

Research Article

Causes of High Demurrage Charges as Applied to Ghanaian Imports

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Abstract

The importance of maritime and port transportation in the global economy cannot be overstated. According to empirical evidence, over 80% of cargo volume is transported by sea, and this figure is even higher for most emerging economies, including Ghana (UNCTAD 2018). The increase in port fees and charges has become a major source of concern for stakeholders throughout the maritime supply chain, particularly traders who have to bear the full brunt of the recent phenomenon of astronomical freight hikes. As a result, the already high cost of doing business in Ghana's port has seen a steady increase albeit by other factors aside freight cost. Demurrage has been identified as one cost line item that has contributed to the port's high cost of doing business. According to the 2019 Ghana Shippers Authority report, traders paid \$382 million in demurrage fees and charges to shipping lines in the six years 2010-2019, excluding fees and charges paid in 2011, 2012, 2014, and 2015.



INTRODUCTION

The importance of maritime and port transportation in the global economy cannot be overstated. According to empirical evidence, over 80% of cargo volume is transported by sea, and this figure is even higher for most emerging economies, including Ghana (UNCTAD 2018). The increase in port fees and charges has become a major source of concern for stakeholders throughout the maritime supply chain, particularly traders who have to bear the full brunt of the recent phenomenon of astronomical freight hikes. As a result, the already high cost of doing business in Ghana's port has seen a steady increase albeit by other factors aside freight cost. Demurrage has been identified as one cost line item that has contributed to the port's high cost of doing business. According to the 2019 Ghana Shippers Authority report, traders paid \$382 million in demurrage fees and charges to shipping lines in the six years 2010-2019, excluding fees and charges paid in 2011, 2012, 2014, and 2015.

Demurrage is defined in the voyage charter party laytime interpretation rules 1993 as "an agreed amount payable to the owners in respect of delay to the vessel beyond the laytime for which the owners are not responsible. "Laytime exceptions shall not apply to demurrage." This definition has evolved over the years and is now widely accepted to mean "the charge that the merchant pays for the use of the container within the terminal after the free time period has expired." Demurrage is a fee charged to customers who keep carrier equipment in the terminal for longer than the agreed-upon amount of time. It can be incurred for both exports (early drop-off) and imports (late drop-off) (late pick-up). In the case of export, demurrage days are counted from container removal to terminal to container loading, minus free days. In the case of import, demurrage days are calculated from container discharge to terminal removal, minus free days. Demurrage is a global phenomenon that manifests differently in different ports.

In South Africa, for example, Hapag-Lloyd's demurrage calculation begins on the day of pick-up at the designated place of interchange and ends after the full unit is returned to the designated place of interchange - Sundays and public holidays are excluded. Similarly, in the United States, working days exclude Saturdays,

Sundays, and holidays, whereas in the United Kingdom, demurrage begins at 00.01 hours on the calendar day of the vessel's arrival (reference Hapag-Lloyd website retrieved on 6th June 2022;12:00noon). It is also worth noting that the Ghana situation is peculiar for the same shipping line (Hapag-Lloyd), which has been mentioned in all of these cases, because the definition of free days explicitly excludes the mention of public holidays, Saturdays, or Sundays. Unfortunately, this practice is common among all Ghanaian shipping lines (Maersk line, MSC, PIL, Antrak, Cosco, Grimaldi, etc.)

The main intent of demurrage is to deter the Trader from holding onto the ship's equipment (container) beyond the free time allotted in order for the vessel to have a quick turnaround time. According to the Federal Maritime Commission (FMC - the US maritime regulator), the purpose of demurrage is to incentivise cargo interest to hurriedly retrieve cargo and return the equipment within the time allotted, absent extenuating circumstances. However, when incentives no longer function because traders are prevented from picking up cargo or returning containers within time allotted, the rule holds that the charges should be suspended.

