

The Challenges and Prospect of Maritime Industry in Nigeria

Ephraim Stephen NSAN-AWAJI¹

Abstract: Inland waterways are made up of navigable rivers, lakes, creeks, lagoons and canals. The movement of goods and services along inland waterways is one of the oldest means of transporting goods and services from one point to another. This was largely since inland water transportation offers the most economical, energy efficient and environmentally friendly means of transporting all types of cargoes from place to place. It also offered safe and cheaper transportation in areas with watercourses. Obviously, the economic development of most developing nations of Africa, including Nigeria, should reflect in the development, organization, coordination and management of this sea-borne trade, which is critical and cardinal to the development of international trade with other nations of the world. This is because, maritime-transport services duly serve as the propelling anchor and evolving force for the survival, hence, the formulation of execution of policies that disrupt the efficient running of this vital sub-economic system globally, will affect the efficiency and well-being of the enlarged society as well as the people. Nigeria is a major international trading nation in Africa, exporting large quantities of hydrocarbons to earn substantial revenue which accrue from crude oil export and are used mainly to fund huge trade in imports.

Keywords: African Continental borders; economic development; Inland waterways

¹ Postgraduate at Shipping International Trade and Finance, Faculty of Economic Sciences, Danubius University Galati, Scientific advisor: Associate Professor Andy Corneliu Pușcă, PhD, Corresponding author: ebiereodubo@gmail.com.

1 Introduction

The social needs for maritime transport has to do with how it helps in solving human problems, especially with regard to operational industry modalities, recreational transformational Linkages and business transactional exchanges, as well as the movement of goods and services across African Continental borders within the operational confines of the law that has to do with fraudulent sharp practices, industry negative vices syndrome narratives and operational abuses that are second to none as the case may be, of which Nigeria cannot be insulated from it. This is because; the industry lacks the fundamental intellectual and knowledge-based skills of needed workforce that can obviously matching the ever-increasing demanding tasks of the industry at Large.

Inland waterways are made up of navigable rivers, lakes, creeks, lagoons and canals. The movement of goods and services along inland waterways is one of the oldest means of transporting goods and services from one point to another. This was largely since inland water transportation offers the most economical, energy efficient and environmentally friendly means of transporting all types of cargoes from place to place. It also offered safe and cheaper transportation in areas with watercourses.

Obviously, the economic development of most developing nations of Africa, Nigeria inclusive, should reflect in the development, organization, coordination and management of this sea-borne trade, which is critical and cardinal to the development of international trade with other nations of the world. This is because, maritime-transport services duly serve as the propelling anchor and evolving force for the survival, hence, the formulation of execution of policies that disrupt the efficient running of this vital sub-economic system globally, will affect the efficiency and well-being of the enlarged society as well as the people.

Nigeria is a major international trading nation in Africa, exporting large quantities of hydrocarbons to earn substantial revenue which accrue from crude oil export and are used mainly to fund huge trade in imports.

2 The Challenges and Prospect of Maritime Industry in Nigeria

2.1. Maritime Industry in Nigeria

Maritime transportation in Nigeria represent a complex structure in the country's transportation system in many ways for it provides a number of inter related and inter

connected activities such as ship- harbor that is pilotage, dredging, provision of berth, maintenance of navigable channels, stevedoring etc., there is also ship port interface loading and unloading of cargoes, freight and services and port land interface delivering cargo to and from the connected hinterland. These different functions require different strategies, approaches and organizations. However, their relationship must be seriously considered in Maritime Transportation Policy and Planning responses.

Hence, the efficiency or inefficiency of the maritime sector affect profoundly the cause of import as well as the competitiveness of export. Furthermore, directly and indirectly, the maritime transport sector is a large employer of labour both skilled and unskilled. However, if indirect employment generated through the maritime sector such as insurance, customs, haulage, clearance and logistics, storage, free zones activities, sorting out the incoming and outgoing cargo, industrial and other value-added activities are considered.

In view of the above, Nigeria has a great potential for an extremely buoyant maritime industry and to enjoy these benefits, it is vital that the Nigerian maritime transport system operate efficiently and resourcefully.

