PRIVATE PARTICIPATION IN STEVEDORING AT THE PORT OF TEMA

BY

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August 2006
DECLARATION

I, Ishmael Oduro-Marfo hereby declare that all materials in this dissertation, is the result of my original research work undertaken in the University of Ghana and The maritime studies department of regional maritime academy under the supervision of Dr. Kwadwo Kwabia and S.O.K Yeboa. All references made in the course of the study have been duly acknowledged.

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DEDICATION

I dedicate this piece of work to my dearest wife,

Mrs. Rachel Bernice Oduro-Marfo

and my sons

Nana Kwame Oduro-Marfo and Paa Kwesi Oduro-Marfo

For their invaluable support and prayers.
ACKNOWLEDGEMENT

I am grateful to the Almighty God for all he has done for me. I am also thankful to my colleagues especially Akamangwa and Prince Tamakloe for their enormous help in making this piece of work a reality.

Again, I thank my supervisors, in the persons of Dr. Kwadwo Kwabia and Mr. S.O.K Yeboa for their support, corrections and inputs.

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I am grateful to my lovely wife, who was my mentor and who painstakingly typed and read through my work.

All in all, I say thank you for your prayers, support and contributions.

To God be the Glory, Amen.
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ABSTRACT

The ports of Tema and Takoradi are the two main providers of maritime transport services in Ghana. Tema is the larger of the two and has more modern facilities than that of Takoradi. Stevedoring in Ghana’s ports was for a long time the preserve of Ghana Cargo Handling Company. It was later joined by Atlantic Port Services and Speedline Stevedoring Company. Currently GPHA handles 25% of all cargo at the Port of Tema whilst the rest is taken over by 9 private companies. Several agents offer multiple services to ships, passengers, crew, and cargoes at the port and its environment. These services relate to berthing, pilotage, handling of cargo, administration and ancillary services like bunkering. Port authorities choose a particular form of privatisation depending on the port size, type of services provided and initial condition of the port. GPHA decided to privatise stevedoring activities in the Port of Tema with the view of increasing resources for port operations and thereby reducing turn around time. However there has been little improvement in ship turn round time even after the private involvement of stevedore activities at the port. For example the average turn around time at the port of Tema increased from 57.4 hours in 1998 to 116.8 hours in 2005. Even though privatisation of stevedoring companies was done in both Tema and Takoradi ports this research was limited to the Tema Ports.

The main objective of the research was to find out why TAT has increased even though more private stevedoring companies were involved in cargo handling activities at the port of Tema. The target population was of 56 respondents. They consisted of the operations manager of GPHA; senior managers of 48 shipping lines of which 40 were operations managers, 5 were assistant operations managers and 3 were operations analyst. There were also senior managers of 7 stevedoring companies of which were 5 were operations managers, 1 operations analyst and the other an assistant operations officer. The majority of the
stevedoring companies (75%) were established after the privatization of stevedoring company in 2000. All respondents from the stevedores contended that more and bigger vessels were now berthing at the ports increasing the volume of cargo handled at the port. The problems that confront the stevedoring companies include financing of their activities, inadequate equipments at the port and royalty/taxes paid to GPHA. Labour was not much of a problem as they were abundant on the labour market, even though they were not skilled. About 84 per cent of the shipping lines managed geared vessels. The shipping lines contended that port operations had improved with the introduction of private stevedoring. The shipping lines shared the view that the private stevedoring in the Port of Tema had improved cargo handling operations at the Port. They held that private stevedoring had improved the quality of service through competition among stevedores. The shipping companies contended that damages to cargo, inadequate equipments and unskilled labour were major problems they faced in their daily operations.

The port is emerging as a major player in the regional economy. It is committed to meet the service requirement of its key markets, improve the efficiency of service delivery and reduce the total cost of port users by reducing TAT. In reducing TAT, the consortium and stevedoring companies need to work together to achieve a healthy competition and maximise efficiency at the port. A plant pool should be created from where leasing of equipment could be done at a much reduced cost. Loans should be made accessible to the stevedoring companies.
CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The port of Tema was one of the integral components of the Volta River Project alongside the Akosombo Dam and the Aluminium smelter in Tema. The port had to handle the heavy equipment for the construction of the hydro-electricity plant as well as the raw material and finished products for the smelter. Considering the heavy equipment needed for the construction of the dam, which had to be imported, there was no better means of transportation than by sea transport.

Another aim for the construction of the port was to provide an industrial port to spur Ghana’s industrial development in the township, which was carved for industrialization. New companies such as the Tema Oil Refinery, GHACEM and a host of others, which depended on imported raw material made their home in the port town to take advantage of the facilities and abundant low-cost energy.

Presently, the Tema Industrial enclave consists of over 185 manufacturing and industrial organizations and represents the most important productive sector in terms of local revenue generation and source of employment for the urban population.

The port which was completed in 1962 has a layout composed of 2 breakwaters, a water basin and two quays (No 1 and 2). All general cargo berths had transit sheds, which can accommodate about 10,000 tons of cargoes to facilitate importation and exportation of general cargo. Four big transit sheds were built for the storage of cocoa beans in the
port. Cocoa being the prominent export commodity from Ghana attracted the attention of the government and an administrative building was put up in the port for Cocoa marketing. Two dedicated berths are allocated to VALCO and the oil refinery for importing raw material and exporting their finished products. A railway line was also constructed at the Achimota junction of the Accra to Kumasi lines to connect the port.

Until 1990 stevedoring activities in the ports of Ghana were the preserve of the Ghana Cargo Handling Company (GCHC). In 1990 two private stevedoring companies, that is, Atlantic Port Services (APS) and Speedline Stevedoring Company (SSC), were licensed to operate as stevedoring companies. (Ghana Ports Handbook, 2005-2006).

Stevedoring according to Ghana Ports and Harbours Authority (GPHA) is the discharge of cargo from ships through to stacking, that is, from the time of offloading to time of packing of cargo. Discharging of cargo involves both import and export. Import cargo discharge involves discharging cargo from the vessel, quay transfer and stacking. Exports discharge involves breaking of stack, quay transfer and loading onto vessel.

In 2000, a government initiative privatised Ghana’s port operations. GPHA adopted a landlord approach in order to provide better oversight services to its customers. In the case of stevedoring activities, seven (7) additional companies were established in the port of Tema and Takoradi. Currently, there are 9 private stevedoring companies providing cargo handling activities at the ports. GPHA handles 25 per cent of all cargo at the Port of Tema. The other 75 per cent is shared by the nine private stevedoring companies as follows,

Share of Private Stevedoring at the Port of Tema
Company | Share (%)  
---|---  
Atlantic Port Services (APS) | 15  
Speedline Stevedoring Company (SSC) | 10  
Golden Gate Services (GGS) | 10  
Carl Tiedemann Stevedore (CTS) | 10  
Odart Stevedore Company (OSC) | 10  
Dashwood Stevedoring Company (DSC) | 5  
Fountain View Stevedore (FVS) | 5  
Advanced Stevedore Company (ASC) | 5  
Gemini Maritime Services (GMS) | 5  

The allocation system at the port was interrupted for about one month to enable a free for all system to be introduced in January 2004. The free for all system allowed all stevedores to market their services and handle any quantity of trade. This left the shipping lines - through their agencies - to decide which private stevedores they wanted to hire. Negotiations and agreements were therefore made directly between stevedores and shipping agents or shipping lines. This arrangement was quickly reverted to the allocation system by the government, according to an anonymous source from GPHA, for political reasons.

