PERFORMANCE OF MARITIME SUBSECTOR AND ECONOMIC GROWTH IN NIGERIA (1995 – 2015)

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A DISSERTATION PRESENTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES, NNAMDI AZIKIWE UNIVERSITY, AWKA – IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY DEGREE (PH.D) IN BUSINESS ADMINISTRATION

OCTOBER, 2018

DECLARATION

I, IGBODO, Republic Onaburekhanlen, do hereby certify that the work embodied in this dissertation was carried out by me and it is original. And that it has not been submitted in part or in full for any other degree or diploma of this or any other university or sent for journal publication anywhere.

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APPROVAL

This dissertation entitled 'Performance of Maritime Subsector and Economic Growth in Nigeria (1995 – 2015)' has been assessed and approved by the Departmental Postgraduate Board.

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DEDICATION

This work is dedicated to the Almighty God who is the Fountain of knowledge.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDIX

Abstract

The dwindling nature of economic growth in Nigeria as a result of reliance on single product – the endowment with numerous human and natural resources notwithstanding – has been a great concern to well meaning Nigerians and foreigners who have businesses to do with the country. This is so because one finds it incomprehensible as to why a country so endowed with tremendous human and natural resources should dwell in a vicious cycle of economic downturn. This study "performance of the maritime subsector and economic growth in Nigeria, 1995 – 2015" was an attempt to determine the extent to which maritime subsector has contributed to Nigerian economic growth over the years with a view to knowing how much it can help to stimulate the nation's economic growth when adequately harnessed. Four objectives, four research questions and four hypotheses were developed. The expo-facto research design was adopted which called for the usage of secondary data in analysis. Data were obtained from Central Bank of Nigeria and National Bureau of Statistics, among other secondary sources. The data were regressed in determining the relationship between variables of maritime performance and variables of economic growth. The findings showed that there is a positive relationship between indicators of maritime subsector performance and indicators of economic growth in Nigeria. That means ship haulage, berthing and custom duties have positive relationships with balance of payments, external reserves and total revenue respectively. The findings further showed that Nigeria can rely on the maritime subsector to grow economically if the subsector is fully exploited. In conclusion, the maritime subsector is seen as a veritable engine of growth for the Nigerian economy when well harnessed. It was recommended that the government of Nigeria should shift emphasis from oil sector to this very viable subsector in terms of policy making, massive investment, control of custom duty invasions and encouragement of indigenous participation. These will certainly take the country out of economic stagnation.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Nigerian economy is not only a source of concern to elitist Nigerians but also a source of worry to other nations of the world who see the country as a big docile economy. The country is big in terms of size and gift of natural resources as can be compared to any other big country in the world. However, the present stage of development of Nigeria is not commensurate with the abundant natural resources that the nation is endowed with. In all facets of human living, Nigeria as a nation is abundantly blessed. These endowments range from human knowhow to agricultural gifts in terms of arable land as well as natural gifts of seas and water, usually referred to as marine gifts.

That Nigeria is full of natural endowments is not the question bothering the minds of right thinking people, but the protracted elusiveness of the ability to harness such endowments is the great ponder. The expectation has been that if the natural endowments on Nigeria as a nation have been rightfully harnessed, the country would have been one of the most advanced nations of the world today, a set usually referred to as the First World Nations. Unfortunately, the country has revolved round a vicious circle for too long as a result of lack of development. In the words of Soludo (2017) "Nigeria project is not working. After 50 to 60 years of existence as an independent nation, the Nigeria project is not still working despite everything we went through. Even with the constitutional conferences, the country is still at a standstill. It is unfortunate we are still where we were more than 50 years after independence and have not been able to move away from where our colonial masters left us". Nigeria's inability to harness its vast natural resources has left the nation in the throes of economic quagmire and underdevelopment for too long. More damaging to the country is the emphasis on crude oil sector which has, for long, removed the attention of government from other more profitable ventures that can move the nation forward. One of such areas is the maritime business which many advanced and developing nations of the world have harped on to attain the developmental stages they are currently enjoying today. To a very large extent, Nigeria governments have never seemed to pay any serious attention to this very viable subsector that is capable of moving the nation from its present economic depression to that of buoyancy. Rather, the country is going in circles focussing on only "oil wealth". Feyi (2017) said that "it takes consistent bad policy after bad policy, mistake after mistake, stupidity after stupidity and nonsense after nonsense to ruin a nation". Successive governments in Nigeria have practised the same method of relying on a single commodity to pilot the nation's affairs overtime and there seems to be no remarkable progress in economic growth.

The discovery of crude oil and its attendant resources in Nigeria in the late 1950s seemed to have blinded the Nigerian nation to its real natural endowment that can last forever. The class arrogance and power tussle by the political class in order to grab the oil wealth has left the nation in circles for a long time without due consideration to exploit the more needful sectors for sustainable growth and development. In other words, oil production and oil wealth have over time, taken the attention of successive governments in Nigeria to the detriment of other sectors that are potentially buoyant. To say the least, the governments of Nigeria have paid lip service to the maritime subsector.

The government of Nigeria seems to be satisfied with the present level of operations in the maritime subsector, in spite of the fact that the subsector is full of vast untapped potentials that are capable of piloting the nation's economy buoyantly. Disheartening as it is, the present level of operations in the maritime subsector of the Nigeria economy is not quite different from what was obtainable in the 1960s and 1970s (Afolabi, 2015).

Nigeria is conferred with great maritime potentials with a coastline of over 823 kilometres and navigable waterways of about 4,000 kilometres (Chizea, 2015). The abundant potentials in the maritime subsector are capable of creating rapid economic growth and dominance in the scheme of things in the world. Afolabi, (2015) states that there is a vast trove of hidden treasures in the maritime subsector. Nature has kindly bestowed on Nigeria vast resources of long coastline and even longer inland water ways, thus making us at least theoretically a maritime nation".

The maritime subsector is popularly referred to as commerce in the sea which involves all efforts for the shipment of goods (cargo) and people by sea and water ways. The efforts in the maritime sector are concentrated in port operations which are a necessary tool to enable maritime trade between trade partners. The industry includes all enterprises engaged in the business of designing, constructing, manufacturing, maintaining vessels and so on.

