The future of Niger Shippers' Council in the new maritime framework

Daouda Moussa
World Maritime University
THE FUTURE OF NIGER SHIPPERS' COUNCIL IN THE NEW MARITIME FRAMEWORK

By

MOUSSA DAOUDA

The Republic of Niger

A dissertation submitted to the World Maritime University in partial fulfilment of the requirements for the award of the degree of

MASTER OF SCIENCE

in

SHIPPING MANAGEMENT

1999

© Copyright Moussa Daouda, 1999
Declaration

I certify that all material in this dissertation that is not my own work has been identified, and that no material included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

Signature:

Date:

Supervised by:
Bernard Francou
Associate Professor, Port Management
World Maritime University

Assessed by:
Patick Donner
Associate Professor, Shipping Management
World Maritime University

Co-assessed by:
Stig Karlsson
Director
Swedish Shippers' Council
Dedication

During my stay in Malmö, certain colleagues and friends have been constantly disturbed by the nasty wars their countries are engaged in.

This dissertation is dedicated to all people around the world suffering from war, especially the Eritrean people.
Acknowledgements

The present dissertation would not be completed without the valuable contribution of many individuals and organisations to which I would like to express my sincere gratitude.

I would like to thank my dear parents for giving birth to me and always believing in me.

My sincere gratitude goes also to the government of Niger through Mr Nomao Aboubacar, DTT/MF Director for nominating me for this course and to the Carl Duisberg Gesellschaft (CDG) for awarding me a fellowship.

My sincere gratitude goes also to those working in the Niger Shippers' Council, especially Ms Mayaki and Amadou Issifou who have helped me with information and ideas.

I owe a special acknowledgement to Mr Gulfy Polsson of the World Bank in Washington who provide me with information on trade and transport in West Africa.

I am thankful to the whole WMU community, that is the professors and lecturers for sharing with us their knowledge and experience, the personnel of the Library, the Administration staff for their assistance, and all the students, especially those of the Intensive English Language Programme (IELP), for the unforgettable times we have had together.

My sincere appreciation is extended to Prof. Bernard Francou, my supervisor for his guidance.
My "sister" Gertrude from Cameroon has very often fed me when being busy with this dissertation when I did not have time for cooking. For this reason, I am thankful to her.

It took me time to work out to what extent my friend Ibahima Sy from Senegal had contributed to this work. Indeed, at certain times, I had been considering him as a threat to the progress of the dissertation. His frequent visits to my room and his never-ending speeches were slowing down the work. Afterwards, I came to realise that he provided me with the entertainment I needed to renew my energy. I am therefore most grateful to him.

Last but not least, I would like to thank my beloved wife Haoua for enduring the separation and taking care of our son Bachir.

To all, I would like to say thank you so much.
Abstract


Degree: MSc

Following a world-wide trend and in accordance with the United Nations Liner Conference Code of Conduct and the Charter of Abidjan, Niger established in 1984, a shippers’ council.

Like many other shippers’ councils in Africa, and especially in the West and Central African region, Niger Shippers' Council has been assigned a dual and incompatible mission. Besides the traditional mission of the defence of its members' interests, the council was in charge of the implementation of the cargo reservation system. Mainly because of this incompatibility, the existence of this organisation is nowadays challenged at the international level by many players in the maritime field and by the country's trade partners. The trade liberalisation theory launched by the GATS, the virtues of which are extolled by international organisations like the World Trade Organisation (WTO), the European Union (EU) and the World Bank, could hardly adapt itself to an obsolete protectionist policy such as cargo reservation.

At the national level, the government interference in council matters and the non-commitment of the shippers to their organisation due to the minor impact of their involvement in the decision-making process are threats.

Niger Shippers' Council is nowadays at the crossroad and a decision has to be made concerning its future. Three alternative solutions have been foreseen in this paper: getting rid of the council, liberalising the council or restructuring it. Because of the
importance of this organisation for shippers and because the latter still needs to be backed up by the government to some extent, the author has opted for the third solution. The main features of the restructuring could be based on less government involvement in council’s matters, more representatives of the shippers in the council's instances and the diversification of the organisation's activities so that it could be able to finance itself when government subventions will cease.

**Key Words:** Protectionism, liberalisation, globalisation, restructuring, and trade facilitation transit.
Table of Contents

Declaration ii
Dedication iii
Acknowledgements iv
Abstract vi
Table of Contents viii
List of Tables xi
List of Figures xi
List of Abbreviations xii

1 Introduction 1
  1.1 The Background 1
  1.2 The Problems 3
  1.3 The Scope of the Dissertation 5
  1.4 The Methodology 5

2 Why a Shippers' Council in Niger? 7
  2.1 The Establishment of Shippers' Councils: A Worldwide Trend 7
    2.1.1 The First Shippers' Councils Established in the World 8
    2.1.2 UNCTAD and the Establishment of Shippers' Councils in Developing Countries 9
    2.1.3 The Charter of Abidjan and the Establishment of Shippers' Councils in West and Central Africa 10
  2.2 A Necessity for the Country's Shippers 13
    2.2.1 The Problems Faced by the Shippers 13
      2.2.1.1 Shipment Problems 13
      2.2.1.2 Port Operation Related Problems 14
      2.2.1.3 Inland Transport Problems 14
      2.2.1.4 Ancillary Service Problems 15
    2.2.2 A Necessary Tool for the Government Maritime Transport Policy Implementation 16
      2.2.2.1 The Specific Landlocked Country Situation 16
      2.2.2.2 The limit of the Bodies Dealing With Shipping Matters Prior to the CNUT Creation 17
      2.2.2.3 An Economic Promotion Tool 18

3 What Niger Shippers' Council consists of? 21
  3.1 The Legal Statues of the CNUT 21
  3.2 The Missions of the CNUT 23
### 3.2.1 The Objectives Assigned to the CNUT
- 3.2.1.1 In the Maritime Transport Field 24
- 3.2.1.2 In the Land Transport Field 24
- 3.2.1.3 In the Air Transport Field 25

### 3.2.2 The Activities of the CNUT
- 3.2.2.1 General Assistance to Shippers 25
- 3.2.2.2 Negotiation 25
- 3.2.2.3 Lobbying 26
- 3.2.2.4 Information and Training 27

### 3.3 The Organisational Structure of the CNUT
- 3.3.1 The Board of Directors 27
- 3.3.2 The Secretariat of the Council 28

### 3.4 The Resources of the CNUT
- 3.4.1 The Human Resources 30
- 3.4.2 The Financial Resources 30
  - 3.4.2.1 The Annual Membership Fees 31
  - 3.4.2.2 The Taxes on Cargo 31
  - 3.4.2.3 Other Resources 32

### What is Threatening Niger Shippers Council in its Current Form?
- 4.1 The Liberalisation of World Trade 33
  - 4.1.1 The General Agreement on Trade in Services (GATS) 34
  - 4.1.2 The European Union and Shipping in West Africa 36
  - 4.1.3 The World Bank Pressure 37
  - 4.1.4 The Government Interference in Council Matters 38
  - 4.1.5 The CNUT, a Government Agency 39
  - 4.1.6 The Impacts of the Government Involvement on the CNUT Finances 40
- 4.2 The Grievances of Niger' s Shippers About Their Council 41
  - 4.2.1 The Under representation of the Shippers in the Council Instances 41
  - 4.2.2 The Shippers Are Paying Taxes Without Any Value Added 42
  - 4.2.3 The Shippers Are Given Less Choice for the Carriage of Their Goods 43

### What Future for Niger Shippers’ Council?
- 5.1 Alternative Solution no 1: Getting Rid of the Council 46
  - 5.1.1 Arguments For 46
    - 5.1.1.1 Failure to Achieve its Missions 46
    - 5.1.1.2 External Environment Pressure on the Council 47
  - 5.1.2 Arguments Against 48
- 5.2 Alternative Solution no 2: Liberalising the Council 49
- 5.2.1 Arguments for 50
- 5.2.2 Arguments against 50
- 5.3 Alternative Solution no 3: Restructuring the Council 51
  - 5.3.1 The Reorientation of the Council's Missions 52
    - 5.3.1.1 Representation 52
    - 5.3.1.2 Transport Facilitation 52
List of Tables

Table 1       MINCONMAR Member Countries
Table 2       Remoteness from Seaports
Table 3       Niger External Trade and Balance of Payment

List of Figures

Figure 1:     Chart of the Council's New Proposed
               Organisational Structure
## List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANSL</td>
<td>Association of Shipping Lines</td>
</tr>
<tr>
<td>CDG</td>
<td>Carl Duisberg Gesellschaft</td>
</tr>
<tr>
<td>COMINAC</td>
<td>Compagnie Minière d'Akouta</td>
</tr>
<tr>
<td>CNUT</td>
<td>Conseil Nigérien des Utilisateurs des Transports Publics</td>
</tr>
<tr>
<td>DTT/MF</td>
<td>Direction des Transports Terrestres Martimes et Fluviaux</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GATS</td>
<td>General Agreement on Trade in Services</td>
</tr>
<tr>
<td>HE</td>
<td>His Excellence</td>
</tr>
<tr>
<td>ICD</td>
<td>Inland Transport Depot</td>
</tr>
<tr>
<td>IELP</td>
<td>Intensive English Language Programme</td>
</tr>
<tr>
<td>MFN</td>
<td>Most Favoured Nation Clause</td>
</tr>
<tr>
<td>MINCONMAR</td>
<td>Ministerial Conference of West and Central African States on Maritime Transport</td>
</tr>
<tr>
<td>NIGELEC</td>
<td>Société Nigérienne d'Electricité</td>
</tr>
<tr>
<td>OCBN</td>
<td>Organisation Commune Benin Niger des Chemins de Fer et des Transports</td>
</tr>
<tr>
<td>ONPPC</td>
<td>Office National des Produits Pharmaceutics et Chimics</td>
</tr>
<tr>
<td>OPVN</td>
<td>Office des Produits Vivriers du Niger</td>
</tr>
<tr>
<td>PMAWCA</td>
<td>Port Management Association of West and Central Africa</td>
</tr>
<tr>
<td>SPCN</td>
<td>Société des Produits Chimics du Niger</td>
</tr>
<tr>
<td>SOMAIR</td>
<td>Société des Mines de l'Air</td>
</tr>
<tr>
<td>SSATP</td>
<td>Sub-Saharan Africa Transport Policy Program</td>
</tr>
<tr>
<td>UASC</td>
<td>Union of African Shippers'Councils</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nation Conference on Trade and Development</td>
</tr>
<tr>
<td>U S</td>
<td>United States</td>
</tr>
<tr>
<td>WMU</td>
<td>World Maritime University</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

1.1 The Background

Because others have things that you need and you do not have, there has always been trade. The eighteenth century economists gave the evidence that trade is beneficial for all countries. Two of these well-known economists were Adam Smith and David Ricardo. Adam Smith came up with the theory of absolute advantages according to which “countries are better off if they specialise, trading their surplus production for the other goods they need” (Stopford, 1997, 233). Ricardo demonstrated that “more wealth is created by trade because limited factors of production are used more efficiently and all participants are better off than they would be without trade” (Stopford, 1997, 235). Trade is therefore essential for all countries because it is the engine of the economy.