2.2. Prospects of Maritime Industry in Nigeria

Government Establishment of Maritime University Institutional Programmes: Government recent effort in funding establishments of four departments of maritime technological programmes in Universities in Nigeria is a welcome development and something of commendation. Some of the Universities that benefited from this recent government intervention (through the grace of Nigerian Maritime administration and Safety Agency-NIMASA), in maritime programmes are University of Lagos, University of Nigeria, Nsuka , Niger Delta University Bayelsa and Babangida University of Technology. This type of intervention by government will enhance the development of maritime studies and also improve man power development in this critical and all-important industry. (Ihenacho,2010). It will also raise the operational performance and efficiency of the industry and the economy at large. Obviously, the recent and current efforts of governments through the instrumentality of office of both the Senate and house of Representatives in passing at both chambers the bill for an Act to establish and subsequently passed into Law and confirmed the former Maritime Academy Oron as a Federal University on Maritime technology Oron and

that of Maritime University of Technology Okerekeko in Delta State is a very right steps in ensuring a sustainable developments of quality and credible Manpower that will help in moving the industry forward and elicit clear developments strides as marching the yening of the industry demands at the end of the day (Ndikom, 2015).

2.3. The Challenges of the Maritime Industry in Nigeria

- (i) Government Policy Summersault
- (ii) Managerial Incompetence
- (iii) Unfriendly Operational environment
- (iv) Manpower Problems/Unprofessionalism
- (v) Lack of operational shipping policy
- (vi) Mediocrity/Lack of succession plan
- (vii) Lack of operational knowledge and Education
- (viii) Antics of Importers and Exporters.

2.4. Role of Government Policies in the Maritime Industry

As earlier pointed out, the maritime industry plays a key role in the economic transformation and development of a country. To ensure that the industry remains functional and responsive to Nigeria's needs, the government has a role to play in each of the following policy areas (Badejo, 1997):

- Regulation, control and licensing
- Monitoring and implementation of set goals
- Provision and maintenance of infrastructure
- Standardization and harmonization of port operations
- Provision of an enabling environment for all maritime actors and stakeholders
- Provision of fund, collateral and finance in such a manner that maritime goals and objectives for the country can be realized.
- Initiation, implementation and coordination of maritime policies within the context of a national transport policy and the socioeconomic thrust of the government

- Acting as intermediary for maritime operators on international issues
- Protecting indigenous maritime operators in such a way that incremental growth and development of the sector can be achieved.

For these reasons, government requires the inputs of experienced professionals in the industry to assist in its drive towards sustainable maritime industry for the country. It is regrettable to state that for over a decade now, some of government's appointments made within the Federal Ministry of Transport, as portfolio ministers who take the driver's seat, have never seen any core professional or technocrat in the saddle. That explains the age long problem and this would have serious effects on future growth, development and sustainability of the industry in general.

2.5. Implications of Government Policies

There are certain implications of government policies in charting the course of maritime in Nigeria; these include:

- sanitizing the maritime industry
- Harmonization and coordination of maritime activities and operations
- adequate monitoring and implementation efforts
- Encouraging peaceful coexistence and sustainable growth
- Synchronization and integration of all stakeholders such that maritime goals and objectives are better pursued
- Promotion of positive international image
- Increasing capacity utilization and building responsive infrastructure and equipment
- Improved capacity building and operational efficiency
- Organization and management of industrial labour relations/associations
- Operational standardization.

This is to say in essence that, sustainable maritime transport in Nigerian is achievable in these early years of the 21st century; and that the application of the principle of POSDCORB (acronym for planning, organizing, staffing, directing, coordinating,

reporting and budgeting), which is fundamental to the successful implementation and monitoring of any reform effort, will indeed lead the nation to sustainable economic development but only if government changes its attitude, for once, towards appointment; if it would appoint core professionals and/or technocrats to take the driver's seat, even in some of our key Agencies, which is not what we are seeing now as a Nation that needs reforms and structural transformation in this all important industry.

