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WORLD MARITIME UNIVERSITY
Malmö, Sweden

**PROPOSALS TO TRANSFORM THE PORT OF
BANJUL INTO A TRANSHIPMENT AND
DISTRIBUTION CENTRE: With Special
Emphasis on Feeding**

By

ISMAILA MALANG BOJANG
The Gambia

A dissertation submitted to the World Maritime University in partial fulfillment of the requirements for the award of the degree of

MASTER OF SCIENCE

in

PORT MANAGEMENT

2000

Declaration

I certify that all the material in this dissertation that is not my work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

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Dedication

This dissertation is dedicated to my family

Acknowledgement

*BIS MI LAHI RAH MAN RA HIM:
IN THE NAME OF ALLAH THE BENEFICIENT, THE MOST MERCIFUL.*

First of all, I wish to thank the almighty GOD for all his graces upon all of us. Secondly, my thanks goes to the Government of the Republic of the Gambia, and my employers Gambia Ports Authority especially the Managing Director Mr. I.D.K. JANGANA for giving me the opportunity to pursue the Master of Science programme in Port Management at the World Maritime University, Malmö Sweden.

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My appreciation also goes to the entire staff of the World Maritime University who deserves commendation for their untiring and supportive attitude not only to me but also to all students and thereby making my educational life in Sweden a very pleasant one.

My special thanks to my deceased parents for their prayers and well wishes. May their souls rest in perfect peace Amen.

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Abstract

The central point of this study is the development of a transshipment and distribution centre from the Gambian perspective. The strategic position of Gambia as the maritime cross road of the west African sub-region to northern Europe and south America has not been fully exploited. The Gambia vision 2020 programme has been developed against a backdrop of declining agricultural sector and the need to diversify the foreign exchange earning sources of the country and this has constituted the basis for this study.

A general view on transshipment, distribution and the underlying rationale preceded an analysis of the potential of Gambia to venture into this alternative. This led into a comparative advantage study to be undertaken by appreciating the potential of other countries likely to compete with the Gambia. The study notes that the port of Banjul has the potential for further development to include export processing zones and to serve as an operative distribution centre with connections to a buoyant regional market. On the whole, the study notes that the port of Banjul is well placed than most ports in the sub-region and therefore stands to gain from transshipment, distribution and feeding.

The study also examined the Banjul Ports Development Scheme and the current functions of the port as contributing agent in the light of vision 2020. In this connection, the basic facilities for attracting ships along with financing for port development and the cost involved were underscored. Emphasis was laid on infrastructure, auxiliary services, and the need for automation. An examination of feeding and the standard criteria for its status were thoroughly undertaken considering that feeding has not been given any significant attention as a separate component of the shipping industry in the sub-region. This aspect threw more light on the benefits that the port of Banjul will gain from feeding especially its relationship with economic co-operation.

The final aspect of the research work concentrated on resource management and change with emphasis on the changing role of the port against the available spatial resources. Optimisation of the available resources and space together with erection of new structures, rationalisation of manpower backed by a sound institutional support

were identified as areas worth looking into. The concluding remarks and recommendation were preceded by guidelines towards promoting the competitiveness of the port of Banjul by reviewing the scope of activities, environmental concerns and factors impinging on productivity such as port operations, training appropriate technology, the maintenance of infrastructure and marketing of the port services. The study notes that the port of Banjul does not enjoy the same infrastructure and size as its counterparts in the sub-region, but nevertheless, realistic recommendations towards an effective transshipment and distribution have been made.

KEY WORDS: Transshipment, Distribution Centres, Feederling, Hub and Load Centre Ports.

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List Of Abbreviations

ADB	African Development Bank
ASYCUDA	Automated System for Customs Data
BIVAC	Bureau Veritas Inspection Valuation Assessment and Control
CFS	Container Freight Station
D	Dalasi (Local currency))
DANIDA	Danish International Development Agency
EDI	Electronic Data Interchange
EPZ	Export Processing Zone
GDP	Gross Domestic Product
GPA	Gambia Ports Authority
IDA	International Development Association
IMDG-CODE	International Maritime Dangerous Goods Code
KFW	Kreditanstalt Fur Wiederaufbau
MHWNT	Mean High Water Neap Tide
MHWST	Mean High Water Spring Tide
MIDA	Maritime Industrial Development Area
MLWST	Mean Low Water Spring Tide
MW	Mean Water
N.K	Not Known
PDI	Pre-Delivery Inspection
PMAWCA	Port Management Association of West and Central Africa
SWOT	Strengths Weaknesses Opportunities and Threats
3BPP	Third Banjul Port Project
TEU's	Twenty-Foot Equivalent Units
US \$	United States Dollar

CHAPTER 1

INTRODUCTION

1.1 Background

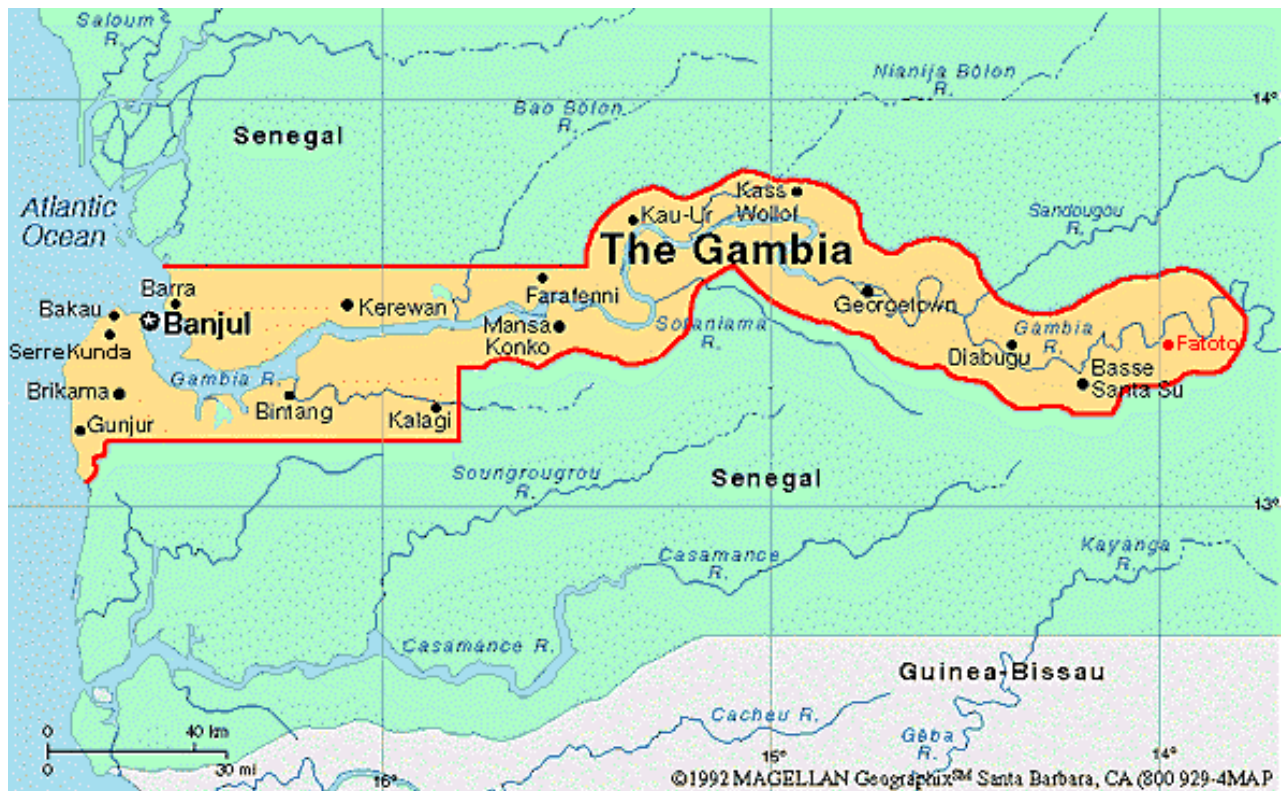
Transshipment has become commonplace in trade between the industrialised countries. For example, much of the deep-sea trade of the United Kingdom and Scandinavian countries is transhipped in major continental ports. Even between these continental ports there is a considerable feeder traffic to link each with intercontinental services on an almost continuous basis. Within continental landmasses, feeder services have to compete with overland routes, so ports linked to particularly efficient land transport services attract cargo from other ports. This has led to emergence of certain ports as load centres at which line-hauled services tend to concentrate particularly in North America.

In developing countries, the growth of transshipment and feeder services has been very uneven, with transshipment accounting for less than 3 percent of throughputs in many ports. Similarly, many ports handle between 30 to 90 percent of their actual capacity, which does not support any argument for development strategies. The Southeast Asia/Pacific around the Bay of Bengal and the West Coast of India/gulf notably the Caribbean are known for transshipment activities.

1.2 The Problem

The Gambia lies on the West Coast of Continental Africa and Senegal borders it on all three sides except the West. It is a tiny but very significant country with a land area of 10,689 km² and has a population of about 1.05 million.¹ The country's population growth rate has soared from 4.1 percent in 1993 to a record of 6.04 percent in 1999² creating concern at national level.

Figure 1.1 Map of The Gambia



Source:

¹ Central Statistics Department, Statistical Data on Population of The Gambia, 1999 Vol. 1

² Ibidem

The economy is largely agrarian and agriculture provides employment for three quarters of the working population and contributes more than a quarter to the Gross Domestic Product (GDP). Groundnuts, rice, millet, sorghum, maize and cotton provide the bulk of crops cultivated each year with the country's main export earnings rely heavily on groundnut cultivation. Efforts to diversify to cotton production and horticulture have not yielded any significant results. Crop failures due to the vagaries of the weather in past has led to the reduction in export earnings and a rise in import expenditure on food items thereby straining the already weak economy. It has become necessary for the Government to develop an economy recovery programme that will focus on diversifying the economy in order to ensure a sustainable development.

The strategic and geographical position of The Gambia makes for proximity to as many as six countries in West Africa. Given the limited basis of her natural resources attempts are being made to muster tremendous interest among the authorities to explore the economic implications of the natural location that could stimulate and subsequently provide the right atmosphere for international trade.

In this regard, the Government has incorporated The Gambia Ports Development scheme of an enlarged, sophisticated and highly developed port service into the ratified Vision 2020 National Development Policy aimed at making The Gambia a model country in the sub-region. This is because the port sits at the apex of all these developments and serves as a catalyst to spur and drive the process to full realisation (Jangana, 1999). The short-term focus of the programme is the Banjul Port expansion and development scheme since the Gambia economy is export oriented.

'Necessity' they say 'is the mother of invention' and The Gambia has taken up the challenge to compensate for its limited resources by taking advantage of its location on the continent and investing in its port to promote external trade and eventually, its economy.

The country dubbed as the “gateway to the outside world” and the “supermarket” of the sub-region, endeavouring to attain transshipment/distribution centre status, must let its port meet the required standards and expectations of its customers if it is to compete meaningfully with other standard and developed ports. Giving the nature and trend of our economies, the standards in question here are relative to sub-regional requirements. It is also important to note that facilities can be made available in phased developments.

Unfortunately, free-flow of information and data on other port management in the sub-region are not readily available which makes it difficult for Banjul Port to effectively evaluate how its present strategy may be countered by the plans of other ports. Transshipment in West Africa is also very new and extensive studies are yet to be done on the subject to allow regular flow of information and data among competing ports.

1.3 Study Objectives

This study will focus on basic tenets of transshipment and the rationale thereof. Comparative advantages to be derived from Gambian’s geographical location will be analysed. The Banjul Ports Development Scheme and current functions of the port as an agent of economic growth in the maritime sector will be examined. A discussion of the disadvantages of the location of the ports facility (Banjul) will be made in an attempt to evaluate the economic strength and potentials compared to other competitors in the sub-region. Implications of a distribution centre will be treated with a free zone/export-processing zone in mind.

1.4 Research Methodology

There are many documents and guidelines on the transshipment and distribution centre and in particular feedering, but there has not been any in-dept research study on the subject with special reference to the port of Banjul in the Gambia within a national and sub-regional strategy. The materials used were obtained through different sources,

such as UNCTAD Reports, books from WMU library, materials from the GPA Management Information System in the Gambia as well as information from the GPA world wide web, and information from shipping companies visited, like the Gambia Shipping Agencies, Interstate Shipping Agencies, Maersk Gambia Limited and Maritime Agencies.

Additional materials for the research was also obtained from, texts from technical seminars, news paper report on conferences, the internet, field training notes and a variety of marine periodicals, magazines and reports.

The topic is a challenging one to the author, because of the highly technical nature of its scope, high rate of automation in the shipping industry with other potential competitors in the sub-region and the fact that the research is conducted within the context of a long-term national development programme. Nevertheless, the author hopes it will make interesting reading and can serve as his modest contribution to the search for a viable way of the port contributing to the attainment of The Gambia national aspiration for this century.

CHAPTER 2

RE-EXPORT TRADE, TRANSHIPMENT AND UNDERDEVELOPED PORTS

Re-export trade in the port of Banjul has a historical origin because of the location of the port. Until ocean going shipping became a dominant feature, it was a common sight for traders along the West Coast to converge at the port with their merchandise. These goods were in turn transported either by sea or road to the neighbouring markets in the sub-region. However, with the advent of commercial shipping re-export trade and transshipment have assumed greater dimensions with the potential of developing into an international enterprise. This chapter will examine the re-export trade with reference to the port of Banjul. The potential of the port dominating in the sub-region will be underscored by looking at the capacity of the port and competition likely to emerge from other ports. Finally transshipment and underdeveloped ports will be evaluated with the view to identifying problems associated with the port of Banjul.

2.1 The Re-Export Trade

2.1.1 The Banjul Port

The most important commercial activity in The Gambia is the re-export trade. The re-export trade involves selling or marketing excess imported goods abroad or to third world countries. The Banjul Port is well noted in West Africa as a re-export centre. Today, it is a common sight to see merchants converging on Banjul to purchase wholesale goods to be re-exported to their home countries.