The situation in Ghana is different as systemic and procedural challenges prevent traders from both picking up and dropping off containers but do not enjoy any such suspension of demurrage fees and charges. The International Federation of Freight Forwarding Associations (FIATA) postulates that demurrage charges are legitimate tools for shipping lines to guarantee that their equipment will be returned within the stipulated time as fast as possible while those traders who exceed the time limit are charged accordingly. From the perspective of FMC, the interpretative rule indicates that the aim of demurrage charges levied by the shipping line is to act as a financial incentive for traders to retrieve cargo and return containers.

The goal of this paper is to look into the legality of demurrage fees and charges levied on imports in Ghana. To that end, the following questions are posed in this paper: (1) What factors influence Ghana's high demurrage costs, and (2) which legal framework supports the imposition of demurrage charges on imports? The study's findings will first raise awareness about the legitimacy of demurrage charges levied on imports in Ghana. Second, it will serve as a guide for policy formulation and implementation on demurrage charges and fees in Ghana and other African countries that use the same system. Finally, this paper will provide some understanding and insight into the concept of demurrage and its impact on trade facilitation across the

African continent.

CONCEPT OF DEMURRAGE

Numerous authors from industry and academia have defined the concept of demurrage. According to the advanced learners' dictionary, the simplest definition of demurrage is "a charge owed to the owner of a chartered ship for failure to load or discharge the ship within the agreed-upon time." This concept can be traced back to the voyage charter party laytime interpretation rules 1993 as "an agreed amount given to the owners for delay to the vessel beyond the laytime for which the owners are not at fault." No laytime exemption shall apply to demurrage." From the perspective of the freight forwarder, it is a cost assessed by shipping lines for the holding of containers over the allowed free period.

This description is consistent with the FIATA definition, which defines demurrage as "the charge that the merchant pays for the continued use of the container within the terminal after the free time period has expired." According to the Ghana Shippers Authority's Shipping Review (2018), demurrage is the usage or storage of containers in a port or terminal over the allotted free time or number of days. They argue that because the consignment of the shipper is still in the container after the grace period, the shipping line is prevented from reusing the container to provide services to other shippers, hence necessitating the imposition of demurrage fees. From the standpoint of freight forwarders, it is clear that Demurrage is a cost charged to clients who detain carriers' equipment in the terminal for longer than the agreed-upon free period. It is applicable to both exports (early drop-off) and imports (late pick-up).

Demurrage days in the case of export are calculated from the removal of the container to the terminal to the loading of the container, minus any free days. Import demurrage days are calculated from the container's discharge to its removal from the terminal, minus any free days. Even though the notion was originally associated with ships, it has grown through time to accommodate different types of equipment, especially containers.

Demurrage can also be defined in the context of imports and exports as "a cost applicable to clients when they detain carrier equipment in the terminal over the agreed-upon free time." It is applicable to both exports (early delivery) and imports (late pickup). Demurrage days in the case of export are calculated from the removal of the container from the terminal to the loading of the container, minus any free days. Import demurrage days are calculated from the container's discharge to its removal from the terminal, minus any

free days. (Port Cost Review, 2018).

Demurrage has been a blight on the port and marine business, since its ripple effect causes a rise in the cost of cargo clearance in ports. According to Shippers Authority, over 80% of liner cargoes entering Ghana incur demurrage, requiring importers to pay additional monies to settle the demurrage. According to the Shipping Review (2019), importers paid exorbitant demurrage fees to the shipping companies. According to the statistics, \$40 million was paid in demurrage fees in 2010. In 2013, USD 85 million, 2016 USD 95 million, 2017 USD 76 million, 2018 USD 59 million and 2019 USD 27 million.

According to anecdotal evidence, the majority of these enormous sums of money paid in demurrage were attributable to procedural and systemic issues other than a purposeful attempt to retain the vessel's equipment (container). Despite the fact that there are legitimate demurrage events resulting from importer/agent errors (late submission of documents, ignorance of clearing procedures, etc.). Statutory holidays in Ghana, such as Easter and Christmas, serve as a prime example.