Presently, over 90 percent of the world's trade is carried out on sea. It is by far the most cost effective way to move goods and raw materials around the world. Maritime activity has a key role to play in the alleviation of poverty and hunger as it already provides an important source of income and employment for many developing countries (www.imo.org).

Chizea, (2015) states that "whosoever commands the sea, commands the trade, whosoever commands the trade, commands the riches of the world and consequently, the world itself".

The maritime industry is a subsector of the transport sector but principally involved in the movement of cargo and people by sea and inland water ways. Important as the sector is, the government has over the years treated it with levity. The government attention on the maritime subsector shifted in the late 1950s with the discovery of oil in Oloibiri by Anglo-Dutch consortium. Chizea (2015) opines that economic differentials and indices have shown that the overall economy performed better before the oil revolution. The growth of GDP averaged 5% in the 1960 and rose to 8% in the 1970. In the 1980, there was a decline averaged at about 3.2%. Agricultural sector accounted for 64% of GDP in 1960s, 44.5% in the 1970s from whence decline had continued. The score of agriculture in total export was 85.6% in 1960 and 30% in 1970 and 2.4% in 1980. Presently, Nigeria no longer exports most of the agricultural produce (Chizea, 2005).

Just as the attention of government has greatly shifted from the agricultural sector, so also has the government paid lip service to the maritime subsector which Peretomode (2014), said accounted for 80% of the shipping business in West Africa.

Madueke, (2005), once said that “the maritime industry is to the Nigerian economy what the artery is to the blood circulation system in the body”. The maritime subsector is a major catalyst for socio-economic development and international competitiveness in a fast changing, globalised world (Fintell, 2014). In the United States of America, for every job in the maritime, 4.4 additional jobs were created in the economy and for every dollar house hold income in this sector, 3.4 dollars of additional income is created in the economy. Similar results have also been demonstrated in Holland, U.K, Italy, Belgium where Maritime development accounts for about 40% of the GDP (Peretomode, 2014).

The economic importance of the maritime subsector in Nigeria becomes evident when it is realised that Nigeria is endowed with vast coastline and the 6th largest producer of crude oil in the world with large volume of gas reserves. Furthermore, more than 80% of the global oil is transported by ship and in the case of Nigeria it is 100% by sea. The Nigerian maritime subsector is estimated at over $3 billion (Peretomode, 2014). Ship call to Nigeria revealed that tonnage grew from 82 million tons in 2009 to over 150 million tons in 2012 with an estimated payment rising from $4.1 billion to above $7.5 billion annually, but participation of Nigeria was zero. Reports have it that Nigeria exported about 900 million barrels of crude oil annually but foreign vessels earn the freight of about $2.25 billion a year carrying the country's crude oil with no freight earning benefit to Nigeria (Haralambides, 2014). Afolabi (2015) said "the maritime industry in Nigeria and anywhere in the world is a veritable engine of growth of a nation's economic development and transportation agenda. It is a sector that, more than others, is poised to create wealth, reduce unemployment, promote skills acquisition and encourage entrepreneurship. The maritime sector can, if seriously harnessed and exploited, contribute very significantly to the growth of the nations GDP and eliminate the nation's present risky over-reliance on petroleum". The Nigerian maritime industry has the potential to generate more revenue for Nigeria than any other sector (Edomi, 2016).According to Edomi, if Nigeria harnesses her maritime potential, the country can generate three times what she presently generates from oil.

With all the above highlighted potentials, the maritime subsector seems buoyant enough to pilot the nation's economy if well exploited, hence the necessity for this study undertaken to find out the present state of its economic contribution to the Nigerian economy with a view to discover new methods of doing the business better and making the sector contribute more to the national economy.

1.2 Statement of the Problem

The present economic status of Nigeria requires a desperate search for solutions that are capable of moving the nation from its present unpleasant state to a state of economic buoyancy. This, therefore, requires desperate efforts to exploit all possible sectors with viable potentials that can contribute to economic growth and development. It is true that Nigeria as a nation is full of economic potentials that are spread in different sectors. In spite of the abundant economic potentials, the government seems to focus its attention mainly on the oil sector. Though the oil sector has contributed immensely to the economic survival of the nation, it has, however, been seen that the sector is not capable of taking the country to its dream land. The sole reliability on the oil sector in the Nigerian economy could be said to have done more harm than good since it made government to shift its attention from other potentially viable sectors and subsequently abandoning them. Therefore, government's concentration of efforts and attention on a particular sector is seen as a default.

The maritime subsector of the Nigerian economy is one of those areas seemingly ignored by the government though the government expects much from the subsector. The government seemed to have, over the years, paid little or no attention to the subsector inspite of the much income derived from it presently. Nigeria is endowed with waterways which account for about 80% of shipping business that takes place in West Africa (Peremode, 2014). Crude oil is mainly transported by shipping and Nigerian crude oil is 100% transported by foreign shipping of which no Nigerian shipping line is involved (Haralambides, 2014). Payment for ship call to Nigeria between 2009 and 2012 is estimated to have grown from $4 billion to $7.5 billion. It also reveals that foreign vessels earn about $2.25 billion yearly from the lifting of Nigeria oil, where Nigerian participation is zero (Haralambides, 2014). "The maritime subsector has the potential to effectively challenge and replace petroleum, the traditional "black gold" and effectively launch Nigeria's economy on the path of growth and development when the conditions are right" (Afolabi, 2015). Unfortunately, majority of the prevailing factors detract rather than enforce the right attitude, right attention and right conditions for maritime development in Nigeria. Obviously, the country loses a lot of revenues and other benefits due to her partial involvement in the subsector operations.

The maritime subsector being an integral part of the transport sector which falls under business researches is hardly considered by business researchers as an important area of enquiry.

The Nigerian economic growth has been seen to be on the decline over the years when measured in terms of major economic indices of the economy such as external reserves, balance of payments, annual total revenue and gross domestic product.

