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The World Bank and Economic Commission for Africa



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Shipping Services in Western and Central African Countries

Volume I

**Round Table
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MINCONMAR
&
Environmentally Sustainable Development Division
Technical Department for Africa
The World Bank



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FOREWORD

In the framework of the Sub-Saharan Africa Transport Policy Program, the World Bank and MINCONMAR have organized, with the participation of UNCTAD and IMO, a Round Table on Shipping Services in Western and Central African Countries. This Round Table was held in Cotonou, Benin, on 23–26 June 1992. The EC, France, Canada, and the Government of Benin have contributed to its financing.

The Sub-Saharan Africa Transport Policy Program (SSATP) is managed by the World Bank in close coordination with ECA, and benefits from the participation of numerous donors and specialized African institutions. SSATP aims at helping governments improve transport services efficiency through appropriate policy reforms.

All the parties concerned with maritime transport including African governments, African and European shipping lines and shippers' councils, and the private sector have participated in this Round Table.

Over the past decade, many governments have established national shipping lines. But most of these lines are now in a critical situation, finding it increasingly difficult to compete internationally. The world shipping industry is evolving rapidly technical and commercial changes are improving efficiency and lowering costs. Unfortunately, most of these changes seem to happen outside the reach of the African national lines, and progress in this sector could very well bypass Africa. If a Sub-Saharan solution to this problem is not quickly proposed, the competitiveness of African economies will be seriously endangered.

In the course of the Round Table, the various actors involved in shipping services, such as the European and African sea lines, shippers, shippers' councils, port authorities, regional institutions (MINCONMAR and port associations), and international organizations (EC, UNCTAD, IMO, World Bank) have expressed their viewpoints and have proposed solutions.

This paper reports on the discussions and conclusions of the three working groups which have been established to deal with the main topics: (a) macroeconomic impact of maritime transport on the African economies; (b) structural evolution of maritime transport; and (c) maritime transport policy.

At the conclusion of four days of intensive debates, the participants approved a series of recommendations. These recommendations summarize the major issues to be studied that will allow participants to adopt a common development strategy for their shipping services and the improvement of the transport chain. The development of this strategy will be taken up at a follow-up seminar in 1993 or 1994.

The recommendations have already led to the preparation of a project document that has been approved by the MINCONMAR General Assembly in Ouagadougou, Burkina Faso on 23–27 November 1992.

This project document defines a number of studies which would provide the basis for a common maritime transport strategy for the sub-region, and inspire a general consensus on the best possible policy for West and Central Africa. These studies would aim at (a) redefining the mission of the shippers' councils; (b) measuring the impact of transport costs on the countries' export competitiveness; (c) reviewing the situation of transport facilitation; and (d) evaluate the prospects for the national shipping companies.

The present document—also available in French—is organized into two volumes:

- **Volume I** contains the objectives and the organization of the Round Table, the conclusions of the working groups, and the final recommendations.
- **Volume II** includes the texts of the papers presented by experts to the three working groups.

Jean H. Doyen
Chief
Environmentally Sustainable Development Division
Africa Technical Department
The World Bank

ACKNOWLEDGEMENTS

This document has been prepared within the framework of the Trade and Transport component of the Sub-Saharan Africa Transport Policy Program (SSATP). The major objective of this project is to enhance the international competitiveness of Sub-Saharan economies through improved efficiency of their maritime transport and through increased cooperation and regional economic integration. The Round Table on Shipping Services in West and Central African Countries was jointly organized by MINCONMAR and the World Bank, in Cotonou in June 1992. More than 150 African representatives of the maritime sector participated in this event. At the conclusion of their work, the participants recognized the necessity of reorienting the regional maritime transport policy, from a national to a regional context, and of reducing the public sector involvement in shipping services.

The Commission of the European Communities (EC), France (FAC), Canada (CIDA), and the Government of Benin have contributed to the financing of the Round Table. The present document has been prepared by Messrs. Bernard Chatelin (Task Manager) and Michel Audigé, under the leadership of Mr. Jean Doyen, Chief, Environmentally Sustainable Development Division, Africa Technical Department, World Bank, and in close cooperation with Mr. Lawrence Pufong, Secretary-General of MINCONMAR. Special mention must be made of the Experts' Panel, the composition of which is given in Annex 1, and of all the consultants who contributed to the success of the Round Table. Edited by Mr. Jacques Janssens, this paper has been formatted for publication by Ms. Nellie Sew Kwan Kan.

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I. RECOMMENDATIONS OF THE ROUND TABLE

After the discussions, the Experts' Group¹ prepared an issues paper based on the working groups' proposals. This document, reviewed and amended during a plenary session, was unanimously approved.

RECOMMENDATIONS

Preamble

1. Socio-Economic Situation in Sub-Saharan Africa

(i) **Population:** The SSA population rose from 389 million in 1980 to 534 million inhabitants in 1990. Average growth was approximately 3.2 percent per year, whereas world population only increased by 1.8 percent during the same period. Indeed, the proportion of the SSA population in the world rose from 8.7 percent in 1975 to more than 10 percent in 1990.

(ii) **Economic Development:** Simultaneously, the GDP of West and Central African states increased at an average rate of 2.1 percent per year, while the rest of the world benefited from an average increase of 3.2 percent per year. During the 1983–1990 period, there was a relative deceleration of the growth of the region. Contrary to its demographic evolution, Africa's contribution to world production is regressing, and the average per capita income is falling. As a matter of fact, the role of Africa in the world economy has decreased. Currently it is fair to say that SSA countries are having more and more difficulty inserting themselves into the world economy. It would, indeed, appear that:

- Economic growth in industrial countries will not be sufficient to foster growth in developing countries;
- African countries, heavily indebted, are not attractive to the world banking system; and
- SSA is ill-integrated into the main world trade patterns.

2. MINCONMAR's Maritime Policy

International trade in West and Central Africa is essentially dependent on shipping services. The targets set for maritime cooperation include:

¹ The composition of this group is given in Annex 1.

- a continuing development of the maritime transport sector and of related activities; and
- a reinforcement of the solidarity between coastal, landlocked, and insular countries in the area of maritime transport and related activities.

3. Objectives of the Round Table

This Round Table is justified because African maritime transport has reached a turning point. It is no secret that national maritime companies are experiencing great financial difficulties as their traffic, as well as their part of the global traffic, decrease. For that matter, the prevailing statutory and institutional framework is, for that matter, being challenged by some partners. Definitively, three objectives must be targeted:

- The prevailing situation in the sector should be well understood.
- Studies and consultations to be undertaken should be defined.
- The development of the necessary strategies should be promoted to ensure participation of SSA countries in international trade under the best conditions.

Diagnosis

The political, economic, and technological changes, especially in Europe, certainly affect Africa, since Europe is its major trading partner.

Analyzing the entirety of the transport chain reveals that high transport costs in Africa slow down development and constrain the competitiveness of its exports. This is particularly true for the landlocked countries.

Certain administrative procedures generate costs. Because of the differences in economic structure, trading procedures, and legislation, various countries end up paying widely different prices for their transport services. Such differences are believed to be, at least partly, attributable to different levels of government intervention in transport activities. In general, there is a need for greater transparency.

On a regional basis, cooperation remains largely at the political level and has not yet led to the formulation of the regional regulations necessary for the emergence of a cost-efficient transport system. It is also true that sub-regional organizations are suffering from a lack of adequate financial support.