2.6. Maritime Ports Operating Environment

It has been observed that there exist numerous factors that really encumber maritime-ports operating environment in most African countries, Nigeria inclusive as a case in point. To this end, it is very glaring that the maritime sub-sector of the enlarged sector of the African nation's states suffers, like all other sectors, from the effects of limited resources, of which Nigeria is had hit in this regard when compared with other African States (Ndikom, 2013). There are also various restrictions that make Nigerian port's environment as a case in point here, different from those in other parts of Africa and the world, where ports operate at established minimum levels of safety, security, operational performance and standards. Hence, Nigerian ports are distinct when compared with others around the world and from an African extraction, as they are best with high charges and tariffs. Moreover, they are built very close to high-density cities and bus-stops, thereby making human traffic and port operational performance very difficult. This is because, government policies as regard port operations and management in Nigerian setting, do not help matters, as most of them are rather too harsh, hostile to business, especially regarding service delivery. The unfriendly business environment of our maritime-port's system, with its harsh policies, has led to the heavy diversion of Nigerian bound cargo to most ports of neighboring Cotonou, Togo, and Ghana. Furthermore, the fundamental problems that have contributed to the harsh operating environment of our ports are:

- (a) Inadequate berthing space;
- (b) Poor dredging problems;
- (c) Sea piracy problems;
- (d) Reduced channel widths due to silting and unwholesome obstacles;
- (e) Dock labour problems;

- (f) Advance prioritizing of vessel call;
- (g) Vessel delay problems;
- (h) Inadequate functioning plants and equipment;
- (i) Inadequate maintenance of existing facilities;
- (j) Inadequate finance and funding of ports operations especially in port infrastructure;
- (k) Proliferation of government agencies in port activities;
- (l) Operational and procedural delays and inefficiency;
- (m) Government policy inconsistency;

2.7. Overall Impact of Emerging International Trade on Maritime

Emerging international trends in maritime have posed great challenges for shipping operations and administration in Nigeria. Moreover, as in many other industries, the maritime trade has continued to be impacted on by developments in world politico economic sphere. International shipping is particularly sensitive to events in the external environment. If activities in the external environment are dislocated or boosted, the demand for transport is impaired or heightened. Generally, the demand for tonnage transport in the shipping sector depends on world economic outlook, the trend in industrial production and the global market. Over the past two decades, world economy has consistently exacted undue influence on the management and operations of most regional economies. Moreover, world economy has become increasingly dependent on trade, with each major regional trade grouping rapidly accelerating the level of goods transferred between economies in the region and between major trade blocks.

The growth in world trade is now more marked in relation to growth in global gross national product than it was in the past. This is mainly due to China's increasing integration into the global economy, which also has shaped developments in other regions. Developments in China are now considered to be one of the most important stimuli of growth for the tanker, chemical, bulk and container trade (Ndikom, 2006). The external environment in which a port found itself is increasingly becoming more competitive, as the forces of globalization and rapid advances in transport

technologies and recent developments in the shipping industry have impacted on the operations of ports and made their bargaining position relative to those of shipping lines. Seaports no longer enjoy a monopoly over their hinterland counterparts as cargoes originating from or destined for these places do not necessarily have to be shipped through them.

The factors of globalization, advances in transport technologies and recent developments in the shipping industry have not only driven ports to reorganize and restructure their operations and infrastructure through changes in cargo handling methods, port facilities, labour, management and technology, but have also intensified inter-port competition. The concept of globalization, as brought about by market liberalization policies, pursued by most countries, and the strategies adopted by many transactional corporations (which allocate the various stages or aspects of the production process across countries based on their respective comparative advantages) have reinforced competition in the international trading environment. This has an increasing pressure on ports, which constitute an important link in the international trading logistics chain, to improve their operational efficiency (Ndikom, 2006).

3 Case Study of Calabar River

Problems and prospect of Developing Inland Water Transportation in Nigeria

Inland waterways are made up of navigable rivers, lakes, creeks, lagoons and canals (Aderemo and Mogaji 2010). The movement of goods and services along inland waterways is one of the oldest means of transporting goods and services from one point to another (Fellinda, 2006). This was largely due to the fact that inland water transportation offers the most economical, energy efficient and environmentally friendly means of transporting all types of cargoes from place to place (Ojile, 2006). It also offered safe and cheaper transportation in areas with watercourses. This facilitates commerce, promote wealth creation, poverty alleviation and create job opportunities for the youths within such regions. The building industry also generate employment through active engagement of the youths in welding and fabrication process (Gray, 2004).

