AN EVALUATION OF THE CONTRIBUTION OF THE MARITIME SECTOR TO THE NIGERIAN ECONOMY: A CASE STUDY OF THE NATIONAL MARITIME AUTHORITY.

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BEING A PROJECT SUBMITTED TO THE POST-GRADUATE SCHOOL OF THE AHMADU BELLO UNIVERSITY, ZARIA, IN PARTIAL FULFILMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (M.B.A)

DEPARTMENT OF BUSINESS ADMINISTRATION, AHMADU BELLO UNIVERSITY, ZARIA.

AUGUST, 1994

DECLARATION

BY HEREBY DECLARE THAT THIS PROJECT
WAS WRITTEN BY ME. THE STUDY IS ORIGINAL AND ANY REFERENCE
MADE TO TEXTS AND OTHER JOURNALS HAVE BEEN DULLY
ACKNOWLEDGED AND FOOTNOTED.
THIS WORK HAD NOT BEEN PRESENTED BEFORE IN ANY APPLICATION
FOR THE AWARD OF A HIGHER DEGREE.

AHMED S. ABDULLAHI

SIGNATURE

THE ABOVE DECLARATION IS CONFIRMED

CERTIFICATION

This Project entitled: AN EVALUATION OF THE CONTRIBUTION OF THE MARITIME SECTOR TO THE NIGERIAN ECONOMY: A CASE STUDY OF THE NATIONAL MARITIME AUTHORITY, BY AHMED S. ABDULLAHI meets the regulation governing the award of Master of Business Administration Degree of Ahmadu Bello University and is approved for its contribution to Knowledge and literary presentation.

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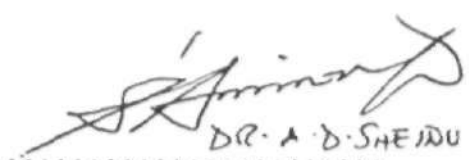
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APPROVAL SHEET

This project has been read and approved as having fulfilled the partial requirements for the award of the degree of Master's of Business Administration (M.B.A) of the Ahmadu Bello University, Zaria.



DR. A. D. SHEHU 21/5/91

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EXTERNAL EXAMINER

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INTERNAL EXAMINER

DEDICATION

To the loving memory of my late

Grandfather Alhaji Abdullahi Sarkin

Yakawada and my late Grand- mother

Hajja Hauwa's Kullu.

ACKNOWLEDGEMENT

I would first of all like to make explicit my appreciation to a ALL MIGHTY ALLAH for his divine guidance.

The entire members of family particularly my parents who inspires me to dream high. My brothers and sisters who have contributed in one way or another to the success of this programme, whose name are too numerous to mention.

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My indebtedness goes to all my lecturers in the department of Business Administration, Ahmadu Bello University, Zaria from whose knowledge I gained considerably.

Finally, I wish to acknowledge the influence of my Supervisor Mr. Ibrahim F.O who have been kind enough to read my manuscript. I have profited greatly from his suggestion.

ABSTRACT

The National Shipping it the result of the progressive efforts of the Federal Government to grapple and contain the problems identified in her international trade, even before the year of Independence.

Common among these problems are these related to its terms of trade and shipping practice inadequacy of services, structure of freight rate and depletion of forex.

Chapter 2, gives the framework needed to support the study while outing the History of Shipping and Shipping activities in Nigeria, it traces the establishment of the apex body empowered to coordinate and implement the National Shipping Policy decree- the National Maritime Authority; it provides the performance of shipping prior to the advent 0 the National Shipping Policy.

In chapter 3, the research methodology is discussed, data presented, analysed, and finding made.

finally, chapter 4 concludes by summarizing the study and providing necessary recommendations.

TABLE OF CONTENTS

		Pages
Title page		i
Declaration		ii
Certification		iii
Approval sheet		iv
Dedication		v
Acknowledgement		vi
Abstract		vii
Table of contents		ix
List of tables		x
CHAPTER ONE		
1.1	Introduction	1
1.2	Statements of problems	2
1.3	Objectives of study	3
1.4	Justification of study	3
1.5	Research methodology	4
1.6	Scope of study	5

1.7 Limitation of study..... 5

CHAPTER TWO

2.1 Background information..... 6

2.2 Nigerian Maritime industry..... 11

2.3 Nigerian National Shipping Policy..... 16

2.4 Establishment of National Maritime Authority..... 19

2.5 Export and shipping performance in 1980's..... 24

2.6 Implementation of National Shipping Policy..... 35

2.7 Problems of Nigerian National Shipping Policy..... 51

CHAPTER THREE

3.1 Data presentation and analysis..... 55

CHAPTER FOUR

4.0 Summary, Recommendations and conclusion.....

4.1 Summary..... 64

4.2 Recommendation..... 65

4.3 Conclusion..... 67

LIST OF TABLES

1.	Tables	2.1	-	Nigeria's sectoral trade, 1980-1989
2.	"	2.2	-	Seaborne cargo flows it Nigerian ports, 1980-89
3.	"	2.3	-	Nigeria's balance of trade and payment,
4.	"	2.3b	-	Net invisible earnings, 1980-1989
5.	"	2.4	-	Cargo throughout at Nigeria Ports, 1980-1989
6.	"	2.5	-	Number and deadweight of Merchant Ships owned by the Nigerian Shipping Companies since 1980
7.	"	2.6	-	Groundwork of the Maritime Academy, Oron
8.	"	2.7	-	Number and types of vessels repaired at Nigerdock, 1985-1992
9.	"	2.8	-	Volume of traffic/loaded at the sea ports, 1988-1992
10.	"	2.9	-	Results of cargo sharing, 1988-1992

BIBLIOGRAPHY

CHAPTER ONE

INTRODUCTION

The sudden drop in the Nigerian Crude Oil price has triggered a regime of economic travails, throwing the economy off-gear. Foreign Exchange became hard to come by and even where available was hardly enough to make the required imports, which keeps the wheels of the industries turning, factories are either folding up or operating for below installed capacities, foreign debts are increasing as Nigeria unceasingly borrows excessively to settle its trade bills generated by deficit balance of payment position, galloping inflation abound almost every sector of the economy.

Other traditional sources of foreign exchange and other primary attractive industries were relegated to the periphery, seriously marginalized and beset with faulty or incoherent policies.

Thus, when this precariously balanced mono-product economic base was socked at its foundation, the overall structure came collapsing like a pack of cards.

To meet these challenges and in an effort to evolve sound economic diversification strategy, government had to put more effort into the maritime sector of its economy more particularly in shipping and export. Introduction of merchant shipping Act and later shipping policy document in 1982 was more towards that effort. Government promulgated the export (incentives and miscellaneous provisions) decree No. 18 of 1986 with the aim of facilitating the generation of more foreign exchange via export. In

1987, Government established Decree 10 on the National Shipping Policy and to date is the high water mark of the National efforts in this direction. Despite the strengths of the National Shipping Policy, there are some weaknesses associated with it and would have to be rectified in its implementation or would fail to produce the magic and bring into faction the much needed contribution to the Nation's economy.

1.2 Statements of the Problem

The Nigerian Maritime Sector had been dominated by foreigners and freighted in and out of the country at will. the country had also very limited experience on the management and operation of shippers and shipping activities. These couples with the realization of the loss of foreign exchange to the Nation due to lack of an effective systems in the sector moved the Federal Government to promulgate the National Shipping Policy Decree 10 of 1987. Has the objectives been realized? What went wrong?

1.3 Objectives Of Study

The study has the following as its objectives:-

1. 1 - 70 identify the problems and the prospects of the Nigeria's National Shipping Policy as a decree.

2. 2 - 70 find out the efforts so far made by National Maritime Authority in its successful coordination and implementation of the National Shipping Policy as stipulated in Decree 10 of 1987.

3. To evaluate the extent of the contribution of the Maritime sector to the development of the Nigerian economy, before and after the establishment of Decree 10 of 1987.

4. To stimulate further study/research in the field of the maritime industry thereto unexploited.

1.4 **Justification Of Study**

In justifying the study, the following facts are clear:

1. There has been renewed interest in the shipping industry and this revived interest sterns in the part from the fundamental recognition of the overriding economies and lack of more efficient alternatives and maritime sector in the carriage of the Nation's external trade.

2. The industry has come up for marked attention in the country's overall socio-economic development aspirations because it is seen as an area where rapid development is not only possible but also highly desirable and indeed necessary.

3. The development in the industry also improved the scope of the

industry as a National income earner and as a source of economic opportunities for the growing population of the country.

4. Nigeria is the dominant exports of crude petroleum in the sub-region, though she is able to lift only 1 per cent of the traffic on own vessels prior to the establishment of National Maritime Authority to implement the National Shipping Policy as contained on section (16) of the Decree. Further more, it is a clear fact that Nigeria could have made huge financial gains if she had in the early years changed her shipping policy and give protection and encouragement to her indigenous shippers because prior to the advent of Decree 10 of 1987,shipping industry was dominated by foreigners and Nigeria was dependent on for foreign shipping operators for her in and out bound shipping activities. It was also clear that foreign ships carries 89 per cent of the total trade that entered Nigerian ports annually, Nigerian owned vessels carried only 11 per cent of the cargo and earned only 9 per cent of the freight bill.

These positive attributes and packages aroused my curiosity and encouraged me into undertaking the project of evaluating the contribution of the maritime sector, emphasises on, the National Maritime Authority - Decree 10 of 1987 to the Nigerian economy.

1.5 **Research Methodology**

1.5.1 **Primary Sources of Data**

Primary data would be obtained mostly via discussions and observations

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would be centered around the Maritime industry, more especially the activities of the National Maritime Authority. Observations.

1.5.2 Secondary Sources of Data

Secondary sources of data would be obtained from journals, seminar papers, published magazines, international publication, and the library facilities available at National Maritime Authority, i.e. Annual reports and statements of accounts and the National Shipping Policy Decree.

Economics and Business texts would be reviewed for theoretical construction. The texts utilized would be listed in the bibliography.

1.6 Scope Of Study

The study covers about 10 years prior to the establishment of National Maritime Authority. But the study emphasis is on the implementation of shipping policy from 1987 to 1992 as stipulated by Decree 10 of 1987.

1.7 Limitations of Study

1. Some of the secondary data collected are most past data and or estimates. However, experts are of the believe that 1980's and 1990's data as presented are fairly accurate representation for this study.

2. Due to the time constraints, the study covers basic issues to the subject, extensive details into matters are avoided.

3. The project is intended to provide more prospects to whatever problems that would be identified with the National Shipping Policy, outline the implementation of the policy as well as stating its contribution to the Nation's economy, hence excessive and high level theorizing would be avoided. Tables of figures and where possible graphs would be used.