For a less industrialised country such as Niger where people rely on the outside for their supply of goods, exchanges are paramount. However, trade will not be successful without its vehicle, which is transport. The obvious necessity of transport is that both consumers and producers want the arrival of the goods at a certain destination. Several means can be used for this purpose, ranking from land transport to air transport via sea transport. For different reasons, countries may decide to give preference to one or another of these modes of transport or to combine their utilisation.

One may wonder what reason Niger, a land-locked country, could evoke for using sea transport. First of all, sea transport is one of the cheapest modes of transport.
Niger exports are mainly composed of primary products, which the country cannot afford to move by air. Furthermore, the country is principally trading with other countries outside the African continent, so that purchases can not be transported by road, at least mostly.

Niger’s exporters and importers, without doubt, have an interest in sea transport. However, these shippers may be facing some difficulties when dealing with an international and complex industry where a lot of regulations, capital and risk are involved. Loss of and damage to cargo, delays in delivery are examples of the prejudices that shippers can be facing. The continuous increase in the freight rate is one of the biggest prejudices that shippers have been suffering.

Shipowners organised in conferences dictated to shippers the freight rates, the sailing schedules, the conditions of affreightment and the ports of call, all things that increase the cost of transport. To respond to this unkindly conference attitude, shippers all over the world organised themselves with the aim of protecting their interests. The attempt by shippers to organise themselves and defend their interests, vis a vis liner conferences, was the starting point of the establishment of shippers’ councils. The British Shippers’ Council is the first known shippers’ council. It was established in 1956.

Shipping being an international industry, the establishment of shippers’ councils in developing countries was encouraged by an international forum: the United Nations Conference on Trade and Development (UNCTAD) during its first session held in 1964.

At the regional level, the charter of Abidjan was a further step in the establishment of African shippers’ councils. In 1975, a conference was held in Abidjan at the initiative of the late Ivory Coast President Houphouet Boigny. At this conference was adopted the so-called charter of Abidjan. This charter formalised the status of
the Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR), recommended the creation of shippers' councils in all African countries, the establishment of the Union of African Shippers’ Councils (UASC), encouraged the promotion of African national shipping liners as well as the implementation of the so called 40-40-20 rule on the cargo sharing. It was only in 1984 that the “Conseil Nigérien des Utilisateurs des Transports publics (CNUT)” the Niger shippers' council was established.

1.2 The Problems

Niger Shippers’ Council activities, like many other African shipper council's activities, have achieved significant impacts for the benefits of their members. However, the existence of this organisation is nowadays challenged, and its role denied, at the international level as well as at the national level.

At the international level, the role of the African shippers’ councils, at least in one aspect “cargo reservation”, is now being challenged by African partners like the European Community, some international organisations and multinational liner shipping companies. What is called the “African” interpretation of the United Nations Code of Conduct for liner conferences was seen as a protectionism policy in conflict with the concept of liberalisation that characterises international trade relations nowadays.

The cargo sharing principle was implemented in practice by Liner Conferences and the Shippers’ Councils. In Europe where the majority of the conferences’ members serving West Africa and implementing the cargo reservation practice were based, voices rose up underlining the violation of the Rome Treaty regarding the general prohibition of concerted practices which may affect trade between member states.
The UN Code of Conduct was adopted as a means of allowing developing countries to achieve economic growth. It also reflected the new international order strategy. Now that this protectionism policy seems to not have reached the targeted results, the trend in trade relations worldwide is liberalisation. These changes in trade patterns have caused a rethinking of the maritime transport policy. Many developed countries and international organisations such as the World Bank are putting a lot of pressure on developing countries urging them to take competition into account in their maritime transport policy reformulation. Even UNCTAD is now favourable for the reappraisal of restrictionist practices.

Niger Shippers’ Council’s existence is not only challenged from outside. One of the big threats for this organisation is the question of its funding. The Council is mainly financed by government subsidies and by the shippers. The shippers’ contribution takes the form of annual ship registration fees, tax on import or export tonnage, and cargo reservation certificate fees.

The shippers, although they are the ones bearing the Council’s operating costs, are complaining about the fact that they are drawing few benefits from this organisation’s activities. The non-commitment of the shippers would, however, have its origin in the lack of information about the Council’s role.

The government subsidies that are supposed to cover a substantial part of the Council’s operating costs are not paid regularly. Furthermore, the involvement of the government in the Council management limits flexibility and speed of action.

Another area of concern for the Council is the existence of other organisations offering similar services on the government side as well as on the private side.
As seen above, Niger Shippers’ Council is facing problems that endanger its existence. This situation calls for a rethinking of the council’s strategy. The main axes of this reflection may be the following:
- The redefinition of the Council’s mission to protect the real interest of its members: the shippers;
- The restructuring of the organisation to make it less dependant on the government regarding the management and the funding;
- The diversification of its activities so that to make it commercially viable.

1.3 The Scope of the Dissertation

The present dissertation is an attempt to help the understanding of the environment in which Niger-Shippers’ Council is moving. One of the interesting things regarding this organisation today is the inadequacy between the new international maritime policy driven by liberalisation and the Council’s practices. The other interesting thing is to know how this organisation would overcome the challenges it is facing for the benefit of its members.

These two central ideas constitute the scope of the present work through which the author has no pretension of denying the pertinence of policy choice made by a sovereign government acting according to its needs of the moment, nor to come up with a miraculous solution for Niger Shippers’ Council.

1.4 The Methodology

The establishment of a shippers’ council in Niger was a process following a world wide trend and matching the need of the government looking for a maritime policy implementation tool and the need for the shippers for the most efficient and economic transport conditions. These considerations will be analysed in chapter 2 entitled: Why a shippers’ council in Niger? Chapter 3 will give an overview of the
missions and objectives of the Council as well as the means available for accomplishing them. Chapter 4 will deal with the internal as well as the external threats the Council is facing in its current form. Chapter 5 will analyse the different alternatives for the Council survival while chapter 6 will contain some proposals of actions that could help this institution to match its members’ needs and the international requirements regarding developments in international maritime transport.
CHAPTER 2

WHY A SHIPPERS’ COUNCIL IN NIGER?

The wish of all shippers is to have their goods transported safely and at the lowest cost. This objective has not always been possible to achieve by one single shipper, especially when he has to deal with a mega-carrier or carriers organised in a structure like the liner conference. So, it became obvious worldwide that shippers had to organise themselves in order to protect their interests.

In Niger, the establishment of a Shippers’ Council has become a necessity because of the various problems the shippers were faced with.

On the government side, the council was expected to serve as a maritime policy implementation tool.

2.1 The Establishment of Shippers’ Councils: A Worldwide Trend.

The establishment of a shippers’ council in Niger has followed a movement which started in Europe in the 19th century. In developing countries, the 1st UNCTAD conference recommendations were the starting point of the shipper council’s creation. In the West and Central African region, the Charter of Abidjan was a further step for the movement.
2.1.1 The First Shippers’ Councils Established in the World

Earlier in the 19th century, shipowners decided to end the ferocious competition between them. For this purpose, they have organised themselves into conferences and harmonised their tariffs. Being in a monopolistic situation, they were able to dictate to shippers the freight rates, the schedules and the conditions of shipment. At that time, the shippers acting each one in their own activity branch could not benefit from economy of scale. Their negotiating power vis a vis shipowners was also weak.

In reaction to shipowners hegemony over the shipping industry, the shippers started to organise themselves into councils. The movement started in West Europe and Great Britain was the first country to establish a shippers’ council in 1955. Other European countries such as France, Germany, Greece, Norway, Belgium, Netherlands, Switzerland, Denmark and Italy have later on established their own shippers’ councils. The councils in these countries were created under private initiative and aimed to:

- Represent and defend shippers’ interest vis a vis transport authorities regarding transport policy formulation;
- Obtain regular sailing schedules;
- Train members in transport techniques;
- Ameliorate transport conditions and efficiency of conferences system.

The first country among developing countries to establish a shippers’ council was India. The Indian Shippers’ Council was established in 1962 by the initiative of the Indian government. In the other developing countries, the establishment of such organisations had not taken place before the first UNCTAD meeting.
2.1.2 UNCTAD and the Establishment of Shippers’ Councils in Developing Countries

After the Second World War, especially in the western nations, the awakening of public conscience for the need to help and assist the development of underprivileged nations has grown (Farthing, 1997, 74).

Trade being the engine of the economy and transport the vehicle of trade, those two sectors are among those in which developing countries need more assistance. The intervention in the world trade and transport patterns needs a framework within which decisions could be made. This was the reason for the coming into existence of the United Nation Conference on trade and Development (UNCTAD).

Since its very inception, UNCTAD was very much involved in shipping. At its first meeting held in Geneva in 1964, UNCTAD established a shipping committee and since then, aspects of shipping have been coming up very often at the organisation’s meetings. The following is a list of some of the main issues that have been discussed during the meetings (Farthing, 1997, 74):

- Liner conference, a code of conduct and various detailed aspects of liner conference operation and pricing arrangements;
- Multimodal transport;
- Ports, their development adequacy and efficiency;
- Protection of shippers’ interest;
- Development of merchant marine especially from the standpoint of developing nations;
- Co-operation in merchant shipping;
- Imbalance between supply and demand;
- The bulk trade, liquid and dry;
- Conditions for registry of ships.
In general, UNCTAD aimed to obtain more participation of the less developed countries in world trade. The adoption in 1974, of the UNTAD Convention on a Code of Conduct for Liner Conferences was one of the attempts to obtain this participation. This code “sought to share the right to carry cargo between two countries by giving their shipping fleets an equal share of the freight and traffic generated by that trade: 20 per cent of the trade could be left for third country shipping lines, the so-called ‘cross trade’ (the 40-40-20 formula” (Gaskell et al. 1997, 22).

Regarding shipping, UNCTAD, at its first meeting has underlined the necessity of consultation between shipping conferences and shippers’ councils where such organisations did exist and their establishment where they did not exist, especially in developing countries.

UNCTAD was not the only one body to have encouraged the establishment of shippers’ councils at the international level. Other initiatives such as the Charter of Abidjan did exist.

