Costs of Maritime Port Challenges in Nigeria

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EXECUTIVE SUMMARY

The size (largest economy in Africa with GDP of $413 billion in 2017) and potentials (large market with approximately 200 million people) of the Nigeria economy continue to elicit interest among local and global investors. It is also a well-known fact that efficiency in ports operations has become an incentive and one of the major drivers of trade and investing activities across countries. Yet, the Nigerian ports are currently classified among the worst ports in the world due to challenges bordering on delay of import/export processes, heavy human and vehicular congestion around the ports, difficulty in gaining access to the ports due to bad roads, security concerns and incidence of corruption and infractions among the players – government officials and port users.

Crises in the Nigerian maritime sector is a popular and well reported phenomenon. The World Bank 2015 - 2017 Ease of Doing Business indicator for measuring the effectiveness of ports, "Trading Across Boarders" ranked Nigeria at a depressing 182/183 out of 185 countries. Significant efforts were made in reforming the Nigeria's maritime sector through the partial privatization of the ports in the mid-2000s and other subsequent interventions. However, more than two decades after, the results of the reforms are not impressive.

Consequently, operators, users of the Nigerian ports and industry players are increasingly faced with bureaucratic red tape, constant delays and illegal charges leading to high costs of operations. This study therefore attempts to profile and estimates the economic and business costs induced by the inefficiencies in our ports.

The research finds that the economy is currently losing about N600 billion in customs revenue, estimated $10 billion for non-oil export and about N2.5 trillion corporate revenue in the industry on an annual basis. Capacity utilization stands at 38-40% and approximately 40% of businesses located around the ports communities have either relocated to other areas, scaled down operations or completely closed down. These developments have very huge adverse implication to tax revenue, job creation and real economic activities with downside effect of about 3% on the country's GDP.

The report also highlights the ports reform measures that yielded positive outcome in selected other countries and outlines suggestions by the Organised Private Sector (OPS) on policies, processes and infrastructure enablers for the ports.

We believe that with dedicated, inclusive and consistent implementation of the reform measures, the Nigerian ports will begin to move on the path of efficiency and growth. It is widely acknowledged that coordinating port reforms is a herculean task due to multi-level fragmentation of stakeholders, vested interest and the diversity of the Ministries, Departments and Agencies (MDAs) involved. Overall, political will, active enforcement and monitoring framework that flows right from the Presidency down to the MDAs is the most essential enabler to succeed and sustain the present ports reforms.

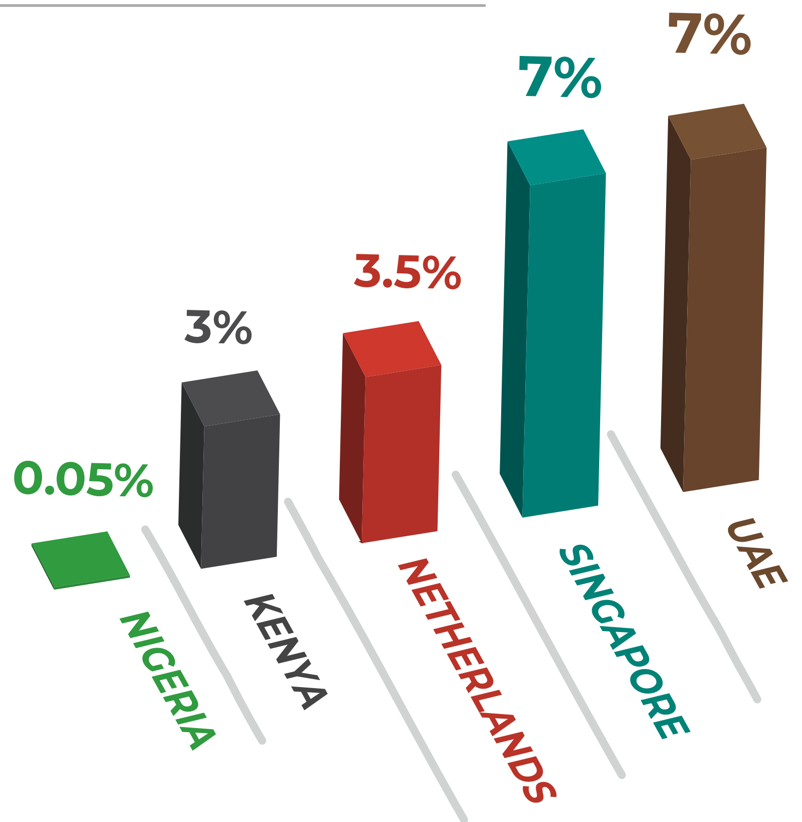
INTRODUCTION

The International Monetary Fund (IMF) Economic and Country report shows that Nigeria is the largest economy in Africa with GDP of $413 billion in 2017. Yet, it trails far behind many smaller economies in Africa in terms of ports and maritime activities. For instance, Nigeria's maritime sector contribution to GDP stand at 0.05% compared to 1.4% in South Africa and 3% in Kenya. The Nigerian port is currently classified among the worst ports in the world due to challenges such as delay of import/export processes, traffic congestion, poor access roads and security concerns.

Unfortunately, over the years, users and operators at the Nigerian Ports have been facing lingering challenges and bottlenecks namely, infrastructure and logistics shortcomings, policy and regulatory inconsistencies, overlapping functions and duplication of roles among the Ministries, Departments and Agencies (MDAs) operating at Nigerian Ports and high incidence of infractions by the MDAs. No doubt, this situation has created avenues for gross misallocation of resources and imposes tremendous costs to the economy; distorting development policies and undermining confidence of foreign and local port users in the Nigerian port operations.

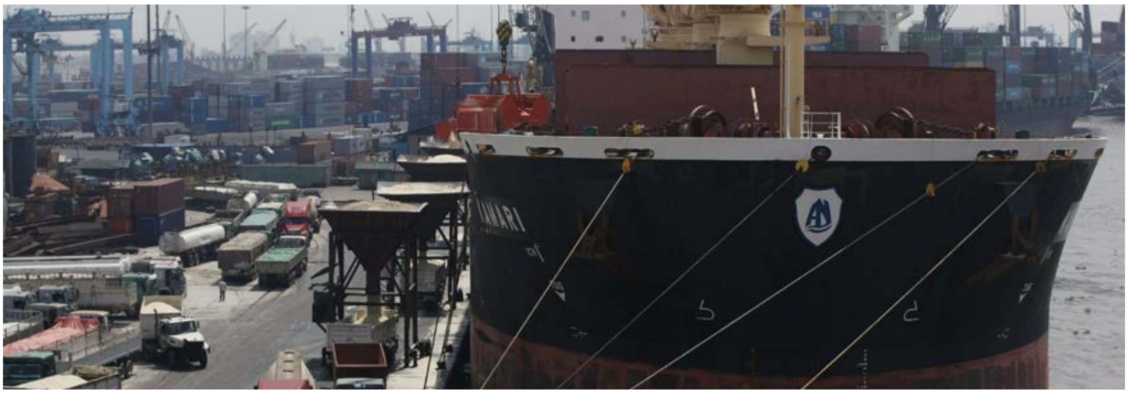
According to the World Bank in its 2017 Annual Ease of Doing Business Report, Nigeria ranks 145 among 185 countries with Mauritius ranking 32 as the best in Africa. From the report, Trading Across Boarders, an indicator for measuring a country's ports effectiveness ranked Nigeria very low at 183 out of 185 countries. This underscores the need to urgently take steps towards reforming port operations in Nigeria.

