

STRATEGIES FOR REDUCING DEMURRAGE AT THE DOUALA CONTAINER TERMINALS (RTC TERMINAL) DURING IMPORTATION

ABSTRACT

COVID-19 diverse methods and procedures of different protagonists, are some of the reasons for increasing demurrage for containerized goods. Demurrage is the additional charges levied by the maritime carrier on the users of its equipment (container) after the container passes the normal time in the seaport, which is 11 days. This study aims to investigate the main causes of increasing demurrage at the Douala container terminal and recommend strategies to reduce the increasing demurrage at the port (RTC Douala). This study uses a target population of 700 protagonists in different fields linked to the international logistics chain and the Douala port, and 490 protagonists responded to the questionnaire. Data collected was analyzed using ~~the~~ table, pie charts and the descriptive approach. Findings demonstrated that the activities of the diverse protagonists involved in the logistics chain, namely the customs administrators, customs brokers, importers, shipping line exporters, PAD and other protagonists, are the main causes of the increased demurrage at the Douala port. The study recommends, amongst others, eliminating public holidays and weekends by shipping line when counting the demurrage days at the Douala port. Also, the demurrage days should only start when the manifest is visible to all the protagonists, which is not the case. Equally, the government should impose the demurrage charge on the protagonist, the principal cause of demurrage. It should be noted that with the implementation of the above recommendations by the different protagonists, increasing demurrage will occur in the Douala port and many African countries.

Key Words: Demurrage, Terminal, Dematerialization, Camcis, Dwell charge, Detention

1. General Introduction

Demurrage charges are essential tools for the shipping line to ensure efficient use of their container stock, representing a substantial investment to them. Due to this, the shipping line must turn their empty equipment as fast as possible to stay to their benefit [1]. This means that the users of the equipment or container who stay longer should be discouraged from this practice since it goes with extra charges known as abusive charges (demurrage). Demurrage inflicted by the maritime shipping line is for three reasons: compensation of the shipping line for using its containers, encouraging merchants to return the containers as soon as possible for the shipping line to reuse them. The objective is to have a fast turnaround and, finally, reduce port congestion by putting limited free days of stay in the port [2].

However, in every port, including the Douala port, the shipping line always provides a free time known as a franchise in which importers need to pick up containers in the port within the period or else demurrage will be levelled on this shipment. Recently, there has been an

increasing demurrage for containerized goods at the Douala international terminal due to the activities of the diverse protagonists, which will be discussed below. However, the issue of demurrage at the Douala port is not caused by a single protagonist but by the contribution of all the organs involved in the logistics chain in general and the Douala port in particular. These protagonists range from the port authority, the customs administrators, the licensed customs broker, the SGS, the consignee, the shipping line and the shipper [3].

The demurrage at the Douala port has been in constant increase all these past years due to diverse reasons, with one principal reason being the new CAMCIS system, the financial strength of the consignee and the activities of the licensed customs broker. The demurrage at the Douala port has greatly impacted not only the importer but also the general protagonist as well as the nation of Cameroon and the neighboring countries who depend on the Douala port for their survival. These impacts may include;

- Port congestion at the Douala port as a whole due to delay of containerized goods at the port leading to port inefficiency.
- Increase final cost on the importers during import which will in turn affect the general prices of this products in the country
- Delay of delivery of goods to the neighboring countries which depend on Cameroon Douala port
- Difficulties of vessel berthing at the port since goods block the RTC terminal

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As seen above, the increase in demurrage has led to consequences not only for the importers but also for the port of Douala, the container terminal (RTC) and the economy of Cameroon as well as the sub-region like Central African Republic and Chad. The consequences of this demurrage have instigated us to bring in some proposed solutions which, if implemented, will greatly reduce the demurrage at the Douala International Terminal and increase the efficiency at this terminal.

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The purpose of this article is to present and show how demurrage has been and the increase rate caused by the different protagonists in the port of Douala in the recent year, leading to an impact on the importer in particular by increasing the total charges during importation and customs clearance as well as impacting the port efficiency and the delivery of the neighboring countries. However, some strategies have been proposed in this article in which, if it is being implemented, there will be a reduction in demurrage, and the activities of the Douala port will be effectively handled.

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1.1 Research Questions

1. How does the cost of demurrage discourages importation at the Douala Port?
2. What are the strategies used by the different protagonists to reduce the cost of demurrage at the Douala Port?

1.2 Research Objectives

1. To demonstrate how the cost of demurrage discourages importation at the Douala port.

2. To investigate the strategies implemented by the different protagonists to reduce the cost of Demurrage at the Douala Port.

2. Literature Review

This section reviews the concepts and theories used in this study. Demurrage is a word which has been used by different protagonists depending on the agreement with the maritime Carrier. For the charterer, demurrage is not the same as for the importer case. For the charterer, demurrage is the ship owner's additional charges when the charterer passes the time stipulated in the charter party contract. On the other hand, for the importer, demurrage is an additional or abusive charge levelled by the shipping line on the users of its equipment (container) after it passes the normal time in the port, which is 11 days frank in the Douala container terminal [4].

This means that Demurrage for the charterer results from a failure to abide by the rules agreed to in a charter agreement. Specifically, it is when a charge is payable to the owner of a chartered ship due to failure to load or discharge the ship within an agreed period. There are a set number of 'free' days for importers and exporters to get goods in and out of ports, and the logistics involved in this [4]. On the other hand, detention, on its part, is a situation where a container that is discharged from the vessel is taken from the port to the customer's premises and offloaded; the empty container (also referred to as empties) has to be returned to the port from where it has been picked up or to the empty container depot. Failure to bring back the container at the depot, the consignee or its representative will be charged detention, and in the Douala port, it is after 48 hours [5].