1.2 **Problem Statement**

The main reason for privatising stevedoring activities in the Port of Tema was to increase resources for port operations and thereby reduce Turn Around Time (TAT); that is, the time it takes between arrival and departure of a vessel from the port which is
used as a measure of efficiency at the port. However, since the introduction of private participation for more than one and a half decades, there has not been a decrease in Ship turn-round time. Rather the average turn-round time at the Port of Tema increased from 57.4 hours in 1998 to 116.8 hours in 2005 (GPHA, 2006). Thus it seems that privatisation has increased the average turn round time instead of reducing it. This research attempts to find out this turn of events.

1.3 Objectives of the Study
The main objective of this research was to find out why the TAT, which is one of the indicators of efficiency, has increased even though more private stevedoring companies are now involved in cargo handling activities at the port of Tema. Again, it was to find out whether injection of private participation into stevedoring activities has improved port operations at the port of Tema.

1.4 Justification of the Study
As the volume of cargo passing through the port increases, there would be the need to restructure port operations so as to ensure the provision of efficient services. An evaluation of the privatisation of stevedores at the Port of Tema might inform the Port Authority (GPHA) as to whether the goals of efficiency have been met. If the increase in TAT was not checked, vessels could spend many days at berth to the detriment of ships owners. This might deter other ship owners from using the port, and they could reduce cargo throughput. Again, it might dent the image and the goodwill of the port.

1.5 Scope and Limitations of the Study
Private participation in stevedoring operations is undertaken in both Tema and Takoradi ports. However the emphasis of this research is on the turn around time at Tema Port.
The study would want to find what the private sector stevedoring companies have done to bring about the turn of events and how they can help improve port efficiency. The agencies which constitute the major players in stevedoring activities at the Port of Tema formed the core of the study. All other terminal operators and regulatory institutions such as Tema Container Terminal, MEARSK container terminal and Shippers Council were excluded because of time constraints.

1.6 Methodology of the Study

The target population was 70 and this comprised the stevedore manager of GPHA, operation managers of shipping companies and agents as well as operation managers of stevedoring companies. There were about 60 shipping companies and 9 private stevedoring companies operating at the Port of Tema.

Out of about 60 shipping companies and agents, forty-eight (48) managers were selected and administered with the questionnaire. This was because they carried the bulk of the trade at the port. Seven (7) managers out of the 9 stevedoring companies were also administered with questionnaires as the 7 were the only ones prepared to participate in the research.

The purposive sampling was used in choosing the respondents from among the shipping and stevedoring companies. An interview was conducted with a list of questions with the Stevedoring Manager of GPHA. The total sample was 55 respondents.

1.7 Data Analysis

This study employed quantitative techniques to analyse the data collected through the questionnaire. Frequency distributions were used to describe the data and to show
relationships between the views and opinions of respondents. The interview data supplemented data generated with the questionnaire.

1.8 **Structure of the Research**

The study is organised into four chapters.

1. Chapter One introduces the research problem and objective. It also describes the study area and highlights the methods used to collect data from respondents in the field.

2. Chapter Two reviews literature on privatisation of port operations.

3. Chapter Three presents the findings of the study

4. Chapter Four draws conclusions and makes some recommendations.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction:
Ports have progressively become world players especially in International trade. They are essentially a point where goods are transferred from one mode of transport to another. Hence Ports are logistics platform for trade. In view of the enormous advantages of economies of scale in maritime transportation, ports have become natural gateways through which consumers and industrial goods pass, thereby playing a vital role in the organization of international transport network. It is against this background that the need for a modern port facility in the eastern part of the country was conceived. This was because the port of Takoradi was not capable of handling more than a million tons of cargo. Even with improvement in facilities it was getting small to handles the increased trade in the country (GIPSH, 1991). In addition many of the structures were designed to handle export commodities. This among other reasons contributed to the construction of another port at Tema.

2.2 Creation of GPHA
The Ghana Ports and Harbours Authority (GPHA) was established as a statutory corporation in June 1986 under PNDC law 160. The GPHA became the legal successor of the Ghana Cargo Handling Company (GCHC) Takoradi lighterage Company (TLC) and Ghana Port Authority (GPA). Before the merger, to form GPHA GPA was the landlord of the two seaports (Takoradi and Tema) with Ghana Cargo Handling
Company and Takoradi Lighterage Company as tenants. By implication, it meant that GPHA came to own the land, infrastructure and the super structure s of the two ports in Ghana. The Takoradi lighterage company operated only in Takoradi whereas GCHC operated in both ports. GCHC was a stevedoring company which competed with two other private stevedoring companies namely, Atlantic Port Services (APS) and Speed Line Stevedore Limited. GPA owned and maintained port facilities by ensuring the safety and security of vessels as well as consignment of goods. The statutory functions of the GPHA as outlined by PNDC law 160, part three sub-section 5(1), entitled the authority to plan, build, develop, maintain, operate and control ports in Ghana and to carry out the following activities.

1. Provide the ports with facilities that are necessary for the efficient and proper control of the port.
2. Maintain the facilities and extend such facilities as it shall deem fit.
3. Regulate the use of any port and port facilities
4. Maintain and deepen as necessary the approaches to the navigable waters within and outside the limits and also maintain light houses, beacons and other navigable service and aids.
5. Carry on all the business of stevedoring, master porterage and lighterage services.
6. Provide and maintain pilotage services and generally discharge any other functions which are necessary for the provision of adequate port services.
At present, GPHA owns and operates the two commercial ports in Ghana-Tema and Takoradi ports constructed in 1961 and 1928 respectively. These two ports have the capacity to handle over 85% of the country’s import and export trade. In addition to operating these two commercial ports, the authority has the responsibility for the smaller facilities such as the Tema and Sekondi fishing harbours.

Before the formation of the authority, facilities in the ports of Tema and Takoradi saw little or no improvement. This led to serious decay. The harbour basin was infested with wrecks of sunken vessels posing danger to safe navigation. The transit sheds leaked profusely. The quay aprons and internal route developed cracks and potholes; cargo-handling equipments were in deplorable state and short in supply. The lighting system was very bad making night work almost impossible and security ineffective.

The Ghana port rehabilitation project succeeded in stemming the decline and deterioration experienced by the ports and restored their capacity to effectively cope with the upward trend of traffic increases. About 80% of the total open storage was made available for the container traffic in the port. Many more hydrants were installed at the berths to facilitate adequate supply of fresh water to vessels that request at the berths. Bunkering services became available and were affected by five major companies namely Ghana Oil Company Limited (GOIL), ELF, Shell, Mobil and TOTAL. For this purpose, a total storage capacity of about 2.4million tonnes was provided in the Port of Tema to assist the companies. Export Processing Zone (EPZ), industries and warehouses located outside the security fence of the Tema port. According to the Port Authority, the many facilities put in place better services rendered, new incentives for trade offered by government, shippers and ship owners were yielding substantial
benefits for the Tema Port. The government driven Gateway project also positioned the Port of Tema as an ideal base for international trade in the region.