This re-export trade mostly feature consumer goods such as cereal (rice), sugar, wheat flour and vegetable oil which are acutely in short supply in the sub-region³ due to scanty rainfall leading to low agricultural output. Population explosion in these countries is also responsible for the high demand that has fuelled the re-export trade. In this trade, the Gambia stands to benefit more over its neighbours because it enjoys cost advantages in the importation of these commodities.

2.1.2 Market Reforms

Market reforms reached unprecedented heights in the mid 1980s with the implementation of free market policies in an economic recovery programme. These liberalisation reforms meant to create trade competition, include the setting up of a commercial banking system and the banning of exchange controls. Business Enterprises freely negotiated bank guarantees or letters of credit to ensure adequate supplies of goods to customers following the easing of the movement of the FOREX. A reformed liberal banking system augurs well for the indigenous business community. Due to the renewal of price controls and the restoration of confidence in the business climate, new entrants into the sector recently fleeing the hostilities in Liberia, Sierra-Leone and most recently Guinea-Bissau are encouraged to participate and effectively compete in the promotion of sub-regional trade. With the emergence of a large business community, economics of scale in overseas purchases are feasible.

Several advantages can be enjoyed from large scale or bulky purchase. There will be discount on prices and a reduction in shipping costs when larger ships are hired. An increase in the business sector may give The Gambia the capacity to adequately meet the demands of buyers, in terms of quantity and choice, within a relatively short time of order. This situation is the reverse in neighbouring states where business faces stricter regulations.

³ Countries in the sub-region include: Senegal, Mauritania, Mali, Guinea Conakry and Guinea Bissau

The removal of import and export licences to be replaced by an open general one for most goods permits adequate supplies of basic needs. An additional incentive was the abolition of state monopoly in the marketing of certain commodities such as rice, which was controlled and sold by The Gambia Produce Marketing Board.

In some states in our sub-region the importation of goods are monitored either by the imposition of higher tariffs to increase government revenue or even banned to protect domestic or local industries. The hiring of import and export inspection companies such, as BIVAC by some governments are also common placed. These measures may be interpreted to be impediments in international trade since the fundamental demands of the society in those countries cannot be addressed or met fully by local trading companies. The bureaucratic restriction on the free flow of goods and services raises costs and brings about unnecessary shortages.

In the Gambia however, a more liberal business environment exists because tariffs are lower with no trade restrictions. The bureaucracies with the Customs and Excise department are relatively straightforward here and it is usual for consignees to clear their cargo within 24 hours of its delivery. The filing of custom entries for domestic exports, for instance groundnut or cotton that originated from The Gambia, is a requirement not applicable to re-exports. Re-exported goods appear in customs record books once that is at the importation phase. This filing exemption for re-exports helps speed up processes for traders to respond to the needs of buyers urgently without regulatory constraints. Trade in general is facilitated if the flexibility in the system ease transactions and save valuable time. In business, time is money.

2.1.3 Competitive Costs

Since sea freight for goods bound to The Gambia is comparatively high and port tariffs are fixed, lower customs duties do make up largely for these impediments. So far, the Banjul Port is the cheapest in the sub-region with respect to the overall transport costs right up to delivery of cargo.

Because of the low custom duties, there is now high competition in the trade sector but other complementary factors cannot be easily shunned. In the maintenance of a highly productive and reliable service to port customers in relation to competing neighbouring ports, The Gambia goes all out to safeguard its cost advantage over others. Direct delivery, a system applicable to most of the goods in the re-export trade gives high productivity rates. The non-availability of adequate transportation deployed by the consignees becomes the main problem during operations. Pilferage of goods is minimal and security of cargo is of high standard. The possibility of cargo theft is presently on the decrease as more and more importers readily accept the use of containers. The share of containerised goods rises and is inversely proportional to the general cargo traffic (Annex III).

Table 1: Total transport cost Rotterdam – West African Port (gate) (US\$/Teu)

Charges/Port	Dakar	Banjul	Bissau	Conakry
Pilotage	3	13	3	2
Towage	N.K.	-	N.K.	N.K.
Port dues	120	30	12	24
Quay dues	8	8	Q	17
Other charges	0	0	46	0
Stevedoring	140	125	350	115
Total	271	176	411	158
Sea Freight	1,500	1,680	2,700	1,440
Shore handling	55	45	150	50
Duties (rice)	4,900	1,500	1,500	4,500
Total	6,455	3,225	4,350	5,990

Source: Maritime Economic Research Centre, Transshipment and Transit Cargo at the Port of Banjul, p.17

The above analysis shows changes/port cost between countries in the sub-region ranging from pilotage to import duties levied on cargo especially bulk cargo. Flowing from the analysis it can be deduced that Banjul offers the cheapest in terms of transportation cost than Guinea-Bissau, Conakry and Dakar.

2.1.4 External Threats

◆ Border Closure and its impact:-

The re-export trade has serious threats that could have crippling effects on business. Due to the fact that The Gambia is almost completely surrounded by one country – Senegal, it faces the uncomfortable challenge of compromising its economic and foreign policies for a state that repeatedly closes its borders at the slightest hitch in their diplomatic and economic relations. Of the causes for the border closures, the economic factor takes an overriding effect over political concerns.

The government of Senegal views the booming re-export trade as a threat to its domestic or home industries and in the bid to promote the sale of its domestic products closes the borders to check the flow of foreign products in Senegalese markets. The vulnerability of this trade has been tested on a number of occasions. The shortcomings of this trade reveal that total reliance on just importing and trading goods to neighbouring states will not be a prudent policy to continue in the intermediate and long term.

In 1993 and as recent as 1998 when the Casamance crises loomed large, Senegal closed its overland borders with The Gambia. Truck loads of transit goods were held up for considerable length of time at the border crossings. This unfortunate situation will no doubt totally destroy the profit margin of business.

Unwarranted drawbacks and delays at the borders may eventually discourage trade promotion, as buyers may prefer other alternatives in future. Small coastal vessels that

serve as alternative means of easy transportation cannot with certainty be permanent and reliable enough. Worse still, the cost of transportation by trawlers or small boats are prohibitive.

◆ **Currency Devaluation:-**

Currency devaluation in recent times, especially that of the CFA Franc, which is widely used in the sub-region, will also, have an adverse effect on demand of re-exports. Devaluation naturally affects trade by lowering the purchasing power of consumers. The restriction of the convertibility of the currency on which business depends partially to pay for imports may also affect trade levels with CFA zone countries. The success of countries in the CFA zone in handling reforms after devaluation will make the ultimate impact. The reality of the system is such that even if alternatives for re-export from The Gambia are not found consumers will always revert to Banjul.

2.1.5 The Organisation/Trend of Cargo Flow

The general trend of cargo flow through the port reveals an imbalance traffic i.e. imports far outweigh exports in both volume and quality terms. Even though a substantial amount of imports are bound for neighbouring countries, none of the exports from those states are shipped through The Gambia Port to the outside world. The Gambia by and large has to endeavour to balance the import/export equation and minimise the traffic imbalance if re-exports are going to remain as re-cognisable facts of its foreign trade both within and outside the region. More interest from shipping lines is generated by more cargo for the return leg of vessels. This is greatly required in view of the fact that traditional exports from The Gambia are either stagnant or gradually reducing in Volume while imports rise on the contrary.

The weaknesses and shortcomings manifested in the re-export trade retards the potential of the economy in general and the port specifically. The problems are further compounded by the lethargic attitude of the business community. Before the re-export traffic officially commenced at the port, goods were conveyed by trucks, which diverted

huge revenue from the port. The current marketing strategies are counter-productive relying mainly on buyers to make the first move.

In conclusion, it is likely that strategic economic indicators will start flashing red if trade runs out of steam. It is trade – a viable one - that spurs the economy; the failure of which renders the economy ineffective. Foreign trade being dynamic and flexible, frequent or regular appraisal of strategies to be in line with development is necessary to make up for inevitable changes. Bearing the foregoing in mind, The Gambia must diversify in the area of agricultural produce for export earnings by ridding itself of the dependence on a sole trade service.

2.2 Transshipment and Underdeveloped Ports

2.2.1 Transshipment and the Rationale

The logic underlying a transshipment strategy is that, compared with a direct service, cargo can be carried more efficiently on certain routes by transshipment at an intermediate port. Compared with a direct service by a single carrier, service with transshipment permits participation by various parties, such as local ports and feeder operators, who can share in the benefits. However, the initiatives to organise such services come from mainline ship operators striving to improve their competitive position. The rationale therefore is that of the carriers.

In the case of two long hauls, the link may enable trade to be carried on a regular basis where that would otherwise not be possible on satisfactory terms. For instance, if there is little trade between country A and country B there will be no regular services. However, if there are regular services between country A and country C and between country B and country C it should be possible to trade between country A and country B via country C. The benefits cannot be evaluated readily, suffice it to say that the creation of new market opportunities for the developing countries can be immensely valuable.

Alternatively, if there is a very unbalanced trade between country A and country B, inefficient return hauls might be avoided by channelling trade in the one or both countries A and B through C. If in addition the concentration of cargo on a fewer routes can be used to increase efficiency on these routes for instances, by employing large vessels, with lower unit operating costs. This option further reduces voyage cost. These benefits are reduced, albeit the incurring of extra costs at the port of transshipment including additional vessel time but may leave sufficient balance to justify the modified services.

In the case of feedering linked services, direct services to all ports in a region may be prohibitive for the modern deep-sea vessels. The rationale of feedering would be to reduce the number of direct port calls on the long haul voyage, especially where low tonnage are involved. Inverting the reasoning with transshipment system larger vessels can be used on mainline routes. In either case, cost savings are the objective. Occasionally, other motives are involved, such as providing more frequent services at ports, which cannot sustain frequent calls from mainline vessels.

It may be noted that the choice of transshipment port is an important element in the evaluation. In one case the choice is the port with the largest base traffic, whereas in the other it would be the port closest to the mainline route. This shows that a port, which is to attract transshipment, has not only to be efficient, but also to be well situated geographically and commercially.

2.2.2 Gambian's Comparative Advantages

The Gambia enjoys a number of unusual competitive advantages of interest to prospective investors in the transshipment and distribution sub-sector. This include a proven record of political stability, high competitive labour costs, favourable geographical position to work with Europeans, North America and regional plus sub regional markets, a marketable quality of life and adaptable labour force.

The Gambia should leverage these competitive advantages by providing favourable incentives to foreign and local companies in the form of liberalised investment and trade codes and a government policy that actively supports and encourages the growth of transshipment and distribution centre in the Gambia. Furthermore, the country is well positioned to establish a transshipment centre being a small country with an open economy has made the country to be an established regional trade and commercial centre with the essential economic factors to attract trade and transshipment.

The Gambia has signed the ECOWAS Trade Liberalisation Scheme, which is the key element of economic integration of the sub-region. The implementation of the Trade Liberalisation Scheme (TLS) will remove all technical barriers to trade. This will once again open the sub-regional markets to Gambian products. Furthermore, the country is a beneficiary of the Lome IV Convention with the European Community and the General Used System of Preference (GSP) with the United States provides similar preferential trade access to both the European and US markets. In contrast to many countries the Gambia offers an unlimited market access to develop countries particularly in quota-restricted sectors or trade.

2.2.3 Trend and Impact of Transshipment

Transshipment forms an integral part of maritime commerce among countries in West Africa and between the continent and the rest of the outside world. It is largely concerned with containers and gives better protection and productivity to individuals or companies involved in the transport of goods through either shipping lines, transport operators or ports.

The concept of transshipment was conceived well before the introduction of containers. But improvement in shipping and the advanced trend which maritime trade has taken lately in terms of technological innovations and rationalisation of shipping services has popularised the concept to a wider world. Shipping lines restructure their operations by

putting in place special gridded networks centred within hub ports located strategically, like the Banjul Port, on principal trade routes.⁵

The conventional system of having to call at every harbour in a given range was very expensive and hence warranted huge investments in containership. It is the desire or need to minimise unit cost and transit time that had encouraged ship owners to reinvent transshipment. Economies of scale are guaranteed when main ports or a single one is selected to be responsible for the receipt of the region's traffic for onward transshipment to smaller ports. Usually, feeder services in the network of shipping are provided to ply the routes between the main and the small ports of the specified region.⁶ The main port ultimately receives the largest bulk of transshipment cargo. Shippers in the form of reduced stable freight rate or quality service can share the cost savings from rationalised shipping services.

Finally, transshipment allows a relatively easy maritime transport service that promotes international trade.

2.3 Major Problems to cope with Transshipment

2.3.1 The Volume of Cargo

At the Banjul Port the volume of foreign cargo outweigh the domestic traffic and this does not augur well for the transshipment concept that aims at attracting shipping lines to ports where domestic traffic is huge. Most shipping lines are looking for viable economic transactions. The cargo throughput in Banjul is below the million tonnes mark with container cargo making 21% of the total (Annex III). This is small to attract the interest of shipping lines for transactions in transshipment. Groundnut and groundnut products which are not containerised form the leading export of The Gambia.

⁵ UNCTAD, Port Development the Role of UNCTAD, TD/B/C/4/AC 7/7, 1990 P.1

⁶ S. NETTLE, Port Operations and Shipping PP. 46-47

The introduction of cotton as a supplementary product offered some hope of containerisation but has not been doing well enough to boost exports.

The population of the country is too small to warrant large-scale imports for domestic consumption. Large-scale industrial activities that may import substantial materials are very few. The country has no mineral resources that can influence high demand and cargo traffic through the Banjul.

The weak nature of West African economies makes the region less attractive and therefore out of the world's major trading routes with little participation in world trade. With few agricultural products and mineral resources, trade with the wider world in West Africa is relatively small. Since commodities for export are too bulky, containerisation, which facilitates transshipment through other ports, is difficult and a large amount of export is not containerised. The values of bulky exports are generally low but expensive to ship over to distant ports.