As far as maritime transport in the sub-region is concerned, the following points should be made:

- There is insufficient capital available for renewal of African-owned fleets.

- Since ports must be adapted to vessels' evolution, it is advisable to provide those ports with the most reliable financing means, according to the size of their investments.
- "Bilateralization," which is reflected in cargo reservation or sharing measures, is one of the keys determining the relative success or failure of national shipping policies in general, and the ability of the national carriers of the sub-region to provide competitive services.
- Only a limited number of countries have a sufficiently wide cargo base to ensure commercially sound shipping services while, at the same time, addressing the shippers' demand for the provision of adequate services.
- Imbalances in external trade create a wide range of serious problems.
- The sub-region shipping companies are not participating in the bulk trade.
- Intermodal links have not been sufficiently developed.
- Shippers' interests are not always adequately protected.

Moreover, there is a serious problem in the collection of comparable statistical information regarding maritime transport which limits the possibilities of adequate comparative studies. This is not, however, the only relevant cost element affecting shippers' interests. Other major problems are:

- Physical deficiencies of ports, such as shallow draft restricting loads, slowness of loading and unloading, high handling cost, and slow turn-around time.
- Costly land transport systems.
- Indirect costs such as customs charges and delays.
- Improper use of trained human resources.
- Inadequacy of telecommunications and EDI systems.

Future changes in the world shipping environment, particularly in Europe, will continue to affect the African shipping sector.

As a whole, the maritime services currently provided to SSA shippers are not sufficient sufficient.

Recommendations

1. A study with a view to establishing a new policy to facilitate structural and technological change in maritime transport in the sub-region. This study should take into account the statutory obstacles to establishing a regional framework which allows economic operators to contribute to the development of transport services in the sub-region as a whole, and improve interstate cooperation. This will also include an analysis of the restrictions on investment in the transport chain and the proposal of a framework to facilitate investments and joint-ventures at the regional level.
2. Assess the structural objectives and the means of action of sub-regional organizations charged with interstate cooperation in the areas of maritime transport and port services.
3. Comparative regional and international analysis of the impact of the costs of the transport chain on the competitiveness of major exports, underscoring the administrative bottlenecks and proposing solutions.
4. Develop and progressively establish national and sub-regional "observatories" of international seaborne trade.
5. Evaluate assignments given to shippers' councils with a view to improving their services to users, including the analysis of constraints and options.
6. Prospective assessment, within a regional framework, of national shipping companies and drafting of options for their viability.
7. Examination of the status of transport facilitation and preparation of plans of actions in coordination with UNCTAD sub-regional programs.
8. Strengthening of human resource management as well as basic and continuous education in order to help personnel adapt to the changing maritime environment.

Monitoring

Taking advantage of the cooperation framework established to prepare this Round Table, the management and coordination of follow-up operations will be entrusted to the World Bank and MINCONMAR.

Monitoring activities will be defined and supervised by a steering committee comprising:

On one side:

- The Secretary-General of MINCONMAR,
- Two representatives of African shippers' councils,
- Two government representatives having maritime transport in their responsibilities,
- Two representatives of African shipowners,
- One representative of PMAWCA, and

- One representative of the users of shipping services,

And, on the other:

- One representative of each of the following organizations:

ECA, World Bank, UNCTAD, IMO, EC, ACP Convention, FAC, CFD, CIDA, and other interested donors.

A base will be established in Abidjan to coordinate the program.

All activities will be carried out within the framework of the Sub-Saharan Africa Transport Policy Program (SSATP) and integrated into the Second United Nations Transport and Communications Decade in Africa (UNTACDA II).

The World Bank and MINCONMAR will draft the guidelines of a working program and will seek to obtain the necessary funds. This working program will be presented at the next meeting of the General Assembly of MINCONMAR.

II. OPENING SESSION

Opening addresses by:

Mr. M. Mandengué on behalf of MINCONMAR's Chairman,
Mr. S. D. Akandé of ECA
Mr. L. Pufong, Secretary-General of MINCONMAR
H.E. F. Mito Baba, Minister of Public Works and Transports of the
Republic of Benin.

**ADDRESS BY Mr. M. MANDENGUÉ
ON BEHALF OF H.E. J.-B. BOKAM, MINISTER OF PUBLIC WORKS
AND TRANSPORTS OF THE REPUBLIC OF CAMEROUN
& PRESIDENT OF MINCONMAR**

Mr. Minister of Public Works and Transports of the Republic of Benin,
Mr. Representative of the World Bank,
Mr. Secretary-General of MINCONMAR,
Excellencies,
Honorable Guests,
Ladies and Gentlemen,

It is a great honor for me and a pleasant duty to address your august assembly on behalf of His Excellency Jean-Baptiste Bokam, Minister of Public Works and Transport of the Republic of Cameroon and serving Chairman of the Ministerial Conference of the West and Central Africa States on Shipping (MINCONMAR). He wished, indeed, to be with you at this great gathering of unquestionable importance for the future of shipping in the MINCONMAR Member Countries.

Unfortunately, being very busy with numerous formal engagements he asked me to convey his fraternal greetings and above all his encouragement for your work, which he wishes to be very successful.

In particular, the MINCONMAR Chairman asks me to express his gratitude to the Head of State and his sincere thanks to the Government and the People of the Republic of Benin for all the efforts made to organize this Round Table.

The Ministerial Conference of West and Central Africa States on Shipping has fully participated in the organization of this gathering in order to heighten the Member Countries awareness of the sensitive problems seriously hindering the promotion of shipping services.

Due to the various technological and structural transformations which are taking place in the international maritime environment, our sub-regional transport sector is going through difficult times and cannot yet control any aspect of the changes.

Under the crushing burden of external debt, we are helplessly watching the breaking up of our merchant navy fleets, unable to cope with their physical and financial problems. Within the turbulence of the prevalent economic and financial crisis experienced by the countries of the sub-region, it is increasingly difficult, indeed, to manage multimodal transport and auxiliary shipping activities.

While we were counting on the favorable clauses of the Code of Conduct of the Conferences to ensure our maritime future, our northern partners—notably through GATT intervention—are advocating the liberalization of services, including shipping.

This new policy will surely lead to ruthless competition, but it is not sure that our trade will be better organized, all the more so since the participation of our shipowners in such a competitive traffic seems rather doubtful.

When all is said and done, our maritime routes shrink from day to day. If we don't pay attention, our shipping industry will be overrun and controlled by foreign companies by the year 2000.

With regard to this, the main topic for discussion here *Maritime Access to the West and Central African Countries* appeals to our sub-regional conscience and suggests a burst of effort and imagination to confront the future. How can we take up the challenge?

We must adequately define the problems and thoroughly search for realistic solutions. Of course, most of the problems penalizing our shipping sector are well known, as they stand out in the papers prepared by the consultants. The same is true of the solutions.

What would be most important during this meeting is reaching a consensus on the significance and the priorities of the current problems and on the strategy needed to solve them efficiently in the mutual and fair interest of all the partners.

This Round Table, thus, urges you to accept a highly responsible task on behalf of the joint sponsorship of MINCONMAR and the World Bank, under the *Trade and Transport* Component of the Sub-Saharan Africa Transport Policy Program (SSATP), initiated by the World Bank in collaboration with the United Nations ECA.