Before the discovery of crude oil, Nigerian economy had its basis on tax generated from companies established by the Europeans along the Nigerian coasts. This was during the period of slave trade. Apart from slave trade, agriculture equally contributed a great deal to the Nigerian economy. Virtually, all Nigerians were farmers long before the British came to conquer the land. Production of cash crops and all other farm produce was intensely going on and exports and imports were booming. The discovery and exploitation of oil did not only affect agricultural produce negatively, it also shifted the attention of the whole country to a particular resource. The abolition of regional governments by successive military leaders and turning the country into federalism did more harm than good to economic growth of the country. The major objective of federalism then was for all parts, cum regions to feed from one source, the oil revenue. Today, the one source can no longer satisfy the yearning of parts. This is because oil revenue as a mainstay of the Nigerian economic had been short lived. The continuous tumbling of the oil prices in the world market coupled with the international politics that accompanies its sales had not made it comfortable for any oil producing nation to depend entirely on the product. In all, the turning of Nigeria into a mono economy is said to be responsible for the continuous decline in economic growth of the nation.

Whereas many littoral countries derive the advantage of growing their economies annually from operations of the maritime subsectors of their economies, the Nigerian situation seems to be difference. This could be as a result of non performance or otherwise of the maritime subsector.

It is not out of place to state that Nigerian Government realizes revenue specifically from shipping activities that entail haulage fee, ship berthing, custom duties and clearing/forwarding. The bone of contention is whether these shipping activities are fully exploited to realize maximum yield as applicable in other littoral countries of the world.

Also, it is estimated that up to 80% of the Nigerian maritime business is undertaken by foreigners with attendant loss of revenue (foreign exchange earnings), loss of employment opportunities as well as implied threat to national security resulting from coastal trade dominated by foreigners (Chizea, 2008). The situation has not changed. A situation whereby operations in the maritime subsector is dominated by foreigners, it is obvious that employment opportunities are lost to them, revenues are lost to them, national security is threatened, economic development is threatened and the nation is generally at a loss. In the light of above, it has become necessary to study this subsector and know its present contributions to economic growth of the country with a view to recommending possible solutions possible that can make it more prosperous for the country.

1.3 Objectives of the Study

The general objective of this study is to ascertain the extent to which the maritime subsector has contributed to the Nigerian economy from 1995 – 2015. The specific objectives of this study are to:

1. ascertain the extent to which haulage fees relate to balance of payments in Nigeria from 1995 to 2015
2. determine the extent to which berthing fees relate to external reserves in Nigeria from 1995 to 2015
3. examine the extent to which custom duties relate to total revenue in Nigeria from 1995 to 2015

4. find out the extent to which clearing and forwarding fees relate to GDP in Nigeria from 1995 to 2015.

The above specific objectives are stated on the premise that earnings from shipping haulage and ship berthing are usually denominated in foreign currencies whereas earnings from custom duties and clearing and forwarding are usually denominated in local currencies

1.4 Research Questions

The following research questions suffice in the course of this study:

1. To what extent do haulage fees relate to balance of payments in Nigeria from 1995 to 2015?
2. To what extent do berthing fees relate to external reserves in Nigeria from 1995 to 2015?
3. To what extent do custom duties relate to annual total revenue in Nigeria from 1995 to 2015?
4. To what extent do clearing and forwarding fees relate to GDP in Nigeria from 1995 to 2015

1.5 Hypotheses

HO_1: There is no significant relationship between the Shipping Haulage Fees and Balance of Payments in Nigeria

HO_2: There is no significant relationship between Berthing Tariffs and External Reserves of Nigeria

HO_3: There is significant no relationship between Custom Duties and Total Revenue in Nigeria

HO_4: There is no significant relationship between Clearing and Forwarding fees and Gross Domestic Product (GDP) in Nigeria

1.6 Significance of the Study

The expectation is that the outcome of this study will be of great benefit to Federal Government in the first instance. This is because there are indications that the federal government of Nigeria is desperately looking for solutions to the present economic depression of the nation. It is believed that the outcome of this study will be a way out of the present economic distress if implemented.

Secondly, the citizens of this nation Nigeria are expected to be enlightened about the maritime subsector. As of now, it seems the sector is operating in isolation from many Nigerian businessmen and women. In other words, the ignorance of the people about the operation of the maritime sub-sector is going to be addressed by the outcome of this study.

No doubt that there has been dearth of statistics and information about this enviable subsector. The outcome of this research will increase the skeletal volume of statistics in this subsector. This will enhance students and future researchers to have handy and latest information about the maritime subsector.

The focus point-the National Maritime Authority will, in no small way, find the outcome of this study useful. This will help them increase their performance as well as guide against lapses that can hinder their performances.

Finally, this study will enlighten the researcher about the maritime subsector and subsequently form a veritable reference document in the University library.

1.7 Scope of the Study

With this study, particular attention is paid to the shipping operations which form the major sources of revenue generation in the maritime subsector. The entire work focuses on the contributions of this subsector in terms of revenue generation and compared to economic growth in Nigeria from 1995 to 2017.Specific areas of revenue generation in shipping activities include haulage, berthing at the ports, customs duties and clearing and forwarding. These independent variables are studied against certain indices of economic growth of a country which include a country's external reserves, balance of payments, annual total revenue and gross domestic product, GDP. These economic growth indices are the decomposed dependent variables in the research work. Though, these are not all the indicators of economic growth, they are however the major indicators of economic growth. Activities in the maritime subsector are of different dimensions and all have their respective importance, but with this study, emphasis is placed on the revenue generation aspects of the subsector.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Maritime Subsector

The maritime subsector of the Nigerian economy is that aspect of the transport sector that is responsible for the movements of goods and people on waters and seas. It is also usually referred to as the maritime transport. Maritime transport is the shipment of goods (cargo) and people by sea and other water ways. Such movement with the aid of water is what makes international trade possible among many nations of the world because of haulage of large tonnage of goods (cargoes). Usually, it is countries that are naturally endowed with water of the seas/oceans and rivers that engage in maritime transport and trade. These countries are referred to as the littoral states. Nigeria is one the littoral states in the world.

Port operations are a necessary tool to enable maritime trade between trade partners. Maritime industry includes all enterprises engaged in the business of designing, constructing, manufacturing, acquiring, operating, supplying, repairing and or maintaining vessels or component parts thereof: of manage and/or operating shipping and customs brokerage services, shipyards, dry docks maritime railways (Wikipedia, 2014). It is the total movements of goods and people within a country or between countries through water ways of seas and rivers.

