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Logical logistics

TOGY talks to José Luis García Tarifa, country manager of Transportation & Logistic Consulting (TLC) in Equatorial Guinea, about how the outlook for activity in the energy industry, the adequacy of the country's infrastructure and how Customs improvements will benefit the economy. TLC provides services such as freight forwarding, Customs clearance, vessel agency and port handling.



Equatorial Guinea has the potential to become a key entry point into Africa

Are you expecting more work in the energy industry in the future?

In 2018, we have witnessed a surge in seismic campaigns, which is a good sign that the market is picking up again. TLC was the agent of the vessel owners for the seismic campaigns done for MEGI [Mobil Equatorial Guinea]. Drilling will logically follow, and TLC is ready. There was a plan with some major operators to drill in 2019, and they are already in contact with subcontractors that will carry out this type of work. We are also getting ready for the implementation of the new Customs IT system.

The government is implementing measures for diversification, but oil and gas remains the biggest part of business in EG. Everything is moving around the oil and gas sector. Seeing that construction will not pick up to previous levels, the effort is to be

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stronger than ever in the oil industry and be attentive to the diversification the government is attempting in the mining, agricultural and tourism sectors. We are looking at how this will be implemented and which economic actors will come to the country to invest, and we will try to have a significant share of this type of business.

Does Equatorial Guinea have the potential to become a logistics hub in the Gulf of Guinea?

Definitely. A lot of money has been invested by the government and the oil industry to build infrastructure in EG. We now have a big highway, airport and ports, so we have connections between the biggest cities in EG, whether they are on the island or the mainland. In most instances, EG has better and more modern infrastructure than

neighbouring countries. Equatorial Guinea can become a logical trans-shipment point for merchandise in West Africa. TLC would be very pleased if this were to happen.

As we can see from the latest oil and gas developments in EG, there is definitely still high development potential. The connections and infrastructure are there, and the government is looking to improve the laws to facilitate business between countries. EG could be the key point of entry into Africa among CEMAC [Central African Economic and Monetary Community] countries. Africa is the biggest market you can have now.

TLC always tries to be a mover before everything happens, so we managed to discuss with the government an extended bonded warehouse licence covering all of EG's territory, meaning that when the country becomes a logistics hub, we can have a space in any area of the country. Clients might want to store some cargo and re-export it to another country.

How is the government improving the Customs system?

A pilot system is being implemented in EG. There was a meeting in April 2018 with all of the pertinent parties, and the Customs directorate announced that the IT system, called Asycuda, would start within the next two or three months. We were expecting to be in line with all the other CEMAC countries' electronic systems in two to three months, but today, the reality is that in Equatorial Guinea we are still working manually. We have some of the biggest amounts of paperwork you have ever seen.

The first step of implementation is with the shipping agents, who will fill the systems with the manifests. After that, all the manifests will be cleared by the clearing agent. The first step of this project has started already, and I am confident the clearing agent will step in by Q1 2019. This is a good



The country is piloting a new electronic Customs system

thing and will facilitate a lot of the logistics and Customs processes. It will harmonise the sector and allow us to avoid having many interpretations and having everyone moving in a way they think is best. This system will classify everyone on the same level and always give you key points to follow. This is linked to the need to make EG a hub in Malabo or Bata.

We see major operators in the oil business are looking for these possibilities. You can ship equipment from one site to another, and this will bring a lot of business to the country and help oil and gas players share equipment between different countries and operations.

TLC has already had many discussions with Customs about how to work on this specific regime, to bring equipment in and have it stored in the country, yet still technically consider it outside of EG, so taxes would not be involved. We still see some discrepancies and these kinds of operations create some misunderstandings with Customs agents. The implementation of the Customs IT system will help a lot

because the system will have already defined whether trans-shipment operations can be taxed or not, based on agreements each company has with EG.

What is TLC's approach to local content?

TLC has always concentrated its efforts on the development of local staff. Indeed, more than 80% of our staff are Equatoguinean nationals. Each member contributes to the development of the company. Local employees occupy key positions within the company, work independently at each site and follow regular training sessions on the group's business practices and compliance policy.

Respecting the standards of overseas operations and co-operating with the head office based in Switzerland enables local staff to enter global operations and learn more about the international freight-forwarding business. TLC strives to develop the local market as well, by hiring local staff, therefore enabling the development of the local economy by creating new jobs in the Equatoguinean market. ■



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YOUR LOGISTICS PARTNER THAT CARES

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- SHIPS AGENCY
- MEET & GREET
- CUSTOMS CLEARANCE
- FREIGHT FORWARDING



- Fully registered with the Ministry of Mines and Hydrocarbons (MMH)
- CEMAC licence since December 2008
- Nationwide bonded warehouse licence
- 30 members of staff on 3 sites: Malabo, Bata and Luba
- Only agent permanently based in Luba Free Port, located directly on the quay, offering:
 - 7,600 sqm yard
 - 500 sqm covered warehouse
 - 2,000 sqm bonded area
- Compliant operations, strong IT tools, customised KPIs and dedicated teams to serve international customers and the national economy.