The first United Nations Transport and Communications Decade in Africa (UNTACDA), implemented from 1978 to 1988, to establish the foundations of development on our continent, has been somewhat a failure for political as well as financial and strategic reasons.

The SSATP, as it appears in the background papers, has been initiated within the framework of the Second United Nations Transport and Communications Decade in Africa (UNTACDA II) which aims at contributing to the development of our continent through the improvement of its institutional means and human resources, thanks to a new and more realistic strategy. This Round Table is organized in relation to this context.

Shipping is an eminently international activity. It seems, thus, appropriate to review its surrounding problems from an international standpoint. It is, indeed, important that the development and the streamlining of shipping rely on international solidarity as the supporting vector of the world interdependence.

The Round Table comes just at the right moment for, in spite of serious efforts and sacrifices made under MINCONMAR, our shipping sector is still in trouble. The ills are certainly acute and need a serious diagnosis to lead to well-thought-out solutions in a spirit of dispassionate objectivity.

In bringing together the main actors from North and South (shippers, carriers, port authorities, etc.), the Round Table aims at making each of us appreciate, in a solidarity framework, the real problems of the moment and to agree on necessary future actions to overcome the difficulties.

We have great hopes that with such a knowledgeable assembly of distinguished personalities, seasoned officials, and high level authorities—assisted by skilled consultants—this Round Table will bring out the ideal strategy to gain control of or even consolidate our maritime endeavors, and build upon the experience which was so difficult to acquire.

But, first, we must count on ourselves. We can never stress enough the importance of our constructive participation in the efforts addressing both the local realities and the on-going changes in the shipping area.

Nowadays, substantial technical and financial assistance from our Northern neighbors would be invaluable to allow our sub-region, thanks to realistic solutions, to establish control of our shipping sector.

I would like to repeat once more, based on these reflections, that I wish your august assembly dispassionate deliberation leading to fruitful results, and I hope your relevant recommendations will not go unheeded, but will contribute effectively to the development of the sub-region.

I wish your work to be fully successful.

Long live international cooperation!

Long live sub-regional, West and Central African cooperation!

ADDRESS BY Mr. S. D. AKANDÉ
ECONOMIC COMMISSION FOR AFRICA

Mr. Minister,
Honorable Delegates,
Ladies and Gentlemen,

Allow me to convey to you the brotherly salute of the acting Executive Secretary of the ECA and his good wishes for your successful works.

This Round Table comes within the scope of the honorable initiatives series implemented by the World Bank, in collaboration with ECA, to support economic and social development efforts in Sub-Saharan Africa, which is the weakest region in the developing economies.

But to be really efficient, such efforts should become integrated into existing experience, that is to say the program of the United Nations Transport and Communications Decade for Africa and the United Nations Convention on the Code of Conduct of Maritime Conferences.

The program of the United Nations Transport and Communications Decade for Africa has been defined, after two years of intensive consultations between the concerned African parties and the interested international community, by the African Ministers in charge of Planning, Transports, and Communications. It is, therefore, a reflection of a credible consensus.

On the other hand, the United Nations Convention on the Code of Conduct of Maritime Conferences is the result of a compromise between the conflicting interests of shippers, maritime conferences, and outsiders, indeed, even the public good.

Overall, the application of the Code is positive, but it continues to give rise to diverging views on the nature of the most appropriate institutional mechanisms for a more efficient implementation. In this respect, the first Code revision conference has defined guidelines which will eliminate these difficulties. There is no doubt that the conclusions of this Round Table would also help to improve the smooth running of the Convention.

I shall conclude with the wish that this Round Table gives the operators the maritime transports chain in Western and Central African countries an opportunity to establish a real partnership to ensure a reinforced efficiency of this transport sub-sector.

**ADDRESS BY Mr. L. PUFONG
SECRETARY-GENERAL OF MINCONMAR**

Honorable Minister of Public Works and Transport of the Republic of Benin,
Honorable Representative of the Chairman of the Ministerial Conference,
Excellencies,
Ladies and Gentlemen,

In welcoming you to this Round Table, I wish to thank you for agreeing to fully participate in the deliberations. This shows your deep concern for the future of shipping in the West and Central African sub-region and your enthusiasm for economic development through free but fair trade. I also wish to state what a great honor and pleasure it is for me to say a few introductory words on the Round Table on behalf of the Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR), our sub-regional organization, grouping together twenty-five (25) states, which I have the privilege to serve.

First and foremost, I would like to express a profound gratitude to H.E. President Nicéphore Soglo and the people and Government of the Republic of Benin for generously allowing us to host this important conference here. The sacrifice made by Benin in hosting this Round Table, at a time when the finances of African States are in the doldrums, is surely a sign of the commitment to the new spirit of African economic integration and of the constructive role Benin has always played in the affairs of MINCONMAR. In expressing these feelings, I am certain to be speaking for everyone present. I would kindly request H.E. Florentin Mito Baba, Minister of Public Works and Transport of the Republic of Benin to convey these feelings to the Head of State.

Our gratitude will not be fully expressed if I do not seize this occasion to thank the international agencies and the friendly nations who have financially contributed to the organization of this Round Table.

Now, I would like to speak very briefly on the subject of our Round Table, which addresses the problems of maritime access of the West and Central African sub-region. This Round Table is the first phase of the "Trade and Transport" component of the Sub-Saharan Africa Transport Program (SSATP) initiated by the World Bank and jointly implemented with MINCONMAR. It aims at identifying the bottlenecks which inhibit the development of efficient and competitive liner shipping services.

From the viewpoint of MINCONMAR, there are many reasons for supporting these initiatives. First of all, this forum provides a platform from where we can make known current sub-regional maritime policies. It offers the opportunity to seek ways and means to link-up with the international shipping industry, which has undergone substantial technological and structural changes during the last decade; it is also an occasion for us to exchange views with representatives of international maritime and financial organizations on the best ways and means to include our sub-regional maritime aspirations in our development plans. Last, but not least, it is a welcome opportunity to heighten awareness of the investment requirements for shipping services and port development in the international financial community.

What achievements do we expect from the Round Table?

At MINCONMAR, we are convinced that our sub-region cannot and should not stay at the margin of international shipping. The theory of comparative advantage derived from the international division of labor which implies that emerging economies like ours should stick to plantations and mines, i.e., in the production of basic commodities, since our cheap labor constitutes a comparative advantage—cannot fully serve our development aspiration. This is why we think that this Round Table provides a platform on which concrete proposals will be made to redress any policy or operational errors, so as to enable decision-makers to take the necessary measures to ensure policy improvement and operational efficiency in the shipping sub-sector. This done, it is our conviction that our sub-region will take its rightful place in international shipping.

We are hopeful, therefore, that your contributions, as eminent experts in shipping services, during the discussions of the Round Table will produce timely recommendations to address the problems which have led to the decline of the sub-regional fleets.

