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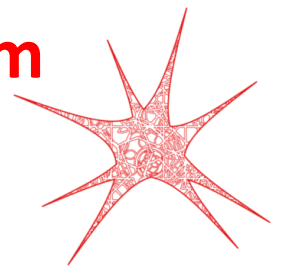
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Multi-modal Handling and Waybills to Strengthen KBSP's Role as a Transit Port

By Dr. Wesley Lee

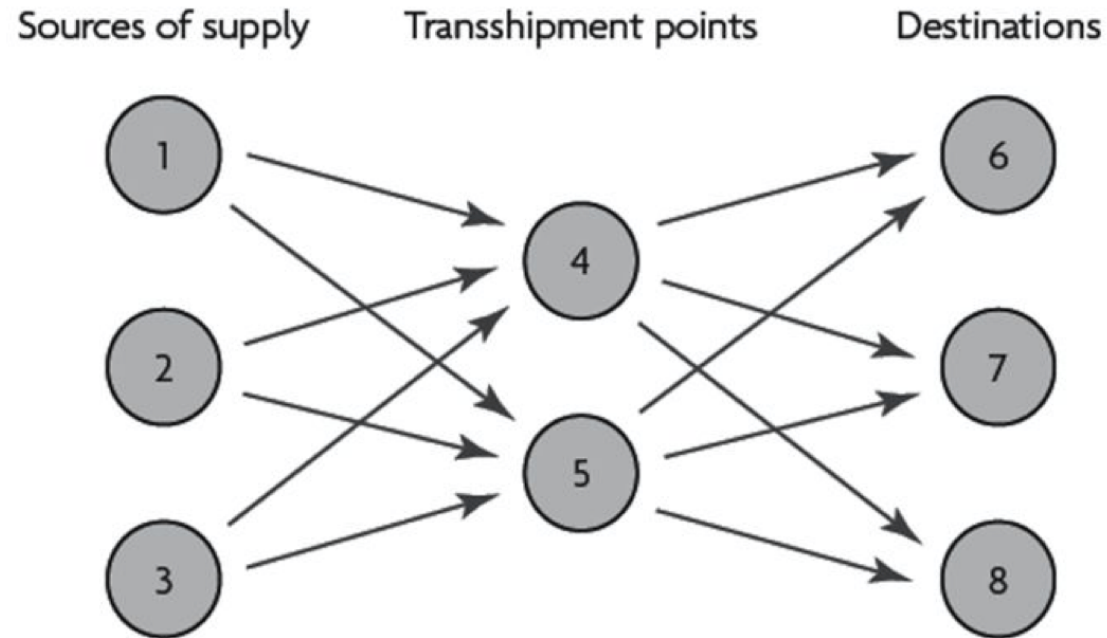
Vision 2030 and the impact of the current pandemic

- Bahrain, given its size in terms of population, has been and will always remain as a transit market not a destination market
- Bahrain as a regional logistics hub is a key part of Bahrain's national strategy
- Due to the Covid-19 pandemic, not enough cargo volume coming through Bahrain (KBSP)
- **How to increase the trade volumes through Bahrain to and from Saudi Arabia?**