The Port of Tema covers 166m hectares of water area enclosed by two break waters. There are two quays housing 12 multipurpose berths. Quay 1 houses berth 6 to 12 while quay 2 houses berth 1 to 5. These berths operated as common-user berths and a wide range of cargo, including dry bulks, steel products, bagged cargo, newsprint, vehicles and other types of general project cargo and containers are handled at the berths. There is a terminal for handling crude oil and other liquid petroleum products. The oil terminal is operated by Tema Oil Refinery. About 40 per cent of the traffic of the port is handled at the oil terminal. The oil berth can accommodate tankers of up to 244 meters in length with a maximum draught of 9.7 meters.

There is also one private berth owned by Valco. This terminal, immediately north of the oil berth, is equipped with two unloaders and a conveyor system for handling bulk alumina for the aluminium smelter. The final products, the aluminium ingots, are also shipped from this berth. The Valco terminal handles about eight percent of the port's total cargo traffic. Vessels up to 198 metres in length with a maximum draught of 9.7 metres can be accommodated at the port. [Ghana Ports handbook 2002-2003, pg 16]

There are two large modern cargo scanners at the western gate. These drive-through scanners are not far away from the container terminal and the first and second scanners use x-rays and gamma rays respectively from a fixed source to scan the contents of the containers. Both scanners can scan about 20 containers an hour and up to 200 containers per working day. These high tech facilities offer quick and simple scanning of cargoes, trucks with paperwork and documents being examined and cleared at a single location.
Due to the limited space within the port for handling and storing containers, there are private Inland Container Depots put up by the private sector to speed up cargo handling and clearance of containers. Some of these off-dock container terminals are Tema Container Terminal (TCT), Atlas Dry Port, Maersk Container Terminal and African Coastal Services.

There is a Marine dock and workshop at the east of berth 12 for GPHA crafts and naval vessels. The original plan of Tema Port placed the Marine dock at berth 3, but with the extension of quay 2, berth 3 had to be demolished because the quay extended to the turning basin; hence the need to relocate the Marine dock.

Services: The port of Tema offers some services such as bunkers and refuelling of all marine craft. The port has a reception facility for the discharging of crude oil sludge as well as fresh water which goes through available pipes to all the berths. The port also has a cesspit emptier which collects effluence from vessels.

Pilotage is compulsory for all vessels over 100nrt arriving, leaving or shifting berth. It is available 24 hours a day and VHF Channels 14 and 16 can be used to contact the signals station to arrange pilotage. Towage is compulsory within the harbour and all tugs are fitted with pumps and monitors for fire-fighting.

There is a 24-hour watch of VHF Channels 14 and 16 and any other convenient channel. This signal station can reach station vessels 140km away and during harmattan it goes up to vessels 400km away from the port. The port is also linked with the Global Maritime Distress and Safety System (GMDSS).
2.3 Rehabilitation Project at Tema Port

Globalization, deregulation, logistics integration and containerization have reshaped the port and shipping industry. Ports are challenged to redefine their functional role in the value chain for the sake of creating customer value and of ensuring the survival and growth of companies in the port community. These are evolving rapidly from being traditional land/sea interfaces to providers of complete logistics networks. This means that ports have had to face many challenges due to unpredictable environmental changes and trends in the shipping, port and logistics industries as mentioned above. Therefore most ports in the world have paid (or should pay) attention to challenges and emerging issues, such as:

1. globalization of manufacturing and outsourcing,
2. global trends of logistics network, restructuring and reposition of regional and/or local distribution centre,
3. rapid growth in volume of world sea borne freight, especially container,
4. emerging hub and spoke system in global shipping service,
5. increase of transhipment cargo and competition among ports and terminal operators,
6. introduction of the super mega size containership,
7. increasing competition towards hub ports,
8. emerging global terminal operators and their growing market share,
9. one stop shopping concept and intermodal transport strategically linking ocean, railway, road and inland waterway,
10. increasing role of ports in global supply chain management and logistics network structures,

11. increase of productivity and efficiency in ports, and

12. high cost and constraints for developing port facilities.

To cope with these challenges and emerging issues, ports across the world have been trying to develop their physical infrastructures, especially container terminals and related facilities, and to expand their port hinterland through introducing free trade zones with the hope of developing hub ports and international logistics centres. In addition, many ports have been carrying out port reforms such as port governance, restructuring and deregulations and private and public partnerships.

The port of Tema has been active and responsive to these challenges by undertaking many changes (innovations, reconstruction and demolitions). As business entities coupled with the competition among ports today, it would be left behind in the forward march of modernization if its activities and facilities did not follow the growing trend of trade. A major change that has taken place in the recent past was the rehabilitation project that started in 1983. The then government, PNDC, launched the Economic Recovery Programme (ERP) which aimed at revitalizing the ailing Ghanaian economy. In support of ERP, the port rehabilitation programme was initiated to equip the port sufficiently to cope with expected increases in exports and imports.

The first phase of the project was the institution of GPHA in 1986 as a merger of the then Ghana Port Authority (GPA), Ghana Cargo Handling Company Limited (GCHC) and Takoradi Lighterage Company Limited (TLC) All the shares, debentures, securities and other assets of these companies transferred to the new authority. The GPHA was
made a one body corporate responsible for the operation, management and administration of the ports and particularly provide necessary facilities for efficient running of the port.

Phase two of the rehabilitation programme was the commissioning of Messrs Sir William Halcrow and Partners under the project preparation facility of IDA to

- Assess condition of existing port facilities.
- Forecast future export and import and foreseen pattern of shipping up to 1995.
- Analyze alternative for rehabilitation and improvement and prepare a recommendation plan.
- Carry out engineering, economy and financial analysis for improvement.
- Prepare detailed engineering design and tender document for the proposed facilities and plant.