A container arriving the day before Good Friday will undoubtedly have five of the seven free days counted, despite the fact that these are statutory holidays and the shipping line does not work. This will also apply throughout the Christmas holidays, making this an extremely unjust practice. Even while the shipping lines deny this, it is considered that the entire concept of demurrage is a business model, which is why a variety of tactics seems to have been deployed to compel importers to pay the demurrage fees.

The complex release procedures adopted by shipping companies under the pretence of digitalization appear to be a strategy to delay cargo release. Some shipping companies have outsourced their release processes to countries with different time zones, resulting in an artificial delay in the release of cargo.



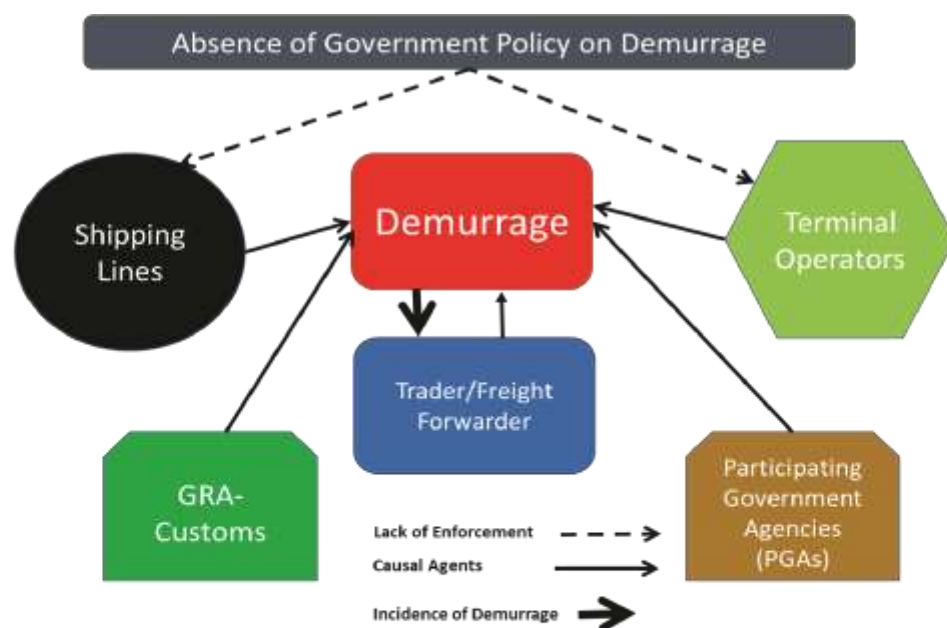


Figure 1: Conceptual Framework of Factors affecting High Demurrage Charges
Source: Author's Construct (2022)

Another issue of concern is the release procedures of shipping lines. In light of the national digitization initiative, very few shipping companies have properly digitised their cargo release procedures. Most shipping lines use laborious manual systems of release, which causes excessive delays and makes it nearly impossible for importers to avoid demurrage charges being levied. It was anticipated that these shipping lines would adopt the government-led national digitization initiative to facilitate trade and reduce the overall cost of doing business in the ports, thereby making our ports more attractive and competitive.

Despite these obstacles, the port of Tema has been ranked as one of the busiest in West and Central Africa (PMAWCA, 2021) despite these threatening demurrage charges that have the potential to derail the port's long-term success. In other jurisdictions, shipping lines are cautioned and assessed surcharges for violations involving the incorrect application of demurrage charges.

However, in Ghana, regulators do not impose any sanctions, surcharges, or penalties on shipping lines. Hapag Lloyd, a German shipping company, was recently ordered to pay \$822,220.00 in civil penalties. Similar instances of incorrect application of demurrage charges have been overlooked by regulators, while shipping lines collect enormous sums of money under the guise of demurrage charges from importers.

