CHALLENGES FACING INDIGENOUS FREIGHT FORWARDERS IN COMPETING WITH THEIR FOREIGN COUNTERPARTS IN GHANA

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DECLARATION

This dissertation entitled CHALLENGES FACING INDIGENOUS FREIGHT FORWARDERS IN COMPETING WITH THEIR FOREIGN COUNTERPARTS IN GHANA is presented to the University of Ghana, Legon in partial fulfillment of the requirements for the award of a Master of Arts (M.A) Degree in Ports and Shipping Administration at the Regional Maritime University, Ghana. With the exception of quotations and references from other authors, which have been duly acknowledged and the help of my supervisors, this document was single handedly written by me. I am therefore responsible for any errors or omissions which may arise from it.

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DEDICATION

This work is dedicated to my mother, Virginia Mbo Dumolga who has always stood by me throughout my academic life and has always been keen on seeing me progress in all spheres of life.
ACKNOWLEDGEMENTS

I wish to express my sincere gratitude to my supervisors Dr. Kwadwo Kwabia and Mrs. Botchway who have been very instrumental in the completion of this document. Their comments, criticisms and advice have been of immense benefit in this write up. I also wish to express my appreciation to Professor M. Assimeng whose complementary teachings to those of Dr. Kwadwo Kwabia on research methods has served as a guide to the development of this document.

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To all other persons, in GIFF and the Regional Maritime University that I might inadvertently not have acknowledged in this work I express my appreciation.
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANCLA</td>
<td>Association of Nigerian Customs Licensed Agents</td>
</tr>
<tr>
<td>ATSSSAN</td>
<td>Air Transport Senior Staff Service Association of Nigeria</td>
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<tr>
<td>BIVAC</td>
<td>Bureau Inspection Value Assessment Control</td>
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<td>CRFFN</td>
<td>Council for Registration of Freight Forwarders in Nigeria</td>
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<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
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<td>FAAN</td>
<td>Federal Airports Authority of Nigeria</td>
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<td>FCVR</td>
<td>Final Classification and Valuation Report</td>
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<td>GC Net</td>
<td>Ghana Community Network Services Limited</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIFF</td>
<td>Ghana Institute of Freight Forwarders</td>
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<td>GMA</td>
<td>Ghana Maritime Authority</td>
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<td>GPHA</td>
<td>Ghana Ports and Harbour Authority</td>
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<td>GSA</td>
<td>Ghana Shipping Authority</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IDF</td>
<td>Import Declaration Form</td>
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<td>KIA</td>
<td>Kotoka International Airport</td>
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<td>LAN</td>
<td>Local Area Network</td>
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<td>MPS</td>
<td>Meridian Port Services</td>
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<td>NAHCo</td>
<td>Nigerian Aviation Handling Company</td>
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<td>NCAA</td>
<td>Nigerian Civil Aviation Authority</td>
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<td>NCBFAA</td>
<td>National Customs Brokers and Freight Association of America</td>
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<td>NIS</td>
<td>Nigerian Customs Service</td>
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<td>NUATE</td>
<td>National Union of Air Transport Employees</td>
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<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>NVOCCs</td>
<td>Non-Vessel Operating Common Carriers</td>
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<td>SCMS</td>
<td>Supply Chain Management System</td>
</tr>
<tr>
<td>UNTACDA II</td>
<td>United Nations Transport and Communications Decade in Africa</td>
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<td>XML</td>
<td>Extensible Markup Language</td>
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ABSTRACT

This research was conceived on the idea that indigenous freight forwarders in Ghana did not enjoy a fairly competitive business environment since competition on the local scene largely favoured their foreign counterparts who had the upper hand due to their comparative size and global connections.

The research was conducted in the Tema and Airport Districts of GIFF where questionnaires and key informant interviews were carried out respectively. The research found that the indigenous freight forwarders did not suffer from the deficiency of office equipment, inadequate staff, inappropriate knowledge or unfavourable competition. The real challenges of the indigenous freight forwarders were challenges they encountered in customs procedures, delays caused by DICs, spontaneous or erratic tariff rates imposed by the GPHA, infrastructural problems, unavailability of credit facilities and unfair tariff rates exacted from them by some shipping lines.

Summing up all the findings, the research came to the conclusion that there is the absence of an explicit legal framework protecting the interest of the indigenous freight forwarder. The research also found that each authority in the industry has its own rules and procedures, and strictly complies with them. This situation makes it difficult for freight forwarders to have a harmonized centre of complaint to address pertinent challenges. Finally, the research found that the legal system does not provide enough punitive measures or does not enforce such punitive measures to ensure the needed discipline in the ports of Ghana, particularly when dealing with shipping lines and stevedoring companies that exact illegal fees from freight forwarders.
CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND
A freight forwarder is an intermediary who acts on behalf of importers or exporters. He/She also organises the safe, efficient and cost-effective transportation of goods. Branch (2005), indicates that a freight forwarder is basically involved in the processing and/or movement of goods on behalf of another company or person across international boundaries. He adds that the freight forwarder:

- Provides packing, warehousing, port agency and customs clearance services,
- advises on all areas relative to international consignment distribution as found in transport distribution analysis,
- acts as shippers’ agent by processing transport or shipping space on behalf of his principal/shipper and executing his instructions; and
- also acts as a multimodal transport operator, conveying goods from one location to another across international frontiers and involving usually several carriers, often as a non-vessel operating common carrier (NVOCC).

Freight forwarding in Ghana dates back to the pre-independence era, when it was most appropriately referred to as Clearing and Forwarding. Yegbey (1997), states that the business of freight forwarding in Ghana is as old as the import and export trade of Ghana. It is however difficult to establish a precise period when the activity and business of freight forwarding actually commenced.
History makes it clear that the road map to colonial rule began with the signing of the bond of 1844 which sought to put certain states of the then Gold Coast under British jurisdiction. Dabi-Dankwa (2009) writes that subsequent political relationship between the Gold Coast and the British resulted in the country becoming a British dependency in 1850, thereby making the Gold Coast come under the British Crown, having her own British Governor. These developments, accentuated by the need for the British to govern, required that weapons, equipment, and technological innovations of the era were imported into the Gold Coast to enhance the colonial administration’s performance.

Prior to the Gold Coast becoming a dependency, some European merchants had traded in merchanised goods with their local Gold Coast counterparts and the indigenes. These trades largely involved the exchange of precious minerals and resources like gold, diamonds, and in some instances, slaves (Akueteh: 2010). The goods traded between the European merchants and their Gold Coast counterparts were transported via ships. There was the need to ensure that goods transported got to their destination in proper condition, and to the designated consignees of such goods. It is most likely that some amount of clearing and forwarding would have been practiced during this period.

When the importation of goods in large scale into the country began, goods were imported in ships which berthed at natural harbours and sufferance wharves, such as Sekondi, Prampram, Ada, Accra, Keta, Cape Coast, Apam and other coastal towns as observed by Yegbey (1997). He further noted that at these harbours and wharves, some individuals assisted in ferrying out the
goods from the ships to the shores and in discharging various functions to facilitate easy and safe delivery of the goods to their importers. To him, the work of these individuals became the forerunner of the clearing and forwarding business in Ghana.

This paragraph, which is entirely attributed to Yegbey indicates that by the close of the nineteenth century, import duty increased while export duty was introduced on certain goods exported from the Gold Coast by the subsequent legislations of the colonial government. He further indicates that “as international trade by the Gold Coast increased, there was the need to impose restriction and prohibition on importation of certain goods, and also to keep the statistics of the imports and exports. Also, there was the international requirement of giving precise description and classification of all goods that entered international trade. In order to satisfy these requirements, the procedures developed by the Customs Authority for the clearance of goods out of customs for home use or for export became somewhat technical and complex. The complex nature of customs procedures made it very difficult for the importers and exporters to perform the customs formalities by themselves. The situation made the services of the freight forwarder indispensable in the import and export trade.

Yegbey, who seems to be the only Ghanaian to have documented a detailed history of freight forwarding in Ghana observes that initially, personnel of shipping companies, such as carriers of the goods, assisted in performing the required customs formalities on behalf of the importers and exporters for the clearance of the goods out of customs.
As time went on some of the big trading companies such as John Holt, Bartholomew, Leventis, among other companies, used the services of their officers who were skilled in the performance of customs formalities to undertake the freight forwarding business on their behalves. These staff were often referred to as “customs clerks”. Also, some shipping companies maintained clearing departments in their establishments to render clearing and forwarding services to importers and exporters for a fee (ibid).

The increase in the volume of import and export meant the increase in demand for the services of the freight forwarders. Some foreign clearing and forwarding companies opened their branches in the Gold Coast to do the business of clearing and forwarding which was becoming lucrative. Notable among them were the Palm Line, Elder Dempster, Alraine, Scanship, Umarco, Hollander West Africa Limited, among other branches as documented by Yegbey (1997).

The building of Takoradi port, and later the Tema port, saw greater emergence of individual Ghanaians and small indigenous companies engaging in clearing and forwarding business at these ports without any legal control or restriction (ibid). Consequently, the business attracted pensioners of Customs and Excise Department, shipping companies and clearing and forwarding companies who gained experience of the business from their former working places (ibid). The activities of these individuals and companies had to be regulated, given that they operated in a legislative-free environment.

Eventually, a law was passed in 1978, making it possible for customs to train ‘customs house agents’ and issue them with proficiency certificates. This position was stipulated in section 1 of
the decree of 1978 (S.M.C.D. 188) which stated that no person shall engage in the business of
custom house agent unless that person has been granted a licence by the Comptroller of Customs
and Excise or an officer authorized in that behalf in accordance with regulations made under the
decree. Section 2 (d) also indicated in addition to other conditions that the Comptroller shall not
grant a licence under the decree to anybody corporate or partnership unless the Comptroller is
satisfied that the body corporate or partnership has a permanent place of business.

Legislative Instrument 1178 (L.I. 1178) on Custom House Agents (Licensing) Regulations of
1978 further indicated in paragraph 4 inter alia that, no licence shall be granted to any person
unless he is a citizen of Ghana.

According to Yegbey, the S.M.C.D. 188 Decree statutorily named the business of clearing and
forwarding in Ghana as “Customs Business” and Clearing Agents as “Customs House Agents”.
For him, this in a sense did not seek to promote the growth of the clearing and forwarding
business in Ghana because it statutorily narrowed down the scope of clearing and forwarding,
perhaps to customs brokerage. However, the regulations made provision for the formation of an
association of Custom House Agents, he added. The practitioners, therefore, took advantage of
this provision and formed the National Association of Custom House Agents (NACHA).
NACHA eventually transformed into GIFF in August 1985.

In Ghana, freight forwarders do some or all of the following; find the most appropriate and cost-
effective way of moving goods, prepare goods for dispatch, communicate with carriers such as
road, rail, air and sea companies, book transport cargo space and prepare quotations and
invoices, confirm transport arrangements, complete export documentation such as bills of lading, liaise with international freight forwarders to arrange, pick-up and deliver goods, advise clients of the costs of transporting goods and of the arrangements that have been made, record movement and placement of goods while they are in transit, check incoming goods against documents, keep records of goods dispatched and received, clear goods through customs, arrange insurance and payment of duties and taxes for goods (GIFF:2010). In addition, the Ghanaian freight forwarder organizes the delivery of goods for export or to an importer’s premises as is practiced in other countries.

Freight forwarders are now expanding their activities to encompass warehousing and other organizational functions as required by the global economic environment influenced by global demand factors. Schwarz (2005) attests to this fact by indicating that forwarders now frequently provide supplier selection services, ongoing procurement, and warehouse management for their clients in manufacturing. Freight forwarders have performed these functions either as individuals representing parent institutions abroad or as individuals operating on their own in their countries of origin.

1.2 STATEMENT OF THE PROBLEM
In view of the changing trends in the shipping industry, increased volumes of cargo transport and the need to deliver cargo just-in-time, major shipping lines and huge international freight forwarding firms are expanding their services to meet the global demand for efficient services. Some shipping lines in order to reduce lead time (period between an order made and actual delivery of the item) are now incorporating freight forwarding services, which they were hitherto not undertaking. The shipping lines do this by suitably locating their own logistics and
forwarding companies in countries where the transportation process may apparently be interrupted by technological inadequacies, weak or poor modes of transport, lax legal regimes in the maritime industry, inter alia. The global environment which currently promotes free trade has resulted in many countries deregulating some activities in the maritime industry ranging from port management to private terminal operations. This has led to increased participation of international companies with the wherewithal in local maritime activities.