2.1.3 The Charter of Abidjan and the Establishment of Shippers’ Councils in West and Central Africa

The freedom of the sea principle according to which shipowners have the ability to trade their ships free from government commercial regulations left the West and Central African region under the dictate of private liner shipping companies organised into conferences. This situation has revolted one man, the late Ivory Cost president H.E. Felix Houphouet Boigny who convened the first Conference on West and Central Africa States on Maritime Transports (MINCONMAR) held in Abidjan on 5 May 1975. During this meeting the Charter of Maritime Transport in West and Central Africa, the so-called Charter of Abidjan was adopted. The main objective of
the meeting was to create a framework within which the countries of the region can involve themselves more than in the past in maritime transport so that they can improve their control over the carriage of their foreign trade. The Conference of West and Central African States on Maritime Transports (MINCONMAR) was then institutionalised as a regional organisation and became that framework the member countries were seeking for.

MINCONMAR has played and is still playing an important role as a tool of co-operation in the region regarding maritime transport policy. The number of its country members is 26 maritime nations as well as land-locked countries as show in table 1.

<table>
<thead>
<tr>
<th>Maritime Nations</th>
<th>Guinea Bissau</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Guinea Conakry</td>
</tr>
<tr>
<td>Benin</td>
<td>Liberia</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Mauritania</td>
</tr>
<tr>
<td>Cap Verde</td>
<td>Nigeria</td>
</tr>
<tr>
<td>Congo</td>
<td>Sao Tome &amp; Principe</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>Senegal</td>
</tr>
<tr>
<td>Equatorial guinea</td>
<td>Sierra Leone</td>
</tr>
<tr>
<td>Gabon</td>
<td>Togo</td>
</tr>
<tr>
<td>Gambia</td>
<td>Zaire</td>
</tr>
<tr>
<td>Ghana</td>
<td></td>
</tr>
<tr>
<td>Guinea</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Landlocked Countries</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chad</td>
<td>Central African Republic</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Mali</td>
</tr>
<tr>
<td>Mali</td>
<td>Niger</td>
</tr>
</tbody>
</table>

Table 1: MINCONMAR Member Countries

The main resolutions contained in the Charter of Abidjan adopted during the first MINCONMAR meeting recommended to country members to:
a) Create national shipping companies for more involvement in international shipping;
b) Establish shippers’ councils.

The Charter has assigned the following role to the shippers’ councils:
- Defending the interest of shippers (including negotiation of freight rate);
- Promoting the interest of the national shipowners by an a priori control over cargo allocation (by applying the 40-40-20 rule).

The establishment of MINCONMAR has given the opportunity for the coming into existence of a number of shipping structures such as:

- Maritime Training Institutes
  Two training centres, one based in Abidjan for MINCONMAR French speaking country members and the other based in Accra for English speaking country members were created as a joint-venture between the organisation members.

- The Association of National Shipping Lines (ANSL) for the co-ordination of the regional national shipping companies’ activities with the aim of the optimum and economical use of their transport capacity.

- The Port Management Association of West and Central Africa (PMAWCA).
  Although this association was created prior to the establishment of MINCOMAR (1972), it has been incorporated into the MINCOMAR framework in 1977.

- The Union of African Shippers’ Councils (UASC).

Bearing in mind the fact that shipping transcends boundaries, West and Central African countries established the Union of African Shippers Councils. This Council was made up of all national shippers' councils existing in MINCONMAR country members. Its primary responsibility has been to protect the interests of shippers on the regional level through consultations/ negotiations with liner conferences and other operators, where the problem is considered regional.

The establishment of a Shippers’ Councils in Niger intervened in an environment more than favourable for the creation of such an organisation. At the international level, the UNCTAD Code on Liner Conferences was a good incentive. At the
African region level, the Charter of Abidjan was another incentive. However, the creation of the CNUT was not dictated only by a kind of fashion. It corresponded to the need of the country’s shippers as well as the government’s needs.

2.2 A Necessity for the Country’s Shippers

The need to solve the many problems faced by the shippers and the absence of a representative body able to deal with these problems were the main reasons for which Niger Shippers have appealed for the setting up of a shippers’ council.

2.2.1 The Problems Faced by the Shippers

These problems were related to shipment, port operation, inland transportation and ancillary services.

2.2.1.1 Shipment Problems

International trade can be a very risky business in which knowing buyer and seller obligations is paramount. Shippers, who do not master the incoterms rules for instance may be facing an increase in their costs, especially transport costs. This was the case of many Niger shippers, particularly those from the informal sector, evolving with little knowledge of international trade rules.

The establishment of a special body that could advise these shippers to deal with this complex matter was expected.

Another mater of concern regarding shippers was the freight rate. An individual shipper is in a weak negotiation power vis a vis liner shipping companies organised into conferences or vis a vis mega-carriers. Therefore, shippers need to be united in order to give them the necessary bargaining position for obtaining adequate and sufficient services at minimum cost.
2.2.1.2 Port Operation Related Problems

The port, as Alderton says “deserves to be a major area of interest to those concerned with shipping as it is the place where cargo is damaged or stolen, where most costs are incurred- which will usually involve large unexpected costs- where customs and government policies are implemented”, (Alderton,1994,253). This statement summarises perfectly the Niger shippers’ headache regarding port operations.

Port operations especially in Niger major ports of transit, which are Lome and Cotonou, are very complex and time consuming. In these two ports, the cargo is very often short-landed, damaged and pilfered. Furthermore, administrative and customs procedures add to delivery delay.

2.2.1.3 Inland Transport Problems

The arrival of the cargo at the port is not the end of the history. Once the cargo arrives at port, it has to be moved by other means of transport up to the final destination. These means of transport are also needed for bringing the cargo to the port before loading. The means used for this purpose include road, rail, barge, water, air and pipelines. The most used among them by Niger shippers are road and rail.

Here also, like for the shipment and the port operations, shippers are looking for reliability, safety transit-time, door-to-door services and flexibility. Unfortunately, the service offered for inland transport does not always match the criteria.

Although Niger is the only one West African State without railway on its territory, the country is running in joint venture with Benin, a railway company (Organisation Commune Benin-Niger des Chemins de Fer et des Transports- OCBN-). A network of 577 km was built by the French colonial administration with the aim to connect Niger's territory to the sea. Unfortunately, the line stopped in Parakou in central Benin because of the outbreak of the Second World War. Since then, plans have been launched to extend the line to Niamey, but none of them have become reality.
As a result of this joint venture, and in order to protect the railway company from competition, it has been agreed that all goods from Cotonou port with a destination to Niger and vice versa have to be carried by rail.

The railway being old, has poor technical reliability and is a handicap for Niger's shippers. This implies a break of bulk and inconveniences such as high risks of loss or damage to cargo.

A relatively good road network links most of Niger's transit ports to the territory. The problems that shippers encounter regarding road transport lie in the many, cumbersome and time-consuming administrative controls during the transit time and the non-professional attitude of truck companies and individual truck owners.

2.2.1.4 Ancillary service Problems

As mentioned earlier, transport is a component of trade. As traders, shippers have to deal with operations such as banking, insurance and documentation.

Many of Niger's shippers are having difficulties in accomplishing these operations. Therefore, they need help in these areas.

Regarding banking, shippers may need help in establishing letters of credit or in transferring money. Related to insurance, they may require education as to why they should insure their goods and how to ensure adequate and reliable insurance cover for their shipment. Shippers may also require legal advice and aid relating to rights and responsibilities under conditions of affreightment, shipment documentation, with particular reference to bills of lading and charter parties.

As seen above, Niger’s shippers are faced with a multitude of problems they cannot solve unless organised in a special body that gives them the necessary strength for
defending their interests. This body is also expected by the government to fulfil another role as a maritime transport policy implementation tool.

2.2.2 A Necessary Tool for the Government Maritime Transport Policy Implementation

All countries around the world have maritime matter concerns. However, these concerns differ from one country to another according to the country’s needs and geographical position. There are many maritime matters a country could be interested in such as shipping, fishing and environment protection. Regarding the sea, the Niger maritime matter concern is related to the access to the sea and the minimisation of maritime transport costs.

The country's authorities saw a shippers' councils as a tool that could help to achieve the above goals.

2.2.2.1 The Specific Landlocked Country Situation

In article one of the Convention on Trade of Landlocked States of July, 8, 1965, a landlocked state was defined as "any contracting state, which has no sea-coast". There are currently thirty one (31) landlocked countries in the world from which fourteen are located in Africa and three in the Western part of this continent. Niger is one of these three.

The country’s handicap regarding access to the sea is not only the absence of seacoast. It lies also in the quite remoteness of the country from the sea. The nearest port which is Cotonou in Benin is situated 1,060 km from the capital, Niamey. The other ports are distant, as the 1,241 km to Lome in Togo, 1,525 km to Lagos in Nigeria, 1,660 km to Abidjan in Ivory Coast, 2,700 km to Dakar in Senegal and 3,710 km to Alger in Algeria. Niger is also a very large country with a total area of 1,267,000 sq. km. Consequently, cities are located far from each other. For instance,
Arlit, the industrial city, is 1,200 km from the capital city and nearly 2,000 km to the nearest port.

Using maritime transport implies for a landlocked country, to have its commodities transiting in other neighbouring countries. Movement of goods through transit countries involves a lot of procedures and documentation such as customs operations and other administrative supervision. These procedures are most of the time complicated and cumbersome. To simplify the transit, the shippers' involvement and the presence of their representative body are more than needed in the transit countries.

<table>
<thead>
<tr>
<th>Ports</th>
<th>Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Niamey</td>
</tr>
<tr>
<td>Cotonou</td>
<td>1060</td>
</tr>
<tr>
<td>Lome</td>
<td>1241</td>
</tr>
<tr>
<td>Lagos</td>
<td>1525</td>
</tr>
<tr>
<td>Abidjan</td>
<td>1660</td>
</tr>
<tr>
<td>Algiers</td>
<td>3710</td>
</tr>
</tbody>
</table>

Table 2: Remoteness from seaports (km)

The structures in charge of maritime matters prior to the establishment of the CNUT could not allow the necessary flexibility for shippers involvement and representation.

2.2.2.2 The Limit of the Bodies Dealing With Shipping Matters Prior to CNUT Creation

In Niger, the Department of Transport is the body in charge of shipping matters. Apart from shipping, this department is also in charge of other modes of transport such as road and air transports. Shipping activities were by far the less privileged in
this department. It was only in 1977 that a division in charge of sea and river transport was created.

Because of the lack of trained personnel in the maritime field, the involvement of the transport administration in shipping was limited to policy making and negotiation of port transit and facilities with the neighbouring countries. In this respect, Niger has succeeded in concluding transport agreements with Burkina-Faso, Benin, Togo, Nigeria and Ivory Coast whose ports and territories are used for transit purpose. These negotiations have been conducted jointly with the Foreign Affairs Department.

The impact of sea transport costs on a landlocked country's economy is very important and Niger has not ignored the fact. Since commerce responds more quickly to opportunities than administration does, it was urgent to set up a more flexible body with the aim to serve as an economic promotion tool.

