Freight Allocation through Freight Bureaus: The Cases of Central and West Africa

The strong regulation of transport activities is probably the most distinctive feature of the Central African corridors. Transit is governed by transit agreements signed between the governments of Cameroon and Chad, on the one hand, and the governments of Cameroon and the Central African Republic, on the other hand. Apart from banning cabotage, these agreements signed in 1999 set the principles of traffic allocation between fleets of coastal and landlocked countries: 65 percent of freight through Cameroon has to be allocated to Chadian freight operators and 60 percent to Central African freight operators.

Three national institutions, called freight bureaus, are responsible for the implementation of these agreements’ provisions:

- for Cameroon, the Bureau de Gestion du Fret Terrestre (BGFT)
- for Chad, Bureau National de Fret (BNF)
- for the Central African Republic, the Bureau d’Affrètement Routier Centrafricain (BARC)

Although they have different legal status, their objectives are similar:

- to collect and publish offers and demand for transport
- to manage the issuance of cargo and transit-related documents
to ensure, on behalf of their country, that the freight quotas are respected
• to monitor the movement of goods overland and to keep statistics related to goods transport

The BGFT also organizes the transit operations and oversees procedural and transit facilitation issues from Douala and Ngaoundéré. In theory, the three structures act as arbitrators to balance the differences in quota implementation and ensure that small operators have the same access to cargo as larger ones. Their regulatory role is normally limited to quota oversight, but they also define reference freight rates that in practice set the actual rates charged by transporters.

In reality, to get a load, truck drivers have to be registered on the BGFT directory and wait in a parking lot at the exit of the Douala (or in the equivalent parking lots in Ngaoundéré and Belabo). The transaction is negotiated separately between the importer and the truck owner. This negotiation is theoretically a free negotiation between the transporter and the importer agent. However, the “market price,” extremely high and very uniform between operators, clearly shows that the importer’s negotiation power is nonexistent.

Long-term contracting is nonexistent in the subregion. Getting a load depends on the issuance of transport documents from the BGFT and BNF or BARC. Consequently, if a shipper/transporter wishes to bypass the freight bureaus, transport documents are not issued and then the transporter/shipper takes a high risk of problems with the controlling agencies.

West Africa’s regulatory environment is similar to that of Central Africa. Bilateral treaties are in place because after a crisis that followed the 1992 transport deregulation, the government of Burkina Faso signed an agreement with all its corridor partners (Ghana, Côte d’Ivoire, Togo, and Benin) to establish quotas: one third for transit country truckers and two thirds for the Burkinabé truckers. The CBC (Conseil Burkinabé des Chargeurs) has the responsibility of ensuring that this rule is enforced. Its agents in each port deliver transport authorization for each load. In theory, as in Central Africa, freight allocation is the result of a free and independent bargain between the shipper and the trucker. The CBC registers the result of this business transaction with no involvement whatsoever. It only enforces the one-third/two-third rule when necessary.

In practice, the CBC has been put in a unique monopolistic position that allows it to control the market. It is de facto a freight allocation bureau that distributes loads between trucking companies with the active
support of the main trucking company association, OTRAF (Organisation des Transporteurs du Faso). OTRAF is the only transporters’ association in the country. It was created in 1995 with the active support of the government and the chamber of commerce to be a unique interlocutor rather than the then four competing associations. However, OTRAF was in a monopolistic position that was rapidly captured by some well-connected individuals. As a result, competing associations soon reemerged but so far have not managed to successfully compete with OTRAF.

The unofficial rules in a port in West Africa are as follows:

- A shipper informs the CBC it has a shipment to be transported to Burkina Faso.
- The CBC then informs the OTRAF about this shipment and all its details. It may or may not negotiate the tariff with the shipper.
- OTRAF turns to its constituents and assigns the load on a first come–first served basis. This *tour de rôle* is updated in real time: when a truck arrives in the port, the driver goes to the OTRAF representative to be added to the waiting list.
- Once the contract is established, the trucker pays its due to the association (FCFA 10,000) for the service it provided and to the CBC (FCFA 10,200) for the loading authorization.2

**Notes**

1. To make sure that the whole trade flows are accounted for, no shipper has the right to be its own trucker: no own-account trucking is allowed from the port, although exceptions are granted by the administration on a case-by-case basis.
2. Such costs are close to 10 times higher in Central Africa.