This resulted in the

- repair and rehabilitation of existing infrastructure and facilities
- removal of sunken vessels and other wrecks
- provision for container and roll-on/roll-off facilities at Tema port
- repair of salvageable equipment
- provision of cargo handling equipment, communication and office equipment as well as floating crafts.
- institutional strengthening, consisting of
  1. training programmes for port managers, staff and skilled workers
  2. technical assistance for strengthening management in the organisation of GPHA
3. support for project supervision

It is known that port construction is capital intensive thus port financing funds involved large amounts. Considering the financial situation of Ghana during the 1980’s there was the need to obtain external funding of about 106.6 US million dollars for the reconstruction and rehabilitation works. (GPHA1991). Donor support, amounts donated and the reconstruction work done are summarised:

<table>
<thead>
<tr>
<th>Donors</th>
<th>Total Amount (million $)</th>
<th>Reconstruction work</th>
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<tbody>
<tr>
<td>IDA (an affiliate of World Bank Loan)</td>
<td>24.50</td>
<td>Technical assistance to purchase equipment, craft, wreck removal, project supervision and civil works</td>
</tr>
<tr>
<td>OECF (Japan) Loan</td>
<td>40.00</td>
<td>Procurement of equipment and floating craft</td>
</tr>
<tr>
<td>Saudi Fund Loan</td>
<td>13.15</td>
<td>Civil works in Tema</td>
</tr>
<tr>
<td>European Economic Committee</td>
<td>8.63</td>
<td></td>
</tr>
<tr>
<td>GPHA</td>
<td>3.31</td>
<td>Local cost for various components</td>
</tr>
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</table>

In addition, the Government of Ghana (GoG) provided seed money of 17.01 US dollars as a loan to GPHA. The initial phase of port rehabilitation project was completed and commissioned in 1991. It resulted in total restructuring of the Port of Tema to an appreciable standard and significantly improved productivity of ship handling operations such as saving ship time, reduction in damages to cargo, reduced cargo
handling charges satisfactory to shippers, and increment in vessel and cargo traffic. The government also exempted transit goods from duties which led to an increase in transit goods. As a result of these changes, the Tema port became classified among the most efficient ports in the West African sub region and was expected to yield an internal economic rate of return of 27%.

According to Alderton (2005, pg 3), ports should be considered as one of the most vital aspects of a national transport infrastructure. For most trading nations they are,

- The main transport link with their trading partners and thus a focal point for motorways and railway systems.

- A major economic multiplier for the nation’s prosperity because a port is not only a gateway for trade but most ports attract commercial infrastructure in the form of banks, agencies as well as industrial activities.

Several agents offer multiple services to ships, passengers, crew, and cargo at the port and its environment. Services provided by these agents are made up of all activities that link users of port from the time a vessel arrives till it ends its operations. (DeRus, et al 1994). These services relate to berthing, pilotage, handling of cargo administrative and ancillary services.

**Berthing:** A berth is the specific place where the ship is to load and or discharge. Pilotage, towing and mooring are the first group of services related to berthing. These services are provided by the port authorities and need to be paid for and maintained.

**Pilotage:** Most ports require ships over certain size to employ an official pilot when entering, leaving or moving within the port. The use of a pilot who is abreast with the port is to avoid accidents.
**Towing:** This is the process by which a small power-driven vessel called TUG is used to help large vessels to manoeuvre in and out of locks and on and off their berths.

**Mooring:** This is the process of securing the vessel by tightening it to the bollard on the quay wall.

**Cargo Handling:** It is one of the several significant services provided to ships that come with cargo without cargo handling gears. It is made up of every activity related to the carriage or movement of cargo from and or to ships and across port facilities. Basically, there are two types: stevedoring and shore handling. Stevedoring is the loading and discharging of a ship's cargo. Shore handling is the movement of goods from shore storage to the vessel. Cargo handling process depends on the type of cargo. This is because the equipment needed to work with can be specially designed in order for it to be cost effective. This has led to the construction of specialized berths and terminals where operations are concentrated on a specialized type of cargo. Cargo handling charges are high and constitute over 60% of the cost depending on the type of cargo. In the light of this, it is one of the services that is closely monitored by port authorities to ensure efficient port operations.

**Administrative:** It is the responsibility of the port authorities (GPHA) to provide the following administrative functions,

- Control of vehicles entering and leaving the port
- Environmental control measures
- Safety and security within the port area
- Immigration, health, customs and commercial documentary control.
Ancillary: Various agents and firms that work in the port areas perform functions that may include supplies to ships (bunkers and fresh water), services to the crew members such as medical care and others like clearing, garbage collection and repairs to ships that call at the port. Port services are provided either by a combination of private and public initiatives, solely by public initiatives, or by private initiatives. The degree of participation in providing port services may differ with the type of port model used by the authorities. A number of factors influence the way these services are organised, structured and managed. This may include the socio-economic structure of a country such as market economy, open borders, historical developments like a former colonial structure, location of the port for example within an urban area, or in isolated regions and types of cargo handled for example liquid and dry bulk, containers.

Four main categories of ports have emerged overtime. They are service ports, tool port, landlord port and fully privatised ports.

1. Service Ports have predominantly public character. They focus on the realisation of public interest. Many ports in developing countries like Ghana are still managed according to this model. Under it the port authority offers the complete range of services required for the functioning of the seaport system. The port owns, maintains and operates every available asset including cargo handling activities which might be executed by labour employed by the port authority. The main functions of a service port are cargo-handling activities.

2. Tool Port is where the port Authority owns, develops and maintains the port infrastructure as well as its superstructure, including cargo-handling equipment, quay cranes, forklift, and trucks. Port authority staffs usually operate all port authority owned
equipment. Other cargo handlings on board vessels as well as on the apron and on the quay are usually carried out by private cargo-handling firms contracted by the shipping agents or other agents licensed by the port. Under a tool port model, the Port Authority makes land and superstructure available to cargo-handling companies. ‘Autonomous Ports’ in France is an example of a container terminal managed and operated as a tool port. In the past, these companies tended to be small with few capital assets. Their costs of under-utilisation of port facilities were usually absorbed by the Port Authority which minimised risks for the cargo handling companies.

3. The Landlord Port is characterized by its mixed public-private orientation. Under this model, the port authority acts as regulatory body and as landlord, while port operations (especially cargo-handling) are carried out by private companies. Today the landlord port is the dominant port model in larger and medium sized ports. In the landlord port model, infrastructure is leased to private operating companies and or to industries such as refineries, tank terminals and chemical plants. The lease to be paid to Port Authority is usually a fixed sum per square meter per year, typically indexed to some measure of inflation. The level of the lease amount is related to the initial preparation and construction cost like land reclamation and quay wall construction. The private port operators provide and maintain their own superstructure including buildings (offices, sheds, and freight stations.), purchasing and installing their own equipment such as quay cranes, transtainers and conveyor belts on the terminal grounds as required by their business. In Landlord ports, dock labour is employed by private terminal operators, although some ports may have dock labour through a port-wide labour pool system.
4. Fully privatised ports take the form of a private service port and are few in number. They are found mainly in New Zealand and United Kingdom. The fully privatised ports are operational in few selected countries, e.g. UK. [Port Reform Tool Kit, (module 3), 2004]. This kind of port service is seen by many as an extreme form of port reform. It however suggests that the state or country no longer has any meaningful involvement or public policy interest in the port sector. Again port land is privately owned, contrary to the situation in other port management. Additionally, some governments may simultaneously transfer the regulatory functions to private successor companies. In the absence of a port regulator in the UK, for example, privatised ports are essentially self-regulating. The risk in this type of arrangement is that port land can be sold or re-sold for non-port activities, thereby making it impossible to reclaim for its original maritime use.

