PORT CONCESSIONING POLICY AND MARITIME EFFICIENCY IN NIGERIA

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Abstract

The study is an analysis of the port concessioning policy in Nigeria and its impact on port efficiency and productivity of the ports in the country. Port concessioning in Nigeria was part of the reforms that became necessary as a consequence of the inefficiency in port operations in the country. As a result of the inefficiency, there was a high cost of processing imported goods leading to Nigeria's exports becoming uncompetitive in the international market. The study highlights the various aspects of the port reform policy and the efforts of government towards realizing the set objectives of the 2006 port reforms, as well as the effects of the port reform policy on maritime efficiency in Nigeria. The work used the qualitative research method and utilized secondary data that was analyzed through content analysis. Relying on the political systems theory as analytical framework, this paper argues that port reforms in Nigeria was an attempt to reorganize the ports in such ways that inputs of resources will lead to the output of higher productivity by operators and more profitability for the stakeholders. The paper found that as a result of the port reforms, there has been a remarkable improvement in the efficiency levels of the ports, as well as tremendous increase in the cargo throughput at Nigerian ports. The paper recommends that the reforms at the ports should be a continuous exercise, to ensure that Nigerian ports remain ever efficient and profitable, and are in tune with global trends.

Introduction

This study examines the effects of port concessioning on maritime efficiency in Nigeria. Port concessioning refers to the leasing of port operations inside a seaport to enhance efficiency. Nigeria is a maritime nation endowed with extensive maritime resources that can be leveraged for the socio-economic benefit of the country and its populace. The shoreline measures 853 miles, while the inland waterways extend to 8,575 kilometres, mostly

comprising the Rivers Niger and Benue, along with many minor rivers and creeks. Nigeria possesses a maritime area of 46,500 square kilometres and an exclusive economic zone (EEZ) of 210,900 square kilometres, rich in productive open sea and diverse maritime resources (NIMASA, 2009). Nigeria possesses seven principal seaports, along with several jetties and terminals. The seaports include Apapa Port, Tin Can Island Port, Warri Port, Calabar Port, Port Harcourt Port, Onne Port, and the recently established Lekki Deep Seaport. The Nigerian Ports Authority (NPA), formed in 1954 and operational since 1956, oversees Nigeria's seaports and marine facilities. NPA implemented the service port model when port operations began in Nigeria.

A seaport is a coastal area featuring one or more harbours where vessels can berth and transport passengers or cargo to and from land (Eniola et al. 2014). Seaports serve as crucial economic gateways for a nation and constitute a complex framework within the transportation system, offering ship-harbour, ship-port, and port-land interface services (Ogunsanya & Olawepo, 2008). Ship-harbor interface services including pilotage, dredging, berth provision, and navigational channel maintenance. The ship-port interaction encompasses the loading and unloading of cargo from vessels at ports. The port-land interface entails the transportation of cargo between ships, ports, and the hinterland. The seaport serves as a coastal interface and the location where ships commence and conclude their journeys. Port locations are typically chosen to maximise accessibility to both land and navigable water, as they represent a junction between terrestrial and marine environments (Maduka, 2004).

Seaports serve not only as a conduit for transportation and exchange but also operate as a self-sustaining business interconnected with both domestic and international trade (Okeudo, 2013). Following the initiation of the NPA's operations in 1956, Nigeria rapidly extended her port capacity. New ports were constructed, and existing ones were modernised and enhanced. Over the years, Nigeria's marine sector has evolved into a substantial business including numerous distinct, yet interconnected operations conducted by various groups and authorities (Filani, 2008). The ports had significant physical growth over time, particularly the two primary ports in Lagos—Apapa and Tincan—along with the Onne Port in Rivers State. Nonetheless, despite the physical enhancement of the ports and the rise in nautical activity, the ports became inefficient. By the 1990s, Nigerian ports exhibited markedly poor efficiency levels.