**ADDRESS BY H.E. F. MITO BABA
MINISTER OF PUBLIC WORKS AND TRANSPORT
OF THE REPUBLIC OF BENIN**

Honorable Minister of Trade and Tourism,
Honorable Representative of serving Chairman of MINCONMAR,
Honorable Representative of the World Bank,
Honorable Representative of United Nations Development Program,
Honorable Secretary-General of the Ministerial Conference,
Honorable Representatives of International Institutions,
Honorable Representatives of Governments, Agencies, Departments
and Users of shipping services,
Ladies and Gentlemen,
Distinguished Guests,

Allow me first of all, to welcome you to the Republic of Benin, especially to Cotonou, our nation's economic capital, on the occasion of the opening of the Round Table on shipping services in West and Central African States.

By deciding to hold this meeting in Cotonou, the sponsors of the project, i.e., the World Bank, the Ministerial Conference of West and Central African States, the Center for Maritime Transport, and all the other donors are demonstrating the great interest they have in Benin; and this confirms their desire to seek solutions to the numerous problems which hinder the development of shipping services in African countries south of the Sahara.

By accepting to host this Round Table, the Republic of Benin intends to be part of all the efforts towards making maritime transport competitive in African States, that is to say more regular, more reliable, faster and cheaper.

It is, however, obvious, today, that the weakness of our countries shipping lines and the structural problems confronting them do not always allow for an effective response to the ever-increasing demands of a sector as complex as Maritime Transport.

Moreover, the lack of efficiency in our countries' shipping services jeopardizes the development of the entire sector. Consequently, the industry does not benefit from developments, especially in the areas of technology and trade.

What are the basic reasons for this situation?

Why does the situation continue?

What should be done to change it?

To this end, you will debate the topics proposed to guide your discussions, which are as follows:

- 1.1. the macro-economic impact of maritime transport on African economies;
2. the worldwide technological progress and new market technology of maritime transport and their impact on Western and Central African States; and
3. the maritime transport policies.

Each of these topics is as interesting as the other and will elicit a rich exchange of ideas which will be of mutual benefit.

Moreover, the calibre and number of the participants attest to my great satisfaction that partners from North and South are aware of the interweaving of their destiny and of the need to find solutions to their common problems through an open and sincere dialogue even in our crises-ridden world.

Furthermore, experience shows that competition does not prevent partners from either pole from agreeing on issues that are of mutual benefit in the area of maritime activities.

I am convinced that contrary to the fears of some interest groups, expansion in the shipping services of African States will truly serve the interests of the international community as a whole since it fosters an overall and intensive development of these countries while enhancing their credit rating vis-à-vis their partners from the North. Above all, it will boost trade between the North and South.

This is why I am hoping that your deliberations will lead to the definition of effective strategies for horizontal and vertical cooperation, which would enable each country in the West African sub-region to organize national and functional shipping services. I also hope that your deliberations will lead to a true transfer of shipping know-how.

Consequently, these are the significant questions to which you are requested to find appropriate answers.

In the course of this conference, you will have to identify and clarify the various and sometimes conflicting opinions of all the parties involved in shipping services. You will also have to work closely on the key issues of the maritime transport sub-sector in order to recommend a program of study with the ultimate objective of mapping out a strategy to develop more efficient shipping services in West and Central African, which is a prerequisite to economic development.

You now understand why all these countries, especially Benin, which are open to new ideas and all forms of useful exchanges between partners, are relying so much on the outcome of this conference.

While wishing you successful proceedings, I declare open the Round Table on Shipping Services in West and Central African Countries.

III. OBJECTIVES & ORGANIZATION OF THE ROUND TABLE

Presentations by:

Mr. L. Pufong, Secretary-General of MINCONMAR,
Mr. J. Doyen, Chief, Infrastructure Division, Technical Department for Africa of the
World Bank.

PRESENTATION BY Mr. L. PUFONG, SECRETARY-GENERAL OF MINCONMAR

Mr. Chairman,
Distinguished Ladies and Gentlemen,

When they attained independence in the sixties—with the exception of Angola and the other lusophone member states, which obtained their sovereignty in the middle of the seventies—the twenty-five countries of the West and Central African sub-region which constitute MINCONMAR were in a total economic dependency situation from the former colonial powers.

In the area of communications, for example, these countries—as well as most of the newly independent African nations—were confronted with inextricable exchange problems of every sort.

As far as trade was concerned, these countries were purely and simply at the mercy of foreign shipowners.

It is no secret, however, that transportation is a foundation of economic systems and that it is very often an overarching factor in the activities of other economic sectors, such as trading. As far as West and Central African countries with extrovert economies are concerned, more than 90 percent of their trade goes by sea, which makes these economies reliant on maritime shipping.

In addition, the results of our countries' commercial activities represent critical inputs in our economic development in terms of exports and imports—bringing in foreign currencies and allowing to purchase machinery, manufactured goods, and raw materials. International shipping is, therefore, a limiting factor of the external trade efficiency and dynamism.

The importance of international shipping to external trade and its relevance to the development process have driven several countries to create their own fleets with the objectives of a larger participation in this economically viable sector and of improving their external balance.

Another consideration of great consequence is the contribution of a fleet engaged in international shipping to the security and freedom of trade while, in the particular case of a developing country, providing an opportunity to control costs (freight rates).

However, the benefits to be derived from the possession of a fleet were, however, beyond the reach of the new nations because of the difficulties of market access. The United Nations convention on a Code of Conduct for the maritime conferences, to which most of the MINCONMAR member states are party, ushered in what was quite adequately described as a "New Maritime Order" lending hope to our young nations—and, indeed, to the Third World—to participate significantly in their seaborne trade.

This convention is significant because it ensures market access and guarantees 40 percent of the seaborne trade to national carriers.

We believe that an efficient transport system of which international shipping constitutes an important element - is one factor which can influence and improve to a certain degree our commodity prices.

The national fleets of the sub-region have been closely linked to the liner industry which, albeit imperfectly competitive, has for a long time provided regular and stable services to the area. These liner conferences have come under severe criticism. In some quarters the question of its relevance in the organization of trade is being openly voiced.

The Code of Conduct for liner conferences—to which most MINCONMAR member states are party—is the basic international legal instrument on which the West and Central African sub-regional shipping policy rests. Indeed, Article 52 of the convention provided for a conference which examined the working and implementation of the Code between October 1988 and June 1991. This conference confirmed its continuing validity as a flexible international regulatory instrument relevant to the special needs and problems of developing countries.

Today, the matters relating to services in general and shipping in particular are being negotiated under GATT within the framework of the liberalization of services. In this forum, the measures taken by MINCONMAR member states for the implementation of the Code, such as the bilateral agreements with EC member states—which are the main trading partners of the region—are back in question.

Cargo sharing measures decreed by the Code—which we consider in our sub-region as an effective and efficient means by which our national shipping lines have gained access to cargo, hitherto entirely monopolized by the shipping companies of developed countries—are being condemned as anti-competitive.

At the national level of the MINCONMAR member states, the World Bank has an ongoing Transport Policy Program which, without doubt, will have a direct influence on national transport policies. The Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR), which has as one of its goals the coordination of national transport policies, cannot be indifferent to this Bank initiative.

It is rumored in some circles that the shipping policy of the West and Central African sub-region has made trade uncompetitive and that, as a consequence, it has negatively affected the development of the sub-region. The cargo sharing measures stemming from the Code of Conduct are

being generally indexed as the major factor inhibiting competition and development in the sub-region. The shippers' councils, which are assigned the responsibility of implementing the cargo sharing policy—based on the well-known 40/40/20 formula—played, and will continue to play, a very important role in the reshaping of the sub-regional maritime landscape.