Dwell time is the period a container spends at the terminal before being loaded on the vessel or the amount of time spent by containers after being unloaded from the vessel. The longer the container stays in the yard, the more difficult it becomes to locate. As such, it increases the dwell time, resulting in a storage charge or dwell fee [6]. This means that container Dwell time is a shipping term that primarily refers to the amount of time a container spends at a facility like a terminal or port between when it's unloaded from one form of transport and moved out of the facility. The issue of dwell comes into play in container shipping, so it's primarily associated with intermodal and ocean freight. The longer the cargo is stuck in the port, the more it becomes costly to the consignee since charges are levied by the terminal operator (dwell fee) and the port as a whole since it reduces the work efficiency of the Douala port.

Demurrage can be level on a ship, container or any other equipment owned by the shipping line if only the goods (equipment) bypass the normal time in the Douala port. Notwithstanding, demurrage is a charge that needs to be eliminated at all costs to increase the

benefits to the importers and the efficiency of the Douala container terminal. According to [6], with the putting in place of this piece of research regarding the Douala container terminal, many changes will take place regarding the efficiency of the Douala terminal.

The word demurrage originates from an old French word 'demurrage' (delay) and was in relation to the vessel chattering. By extension, demurrage refers to the charges that the charterer pays to ship owners for all delayed operations during the loading and unloading of the vessel during the charter party contract [7]. In short, demurrage is a form of liquidated charges for breaching the lay times; it is stated in the contract governing the two parties (charter party)[8].

In recent years, Demurrage at the Douala container terminal has seen a great increase, and this is due to diverse factors. It has resulted in congestion, poor efficiency and delays in the Douala port for containerized goods [7]. The free day is fixed at the Douala International terminal for 11 days. After this, all containerized goods which do not benefit from additional free time (franchise) are bound to pay additional charges known as Demurrage. This extra charge will depend on some criteria such as the size of the container (20' or 40'), the type of container (refer to the dry van or flat top) and the duration in the terminal (number of days). However, some importers agree with the shipping line for additional free days (franchise, which may be 14 or 21 days). The additional days demanded by the consignee are to reduce the demurrage rate at the Douala port [4].

Demurrage activities are made up of two stages, increasing as the stages change and as time passes the container at the terminal. Demurrage charges daily at the Douala port are 11.600 franc +VAT for 40 containers and 5.800 FRS +VAT per day for a 20-foot dry bulk container. For the referred container, it is 35.000 FRS +VAT France for 20 per day and 70000+VAT franc per day for 40feet container (Fazi & KJ, 2018). The causes of demurrage come from diverse sources, particularly from the different protagonists such as the shipping line, customs broker, shipper, importer, customs administrator and port authority, and the different bodies involved in the logistics chain such as SGS and CNCC. Despite the cause of demurrage by the different protagonists, the consequences, such as financial increase, always fall on the importer alone, who is not the sole cause of these charges [9].

Therefore in summary; the word demurrage is define as the additional charges level by the maritime shipping line on the users of it equipment after it bypass it normal time (free time) in the port during import or export [10].

The demurrages are paid for the fact that the goods occupy the container after a free time given by the shipping line. Demurrage days differ from one port to another and from country to countries depending on their policies put in place. It should be noted that there are port free days and the line free days [10]with the port free days, this is the total number of days given by the port authority and the shipping line which the goods can stay in the port without any additional charge incurred. In the Douala port the total numbers of days are 11 days frank in which the 11th day is already on demurrage (looking normal there are 10 days free). It should be noted that the amount for demurrage will depend on issues such as the type of containers

be it refer container or dry bulk, the size of container be it 20 feet or 40feet as well as the duration in the port[11].

In Cameroon and Douala in particular, the referred containers stay just two free days in the port, and the third day is already on demurrage, costing 75000 FRS per day for the 40 feet and 35000 frs for 20 feet [12]. This is accounted for because it takes much energy to maintain the condition of the goods in the container. As such, the port authority always increases the charges to discourage the stay of this container at the terminal. On the other hand, the dry bulk containers stay in the port with a free day of 11thS frank in which the goods are on demurrage with 20 feet caused 5800 and feet cost 11 600 without the VAT. The demurrages paid in the port area of two stages after the free time given by the shipping line: the first stage, which starts from the 11th day to the 21 days and the second stage, from the 21 days to 90 days [8].

The Cameroon customs law in 2015 article 273 in the customs code states that “ containers that have spent 90 days and above in the Douala container terminal need to be on auction to the general public in the port. In the port of Douala, many protagonists are involved in different activities which lead to demurrage; these protagonists may include the shipping line, the customs administration, the customs broker, the shipper, the consignee, the port authority and other organs like the CNCC and the SGS. All the above actors play one or two roles in the contribution of demurrage in the port of Douala.

This study seeks to provide lasting solutions to numerous causes of demurrage in the Douala port. This demurrage led to some devastating effects, namely congestion in Douala port as a whole, port inefficiency, additional cost on the consignee and slow logistics activities in the hinterland [3].

2.1 Cause of Demurrage by the Different Protagonist

Demurrages are additional or abusive charges level by the shipping line on the users of its equipment when it bypasses the normal days known as a franchise. The demurrage days in the port of Douala start when the goods spend 11 days in the port. There are many causes of demurrage at the Douala port caused by different protagonists who are in the logistics chain and the Douala port in particular; these protagonists may include the consignee, the shipper, the customs broker, the customs administrator, the government of Cameroon; maritime shipping line and other factors as well as natural factors [13].

2.1.1 Causes of Demurrage by Consignee

Firstly, the **Insufficient or lack of finance by importers**: Finance is one of the principal issues that caused importer to allow their containers in the Douala port for long, resulting in abusive charges such as demurrage and storage charges [3]. Most importers in Cameroon are working on borrow or loan bases in which they will depend on banks or financial institutions to finance their routing of goods from the port. At times, the goods arrive when the bank cannot give out money to the importer, which causes the goods to stay in the port, resulting in demurrage. In addition, the importer sometimes needs more finance to pay the

supplier for the imported goods so that the supplier can give the original BL to the consignee, leading to delays in the customs procedure and demurrage [4].