Maritime Sector Contribution to GDP



Crises in Nigerian Ports is Widely Published

Significant efforts were made in reforming the Nigeria's maritime sector through the partial privatization of the ports in the early 2000s. However, the results of the reforms are below expectations more than a decade after. The regulatory landscape appears complex; with about 14 different public agencies regulating private terminal operators and a myriad of businesses in freight forwarding, logistics, and trade. Consequently, operators and users of the Nigerian ports are faced with bureaucratic red tape, constant delays, high costs, and illegal charges. These governance deficits including infrastructure shortcoming and inadequate facilities at the port translate into real costs for Nigerians. We understand that the unhospitable operating environment in our ports will continue to hurt government's aspiration to grow the non-oil sector and reduce the nation's dependence on oil revenues for national development.



PORT CHALLENGES

Fact Sheet

POOR RANKING ON TRADING ACROSS BORDERS

183 out of 185

2017 World Bank Ease of Doing Business Ranking

POOR AVERAGE TIMELINE FOR CLEARING TEUs

14 Days against 48 Hours

Global standard for clearing TEUs is 48 hour s

POOR SECURITY INDEX

149 out of 163

Transparency International

NO. OF GOVERNMENT DEPARTMENTS IN THE PORT

14 instead of 8

8 MDAs are prescribed

COSTS ATTRIBUTED TO ILLEGAL PAYMENTS

50% for imports

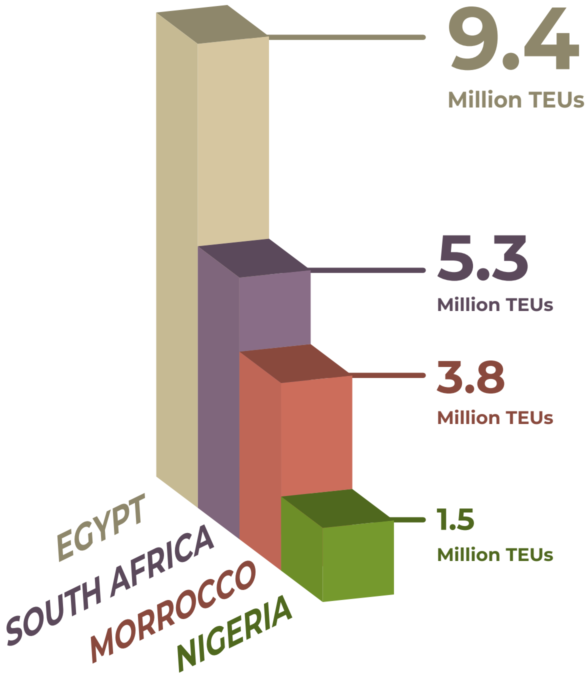
60% for exports

NO OF REQUIRED SIGNATURES

20 for imports

30 for exports

Port Performance: Nigeria Vs Others

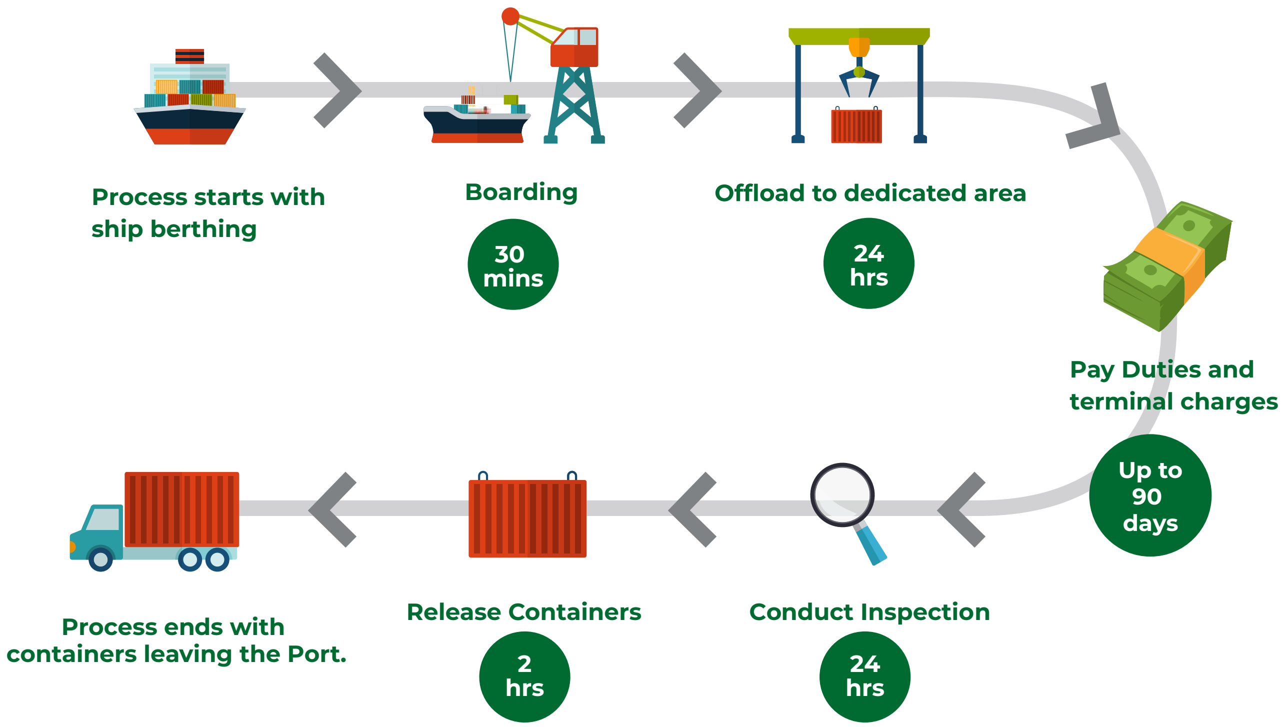


86%
of inward laden containers departs Nigeria Ports empty

Nigeria lags far behind smaller Countries in Africa in terms of volume and value of ports activities.

Source:
UNCTAD (2017) Trade Report

Cumbersome Cargo Clearance Process



Process & Operational Issues

No Integrated Advance Cargo and Customs Clearance System at the Port

While some level of container scanning is currently in place, the proportion of activities for which scanning (estimated at about 10%) is used is too small to have any meaningful effect.

Absence of National Trade Data Centre

The National Trade Data Centre has been established but not accessible by most stakeholders in the port. This has continued to fuel valuation arbitrariness and inherent abuses by many public officials and importers. importers.

Poor Implementation of Single Window Platform

For now, only the customs duty is currently being paid through the window as other relevant agencies remain reluctant to key into the Single Window initiative.