2.4 Regulatory Measures of Ports

Traditionally, ports in many countries encounter serious problems like bureaucracy. Besides, as a result of the changing and emerging competitive trend in the port industry, there is the need for the role of the various public institutions to be reviewed due to the above mentioned facts. Four strategies have been used world wide to help solve various port problems, namely, commercialisation, liberalisation, privatisation and modernisation. [Hochstein, 1997]

1. Commercialisation is the introduction of commercial principles and practices into the management to enable it operate under market conditions. Essentially, commercialisation aims at creating an environment in which the port Authority runs on a commercial basis. It is characterised by decentralisation of the decision making
process and relaxation of the hierarchy of the port management in the exercise of much of its control over budgeting, procurement and purchasing, maintenance strategies and programming, salary scales and employment conditions of labour and staff, hiring and firing, setting objectives and performance target and formulation of strategies.

[Hochstein, 1997]

2. Liberalisation sets the stage for a private organisation to carry out certain port activities previously reserved for the public sector. With this reform, the private sector is authorised to provide selected port services to users in a competitive manner with the intent of increasing efficiency and improving port-client responsiveness.

3. Privatisation is the sale of public assets to private agents or bodies in order to eliminate subsidies improve efficiency and make users pay the full cost of services. It covers many different concepts and embraces a large variety of practices. According to Sydney Cass [1998:129], privatisation means the transfer of government or state services to the private sector. It is the opposite of nationalism. Because of different faces of privatisation, a common definition is needed in order to be able to incorporate the specific characteristics of port asset and services in the majority of the 'privatisation schemes' proposed in the port industry in the past, present and future (UNCTAD, 1998).

As a policy to boost efficiency and growth, privatisation has gained more ground in Africa with the commitment by governments to implement wide ranging reforms (Otabil, 2002:9). High costs, poor services, low efficiency and low productivity in port operations are often seen as the cause of poor port operations. Indeed when there are
problems in the port, the infrastructure and the cargo handling equipment are often the first to be considered at fault. But these are symptoms rather than causes of the problem. Port authorities choose a particular form of privatisation depending on the port size, type of services provided and initial condition of the port (World Bank, Estache et al 2001:16). These may include;

1. Full privatisation. It implies that the entire ownership of the facility or the provision of services is exclusively in private hands. In a situation like this, ownership of specific terminal storage facility or boat service may be completely transferred to a private company.

2. Build-operate and transfer [BOT]. Here the private sector takes responsibility to finance, build and modernise a specific facility and operates it for a period of time. It is worth noting that at the end of the concession, the assets are refunded to the state. The private sector assumes the commercial risk of the facility earning revenue on the investment made. The period is normally long (25-30 years) to enable the private sector recoup the cost of investment. [William, 2004, p.20]

3. Build – operate-own (BOO): It is the transfer of part of the seaport to private operators for development. This form of privatisation is used for the acquisition of short term capital.

4. Joint ventures: The purpose of joint ventureship is setting up of two or more legal entities with the view of collaborating in the enterprise and sharing the risk and benefits. This requires a clear definition of purpose and the resource which
each participant is providing. It is the means of creating collaboration between 
the port authorities and private firms.

5. Leasing is when port assets are rented to private operators for a fixed period of 
time to obtain income from the contract fees. Contrary to concession contracts, 
firms that lease are usually not required to make investment; Port facilities like 
storage building and cranes are frequently leased to operators.

6. Licensing is when private operators are allowed to use the port authority’s 
equipments to provide services for which the required equipment is relatively 
simple. These assets and equipment are made available for a specific fee. 
Stevedoring companies, pilots, tugs operators and consignees can work under 
this type of agreement. Port authorities, therefore, examine the aims and 
objectives of the port and constraint in order to determine which privatisation 
option to choose. It is important to note, however, that the type of service may 
determine the degree of private participation.

7. Modernisation is aimed at introducing change in order to improve upon the work 
rates of the institutions that are in charge of the seaports. In addition the 
marketing and commercial strategies must be reviewed regularly

2.4 Benefits and Beneficiaries

A number of agencies and individuals benefit from the services provided by the port. 
These agencies and their benefits are described below.

Port Users is when Customers benefit from the availability of customer oriented quality 
services as a result of faster and more effective response to users requirement.
Port Authority benefits by defining its corporate priority objectives. It also deals with public sector constraints with regard to funding. Furthermore, there is greater transparency of cost and increased ability to define precise financial target.

National Government. When financial and administrative time burden on government is reduced because of private sector participation in port services. Governments, again, gain tax revenue from private operators who provide the various port services.

2.5 Privatisation of Stevedoring

This is the process by which the loading and off loading of a ships cargo is given to a private company to undertake. Stevedore is the individual or firm that employs long shore men to load and unload vessels. This may include export, imports and transportation of cargo from and into the ship. With export cargo the stevedoring carries the cargo from a shed or the storage place on the quay to the shipside, loading it onboard the ship and finally stowing it. The work of the stevedore also includes lashing of cargo and handling dunnage. In handling import cargo the stevedores’ pick up cargo on board unload it onto the quay and finally to a storage place or shed. (IMO, 1991).

Traditionally, port authorities carry out stevedoring work. However, in the last decade, private participation in the provision of stevedoring services has been encouraged because of the huge capital needed for equipment, manpower and to provide effective and efficient service. Companies carrying out stevedoring services have the responsibility to provide personnel, supervision and equipment.

Furthermore the cost of loading and unloading cargo from the ship is the responsibility of both the cargo owners and the ship owners. It is important to note however that this
practice varies from one port to another and payment is in accordance with a contract which is established between the stevedore and the ship owner.

2.6 Limitations Of Privatisation

Previous studies have looked at various port privatisation schemes and their impact on port performance. Although these studies have been very extensive, they have not looked at privatisation of stevedoring operations from ship to stack. Stevedoring operations at the Port of Tema cover the entire chain of operations. This is all important since privatisation is a recent phenomenon.

There are no documented materials on the activities of private stevedoring companies in Ghana. Also, stakeholders and target audience were unwilling to give out information. The few people who have given out some information do not want to be associated with or acknowledged in the research.
CHAPTER THREE
DATA ANALYSIS AND INTERPRETATIONS OF FINDINGS

3.1 Introduction

The main objective of this research was to find out why the TAT has increased even though more private stevedoring companies were involved in cargo handling activities at the port of Tema than before. Quantitative techniques were used to analyse the data collected through the questionnaire. Tables are used to describe the views and opinions of respondents.

3.2 Background of respondents

The views and opinions discussed in this section were obtained from employees of 7 private stevedoring companies and 48 shipping companies and agents operating in the Port of Tema. Out of the 47 senior members of the stevedoring companies;

- Five (5) were operation managers
- One (1) was operations analyst
- One (1) was an assistant operations officer.

Out of the 48 senior members of the shipping companies and agents,

- Forty (40) were operations managers in their various companies
- Five (5) were assistant operations managers
- Three (3) were operations analysts

All 55 employees were males and held positions in the operations department of their respective organizations. The operations department of shipping companies and agents were in charge of planning the resources (labour, cargo and port services) required by vessels calling at the port for which the company was responsible. For the stevedoring
companies, the department was responsible for scheduling and controlling labour and equipment for cargo handling activities in the port. All the 55 were interviewed with the questionnaire.

