that many offshore carriers fled to the neighbouring Navy port of Sekondi. As a consequence, the port of Takoradi spills a significant amount of cash flow which is desperately needed for realizing further port expansion.

In 2013, the first phase of the Takoradi Port expansion was ongoing. The operations involve the dredging of the access channel (to 14 meters), extension of
the breakwater, reclamation of a land area of 53,000 hectares, an area for an oil pipeline and the construction of an oil services terminal.

Firstly, the Belgian dredging company Jan de Nul commenced their operations in 2013 regarding. Their work concerns: dredging the access channel, the extension of the breakwater to 1,150 meters, and reclamation of land. The dredged material will be used for the construction of a jetty providing dedicated bauxite and manganese berths. This will stimulate new exports of this commodities and port revenues.

Secondly, this concerns the construction of an oil supply base. In 2013, a lease contract for 15 years was signed with Viking and Halliburton. The South-African company, Murray & Roberts Marine will construct this oil service base. If the port of Takoradi is able to guarantee offshore companies port efficiency (e.g. turnaround time for supply boats, anchor handling boats, diving vessels), further expansion is promising. It would generate necessary cash flow for financing new port expansion. Besides, the current construction of the Atuabo Freeport is an interesting development. In case the Atuabo Freeport would be constructed, it will operate as a private port focusing on providing offshore services. However, the remote situated Atuabo desperately lack infrastructural accessibility.


Investment Opportunities

Key areas to invest are:

- Facing the limits of the port of Tema, the government increasingly urges to commence port expansions on short term. This entails the construction of a new container terminal including dredging operations, quayside construction, quay pavement and breakwater.
- The construction of the offshore supply base in Takoradi creates opportunities for investments in the construction of this supply base (quayside construction works and quay pavement) and the offshore services.
- Offshore developments will increase the demand for e.g. supply vessels, anchor handling vessels, diving vessels.
- In the coming years an upgrade of storage areas is needed. This includes warehousing, storage yard and an acquisition of port equipment.
- The Ghanaian government welcomes investments in the construction of petroleum products storage tanks. This consists of the construction of petroleum products pipelines and strategic storage depots following the start of production phase of the oil fields.
- An opportunity is a study to establish a system for allocation of transit cargo directed to Burkina Faso. This entails an electronic trading platform in Tema for trucking services that provides details of truck availability, congestions and is easily accessible to other stakeholders.
- Investments in operational equipment for the inlands ports of Boakra and Buipe. These inland ports will direct cargo from Tema to serve the regions in the north, as well as Burkina Faso, Niger and Mali.
3.3 Administrative processes

Administrative processes in Tema and Takoradi still create unnecessary delays. Several reasons for these cumbersome processes are: the complexity (amount of agencies), the dragging processing due to outdated custom examination and a not well implemented GCNet.

For all import and export, the Customs Division of the Ghana Revenues Authority is responsible for clearing the goods and handling the administration work with the shipping agents. The trade inspection company, CoTecna, is responsible for the inspection procedures.

Firstly, the involvement of too many agencies leads to complexity and subsequently, an obstacle for a swift clearance of goods. The requirement of standard and regulations of different parties means the administrative process lead to cumbersome processes. As long as the logistical chain rely on human interface who has interest to employ too much local people in this profession, these procedures remain complex.

Secondly, the processes are delayed because administrative documents need to be handed in hard copy. Till now the administrative processes are time consuming (paperwork), burdened with petty charges and arbitrary charges slowing down the process. Paperwork is an obstacle for international competiveness of the port and diminishes effective physical inspection. All in all, there is a desperate need for a paperless clearance system which will be fully implemented by April 2014. This would enhance the process by streamlining and eliminate unnecessary involvement of local personnel. The underlying system is GCNet. In 2013, this system has been piloted in port of Takoradi. Yet, this is not completely implemented: the software for uploading documents is not properly used. Consequently, all documents needed to be presented in hard copy. This nullifies potential benefit of this software to speed up the administrative processes by decreasing the complexity. Not only a successful implementation of the GCNet system would significantly improve the transactions in the port, also a reliable berthing window scheme would improve the vessel turnaround time.

Thirdly, positive indications are the extension of working hours in 2013 of the Customs, which will improve the administrative processes; and the planned expansion of the Inland Clearance Depots scanners (ICDs) in the port of Tema. The measures will increase the administrative capacity and speed-up the process of handling the goods out of the port area.