These phenomena have resulted in increased takeover of the market share of indigenous freight forwarders in Ghana, thereby posing challenges to their growth and development.

Indigenous freight forwarders are therefore faced with the challenge of increasing their capital base and investing in infrastructure to enable them to stay in competition. The problem, however, is that most indigenous forwarders lack access to capital and credit facilities. The legal regime does not also appear to explicitly provide protection for the indigenous forwarders. Mr. Kwabena Ofosu-Appiah, Chairman of GIFF, Airport District, indicates during a personal interview that the extinction of indigenous freight forwarders might not be felt by the general public and law makers since the freight forwarding activity will still continue in the absence of the indigenes. He however asks a very pertinent question. "What happens to the semi-skilled labour that has acquired training on the job and would under these circumstances be displaced and unemployed"? The implications on society cannot be overemphasized. Unless adequate measures are put in place by the relevant oversight institutions of state to regulate (to an extent) the maritime industry, and protect the interest of indigenous freight forwarders, their contribution to employment would dwindle while at the same time, some indigenous freight forwarding companies might completely become extinct.
1.3 RESEARCH OBJECTIVE

- The primary objective of this study is to identify the challenges that confront indigenous freight forwarders in their work. More specifically, the study seeks to identify the role of foreign competitors in aggravating the challenges, and what help can be offered by government (Ghana Ports and Harbour Authority and other public institutions), local financial institutions such as banks and other credit institutions in mitigating the problems.

1.4 RELATED RESEARCH QUESTIONS

To achieve the research objective, the following research questions are formulated:

- What are the challenges that confront indigenous freight forwarders?
- What role do foreign freight forwarders play in aggravating the problems of indigenous freight forwarders and how do these challenges affect them?
- How can the challenges be resolved or minimised?

1.5 RELEVANCE OF THE STUDY

Some of the benefits to be derived from the study include:

- Contributing to existing literature on the challenges facing indigenous freight forwarders
- It could serve as baseline information for further research work by students in the maritime industry who wish to continue the study on challenges faced by indigenous freight forwarders. This is particularly essential since information in this area is so scanty and difficult to obtain.

1.6 SCOPE

The research involves a study area and a target group. The study area comprises of the Tema Port and the Kotoka International Airport. There are two sea ports in Ghana, the Takoradi Harbour in
the Western Region and the Tema Port in the Greater Accra Region. The Takoradi Harbour was opened in 1928 to handle exports of minerals and forest products such as timber and cocoa beans from the hinterland. This remains the principal activity of the harbour (Ghana Ports Handbook 2007-2008). The Tema port is Ghana’s biggest port, principal cargo gateway and handles nearly 70% of the nation’s total seaborne trade and about 35% of its exports (ibid).

Although Ghana has some regional airports in Kumasi, Sunyani and Tamale as well as airstrips as noted in GhanaNet (2011), Kotoka International Airport remains the Country’s most important airport with the capacity for large aircrafts such as boeing 777.

Ideally, the study should have been conducted in the two sea ports. However, the Port of Tema has been chosen because of its considerably larger share of maritime trade in Ghana. The Kotoka International airport has also been chosen because it is the country’s most important airport as stated earlier.

The target group for the study consists of freight forwarding companies under the Ghana Institute of Freight Forwarders (GIFF). GIFF has a membership that consists of largely indigenous Ghanaian companies registered within the association. The study should have considered in detail the relationship between GIFF and other institutions like the Ghana Maritime Authority (GMA), Ghana Shippers Authority (GSA) and the Ghana Port and Harbours Authority because they comprise the policy makers of the industry. However, given the limited time available to the researcher, it becomes prudent to limit the scope of the research to only GIFF and take a perfunctory look at its relation with these institutions as the research progresses.
1.7 DEFINITION OF TERMS

- Indigenous: refers to locally registered Ghanaian freight forwarding companies not operating as subsidiaries of international organizations, but functioning independently.
- Principal: the shipper of the goods at one end or the importer (consignee) of the good at the other end represented in transactions by the freight forwarder.
- Freight Forwarder: A freight forwarder is an intermediary who acts on behalf of importers or exporters, organizing the safe, efficient and cost-effective transportation of goods.
- Customs house agents: any person to whom licence has been granted under the 1978 Custom House Agents (Licensing) Decree to transact business of customs on behalf of another person.

1.8 ORGANISATION OF REPORT

This report has five chapters. The first chapter provides a brief background, states the problem and objective of the study, the rationale for the study and the scope for the research. The second chapter draws from experiences of other regions of the world and from existing literature on the subject. Chapter Three examines the methodology employed to gather information relevant for the research. Chapter four presents and analyses primary information/data collated from respondents whilst the fifth chapter summarises findings, conclusions and recommendations from the study.
CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION
This chapter examines the general environment within which freight forwarders operate in Africa. It seeks to elaborate the infrastructure regime and to some extent the information and communication technology environment under which freight forwarders operate. These situations do not impede or facilitate competition. However, they serve as the basis for effective and efficient freight forwarding.

Africa is largely endowed with maritime resources and opportunities that can be harnessed by its inhabitants for diverse economic purposes. Khumalo (2003) observes that 38 out of the 53 countries of Africa are coastal or island countries and 15 are landlocked. The 38 coastal countries have 80 major ports and are largely engrossed in maritime related activities, such as fishing, offshore drilling and exploration. Other maritime related activities include administrative and formal procedures employed by users of ports and such users range from importers and exporters to other private business entities like freight forwarders whose services are usually engaged for lack of specialized knowledge on the part of their clients.

Maritime activities are mostly interrelated and cross-sectional. The interrelated nature of these activities is evidenced by a common dependence on cost effective, reliable and efficient transportation of cargo, a process that hinges on the organizational efficiency of intermediaries such as freight forwarders. Freight forwarders generally evaluate the maritime business
environment, identify business prospects and exercise their expertise to eke out some profits while at the same time, trying to ease the transportation problems of their clients by arranging the safe and proper delivery of goods owned by such clients.

Africa’s share of global tonnage of ocean-going ships is quite small, accounting for only 1% of the global pattern as observed by Khumalo (2003). This observation generally means less business opportunities on the continent, compared to other continents like Europe and Asia. It is, however, difficult to draw the same conclusion for the freight forwarding industry. For instance, in 2000 world trade moving through ports amounted to 10,560,000 tonnes. That for Africa alone was 726,000 accounting for more than 6% of world trade (ibid). This implied that the continent actually loaded and discharged a relatively larger amount of cargo compared to its percentage share of ocean-going ships. Further interpretation means that a relatively larger amount of work was available to freight forwarders and their associates whose services are generally required in clearing, supervision, coordination and consolidation of cargo. These are essential and exceptional services for which professionals other than the shipper or consignee would mostly be engaged to perform.

Freight forwarders render indispensable services in Africa, especially given the situation that most African countries tend to do more importing than exporting. However, it is quite difficult to quantify and establish in terms of monetary value the contribution of these forwarders to the general economic performance of the continent. In spite of this difficulty, studies in other parts of the world tend to highlight the contribution of these forwarders towards enhancing the revenue base of such regions. Ducruet and Van der Horst (2009) observe that land-based freight
forwarders move up to 80% of goods within the European Union and generate about US$150 billion revenue annually.

Ducruet and Van der Horst, (2009) again note that from a shipper or cargo owner perspective, forwarders help in reducing related coordination costs such as costs of finding the right transport company, negotiating tariffs, preparing and concluding transport contracts and monitoring the execution of agreements. These services rendered by forwarders are of enormous relief to importers and exporters.

In spite of the aforementioned benefits from using the services of freight forwarders, it is important to indicate that costs involved in procuring their services and the transactions thereafter can be quite substantial, especially for complex transport contracts, such as intermodal transport, in which more than two transport modes are involved (ibid). Yet this is considered worthwhile as shippers and importers will not have to be saddled with the burden of contracting at every stage of the transportation process the services of an intermediate forwarder. Usually, such intermodal transport transactions are catered for by the issuance of a through bill of lading.

Ducruet and Van der Horst (2009) further observe that traditional freight forwarders dominantly concentrate their networks within national boundaries. This general concentration of networks is propelled by good policy framework, effective legal enforcement regimes and general expression, an indication of political willingness which in totality determine the efficiency of the industry. A deficit of these conditions can result in a less developed and uncompetitive freight forwarding environment, the consequences of which are less infrastructure, inevitable collapse of
indigenous freight forwarding entities and the frequent disregard for national laws by other foreign entities as is presently the situation in Ghana. Situations like these have led to operational difficulties for indigenous freight forwarding companies, which are mostly characterized by low capital levels, small staff numbers, inadequate office space, poor infrastructure, among other factors.

2.1 TYPES OF FREIGHT FORWARDING ENTERPRISES IN AFRICA
The distinction between the traditional freight forwarder and the modern forwarder is basically in their roles and functions. Mandy (2009) observes that traditionally the freight forwarder was the link between the owner of goods and the carrier, and provided forwarding or clearing services. Over the past few decades, freight forwarding has seen drastic and tremendous changes in direct response to the changing trends in shipping.

Mandy (2009) notes that in modern times the freight forwarder has adopted a new role in which he is not only assisting parties in transportation of goods, but also undertakes the carriage by his own means of transportation. The writer also notes that sometimes the forwarder makes arrangements with other transport providers to render services that are not provided by his own establishment, a practice that hitherto did not exist.

An ad-hoc ‘Expert Group Meeting’ on multimodal transport held by the United Nations and the Economic Commission for Africa from 14th to 16th October 2003 in Addis Ababa-Ethiopia, organized under UNTACDA II, identified four main types of freight forwarding enterprises in Africa.
1. **The first Group** included the most important enterprises in terms of capital, organization, and number of employees, physical facilities and equipment. These were generally local subsidiaries of important foreign freight-forwarding groups, although local legislation may have required 51 per cent of their capital to be nationally owned. They were found to be characterized by a sound structural organization, with clearly defined functions. This group of enterprises applied modern management techniques and were frequently under the control of expatriate senior managers. They were also found to have close connections with international transport networks. In Ghana, some of these companies include; Panalpina Ghana, SVD, Logistic Direct, Stellar Express TNT, inter alia.

2. **The second Group** consisted of enterprises, which were controlled by members of ethnic groups of foreign origin, many of whom were born in or have become nationals of the countries studied. In some cases, these groups have become implanted relatively recently. A typical example is the Lebanese in West Africa who established mostly in the 20th Century. In other cases, the groups have been on the continent much longer, as with the Asians in East Africa who established in the 19th Century. Such enterprises formed an intermediate cluster in size and scope of services, and were not as well structured as Group 1 companies. However, they tend to benefit from the strong support provided by other members of their ethnic groups who have become successful and powerful entrepreneurs.
3. **Group 3 category** included enterprises with exclusively national or local capital. Such enterprises have generally entered the freight-forwarding sector recently, mainly in the last few decades. They lack strong financial bases and face some problems in management and organization. They have difficulty in getting and keeping even a modest share of the market. They rarely have international contacts and are not in the international transport chain. However, they offer support for national import and export trade. In most cases, they are vulnerable in periods of weak economic growth.

4. Finally, **the fourth Group** is made of informal operators who have neither appropriate structure nor legal existence. They have become numerous, do not pay license fees or taxes, and they encroach on the individual consignments market in which they manage to provide cheaper services than established freight forwarders. Their activity is mostly limited to customs clearance, where their personal contacts are valuable. They can barely be called freight forwarders, but they do affect the business and consequently its organization.

To these four Groups, one might add some trading companies that do their own clearance and forwarding through departments within their organizations.

An evaluation of the four types of freight forwarding enterprises aforementioned does not in anyway indicate a disapproval of competition by the Expert Group Meeting. In fact, it is possible to find some or all the four types of freight forwarding enterprises co-existing and functioning properly in one country.
2.2 THE CONCEPT OF COMPETITION

Competition is not a bad or undesirable phenomenon. Competition ensures sanity in terms of pricing (rates charged), promotes better service delivery, and in most instances brings about infrastructural improvement for the intended beneficiaries. The Merriam-Webster dictionary (2002) defines competition as the effort of two or more parties acting independently to secure the business of a third party by offering the most favourable terms. According to Black (2003), competition is the situation when anybody who wants to buy or sell has a choice of possible suppliers or customers. Competition is actually a stimulus for developing relevant sectors of the maritime industry if it is allowed to thrive on egalitarian principles. It is in view of this that some international agreements seek to reduce that element of outright discrimination against foreign freight forwarding companies and foster cooperation and sharing of ideas for the sustained global benefit of all in the industry.