CHAPTER TWO

2.1 History Of Shipping Activities In Nigeria

In ancient Nigeria, there were main modes of transportation: Navigation, human portage and pack animals navigation was on and along the coast, in canoes, boats, ships floating contraptions, gourds and calabashes. Shipping was said to be highly successful in large scale transportation of bulky goods over long distance, particularly in the coastal regions.

About four hundred years ago, vessels that were seen on Bonny and Calabar, Rivers were noted for being capable of carrying 80 men, 70 feet in length, and 7 and 8 feet wide. Some people inhabiting the coasts were also said to own vessels that could support a household for a life time. Also, on the River Niger was recognised as a ship-building centre of repeat

In the sphere of international shipping, the canoe merchants of Ghana were said to have traded as for South as Angola were probably the first foreigners who visited Nigeria waters. Others include a recorded expedition of Phoenician mariners commissioned by King Noco 11, Pharaoh of Egypt, about 612 BC and that of Admiral Hanno of Carthoge about 520 BC with a fleet of sixty ships. Also a Greek Earthmines called between 400 and 300 BC. There were subsequently no recorded sailing to West Africa until the 14th century, when the merchants of Dieppe and Rouen set up ship trade along the West African Coast. Portuguese vessels thereafter sailed to the Bight of Benin. Some twenty years before Vasco Dagama

circumnavigated Africa from 1449 to 1499.

The first British ships to visit Nigeria reached Benin river in 1553, despite the efforts of Portugal to monopolize the Nigerian maritime commerce. Peppers and Palm produce were the main items of trade. Trade subsequently degenerated into the inhuman trans-atlantic slave trade. When slavery eventually came to an end, it was readily replaced by the trade in palm oil.

In those periods, and probably earlier port ceremonies and payment of dues and Custom were performed. The ceremonies included hoisting of flags, firing of guns. After the ceremonies all ships were free to trade on items of commerce and received measure of protection from the coastal communities, King Pepple of Bonny who was disposed by the British in 1854 received from N15,000 to N20,000.00 annually from shipping dues. It was also observed that the average value of Bonny trade in those items was N1 million yearly.

In order to reach upstream market, and given the sandy nature of the coast line, indigenous were used as pilots by foreign ships and masters. Nevertheless, the English maritime practices clashed with indigenous skills and toppled them. The British exhibited many aggressive actions against the indigenous systems on the guise of fighting slavery.

Efforts by indigenous to venture into the Ocean whipping industry were prevented by British officials. King Jaja of Opobo was actually exiled for his successful competition against foreign merchant in the Qua Iboe river

trade. Similarly the efforts of King Eyo Honesty of Calabar to charter vessels and transport produce to England for direct sale, was prevented by the British Consul. The Consul claimed that he acted to ensure that King Eyo and his subject paid peculiar trusts supposedly owed to British merchants.

The foundation of a modern shipping industry was laid by a Briton, Mcgregor Laird who formed the Royal African Stremship Company in 1849, with British subsidy and cargo support. This led to increased trade and shipping activities and the subsequent attraction of other shipowners. In due course, another company, the British and African steam Navigation company was established. Both companies later merged to become Elder Dempster. Nevertheless, Woermann Linnier of Hamborg, in turn, entered the trade as a competitor to Elder Dempster. Following a disastrous freight rate war, the two lines came to an agreement and formed the first West African Shipping Conference in 1894.

The malpractice of the conference led to protest from shippers, who were mostly foreign merchants. complaints against the conference system included that freight rates were too high and too rigid. These influenced to some extent, the setting up of the Royal Commission on shipping rings by the United Kingdom, to conduct the first ever probe into liner conferences worldwide, it sat between 1906 and 1909 and dwelt heavily on the Nigerian shipping trade.

Port development started in 1890, despite a long history of shipping activities. It was started primarily to counter the literal drift of the shares

which was becoming a barrier to trade. The ports of Lagos and Port-Harcourt were as a result of development in the period. Dredging operations were further started in 1907 to enable the Lagos harbors have a drought to 10 feet, and allow larger vessels to berth.

In the area of Administration, the Nigerian Maritime department was established about 1906 to provide Port and ferry services. Mails run and regulate shipping activities. These led to the foundation for the Nigerian Ports Authority and the Inland Waterways Department.[4]

In connection with the outbreak of the 1st World war, in 1914, the British Government took over shipping operations in Nigeria, while German vessels were withdrawn from trade. This resulted in a shortage of shipping activities that almost paralysed the commercial life of the country. After the war, the situations improved, with the Brazilians, among others, entered the Nigerian shipping trade. The increasing trade that was witnessed after the 1st World war suffered setback from 1939 as hostilities of the 2nd World war earned. The British government requisitioned its flag vessels in Nigerian trade to aid war efforts, bring about another decline in the supply of shipping services.

The post war, however, was marked by significant achievement in the Nigerian Shipping scene. The Nigeria Ports Authority and the Government Coast Agency were established in 1954. The Authority took over provision and maintenance of ports and other related services, while the Coastal Agency provided clearing and forwarding services to the Federal, Regional

and Provincial administrations. There was a sharp increase in the European demand for Nigerian raw materials while the Port of Sapele, Burutu, Warri, Degema, Calabar Port-Harcourt and Lagos were either developed or improved in the period. However, there was a lack of supply of shipping services globally.

Ministerial rule was introduced in 1952 with Bode Thomas as the first Minister of Transport. Two years later, the mantle of office passed to Alhaji Abubakar Tafawa Balewa, for another two years. Raymond Amanze Njoku was the next in line after Balewa become Prime Minister up to an beyond the year of independence. These men played pioneering roles in the growth of the shipping industry.

In the mid 1950's the first modern indigenous shipping line the "Nigeria Line" was established by a wealthy indigenous merchant Mr. Patrick Osoba in a joint venture with the Finish firm of Nodstrom and Company. The line sailed between West Africa, United Kingdom and European continental ports. However, all the ships operated by the line were finish ownership and registry. Eventually, Mr. Osoba acquired two of the vessels. The line did not survive for one reason or another.

About the same time that the "Nigeria Line" was established, the Zim lines of Isreal was making efforts to establish a shipping line in partnership with the then self-governing Western Region. This aim was not achieved, but the idea led to the formation of the Black star of Ghana.

The Nigerian National Shipping line was established in 1959 by

Government in association with Elder Dempster and Palm lines, it joined the West Africa as lines conferences in the same year but was restricted to the hardship of only 2.5% of Nigeria's total Exports.

At independence, the foundation for a Modern Shipping industry had been laid. Indigenous vessels were steaming to the World's seaports flying the National flag and contributing to the economic well being of the Nations.

2.2 The Nigerian Maritime Industry

The Maritime Industry is the sub-sector of the Transport industry that deals with all the activities relating to the Maritime Transport Services. The Maritime Industry includes activities involving the ship, its way, its terminal, its construction building and repairs, sea-trade, Materials and goods carried to the vessels or for trade, and all other activities relating to Marine activities or affairs.

The Maritime industry is a wide industry, and its activities are all embracing and complementary in all way. even though the research study will focus its attention and emphasis on the activities of the National Maritime Authority (NMA), it would be of importance to give some highlights of the activities and involvements of other organisations in the Maritime industry as in the following categories below:

1. Administration, supervision and coordination as handled by Federal Ministry of Transport.

2. Regulatory and control as handled by National Maritime Authority (NMA).

3. Operational services by shipowners/operators.

4. Complementary services given by Nigerian Port Plc (NPPLC) and harbor.

5. Promotional and protector services as handled by Nigerian Shippers Council (NSC) and Nigerian Export Promotion Council (NEPC).

6. documentation/Agency services as done by Clearing and Forwarding company.

7. Enforcement and surveillance by Nigerian Customs Excise (NC & E).

8. Inspectorate and surveillance by pre-shipment inspection agents.

9. Construction, building and repairs by Nigerian Dockyard (Niger Dock).

10. Supplementary services by ship-brokers, cargo brokers and ship suppliers.

11. Development Research and Consultancy.

The Nigerian Ports is the landlord of all maritime activities, it provides the interface, interchange or terminal for the complementary services of the shipping industry. The Ports provide the infrastructures and facilities for the coordination and integration of Internodal transport system which creates opportunity for effective and efficient through transport in any Nations. The Nigerian Ports Authority an autonomous public corporation, commenced operation on 1st April 1955.

The Nigerian shipping industry is well served by four port complexes namely - Lagos Complex, Delta Port Complex, Rivers Port Complex, and Cross River Port Complex. The Nigerian Ports are relatively more modernised than many of their counterparts in the West Africa. Apart from these extensive development, there have been positive efforts to ensure specification and involvement of modern technology in design and construction. Roro (Roll in, Roll out) was established at Tin Can Island while containers handling facilities have been developed in all the other complexes. The new Ocean terminal at One have Specialized feature comparable to the best in the world.

2.2.1 **Shipping Lines**

Shipping lines are shipowners, and ships operators who are engaged in the actual operation of the ships. Shipping lines may acquire or charter a vessel for their operations. Shipping lines are specifically known for their ownership and operation of vessels from port to port on regular basis or on voyage as demand calls.

Indigenous shipping fleet has grown over the years, though the country has 77 shipping lines, so far only six have the National carriers status and have been registered. These include -

1. Nigerian National Shipping Lines (NNSL)
2. Nigerian Ocean line
3. Nigerian Green line
4. Brawal Shipping line
5. Bulkship Nigeria limited
6. Nigerbras Shipping lines limited

These National carriers by their incorporation, authorisation, and nature, own and or can own vessels for the carriage of goods by sea. They engage in the physical and drastical maritime transportation between ports of origin and ports of destination of goods. They can operate any of the following vessels, like, Cellular vessels, Roll on - Roll out vessels (R0R0), Tankers, Ore Bulk oil vessels (OBO), Conventional vessels, Reefer vessels, Grain vessels, Passenger lines.

Some shipping companies are liner agents. Liner agents are ship/port agents who represent their principals at any port, and therefore, are not lines but agents to shipowners and operators, and are appointed to a ct on behalf of the shipowners on the principal owned or chartered vessels serving the trade to and from the ports of the appointed agents.

Ship brokers are agent to the shipowner or the charter and engage in sourcing, negotiation and fixing a vessel for business. They help in selling

or purchase of a vessel, and can give useful information or market proposal that can lead to charter of a vessel, and fixing it for operations. While cargo broker is a charter broker who liaise between the shipowners/operators and the merchant/cargo owner.

