MULTIMODAL TRANSPORT OPERATIONS IN INTERNATIONAL CARGO MOVEMENT: 
Implications for Transport Policies and Development in Tropical Africa

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Abstract: The system of Multimodal Transport Operations (MTO) is aimed at facilitating international movement of traffic on a door-to-door basis. Such a system involves the integration of the marine, port and inland transport sectors of trading partners. The existing transportation systems in tropical Africa do not meet the standards required for such operations. This paper examines the deficiencies in the transport systems and analyses the implications of introducing the MTO system on transport policies, investment, insurance matters and port consolidation in tropical Africa.

In international trade, the carriage of goods by a combination of two or more modes of transport is common. The enormous distances and the varying geographical features that separate one continent from another make it necessary to move intercontinental cargo and, in most cases, international cargo, by more than one mode of transport. Such movement might involve any combination of rail, road, air, inland waterway and sea transport.

Consequently, significant efforts have been made at finding means of facilitating the movement of cargo among different nations through these various modes. These attempts fall basically into three categories:

a) improving methods of cargo handling for ease of movement, particularly transshipment;

b) technological developments, particularly the increased sizes of bulk carriers and their speed of movement, and

c) increasing efforts for coordinating the modes of transport involved in cargo movement and evolving conventions and organizations to facilitate the movement of cargo from the seller's premises to those of the buyer.

These three aspects are in practice quite interdependent. However, attention here is focused on the last aspect, that is, the introduction of Multimodal Transport Operations (MTO) into the movement of international cargo. First, improvements in cargo handling methods and the evolution of the MTO system are described. Then the transport situation in tropical Africa and its possibilities for a full operation in multimodal transport system are evaluated. Finally, possible implications for a full adoption of the MTO system on transport policies and transport development in tropical Africa are considered. Specifically, we discuss issues relating to investment in transport, cargo insurance, port development and related matters.

Development in Cargo Handling Methods and the MTO System

Technological developments have brought about improvements in cargo handling methods in maritime transport over the last two decades. Perhaps the most important among such developments is the unitization of cargo. Unitization refers to methods used either in combining individual small packages into larger units or in breaking large ones into smaller units for purposes of mechanical handling (OA U 1977). Unitization can be achieved in several ways such as palletization, pre-strapping and pre-slinging, containerization, the use of barge carrying ships or roll-on/
roll-off (Ro-Ro) vessels. Each of these methods facilitates cargo handling and has brought about faster and more efficient movements of cargo from one mode of transport to another. Of particular significance here is the development and use of containers for the carriage of goods. Containerization of cargo has tremendously increased the possibility of moving international cargo on door-to-door basis with ease of transshipment.

Efforts at finding a rational basis for coordinating transport modes and facilitating cargo movement have largely rested on the different conventions (legal regimes) enacted to govern each mode of transport both at the national and international levels. Such conventions include the Warsaw Convention regulating the carriage of goods by air, the CIM which is the International Convention on the carriage of goods by rail, the CMR Convention for the carriage of goods by road and the Brussels Convention (the Hague Rules) for the carriage of goods by sea. These conventions have traditionally catered for the interests of all parties involved in the movement of cargo in international trade—the carriers, the shippers (cargo owners) and the trading partners.

There have also developed certain entities who, relying mainly on these conventions, provide the effective organization or machinery necessary for the transportation of international cargo. Generally these entities have been referred to as Freight Forwarding and Clearing Companies who act as agents of the cargo owners when cargo is in transit. Goods are then shipped from one country to another by two or more modes of transport on the basis of several documents or contracts, each dealing with that segment of the journey for which it is responsible. This type of movement through segmented (fragmented) transport systems operated until the last two decades when multimodal transport operators came into being 1). These operators have since been responsible for international multimodal transportation of goods.

International multimodal transport involves “the transportation of goods from one country to another by two or more modes on the basis of a single contract—the Multimodal Transport (MT) document or contract-issued by the person or enterprise organizing such services” (UNCTAD 1975).

The Multimodal Transport Operators (MTO) are the organizers of these services. Their main role relates to the nature of the contractual relationship between them and the shippers. The MTOs act as independent legal entities assuming full responsibility for the whole operation connected with the movement of goods from the premises of the seller to those of the buyer.

Although there is yet no written international convention regulating multimodal transport operations the existing MTOs have been operating on the legal basis of such single contracts 2). Most of these MTOs who are located in developed countries are either shipping companies or consortia of shipping lines. In Western Europe some railway companies and road haulage enterprises also act as MTOs while in Northern Europe some Freight Forwarding Companies have been performing functions similar to multimodal operations.

At present there are no Multimodal Transport Operators in tropical Africa. However, a few Freight Forwarding and Clearing Companies do regularly organize cargo transportation to and from Africa on a warehouse-to-warehouse basis. Some of the Companies who are mostly subsidiaries of foreign-based multinationals issue their own “Through” Bills of Lading but they act as agents of the shippers and not as principals as the case is with MTOs 3).

The MTO System and Transport Policies in Tropical Africa

In developed countries, for purposes of effective door-to-door carriage of goods, Multimodal Transport Operators have found it necessary to exercise firm control on the entire transport line. In order to accomplish this task, the MTOs have created their own subsidiary companies who monitor the movement of the cargo from the beginning to the end. If and when Multimodal Transport Operators start operating in tropical Africa, assuming full responsibility for the entire cargo journey with liberty to subcontract or buy services, wide-ranging implications for national transport policies can be envisaged.

Because the MTO system involves the carriage of goods on door-to-door basis, the effectiveness of such an operation depends on an integrated system of transport involving the marine sector, the port, and inland transportation systems of trading partners. This type of integration is at present lacking in tropical African countries. Inland transportation systems are quite inadequate for the satisfactory movement of the present small units of break-bulk cargo. Under the MTO system cargo is moved mostly through unitization, particularly containers which demand stronger and wider roads, specialized trucks or train wagons.

2) Since 1972 serious attempts have been made to draft a convention on International Multimodal Transport. The best achieved so far has been the issuance of the International Chamber of Commerce Rules on Combined Transport Document (See ICC Brochures, 1972 and 1975).

3) A typical example of such companies in Africa is AMIZA, in Zaire, a company jointly owned by the multinational A.M.I., the Zairean National Shipping Line, the Belgian Shipping Line, and some private Zairean nationals.