

THE NETHERLANDS - GHANA GROWING TOGETHER

Interview with Mohammed Samara, CEO of MPS Ltd.

An exclusive interview with the Chief Executive Officer of Meridian Port Services Limited, Mohammed Samara, on the occasion of this year's Orange Kings Day celebration

Q: Generally, tell us about the impact of MPS Terminal 3 with regards to the ease of doing business and efficiency in cargo handling processes.

A: The port is the gateway to trade which is the backbone of the economy whether it's import or export. The more efficient this port is the more efficient for trade and the economy itself. Previously, Tema Port did not operate 24/7 in terms of receipt and delivery, but we do that along with the loading and offloading of vessels. All statutory authorities agencies work with MPS round the clock overseeing the customs clearance processes and cargo inspection etc. and this has increased the throughput capacity of Tema Port.

If we look at the digitalization process, we have deployed the most advanced technology in the world. Now, a truck driver is recognized by the biometric system using only his fingerprint and his truck recognized by the Radio Frequency Identification System reading the RFID tag on the windscreen. There is an automated truck appointment system that supervises the picking and dropping of containers at the terminal after both the driver and truck have been duly registered and taken through a safety induction programme to be able to transact business at Terminal 3 of Tema Port.

The entire process has been digitalized and this has significantly enhanced the ease of doing business. Today, the average import truck turnaround time is in minutes not in hours or days like it is in other places or neighbouring ports. The truck turnaround time has reduced significantly with time slot



allocations for drivers to choose anytime of the day and that helps with the workflow.

Q: Some shipping lines have named Tema Port as their transshipment hub for their Africa operations, what are the prospects of this development in terms of boosting intra-African trade?

A: Should Terminal 3 of Tema Port become a major transshipment hub, then the shipping lines will want to come here as their first port of call on the West African Coastline and by that, transit time from port of lading and container freight will be lesser than the second or third ports of call because the longer ships carry the cargo on the sea, the more bunkers they burn based

on the ships. So, being the first port of call after a long haul coming from the Far East will result in reduced freight to the Ghanaian Importer and Exporters and aside that transshipment will create connectivity with neighbouring ports which is really important.

Today, we have services that leave Tema and go to Cotonou or Lagos, and we have services that come from the Far East and do not go to Lome and Cotonou as well as other services that berth at Tema Port for other ships to move the goods to Abidjan. We are creating connectivity with neighbouring port countries through other shipping lines that can the carry both here and there which can be beneficial to Ghanaian exporters because there are direct routes to these African countries. For

the AfCFTA especially, this is required; it is an absolute need to help the connectivity and we are working on that.

Q: Port infrastructure is a capitalintensive project and MPH's commitment in this area has been highly commendable. What is the motivation driving your aggressive investments to Ghana's maritime space?

A: For our shareholders, their core business is transport in the means of sea, land logistics and air freight. So, just like how any industry will invest in their production line our shareholders are committed to investing in port facilities which is core business to the shareholders of MPS.

Aside this, The Company's Shareholders believes in the vision of establishing Ghana as a model maritime nation. So far Tema Port remains the preferred port for world shipping lines due to optimal characteristics such as the short waiting time at anchorage, fast vessel turnaround time, higher port capacity, and berth availability.

The Shareholders of MPS anticipate that with continuous improvement, The Tema Port will remain a key port in Africa and subsequently become a world player in the maritime space.

As a further demonstration of its commitment to ensuring the realisation of this vision, the shareholders have invested in very strategic times, currently, the Terminal is looking forward to receiving 15 additional cranes that were ordered in January 2022 to boost the Terminal capacity.



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Q: What are the prospects of the ports for the nation’s participation in the African Continental Free Trade Area (AfCFTA)

A: It’s like this; for the AfCFTA to succeed and for the cargo to flow from one point to another, we’ll need to upgrade the transport and logistics infrastructure. The first port to come out with this kind of modernization is Tema, so we stand a very good chance for attracting manufacturers to come and set up factories to produce in Ghana which is entitled to export into the AfCFTA regions and where the logistics infrastructure and trade lane connectivity are will established.

Having the connectivity here and being the first port of call as a transshipment hub, we’ll be connecting the consumers to the markets and if the producers are in Ghana then basically we are creating jobs for Ghanaians and bringing hard currency into the economy. For instance, if you look at Malaysia and Singapore, there are or were small industrial countries that got transformed with a lot of factories that produce goods for export on industrial enclaves in close proximity to their hub. In Africa, we can look at Tangier, which used be a small corner in Morocco but as soon as a hub was created there, all the big industrial names and producers set up factories there because Tangier connects the Mediterranean to Africa, Europe, Far East and the Americas and so it became a central location.

So, it is important to have infrastructure for the AfCFTA to really succeed and we are the first to provide that.

In fact, according to an April 2022 report by the UN’s Economic Commission for Africa, the AFCFTA is expected to boost intra-African trade by around 40%, with extensive benefits to the transport sectors and so Ghana’s Ports have a huge potential for growth and will continue to attract more business as general trade moves up.

Q: What measures will you recommend, by way of regulations and incentives, for investors in the port sector like yourself?

A: As a forward-looking nation, our focus



should centre around creating a sustainable and investor friendly environment. For us as a port operator, we can make the infrastructure; we have Phase 2 now and we can go for Phase3. But the flow that feeds this is the trade and industry traffic. So, we should look at other matters that make this flow come. We need to ease the way of acquiring industrial property for the investor to build on, reduce the cost of energy and ease the way of doing business.

The port operator is one stakeholder among few that need to upgrade the service levels and put in place the policies that attract industrial investments like Customs and other Statutory Authorities. Certainly the creation of industrial enclaves around Tema will lead to the creation of tax-paying jobs for skilled labour that generate export trade with added value that resides in Ghana therefore a favourable tax regime will be of the essence.

Q: Finally, how big is the prospect for Ghana’s maritime trade and logistics business, how brighter or gloomy is the outlook?

A: This is a difficult question because last year was extraordinary, the pandemic created a big wave of volume as people stayed at home in some countries though the parameters may differ. People working from home got the chance to buy things that they needed to operate from home including tables, chairs, comfortable sofa or a bigger television. All of these generated quite a bit of trade and demand for things to come whilst some industries were reducing production capacity because most

people were laid off.

This created a boom in 2021 which was a fantastic year trade wise across the globe. But demand was not sustained in 2022 because people were no longer buying new things and so the rush was slowed down, although it’s now normalizing. What is not helping cost to go down in the maritime industry is sea freight which is because of high demand from the pacific, across China to America.

OUR CSI FOOTPRINT

We delivered strong sustainability since the start of business, but our work to drive further improvements in alignment with society’s long-term challenges and expectations never ends.

This goes without saying that the impact of MPS goes beyond the Port. From road infrastructure to Health and Educational resourcing, MPS has engaged in some high-level social impact projects.

From the onset of the construction of MPS Terminal 3, we set up a Turtle Hatchery in fulfilment of the company’s Environmental Action Plans for Sea Turtle Conservation (No-Net-Loss commitment) and as per the International Finance Corporation (IFC) Performance Standard. This hatchery is still operated by the Company along the coastal towns in the catchment area along with education of community members on the relevance of turtles to our ecosystem.

The company is also a Partner to the Orange Corners Program, an innovative program by the Royal Netherlands Embassy aimed at raising the next generation of sustainable entrepreneurs.

On its environmental front, The MPS Terminal 3 Facility is a certified Green Terminal. This was after an audit of its facility, equipment, energy consumptions, operating processes among many other subjects.



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