We believe that a sweeping enforcement of the single window platform will reduction/ elimination multiplicity of agencies and stand as the most vital reform measure with an immediate cross-cutting positive impact in the port.

Delays of import & Export Processes

About 10% of cargoes are presently cleared within the set timeline of 48 hours while majority of the cargoes take between 5 to 14 days to clear, some take as long as 20 days or more days to clear.

Deliberate Man-Made (Artificial) by MDAs official currently accounts for approximately 65% and 80% of import clearance and export processing time respectively.

Regulatory and Legal Issues

Multiplicity of MDAs and Security formations at the Ports

The number of public sector agencies/ departments at the ports is now 12 and need to be reduced to 8 in line with Presidential Order and best international port practice.

There is also a need to streamline the number of security agencies, currently between 6 and 10, involved in port operations with different levels of involvement in the cargo clearance processes.

Delay in approving Ports Reform Bills at the National Assembly and the Presidency

About five (5) important bills that are capable of driving the much-needed reforms and investment in the maritime and transport sector are still awaiting passage by the National Assembly for over the last 10 years.

The bills are: National Transport Commission Bill, Port & Harbours Bill (PHB), National Inland Waterways Authority (NIWA) Bill, Coastal and Inland Shipping (Cabotage) Bill and Council for Regulation of Freight Forwarders Bill.

No performance targets for MDAs at the Port

For now, there are no performance standards or targets for the MDAs with regards to timelines and output for processes handled by each of them. Targets such as maximum timelines for each process, volume/ number of import/export transactions processed within a given period will go a long way to resolve delay issues at the ports.

Little or no activity at other Ports outside Lagos

The Lagos ports currently accounts for over 80% of total port volume and value in the country, outside of crude oil export. There is need to urgently restore full operation at the Eastern ports to reduce the current pressure on the Lagos Port and roads.

Transport and Logistics Issues

Travel time to and from Lagos Ports	Trucks currently spend days and sometimes more than one week to access the port from Lagos main-land due to serious traffic hold-ups. Barring the traffic situation, the journey should have taken about one hour.
Absence of Functioning Rail tracks to and from the Ports	The is no functional rail track to and from the ports and this has led to monumental logistics crises for port users over the years. About 5,000 trucks currently seek access to the Lagos ports on a daily basis. The port and its access roads were designed to take only about 1,500 trucks daily.
High and rising Cost of trucking	Trucking costs is high, currently at N250,000-300,000 from the port to Lagos mainland. The cost was N60,000-80,000 about a year ago
Ongoing Repair of Port Roads:	The ongoing repair and reconstruction of port access roads through PPP is commendable but the pace of work has been slow and this compounded the traffic gridlock to and within the ports. The scope of the road repair has just been extended to other port access links beyond the 2km Apapa port road.
Trailer park and trucks Call-up System:	A trailer park that was under construction around Tin Can Port but has been abandoned for some time now. The construction of more trailer parks and the installation of truck call-up system will help to address the lingering traffic congestion.
State of Other Facilities	Weigh Bridge (manual or electronic), warehouse, internet backbone and container scanning machines and other enabling facilities at the ports are either not in place or grossly inadequate. These are areas that Public Private Partnership can be further explored.

Security, Risks and Other Hazards

Tank Farms & Fire Incidence

About 60 tank farms are around Lagos ports most of which were located without recourse to the original design of the ports, traffic consideration or the volatility of the products in the tanks.

Lagos have witnessed rising spate of fuel trucks fire across the state with attendant loss of lives and properties. The most prominent recent case is the Otedola bridge fuel truck fire that clamed nine lives and 60 vehicles in June 2018.

Regular Truck & Container Accident

According to the Federal Road Safety Commission (FRSC), container trucks killed 1,000 people in 308 accidents in Nigeria over the last three years.

Damage of fragile and perishable goods

Feedback from stakeholders confirm that bad port access roads accounts for 90% of accidents that cause damage to fragile imported items leading to significant losses.

In addition, there are painful reports of loss/damage of perishable agricultural export due to extended time spent by the trucks before getting to the ports or the poor condition of warehouses at the ports. For instance, about 25% of cashew nuts being exported from Lagos to Vietnam in 2017 was spoiled or downgraded due to these factors.

Rampant Cases of Stealing & Pilfering of loaded containers

Ports users are worried about the rising cases of stealing/pilfering from loaded and sealed containers along the road to the ports (mostly during the night) and within the ports.

Security, Risks and Other Hazards

Pirate attacks and kidnappings

There are incessant pirate attacks and kidnappings on vessels in Nigeria's territorial waters and the Gulf of Guinea. The high incidence of piracy sustains high shipping costs on Nigerian waters with the cost ultimately transferred to port users and final consumers.

Abandoned vessels/ ship wrecks

There is concern over the safety and cost implications of wrecked ships and abandoned vessels littering the Nigeria's waters. According to NIMASA, about 200 derelict ships and wrecks currently litter our waters.

Shallow Channels and Habours

The Nigerian Channels and Habours remain largely shallow; making it difficult for big vessels to access the ports.

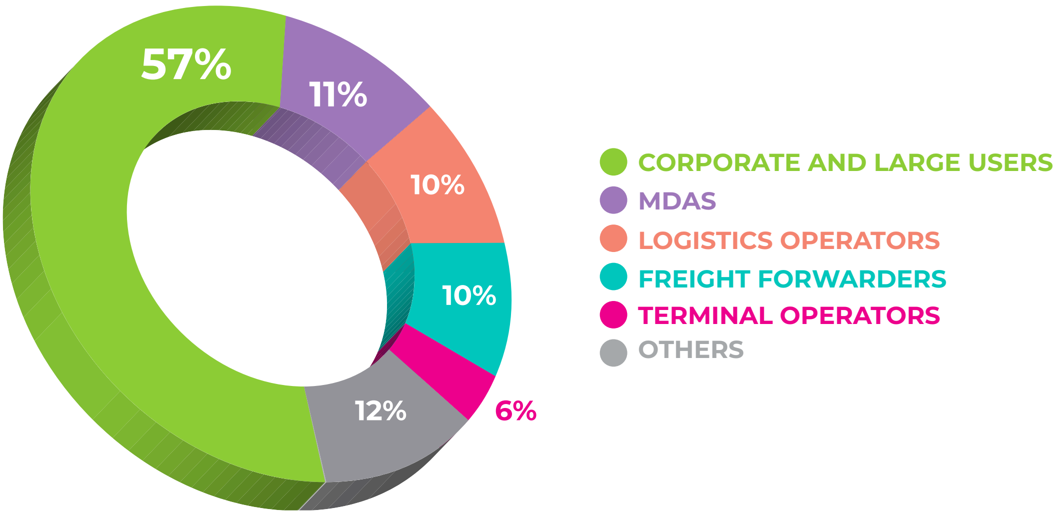
Moral Hazard and Business Ethics among the Port Users

It is estimated that about 70% of importers/exporters in connivance with clearing agents under-declare their cargoes by falsifying or changing documents and inducing of MDAs officials.

There is the need to introduce stiffer consequences for wrong/under declaration of imported goods, including naming and shaming of serial violators.