On the African continent, some agreements outline modalities for which countries should interrelate in the maritime industry. Article 24 of the African Maritime Transport Charter (1993) stipulates that Member States shall agree to co-ordinate the actions and instruments of implementation of their national maritime policies, those concerning, inter alia, grouping, pooling and cargo sharing, operation of cargo handling equipment as well as clearing and forwarding of cargo in transit. Article 18 of the same Charter also advocates simplification of procedures to ensure efficient performance of freight forwarders and other persons who require easy customs procedures to import and export goods. It indicates that Member States shall encourage the establishment, at national, sub-regional and regional levels, of committees on facilitation, harmonization and simplification of administrative and customs procedures. Clearly,
these articles confirm the continent’s support for competition, and also indicate its desire to develop national maritime industries in fairly competitive environments. If the motive was anything to the contrary, these articles would not have been so constituted.

Competition, however, becomes an issue of concern to forwarders, relevant authorities and observers of the industry when competitors employ unfair practices and tactics to undermine their counterparts and unfavourably outcompete them, leading to the ‘disadvantaged’ enterprises falling out of business or barely struggling to survive.

The Ghana Institute of Freight Forwarders’ position paper on “container administrative fees” (2007) highlights an illegal charge that is being levied on cargo owners at the Port of Tema. The charge either represents or includes; evacuation fee, container maintenance fee, container cleaning fee, reefer monitoring fee, reefer plugging fee, first release fee, indemnity release charge, bill of lading and amendment fee. According to the institute, these fees are charged by the shipping lines and their agents for actual services provided. On the contrary, the shipping lines do not provide such services since the practice at the sea ports of Ghana is that, cargo is off loaded from the vessel upon arrival by stevedores and handled thereafter by the port authority or its agents or independent contractors, until delivery is made to the consignee. The unloading and handling service is therefore charged to the consignee or agent directly. On this basis, the fees charged to importers by the shipping lines and their agents are deemed to be non-contractual and arbitrary by the Ghana Institute of Freight Forwarders which notes in the GIFF position paper on “container administrative fees” that such charges make it difficult for forwarders to plan effectively for shipments, results in costly and inefficient service provision and holistically
disrupts government policy of making Ghanaian ports the hub of sea trade in West Africa. This situation is obviously undesirable.

Game-Lopata (2010), observes that the freight forwarding industry can be likened to the battle between David and Goliath where the giants of the industry with global footprints and end-to-end supply chain solutions for all industry sectors get the colossal deals and massive branding through their public relations machinery. She notes however that, in reality, independent forwarders are the enablers for global trade to continue moving and flowing in our increasingly globalised world. Since most of the forwarders in Ghana and the West African sub-region are independent forwarders, it can be inferred from Game-Lopata that they make enormous contribution to the maritime industry in the sub-region. Their extinction as a result of unfair competition, infrastructural challenges, weak legal regimes and political unwillingness will largely be detrimental to global trade. It is therefore important for authorities to protect, to a certain extent, these forwarders as a way of ensuring their survival in the ever rapidly changing world.

Inferring from the above, it is clear that the presence of foreign freight forwarding companies in any given environment is not supposed to be a hindrance or detrimental to the development of local freight forwarders, neither are the activities of shipping lines and their agents supposed to obstruct local forwarders in their day-to-day businesses. Foreign companies have been very instrumental in the competitive drive for quality service provision in many developed and developing countries. This has become an inevitable consequence of globalization. Natad (2010)
notes that in Cebu-Philippines, out of a total of 146 freight forwarders, 29 are foreign-owned, accounting for a total of approximately 20%.

Competition is better fostered in properly structured legal systems. In the event, however, that, a weak legal enforcement regime is continuously supervised by relevant maritime authorities without adequate measures to forestall any uncompetitive practices, the consequence is dire both financially to the freight forwarders and economically to the country in question. Countries like the United States are well aware of some of the ramifications of not regulating such an important industry and in that regard have sought to promote competition in a well regulated matter. On April 13th 2010, the Federal Maritime Commissioner Rebecca F. Dye indicated in the NCBFAA Annual Conference that the commission could use a liberalized exemption authority under the Ocean Shipping Reform Act of 1998 to grant certain regulatory relief to NVOCCs. This was a direct intervention by a Maritime institution to regulate the industry. Such regulatory relief measures would only be adopted if the commission is satisfied that these measures would not substantially reduce competition or be detrimental to commerce. A major proposition was to relieve NVOCCs from costs and burdens of publishing in tariffs the rates they charge for cargo shipments but to revert to a traditional notion of tariff filing and enforcement that could save many NVOCC businesses up to $200,000 per year. To take a cue from the NCBFAA Annual Conference, competition is a phenomenon that should be encouraged. It should, however, not be conducted in oblivion to the need for freight forwarders to make profits, especially the national/indigenous ones.
2.3 CONCEPT AND FORM OF THE PROBLEM

Improved infrastructure and technological advancement are contributory factors to the sustenance and efficiency of freight forwarding activities in any given country. Sohbet (2010) observes that a contemporary and efficient freight transport infrastructure facilitates an effective system for freight forwarding in Italy. Infrastructure in Italy was built after the Second World War and is continually being updated (ibid). A similar phenomenon cannot be observed in Ghana where the rail system virtually did not see any rehabilitation for a period exceeding twenty years and has subsequently collapsed. It is however expected that some amount of relief would be experienced in the sector following strong indication and commitment by governments in the last decade to sufficiently integrate the rail and road sector from the country’s major port of Tema to the hinterland. Transport infrastructure encompassing good road networks and rail systems combine to provide routes conducive to international freight. Infrastructure can result in immense savings in terms of processing time, inventory costs and general service levels.

Mitra (2010), notes that India spends relatively more on logistics due to inadequate infrastructure. The writer further observes that logistics costs in 2009 were estimated to be as high as 13-14 per cent of the GDP of India compared with 7-8 per cent in the developed countries because of infrastructural challenges in India. About 13-14 per cent of India’s GDP is approximately $50 billion, given that the GDP is estimated at about $1 trillion. Good infrastructure, therefore suggests easy freight forwarding activities and cheap costs of services by inference.
The fifth session of the Committee on Trade, Regional Cooperation and Integration held between the United Nations Economic and Social Council and the Economic Commission for Africa (2007) established that, the African rail transport network is estimated at 89,380 km for a land surface area of 30.19 million km$^2$ or at a density of 2.96 km per 1000 km$^2$. The network shows very little interconnectivity, particularly in West and Central Africa. This general pattern of poor infrastructural interconnectivity will all factor into service charges of freight forwarders and would render them ill-equipped in the delivery of their services.

As further observed by the session, sixteen of the African countries have no railway. These countries include: Burundi, Cape Verde, Central African Republic, Chad, the Comoros, Equatorial Guinea, the Gambia, Guinea Bissau, Libya, Mauritius, the Niger, Rwanda, Sao Tome & Principe, the Seychelles, Sierra Leone and Somalia.

Infrastructure deficiencies combine with other administrative and operational challenges to make it relatively difficult for freight forwarders to perform efficiently in some African countries. Harding et al. (2007), observe that equipment maintenance in West Africa has been inadequate over the past years leading to Abidjan having only three (3) cranes, while Lagos-Apapa, Tema, Dakar and Douala have had to cope with two (2) gantry cranes each in container terminals. This situation is changing at the Tema Port given the emergence of private port operators. For instance, Meridian Port Services (MPS) alone has about six (6) gantry cranes as indicated by Mr. Edwin Owusu Ansah, an employee of the company; three of which perform ship-to-shore operations while the remaining three (3) are used for the movement of containers within the terminal.
Cumbersome administrative procedures and some lack of clarity of role and functions of key institutions in the maritime industry can effectively work to weaken the vibrancy of any freight forwarding environment. In Nigeria, cumbersome administrative procedures such as clearing and port documentation, excessive duplication charges and multiple security agents are some of the major challenges of freight forwarders as observed by Akomolafe (2010). Also, freight forwarders having to deal with institutions whose core duties are not specifically directed at the industry tend to hamper smooth operation of such forwarders. Freight forwarders in Ghana have generally been faced with the difficulty of having to handle some administrative issues with major public institutions like the Ministry of Finance and Economic Planning, as well as the Ministry of Trade and Industry to clear goods imported for or by their clients.

Mathenge (2009) at a regional conference on Northern Corridor Transport and Trade Facilitation, a conference organized by the Federation of East African Freight Forwarders Associations outlined some challenges faced by forwarders in East Africa. These challenges included limited skills of freight forwarders, lack of dispute resolution mechanisms, ad hoc change of procedures, validity of customs licences limited to one year, infrastructure challenges, such as power supply inadequacies, lack of communication facilities for customs and other users, inadequate verification sheds among other challenges often encountered at border stations. The problems faced by freight forwarders in Ghana are not so different from those faced by their counterparts in East Africa and these phenomena cut across most coastal countries in the sub-Saharan region.
2.4 CAUSES OF THE PROBLEM
Supply Chain Management System (SCMS), a team of thirteen (13) private sector, nongovernmental and faith-based organizations in Kenya, specialized in supply chain management and international public health and development noted in their technical brief on freight forwarding of March 2010, that maintaining a continuous chain of custody, controlling the shipment and knowing where it is at all times, poses significant challenges. The brief further adds that ensuring that products arrive on time while minimizing freight costs can be difficult in an environment of frequent emergency requirements. Unreliable shipment information or improper documentation at the port of entry can result in inconsistent transit times or even loss of shipments. Cartels Consulting Services lists eight major challenges facing freight forwarders, including challenges of tracking received shipments, monitoring on-time deliveries, arranging for inland transportation, completing export documentation, booking space with the ocean or air carrier, arranging for cargo insurance, packaging, marking, and labeling and then finally, stock checking. The challenges identified by Cartels Consulting Services can comfortably be categorized as Administrative challenges to the performance of freight forwarders.

In the Africa investor newsletter of 1st March 2009, it is reported that Amit Shah, the Executive Director of Kenya-based ‘forwarder freight in time’ notes that the African market has challenges that other Western societies do not face. He observes that internet connections in Burundi are terrible and that the company has had to set up alternative systems in Uganda and Kenya just in case the Burundi system went down. Shah further notes that East Africa is more receptive to investment than West Africa, where infrastructural problems tend to be greater.
The internet, extensible markup language (XML), and other technologies are driving advancements in electronic data interchange (EDI), tracking, and information integration that are helping freight forwarders globally to give customers more competitive services.

Africa’s infrastructure deficiencies were further reiterated in the same newsletter by Jamal Majid Bin Thaniah, Executive Vice Chairman, DP World and Group CEO, Port and Free Zone World. He did not hesitate to mention that Africa is indeed a very rich continent, but one only had to look at the west coast, including the Ivory Coast and Nigeria, and some parts of central Africa, to see that they all lack infrastructure, whether air, road, rail or container terminals.

Freight forwarders acting in good faith have suffered a few losses and in some instances find it safe to operate their own services. In Nigeria, a buyer could use a stolen credit card to buy goods in the UK and arrange for the goods to be sent to freight forwarders, where they are subsequently forwarded to Africa, as observed by Leyden (2002). The goods are never seen again and losses from such fraud are estimated to have amounted to £500,000 in 2002.

Aside the general infrastructural problems identified to be the major hindrances to freight forwarding on the African continent, the port of Tema has in addition to these challenges, its own peculiar hurdles. The GIFF report on the ‘Impact of arbitrary cargo related charges on the cost of doing business at the ports of Ghana’ (2007) identifies increased cost of importation and exportation of goods into Ghana, particularly by sea, as a major problem. The report states that the situation is further exacerbated by the lack of a structured cargo tariff system and an ineffective regulation and policy regime.
This situation, as observed by GIFF (2007), has resulted in some opportunistic shipping lines, their agents and other entities making claims to some cargo related charges at the ports of Ghana that are unrelated to services provided, have no contractual basis, no legal or policy backing and increasingly add up to the cost of doing business at the ports.