2.2.2.3 An Economic Promotion Tool

The costs of maritime transport have a big impact on the performance of a country trade and consequently on the whole economy. Niger, as many developing countries, depends heavily on the importation of commodities most of which come from markets located outside the African continent, thus transported by sea. Any increase in the freight rate is forwarded to the price of the final goods paid by the country's consumers.

The costs of shipping are also determinative for a country’s export potential making the difference between competitors. When the cost of shipment from a producer is high, an overseas buyer may decide to buy from this producer's competitor. Even though this producer may not have a competitor, he may receive less payment for he products he has sold because his marginal benefit has being reduced by the high costs of transport.
Whenever transport costs rise, Niger bears double consequences: importers pay more for their imports while exporters receive less for the goods they sell overseas. Furthermore, since the country does not have its own fleet, it has to pay tremendous amounts of money each year to foreign carriers and port operators in foreign exchange, a situation that has a consequence on the country's balance of payments.

A country's balance of payments can schematically be defined as a double entry account showing on the credit side all receipts of foreign earnings from the rest of the world and on the debit side, all payments to the rest of the world. Niger, as a country depending heavily on importation has almost a permanent deficit of balance of payments as shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports FOB</td>
<td>146.1</td>
<td>148.5</td>
<td>156.5</td>
<td>172.9</td>
<td>176.3</td>
</tr>
<tr>
<td>Exports FOB</td>
<td>125.1</td>
<td>143.0</td>
<td>154.3</td>
<td>157.3</td>
<td>167.5</td>
</tr>
<tr>
<td>Balance of trade</td>
<td>-21.0</td>
<td>-5.5</td>
<td>-2.2</td>
<td>-15.6</td>
<td>-8.8</td>
</tr>
<tr>
<td>Balance of services</td>
<td>-86.1</td>
<td>-87.0</td>
<td>-78.5</td>
<td>-80.4</td>
<td>-82.0</td>
</tr>
<tr>
<td>Current balance</td>
<td>-21.1</td>
<td>-44.2</td>
<td>-33.8</td>
<td>-43.3</td>
<td>-33.0</td>
</tr>
<tr>
<td>Global balance</td>
<td>13.2</td>
<td>-1.0</td>
<td>-7.3</td>
<td>-15.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*Table 3: Niger external trade and balance of payment (in billion CFA)*

*Source: http://195.25.42.149/izf/Guide/TableauDeBord/niger.htm*

It is therefore necessary for Niger to seek for the means of minimising disbursement for transport. The setting up of a shippers' council was seen as one of these means. Indeed, the analysis of the various problems that shippers encounter in their day-to-day transport operations argues in favour of the establishment of this body in this country. That is the reason why the "Conseil Nigérien des Utilisateurs des Transports Publics" (CNUt), the Niger Shippers' Council was established.

As landlocked country shippers, Niger shippers encounter two kinds of problems: those related to maritime transport (i.e. related to liner conferences and port authorities) and those related to hinterland transportation (i.e. administrative
procedures, damage to and loss of cargo). Therefore, the kind of shippers’ council established for dealing with these problems is obviously different from many other shippers’ councils around the world.
CHAPTER 3

WHAT NIGER SHIPPERS’ COUNCIL CONSISTS OF?

An analysis of the legal statutes, the activities, the organisational structure and the financial resources of the body dealing with shippers’ interests in Niger could help to understand the nature of this organisation.

3.1 The legal Statutes of the CNUT

Unlike in Europe where shippers’ councils are professional organisations representing primarily individual shippers, most African Shippers’ Councils are government organisations representing shippers (private and state) and national state-owned shipping companies.

Niger Shippers’ Council’s position is not different from other African Shippers’ Councils’ positions. In developing countries, and especially in Africa, many reasons militate in favour of the involvement of government in the establishment and the running of shippers’ councils.

The first reason for this involvement lies in the economic function assigned to the council. As demonstrated in chapter one, the council is seen in Niger as an economic promotion tool, the consequence of an inefficient transport system, and high freight
act upon the whole country’s economy. Since the protection of the general interest is one of the government’s duties, it seems therefore normal for this latter aspect to seek all necessary means of securing the national economy. That is one of the roles assigned to the CNUT through a minimisation of transport costs.

Another reason for this involvement is the fact that the government is a major shipper in Niger. The private sector being not developed enough, and lacking financial capability, the state has to be the major entrepreneur. Indeed the main economic operators that are behind cargo movement are government agencies or companies in which the government is a stakeholder. This is the case in the agricultural sector with the “Office Vivrier du Niger (OPVN)”, a government agency with keeps cereal buffer stocks and ensures a regular food supply. It is also the case in the industrial sector where the “Societe Nigerienne d’Electricite (NIGELEC)”, the power company, SPCC, the manufacturer of chemicals, ONPPC, the producer of medecine, cosmetics and chemicals are state-owned companies. In the mining sector, COMINAC and SOMAIR, the uranium processing industries, that rank as the leading importers of equipment and chemicals and the leading exporters of uranium, are also state-owned companies. Being the major shipper, it is in the government’s interest to secure better conditions of transport.

It is well known that using maritime transport implies for a landlocked country to use other country’s territories for transit purposes. In order to ensure an efficient cargo movement, the collaboration of transit countries is needed. This collaboration can not be obtained by shippers’ organisations, which are not backed up by the government. Negotiations between Niger and its neighbouring countries have been necessary in order to grant facilitation for transit and passage through ports. This constitutes another reason for the involvement of the Niger government in the running of the shippers’ council.
Because of the reasons discussed above, Niger Shippers’ Council was created in the form of a decentralised government body. Nevertheless, it has been endowed with a legal and financial autonomy in order to take into account the flexibility needed for the running of its activities. At the end of the day, the CNUT is a government agency. However, because its partners are private entities, its activities are governed by private law.

The mixture of legal regimes has influenced the missions of the CNUT, which has to serve at the same time the general interest (the national economy), as well as protecting the individual shippers’ interests.

### 3.2 The Missions of the CNUT

Broadly, the CNUT missions as defined by decree 88-160/PCMS/MTT dated 8 April 1998, determining the Council’s statute, are two folds:

- To ensure efficiency and smoothness of public transport and;
- To ensure control over transport costs.

Being a shippers’ council in a landlocked country, the CNUT is obviously different from the ones in maritime countries. Thus, the CNUT has control over all the modes of transport. The council has been assigned some objectives and is performing a range of activities in order to achieve these objectives.

#### 3.2.1 The Objectives Assigned to the CNUT

The CNUT has been assigned objectives in the field of maritime transport, port operations, road transport and ancillary transport service operations.
3.2.1.1 In the Maritime Transport Field

The maritime field here includes all shipping related matters, port operations and ancillary service operations. In the maritime field, the objectives to be achieved by the CNUT are the following:

- Achieving a stabilisation or even a lowering of freight rates;
- Ensuring regular shipping services;
- Ensuring control over the traffic generated by Niger’s foreign trade by implementing the cargo sharing principle;
- Ensuring efficiency and swiftness in Niger’s transit pots;
- Searching for the lowest possible port costs regarding berthing, handling, warehousing and storage;
- Making every effort for the improvement of transit and;
- Acting as co-ordinator between shippers, freight forwarders, customs and transport operators for all matters regarding international trade administrative procedures.

3.2.1.2 In the Land transport Field

Land transport is the most suitable means for moving cargo in a landlocked developing country such Niger. That is the reason why many expectations have been put on the CNUT side for the improvement of land transport services.

The two components of the land transport concerned here are the road and the rail. In this respect, the CNUT has to:

- Organise efficiently the transfer of goods from one mode of transport to another;
- Ensure the best organisation and operation of the transport chain;
- Ensure the sharing of the transport of Niger’s cargo between the country’s transport operators and those of the transit countries with which agreements have been concluded in that way.

The land transport operators of the countries with which Niger has concluded transit agreements are entitled to carry one third of the cargo discharged in their ports to Niger.

### 3.2.1.3 In The Air Transport Field

The CNUT involvement in the air transport field is not as much as in the other transport modes. Nevertheless, the CNUT has in this field to defend shippers' right vis a vis all players in the field. The council has to seek for better air transport conditions as well as better tariff for its members.

In order to achieve the objectives that have been assigned to it, the CNUT performs the following activities.

### 3.2.2 The Activities of the CNUT

The main activities carried out by Niger Shippers’ Council can be classified into four different groups: general assistance to shippers, negotiation, lobbying, training and information.

#### 3.2.2.1 General Assistance to Shippers

The council provides a range of services to shippers in order to assist them in solving the many problems they face in their day-to-day operations. The following are examples of areas in which the CNUT provides direct assistance to shippers.

- Solving loss or damage to cargo problems;
- Shortlanding of cargo;
- Insurance claims;
- Late arrival of shipping documents such as bill of lading;
- Delay in delivery of goods;
- Clearance of goods;
- Litigation involving shippers on the one hand and port agents, shipping agents or freight forwarders on the other.

3.2.2.2 Negotiation
Negotiating freight rate with liner conferences is one of the reasons for the establishment of shippers’ councils especially in the West and Central African region. At the regional level, the Union of African Shippers’ Councils (UASC) conducted these negotiations on the shippers’ side.

Since the conferences serving the region were dismantled, this activity has ceased. Nevertheless, negotiation continues to be one of the council’s main activities. The council is involved in negotiation with port authorities for obtaining special port tariffs to its members as well as with shipowners for arranging promotional freight rates. The CNUT negotiates also with other shipping operators like the stevedoring and warehousing companies for better cargo handling and storage conditions.

3.2.2.3 Lobbying
Whenever it is necessary, the council draws the government’s attention on issues of particular interest for shippers. Under the council’s pressure, the government can take action such as legislative action for solving a problem faced by shippers.

Lobbying actions are also conducted towards transit country authorities. The CNUT intervention in this area is also directed towards the international level through its participation in international organisations dealing with maritime matters.
3.2.2.4 Information and Training

Technical developments within the shipping industry are moving very fast. To cope with the latest developments, shippers need to be informed. The CNUT provides his members as well as other players in the transport field with a variety of information. The council establishes and maintains a transport data bank. It also publishes each semester, a newspaper given statistical information on transport.

The council offers training sessions to shippers and other players in the transport industry like freight forwarders land transport operators, insurers and bankers.

The missions assigned to Niger Shippers’ Council are without any doubt different from that of many shippers’ councils around the world. Created for the defence of shippers, which are private in their majority, the council has a government agency statute. The council has also competence over all modes of transport. For these reasons, the organisational structure of the CNUT is unique.

3.3 The Organisational Structure of the CNUT

As a government agency, the CNUT is under the supervision of the ministry in charge of transport. The council organisational structure comprises two levels: The Board of Directors and the Secretariat of the council.

