

# Ports System Time for a Sea Change in Policy

Maritime nations the world over have developed economically through the significant role of their ports. The sheer number and diversity of jobs they create is simply enormous and generally speaking, they have indeed proven to be cash cows in any well developed maritime nation.

Even with all the economic and financial importance placed on them, Nigerian ports have until recently been plagued by negligence, underfunding, inefficiency of the highest order, obsolete equipment and unbelievable congestion that still has not been solved, despite all of the Federal Government's various reform initiatives.

In 2006, the Government went on a reformation drive of Lagos' ports, deciding to transform their administration from a system of publicly operated ones to landlord ports. To this end, concession agreements were entered into, providing for a totally new structure under which the existing ports were delineated into 27 terminals and handed over to private operators. The intention was to improve operational performance and bring the ports up to international standard.

Concessionaires had a field day. They increased shipping charges on customs examination transfer, terminal handling, documentation, labour, container clearing and a host of other charges at their whim, without any approval or regulation by the appropriate Government agencies.

These reforms did not improve the situation significantly as port problems persisted, though there were less of the lengthy disruptions as witnessed in the past. The much trumpeted 24 hour clearance turnaround, however, remains as elusive a dream and as far away from realisation as ever. Reformation though, remains an ongoing phenomenon.

Symptomatic of Nigeria's unique style of half-hearted initiatives, it soon became obvious that there was no established regulatory agency to check the activities of these private operators. In February 2014, the Nigerian Shippers Council (NSC) was rightly named as the regulatory body pending the enactment of an Act for the establishment of the Nigerian Transport Commission (NTC) as an independent regulator for the nation's

transport sector.

The reforms going on in the Nigerian maritime industry should surely be extended to include developing some of the other viable ports in the country. Though we have Tin Can Island and Apapa ports in Lagos, Escravos oil terminal and the further ports of Warri, Sapele, Koko, Lokoja, Calabar, Port Harcourt, Onne and Onitsha, these latter all have issues to their viability. Lokoja and Onitsha are river ports and need to be extensively dredged to allow modern, larger vessels to come through. Calabar port also suffers from such similar problems, though certain vessels do berth at Calabar on a charter basis, carrying particular and determined sized goods. The Port of Onne has been concessioned to INIELS. Port Harcourt port though appears viable, as it already serves the eastern part of the country but even at that vessels with the deepest drafts operating in our waters still cannot utilise the port for fear of getting grounded. Port Harcourt port though can be brought to the standard capable of making it another major maritime hub, thereby freeing the two congested and overly utilised Lagos ports.

One must say in all honesty, that Apapa and Tin Can Island ports are the only ones that can be said to be fully functioning in this country as of today. They are by a huge margin the highest revenue yielding ports in the country. Apapa port is bustling at its seams and needs to be rescued. It has almost become a massive, glorified marketplace, with many of the offices that Customs and other officials work from being in a demeaning and pitiful state. What then can we expect at the end of the day other than substandard service? All the gargantuan sums of money generated in this port is not reflected in any way in its surroundings. Charity, as they say, begins at home yet even the access roads leading to the port are in a truly abysmal, barely motorable state. How those container trailers ever get to their destination constantly baffles one. The gullies on the road are getting deeper and more cavernous by the day, especially now the rains have returned to Lagos with their customary vengeance. The trailers en route to the port and the tanker drivers heading for the Apapa tank farms are constantly jostling for position on the road, oblivious to the fact that they are all too often bringing the entire neighbourhood to a shuddering and complete standstill.

In analysing the problem of port congestion in Lagos one can identify: 1) congestion at

sea - vessel waiting time for berthing spaces for tug boats and space at terminals. 2) congestion at terminals - delays caused by clearance processes and procedures and an inefficient intermodal freight transport system etc. and 3) congestion on access roads into the ports - attributable to the excessively high concentration of tank farms near the ports, poor condition or state of the access roads and the absence of a functional trailer park.