Over the years maritime transport has become the most popular means of transportation all over world, especially for the fact that it is the major way of making international businesses possible among the nations of the world. Ships are the major vehicles that ply international water routes and carry volumes of tonnage of cargoes and people. Suffice it to say that it is difficult for a nation without maritime resources to carry out international trade and reap the benefits thereof. This is because it is the major means by which nationals of one country are able to reach another country whether the distance is long or short. (Akaso, Bariweni & Abowei, 2011).

2.1.2 A Review of Nigerian Maritime Subsector Operations

Drawing from the works of Ibeawuchi and Okeudo (2013), Nigeria established the Nigerian National Shipping Lines (NNSL) shortly before independence and purchased two second hand COMBO vessels for its operations. By 1967, the vessels in the fleet of NNSL increased, and additional fifteen (15) shipping companies had been established by indigenous entrepreneurs with the assistance of government. This was possible due to certain development in global maritime industry. Apparently displeased by the dominance of developed countries in the maritime industry, developing countries created a forum in order to break the monopoly. The creation of United Nations Conference on Trade and Development (UNCTAD) in 1965 provided ample opportunity for the fight against total domination by the advanced nations of the world and an international forum for discussion and policy formulation by all shipping companies, ship owners, shippers, shipping administrations and port authorities. At the UNCTAD meeting in New Delhi, India in 1968, it was decided that all maritime countries should establish institutions which could defend and promote effectively their economic interest in shipping. Thus, Ivory Coast established the National shippers' council in 1969, and was followed by the Ministerial Conference of West and Central African states of Maritime (MINCOMAR) in 1975. With the introduction of UNCTAD's Code of conduct for conference liners which stipulated the 40:40:20 share of cargos, Nigeria also established the Nigeria shippers council by Decree No. 13 of 1978 and charged the body with the responsibility of organizing the Nigerian Shippers and shipping activities in Nigeria. To effect fully the agreement of the UNCTAD's code, the government through Decree No 10 of 1987 established the National Maritime Authority which was to implement the country's shipping policy in line with United Nations Conference on Trade and Development's (UNCTAD) conventions. By 1987 the fleet in the Nigerian National Shipping Line (NNSL) business rose to twenty seven (27) vessels. Unfortunately, there was a gradual decline in the vessel acquisition. As at 1997, there were total of one hundred and twenty two (122) registered shipping companies in Nigeria, during which period the NNSL got liquidated and a new company Unity Line was established. (Ibeawuchi & Okeudo, 2013)

Most shipping companies in Nigeria today cannot boast of their own vessels and they have to depend on vessel charter to move their allocated cargoes. This has several implications on the Nigerian economy because the dominance of the sector by advanced nations which was intended to be corrected remained strong. For instance, of the six thousand and eight one (6,081) ships that called to Nigerian Ports between 1977/78 and 1979/80 only ten percent (10%) was indigenous and this earned only nine percent (9%) of the total freight revenues. Of the N 1.66 billion paid by Nigeria per year from 1971 to 1991, National Carriers earned only two hundred and forty Million Naira (N240m) representing a mere 14.4% of the total earnings from maritime services (Badejo, 2014). The vessels in the fleet of the national carriers gradually reduced and Nigeria has not been able to carry its own share of 40% approved by UNCTAD.

Afolabi (2015) opines that seaports are a vital and integral part of any nation's economy. Most of the highly developed nations of the world attain the status by optimally leveraging on the inherent wealth of their maritime assets, to which they commit huge resources in the development of the needed supporting infrastructure.

In Nigeria, it is true that there is a growing recognition of the enormous positive impact that the Nigerian maritime industry can make on the nation's economy. It is believed that the sector has the capacity, not only to grow the economy, but to pull other sectors to greater speed and enhance productivity.

With proper development of the Nigerian maritime industry through sustained investment in the transformation of the maritime infrastructure, the Nigerian gross domestic product (GDP) can be grown at 12%, instead of the present beggarly level of between 5.6 and 7.7 percent(Afolabi, 2015). The Nigerian economy is, at times, cynically compared to a vehicle running on one wheel, when it could profitably run on four. Greater commitments to maritime infrastructure will re-position and re-tool the industry to make it contribute a larger share to the national economy through increased job and wealth creation, revenue generation, and population re-distribution (Afolabi, 2015).

Marine transportation is one of the various modes of transportation especially for littoral countries and it is on record as the largest carrier of freight worldwide. In fact about 90% of world trade is transported by sea. Nigeria is a littoral state with a coastline that stretches about 420 nautical miles, a territorial sea of 12 nautical miles and Exclusive Economic Zone (EEZ) of 200 nautical miles. Furthermore, Nigeria has a total of about 8,600km of inland waterways including Rivers Niger and Benue and smaller rivers and creeks. It is known fact that there are vast resources in Nigeria’s maritime environment ranging from hydrocarbons to living and non-living resources most of which have remained untapped. Exploitation of these requires ships and other marine vessels and platforms. These thus elicit variety of investment potentials cutting across mining, manufacturing and services industries (Chizea, 2008).

In Afolabi (2015), more than 90% of Nigeria’s import and export are by sea and over 80% of Nigeria’s Gross Domestic Products (GDP) is derived from the sea. Yearly, a number of vessels enter all Nigerian ports and crude oil terminals. This is exclusive of the numerous vessels and platforms engaged in various oil and gas exploration, fishing and other forms of maritime activities. Such a number of vessels trading in Nigeria's waters and volume of maritime activities in the country demand vibrant dry dock facilities to provide services to the vessels as they may need. With a large population, Nigeria's maritime industry especially, shipping and shipbuilding ought to have been one of the largest.

The Nigerian Navy is charged with the responsibility to safeguard Nigeria's maritime environment and ensure safe and free sea lane of communication (transportation). These roles assigned to the Nigerian Navy call for a sizeable naval fleet. This is, however, not for commercial purpose as the maritime business potends. The Nigerian Navy fleet also adds to the number of ships operating in Nigerian's water that require dry dock facilities to maintain and repair them.