Investment opportunities:

- A motivation to improve administrative processes is the fact that investments resolve operational deficiencies easily. These are achieved with limited financial investment compared to physical infrastructure projects. Still, the efficiency gains of these improvements are considerable.
- Whereas shipping agents and terminal operators are generally spoken efficient, the clearing agents and forwarders create delays in the logistical value chain. Reasons are the lack of capability as well as capacity. Therefore, training is needed.
3.4 Port Tariffs

The official tariffs of the port of Tema and Takoradi in terms of tug fees, pilot fees, mooring fees, clearing cargo and port dues are relatively competitive to neighbouring seaports as Abidjan, Cotonou or Lomé. However, unofficial tariffs contribute to higher costs of doing business in the ports of Tema and Takoradi. This includes indiscriminate charges by services providers, consolidators, clearing agents and others affecting the freight rates for exports and the price level of the imported commodities. Furthermore, these unofficial tariffs harm the adequate processes of clearance and releasing cargo documents.

3.5 Lead time

Lead time is an outcome of the level of capacity, infrastructure and administrative processes in the port. This specifically regards the waiting time for docking, internal cargo handling, clearing goods (with particular attention of the ICDs in the port of Tema). In the port of Tema, MPS handles 80% of the container traffic in the port of Tema. With 15-20 movements per hour of the ship-to-shore cranes, the productivity is relatively good compared to other ports in the West African region.

Firstly, although the various parties (including The World Bank) suggested to privatize stevedoring activities in the ports, this is still not licensed and allocated by the GPHA. Currently, twelve stevedoring companies are generally operating within a quota system of cargo handling dividing 75 percent of the total (GPHA handles the remaining 25 per cent). Although shipping line might express their preferences, efficiency remains lagging behind due to a lack of competition. The allocating system precludes an incentive to improve the level of quality in terms of service providing.

Secondly, ICDs are used to address port congestions and offers potential benefits to expand handling capacity, increasing trade flow and a quicker clearance and release of goods. These potential benefits impact terminal performance if ICD are well utilized. In 2013, the port of Tema faced various difficulties in order to support the decongestion strategy. The two ICDs are located too close to quay storage area resulting in delays at the scanner and exit gates. High number of uncleared containers inside the port forced GPHA to decide that the cargo should temporally stored outside the port. This emergency measure increased inefficient in the clearance procedure. In short, to solve the current lack of container scanning facilities, the container handling equipment needs to be upgrade. There is a need to acquire 3-5 new ICDs.

All in all, with an average of 16-18 days, the container dwell time in the port of Tema is improving. In the port of Takoradi the container dwell time is 7 days. Yet this last port is very prone to congestions and, more important, the stripping of container within the port area consumes time, uses space and complicates the movement of goods through the port. Essentially, as the capacity is reached in the port, stored goods affect the dwell time and delay the movement of cargo raising the costs for shippers. GPHA upholds a standard resulting in the policy that a container can be auctioned when it is stored for longer than 21 days in the yard.
This leads to annoyance at the shipping agents and clients knowing the high dwell time.

- Training of dock workers to work more efficiently and with greater consideration for safety.
- New ICD-scanners (ranging from 3-5) are requested by the various stakeholders in the port (terminal operators, shipping lines, agents).

### 3.6 Regional market position

All seaports in the West African region want to become the logistical hub. This competition targets to attract international cargo traffic and transit throughput to landlocked countries. Currently, Ghana still lags behind regional competition, such as port of Lomé and Abidjan. Various reasons are: the risk of under capacity of both ports in Ghana, the lack of sufficient competition within the port sector, challenging macroeconomic and policy frameworks, and important port expansions in Abidjan and Lomé.

The ports of Tema and Takoradi have serious capacity problems depicted in a hampered and ineffective transport system. Both ports have reached their limits for handling increasing cargo volumes due to the poor adaptation to the import-export traffic demands. New investments are desperately needed in the port as well as in the road and rail infrastructure to remain competitive. On a regional scale, competing ports have the opportunity to expand their infrastructural capacity at a limited cost. Therefore, for example Tema port probably will overrun and cargo will target neighbouring seaports since other ports have operational capacity to absorb new cargo flow.