The number of years each of the shipping companies has been operating at the port of Tema since its inception in the 1960's is as follows:

- Delmas shipping 1990-2006
- Mitsui OK lines 1990-2006
- Grimaldi 1990-2006
- Maritime 1975-2006
- Hull Blyth 1960-2006
- Antrak 1960-2006
- Others (Scanship, Supermaritime, Map-shipping, etc) 1990-2006

The period 1960-1990 represents the time from the inception of the Port of Tema to the beginning of privatization; that is, transfer of government or state services to the private sector of stevedoring in the Port. The period 1990-2006 represents the period when privatization had been practised. About 75 per cent of the shipping lines were established after the privatization of stevedoring in the Port of Tema. Only 25 per cent of them were set up before the involvement of private stevedoring companies in the operations of the port. Majority of the shipping lines (84%) handled either geared cargo handling systems (42%) operated by stevedores or geared vessels (42%) operated by crew. Only 16 per cent of the shipping lines handled gearless vessels. (Table 3.1)
A geared vessel is a vessel which has its own cargo handling equipments on board. Gearless vessels are those that have no cargo handling equipment on board. Each shipping line or company operated more than one type of vessel or ship. This explains why the row total of the Table 4.1 did not sum up to the number of shipping lines (48).

3.3 Operational problems of stevedores and shipping agents

As indicated, GPHA was the only company handling cargo at the port before privatisation. The research found out that the private stevedores have helped improve operations at the port of Tema.

- The stevedores said that, even though, the average turn round time has increased, bigger vessels berth at the port with lots of cargo, thus, the equipments acquired by them have helped to meet the increasing demand for the handling of cargo at the Port of Tema. They said that such a level of investment in cargo handling equipment would never have been met by GPHA alone.

- The stevedores also said their establishment had helped them have a well structured organisation and competence in cargo handling at the port. Hence the
quality of the service provided has improved, and everybody was striving to be the best.

- They had also provided job opportunities for many Ghanaians. Thus more people were employed to help in their daily activities to handle the increased cargo at the port. For example, crane operators with their cranes outside the port like SKARM, MOBICRANE and SKY LIMIT are now employed to help whenever there are more jobs to be done.

- However, the stevedores contended that financially they were handicapped. This was due to the fact that they were unable to access loans to buy enough equipment to use at the ports. Also, some stevedores and shipping lines preferred to hire equipments than to invest in purchasing them for personal use to maximise profit.

- Again, they felt that there were many unskilled labours at the market. The time required to train such manpower was long, hence their resort to unskilled labour which sometimes affected their operational output.

- They felt that the royalties and taxes paid were too high. This made it difficult for them to break even. They thought that there were too many companies sharing the cargo throughput in the port.

- The stevedores also contended that the quota system was not fair, as some stevedores were assigned larger quotas than others. The issue of some indigenous companies merging to operate at the new container terminal also posed threat to the operations of those stevedores who did not have the chance. This was likely to reduce their active participation at the port.
The operational problems faced by stevedores and shipping companies are presented in Table 3.2

Table 3.2 Operational problems faced by Stevedores and shipping companies

<table>
<thead>
<tr>
<th></th>
<th>Frequency (%)</th>
<th></th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stevedores</td>
<td></td>
<td>Shipping lines</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>7 (47%)</td>
<td>Equipment</td>
<td>30 (75%)</td>
</tr>
<tr>
<td>Royalty and taxes</td>
<td>3 (20%)</td>
<td>Labour</td>
<td>5 (12.5%)</td>
</tr>
<tr>
<td>Equipment</td>
<td>3 (20%)</td>
<td>Damages</td>
<td>5 (12.5%)</td>
</tr>
<tr>
<td>Labour</td>
<td>2 (13%)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>15 (100%)</td>
<td>Total</td>
<td>40 (100%)</td>
</tr>
</tbody>
</table>

Source: Respondent from questionnaires and interviews

The 7 stevedore were allowed to give more than one answer. This explains why the total row of the Table exceeds the total number of stevedores interviewed.

- Out of the 15 stevedore responses, finance appeared to be the most frequent (47%) problem the stevedores encountered in their daily operations.
- Equipment and Royalty/taxes came second in importance. Specifically, the stevedores reported high royalty payment levels. They claimed that they paid about 25 per cent of their gross revenue as royalty to GPHA.
- Labour appeared to be a less frequent problem occurring only 13 per cent of the time.

Of the 48 managers selected, 8 were given questionnaires and 40 interviewed. (Table 3.2) Those who were interviewed contended that they encountered more than one type of operational problem in their daily operations.
• Equipment appeared to be the most frequent problem between stevedores and shipping lines, occurring about 75 per cent of the time.

• Labour and damages to cargo and shipboard equipment came second in importance, occurring about 12.5 per cent of the time respectively.

The shipping lines and agents equally shared the view that the involvement of private stevedoring in the Port of Tema has improved the cargo handling at the Port.

• Eighty percent (80%) held that private stevedoring had improved the quality of service through a healthy competition among themselves.

• The shipping lines also contended that the amount of cargo handled at the port had increased with the introduction of private stevedoring. For example, after privatisation, estimate put cargo coming in and going out of Tema and Takoradi port in 2006 at an all time high of 13.4 million tones up from 4.9 million tones recorded a decade earlier. [GPHA website, P A 19/10/07]

• Again, they contended that private stevedores had helped solve some of the operational problems like delays of discharging cargo at the port.

The shipping lines and agents also encountered problems in their operations with the private stevedoring companies.

• For example GETMA Ghana Ltd contended that the equipments were inadequate at the ports thus it slowed the pace of their work. They sometimes had to hire the equipments from other companies outside the port. This created a lot of problems, such as additional operational costs and labour.

• Map shipping Ltd said that equipment often caused delays in working vessels due to the inexperience of some private stevedores.
They also reported frequent breakdown of the equipment used by private stevedores. Again, damages often occur because of the unskilled labour used at the port. The unskilled labourers in the field could not handle equipment satisfactorily leading to damages to some equipments and cargo.

3.4 Improving efficiency of privatisation in the Port of Tema

All the 7 stevedores advocated for the continuation of the port privatization policy. They contended however, that the current policy on privatization was good but its implementation had been the problem. This is because major container terminal operation had been allocated to non-indigenous investors. They felt that they had been sidelined by the privatization policy. They suggested that:

- The policy should be implemented in a more transparent manner where all the participating companies would be involved in the policy making.
- They recommended that private stevedores invest more in equipment rather than in leasing.
- They requested that the quota allocated for cargo handling should be equal among the stevedores.
- Alternatively they proposed that there should be a return to the ‘free for all’ system.
- The stevedores said that only indigenous companies be licensed to operate.

More than 60% of the shipping lines and agents advocated for the privatization policy to be sustained. This would give shipping lines the choice of which stevedore worked their vessels. They contended that it would introduce healthy competition between stevedores and increase demand for other services of shipping lines. However, about 33 per cent
of the shipping lines did not deem it necessary for the policy to be sustained. They contended that the policy would make GPHA lose revenue and most of the staff would lose their jobs. The private stevedores suggested a number of ways in which their operational problems could be addressed.

