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ON : IMPROVING EFFICIENCY IN PORT AND TERMINAL OPERATIONS

**DURING THE 21ST INTERMODAL AFRICA 2019 CONFERENCE HELD ON 19 - 21 MARCH 2019 AT
DJIBOUTI PALACE KEMPINSKI - REPUBLIC OF DJIBOUTI.**

**Distinguished Guests, Participants, Stakeholders, All Invited Guests;
Ladies and Gentlemen!**

Good Afternoon,

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It is my honor today to address this distinguished gathering. I know that you have already been welcomed by many people since you arrived in Djibouti but allow me to also join the residents of our beautiful Port City to welcome you once again and to wish you a happy stay.

Ladies and gentlemen,

The theme of this conference "**Regional Trade Development on Cargo Volume and Throughput in the Red Sea Region**" is apt, exciting, and well-timed to the purpose that forms the basis for unlocking Africa's Maritime potential. It comes at a time when African governments, Port Authorities and terminal operators are working rapidly to improve service delivery through expansion of infrastructure capacity ahead of demand.

Distinguished delegates,

Whenever the issue of maritime business is under discussion, the temptation is to dwell more on what is happening in the oceans and waterfront facilities than on land developments. Experts in the maritime domain agree that there is a symbiotic relationship between the dynamics of economic activities on land and water. Potential business opportunities in one sector have both a direct and indirect business impact on the other.

For instance, in order to improve **efficiency in Ports and Terminal Operations** its by maximizing on the successful exploitation of the harbour infrastructure through commensurate efforts to develop the interfacing and interconnecting logistics chain. Hence, there must be a deliberate effort to balance the developments of both the land and water sectors.

Africa's natural resources have largely been underexploited, but are now being recognized for their potential contribution to inclusive and sustainable development. African countries can realize the full potential of Marine opportunities. In a recent paper publication by Dr. Carlos Lopes of UNCTAD, it is forecast that by 2020, the economic value of maritime related activities will reach 2.5 trillion Euros per year. **Where do African countries fit in all this?**

The new maritime policy places emphasis on the industry's need to remain competitive in an increasingly tough international marketplace. Africa region not being an exception, strives to offer an example of the wide range of international maritime services and facilities: deep natural harbours and well equipped ports which offer a haven for international shipping; extensive bunkering, ship supplies and modern facilities for transshipment hub and distribution, including the Freeport and extensive Free Trade Zones including Oil Terminal just to name but a few.

Continued success will depend on how well Africa can unleash the economic potential of sea-based activities and in so doing, strengthen the competitiveness of its maritime industries.

This is our motivation.

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This is the reason that calls for launching an extensive consultation, to obtain the widest range of views possible, on how a new, comprehensive and coherent approach to maritime policy can be taken with concerted efforts devised to improving the efficiency in Ports and Terminal Operations.

Page | 2 Its scope is wide, as is appropriate when you are seeking a coherent and comprehensive result.

Nevertheless, we must agree that developments of maritime sector is paramount for Africa. This is why my address will focus on Africa's growing maritime business opportunities to **deliver world class services, facilities and efficiencies in Ports and Terminal Operations.**

The competitiveness of ports is highly dependent on the costs, efficiency, reliability, availability, security/safety, and quality of the various offered services including transport services, value added logistics services (e.g., packaging, warehousing, product finishing), and process automation and auxiliary services (e.g., pilotage, customs, data management systems etc.)

However, possibly more than anything, it is correct process implementation that is needed. This places the onus on the different levels where decisions taken are implemented which can be both beneficial to the competitiveness of our ports and maritime industries, and, ensure that a level playing field is created for operators hence fastrack increased revenue streams and substantially reduced spending.

DIGITALISATION OF PORTS & TERMINAL SERVICES

Ports and terminals are an integral part of the whole chain in logistics. Digitalisation offers ports and terminal the opportunity to add value to its customers through innovation, enhanced productivity, greater efficiency, greater safety, and security.

Recently, the Maritime and Port Authority of Singapore, Singapore Customs and the Singapore Shipping Association signed an MOU on digitalisation of trade and maritime documentation in the industry. As per MPA, under this MOU, the parties will jointly look into the digitalisation of trade and maritime documentation in the industry. Through this collaboration, the parties aim to promote digitalisation, by showcasing the value gained through productivity, time and cost savings.

The focus areas of this MOU will include:

1. Collaboration with multiple industry stakeholders to digitalise the documentation required across the maritime industry.
2. Leveraging suitable technologies such as distributed ledger technology to achieve greater assurance of trust and integrity of the shipping documentation passing through the supply chain players.

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3. Development of standards for the digitalisation of maritime-related documentation with industry partners.

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Together with the various partners in the maritime industry, MPA, Singapore Customs and SSA, will work together to identify and prioritise relevant maritime-related documentation for digitalisation and key documents such as the Bills of Lading, Manifests, Delivery Orders etc

In line with this MOU, Singapore announced the plan to launch a blockchain-based system in its maritime sector called TradeTrust.

TradeTrust is an initiative to develop a set of standards to help businesses securely exchange digital trade documents. Definitely this will improve the efficiency of entire chain for trading and logistics sectors.

This pilot is aimed at cutting container ships' waiting times and fraud risks by digitising the paper-based lading bills, making it shareable and accessible as and when container ships dock and unload. Additionally it is expected to cut administrative costs by 20% margin.