Another reason that diminishes the comparative strength of the Ghanaian ports is the lack of competition within the ports. A major constrain is the assumed governing role of the institutional body, currently acting as authority as well as the operator. This creates in inefficiencies at the port resulting in higher and arbitrary charges, lack of strategy and time efficiency. At this moment, competitive ports are benefitting from the postponed implementation of governance reforms. Further, the weak Ghanaian currency is an outcome of the ongoing challenging macroeconomic situation affecting the domestic trade flow. In addition, policy measures taken have burdened day-to-day operations and impacted the competitive position negatively. Examples are: abolishment of the fuel subsidy, electricity charge, water charge, GIPC Act, Local Content Bill, 5% NFSL, VAT increase.

It is recommendable to upgrade the hinterland (railway) connections, establish an inland port on short term, and attract FDI through privatization of port operations. Such strategic options will result in port efficiency and keep Ghana on track in competing for attracting international cargo volumes.

In terms of the main competitors, the ports of Abidjan and Lomé are extending their capacity to accommodate the increasing trade volumes. Firstly, the port of Abidjan is regaining traffic since the instability caused by the political turmoil in 2011 (21,7 million tons and 0,63 million TEUs in 2012). Unfortunately, the ports in Ghana were unable to structurally take advantage of this. Consequently, the business oriented approach of the port of Abidjan, a privately operated Abidjan Container Terminal, and a GDP growth at 9,8% in 2013 added to the renewed growth of cargo throughput (30,5% in 2012). On the longer
term, Côte d’Ivoire is able to attract new investments to enhance its port capacity. An example is the second container terminal (or TC2) that will enlarge the port capacity to 2,3 TEUs annually.

The other regional competitor, the port of Lomé has set its ambition to become the major transhipment hub in West Africa. Due to Lomé’s natural conditions and ongoing port expansion project and hinterland connections, Ghana’s ambition of becoming the regional hub more contended. The draught of 16 meters and the scheduled completion of the Lomé Container Terminal in late 2013 are decisive facilities allowing larger container carriers. At the expense of Tema, Lomé will develop their transhipment activities with a target capacity of 1.5 million TEUs. Besides the port developments in these neighbouring countries, Ghana fears to become more isolated in terms of hinterland connections. The current railway network Abidjan-Ouagadougou might be expanded connecting the route Lomé-Blita-Ouagadougou.

Certainly, the above mentioned developments focus on the international cargo traffic and transit traffic, even so domestic economic growth incites further development of port capacity. Therefore, Ghana’s port sector has a lot of growth potential deriving from domestic economic growth. At this moment, the ports in Ghana develop on the premises of growing domestic cargo volumes and increasing transit throughput. The transport corridors mainly targets Burkina Faso (to a lesser extent Niger and Mali).

The outlook for the investing in the port sector is promising knowing these are years for equipping the port to accommodate new trade flows. Exemplary is the potential of offshore sector as an economic stimulus. In particular the port of Takoradi could benefit from these developments nationally and regionally by facilitating an oil services terminal and oil rig repair space. Consequently, the port will benefit for serving offshore activities in the near located blocs as well as the West African region to a larger extent.

In short, growth projections in terms of trade volumes and domestic growth for the 3-5 years are favourable. Most probably, Ghana will continue to grow economically as the main drivers underlying growth are likely to improve. As a result, the ports in Ghana remain the vehicle of economic growth.
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Royal HaskoningDHV
Regional Director
Accra

Ministry of Transport
Accra

Supermaritime
Tema and Takoradi
6 Trade fairs and journals in the coming period

Ghana’s Maritime Trade & Transport Digest
Ghana Shippers’ Authority
Annual publication of the maritime trade statistics in Ghana

Coastal and Maritime Surveillance
Venue Information
Accra International Conference Centre
City: Accra
Date: 17-20th March, 2014

Ghana Oil & Gas Summit 2014
Venue Information
Accra International Conference Centre
City: Accra
Date: 8-10th April, 2014

FLNG Africa Summit 2014
Accra: Accra
Date: 4-6th June, 2014

Subsea Vessels Africa Conference
Venue Information
Labadi Beach Hotel
City: Accra
Date: 9-11th June, 2014

Port Development Partnership seminar
City: Accra
Date: 16-19th June, 2014
More information will be published on www.portdevelopmentafrica.com

Coastal and Maritime Surveillance
Venue Information
Mövenpick Ambassador Hotel Accra
City: Accra
Date: 19-21st November, 2014
Addresses Dutch foreign missions

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