Inefficiency led to prolonged turnaround times for vessels and extended container stay periods. This indicated that it frequently required weeks to unload and reload a vessel, rather than the normal 48 hours. Furthermore, the labour force was overstaffed and inefficient, cargo experienced significant theft, and port fees were exorbitant. The port infrastructure necessitated significant reconstruction and rehabilitation, demanding considerable financial investment, which the federal government was hesitant to supply due to the prevailing operational inefficiencies in the sector (Bachaka, 2011). Over time, the ports encountered numerous obstacles. Consequently, the government chose to concession the ports. This led to the concept of transitioning to the landlord port model (Eniola et al. 2014). Concessioning refers to the process of outsourcing the management and operation of specific port sections to the private sector for a designated duration (Ndikom, 2008). Port concession is equivalent to the landlord port concept.

The Obasanjo administration approved port concessioning as a policy in 2002 and subsequently tried to lease port operations in Nigeria to various private companies. In 2001, the Dutch maritime advising firm Royal Haskoning BV was commissioned to conduct

an evaluation of Nigerian ports and provide recommendations for enhancing their efficiency (Leigland & Palsson, 2007). The research, now referred to in Nigeria as the "Haskoning Study," determined that the administrative style and operational methods at Nigerian ports were contrary to efficiency and productivity. The report examined the prevalent alternatives to the government's port management model and advocated for the landlord method, which the government subsequently adopted, with implementation commencing in 2002. This model assigns the public sector the duties of port planning and regulatory functions concerning safety, security, and environmental matters, while retaining ownership of port-related land and fundamental infrastructure. Conversely, the private sector is tasked with marine and terminal operations, construction, procurement, and ownership of superstructure and equipment (Leigland & Palsson, 2007).

This study examines the effects of port concessioning on maritime efficiency in Nigeria. This paper examines the initial decade of the port landlord system in Nigeria, spanning from the transfer of terminal operations to new operators in 2006 until 2015. The study seeks to address several enquiries, specifically, what is the correlation between port improvements and port efficiency? What characteristics favour concessioning over the service port model of port administration in Nigeria? What factors hindered the government's ability to operate the ports efficiently in Nigeria, despite significant physical development? This study aims to analyse the implementation of port concessioning in Nigeria and its potential to address the inefficiencies plaguing Nigerian ports. This study will substantially enhance understanding in public policy analysis by investigating the formulation and execution of the port concession policy in Nigeria, alongside evaluating its outcomes, particularly concerning the aims of the concession.

Methodology

This research employs a qualitative methodology. Qualitative design is characterised by its descriptive nature and the collection of secondary data. This research utilised accessible data sources, including newspapers, periodicals, books, journals, and government agency reports. This design is appropriate as it facilitates the collection of data on the subject, together with materials from the ports. The ports in Lagos were utilised to obtain the necessary data. Additionally, other pertinent documents consist of studies detailing primary data collected through surveys, interviews, and observations conducted by researchers for public dissemination. The data was collected from many sources over an extended timeframe, encompassing the study period. The data were cross-referenced, which aided in mitigating bias. The content analysis method was employed for data analysis.

Theoretical Framework

This paper use systems theory as an analytical framework. This view is appropriate as it perceives policies as occurring within the political system. The theory of political systems was proposed by David Easton in 1953. He posits that a political system comprises an interconnected array of activities, roles, and relationships that function within a political milieu, which supplies inputs to the system and subsequently transforms these inputs into outputs. Inputs denote the acts produced inside the political environment that influence the system. Inputs manifest as demands and support. Demands entail acts by individuals and groups requesting the authoritative distribution of resources from governing bodies, including necessities such as roads, water supply, energy, and essential services. Support consists of activities by individuals and groups that assist the government in fulfilling its responsibilities, including compliance with the law and the remittance of taxes. A system is presumed to

react to its environment. The environment encompasses any state or occurrence that is external to, yet influences, the political system.

Inputs are introduced into the conversion box. This is the juncture of decision-making, where inputs are transformed into laws and policies. The input box is the domain of individuals and groups, including the executive who oversees it, whereas the conversion box is the domain of legislators. The conversion of inputs into outputs occurs during the legislative process. This process does not conclude within this box; it extends to the output box, where the regulations and policies derived from the conversion box are ultimately transformed into commodities and services. This is the strength of the executive, or more accurately, its bureaucratic portion. Contracts are given or work is commenced and monitored in the output box until the contractors or workers provide the anticipated goods or services. Feedback circulates between the boxes and the environment, informing subsequent encounters and activities. Equilibrium in the political system occurs when outputs correspond with inputs, whereas systemic disequilibrium arises when the opposite is true (Onah, 2010).