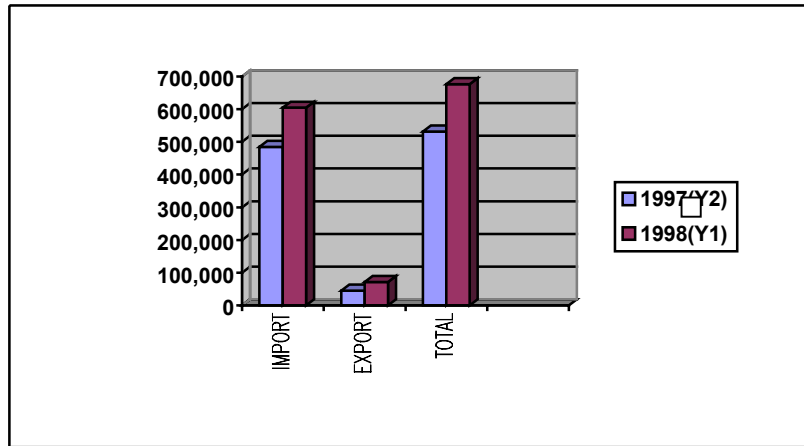
The short supply of containerised cargo from West Africa implies that exports from every country are considered as captive traffic for the national ports. Direct shipment of exports is preferable if the nature and worth of goods cannot bear the extra handling costs of transshipment.

2.3.2 Imbalance of Trade

Traffic through the port grew from 531,371 metric tonnes in 1997 to 676,374 metric tonnes in 1998, which represents an increase of 145,022 metric tonnes equivalent to 27%. Imports accounted for the larger proportion of 604,554 metric tonnes 89.3% of total cargo throughput as shown in Table 2-2 and the accompanying chart.

YEAR	IMPORT	EXPORT	TOTAL
1997	484,430	44,942	531,372
1998	604,552	71,842	676,394

Figure 2.1 Overall Traffic Evolution (Metric Tonnes)



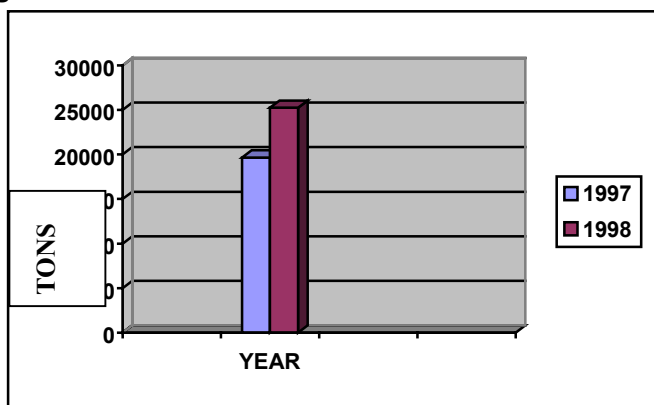
Source: GPA Annual Report and Financial Statements, 1998

- ◆ **Import:** - The import traffic was dominated by the traditional commodities such as sugar 81,446 metric tonnes (13.4%), rice 77,509 metric tonnes (12.8%), Cement 121,627 metric tonnes (20.1%), Flour 31,564 metric tonnes (5.2%) and petroleum products 94,758 metric tonnes (15.6%). Break bulk, general cargo and containerised cargo (comprising manufactured goods, textiles and foodstuffs etc.) 181,165 metric tonnes (29.9%).

2.3.3 Low Containerisation Rate

During the year 1998, container traffic experienced growth where the total Teus handled amounted to 25,240 compared to 19,649 in 1997, thus an increase of 5,591 Teus (28.4%) over the previous year.

Figure Evolution in TEUS



YEAR	TEUS
1997	19,649
1998	25,240

The share of containerised cargo in terms of total tonnage import and export handled also increased from 165,650 metric tonnes in 1997 to 218, 561 metric tonnes in 1998, equivalent to 50,911 metric tonnes (30.3%) growth.

- ◆ Total exports for the year 1998 accounted for 71,842 metric tonnes equivalent to 10.7% of total traffic. Commodities such as general, cargo, textiles, fish and fish products, hides and skins and other manufactured goods dominated exports. Groundnuts exports reached 29, 616 metric tonnes (41.2%) of the total export cargo.

2.3.4 Institutional Framework

A careful study reveals that transshipment is more profitable in open market or liberal economies because the regions are open to commercial competition. In West Africa, however, the economies are highly centralised and state controlled. These inherent administrative barriers prevent the handling of trade through foreign ports.

Such limiting policies are noted to be favoured by national ports without regard to cost. State control and monopoly in the production and sale of exports form the common trend. The stifling of market forces in transportation hinders inter-ports competition especially where the hinterland overlaps. Questions are being raised whether the handling of certain cargoes by national ports is as a result of efficient service there.

Naturally, Banjul is the port that serves Southern Senegal – Casamance.⁷ The fact that this area is served by a port as far away as a hundred nautical miles indicates the difficulties foreign trade encounters in the region. The most economic decision to be conceived on the transshipment of cargo in this region is through the Port of Banjul.

⁷ There is a small port in Zinguinchor which is approximately 33 nautical miles from the sea, largest vessel max. LOA 120m depth alongside 5.0m (Lloyds – Ports).

2.4 Basic Facilities for Attracting ships

2.4.1 Prerequisites

The transshipment concept brings in fresh challenges for ports in most developing countries. There is the need therefore for a reassessment of the investment and managerial policies of the past years. Ports are expected to invest in modern trends; in technology and shipping techniques that may be thrust on them so as to adapt to changes. This process of adapting poses problems for developing countries. Most of such countries are not financially capable of either expanding their port facilities or modernising them, let alone talk of doing both. If ports in the same region vie for the same transshipment traffic, as they are doing now, this unhealthy competition will only lead to over investing in ports. Sadly enough, the final decision rests with the shipping lines⁸, not the port authorities, who are in position to set the standard for competition among ports to secure better trade terms for themselves. The need to invest carefully in the promotion of maritime trade in spite of these daunting challenges remains a key issue for developing countries. These port authorities must know what facilities-cum-factors draw ship owners to a specific or particular port as opposed to the others.

The authorities must also know that there are no rules that guarantee qualification for a port if they are fulfilled. There are individual differences among ports and this is important when considering the achievement of varied ports engaged in the business of transshipment. But some pre-requisites such as geographical location and proximity to region of operation, quality of site and equipment, dynamic management and last but not the least, a competitive trade atmosphere devoid of instability or civil wars. In a small number, there are pre-requisites such as sufficient domestic cargo but these can be made up for in other areas. There are ports like the port of Colombo in Sri Lanka that is doing extremely well even though the home traffic is insufficient.

⁸ E. BENNATHAN and E.E WALTERS, Port Pricing and Investment Policy for Developing Countries, P.P 167-168

2.4.2 Maritime Access

Maritime Access with the requisite depth of berths at commercial ports is a basic or fundamental factor any aspiring port should possess. This deep maritime access is a facility that enables large draught ships to berth and make traffic in transshipment possible.

There are draught restrictions at the access channel between buoy numbers 2 and 3, which debar big ships. The water depths at this location at different conditions are presented in the table below:

Table 2-3: Water depths between buoy numbers 2 and 3, access channel Banjul Port

Tide	Water level
MLWST	8.4 metres
MW	9.2 metres
MHWNT	9.6 metres
MHWSR	10.0 metres

Source: Port consult A/S, Port of Banjul, July 1992, p.5-12

The approach channel at tidal conditions may be very difficult to pass by a second-generation containership with a capacity of 1,300 TEU and a minimum draught of 8.25 metres⁹ that is lower than the capacity of vessels serving the West African coast. It is also critical for vessels drawing more than 7.0 metres of water tidal conditions to enter the channel. Ports with similar restrictions to their access lose to competitors because

⁹ For variation in classification of containerships see E. DHONDT, Container Terminal Design, Syllabus Academic Course Apec 1994-95, P.3

vessels sail on scheduled timetable. High investment in container ships by ship owners provides economies of scale¹⁰ and lower the cost per container carried. Operational cost for these are calculated on an hourly basis and allows quick response to unfavourable market conditions.

In order to solve the approach channel problems, a study is now included in the Third Banjul Port Project (3 BPP) due for implementation. To enhance navigability of this channel, capital dredging will be carried out. However, the port authority will be burdened with the difficult task of deciding on the optimal depth required.¹¹ The draughts of vessels expected to ply the channel in the short and medium term will determine the depth to aim for. Plans are also conceived about the possibility of dredging way beyond the already identified restrictive zone to make access possible for future enlargement of ships' sizes. The widening and increasing of the channel's depth are the other alternatives.

Siltation at riverbeds or port channels is formed due to artificial and deepening may require periodic dredging maintenance to remove. Recurring expenditure that is expected will be financed by the high revenue collected from larger ships that may be attracted by the improved accessibility standard. At the moment vessels that have easy access through the approach channel are also accommodated at berth.

A standardized maritime access should make provision for the capability of the berth to accommodate the expected larger ships. The implementation of the work of expanding and dredging the quay are due to start but executing these developments before studying and improving the channel may defeat the very purpose of raising the standard of the port. The depth of 12 metres alongside will be the minimum water depth that would accommodate a third generation containership. This parameter could prove useful in the current Banjul Port expansion project. Another factor that may

¹⁰ C.K. Kim, An Innovation in Liner Shipping: The R.T.W. Service as a Global strategy, in Institute of shipping Economics and Logistics, Bremen, P.26

cause technical limitations to dredge for deeper draught is the fact that the soil in the port area is soft deposits of clay, fine sand and silt. Relocation to new sites and expansion of ports with deeper approach depths¹² are very common. It is widely held that improved navigability ensures competitiveness at ports.

2.4.3 Services to Ships at Terminal

Port management anticipating container traffic should give either priority berthing or dedicated terminals on lease arrangement to ship owners. To further strengthen the policy of providing berthing, the port must provide all users with this information and endeavour to win over small ship owners who may be afraid of alienation. For containerships, high through put berths may be required when they call at port. Port users from various backgrounds strengthen the port.

Ship owners are charged for priority berthing agreements and the port reserves the right to mandate the use of the facility by other ship owners where the need arises. This is done for valid reasons and only when the facility is free at the time. On the other hand, those shipping lines with preferential berthing permit enjoy the privilege of having their vessels at definite location whenever in port.¹³ They can also use the equipment on berth. Shipping lines and their stevedores are encouraged to uplift operation and a fast about turn of their ships by focusing their activities on a single terminal. Operations are more productive and time saving now that shifting from berth to berth is eliminated.

Those ship owners who may be dissatisfied with the priority-berthing permit could go in for a site lease arrangement. A single operator, whether a ship owner or its agent, may have a facility lease-out to him by the port. Irrespective of use, site availability is guaranteed at all times. There is no unnecessary waste of precious time and undue

¹¹ R.O. Goss, Studies in Maritime Economics, P. 156

¹² J.G BAUDELAIRE, Port Administration and Management PP 52-54

¹³ R. OP DE BEECK, Lease Arrangement in Port Areas, Syllabus Academic Course APEC 1994-1995/ P.3

delays. There is also more scope for improvement in productivity. It is however the big ports that mostly undertake lease arrangements because vessels are scheduled to on a regular routine. It is always wise for operators to invest in equipment and facilities that are sure to promote their business.

The Banjul Port has limited berths. These berths were fashioned for conventional traffic. The current GPA development project will see the quay space stretching to 627 metres excluding the Ro/Ro berth. An expanded new Banjul Wharf to 300 metres with Ro/Ro ramp at the extreme and a water depth of 11 metres will be the only facility that can reasonably accommodate third generation container vessels. Alternatively, two small ships can be at berth and on the jetty at the same time. Constraints on quay space still remain in place if we are to consider higher container traffic.

The execution of the preferential rule, which maintains a policy of giving container vessels priority to berths, at times involves moving a ship already at berth, which causes delays to the incoming ship in the process. A simulated exercise on available berths and capabilities will give a clear picture of the situation at the port if checks on the possibility of congestion due to container vessel's traffic increase are made.

Though the port authority should promote a competitive spirit among ship owners, on equal footing, the situation becomes critical where two or more container ships vie for preferential rights to berths. There is also the risk of losing to competitors' potential maritime traffic as ship owners may not entertain queuing, which is likely to occur. The policies of shipping lines will influence the extent to which an expanded new Banjul wharf can make available a springboard for transshipment activities.

Fortunately, ship owners may schedule different types of ships, like the Ro/Ro and container-vessels. A simultaneous accommodation of a Ro/Ro and container ship is feasible as portrayed by the jetty's design. The port should also look at the possibility of dredging the outer berth of Banjul Wharf Jetty and its inclusion as a preferential berth for container vessels.

Lighters for the discharging or loading conventional ships at anchorage should be considered where priority rule is extended to outer berths. Congestion can be eased by lighterage or alternatively “as a means to use berths ships”.¹⁴ The inner berths, which lacks both the required length and water depth for large ships have enough capacities for lighters. Lighterage is costly because it involves double handling. It has a tremendous effect on developing capabilities in underdeveloped ports if it is less costly. Ports use it as a short-term measure while working out permanent solutions to address the queuing problems.

The availability of equipment to expedite operations and essential berths greatly reduces a vessel’s stay in port. In contrast to conventional cargo type of the past, the types of equipment required in a transshipment environment should be highly standardised and effective. Port’s handling equipment designed for unit loads are in demand to cope with traffic requirements as more and more cargo becomes utilized. The design of the ship can also affect the suitability and flexibility of specialised equipments like a gantry crane installed to handle a second generation container ship, cannot function effectively on a fourth generation vessel. A gantry crane, in the presence of good container traffic will make the Banjul Port have a competitive edge over other ports. Assessing the throughput level that justifies the acquisition of a shore crane has not been easy for terminal operators. There is no standard figure in the industry, arbitrary amount prevails. However, “40,000 to 60,000 containers per year and gantry is a good average”¹⁵ is generally adopted in practice.

There is no real need for a gantry to be purchased for the port of Banjul because the volume of container traffic is low. The port will still continue to depend on self-sustained ships for the time being as throughput rises. The present traffic of conventional cargo and containers has various landside equipment that seem adequate enough (Annex IV). The authority should focus attention on equipment capable of lifting heavy cargo in its policy of plant replacement as the traffic in container increases expectantly.

¹⁴ J.G. BAUDELAIRE, Op.cit., P.136

Equipment for abnormally weighted cargo expected in the near future is to be acquired by the Gambia Ports Authority. Mobile lifting crane for cargo in excess of 36T could be much preferred for the job. The Port Authority could purchase a well re-conditioned second hand machine if a brand new one may be too costly to acquire in the short term.