Secondly, late release of shipment at destination: In international trade, the original bill of lading is sometimes represented by a telex release order in which the shipper gives an order to the shipping line to release cargo. At this time, this telex release order is released late. This may be due to late payment of the shipper charges for the purchase of goods or late payment of maritime freight (maritime transport). As such, this will cost the cargo to stay in the port, leading to demurrage [14]. The shipping line holds the cargo without any telex release order to the consignee because they have yet to receive payment as agreed in the INCOTERM.

Also, there are delays because the consignee or its representative cannot be reached or contacted. At times, the containers will arrive at the port, and there is no way to inform the importer, possibly due to connection issues or out network [4]. There have been instances of cargo abandoned in the port for a very long time because the consignee is unreachable and, in the end, leading to enormous demurrage and, at times, the sale of the goods to auction sale.

In addition to that, there is a delay due to the late reception of documents by the consignee. In international trade, the documents required for the clearance of goods in the port, such as bills of lading, certificates of origin, packing lists, etc., might miss the receiver in time. These issues normally happen because Shippers must plan the documentary processes and wait until the last minute to gather all their documents [15]. In addition, Delays from the shipping line in issuing the bill of lading to the Shipper for various reasons are another cause of late pick up of goods at the port. Other reasons for late documents reception, which may lead to demurrage, include system problems or technical faults, customs-cleared export documents or port documents not received from the Shipper at origin, container load confirmations not received from the port, freight monies paid by the customer has not yet been received by the shipping line, Delays at the nominated bank (for financial transactions) [4].

2.1.2 Causes of demurrage by Customs Administrators

In addition to that, there is a delay due to the late reception of documents by the consignee. In international trade, the documents required for the clearance of goods in the port, such as bills of lading, certificates of origin, packing lists, etc., might miss the receiver in time. These issues normally happen because Shippers must plan the documentary processes and wait until the last minute to gather all their documents [15]. In addition, Delays from the shipping line in issuing the bill of lading to the Shipper for various reasons are another cause of late pick up of goods at the port. Other reasons for late documents reception, which may lead to demurrage, include system problems or technical faults, customs-cleared export documents or port documents not received from the Shipper at origin, container load confirmations not received from the port, freight monies paid by the customer has not yet been received by the shipping line, Delays at the nominated bank (for financial transactions).

Delay in liquidation by the customs officer: Liquidation accepts the customs declaration by the cotedinspector to pay customs duty. With the putting in place of a dematerialization system known as CAMCIS it was clear that the liquidation process would not take up to 30 minutes;

however, this is not the case as said during the theory phase [16]. The coted inspector may take about a day or more to liquidate a file as such, increasing or leading to demurrage at the Douala port.

Also, **the change of Customs Platform:** Following the change of the Cameroon customs platform in 2018 from Sydonia to CAMCIS, it has led to serious devastation and an increase in financial cost to most importers. The transfer from Sydonia to CAMCIS was delayed since it was a new system that the protagonist needed to learn before implementing the procedure [16]. This greatly delayed the customs procedures, especially for goods validated with the old system. The deadline for the new system came in when the goods were still in the port. They needed to transfer from the Sydonia system to CAMCIS, which took some days to demurrage many containerized goods.

In Cameroon, the customs procedure is complicated since one of their principal functions is the collection of duties and taxes during import and export, which are very important contributors to state revenues [17]. The efficiency of customs clearance in ports is monitored with more focus on revenue collection performance. However, there needs to be more awareness of the importance of customs clearance time efficiency to facilitate international trade. Theoretically, the time to perform import clearance formalities starts much before the containership arrives, and it is not strictly related to cargo dwell time. This means that in the port of Douala, more attention has been paid to collecting customs duties and taxes while almost forgetting the port's efficiency, leading to demurrage. In addition, the demurrage in the Douala port is caused by base movement (technical fault) and lack of scanning image to the coted inspector. Without the scanning image of the goods to visualize what is in the container, the container cannot go out of the port. In addition, the issue of base movement blocks the goods in the port, leading to demurrage.

In addition, demurrage in the port of Douala is caused by the customs' physical visit of containerized goods in the port. At this time, Cameroon customs will block a declaration and prescribe a customs visit to the port for the physical inspection of the container. However, these customs visits may be caused by the customs administrator's non-satisfaction with the value declared by the customs broker, invisibility of the scanning image and suspect of prohibited imported goods. The physical visit by the customs takes a much longer time, increasing the demurrage of goods in the port [18].

2.1.3 Cause of Demurrage by the Shipping Line

Late issues of delivery order by the shipping line at the destination port. It should be noted that the delivery order is one of the most important documents issued by the shipping line to the consignee or its representatives, which permits the delivery of goods to the consignee [19]. The delivery order is a legal document issued by the shipping line, which gives authority to the broker or representative of the consignee to pick up the goods at the port. The delivery order is issued by the shipping line only after all the invoices and bills have been paid by the shipping line and the presentation of original documents such as BL, Electronic Cargo tracking note (ECTN) and other documents like the power of Attorney.

Sometimes, the shipping line only accepts the documents for the demand of delivery orders with a notification to the customs broker in charge of the documentation.

Appropriate information from shipping line: The different shipping lines involved in maritime transport, such as Maersk, Safmarine CMA CGM, Nile Dutch, MSC and COSCO, do not give appropriate information to the importer on the arrival of their goods so that they can be informed [17]. At times, the notice of arrival sent by the Maersk line arrives at the consignee only after the goods have been in the port for some days. The shipping line needs to call the importer at least two days before the goods arrive at the port to keep them informed, or they can constantly send them the tracking information about the ETA of the goods. This enables them to prepare to pick up the goods from the port before they enter demurrage [19].