The theory examines policy-making at the macro level and elucidates that for policy to fulfil its intended objectives, it transcends mere decision-making to encompass other elements that affect policy implementation. Systems theory elucidates the connections between policy actors and external elements that may affect the successful execution of policy. The concessioning policy was developed based on feedback from stakeholders in the maritime industry, who expressed desires for a new policy to resolve persistent challenges impacting port efficiency in Nigeria. The stakeholders comprised indigenous shipping firms, government-operated shipping agencies, maritime labourers and administrators, seafarers, maritime consultants, and professional organisations such as the Nigeria Chamber of Shipping, Indigenous Ship-owners Association of Nigeria, and the Nigerian Association of Licensed Custom Agents, among others.

The executive branch of government compiled the demands and submitted them as the Port & Harbour Authority Bill to the legislative branch of government. The National Assembly subsequently refined the inputs and enacted the law upon receiving the President's consent. Since then, the NPA has focused on its landlord role, specifically creating and maintaining Nigerian seaport systems while delegating port operations to private terminal operators. The theory will assess the extent to which the parties have executed their mandates, as well as the current efficiency and profitability of Nigeria's ports, and whether equilibrium exists within the Nigerian seaport system.

Background to Port Concessioning and Reforms in Nigeria

The Nigerian economy experienced a downturn in the late 1980s, leading to inefficiencies within the ports sector, which was marked by infrastructural deficiencies and mismanagement. The port system hindered the efficient transfer of cargo, hence obstructing trade facilitation (Dikki, 2015). By the 1990s, it became evident that NPA's governance system, with its dual role as both regulator and operator, was marked by significant centralisation, restricted autonomy, governmental meddling, an onerous bureaucratic structure, and an excessive workforce. Despite the sector being intended for regulation by the NPA, authorisation from either the President or the transport minister was necessary for nearly all significant decisions. Consequently, critical decisions impacting both policy and operations within the sector had nearly reached an impasse. Furthermore, the NPA, which oversaw the regulation of port operations and engaged in daily operations, possessed the ability to

establish its own tariffs. NPA was so predisposed to increase its pricing to address internal budget problems, rather than striving to enhance efficiency and production. By the conclusion of the 1990s, successive tariff escalations, coupled with rampant inefficiencies and inadequate governance, rendered Nigerian ports among the least efficient globally (Leigland & Palsson, 2007). Moreover, the involvement of certain private enterprises in various port operations, encompassing short- and medium-term contracts, frequently in conjunction with public operations, led to fragmentation and redundancy of responsibilities, thereby escalating shipping and freight handling costs and significantly impeding the expansion of private companies. The outcome of these factors was not only inefficiency in port operations, leading to elevated costs for processing imported commodities, but also the incapacity of Nigeria's exports to compete in the global market. The ports lost appeal to shippers, primarily due to the following reasons:

The turnaround time for vessels in Nigerian ports was excessively prolonged, with ships being docked for weeks or even months, contingent upon the cargo being loaded or emptied.

The NPA possessed a limited number of cargo-handling facilities and equipment, most of which were inoperable. Shipping companies were compelled to lease this machinery from private firms despite being obligated to pay NPA for the identical equipment; • Dwell time for commodities at the ports was extended due to inadequate port management. Consequently, there was port congestion due to accumulated cargo at the busiest seaports; • In light of the seaport congestion and inadequate management of the port facilities, instances of unaccounted or missing cargoes were increasing against the NPA, with no resolution apparent; • Security within Nigerian seaports was undermined by the continuous influx of large numbers of diverse individuals into the ports. The term "wharf rats" refers to criminals who infiltrated ports to steal items from storage warehouses or car parks. The wharves were dominated by overlords who managed dockworker unions and provided insufficient manpower relative to compensation. This deceitful practice persisted for years, typically executed to maximise profits from vulnerable ship owners and their agents; numerous facilities within various port properties and quay aprons became inoperative and were abandoned. Numerous failed road portions existed within the ports, rendering the transit of goods on port premises practically impossible or exceedingly burdensome.

