



# 4th Intermodal **AFRICA**

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## Consolidation and Changes to Liner Trades

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**CAMERON MARITIME  
RESOURCES**

## **ISSUES**

- Liner consolidation – the effect on freight rates
  - Carrier Options reducing – Shipper Concerns
  - Effect of African Terminal Concessions
  - Issues to be solved
  - A Glimpse of the future
- 

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# Cameron Maritime Resources



## Africa and Maritime industry services:-

- **Market research, Marketing and promotion**
- **Business consultancy and interim management**
- **Executive recruitment, coaching and management training**
- **Maritime asset consultancy**
- **African Business development & African country briefings**

See:- [www.cmrsupport.com](http://www.cmrsupport.com), [www.africanbusinessevents.com](http://www.africanbusinessevents.com)

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# Cameron Maritime Resources (CMR)

- **Market Research on:-**

Global Study on Container Terminal Executives remuneration

Intra Port West Africa shipping services

Intra West Africa regional airline

- **Business Development:-**

Promotion & Seminar for Ghana Free Zone Board

Port Valuation study – Min of Infrastructure Abidjan

Marketing for Daikin – Maritime Containers Reefer Machinery

- **Recruitment for:-**

Sales Manager Liner Agency Singapore

Technical Manager Container Terminal Jamaica

Ship Planner Mac Andrews London

- **African County briefings for:-**

Chevron Angola

UK MOD & Embassy Staff Cote D'Ivoire, Nigeria & Angola

MD for LNG project Nigeria



# Research on Consolidation and Liner Trades Changes

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Information gathered from following Respondents:-

- Global liner operators
- Regional Operator (Mac Andrews, Delmas)
- Specialist ship brokers (GG Lucus)
- General Managers, Liners Agents African Ports
- Maritime Survey company (Elmarine)



# Market Consolidation and Freight Rates

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## 1. Bolloré sale of Delmas/OTAL to CMA –CGM

- Separates land side from wet side
- Bolloré free to market land side business due to removal of conflict of interest (Delmas)
- CMA-CGM a new Global Player in Africa

## 2. Maersk purchase of P&ONedlloyd

- Initial concern by South African Shippers
- Strengthens MOLs involvement in the African Trade

## 3. Africa now served by Global Majors + niche operators



# Market Consolidation and Freight Rates

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- Nigerian Congestion surcharge continues Euro 600 TEU
- Freight rate increases still required to counter increased charter hire and bunker costs
- Ability to achieve increases depends on;-
  - Capacity demand balance.
  - Market weak at present – carriers may try in April.
- Bolloré companies; Saga, Scac, Transcap & Socopao approx 50% of African forwarding business fm Europe new freedom to choose carriers, may effect freight rates



# Carrier Options - Africa

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- 1) Market changed from specialist niche operators to Global Players and some regional specialists.
- 2) African shippers can plug into a choice of global transport networks opening up new markets them.
- 3) Choice of Global Players or Regional Specialists
  - ◆ **Global Players**  
CMA-CGM, Maersk, MOL and MSC
  - ◆ **Regional Specialist examples**  
Baco Liner, Grimaldi, Grindrod, Nile Dutch



# African Trades

- Far East volumes now equal to European volumes (35% each)
- Growth will continue from Far East whilst Europe stagnant
- Indian trade growing but rates weak
- New India Pakistan service launched by MOL with PIL and Goldstar



# African Trades

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- New Far East entrants likely  
China Shipping perhaps?
- Intra Africa trade increasing  
importance - needs support
- African exports fragile as linked  
to world commodity prices



# The effect of Terminal Concessioning

## Deals done (or almost done ?)

- Abidjan Vridi Container Terminal (Bollore/Maersk)
- Tema Container Terminal (?)
- Nigerian Concessions (Apapa terminal APMT)
- Douala International Terminal (APMT)
- Luanda Container Terminal (APMT) (?)



From Dakar – Luanda, all major ports Bollore/APMT  
Too much into the hands of too few perhaps?



# The effect of Concessioning

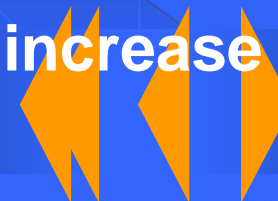
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## Benefits short term

- Improved operations from investment in gantry cranes, harbour cranes and cargo handling equipment
- Improved crane performance as concessionaires take over maintenance from Port Authorities
- Reduction in berth waiting time Lagos but congestion will continue

## Long term concerns

- Concerns that shore handling charges will increase making competition more difficult



# Issues to be solved

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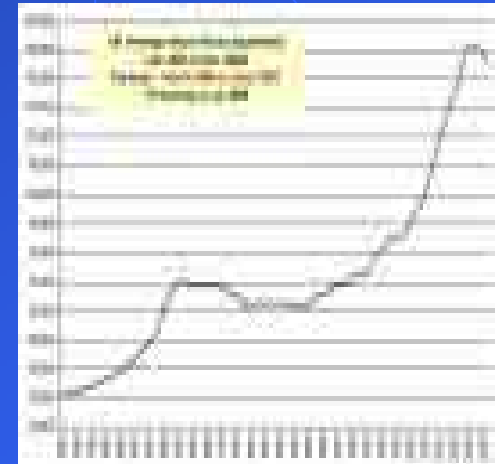
- Trade growth of 50% over 10 years. More terminal space and more concessions will be required
- Customs procedures need radical streamlining and port community systems introduced
- Pre and post shipment inspection processes need improving



