

STATE OF MARITIME AND TRANSPORT INDUSTRY IN NIGERIA

Ayodeji Olukoju

Fellow, Nigerian Academy of Letters

Vice-Chancellor, Caleb University, Imota,
Lagos State

BACKGROUND: FOCUS

- Maritime – ports, shipping
- Transport- maritime, rail, aviation, ROAD

PORT DEVELOPMENT

- Modern port devt (colonial period):1861-1960
- Port devt policy: concentration vs diffusion
- Massive port devt., 1970s-1980s, especially at Lagos & Bonny

PORT ADMINISTRATION

- Pre-1955: duality of control; multiplicity of port authorities
- NPA, 1955: streamlined and coordinated port administration
- Post-1960: Over-centralization, overwhelming government control; inefficiency; corruption
- 1970s oil boom: unprecedented port congestion, "cement armada" (1973-75)
- From colonial period: Nigerian ports reputed to be "expensive"

PORT REFORMS, 1980s-90s

- SAP-era reforms: to relieve govt of subsidies to NPA & achieve efficiency at the ports
- NPA Management restructured into 4 zones: Western, Central, Eastern and Headquarters
- “Commercialisation” of NPA – creation of Nigerian Ports PLC
- Decentralization or zonal policy failed: culture of centralization; govt interference; patronage and self-enrichment by Board appointees; hard currency earnings of Nigerian Ports PLC not invested in its renewal

PORT REFORMS, 1999-2007-1

- Commitment to massive deregulation and privatisation
- Port reforms compelled by inefficiency, lack of competitiveness, corruption, obsolescence of equipment, etc at the ports
- Public-Private Investment Advisory Facility (PPIAF) drove port reforms with a World Bank grant, approved in 2001

PORT REFORMS, 1999-2007-2

- Dutch firm (Royal Haskoning BV) hired to study Nigerian ports preparatory to reform
- Haskoning Report: over-centralisation of administration; NPA as both regulator and operator; overlap of authority; duplication of efforts, etc.
- Recommended “Landlord” port administration
- Govt. role restricted to policy formulation
- Private operators: undertake terminal operations, stevedoring, warehousing, etc; invest in port equipment and superstructure
- NPA to be unbundled into three zones
- Concessions by open bidding

IMPLEMENTATION-1

- National Council on Privatisation (NCP) endorsed the “landlord” model
- New transport policy: NPA - technical regulator; manage the ports for which there were no bids; National Transport Commission (NTC) - commercial regulator;
- National Ports Commission: overall coordinating agency for the ports sector.
- Five landlord port authorities for Lagos; the Niger Delta; PH; Calabar; & the inland ports.
- 25 concessions identified in 11 ports
- Bids from 110 companies to manage 8 ports: Bonny, Calabar, Koko, PH & Sapele; Apapa, Tincan & RORO

IMPLEMENTATION-2

- Bids submitted; March 2005; concession commenced, 2006.
- Twenty concessions concluded, Dec 2006; concessionaires commenced operations.
- Flagship concession, Apapa container terminal, signed Sept. 2006 with APM Terminals, which had taken over P&O Nedlloyd earlier in the year.
- The Danish shipping firm, A.P. Moller, beat 25 other bidders to the 25-year concession

POSITIVE IMPACT

- \$400 million accrued to Nigerian government
- Massive reduction of (25/30-day) waiting time
- Abolition of congestion surcharge (\$300 per container) imposed on Nigerian importers
- For the 1st time, private sector players given prominent role in port mgt & service delivery.
- New methods and investment introduced
- Increased private sector competition in the provision of port services