Having a vast maritime environment, that is very rich in resources, calls for a large fleet of merchant ships, marine vessels and platforms and associated equipment. The Cabotage Act 2003 aims to resolve commercial transportation of goods and services within Nigerian coastal and inland waters to vessels flying Nigerian flag and owned by persons of Nigerian citizenship. International industrial standards for the maritime industry expect certain level of performance and maintenance of these ships, vessels, platforms and equipment. The ships must undertake mandatory docking for inspections and maintenance at specific intervals if they must remain in class. Being in class is a necessity if they must participate in trading at the level and magnitude desired by many Nigerian ship owners. These therefore necessitate a robust shipbuilding and repair industry that would make ships and marine platform acquisition, repair and maintenance affordable.

Nigeria Maritime Administration and Safety Agency (NIMASA) Act 2007 established NIMASA and gave it the mandate to:

- Pursue the development of shipping and regulate matters relating to merchant shipping and seafarers.
- Administer the registration and licensing of ships.
- Regulate and administer the certification of seafarers.
- Establish maritime training and safety standards.
- Regulate the safety of shipping as regards the construction of ships and navigation.
- Provide search and rescue service.
- Provide directions and ensure compliance with vessel security measures.
- Carry out air and coastal surveillance.
- Control and prevent marine pollution.
- Provide direction on qualification, certification, employment and welfare of maritime labour.
- Develop and implement policies and programmes which will facilitate the growth of local capacity in ownership, manning and construction of ships and other maritime infrastructure
- Enforce and administer the provisions of the Cabotage Act 2003.
- Perform port and flag state duties.
- Receive and remove wrecks.
- Provide National Maritime Search and Rescue Service.
- Provide Maritime Security and

- Establish the procedure for the implementation of conventions of the International Maritime Organisation and the International Maritime Labour Organisation and other international conventions to which the Federal Republic of Nigeria is a party on Maritime Safety and Security, Maritime Labour, Commercial Shipping and for the implementation codes, resolutions and circulars arising there from them..

2.1.3 Development and Importance of Maritime Subsector in Nigeria

The maritime subsector is predominantly the water transport sector of any nation's economy. It is the aspect of the transportation sector that moves large tonnage of goods and people across the nations of the earth as well as the within a particular country by means of water. In Akaso, Bariweni and Abowei (2011), the development of waterborne transport in Nigeria is induced and facilitated not only by its geophysical features in which there are navigable inland waterways, direct access to the Atlantic Ocean, but its economy is also largely depended on the exportation of agricultural products and crude oil and the importation of machinery, equipment and raw materials for its industries and finished goods for its largely populated consumers. Therefore if Nigeria has been without maritime transport and a landlocked State, it will have been difficult and expensive for its residents to engage in international and domestic trade and this would have had adverse effect on its economy. It is maritime transport that relieves other means of transport like rail, road and air and their infrastructure of avoidable pressure and congestion. This helps to ensure that those modes of transport and their infrastructure are not over stretched. It provides an alternative cheap and reliable means to other modes transportation and decreases the cost of transportation in the movement of oil, sugar, cement, fertilizers, or heavy equipment thereby allowing transport flow from land to sea. Thus, it is the "gateway" for cargoes. The numerous merchant vessels visiting Nigerian ports and those positioned to berth in its ports are evidence of the importance of maritime transport in Nigeria and it can be correctly be asserted that if there is no maritime transport, there will be no development of the Nigeria shipping industry. Specifically, the following are the major areas where the importance of maritime transportation cannot be overemphasised:

The maritime subsector promotes trade and commerce. Nigeria heavily relies on external trade to sustain its domestic economy through importation of raw materials and equipment; machinery used by manufacturers and for the exportation its crude oil, agricultural and manufactured products. The essentials of a reliable and cheap mans of transportation which the maritime transport offers does not only make the landing cost of these cargoes lower but makes it possible for large tonnage to be carried over long distance and thereby reducing the cost of imported and manufactured goods. It also meets the variable needs of shippers and passengers and ship-owners and performs the task that is vital to the sustenance and growth of the Nigerian economy and its international trade. The establishment and running of the export processing zone, Calabar, is made possible by the maritime transport having bordered by the Atlantic Ocean, thereby meeting the socio-economic needs of the country in coping with the challenges of globalization. Such zones are known for attracting export companies that provide employments for indigenes apart from revenue earned.

The maritime subsector generates revenue for governments. Maritime transport is of significant importance to the Nigerian economy because it generates a lot of revenue to the Federal and State Governments and this is channelled towards the development of country's other sectors, including health and education. The revenue comes from the registration of ships and their mortgages, custom duties, port charges and tariffs realized by vessels that berth at Nigerian ports, corporate taxes paid by shipping companies, fees for licensing clearing and forwarding agents and freight forwarders and the registration of shipping companies. All these are collected by the Nigerian Port Authority. The National Maritime authority collects 2% statutory charge on gross earnings of shipping companies on imports and exports; while all payments and services offered and rendered to foreign vessels at Nigerian Ports are payable in foreign currency. The National Maritime Authority also fines earring tankers that pollute the Nigerian marine environment, whilst every vessel lifting crude oil pays mandatory rate. All the charges are made possible by Maritime transport. A substantial portion of the revenue collected by NPA and NMA are in hard currency thereby enhancing Nigerian foreign reserves. Therefore, any time there is an hiccup in the maritime sector like bunching or port congestion or labour strikes, it adversely affects the targeted revenues of these government agencies and the government itself. The revenue realized is available for the financing of socio-economic infrastructural developments and reduction of national debt, which in turn makes Nigeria to be credit worthy among the international community (Orji, 2014; Akaso et al, 2011; Gbosi, 1990).