SHIPPING LINES

At the heart of the issue of demurrage computation are the twin situations of *Days after Final Discharge* and the *count of Free Days*.

Days after Final Discharge is effectively the day of the period a vessel discharges all cargo in its hold that is bound for the local port of call. Natural justice should have had it that the shipping lines begin to count days in whatever way conceivable from the day they have effectively placed the cargo at the disposal or reach of the Trader / Agent for the clearance processes to begin in earnest. It should be noted that the Day after Final Discharge is for all intents and purposes different from the Day of Arrival of the Vessel.

The vessel can only be discharged when it has been allocated a spot to berth, this is the only time discharge can commence. Indeed, while the discharge process is in session the shipping lines do not issue invoices for payment of administrative fees by the Trader / Agent in anticipation of cargo release until the vessel has been completely discharged and quite sensibly so, because they would not have envisaged to the fullest all the possible scenarios that could occasion cost!

The dichotomy of the two dates and their ramifications on demurrage computation should ordinarily not have led to splitting of hairs but for the unconscionable interest of the shipping lines. For the avoidance of doubt, the Customs Act, 2015 (Act 891) has copious references

indicating when time related actions that has direct effect on the Trader's interest (in relation to when they or their agents can access their consignment for clearance and release) must commence, with the particular mention of the phrase "after final discharge". Where imported goods are not delivered from a customs-controlled area after the stated period, Act 891[S 53. (1) (a)] is careful to indicate when it must be moved to the State Warehouse among other directives.

Also, when the State wants to repossess overstayed vehicles, it is careful to count the sixty (60) days as per Act 891[S 59. (1)]. It is worthy to note that in the instances referenced above, the State is very careful not to unreasonably encumber the Trader by providing them a grace period of process time only to deliver this grace in a manner that, not the Trader or their agents can practically have access to their cargo because the discharge process has either not begun or ended. The State is reasonable in the application of this count, it is therefore inconceivable that shipping lines would begin the count of demurrage-free days on the day the vessel arrives.

It is the current practice of these shipping lines to count weekends and holidays as demurrage-free days, despite the fact that they do not operate on these days and are unable to provide the necessary service for the trader to release their cargo, despite being prepared to do so. Statutory holidays in Ghana, such as Easter and Christmas, serve as a prime example. A container that arrives the day before Good Friday will have 5 of the 7 free days counted, despite the fact that these are statutory holidays and no work is performed. This will also apply during the Christmas holidays, making this an extremely unfair practice. The legal definition of a day in Ghana clearly disapproves of this practice.

The Interpretation Act, 2009. Act 792] specifies in detail how "days" are to be counted. Regarding the date of commencement, Section 44 (3) of Act 792 states:

"Where in an enactment a period of time is expressed to be counted from or after a specific day, that day shall not be included in the period.

" In addition, Section 44 (5) of the aforementioned Act defines a day as follows:

"Where the time limited by an act for the performance of an act expires or falls on a Saturday, Sunday, or a public holiday, the time shall be extended to and the act may be performed on the first succeeding day that is not a Saturday, Sunday, or a public holiday."

The above implies that in Ghana, the official count of a day does not include Saturdays, Sundays, or holidays, and therefore Shipping Lines operating under the Republic's laws are not exempt from its laws.

Again, the return and receipt of empty containers by shipping lines have an immediate impact on demurrage. It is customary for Ghanaian ports to operate around the clock. As a result, it is believed that containers, which are properly regarded as part of the ship's equipment, must be received upon return at all times in order to expedite the vessel's turnaround time.

Also, the common practice of not receiving returned containers on weekends, under the pretext that there is no work on weekends, is a major source of concern, as this results in a continuous demurrage payment. The practice of receiving empty containers on the 'next' working day despite holding a demurrage deposit, which could act as a buffer or security for the container's receipt at all times, smacks of rent seeking. Before the container can be received at the 'empty' container yard on the following business day, the trader or his agent must go to the shipping line to be invoiced for any additional demurrage, if any, and pay the additional demurrage, if any.

