

TRANSPORT AND LOGISTICS COSTS ON THE LOME – OUAGADOUGOU CORRIDOR

Presentation of the main findings



Date : September 27th 2011

Lomé

Afua Eshun



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



TRANSPORT AND LOGISTICS COSTS ON THE LOME – OUAGADOUGOU CORRIDOR

- **USAID initiated transport and logistics cost studies in 2008**

Tema – Ouagadougou : 2010

Lomé - Ouagadougou : 2011

Tema – Bamako : 2011



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



THE LOME – OUAGA CORRIDOR

Transport and logistics costs from at anchor at Lome port up to custom cleared at Ouagadougou



Corridor Profile

Total Length: 1,020 km

Togo segment: 746 km

Burkinabe segment: 274 km

Total imports: 513,000 t (2009)

Total exports: 131,000 t (2009)



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



The Lomé – Ouagadougou Corridor

- Information for the report was gathered in October 2009 – March 2010 by Trade Hub experts interviewing more than 100 transport stakeholders
- Validation workshops were conducted to ensure accuracy
- The information was complemented by studies carried out by the World Bank and others
- The Trade Hub study looked at different cargoes and different handling methods
- The Study also considered both formal and informal cost
(*Formal costs = receipted costs; informal costs = bribes*)

Distribution of T&L Costs

Total approx 5,174 USD
(of which 392 USD (8%) informal)

IMPORTS

Cost element - % of cost

Trucking -	59%
Forwarding -	15%
Customs -	11%
Port -	11%
Handling at Ouagarinter -	4%

(Average costs – 187 USD/tonne)

Tema – Ouaga - 168 USD/tonne

Total approx 2,186 USD (of which
95 USD (4%) informal)

EXPORTS

Cost element - % of cost

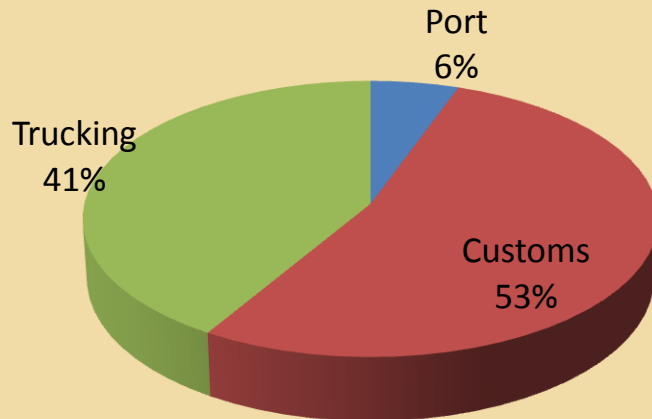
Trucking -	52%
Forwarding -	19%
Port -	16%
Customs-	13%

(average costs – 121 USD/tonne)

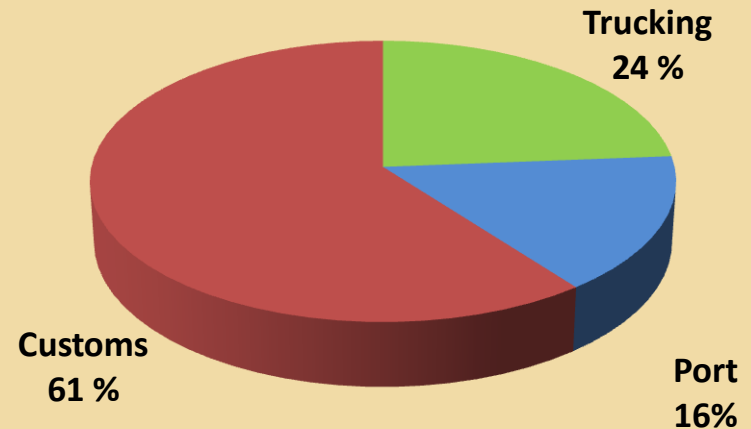
Tema – Ouaga – 137 USD/tonne

Distribution of T&L Costs (Informal)