In addition, the shipping line can create a data platform to which the importer is connected so that he will have explicit knowledge of the ETA of the container [4]. For example, containers sit in port yards because the consignee is unaware of their arrival. Most consignees use their ocean carriers' estimated arrival time at the destination port as their guideline for notifying the broker to pick up the container; if the estimated time presented by the shipping line is the fault, then the importer will be bound to pay demurrage. The Ocean carrier ETAs are sometimes known to be inaccurate since they change constantly. If the arrival time falls on the early side of the ETA, the container could be sitting in the yard for a week, waiting for pick up as such demurrage on goods [20].

Moreover, disagreement between the carrier and the receiver is another cause for demurrage at the Douala port. In international commerce times, the carrier and the receiver may disagree on certain aspects such as the extra hinterland charges; BAF (Bunker Adjustment Factor), such as change in fuel prices, which may affect the general freight rate; congestion charges, which are usually inflicted by the shipping line. In addition to that, they can also disagree on the incoterm; they agree on the origin. This disagreement can come in only when containers have arrived at the port and are stocked at the terminal for long, hence demurrage.

Technical issue with the shipping line: There are many complications at the shipping line with the technical problems faced by the shipping line, which hinder their activities and result in late delivery of containers and an increase in demurrage at the port. The new CAMCIS system put in place by the shipping [19]. Shipping companies such as Maersk, Saf Marine, Delmas, PIL, Nile Dutch and COSCO often delay issuing the delivery order due to the absence of the telex release order; Bichou & Gray, (2018).

The telex release order is a document which replaces the original BL during the pick-up of goods at the shipping line. The release of shipment can be delayed because the shipper or importers have not paid the freight at the level of the shipping line and also in case the importers still need to complete the shipper or seller money in the international transaction [21].

2.1.4 Causes of Demurrage by Customs Broker

The Cameroon customs code defines the licensed customs broker as any natural or legal person mandated by the state and professionally engaged in completing the customs formalities about the declaration of goods on behalf of other persons (consignee). The customs broker contributed in a diverse form concerning demurrage at the Douala port.

Customs clearance delays: The delay of customs clearance can be caused in two ways: the unprofessionalism of the licensed customs brokers and the activities of the customs officials. The customs broker may carry on its activities of customs clearance with delay, which may, in turn, affect the pick-up of goods in the port [22]. On the same line, the customs brokers at time give poor estimation to the consignee in whom they are unable to pick up the goods with the amount which have been given to the consignee, which may lead to confrontation between the licensed customs broker and the consignee. As such, delay and lead to demurrage. On the other hand, the customs official may block the outing of a given container by prescribing a visit or demanding an increase in value or false declaration by the customs brokers, making the goods stay in the port above the normal time, leading to demurrage at the container terminal [22].

Moreover, **unprofessionalism of the Customs Broker:** The customs brokerage activity requires much professional know-how to meet the competitive nature of the job [23]. In Cameroon, this sector is not well organized since anyone with any education level can find himself or herself there. This makes the sector less professional, leading to mistakes that effectively block importers' goods at the port. The unprofessional nature of these actors involved in the activities leads to demurrage in which the importer bears the consequences [22].

Wrong estimation of imported goods: At times, the customs broker may give a wrong estimate to take out goods from the port, which may result in a dispute between the consignee and the broker, leading to a delay in the pickup of the goods from the port, resulting to demurrage [23].

In addition, mistakes and delays in document preparation may result in late pick up of goods by the customs broker at the port. At times, the customs broker may delay the preparation of the documents to obtain the import declaration or the RVC on time, causing the goods to stay in the port for a long time after their arrival date, which leads to a demurrage of goods at Douala port.

2.1.5 Causes of Demurrage by Other Protagonist

Moreover, **delays due to incorrect or incomplete documentation:** The customs procedure and international trade comprise 15-18 documents used during the customs procedure. These documents must be studied and mastered well to avoid making mistakes during the procedure [24]. At times, the supplier will channel wrong or incomplete documents to SGS for evaluation, which SGS may reject and result in a delay of the RVC report and such delay in the pickup of goods in the port as such demurrage. In some cases, documents such as DI (import declaration) have to be amended before resending to the SGS platform, which requires time.

The change of the SGS platform this year, 2023, is another cause of demurrage at the Douala port. SGS Cameroon is working with a trade work system, but they are migrating to a new E-trade platform, making things difficult for the protagonist. The report (RVC), one of the

principal documents for the pickup of goods in the port, was difficult to issue due to the change in this platform. As such, many goods were blocked in the port, leading to demurrage.

Delay by SGS to issue RVC report: the RVC known as Report For Valuation Classification is one important documents which the customs broker cannot pick up new goods in the port without it unless it follow with fine. The SGS are the principal protagonist who issues these documents. At times SGS take very long time to treat and issue these documents, which result in blockage of goods in the port as such result to demurrage [24].

Government policy put in place: Each country has its system of government and policies to guide customs activities [25]. The policy put in place by the Cameroon government led to the demurrage of containerized goods in the Douala port. This is common with the increase in customs duty and taxes, which occurred in the port on 04/06/2022, which caused many importers to stop the finance of the clearance of their goods from the port, leading to a high demurrage rate in June 2022. This increase was abrupt without any information to the importer for them to prepare financially [23]. The state needs to keep informing the importer for some time before implementing the increase to prepare them. In addition to that, the change of the customs platform from SYDONIA to CAMCIS was also another cause of demurrage at the Douala port since it was difficult to migrate from the old system to the new one, especially for goods which were declared immediately after the change occurred.

However, **there needed to be more equipment at RTC:** The Douala international terminal received many containers for import and export. The different equipment, such as the reach stoker and gantry crane, are always occupied [25]. This equipment is unavailable or occupied with other activities in the port. Even with the putting or purchasing of new equipment by RTC, such as the 2eco-efficiency kone crane Gottwald mobile crane in 2021 and the six mobile harbour crane, they believe that it will solve the problem of container manipulation at the terminal. Some trucks enter the port on time to load goods, but lack of loading equipment and indiscriminate loading lead to pick-up delays, resulting in demurrage in the port.