Demurrage rates and demurrage deposits are not uniform and vary from shipping line to shipping line in Ghana, as do the exchange rates applicable to the foreign currency denominated items on their invoices. Untimely release of container demurrage refunds by the shipping lines themselves is a very serious matter that must be investigated. In light of all these factors, the most important of which is inflation, it is unreasonable and unfair to hold refundable deposits for periods ranging from two weeks to one month without paying interest to the trader, a major disincentive. This is a grave error on the part of shipping lines. From the foregoing, it can be concluded that the law of the land is reasonable and applicable.

The shipping lines do not issue invoices for payment of administrative fees in lieu of cargo release until the vessel has been completely discharged. It is therefore inconceivable that shipping lines would begin the count of demurrage-free days on the day the vessel arrives.

TERMINAL OPERATORS

The majority of ports have container terminals for receiving, storing, and delivering goods. Container terminals are constructed specifically for the transportation and storage of cargo. They serve as a barrier between railroads, ships at sea, and trucks and are a crucial connection in the network of intermodal transport supply chains. The ship operation, the quay transfer operation, the container yard operation (including container storage and in-terminal movements), and the receipt/delivery operation. There is, of course, a fifth operation involving a container freight station at the terminal. At the Container Freight Stations, Quay Cranes (QCs) are assigned to each

docked vessel following the ship's berthing, these QCs unload inbound containers during the import operation. The containers are subsequently moved from berths to the storage area using trucks or other vehicles. As soon as the container reaches its stacking yard bay in the storage area, the stacking crane takes it from the truck and stacks it in the storage position. If a container must be removed from a stack and loaded onto a ship, the operation is performed in reverse.

Clearly this routine of shuffling cranes and trucks to operationalize a terminal that is to deliver at the optimum, a minimum equipment requirement must be guaranteed as well as a tolerable threshold of downtime. It is a common view held by most players in the port industry that the operations of terminals contribute to the undue delays and therefore have a shared responsibility in the high cost of demurrage.

THE PARTICIPATING GOVERNMENT AGENCIES (PGAs)

Typically, demurrage assessment in a number of jurisdictions takes into account the efficacy and inefficacy of Participating Government Agencies in port clearance. However, Ghana is not in the same position. Typically, demurrage charges are incurred by the trader; however, Government Agencies from the State's Ministries, Departments, and Agencies (MDA) such as the Food and Drug Authority, National Investigation Bureau, Free Zone Authority, Ministry of Trade and industry, and several others who are directly linked to Clearance at the port and harbours contribute enormously to Demurrage accrual.

For example, the processing of permits heavily laden with bureaucratic bottlenecks for the clearance of certain types of Goods in Ghana, which is also not time-bound, creates an unnecessary opportunity for bureaucrats in such Departments and Agencies of Government to unnecessarily delay the clearing process, for which the trader is not exempt from demurrage fee accrual.

When discussing demurrage accrual, the frequent strikes and labour unrest among government employees in the country cannot be overlooked. The three-week nationwide strike by GLOSSAG some few months ago, for instance, had a significant impact on business operations in the country, and it cannot be said that port operations were spared from the awkward situation that such a labour strike created.

In assessing demurrage charges against the trader, it is customarily overlooked that the trader, in the long run, will automatically pass the cost on to consumers, for which no one is exempt, including the trader. In light of these occurrences, the issue of demurrage charges

continues to vex the trader, and there is a pressing need to bring it to the attention of the country's stakeholders and industry players in order to effectively address it.

THE CUSTOMS DIVISION

The Customs Division undoubtedly is at the centre of all processes leading to the clearance of cargo for release. They own the IT infrastructure which is the network spine of every process within the delivery chain. Apart from policy implementation without the requisite stakeholder engagement and buy-in which often results in bottlenecks that causes delays and its resultant time related costs including demurrage, extreme redtapism inflicted by multiple Customs entities like Customs Examination Officers, Customs Preventive Officers and tagging by Joint Port Customs Unit (JPCU) all on a single clearance transaction on any bad day (more than average) is one major enabler of demurrage.