Supplementary services within the maritime industry also include cargo surveyors and superintendents who engage in the physical examination and superintending of the cargoes. They also engage in Insurance survey of goods on board of the vessels, attendance on board the vessel upon arrival and master to check reserve during the voyage, to supervise discharge as to determine damage sustained during the voyage or during discharge and also to superintend and tally the discharged goods from the vessels and record damage, losses occurring during the discharge or loading.

2.2.2 Shipping Groups Within Maritime Industry

Shipping services are performed by a large number of operators who differs with respect to ownership, services performed direct and indirect operations. These shipping groups include:

1. Liner shipping - conferences line
2. Industrial carriers
3. Tramp operators

Conference lines is a shipowner who give shipping services on a particular route with the regularity and frequency which shippers need and which

specialised vessels are required. Its type of clarification is in a contract carrier.

The conference liner conducts shipping for a limited basis under individual contracts or agreements. It regulates its operations as to sailing, schedules, ports of call and other terms. It operates stable rates for shippers in form of a common tariff for cargoes and passengers while competing for traffic in its routes.

Taken by routes, the major shipping conferences serving the country includes five multilateral conferences.

i) Far East West African Conference (FEWAC)
ii) North Continent West African Conference (COWAC)
iii) United Kingdom West African Conference (UKWAL)
iv) Mediterranean West Africa Conference (MEWAC)
v) American West African Freight Conference (AMWAC)

There are also some bilateral shipping conferences like the Nigeria-Brazil Freight Conference line, Nigeria-India Conference line. Liner conferences accounted for about 20% of the over all Non-oil dry cargo traffic in the country.

Industrial carriers: Private shipping groups are defined as those controlled by enterprises engaged in business other than shipping, which conducts shipping in benefit furtherance of their primary business. This type of ships are known as industrial vessels. Mostly oil companies and large

manufacturing companies operates its to carry cargoes on or out to the world market.

Tramp Operators: A common carriers is a shipping company that offers to ship cargoes for revenue at any time and any place within its operating authority without discrimination. A tramp vessel seals for cargoes and snails to any points under agreed terms with the shipper. Tramps are general cargo vessels involving Bulk shipping though there are few specialized carriers such as the containership, and oil tankers, chemical, grain, ore and other cargoes.

2.3 The Nigerian National Shipping Policy

The advent of European trade with Nigeria in particular introduced and strengthened Ocean shipping as a Mover of International trade. The application of steam engine which led to the separating of trades from water transporters, little did this country realise the immense potential of the new mode of transport. When Mc-gregory Elder Dempster set up the steamship company early in the nineteenth century to carry both exports and imports into Nigeria, nobody understands how and by what means the trade moved. One can fairly say that up till the immediate post, second world war era. 100 per cent of the Nations trade was carried by foreign ships.

Probably out of adventures one could appreciate the efforts of Messrs Patrick Oseba and Son's in The Joint Shipping Venture with the Nordic Companies in 1957. But this was doomed to failure from obvious factors

inherent in the system. Even the setting up of the Nigerian National Shipping Line by the Federal Government in 1958 was a bold effort. But I wonder whether one can claim that the effort has been a paying concern judged by either the profit margins over the years or by nearly becoming to a collapse of the organisation in the recent years.

The 1962 Merchant Shipping Act became a landmark in the organisation of ocean shipping service for this country. The surging efforts made in 1967 following the Budget Speech of that year merely registered a rise of numerous Nigerian owned shipping lines which disappeared from the scene as quickly as they sprang up from purely an effort to introduce a system of safe-guarding the interest of the shippers, Decree 13 of 1978 introduced the Consumer Welfarism, which today is noted for a significant absence of achievable goals. It was not until the positive action of introducing the 1982 shipping policy document in council and the setting up of its implementation committee that public attention was drawn to the need for this vital subject. Once more, that effort went the way of all flesh due to human and material factors. The 1987 Decree 10 on the National Shipping Policy to date is the high water mark of the National effort in this direction.

The main objectives which this National Shipping Policy was Expected to achieve were to:-

a. Correct the imbalance in the Shipping trade and implement the provisions of the UNCTAD Code of Conduct on line conference

especially sharing formular of 40:40:20.

b. Improve the country's balance of payment position by enhancing its ability to earn and conserve foreign exchange in the shipping industry.

c. Use the instrument of National Shipping policy to promote the country's export trade and thus accelerate the rate of growth of the National economy

d. Use greater participation of indigenous shipping line in conferences to influence the decision-making processes of such conferences serving Nigerian International Seaborne trade;

e. Promote the organisation of shipping technology by creating and diversifying employment opportunities in shipping industry through stimulation and protection of indigenous shipping companies.

f. Assist in the economic integration of the West and Central Africa Sub-region; and

g. Project the good image of Nigeria abroad by flying the Nation Flag on high seas and World seaports.

The realisation of the loss of the Nation due to lack of an effective organisation to implement the second National Shipping Policy motivated the Federal Military Government through the promulgation of Decree 10 of

1987 in establishing National Maritime Authority (NMA) as the operating agency for the efforts at translating these laudable objectives to action become a reality.

2.4 Establishment Of The National Maritime Authority

The National Maritime Authority came into existence with the promulgation of the Decree 10 1978 by the Federal Military Government. The body was primarily established to coordinate the implementation of the National Shipping Policy. The Federal Government move was necessitated by the desire to fully promote and develop the Nations maritime resources; protect and encourage indigenous shipping industry as well as generate accruable reserve for National development.

Prior to the introduction of the National Shipping Policy and setting up to the National Maritime Authority, any shipping line or shipping conference operate could come to Nigeria freighting all available cargo into or out or the country without let or hinderance. Then there was no law compelling shipping operators to allow indigenous shipping lines to share in cargo freighting. Nigeria was also losing substantial foreign exchange annually in possible freight rate and shipping operation related charges.

Similarly, because of the absence of a governing law, a shipping line could canvas for cargo to the detriment of indigenous shipping operators and Nation's maritime interest. Between 1977, in 1980, of the average annual call by 6081 ships at the Nigerian sea ports, the indigenous shares was

under 10%. The indigenous vessels carried about 11% of total volume of traffic and earned only 9% of the total freight estimate then at ₦1.6 billion annually.

Viewed against the background that Nigeria is responsible for between 65 - 70% of the Maritime trade of West and Central African states, appreciate the degree of urgency to correct this deplorable situation would highly be appreciable.

The Branct commissioned by the United Nations Conference on Trade and Development (UNTAD) also brought into sharing focus the need to close the exploitative and lopsided Maritime relationship existing between the development and the developing maritime nations.

The adoption in 1974 of the United Nations Conference on Trade and Development (UNTACD) Code which stipulated among other things that National lines whose countries are involve in a particular trade should lift at least 40% of the trade leaving about 20% for the Cross traders, was the first major step towards the eventual promulgation in April, 1987 of the Nigerian Shipping Policy Decree.[5]

The section 1 of the Decree 10 of 1987 state as follows:-

1. There is hereby established a body to be known as the National Maritime Authority (here in after in this decree referred to as the Authority)

2. The Authority shall exercise such functions and achieve such objective as may be conferred upon it by this decree.

3. The Authority shall exercise such functions and achieve such objectives as may conferred upon it by this decree.

4.1 Aims and Objectives Of The Authority

The section 3 of the Decree 10 of 1987 states the aims and objectives as follows:-

a. Correct any imbalance in the Nigerian shipping trade for the purpose of implementing the provisions of the UNCTAD Code of Conduct for liner Conference, especially to observe the ratio of 40:40:20 in respect of carriage of goods to Nigerian ports.

b. improve the country's balance of payment position by enhancing its ability to earn and conserve foreign exchange in the Shipping Industry

c. Use the National Shipping policy as an instrument of promoting export trade of Nigeria and thus accelerate the rate of growth of the National economy

d. Ensure the greater participation of indigenous shipping liner Conferences thereby influencing the decision-making processes of

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such conferences serving Nigerian International Seaborne trade;

e. Promote the acquisition of shipping technology by creating and developing employment opportunities in shipping industry through stimulation and protection of indigenous shipping companies.

f. Assist the economic integration of the West African Sub-region;

g. Increase the participation by indigenous Nigerian shipping lines in Ocean shipping through application of UNTAC Code on General cargo and by entering into bilateral agreement or other suitable arrangement.

i. Encourage the increase of ownership of ships and the achievement of indigenous skill in Maritime transport technology.

j. Achieve a systematic control of the mechanics of sea transportation.

k. Promote the training of Nigerians in maritime transport technology and as sea farers.

In addition to the above adjectives, the 1987 National Shipping Policy provides in section 9 that National carriers shall have the right to carry to and from Nigeria, at least 50% (per cent) of Bulk cargoes (dry or wet) and of all other cargoes outside the jurisdiction of liner conferences.

2.4.2 Main Functions Of The Authority

The main function of the Authority provided in section 4 are to.-

a. Coordinate the implementation of the National Shipping Policy on Shipping as may be formulated from time to time by the Federal Government.

b Ensure that Nigerian National Carriers exercise fully Nigeria's Volume of the total trade and from Nigeria.

c. Grand National carrier status to indigenous shipping lines.

d. Monitor the activities of vessels of the companies granted National carrier statues.

e. Grant assistance to indigenous companies for fleet expansion and ship ownership.

f. Regulate liner conference and National carriers and

g. Perform such others as may be required to achieve the aims and objectives of the Decree or any National shipping policy as may be formulated by the Federal Government to the Decree.

2.4.3 Special Functions Of The Authority

The Authority is also charged with the special function to investigate,

determine and keep current records of the following:

a. Ocean services, routes, and lines from Nigerian ports to foreign markets as may be determined by the Minister to be essential for the promotion, development, expansion and maintenance of the foreign commerce of Nigeria.

b. Bulk cargo carrying services for the purposes of promotion, development, expansion, and maintenance of the foreign commerce of Nigeria. The National defence and other National requirements provided by Nigerian flag whether or not operating on a particular Ocean service route or line.

c. The relative cost of construction of comparable vessels in Nigeria and in foreign countries

d. The relative cost of managing the commercial aspects of the shipping industry such as scheduling, chartering in or chartering out of vessels, addition of cargo space, cargo pricing and cargo soliciting, marine insurance, maintenance, repairs, wages and sustenance of officers and crew, and all other items of expense in the operations of comparable vessels under the Laws, Rules and Regulations of Nigeria and under those of the foreign countries where vessels are substantially competitors of any such Nigerian vessels.

e. The extent and character of aid and subsidiaries granted by foreign governments to their merchant marines.

f. The possibilities of promoting the carrying of the foreign trade of Nigeria in Nigerian vessels, and

g. Inland water transportation including their relation to transforation by land and air.