Inland water transportation in Calabar is faced with several challenges which include; lack of funding and basic infrastructure, neglect in the rehabilitation of the waterway in terms of dredging, lack of training and retaining of sailors and regular

appraisal of equipment to ascertain their level of efficiency. These challenges have particularly hindered socio- economic activities and generally caused setbacks in the promotion of inland water transportation particularly between the settlements covered by the Calabar River. The challenges have basically resulted to operational constraints and ineffective management of the waterways. For any meaningful progress, these challenges needed to be addressed which called for this study.

Though related studies may have been carried out in other countries and regions, there is lack of an in-depth empirical study on the subject matter of this paper, particularly with reference to Calabar River. It was on the above premise that this work was envisaged and meant to identify the prospects of proper development and maintenance of the Calabar River to the neighboring settlements, Cross River State and Nigeria in general.



Figure 1. A practical image showing the map of cross river Estuary

Research Strategy

The research strategy was performed in a systematic manner, in the databases and other sources of information selected where the researcher had access to primary or

secondary material. The yields of the search strategy were not only relevant to the topic of study but also could assist in meeting aim and objectives. It ensured that the study was reliable and valid for decision making by being cautious in selecting sources of information or literature to avoid error of bias.

Data Collection

Data was collected from studies obtained in the online database search engines such as Wikipedia, Google Scholar Discover and the World Wide Web (WWW).

The key words used were the challenges and prospect sustainable maritime industry in the Nigeria, the maritime industry in Nigeria, the challenges, the overall impact. Etc.

The information was summarized according to the themes covered in the project.

3.1. Development of Inland Water Ways

Nigeria is endowed with an extensive inland waterway system. The principal drainage is formed by the River Niger, the third longest river in Africa, running about 1,271.3 km in Nigeria and its main tributary, the River Benue which runs for 796.6 km in the country. The Benue River originates from the Cameroon mountains and flows into Nigeria through Yola. The Gongola and Kongo Rivers are its main tributaries. The River Niger enters Northern Nigeria through Republic of Niger and receives the Sokoto and Kaduna Rivers. It forms a confluence with the River Benue at Lokoja. The Anambra River joins the Niger at Okija town. The river finally divides into fourteen outlets into the sea. Two of the main outlets are the Bonny and Forcados Rivers. The former provides Port Harcourt with an outlet to the sea while the latter is the gateway to the ports of Warri and Burutu. There are many rivers along the southern coast. The major ones include the Ogun River which flows into the Lagos Lagoon, the Benin river, the Escravos, the Sombteiro, the Qua Iboe Rivers and Cross River. Another major drainage system is provided by the Central Plateau Lake Chad, These Rivers constitute an impressive network of in-land waterways that have served as transportation routes for passengers and freight for many decades in the past.

Various ferry routes on these rivers are at present used to provide transport services. Nigeria has about 10,000 kilometres water ways of which if developed through dredging and provision of the necessary facilities would provide all year-round

navigation for transportation of bulky cargos and passengers (David, 2004). The development of inland water ways is the primary responsibility of the National Inland Water Ways and the Authority carrying out regulatory services, transportation services, survey services marine and the general environmental services to ascertain the functionality and sustainability of inland transport system (Hugo, 1998). Despite the immense benefits of the transport system to the economy, Inland Water Transport in Nigeria has a long history of neglect by both the government and private sector (Berger, 2005). Little effort had been made to develop inland water transport facilities prior to the 1980s. This stems largely from policy inconsistency, limited private sector involvement and conflict by agencies involved in water transportation in Nigeria. However since the 1990s the Federal Government has been taking a number of initiatives to turn the sector around and make transport attractive without much success (David, 2002).