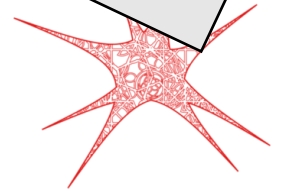
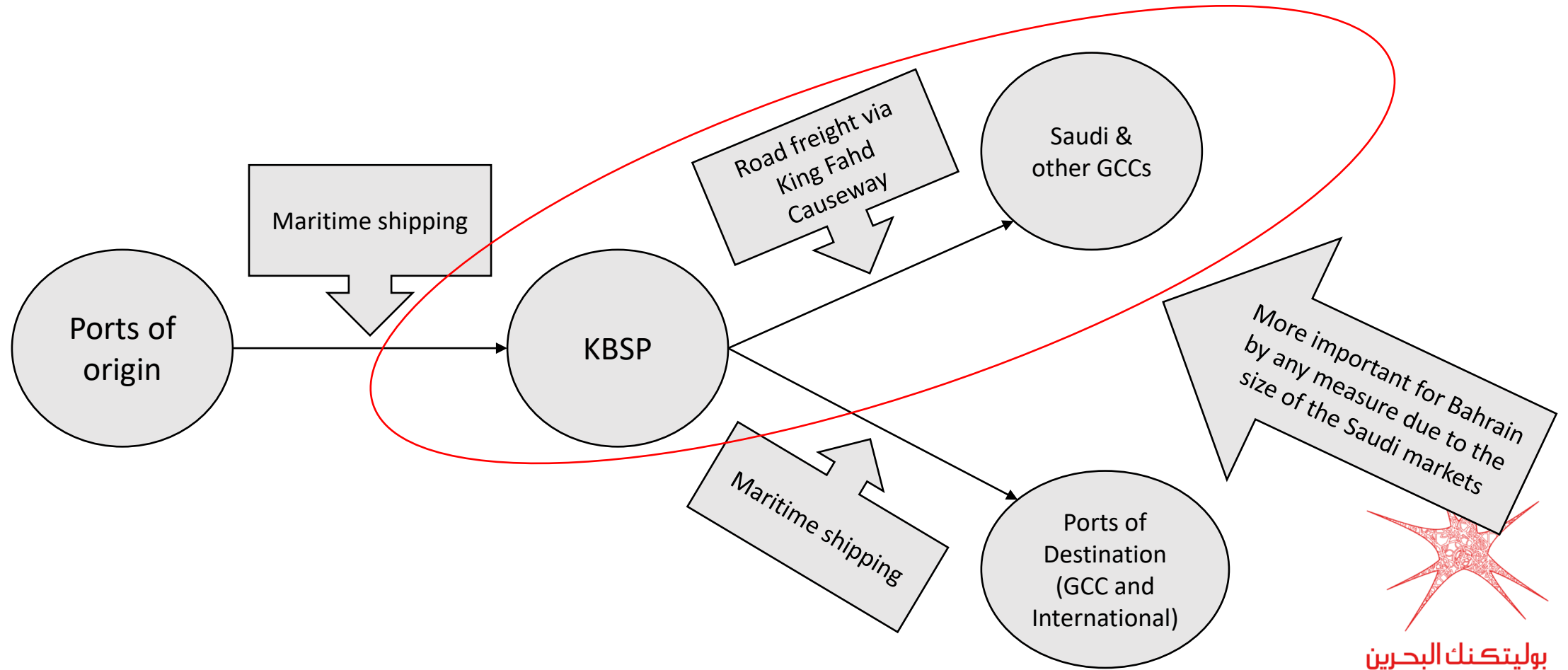
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Bahrain as a regional logistics hub