2.5 Export and Shipping Performance In Nigeria Prior To The Promulgation Of Shipping Policy Decree

In many countries of both developed and developing world, the development and expansion of export and shipping activities have tended to move historically hand-in-hand. This was achieved in some cases as a result of conscious policy designed to maximize the benefits of international trade through the exploitation of the Natural leakages between trading and shipping. In other case, a parallel development was pursued as an instrument of economic diversification in which it was aimed that the two activities should grow independently viable sub-sectors.

In Nigeria efforts to develop exports and shipping have certainly not seen lacking in the country's past independent history. We know, for example, that prior to the oil boom of the 1970's, the economy was almost wholly dependent on non-oil exports for its foreign exchange earnings and development finance. Similarly, efforts were made to develop some past-independence domestic capacity in shipping through the establishment of the NNSL in 1959. However, in these earlier efforts, not only was there no real linkage between the development measures adopted in the two sectors, but also there were equally no discernible program designed to ensure

sustainable growth and progressive maturity of the sectors beyond the immediate period. Hence, as soon as the economy was faced with internal and external shocks generated by the 30-month Civil War of 1967-70 and the "Oil Boom" of the mid-1970's to early 80's both sector literally crumbled.

Of course, since the on-set of the economic recession which followed at the heels of "Oil Boom" the fundamental need for non-oil export promotion and development of indigenous shipping in Nigeria has been brought back into sharp focus. The expense has been the adaption of a veritable flurry of measure designed to transform both sectors into positive foreign exchange earners and to stem the tide of their rapid decline into near-irrelevance in the development efforts of the country.

It is against this background that I take up a review of the export and shipping performance of Nigeria in the "Mixed bag" period of 80's to the 90's and in the end established possible progress.

2.5.1. Non-Oil Export Flows and Cargo Availability

Detailed and comprehensive statistics of Nigeria's non-oil export cargo floes (in volume as well as value) for the period of the study and other periods for that matter, are not readily available. However, for the purpose of this study, Table 2.1 attached is relevant.

In Table 2.1, we see that total trade as a whole during the period was

dominated by oil exports (56.2%) and non-oil imports (38.8%). Naturally oil imports (1.3%) were insignificant relative to the total, but almost equally insignificant was also the non-oil export trade which was 3.7% of the total trade.

We also see from Table 2.1 that until 1986 when the several Nigerian Commodity Board were dissolved and SFEM and Duty draw backs introduced, the non-oil export trade was generally below ₦0.6 billion in value a less than 4% in proportion to total export. As from 1987 with the establishment of National Maritime Authority (NMA) however, the value rose to above the ₦2 billion mark, reaching N3.8 billion in 1988 only to witness a decline in the last year of the 1980's. The drastic devaluation of the Naira arising from STEM/SFEM helped to create these jumps in the figures, but some growth did take place, averaging 21.6% in the pre-sfem period and about 17.75 after adjusting the Sfem in those 3 years. In the years after Sfem also, non-oil exports rose on the average to 7/9% of the total export, compared to the 3.5% achieved in the pre-Sfem period.

NIGERIA'S EXTERNAL TRADE, 1980 - 1989

TABLE 2.1

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1. EXPORT (fob)										
Non-Oil	554.4	342.8	120.9	301.3	247.4	324.2	59.1	2152.6	3845.4	2954.4
Oil	13632.3	10533.5	8508.8	7201.2	8840.6	10890.6	8368.5	28208.6	29292.7	55016.8
Total	14186.7	10876.3	8704.7	7502.5	9088.0	11214.8	8920.5	30920.5	33138.1	57971.2
% Non-oil	3.9%	3.2	1.4	4.2	2.7	2.9	6.2	7.1	11.6	5.1
2. IMPORT (Cif)										
Non-Oil	8868.2	12842.1	12457.5	8732.1	6895.9	7633.5	5069.7	14691.6	21097.3	26188.6
Oil	227.4	71.5	108.0	171.6	282.4	209.4	913.9	3170.1	3803.1	4671.6
Total	9095.6	12919.6	12565.5	8903.7	7178.3	7932.9	5983.6	77861.7	24900.4	30860.2
% Non-oil	97.5	99.4	09.1	98.1	96.1	96.2	84.7	82.2	84.7	84.9
2. Total Trade										
% Export	60.9	45.7	40.9	45.7	55.9	58.9	59.9	63.0	57.1	65.3
% Import	39.1	54.3	54.3	59.1	44.1	41.4	40.1	37.0	42.9	34.7
% Non-oil	40.5	55.4	55.1	59.1	43.9	41.6	37.7	34.7	43.0	32.8
% Oil	59.5	44.1	44.9	44.9	55.1	58.4	62.3	65.1	57.0	67.2

SOURCE: COMPILED FROM CBN, FOS AND NNPC

The growth of external trade in real terms, mean that some growth also took place in the shipping sector, at least, in terms of increased cargo availability.

Table 2.2 I have presented some figures on the 1980 - 89 Seaborne cargo volumes based on the cargo throughout recorded at all Nigerian Seaports during the period. According to the data, over 90% of the totality of non-oil cargo loaded and discharged by ships during the period was generated by the import trade, while non-oil exports sector contributed less than 105, or precisely 9/1%. For the various cargo/shipping sectors, the proportions over the period were roughly:

General cargo/liner imports	-	50%
Bulk cargo/non-lines imports	-	50%
General cargo/liner exports	-	6.4%

The average annual non-oil cargo flow during the 1980's amounted to slightly over 10.5 million tones per annum, comprising 10.3% and 89.7% exports and imports respectively, and it can be infer from Table 3 that this cargo was loaded/discharge at the ports by an average of 3,437 ships per annum, including both liner and non-liner vessels

SEABORNE CARGO FLOWS AT NIGERIA PORTS

1980 - 1989

EXCLUDING PETROLEUM

(000 M/T)

TABLE 2.2

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1. EXPORTS:										
- GENERAL CARGO	430.0	590.5	340.1	285.1	143.6	180.0	253.5	188.8	298.6	208.2
- OTHER CARGO	291.2	552.2	277.3	208.1	101.0	143.6	186.8	430.4	835.6	3873.7
TOTAL	721.2	866.7	617.4	493.2	244.6	323.6	440.3	619.2	1134.4	4081.9
% GENERAL CARGO	59.6	58.8	55.1	57.8	58.7	55.6	55.6	30.5	26.3	5.1
2. IMPORTS: GENERAL CARGO	7811.8	11064.6	9207.3	6176.9	3837.2	5101.3	2892.3	2623.8	2136.0	2288.4
OTHER CARGO	3820.1	6276.4	6661.2	4406.3	4407.7	4406.3	2909.6	2424.4	2657.1	3533.2
TOTAL	11731.9	17341.0	15868.5	9407.6	8244.9	9507.6	5801.9	5047.2	4793.1	5771.6
% GENERAL CARGO	66.6	63.8	58.0	53.7	46.5	57.7	49.8	52.0	44.6	38.8
3. TOTAL THROUGHOUT	12,453.1	18,207.7	16,485.9	12,144.7	8489.5	9831.2	6442.2	5666.4	5927.5	9853.5
% EXPORT	5.8	4.8	3.7	4.1	2.9	3.3	2.1	10.9	19.1	41.4
% IMPORT	94.2	95.2	96.3	95.9	97.1	96.7	92.9	89.1	80.9	58.6
% GEN CARGO	66.2	63.6	57.9	53.2	46.9	53.7	50.4	49.6	41.1	24.8
% OTHER CARGO	33.8	36.4	42.1	46.8	53.3	46.3	49.6	50.4	58.9	75.2
% TEU	8.9	11.2	9.1	9.5	12.6	11.5	17.9	18.3	24.4	14.2

SOURCE: NPA (NIGERIA PORTS AUTHORITY PROVISIONAL FIGURES)

2.5.2. Balance Of Trade And Payments

Exports and shipping contribute to the National economy in several ways, including income and employment generation, and of course, foreign exchange earnings and/or savings. However, I would emphasised on the one which statistics are usually more readily available, is in the area of balance of payments, that is, the balance of our earnings and expenditure arising from our economic interactions with the rest of the world.

Both our balance on merchandize trade as well as the balance of the current account components of our balance-of-payment (BOP) in the 1980's are shown in Table 2.3. From the data, we evidently were able to maintain a favourable balance of trade for most of the 1980's except 1981 - 1983 when we incurred deficits.

From Table 2.3b, we do also see that shipping per se contributed significantly to the invincible trade and current account deficit during the 1980's. And from 1980 - 1989, the shipping deficits drew at an average rate of 8.3% per annum in the last two years, 1988 - 1989. These last two years were only years in the 1980's when the landmark National Shipping Policy Decree of 1987 which stipulated cargo sharing between indigenous and foreign shipping lines in Nigeria - could have been expected to turn the tide of the deficit - prone shipping sector.

NIGERIA'S BALANCE OF TRADE AND PAYMENTS

1980 - 1989

Table 2.3

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1 EXPORTS (FOB)	14186.7	10876.3	8704.7	7612.3	9131.2	11214.8	8920.3	30360.6	33138.1	57971.2
2 IMPORTS (FOB)	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IMPORTS (CIF)	9055.6	12919.6	12565.5.	9723.0	7178.3	7932.9	5983.6	17861.7	24900.4	30860
3 BALANCE OF TRADE	5091.1	2043.3	3860.8	2110.7	1952.7	3281.9	2936.9	12498.9	8237.7	27111.0
4 NET INVI-SIBLE EARNINGS	3462.2	2983.4	2060.1	2070.7	1957.2	2485.0	6202	14167.2	15396.6	16400.1
5 CURRENT BALANCE	1628.9	4991.7	4181.4	4181.4	4.3	796.9	3265.7	1668.3	7158.9	10670

SOURCE: CBN (CENTRAL BANK OF NIGERIA)

NET INVISIBLE EARNING 1980 - 89

TABLE 2.3B

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1 SHIPMENT	393.2	1007.9	655.2	564.7	311.3	389.7	389.7	356.6	1127.3	2484.1
2 CIVIL AVIATION	122.0	64.4	79.6	59.6	52.6	64.2	287.4	272.7	296.8	123.6
3 FINANCIAL SERVICES (INVESTMENT INCOME)	-502.7	557.5	-57.8	-270.7	-138.4	-153.0	+108.6	+87.0	+52.4	-219.4
4 TRAVEL	-662.9	-401.2	-556.2	-618.5	-892.5	-1281.4	-4163.0	-11566.0	-12579.2	-11192.1
5 OTHER GOODS. SERVICE/ INCOME	-1781.4	-917.4	-711.3	-557.2	-562.7	-596.7	-1504.2	-1290.2	-1312.1	-2568.1
TOTAL	-3462.2	-2948.4	-2060.1	-2080.1	-1957.2	-2485.0	-6202.6	-14167.2	-15396.6	-16440.1

SOURCE: CBN (CENTRAL BANK OF NIGERIA)

in the country. But, apparently, the decree was still young in implementation in these years to make the desired difference.