The GIFF report identifies some of the illegal charges to include Shipper’s Notification Forms Levy, Off-Dock Terminal’s transfer charges, Meridian Port Services’ lift-on and lift-off fees, Container Administrative Fees, among others. The report further explains in detail the nature of the charges in the ensuing paragraphs.

The Shipper’s Notification Forms Levy is a charge by the Ghana Shippers’ Council imposed automatically on all commercial imports and exports to and from Ghana. Ostensibly, its purpose is to enable the council to register shippers under Legislative Instrument 1347 (L.I. 1347). This process of registration was done manually. However, with the introduction of the GC Net or electronic declaration system, the manual process of notification of shipments became redundant, implying an irrelevance of the said levy. Meanwhile, this levy is still being imposed by the Ghana Shippers’ Council on imports and exports.

The Off-Dock Terminal’s transfer charge is a fee charged by shipping lines and their agents, to the cargo owner for purportedly transporting the cargo owner’s containerized cargo from the port to the off-dock terminal of the carrier. This fee actually has to do with stevedoring and Ghana Port and Harbour Authority (GPHA) handling charges. These charges are not supposed to be
paid to the shipping lines, but to the stevedoring companies and the GPHA who actually execute
the tasks being charged for. In brief, cargo owners are making a double payment for a single
service rendered.

The Meridian Port Services’ lift-on and lift-off fees are fees charged by the stevedoring company
Meridian Port Services (MPS). These fees are more of a duplication of charges since the
company’s service delivery is in the areas of container terminal operations, stevedoring of
containers, shore handling, storage and delivery. There is therefore no need for the lift-on and
lift-off fees.

The Container Administrative Fees, just like the above-mentioned three charges are also not
contractual, illegal and have no policy basis or backing. These charges are imposed by shipping
lines for alleged services rendered and payment thereof is regarded by the shipping lines and
their agents as a condition precedent to the delivery of containerized cargo. The subtle
implication is that the agents of the shipping lines pay less to clear cargo, whilst the indigenous
freight forwarders that are not agents of the shipping lines pay more.

2.5 IMPACT OF THE PROBLEM
The illegal charges levied by shipping lines and their agents on goods imported and exported
from Ghana result in increased cost of freight forwarding services and further make the ports of
Ghana uncompetitive compared to her neighbours. For instance, the GIFF report (2007) makes
some comparison of individual transportation cost elements between the port of Tema and the
Port of Lome, the details of which are presented as found in the table below which has been
extracted from the GIFF report (2007).
### Table 2.1 Comparison of fees charged for containerized cargo at the ports of Tema and Lome

<table>
<thead>
<tr>
<th>ITEM</th>
<th>COST AT PORT OF TEMA</th>
<th>COST AT PORT OF LOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container Administration fee</td>
<td>$210/40'</td>
<td>$10.00/container</td>
</tr>
<tr>
<td></td>
<td>105/20'</td>
<td></td>
</tr>
<tr>
<td>1st Release Charge</td>
<td>$5.00</td>
<td></td>
</tr>
<tr>
<td>Indemnity Release</td>
<td>$10.00</td>
<td>$6.00/20'</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$12.00/40'</td>
</tr>
<tr>
<td>Cleaning Cost</td>
<td>$45.00/40'</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$22.00/20'</td>
<td></td>
</tr>
<tr>
<td>Amendment Fees</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Bill of Lading Fee</td>
<td>$10.00</td>
<td></td>
</tr>
<tr>
<td>Reefer Monitoring Fee</td>
<td></td>
<td>$40.00/20'</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$80.00/40'</td>
</tr>
<tr>
<td>Evacuation Fee</td>
<td>$22.00</td>
<td></td>
</tr>
</tbody>
</table>


A quick glance at the table above indicates the disparities in costs between the two ports. The ramifications are quite clear. The port of Tema can only be the destination of many shipping lines if there are other advantages that far outweigh its deficiency of keeping costs relatively lower. Otherwise, no prudent freight forwarder or importer would like to import their cargo through the port of Tema, particularly for cargo owners in the hinterland and landlocked...
countries, since they would be paying a relatively higher amount for the same service that is cheaply provided at other neighbouring ports.

Mathenge (2009), observes that a situation like the above stated, could compel some freight forwarders to engage in tax evasion, while others would tend to deal in counterfeit or contraband goods as a way of minimizing costs incurred.

2.6 MECHANISMS TO ERADICATE THE PROBLEM

The GIFF report indicates that the Ghana Maritime Authority is mandated under the Ghana Maritime Authority Act, 2002 (Act 630), Section 2(1), to regulate, monitor and co-ordinate activities in the maritime industry. An overview of Section 2 (2) (n) stipulates that the Authority shall ensure an efficient, cost effective and orderly provision of services in the shipping industry in line with Government policies, while Section 2 (2) (r) requires the Authority to regulate the activities of shipping agents, freight forwarders and similar shipping service providers.

The fact that these provisions have been made to regulate the maritime industry and shipping lines are still able to make illegal charges without any legal action implies a dormant, ill-performing or ill-equipped Maritime Authority. Given the apparent inability of the Maritime Authority to enforce the laws and apply sanctions to ship-owners, charterers, and their agents, the GIFF report sought to make a few recommendations.

First, the report advocates the barring of all ship-owners, charterers and their agents from charging cargo owners or their agents any unauthorized fees.
Secondly, the report recommends that a contract for services for which a fee is charged must describe fully the service(s) to be provided thereunder and the fees to be charged.

Thirdly, that no fee should be charged except for actual services provided. The report also sought to advocate that clear and adequate records should be kept by ship-owners, charterers and their agents on fees charged and received from owners of cargo or their agents for inspection upon demand by the Ghana Maritime Authority. This will make it easier for the Authority to identify fees illegally exacted from cargo owners and their agents.

In addition, it is recommended that ship-owners and their agents should not be entitled to a lien over cargo in respect of any unauthorized fees which have not been paid for by the cargo owner.

Also of importance for the GIFF is the availability of a comprehensive cargo tariff schedule for the ports of Ghana which should be drawn up, published and regularly revised in consultation with all key players in the industry.

2.7 SUMMARY OF CHAPTER
In brief, the challenges of the indigenous freight forwarder are not so different from those of their counterparts on the African continent. These challenges have generally included infrastructural challenges, the need for added skills, administrative challenges in terms of formalities and documentation at the ports. Other challenges include technological inadequacies.

Aside the aforementioned challenges, the Ghanaian freight forwarder is confronted with a situation of high service charges to their clients following payment of illegal fees exacted from them by shipping lines and their agents.
CHAPTER THREE

METHODS OF DATA COLLECTION

3.1 INTRODUCTION
The chapter provides brief information concerning the study area, the target population and the sample size. It shows the sampling procedures used to identify and collect data, sample size, problems encountered by the researcher during the field work in trying to gather information pertaining to the sample size. The chapter also explains the origin of the field data.

3.2 STUDY AREA
Tema Port is located on the east coast of Ghana and 21 nautical miles off the north-east coast of the capital city, Accra. The website of the Ghana Ports and Harbours Authority documents that the port covers a land area of 3.9 million square metres and is flanked by an industrial city. Within the ports environs are inland clearance depots, warehouses, transport and haulage companies and related services centres which spur the business of freight forwarding and other maritime activities.

Kotoka International Airport on the other hand is the biggest international airport in Ghana. The airport was the main base of the Ghanaian airline Ghana Airways which was later replaced by Ghana International Airlines as noted on ghanaweb.com. In 2004, a new arrivals and departures terminal was opened which has completely transformed the overall look of the airport. Kotoka International Airport is now considered the best International airport in West Africa as further indicated on ghanaweb.com.
3.3 POPULATION AND SAMPLE SIZE

The study was undertaken in the Tema District and the Kotoka International Airport District, and comprised of firms that are members of the Ghana Institute of Freight Forwarders (GIFF). It should be stated here that GIFF is divided into five districts, namely the Elubo District, the Kotoka International Airport District, the Aflao District, Takoradi District and the Tema District. The choice of Tema and Airport are strategic to the researcher considering that Tema is the largest port as indicated earlier in chapter one, while the Airport is the country's major airport. The researcher conceived that a study of the challenges of Freight Forwarders in Ghana would not be exhaustive enough if it only considered the opinions and challenges of forwarders at the seaports of Ghana without encompassing those of forwarders at the Airports. In step with this, the researcher saw it prudent to incorporate into his research, freight forwarding companies at Kotoka International Airport (Airport district).

The website of the GIFF provides a national membership list of two hundred and eighty nine (289) firms (companies of good standing) most of which are Customs brokers who act on behalf of exporters and importers to clear goods through customs and deliver the items to the importer's warehouse.

Enquiries from the Tema GIFF district office indicated that membership at the district totaled 256 firms. These 256 firms inevitably constituted the sample frame that the research work sought to target in the Tema municipality.
Mr. Kwabena Ofosu-Appiah, Director of Jobrenda Freight Consult, who is also the Chairman of the GIFF-Airport district, indicated that there were 55 companies in the area. These 55 companies constituted the sample frame for the Airport district.

However, the large number of firms and limited time frame required to carry out the research suggested that fractions of the sample frame could be used for the study. To determine a fraction of the population (sample size) that would be used in the study, the researcher relied on other scholarly materials for guidance.

Researchers like Sarantakos (1993) have devised methods to help in the sample size determination of different population categories (sample frames). According to Sarantakos (1993) a sample size of 152 is representative enough for a population of 250. However, given the difficulty and relatively limited time within which the research had to be conducted, a sample size 74 companies representing approximately 30% of the population of 256 firms was selected for the study.

3.4 SAMPLING PROCEDURES
The researcher used both probability and non-probability sampling methods to select his sample size. Purposive sampling, a non-probability sampling method was used in the selection of the study areas of Tema and Airport districts of GIFF. Purposive sampling was used because out of the five districts of GIFF, the researcher saw it necessary to select districts that had the most economic impact on Ghana. Tema and airport districts were therefore chosen because they constitute the major ports of Ghana as indicated earlier in chapter 1. The sample frames for these two districts were then determined, following which the researcher then proceeded to employ the
simple random sampling procedure to select the sample size for each district. The simple random sampling was adopted because the population was mainly a homogenous one and comprised only of members of GIFF. This procedure was used to ensure that every individual in the population had an equal chance of being selected (Kwabia, 2006). A sample size of 74 was determined for a population of 256 at the Tema District of GIFF whiles interviews were conducted with 3 companies at the Airport District.

3.5 DATA COLLECTION INSTRUMENTS
First hand information was collected through this process. The process included qualitative and quantitative methods of data collection.

Qualitative methods are appropriate under circumstances where little or no knowledge exist about the phenomenon (Kannae, 2004). Qualitative technique made it possible for the researcher to discuss in detail the challenges of freight forwarders, issues relating to competition and possible solutions to problems identified by forwarders. Qualitative methods were employed to gather information from key informants of GIFF where the researcher required in-depth knowledge into the research problem. This method was particularly helpful when it became obvious that the researcher could not administer questionnaires to freight forwarders at the airport given their busy schedule. The researcher therefore found it necessary to prepare an interviewers guide which he used to solicit information from key informants at the KIA district. Such informants basically comprised top management and their views in the opinion of the researcher could be said to encompass the general perceptions of forwarders in the industry.

Quantitatively, seventy-four (74) questionnaires were administered to a manager each of 74 companies at Tema. This category of questionnaire sought to cover freight forwarders operating
at the seaport of Tema. In some situations where the manager was not readily available or could not personally answer the questionnaire, he/she delegated an employee who had the wherewithal to answer the questionnaire administered by the researcher. The questionnaires were structured such that there were pre-coded and open-ended question types to ensure that questions that were posed were easy to answer and valid data was easy to obtain and interpret as well.

In order to improve upon the quality of questionnaires administered and to ensure questions were really relevant to the study, the researcher undertook a pre-test by administering 16 initially prepared questionnaires.