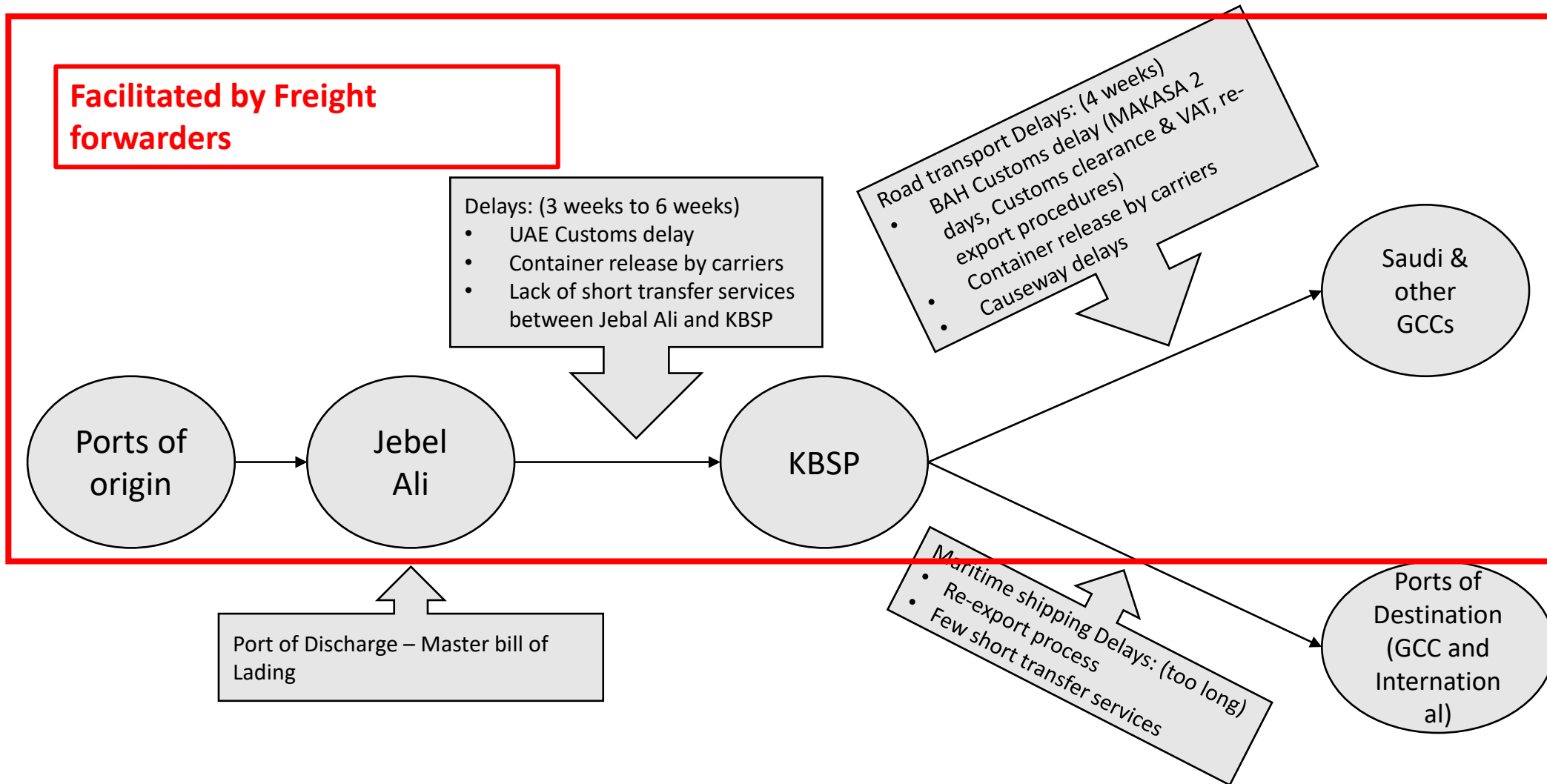


- KBSP (Khalifa bin Salman Port) as the key asset in Bahrain to facilitate transshipment as the marine transport is the largest mover for global trade.

Two types of Transshipment – in an ideal world

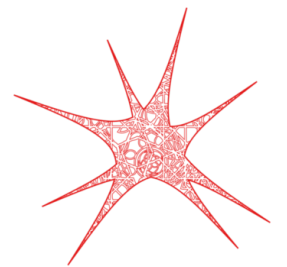


Current regional maritime supply chains



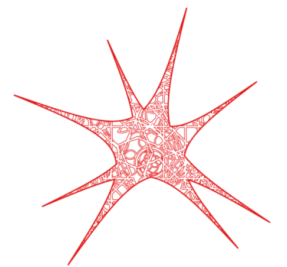
Challenge 1: Port of discharge - BoL

- Few international shipping lines sail pass UAE to dock at KBSP
- That means a single carrier Bill of Lading will make one of the many UAE ports (Jebel Ali, Khalifa, Khalid or Abu Dhabi ...)
- For containers destined for KBSP, freight forwarders will have to clear the customs in UAE (VAT, customs duty, etc.) and create a 2nd BOL (Port of discharge: KBSP) to apply for re-export process
- The process alone takes up to 6 weeks



Challenge 2: Road transport BH to SA

- Again, the Port of Discharge of the second BOLs is KBSP, so for any FCL containers destined for Saudi Arabia, freight forwarders will have to clear the Bahrain Customs first (Customs duty, VAT if applied or Makasa) and create a road BoL to apply re-export
- Delays at the Causeway to clear customs
- The whole process takes up to 3 to 4 weeks



Intermodal vs. Multimodal

Reality: Freight forwarder-led



Intermodal

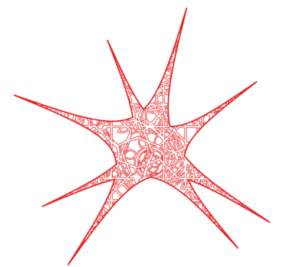
Company A Company B Company C Company D Company C Company B Company A

Multimodal

CONTAINERSHIPS

Ideal: Carrier-led (multimodal BOL)

