

Ghana Government Suspends Contract

Ghanaian Chronicle on 15/02/07

Current agitations and the prevailing circumstances at the Tema Port has compelled the suspension of the 20-year Build, Operate and Transfer (BOT) management contract between the Government of Ghana (GoG) through its representatives, the Ghana Ports and Harbours Authority (GPHA) and a foreign consortium. This follows a series of mass protests by key stakeholders in the maritime industry, including the various stevedoring companies and aggrieved dockworkers whose livelihood appears to be at stake.

According to sources, the suspension move is to enable government to allocate a certain percentage (about 10%) of the contract to indigenous companies. The suspension, would last until all outstanding issues on the contract are permanently resolved.

From the very first day that government made clear its intentions to award the management of the container terminal on contract to a foreign consortium, Meridian Port Services (MPS), stevedoring companies and the majority of the 4,000 or so dockworkers have expressed fear of their exclusion and brought mounting pressure on government and the sector minister, Professor Christopher Ameyaw Akumfi to review and consider their inclusion in the contract.

Prof. Ameyaw Akumfi has said the contract would be put on hold to enable the government to consider the plight of indigenous Ghanaians whose interests must be protected in any circumstance. Therefore he had instructed the Director General of GPHA, Mr Ben Owusu Mensah not to give a firm date for the takeover until all outstanding issues are resolved.

The contract gives Messrs Meridian Port Services (MPS) the sole right to manage the container terminal at the Tema Port over a period of 20years after which it would hand it over to the GPHA. Under the terms of the joint-venture agreement to the container terminal, GPHA has 30% shareholding while the consortium controls 70%.

The GPHA invested \$60million in the Phase I of the said container terminal project, while Phase II is earmarked for a \$35million investment (included in a total investment of \$56million), which is expected to be undertaken by the consortium, as the 70% shareholder.

Concerns have also been expressed on issues of national security, taking into account the fact that the players of this consortium have exclusive control over cargo from the ports of loading to our port, with additional exclusivity at the container terminal.

In the instance, it stressed that constituents like AP Moller (Maersk) and SDV, who are now actively involved in door-to-door delivery, would have, from port of origin to the final delivery point in Ghana, exclusive control of cargo, especially when they are currently doing their own customs-clearing in Tema.

It is the belief of most of the stakeholders that even though ports today play a more pronounced commercial role, their strategic importance as a security protected area should not be underplayed and expressed worry that granting management control of this strategic national asset to foreign entities, potentially compromises security.

Furthermore, it is said that Ghanaians have a collective and vested interest in our ports because they have the pulse of our economy and therefore whoever controls them can pre-determine the direction of our economy.

In the light of these, it has been argued that the operation of the container terminal by foreigners to the exclusion of indigenous stakeholders will have adverse consequences for indigenous investors in the maritime community, as well as the nation as a whole.