These issues tarnished the reputation of Nigerian seaports, rendering them among the most expensive in the world. In this context, the necessity for port changes became imperative. The objectives of the proposed port changes were thus situated within the broader endeavour to enhance economic activities in Nigeria and expedite the nation's growth. The specific objectives encompassed expedited cargo clearance from ports, reduced turnaround time for vessels, elimination of redundancies in the operations of security and other government agencies, and the enhancement of trade facilitation. Nigeria was also envisioned as the central hub for foreign goods and trade in West Africa. The Federal government initiated the concession of Nigerian ports as part of this reform to address the persistent issues of inefficiency, corruption, mismanagement, and substantial debts that plagued the ports at that time (Oghojafor, Kuye & Alaneme, 2012). In 1999, the National Council on Privatisation (NCP) was restructured, and the organisation promptly prioritised port improvements. Subsequent to the endorsement of the NCP's grant request for a study aimed at developing a port sector reform strategy for the Federal Ministry of Transport, the Dutch maritime consultancy, Royal Haskoning BV, was commissioned in early 2001 to conduct an

evaluation of the Nigerian ports and propose a strategic direction (Leigland & Palsson, 2007). The study additionally examined alternatives to Nigeria's current port management model and ultimately advocated for the landlord approach, wherein the public sector oversees port planning and regulatory functions (pertaining to safety, security, and environmental concerns) while retaining ownership of port-related land and fundamental infrastructure. In this model, the private sector would assume responsibility for maritime and terminal operations, building, acquisition, and ownership of superstructure and equipment (Leigland & Palsson, 2007).

The port concession was an element of the privatisation initiative undertaken by the Nigerian government at that time. Privatisation served as a mechanism through which the governments aimed to foster and maintain economic progress in the nation. The justification for port privatisation was to establish a conducive atmosphere that would facilitate the advancement of Nigerian ports in accordance with global trends and norms, hence attracting private investment through specific development strategies (Omoke et al. 2015). The Haskoning study proposed that the government implement the "landlord" model by enacting a series of interconnected institutional reforms: • Assign the federal government of Nigeria, via its Ministry of Transport, the responsibility for: formulating and enhancing maritime policy; establishing and sustaining a conducive economic, institutional, and legal framework to encourage private sector involvement; planning and developing new port facilities in alignment with a comprehensive national transport policy; and planning and developing hinterland connections (i.e., roads, railways, waterways, and pipelines). • Segregate the Nigerian Ports Authority into multiple independent port authorities, each accountable for a distinct geographical region. The functions will be amended to align with the “landlord” model, encompassing land ownership and administration, port planning and infrastructure development, leasing and concessioning of port land, tariff policy formulation, and the provision of nautical services, including vessel traffic management. • Assign private companies the responsibility for port operations and services, which include terminal operations, cargo handling, stevedoring, warehousing, and delivery. Companies shall be accountable for investments in port superstructure and equipment, marine-related investments, and vessel maintenance for marine services, while also employing permanent personnel and ensuring adequate training to achieve minimal competency levels. • Execute concession contracts to define the relationships between public sector "landlords" and private sector terminal operators. The concessionaires will be chosen based on their readiness and capacity to adhere to several essential contractual stipulations, including: • Concessionaires must provide appropriate compensation to the Port Authority for the concession of land and operations, and maintain direct communication (and contracts) with shippers, who will compensate the operators directly without intervention from the Port Authority (Leigland & Palsson, 2007).

The 2006 Port Concessioning Process in Nigeria

The National Council on Privatisation approved the landlord port model for Nigeria after the presentation of the Haskoning Final Report. The Federal Ministry of Transport subsequently elaborated the legal and regulatory framework for execution, developed restructuring and concession plans, and facilitated the procurement processes required to engage concessionaires for port operations (Leigland & Palsson, 2007). The current NPA Act contained provisions permitting the government to initiate port concessioning, hence the Bureau of Public Enterprises (BPE) was empowered by the NCP to commence the

concessioning process. To strengthen and provide robust legal support for the implementation of the Landlord Model, accurately represent NPA's revised function as a technical regulator, delineate the roles of stakeholders, and ensure adequate protection for private investors, a new Ports Act was proposed for enactment (Dikki, 2015).