In the international logistics chain, the supplier is one principal protagonist which contributed to demurrage at the Douala port because they may poorly manipulate the documents used in the procedure or delay in transmitting documents. A clear example can be seen when a supplier intern sent the original documents to the consignee in Cameroon, but he sent them to India. As such, these documents must move to India and back to China before they are sent to Cameroon. This wasted time and demurrage at the Port [23].

In the same light, at times, the supplier may need to send the correct document to SGS, which SGS will reject the documents, and this will take a longer time to produce the report as such a long stay of goods in the port of Douala. Due to this, the demurrage invoices are often addressed to the importer for payment of the charges. As such, there is usually an increase in supplier charges due to demurrage in the port [8].

From the above causes of demurrage at the Douala port, a statistical table is presented below to show the different protagonists and the ways they contribute to demurrage in the Douala port.

Chart 1. Different Protagonists and their Contribution to Demurrage at the Douala Port

protagonist	Reason for long stay	Duration	percentage	remark
customs	Delay in manifest; difference in point of view; blockage by customs	10 days	30%	High contribution to demurrage
brokers	Unprofessionalism; poor estimate	4days	20%	Low contribution to demurrage
consignee	Insufficient finance	20days	40%	Very high contribution to demurrage
PAD	Lack of equipment	2 days	5%	Low contribution
shipper	Error in documentation	5days	10%	Average contribution
government	Change of policy; light failure	2days	5%	Low contribution

Source: field survey 2022

The Chart above shows the protagonists involved in the logistic chain and the port of Douala, particularly with their contribution (percentage and number of days) to demurrage at the port. The protagonists include the customs officials, customs brokers, importers or consignees, PAD, shipper or consignor and the government of Cameroon. Looking at the Chart above, it is clear that the consignee or the importer is at the top when it concerns the protagonist who causes demurrage in the port of Douala (40%), followed by the customs administrator due to its diverse activities (30%).

The third protagonist is the licence customs broker, who contributed (20%) of the demurrage contribution. On the same line, the PAD, shipper, and the government contributed (5%, 10% and 5%), respectively. To conclude this situation, the consignee at the top of the table regarding the contribution of demurrage at the Douala port may be due to financial difficulties they encountered during the customs procedure.

2.2. Consequences of Demurrage

The extra charge known as demurrage at the Douala port is caused by the activities of the diverse protagonists involved in the international logistics chain, particularly the Douala port. Demurrage greatly impacts or has consequences on the actors in the chain, particularly the importer, the general public, the neighbouring countries, and the port of Douala [24].

One of the principal consequences of demurrage on the Douala port is that it leads to congestion and inefficiency of the different activities at the port. With many containers at the terminal, it takes abnormal time to pick up. This will lead to congestion and inefficiency since container ships cannot unload the containers they arrived with. Also, the equipment used to load and manipulate containers must be fixed.

Importers or the consignees are the principal actors who bear the consequences of the demurrage in the Douala port. On the consignee, it leads to additional abusive charges, which are being paid before the goods can be taken out. This charge increase will automatically lead to an increase in their product prices in the market. In addition, the consignee may lose many customers due to this demurrage since many will keep waiting on the arrival of the goods, and with time, they may lose patience [22].

Another negative impact or consequence of Demurrage is that it reduces the capability of the importer since much finance is being spent on the extra charges for no benefit. This will weaken the consignee financially and, as such, reduce the number of containers to importers at a given time.

Demurrage in the Douala port has led to an increase of congestion at container deep seaports, and shortage of capacity has led inland transport systems worldwide to rely more and more on inland terminals and on the use of high-capacity modes of transport to generate economies of scale and reduce negative effects of trucking. In this setting, planning the transport of maritime containers between a deep seaport such as Douala Port and a final inland destination must also consider due dates and soft time windows, the latter known as Demurrage. Demurrage at the Douala port has a devastating effect not only on the port authority of Douala but also on the different protagonists who are involved in the logistics chain, such as the shipping line; customs broker; shipper; importer and the neighbouring countries [20]

However, Demurrage has a great impact on the economy of Cameroon in general. This is because as the Demurrage is inflicted on the importers or the consignee during the customs procedure, it increases the cost of clearance and total charges for importation. As such, the total selling price of the products is being increased to meet the purchasing cost. This will lead to increased prices of goods in the market, reducing the population's well-being [22].

For the inland countries such as the Central African Republic and Chad, the demurrage has delayed the reception of goods in these countries, resulting in the break of the logistics chain.

However, even though the demurrage at the Douala port is having a negative impact on the protagonist, it is very clear that the shipping line benefits from this since they received money from the importer for this extra charge as compensation. On the same line with the impact on the shipping line, many ships will not be able to berth at their post or berthing point because containers are still in the terminal, leading to demurrage on charter party contract [25].

3. Methodology

This study employs the explanatory research design, which demonstrates the increasing demurrage rate compared to the past years' cost. The quantitative research method is used for data collection and analysis. A stratified random sampling technique was used in data collection with a sample size of 700 people selected randomly from the protagonists who are linked to the international logistics chain and the Douala port in particular.

Data sources are Questionnaires distributed randomly to the different protagonists to get their opinions about the demurrage. In this case, 170 questionnaires were presented to the shipping

line (CMA CGM, Maersk line and Pacific international line PIL), 100 questionnaires to CMA CGM, 40 questionnaires to Maersk line and 30 questionnaires to PIL. One hundred thirty questionnaires were distributed to the different custom administrators, 100 questionnaires to the importers, 30 to the exporters, 200 to the customs brokers, 50 to the port authority (PAD) and 20 to the CNCC.

This sums up to a total of 700 targeted people in the different activities sectors, which are linked to the port of Douala. It should be noted that only a total of 490 questionnaires came back filled by the different protagonists. At the same time, 210 was unfilled by the protagonist, making it difficult to get a clear result.