It is also being pointed out that the decline of the national fleets of the sub-region and their inability to respond to the technological and structural changes in the international shipping industry are a direct consequence of these maritime policies.

Another factor which has been incriminated for the poor productivity of the national fleets of the sub-region is state ownership. The private shipping companies, however, which operate on slot or space charter—incurring very little overheads and contributing minimal inputs to the national economies by way of investment and employment—have not fared any better.

The policies which have enhanced the setting up of nations, fleets, and shippers' organizations, and which fostered the development of ports and other shipping infrastructures within the member states of the sub-region, were conceived in 1975 and are contained in the Abidjan Charter and the Convention on the Institutionalization of the Ministerial Conference.

The Abidjan Charter spells out a comprehensive and coherent maritime policy for the sub-region. The Charter underscores the importance of training, as well as the protection of shippers. A major objective of the policy is to enhance free but fair trade through participation of national fleets in the seaborne leg of their foreign trade. Another important objective aims at a greater productivity and an increased competitiveness of the national fleets and, consequently, at the promotion of trade.

In ensuring market access to their national fleets, the sub-regional country policies aim at establishing some direct control over the local shipping services, as well as a measure of security for the local trade. Shippers' organizations, while catering to the interests of shippers, by ensuring the adequacy of services and the level and structure of the freight rates, are also charged with the implementation of the cargo sharing measure. The rationale behind entrusting these two diverging and seemingly contradictory functions to the shippers' councils is to create a balance between consumers and providers of shipping services.

Thanks to the Union of African Shippers' Councils and its forerunner, the Regional Negotiating Committee, it can be said that freight rates have generally been stable and, in some cases (export of basic commodities) actually pushed down.

However, most of the shipowners consider that the stabilization of freight rates has been detrimental to them as the current level of these rates does not allow them to be profitable and to recapitalize.

Some shipowners have openly declared that, in the absence of policies that have removed barriers and made market access possible to national shipping lines of the sub-region, a precondition for their participation in the trade would be higher and remunerative freight rates. This is not only highly contradictory in the light of the assertion that the West and Central African Trade is uncompetitive as a result of high rates, but we may rightly ask where the truth really is.

Even if this were to be proven, however, the sub-regional operators point to an even greater handicap which concerns them and relates to their inability to compete with their European counterparts. This handicap results from the numerous advantages accorded to European shipowners by way of favorable financing for procurement of new vessels, operational subsidies, and tax shelters. Sub-regional member states do not have the means to extend the same advantages to their fleets. The result is their inability to compete effectively with their counterparts who can afford to keep pace with technological developments in the industry, thanks to government inducement policies.

It is important to state that, in spite of these difficulties, the West and Central African sub-region must compete in a global market that continually demands greater reliability and security of services. Furthermore, to stop or slow the continuing deterioration of their terms of trade, the nations of the sub-region must endeavor to be competitive and protect the net value of their exports by increasing the efficiency of their transport system. This applies also to import traffic where transport cost to the sub-region must be greatly reduced. By addressing only the seagoing element of the transport chain, the benefits to be derived from any reorganization will be minimal and may even be lost if the other components of the transport chain are not properly addressed.

As a matter of fact, the Sub-Saharan Africa Transport Policy Program (SSATP) of the World Bank addresses the other modes, in addition to other aspects of transport and communications, and particularly human resource development—a non negligible factor in the development process.

Mr. Chairman,
Distinguished Ladies and Gentlemen,

I have been trying to give you a picture of the underlying preoccupations of the various parties involved in the West and Central African maritime trade.

What do we expect from the Round Table?

We at MINCONMAR believe that we cannot remain at the stage of being only producers of raw materials if our development aspirations are to be met. It is our conviction that we have to be sufficiently involved in their transformation, transportation, and marketing. Since this Round Table addresses the seaborne part of transportation, we believe that our participation has to be total and effective. Our fleets will have to be modernized and made more efficient. This will require a massive input of capital. We count on the international community, well represented here, to come to our assistance. We must be competitive and, therefore, we have to ensure that our shippers are better protected through counseling and information. More important still, the shippers' councils will have to ensure through negotiations freight rates that do not penalize our exports and imports.

We are thus hopeful that the contribution from the eminent shipping experts that you are will be geared toward identifying the bottlenecks that have hampered our development in this area.

Thank you for your very kind attention.

**PRESENTATION BY Mr. J. DOYEN
CHIEF, ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT DIVISION
TECHNICAL DEPARTMENT FOR AFRICA OF THE WORLD BANK**

On behalf of the World Bank, and more particularly on behalf of my colleagues of the Africa Region, I wish to salute the joint support of all the authorities which made this gathering possible. I must also thank the authorities of Benin for hosting this Round Table. In the same way, I also wish to recognize the support and cooperation provided by MINCONMAR. Let me thank, moreover, UNCTAD, the EC, and the IMO for their close collaboration, as well as the EC and the Canadian and French Governments for their financial support.

I feel honored to be addressing you at the Opening Session of the Round Table on Shipping in West and Central African Countries. It is a happy omen that we meet in Benin, which plays an important role in interregional trade. Indeed, following the example of numerous countries in the Region, the economy of Benin is largely based on trade and depends, thus, on transportation. The transport sector is, in fact, the object of particular attention by the Government of Benin.

Objectives of the Round Table

The reason we are meeting here is that African shipping is at the crossroads:

- The national shipping lines are in deep financial trouble and their role in global traffic is decreasing.
- The current regulatory and institutional framework has led to an additional tax burden. It is seen as an obstacle to technological progress and a hindrance to the opening of national markets.
- The shipowner agreements evolved under these regulations go against the EC competition rules.

What is at stake in the current crisis is important. What brings us together here is the firm belief that the search for new orientations for the shipping policies of the West and Central African countries is a complicated venture that must be embarked upon with the participation of all stakeholders.

I feel our works should pursue three objectives:

- First and foremost, it is a matter of gaining a better understanding of the shipping situation in the West and Central African nations: what are the problems and what are the options?

- Second, it is necessary to define the studies and consultations to be undertaken in order to develop these options and to evaluate the impacts and the details of their implementation.
- Finally, it is a matter of recommending the most appropriate framework(s) to pursue the definition and application of new shipping policy orientations.

Our reflections are mainly focussed on policies and actions of governments and regional cooperation organizations as well as external development institutions. Although the worldwide organization of transports has a significant impact on African economies, the latter have practically no influence on the evolution of worldwide transport. It is, thus, important for the countries of Africa to develop *adaptive strategies* to ensure their participation in world trade under the best possible conditions.

First, my remarks will present a few elements of the global context in which the African economies are evolving. Then, I would like to review the framework of macro-economic and sectoral policies within which the new shipping policy orientations will be established, and make a brief reference to the programs supported by the World Bank. Finally, I intend to review the organization and the program of this Round Table.

Global Economic Context: A narrow margin of error for Sub-Saharan Africa

Africa's role in the world economy is marginal and declining. The reversal of this trend will require overcoming major changes in the determining factors of insertion into international trade flows. From an economic and financial standpoint, we must be aware that:

- growth of the industrial countries will not be sufficient to revitalize economic growth in the developing countries;
- real interest rates will remain high; African countries are deep in debt and offer generally less than attractive prospects to the world banking system; and
- direct investments in developing countries will favor countries belonging to trading blocs.