Delays also result from errors on the part of Customs and the rectification process: wrong HS Code, wrong valuation, wrong and delayed assessment coupled with laid back attitude by the Customs appeal process. The system's selective model appears not to factor in who is available or not, thus it picks an officer who is not available for whatever process, the trader or their agent has to wait until an allowable elapse period of inaction to prompt the requisite authority or in most cases till the scheduled officer is available or report for reassignment of another inspection officer.

In other cases, the officer may be available but loaded with many jobs while others almost idle, a sure deal for demurrage. A breakdown in the system due to power outages or network bug issues is also another factor that causes delay in the cargo clearing. Chief among the system errors is the current situation of wrong Expected Time of Arrival (ETA) input by ICUMS in the system, this serves to mislead the calculation of free-days to the disadvantage of the trader.



One of the advocacy moments against unfair demurrage calculations by the The Ghana Institute of Freight Forwarders (GIFF)

DEMURRAGE CHARGES IN OTHER JURISDICTION

The occurrence of demurrage is a worldwide phenomenon, but its implementation in ports of various nations varies, the variations however must be expressed in a business proposition that calls into equity and not by arbitrariness and rent seeking ventures. When calculating the number of free working days, most countries exclude Saturdays, Sundays, and national holidays but the common theme that permeates the significant majority of all is when “the day of count” begins. In South Africa, demurrage is calculated from the day a container is picked up to the day it is returned, excluding Sundays and public holidays. Nigeria has five demurrage-free days, per information from the Nigerian Shippers’ Council and count begins after the day of final discharge from the vessel, this situation finds expression with our immediate neighbours (Togo and Ivory Coast). In the United States, demurrage is calculated excluding weekends and holidays. The Ghanaian situation does not exclude Saturdays, Sundays, or public holidays from the seven free days, despite variations in how different jurisdictions express free time.

APPROACH

In order to investigate the causes of demurrage charges applied to Ghanaian imports, this work used a descriptive survey design. The survey instrument developed by a panel of experts from the maritime and ports industry employed a 5-point Likert scale to obtain data from participants, was used for the current study.

Participants had access to the survey tool via a third-party site for collecting data (google forms). To choose the participants based on the inclusion and exclusion criteria of the study, Google forms used random sampling. Port users aged 18 to 64 who worked in the Maritime and Ports sectors made up the study’s target demography. According to Omondi (2020), 80% of adults own at least one mobile device, hence the study makes the assumption that 2,584,625 will make up the study’s sample size.

The minimal sample size of 407 was established via statistical power analysis carried out in G*Power 3.1.9.7 and as criterion for calculation, the power analysis estimates included significance, effect magnitude, and power (Fowler-Amato et al., 2019). 407 is a larger sample size than those utilised in comparative studies (Callies et al., 2019; Hu et al., 2020; Palanisamy et al., 2020).

We generated a questionnaire based on the survey instrument created and approved by experts from the maritime and ports industry using google form’s survey builder tool. 29 questions in total, broken into 5 sections, made up the survey question. Four questions on demographic data were included in the first segment. The top four parts contained 25 statements that recorded respondents’ opinions on a seven-point

Likert-type scale, from 1 (strongly disagree) to 5 (strongly agree). Based on the participants’ attitudes, opinions, and dispositions toward the statements in that section, the participants’ value judgement was scored using a Likert-type scale (Göb et al., 2007). The data was analysed using descriptive statistics.

FINDINGS

Demographic Information

83% of the 510 respondents studied were male, compared to 17% who were female. This indicates the predominance of men in the port industry as compared to women. 40.7% of respondents were importers, 1.4% were exporters, 50% were freight forwarders, and 7.7% were other stakeholders. Freight forwarders and importers made up the majority of respondents. Regional configuration reported 78% from Greater Accra, 11.3% from the Western region, 7% from the Volta region, and 3.5% from the Bono region. This indicates that the majority of respondents are from Greater Accra.