3.2. Inland Water Transportation

Water transportation is the cheapest and safest among the other modes and can be relied upon for pleasurable and relaxing journeys when good quality services are provided. Nigeria's earliest involvement in importation and exportation of goods depended largely on maritime transport because other modes - air, rail, pipeline, and roads were either nonexistence or less developed or very expensive. With adequate dredging, the inland waterways can take 10,000 tons Flat bottom ship and barges. Inland water transport can still be explored to serve as interconnecting links among the major sea-ports and as ready supplements to land modes of transport to the interior. Among other advantages, water transport excels in the long-haul freighting. It plays an important role in the development of a nation's transport system. The concept is applicable in the transportation of tones of agricultural products from the Middle Belt Areas to the Delta Areas through water ways (Griffin, 1978). Unfortunately, very little use is presently made of inland waterways both as passenger and freight carrier even though the country's seaports are responsible for over 90% of its international trade traffic.

The problem is that despite our confused and chaotic transportation situation resulting largely from our heavy dependence on an unbalanced investment in favour of the roads for our intra and inter-city movements, this great national resource has remained neglected and unexploited. Yet considerable man-hours are lost daily in

places like Lagos by commuters who wait endlessly for the rickety buses or taxis on our poorly maintained roads to and from the various activity centers. Therefore, it is pertinent to determine the extent of optimal development of our waterways in the interest of our overall economic development. Inland water transportation involves the use of boats, canoes, ships etc. It entails the movement of goods, people and services, through river, seas, oceans, or large water bodies linking regions together (Albert, 1998).

3.3. Problems of Inland Water Transport in Nigeria

Adams (1999) found out that the capacity of Nigerian navigable waterways has increased to about 10, 000 kilometers plus an extensive coastline of about 852 kilometres. Based on this, he noted that the country has a huge potential to move goods and passengers from the coast to the hinter land by water. Also, Anyam (2003) regretted that the immense opportunities which the Nigerian inland waterways provided for business was yet to be tapped by potential investors. He established that despite her huge potential inland water transport was yet to become an alternative means of transportation to road and air. Adams (2004) lamented that inland water transport is yet to receive the attention it deserved from the federal government particularly in the twin areas of funding and infrastructural development.

He outlined the physical impediments to improved performance in the sector to include non-channelization and dredging of navigable rivers, inadequate construction and rehabilitation of river ports, limited water transport infrastructures (comfortable boats, jetties and buoys) and safety and security concern along the navigable waterways. The problems of inland waterways could be summed up to lack of funding and infrastructural neglects from the relevance authorities. These problems resulted to operational constraints.

3.4. Importance and Benefits of Inland Waterways Transport

Inland waterways transportation means the carrying of goods and persons by water (inland waters like river, lake, canals, creek etc.) supported by boats, ferries, coastal vessels of less than 500 gross tonnage (Ekong, 1984). Igbokwe (2013) enumerated the benefits of inland waterways transport to include the following;

- i. Transportation;

- ii.Revenue generation and availability of finance;
- iii.Trade and commerce;
- iv.Promotion of tourism;
- v.Employment and job opportunities;
- vi.Enhancement of industrial growth.

3.5. Data Presentation and Analysis

(i) Contributions of Inland Water Transportation

Table 1 shows the opinion of respondents on the contribution of inland water transportation in the area. From the total number of respondents, 52 representing 14.86% saw inland water transportation as a job creation sector, 32 (9.14%) of the respondents were of the opinion that it promotes tourism, 58 (16.57%) were of the view that it leads to import and export, 64 respondents representing 18.29% said it guarantees food security while 48 (13.71%) and 96 (27.43%) were of the opinion that it contributes to the standard of living and reduction in transportation cost of the people respectively. Respondents who were of the view that it results to reduction in transportation cost were the highest.

Table 1. Contributions of Inland Water Transportation

Contribution of inland water Transportation	No. of Respondents	Percentage (%)
Creation of job	52	14.86
Promote tourism	32	9.14
Import & export	58	16.57
Food security	64	18.29
Improves standards of living	48	13.29
Reduction in transportation cost	96	27.43
Total	350	100

(ii) Challenges of Inland Water Transportation

The information in Table 2 showed respondents' views on the challenges of inland water transportation system in the area. Lack of funding accounted for 36.75% (129) of the total number of respondents. Inadequate infrastructural facilities accounted for 26.25% (92), poor maintenance accounted for 21.25% (74), while poor dredging of the river accounted for 15.75% (55). From the respondents' views, it shows therefore

that inadequate funding and inadequate infrastructural facilities were the major challenges in the proper development of inland water transportation in the Calabar River.