2.5.3 Conference And Conference Lines Participation

The oragnisation of Shipping lines into conferences via-a-vis non-conference line, has been a feature of Nigeria shipping since the pre-independence period. This demarcation was, the past, mainly relevant in the liner sector which operates conventional breakbulk vessels for the sea transportation of break bulk merchandise or general cargo During the recession in the shipping sector in the mid-1980's many conference, as well as non-conference lines in Nigeria have converted in dry bulk, combined, and /or utilized carrier in order to participate also in the country's bulk or traditionally non-liner trades.

The Conference vs non-conference operational systems have significance for Nigeria in many ways, particularly with regard to the total and unit costs of shipping the country's export and import cargo, the reliability, frequency, and geographical scope of services, and even with regard to the general efficiency in the management of our shipping and since 1987, to the participating of our indigenous shipping lines and companies in the National shipping trades.

The dominance of non- conference liners in Nigeria shipping during the early 80's is quite evident, as they lifted more than half of the total recorded cargo during the period. This dominance existed in both the import trade, as well as in the paltry non oil export trade of the time.

With regard to annual performances during the period, non-conference lifting in the export sector averaged 52.7% of the total annual figure during the pre - shipping policy period or 1980 -1987, but rose to 69.6% in the two years following the adaptation and commencement of the implementation of the shipping policy decree.

Table 2.4 indicates that Conference export cargo lifting per annum were generally decline from 1980 - 87 at marginal average annual rate of 0.04%, but after the shipping policy /line lifting grew at the remarkable rate of 78.1% annum. In the import sector, Conference lifting were growing at an average rate of 1.7% per annum during the pre-policy 1980-87 period, but again, with the institution of cargo sharing in 1987, the rate shop up to 144.6% per annum. Even though, the implementation of the Shipping policy decree was too early to make a positive difference in the shipping account of the country's balance of payment, it led manage to turn around the fortunes of the Conference line operating in the country, vis-a-vis non - Conference lines.

2:5.4 Indigenous And Non- Indigenous Lines/ Participation

Until the 1980's most indigenous shipping lines formed in Nigeria could not survive beyond a few years after they were set- up. This was due to the very limited experience of the country in the management and operation of shipping lines. The lines also had to face the immorable protective wall of monopoly erected by the longer established and experienced foreign shipping lines and cartels in the country, which "made it virtually

CARGO THROUGHPUT AT NIGERIA PORTS

Conference And Non-Conference Lifting

1980 - 89

TABLE 2.4

1.EXPORTS ('000M/T)										
- CONFERENCE	115.8	130.6	116.6	89.3	74.1	101.6	115.4	104.2	143.2	313.2
- NON-CONFERENCE	8.5	44.1	234.8	29.7	244.4	262.1	341.8	373.3	373.3	578.1
TOTAL:	124.3	174.7	351.4	119.0	318.5	364.0	420.2	445.4	516.5	891.3
-	93.2	74.8	33.2	75.0	33.2	23.3	27.5	23.4	27.7	33.1
2.IMPORTS ('000M/T)										
- CONFERENCE	1291.8	1977.7	1766.3	1220.8	1188.7	1142.2	1170.4	1221.0	4512.3	5390.6
- NON-CONFERENCE	124.3	1849.6	2091.5	1776.0	4745.6	5834.3	6392.4	6005.7	4512.3	5447.0
TOTAL:	1416.1	3827.3	3857.8	2996.8	5934.3	6976.5	7562.5	7226.7	9024.6	10837.6
- % CONFERENCE	91.2	51.7	45.8	40.7	20.0	16.4	15.5	16.9	50.0	49.7
3.TOTAL LIFTING										
- CONFERENCE	1047.6	2108.3	1882.9	1310.1	1212.8	1234.8	1285.8	1325.2	4655.5	5703.8
- NON-CONFERENCE	132.8	1893.7	2326.3	1805.7	4990.0	6096.7	6697.2	6349.9	4885.6	6025.1
TOTAL:	1540.4	4002.0	4209.2	3115.8	6252.8	7340.5	7983.0	7672.1	9541.1	11728.9
- % CONFERENCE	91.4	52.4	44.7	39.5	20.0	17.0	16.1	17.3	48.8	48.6

SOURCE: NPA (NIGERIAN PORTS AUTHORITY)

impossible for the indigenous line to gain access to cargo and to participate meaningfully in the carriage of the Nation's trade, even after the government owned NNSL was established and become the first and for long time, the only indigenous line to gain admission into existing liner Conference of the day, the line was"restricted to the handling of only 2.5% of Nigeria's total exports" in other words, not only was the line excluded from the cargo-rich, higher freighted import sector, but also, it was allowed only an infinitesimal share of the available export freight.

This scenario changed in the 1980's. In addition to NNSL about four other indigenous lines were admitted into the liner Conference operating during the period. The Nigerian Green Line was admitted by the COWAC and UKWAL Conferences in 1983 and 1985 respectively, while other were variously allocated to the Conferences after the National Shipping Policy decree took effect in 1987.

2:6 **Implementation Of National Shipping Policy**

Before attempting discussing the implementation process, I would rightly identify and examine the main characteristic strategies of the shipping policy. Two can be identified - promotional and regulatory strategies.

Promotional strategy relates more closely to that aspects of the Nigeria shipping policy which deals with the expansion of the National fleet, the development of ship yard, and improving the Nation's technological expertise, through cheap loans, and direct and indirect subsidy by the government. The fund mentioned in S.23 (a-e) of the Decree 10 (1987) is one means through which assistance could be given to shipowners and ship

yards to achieve the objective of fleet expansions, developments of Maritime Technology and Manpower development. In essence, it can be called Deveploment in the Nigerian Shipping Industry, and would be discuss in detail.

The most popular and far well known aspect of the Nigerian Shipping Policy is definitely the regulatory strategy as the 40-40-20 formula for the UNCTAD Code conduct for liner Conferences. Apart rom the UNCTAD formula, the 50.50 ratio for other cargoes mentioned in S.9 (1-5) and the exclusive right given to the Nigerian National carriers in S. 14 (1) of the Decree 10 (1987) form part of the regulatory strategy of the National shipping policy.

Although for analytical reasons the promotional and regulatory aspect of our shipping policy have been treated separately, it is important to note that the two strategies are very closely inter related and in most cases, interwoven. When one puts into consideration the fact that regulatory strategies like cargo sharing and control are put in place to enable indigenous carriers earn foreign exchange in order to more conveniently purchase extra tonnage it will become clearer that in the end both strategies are merged into one (promotional) in the long run.

Implementing The Shipping Policy

Determined to achieve its objective, the Authority made significant progress in the implementation of the National Shipping Policy. Some of the major areas in the Authority's implementation programme were the execution of the regulatory aspect - cargo sharing, control and monitoring and the

promotional aspect - development in the Nigeria Shipping industry, of its shipping policy objective. These are discussed below:

2.6.1 Development In The Nigerian Shipping Industry

A State of The National Fleet

As stated in the introductory part of this research, the first indigenous shipping company, the Nigerian National Shipping Line (NNSL) was incorporated in 1959 as a Joint Venture but become solely owned by the Federal Government of Nigeria as from 1961 with an initial fleet by number of ships and dead weight since 1980.

As at 31st December 1992, only three indigenous shipping lines, NNSL, Bulkship and Brawal Shipping Lines had vessels. Together, they had a total of fifteen (15) ships with a combined 220,000 Dead weight (DWT) tonnage representing only 59.3 per cent of the total dead weight tonnage of the National fleet ten years ago. Table 2.5 shown the ownership ratio by dead weight.

Apart from the one bulk carrier owned by Bulkship, the rest of the ships in the National fleet are old multipurpose vessels. Their inability to maintain the old vessels and to increase their fleet made them to depend largely on chartered vessels in maintaining their National carrier status as stipulated in section 8 (1-2) of the enabling Decree (Table 2.5)

NUMBER AND DEADWEIGHT OF MERCHANT SHIPS OWNED BY THE NIGERIAN SHIPPING COMPANIES SINCE 1980

TABLE 2.5

NAME OF SHIPPING LINE	1987		1988		1989		1990		1991		1992	
	NO. OF SHIPS	TOTAL DWT	NO. OF SHIP	TOTAL DWT	NO. OF SHIPS	TOTAL DWT	NO. OF SHIPS	TOTAL DWT	NO. OF SHIPS	TOTAL DWT	NO. OF SHIPS	TOTAL DWT
NIGERIAN NAT. SHIPPING LINE	19	268,000	19	268,000	13	192,000	13	192,000	13	192,000	13	192,000
AFRICAN OCEAN LINE	2	34,740	2	34,700	-	-	-	-	-	-	-	-
NIGERIAN BRASS LINE	1	15,814	1	15,814	1	15,814	-	-	-	-	-	-
NIGERIAN GREEN LINE	2	39,304	2	39,304	2	39,304	-	-	-	-	-	-
BULKSHIP	1	16,000	2	16,000	1	16,000	1	16,000	1	16,000	1	16,000
BRAWAL SHIPPING LINE					1	12,000	1	12,000	1	12,000	1	12,000
TOTAL	25	373,858	25	373,858	18	275,118	15	220,000	15	220,000	. . 15	200,000

SOURCE: (NATIONAL MARITIME AUTHORITY)
Annual Report For 1987 - 1992

2.6.2 **Training Of Seafarers**

One of the objectives of National Maritime Authority, as stated in section 3 (k) of its enabling decree is to "promote the Training of Nigerians in the in the maritime Transport Technology and as Seafarers". This objective seen pari pasa with those under section 3(e) and 3(i) which call for the acquisition of shipping technology and indigenous skills in maritime transport among Nigerians, with World wide decline in the number of seafarers and the zeal of developing countries to increase their participation in transportation of goods generated by their economic which has resulted in the establishment of more shipping companies in these countries, one can hardly overstate the importance of training Seafarers now to crew the new ships to be acquired in the not too distant future. Besides, ships are huge and highly risky capital investments. Owners cannot, therefore, but entrust the operation of their vessels in the hand of not well-trained and experienced Sea Captains.