4. Data Presentation and Analysis of findings

In this section of the article, different data are presented in relation to diverse activities leading to demurrage at the Douala port with analyses of the findings. The shipping line inflicts demurrage at the Douala container terminal on the users of its equipment after it passes the free days in the port. In the Douala port, this free day is 11 days for dry bulk containers during import and three days for reefer containers during import. The amount of demurrage paid for each will depend on criteria such as the container size (20 feet; 40 feet), the type of container (dry bulk and reefer) and the duration in the port. When the 11 days for dry bulk containers or three days for reefer containers pass the shipping line, impose the demurrage on the importer until the date the goods will be cleared, loaded on the truck and left the port for deliverance. Demurrage is inflicted on the user of containers at the Douala port, even on public holidays and weekends, which is not the case with dwell charges [24].

However, importers or their representatives sometimes demand a franchise for an additional day of their goods in the port. Sometimes, the shipping line will give about 14 days or 21 days, depending on the volume imported by the consignee.

The amount paid for demurrage by the importer has two different stages depending on the duration of the goods in the port. From day 1 to day 10, it is demurrage-free. From day 11 to day 20 is the first stage, and from day 21 and above is the second stage, which is the double of the first stage [21].

Table1: Identification of Respondents

PROTAGONISTS	QUESTIONAIRES	TOTAL RESPONCES	PERCENTAGE RESPONDED
Shipping line CMA	100	90	90%
Shipping line Maersk	40	30	75%
Shipping line PIL	30	20	66.6 %
Other protagonists			
Customs administrators	130	120	92.3 %
Importers	100	80	80 %
Exporter	30	20	66.6 %
Customs broker	200	100	50 %
Port authority	50	20	40 %

CNCC	20	10	50 %
TOTAL	700	490	70%

Source: Field Work, 2023

The table illustrates the questionnaires distributed to the protagonists involved in the international logistics chain and the customs procedure at the Douala port, which are the principal causes of demurrage. It brings out the point of view of these protagonists about the principal cause of demurrage. Seven hundred questionnaires were distributed to the different protagonists, with a total positive response of 490. At the same time, 210 have yet to respond, making a total percentage, while 30% never responded to the questionnaires.

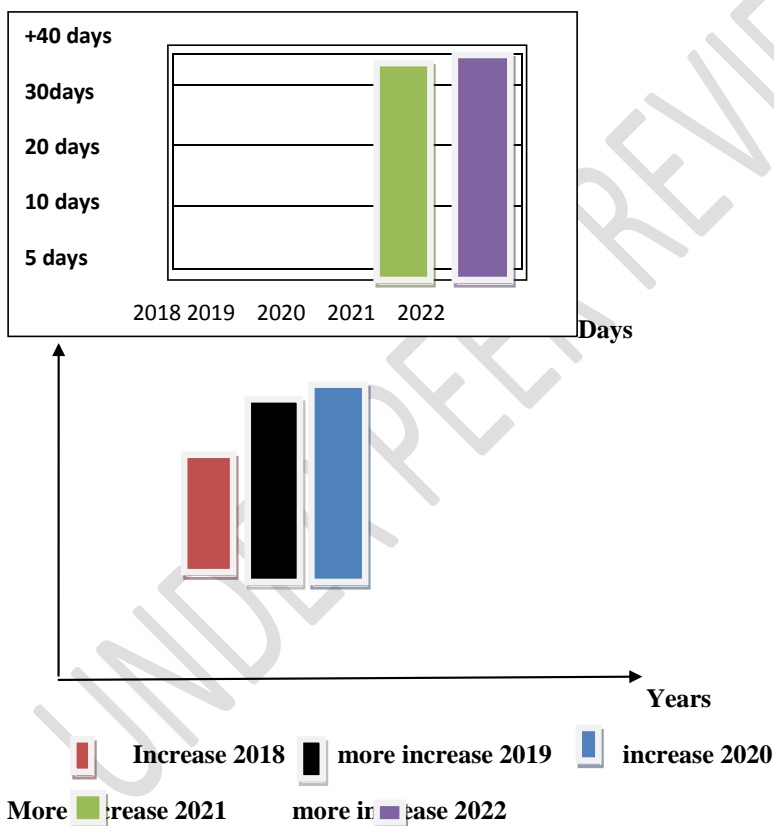


Fig. 1: Increase of demurrage in the Port of Douala from 2018 to 2022

Fig 1 above shows the increase of demurrage in the Douala port from 2018 to 2022, which has been a constant increase in demurrage at the terminal. Looking at Table 1 above, it is noticeable that since 2018, with the coming of the CAMCIS system and the emergence of COVID-19, there has been a tremendous increase in the demurrage rate, ranging from 5

days to 40 days and above. The table above shows that since 2018, there has been a constant increase in demurrage at the Douala terminal. In 2018, the number of days to pick up a container in the port was about 18 days, about eight days of demurrage; in 2019, the number of days the shipment stayed in the port was 28 days, about 18 days of demurrage. In addition 2020, there was still an increase in the number of days goods stay at the Douala container terminal. In this case of 2020, the container stays in the port for about 35 days or more, given a total demurrage day of 25 days. In 2021 and 2022, the number of days increased to 38 and 40 days and above, respectively, with total demurrage days of 28 and 30 at the Douala port. The above statistics show that the demurrage in the Douala port has increased since 2018 due to diverse reasons, which will be discussed below.

Table 2: Number of containers handles; kept at terminal and on demurrage from 2019 to 2022

Different years	2019	2020	2021	2022
No of TC handle	13.020	13.763	14.230	14.800
No of TC at terminal	7195	6.907	8.150	10.300
No of TC on demurrage	2.300	3.400	4.200	5.200

Source: RTC terminal 2022 statistics

The table above shows an increase in all dimensions: the total number of containers handled, the total containers at the terminal and the total containers on demurrage from 2019 to 2022. In 2019, 13,020 handles and 7195 containers were stocked at the terminal while 2300 containers were on demurrage (47% on demurrage). In 2020, 13763 containers were unloaded; 6907 containers were kept at the terminal while 3400 containers were on demurrage (49.5% demurrage). In the same light, in 2021, 14.230 containers were unloaded, 8.150 were kept at the terminal, and 4.200 containers were on demurrage (55% demurrage). In 2022, a total of 14800 containers were unloaded and 10.300 kept at the terminal while 5.200 containers were on demurrage (61 % demurrage). This shows that there has been a steady increase of containers on demurrage from 2019 to 2022, as seen in the table and explanation above.