2.5 Finance for Port Development

2.5.1 The main sources of Fund

For the expansion and conversion of the existing facilities at a port, large sum of money or capital has to be invested in the project. Growth in trade volumes always necessitates such investments and innovations. But the ability to sponsor such ambitious projects from within i.e. local resources is almost impossible. Funding has to be solicited from outside or external agencies through multilateral lending agencies such as regional development banks, the World Bank or through bilateral assistance from donor countries.

Tests are carried out on the project in question for its viability in economic terms considering the macroeconomic impact on the country as a whole before multilateral aid is given. These stringent tests are standard procedures and potential recipients are expected to send forth proposals that can meet the criteria of lenders. The base on which other analyses rely in evaluating projects is a port's traffic forecast forms. Even though less stringent form of tests, are required in case of bilateral assistance, recipients may be tied to the manufacturer or contractor of the donor country. The absence of international bidding may result in high prices and less competition. But some countries are now shedding this attitude and opening up to international bidding. Very minimal local contribution had been made to previous port developments in The Gambia. The World Bank and the African Development Bank (ADB) are the agencies which sponsor 85 percent of the estimated costs of the 3rd Banjul Port Project – 3BPP.

¹⁵ E. D'HOND, Op.Cit., p.5

Table 3: Sources of Fund for Third Banjul Port Project in Dalasis 'OOO (\$)

	External	Local (GPA)	Total
<u>A. Civil Works</u>			
i. Jetty expansion and maintenance dredging	101,496	23,998	125,949
ii Container freight station storage and workshop	89,511	29,367	118,878
<u>B. Marine craft</u>			
Tug boat, dredging/buoy tender and mooring launch	92,745	-	92,745
<u>Consultancies</u>			
Prequalification and contract negotiation	-	837	873
Port marketing	1,626	-	1,626
EPZ and teleport	2,223	-	2,223
Computerization	4,650	-	4,650
Channel study	3,720	-	3,720
Institutional development	1,860	-	1,860
Total estimated costs	297,831	54,202	352,033
USD (\$)	(30,237)	(5,503)	(35,740)

Source: GPA Budget Proposal 1994-1995 – (Capital Budget 1994/95)

(a) Exchange rates as at 13.12.94: US \$ 1 = D9.85.

The Gambia Ports Authority embarked on the first project in first years of the 1970s. The 'soft loans' arm of the World Bank, IDA, financed that project. From that financing materialised an 'L' shaped jetty; the Banjul Wharf built on a new site after management's decision to abandon the old Government Wharf. The building of the second jetty know as the New Banjul Wharf in 1984 was warranted by a tremendous

increase in traffic. Again, Funds were provided by the IDA followed by ADB and KFW. Infrastructural works are not the only forms of external assistance in port project here, the procurement of cargo handling equipment or floating crafts are also part of the process.

2.5.2 Port and Its Development Cost

Port planning and development has remained a de facto responsibility of Gambia Ports Authority. Before reaching firm proposals to be given to government for external aid, the authority identifies projects; prepares feasibility studies in collaboration with the relevant information and tutelage bodies. Loans for port project giving by multilateral agencies are actually given to Government, which lends to the authority the same loan. The authority repays the loan to Government in local currency. In repaying the same loan to the multilateral agencies, the government pays in foreign currency component.

Port projects and port operational expenses are not subsidised by Government. Loans are re-valued in local currency component periodically to take into account fluctuations of the Dalasi. The Port Authority is liable for any resultant losses on exchange. The government is relieved of possible subsidy when it is timed to remit repayments overseas. Obviously, Government assistance is limited to two functions; i.e. seeking external help and remitting repayments in foreign currencies. This is in sharp contrast with ports in highly industrialised countries where infrastructural development is partially funded by government.

There are however drawbacks in the dependence on external funding for port projects. To start with, not all requests will get positive results. Procuring financial assistance externally takes a great deal of time and formalities. In most cases the assistance will come too late to make any meaningful impact. Ports are operating in an environment of commerce with its inherent dynamism. Whatever their operating status might be, timely investments proves to be vital and improves competitiveness of ports. Projects

take a long time, from identification to execution, to reach realisation. This delay can be costly; ports may lose potential traffic to rivals forever.

Another drawback is slow financing by external agencies may offset productivity especially when it involves procurement of cargo handling equipment. Delays in modernisation and expansion programmes may in the long run lead to deteriorating services, congestion and a reduced clientele.

CHAPTER 3

POTENTIAL FOR DISTRIBUTION AND FEEDERING

3.1 Opportunities for Development

One of the most important determinants of a distribution centre is the geographical proximity to areas or vicinity to be served. Usually, Export Processing Zone (EPZ) or Free Port within a free zone is an ideal site for a distribution centre. Part of the hinterland or maritime foreland of host country with adequate communication network between the distribution centre and customers may be included in the market to be served.

Customs duties are not paid on merchandise imported in a distribution centre, nor are import taxes or provision of any form of financial security levied while they are within the trade zone. Storage and ware housing with some value added activities are provided to the goods during this period until sold and delivered outside the zone. Commercial companies engaged in the distribution operations may employ different market strategies on goods in custody. Goods may be imported purely for resale to regional markets. The temporary storage of goods to be soon released into the domestic market is another strategy. Normal import duties will be levied on goods later sold in the host country when they leave the duty-free zone.

While the public authority role is limited to the administration of zone, and the provision of well-located site, the private sector is mostly concerned with distribution activities.

The procedures for processing documents of prospective investors must be made easy enough. Delays in the approval process may cost the investor more and this eventually points to the inefficiency in zone management.¹⁶ All regulatory reliefs and incentives should be simple and clear to avoid disappointing investor at a later date. Re-interpretation of incentives or relieves after investments must be avoided by the zone management. Prospective investors do rely more on practical things than paper agreements. Taking measures that win investors' confidence in the existing system will be a competitive challenge to the host country.

Choosing a centre that is close and within the vicinity of the port makes for minimum transportation and handling costs. Theft or damage of cargo needs be checked by an internal security system at warehouses while goods are in transit to and from the port. These warehousing facilities must be adequately covered as well as an open storage space as required by port users. Standard cargo handling equipment should be available also to facilitate the smooth movement of goods. The services of these equipment should be at competitive market prices where they are provided by a third party.

3.2 Export Processing Zone (EPZ) and the Port

In order to improve the existing facilities and service to ships and cargo, the current Banjul Port Expansion programme must be fully implemented. A reliable service at the port is what will assure investors and also benefit the E.P.Z greatly. These reliable services could prove vital where a local manufacturing/assembly firm for instance has a fixed delivery schedules to overseas customers.

Strikes and industrial actions are uncommon phenomena for the past twenty years. There is no record of striking workers at the Banjul port which scare away ships to other ports. As a routine policy, dock-workers handle all kinds of ocean – going

¹⁶ J. Currie, Export Processing Zones in the 1980s: Customs Free Manufacturing, in The Economist Intelligenc Unit, Special Report No. 190, 1985 pp. 26-27.

vessels or cargo bound to the port. Even 'dirty' cargo such as bulk cement is guaranteed the usual reception but with inducement allowance paid to dockers.

The standard of services at Banjul Port are competitive,¹⁷ and comparatively better than some ports in the region. There is a boost in the number of cargo-handling equipment especially for general cargo, which helps to maintain productivity. Also to ensure that fleet availability is at high level, there should be an effective maintenance programme.

The estimated distance between Hamburg and Banjul is some 2,950 nautical miles i.e a week or more direct sailing days to or from any of the ports situated in North – Western Europe. Regular services that exist give EPZ companies faster shipment possibilities to the West European market. Similar opportunities do exist for EPZ firms selecting the sub-region for distribution purposes. The frequency and regularity with which ships call at the port will also be determined by a number of companies operating in EPZ. As more goods are exported from the EPZ, increased cargo volumes are generated which may create certain economies such as reduced freight rates.¹⁸ The port and an EPZ are indeed complementary to each other. Only an efficient and reliable service can make the port contribute in giving EPZ companies time advantage needed to compete in delivery dates. However more traffic and revenue to the port is realised when there is an increase in the cargo volumes generated.

There is a drive to make up for the lack of sufficient domestic cargo for Banjul by an established EPZ. Maritime transport is what business firms and industries that are attracted to the zone rely on for imports of basic materials and exports of semi-finished or final products through the port. There is the benefit also of reducing the number of empty containers by reloading them with goods from the sub-region on their return leg. This is a way of offsetting the imbalance of the more imports less exports phenomenon.

¹⁷ Containerisation International, Special Advertising Supplement: "African Ports: A mixed Bag", P.X1, February 1993....

¹⁸ J. Currie, Op. cit., p.26

3.3 Identifying a Market Niche

One of the main tasks of the proposed EPZ management is to attract business that will invest in new sectors so as to give the country a diversified economic base. Attracting firms that engage in value added activities help create job opportunities for the local community and boosts the economy. As EPZs are port-related activities that require maritime transport for imports, they should be considered first. Permission should be given to import substitution industries to operate in the customs areas only and not in the zone. Supporting services to EPZ firms are also not precluded.

Giving competitive incentives to invest to commercial firms or manufacturers will give The Gambia Ports a great deal of advantages. Industrial base here is low and there is the absence of well established firms which assure prospective investors that those setting up shops are beginners starting on equal footing. The building requirements for warehousing or industries are not highly sophisticated except for specialised storage facilities.

Assembly companies and small industries for foot wear, textiles or toy manufacturing and distribution are promising investments, which can be set up in this country. Most light companies have something in common; they have high labour content relative to the weight of product. The labour intensive nature of operations may involve simple tasks, production or basic assembly of products not requiring complex processes. Low labour costs is an important motivating aspect for investors to relocate production overseas. The supply of labour which is competitive and trainable is abundant here. Low-end production of basic materials and standardised electronic components can be undertaken here leaving the complex aspect to be overseas. The Gambia should pay attention to the segment of offshore assembly and manufacturing sector and strive to attract investors given the low shipping weight of products.

The participation of investors in the distribution process that reaches out to countries in the region promises growth prospects particularly in good stuff commodities and building materials. The bulk of such cargo is rice, sugar, flour and cement. These are the usual re-export commodities to West African states. The EPZ can distribute products to the nearby market with huge savings in ocean freight as opposed to merchandise coming directly from abroad. It must be however borne in mind that cost is increased with extra handling.

3.4 Patterns and Logistics of Distribution Activity

3.4.1 Operational Aspects

Most distribution centres are normally located in an EPZ. If on the other hand they are sited outside, they still enjoy similar duty-free status which, enables investors to reap the benefit of economies of scale by making bigger orders.¹⁹ When goods are imported in bulk, they yield lower or cheaper prices and correspondingly, a reduced shipping costs for cargo when larger vessels are chartered. Bulky goods can be broken down into desired units (lots) for retailing and delivery to respective destinations. The size of lots which can be repacked easily in warehouse to meet buyers demand is influenced by market conditions.

In the warehouses, value-added activities are usually performed to prepare merchandise in accordance with buyer's choices. Hence, distribution goes beyond mere storage of goods. Blending, repackaging, grading, labelling and others are suitable tasks in a distribution centre environment. Similarly, the PDI concept is used by car manufacturers for vehicle distribution to distant markets. Several hundred cars may be discharged in Antwerp, Belgium, for instance and then dewaxed at the terminal, fixed with mirrors, batteries checked and thoroughly cleaned prior to delivery throughout Europe. Bulk grain can be bagged to market specifications, marked and stored for reshipment.

Special storage facilities are required for certain commodities. Raw meat and fresh dairy products for example require refrigerated warehouses where the recommended temperatures will be monitored from time to time. Heat or tropical condition will necessitate the freezing of these perishable products. Investors in this type of business are free to develop their own storage facilities or operate from prefabricated warehouses. Those goods requiring ageing, such as Tobacco, fall under the class of long term storage commodities. For seasonal goods that remain in demand all the year round, the function of warehousing bridges the gap between timely availability for consumption and customer needs. Non-existent time limit for keeping good in a distribution centre is another vital aspect that risks being neglected. This aspect facilitates commercial ingenuity and flexibility that gives brokers the opportunity to promote their business.

The ideal geographical position of the Banjul Port provides better proximity and accessibility to markets in the sub-region. Commercial firms doing business in finished or consumer goods can ensure timely response to the needs of buyers than overseas suppliers if only they can situate bonded warehouses in the country. This is noticed in the established free zones.

“Another factor that has accelerated the success of the free zone is the rapidity of delivery of merchandise”.²⁰

¹⁹ A.E. BRANCH, Elements of Port Operation and Management P.113

²⁰ World Freight Technology 1995 – Free Zone Stimulates Color Trade (Sona Libre de Colon), pp.97-98

3.4.2 Nautical Distances

Table 4A: Antwerp to ports in the Sub-region

Destination	Nautical Miles
Banjul	2667
Dakar	2579
Bissau	2823
Conakry	3018

Table 4B: Banjul to ports in sub-region

Destination	Nautical miles
Dakar	93
Bissau	200
Conakry	364

Sources: CMB Transport West Africa Services, p.54

Locating warehouses in the country may also reduce the risks of delay in delivery time. This is bad for competition and small quantities of goods that are expensive to process from abroad directly may be ordered. A distribution activity if merged with a successful re-export is sure to produce a positive effect that will attract more prospective buyers in Banjul. Customers will take the opportunity to see things for themselves and possibly take samples of goods available.

Ware housing firms can possibly explore the prospects of sea-air cargoes to serve remote provincial towns and distant hinterlands like Mali. Sea-air cargoes may involve highly valued goods brought in by sea and flown out by air. The aim of this type of distribution is the mixed benefits of economic sea freight rates and the speed of air delivery, over the overall air freighting. The sea-air cargo prospect does circumvent border restriction imposed on transit goods transported by trucks over land. This is a promising sector especially for prospective investors because it provides economies of sale as imports of huge quantities are feasible. As usual, the merchandise are broken down, repackaged and labelled for proper delivery.

