

**STRATEGIES TOWARDS
ADDRESSING
BOTTLENECKS IN PORTS.**

MRS. LIZZIE O. OVBUDE



OBJECTIVES OF THE PRESENTATION.

- 1) Provide background to strategic importance of Port in a given economy
- 2) Appraise the developments of Ports in West-Africa sub-region.
- 3) Identify various bottlenecks that exist at different stages of Port Operations.
- 4) Articulate both Short-run and Long-run strategies towards addressing the various bottlenecks.



INTRODUCTION.

- Ports represents an interface between Sea and Land in Water Transportation in the Logistic chain.
- Port has evolved to become pivotal nodes in international logistics networks and product supply chain.
- Ports are critical enablers of a country's competitiveness.



STRATEGIC ROLE OF PORTS

- Ports provide basic infrastructure fundamentals of a country's international trade and are the umbilical cord to foreign markets.
- Ports are a core component of a national economic development and security.
- A pull factor for industrial development.
- Facilitation of Trade and Commerce.
- Revenue generation.
- Contributing significantly to the Gross Domestic Product (GDP).



PORT DEVELOPMENT IN WEST AFRICA SUB-REGION

- ❖ Container traffic into West Africa's largest port complex at Lagos has doubled, reaching more than 700,000 twenty-foot equivalent units (TEUs) a year by 2008, underpinned by high oil prices and demographic growth.
- ❖ Ports in Ghana have also captured some of the Ivorian transit trade since 2004 and may yet rival Nigeria's as hubs for the Gulf of Guinea's oil and gas industry.
- ❖ As competition heats up between Ports vying for the status of regional hub, Port Operators in the region are raising capacity to leverage on prevailing bottlenecks existing at Nigerian Ports.



PORT DEVELOPMENT IN WEST AFRICA SUB-REGION contd.

- **The larger Tema Port, operated by a consortium of Bollore', bouygues, Maersk, Sutton and the Ghana Ports and Harbour Authority (GPHA), already caters to significant transit trade from landlocked neighbours.**



PORT DEVELOPMENT IN WEST AFRICA SUB-REGION contd.

- ✓ Container traffic at Tema, dredged to 11 metres, has grown from 197,700 TEUs in 1999 to 555,009 TEUs in 2008 and is expected to reach more than 1m TEUs before 2020. The GPHA has moved faster than its Nigerian counterpart in reducing port congestion through the upgrading of supporting transport links.
- ✓ Ghana's second and older port at Takoradi also registered the 10% to 15% year-on-year container growth recorded by Tema. Takoradi is expected to serve Ghana's emerging oil industry, with GPHA investing \$50m to develop an oil service terminal at the port.

FACTS SHEETS OF BOTTLENECKS IN PORT OPERATIONS BERTHING STAGE

- Port Approach is relatively shallow
- Increase in Ship waiting time complemented by increased number of days at berth.
- Delays related to submission of inbound manifests by Shipping Companies.



FACTS SHEETS contd.

CARGO HANDLING STAGE:

- Port Infrastructure deficit.
- Inadequate Container Yard capacity.
- Poor service levels at Container Freight Station.
- Inadequate quantity and quality of Cargo Handling Equipment.
- Low Labour Productivity.



FACTS SHEET contd.

DELIVERY STAGE:

- Payment Related. Delays in acceptance of entries as a result of delays associated with submission of payment information by banks.
- Delays associated with the intervention of other Government Agencies.
- Operational Inefficiencies and tariff manipulations at the Container Freight Stations.
- Misinterpretation of the tariff structure by the Customs Authorities and the manner in which the disputes are handled.



FACTS SHEETS contd.

DELIVERY STAGE contd:

- Poor quality declarations made by Importer often results in rejection and queries being raised by the customs.
- Over-control of transactions culminating in checking and re-checking of the same information by different sections of Customs.
- Delays associated with the activity of Clearing and Forwarding Agents.
- Cumbersome documentation and bureaucratic procedures.
- Delays in release and cargo off-take at the exit gates.



SHORT-RUN STRATEGIES TOWARDS ADDRESSING THE DELAYS IN PORTS.

- a) **Need for greater planning and Asset management i.e. we need to coordinate investment in our supply Chain to optimize throughput.**
- b) **Need for greater integration in the Three Modes of transportation as a means of guarantee fluidity of Port operations.**
- c) **Sustaining on-going Port modernization efforts to accommodate larger vessels.**
- d) **Port Automation.**
- e) **Simplification of Tariff and Documentation procedures.**



SHORT-RUN STRATEGIES contd:

As part of the Short-Run Strategy, Port could equally orientate along the following lines:

- Supply Chain focused strategy which seeks to recognize the dynamics in Customers' needs.
- A Corridor focused strategy with the orientation of aligning Port and Rail capacity towards enhancing service delivery.



LONG-TERM STRATEGIES TOWARDS OVERCOMING THE BOTTLENECKS.

- Deep water berths at 16.5m.
- Rail and road connectivity.
- 24 hour operations and on time berthing.
- High productive terminals to accommodate 9,000-18,000 TEU's vessels with well trained staff, high-end vessels berth systems and high waterside productivity (>25moves).

LONG-TEAM STRATEGIES contd.:

- Good hinterland infrastructure performance and connectivity.
- Fast turnaround to hinterland.
- High levels of security and safety.
- Capacity expected to exceed demand.

CONCLUSION

Removing some of the highlighted bottlenecks via various Strategies enunciated would ensure the following:

- i. Integrating our Port into global Port System.
- ii. Guarantee seamless flow in Port operations.
- iii. Port efficiency that would naturally bring about reduced cost of doing business.
- iv. Bringing about the strategic goal of Ports in Trade Facilitation.



*THANK YOU
FOR
YOUR
ATTENTION.*