Table 3: Increasing demurrage; case of a Customs Brokers firm 2017 to 2022

Year	No of declaration	No of TC	No of TC on demurrage
2017	306	450	150
2018	380	506	175
2019	410	610	205
2020	508	716	212
2021	560	750	312
2022	615	808	405

Source: Field Work, 2022

Table 3 above shows activities carried out by a customs broker firm to pick up goods at the Douala port for different clients; there has been an increase in the number of containers on demurrage by customs brokers since 2017. In 2017, demurrage was lower and increased with time.

The table above shows the activities of a licensed customs broker company from 2017 to 2022. In this case, it presents the total number of declarations each year, the total number of containers delivered and the number of containers on demurrage. As seen in 2017, the licensed broker did 306 declarations and 450 containers delivered to the consignee, out of whom about 150 containers were on demurrage before pick up. In 2018, there was an increase of 380 declarations; 506 containers were out, with 175 containers on demurrage. In 2019, this company carried a total declaration of 410, with 610 containers delivered to diverse clients and 205 containers on demurrage. In addition, in 2020, this customs broker's firm declared 508 declarations; 716 containers were delivered, and 212 containers were on demurrage before delivery. In 2021, there was an increase in all instances; this company declared 560 750 containers. Finally, in 2022, 615 declarations were made, with 808 containers delivered and 405 containers on demurrage before delivery.

Table 4 shows the different protagonist and their level of demurrage cost in terms of percentage at the Douala port.

Protagonist	Percentage Of Demurrage	Effect (Great Or Less)	No
Customs broker	20%	Great	1
Customs administrators	30%	Greater	2
Port authority	10%	Less	3
Importers	40%	Greater	4
Exporters	5%	Lesser	5
Other protagonist	5%	lesser	6

Source: Field Work, 2022

Demurrage at the Douala port is caused by the different protagonists working there, such as the customs administrator, the customs broker, the importers, the port authority, the state and other protagonists like SGS and CNCC. Each of these protagonists contributes in one way to encourage demurrage in the port of Douala. Amongst the protagonists, the one who tops the table is the importer, with 40% greater effect, followed by the customs administrators and customs brokers with 20%. Looking at the table above. All indications show that the importers are the key protagonists who contributed to demurrage, while the customs administrators and the licensed customs brokers also contribute to this extra charge.

5. Conclusion

Our findings discovered that since 2018, there has been a drastic geometrical increase in demurrage at the Douala terminal for containerized goods, as seen in Table 1 (particularly between 2018 and 2020). As seen in Table 1 above, there has been a constant increase in demurrage from 2018 to 2022 due to diverse reasons in the port of Douala. Table 2 above indicates that there was also an increase in demurrage from 2019 until 2022 at the Douala terminal.

Findings demonstrate that there are many reasons for this increasing demurrage at the port of Douala; however, there are some principal aspects that lead to the demurrage, such as COVID-19, which emerged in 2019 with its devastating effects of preventing movement and contact of humans, Crainic et al. (2015). However, Today, COVID-19 does not exist. This means that the increase in demurrage at the Douala port is due to different factors, such as the introduction of the new customs system known as CAMCIS implemented in 2018 and the activities of SGS and PAD. In addition, the importer and the customs brokers are the principal protagonists in charge of this increasing demurrage at the Douala port, as shown in Figure 1. It justifies the percentage of demurrage contributed by the different protagonists.

Our findings showed that the impacts of this demurrage are mostly on the consignee, who is usually the bearer of the increased charge of demurrage, even if they are not the author—also, the congestion of the Douala port and its inefficiency impact demurrage activities. For us to solve this issue of increasing demurrage at the Douala port, recommendations are made which need to be implemented by the entire protagonist in charge of the activities in the port.

6.Recommendations

Major recommendations include excluding weekends and public holidays when counting demurrage days providing services during weekends and public holidays by the shipping line in which they will render services. Besides, counting the day the goods arrive should begin when the manifest is put in the CAMCIS system, not when goods have been unloaded in the port and kept in the terminal. We also encourage the RTC terminal to purchase more handling equipment to facilitate the loading and unloading of containerized goods.

The study's main findings comprise elements related to the specific Douala situation and to other African ports. Cargo dwell time in the port of Douala for containerized imports is very significant since it determines the importer's or consignee's demurrage. An aggregate analysis shows that cargo dwell time exceeds 40 days for a substantial proportion of traffic, and average dwell time has been consistently about 25 days in the last five years cause of many factors linked to the protagonists involved in the logistics chain. From a customs clearance standpoint, the two main contributors to long dwell times are the time between ship arrival, the putting in place of the manifest in the new CAMCIS system and lodging of declaration on one hand, and the time between payment of customs dues and gate exit on the other hand.

Due to recent reforms, the payment of customs dues and the physical submission of documents are time efficient today in Douala. However, the recent reform of the new customs system has been one of the principal causes of demurrage at the Douala port today. Another approach is to distinguish operational dwell time (physical operations), transactional dwell

time (customs clearance) and discretionary dwell time (storage). Data consistently show that operational (2-3 days) and transactional (2-4 days) dwell times are relatively limited and predictable in Douala, which seems to imply that most of the dwell time can be attributed to « discretionary ». It should be noted that the delay of goods in the Douala port is caused by diverse factors and actors involved in the chain, such as the customs administrator, customs broker, PAD, shipper, shipping line, SGS and consignee. The demurrage leads to diverse consequences for the port, particularly the Cameroon population as a whole, the importer and the neighboring countries which use the Douala port as a hub. Due to the increased demurrage at the RTC terminal and its negative effect on Cameroonians' port efficiency and economic life, we are forced to bring in some proposed strategies to overcome this situation at the port.