FEEDBACKS FROM STAKEHOLDERS

Survey Participants



91% of ports users say that corruption remain a big issue at the Ports

100% of ports players are affected by transport and logistic crises.

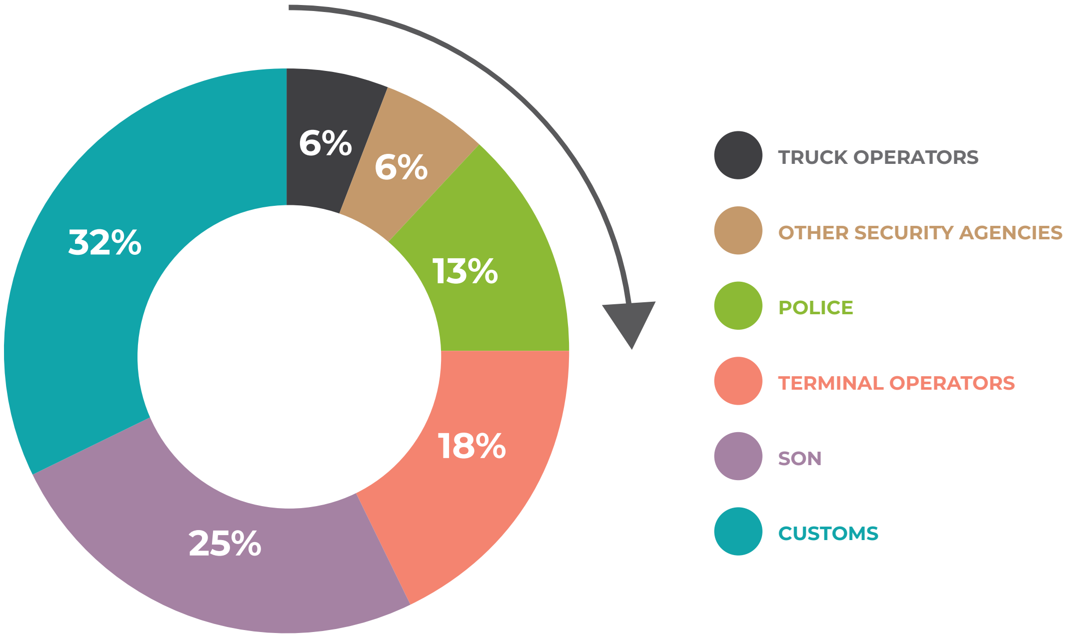
85% say that previous reforms in the ports didn't yield positive outcomes

95% of port processes are predominantly manual

*Note:
1. Feedbacks cover 79 Industry Leaders
2. Others covers survey in the six market clusters in Lagos that are mostly import heavy, financial institutions and container scanning agents

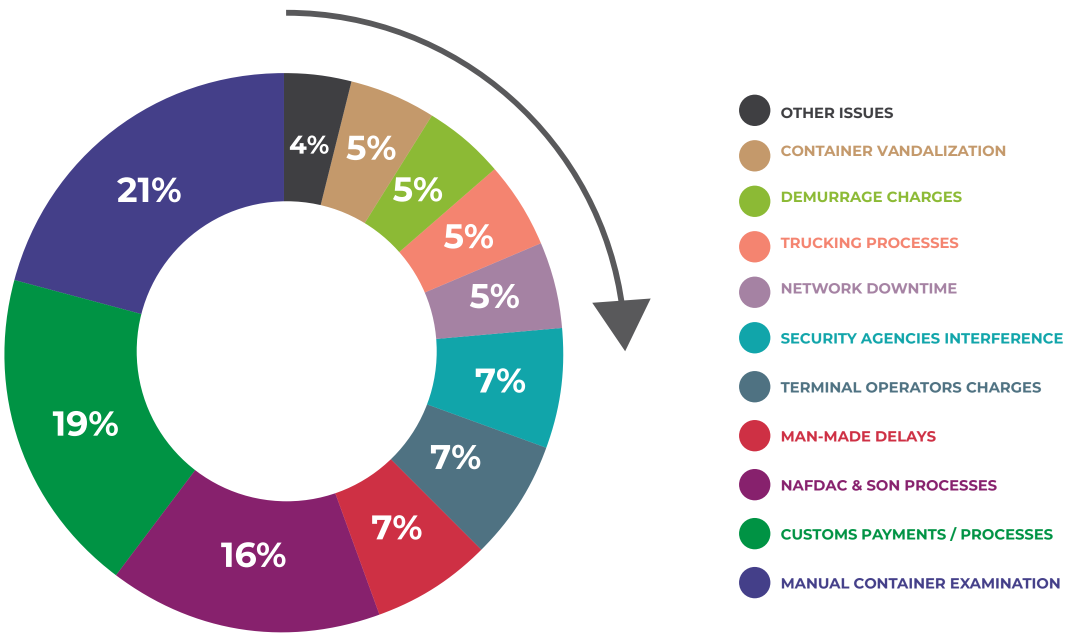
Agencies/organisations that have the most adverse impact on Port users

Multiplicity of security agencies such as police units, SSS, NDLEA (etc) and ethical issues of some MDAs officials continues to cause process delays, fuel illegal charges and add more burden on port users. This is adding to the already high costs of doing business at the Nigerian ports



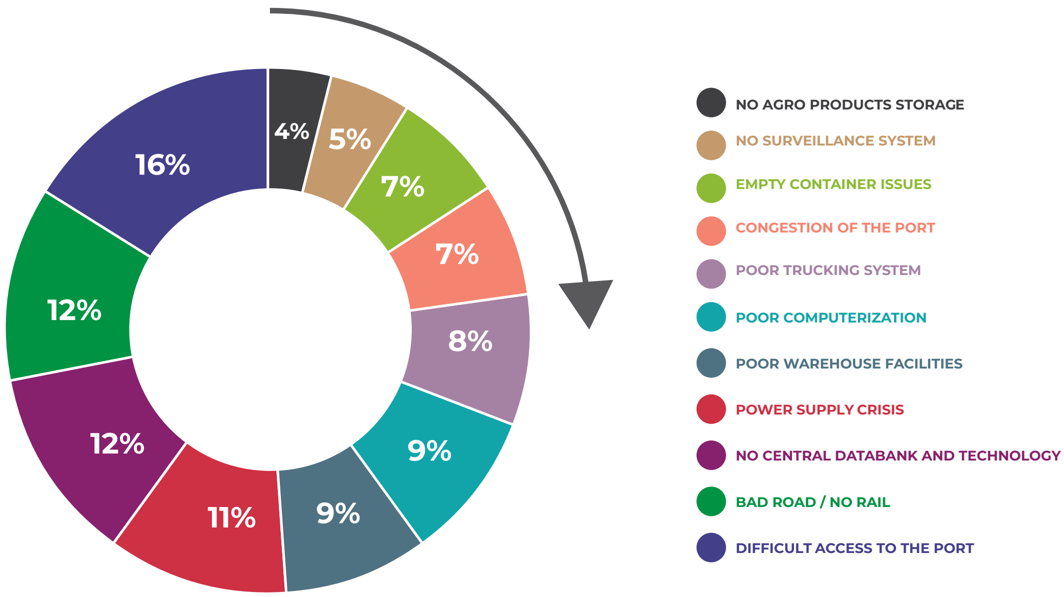
Top process and operational challenges currently faced at the ports