3.3.1 The Board of Directors

The Board of Directors is the policy-making body of the council. It plans the activities and set up operational policies and guidelines.

This body consists of twelve members representing the government, the state-owned companies and the private sector. The following is the composition of the Board.
- One representative of the Ministry in charge of Transports;
- One representative of the Ministry in charge of Trade,
- One representative of the Ministry in charge of Public Work;
- One Representative of the Ministry in charge of State-Owned Companies;
- One representative of the Chamber of Commerce and;
- Six representatives of the State-Owned companies, the private sector and the users of public transport.

The government and the state-owned company’s representatives are nominated by the ministry in charge of transport for three years renewable once. The private sector representatives are designated by the professional organisations to which they belong for the same duration. The composition of the Board of Directors shows a massive presence of the government.

Once policies and plans have been set up, they have to be implemented. This is the role of the Council’ Secretariat.

### 3.3.2 The Secretariat of the Council

The Secretariat is headed by a chief executive also nominated by the Ministry in charge of Transport. The Secretariat serves the Board and the shippers on a daily basis. It has administrative, finance and research functions. This body is structured into three main specialised departments.

- The Administrative and Finance Department. This department handles all administrative and financial matters including personal, budget, accounting and logistics.
- Assistance to Shippers Department. This department provides assistance to shippers in their daily operations ranking from legal to technical advice in their search for the most suitable mode of transport.
The National Transport Observatory Department. The National Transport Observatory is an innovation in the organisational structure of the CNUT. It was the former Freight Department initially dealing with the cargo reservation that was transformed into the National Transports Observatory thanks to the obsolescence of the UN Liner Conference Code of Conduct.

During the Cotonou I Round Table, it was decided to establish of such an organ in all MINCONMAR country members with the support of the World Bank.

The National Transport Observatory role is to collect and process information on the volume of trade flows or transiting through the country as well as prices, performance and quality of service of the multimodal transport chain.

This department also establishes and maintains a documentary base concerning the institutional, legal and regulatory framework of international transport with a sea link. The information collected by the observatory is a very valuable tool for managers and shippers in the assessment of the performance of the transport chain.

A regional Transport observatory established within MINCONMAR centralises the information collected by the different national transport observatories enabling to give a broad picture of the whole region’s performance regarding transports.

Apart from the three departments based at the headquarters in Niamey, the council has two branches at Gaya, a city on the border with Benin and at Torodi at the Burkina- Faso border. The Council also has branches at Cotonou and Parakou in Benin, at Lome in Togo and Lagos in Nigeria. In Europe, the council is represented by agents based at Marseilles and Paris (France), Barcelona and Valencia (Spain), Genoa (Italy) and Antwerp (Belgium).
After having described the bodies in charge of carrying out the CNUT missions, it will be interesting to discover the means available for accomplishing these missions.

3.4 The Resources of the CNUT

In managerial terms the resources of an organisation are the things, people, money, process and time, but the resources concerned in the present section are people, that is the human resources and money, the financial ones.

3.4.1 The Human Resources

As of 31 December 1998, the total number of the CNUT employees is 60 out of which six are transport professionals, one economist, one lawyer, three accountants 11 subordinates and 38 auxiliary staff (secretary, drivers, cleaners and so on). For an organisation like a shippers’ council, 60 seems to be a high number of employees. The number of auxiliary staff is disproportionate compared to the number of executives.

Being an organisation where the main missions are advice, study and research, the CNUT seems to have an inadequate recruitment policy. Another sign of the lack of realism in the composition of the council 's staff is the number of relatively small of transport professionals.

As for personal recruitment, the way the council is financed appears to be another source of problems as will be seen in the next section.

3.4.2 The Financial resources

The main council’s financial resources come from the annualship member fees, the taxes on cargo and other resources.
3.4.2.1 The Annual Membership Fees
The Niger Shippers’ Council members are bound by the payment of annual membership fees. The amount of the fees is different according to the member’s status. An individual pays 30,000 CFA while an organisation pays 55,000 CFA. Any delay in the payment of the fees is subject to fines. For a delay of less or equal to six months, the fines to be applied represent 10% of the annual membership fees. A delay higher than six months leads to the payment of fines representing 20% of the annual membership fees. The payment of the fees gives the right to hold the council’s membership card. Without this card, no import or export license is issued. The annual membership fees count for about 2% of the CNUT budget.

3.4.2.2 The Taxes on Cargo
Taxes on cargo are the biggest income of the council. They count for about 80% of the Council’s budget. These taxes are of two kinds:

- Taxes on Importation. This is a product of the cargo reservation system. Any cargo owner that reserves a space onboard a ship has to pay these taxes. The amount of the taxes is 9000 CFA payable at the port of loading or at the port of discharging.

- Taxes on the right to carry Niger’s cargo. This is another product of the cargo reservation system. The taxes are paid by shipowners as a counterpart of the right given to them by Niger for the carriage of the cargo generated by the country’s international trade. The shipowners that enjoy this right are foreign shipowners since Niger operates no fleet. This practice is seen as contrary to the United Nations Liner Conference Code of Conduct. Actually, the right guaranteed by the 40-40-20 formula for the carriage of 40% of its cargo by a country applies only when the country owns a national fleet.
3.4.2.3 Other Resources

Niger Shipper Council budget is supposed to be financed up to one third by government subsidies. These subsidies are supposed to come from a fund called “guarantee fund”. Due to the financial crisis faced by the country, these subsidies have not been paid for years.

Other council financial resources include the products of consultancy, investment interests and so on.

The financial resources of the CNUT are based on taxes rather than on services provided by the organisation. This way of financing the organisation is one of the threats faced by the council, as it will be demonstrated in the next chapter.

Without any doubt, the CNUT is still a relevant organisation in Niger. The specific landlocked country's situation and the many problems it causes to the shippers call for increased action from a shippers representative organisation. However, the functions actually performed by the council are not fully in the profit of the shippers. Also, the way the council is financed is not to the advantage of its members which are complaining about the many taxes they are paying due to the council' activities. Finally, the shippers are not the major representatives in the different council's instances. Therefore, this organisation must be restructured in order to correspond to the real shippers' needs.
CHAPTER 4

WHAT IS THREATENING NIGER SHIPPERS COUNCIL IN ITS CURRENT FORM?

The share in international trade of Africa in general, and that of Sub-Saharan Africa in particular, is declining. From 3.3 percent of world trade export in 1950, Sub-Saharan Africa exports declined to 2.5 percent in 1970 and 1.0 percent in 1989. The region imports declined by 3.6 percent between 1980 and 1989 (Audigue, 1995, 11).

Experts agree that the cost and the quality of transport services available to shippers are one of the reasons for the erosion of the region’s competitiveness. Then one started to question the efficiency of the bodies in charge of the protection of the shippers’ interest, that is the shippers’ councils.

 Considering Niger Shippers’ Council case, one can discover that three main reasons are at the root of its inefficiency. First of all, some of the council’s activities are in contradiction with the worldwide trade liberalisation trend. Next, the government involvement in the organisation’s activities seems to be a big threat. Finally, the shippers seem to not be committed enough to the council’s mission.

4.1 The Liberalisation of World Trade

The world is moving from a protectionist attitude that gives to many countries the feeling that they have the right to control the cargo they generate, to a liberalised
attitude that brings the removal of market access restriction by relaxing and eliminating protective legislation. Many international organisations and agreements advocate liberalisation. As far as shipping is concerned, the main international organisations that have an impact on Niger Shippers’ Council are: The World Trade Organisation (WTO), the European Union (EU) and the World Bank.

4.1.1 The General Agreement on Trade in Services (GATS)

The concept of liberalisation of trade in services was introduced during the preparation of the Uruguay Round. The concept was also discussed during the Rounds between 1986 and 1993.

GATS was one of the achievements of the Uruguay Round. It sets out a range of disciplines covering services. Its main principles are the following:

- The universal coverage. No sector is excluded from the GATS. Therefore, shipping is covered by this agreement.
- The Most Favoured Nation (MFN) clause. This principle means that all foreign providers of services must be treated equally. Shipping is known as a sector where bilateral treaties granting special privileges have been a tradition. With the GATS, any special treatment has to be extended to all WTO members. However, transitional exceptions are possible. This possibility was used to cover the implementation of the UN Liner Conference Code of Conduct. But, the duration of the exception is only five years renewable once. This principle has an important implication in shipping especially for countries like Niger practising cargo reservation, since the exception cannot last forever.
- The national treatment. This principle implies that government must treat foreign providers of services the same way it treats its nationals. For the principle to be valid, it must be an offer of service. An offer of service means that a given
government specifies a list of services for which it guarantees free access. An offer can be limited, that is subject to certain conditions

It has to be said that the two rounds of discussions did not permit to WTO members to come up with an agreement for the following reasons.

First of all, the international shipping industry was reluctant toward the GATS system which it considers more restrictive that the situation before because of the possibility given to the country to limit their offer of service.

Another reason for the non-success of the GATS negotiation is the US position. The US, with the view of protecting the right to its own restrictive measures for example concerning government cargo and cabotage, used the argument of the lack of offer from the "critical mass" that is countries from south East Asia, Latin America and Africa, to commit themselves to the GATS. Since they knew that a key player, the US, is not committed enough, the countries of the critical mass did not make further offers.

Finally, the European Community, playing a tactical game with the US did not maintain its offers at the end for political reasons.

The negotiations are scheduled to be re-launched at the occasion of the general round of negotiations for liberalising services which will begin no later than year 2000. If the US judge it in their interest to make concessions in shipping in exchange for other concessions since the next round of negotiations will be a global one for all services, African countries will face strong pressure to make more offers in maritime services. Furthermore, the European Union that wanted to use the GATS to get rid of what they consider "an outdated agreement", that is the UN Liner Conference Code of Conduct, will certainly try to achieve its objective during the next round of negotiations.
4.1.2 The European Union and Shipping in West Africa

Since 1986, the European Union has adopted a non-protectionist policy package of legislative instruments. These instruments advocate the application of commercial principles in world shipping. The legislation sets out:

- The principle of freedom to provide service to maritime transport between member states and third countries.
- Detailed rules for the application of the treaty of Rome to Maritime Transport on competition policy;
- Fixed rules on unfair pricing practices in maritime transport and;
- Fixed rules concerning co-ordinated action to safeguard free access to cargo in ocean trade.

One may notice that the EU maritime framework is highly liberal. Because of this, maritime relations between the Union and West Africa have been conflicting over the last decade.

One of the points of divergence between the two regions was the interpretation of the UN Liner Conference Code. According to the view point of the Europeans, the 40-40-20 cargo sharing formula must apply only to traffic carried through liner conferences while in the view point of the Africans, this formula must apply to all traffic. The Central Freight Bureau (CFB) based in Europe and through which West African countries were enforcing their cargo sharing regulations, were considered by some EU country members to operate in violation of competition principles.