One of the conditions under which the authority is empowered to grant a National carrier status to a shipping company as stated in section 7(i) (a) of the Authority enabling decree is that "100 per cent of the crew at least 75 per cent of the Shipboard officers including Captain, are Nigerian". Section 19 also states that the status granted may be revoked if the company fails to train Nigerians under their employment as Seafarers. Table 2.6 shows that of the 276 graduants have passed out of the Maritime Academy of Nigeria, Oron. The only institution in the country offering those courses which are pre-requisition for taking up a Seafaring carriers. Table 2.6 shows that only two shipping lines - Nigerian National Shipping Line (NNSL) and African Ocean Line (OAL) were responsible for the training of those officers with NNSL sponsoring 40 and African Ocean line only 3.

YEAR	NO. OF STUDENT GRADUATE COURSE		SPONSORSHIP OF STUDENTS				
1986	NAVIGATION	MARINE ENGINEER	STATE/ FEDERAL	PRIVATE STUDENTS	SHIPPING LINES	OTHERS	TOTAL
1986	8	15	1	19	2	1	23
1987	17	32	2	29	25	3	49
1988	13	17	1	25	4	-	30
1989	17	27	4	29	10	1	44
1990	18	29	1	34	10	2	47
1991	14	25	6	31	1	1	39
1992	17	27	7	35	1	1	44
TOTAL:	104	172	22	202	43	9	276

SOURCE: MARITIME ACADEMY OF NIGERIA, ORON

NUMBER AND TYPES OF VESSELS REPAIRED AT NIGERDOCK, APAPA BY NATIONALITY OF BENEFICIAL OWNER (1988 - 1992)

TABLE 2.7

1988 - 1992

TYPES OF VESSELS	NO. OF REPAIRS	OWNERSHIP	
		NIGERIA	FOREIGN
CARGO VESSELS	23	13	10
DREDGERS	11	5	6
NAVAL WARSHIP	21	21	-
FERRIES	17	17	-
LUNCHES	5	3	2
TUG BOATS	12	5	7
BOATS	6	2	4
FLOATING CRANES	4	3	1
SEARCH/RESCUE	7	4	3
TOUR BOATS	7	5	2
BOUYAGE VESSELS	3	2	1
SURVEY VESSELS	7	3	4
FISHING TRAWLERS	26	17	9
OIL TANKERS	39	18	19
TOTAL			

2.6.3 **Ship Building And Ship Repair Activities**

Nigerian Ports Plc has ship building and repair yards located in nearly all the Nigerian Seaports, but none of them is capable of handling vessels up to 5,000 dead weight tonnage and above. The only dockyard in the country designed to provide services for this class of vessels is Nigerdock Nigeria Limited. The yard is capable of handling the building and repair of up to 52,000 deadweight tonnage this meeting the repair needs of both National and foreign flag vessels.

Nigerdock has therefore made it possible for the National Maritime Authority to implement section 12 of the National Shipping Policy Decree which stipulates that the Nation's "Flag ship shall be serviced, repaired, and maintained where possible in Nigeria". Where this is not possible at Nigerdock express permission to do so abroad must be obtained from the Authority. This sections also requires foreign shipping companies participating in the carriage of Nigeria's seaborne trade to patronise the country's shipyard for this purpose. Table 2.7 indicates only two forcing shipping lines, repaired two of their vessels in a Nigerian Ship repair yard. This number is very negligible considering thousand of foreign ships that call at Nigerian ports every year. The patronage by foreign shipping companies for the repair of their oil tankers has declined sharply.

2.6.4. **Port Traffic Handling**

During the period 1988 and 1992, statistics obtained shows (Table 2.8) that a total of 6670 ships called at the Nigerian Ports, discharged 37,601,289.78

total tonnage and loaded 4,656,923.992 total tonnage. This bring total cargo throughput handled to 42,258,213.77 metric tones.

2.6.5. Cargo Sharing, Control And Monitoring

Determined to achieve the objective of ensuring that Nigerian Indigenous line get a fair share of cargo as stipulated in the decree the NMA proceeded to execute the aspect of its shipping policy objective - cargo sharing and control.

Preparatory to cargo, control and sharing, the Authority takes earlier the following steps:

i. Appointment and sponsoring indigenous carriers into various route and Conferences serving the Nigerian trade.

ii. Affixing sharing ratios to the appointed indigenous lines based on their fleet strength

iii. Setting up a freight sharing Committee to carry out the sharing exercise.

NUMBER AND TYPES OF VESSELS REPAIRED AT NIGERDOCK, APAPA BY NATIONALITY OF BENEFICIAL OWNER (1988 - 1992)

TABLE 2.7

1988 - 1992

TYPES OF VESSELS	NO. OF REPAIRS	OWNERSHIP	
		NIGERIA	FOREIGN
CARGO VESSELS	23	13	10
DREDGERS	11	5	6
NAVAL WARSHIP	21	21	-
FERRIES	17	17	-
LUNCHES	5	3	2
TUG BOATS	12	5	7
BOATS	6	2	4
FLOATING CRANES	4	3	1
SEARCH/RESCUE	7	4	3
TOUR BOATS	7	5	2
BOUYAGE VESSELS	3	2	1
SURVEY VESSELS	7	3	4
FISHING TRAWLERS	26	17	9
OIL TANKERS	39	18	19
TOTAL			

SOURCE: NATIONAL MARITIME AUTHORITY (Annual Reports 1988 - 1992)

VOLUME OF TRAFFIC HANDLED AT THE SEA PORTS

1988 - 1992

TABLE 2.8

SEA PORTS	CONFERENCE LINES	NUMBER OF SHIPS	TONNAGE DISCHARGED	TONNAGE LOADED	TOTAL METRIC TONES
APAPA	COWAC	554	4621867.82	180643.832	4802513.65
	MEWAC	32	65356.36	-	65356.26
	FEWAC	125	879151.773	48861.1	1368012.87
	UKWAL	91	411309.9	30712.41	442022.31
	AMWAC	82	403971.726	30288.195	434359.92
	NIG-BRAZIL	51	656870.77	-	656870.77
	INTERMEDIATE	35	185389.244	-	183389.24
	OTHERS	554	2933081.65	157853.2	3090934.85
		877	4916040.00	272846.00	5188886.00
	SUB-TOTAL	2401	15,073,041.14	1,161,304.74	16,234,345.88
TIN CAN	COWAC	540	2554125.06	236148.96	2820274.02
	MEWAC	306	1201592.22	117445.3	1409037.52
	FEWAC	111	442321.24	12994.22	455315.46
	UKWAL	5	11688.00	1508.00	13138.00
	AMWAC	65	167614.00	15447.01	183061.01
	NIG-BRAZIL	87	491059.47	8439.72	499499.19
	INTERMEDIATE	3	9282.00	398.00	9680.00
	OTHERS	90	18683.72	-	18683.72
		326	230169.00	12831.00	243450.00
			15470789.00	138120.00	1685209.00
	SUB TOTAL	1541	6,794,023.71	543,234.21	7,337,347.92

SEA PORTS	CONFERENCE LINES	NUMBER OF SHIPS	TONNAGE DISCHARGED	TONNAGE LOADED	TOTAL METRIC TONES
PORT-HARCOURT	COWAC	445	2362588.948	330082.288	2710671.14
	MEWAC	70	1003281.503	45906.5	1049188.023
	FEWAC	87	257739.151	32908.00	290647.151
	UKWAL	110	197744.009	256083.322	453827.331
	AMWAC	209	404764.601	215947.528	710712.129
	NIG-BRAZIL	6	7898734.05	-	7898734.05
	INTERMEDIATE	136	270271.042	253608.339	523879.381
	OTHERS	37	61840.00	81736.00	143576.00
		176	590642.00	360817.00	960459.00
	SUB-TOTAL	1278	13,146604.93	1,596,089.282	14,732,694.21
	COWAC	284	70490.71	24958.21	775448.92
	MEWAC	18	64763.00	6600.85	713363.85
	FEWAC	11	23230.31	925.00	24155.31
	UKWAL	63	76479.00	8920.71	158339.71
	AMWAC	104	165940.48	16843.97	182784.406
	NIG-BRAZIL	46	325277.63	6719.00	331996.63
	INTERMEDIATE	7	-	29441.00	29441.00
	OTHERS	165	185238.45	60463.00	245701.45
		9	15742.00	906.00	16648.00
		522	728074.00	1071624.00	1799698.00
	SUB TOTAL	1234	2,335,235.586	1,300,401.69	3,635,637.76

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SEA PORTS	CONFERENCE LINES	NUMBER OF SHIPS	TONNAGE DISCHARGED	TONNAGE LOADED	TOTAL METRIC TONES
	COWAC	41	103074.3	14613.00	117687.3
	MEWAC	12	17689.095	-	17689.095
	FEWAC	3	6604.55	1000.00	7604.55
	UKWAL	52	40214.462	-	40214.462
CALABAR	AMWAC	9	17586.40	5410.07	22996.47
	INTERMEDIATE	1	-	903.07	903.00
	NIG-BRAZIL	21	11438.61	59.00	11497.61
	OTHERS	-	-	-	99596.00
		77	55777.00	43819.00	-
	SUB-TOTAL	216	252,384.417	65,804.07	318,188,487
	GRAND TOTAL:	6670	37,601,289.78	4,656,923.992	42,258,213.77

SOURCE: NATIONAL MARITIME AUTHORITY
Annual Report 1988 - 1982.

The choice of sharing cargo through the Conference was dictated by a number of factors namely:-

i. Need to carry the international community along with the least controversy at the initial stage.

ii. Operational difficulties involved in single line sharing.

iii. Ready availability of Conference infrastructure that would make the take off of sharing through Form 'C' easy.

The NMA commenced its cargo sharing operation on the 5th May, 1988 using the NMA cargo Notification series which had been put earlier into circulation through CBN and Authorised Dealers.

As part of the cargo control measures, the Authority designed three sets of forms, namely:

i. Form C 1:1 and C-1.2 for non oil public sector imports and exports respectively.

ii. Form C-2.1 and C-2.2 for petroleum products imports and exports.

iii. Form C 3.1 and C-3.2 for private sector non-oil imports and exports respectively.

Each of these forms is a documents of title of the carriage of cargo.

Form C - 1 and C - 3 series were put into circulation in March, 1988. The form C-2 could not be put into circulation because of some problems associated with the nature of products itself.

Cargo measuring measures adopted by the Authority depended on the information supplied by shipping lines and Conferences on their performance to measure the effectiveness of its sharing and control measures. While shipping lines were expected to submit their freighted manifests for each voyage undertaken, the Conferences were required to make quarterly returns of the totality of lifting by their member lines indicating tonnage and freight value. In addition, indigenous carriers operating along the various route continued to act as the Authority's Monitoring agents along the route they ply. These measures were taken to ensure that National carriers exercise fully their carrying rights of at least 40 per cent of the freight in revenue and volume.