3.4.3 Regional Market Connections

The lack of adequate and quality land transport network in West Africa is the major constraint on distribution of cargo from the Port of Banjul to customers in the region. The road network development between sub-regional countries is largely uncoordinated. In some countries there is very little or no attention given to adequate road connection from the port to the hinterland. This neglect is making haulage of goods by trucks almost impossible in some area. Serious considerations must be apportioned to the acquisition of a good road link with the hinterland if the port should maintain its share of the market “and must provide this service more cheaply or efficiently than other ports”.²¹

The Banjul port is linked to the interior on the southern part of the country (South Bank) by a relatively good road. This road ends at Basse,²² the largest commercial centre in the provinces. Feeder roads and the highway beyond Basse are laterite, gravel or muddy tracks that are impassable by trucks throughout the rainy season of every year. This main road which connects the port and the hinterland is basically used by large overland-carriers and truckers involved in the re-export trade in the sub-region. The

²¹ S. NETTLE, Port Operations and Shipping: A Guide to Ports and Related Aspects of the Shipping Industry, P.6

²² Commercial Town Located over 320 km from Banjul Port

poor road network is prevented to a large extent mass haulage of basic merchandise over long distances to places where needed especially during the rainy season.

Trucks making the daunting journey across rugged frontiers in the region are not adequate in their number and the establishment of road haulier companies should be an important step in overcoming the problem of distribution. Most of the vehicles that clear cargo from the port are not capable of making long trips to the hinterland. It is not enough for the port authority to just take the initiative in soliciting action from the relevant agencies and truck owners to improve transport standards. A lot of work in road network has to be done.

The minimum requirements set for vehicles transporting containers included to be refitted with twist lock devices to guarantee safety. Well equipped container transporters is an investment that can shorten the longer delay of cargo at ports. Storage facilities and capabilities are stretched to breaking points if cargo stays longer in the port. Since any documentation with customs will not be needed, the transfer time to and from distribution centre should speed up.

Distribution to neighbouring countries by overland carriers may prove risky and difficult judging from their attitudes of frequent border closure and other unnecessary limitations. There are no closer economic ties or bilateral agreements covering transit goods, so there is the fear of the Banjul Port Authority losing their transshipment and distribution activities. There is also the threat of some bigger neighbouring port wanting to undermine and neutralise Banjul by imposing administrative restrictions instead of restrictions dealing with operation efficiency. The requirements to have customs escort for goods in transit is a popular weapon used against the re-export trade.

The sea access in the distribution operation is the most feasible option as at now. The hindrance of poor, inaccessible roads networks in the region is a major problem. A brilliant step in the right direction though rudimentary has been the relay shipping

service covering neighbouring countries. The port is capable of providing suitable vessels for this task. It can be a joint-venture undertaking with participation from the private sector. The authority should desist from the operation once they realise that the private sector interests are well motivated.

3.4.4 Infrastructure and Auxiliary Services

The need for proper temporal and permanent storage facility in the port has become glaring as huge quantities of goods are unloaded. The requisite handling of equipment necessary to facilitate easy and fast movement of cargo should also be provided. The infrastructure of an EPZ/distribution centre includes the security of the designated area where facilities are located through fencing. The physical separation of the zone from the rest of the country but linked definitely to its life line which is the port is required. This separation makes customs and other relevant agencies to monitor and police the area to prevent illicit release of goods in the local market.

There is no consistent and reliable electric power supply in the country. There are disruptions especially during peak periods resulting in load shedding. Periodic maintenance of electric plant engines also cause disruptions. This is due to the lack of spare capacity. It is now been considered a proper thing to do if power generation for the proposed EPZ is separated from the natural grid to avoid disruption in service. The telecommunications services are of competitive standards. There is also a guaranteed support service because some international banks now have offices in Banjul.

Obviously investment on warehouse facilities that can meet investors demand will be made. Readily constructed warehouses like the newly constructed one at the shipyard in Banjul should be leased or rented out. There should also be the choice of users building storage facilities if they want to. But whatever the case is, the structures should be of acceptable standards. Normal Operations at the port and at the distribution centre need cargo handling gears capable of handling the expected traffic.

Some specialised equipment such as bagging machines or unloading installations to cope with high volume imports.

The possibility of building specialised storage facilities known as silos should be considered carefully by the authority. This will alleviate the problem of congestion. For instance GPA lacks storage facilities for the cargo of a local company involved in bulk importation of cement for bagging and marketing domestically. The cement is discharged directly to specialised tanker trucks that go back and forth from the company's own facility situated 12 km from the port. Valuable time is wasted when unloading. At times the system causes delays when shifting are necessary to make the quay available to other vessels.²³

Operations will be speeded up as goods are directly discharged to silos. It will also make the limited space available to other vessels.

3.4.5 The Need for Automation

In this age of information and technology, the maritime industry is not left behind. The flow of information and document is becoming increasingly important. The administrative bureaucracy and numerous transactions relating to ship, cargo, port and other interested parties have become too complex to be done manually. Computers on the other hand possess the capability to connect with several others and co-ordinate their operations better and faster. It is interesting to note that lightning fast business transactions now take place in cyber-space ie computers. The interested parties can exchange information in a 'paperless' environment on timely basis through an EDI system. The operators now have the opportunity to manage available resources to the optimum level through the monitoring of cargo or container movement.

²³ A similar operation takes place for the discharge of heavy fuel oil imported by the local power company. In this case the fuel is transported over 17 km to the power station where storage is available.

The installation of an integrated system that will include a data base system covering all port activities at Banjul will be a great advantage over regional rivals. Banjul is in fact one of the two ports chosen by PMAWCA to conduct a pilot study for computerisation in West Africa. A successful implementation of the port computerisation project will enhance the support services to the centre of distribution. The department of Customs and Excise is implementing the project called ASYCUDA to which the port can link for information after installing its own system. Computerising the administrative procedures of customs, a major player in port activities, is a giant step towards development.

3.5 Feederling

In the West African region feederling does not seem to have received significant attention as a separate component of the shipping industry. The regularly operating shipping services for the movement of foods and capital in the region has been largely in respect of the Traditional Seaborne trade between the coastal nations of the region and their trading partners in Western Europe and America.

In view of the increasing efforts and programmes towards closer economic integration of the region, the trade liberalisation in the Economic Community of West African States (ECOWAS) is very likely to generate pressure for the recognition of the need for this aspect of maritime transportation. Gambia with a short coastline therefore ought to make feederling its focal point for bulk and general cargoes. The necessity to analysis the characteristics and structure of shipping and trade in the region cannot be overlooked.

3.5.1 Shipping Services in the Gambia

Market research conducted by this author revealed that 10/20 Shipping Companies operating under the terms with varying frequency of between 14 and 30 days in addition to various non-scheduled tramp shipping that called at the port of Banjul, that provide world wide connections to and from the Gambia using their own direct services,

slot charter and non vessel owning common carriers (NVOCCs). This offers diverse opportunities to the Port of Banjul. For example the attractive pricing of transhipped cargo handled by the port could induce traffic since the contracted companies are not committed to serving any particular port in the sub-region. Furthermore, the emergence of Far East Importers over traditional North European Supplies of foods to West Africa also qualify the port as an Entry-port State on the basis of competitive tariffs and re-handling charges. In this regard, Banjul will serve as a Springboard to other geographically remote markets.

There is a high degree of market openings in the West African Region, which attract very high proportion of sea borne trade conducted along the West Coast because of their dependency on maritime transport. However, since there is also a correlation between freight rates and final demand price of exports as well as final supply price of imports, freight rates in the regional trade routes ought to be kept to a reasonable low. An important factor that should be borne in mind is the contribution of the shipping industry in sustaining or improving the terms of balance of payment of the country.

Another significant factor in shipping services is the interplay between coastal shipping and the volume of trade in the sub-region, which are both affected by the following factors:

- ◆ There are pre-determined routes of the existing liner conferences since most of the shipping lines in the region belong to liner conferences. A typical example is the Nigerian Shipping Lines that belong to the United Kingdom and Europe/West African Conferences. Even where tramp ships operate, they also follow similar routes;
- ◆ There is the issue of colonial heritage and imperial ties where Anglophone and Francophone countries have tended to link their shipping with the United Kingdom and France respectively;

- ◆ The cost of acquisition and maintenance of ships under the present system of ship ownership and registration in most countries have also tended to put indigenous businessmen men out of the market for lack of the initial capital. The departure from the post -independence Government ownership to private ownership of shipping lines is now being promoted throughout the West Coast.

3.5.2 Economic co-operation and Feederling

The strategic and commercial importance of feederling along the West Coast largely constitute an integral aspect of the economic development outlook of the region. This is because the shipping industry plays a crucial role in the economic integration of the region since it offers a cost effective mode of moving commodities and as a mean of communication through the direct linkage between very large ocean-going vessels and feeder vessels.

3.5.3 Standard Criteria for Transhipment Status:- Hub/Load Centre port

The general meaning of transhipment or hub port has been underscored in Chapter Two. The variations in the different type of transhipment operations that take place in any port have however given rise to its special categorisation such as dedicated hubs, hub and load centre ports, direct call ports and feeder ports. The Gambian port Authority falls within the hub and load Centre port described by UNCTAD (1990, p.9) as:

“Capable of accommodating all kinds of transhipment according to requirement, interlining, scattering for delivery in the neighbouring are, switching, catching up and by-passing”.

Although this has not yet been attained in the port of Banjul, effort is being geared towards that achievement as placed in perspective by Ibrahim Jangana, Managing Director of the GPA that:

“Banjul port is being developed as the leading maritime centre for trade, logistics, and distribution with ultimate objective of actually operating as an alternative hub, serving major lines operating in the region in *this millennium* as a competitive option to those already established in the Europe-West Africa range (Jangana, 1999, p.1)”.

It should be emphasised that the decisive factor in the attainment of a transshipment status is the shipping lines while the ports have certain criterion to be fulfilled before be considered by the shipping lines.

3.5.4 Benefits of Feederling

The ranges of potential benefits of feederling to be accrued to Gambia from the national and international perspective are:

- ◆ Provision of world class transshipment facilities will generate employment;
- ◆ Additional investment to be stimulated into the transshipment facilities;
- ◆ Provision of transshipment service will attract other industries and application;
- ◆ Double handling of cargo will generate additional revenue which will ultimately lead to increase in foreign exchange earnings;
- ◆ Reduction in maritime transport costs as a result of savings on the proforma costs of multi- port and attendant delays in ports;
- ◆ The availability of commodities on the market will be enhanced leading possibly to lower prices; and
- ◆ There will be a reduction in the present high imbalance of empty Containers at the port against ready source of transshipment cargoes.

3.6 SWOT Analysis.

The previous chapters are a clear indication of the port of Banjul in aiming to become a distribution centre within the sub- region. In relation to the amount of trade the port handles, the impacts of transshipment along with Gambia's comparative advantages. This sub section is a SWOT analysis of the current and future situation of the port, with trade, within a transshipment concept. S.W.O.T. analysis is a method of reviewing the current mission of the port to define a new one. The essence is to examine the strength and weaknesses related to the internal review of the port, while opportunities and threats reviews the port's external environment.

3.6.1 Strengths and weaknesses:

The purpose of this assessment is to determine the strengths and weaknesses of the Banjul port in order to exploit the strengths and reduce the weaknesses so that the former is exploited while the later is reduced. The factors that are covered by this evaluation are:

- Physical assets.
- Skills and experience of port management and labour force.
- Financial conditions of the port.
- Legal and regulatory framework.

(a) Strengths:

The port of Banjul has strength in the following areas:

- (i) Availability of land for expansion, the port has a vast area of land that can be use for any port expansion which would provide for more value added services.
- (ii) The port of Banjul enjoys stable and published tariff, which are subject to negotiations and enables shippers to forecast on the cost of transport involve in their operations.

- (iii) Although the port has problems in respect of modern equipment and their availability however, the turnaround time for vessels is very promising and competitive compared to other ports in the region.
- (iv) The port management has highly trained and qualified staff, in the maritime industry. High priority is given to training at Cardiff University and world maritime university respectively. These graduates occupy management positions in the authority.
- (v) The port has exchange programs with Taipei, Singapore and Hamburg that provides staff with knowledge of current trends in the industry. Thus the port has the needed qualified personnel to make it competitive.
- (vi) The port has very good financial returns and its one of the biggest contributors to the national revenue in terms of paying taxes and dividends.
- (vii) The Gambia's political stability and pursuance of liberal economic policies offer the right environment for increased levels of inward investment and trade development, both of which are positive factors for increased port traffic.
- (viii) There is minimum level of bureaucracy involved in the importing and exporting of goods through the port. Exchange controls together with import and export licenses have been abolished. Port users do not have to go through third parties to clear their goods, in contrast to other ports in the sub-region.

(b) Weaknesses:

The port of Banjul has the following weaknesses:

- (i) The port of Banjul is restricted in its activities because it is government owned. It is therefore difficult to separate its activity from governmental intervention. Thus, there is a frequent change in the chief executive

position that affects the smooth operations of the port activities. Greater autonomy is still needed, under such a highly competitive and highly technological era to enhance overall productivity.

- (ii) Draft restrictions and lack of specialised berths poses serious limitations on port operations. Thus although, the percentage of container trade has been increasing over the years.
- (iii) The contribution of the port services to the clients value chain is limited. The port has restricted itself too much to stevedoring and handling operations over the years. There is a need for the port to diversify its operations into other value- added services, to generate more to the current situation.

3.6.2 Opportunities and Threats

The port of Banjul enjoys a lot of opportunities that needs to be fully exploited to improve upon its competitiveness. In the first place, the government has over the years shown great interest in the development of the port. It has therefore, been monitoring activities at the port and taking active participation in promoting the port even outside the country. The port authority will have to utilise this opportunity to encourage the government to put in the necessary measures that will enable them to attract more traffic. In addition the development of the export-processing zone (EPZ) will generate some cargo and reduce congestion in the port. Finally, The Gambia enjoys a measurable amount of political stability, which will further create an enabling environment for development of trade, industries and investment. The port should provide the needed infrastructure and services to meet the expected demand. However, the position of the port in the market is threatened by its competitors in the following areas:

- (a) Most economies in the region are now coming up after a long stagnation from political and economic crisis. The port of Banjul will have to improve upon its performance and services to be able to capture cargo to its port.
- (b) Although the government is interested in the activities of the port it has been slow to make changes in rules and regulations that will be able to create the enabling maritime environment. With the fast changes in the shipping industry, it is important that a special body be instituted to take care of maritime issues.
- (c) Furthermore, the absence of a national maritime authority to co-ordinate activities in the industry is a big threat to the port development. Most projects in the industry are handled singly with the concerned organisations without the needed co-ordination with the complementary agencies. This can cause a lot of delay and loopholes in planning and implementation of certain things.
- (d) A national maritime authority is needed to direct co-ordinate and integrate all activities in the industry for a common goal.

