



Logistics

Opportunities Liberia's Logistics Sector



LNBCCC

Liberia Netherlands Business & Culture Council



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The Liberia Netherlands Business and Culture Council (LNBCC) is an organization that *represents the business interests of both Liberian, Dutch and other foreign companies and institutions in Liberia.*

The LNBCC has been active in the capital - Monrovia - since 2016, and is an extension of the Ghana Netherlands Business and Culture Council (GNBCC).

Both organizations work closely together with the Embassy of the Kingdom of the Netherlands in Ghana.

Statistics

Bordering Counties:	Sierra Leone, Guinea, Cote d'Ivoire, Atlantic Ocean
Land Size:	111,369 km ²
Population:	4.4 million
Urban population:	48%
GDP:	2.1 billion USD
Road network:	6.2%
Access to electricity:	2%
Mobile penetration:	75%
Internet penetration:	21%

Logistics Performance Index

● Customs		1.91
● Infrastructure	1.91	
● International shipments	2.08	
● Logistics competence	2.14	
● Tracking and tracing	2.05	
● Timeliness		3.25

Average = 2.23

World Bank, LPI Index (2018). Retrieved from: <https://lpi.worldbank.org/international/global/2018>

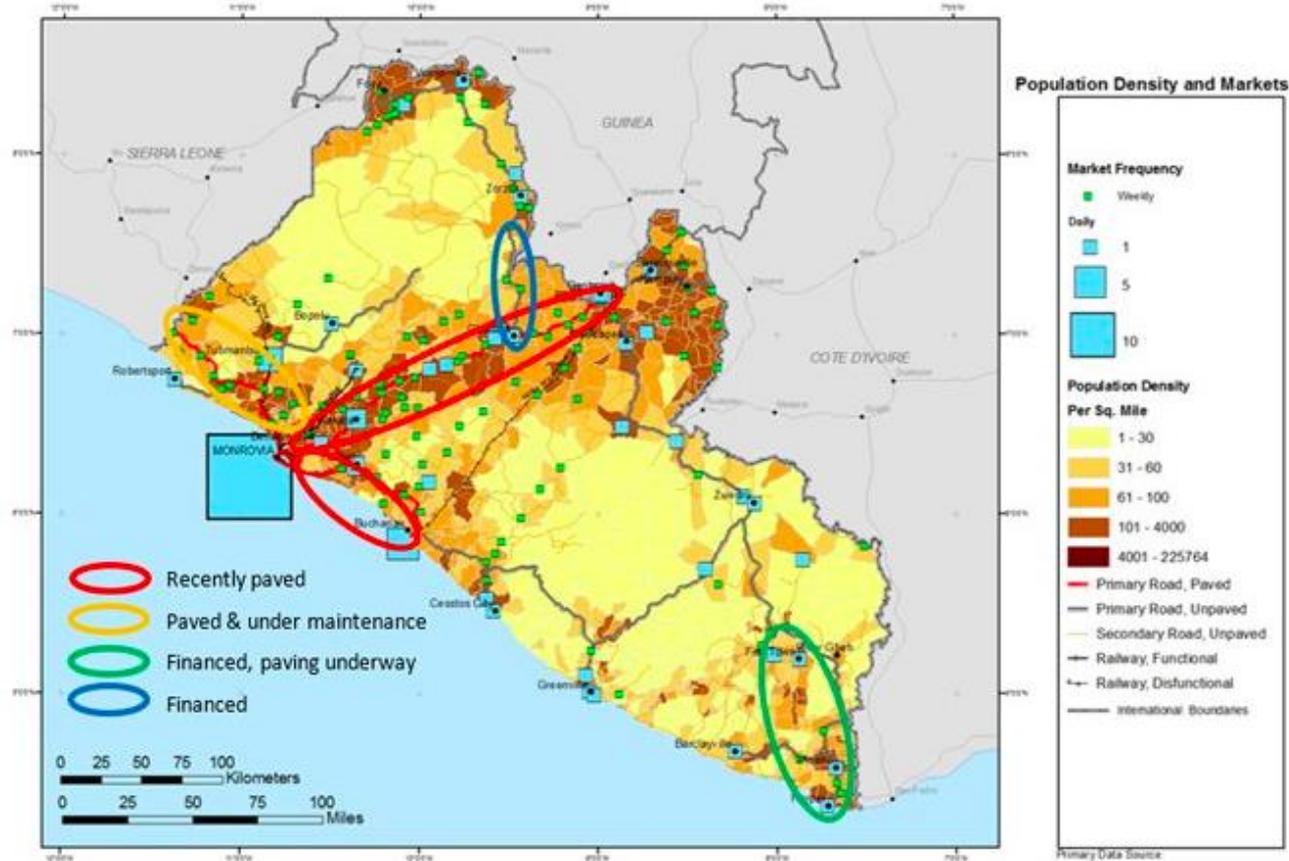
Liberia's Logistics Sector

- **Resource rich** and **conveniently located** to become a port of trade for the region and internationally
- After a decade + of stability, the sector still holds **enormous potential for growth and development**
- Energy & transformation identified as **bottlenecks inhibiting inclusive private sector development**, diversification and productivity.