Source: The CMA CGM Group
Website

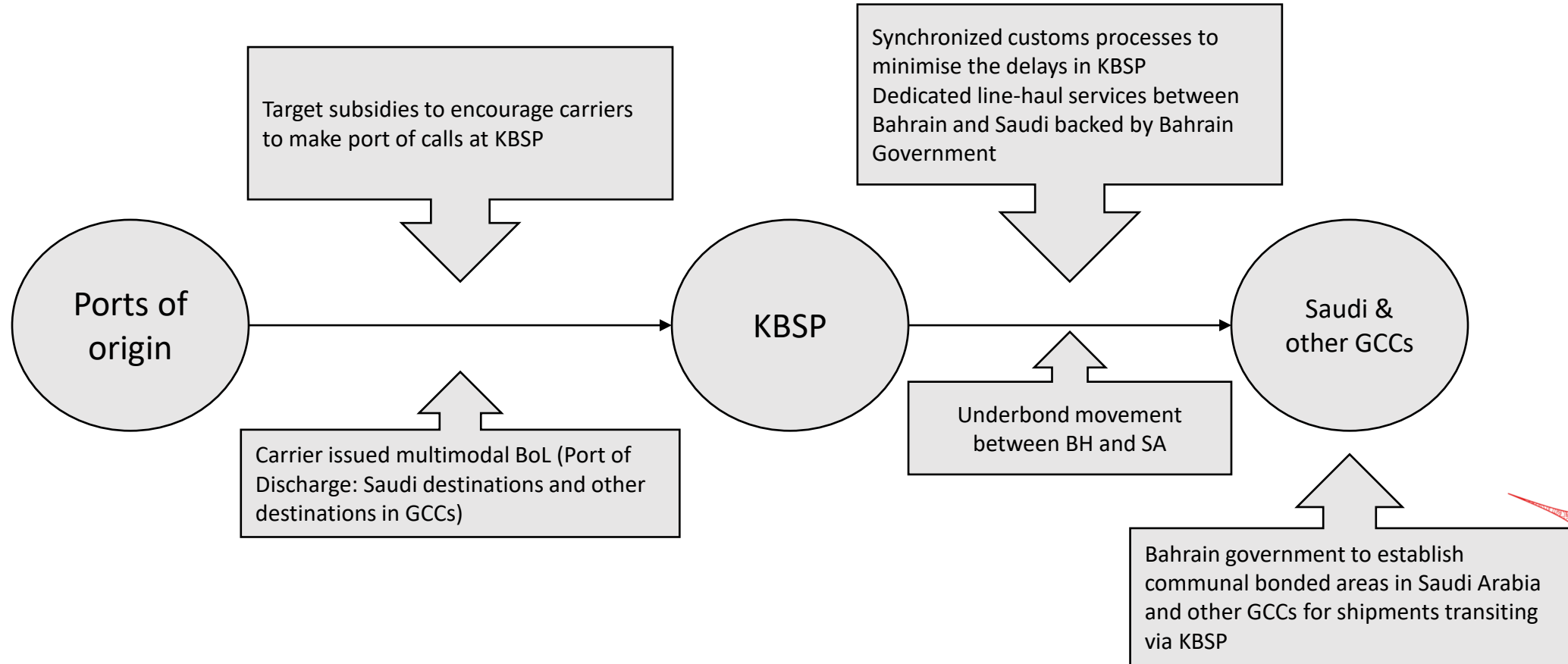


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Recommendations – a collective effort between government and carriers

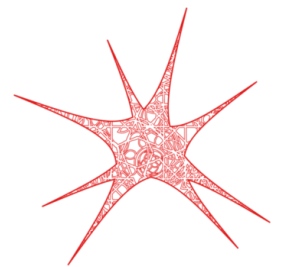
- Target subsidies to encourage carriers to make port of calls at KBSP
- Carrier issued **multimodal BoL** (Port of Discharge: Saudi destinations and other destinations in GCCs)
- Synchronized customs processes to minimise the delays in KBSP
- Dedicated line-haul services between Bahrain and Saudi backed by Bahrain Government
- Bahrain government to establish communal bonded areas in Saudi Arabia and other GCCs for shipments transiting via KBSP

Proposal: how to increase the trade volume using Bahrain as a transit port



Establishment communal bonded areas in Saudi Arabia

- Facilitate both FCL and LCL shipment underbond movement
- Currently only very few freight forwarders based in Bahrain have customs bonded facilities in Saudi Arabia
- Communal bonded areas by Bahrain government can reduce the delay at the causeway to reduce the overall lead time
- Lead time is one of the biggest considerations for companies to choose Bahrain as regional basis or not



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Questions?