We have been duly informed that all the agencies and major operators involved are working in close and effective collaboration, that is, the Nigerian Shippers' Council as the port regulator, the Nigerian Ports Authority terminal operators, shipping companies and the Nigeria Customs Service amongst others to: 1) reduce vessel waiting time. 2) reduce cargo dwell time. 3) improve standards and quality of services at the ports. 4) reduce cost of doing business and 5) regulate and monitor service providers at all ports. This will entail the adoption of a single window system and the widespread use of scanners for cargo examination, making our ports much more customer friendly and better able to attract more patronage. Government we understand is further constructing holding bays for trailers.

The many tank farms sited so close to Apapa's port are quite simply causing serious and regular mayhem. Tanker drivers are a special breed unto their very own that I encounter regularly at THISDAY's Apapa office, simply living in their own world, totally oblivious to everyone else and whatever cares and concerns we might have. They block the roads making it virtually impossible for trucks heading for the port to pass, talk less of we lesser mortals merely in our cars or in public transport. Congestion starts from the roads leading to the ports and it really is about time that the tank farms were moved, and permanently so. Some have argued that it is cheaper to move the tank farms than to build a new port and I believe it is indeed time for the tank farms to quit Apapa. The safety issue for people living in Apapa, one hopes, is another problem grave enough to make the Federal Government consider this plague in our community. I remember years back a company selling snack items was looking to sell its prime property on Creek Road in Apapa because it was next to a tank farm and as a result was enduring a series of hygiene issues with NAFDAC. When the tank farms go, the tankers will go too and



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the trucks will hopefully be able to move a great deal more freely.

The time indeed has come for the Federal and State Governments together with private Investors to collaborate towards establishing other ports, whether new (Ibaja, Akwa Ibom) or by upgrading current ports such as Lokoja, Onitsha and Port Harcourt. The snail's pace of dredging currently going on in Lokoja and Onitsha is simply not good enough.

On site in April this year, President Goodluck Jonathan (represented) pledged that the Federal Government was planning to build its biggest seaport yet in Badagry. However, we now need more than plans. There is now the urgent need for a root and branch transformation of our ports system.

Looking at other emerging market maritime nations, Panama stands out. Seven years ago while visiting Panama I was so impressed by how the canal was also a major tourist attraction as well as being one of the world's busiest container vessel ports, with its dedicated times to permit viewing of the canal's spectacular water level rise to allow vessels (of the very deepest drafts) to pass through. Money is indeed generated from all levels at Panama canal, where the maritime industry represents fully 20% of the country's Gross Domestic Product (GDP). Panama has a network of seaports, both State and privately owned and new ports are being specifically built, not just basically evolving as the years go by. We likewise need to move with the times.

Additionally the Panama Canal Railway Company (PCRC) in a joint venture provides railroad transportation for containerised cargo between Panama City and Colon City under a 50 year concession. The primary role of the railroad is to serve as a transshipment link (of critical importance for volume of traffic) for container shipments between Panama's Pacific (with containers coming from China and the East) and Atlantic ocean seaports (with containers going to North America, Europe and the West).

In discussing establishing new ports, our railway system absolutely must not be ignored. A few years ago at a conference in Lagos an executive from one of our indigenous oil companies did mention his company's efforts to resurrect our railway system and how they were faced with stiff opposition from the road haulage and container transporters.

As our maritime industry evolves, so to do our legal system. Joint ventures outside the oil and gas industry are the order of the day now and concessioning is gaining ground. The Infrastructure Concession Regulatory Commission (ICRC) has been established to accelerate investment in national infrastructure through private sector funding assisting the Federal Government with regards to PPPs. States however remain responsible for their own investment projects.

Arbitration is also gaining a strong foothold in our system, steadily being supported by the Courts, all in the desire to make Nigeria a true investors' haven. A genuine transformation of the maritime industry can successfully be achieved if there is the sustained will to do so. The sound economic sense of doing so is well beyond dispute.