IMPROVE YOUR TERMINAL OPERATIONS WITH THESE 6 STEPS

As global trade has increased, vessel sizes and cargo volumes have surged upwards, placing additional pressure on ship berths and yards. Ports are therefore becoming increasingly obliged to seek smart solutions that will help **optimise operations, promote efficiency and reduce logistics costs**, all without requiring major investment in new infrastructure and equipment.

Carriers, Shippers, Customs, Ports etc seem to be moving away from the "this is how it has always been done" mode and moving more and more towards digitising the processes partly as i would recommend below :

1. Measure your Productivity

This is the most important step in improving terminal operations. Once you measure productivity, you can make changes and adjustments to processes. Then, you can see if your productivity increased or decreased.

Basically, you can't improve what you don't measure.

For example, if you are measuring the productivity in unloading and loading containers on vessels, then you can experiment operational scenarios to see what gives you the best productivity.

2. Obsess about clean data

In order to measure anything correctly, you need to have clean data. This means finding, correcting, or removing inaccurate records from your data set. To have a high functioning terminal, you need to obsess about clean data.

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One way to ensure clean data is to remove as much manual data entry as possible. That is where most of the errors will occur, so taking this element out of your data will drastically improve your records.

3. Analyze your Data

Page | 4 Now that you have clean data and you are measuring your data, it's important to find a way of analyzing your findings. There's not really a point in collecting data if you're not going to use it to improve operations, so it's important to find a way to access and study your data in an efficient manner.

It's also important this is done in real-time (or as quickly as possible), because data from 2 months ago may have changed, so any alterations in operations you make based on that old data may no longer be relevant.

4. React Before it Happens

It's always great to solve a problem before it happens, and in a terminal this is vital. For example, if a customer arrives to pay an invoice and they are expecting a different amount, you'll want to have clean data records and invoices on-hand to show this customer their error.

Another example: instead of running out of reefer plugs and having to run around looking for options to add capacity at the last minute, technologies should be utilized to know when the supply of reefer plugs is getting low. Being able to react before a problem occurs in your terminal saves time, resources, and makes the terminal operate better.

5. Get Answers Quickly

Following Google's mission to "organize the world's information and make it easily queryable", your mission as a terminal operator should be to organize your information and make it easily accessible.

Your terminal operating system should be fast, and you should not be wasting time looking at loading screens. Your data should be accessible from anywhere and updated in real-time. To better use your time, allow partners to find answers themselves on your TOS, saving you time and allowing them to get what they need quickly.

6. Stop Spending Time on the Phone by Using Data Transparency

How much time do terminal operators spend on the phone with exporters, importers, shipping lines, etc. that all want information about what is happening at the terminal? This practice interrupts your work and reduces your productivity.

Instead, give these individuals access to your TOS so they can log-in and see the containers at your terminal and answer all of their questions themselves. This allows terminal operators to use their time more valuably and productively.

PORTS & TERMINALS INFRASTRUCTURE DEVELOPMENT FOR EFFICIENCY

Distinguished delegates,

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Today's Ports are complex networks spanning a wide number of stakeholders, from port operators and authorities, to hauliers and shipping companies. However, experts claim is true that some aspects of port management are stuck firmly in the past, with paper-based documentation and manual labour still the order of the day.

Page | 5 As I have mentioned, Ports are key players in trade facilitation and cargo fluidity in the maritime logistics supply chain. The question is; what should come first: Ports or the other maritime business opportunities and developments? In other words; should we develop ports in anticipation of the business opportunities or should we let the exploitation of the opportunities drive ports development agenda? I will not try to answer to these questions. Let the deliberations that will follow provide the answers. However, for now and from what has been experienced in the industry, ports stand a better chance to do good and sustainable business, when they develop facilities ahead of demand and in anticipation of business opportunities.

AFRICA'S ECONOMIC BLOCK STATUS

Africa is developing fast and is showing some impressive progress. Verified research reports reveal that over the past decade, Africa has recorded an average of 4 to 5 percent growth in GDP, despite recent upheavals in the international economic and financial environments. Bigger intermodal ports should think about implementing systems to monitor traffic flow and reduce bottlenecks, while emerging ports should focus on making business easier through data-sharing platforms, for example.

Nevertheless, it's clear that many ports are already competing to lead this new digital revolution, and are poised to reap the benefits. Ports across the world are moving towards new & dynamic approaches to port development. In Africa, there is also evidence that Port authorities and relevant institutions have made significant strides to improve efficiency. They are diversifying their strategies to enable them stay focused and responsive to maritime business demands and opportunities. They are building specialised port facilities; Developing Multipurpose Port Terminals and focusing on becoming large scale hub-ports. These efforts can be seen in Djibouti, Kenya, Nigeria, South Africa, Algeria, among others.

CONCLUSION

Distinguished participants,

I wish to take this opportunity to once again welcome you all to Djibouti. I encourage you to take a day after the conference to sample the culture and cuisine of this part of the country. We have rich historical sites, fine pristine beaches for swimming and crystal clear red sea waters ideal for diving, some very close to this venue, with a wide variety of tourism options to exploit.

As you begin your deliberations for the next two days, I urge you to come up with practical resolutions that will serve as building blocks towards unlocking Africa's maritime potential.

Thank you and May God bless you.