As far as production and trading are concerned, we must admit that Sub-Saharan Africa is hardly integrated into the main exchange streams between the three big economic blocs: North America, Pacific Rim, and Europe, which provide the setting for increasingly integrated production processes.

Logistics is now an essential factor of competitiveness. The developing countries of Asia and Latin America have resorted to strategies seeking to insert their productive capacity into the logistic chains of such large industrial sectors as the automobile, apparel, and electronic industries.

The Sub-Saharan nations do not appear to have yet found the right mix of inputs, manpower, management, and technologies to achieve successful insertion into these large production and trade

flows. The economic success of Mauritius is largely due to its integration into these flows, which started in the seventies with the textile sector and which has since progressed to the toy and computer sectors.

The worldwide integration of production processes is not only the result of lower transportation costs and emerging world banking services but, above all, of the dramatic reduction of the price of processing and transmitting information.

In addition to these factors, the rapid progress of the materials and bioengineering technologies are furthering a substitution process to replace base products traditionally exported by Sub-Saharan Africa.

In conclusion, the circumstances surrounding the integration of the Sub-Saharan countries into the world economy are difficult and leave little room for error. Quick progress toward regional economic integration is necessary. The challenge to the transport and communications sectors, in order to reach the required threshold of logistic skills, is particularly hard.

The degradation of the African economies during the last decade makes the task only more difficult.

Macro-economic Policies:

Structural Reforms and the Importance of Human Resource Development

Since 1980 Sub-Saharan Africa has grown poorer. The persistent economic crisis has driven governments to reconsider the basis of their economic policy and to embark upon structural reforms aimed at redefining the public sector role. This has been achieved through reduction of direct intervention in the production of goods and the provision of services, improvement of the regulatory and legal frameworks, and development of infrastructure and human resource. Among these reforms are measures to abolish price controls, streamline public finances, and reform public enterprises.

The countries that have persisted in the implementation of these structural adjustment programs have registered an improvement in their economic performance. The 20 countries supported by the Special Fund for Sub-Saharan Africa have shown an average annual growth of 4 percent of their GDP for the 1988–90 period and a significant increase in their gross investment rate. In spite of these encouraging results, growth resumption has been slower than anticipated as a result of the structural constraints that can only be overcome in the long-term.

The economic and political transformation period which Sub-Saharan Africa is now experiencing, gives an opportunity to introduce reforms and develop the rudiments of a long-term strategy.

The Bank's Long Term Perspective Study, entitled *Sub-Saharan Africa: From Crisis to Sustainable Growth*, has contributed to the formation of a consensus on the essential elements of the so-called second generation strategies: deepening of the structural reforms, freeing resource and energy from the bottom up, and indispensable regional integration to extend the far too narrow limits of the domestic markets and enlarge the competition field.

In this study, some projections are made on the basis of realistic objectives and estimates for the next 20 years. The major objectives are: an annual increase of 2 percent to 4 percent in agricultural production, a reduction by half of the birth rate, a priority given to human resources with a particular accent on women, a doubling of the private saving rate from 11 percent to 20 percent, and an increase of investment from 11 percent to 25 percent of the GDP, with an average rate of return of 20 percent.

This would produce an increase in the average per capita income of about 1 percent per year during the next 10 years, thanks to the impact of the reduction of the demographic growth that would waver around 3 percent per year. To reach these objectives, a long-term commitment would be required by the international community to provide the necessary financial support, in the range of US\$28 billion, including US\$19 billion in new commitments and US\$9 billion in debt relief.

The study also underscores the importance of infrastructure—and especially of the transport sector—to support the strategy of increased competitiveness suggested here.

Transport at the Center of Structural Reforms

The high costs and the poor quality of transport services hamper the efforts of numerous African countries to get back on the track of economic growth. The ground is dangerous. The low density of demand, the high cost of investment, and the lack of qualified personnel make African transport services precarious and costly enterprises. It is clear, however, that some of the policies implemented to address these challenges have been highly inadequate. The poor performance of the transport sector is often rooted in:

- the proliferation of public monopolies;
- governmental price controls;
- restrictive or protectionist regulations, which give undue advantages to some businesses and individuals; and
- preferences given to national solutions over regional approaches.

Structural reforms constitute the center piece of a sectoral strategy. They are necessary to create favorable conditions for the efficient use of human resources, for the financial viability of enterprises, and to attract support from donors.

The key elements of these reforms are:

- a priority for rehabilitation and maintenance;
- the restructuring of parapublic enterprises;
- the adaptation of the regulatory framework to foster competition;
- an increased role for the private sector by opening markets and privatizing; and
- the elimination of regulatory and institutional obstacles to the development of regional operations.

The World Bank, a Committed Partner

For several decades, the World Bank has been active in the transport sector of Sub-Saharan Africa. Its operational program includes 10 to 12 projects per year amounting to US\$400 million to US\$600 million. These operations support the above-mentioned reforms, and often the Bank ensures the coordination of donors.

Along the same lines, the Bank has launched, jointly with the Economic Commission for Africa (ECA) of the United Nations, the Sub-Saharan Africa Transport Policy Program (SSATP) in order to improve the key aspects of sectoral policy. The SSATP benefits from the participation of numerous donors as well as from African institutions and experts in the field. This program has become a flexible framework for dialogue and collaboration toward developing and promoting new sectoral policy orientations, and has provided many elements of the strategies adopted by the Second United Nations Transport and Communications Decade in Africa (UNTACDA II) for the road, urban transport, and railway sub-sectors. It is indeed under the *Trade and Transport* component of the SSATP that our Round Table is organized.

Administrative and Regulatory Costs: Obstacle to African Economies Competitiveness

The structural reforms are essentially centered on an increased opening of trade in African economies. The supporting programs include reinforcing measures for the competitiveness of enterprises in the regional and world markets. The Corridor and Country Studies show that the imports, as well as the exports of Sub-Saharan Africa, are crippled by high transport costs. According to UNCTAD statistics, transportation expenses in Africa represent 13.5 percent of the value of traded goods, while they are only 5.5 percent in the industrial countries.

Substantial elements of this excess cost originate in government regulation (customs, forwarders, insurance, documentation, tax collection, etc.). These non-physical barriers reduce exporters revenues and make imports more expensive for both the consumer and the producer, who relies on imported parts and other inputs.

As far as the maritime link in the transport chain is concerned, the administrative and tax burden imposed on the shippers, the rebates and refunds, and the deficits of the shipping lines are also echoed through the economy. Their global effects are not, indeed, neutral. Economic theory and liberalization experiences (notably in Chile and Argentina, in the shipping area) show that their impact is usually harmful: It is a negative sum game that reduces the growth and income opportunities of the economy as a whole.

It is a good practice, before starting a dialogue, to define the targets. You have probably already concluded from my remarks that our presumption for the new African shipping policy orientations can be summed up as follows:

- more competition;
- more freedom for users; and
- more regional cooperation.

The Round Table program has been designed in a way that will allow us to go from general points to well-defined action lines and monitoring frameworks.

Round Table

Three topics will be offered to our discussion:

Topic 1, that which will be discussed this afternoon, covers the current shipping situation in the countries of the Ministerial Conference of West and Central African States. Mr. Bernard Chatelin will be the moderator.