In 1992, following a complaint by the Danish Shipowners Association and the Danish Government, the European Commission found that the arrangement between liner conference members operating between France and West Africa were contrary to the EU competition rules. This arrangement excluded other EU member state
shipping lines from the access of certain EU national markets. This was judged contrary to the unified market spirit. The French-West African shipowners committees had been prohibited and a fine was imposed on some companies, members of the conferences. Then, the European members had withdrawn themselves from the conferences, isolating the West African region and weakening its shippers’ councils.

The EU is not the only one body wishing to see shipping being liberalised in West Africa. Other international organisations like the World Bank are very active in this field.

4.1.3 The World Bank Pressure

The World Bank is very much involved in the improvement of maritime transport policy in West Africa. This Bank is managing jointly with MINCONMAR a program called Sub Saharan Africa Transport Policy Program (SSATTP). The main components of this program are road maintenance, rural transport and maritime transport. Regarding the maritime transport component, the objective is mainly to strengthen the international competitiveness of the region through a formulation of maritime transport development strategy.

MINCONMAR and the Bank organised two important meetings in 1992 and 1997 on Trade and Transport in West and Central Africa States. These meetings called Cotonou Round Table I and Cotonou Round Table II were attended by the region's trade and transport representatives from the public and the private sectors. The participants of the Cotonou Round Table I came up with the conclusion that “the maritime transport and the regional policy framework was ineffective and compromised the region's potential for economic development and trade” (MINCONMAR, SSATP, The World Bank, V). They then recommended some studies to be done in order to identify the problems and elaborate a new policy framework. Studies have been carried out on the following Topics:
− Designing a New maritime Policy for Africa;
− Evaluating Regional Co-operative Organisations;
− Analysing the costs of the Transport chain;
− Setting National Monitoring Unit on Transport;
− Redefining the Mission of Shippers' Councils;
− Clarifying the status of West and Central Africa.

At Cotonou Round Table II, the conclusion of the participants was not very different from Cotonou Round Table I one. Nevertheless, the accent was made on the necessity of liberalising the regional maritime market access, the redefinition of shipper's council and less government representation in their decision making bodies and finally, the elimination of excessive control.

Niger, as it is running a structural adjustment programme under the World Bank supervision, the country will hardly avoid the implementation of the Bank’s recommendations. This implies for the shippers' council the redefinition of its mission.

The above analysis shows that most of Niger trade partners are partisans of trade liberalisation. Even UNCTAD considered a defender of developing countries' rights and a promoter of the infant industry argument in shipping, including a range of protectionist measures, is now in favour of a reappraisal of restrictionist practices. Other reasons for the necessity of reforming Niger Shippers Council can be found when studying the negative impacts of government interference in council matters.

4.1.4 Government Interference in Council Matters

The reasons for Niger government involvement in the shippers' council have been covered when analysing the CNUT legal status in chapter 3. Whatever these reasons
were, this situation has a price, which is the negative impacts of this interference. In this section the incidence of the government involvement in the CNUT status, in the way the organisation is financed, and in its management will be analysed.

4.1.5 The CNUT, a Government Agency

The fact that the CNUT was created by the government has left its mark on this organisation. To give a few examples, six out of the twelve members of the Boards of Governor are representatives of the different Ministries. The six others are representatives of shippers, among them many government agencies.

The board of governors' chairman, as well as the Secretariat Chief Executive are appointed by the Ministry in charge of Transport which is the council supervising authority. Many of the council's employees are civil servants. This situation has many consequences.

First of all, the shippers' interests are not necessarily the same as that of the government. Sometime, they are completely different. For instance, shippers may want to pay less customs dues whereas the government may want to collect as many dues as possible.

When the council was mandated by the government to implement the cargo reservation, the council had too perform a task that is in contradiction with the shippers' interest. The cargo reservation system profit to shipowners rather than shippers. The principle gives shipowners access to cargo without any competition. The shippers are the losers in this deal because they have no choice regarding the carrier. Whatever carrier the council has selected for them, they have to use it even if this carrier is not competitive and does not offer the best freight rate, the best conditions of transport.
Furthermore, lobbying principally in the government direction is one of a shipper council’s functions. This function cannot be performed efficiently if the majority of the people in charge of this action are government representatives.

Bureaucracy is one of the characteristics of government agencies, especially in developing countries. Bureaucracy being very often synonymous of bad management, this style of management does not allow the council to have the necessary flexibility needed to run an organisation whose activities are commercially based.

Political influence has a detrimental effect on the council. For instance, people without a transport background can be appointed as president of the Board of Directors as well as chief executive of the council’s secretariat. The political influence leads also to the over manning of the council. Employees can be hired, not because there is a need for that but simply because they are of the politicians partisans.

Many of the council employees are civil servants and are thus less committed to the council’s activities bearing in mind that they can go back to their job in the government if and when the council is in a bad situation.

The impacts of the government’s involvement in the council’s life are not limited to the status and management. This is also perceptible in the organisation’s finance.

4.1.6 The Impacts of the Government Involvement on the CNUT Finances

The cargo reservation activities and the different taxes levied on shippers generated a lot of money to the councils during the period when they were in use. The government had very often used this fund for purposes far connected from the defence of shippers’ interest. The CNUT was considered especially by the
supervising authority, which is the ministry in charge of transport as the "cash cow". The council's assets, like cars, are used for government activities. The CNUT funds used by the government could be used in a more beneficial way for the shippers, for instance, hiring highly qualified transport professionals for organising training sessions.

It was decided that the CNUT would be partly financed by government subsidies. Because of the financial crises faced by Niger, the subsidies have not been paid for years leaving the council with a gap in its budget.

The impacts of the government's involvement in the council's matters are one of the reasons for the non-commitment of the shippers to the CNUT activities.

4.2 The Grievances of Niger Shippers About Their Council

The main grievances of Niger shippers about their council can be divided into 3 categories. The first category is related to their under representation in the council's instances and consequently the less influence they have in the CNUT decision-making process. The second category is related to the non-value added of the different taxes they are paying to the council. The last category refers to the reduction in freedom they have in the choice of carriers.

4.2.1 The Under Representation of the Shippers in the Council Instances

Established for the defence of the shippers' interest, the shipper council's activities must normally be determined by the shippers themselves. The council must also be directed by the shippers and the mode of designation of their representatives at the council's instances decided by them.
In the case of the CNUT, the reality is not this one. As seen in chapter 3, the majority of the council boards of governors' members are representatives of the government. The chairmen of the Board, as well as the Secretariat Chief Executive, are appointed by the government. Many of the employees working in the Secretariat’s different departments are civil servants.

4.2.2 The Shippers are Paying Taxes Without any Value Added

The operating costs of the council are mainly borne by the goods, thus by the shippers themselves. Unfortunately, these latter draw few benefits from the operation of the council.

The CNUT is financed by shippers, but the ones who really benefit are the shipowners and the truck operators because the operations of the council help them preserve their share of the market.

Furthermore, the amount of the annual fee membership paid by the council's members has been decided by government regulations. Every shipper has to show the proof of the payment of these fees before the shipment of his goods from or to Niger. The non-payment of the fees prevents importers and exporters from obtaining the necessary importation or exportation licences. This makes council membership mandatory. So, shippers are paying the fees not because they are committed to the council's activities but because the CNUT membership card is a necessary tool for their trade.

What shippers want to have is the freedom to decide how their council will be financed. They also want the council financial’s resources to be derived from services rendered instead of from taxation. Finally, they do not want the mandatory element of the council's membership to remain.
Shippers are not only forced to pay the annual membership fees, they are also forced to use carriers that they did not choose.

4.2.3 Shippers Are Given Less Choice for the Carriage of their Goods

This practice is mainly in use in land transport although it has been used at the peak of the cargo reservation system. According to an agreement between Niger and the transit countries, the host country carriers have to carry 1/3 of the goods discharged at the port and Niger carriers the other 2/3. The CNUT is in charge of the implementation of this agreement on the Nigerien side. The obvious example is Cotonou port. After the goods have been discharged, they have to be transported by rail up to the Nigerien border. Any other means of transport is allowed. As mentioned earlier in the present paper, the railway company, which is a joint venture between Benin and Niger, is not efficient. The old railway network has a poor technical reliability. Using it implies for Niger's shippers additional costs, delays in delivery as well as the high risk for cargo damage, all things that could be avoided by using the good road network.

The African shippers' councils are generally criticised because of the incompatibility between the two main functions they perform which are the defence of shippers' interest and the support to national fleets through cargo reservation systems. One may think that this criticism may not apply to a landlocked country's shipper council, especially if this country is not running a national fleet. This perception is wrong in the case of Niger since the country has been implementing of cargo reservation even if it is not running a national fleet. So, the criticism regarding African maritime country shippers' councils applies to Niger as a landlocked country. On top of these criticisms, one can add in the case of Niger the heavy government involvement, a reduction in shippers representation in the council's instances, as well as a reduction in the shippers commitment to their council.
With regard to all that has been discussed in the present chapter, it clearly appears that the existence of Niger shippers' council in its current form is threatened. The international environment as well as the national one is not favourable to some of the activities the council is carrying out and the manner with which these activities are carried out. Therefore, measures must be taken immediately in order to solve the problem. In this respect, the writer will make some proposals in the next chapter.
CHAPTER 5

WHAT FUTURE FOR NIGER SHIPPERS’ COUNCIL

The Niger Shippers’ Council is currently facing a dilemma. On the one hand, the worldwide trend of liberalisation according to which any form of protectionism must not be tolerated in any service sector of the trade. The advocates of this concept, among which is the World Bank, would like to see the shippers’ council run by the shippers themselves, free from any government involvement.

On the other hand, the specific landlocked developing country position of Niger calls for this involvement as minimum as it is.

Transport in general, and maritime transport in particular, is so vital for the country’s economy that the activities carried out by the council are seen as providing a “public utility”. The shippers themselves, recognising the fact that they are not organised enough to take over the council’s management, would like the government to continue to give support to their organisation.

Because of the complex nature of any dilemma, its solutions are not so easy to find. This applies to the dilemma faced by the Niger Shippers’ Council.

Be that as it may, the “status quo” can not be maintained in the CNUT position. A decision must be made for the organisation’s future.

Three alternative solutions will be discussed that consist of:
- getting rid of the council;
- privatising the council and;
- restructuring the council.

5.1 Alternative Solution N0 1: Getting Rid of the Council

Considering the criticism the council is facing, one may be tempted to propose getting rid of this organisation. However, the CNUT still has its defenders. The big issue is to know what could be the arguments of each side.

5.1.1 Arguments for

The arguments for getting rid of the Niger Shippers' Council can be categorised into two groups. The first group comprises the failure of the council to fulfil the missions for which it has been created. The second is related to the pressure exercised on the council by its external environment.