Opportunities

Sub Sector	Opportunities	Relevant Programs
Transportation	<ul style="list-style-type: none"> - Lorries - Distribution logistics - Procurement logistics - IT solutions 	GIZ, IFC, Government of China, ECOWAS
Ports & Shipping	<ul style="list-style-type: none"> - Vessels (fuel, consumables, passengers) - Vessels inland - Cooling facilities - Green logistics - Risk-based inspection regimes - Central port facility development 	APM Terminals, RVO, US Government, Ports Master Plan, Liberia Maritime Training Institute
Supply Chain	<ul style="list-style-type: none"> - Value addition production logistics - Disposal logistics - Distribution logistics - Transportation - Green logistics - RAM logistics 	LATA, World Bank

Transportation



African Development Bank (2017), Addressing Infrastructure Constraints to Inclusive Growth in Liberia'. Retrieved from: <https://www.afdb.org/en/blogs/measuring-the-pulse-of-economic-transformation-in-west-africa/post/addressing-infrastructure-constraints-to-inclusive-growth-in-liberia-17200/>

Transportation - Opportunities

1. Lorries:

Liberia's agriculture and industry GDP indicate the need for approximately 19,289 lorries, there are currently some 3,000 active.

Increased concessions (US\$20 Billion since 2006) call for more transportation services - both national and international - for smooth running operations

Transportation - Opportunities

2. Fleets:

Transport companies that operate fleets of mixed trucks and heavy-duty equipment (e.g. refrigerated , tippers, tankers) that meet international safety standards are a strong business opportunity

Potential customers:

- NGO's, government agencies, concessions and private companies
- Partnerships with coastal marine transport vessels to convey cargo to and from the ports to the interior.

Transportation - Institutional Framework

GIZ	Working with ministry of Transport and Public Works providing technical support in policy development
IFC	Working with NIC and MOF to develop regulatory framework for provision of leasing services. IFC projects a market opportunity of US\$200 million
Government of China	Providing funds to improve infrastructure of the Monrovia Vocational Training Center and will support mechanical/engineering vocational training
ECOWAS	Within ECOWAS Liberia has competitive import duties on trucks, fuel costs, and labor rates for a transport company to operate profitably.

Ports & Shipping

Easy access to USA EU and Latin American markets.

579 kilometers of coastline

4 ports: Monrovia, Buchanan, Greenville and Harper

Marine transport currently used for: transporting fish to shore, exporting general merchandise outside of the port and along the coast.

Ports & Shipping

Freeport of Monrovia is Liberia's biggest port

90% of the county's economic activity takes place there.

APM Terminals has been contracted to run the port: a 25 year contract was signed in 2010/ APM Terminals has since invested US\$108 million to upgrade the port's infrastructure.



Ports & Shipping - Opportunities

1. **Concessions in the South** of Liberia will require transport to both receive fuel and consumables as well as transport their product to Monrovia's Freeport. This service currently does not exist
2. **Oil exploration activities** are underway off Liberia's coast providing additional demand for transportation services to and from Monrovia.
3. Passenger and freight traffic along the Liberian coast are set to increase significantly over the coming 15 years: **Coastal transportation of persons present** a preferable alternative to roads given its more efficient journey time and cost.

Ports & Shipping - Opportunities

4. **Exploitation of regional intra- West African trade.** There are currently no shipping services between Liberia and its neighbouring West African countries. Liberia currently imports some US\$100 million in goods from neighboring counties annually by road and air.
5. An investment in a **coastal transport vessel** would cost approximately US\$2 million and create about 100 jobs in addition to having a broader economic impact.

Ports & Shipping - Opportunities

6. The Netherlands has the second-largest **cooling and freezing storage capacity** in Europe. Keeping imported products frozen or providing the capacity to keep local products frozen is in high demand and will benefit the improvement of supply chains which the Liberian government is aiming to foster through the Liberian Agricultural Transformation Agenda (LATA).

7. The Netherlands took 6th place in the 2018 World Bank Global Logistics Performance Index. The RVO project which kicked off in 2018 is aimed at transferring some of these qualities held high by Dutch ports to Monrovia's Freeport.

Ports & Shipping - Opportunities

8. The **National Investment Commission** is calling for investments in preliminary risk-based inspections regimes to reduce physical inspections. They are also calling for investments to develop a central facility at the Freeport. To support this equipment, machinery, specialized vehicles, raw materials, capital spare parts, and other specialized capital goods to be used in the project are **exempted from import duty up to 100 %** of their dutiable value and from goods and services tax (GST).

Ports & Shipping - Institutional Framework

US Government	Is providing support to Liberia Coast Guard Services. This includes US\$2.2 million in equipment and facilities, including two pursuit boats.
APM Terminals	Managing the Monrovia Freeport, increasing efficiency. The agreement for the ports privatization will result in a total of US\$120 million invested over the 25 year contract term
evofenedex	Capacity Building Logistics and Customs procedures in SL, Liberia and Guinea 2018-2019: Improving port processes, logistics and customs procedures in the target counties to smoothen processes in the customs and logistics chain to becomes more attractive for Dutch companies and investors.
Liberia Maritime Training Institute	Began training maritime professionals in 2013

Supply Chain Logistics

The Liberia Agriculture Transformation Agenda (LATA) seeks to broaden the Vision for Economic Diversification and Industrialization as illustrated in 2 and narrative below.

Need transformation agenda; paradigm shift & integrated vision to grow core of Liberian economy



Supply Chain Logistics - Opportunities

1. Packaging and Supply Chain Opportunities:

The LATA aims to promote agro-processing and value addition in the country. This demands logistics services, transportation, storage, etc.

Expanding the manufacturing sector would include the increased packaging services, demand power and transportation.

For effective supply chains, improvements need to be made in getting produce from farms to processors and from processors to markets (both nationally and beyond).

Supply Chain Logistics - Opportunities

2. Storage:

Large silo's for post-harvest agricultural produce, general warehousing, and both upstream and downstream transport logistics necessary for efficiently moving huge quantities of inputs and finished products.

Thank You!



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