High level delegation heads to Djibouti to discuss new rules

By Staff Reporter
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A high level delegation representing the Ministry of Transport, Maritime Affairs' Authority and other relevant offices is expected to arrive in Djibouti early next week to speak with Port of Djibouti officials about the modality of the new payment arrangement that will be implemented as of January 15, 2014.

Sources told Capital that the delegation is expected to hold talks with Djibouti Ports and Free Zones Authority chairman, Aboubaker Omar Hadi about the new circular, distributed by the Port of Djibouti management to all transitors based in Djibouti that forces freight forwarders to settle mandatory fees before they transport their cargo from the port. This new scheme will force Ethiopian clients to pay their fees in advance.

According to sources, the high level delegation from Ethiopia will talk about how to implement the new rules set by the port authorities and the way forward.

Previously, transitors based in Djibouti who worked jointly with their Ethiopian partners based in Ethiopia used a credit system to pay fees to transport imported cargo from the port to Ethiopia, which meant that their Ethiopian clients had a fair amount of time to settle their charges.

Now a new circular written on November 20, 2013 and signed by Saad Omar Guelleh, general director of The Port of Djibouti, indicates that transitors have to pay the necessary charges in foreign currency before they receive and transport cargo for themselves or their clients.

The circular states that in addition to the usual documents, transitors must present documents containing the names of all transitors, names of importers or exporters, their identification number, a way bill (for export) (or name of the ship) and mode of payments.

"No merchandise can be withdrawn from The Port of Djibouti if any of the rules in this document are not followed," the circular states.

According to sources close to the issue, the new scheme will force the importers or their Ethiopian freight forwarding companies to settle the necessary payment before they transport their cargo to the country.

According to people involved in transportation, however, the previous system was more advantageous for Ethiopians, who are the major users of the Port of Djibouti. Now a lack of accessibility to sufficient hard currency will be a major challenge for Ethiopian importers.

Even though the new system is applicable all over world, it will affect the country's economy in terms of the current availability of hard currency.