Twenty-five concessions were identified among the eleven ports under the jurisdiction of the NPA. The functions of the terminal operators, the landlord, and the regulator were delineated in draft concession agreements, which were utilised in the subsequent operator procurement process. The newly appointed private terminal operators were mandated to demonstrate their capability to provide exemplary terminal management services at Nigerian seaports (Ezem, 2014). The newly established Landlord Ports in Nigeria were designed based on the Port of Antwerp in Belgium. For the first time since its establishment in 1954, the NPA underwent a redefinition of its mission, allowing it to focus on the landlord component of its mandate, specifically the development and maintenance of Nigerian seaport facilities. According to the revised definition, NPA focusses on the ownership and upkeep of its extensive maritime infrastructure, relinquishing port operations to private terminal operators. The responsibilities of private terminal operators under the new framework encompass terminal operations for commodities transiting through the ports, capital investment, and the maintenance of superstructure and cargo-handling facilities and equipment (Fivestar Logistics Ltd, 2017).The port concession program concluded in 2006 following an international competitive bidding process, resulting in the BPE and the NPA executing 26 concession agreements, after which the terminal operators assumed control of port operations. The table below displays the different terminals and their respective new operators:

Table 1: Various Terminals and their new Operators, 2006-2007

S/N	Terminal	Company name	Lease terms (Years)	Handover date
1	Apapa Terminal A	Apapa Bulk Terminal Ltd.	25	3rd April, 2006
2	Apapa Terminal B	Apapa Bulk Terminal Ltd	25	3rd April, 2006
3	Apapa Terminal C	ENL Consortium	10	3rd April, 2006
4	Apapa Terminal D	ENL Consortium	10	3rd April, 2006
5	Apapa Terminal E	Greenview Dev. Nig. Ltd	25	3rd April, 2006
6	Apapa Container Terminal	APM Terminals Ltd	25	3rd April, 2006
7	Ijora Container Depot Lilypond	Lilypond Container Depot Nigeria Ltd	10	3rd April, 2006
8	TCIP Terminal A	Josepdam Ports Services Ltd	10	10th May, 2006
9	TCIP Terminal B	Tin Can Island Container Ltd	15	10th May, 2006
10	TCIP Terminal C	Ports & Cargo Handling Serv. Ltd	10	10th May, 2006
11	TCIP Roro Terminal	Five Star Logistics Ltd	15	10th May, 2006

12	TCIP Terminal E	Ports & Terminal Multiservices Ltd	25	18th August, 2009
13	Port Harcourt Terminal A	Ports & Terminal Operators Nig. Ltd	15	23rd June, 2006
14	Port Harcourt Terminal B	BUA Ports & Terminals Ltd	25	23rd June 2006
15	Onne FOT A	Intels Nigeria Ltd	25	21st June, 2006
16	Onne FLT A	Brawal Oil Services Ltd	25	21st June, 2006
17	Onne FLT B	Intels Nigeria Ltd	25	21st June, 2006
18	Onne FOT Jetty	Atlas Cement Co. Ltd	25	21st June, 2006
19	Calabar New Port Terminal A	Intels Nigeria Ltd	25	23rd June, 2006
20	Calabar New Port Terminal B	Ecomarine Nig. Ltd	10	1st August, 2007
21	Calabar Terminal C (Old port)	Addax Logistics Nig. Ltd	25	26th May, 2007
22	Warri Old Port Terminal A	Intels Nigeria Ltd	25	23rd June, 2006
23	Warri Old Port Terminal B	Associated Maritime Services Ltd	10	12th June, 2007
24	Warri New Port Terminal B	Intels Nigeria Ltd	25	23rd June, 2006
25	Warri New Port Terminal C	Julius Berger PLC	25	4th May, 2007
26	Koko Terminal	Greenleigh Limited	10	12th June, 2007