The maritime subsector promotes tourism. Maritime transport promotes tourism in Nigeria in the sense that tourist are able to cruise in boats and coastal vessels on the Atlantic Ocean, the Lagos Lagoon and other inland waters and to visit various natural beaches on the Nigerian coastline for the of sight- seeing and relaxation. During Christian and Muslim festivals and public holidays, many residents in Nigeria cruise beaches for picnics, musical show, entertainment and relaxations. Tourism which the maritime transport enhances and facilitates is an avenue through which the State and Federal Governments realize revenue which is channelled to developmental projects. For instance the Lagos State Government realizes huge revenues from users of such beaches like Eleko, Lekki and also Taqua bay substantial revenue from their usage. The hospitality business it has encouraged has also made it possible for guest houses, hotels and resort centers. For example, Akoko on Lagos-Epe expressway provides, inter alia, employment, rest and entertainment facilities for the service of tourists and other persons. (Akaso et al, 2011)

The maritime subsector helps in development of related social activities. Maritime transport has caused the springing up of new development and growth in economic activities to service the maritime industry by way of multiplier effects. Ship building and ship repairs yards such as the Niger dock builds coastal vessels of not more than 300gt, tugs, barges and support for use in maritime transportation. They also repair vessels in Nigeria thereby conserving foreign reserve that would have been spent in purchasing or repairing the vessels abroad. The shipyards also help in developing indigenous capacity building in shipbuilding and ship repairs and attract business and revenue. Ship surveyors are there because there are ships to be surveyed.

Banks also show interest in financing the acquisition of vessels and in their charter; whilst insurance companies provide various insurance covers to cargo, ships, freight, hull and machinery and other marine risks. Those in the construction industry, including the quantity surveyors, building engineers are engaged in the constructions, expansion and repairs and dredging of ports and inland waterways. Information technologists are engaged to supply and maintain computers, marine radio communication and radar systems for safe navigation. Pilots and salvoes are engaged where necessary while freight forwarders, shipping agents, shipping consultants, maritime lawyers arise to supply the needed services for the maritime sector. The increased turnover of those engaged in the business relating to maritime transport contributes to gross domestic product and increased economic activities.

The maritime subsector creates employment and job opportunities. Maritime transport is also of significant importance to the Nigerian economy because it creates employment opportunities for Nigerians thereby ensuring engagement of workers and reduction of social problems induced by employment. The shipbuilding and repairs industry employs workers to meet its various needs, seafarers/seamen; masters, engineers and so on are employed to meet the demands of the ship-owners, ship operators and demise charterers for the operation and manning of the vessels. The business made available by maritime transport to the various maritime related Nigerian professionals induces the need for the training of and availability of specialized personnel and manpower to service the maritime industry. The maritime subsector is said to provide10% of jobs for private and public sectors in Nigeria (Igberi & Ogunniyi, 2013; Akaso et al, 2011). The public sector agencies that benefit from such job opportunities are the Nigerian Custom Services, Immigration, Port police, Nigerian Navy, NDLEA, Standard Organization of Nigeria, Department of State Security Service, Federal Environmental Protection Agency, National Cargo Handling Agency, National Food and Drug Administration (NAFDAC), Nigerian Port Authority, Nigerian Shippers Council, National Maritime Authority and Niger Dock.

The availability of jobs in the maritime subsector has a multiplier effects on the development of other economic activities such as freight forwarding, dock working, stevedoring operations, towage, pilotage, warehousing, marine insurance, banking, bonded warehousing and cargo handling all of which depends on the maritime sector for survival. It has also induced economic activities in the informal sector such as petty trading, hawking and food vendoring all of which gainfully engage Nigerians. The maritime subsector, in no small way, aids in industrial growth and development. Industrialists prefer to build factories near seaports in order to reduce transportation costs especially in the case of those industries that depend heavily on imported raw materials and equipment in other to manufacture finished goods for domestic and foreign markets. This reduction in transport cost also reduces the cost of their finished goods which in turn increases the sales of their products, leads to high annual turnovers and enhances their growth. Some of the factories at Apapa and Tin Can Island Ports are by Dangote for sugar and cement, WasaDelmas, Dantata and so on. As a result of the Calabar Port, the Calabar Free Trade Zone was set up in pursuant to which a lot of industries including foreign companies have been established and are still being established in other to manufacture for export. Industries engaged in the manufacture of goods for export are also being deliberately sited by seaports in other to take advantage of the attendant low cost of transportation of their manufactured goods and production. "Experts revealed that 70% of industrial activities in Nigeria are sited around the port cities of Lagos, Warri, Port Harcourt and Calabar and that about 40% of industrial activities are found in the Lagos zone; while the Port Harcourt and Calabar Zone account for 23%" (Akaso et al, 2011). Lagos industrial zone has Apapa, Tincan Island, Ro-Ro container Terminals. Consequently, the presence of ports due to maritime transport stimulates the growth and development of industries, which facilitates the growth of the Nigerian economy.

The maritime subsector helps in institutional development. Some institutions have been developed to service the maritime sector. Some of these institutions are involved in the training and education of manpower resources including seafarers and engineers for the maritime sector. They include the Maritime Academy, Oron; Nigerian Institute of Transport Technology, Lagos. Other institutes are Nigerian Shippers' Council for defending and protecting the interest of Nigerian shippers and encouraging shipping practices in accordance with international standards, Nigerian Maritime Authority (now renamed as the National Maritime and Safety Administration) for coordinating and implementing Nigerian's shipping policies and matters incidental thereto, Nigerian Port Authority and its subsidiary company for inter alia management and development of ports and infrastructure, Nigerian Navy for protection of Nigerian territorial waters and integrity from external aggression and national cargo handling company limited. Without maritime transport, there would not have been these institutions and the Nigerian maritime industry and economy would not have benefited from their presence as it is now doing.

The maritime subsector aids in international relations and peaceful coexistence of nations. Nigeria is, today, a member of the international and regional maritime organizations including International Maritime Organization, United Nations Environmental Programme, Maritime Organization of West and Central African States from which it has been deriving immense benefits, because of her involvement in maritime activities. Without maritime transport, Nigeria would have been holding merely an observer status on them. Through its membership of these organizations, Nigeria establishes and maintains friendly relations with co-members of them and Nigeria cooperates with them in matters of safety of marine transport and protection and preservation of the marine environment for the benefit of its economy.

Maritime transport can also be used for international patronage by Nigeria allowing some landlocked States free access to export or import goods needed in their economies. The maritime subsector is used to create social political harmony. There have been cases of inter-tribal and inter-national marriages involving seafarers of various nationalities conducted on Nigerian vessels or foreign vessels within Nigerian territorial waters because of the presence of maritime transport. This has encouraged the unity of various ethnic nationalities in Nigeria and encouraged socio-political harmony. Foreigners and foreigner seafarers bringing their cultural attitudes to Nigerian port had also enhanced cultural exchanges due to the presence of ports and maritime transport.