Considering the criticism the council is facing, one may be tempted to propose to get rid of this organisation. However, the CNUT still has its defenders.

5.1.1.1 Failure to achieve its mission

In Niger like in most West African countries, the shippers' council was assigned two main missions, which are to negotiate freight prices and cargo allocation. These missions seem to be obviously incompatible. The benefits expected by shippers from negotiation with carriers are the best freight prices and transport conditions. However, these benefits can not be obtained without competition on the carrier side. The cargo allocation system eliminates all competition since only a few carriers are
guaranteed the right to carry cargo for which they charge prices favourable to themselves.

Another failure of the council lies in the fact that the cargo reservation system has generated some taxes paid by the shippers. The shippers are bearing the operation costs of the council without getting more favourable transport conditions and freight prices lower than the market prices. In a study carried out by Bruno Lambin, it has been demonstrated that "The real freight prices between Europe and Africa over the period during which there were price negotiation climbed in parallel with the world evolution in freight prices practised by regular shipping lines. After 1985, the year in which these price negotiations ceased, prices diminished, following the downward trend of the mean worldwide prices of the regular shipping lines" (MINCONMAR, SSATP, the World Bank, 1997, 141).

One can conclude that the negotiation between West African region shippers' councils and conferences on the freight prices did not fully benefit the shippers.

5.1.1.2 External Environment Pressure on the Council

Apart from the international organisations such as WTO, the World Bank and the European Union which are seeing the current activity of the CNUT as a threat to trade, this council is subject to other external threats.

Many players in the transport chain can offer the same services as the ones provided by the council. First of all, more and more carriers are nowadays capable of offering door-to-door services to shippers. The shippers receive the goods at their premises or at any other place as desired without bothering themselves with cumbersome administrative procedures. Moreover, the freight forwarding companies can replace the council in many of the services it provides such as direct assistance to shippers, and information. Finally an organisation like the chamber of commerce can fulfil the representation and the lobbying functions assigned to the CNUT.
Admittedly, many possibilities exist for providing to shippers the same services as the ones provided by their council, but at what price? Could the organisations mentioned above replace the CNUT satisfactorily?

5.1.2 Argument Against

The reasons for the establishment of Niger Shippers’ Council have been largely discussed throughout the present work particularly, in chapter two. The same reasons constitute some arguments against getting rid of the CNUT. However, it can be added that shippers will be better off if they remain organised in a body with the unique aim of defending its members' interests. All shippers' trade partners are organising themselves through various kinds of associations in order to have the necessary strength for solving their common problems. Shipowners are organised into conferences, consortia and other forms of co-operation. Ports are also working in co-operation. In West Africa for instance, ports are organised within an association called the Port Management Association of West and Central Africa (PMAWCA). Even public administrations are following this trend. Customs for instance are in many regions and sub-regions working together to harmonise their procedures and tariffs. To face favourably their trading partners organised into associations, shippers need a spokesman representing all of them.

The argument according to which many existing players in the transport field can replace the CNUT and provide the same range of services as the council does is very questionable. The concept of multimodalism is not very widespread in the country. Only a few carriers offering door-to-door service are represented in the country and their services are requested mainly by the big shippers that can offer an attractive volume of cargo. These shippers, because of economy of scale, can benefit from favourable prices and conditions of transport. The small shippers will still be relying on the CNUT direct assistance for their transport operations. Moreover, the services
provided by the multimodal operators as well as the ones provided by the freight forwarding agencies have to be charged each time they are used, which is not the case with the shippers' council. The annual membership fees can not be compared with the prices charged by freight forwarders.

Letting the commodity and trade associations or the chamber of commerce representing shippers' interest may not be as efficient as maintaining the shippers' council. This solution involves dispersion of forces, efforts and resources since these organisation have to perform some additional functions on top of their core activities.

Having analysed the arguments for and against this alternative solution, it appears to the writer that a shippers' council is still a relevant organisation in Niger. However, it has been demonstrated that the deeper government involvement in the council's affairs is, the more it constitutes a threat. Liberalising the CNUT may help the situation.

### 5.2 Alternative Solution N0 2: Liberalising the Council

When African countries became independent, the public sector was the only one sector owning the necessary know-how and the economic means of ensuring the economic development of these countries. On top of its traditional functions such as security and diplomacy, the government had to play an economic role. Thus, the government was involved in almost every sector of activity. The transport sector is one of the sectors where government intervention is perceptible. This involvement generated many protectionist policies that constituted a threat for the country in its trade relations. Liberalisation is seen as a means of overcoming the problem. Liberalisation is understood here as the removal of the government from any kind of involvement in the shippers' council activities. This action has, of course, some advantages and disadvantages.
5.2.1 Arguments for

The government involvement in the shippers' Council management resulted in the adoption of protectionist legislation with the consequence of marginalizing the country. Investors are looking to make business in a stable and free legal framework. The freer the regime, the cheaper the freight rates for the shippers. The council is handicapped by the inefficiency and the cumbersome administrative procedures inherent in enterprises that have recourse to state aid. Investors and carriers that find it difficult to trade with the country prefer to make their deals in favourable areas.

At the national level, the country shippers are paying the price of the government involvement in the CNUT activities through the many taxes imposed on them. These taxes increase the transport costs and prevent shippers from being competitive.

Another consequence of the government interference is the non-commitment of the shippers toward their council due to their poor representation in the management of the council's instances.

The argument according to which the state is the major shipper is no longer valid since most of the state owned companies are privatised or in the process of being privatised. It is therefore logical that the shippers' council is managed by the shippers themselves.

5.2.2 Arguments Against

The demand for liberalising the Shippers' Council comes from outside the country rather than inside. This demand comes from the western countries through international organisations such as WTO, the World Bank and the European Union. This demand seems surprising considering the attitude of the respective governments.
of these counties toward shipping. In many of the western countries, the shipping sector is not as liberalised as these countries wanted it to be in developing countries. In the USA for instance, restriction on the carriage of government development aid or strategic cargoes applies as well as cabotage. Many European governments support their shipping industry in one manner or another. Shipping companies are enjoying favourable tax conditions. Government shipbuilding credits are offered to shipowners. So, why deny developing countries’ governments the right of interfering in shipping as it is happening in developed countries? In fact the big issue for developed countries is to take control over the market in developing countries.

The participation of Niger in international trade is decreasing year after year. A shipper council’s activities could improve this participation. However, a shippers’ council that is not backed up by the government will not have the necessary authority to defend the country’s interest vis a vis powerful international shipping groups. For this reason, the CNUT must not be privatised. Nevertheless, this organisation should be restructured in order to cope with the changes that are taking place in the shipping sector.

5.3 Alternative Solution No 3: Restructuring the Council

Despite all the criticism it is subject to and despite the worldwide trend of liberalisation of trade, a shippers’ council is relevant in a landlocked developing country such as Niger. In fact, the grievances about the council are not directed towards the ideas as such of organising shippers for the defence of their interests. The point of discord is the way the council is organised, the missions assigned to it, the way it is financed and the role of the government in the running of its activities. Therefore, Niger Shippers’ Council needs to be rethought in order to make it more efficient and to respond to the needs of those for which it was established, that is the shippers. The restructuring of the CNUT can be achieved through the following
process: the reorientation of the council’s missions, the setting up of a new organisational structure and the diversification of the council’s sources of revenues.

5.3.1 The Reorientation of the Council’s Missions

The missions of the councils must be defined in such a way that only the defence of the shippers’ interest is taken into account. Thus, the following missions could be assigned to the council: representation, facilitation and advice.

5.3.1.1 Representation

The council must play the role of spokesman for all its members. It will negotiate on behalf of its members with ship owners and land transport operators for:
- Lower freight rates;
- Reduced surcharges;
- Better services, that is the adherence to schedules, regularity and safer transport of goods.

The council will also play the same role with other operators like stevedores, freight forwarders, port authorities and customs.

Towards the government, and the international organisations, the council will defend its members by lobbying actions. These actions could take the form of positive influences on policy formulation and application, on national rules and international conventions affecting maritime and multimodal transport.

5.3.1.2 Transport Facilitation

The main concern of shippers is that their goods should have a rapid and secure passage at a fair price. Unfortunately, this is not always the case with Niger’ shippers. Many bottlenecks impede the movement of their goods, especially during transit time in neighbouring countries. In this respect, the council will make every
effort in order to meet the needs of its members, which consist of quality, frequency, and reliability of services as well as value for money.

The kind of actions to be taken in order to achieve this objective include:
- Proposals for improving administrative procedures (i.e. streamlining of administrative documents);
- Studies for improved efficiency of the transport chain;
- Promotion of the use by all the players in the transport chain of modern means of communication such as Electronic Data Interchange (EDI).

5.3.1.3 Advice
Many in Niger are small shippers evolving in the informal sector. For these shippers, the need of expert advice in transport procedures is very big. Even the big, organised shippers are still in need of information on a regular basis about the latest developments occurring within the transport industry.

The following are examples of the kinds of services that the council will provide:
- Legal advice in case of litigation;
- Costs comparison of different sectors;
- Transport choice (choice of the modes of transport and the carriers);
- Cargo monitoring;
- Staff training on transport issues;
- Scheduling information;
- Studies on transport technology and logistics.

Most of the missions proposed are still being carried out by the council, but coupled with other missions far connected to the shippers’ interest such as the regulatory role delegated to the council by the government. In the future, the council will only focus on the missions related to the defence of the shippers’ interests.

For carrying out these missions, a new organisational structure must be set up.
5.3.2 The Setting up of a New Organisational Structure

When analysing the current organisational structure of the CNUT, it is easy to observe how deeply the government is involved in the council’s life. It was also easy to observe how negative were the impacts of this government interference. The restructuring of Niger Shippers’ Council aims at lessening this interference and increasing a wide and equitable representation of the shippers in their council. The main axes of this restructuring could be the following: new legal statutes, new chart and new funding formula.

5.3.2.1 New Legal Statutes
Transport issues in developing countries, and especially in the landlocked ones, involve politics. Reaching a transit agreement, for instance, needs the interference of the governments concerned. A single shippers’ organisation could not make things happen alone without being backed up by the government, especially when it comes to enforcing regulations. Therefore, the shippers’ council still needs to be supported by the government. However, the role to be played by the government must be only a regulatory one. The government must make every effort to ensure better conditions of transport by means of regulation. The government must listen to the council’s proposals for the improvement of administrative procedures. In a word, the role of the government regarding the council must be a supervisory role. The government must only intervene as legislator and arbitrator, establishing better conditions for transport and trade. Decision making, the operation and the funding of the council must be left in the hands of the shippers, the very concerned.