3.6.4 Competitive Strategies

There are two main strategies to archive competitive strategies in ports as follows:

- (a) Cost leadership – reducing operating cost so as to become the low cost provider of port services and;
- (b) Differentiation – providing services that are distinct from those provided by other ports. Offering greater value to the port user and proving specific service for market niches.

It is important that each strategy adapted should be sustainable in order to reap the advantages. The analysis so far indicates that it is most appropriate for the port to use cost leadership strategies to achieve competitive advantages over its competitors in the short term. The port of Banjul will therefore need to:

- Lower its operating cost by reducing the number of unproductive moves of the port equipment.
- Increase the utilisation of existing facilities by strengthening the engineering department in the maintenance of equipment. This is intended to reduce the number of equipment lying idle.
- The integrated gang system that fully utilises the gang employed must be used to reduce cost and improve productivity. Drivers operating equipment should be trained so as to understand fully the machines operations.
- Lower port charges by segmentation of the market and differentiate port charges by the ability to pay. The port can also encourage importers and exporters by granting rebates on the volumes of cargo to the port. Rebates on volumes of cargo can also be introduced so as to encourage exporters and importers in choosing the port.

3.6.5 Long Term Strategies

In order that the port is able to sustain its competitive advantage, there is a need to combine short-term strategies with some long-term strategies. These strategies will help develop the port towards the changing demands in the industry and enable it handle the increased traffic that will result from the success of the short term strategies employed.

The long-term strategies will involve developing the following:

- (a) To build a container terminal for efficient container operations and quick turnaround of container vessels.
- (b) High participation of private sector in port operations.
- (c) Provide value- added services.
- (d) Creation of a constructive port community in which the voices of all port users whose activities in one way or the other contributes to the efficiency and productivity of the port.
- (e) Inter port relations within the sub- region to reduce the level of misunderstanding.

Table 3-1 Sustainability of Competitive Advantage

Strategies	Achievable advantage	Estimated time of Realisation
1. Change in corporate identity and mission	Overall efficiency , market focus	3-5 years
2. New site of infrastructure	Increase in capacity, location	2-3 years
3. Management reorganisation	Overall efficiency, reduction in operating costs	1-2 years
4. Provision of value added services for cargo and vessel (no cargo handling)	Reduce costs for vessels and cargo	1-2 years
5. Downsizing and/or specializing	Market focus, reduction in cost	2-4 years
6. Development of new facilities	Increase in efficiency throughput and capacity	3-7 years
7. Acquisition of new equipment	Increase in efficiency, throughput and capacity	1-2 years
8. free trade zone or free port status	Market focus, reduce cargo cost	3-5 years
9. Improvement in cargo clearance	Reduce delay increase throughput	2-4 years
10. Sales and promotion	Market focus	1-3 years
11. upgrading labor skills	Increase in efficiency and capacity	2-3 years
12. Reduction labor requirements	Increase in efficiency	1-5 years
13. Increasing equipment utilization	Reduction in cost	1-5 years
14. provision of new cargo handling services	Market focus, reduce costs for vessels and cargo	1-2 years

Source: UNCTAD

CHAPTER 4

REQUIREMENTS FOR RESOURCE MANAGEMENT AND CHANGE

In the economies of small developing countries, the impact made by import substitution industries has been very small. The tiny size of the market gives limited possibility for capital accumulation to finance expansion or widen industrial base. A bigger and wider market is what an EPZ is aiming at and a conducive atmosphere for foreign firms to invest. There is a competitive labour cost here and the country should attract investors by offering favourable incentives. It is a 'win-all-the way' situation for both investors and host country that a free zone seeks to create. The cheap labour and the fiscal incentives make for competitive products globally. At home, growth in economic gains is stimulated as a more general liberalisation climate is spread to other areas outside the zone.²⁴ The possible positive end results are exposure to new markets, increase in employment and increase in foreign trade volumes. The need for a strategic resource management is therefore necessary to foster transshipment and feeding. This chapter will look at the essential requirements for resource management and change by examining the changing role of ports, implications of port enlargement with spatial resources and the need for new structures will be underscored.

²⁴ P. WARR, Export Processing Zones, In Chris Milner (Ed.), Export Promotion Strategies: Theory and Evidence from Developing countries, P. 160

4.1 Changing Role of Ports

The terms 'interface points' in the chain of maritime transportation is what ports were conventionally called. However with the increase of both commercial and industrial activities in port zones nowadays their basic roles are changing. The traditional functions of the port which were to provide nautical and harbour services to ships, the loading and discharging of cargo, and providing temporal storage facilities for goods are today considered as just a branch of a whole complex system of port operations. In most underdeveloped ports however, the situation remains largely so; but given the current trend in competitiveness among ports, any port that does not grow beyond its conventional role will be least considered for reliable services.

The Maritime Industrial Development Area (MIDA) concept has ushered in a renewed change in port development strategy in most industrialised countries. The concept entails industrial, economic and commercial functions in addition to the port role as an interface junction for various transport systems. More revenue is expected to be collected by the port if industries are given access to port areas.

A steady yearly income is also collected from the lease of port land. Further income is derived from increased traffic generated by the industries.²⁵ The increase in port industrialisation makes the need of putting the requisite facilities into their proper places an urgent matter for port authorities. Whether all industries located within port areas are port-related or are dependent on maritime transport for their operation is a matter to be debated upon. Adequate system of separation based on functional characteristics of prospective occupants at the planning and construction phase is advisable²⁶ to ensure the proper management of the limited resources.

The MIDA philosophy is a myth for the underdeveloped ports. They are far behind in capital or technical know-how. A mild form of the concept in the framework of a free

²⁵ J.G BAUDELAIRE, Op.Cit., p.113

zone is being instituted and The Gambia aspires to set-up a free zone. However, the country should take up the same responsibilities to ensure success and planning requirements for the future. Lease sites next to the port will be the place foreign investors that are attracted to the free zone will have to operate from.

Serious problems may be encountered in future if a large number of industries and associated support services are allowed in port areas because of the unpredictability of income investments. Waterfront operations should be given priority to such areas irrespective of the investments' timing. It is also more realistic to group related industries together; i.e the by-product of one firm can be easily transferred to another that uses it as its basic material. This enhances the monitoring of safety procedures where dangerous products are involved.

A huge amount of private capital is forecast with investors having divergent expectations in a free zone environment. The landlord (GPA) acts as an arbitrator who should be impartial in its decision where there are conflicting interests. There ought to be fair-play competition when it comes to hiring out equipment, allocating leases, or any user facility. Favouritism may have a negative effect on the port itself in future business transactions as it leads to the loss of vital port revenues and work opportunities.

4.2 Port Enlargement and Spatial Resource

The problem of non-availability of land in the immediate surrounding of old ports for purposes of enlargement is a universal one. Much of the periphery of port vicinity has been taken up or encroached upon by growing cities and there is little or no more land area left for port expansion purposes. The trend has caused tension and much sensation between city councils and port authorities and more recently, environmentalists. Ports are forced to relocate to new areas as a result of land

²⁶ W. WINKELMANS, The Industrial Function of Seaports, syllabus Academic Year APEC 1994-1995, p.23

restraint. The port of New York relocated to New Jersey in the United States is one such example.

Because the Banjul port is situated close to residential areas, the possibility of expanding in future is very narrow. If landowners are asked to relocate their residences, it becomes a contentious matter because it will have to cost the port a huge sum of money in compensation. To secure the surrounding area for port use, a public relation exercise support with the required money will be needed. Property or Landowners must be sensitised on the important role the port has to play in the economic development of the country in question. The year 2000 Greater Banjul Land Use Plan issued by Government identifies land that could be acquired for future port use and this plan could really prove helpful.

Additional costs on development through environmental concerns for port projects are gaining momentum. Multilateral agencies including the World Bank now incorporate environmental impact studies in their project appraisal procedures.²⁸ These studies are foreseen to be intensive because it includes a large number of factors. Ports may be taken for granted inspite of their impact on local, regional or national economies. "But inhabitants of port cities very often perceive only the environmental nuisances of the port without understanding the benefits derived from it."²⁹ Due to these problems, ports are made to re-assess their needs in the wake of demand for improved facilities. To make a good use of available land, outdated facilities are sometimes renovated and modernised.

Even though regarded as a second best solution, it was a necessity to secure under-utilised government land, for CFS purposes. The GPA doesn't have the required amount of money to compensate landowners for land in the surrounding area of the

²⁸ J.D DAVIS and other Environmental Considerations for Port and Harbour Developments, WB Technical paper No. 126, 1990, pp 6-10

²⁹ F. SUYKENS, The City and its Port – An Economic Appraisal, in Geoforum, Vol.20, No. 4, 1989, P 440.

port. Far more costly to compensate are the structures that occupy prime space on the waterfront of seaports. Strategic units such as the Banjul-Barra Ferry Terminal and the Marine Unit of The Gambia Army located next to the port will not need mere monetary awards for their relocation package. The total cost of relocation of facilities or structures around the ports would definitely require some external funding if it is to be realised.

4.3 Optimising the Available Space

An extensive storage area for a container terminal is required and the space immediate to port apron should be set aside for inbound and outbound traffic. As the size of ships and the volume of maritime commerce increases, the depth of back-up areas is gaining more significance. In addition to facilities for interface with land transport modes transit sheds and warehouses are located beyond the open storage area.

The traditional cargo traffic is what had influenced the current structure of the ports. However authorities are giving containers consideration because they are expected to increase in future. There is a great need for a re-assessment of possible operational layout and procedure with regards to the planned expansion and expected throughput. But the said planned project will not create specific terminals for containers. It will provide multipurpose facilities that the port requires during the transitory period, which is flexible although at the expense of reduced efficiency.³⁰

Deemed to be a de-facto container berth is the new Banjul Wharf and an improved layout for north terminal should be seriously considered. The demolition of transit shed B is recommended in order to facilitate operational efficiency by extending the coverage of the north terminal. Removing the existing maintenance workshop is being considered. This will secure more land space for stacking containers. The problem of congestion will be solved through these measures.

³⁰ P. FAUST, Introduction to Port Management, in Port Management Text Book Volume 1 (Bremen 1990), Institute of Shipping Economics and Logistics, P.12

Commercial vehicles now have access to the operational area because of the direct delivery system. There is no way these commercial vehicles can avoid traffic at the port. This will no doubt lead to congestion at the port. The activities of traffic into the area must be reviewed to prevent hold-ups. Operational boundaries and clearly marked traffic lanes should be provided to allow a smooth interface point between port equipment and commercial transport. The utilisation of the sheds has been badly reduced as a consequence of the direct delivery system. The port now has the capacity it needs to deal with unexpected demand for temporal storage. The sheds are however utilized mainly for warehousing activities. Not long ago, the sheds had been used as storehouse for imported second hand cars.

Second hand cars have long dwell times i.e. long-term storage undertaking similar to open storage at ports. The use of transit sheds for long-term storage is unacceptable,³¹ there should be strict short time limits to discourage this practice. In looking back at the decision to demolish shed B, there will be a serious problem of storing space for these vehicles. A relocation of imported vehicles to another site outside the port area that is under customs bond is highly recommended.

4.4 The Need for A New Structure

Owing to the fact that ports throughout the world differ markedly from one another in environmental terms, there can be no ideal organisational structure for seaports. There are similarities of course, from which valuable lessons could be drawn. Innovations are inevitable if ports are to adapt to current trends or competitiveness and proper managerial policies.

³¹ UNCTAD TD/B/C. 4/175/REVT, Port Development – A Handbook for Planners in Developing Countries, P.133

“Every system of administration of a port which favours the prosperity of the port and the development of its traffic is good on condition that the management is good”³²

On July 1st 1972, the Ports act was passed in cabinet and saw the establishment of the Gambia Ports Authority. The act mandated the Authority to “provide and operate in any port such port facilities best calculated to serve the public interest; maintain, improve and regulate the use of the port of Banjul and port facilities transferred to the Authority under the Act, to such extent as appears to it expedient in the public interest”.³³

In 1989, an additional legislation known as the Public Enterprises Act was passed with the aims of regulating the powers and responsibilities of public enterprises and to promote standard performance, viability and efficiency. A performance contract clause, which provides a formal statement of aims and obligations between the government and the enterprise to promote high performance with its provisions, was signed.

Promoting the Authority from the performance contract level, the agreed objectives of which it has now achieved, to a more recognisable level are being currently discussed. The current expansion plans do warrant a reassessment to give further autonomy to the Gambia Ports Authority. Government directives seem to threaten the commercial-oriented approach of management not at all taking into consideration the competitive atmosphere of the port. Obviously, delays are expected when tutelage bodies are consulted on major policy issues. The administrative management of the port will adapt more to changing market conditions if more freedom is allowed in the management policy.

Plans to transform The Gambia Ports Authority from a statutory authority to a limited liability company more commercially focused are underway. The ports Act of 1972 will have to be repealed and the port’s commercial activities widened. The new structure of

³² R.OP DE BEECK, Legal Status, Decisional Structures and Administrative Structure of Public Port Authorities (A comparative Approach), Syllabus Academic Course APEC 1994 – 1995, p.3

the port should recognise that the transition to a transshipment/distribution centre status may include private sector participation to maintain efficiency.³⁴ In order to realise the planned project, private capital will be needed to supplement, the investment of the Gambia Port. The leasing of equipment and warehouse hiring by coastal shipping services are sectors likely to attract capital. There must also be the opportunities to enter joint ventures and form subsidiaries. The Government must not consider the port as an investment that should be paying huge annual dividends because it is a limited liability company responsible for its own finances. Such views on the part of government will rid ports of their ability to accumulate capital for long-term development. The eradication of reliance on external funding of projects has a recognised structural advantage.