The scope of *Topic 2* is the structural evolution of shipping in the world and in West Africa. Its discussion will take place tomorrow morning, Mr. Bechraoui being the moderator.

Topic 3 will give you the opportunity to review the shipping policy options in the framework of regional cooperation. This session will also be held tomorrow morning, with Mr. Faust as moderator.

The afternoon of tomorrow will be devoted to group discussions on the three topics, and the results of these deliberations will be submitted to the plenary session on Thursday morning.

Visits are scheduled for Thursday afternoon.

Tomorrow afternoon we shall review the Experts' Group report presenting the conclusions and follow-up recommendations of our Round Table.

Conclusion

My intention was to set the global context in which the governments will have to formulate and implement their new shipping policies.

The reality is a region in a difficult position, without real advantages, with a poorly performing transport system, and with limited financing capabilities.

The necessities are economic reform, regional integration, and competitiveness.

The stakes are important. We must take up the challenge.

As the poet said:

*There is a tide in the affairs of men,
which taken at the flood leads to fortune.
Omitted, all the voyage of their lives
is bound in shallows and in miseries.
On such a full sea, we are now afloat
and we must take the current when it serves,
or lose our venture...*

IV. WORKING GROUPS

Three Working Groups have been formed to debate the various topics listed on the Round Table agenda. Texts of the papers delivered by the lecturers are published in Volume II.

- Topic 1: Macro-Economic Impact of Maritime Transport on African Economies**
- **External Trade and Maritime Transport in MINCONMAR Economies**
by Mr. Lharbi, Consultant
 - **Shipping Services Supply and Demand in West and Central African States** by Mr. Youmba, CNCC
 - **Impact of Bulk Maritime Transport on West African Economies**
by Mr. Hautin, Port autonome de Rouen
 - **Economic Parameters of Shipping Services Between Europe and West and Central African States** by Mr. Huchet, Compagnie maritime Delmas
 - **Maritime Transport Chains and Competitiveness of African Economies**
by Mrs. Gouvernal and Mr. Rizet, INRETS
 - **Comparative Study on Costs and Conditions of Port Services Operations in Africa** by Messrs. Hallgrimsson and Stemmelin, CCCE
- Topic 2: Structural Evolution of Maritime Transport**
- **Structural Development of Maritime Transports** by Mr. Paelinck, Consultant
 - **Structural Development of Maritime Transports and its Effects on Shipping Services on the West Coast: The African Point of View**
by Mr. Owusu-Mensah, Consultant
 - **Structural Evolution of Maritime Transport in West and Central African States** by Mr. Vioules, Consultant

Topic 3: Maritime Transport Policy

- **Shipping Policy Development & Developing Countries**
by Mr. Faust, UNCTAD
- **Proposed Methodology for the Study of Competitiveness in Maritime Transport in West and Central Africa**
by Mrs. Gouvernal and Mr. Rizet, INRETS
- **sub-regional Maritime Cooperation Policy** by Mr. Kouassi, Consultant
- **EC Shipping Policy and Trade with West Africa** by Mr. Petropoulos (EC Commission)

A summary of the discussions held after each presentation and their conclusions is given hereafter.

CONCLUSIONS OF THE WORKING GROUP ON TOPIC 1

Macro-Economic Impact of Maritime Transport on African Economies

Moderator: Mr. Bernard Chatelin

Rapporteurs: Mr. Augustin Karanga
Mr. Henri Hervé

A comprehensive study is required to highlight the impact of the transportation network on the final costs of exports and imports which constitute the external trade of West and Central African states. Such a study should allow for an assessment of the competitiveness of the sub-region vis-à-vis the international competition.

To this end, and since the scarcity, the inaccuracy, and the disparity of statistical sources are great, the definition of a method to assess this impact is unavoidable. The problems of access to information and the obstacles to a genuine transparency of the real costs of the transportation systems were also underscored. Shippers' councils could be involved in the management of this information and in providing more transparency.

A quick evaluation shows, however, that maritime freight expenditures do not represent the major part of the transportation systems' costs. Moreover, the costs of inland transportation in the sub-region are much higher than in other competing countries and, therefore, jeopardize the foreign trade of the sub-region.

The preferential trade agreements, with large groups having an inclination for vertical integration, as well as the shippers' trade practices (CIF purchases, FOB sales) do not give the sub-region any control on maritime freight and its related costs. There are, for example, unexplained differences between maritime tariffs applicable in the various MINCONMAR member states, especially between French-speaking and English-speaking areas. An ad hoc study taking into account stopovers, freight flow, etc. should explain these differences.

Statutory and institutional constraints (administrative procedures, ports authorities and customs, transmission of documents, constant road checks, etc.), and artificial bottlenecks caused by human behavior are the factors to consider in the search for an intermodal efficiency, since these factors can constitute a serious strain on the final cost of goods and affect trade in general (port fees, transit costs, pre- and post-shipping costs, storage costs, etc.).

It appears that African shipping lines are not involved in bulk trade, which represents close to 170 million tons for the sub-region. Still, the amount of investment required is quite affordable for developing countries. It was thus recommended that the following measures be taken:

- The necessary training and know-how required to manage such traffic be made available to sub-regional countries.

- The establishment of a regional shipping line that will provide access to a greater volume of freight and the organization of joint ventures between North and South shipping lines in order to promote technology transfers.
- A study be carried out to determine available sources of funds for the African shipping lines.

The control of international transit operations would appear to be essential for a greater participation of the sub-region in the decision-making process related to the transport chain. A study on this subject would be very useful, particularly to consider the possibility of establishing common sub-regional chains and to train logisticians and experts in multimodal transport.

A specific study should be able to identify the problems affecting the transport chain to and from the landlocked countries, which are the most penalized. Such a study would underscore the consequences of a sudden deregulation of road transport in these countries.

The members of the Working Group on Topic 1 unanimously recommend that this Round Table be transformed into a permanent committee which, under the auspices of the World Bank, would:

- initiate approved studies, to be carried out jointly by experts from the World Bank and from the sub-regional African countries, as a prerequisite for a better understanding of the problems underlying the transport chain in this part of the world;
- suggest desirable focal points for national policies, with a view to improving the effectiveness of the chain and reducing its inordinate cost, which constitutes a heavy burden on the economies of the sub-region;
- facilitate the formulation of a regional transport policy that will maximize the possible benefits derived from the global freight capacity generated by these countries' external trade and improve the integration of the horizontal resources, as well as the networks that constitute the transport chain; and
- assist in defining a comprehensive training program on transport in general and maritime transport in particular, making the best possible use of existing African institutions, such as the Abidjan and Accra regional maritime academies.

CONCLUSIONS OF THE WORKING GROUP ON TOPIC 2

Structural Evolution of Maritime Transport

Moderator: Mr. Bechraoui

Rapporteurs: Mr. Audigé
Mr. Makkouta

Summary

- Identifying cargoes for containerization did not present any difficulty. But, forecasting traffic volumes was impossible because of the lack of reliable statistics and the instability of African economies.
- A comparison of the different types of vessels revealed that, in spite of their numerous disadvantages, combined vessels are still mostly used on the West African coast. For the future, the preference seems to be given to ro-ro ships— which appear to be more suitable to African exports—to complement the highly specialized container ships.
- At first sight, the advantages of a hub port on the West African coast are not evident. Its economic advantages are likely to be jeopardized by the breaking out of cargoes and the coastal shipping costs.
- Training needs exist and have already been identified. The evolution of maritime transport technology will certainly increase those needs. The assistance of international agencies and the activities at the sub-regional level will have to be intensified.