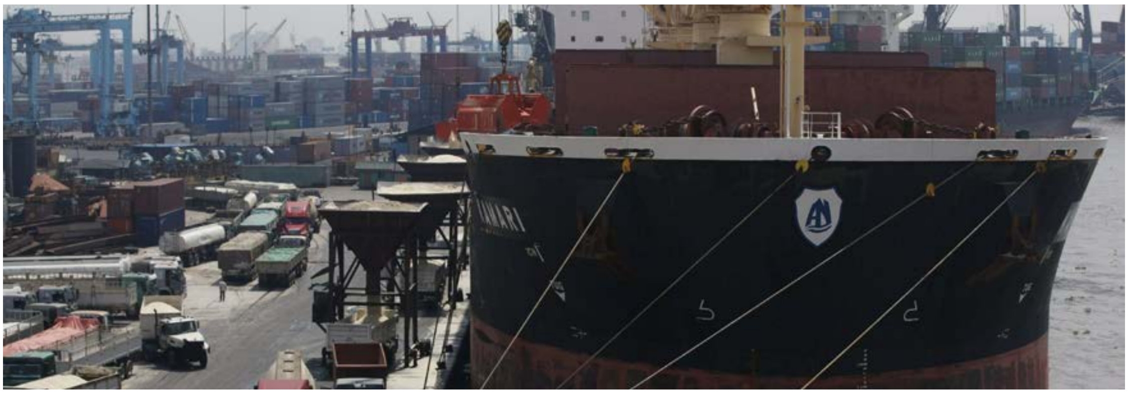
As shown in the chart, manual process of container examination, Customs, NAFDAC and SON processes are the top operational challenges faced by ports users.
This is amplified by the large number of MDAs at the ports, illegal payments, deliberate process delays and poor infrastructure/facilities at the ports.



Top infrastructure and facility challenges affecting operations at the port

As expected, difficulty in accessing the ports among other issues including acute lack of modern and functional technology such as process automation, valuation database, surveillance equipment tracking systems) continues to inhibit the potentials of Nigerian maritime sector.
This places the country's ports at a bottom position in global ranking.





COST IMPLICATIONS OF THE PORTS CRISES

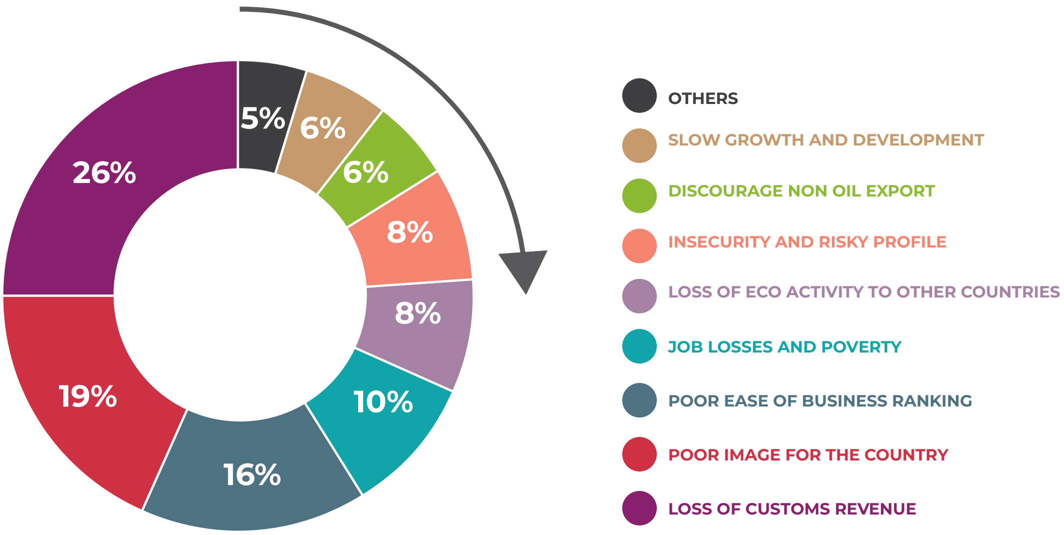
Costs on Government Revenue & GDP

The research finds that government is currently losing about N600 billion in customs revenue due to sub-optimal performance of the ports. For instance, it was estimated that with a capacity of 3 million TUE (which is still far less than South Africa's volume of 5.5 million TUE), the Nigerian customs should have realized as much as N1.25 trillion as against the N629 billion it realized from 1.5 million TUE in 2017.

In addition, the maritime sector's contribution of 0.05% to GDP did not reflect its potential as a regional transit port. Research shows a baseline of 3% GDP contribution of regional transit ports across the world. Consequently, we estimate the current downside effect of ports crises on Nigeria's GDP at $14.2 billion.

Impacts of Port inefficiency on the government

From the survey, it is evident that government also share a large part in the ongoing anomalies in the ports ranging from loss of revenue to rising poverty.
The survey findings strengthen calls for government to urgently find and implement sustainable measures to address the challenges



Costs on Jobs and Incidence of Poverty

The maritime ports sector currently employs about 35,000 Nigerians. This is low when compared to South Africa where maritime and allied sector currently provide about 700,000 direct and indirect jobs. With the rising rate of unemployment (from 14.2% in 2016 to 18.8% in 2017), the ports sector can become a job hub with dedicated reform approach. In addition, the 2018 report by the Brookings Institution on World Poverty Clock shows that Nigeria now has over 87 million people living in poverty. The report adds that six Nigerians become poor every minute.

Estimates from the research show that about 10,000 direct new jobs in the maritime ports sector and approximately 800,000 jobs in the industry can be generated over a two-year period given a more efficient and productive ports operation in Nigeria.

Costs on Industrial Capacity

The study finds that industrial capacity utilization in Nigeria currently stand at 38-40% from 53-60% level in 2015. Our estimate also shows that a minimum of N2.5 trillion in revenue is lost annually within the business community due to inherent inefficiencies at the ports. Approximately 40% of businesses located around the port community have either relocated to other areas, scaled down their operations or completely closed down their businesses. This also collaborates with BusinessDay report of 17th August, 2018 which shows that profit margins of corporate entities using the Apapa port have reduced drastically as logistic costs have increased significantly by 250%. These have a huge adverse implication to tax revenue, job creation and real economic activities.

Thus, the costs to businesses which are quite horrendous, are as follows:

- Astronomical increase in transport costs by between 200 and 500%;
- Disruption of production schedules of manufacturers as raw materials are not delivered to factories in good time;
- Costs and risks of holding unreasonable level of inventory by companies in the bid to hedge against running out of raw materials arising from difficult access to the ports;
- Lower capacity utilization which currently stand at 38-40%;
- Increased interest cost (borrowed fund) used for import transactions;
- High demurrage charges as a result of delay in cargo clearing process;
- High insurance premium of vessels coming to Nigeria and trucks conveying containers to and from the ports;
- Higher shipping and terminal charges; and
- Paralyzes of industrial and commercial activities in the Apapa axis.