The maritime subsector serves as a means of defence and security of a nation. The defence and security of the Nigerian territory from external hostility, espionage, aggressions and incursions through its territorial waters is in national interests and is facilitated by maritime transport. Under the United Nations Convention on the Law of the Sea, Nigerian Customs and Immigrations can put their border posts for their activities including checking for smuggling. Nigeria also has the waterborne transportation need for her Armed Forces for the quick deployment of military personnel, equipment and supplies in times of emergency or crises. The Nigerian Navy is able to repel any form of external aggression because of the existence of maritime transport.

2.1.4 Statutory Institutional Structure of the Maritime Subsector

At the apex of the institutional structure is the Federal Ministry of Transport. The Ministry under the headship of a Cabinet Minister is essentially responsible for providing political leadership, especially in the area of policy drive within the context of the broader national economic development goals. The National Maritime Safety Administration Agency (NIMASA), (formerly known as National Maritime Authority) is responsible for safety administration, promotion of indigenous participation in all aspects of the maritime trade as well as oversees seafarers training and certification. It is also the model interface between Nigeria and the rest of the global maritime community. It represents Nigeria in all internation al maritime fora, especially at the International Maritime organisation (lMO) (Okpata, 2010).

The Nigerian Ports Authority (NPA) is responsible for all port matters in the country. Before the port reform that ushered in the regime of private port operators through concessions, the NPA was operating the service of port model, where it was both landlord and port service provider. The post concession era has left the NPA as landlord and regulator of the port industry in Nigeria.

The Nigerian Shippers Council (NSC) is primarily concerned with the protection of indigenous shippers' (importers and exporters) interest against the undue exploitation of shipping and port service providers particularly in the area of freight rate and port charges. The Council's activity is akin to consumer protection.

The Nigeria Inland Waterways Authority (NIWA) is a statutory agency responsible for all the inland waterways transport in the country. It oversees the navigability of all the inland waters in the country and regulates all activities conducted within inland waters, including the transportation of passengers and goods. NIWA's activities greatly compliment the functions of NIMASA in terms of safety and environmental regulation as well as in the enforcement of the Cabotage Law.

2.1.5 The Nigerian Shipping Industry- An Overview

Ekpo (2012) stated that shipping in Nigeria basically started during the second half of the last century via efforts of the foreign shipping line called Woreman. Woreman line started as a trading house in Hamburg and developed into a visible shipping company in 1894. Their first ship "Theresa Henrietter" left Hamburg for West Africa on 24th march, 1849. Elder Dempster commenced services in Nigeria in 1892 with their first ship "Fore runner". This was followed by another British line "Palm line" which came into being after the Second World War. In 1960, Nigerian shipping line joined the trade as a junior. This period marked the formation of the Nigerian National Shipping Line (NNSL) in 1958. This marked the beginning of our national carrier's participation in sea borne trade from humble beginnings of three second hand vessels, it grew to 12 owned vessels in 1970. By 1977, NNSL contracted to build 12 new vessels which were successfully delivered, making a total of 24 vessels (Iniodu & Ukpong, 2004). Today, the ships have all been grounded and some put to scrap due to poor management of the national fleet. However, there has been a renewed interest in the venture due to lack of alternatives to maritime transport.

2.1.6 Factors that Influence the Development of Nigerian Shipping Industry

Ekpo (2012) asserted that there are three major factors that influence the development of shipping industry in Nigeria; they are lack of capital, poor incentives for investors, poor integrated transport system.

Lack of capital is seen as a major drawback in ship acquisition and ownership in the developing maritime nations. Shipping is a highly capital intensive venture, whether it is new vessel acquisition or second hand vessel. Nigeria, with a very low capital formation, makes it difficult if not impossible to mobilize the needed capital for investment in shipping. More so, investment in shipping does not yield quick returns especially as Nigerian investors do not have access to foreign guaranteed loans due to lack of suitable collateral. This makes it difficult for indigenous shipping companies to acquire ships through loan finance from the ship yards.

Lack of or little incentives for investors is one more problematic area in ship acquisition in Nigeria. Modern shipping is highly sophisticated and capital intensive. To this extent, shipping has very high commercial risk. That is why the traditional maritime countries accord shipping very favourable and attractive investment incentives (Fmot, 1995). In Nigeria, shipping is not accorded similar concessionary fiscal and monetary incentives like countries in developed maritime nations. For example the tax rate applicable to shipping in Nigeria is the same as other businesses. Shipping is not accorded any concessions and it is neither classified as a "pioneer" industry nor does it fall within "agro" industries that enjoy tax free holidays. Under these harsh conditions, investors would prefer less risky businesses.

Poorly planned and poorly executed integrated transport system is a major drawback in Nigeria. Integrated transport is the transportation of goods under a single contract, but performed with at least two or three different means of transport. The carrier is liable for the entire carriage, though performed by several modes of transport (rail, sea, air, and road). It is also known as combined transport. Integrated transport is an organ through which logistics supply chain management can function effectively. The legal infrastructure needs to be developed for intermodal transport to be meaningful. There are series of international legislation that affects intermodal transport, but full Implementation has always been a problem in Nigeria.

The physical infrastructure need be developed. Development of railway system, air port and sea port structures/facilities, construction and repair of road network and their interconnectivity will to a large extent improve intermodal transport in Nigeria. The state of infrastructure in the Nigerian transport sector calls for serious attention both from the government and the private sector. The transport sector is a viable area for investment and the Federal government should consider developing a new national transport policy to create a world class transportation system which will in turn improve shipping practice in Nigeria.

2.1.7 Shipping Service and Shipping Trade

Nigeria's involvement in shipping business proper started in the 1950s.. A watershed in this direction was the motion moved in the federal House of Representatives in 1958, calling on the federal government to explore the possibility of establishing a Nigerian merchant shipping line to give opportunity for Nigerians to participate in the lucrative business of shipping (lheduru, 1996).

