



International  
Chamber of Shipping

Shaping the Future of Shipping

38 St Mary Axe London EC3A 8BH

Tel +44 20 7090 1460

Fax +44 20 7090 1484

[info@ics-shipping.org](mailto:info@ics-shipping.org) | [ics-shipping.org](http://ics-shipping.org)

H.E. Kwaku Ofori Asiamah  
Minister of Transport  
Ghana Ministry of Transport  
P.O. Box PMB Ministry Post Office  
Ministries  
Accra, Ghana

16 October 2017

Dear Minister Asiamah,

**PROPOSED NEW SHIPPING REGULATIONS IN GHANA: DOMESTIC SHIPPING (CABOTAGE) BILL (2017); GMA FEES AND CHARGES REGULATIONS (2017); GMA SHIPPING SERVICE PROVIDERS REGULATIONS (2017)**

I am writing on behalf of the International Chamber of Shipping (ICS), which is the principal global trade association for shipowners, representing over 80% of the world merchant fleet, with a membership that comprises national shipowners associations from 37 countries.

ICS wishes to emphasise that Ghana is regarded by the global shipping industry as a stable and exemplary African country in which to do business. We are, however, concerned about some recent regulatory proposals being considered by Ghana that could negatively affect the industry, more specifically:

- The Domestic Shipping (Cabotage) Bill (2017);
- The Fees and Charges Regulations (2017); and
- The Shipping Service Providers Regulations (2017).

Following an assessment of these draft regulations, we believe that if adopted some provisions could potentially have serious unintended consequences for the shipping industry (affecting its ability to trade in Ghana) and also (importantly) for the future development of Ghana's economy.

While Ghana of course has the right to adopt and implement such domestic regulations, we urge the Government of Ghana to carefully and fully assess the implications of these regulatory proposals.

### **Fees and charges levied by shipping service providers**

In accordance with the draft Shipping Service Providers Regulations (2017), the Ghana Maritime Authority (GMA) would have the authority to determine the structure and rate of fees and charges, if it deems them to be *“excessive in comparison with best international industry standards”*.

ICS is of the view that such a major change in national policy would amount to inappropriate interference by the Government of Ghana into commercial relationships between shipping companies (service providers) and their customers, while it remains unclear on what basis the best international industry standards (referred to in the draft regulations) would be established.

The regulations also prohibit shipping companies from imposing a number of specific fees or charges. ICS firmly believes that those charges and fees constitute ancillary charges which have existed worldwide for many years.

These charges – which are separate from basic freight charges and affected by different factors to freight rates – allow shipping lines to recover various costs associated with the transportation and handling of cargo. They are also intended to be based on cost recovery only, as a means of increasing transparency for customers on charges related to these services.

Therefore, any mandatory requirement for foreign shipping lines to impose fees and charges at specific rates determined by the GMA are also likely to inadvertently reduce transparency, and possibly make the total cost of importing/exporting to and from Ghana more expensive for customers, since individual shipping lines may seek to cover their ancillary costs through increased freight rates.

### **Important points to consider**

Provisional figures recently released by the highly regarded Ghana Statistical Service have put the year-on-year growth in Ghana at 9 percent, in the second quarter of 2017. This is largely attributed to oil and gas production, which reportedly recorded 188 percent growth. While the year-on-year growth rate in manufacturing is estimated at 6.6 percent.

These industry sub-sectors also demonstrate Ghana's reliance on the vital services provided by the global shipping industry. We therefore suggest that enactment of potentially protectionist policies designed to restrict competition in the Ghanaian market place would not only have an impact on shipping costs, but would also be likely to make businesses in general less competitive.



We also urge the Government of Ghana to take full account of the fact that the global shipping and oil and gas industries have a longstanding history of operating in Ghana, and that substantial investments have been made toward resources to ensure that the industry continues to provide the key services which are vital to the Ghanaian economy.

If approved, these proposals are likely to reduce the certainty and stability needed to ensure that shipping services are not adversely affected to the detriment of Ghana's economy.

### **Proposed dialogue between the Government and the Industry**

With the above in mind, we recommend that Ghana consider the possibility of a constructive dialogue between the Government of Ghana, the industry and its international trading partners, in order to discuss the existing concerns on both sides and hopefully avoid the need for adoption of the proposed regulations.

We sincerely hope that the Government will give our remarks and proposal for dialogue due consideration. We appreciate the opportunity to provide these comments, which we hope will be seen as constructive.

Yours sincerely



P B Hinchliffe  
Secretary General

Copy to:

Mr Kwame Owusu, Director General, Ghana Maritime Authority (GMA)

Mrs Azara A. Prempeh, Ghana Alternate Permanent Representative to the IMO

Mr Kitack Lim, Secretary-General, International Maritime Organization (IMO)

Mr Andreas Nordseth, Chairman, Consultative Shipping Group (CSG)