Table 2. Challenges of Inland Water Transportation system

Challenges	No. of Respondent	Percentage (%)
Poor dredging of the river	55	15.75
Inadequate infrastructural facilities	92	26.25
Lack of funding from the Government / Ngo involvement	129	36.75
Poor	74	21.25
Total	350	100

(iii) The Prospects of Inland Water Transportation

From the information in Table 3, majority of the respondents believed that the prospect of inland water transportation in the area would be mostly on trade and commerce. The responses as represented in the table shows that 101 respondents representing (28.75%) favoured trade and commerce, 83 (23.75%) revenue generation, 62 (17.75%) improvement of lifestyle and 58 (16.50%) industrial growth.

Table 3. The Prospects of Inland Water Transportation

Prospect	No. of Respondent	Percentage (%)
Trade & commerce	101	28.75
Industrial growth	58	16.50
Revenue generation	83	23.75
Improve lifestyle	62	17.75
Public exposure	46	13.25
Total	350	100

4 Conclusion

Recognizing the dynamics of maritime transportation, global changes, technology and socio-economic alterations, there is no doubt that the maritime sector will have to respond to these changes especially as they occur. It is for this reason that the Nigerian experience can be appraised within the various reforms and strategic responses taken to reposition the maritime sector.

Despite the complexities and dynamics taking place in the maritime sector vis a vis international trade, there is need to seek adequate conscious and applicable measures through which improved process and implementation could be achieved.

The issue of protectionism for local or indigenous shipping operatives and other stakeholders should be given greater priority, favourable legislative consideration and regulative protection for such known stakeholders to develop.

1. The state of inland water transportation in the area has been faced with many challenges such as; inadequate infrastructural facilities, lack of dredging of Calabar River, poor maintenance of available facilities and lack of funding etc.
2. Some prospects of inland water transportation such as; trade and commerce, industrial growth, revenue generation, public exposure etc. Were identified if adequate attention could be paid by government and other stakeholders in the development of the area.
3. Government proposals on schemes should be made to address the challenges of inland water transportation in Calabar River; this would go a long way in achieving the socio-economic desire of the people and the region in general.
4. There was need for water transport infrastructural development advocacy to revive inland water transportation in the study area.
5. Government should collaborate with stake holders in the communities along the Calabar River; this would enable the government to take advantage of their resources, thereby investing in the transportation sub sector.

5 References

https://www.google.ro/url?sa=i&source=images&cd=&cad=rja&uact=8&ved=2ahUKEwj90tC55obfAhUxhaYKHUJhBvUQjRx6BAgBEAU&url=https%3A%2F%2Fen.wikipedia.org%2Fwiki%2FCalabar_River&psig=AOvVaw3qQpkaP9h_8k1hOPpn8TTJ&ust=1544034377087006.

<https://www.google.ro/url?sa=i&source=images&cd=&ved=2ahUKEwir7OT4hoffAhXJy6QKHAWzBowQjRx6BAgBEAU&url=http%3A%2F%2Fnigerianports.gov.ng%2F&psig=AOvVaw3imMItdIRU6UyaCcME1gDO&ust=1544043105473143>.

<https://www.hellenicshippingnews.com/nigeria-the-many-challenges-of-the-maritime-sector/>.

EkpenyongNsa, Mathew (2018). Problems and prospects of Developing Inland water Transportation in Nigeria: The Case of Calabar River.

Ndikom Obed, B.C. Buhari, S.O, Okeke, O.K and Mathew W. Samuel (2017). *Critical Assessment of Maritime Industry in Nigeria: Challenges and Prospects of Policy issues*.

Posted by Chijioke Emeka (2014). *Deep seaports: Prospects and challenges*.

Badejo, Bamidele (2014). *Maritime Transportation Industry in Nigeria: Structure, Analysis, Challenges and Prospects*.