CAUSES OF DELAYS-STAKEHOLDERS CONTRIBUTION.

We analysed sets of questions for each stakeholder regarding working hours, invoice generation delays, inadequate equipment, duty payment delays, physical examination delays, permit issuance delays, and officer negligence, among others.

Findings indicate that shipping lines were responsible for 25% of port demurrage, Terminal Operators for 22%, GRA Customs Division for 21% percent, PGAs for 19% percent, and freight forwarders for 13%.

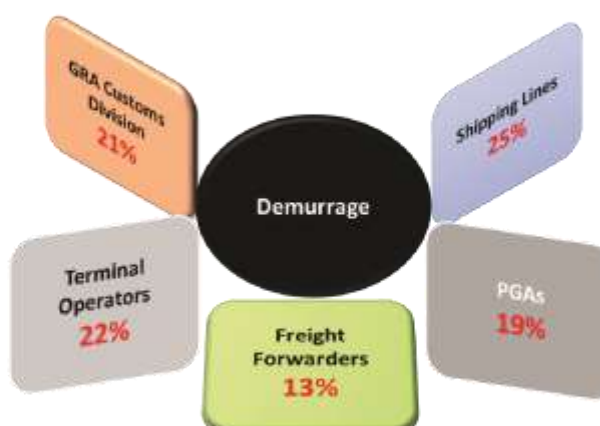


Figure 2: Causes of Demurrage
Source: Field data (2022)

DEMURRAGE: TRADE FACILITATION, COST AND PORT ATTRACTIVENESS

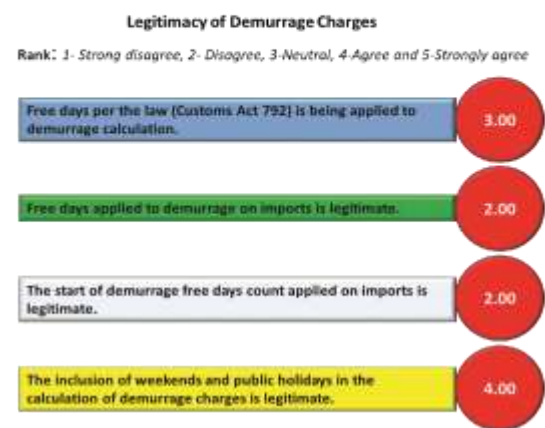
The study evaluated the impact of demurrage on trade facilitation, port costs, and port allure. Respondents were asked to rank the statements from Strongly disagree - 1 to Strongly agree- 5 on a five-point scale. Regarding port attractiveness, respondents were indifferent as to whether demurrage is a port attractiveness incentive.

In addition, respondents concurred that demurrage is an incentive for enhancing turnaround time and cargo dwell time. Also, regarding the increase in the cost of doing business due to demurrage fees, respondents agreed that high demurrage fees are a panacea for the port's high cost of doing business. In addition, respondents indicated that high demurrage fees have a negative impact on trade facilitation.



LEGITIMACY OF DEMURRAGE CHARGES

Respondents were indifferent (rank 3,00) as to whether the rules on counting days (Interpretation Act, 2009. Act 792) was being correctly applied. In addition, respondents scored "disagree" when asked if demurrage-free days are applied legitimately (rank of 2). Again, respondents expressed disagreement with the legitimacy of the free day calculation for demurrage (rank of 2.00). Also, respondents began by expressing indifference (rank of 3) regarding the legitimacy of including weekends and public holidays in the calculation of demurrage fees.



DISCUSSION AND CONCLUSION

Demurrage is a worldwide problem with varying impacts at various ports. The primary goal of demurrage is to prevent the Trader from keeping the container on the ship for longer than the free period provided, which is necessary for the vessel to have a speedy turnaround time. All parties involved in providing the service to the importer clearly shared responsibility for the delays that occurred.