# Issues to be solved

CMR

- Expensive Charter Hire & Bunkers require larger cost effective vessels. But insufficient water depth
- Marine Services e.g. tugs pilots linesmen need to be privatised to improve performance and reliability
- Nigerian Port Congestion delays (Euro 600/TEU)
- Terminal concessioning and bidding process needs to be transparent and open



# Issues to be solved

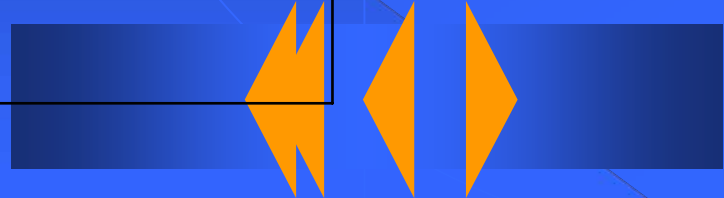
## CMR snap survey for 4<sup>th</sup> African Intermodal Conference

Issues	(Max score 25 =100%)	Score
1) Port Concession or Privatization		25
2) Improved Customs procedures		20
3) More terminal space		18
4)* Deeper draft for bigger vessels		16
5) Improved pre/post shipment processes		16

### Note

Respondents; A even split of Lines and Local Agents

Deeper draft, lines score 100%



# Issues to be solved

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## The Draft Problem

Draft Range (Meters)	Ports
6.5 - 7.5	Matadi, Douala Libreville
9.5 - 10.5	Nouakchott, Banjul, Conakry, Freetown Monrovia, Abidjan, Takoradi, Cotonou, Lagos*, Onne Pt Noire Luanda
10.5 - 11.0	Dakar, Tema, Lome, Point Gentil
Notes	Walvis Bay 10.6 – 12.8m
*Believed Lagos being dredged to 12-12.5 meters & 13.5 over 3 yrs	

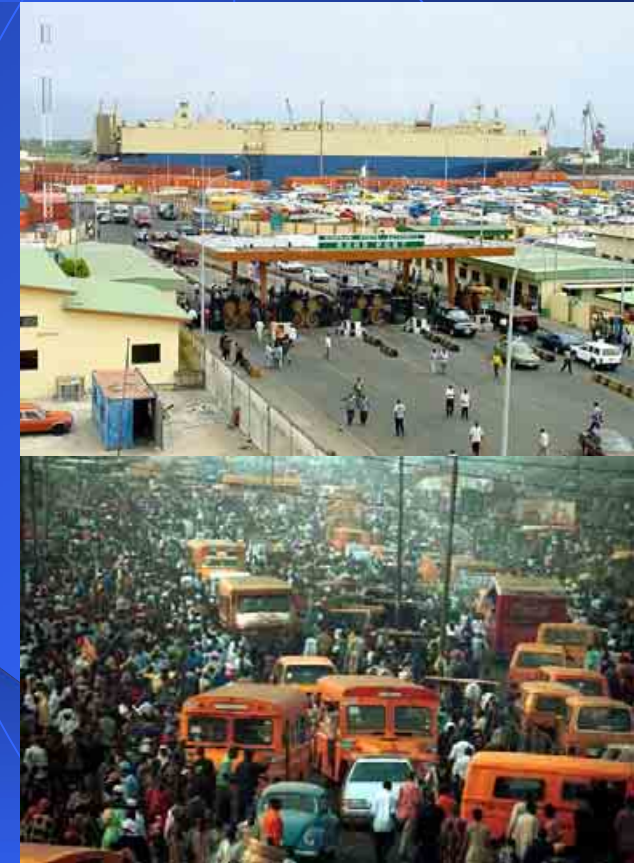


# Issues to be solved

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## The Nigerian Congestion issue

- Berthing Delays of 2/3 weeks
- Delays reduce Delmas sailings by 30%
- Maersk have to add additional vessels
- Congestion premium adds \$300 million
- Privatisation should cut berthing delays by 1 week. Still leaving 10-14 days due to Customs delays



# A Glimpse at the Future

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The planned new P&O Nedlloyd container terminal Abidjan would have solved many of current problems;

- Deep water and Quay space to dramatically increase transshipment operations
- A tried & tested customs transshipment regime
- A contract against which funding for dredging obtainable

(These still possible with investment & expansion at the Vridi Terminal )

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# A Glimpse at the Future

**P&ONedlloyd trades covered; -**

- ◆ **Europe – South Africa, (Saecs)**
- ◆ **Europe – West Africa**
- ◆ **Far East - West Africa.**
- ◆ **South Africa – West Africa**

**Deepwater transshipment in Abidjan and South Africa enables consolidation of these 4 services into 1 pendulum service.**



# A Glimpse at the Future

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Who will grasp P&ONedlloyd baton ?

1. MOL purchase of P&ONedlloyd Saecs service give them the profile and opportunity
2. CMA-CGM with Delmas/OTAL purchase and Lome Deep Water terminal consortium
3. Maersk with Apapa concession and with expected dredging to 12/13 metres



# A Glimpse at the Future

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- Deepwater Dredging for all African Ports uneconomic and funding difficult
- Perhaps the need for 2/3 transshipment hubs only. Where will they be?
- The post concession race has started, but who has heard the starting gun?



For more information and presentation see:-

[www.cmrsupport.com](http://www.cmrsupport.com), [www.africanbusinessevents.com](http://www.africanbusinessevents.com)

CMR articles in current Port Strategy and Cargo Systems