2.6.6 **Results of Operations**

Statistics shows as indicated in Table 2.9 a total of 353,785 documents with freight on Board (FOB) and estimated freight value of $23,543,602,205.26 and $2,643,057,817.00 respectively were shared out, it also shows a dominance of COWAC, FEWAC and UKWAL routes of the total traffic to and from Nigeria in the year 1988 and 1992.

However, it must be pointed out that value of freight and FOB recorded through shared documents may or may not necessarily translate into actual lifting. In some case, cargo modification is merely indication of intention

to ship, and where it materialise period of actual shipment might spread beyond the date stated.

2.6.7 **Summary Of Achievement Recorded On Its Implementation Process**

National Maritime Authority has been putting structural and functional policies in implementing what was contained in the decree, thus, set in motion of following:

1. Sponsorship of some liner operators and indigenous shipping company to major maritime conferences. Many indigenous shipping companies have been encouraged by the Authority to charter vessels in line with section 8 of the decree. So that they would be able to take their own share of the forty per cent in line with UNCTAD Code of Conduct as contained in section 3(a, d & k) of the Decree 10 of 1987.

2. NMA has also embarked on a programme of training both her staff and other sea fearing personnel. To this end, 276 graduates has passed the Eighteen months Seafaring training at Maritime Academy, Oron.

   This is in line with section 3(a).

3. In line with section 7 of the decree which stipulates that deserving indigenous shipping line which satisfy conditions laid in the decree

shall be provided with National carriers status, the following companies were conferred with National Carrier status:

i. Nigerian National Shipping Line (NNSL)
ii. African Ocean Line
iii. Nigerian Green Line
iv. Brawal Shipping Line
v. Bulkship Nig. Ltd.
vi. Nigerbrass Nig. Ltd.

RESULTS OF CARGO SHARING

1988 - 1992

TABLE 2.9

ROUTES	TRADE	NO. OF DOCS. ALLOCATED	ESTIMATED FOB VALUE $	ESTIMATED FREIGHT VALUE $
COWAC	IMP	113,594	9,104,982,166.0	972,382,453.90
	EXP	5,861	440,721,148.6	43,733,051.48
MEAC	IMP	28,233	2,115,587,683.0	93,272,237.3
	EXP	2,670	127,385,120.3	15,181,993.38
FEWAC	IMP	75,970	4,726,817,691.0	577,151,664.6
	EXP	1,340	755,786,638.39	8,040,662.44
UKWAL	IMP	50,127	2,747,567,333.00	241,969,265.6
	EXP	3,539	255,136,707.21	22,863,789.73
AMWAC	IMP	21,708	1,814,760,445	253,980,736.00
	EXP	1,611	192,056,209.4	23,462,038.81
NIG.BRAZIL	IMP	12,617	1,249,305,037	212,260,144.9
	EXP	40	3,288,226.2	390,632.71
NIG. INDIA	IMP	36,629.00	537,910,240.9	86,060,998.2
	EXP	396.00	12,567,315.0	1,053,107.0
INTERMEDIATE	IMP	2,136.00	36,554.2	93,276,086.97
	EXP	1,414.00	1,671.97	7,529,957.09
TOTAL		353,785.00	23,543,602,305.26	2,643,057,816.00

SOURCE: NATIONAL MARITIME AUTHORITY

These shipping companies were consequently sponsored into various routes as stipulated in section 9 of the Decree.

4. In its effort to ensure adherence to section 9(6) of the decree, which state that - Authority shall determine ways and means of involving National Carriers in the carriage of Crude petroleum in Nigerian vessels". A concerted efforts have been made by NMA in this thorny issue of wet cargo, which is considered untouchable because of the powerful foreign lobby set to deprive the country of its benefit. However, with sustained will and coupled with government backing and following series of meeting with Nigerian National Petroleum Corporation (NNPC) the issue was resolved, it was resolved that any National carrier that acquire a tanker vessel would be recommended and forwarded to the NNPC, it was also found that Paflok Shipping line was recommended to NNPC to commence the lifting of Crude oil.

5. Establishment of Nigerdock Nigeria Limited to maintain, repairs and services Nigerian ships makes it possible for the Authority to implement section 12 of the decree which stipulates that the Nations flagships shall be serviced, repaired, and maintained where possible in Nigeria. This makes the repairs of the Nation's flagships in Nigeria ship repair yards mandatory.

6. As stipulated in section 13 of the National shipping policy that the Authority should establish a fund known as ship acquisition and Building fund to assist Nigerians in the development and expansion

of a National fleet, the Authority has completed a study for the establishment of a Maritime Bank.

7. The Authority ensure through the use of form C, and C3 that all sea affreightment of export and import are documented. This enable the Authority to determine the freight contents of such a freightments and be able to share the documented cargo between the National carrier and foreign operators as entrenched in section 14 and 18 of the Decree.

2.7 Problems Of The National Shipping Policy

The policy of shipping is partly based on the UNCTAD Code on line Conferences implying cargo sharing on 40:40:20 basis and partly based on 50:50 sharing non-Conference generated cargo. The UNCTAD Code is silent on Non-Conference cargo operations, thus, giving the opportunity to treat them on bilateral basis, as the case in Brazil and other Latin American countries.

National Policy on shipping does not aim at entrenching the status *quo established by the developed countries. Rather than uphold this,* in the words of Starmay Archer, the policy is deliberately and consciously seeking to change existing practice".

The problems hampering the National policy on shipping and the maritime sector in general can be classified into National and international.

On the National problems are such problems as lack of well-educated and well equipped to handle the activities of the sector. The shipping industry is a complex one, thus required highly trained manpower in all aspects of its operation. Also, the Maritime, like other sectors in the country has been hampered by inadequate finance with which to carry out its activities and duties. This has to a large extent recalled in the obsolete fleet that operates presently.

Shipping has become highly technical, unfortunately Nigeria has not fared well, owing to our poor technological know-how, nor have we had the money to buy such technology as obtains in modern shipping and recently made ships. Where we have had the money to buy vessels, often times, we have not been able to maintain such a vessel effectively because those with academic know-how lack practical technical knowledge.

On the international problems however, the possible implementation of the National Policy on shipping is predicated on the cooperation of the developed countries and the International Maritime Agencies, which obviously are controlled by these affluent nations. Additionally, too, both foreign and local banks, insurance companies, shipping lines, clearing and forwarding agencies and Port Authorities in different countries have contribute to make this policy a success.

The problems of Acquisition of vessels, and on favourable terms, training of staff and setting up of foreign offices are hurdles, the National carrier

(NNSL) and other indigenous carriers have always been discriminated against.

The Introduction of Form C series, made certain elements within the industry not being happy, and, are doing everything within their power to thwart the realisation of the aims and objectives of the shipping policy.

Some Europeans Economic Community member states through their Press describe the enactment of the Decree 10 of 1987 as being anti-competition, monopolistic undemocratic. To them, everything must be done to break down our defences and lay our defences base for soldiers of fortune from Europe to plunder.

Foot Notes

Chapter Two

1. Sir, Al an-Bums, History of Nigeria, George Allen and Uwin Ltd.

2. Keneth O. D. (1930 - 1956) Trade, and Policies In The Niger Delta Oxford University Press, London.

3. The Royal Institute of International Affairs, Nigeria (1960), The Political and Economic Background

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5. The National Shipping Policy, Decree 10 of 1987

6. National Maritime Authority, Bilingual Annual exports.

CHAPTER THREE

3.1 Data Presentation And Analysis

3.1.1 The objective of the National shipping Policy decree 10 of 1087 has been realised

3.1.2 The extent of the contribution of the maritime sector to the development of the economy

3.2.1 To establish whether the shipping policy objectives has been realised, the following methodology was used.

Date collection (secondary data)

For proper presentation of data, the main thrust of the contents of the National Shipping Policy decree has to be looked into, it can be classified into

1. The main objectives, aims, and function of the policy was covered in 3, 4 and 5.

2. The National carrier issues and indigenous participation in the trade (section 7, 8 and 9) while the revocation of such is treated in section 19.

3. The treatment of earnings and expenditure of foreign exchange (section 10 and 11) while official treatment is examined by section 16.

4. Section 12 spelt our servicing, repairs, and maintenance of ships along with provisions of a ship acquisitioa and building fund.

5. The rights of carriage and application of FOB (free on board) and C & F (cost and freight) conditions of trade are spelt out in section 14 while questions of ownership structure for ships are taken up in section 15.

6. Revenues accruing to the National Maritime Authority are indicated in section 17, 22 and 23, cargo control and sharing procedure is the subject matter of section 18 while 20, 21 and 22 deal with cargo booking offices abroad.

7. This sections, 24 and 25 provide for the annual reports of the operations of the National Maritime Authority and stipulate penalties for infringements of regulations in section 26.

FINDINGS

It was found that the National shipping policy has two broad polices in its objectives - the promotional and the regulatory policies.

1. The National carrier status in line with the promotional policy, NMA

embarked on the registration of companies connected with the carriage of Nigerian goods by sea.

2. Table 2.5 shows the shipping lines give the National carrier status, and the number of their fleet. Rather than increase, the fleet has gradually decreased from its total number of 25 in 1987 to as low as 15 in 1992 in just a period of 5 years.

3. Section 10 and 11 is in relation to earnings and expenditure of foreign exchange. Before the shipping policy, Nigerian received little for cargo lifted from her shores, only 10% of the indigenous participated and carried 11% of the traffic of the N1.6 billion paid by Nigeria national carrier earned only N240 million. But after the promulgation of the policy ships were made 3% of its gross freight earning, therefore by the end of the year 1992 it had collected N49 million revenue.

As regard to the Seaborne (Table 2.2), before the policy it accounted for 90% of goods in and out of Nigeria and spend $21 million every month to pay freight on dry cargo and $1.3 billion annually on lifting Crude oil. But after the promulgation of the policy every things changed and by the end of 1988, foreign exchange that accessed to NMA was about $6.5 million. This has increased substantially every year and remain a source of high revenue to government.

4. Ship building and ship repairs in Nigeria, the production base for

ship is weak because of the high technology involved, which is lacking. Thus, indigenous have to resort to buying them abroad or to leasing.

Nigeria is more involved with ship repair and maintenance, although she is still far from being self-sufficient. Table 2.7 shows that of the total number of 6670 vessels that called in 1988 and 1992, only 167 vessels were repaired and maintained at the yard. The table also indicated that only 21 foreign vessels were maintained, this represent only about 3% of the total maintained at the yard. It may be inferred, therefore, that the supply of ship and repair in Nigeria is rigid in the sense that an increase in demand cannot rapidly be met by domestic supply, it follows that the country is heavily dependent on imports which require substantial foreign exchange.