3.6 DATA ANALYSIS
In all, 156 questionnaires were administered to a manager each of the same number of companies at the Tema district of GIFF. Out of this number of questionnaires administered, only 74 managers and their delegated respondents answered the questionnaires, representing approximately 30% of the sample frame of 256 companies at Tema. Interviews were conducted with three (3) freight forwarders at the Airport District of GIFF. Questions that were already pre-coded were newly coded and analyzed using Microsoft excel. Microsoft excel was used in drawing of tables which detailed the frequency of responses and percentages obtained from questionnaires administered. A breakdown of the total number of questionnaire administered, method of data collection and the sample procedure used is indicated in the table below:
Table 3.1: Summary of population, sample size and data collection methods

<table>
<thead>
<tr>
<th>Stratum</th>
<th>Freight Forwarding companies at Kotoka Airport (A)</th>
<th>Freight Forwarding companies at Tema Seaport (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population size</td>
<td>55</td>
<td>256</td>
</tr>
<tr>
<td>Sampling percentage</td>
<td>-</td>
<td>30%</td>
</tr>
<tr>
<td>Final sample size</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>Method of data collection</td>
<td>Questionnaire/interview</td>
<td>Questionnaire/observation</td>
</tr>
<tr>
<td>Number of questionnaire</td>
<td>26</td>
<td>156</td>
</tr>
<tr>
<td>administered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number retrieved</td>
<td>2</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: field data, (2010)

3.7 FIELD PROBLEMS
Some respondents were unwilling to answer the questionnaires. In some instances, they requested the researcher to return on a later day and yet it was observed that the questionnaire had not been answered. Even when the researcher requested to assist some respondents to fill the questionnaires, they insisted they were too busy and would not be able to readily provide answers to the questionnaires.
Some respondents expressed their suspicion that the research was not for academic purposes. In spite of the researcher showing his student identity card and letter of introduction from the University, some respondents were of the opinion that such evidence could be faked. In their opinion, the recent activities of some investigative journalists in the country make it difficult for them to trust researchers. Some respondents were also of the opinion that they have answered so many questionnaires and have not seen any positive results and for that matter only consider the whole exercise a waste of their precious time.
CHAPTER FOUR

DATA ANALYSIS

4.1 INTRODUCTION
This chapter presents a detailed outlook of how the study was conducted. It further interprets the information gathered to give meaning to the data obtained. The data was obtained from 74 Freight Forwarding companies in the Tema District. These companies comprised the sampled size. The researcher also conducted interviews with three (3) freight forwarders at the Airport District of GIFF since attempts at administering questionnaires proved futile. The response rate is indicated in table 3.1 above. In line with this development, the ensuing tables and analysis directly pertain to responses from the Tema District of GIFF. This chapter is divided into four sub-sections namely the background characteristics of respondents, knowledge of respondents, attitude of respondents and finally, suggestions and opinion of respondents to resolve the problem.

4.2 BACKGROUND OF RESPONDENTS
The researcher sought to investigate the background of respondents and by so doing determine the appropriateness of respondents in providing in-depth answers to questions. The researcher therefore framed questions that centred around the number of years the companies have worked in the freight forwarding industry, whether the companies were foreign or Ghanaian owned and whether the companies were subsidiaries to foreign parent companies. Table 4.1 below provides a breakdown of the background of respondents and how their backgrounds helped in the analysis of the data collected.

38 \hspace{1cm} Page
Table 4.1: Nationality of companies

<table>
<thead>
<tr>
<th>Category of companies</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary of a foreign company</td>
<td>13</td>
<td>17.6</td>
</tr>
<tr>
<td>Ghanaian wholly owned</td>
<td>61</td>
<td>82.4</td>
</tr>
<tr>
<td>Subsidiary; Foreign wholly owned</td>
<td>2</td>
<td>2.7</td>
</tr>
<tr>
<td>Subsidiary; Both Ghanaian and foreign</td>
<td>7</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Source: field data, (2010)

It can be observed from table 4.1 above that a summation of the number of companies that answered questions on their nationality exceeded the sample size of seventy-four (74) companies. This situation arose because the companies that were found to be subsidiaries of other foreign companies were given the leverage to indicate whether the parent company was either entirely foreign owned or both Ghanaian and foreign owned. In reality therefore, the additional nine companies captured under “subsidiary; foreign wholly owned and subsidiary; both Ghanaian and foreign” can be categorized under “subsidiary of a foreign company”. Also, table 4.1 shows that thirteen (13) companies, representing 17.6% of the sample indicated that they had parent companies while 61 companies, representing 82.4% indicate that they are Ghanaian owned. Of the 13 companies that were subsidiaries to other major companies, two (2) were foreign owned, while seven (7) were owned by both Ghanaian and foreign companies. The remaining four (4) companies indicated that their parent companies were Ghanaian.
The two (2) companies that fell under exclusively foreign owned companies suggest that GIFF is not entirely made up of indigenous freight forwarding companies. This is in consonance with chapter 5 of the companies code, 1963, Act 179 which makes provision for the registration of external companies in Ghana. The code, in section 302(2) defines an external company as a body corporate formed outside Ghana which, at or subsequently to, the commencement of the code has an established place of business in Ghana. The two companies might have established themselves in business either before or after the commencement of the companies code and could have been registered under the code. This gives legitimacy to their existence and their association with GIFF could therefore be considered to be in compliance with the laws of Ghana.

As part of the investigation into the background of the sampled population, the researcher found it necessary to know the years of experience the companies had in freight forwarding. This was likely to inform the researcher of how vast a company’s experience in the industry was, or how shallow its experiences were. The respondents were therefore categorized in years of experience as provided in table 4.2 below.

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Number of companies</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 4</td>
<td>20</td>
<td>27.0</td>
</tr>
<tr>
<td>5 – 9</td>
<td>13</td>
<td>17.6</td>
</tr>
<tr>
<td>10 – 14</td>
<td>25</td>
<td>33.8</td>
</tr>
<tr>
<td>Above 14yrs</td>
<td>16</td>
<td>21.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: field data, (2010)
As can be seen from table 4.2 above, twenty (20) companies, representing 20.7% of the sample indicated that they had been in the freight forwarding industry less than four (4) years. The figure was quite impressive, as it indicated that companies are increasingly becoming aware of the need to belong to an association which can champion their course and offer the necessary support that members require to survive in the industry. Thirteen (13) companies, being approximately 17.6% of the sampled size indicated that they had been in the industry between 5 and 9 years. Table 4.2 also shows that 25 (33.8%) companies fell into the category that emerged after the formation of GIFF. Sixteen (16) companies, representing 21.6% were found to have been in the industry for more than 14 years. Under the category of companies with over 14 years of experience, it was noted that some had actually been in the industry for more than 25 years. In fact, some companies had actually been involved in clearing and forwarding way before the emergence of GIFF and perhaps might have been members of NACHA, the parent institution that begot GIFF.

The number of employees in each company also formed part of the background characteristics of the companies studied. Figure 1 shows that 20 companies (27.0%) indicated that they had between one (1) to five (5) employees. Out of the 74 companies, 22 (29.7%) had between six (6) and ten (10) employees. Twenty-five (25), being about 33.8% had between eleven (11) and fifteen (15) employees. Two (2) companies, representing 2.7% as depicted in figure 1 below had between sixteen (16) to twenty (20) employees while five (5) companies (6.8%) had over twenty (20) employees. A vivid expression of these figures is provided in figure 1 below.
Figure 1: A bar graph showing number of employees and corresponding percentages

It was also important for the researcher to find out if the companies comprising the sampled size had access to basic utilities and amenities such as water and electricity. The results obtained from the questionnaires indicated a 100% response in the affirmative. All seventy-four (74) companies had access to electricity and water which are particularly essential for the day-to-day performance of the companies. Electricity, the employees of the company would use in the operation of computers, photocopying, fax machines, and typewriters, while water would be used for a wide range of activities.

4.3 KNOWLEDGE AND ATTITUDE OF RESPONDENTS
The researcher also wanted to establish to some extent respondents' knowledge of freight forwarding and the major challenges that confront them based on their experiences, and how they fuse together their skills/education acquired in addressing such challenges. The study therefore sought to find out how the employees of the 74 companies comprising the sample size
acquired their training, where they had the training and to what extent the training they had sharpened their comprehension of events in the industry. Figure 2 below categorizes how the employees of the 74 companies acquired their training. Such training could either be acquired by learning on the job or by acquiring skills from recognized maritime institutions that are charged with the responsibility of producing professionals to work in the freight forwarding industry.

![Number of companies](image)

**Figure 2: A pie chart showing how and where employees acquired their training**

As depicted from figure 2 above, 61 companies (82.4%) out of 74 indicated that some of their staff had training from a maritime institution in Ghana (GIFF), 20 (or 27.0%) out of the 74 companies indicated that some of their staff had training from a maritime institution abroad, while 72 companies out of the 74 indicated that most of their employees were largely trained on the job. The figures are quite impressive, since the researcher is of the opinion that, 82% of the respondents (representing 61 companies) had appropriate training in the industry. Most of the employees of the companies that had their training from a maritime institution in Ghana had it by...
participating in GIFF training programmes. Even some employees who had training on the job had some refresher training sessions at GIFF to keep abreast of recent developments in the industry.

The researcher also wanted to find out other issues relating to the capacity of the companies to operate in an increasingly competitive and globalized environment. Following this, the questionnaires sought to find out the use of modern communication facilities by the sampled population. It is an industrial fact that the absence, inadequacy or lack of use of information and communication technology (ICT) has dire consequences on the ability of a company to effectively compete in the freight forwarding industry. Given a situation like this, indigenous companies would be forced to limit their scope of performance to Ghana and their growth/development into major global players would be immensely compromised. However, this is not the scenario, as the real situation in terms of use of ICT is provided in table 4.3 below:

**Table 4.3 ICT compliant companies**

<table>
<thead>
<tr>
<th>Modes of ICT used by companies</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies with computers</td>
<td>74</td>
<td>100</td>
</tr>
<tr>
<td>Companies with internet connection</td>
<td>70</td>
<td>94.6</td>
</tr>
<tr>
<td>Companies without internet</td>
<td>4</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: field data, (2010)

Table 4.3 above shows that all seventy-four (74) companies indicated the availability and use of computers for their daily administrative tasks. Seventy (70) companies had at least a computer or...
two connected to the internet and devoted solely for correspondences that are directly related to business transactions on the internet. In some instances, the researcher observed that some companies had more employees than computers available for use and determined to establish the rationale for such situations. Further observation revealed that some of the employees were field officers. The field officers embark on specified schedules like clearing of goods and debt recovery from clients.

Four companies indicated they had no direct LAN internet connections and therefore accessed their e-mails from the internet café or via their mobile phones. To further evaluate the capacity of the sampled size in terms of their use of ICT, the researcher sought to establish the availability and use of certain equipment/machines.

**Table 4.4 Companies with office equipment**

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photocopier</td>
<td>67</td>
<td>90.5</td>
</tr>
<tr>
<td>Typewriter</td>
<td>45</td>
<td>60.8</td>
</tr>
<tr>
<td>Scanner</td>
<td>53</td>
<td>71.6</td>
</tr>
<tr>
<td>Fax machine</td>
<td>67</td>
<td>90.5</td>
</tr>
<tr>
<td>All the four equipment above</td>
<td>40</td>
<td>54.1</td>
</tr>
<tr>
<td>None of the four equipment above</td>
<td>4</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: field data, (2010)
Sixty-seven (67) out of 74 companies, representing 90.5% had photocopiers, 45 (60.8%) of respondents had typewriters, 53 (or 71.6%) had scanners and 67 (or 90.5%) had fax machines as shown in table 4.4 above. The availability and use, or lack of use of these pieces of equipment by the companies undeniably affects their performance. If the companies did not have these pieces of equipment at all or a negligible number of companies simply had these pieces of equipment, general performance of the industry would be slowed, costs of doing business would be high, and profit levels would be marginal. However, present developments and demands of the industry make it difficult for a company not to equip itself with these basic pieces of equipment. Companies have to possess these basic pieces of equipment in order to compete among themselves or otherwise self terminate themselves from the business environment. Customers (i.e. shippers or consignees) would prefer freight forwarding companies that render efficient services to them in good time.

It was therefore impressive to know from the questionnaires administered that, 54% of the 74 sampled size (representing 40 companies) had all the equipment mentioned in table 4.4. The figure would have been even more impressive if the companies that had all the equipment added up to between 70% and 80%. This would have implied that the freight forwarding industry in Ghana was gradually becoming of age and could comfortably become a major player in the West African Sub-region if other things such as infrastructure, among others did not remain the same, but witnessed massive improvement. In spite of this seemingly impressive outlook presented in table 4.4, some four (4) companies indicated the unavailability of such equipment and therefore noted that they resorted to engaging the services of commercial operators to access such
equipment. This is likely to be the situation with companies that are fairly new in the industry. It is thus important to note that the unavailability of these pieces of equipment is only temporary.