4.5 The Rationalisation of Manpower

There is an acute shortage of well-trained or skilled personnel in the upper and middle working classes required in the growing maritime industry in most developing countries. Changes do come slowly. Therefore, mass infrastructure development should have a corresponding package for the working class thereby striking a balance between the workers and the authority in port development. For production or service to be at optimal levels, the personnel or working class should have the requisite skill and aptitude. Port development and institutional development must go hand in hand. Above all constant training and retraining of personnel to keep abreast with technological development in the modern world is highly recommended.

Though the Gambia Ports Authority has a very comprehensive manpower development plan, it fails to address the training requirements of dockworkers. Operations like cargo handling are carried out entirely by the authority. Dockworkers, unlike the permanent port staff that perform shore-handling operations, are hired from a central pool on a ship-by-ship basis for stevedoring work on board. Stevedoring work though done on

³³ The Ports Act of July 1972, Law No. 21, Par. 7 - P. 297

casual basis, requires greater concern because of the fact that it is among the first of port operations.

In spite of the fact that dockworkers are under the Department of labour, the Gambia Ports Authority should initiate reforms in this area since it is the only employer. As a step to resolve one of the major problems, it must reconsider the fixed gang-size of 21 men, which proves to be tough and unnecessarily costly. The situation will become more unacceptable with the increase in the bulk cargo and container traffic.

Whilst the port is expected to provide employment containerisation on the contrary is a capital-intensive activity requiring fewer dockers than before.³⁵ The GPA should inform the Department of Labour about the likely results of the expected container throughput. The lack of facilities such as unemployment benefits and poor pension allowances make the old and feeble unwilling to relinquish their jobs for stronger and younger people. This may be bad for business. Solutions to this problem could be to decasualise the labour pool and retain promising personnel as well as absorb in the distribution activities sector any probable surplus of young dockworkers.

To ensure that the retained labour force are aware of technological trends in cargo handling and shipping, regular training programmes should be instituted to that effect. On-the-job training is now considered as something outdated because of new cargo handling and associated equipment techniques. Considering the fact that port work is extremely dangerous especially in operation areas, basic training and safety practices are indispensable for an accident free and safe working environment. For instance, the indication of maximum capacity on respective handling gear helps in accidents

³⁴ K.H. HOLOCHER, Organisational Structure of Seaports, in Port Management Textbook, Volume 1 Bremen 1990, Institute of Shipping Economics and Logistics, P.75

³⁵ M.G. GRAHAM AND D.O. HUGHES, Containerisation in the eighties, P.104

reduction.³⁶ Special care must be taken by dockers when handling poisonous or dangerous cargo such industrial gases or in insecticides.

Stevedoring work greatly affects productivity and quick turn-around of ships. GPA should therefore strive to improve the quality of knowledge among dockers in their relevant fields. This will in turn help the port to grow in productivity and efficiency. Even though the role of dockworkers cannot be overemphasised, yet in most underdeveloped countries they are overlooked. The port will do better if it elevates the status of dockworkers.

4.6 Institutional Support to Changes

Depending on a good business climate, the planned transshipment and distribution centre will provide opportunities for economic growth. A lot still needs to be done with regards to the free zone project and in spite of instituting economic reforms in the mid 1980s. Capital from overseas investors is not only what is required in the drive to attract external help, we also need technical know-how and a larger traffic to our sea port.

It is also necessary to effect major changes in the investment laws of the country. The government has not been consistent in giving incentives to investors. Thus, investors may consider the Gambia as an unstable investment site because there is little trust in the system. Though companies investing in the third world are interested in cheap labour cost, they are particular about the incentives and the guarantees for their investments. Automatic incentives should be given to investors that are eligible – one devoid of unnecessary bureaucracy.

Incentives given by the Free Zone vary from country to country. The aspects common to them all are, fiscal benefits, stream lined administration and adequate physical

³⁶ It was observed at the training centre for port workers (Port of Antwerp), e.g with a rope – a different colour is intertwined within to indicate its capacity.

infrastructure.³⁷ There are incentives of waiver of customs duties and other taxes on all imports of manufacturing materials, tax holidays, the freedom to repatriate capital or pay FOREX/Foreign currency abroad.

Not much economic profit margin would be realised by the Governments of some developing states after taking the above measures at the beginning of their venture. This would not be very welcome but there will be a recovery of the invested cost through high port revenue, extra personal taxes on employees in the zone and external investment on economic growth of the country in general.

The interference of government in the market will hinder the independence of investors in carrying out their business. The rights of flexibility and guarantee of free market policies must be enjoyed by companies as long as they work within the laws of The Gambia. In as much as investors seek low cost labour, they expect their local employees to be literate and abreast with or able to cope with modern trends. There must be a Constant supply of trained and qualified personnel. An increasing number of Gambians will have a chance of getting technical and managerial positions, which sets the stage for the transfer of technology to the country.³⁸ Most people think that it is men who transfer technology not capital.

³⁷ P. WARR OP Cit, pp, 135-137

³⁸ P. WARR, OP.Cit, pp 148-149

CHAPTER 5

PROMOTING THE PORT'S COMPETITIVENESS

5.1 The Scope of Port Activities

When the port expands and draws more traffic of seagoing vessels, supplementary services become an integral need. Ship owners may normally desire necessary services when their ships are in ports working cargo in order to optimise on their time. The supply of the much-needed provisions, fresh water, bunkering and ship repairs are some of the services considered vital to vessels and ship owners especially during emergencies. For ships repair, a port with such facilities may easily attract shipping than a competitor without one.³⁹

Few underdeveloped ports can provide a ship repair service. The standards of facilities and work may be inadequate especially for the big vessels calling in places where dry docks are available. It is immensely costly to invest in dry or floating docks, therefore their future use must justify their cost. To ensure thorough use and viability of dry

³⁹ J.G. BAUDELAIRE, OP.Cit, P. 135

docks, there must be a huge number of ships relying on the facility. There is a small dry dock facility in Banjul,⁴⁰ which can accommodate small vessels and can assist large ships with minor repairs in cases of emergency. The principal users of this facility at the moment are local fishing vessels and trawlers. Extension and modernisation of the dock is required where its use is expected to increase with time.

The availability and regular supply of fresh portable water at the port of Banjul is always guaranteed at either the berth or at anchorage. Some ships are so sophisticated that they have the capability of purifying sea water for their use but demand for fresh water will remain high if it costs less. For other less equipped ships, the need for fresh water at Banjul is inevitable. Also made available on request are ship supplies, garbage disposal and bunkering. However, these services need to be more organised and standard in their delivery and this could be achieved if private firms are encouraged by incentives to carry out these operations. One such incentive is the ship chandlers' access to customs bonded warehouses or stores located in the distribution centre for supplies to ships.

5.2 Environmental Concerns and Safety

Serious consideration must be given to safe handling, storage and transportation of goods where the cargo is mixed, in our drive to expand the facilities that would match the expected rise in traffic at The Gambia Ports. Hazardous cargo must be given due attention through port to prevent unwanted incidents. Often, more hazardous goods meant for transshipment to other countries in the sub-region or for the distribution centres enter through the port and must be handled. Specialised handling methods should be devised and risk insurance given. Leakage or spills of any sort when handling hazardous goods must be made known at once so that necessary precautions will be taken promptly. The requisite protective gear or clothing materials to minimise risk to health must be provided for every dockworker by the relevant authorities – GPA.

⁴⁰ The dockyard facilities used to be managed by GPA until 1991 when Government leased it out to private operators – Mass Sosseh Shipyard Co.

Storage of cargo, either imports or exports remain an area of great concern. The quantity and quality of goods that go through the port today are huge and more sophisticated. This makes the need for a highly standardised storage facility with preventive mechanisms such as power supply, installed to deal with emergencies inevitable. Careful supervision during storage of cargo is necessary. This supervision should be based on I.M.D.G – code segregation. Regular inspection of dangerous cargo in storage must be carried out to prevent ugly incidents and accidents. Long storage of such goods must be prevented to minimise the risk of accidents.

In controlling the risk factors, climatic conditions may not be over-looked. The climate change can adversely affect the goods in store. Cement for instance, is vulnerable to wet or damp weather conditions. Special area or storage facility must be provided for transit cargo because it spends longer time in port than goods bound for the free zone. Also, special safety zones for dealing with hazardous goods are set up. Safety distances for dealing with dangerous goods could be maintained if there is not enough land available around the port area, at least temporarily. Unsupervised manufacturing activities in the free zone area may create environmental hazards. At the initial phase, provisions should be made for the safe disposal of industrial waste and effluents.⁴¹ Poisonous gaseous discharges that pollute the atmosphere should be planned for considering residential areas and wind directions.

The only possible way of avoiding the collision course with environmentalists and protecting future investment in the free zone is through proper and adequate planning schemes. The GPA must look quickly into investments of the nature described earlier on as there is a bird sanctuary adjacent to the designated distribution centre/EPZ area.

⁴¹ J.D DAVIs and others, Op.Cit, P.41

Acceptable noise levels and controlled developments may prevent annoyance to the birds or the destruction of their natural habitat.

More importantly, all hazardous cargo passing through the Port of Banjul must by law be declared by their importers. The compilation of statistical data on such cargo would make available valuable information when formulating regulatory standards. On identification of substances, handling procedures can be spelt out. The Gambia Ports Authority will also set safety regulations in the free zone and monitor their compliance.

Necessary precautionary measures to prevent unavoidable accidents must always be put in place however safe the job or precaution may be. This must cover the entire port area. Special training in emergency situations like fire fighting or rescue operation techniques may keep dangerous situations in check until specialised units arrive. Security and protection for ships and goods at ports should be of paramount concern especially within the ports precincts. By international standards, the port of Banjul is considered to be one of the safest. It has little or no piracy or illegal activities at anchorage. Security systems and services needs to be vigilant and ever-ready to serve an expanding port scheme currently underway. Port development spending is largely directed to instituting high security measures and maintaining safety environmental standards. Incorporating these aspects into development projects early will prevent expensive innovations in future. No port can afford the cost of compromising safety and security.

5.3 Factors Impinging On Productivity

5.3.1 Port Operations

Port operations are often well co-ordinated from within and without to achieve the desired result. Almost all activities of port operations are interrelated and co-ordinated. There is hardly any task that is entirely independent. In fact, any attempt to do so will

sabotage the proper function of the port as a whole because the least effective sub-system of port operation determines the overall output.

In the bid to promote performance, the management must identify weaknesses and finance the improvement of these shortcomings. This must be constantly reviewed with every increase in the level of work capacity to avoid possible breakdowns. An example of well co-ordinated and interrelated links that connect various units in port operations could be seen between cargo-handling from ships to transit shed and between the transit shed and the port gate. Any weak link in this chain will lead to congestion. In order to extenuate the constraints on storage space, the GPA had introduced the direct delivery system. The increase in productivity had made the storage facility a weak link in the chain of port operation. Another weak link that emerges was the inadequacy of consignees' trucks.

The only guarantee of a thorough port operational system is a systematic assessment the various systems and sub-units of the whole port operations machinery. Improving the weaknesses found in these units will greatly raise the quality and standard of port service and profitability. In order to achieve this level of development, the following factors have to be considered. They include the administrative procedures and technical matters.

Among the above factors, the human resource is rated the most valuable of assets to any social organisation. The question of getting the best out of people however still remains largely unanswered. To combat this problem, workers of all categories irrespective of their position or responsibilities must undergo training programmes to equip them well as a first step. Labour productivity is also influenced by job satisfaction. Workers must be motivated by improving the working conditions, offering good salaries, health facilities and recreation.

5.3.2 Training

The training policy of the GPA for its employees is comprehensive⁴² and focuses on relevant needs. Training of employees starts from the local front, in-house schemes to day-releases for staff attending courses at local institution all of which are sponsored by the authority. Overseas training includes seminars, academic courses and workshops or staff attachment when required. The Gambia Ports Authority pay level are good but the intervention of the government checked the adoption of a more commercial-oriented pay package. There are premiums for overtime work or excess performance. Housing, canteens and medical schemes in the vicinity of the port are accessible to staff. The workers also have insurance covering them for industrial accidents and medical assistance for accidents at work. Good pay and good concern for the welfare of workers help to foster peaceful industrial relation between management and workers.

Another thing GPA should do is to build first aid units to be run by competent medics to serve the port and distribution centre. Prompt medical attention given to the sick or the injured will help promote health at the port.

5.3.3 Appropriate Technology

The adoption and implementation of appropriate technology in order modernise operations will be the first step on technical matters. Acquiring very advanced technical equipment without the corresponding highly trained personnel is like square pegs in round holes – misplaced priorities. Climate can also affect performance. In such a case, robustness or formidable equipment is preferable to mere operational speed in the performance of equipment. Machines meant for temperate regions of the world must be tropicalised when installed in The Gambia to give optimum output. Failure to make the equipment complaint with required working situation would lead to prohibitive maintenance costs.

⁴² The training policy is adequately presented in the Authority's corporate and Manpower Development Plan (1991-1995).

It is advisable to acquire proven machines used in similar port conditions and if possible, standardise the equipment. Standardisation allows the speedy acquisition of the working knowledge and technology of the equipment by the maintenance crew. The standardisation process will also eliminate the variety of spare parts that have to be bought from outside. To ensure high fleet availability at all times, preventive maintenance programmes should be introduced.⁴³ A good number of well equipped workshops and personnel that are highly trained and has access to spare parts will no doubt keep equipment break-down in constant check. The incident of breakdown of equipment delays operations and are on the whole counter-productive.

The maintenance crews of GPA are accustomed to the two brands of the fleet of landsite equipment. The manufacturers' recommendation is what preventive maintenance is based on. In-house schedules formulated from experience with the brand of machine are the methods used to maintenance older equipment. Spare parts are delayed owing the fact that GPA imports them from suppliers overseas.