5.3.2.2 New Charts for the Council
The current organisational structure of the council is characterised on the one hand by the over representation of the government and on the other hand by the low representation of the shippers. The new proposed structure aims at reversing this. It
could comprise the following organs: the General Assembly, the Secretariat of the Council and the Departments.

- The General Assembly: this body will replace the current Board of Directors. It will be the policy decision making body. The General Assembly will be made up of the representatives of the major import and export shippers and trade associations. Government institutions which the operation or policy affects the council such as the Ministry of Transport, the Ministry of Trade, the custom, will be represented in this instance. Unlike in the composition of the current Board of Directors, the majority of General Assembly members will come from the shippers’ side. The chairperson will also come from this side.

- The Secretariat of the Council: the function of this organ may remain the same as the one of the current Secretariat. What will change is the mode of designation of the Chief Executive of the Secretariat. This person, as well as the Chairman of the General Assembly will be elected by the members of the General Assembly.

- The Departments: the Departments may also remain the same as at present. What needs to be changed is the number of employees. This number must be streamlined. To achieve this with less social consequences, the civil servants working in the organisation whose presence is not necessary may be asked to go back to their original offices.

5.3.2.3 New Funding Formula

The council being managed by the shippers themselves, it is up to them to decide the way it must be financed. In order to prevent the government to be in a position to impose its view, any financial contribution from the State must be avoided.

The membership fees may be maintained as a source of financing the council’s activities. However, the amount of the contribution must be determined by the shippers themselves. The membership fees may not be sufficient to cover the operating costs of the council, although the streamlining of the number of employees
will reduce significantly these costs. Therefore, the council must diversify its activities in order to get other source of incomes.

5.3.3 The Diversification of the Council’s Source of Incomes

If the CNUT has to remain and operate as a shippers’ organisation, the way it has been financed up to now may not be the same any more. The cargo reservation system that has been the major source of income of the council can be considered as a “has been”. The state will progressively withdraw from the council. Therefore, government subsidies may not any longer be considered as a source of income for the council. Thus the council has to seek for the necessary means for financing its activities. One of the ways of doing this is to diversify the council’s activities. Actually, some discussions are going on within the CNUT about the kind of activities the council can add to its core activities. Two directions are given priority for the time being: constructing and operating transport infrastructures and selling consultation products.

5.3.3.1 Constructing and Operating Transport Infrastructures

In order to improve the condition and the speed of the transport of goods as well as safety in the cargo handling, Niger Shippers' Council is looking for constructing transport infrastructures and acquiring equipment that can help achieve this goal. Thus, the council is looking forward to constructing and/or operating dry port, bascule bridge and coach stations.

a) Constructing and Operating a Dry Port

Inland Dry Port also called Inland Clearance Depot (ICD) is defined officially as the follows:

A common-user inland facility, other than a port or an airport, approved by a competent body, equipped with fixed installations and offering services for handling and temporary storage of any kind of
goods (including container) carried under customs and other agencies competent to clear goods for home use, warehousing, temporary admission, re-export, temporary storage for onward transit and outright export (UNCTAD, 1995, p. 103).

From the above definition, it appears clear that an Inland Dry Port can be an important tool for a landlocked country. Such an infrastructure could help solve goods storage and security problems as well as speed up goods clearance. The following are examples of functions that could be performed in the dry port.
- Customs clearance;
- Transfers of cargo between various modes of transport;
- Temporary storage of cargo;
- Stuffing and stripping of containers and;
- Cleaning, maintenance and repair of containers.

By operating or leasing the dry port, the shippers' council could solve part of its financing problem.

b) Bascule Bridge and Coach Stations

The specificity of Niger Shippers' Council is that it has control over all modes of transport. For this reason, the council is looking forward to be involved in the management of land transport infrastructures. To secure the road network, the council intends to implement the limitation of weight for trucks by placing bascule bridges on the main axes.

The council is also planning to be involved in coach station management. The involvement of the council in such kinds of transport infrastructures, even if it can improve the smoothness of the goods movement, could be a source of conflict of competence between the council and the other government bodies already involved in the field. It can also lead to the increased involvement of the government in the
council. Finally, this could lead shippers to pay additional taxes without any value added for them.

The projects the council should be involved in must create value added to shippers who will require the council's services voluntarily. Consultation could be a good example of these projects.

5.3.3.2 Selling Consultation Products

With the globalisation of trade, more and more shipping companies will be interested in doing business in the country. Foreign investors are also expected to have more interest for Niger. There will be consequently an increased demand of information. The council may take advantage of its expertise in the transport field to propose the kind of information and advice required by shipping companies, foreign investors and international aid organisations.

At the national level, there is also a huge need for information on the shippers' side. Many of them are small shippers and do not have the necessary know-how for successfully conducting their transport operations.

Among the three alternative solutions that have been discussed in the present paper, the writer has preference for the third one for the time being. The council plays an important role for the country's shippers. Therefore, it may not be a wise decision to get rid of it. Liberalising fully the council may also not be the right decision. The shippers still need to be backed up by the government in order to protect their interests. However, the government intervention must be rethought as well as the mission and the way of financing the council. Some recommendations will be made to that end in the next chapter.
CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Transport is a vital instrument of economic development. The decrease of the external trade of African countries can be attributed in a large extent to the inefficient and inadequate practice of the transport sector. A tight relationship exists between the transport system and perspectives of economic development.

For a landlocked, developing country such as Niger that relies exclusively on the importation of goods for the satisfaction of its population's needs, the challenge is double. The country has to seek for high quality service, adequate frequency, reliability and value for money when dealing with maritime transport as well as land transport. Extremely dependant on maritime transport, the country therefore has to pay attention to everything that may influence the competitiveness of its seaborne trade.

The Niger Shippers' Council was established in the perspective of promoting the country’s external trade. As an attempt to organise shippers and endow them with a spokesman, the initiative was praiseworthy. Indeed, the council has obtained some great achievements in terms of preferential port fee negotiations, facilitation of transit and the training of shippers. However, the incompatibility between the two
main missions of the council, that is the defence of shippers' interests and the management of the cargo reservation system, coupled with the heavy involvement of the government in the organisation's matters, has led to criticisms vis à vis the CNUT's performance and what is more, its "raison d'etre". Furthermore, the changes in the provision of shipping and port services that are taking place, coming principally from market driven forces, makes things difficult for countries that continue to have a protective approach towards maritime transport in regard to their trade relations with other nations.

The world economy is in the perceptible process of globalisation of economic activities affecting both commercial and intergovernmental relations. This leads to the structural transformation of nations characterised by a withdrawal of the public sector from economic activities and the tendency to enter into regional and global integration agreements. The final objective is the liberalisation of trade in goods and services. While these phenomena have accelerated the integration of a number of developing countries and their industries in the global economy (especially in Asia), they have also caused the marginalisation of others, particularly the less developed among them such as Niger. The difficulties lie in the fact that these counties have not been able to adapt to the existing infrastructures and mechanism to these new developments because they often lack the know-how to keep pace with changes and to upgrade their management capabilities. These countries see their competitive situation deteriorating as previous advantages based on preferential treatments such as the UN Liner Conference Code of Conduct are gradually losing importance.

Taking advantage of globalisation requires the existence of a functioning maritime transport system. Government should therefore create a sound maritime-oriented framework in order to get the will of the business community to invest in the country. The shippers' council, one of the organisations in charge of this task, is nowadays at the crossroads. Important decisions must be taken regarding this institution. Since it has been proven the need for the shippers to have such an
organisation, the decisions to be taken must focus on how to make the council more efficient. The writer hopes that the following recommendations could help in doing so.

6.2 Recommendations

Niger Shippers' Council must be restructured in order to cope with the changes that are taking place in the transport sector in general, and particularly in the maritime sector. The restructuring of the council must review the role of all the bodies concerned ranking from the government to the shippers via the regional and international organisations involved in maritime transport.

6.2.1 To the Government

Having examined today the council's situation, it appears that government involvement in council matters is a big threat. A fully state-owned shippers' council operating strictly on government subvention can never be efficient in today's highly competitive, liberalised, shipping world. At the same time a fully liberalised shippers' council, without government legislative support, cannot attract professionals into its secretariat.

The future role of the government must be based on:
- legislative support;
- simplification of trade procedures.

The government must:
- not delegate to the council the implementation of regulations such as the cargo reservation;
- let the shippers appoint the representatives in the council's instances including the secretariat;
6.2.2 To the Shippers

In the perspective of the progressive withdrawal of government from the council, shippers will play an increasing role in their council. Therefore, they must be ready to undertake more responsibility. Trade and commodity association staff members must make shippers fully aware of the benefits they can gain from being a member of the council. This action will make shippers being more committed towards their council. When shippers are committed enough, they will be ready to finance their council. The choice of the way of financing the council will be up to them.

6.2.3 To the Regional and International Organisation Dealing With Transport

The main regional organisations in West Africa dealing with maritime transport are the Ministerial Conference of West Africa on Maritime Transport (MINCONMAR) and the Union of African Shippers' Council (UASC).

Shipping is said to be an international business. Like in many other regions around the world, policy making in the West African region must be a matter of concerted decision. MINCONMAR and UASC should play a key role in the harmonisation of maritime policy in the sub-region by advising governments and shippers' councils. They may also act as co-ordinators of the discussions between governments and international organisations like the World Bank for the restructuring of the region's shippers' councils.

International organisations such as the World Bank, the European Union and the World Trade Organisation that are putting pressure on African Governments for the
liberalisation of trade and transport should support these countries with the necessary expertise.

**6.2.4 To the Shippers’ Council**

The recommendations to the shippers’ council’s will consist of a proposal for a new organisational structure that corresponds more to this institution’s future role. The main features of the new proposed organisational structure are related to the increasing representation of shippers in the council’s instances and the streamlining of the secretariat.

Figure 1: Chart of the Council’s new proposed organisational structure

The General Assembly, which is not a permanent organ, will be made up of the representatives of major import and export shippers and trade associations and a few
representatives of government institutions. The chairman of the assembly must be elected. He must also come from the private sector. The Chief Executive of the Secretariat must also be elected by the General Assembly. He must be a transport professional. Each of the departments should not be comprised of more than four staff members.

Niger Shippers' Council could become mainly an observatory on transport and the official representative of shippers towards the government. Since the council's staff is experienced in transport economics, CNUT could also become an advisory team for the Ministry in charge of Transport. There are two advantages to this solution.
- CNUT has got the information (observatory of transport)
- CNUT gathers competent staff that have to be better utilised for advisory purposes than for administrative purposes.

The survival of shippers' councils in landlocked countries depends on their capability to adapt to the market requirements, which are:
- liberalisation of trade
- liberalisation of services in transport

This means that only tasks useful for shippers and not for governments will be carried out.
Bibliography


Organisation et attributions des Directions du CNUT act, 1997 (No 05/97), Niamey, CA/CNUT.