Costs on Real Estate Located around the Port Community

Property market around Apapa (port community) has hit 60% vacancy rate. In addition, property prices in the area is now down by about 50%. For instance, a parcel of land which sells for N200 million in Ikeja GRA now sales sell for between N80 million and N100 million in Apapa after an extended period of wait in the market.

It was confirmed that about 70% of buildings on major connecting roads in the port community such as Liverpool Road, Creek Road, Wharf Road, Point Road, Child Avenue, North Avenue and others have estate agents' boards for let and sale. This implies that the impact of the ports crisis on real estate investments and other businesses located around the ports is phenomenon.

Costs on Non-oil Export/ Proceeds

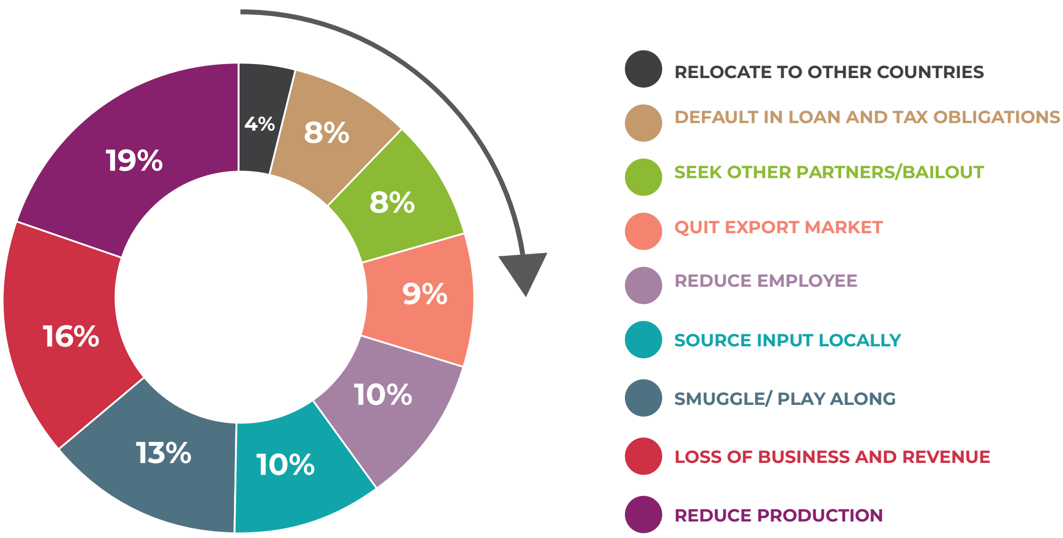
The persistent difficulty in accessing the nation's major seaport, Apapa, is taking its toll on movement of non-oil exports and affecting foreign earnings. According to our estimates, Nigeria exporters lose $10bn annually due to Apapa gridlock. This is coming at a time when the country is advocating for diversification in foreign exchange (FX) earnings.

Feedback from operators in non-oil export highlighted varying degree of losses/damage to their agricultural products due to extended time spent by the trucks before getting to the ports coupled with poor condition of warehouses at the ports. For instance, about 25% of cashew nuts being exported from Lagos to Vietnam in 2017 got damaged or were downgraded due to port challenges.

How are Businesses Responding to the lingering Port Crises?

The sustained inefficiencies at the Nigerian ports continue to take tolls on businesses and the larger economy.

As a consequence, businesses are shrinking, closing down or running far below installed capacity with implication on trade flows and GDP.



SUGGESTIONS

Evidence from Other Countries

Reduction of Port Congestion

Netherland Port in Rottenderm, the largest port in Europe, also faced serious congestion in the port. However, as part of reforms to decongest the port, the Port Authority:

- Allocated different terminals to the ships arriving based on their size and number of containers carried. This helped to free up main terminals for the vessels with high capacity.
- Deployed efficient cranes to unload vessels with high capacity. This made the processes associated with unloading of containers faster.
- expanded use of inland port facilities; riding on efficient rail system and water tracks. Containers meant for inland shipping were bundled at one location i.e. Uniport Terminal in the Waalhaven area. This allowed for the other terminals to be free for sea going vessels.

Singapore is the shipping hub in Asia and at a time when there were congestions and other issues in the port, the country created a Research and Development Unit called The Maritime Innovation and Technology (MINT) with massive investment, about 150 million dollars was invested in the unit.

Faster and Convenient Port Clearance Process and Procedures (Efficiency)

The Singapore straits are monitored by the Maritime Port Authority's (MPA) port operations control centre, using Vessel Traffic Information System (VTIS) which has the capacity of handling up to 10,000 tracks at any one time. Annually, more than 130,000 ships call at Singapore with at least 1,000 vessels in the port at any one time. Every 2-3 minutes, a ship arrives or leaves Singapore. Although Singapore does not produce any oil, it is the top ship refuelling port in the world. In 2015, more than 45 million tonnes of bunkers were lifted in Singapore. Today there are more than 5,000 maritime establishments contributing about 7% to Singapore's GDP, and employing more than 170,000 personnel.

Shanghai port in China currently stands as the busiest port in the world with an estimated 35.29m TEU annually.

The performance of these ports was achievable by Government and Private sector participation in providing needed infrastructure and maintenance. An efficient good road network is crucial to improve productive manpower, which reduces clearing/delivery time for containers in and out of the ports.

Elimination of Excess Government Agencies and Charges

The Ghanaian Government have recently authorised the cancellation of terminal handling charges by shipping lines at the ports. This act being put in place would improve the timeline to clear containers at the ports by eradicating delays and excessive charges on cargoes.

According to NPA report, there are six Government regulated agencies that are legally authorised to be at the ports and conduct all forms of inspection and certification. Unfortunately, we currently have more than twelve. The illegal excesses have to be investigated to encourage the ease of doing business at the port.

Technology and Innovations to cut down on corruption and other forms of illegality

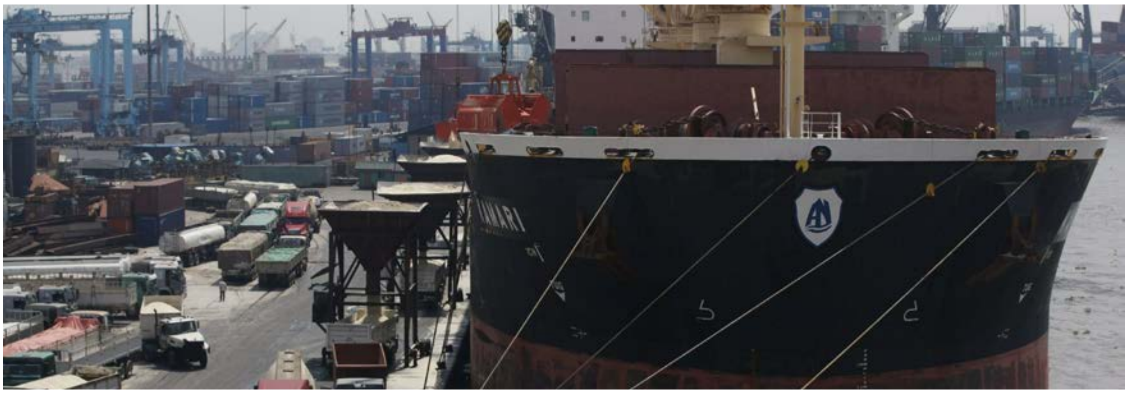
With the introduction of the online vessel shipping system at the Ghanaian Ports, port activities are currently showing tremendous growth as shipping lines can conveniently apply for vessel space from the comfort of their homes. Currently, a vessel booking meeting is conveyed where shipping lines assemble for the allocation of berthing space for their vessels. This has however improved efficiency and service delivery at the port.