With regards to the movement of cargo, streamlining the administrative procedures may prove a lot more beneficial. The rule that imports must leave the transit shed within a stipulated time or pay a fine is an effective measure to implement in fighting dwell time. Improve administrative measures expedites the smooth processing of documents and goods at the port. Adhering to the rule of priority berthing strictly to a large extent reduces the possibility of liner vessels having to wait in long queues at the port in Banjul. It encourages direct calls by shipping lines at the port.

Improving port efficiency and productivity cost huge sums of money and takes a long time to materialise. It must be therefore properly secured and well managed. Social factors like no work on Sundays and holidays may reduce productivity gains of the port.

⁴³ B.J. THOMAS and others, Management of Maintenance: A Review of current Problems and Practices P. 134

Daily operations consolidate progress made, irrespective of the fact that workers receive higher wages for working an extra day.

5.4 Maintenance of the Infrastructure

Investments made in civil works have a considerably longer lifetime than those on equipment. Because of this, the unwary may tend to overlook timely maintenance of facilities.⁴⁴ The need to maintain the infrastructure of the establishment, like every other equipment, is no less important if their expected life span is to be preserved. The lifetime of an existing infrastructure cannot be accurately predicted.

The premature deterioration of infrastructural facility makes developing countries that purely rely on external financing vulnerable. Repair work will have to be carried out at the expense of new development projects. The cost is bound to multiply if maintenance is delayed and poor services are rendered.

Renovation work on the quay walls are expected to take place every ten to fifteen years because of the wear and tear that occur when ships are berthing. Crevices and uncomfortable potholes on the roads are signs of deterioration and timely repairs would save much cost. Some defects in infrastructure however do not appear openly, such defects as corroded steel piling covered underwater. To prevent unexpected incidents, periodic inspection of facilities must be carried out to assess prevailing conditions and if recommend necessary renovation.

Owing to scarce resources and technical personnel, The Gambia Ports Authority receives assistance from DANIDA for a maintenance inspection programme on port infrastructure. A Company of engineering consultants and GPA's officials to ensure efficiency in the maintenance system also carries out joint inspections of the existing system. The local personnel also benefit from these yearly inspections because they are exposed to modern technology in civil works.

Captive traffic becomes unstable. This occurs more often with containerised cargo. Interport competition is a tradition in developed open economies. It even exists within ports of the same country. Any port in such a situation must make its presence felt by promotion which “given an orientation to the port user and invites him to make comparisons with other (competing) ports”.⁴⁵

In our sub-region however, there is no keen competition among ports. We can see this in the lax attitude to marketing of services and commodities. But with the transshipment scheme high on the agenda, this situation is bound to change. Being one of those not serious about marketing their services, the GPA must be cautious not to be taken unaware when containerised traffic increases.

A well-planned strategy with clear objectives and target that will succeed brilliantly is what port marketing must come from. Problems posed by environment in which the port is located must also be taken into consideration so that one can be truly objective about one’s competitive position. With a good knowledge of one’s internal strengths and weakness vis-à-vis external opportunities and threats, one would be fully equipped for the challenges. One needs the above prerequisites to be certain of a market share.

GPA has catalogued its advantages and shortcomings, which were derived from a SWOT analysis of the port environment in the sub-region.⁴⁶ Efforts made to address the factors mentioned above, are in conformity with the 3BPP. But the insufficient skills in the commercial workforce that is also constrained by the absence of resources are what are holding a fully-fledged marketing programme back.

There is the responsibility of ensuring the service of port infrastructure by putting in place the necessary maintenance procedures when required. Whereas the repairs are

⁴⁴ B.J. THOMAS and other, Ibidem P.7

⁴⁵ J.F. WILLEMSSENS, Port Promotion, Syllabus Academic course APEC 1994-1995 P.11

⁴⁶ GPA, Corporate and manpower Development Plan 1991-1995 (Review Feb. 1993) P. 9-14

beyond the capability of the maintenance crew or uneconomic to be done in-house, tenders will be required from competent firms. The maintenance division must always supervise any work contracted to outside firms.

5.5 The Sale of Port Services

As a move to market its services and attract more businesses, the port has to employ an efficient medium of communication with interested parties. It is the fastest way to growth. Even though the private sector plays a role in ports operations, it must really concern both the public and the private sectors. The port can only satisfy customer expectation if it makes available improved facilities and services. The promotion and sale of a port always depends on what it has to offer. The absence of information on the services offered by the port will lead to under utilisation of the port.

Given the fact that there is an overlap of the ports of the hinterland, high competition that makes each port endeavour to have market share does exist. Due to transshipment possibility ports, in order to formulate marketing plan, an experienced and conscientious team has been available. Most under developed ports seek outside assistance because they lack this resource. Where consultants come in, there is the need also of ports' staff to be involved for the implementation. There is no point trying to cover the entire target markets because the limited resources won't promise any success. An identified niche market specifically in segments where the port has comparative advantages over competitors must be focused on.⁴⁷ Selected targets, which can easily serve to benefit the port, and customers are what resources should be directed to.

Vital to the Port Marketing Plan, is the collection of important information for the maritime industry. All information on any port must be neatly compiled in comprehensive language for references and subsequently for incorporation into the

⁴⁷ G. Muller, Niche Marketing in Institute of Shipping Economic and Logistics Port Marketing, Bremen 1991, p.144

marketing information system. Experts usually draw a plan after analysing and evaluating the relevant information. This process is a continuous one.

Studies on port marketing services for GPA were carried out by consultants⁴⁸ and their report takes into consideration the planned developments of the port. The competitive position of the port and the measures that were to be taken for a positive marketing strategy were all revealed in that comprehensive report.

Finally, services to ship and cargo must be standardised, improved and possibly broadened with attention paid to users' demands. This will enhance port marketability tremendously. Marketing efforts will be then directed to existing and potential users to draw traffic. For underdeveloped ports aspiring to get recognition after huge investment on modern facilities, this is a delicate matter, because competitiveness can change with time. It is recommended widely to spend continuously on the human resource, materials, machines etc. in order to have relative advantage over other competitors in maritime commerce.

⁴⁸ APEC/CADIC – GOMBERT, Consultancy on 'Strengthening of the Port Marketing Services at the Gambia Ports Authority. Draft Report, May 1994

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Though measures and decisive steps have been taken to rectify and solve some of the difficulties encountered in the maritime trade and port services, The Gambia is still to reap the benefits of a well-transformed port service as far as the port of Banjul is concerned. In this regard, both the Government and the Gambia Ports Authority are significant players in an effort to surmount the challenges and to move ahead in the context of the vision 2020 programme. Even though the provision of advanced modern facilities relies mostly on external funding and borrowing, there ought to be the dedication to achieve a home grown element such as a credible self sponsorship programme. This can only be achieved if the relevant authorities accept the challenges with the view to planning maritime projects because of their role in the economy. This should be backed by a determination to work towards the realisation of planned projects. This is a sure way of departing from the dependency on exports.

The study notes that though the GPA, has one of the most active management teams controlling state enterprises in the country, the management if confronted with challenges that ought to be handled through a strategic programme. Thus as part of the port development scheme, transshipment and distribution have been identified as a potential areas where the port of Banjul can make substantial gains. The study reveals that transshipment has enormous benefits and so are the challenges. In this connection, the strategic location of the port of Banjul formed a sound premise for the entire study. An overview of the potential of the port was undertaken alongside the competition likely to be faced from other ports in the sub-region. Compared with the rationale for transshipment and distribution the study concludes that the port of Banjul is well placed for diversifying into transshipment and distribution centres. This is supported by on-going port reforms, trend of flow of cargo, volume of cargo and transshipment. However, the study reveals that the problems associated with transshipment and the facilities to attract ships, creation of a maritime access have to be dealt with. Other problems that need attention are sources of finance for port development, the cost of development and projections on investment growth. On the whole the comparative advantage is in favour of the port of Banjul.

The study on the potential for distribution and feedering, underscored issues like the export processing zones, identification of a market niches, patterns and logistics of distribution activities. It reveals that creation of a regional market connection, upgrading of the existing infrastructures and auxiliary services, introduction of modern automation are vital to the success of any programme on feedering. In this regard, the basic tenets of feedering is highlighted alongside shipping services in the Gambia as well as the need for economic co-operation.

Crucial to the success of any development programme is resource management and the handling of new changes. The study on resources management was therefore devoted to meeting these requirements. Hence an insight into the port enlargement

programme optimisation of available spaces, the need for new structures, rationalisation of manpower in addition to institutional support are done with the view to providing meaningful recommendations. The study notes that a strict terminal and operational policy is essential with the zoning of prohibition or restricted areas to outsiders. In this way equipment operators will give maximum service, as there would be no distractions. In most cases also, third party involvement in accidents will be greatly minimised. It is submitted that all these precautions will result in better services for port users and increases in production.

In order to facilitate a more active marketing department, a review of its autonomous status is required with a matching financing, to achieve its set goals. Options in the proposed new tariffs, which may provide incentives, should be well negotiated. To match competitors' prices, it is necessary for tariffs to be flexible. Transshipment involves double handling; so the tendency of having to charge twice the normal rate to avoid pricing the port out of the market must be completely eliminated.

In considering the Government's role in the GPA's Expansion Programme, assessment must be based on further market reforms taken to form a conducive business atmosphere for the private sector. The repercussions of bureaucratic delays and ambiguous incentives breed nothing but failure in business. The Authority is salvaged from having to spend huge sums of money on perhaps servicing the debt of borrowed funds by the private sector investment in the programme. The private sectors are better suited to follow the trends in new techniques. Because they are attached so strongly to the port to recoup investments, they are considered to have a significant impact on the programme.

The Banjul Port's incentives must be attractive enough taking into consideration the fact that the country's neighbour has established an EPZ since 1976 and its success is still limited. There is the need to learn from past mistakes in order to succeed

brilliantly. As new entrants into the market, The Gambia should make its mark by offering something more.

On the diplomatic front, talks between The Gambia and Senegalese Governments must be pursued more seriously to break any deadlock and maintain the land link to the hinterland. This link, in spite of its numerous weakness, must be secured to prevent the risk of losing all what we have laboured so hard to acquire. All possible links to the regional-market that is by land, sea and sea-air cargo routes must be fully controlled by The Gambia.

6.2 Recommendations

The realisation of the goal of transshipment may take a long time to come. This author is optimistic that any investments to be made must start in a modest way and allowances made for further improvement otherwise it could backfire. As expectations are being realised, spending plans can be altered in accordance with desired results. On this basis, the following recommendations on upgrading the port of Banjul to the status transshipment and distribution centre are made:

- (a) The present dock labour scheme imposes limitations on the ability of the port to compete efficiently, as it offers little opportunity for the port to take full advantage of the potential economic benefits offered by modern cargo handling techniques. In an endeavour to modernise the port and make it attractive, management will seek to deregulate the scheme. I strongly suggest and recommend to the board of directors through the managing director to look for the services of a consultant to investigate the feasibility of deregulation.
- (b) The Gambia Ports Authority should look into the current tonnage related productivity bonus system, which hinders growth in the roll on roll off and

container traffic. That area needs critical examination in order to reflect the realities of its present cargo mix and diverse vessel traffic.

- (c) The present tariff structure is based on conventional general cargo charging structure, which has outlived its usefulness. Therefore as part of its modernisation efforts the authority should undertake to rationalise its tariff structures so as to bring inline with pricing structures in existence elsewhere in the industry particularly in other ports within the sub- region.

Capital and maintenance dredging of the entrance channel and berths would be required to meet increases in ship sizes and arrival drafts.

- (d) The GPA should work closely with relevant Government ministries, the chamber of commerce and the private sector to promote the country's comparable advantages and international trade.
- (e) Encourage the private sector to participate in the provision of auxiliary port service road haulage, storage facilities, barges, etc with the aim of promoting a free port concept.
- (e) Conscious efforts be made at the continuous improvement of its database system to enable the authority to respond to client's requirement.
- (f) A port consultative committee is required to create a forum for continuous dialogue with port users such as shipping lines, agent's consignee etc, to enable the port to be sensitive to their needs and provide the required facilities quickly and effectively.
- (g) Co-operate with shipping agent's in the promotion of the port (through visits and advertisement) and by attracting new lines.

- (h) The Authority should be vested with delegated authority from the Government (subject to reasonable limits) and should be within the public domain that will allow sufficient freedom to operate on purely commercial terms.
- (i) With the growth of the number of third party involvement in port activities, estate management has become a significant issue in port management. The Gambia Ports Authority must maintain ownership and control to prevent being alienated of land use and should not market conditions prevailing at the time on a yearly basis. Conversely, certain market conditions will influence GPA to consider selling lands to potential investors. Agreement must be reached on future land use at the initial sale of such deals to ensure conformity to the objectives of the authority.
- (j) As a final suggestion for the resourceful management of ports, the government must pursue the simplification of customs procedures very strictly and squash all barriers to smooth transactions. It is also very difficult to deal with dutiable and exempted cargo at the same time through the port or subsequent congestion of ports. The ASYCUDA must be implemented, fully functional and mastered by the Customs and Excise department. Smooth and quick document processing for distribution firms that wish to sell their products in local market must be entertained to guarantee an ultimate success in the maritime trade.
- (k) Subsequent installation of any system should be compatible with custom's ASYCUDA with respect to codification to promote the exchange of data. The system should be made to connect shipping agents, distribution centre users and other important sectors to a central computer by terminals. All the relevant documentation on handling cargo from ships right up to the port exit can possibly be retrieved. The integrated system is such that each phase of the transaction data is fed back to the computers thereby updating its data base.

With this system there is a high guarantee that port users can easily collect valuable information from the facility.

- (l) Adequate internal infrastructure and services that promote an atmosphere that encourages commercial and manufacturing activities must be owned by an EPZ. There should be diverse and good quality road network that will ease haulage of merchandise within locations on-site. Support services such as maintenance workshops, equipment hiring firms, banks and utilities of international standards are expected to be provided as well.

- (m) Finally the re-export processing and transshipment centre would create a new source of economic growth and employment by putting in place competitive advantages for both activities at a single, well managed location. The objective overtime being to encourage the growth of processing activity (which adds value to the re- exports relative to the predominantly existing transit activity).

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