Source: Nigerian Ports Authority Handbook (2018/19)

The 2006 Port Concession and Maritime Efficiency in Nigeria

Between 2006 and 2015, significant transformations occurred in Nigeria's port activities. As per Akosile (2015), port concession has enhanced the Nigerian Ports Authority, yielding the following outcomes:

• Increased cargo throughput and reduced cargo stay time • Decreased vessel turnaround time • Enhanced port infrastructure regarding equipment and facilities • Improved cargo security within the ports • Decreased litigation and associated expenses • Increased revenue • Lower maintenance costs for port facilities for NPA • Rehabilitation and reconstruction of quay aprons and stacking areas • Expansion and reconstruction of container terminals • Rehabilitation of terminal access roads • Installation of lighting facilities, including generators • Rehabilitation of sheds and

warehouses • Reconstruction of drainage systems • Construction of perimeter fencing and gatehouses•Upgraded workshop facilities to modern standards. Onwuegbuchunam (2018) analysed the distribution of cargo throughput (in metric tonnes) processed at Nigerian seaports from 2000 to 2015, encompassing the periods preceding and succeeding port concession modifications. During the pre-reform period (2000 to 2005), Apapa port, for instance, achieved an average cargo throughput of 11.7 million metric tonnes (m/t). Tincan Island port processed just over 4 million metric tonnes on average, whilst Onne port processed slightly under 7 million metric tonnes of cargo throughput on average, with Calabar, Port Harcourt (PHC), and Warri ports managing far less cargo in contrast. Subsequently, following the concession revisions, cargo throughput at the majority of these ports more than doubled. The cargo throughputs managed at Apapa Port were double their pre-reform levels. The increase in cargo traffic may be ascribed to the beneficial impacts of the changes. An in-depth investigation of the efficiency of six Nigerian ports, conducted by Nwanosike et al. (2012), reveals a significant enhancement in efficiency levels two years prior to concession and five years subsequent to it. The particulars are presented in the table below.

Table 2: Input and Output Variables at six Nigerian Ports between 2004 and 2010

		OUTPUTS		**INPUTS**			
Ports	**Year**	**Throughput (Tons)**	**No. of Ship calls**	**Berth length**	**No. of Berths**	**Total No .of Equip.**	**Total No. of Staff**
Apapa	2004	12,294,640	891	2500	15	122	3782
	2005	13,432,106	955	2500	15	114	2996
	2006	16,469,320	1128	2500	15	120	760
	2007	23,139,112	1359	2500	15	100	959
	2008	25,784,118	1452	2500	15	80	717
	2009	28,111,564	1545	2500	15	80	726
	2010	29,258,335	1588	2500	15	80	712
Tin can	2004	4,075,386	504	1045	5	127	1362
	2005	4,743,741	495	1045	5	110	1131
	2006	10,788,867	903	1045	5	137	850
	2007	23,139,112	1185	1045	5	145	799
	2008	21,123,705	1367	1045	5	150	668
	2009	24,243,688	1583	1045	5	168	637
	2010	29,047,925	1666	1045	5	188	604

Warri	2004	1,296,050	229	1790	11	97	388
	2005	1,922,245	295	1790	11	74	942
	2006	1,951,432	193	1790	11	80	836
	2007	1,936,970	205	1790	11	88	480
	2008	1,950,120	246	1790	11	82	426
	2009	1,897,402	231	1790	11	60	424
	2010	2,972,223	341	1790	11	60	422
PH	2004	3,210,907	261	1117	8	67	1,096
	2005	3,516,188	239	1117	8	56	929
	2006	3,488,853	270	1117	8	59	868
	2007	3,854,715	317	1117	8	58	506
	2008	4,595,253	378	1117	8	65	424
	2009	4,879,478	399	1117	8	60	415
	2010	6,595,696	482	1117	8	68	407
Onne	2004	2,158,548	390	2063	8	35	1185
	2005	2,554,328	423	2063	8	35	362
	2006	4,937,758	444	2063	8	40	336
	2007	4,500,291	394	2063	8	45	206
	2008	4,399,202	379	2063	8	48	572
	2009	5,208,247	424	2063	8	48	499
	2010	36,485,617	769	2063	8	55	459
Calabar	2004	480,889	213	1037	8	26	264

	2005	857,726	276	1037	8	28	590
	2006	1,600,989	321	1037	8	32	459
	2007	2,210,989	897	1037	8	38	274
	2008	1,914,120	351	1037	8	44	254
	2009	2,591,241	321	1037	8	51	262
	2010	2,329,757	197	1037	8	56	265

Source: NPA Annual reports and Abstract of port statistics, 1999-2011.