- They proposed that the royalty paid to GPHA be reduced.
- They suggested that financial institutions assist them with soft loans.
- They thought that they would be financially better off if vessel allocation were done on a fair basis.
- They further proposed that shipping lines pre-finance their stevedoring operations by at least 50 per cent down payment.
- Again, the private stevedores felt that licensing fees ought to be paid on a pro-rata basis, that is, according to each stevedore's share in the quota system. Even though some stevedores had purchased equipments; they thought that leasing equipment outside the port could increase the supply of terminal equipment. They also proposed more education and training of dock labour on the use of equipment.

The shipping lines and agents also made proposals for solving the operational problems they faced in their operations with private stevedores.

- They thought that the acquisition of more equipment and regular maintenance would improve stevedoring work.
- It would also encourage the shipping lines to route vessels with more capacity to the port.
They further encouraged leasing of terminal equipment within and outside the port.

They further suggested the training of dock labour on the use of terminal equipment.

3.5 Contribution of privatisation

All the 55 respondents held the view that privatization of stevedoring had improved the situation at the Port of Tema. It meant that the private stevedores made some contributions to efficiency at the Port. Moreover, they said there was enough evidence to support the claim and opinion of stevedores and shipping lines about the continuation of the privatization. Forty-two (72%) of shipping line and agent respondents advocated for the continuation of the privatisation policy, whilst only 16 (28%) of them were against the continuation of the policy. Also all the 7 stevedoring companies were in favour of the continuation of the privatisation policy.

3.6 The views from interviews held with the respondents from GPHA and Others

With regard to the interviews held with one of the heads of operations department of GPHA, he said that:

- Privatisation of port operations had become a world wide practice.

- There was the need for GPHA to follow the trend in order to keep up with the competition in the maritime transport business.

- Privatisation had also become part of government policy in making the port of Tema competitive.
On the question of why GPHA opted for privatisation of stevedores, he said that as cargo increased with the advent of containerisation, government alone could not provide the necessary equipments for the handling of cargo that came to the port. This brought about the need to privatise the stevedoring at the port of Tema. It was hoped that it would bring in efficient handling of cargo. This view confirmed the response given by respondents from both the shipping lines and private stevedore companies. Though he said much is still needed to be done in the provision of facilities to beef up the current increase in cargo.

In an interview with seven (7) operations managers of some of the private stevedoring companies, they all attested to the fact that their involvement in the handling of cargo had increased in the throughput overall. This they said was as a result of the capital outlay invested into the systems, though they accepted that the handling equipments were still not enough.

On the issue of labour, they contended that most of the dock workers supplied by the Ghana Dock Labour company were not properly trained and inexperienced, thus, working with them sometimes could be very dangerous.

Interview with 40 shipping line managers also yielded the following:

- Most of the stevedoring companies were not financially sound to pre-finance their operations.
- They complained about the inadequacy of equipment and frequent break downs. This they said hindered smooth operation.
- The most difficult aspect was when they had to wait for stevedores to hire equipment before work could go on.
Although these problems existed they still claimed it was a better option than when everything was handled by GPHA.

About 72% of the shipping line respondents advocated for the privatisation policy to be sustained as it would lead to a healthy competition. They contended that, with the privatisation policy the stevedores would go in for the equipment having in mind the shipping lines would come for the stevedores that had the required handling equipment.
CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1 Introduction

This chapter provides a summary of the major findings in the study and gives a vivid conclusion of them. It further provides some recommendations on how the Private Stevedoring Companies and GPHA can effectively work to ensure efficiency at the Port of Tema. Efficiency is defined as the time it takes between the arrival of a vessel and its departure from ports. (Turn around time)

4.2 Summary

The ports of Tema and Takoradi are the two main providers of maritime transport services in Ghana. It is the vision of GPHA to have the two ports become a maritime hub and the main port service centre in West Africa. Its mission statement is to provide efficient port facilities and services to its customers.

Tema is the larger of the two and has more modern facilities than that of Takoradi. Thus the bulk of trade, 90%, passes through this port with the remaining 10% through Takoradi harbour. Stevedoring in Ghana’s ports was for a long time the preserve of Ghana Cargo Handling Company, but was later joined by Atlantic Port Services and Speedline Stevedoring Company. Currently GPHA handles 25% of all cargo at the Port of Tema whilst the rest is taken over by the private companies.

The main reason for privatising stevedoring activities in the Port of Tema was to increase resources for port operations and thereby reduce turn around time. There has been little improvement in ship turn round time even after the privatisation of stevedore
activities at the port. Thus this research was to find out why the TAT has increased even though the more private stevedoring companies are now involved in cargo handling activities at the port of Tema. Again it was to find out whether the injection of private participation into stevedoring activities had improved port operations at the port of Tema.

Even though privatisation of stevedoring companies is done in both Tema and Takoradi ports this research was limited to the Tema Ports. Its aim is to find out whether the injection of private capital into stevedoring activities will increase efficiency at the ports. As such views and opinions were obtained from shipping lines, private stevedoring companies and GPHA excluding the minor playing bodies like Ghana Dock Labour Company because of time constrains.

The target population were GPHA personnel, operation managers of shipping lines and operation managers of stevedoring companies. The views and opinions were obtained from one GPHA personnel, seven private stevedoring companies and 48 shipping lines in the port of Tema. The respondents held positions in the operations department in their respective companies.

After compilation of the results from the respondents it was realised that only 13% of stevedores have worked for more than 30 years with the rest below 30 years. This is an indication that the companies are fairly young. 75% of the shipping lines were established when privatisation of port operations were introduced with most of them operating more than one type of vessel probably to maximise profit.

Again the respondents stated that the private stevedoring company's presence at the port has greatly enhanced efficiency. They contend that even though the average turn round
time has increased, the cargo handling mode at the port has now improved, thus, more and bigger vessels call at the port. In addition to this the fleet of equipment used by most of the companies has also helped improve efficiency at the port as GPHA alone could not have provided the much needed equipment to handle the increased throughput at the port. Furthermore healthy competition has also been established at the port to help each other put up his best in operation at the same time maximising profit.

However, there were a number of problems highlighted by the respondents. The most prominent one was with financing of their activities. Inadequate equipments and royalty/taxes seem to be the next problem worrying the private stevedoring companies. They specifically stated that the royalties paid to GPHA is too high and it seems to drain them financially, whilst labour was not much of a problem as they are abundant on the labour market, even though they were not skilled labour. Apart from the major problems identified, they also stated that there were too many of them chasing the cargo at the port hence the reduction of revenue to the companies. Some of the companies did not invest in equipment and this helps them reduce operational cost as they hire from their colleagues at a fee.

Further more the quota system at the port was not fair according to the respondents. Some stevedores were assigned larger quotas than others and this was a source of worry to them, whilst the merging of some indigenous companies posed a threat to the survival of their existence.