Import - distribution of informal cost
(8% of T&L costs)



Export - Distribution of Informal Cost
(4% of Total T&L cost)



(Trucking includes : Transport broker fees, payments to unions, etc.....
Only 6-7% is bribes and delays on imports)



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



Main problem areas – Lomé Port

- Vessels' long waits at anchor before entering Lomé port
(24 hours in 2010 – (36 hours in Tema ...Source :handling companies and ports
- Uncertainty and delays getting containers to the stripping area due to lack of equipment, especially during operations to load and unload vessels
- Delays and payments associated with various stakeholders on the corridor



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



Main problem areas - Road Transport

- Volatility of transport prices and cost due to structural and operational problems
- Customs escorts operate three weekly departures for convoys of transit goods from the Terminal du Sahel transit yard
- The failure of Solidarité sur la Mer to facilitate transit trucking along the corridor



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



Main problem areas – Road Transport

- Inefficient allocation of freight to trucks (bribes, queuing...)
- Double payment for custom bonds (once in each country) and thus time wasted on bureaucracy
- Custom bonds payments on duty-free cargo
- Shipping-line deposit required for trucking a container to a landlocked country
- Non connectivity on Asycuda ++ custom system between the 2 countries



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS



Main problem areas – General

- Electricity cuts and poor connectivity for ASYCUDA connections at both borders
- Introduction of compulsory *Terminaux à conteneur du Burkina-Faso (TRCB)* container-handling services at Ouagarinter that add no additional value for the moment and are 47% more expensive than the corresponding handling charge at Lomé port
- Implementation of UEMOA axle load regulation
- Lack of a bilateral corridor management

Some Recommendations

- Deregulation of the Trucking Market
- Promote containerization / Reduce container deposit fees
- Improve TRCB efficiency to ameliorate truck rotation
- Find an efficient substitute for the Customs convoy system
- Improve efficiency of Solidarite sur la Mer or abolish it
- Take advantage of ASYCUDA ++ system to integrate the 2 countries and accelerate the custom process
- Reduce corruption – eliminate abnormal practices



USAID
FROM THE AMERICAN PEOPLE

BORDER  **LESS**



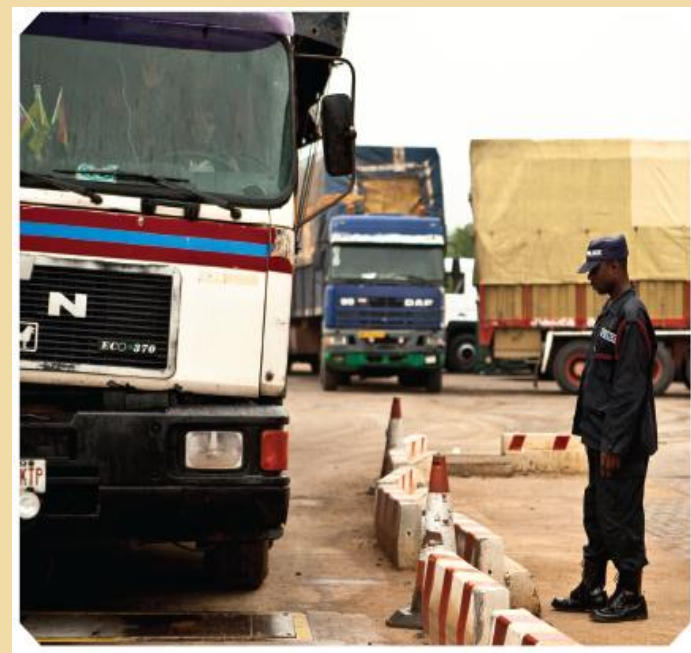
TRANSPORT AND LOGISTICS COSTS ON THE LOME- OUAGADOUGOU CORRIDOR

THANK YOU !!

for more information contact

Afua Eshun / West Africa Trade Hub

aeshun@watradehub.com



USAID
FROM THE AMERICAN PEOPLE

BORDERLESS