The table indicates a significant rise in cargo throughput following the concessioning procedure. For example, at Apapa Port, the cargo throughput from 2004 to 2006 experienced a slight rise, ranging from 12,294,640 Metric Tonnes to 16,469,320 Metric Tonnes. Following the implementation of port reforms, freight throughput surged significantly from 2007 to 2010, reaching between 23,139,112 and 29,258,335 Metric Tonnes. The identical pattern was observed at Tin Can Island, Warri, Port Harcourt, Onne, and Calabar Ports. From 2004 to 2006, the annual number of ship calls at Apapa Port ranged from 891 to 1128. From 2007 to 2010, the range increased to between 1359 and 1588. A comparable tendency is observable at the other ports as well. The aforementioned indicates that port productivity improved with the implementation of port reforms, resulting in significantly enhanced efficiency. The 2006 port reforms significantly decreased the incidence of theft in Nigeria's seaports from 55 percent to 15 percent. The level of port efficiency, effectiveness, and responsiveness significantly increased from 25 percent to 85 percent" (Salau, 2023). Similarly, dockworkers at the ports have experienced a more than 2000 percent boost in their take-home pay, together with new standard conditions of service, following the Federal Government's introduction of port reforms in 2006 (Salau, 2023; Egole, 2022).

Recommendations

Notwithstanding the great improvements in efficiency at the ports following concessioning, challenges remain, some of which have been identified by Emenyonu (2015). This work therefore proffers the following recommendations to overcome the major challenges of the port system in Nigeria:

1. Overlap of functions of some agencies within the port environment: Functions at the ports should be streamlined to remove duplication.
2. The adverse effects of militancy in the Niger Delta area and piracy in the Gulf of Guinea: increased security should be provided in and around the ports, especially those in the Niger Delta areas, to avoid breaches and inundation.
3. Overtime empty containers occupying valuable space within the ports: The ports must be periodically de-congested of all unwanted and unnecessary items.
4. Customs delay of ships on arrival: This must be stopped. All agencies must conform to a schedule of performance for their assigned duties.

5. Reluctance on the part of few concessionaires to fulfill their statutory obligations including development plans: This must be discouraged, and defaulters must be punished, including revocation of contracts.
6. Inadequate transport network and road traffic congestion: Facilities must be provided at the ports according to an approved master-plan.
7. Diversion of vessels from other terminals and ports to a particular terminal, thereby creating monopolistic environment: The regulator must consciously work to promote competition among the operators and discourage monopoly.
8. Various surcharges that add up to port cost: Costs at the ports must be streamlined to avoid duplication.
9. Security- access control, water front, robbery attacks at channels and berths: Adequate security must be guaranteed at all places in the ports at all times.
10. Need to establish professional standards to govern clearing and forwarding, and labour activities: This is necessary and must be done immediately as well as updated regularly.

Conclusion

The port concessioning program has undoubtedly enhanced port productivity and improved operational efficiency. The reforms must be upheld and reinforced. Recently, stakeholders have advocated for a reassessment of the concession agreements, noting that although certain successes have been realised from the port concessions, including operational efficiency, enhanced cargo throughput, and improved cargo safety, the primary goal of the reform—reducing the cost of conducting business at the ports—remains unfulfilled. The port operators continue to encounter various obstacles, including insufficient infrastructure, limited access roads, unreliable electrical supply, substandard marine services, and frequent alterations in government legislation, among others. Future evaluations of the port concessioning policy are anticipated to consider the aforementioned findings and problems to ensure the comprehensive objectives of the concessioning policy are realised, hence enhancing the overall efficiency of Nigerian ports.

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