4.4 OPINION AND SUGGESTION OF RESPONDENTS
This section intended to solicit from respondents their opinion about the general performance of the industry and how they position their companies in this general picture to enjoy the benefits derived thereof and also resolve together as an association, the problems that are common to the industry. Questions, therefore, focused on the profitability of the freight forwarding industry in Ghana, factors that accounted for the profitable or unprofitable nature of the industry and the general challenges faced by freight forwarders in the industry.

![Figure 3: A bar graph showing general performance of companies in the industry](image)

Thirty-four (34) companies, being about 45.9% as illustrated in figure 3 above indicated that the freight forwarding industry was highly profitable. The researcher's enquiries pertaining to this outcome revealed that companies in this category were those that had regular clients who...
regularly imported and exported goods via these same companies. In brief, the clients of such companies could be described as 'loyal customers'. The highly profitable companies might have gained the confidence of their clients through good customer care practices. Business relationships developed in this manner made it difficult for clients to alternate between companies.

Figure 3 reveals that 40 companies (or 54.1%) noted that the freight forwarding business was averagely profitable. Under this category, profits were quite satisfactory enough to keep their companies running. None of the companies perceived the industry to be unprofitable as indicated in figure 3.

Given the generally profitable nature of the industry depicted by companies, the research sought to find the factors behind the general performance of the companies. It was necessary to find out if the profitable nature of the industry could be attributed to a good legal regime that protected the interest of freight forwarders, an active membership association (i.e. GIFF) to which the companies belonged, good infrastructure or other factors that are unknown to the researcher. Table 4.5 below summarises the responses of the 74 freight forwarding companies.
Table 4.5: Factors accounting for profitability of freight forwarding

<table>
<thead>
<tr>
<th>Profitability factors</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong legal regime</td>
<td>16</td>
<td>21.6</td>
</tr>
<tr>
<td>Active membership association</td>
<td>52</td>
<td>70.3</td>
</tr>
<tr>
<td>Good infrastructure</td>
<td>9</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Source: field data, (2010)

With this particular category of questions, respondents were given the leverage to choose more than one response as applicable to their situation. From table 4.5, sixteen (16) companies (or 21.6%) out of the sampled size were of the opinion that a strong legal system that protected the interest of freight forwarders was partly responsible for the profitable nature of the industry. Table 4.5 further shows that 52 companies (or 70.3%) were of the opinion that their association with GIFF was the major factor for the profitable nature of their companies while, 9 respondents (or 12.2%) noted that good infrastructure was a factor. The researcher’s enquiry about why good infrastructure was considered a factor accounting for the profitable nature of the companies revealed an interesting paradox. The companies conceded the road network at the port area was bad and that the rail system could not be used to transport cargo from the port to the hinterland. This situation to them, constituted an infrastructural problem. On the other hand, some companies were of the opinion that their office buildings were well constructed and equipped with some modern facilities thereby accounting for their opinion that good infrastructure contributed to their profit levels. One could therefore perceive infrastructure as understood by the freight forwarders to be ‘internal infrastructure and external infrastructure’.
infrastructure constituting their office buildings and the ICT facilities installed within these office buildings while external infrastructure had to do with the roads, rails, and other physical developments that are not directly provided by themselves but by government.

The challenges confronting freight forwarding companies were categorized into poor implementation of laws by relevant authorities, the lack of access to credit facilities or loans, competition from foreign owned companies among others. The responses of the sampled companies are provided in table 4.6 below. This section of the questionnaire also made it possible for freight forwarders to choose more than one answer as they deemed applicable to their situation.

**Table 4.6 Challenges confronting freight forwarding companies**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor implementation of laws</td>
<td>38</td>
<td>51.4</td>
</tr>
<tr>
<td>Lack of access to credit facilities/loans</td>
<td>38</td>
<td>51.4</td>
</tr>
<tr>
<td>Competition from foreign owned companies</td>
<td>47</td>
<td>63.5</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Source: field data, (2010)

Thirty-eight (38) out of 74 companies (51.4%) indicated that the challenges confronting freight forwarders were those of poor implementation of laws and the lack of access to credit facilities/loans. The researcher found it important to know if freight forwarders had knowledge of any laws that were not properly implemented or adhered to by relevant authorities, thereby
making it difficult for them to do business. The answers have been summarized in table 4.7 below.

Table 4.7 Knowledge of laws protecting the interest of freight forwarders

<table>
<thead>
<tr>
<th>Knowledge of existing laws by companies</th>
<th>Number of companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of companies that indicated knowledge of laws</td>
<td>22</td>
<td>29.7</td>
</tr>
<tr>
<td>No. of companies that did not indicate knowledge of laws</td>
<td>52</td>
<td>70.3</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: field data (2010)

As indicated in table 4.7 above, twenty-two (22) out of the 74 sampled companies (or 29.7%) indicated knowledge of laws that protected the interest of freight forwarders while fifty-two (52) companies were not certain if these laws actually existed. The twenty-two (22) companies that indicated knowledge of laws protecting the interest of freight forwarders however could not tell what the laws were and where they could be found.

Forty-seven (47) companies, representing 63.5% indicated that competition from foreign owned companies was their bane while seven companies stated other challenges aside those provided by the questionnaire. These other challenges had to do with high port charges or dues and cumbersome customs procedures encountered by freight forwarders in clearing goods at the port of Tema.
4.6 RESULTS FROM INTERVIEWS
Interviews were conducted with four (4) freight forwarders. These interviews were to ensure that detailed information was provided on the history of freight forwarding in Ghana, some of the challenges that confronted the industry that might not have been captured well enough in the questionnaire and the legal basis on which indigenous freight forwarders could agitate for certain percentage of activities in the industry to be left for them. To this effect, three (3) freight forwarders were interviewed at GIFF Airport District and one (1) at the Tema District. These Freight Forwarders were Messrs Kwabena Ofosu-Appiah, Richard Ackah, Benjamin Akuamoah Boateng and Mr. Maxwell Nyame.

4.6.1 First Interviewee
Mr. Kwabena Ofosu-Appiah, Director of Jobrenda Freight Consult and Chairman of GIFF at the Airport District in his response to a question on the history of GIFF noted that NACHA had to transform into GIFF in August 1985, because NACHA was performing functions that far exceeded customs brokerage, therefore making the name Custom House Agents an inappropriate one. Freight forwarders were no more doing customs brokerage alone by the time GIFF was formed. Freight forwarders, according Mr. Ofosu-Appiah trailed goods from the source to the destination and this entailed more activities and responsibilities than was required to undertake customs brokerage. There was also the need for NACHA to assume an industry status and perform its functions in line with laid down international practices and principles of freight forwarding. It therefore became necessary for an institute to be established as part of the fulfillment of international practices. The institute was also to facilitate and promote training of its membership in line with international requirements.
Mr. Ofosu-Appiah indicated that a person could become a member of GIFF if the person is trained by GIFF and eventually becomes a licentiate and if the person is deemed to have met the standards required to undertake freight forwarding activities, the person would be issued with a certificate and license to operate. He indicated that GIFF is quite a broad institution than is normally perceived to be. For instance GIFF has fellows, associate members and student members, Mr. Ofosu-Appiah noted. He further noted that other qualifications are recognized or acceptable by GIFF in its admission of members. For instance, graduates could be registered as members of GIFF depending on their ability to comprehend the procedures and practices of the industry. The fast learners could be considered for membership. He, however, indicated that the predominant practice is to take persons through the GIFF courses leading to such persons becoming licentiates enabling them to practice. He added that there are two forms of GIFF membership. These two forms are the licentiate and corporate members. The licentiates are the individual licensed members of GIFF who have undertaken the training courses organized by GIFF while the corporate, which also implies a corporate entity, must have as a requirement two licentiates on its management list to qualify for membership of GIFF.

The Chairman of GIFF Airport district noted that there was nothing ethically or legally wrong with exclusively owned foreign companies becoming members of GIFF. He however stated that there is a provision (which he could not specify offhand) that enjoins that a certain percentage of business should be left to indigenes. In order for foreign companies to become registered members of GIFF, it is required that a majority of the shareholders of the company are Ghanaians. This practice has however been relaxed a bit over the years.
Mr. Ofosu-Appiah indicated that GIFF does not have any difficulties conducting background check on companies that are exclusively foreign and want to join it. He said usually GIFF would require the certificate of incorporation and registration of such companies as well as the companies’ code of the country of origin.

In response to a question on competition from foreign companies being a challenge to indigenous freight forwarders, Mr. Ofosu-Appiah opined that competition is not a bad phenomenon. He actually said it is good for the survival and sustenance of the industry. However, it is the way in which it is done that determines whether it is healthy or unhealthy. He went further to explain that representatives of multinational airlines or shipping lines usually end up taking the chunk of businesses in the industry. He explained that usually, the Ghanaian freight forwarders tend to benefit when the goods arrive at the ports of Ghana where they can go through the formalities to clear goods imported. The problem however is that representatives of multinational airlines and shipping lines usually have access to manifests which clearly stipulate who the consignees of goods are. Under such circumstances, some of these representatives are able to call companies that are taking large delivery of items (consignment) from the ports. The representatives then negotiate better deals with the importers thereby undermining their local Ghanaian counterparts. Mr. Ofosu-Appiah however did not seem to have any problems or challenges that were so peculiar to the aviation industry when it came to freight forwarding.

4.6.2 Second Interview
Mr. Richard Ackah, the Manager of Top Express informed the researcher that a company could become a member of GIFF if it is a company registered under the laws of Ghana. He also indicated that persons licensed to do the customs business could also become members of GIFF.
He said before a freight forwarder is licensed by customs, he/she has to be recognized to belong to a body of freight forwarders. This is a requirement for issuance of a license to operate. In Mr. Ackah’s opinion, this requirement makes it easier for clients to identify and deal with the appropriate freight forwarders and therefore minimizes fraud. For him, GIFF is quite flexible in the registration of its members and this makes it possible for some foreign firms to be part of GIFF. However, background checks are conducted on such companies to ensure that they are really registered entities in their countries of origin and are not involved in any undesirable practices that are likely to jeopardize their business prospects in Ghana.

Mr. Ackah was not able to indicate off hand any laws that protected freight forwarders or spelt out clearly how their activities would be conducted within a constitutionally mandated environment. He however stated that the laws that spelt out the duties of freight forwarders and also ensured some amount of protection for them fell under the customs laws of doing business in Ghana. In his opinion, there is a lapse in the implementation of such functions spelt out in the customs laws of doing business.

4.6.3 Third Interview
The third interview was conducted with Mr. Benjamin Akuamoah Boateng. He mentioned among other problems the delays from BIVAC in issuing the Final Classification and Valuation Report (FCVR). He however noted that the delays could not entirely be attributed to BIVAC. Mr. Boateng examined the causes of delays from diverse perspectives. He, for instance, noted that, false information provided by a client and his agent or forwarder could result in BIVAC resolving to explore all possible options of verification and this could slow the process for
issuance of FCVR. He also observed that errors associated with preparation of import declaration forms (IDF) could account for delays in clearance of goods at the seaports and airport of Ghana.

Mr. Boateng was of the opinion that because BIVAC is an international organization, it has its own internal means of verifying documentations brought before it. He stated that BIVAC could do a verification of invoices to ascertain their authenticity, actual prices quoted and the details of the items being imported through its counterpart organizations in other countries. In the event that BIVAC detected any irregularities or anomalies, the FCVR would not be issued within the required period and delays may be encountered.

He also noted that inspection companies require freight forwarders to submit pro-forma invoices at least ten (10) days prior to the arrival of cargo. When freight forwarders failed to comply with this requirement, FCVR would not be issued in time and freight forwarders would complain of delays from BIVAC. In addition, late submission of IDF would result in delays since the inspection companies would be compelled to store the goods pending the submission of IDF. Storage commences eight (8) working days after arrival of cargo.