It became clear that the shipping companies were a key player in driving up the cost of demurrage. This is seen in the time-consuming processes that some importers and freight forwarders go through to prepare invoices for payment of shipping lines' rates, which is exacerbated by the difficult free days computation. And because of the delays their operations generate at the ports, Customs, PGAs, terminal operators, and freight forwarders also play a major role in driving up demurrage costs. Perhaps this explains why most respondents had no firm opinion on whether or not demurrage as a punitive measure to facilitate container release by the trader improves trade facilitation in general. High demurrage costs, respondents said, make Ghanaian ports unappealing for trade because of the high expense of doing business there.

For this reason, it is crucial that port industry stakeholders who can help improve trade facilitation actually do so, rather than seeing it as a rent seeking avenue. However, the vast majority of respondents believed that demurrage, if properly computed and charged, will drastically reduce the cost of doing business to the trader while improving turnaround and reducing dwell times. Experts in the maritime and port industries share this viewpoint, therefore this finding is in line with the research already conducted in these areas.

From a lawful point of view. Based on the findings, respondents were convinced that the number of free days was calculated incorrectly and unlawfully (Interpretation Act, 2009. Act 792). Many respondents indicated that including weekends and holidays in the demurrage calculation was inappropriate. It is remarkable that the instance of Ghana deviates from the norm in other countries, such as South Africa, where demurrage is calculated from the day a container is picked up until the day it is returned (excluding Sundays and public holidays). In the United States, demurrage is computed Monday through Friday, omitting weekends and holidays. Despite variations in how various jurisdictions express free time, the Ghanaian scenario does not eliminate Saturdays, Sundays, or public holidays from the seven free days.

RECOMMENDATIONS

Relevant state institutions must be alerted of the non-conformance of shipping lines to the laws of the land in demurrage computation and the remedial actions thereof. Further actions, including legal, must be embarked upon to hurry the realisation of this goal if the supervising government agencies are found to have reneged on their responsibilities to this end.

The operations of the third-party assigns of the shipping lines must be properly aligned and instructed to operate in such a manner in receiving containers so as not to create bottlenecks that end up aggravating the trader's already precarious position.

Terminal handlers must have a mandatory imposition of KPIs that require a determined minimum number of equipment and the allowable downtime of operations. This must be made public and any deviations must be computed to offset the demurrage occasioned for the benefit of the trader.

Exemptions and Permits by MDAs must of necessity be timed and flagged for reasons if the timed period expires. This arrangement, if necessary, must be canvassed to be legislated so that the element of undue discretion and red tapism is completely removed.

The major ICT platform (ICUMS) that provides the backbone for the clearance processes must have an allowable downtime beyond which the trader must be insulated from all trappings of demurrage particularly if the Customs Division cannot trigger a by-pass or cannot deploy 'Plan B' in lieu of the systems unavailability.

The Customs Division and all other PGAs must have alternate measures in place to allow the work process to flow unimpeded any time scheduled officers are unavailable. Supervisors must have a triggering mechanism for the salvaging plan to be deployed.

Traders must endeavour to have onboard their local forwarders and brokers when they are making purchasing

and shipping decisions, by this there will be little or no surprises at the point of clearance and release. Traders must equally know the tariff and other cost implications of their shipment long before the discharge of cargo into the terminals; this knowledge will very likely avert unnecessary demurrage.

The freight forwarders or the Trader's customs broker must position themselves to have fore knowledge of the shipment so they can reasonably prepare a clearance plan that may anticipate any demurrage inducing scenario. To this end agents must continually appraise themselves of the changing dynamics of the industry, thus sharpening their tariff classification skills, preparing the necessary logistics requirement for loading and unloading as well as the appropriate transportation arrangements and determining the right route for the final downstream leg of the supply chain.

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