Recommendations are made to actors such as the shipping line, the customs administrator, the consignee, the port authority; the customs broker and the state in order to reduce the increasing demurrage at the port of Douala.

The shipping line should have a customer service in charge of calling or mailing the consignee when the goods arrive at the port to ensure the container stays at the Douala terminal. Also, the tracking system implemented by the shipping line should be accurate in informing the consignee of the actual arrival date of the goods at the Douala port so as not to create confusion in which, at times, the tracking systems show that the goods will arrive in a later date of which they are already in the port.

We also propose that Weekends and public holidays should be excluded when counting the number of days goods are in the ports of Douala. These are non-working days, and the consignee must refrain from performing any magic to take out goods from the port during these days. As such, the shipping line should eliminate the weekends and public holidays. The shipping line should not include public holidays and weekends, or they put on a service which will be on the demand or disposal of the consignee during these non-working days.

In addition, the shipping line needs to accord more franchise (free days) to the consignee to have more days of their goods in the port so that the demurrage will reduce on the imported containerized goods. On the same line, shipping companies should reward consignees who pick up their goods in the port rapidly to encourage others to pick up Goods at the port.

In addition, we propose that the shipping line start counting the days the goods are in the port when the container manifest is visible in the camcis system. This means that only the day the customs makes the goods manifest visible to all the protagonists the shipping line can start noting that the goods arrive in the port of Douala and start counting the free days before demurrage.

One important role played by the customs for the increase of demurrage is the delay in putting in place manifest after the arrival of goods. This study proposes that customs collaborate with the shipping line to increase the free days or franchise of containerized goods from 11 days to about 15 days at the Douala port to not penalize the importer for crimes they have not committed. It should be noted that as soon the goods are unloaded from the ship, the shipping line starts counting the days the goods arrive at the port, even if the customs have yet to

introduce the manifest in the customs system. It should be noted that the absence of visibility of manifest accounts for about 60% of demurrage in the Douala container terminal. As such, this needs to be looked upon.

Moreover, technical fault in the Camcis systems is also another important factor for demurrage at the Douala port; we propose that in terms of technical problem of the maintenance of the camcis system; the customs must work in collaboration with the shipping line to council all the days during which the CAMCIS system does not function. On the same line, in case they regulate the technical issue, they need to make sure all the protagonist are at their post-work on non-working days like Saturdays and Sundays to meet up with the days they have lost to reduce demurrage.

Moreover, in order to reduce demurrage at the Douala port by the Cameroon customs, this study proposes that for goods having issues in the port during customs procedure related to the image, poor declaration or non-respect of the value by the customs brokers, the customs are recommended to prescribe home visit of such goods so that it should not stay at the port causing demurrage on the importer which lead to additional charges.

Regarding the Cameroon government, we are trying to notify you that demurrage charges in the port of Douala are always supported by the importer or consignee, increasing the cost of general importation. This work recommends that the state stand as a neutral body and impose demurrage on each actor who causes the delay of pick up in the port during the customs procedure. For example, the delay in putting in place the manifest to be visible in the CAMCIS system and technical issues should be attributed to the customs; the delay in issuing the SGS report (RVC) should be attributed to the customs; the delay in issue of the delivery order should be attributed to the shipping line, and finally, the delay of issuing of the customs quittance should be attributed to the PAD. In addition, the absence of equipment to unload or load goods on the means of transport, which resulted in demurrage, needs to be attributed to the PAD. This means the state must verify and ensure that all the protagonists causing a delay of goods in the port should be punished.

The customs brokers are recommended to implement the Right Technology in helping the protagonists keep track of important documents, which will achieve supply chain visibility through real-time container tracking, leveraging the right technological solutions which can help optimize activities in the supply chain and limit demurrage and detention fees in a variety of different ways. The accurate preparation of the different import documentation on time allows the broker to carry on its activities without delay, such as rapid pickup and delivery of goods to the consignee on time.

Moreover, the errors committed by the customs brokers during the customs procedure for the pickup of containerized goods should be attributed to something other than the importer or the consignee. The brokers commit many errors, such as wrong documentation, the late payment of invoices or poor declaration, which leads to delays in the procedure. As such, they allocate them to the consignee to pay the extra demurrage charges.

In addition to that, we also propose that the shipper or the consignee go into negotiation with the shipping line on the number of free days in which the goods can stay in the port without the payment of any demurrage (franchise). As mentioned earlier, ports and shipping lines will provide a window for pickup after the cargo has been discharged from the vessel before any demurrage fees are assessed. However, it is possible to negotiate ahead of time for a longer “free time” window (14 days, 21 days or even more). In addition to negotiating for a longer window to pick up your cargo, it is also sometimes possible to negotiate for a lower fee or reduction of demurrage with the shipping line (waiver). Currently, the shipping line will accord about 14 days or 21 days franchise to the consignee, reducing the demurrage on the consignee.

In the same light, the SGS are also one protagonist who contributed to demurrage in the port of Douala because they did not issue the report (RVC) on time. This was very clear in August and September 2023, when the SGS were changing their platform, leading to many issues in the port since containers could not be picked up on time. We recommend that in cases like this, the SGS can issue a manual evaluation to eliminate demurrage of the customs and can rapidly accord the validation of the file without the presentation of RVC (Report of Valuation Classification)

It should be noted that the consignees are the principal actors who bear about 98% of these additional charges, even in cases where they are not the cause of demurrage at the port. We propose that for the consignee to reduce the demurrage at the port, we recommend they prepare their finance for customs clearance even before importation to avoid a financial crisis which may cause goods to stay in the port for so long.

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