4.6.4 Fourth Interview
In response to a question on challenges of freight forwarders, Mr. Maxwell Nyame, Chairman of Ponaq Company Limited was of the opinion that poor enforcement of laws was a major problem of freight forwarders in Ghana. He made an observation that a freight forwarder could not directly clear goods in any of the neighbouring francophone countries unless he engaged the services of an indigene of that country to do so on his behalf. In his opinion, the same approach ought to have been practiced in Ghana. However, because of poor enforcement of laws, foreigners are able to avoid Ghanaian indigenes and do the clearing of goods by themselves.
He also noted that, the issuance of Self Declarance that enables certain companies to clear their own goods from the ports instead of engaging the services of freight forwarders also results in a situation where fewer job opportunities avail to the freight forwarders who in actual sense are specially trained to carry out such duties.

Mr. Nyame also raised the issue of lack of transparency in tariff figures issued by Customs. In his opinion, these figures are not shared with GC-NET and the general public to enable freight forwarders know the exact prices to pay for some items imported. He further stated that this practice had severe implications on revenue generated by the state because much of the revenue is lost to illegal charges made by customs.

Mr. Nyame also mentioned that a levy was initially imposed on all imports made through submission of an IDF. He said this levy was automatically deducted by banks where the payments were made and deposited in a common account held by GIFF. He further said the present GIFF building was constructed and completed with monies accruing from that levy. Someway somehow, the practice of imposing and deducting this levy for the development of GIFF was stopped by political leadership and this has further constrained GIFF’s ability to embark on infrastructural developments of its own.

4.7 Interviews with Foreign Freight Forwarding Companies
Foreign Freight Forwarding Companies do not form the centerpiece of this research. However, the research sought to find out if foreign freight forwarding companies faced any peculiar challenges emanating from discrimination in favour of their indigenous counterparts. The researcher, with the help of GIFF Head Office, identified five freight forwarding companies.
which are subsidiaries of international companies doing business in Ghana. These companies are Panalpina Ghana, SDV Ghana Limited, Logistics Direct, Stellar Express TNT and DHL Global. The general response by these companies was that the industry was not inimical to their performance in Ghana. However, they enumerated a number of challenges such as arbitrary charges, delays in clearance of cargo attributable to CEPS, DICs and sometimes inadequate or inappropriate information given them by their clients regarding cargo being imported. This sometimes comes in the form of under-declaration of the quantity being imported or wrong details of cargo. According to Mrs. Agnes Okine, General Cargo Supervisor of SDV Ghana Limited, the delays can partly be attributed to the location of the agencies involved in the clearance process. In her opinion, the absence of a CEPS office and a DICs office in the Aviance area (the cargo village at airport) is a factor for the delays. This is because freight forwarders have to commute from the cargo village to CEPS and the DICs anytime they have cargo to clear. Mr. Sam Aggrey Addoyobo, Logistics Operations Manager of Logistics Direct, was of the opinion that it was necessary for Government to set timelines, beyond which freight forwarders who have adequately satisfied all documentation required for clearing of cargo could take legal action on DICs for undue delays caused them. Mr. Kwabena Kyeremateng, Head of Airfreight Operations at Panalpina Ghana noted that arbitrary charges exacted from freight forwarders for clearing of cargo largely emanated from the airlines. He added that most often airlines tend to take different charges, even though cargo of the same tonnage may be transported from the same port of departure to the same destination port. He attributed the differences in charges to the agents of the airlines who mostly will have to break-bulk since most cargo arrives at the port in a consolidated manner. Mr. Kyeremateng further indicated that under such circumstances, freight forwarders had no choice but to pass the costs to their clients (shipper/final consumer).
4.8. SUGGESTIONS FROM THE INTERVIEWS RESPONDENTS

Mr. Maxwell Nyame suggested that importers who under-declare imports in order to make profits be punished to serve as a deterrent. If it is found that an importer unintentionally under-declared the value of imports, he/she should be made to pay a fine of up to a 100% more of the value he under-declared. If an importer intentionally under-declared the importer should be fined up to 300% more of the value he under-declared.

Mr. Nyame also advocated an abolition of the entire concept of ‘self-declaration’, so that forwarders would be able to streamline their activities in an environment that is more freight forwarder friendly and enjoy the benefits thereof.

Finally, Mr. Nyame proposed a reinstitution of the levy charged on IDF for the benefit of freight forwarders. This levy is so important because it allows freight forwarders to contribute to their own development programmes rather than relying on government to provide every basic infrastructure required by them. Government’s responsibilities are enormous and it is only through practices like these that developments can take place with minimum stress on the limited public coffers. For instance the GIFF building in Tema which provides office space for GIFF members was built using funds from this levy. Mr. Nyame noted that other infrastructural programmes could have been undertaken using funds from this levy. The GIFF building in Tema for instance could have been replicated at the Airport District and other districts of GIFF to accommodate its members only if the imposition of this levy was reinstituted. This levy also has an importance because it has inbuilt mechanisms that would eventually cut-out illegal freight
forwarders since they would not have any body into whose account levies deducted would be paid into.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION
This chapter summarises the findings made by the researcher through the questionnaire, conclusions of the researcher upon analyzing data gathered from the questionnaire administered and the recommendations or proposed solutions provided by freight forwarders.

5.2 SUMMARY OF FINDINGS
Background characteristics of respondents
The researcher found that some of the companies that constituted GIFF had parent companies which were either Ghanaian, foreign or even both. The two (2) companies that indicated that they were subsidiaries to other foreign companies could easily be identified to fall under the first category of companies, identified by UNTACDA II as indicated in Chapter Two of this document.

The seven (7) companies that were found to be owned by both foreigners and Ghanaians could suitably represent the second category of companies identified by UNTACDA II also in Chapter Two of this document. The majority of 61 companies that were found to be exclusively owned by Ghanaians could be placed under category three of the UNTACDA II group of company categorization.

It is observed through this study that the freight forwarding industry in Ghana continues to grow with more new members increasingly becoming interested in joining GIFF. Companies that have
been in the industry, and for that matter GIFF from the last four years alone, represent 27% (20 companies) of the sampled size. Companies that have been in existence beyond the past five (5) years accounted for approximately 73% of the sampled size of the population putting them in a better position to provide answers that are more depicting of the real situations pertaining to the industry. The research actually found that most of the companies with large number of employees actually had their job descriptions split in this manner.

Twenty (20) companies, representing 27% of the 74 companies had between one to five employees. Twenty-two companies (29.7%) had between six to ten employees, twenty-five (33.8%) had employees between eleven and fifteen people, while two companies (2.7%) had between sixteen to twenty employees. In the freight forwarding industry, it is quite essential to have a reasonably large number of employees. This is advantageous to the firms since, some employees can be dedicated strictly to tasks that limit their job description to activities within the precincts of the office while the others could be assigned to field activities like recovery of companies' debts from customers, arrange for customs compliant documentations on behalf of clients or see to the delivery of goods to their clients as may be required by the terms and conditions of Bills of Lading. Most of these firms were found to have actually fashioned the duties of their employees in this manner.

The companies were found to be equipped with modern office equipment. This is an indication that their mode of operation in the industry was in line with the demands and requirements for business of this day and era. Only four (4) companies had no photocopier, fax machine, scanner or typewriter. These were companies that had just entered the industry with between 0-4 years
experience in freight forwarding. A majority of the companies (94.6%) had access to the internet (LAN), making it possible for them to communicate with their clients.

Knowledge of respondents

Sixty-one (61) companies indicated that their employees had their training in a maritime institution in Ghana. This exposes them to the realities of the industry in Ghana and puts them in a better position to understand the dynamics of the industry. However, the researcher observed that with the exception of top management, most freight forwarders did not seem to have a firm grasp of what really pertained in the industry with regard to its technicalities, and the legal ramifications associated with the industry to a certain extent. It is therefore not surprising that thirty-eight (38) companies representing 51% of the sampled size answered in the affirmative that poor implementation of laws was partly a challenge to doing business in Ghana while the same percentage could not specifically indicate which laws protected their interest. This is a manifestation of the fact that most freight forwarders are unaware of the non-existence of such laws.

Forty-seven companies (63.5%) in response to the questionnaire mentioned competition from foreign companies as one of the challenges confronting them in the industry. The competition indicated by these companies however, had to do with their inability to compete with global giant players in the industry who have their branches in Ghana. This is quite obvious, the industry is a global one and the most sophisticated and experienced companies would always have the upper hand.
Opinion and suggestions of respondents

Thirty-four companies (45.9%) suggested that freight forwarding was highly profitable and forty companies (54%) were of the opinion that freight forwarding in Ghana was averagely profitable. This is an indication that on the average, the companies are not performing poorly. The suggestion by some 16 companies that a strong/good legal system accounted for the profitable nature of the industry is a further confirmation that some freight forwarders are uncertain about the existence or non-existence of laws that protect their interest. GIFF as an institution is a major boost for the performance of most of the companies. Fifty-two (52) companies indicated that they can attribute their profitability to the fact that they belong to GIFF and benefit from the trainings organized by GIFF and unified voice of purpose which always seeks to champion their interest.

Lack of access to credit facilities or loans was one of the major constraints to performance, as indicated by forwarders. This would however be discussed in detail under conclusions and recommendations.

The research also found that poor infrastructure in terms of roads and rail lines constituted a constraint to freight forwarding in Ghana. The nine (9) companies that attributed profits to good infrastructure actually referred to their own office buildings and the other facilities like internet which have been installed in those buildings for them to use.

5.2.1 Interviews findings

Through the interviews, it was found that, competition from foreign competitors only constituted a minute fraction of the problems of the industry. In fact, competition from foreign competitors
was actually perceived as healthy for the industry. However, the major challenges of the indigenous freight forwarders had to do with customs formalities and other administrative challenges they faced. These challenges ranged from delays in processing of documents to illegitimate practices by some shipping lines and airlines which charge illegal fees for services they have not really rendered. Some of such charges are indicated in section 2.5 of this document.

Other challenges included the inability of GIFF as an institute to raise in addition to funds generated through its training programmes additional capital for other infrastructural developments as was initially practiced through the imposition of a levy on all IDF's which was paid directly into a GIFF account.

5.3 CONCLUSIONS AND RECOMMENDATIONS
This section examines the findings of the research and draws conclusions from the questionnaires administered as well as interviews conducted over the research period.

5.3.1 Conclusions Based on Questionnaires and Recommendations
From the questionnaires administered, it is clear that freight forwarders are not ill-equipped with staff or equipment to perform their duties. In fact most of the staff have had their training in a maritime institution (GIFF), and even with those who had training on the job, they actually benefit from refresher courses organized by GIFF. It can be said on this basis that the indigenous freight forwarder is knowledgeable in his field of business and has at his disposal modern communication systems that would enable him to carry out business with any exporter or importer from any part of the world.
The entire sample size of 74 companies find the freight forwarding industry profitable enough and do not see the need to quit. It is, however, important to note that the profitable nature of the industry has been attributed largely to the active role that GIFF plays in facilitating training of its members and pushing forward a common voice in their interest as noted by respondents.

Also, based on the findings of the questionnaire, it is recommended that GIFF takes necessary steps to ensure proper coordination between itself, customs, GPHA and the destination inspection companies with whom freight forwarders conduct their day-to-day businesses. It is quite clear that some freight forwarders are of the opinion that tariff rates are discretionarily fixed by the Port Authority without prior information. However, enquiries at the GPHA reveal that the Authority already has an existing tariff structure, for which all persons who conduct business at the ports of Ghana are exposed to. Mr. Garvin Amarvie, Manager of Terminal One at GPHA informed the researcher that changes to tariff rates beyond a certain threshold by the Port Authority are subject to Government approval. It was therefore not possible for the Authority to make arbitrary changes to port charges without recourse to Government. He added that GPHA communicates all new charges to all stakeholders and receives their inputs before proceeding to introduce new charges. Madam Josephine Gyimah-Akwafo, Monitoring Manager of GPHA informed the researcher that the Authority had planned to introduce new charges in June 2011. However, due to concerns raised by GSA, GPHA was compelled to postpone implementation of the new tariffs until 1st July 2011. She stated that GSA suggested that the notice was too short. GPHA had earlier informed all stakeholders in April 2011 that new tariffs were to be introduced in June 2011. GSA was of the opinion that the time was too short to enable stakeholders further
communicate to their clients the new charges and therefore proposed an extension to 1st July 2011 for which GPHA accepted. Madam Gyimah-Akwafo therefore suggested that this was a clear indication that the GPHA did not have that character of introducing arbitrary charges. Mr. Amarvie was of the opinion that, if some freight forwarders were not aware of new tariffs or charges, it was more likely that there was a communication gap between the stakeholders.