The shipping lines also brought out some problems they encounter in their day to day activities. They stated that inadequate equipment at the port was the major problem they encounter in their work leading to delays in their daily activities and thus affecting their...
finances at the end of the day, whilst labour and damages were not much of a bother to them.

All stevedoring companies are in favour of the continuation of the port privatisation policy whilst only 67% of the shipping lines advocated for the policy because they thought the policy might push some GPHA workers out of job and revenue for GPHA will reduce. They were however of the view that if royalties paid to the GPHA are reduced, financial institutions are involved in their activities, more equipments acquired and training of dock labour would go a long way to help them work efficiently for cargo throughput.

The following were the main findings of this study.

1. About 75 per cent of the stevedoring companies were established after the privatization of stevedoring in the Port of Tema. Only 25 per cent of them were established before the involvement of private stevedoring companies.

2. Most shipping lines (84%) managed geared vessels. About half of these ships were operated by private stevedoring companies and the rest by the workers or crew of the ships.

3. All stevedores contended that even though the average turn round time had increased, more and bigger vessels were now berthing at the ports increasing the volume of cargo handled at the port.

4. Finance appeared to be the most frequent (47%) problem the stevedores encountered in their daily operations. Equipment and Royalty/taxes came second in importance. Labour appeared to be a less frequent problem occurring only 13 per cent of the time.
5. All the shipping lines equally shared the view that the involvement of private stevedoring companies in the Port of Tema had improved cargo handling operations at the Port. They held that private stevedoring had improved the quality of service through competition among stevedores.

6. The shipping lines also contended that port operations had improved with the introduction of private stevedoring.

7. They said that GPHA alone could not provide all the equipment needed to serve their vessels.

8. Equipment appeared to be the most frequent problem between stevedores and shipping lines, occurring about 75 per cent of the time. Labour and damages to cargo and shipboard equipment came second in importance, each occurring 12.5 per cent of the time.

9. All stevedores advocated for the continuation of the port privatization policy. However, they thought that the privatization had not been properly implemented.

10. The Shipping lines recommended that private stevedores invest in equipment more than leasing. They also requested that the quota allocated for cargo handling be equal for all stevedores.

11. About 67 per cent of the shipping lines advocated for the privatization policy to be sustained. They thought that it would bring healthy competition among stevedores and the need to attract demand for their services by shipping lines.
4.3 Conclusions

The role of the port of Tema in supporting the Socio-Economic Development efforts in Ghana is not in doubt. The port is emerging as a major player in the regional economy. The port is committed to meet the service requirement of its key markets, improve the efficiency of service delivery and reduce the total cost of port users. In addition, it will explore better ways of improving cargo handled; enhance fast turn round time and care for the environment. The Authority’s policy to involve the private participation in the handling of cargo in the port is commendable and must be sustained. This has promoted competition among the stevedores and as a result the potential and efficiency in the workers is putting the port at an advantage.

Thus if the recommendations given above are considered it might go a long way to help in the efficiency of the port’s activities and reduce T.A.T at the port.

4.4 Recommendations

Stevedoring which is the dominant method of handling general cargo in ports is totally dependent on machines. The efficiency of operations is to a large extent determined by the capacity and range of handling equipment available and skilled labour. However the situation on the ground is quite different, it suggests that the available stock of equipment of the stevedores in the port is inadequate to meet the operational requirements. Labour is also not up to the task because they are not skilled though they are available.

The competency required to manage modern handling equipment of the stevedore efficiently cut across the whole spectrum of the supply chain partners vis a vis terminal operations, shipping lines, freight forwarders and so on. For effective and efficient
activities of the stevedoring and shipping companies to work, the following recommendations must be taken into consideration.

The cargo handling operations should not be made the sole prerogative of the consortium. Should this be done it will lead to the monopoly of cargo handling at the port by the consortium. Jobs would be lost leading to unemployment and its related problems. There would be lack of competition which would lead to inefficiencies in the port’s operations.

The consortium should be maintained. They must however work in union or partnership with the private stevedoring companies. This will create a healthy competition and help reduce the turn round time at the port. It will also lead to the demand for quality and skilled labour. A training institution may be established to train skilled labour for the operations at the ports.

The following may also be considered in trying to reduce vessel turn round time and enhance operations at the port.

1. There should be the strengthening of equipment maintenance management to improve availability and utilisation of cargo handling equipment.

2. There should be a regular maintenance of the equipments to boost efficiency at the port.

3. The stevedores must invest in more equipment to enhance their work output.

4. Human Resource Capacity building should be promoted among all the port’s partners.
5. Port dock workers, Freight forwarders, Shipping Lines Stevedores among others must be trained and equipped with the requisite knowledge and competency needed to enhance T. A. T.

6. There should be an alternative labour company to beef up the labour market at the port to halt monopoly of labour by the dock workers

7. The shipping lines must partly pre-finance their stevedoring operations.

8. Financial institutions must also come in to help the activities of the stevedoring companies by giving them loans with flexible payment modes and interest rates.

9. The stevedores must form cooperatives so that they can have access to money from other institutions that are interested in such activities.

10. Royalties taken at the port must be reviewed downwards to help the stevedores and the shipping lines have some financial stability.

11. GPHA must revert to the free for all system to erase cheating and to ensure a healthy competition among the stevedoring companies.

12. Licensing fees must be charged based on the pro-rata basis or according to the stevedores share in the quota system.
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APPENDICES

Appendix A: Questionnaire for Private Stevedoring Companies

ISHMAEL ODURU-MARFO

I am a student of Regional Maritime Academy and writing a research on Private Participation Of Stevedoring Companies at the port of Tema. The result of the research would be used solely for academic purpose and answer will be treated with utmost confidentiality. I am in dire need of your co-operation and assistance.

1. Name of company

2. Year of establishment

3. Your job/position

4. How long have you worked in the port

1. What do you think about privatisation?

2. Are you aware of the increase in turn around time? Yes No

3. If yes, state some of the causes of the increase of TAT
4. Has your involvement improved cargo handling operations at the port?

5. What are some of the benefits of your involvement has brought?

6. What have been some of the problems your involvements have brought?

7. Would you advocate for the port privatisation policy to be continued?

8. What problems do you encounter in your daily operations? Tick the appropriate box.
   a. Equipment 
   b. Labour 
   c. Financial 
   d. Others, specify

9. How do you address these operational problems?
Appendix B: Questionnaire for Shipping Companies

ISHMAEL ODURO-MARFO

I am a student of Regional Maritime Academy and writing a research on Private Participation Of Stevedoring Companies at the port of Tema. The result of the research would be used solely for academic purpose and answer will be treated with utmost confidentiality. I am in dire need of your co-operation and assistance. Thank you.

1. Name of company

2. Year of establishment

3. Position/Your job

1. What type of vessels do you manage in the following categories?

2. What problems do you encounter with your operations with stevedoring companies?

3. How do you address these operational problems?
4. Do you think the involvement of private stevedoring has improved the situation at the port?

5. What are some of the benefits their involvement has brought?

6. Would you advocate for the privatisation policy to be sustained?