5. Training of Seafarers: Table 2.6 shows that 276 are trained by the National Maritime Institute, Oron. 62.3% of the graduands are marine engineers, an area of great need in Nation maritime industry. Whereas the National Shipping Policy expect National carrier to train their staff, only Nigerian National Shipping Line (NNSL) and African Ocean Line (OAL) have made any serious efforts to train their staff of the 43 Sea fearers trained between 1982 and 1992, 40 representing 97% was by NNSL while AOL trained only 3. This shows the reluctance of the National carriers to train their staff and up lift the size of their National fleet.

6. As for the regulatory policies of the decree which is aimed at

ensuring that the more established foreign shipping companies give the indigenous ones the opportunity to grow. Whereas National carriers have the authority to charter vessels to augment what they have, as has been stated in section 8, of the decree, not much progress has been made in this respect as only 30% of this opportunity has been tapped.

7. For carriage of cargo and cargo sharing, NMA relies on the use of its form C series, for both import and export cargoes. Table 2.9 shows the document, shared out, their FOB and freight values. Under this arrangement, for the period 1988 - 1992, a total of 353,785 documents were shared out with estimated FOB value and estimated freight valuE OF $23.54 billion and $2.643 billion respectively. Following the sequence as in Table 9 for example, the total documents shared out increased from 38,774 in 1988 to 85,118 in 1992, an increase of 119.5%. The freight value for imports also rose from 337.3 million in 1988 to 1,271.4 million in 1992 recording an increase of 276% in just five years. As for exports which rose from 18.84 million dollars in 1988 to 45.23 million dollars in 1992, an increase of 140%. Therefore, the indication of the low value of exports show that Nigeria is essentially a consuming country. The results also show that National carriers participation in import cargo is relatively small. As for the export cargo, National carrier allocation commensurate with their entitlements excepts on fewer routes like COWAL, AMWAC and NIG-INDIA where they were allocated less than their normal share; because they were more prepared to lift low freighted cargoes, inadequacy of

funds to enhance productivity of their vessels or they completely lack the vessels.

Cargo sharing embarked upon on the commencement of the Authority in 1987. A greater grip in cargo control and sharing was made in 1992 when the Authority introduced the application of sailing certificates. This measures, therefore compelled the shipping lines to lift the cargo allocated to them.

Conclusion

The National Maritime Authority has made significant impact in the implementation of the National Shipping Policy. Therefore, the country and the Authority has moved forward in its efforts to realise the objective of the National Shipping Policy.

3.1.2 The contribution of the Maritime sector to the Nigerian economy. There is a close relationship between the existence of a transport system and prospect for economic development. This can be qualified in two ways. First, the transport system is of course, not only determinant of economic development but it is a decisive factors. Secondly, the relationship between the existence of a transport system and economic development is not one way. In other words, transport influence economic development but at the same time is influenced by it! Nevertheless, it can generally be said that the structure and speed of development of a National economy largely depend on the extent, and even more on the quality of a transport system. Concerning more products other than those which community is producing

itself needed a transport systems and, that involve foreign trade.

International trade is a pre-requisite for economic growth and welfare and in one of the decisive factor for stimulating industrialisation and growth of local markets for goods and services engaging in international trade requires a functioning transport system or ready access to a mean of transport such as shipping. This applies to the provisions of Port services. The essential Sea ports function is the discharge and loading of ships at their interface with inland transport. It provides services to cargo and to ships but since this is generally only for the carriage of the Nations foreign trade, there are not net earnings for the National economy. All costs incurred in ports are a drain on National wealth since they add to import prices or reduces export earnings. Therefore, ports are expected to provide services at a minimum total costs to facilitate trade.[3]

Maritime as a capital intensive industry is an appropriate area of investment in this country in view of the fact there is scarcity of capital and abundance of labour. Therefore, investment in shipping creates employments.

Another area of consideration as regard the contribution of the sector is the economic and political integration. This contribute decisively to the Nation integration into the world economy. This integration is achieved through the services provided and the existence of the National fleet which ensure the integration process are not unduly interrupted. This integration helps in the possible areas of cooperation. Therefore, the internationality of the sector and the mobility of assets are important factors.

As regards to the political consideration: maritime sector safeguard supplies to the National economy, and population in time of political crisis.

Analysing Data

The demand for the shipping services for the period 1988 - 1992. The total number of vessels that berthed, the tonnage discharged and loaded for the period 1988 and 1992 are 6670 vessels, 37,601,289 metric tonnage respectively. This shows that Nigeria is a consuming country since the Nigeria economy is characterised by weak production base and extremely depends on manufactured import to sustain itself.

An analysis from the table also shows that Apapa (Wharf) Port is the busiest since 2401 vessels of the 6670 called at the Apapa Port. This is quite obvious due to the port facilities and handling equipment.

Table 8 confirmed also that oil is the dominant source of government revenue during the period of 1988 - 1992 because it accounted for an average of 78.3%, these included both Customs and Excise duties and import duties.

Therefore, the demand for maritime services has been on increase in absolute terms, there has been an expansion in the size of the Nigerian market of manufactured products and in the export of crude petroleum.

For the provision of facilities at minimum cost to reduces drain on our National wealth, it was found that the Nigerian Ports maintained three

elements of costs in its total cost. This is by ensuring the following:

1. Development and operation of port facilities, including all cargo handling.
2. Costs of ships entering and remaining in ports.
3. Cost of large detention, delays and administrative procedure.

It was also found out that the highest single contributions of ports in this respect is to ensure that congestion does not arise. For contribution to employment generation and economic and political integration, however, no comparative data are available and data indicating the level of contribution of the maritime sector to that regard are not readily available.

Conclusion

It is clear that the contribution of the maritime sector has a great influence on the performance of the Nigerian economy. Thus government should really be keen on the survival of the Nigerian shipping industry.

Foot Notes

Chapter Three

1. UNCTAD, (1984) Handbook on shipping in the context of services and the development process, No 7D/8/1013.

2. UNCTAC (1983) Handbook of International trade and Development statistics No. E/F 83/11/D.2.

3. IMF, (1983) Balance of payment statistics, Vol.34, year book P. 2, Washington D.C.

4. Blumuhagen D. (1981), shipping and the balance of payments, lectures and contributions institute of shipping economics No. 32, Brumun.

CHAPTER FOUR

4.0 Summary, Recommendations And Conclusions

4.1. Summary

As noted in the introductory of any policy on shipping, any shipping line could come to Nigeria freighting all available cargo in or our of the country without let or hinderance. Then there was no law compelling those foreign shipping operators from cargo freighting. Lack of this law has been identified as the cause of the country losing substantial foreign exchange annually in possible freight rate and shipping operations related charges. This also resulted to a situation where a shipping line could canvass for cargo on any route and change routes at will depending on cargo location to the detriment of indigenous shipping operators and Nation's Maritime interest.

This coupled with the negative attitude of the foreign operators mode of impossible for the country to correct this deplorable situation in its early year of independence.

It is this effect that cause the adaption of the United Nations Conference on trade and development which stipulated among other things that National lines who countries are involve in a particular trade should lift at least 40% of the trade, and was the first major step towards the eventual promulgation in April 1987 of the Nigeria National Shipping Policy decree 10 which

established National Maritime Authority (NMA).

National Maritime Authority (NMA) was the apex body empowered by the Decree to oversee the implementation and coordination of the National Shipping Policy. Thus ensuring that the whole maritime industry achieve its meaningful objectives and contributions to the Nation's economy.

4.2 Recommendations:

If the Maritime sector of the country is to be effective to provide more contributions to development of the nation's economy, the following recommendations should be embarked upon :

1. Strict enforcement of the National shipping policy decree. The Authority should clearly make use of section 26 tagged "Offence and penalty" for any company who fail to comply with any provisions of the decree.

2. Media both print and electronic one's need to be through enlightened in the intricacies of the maritime sector.

3. Nigeria should be encouraged to own more shipping vessels at least 100 vessels,in order to be able to convey its share of cargoes. similarly, section 7 which states conditions that a foreign owned ships vessels has to meet to be classified or accorded National carriers status should be strictly adhered to.
4. The extension of the cargo sharing principles of the 1987 shipping

policy decree to the cargo - risk and more cargo-stable oil sector should be considered to the country's National fleet development and diversification and indigenous shipping generally.

5. In the course of advancing indigenous participation in shipping through cargo sharing, the fundamental needs of our shippers for competitive rates and prompt lifting of cargo presented for shipment, should not unduly sacrificed.

6. In view of the very weak competitive position of our indigenous line within the Conference system, the modalities of cargo sharing in the country should be reviewed with a view to evolving a system which shares cargo between indigenous and non-indigenous flag lines, rather than between Conference and non-Conference lines both of which are foreign flag dominated.

7. As a result of its vital importance to a Nation, it cannot afford to abandon its maritime technological aspect to foreigners. This makes it necessary for the country to increase its effort to train and retrain her shipping personnel through local and overseas abroad to keep abreast of current technology in the shipping sector.

8. The Ministries of transport and aviation should cooperate and undertake a joint review of their respective policies - to ensure that the close linkage between trade, and shipping is fully exploited and that the policies are well harmonised in their regulation for better implementation of the policy.

9. Finally, efforts should continually be made by the National Maritime Authority towards the successful implementation of the remaining sections of the shipping policy decree like section 20 and 21 which states the establishment of Joint Banking Centre in any part of the world and establishment of booking centres abroad respectively, and the successful take-off of the proposed Maritime Bank to only make funds available to operators in the Maritime industry for the acquisition of capital assets necessary for successful shipping.

4.3 Conclusion

This study recognises the fact that Nigeria has the potential of making its maritime sector more dynamic.

It has identified that Maritime is a vital pre-requisite for any form of economic development in the country. Therefore, the growing importance and emphasis placed on the industry are also quite concretely reflected by the promulgated National Policy on shipping which established National Maritime Authority in 1987, the merchant fleet and other infrastructures, among other programmes whose implementation is expected to strengthen the industry domestically as well as internationally.

However, despite all these policies and programmes, it was found out that because of the internal and external problems of the shipping particularly the cooperation of the developed countries and the international maritime agencies. The implementation of the shipping policy became very hectic thus made it almost impossible for the country to reap the fruit of the policy

in the early years of its promulgation.

However, it is hoped that if the aforementioned recommendations are fulfilled, the National Policy on shipping will allow Nigeria to increase her participation in shipping, improve her investments and ensure the orderly development of the sector in its National economic endeavour with the present efforts, the future is to be more rewarding.

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