1. Cargoes for Containerization

Exports: Cocoa beans (30 percent), coffee (100 percent), rubber (100 percent), cotton (100 percent), timber, and bananas.

Imports: Foodstuffs, drinks, textiles, papers, manufactured goods, chemicals, etc.

- Identifying the suitable products for containerization did not pose any problem.
- Regional statistics are not directly available, but could be compiled from various sources (customs, ports, shippers' councils, specialized maritime journals, etc.).
- Trend analysis is difficult, or even impossible, because of to the instability of African and world economies.

· The characteristics of the fleets serving the West African Coast are essentially determined by the southbound dominant flow of traffic.

Recommendation

· A regional study on the evolution of major goods traffic and its impact on the characteristics of the fleets serving the West African coast.

2. Comparative Analysis of Vessels Types

Vessels	Advantages	Disadvantages
Ro-ro ship	<ol style="list-style-type: none"> 1. Rapid turn-around 2. High output 3. Adapted to South-North traffic 4. Allows vertical handling 5. Suitable for heavy cargo 6. Suitable for general and rolling stock 7. Quick return on investment 8. Safety of operations 	<ol style="list-style-type: none"> 1. High investment cost 2. Requires proper organization 3. Difficult berthing conditions and non-optimal use of space 4. High operating costs 5. Need for greater storage space 6. Sensitive to fluctuations of the water level
Container ship	<ol style="list-style-type: none"> 1. Rapid turn-around 2. High output 3. Favorable load factor 4. Safety of operations 	<ol style="list-style-type: none"> 1. Very specialized ship 2. High investment cost 3. Ill-suited for export of African goods 4. High cost of containers 5. Requires special port equipment
Combined vessel	<ol style="list-style-type: none"> 1. Flexible utilization (goods and containers) 2. Low investment cost 3. Suitable for less complex organizations 	<ol style="list-style-type: none"> 1. Low output 2. High cost of handling 3. Poor security (theft of goods by dockers) 4. Requires storage warehouses
General cargo	<ol style="list-style-type: none"> 1. Does not need special equipment 2. Low investment cost 3. Adapted timber traffic 4. Also adapted to bulk transport 	<ol style="list-style-type: none"> 1. Low output 2. Low profitability 3. Poor security (theft by dockers) 4. Requires storage warehouses

Conclusions

- Ro-ro ships and container ships are the vessels of the future.
- The more flexible ro-ro appears to be the favorite.

- In the area of equipment and investment, it is the port that needs to adjust to the vessels and not the other way around.

3. Technological Evolution of Maritime Services

(a) Hub and Spokes Systems

Prerequisites

- Harmonization of the sub-regional laws and customs regulations
- Establishment of sub-regional coastal shipping lines
- Improvement of interfaces with hinterland transports
- Establishment or reinforcement of telecommunications and information networks
- Support of the sub-regional states

Advantages

- The shipowner is the sole beneficiary of the system
- Vessels' operating costs are reduced
- The cost/speed ratio is optimal

Disadvantages

- The states in the sub-region are not prepared to welcome the system
- High cost of breaking out the cargoes
- Abandonment of previous investments

Recommendations

- Economic studies should be carried out to assess the advantages of establishing a hub port. Indeed, geography and the high cost of breaking out, as well as of feeder transportation, could compromise the success of such a venture.
- The definition of a Hub and Spokes system must be the subject of a prior consultation between shipowners, shippers, and port authorities in the sub-region.

(b) Multimodal Transport

Prerequisites

- Simplification of customs regulations
- Improvement of the pre- and post-shipping conditions

Advantages

- Profitable for the shippers
- Facilitates the movement of goods

Disadvantages

- Increased responsibility of the shipowner
- Unresolved service problems

5. Human resource

- (a) Training needs in the area of modern transport techniques already exist. They concern mainly the following professions: dockers, shipping companies and shippers' councils staff.
- (b) The relevant areas of need are:
 - Data processing and computer training,
 - Modern stevedoring equipment and technical training, and
 - Evolution of the missions of shippers' councils.
- (c) The assistance of international organizations, such as UNCTAD, the World Bank and the IMO, is to be requested.
- (d) Various measures are to be implemented, such as:
 - Overseas training (Antwerp, Le Havre, Malmö),
 - Regional cooperation (Abidjan, Ghana, PMAWCA), and
 - Multilateral training agreements.

6. Miscellaneous (not discussed during the working sessions)

- The horizontal concentration of African shipowners should be the subject of a preliminary study.
- It is unavoidable to review the missions of the shippers' councils. They should concentrate their attention on the defense of the shippers' interests.

CONCLUSIONS OF THE WORKING GROUP ON TOPIC 3

Maritime Transport Policy

Moderator: Mr. Faust

The maritime field was the main object of the working group discussions, that is maritime transport and transportation network from shipper to client. The following points were considered:

- deregulation,
- privatization of state-owned enterprises,
- investments, especially in shipping and harbor equipment,
- role of the state and importance of regulations, and
- importance of regional integration.

The need was underscored to first study the possibility and type of deregulation to implement in West and Central African states, bearing in mind their present economic requirements, particularly with regard to transportation. For example:

- What are the prerequisites for coordinating in these states the development plans in the maritime field, and for promoting local and foreign private participation in joint sub-regional enterprises?
- What are the intermediate steps involved?

Such studies should take into account the specific needs of MINCONMAR member states: English-and-French speaking countries, landlocked countries, etc. At the close of deliberations, the following recommendations were made.

1. Maritime Transport Policy

- (a) Determine whether deregulation can be a means to solve shipping problems in West Africa. It is necessary, indeed, to:
 - analyze the different phases, the pace, and the conditions of deregulation and define the statutory framework to be established in order to facilitate cooperation between the various economic operators; and
 - increase the competitiveness of African shipping lines prior to their exposure to international competition.
- (b) Prepare a harmonized statutory framework to simplify the movement of goods in the countries of the sub-region.

- (c) Define, by means of unified guidelines, the roles and responsibilities of the various operators intervening in the transport chain.
- (d) Establish an institutional framework to settle disputes between the transport chain operators.

2. Structure and Organization of Transport Market

- (a) Ensure reliable and coherent basic information on traffic (regional data bank).
- (b) Define the current level of competition between conference and non-conference shipping lines. An acceptable level of competition should be defined, taking into account the envisaged cooperation.
- (c) Assess the cost involved in each element of the transportation system and analyze its impact on the competitiveness of the economies in the sub-region.
- (d) Improve the relations between, on the one hand, shipowners, forwarders, and shippers, and, on the other hand, between buyers and sellers in freight rates' negotiations.
- (e) Establish a priority cargo monitoring system, particularly for shipments bound to landlocked countries.

3. Support to Shipping Lines, Ports and Ancillary Services in the Transport Chain

- (a) Increase management autonomy of concerned public enterprises.
- (b) Increase the competitiveness of African shipping lines so that their services can be exported.
- (c) Consider the possibility of fostering a closer regional cooperation between shipowners and even of establishing a common sub-regional shipping line.

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