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Short Note on Assessing Port Performance

by

Mr. Mekeonnen Abera Tadelle
Director General of Ethiopian Maritime
Affairs Authority

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1. Introduction

Ethiopia is located in the North Eastern part of the African continent known as the Horn of Africa. It is a country with an area of 1.13 km², a population of over 80 million and hence a density of 71 person per km². As in most developing countries, agriculture is the mainstay of the country's economy. It accounts for about 43 % of GDP, supplying about 75 % of domestic industrial raw material, generating about 90 % of export earnings, and employing about 80% of labour force.

The government has pursued a cogent development, economic, social and political reform agenda, adopted sound macroeconomic political, promoted market-oriented macroeconomic strategies, designed appropriate sectoral programme and successfully implemented appropriate policies, plans and strategies.

The socio-economic performance of the country has resulted in commendable achievements in all sectors, particularly the expansion of infrastructure, improvement of social services.

The long term vision of the country is to become a middle income country by 2025. Ethiopia's economy is growing rapidly and following this fast economic growth its international trade growth rate is high as well.

This together with the expected rapid future development and considering the five years Nations Growth and Transformation Plan (GTP) demands efficient and effective logistics service supply. Particularly port service for Ethiopia the issues of maritime and logistics supply is a critical one, and one of the major component in this supply side is the port and port related service.

2. Objective of the Note

The chief objective of this short note is to raise few points as an input for the Assessment of Port Performance.

3. Suggestions as a Port Service User

Ethiopia has been using more than 5 sea ports of its neighbouring coastal countries for the pas many years. Ethiopia being a landlocked country is fully dependant on those sea ports for its import and export traffic. Noting Ethiopia's special geographical disadvantage, port service has remained to be paramount concern of the government. Considering the challenges surrounding

port and port related services and as a major port service user of its neighbouring coastal countries, from which we have learnt a lot, we suggest that, port performance indicators can be divided into three main domains or broad categories.

These are: -

- Sea side/ship side
- Shore side
- Total time and cost

3.1 Seaside/ship side

Some performance indicators of this category are indicated below as follows:-

- Discharging/loading rates

This involves time taken to discharge or load cargo from/onto vessel, for different type of goods such as:-

- o Buck
 - o Bagged
 - o Container
 - o Break bulk, etc.
- Per gang per hour
 - Per gang per shift
 - Per gang per day, etc

Waiting time of vessels:- this involves the total time taken of a vessel from its arrival at a port up to berthing.

3.2 Shore side

From our experience, mostly port operators give priority to ship side activities. In times of port congestion, they mobilise almost the whole of their resource to handle ship operations, at the expense of shore side operations. As all of you, aware of that, shipping is a derived demand. The cornerstone of the whole maritime and logistics system is the cargo. Therefore, in port service the shore side operation which is the big concern of shippers and receivers, must be paid attention. For example export

operation in Ethiopia, the export shipment is bagged at hinterland, transported by truck, arriving break bulk at sea port to be stuffed into container at sea port. This needs availing empty container by terminal operators, stuffing cargo into container by forwarders and moving stuffed container to yard by terminal operators. If such operations are not given proper attention, it affects a lot. Hence, in the shore side port performance indicates the following operations have to be considered. These are:

- Waiting time of trucks
- Truck loading rate
- Truck discharging rate
- Stuffing/un-stuffing rate
- Time taken to avail empty containers for export shipment, etc.

3.3 Total Time and Cost

As a port user the ultimate goal is to get port service at a reasonable cost and time. In the process of measuring port performance, though it is mandatory to break the whole port operations system into meaningful segments, holistic approach is also mandatory. Fixing a problem in one part of the port operation system, brings about, no ultimate solution, but is transferring the problem into another part of the system, if the approach is not holistic. Therefore, in the process of assessing port performance, the following indicators are fundamental.

These are:-

- *Dwelling time of cargo*

This covers, the time taken for a cargo from its arrival at port until it leaves the port

- *Total Cost*

The total cost of cargo includes, stevedoring charges, terminal or shore handling charges, storage charges and all related direct or indirect costs until it leaves the port