The implementation of the Nigerian Single Window trade is very crucial at this point is enhancing service deliveries across various port activities. This innovative concept provides port users the opportunity to access all resources and standardised services from the different Government agencies. This would further eradicate the unlawful charges and hitches associated with these agencies.

Creation of a National Trade Data Centre

The Singapore registry of ships (SRS) is among the top 10 largest registries in the world. Today SRS has over 4500 vessels registered in its database commanding about 70% share of the world's jack-up rig-building market and 70% of the global floating production storage and offloading (FPSO) platforms market.

The Creation of a National Trade Data Centre remains critical in integrating the various processes and value chain management within the ports to achieve increased efficiency and adopt global business practices.



CONCLUSION

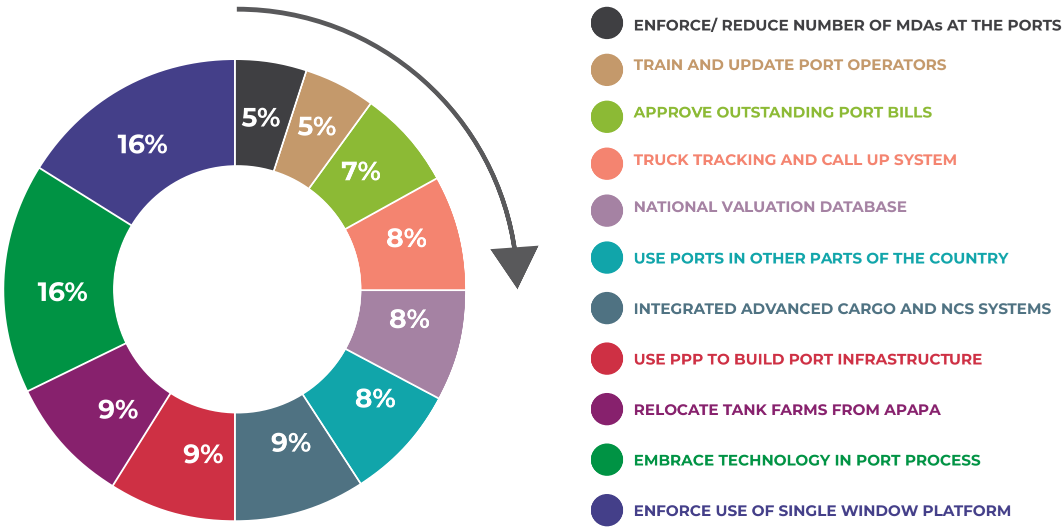
Estimates from the research show that about 10,000 direct new jobs in the maritime port sector and approximately 800,000 jobs in the industry can be generated over a two-year period given a more efficient and productive port in Nigeria. These estimates are potentially feasible under the assumption that the port can double its 2017 non-oil volume of 1.3 million TEUs within a period of 24 months and from that point, grow consistently at 15-25% annually.

Our estimate shows that 25% improvement in port performance will ultimately translate to 2.1% increase of GDP. In addition, the research also finds that about N2.5 trillion in revenue is lost annually within the business community due to inherent inefficiencies at the ports. This has huge adverse implication to tax revenue, job creation and real economic activities.

We are certain that the successful implementation of recommended reform measures will reverse this leakage in the near term.

Major Reform Suggestions to address the Observed bottlenecks at the Ports

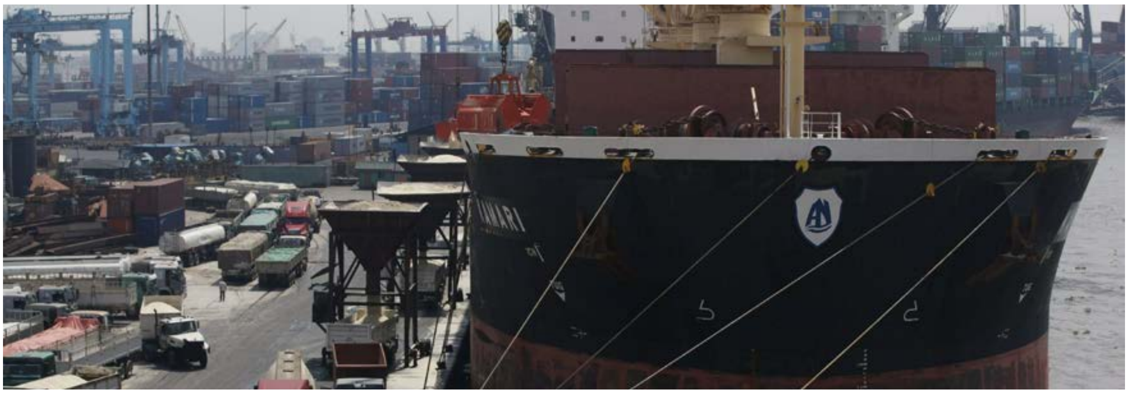
The chart highlights major reforms suggested by stakeholders at the ports. Interestingly, most of the listed reforms are within the regulatory power and resources to implement within a reasonable time frame.



This research noticed a worrisome level of deliberate resistance by some MDAs to implement/enforce enabling regulations including the 2017 Presidential Executive Orders relating to the ports. Fights for supremacy, conflict of interests among the MDAs and revenue ambitions that conflicts trade facilitation objectives among the MDAs are common issues. Thus, the success of the ongoing reforms in the ports is largely predicated on the continued buy-in and political will of the Presidency and PEBEC.

We believe that with dedicated, inclusive and consistent implementation of the above policy measures, the Nigerian ports will begin to move on the path of efficiency and growth. It is widely acknowledged that coordinating port reforms is a big deal due to multi-level fragmentation of stakeholders, vested interests and the diversity of MDAs involved.

The government and private sector are certain that one of the starting points for activating the diversification objective of the present administration is fixing the ease of doing business at the nation's ports. Overall, political will, active enforcement and monitoring framework that flow right from the Presidency down to the MDAs is the most essential enabler to succeed and sustain the present port reforms.