Also, the perception of some freight forwarders that some shipping lines and stevedoring companies are beginning to conduct themselves in a manner that is industrially unethical, to the effect that they are able to charge illegal fees such as the Off-Dock Terminal transfer charge and hold onto cargo (exercise an illegitimate right of lien) until such fees are paid them was explained by Mr. Amarvie to the researcher. He explained that, the freight forwarder or clearing agent does not deal directly with a stevedoring company. He further explained that it is only the shipping lines and their agents who deal directly with stevedores. According to Madam Gyimah-Akwafo, when cargo arrives at the port, it is taken to the Inland Container Depot as a way of decongesting the port. The charges involved in the transfer of cargo from the port to the Inland Container Depot are twofold, charges paid to Terminal one/MPS (GPHA) and charges paid to the Off-Dock Terminal. The freight forwarder deals more with charges related to operations at the Inland Container Depots/Off-dock terminal.

Enquiries from the GSA revealed that the Authority is charged with the responsibility of protecting the interest of shippers and that responsibility does not include the freight forwarder.
Mr. Mathew Addico, a Principal Shipper Services Officer, at the GSA observed that the freight forwarder has the responsibility to ensure that services rendered to the shipper are not priced so high. He indicated that in situations where charges were considered by the Authority to be too high, the freight forwarder was always required to revert to charges that are considered normal by all parties.

Mr. Addico informed the researcher of some charges that are imposed by shipping lines for which the GSA is aware of. In his opinion, these charges are not illegal charges. Some of these charges include Container Deposit Fees and Container Cleaning Fees which are determined by the terms of agreement for transportation of cargo. He explained that the Container Deposit Fee was a levy imposed by shipping lines on freight forwarders who fail to comply with the seven (7) day period required for a container taken from a shipping line to be returned to it. According to Mr. Addico, the rate changes from shipping line to shipping line due to competition. While some shipping lines are willing to let loyal customers enjoy a demurrage free period of seven (7) days, some shipping lines extend it to fourteen (14) or even twenty (21) days. The demurrage rate per day is about 300 Ghana Cedis (approximately US$194.1), he noted. However, if the freight forwarder returned the container within the stipulated period, his balance was paid back to him.

Container Cleaning Fee on the other hand is a fee levied on freight forwarders for returning a dirty container to a shipping line. The levy is therefore imposed on freight forwarders for such containers to be cleaned. Mr. Addico informed the researcher that if the containers were returned clean, the levy was not applied. He said some freight forwarders usually load cargo after they have emptied containers. In some instances, the freight forwarder may not be aware that the
hauliers or trackers of such containers load their own cargo into the containers resulting in such containers being delivered to the shipping lines in grime conditions. This according to Mr. Addico is often the cause for contention between freight forwarders and shipping lines with the former complaining of the application of unfair charges by the latter on them. He further indicated that under some circumstances, the shipping lines impound the trucks of truckers of dirty containers until the Container Cleaning Fee is paid by the affected persons.

Aside the charges levied by shipping lines on freight forwarders, Mr. Addico outlined some charges levied by GSA on freight forwarders. These charges include Pre-Shipment Notification Form and Shipment Notification Form. He explained that the Pre-Shipment Notification Form is levied on freight forwarders for export of cargo only. He further explained that usually, the freight forwarder/shipper is required to notify a shipping line two weeks before shipment of cargo to avoid short shipment of goods/cargo. A charge per such transaction is 5 Ghana Cedis (approximately US$3.3) and such charges are used to provide services free of charge to shippers. Some of these charges include publishing the arrival of vessels in the national newspapers (i.e. Daily Graphic) twice every month as requested by shippers.

5.3.2 Conclusions Based on Interviews and Recommendations
From the interviews conducted, it is clear that the challenges of freight forwarders are generally those of administrative challenges and are not largely attributable to unfair competition from their foreign counterparts. The challenges of arbitrary tariff charges by the GPHA, illegitimate charges by shipping lines and stevedoring companies, and cumbersome clearing formalities are all administrative issues that can be handled through adequate and proper communication with
the relevant institutions of GSA, GPHA, Customs and the DICs. One way of ensuring that adequate communication exists among stakeholders in the industry is by organizing symposia and other formal meetings annually as is done in Nigeria where the League of Airports and Aviation Correspondents (LAAC) organize annual symposia at the Murtala Muhammed Internal Airport in Lagos. During such symposia stakeholders from the Nigeria Civil Aviation Authority (NCAA), the Nigeria Customs Service (NIS), Federal Airports Authority of Nigeria (FAAN), Association of Nigerian Customs Licensed Agents (ANCLA), National Union of Air Transport Employees (NUATE), Air Transport Senior Staff Service Association of Nigeria, Skyway Aviation Handling Company (SAHCOL) and Nigerian Handling Company (NAHCo) discuss issues militating against the growth of freight forwarding business and proffer solutions to the problems, Orukpe (2010). The researcher was impressed to find out that GIFF organizes similar symposia during which major stakeholders in the industry are invited. In fact it is indicated by Mr. Kwabena Kyeremateng, Head of Airfreight Operations at Panalpina Ghana that, GIFF organizes such symposia at least twice in a year. However, the challenges in the industry are not adequately resolved yet. It is most likely that the each entity acting as an authority on its own could be a major factor to the challenges confronting freight forwarders. For instance, GSA is aware of some charges levied by shipping lines on freight forwarders as expounded earlier, whereas the GPHA insists that payment of some charges should not be made directly by the freight forwarder to the shipping line since he/she is not allowed to deal with the shipping lines except with the Off-dock terminals. A question as to the relevance of the freight forwarder in multi-modal transport in Ghana therefore arises if one is to consider the stand-point of GPHA.
5.4 RECOMMENDATIONS

Generally, it is recommended that GIFF advocates the preparation, incorporation and promulgation of laws relating to freight forwarding in Ghana. This could adequately be channeled through the Ghana Maritime Authority which has the oversight responsibility for the industry. Also, these laws should not be hostile to competition, but should seek to protect freight forwarders from perceived arbitrary charges levied on them by both public institutions and privately operated shipping lines. This will forestall the general practice of arbitrary charges and would serve as a deterrent to the shipping lines and stevedoring companies that may seek to seized opportunity of the situation to make capital gains from indigenous freight forwarders.

Challenges of access to loans can be resolved by GIFF’s own internally established systems of revenue generation. If such mechanisms of generating internal revenue for itself and its members are currently non-existent, GIFF could make it a point to begin a self assessment as to the best modality to accomplish this target. In Nigeria, the Council for Registration of Freight Forwarding (CRFFN) is establishing a Freight Forwarders Micro-Finance Bank to assist its members in financing their businesses as well as instituting life assurance policies for its members, Mafor (2010). Iwori (2010) observes that the life assurance policy for all licensed customs agents will enable them live a better life. This could be emulated in Ghana since interest rates of most Commercial Banks are too high, and therefore discourage borrowing for investment purposes. The prime rate, which is the rate at which the Bank of Ghana lends money to the regulated Commercial Banks currently stands at 13% (Bank of Ghana, 2010). However, most Commercial Banks have interest rates charged on monies borrowed from them by their clients ranging between 24% to 35%, Adjimah (2010). This is not favourable for investment and
therefore does not encourage borrowing by freight forwarders. A specified amount of money that was deducted for the processing of each IDF through the bank and paid into a common GIFF account should be reinstated to ensure the availability of a pool fund for freight forwarders.

In addition, Freight forwarders should educate truckers of containers on the need to return clean containers to shipping lines. Truckers, who are adamant and continue to carry cargo in empty containers, thereby rendering such containers dirty, should be exhorted to pay the accompanying charges of Container Cleaning Fee that is applied by shipping lines for cleaning such containers.

It is also recommended that GIFF publishes periodic challenges reported to it by freight forwarders in the industry for its own records and for academic purposes. It is quite obvious that the industry does not do a lot of writing and literature becomes a very scarce commodity to acquire.

5.5 SUGGESTIONS FOR FUTURE RESEARCH
This research, as the researcher was made to understand, is the first of its kind and therefore provides a general perspective for future research into freight forwarding in Ghana. The researcher could not study into detail the working relationship between freight forwarders and other institutions such as Customs, GPHA, GSA, inter alia. The researcher could also not examine in detail the procedures employed by DICs to facilitate the timely clearance of imported goods from the ports by freight forwarders.

It is therefore suggested that future research into the subject area of freight forwarding in Ghana delves into the relationship between freight forwarders and customs service or that between
freight forwarders and DICs. Other interesting areas of research include a study into the relationship between freight forwarders and the GPHA or the GSA and how the decisions of these institutions affect freight forwarders. It is also suggested that future researcher narrows the scope of freight forwarding to either the aviation industry and challenges peculiar to it or the maritime industry and the challenges peculiar to it.
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APPENDIX I

QUESTIONNAIRE
You are kindly being requested to provide answers to questions on the ‘Challenges Facing Indigenous Freight Forwarders in competing with their foreign counterparts in Ghana’. The questionnaires are being administered to gather information as part of the requirement for an MA Degree course in Ports and Shipping Administration. Your completed questionnaire would be used solely for the degree course. Thank-you.

1. Is your company a subsidiary of another company?
   a) Yes
   b) No

2. If yes, please indicate if your parent company is
   a) Ghanaian owned
   b) Foreign owned
   c) Both foreign and Ghanaian owned

3. How many years have you operated as a freight forwarding company in Ghana?
   a) 0 - 4 years
   b) 5 - 9 years
   c) 10 - 14 years
   d) Other, please specify

4. How many employees does your company have?
   a) 1
   b) 2
   c) 3
   d) Other, please specify

5. Where did they acquire their training?
   a) From a maritime institution in Ghana
   b) From a maritime institution abroad
   c) By learning on the job

6. How many employees had their training in Ghana?
   Please indicate no.

7. How many employees had their training abroad?
8. How many employees did your company train on the job?

9. How many computers does your company have?

10. How many of these computers are connected to the Internet?

11. If none of the computers is connected to the Internet, please indicate how your company accesses the Internet.

   a) by employees using personal phones to access the Internet
   b) by use of Internet cafe
   c) Other means, please specify

12. Does your company have any of the under-listed machines/equipment?

   a) photocopier
   b) typewriter
   c) scanner
   d) fax machine
   e) Other means, please specify

13. Does your company have access to electricity and water?

   a) Yes
   b) No

14. How would you consider the freight forwarding industry?

   a) Highly profitable
   b) Average profitability
   c) Not profitable
   d) Other, please specify

15. If it is profitable, what do you think are some of the factors that account for that?

   a) Strong legal system that protects the interest of forwarders
   b) Active role of membership associations to which forwarders belong
   c) Good infrastructure in terms of roads, etc.
   d) Other means, please specify

16. What do you think are some of the factors that account for the profitability of freight forwarding industry?
16. If freight forwarding business is not profitable, what in your opinion are some of the problems?
   a) Poor implementation of laws
   b) Inefficient membership association to which you belong
   c) Poor infrastructure network
   d) Other, specify.................................................................

17. What are some of the problems/difficulties you face as a forwarding company?
   a) Poor implementation of laws by relevant authorities
   b) Lack of access to credit facilities/loans
   c) Competition from foreign owned companies
   d) Others, .................................................................

Please note: you can tick a, b & c above if they are all applicable to your situation

18. If the difficulties you face are as a result of poor laws implementation, would you be kind enough to state any that you know?

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19. If the problems are as a result of competition from foreign companies, please indicate what forms this takes

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20. How is your company dealing with these competition problems

21. How can these challenges be resolved?
APPENDIX II

INTERVIEWER'S GUIDE

1. What informed the formation of GIFF?

2. How is the membership of GIFF registered?

3. Is it legal/ethical to register companies that are exclusively foreign owned under GIFF?

4. How is the background check of such companies done?

5. How do freight forwarders acquire their training? Is it only GIFF that is qualified to facilitate such training?

6. What are some of the benefits a company derives from its association with GIFF?

7. Is competition from foreign freight forwarding companies a major hindrance to the performance of Ghanaian/indigenous freight forwarders?

8. What form does the competition take?

9. How are you working towards resolving these competition problems?

10. Are there any laws that protect the Ghanaian/indigenous freight forwarders?

11. In your experience as a freight forwarder, have you observed any challenges that are peculiar to the aviation industry and those that are distinctly associated with the seaports of Ghana?