APPENDIX

Appendix 1: Policies & Process Enablers – Feedbacks from the OPS

		Recommended Action Plan	Responsibility	Timeline
1	**Harmonisation of operations into a single interface station**	PEBEC should drive the compliance of this executive order at the Apapa Port to ensure that all MDAs approved to be in the port are all stationed in a single location.	**PEBEC**	**90 – 120 days**
2	**Adoption of the Single Trade Window.**	PEBEC should urgently issue an ultimatum of not more than 90 days for all statutory agencies to be on single window platform PEBEC should also urgently drive the use of the Customs clearing/Trading platform by all MDAs mandated to operate in the cross-border sphere.	**PEBEC**	**90 – 120 days**
3	**Traffic gridlock and poor traffic control system**	There is the need for coordinated and integrated traffic control system on Port access roads	**NPF, FRSC and LASTMA**	**Immediately**

4	**Returning containers to Shipping Companies**	The Shipping Companies should be compelled to relocate all empty containers to their empty depots. They should also be compelled to have holding bays at the Ports.	**NPA/NSC**	**6 Months**
5	**Resumption of 24-hour Port operations**	The NPA should enlighten all port stakeholders on the processes in place for 24-hour port operations	**NPA**	**Immediately**
6	**Dishonest Importers and Clearing Agents**	Government and the Organized Private Sector to embark on extensive enlightenment campaign and introduce stiffer consequences for wrong/under declaration of imported goods, including naming and shaming of serial violators.	**NCS/NSC /OPS**	**Periodically**
7	**Non-use of open roof containers for importing used items.**	Shipping companies should be compelled to use open roof containers for importing used items into Nigeria.	**NSC/NPA**	**Immediately**
8	**Multiple security agencies working at cross purposes**	There is a need for security agencies to synergize their operational strategies to remove duplicated procedures which breed inefficiencies and corruptions. Full automation with minimal human interface is also recommended.	**PEBEC**	**Immediately and continuous**
9	**Non-passage, harmonization or signing of all pending Maritime Sector Bills**	Advocacy groups and PEBEC to work with the National Assembly to complete the passage, harmonisation and signing of the pending maritime sector bills.	**PEBEC & Advocacy Groups**	**90 days**

10	**Multiple Customs Checkpoints across the Country**	NCS to ensure compliance with ECOWAS Protocol limiting checkpoints to 20km from designated geographical boundaries by dismantling all Customs check-points not at designated places.	**PEBEC**	**90 days**
11	**Uncoordinated activities of the Standard Organisation of Nigeria (SON)**	SON to be prohibited from arresting any cargo in transit from the port to warehouse. They could visit the warehouse after delivery – but should be prohibited too from demanding payment of inspection charges for cargo that they DID NOT inspect. FGN's directive for SON to visit the ports only on the invitation of customs must be strictly enforced.	**FGN/FMITI/ NSC**	**Immediately and continuous**
12	**Custom's Focus on Revenue Generation**	The mandate of the NCS should be changed to trade facilitation rather than revenue generation	**PEBEC**	**6 Months**

Appendix 2:
Infrastructure & Facilities Enablers – Feedbacks from the OPS

		Recommended Action Plan	Responsibility	Timeline
1	**Establishment of dedicated export terminals for agricultural products**	PEBEC should engage all Terminal Operators to resolve all issues delaying the dedication of terminals for exporting agricultural exports.	**PEBEC, STOAN, NEPC/NCS**	**Immediately**
2	**Lack of equipment at examination bay**	Terminal Operator should provide modern standard equipment for inspection at the examination bay	**NPA, STOAN**	**Immediately**
3	**Non-functioning of Scanning Equipment**	The Nigeria Customs Service should ensure the continuous efficient functioning of the scanning equipment with a view to adopting an Integrated Advance Cargo and customs Clearance Systems with scanning, sealing and tracking (SST) capabilities.	**NCS**	**Immediately**
4	**Access Roads to ALL Seaports. Airports and Land ports/ borders in Nigeria**	Fix ALL such access roads.	**Federal Ministry of Work, Housing and Power**	**Immediately and continuous**

5			
The infrastructure in the seaports have not met the minimum agreements negotiated by the BPE with seaports terminals concessionaires.	All seaport terminal operators should provide the required infrastructure as negotiated	THE PRESIDENCY Bureau of Public Enterprises The Secretariat of National Council on Privatisation **BPE, ICRC, NPA, NIWA, NSC**	**Immediately and continuous**
6			
MOST off – dock terminals/bonded warehouses are significantly lacking in cargo handling equipment and optimal office facilities for customs and non – customs agencies	All required infrastructure should immediately be provided	**NSC, NPA, NIWA**	**Immediately and continuous**

Lists of Abbreviations

ASYCUDA	Automated System for Customs Data
BMO	Business Membership Organization
CBN	Central Bank of Nigeria
CIPE	Center for International Private Enterprise
CRFFN	Council for the Regulation of Freight Forwarding in Nigeria
CVFF	Cabotage Vessel Financing Fund
DSS	Department of State Security
FGN	Federal Government of Nigeria
FMOT	Federal Ministry of Transportation
FIRS	Federal Inland Revenue Service
FRSC	Federal Road Safety Commission
FOU	Federal Operations Unit
GDP	Gross Domestic Products
IMO	International Maritime Organisation
LASTMA	Lagos State Transport Management Agency
LCCI	Lagos Chamber of Commerce and Industry
MAN	Manufacturers Association of Nigeria
MDA	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
MINT	Maritime Innovation and Technology
MSME	Micro, Small and Medium Enterprises
NACCIMA	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
NAFDAC	National Agency for Food and Drug Administration and Control
NASM	Nigerian Association of Small and Medium Enterprises
NASSI	Nigerian Association of Small Scale Industrialists
NCS	Nigeria Customs Service
NDLEA	National Drug Law Enforcement Agency
NECA	Nigeria Employers Consultative Association
NEPC	Nigeria Export Processing Commission
NICIS	Nigeria Integrated Customs. Information System
NIMASA	Nigerian Maritime Administration and Safety Agency
NPA	Nigerian Ports Authority
NIS	Nigeria Immigration Service
NIWA	National Inland Waterways Authority
NQS	National Quarantine Services
NSC	Nigerian Shippers Council
NSDCD	Nigeria Security and Civil Defence Corps
NSIA	Nigerian Sovereign Investment Authority
NSW	Nigerian Single Window
NTB	National Transport Bill
NTC	National Transport Commission
OPS	Organised Private Sector
PAAR	Pre-Arrival Assessment Report
PEBEC	Presidential Enabling Business Environment Council
PHA	Port Health Authority
PHB	Ports Harbour Bill
PPP	Public Private Participation
SON	Standard Organisation of Nigeria
SOP	Standard Operation Procedures
SSS	State Security Service
SST	Scanning, Sealing and Tracking
STOAN	Seaport Terminal Operators Association of Nigeria
TEUs	Twenty-foot equivalent unit
UNCTAD	United Nations Conference on Trade and Development

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About LCCI

The Lagos Chamber of Commerce and Industry (LCCI): Established in 1888, the Lagos Chamber of Commerce and Industry (LCCI) is the foremost and largest private sector group in Nigeria with over 2,050 corporate members, accounting for an estimated 60% of industrial output, 65% of general commerce and 75% of financial services in the country. LCCI's mission is to promote and protect the interests of its members and the business community at large through public policy advocacy, creation and facilitation of commercial and industrial opportunities, provision of business services and observance of the highest standards of business ethics. Find out more by visiting us at **www. lagoschamber.com**

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