The establishment of the Nigerian National Shipping Line (NNSL) in the 1959 was an epoch event in the journey towards the realisation of the economic and political gains inherent in the maritime trade. The NNSL commenced operations in 1987; had a total fleet size of27 new-built ships trading in all the major trade routes in the world (Iheduru, 1996; Peremotode, 2014).

The floating and ownership of ships in Nigeria was not only to give room for national ownership of ships operating at the shores of the country but also to principally give the advantage of reaping the benefits of shipping trade by Nigerian citizens as well the country at large. The benefits of shipping trade cannot be overemphasised in the sense that all importers and exporters of goods must pay for shipping services. Shipping services form the bulk of costs incurred on all goods exported or imported, hence the ship owners and governments realise a lot of revenue from the trade. The federal government of Nigeria who is the natural owner of land and seas bothering the country has total control over their usage. The government controls the ships that berth at the ports whether the purpose is to bring in imports or to ship goods to other countries of the world. In each case, ship charges are paid to the federal government. In most cases, such charges are redeemed in foreign currencies. The more the ships berth at the Nigeria ports for the purpose of imports and exports, the more revenue the country earns.

Likewise the more goods (cargoes) carried by ships berthing at the ports, the more revenue accruable to the federal government. On the goods being imported and exported, tariffs are paid. While export duties are paid on goods being exported to other countries, import duties are paid on goods imported into Nigeria from other countries. Export duties are usually redeemed by means of local currency while import duties are usually denominated in foreign exchange.

2.1.8 Impact of shipping on the Nigerian Economy

The impact of shipping can be positive or negative, but the positive impact far outweighs the negative impact. On the positive side, shipping provides a host of economic benefits like job provision, aiding export promotion, helping in diversifying the economy, expanding market opportunities for foreign trade by providing competitive services, increasing foreign exchange earnings, opening doors to foreign competition. Trade and the ability to compete in overseas markets are dependent on an efficient, secure and reliable maritime structure(United Nations Conference on Trade and Development, (UNCTAD), 2008).

Usoro (2005) noted that shipping should be regarded as the first global industry accounting for about 90% of World Sea borne trade. In spite of the enormous positive impact created, negative impacts also suffice. The environmental issues are still giving the world enough headache. The major environmental impacts are reflected in air quality, dredging, endangered and threatened life species, oil pollution and solid waste explained as follows:

Vessels emit harmful pollutants to the air. Other sources of air pollution from shipping include the release of other toxics from fuel vapour during loading and unloading of marine tank vessels (Prasad, 2010). According to the United States Environmental Protection Agency (EPA), impact of these pollutants may include adverse health effects such as respiratory and cardiovascular diseases, lung damage, learning impairment and even death. Depletion of the ozone layer, damage to agricultural resources and increase in acid rain are other negative consequences (Donovan, 2006).

To maintain safe navigation depths, many harbour channels must be periodically dredged. The sediments contain contaminants which when released pose serious threats to the ecosystem, particularly through bio accumulation in the food chain (Bellefontaine, 2010).

Oil released into the ecosystem is a major environmental problem associated with the shipping industry. Large spills occur during transportation through tanker accidents and spills during loading and off loading. Waste water from tank washing, discharge from bilges and engine maintenance are common causes of smaller spills. These are hazardous to human beings and the environment through bioaccumulation of toxins through the food chain. In addition, oil pollution degrades coastal habitats, smothering tidal pools and killing marsh grass (Bellefontaine, 2010).

All ships produce solid wastes during voyages. Most of these wastes can be legally disposed at sea, as long as they are released at a distance from the shore. Plastics must be properly incinerated on land. Solid waste from shipping enters the environment when cargo is lost at sea or accidentally released during loading and unloading.

2.1.9 Economic Opportunities in the Nigerian Shipping Industry

The investment climate in the Nigerian shipping industry is guided by the current national economic development policy which has the objective of promoting a strong private driven industry with the government as the enabler. According to Ekpo (2012), some of the key and specific investment opportunities in the Nigerian maritime sector are;

Dry Bulk Shipping: this the shipment of grains, fertilizers, sugar, cement salt and so on. This is expected to continue for a considerable period, particularly in the grain market where some agronomic factors do not lend themselves to domestic production.

Tanker Shipping: Nigeria being a major oil and gas producing and trading nation, investors in the tanker trade are assured of the full employment of their vessel on a sustainable basis, especially on the affreightment of national cargos. These investments will create robust trade for gas carrier operators. Also, industrial chemicals constitute a major import component of Nigeria’s freight trade. Generally, investment in Very Large Crude Carriers (VLCC), largest ship to transit suez canal (SUEZMAX), Liquefied natural gas/liquefied petroleum gas LNG/LPG, ultra large crude carriers (ULCC) tankers remains commercially viable for Nigerian crude trade (Elem,2006).

Liner/Container Shipping: Nigeria as the oldest trading posts south of Sahara attracts high import trade from major trading nations of the world. The shipping traffic to Nigerian ports carries mainly high valued finished and semi-finished containerized goods. It is not only sustainable, but also expanding considerably as a direct outcome of the economic reforms. Similarly, export trade in agriculture, industrial raw materials and semi-finished goods are experiencing significant growth as a result of a well-structured fiscal regime on export trade.

Coastal Passenger/Cruise Services: Passenger service is marginally utilized despite its potentials as a viable alternative to the road mode, especially for coastal taxi of the Niger delta region. Intra sub regional trade and the mobility of citizens in the west African sub region is growing rapidly and is expected to peak with the full implementation of some regional and sub-regional economic integration (Elem, 2006).

Offshore and Coastal Services: Nigeria has huge hydrocarbon resources and is a major player in the world oil and gas. Although economic activities in that area falls within the confines of cabotage trade, which is restricted by law to Nigerians, the cabotage law also provides for partnerships between Nigerians and foreign players where possible to meet the demand.

Ship Finance and Maritime Insurance: Vessel financing is still evolving in the Nigerian financial market, largely on account of its peculiar nature. Most operators rely on equity financing, which is hardly sufficient. The operators need well structured and developed ship finance services capable of providing composite funding options to meet the growing demand for financial solutions in the sector.

Port Development: The major reforms which are taking place in Nigerian maritime and shipping sector is the deregulation and liberalization of port services to private sector participation. Due to this development, this has subsequently led to the concessioning of the major port terminals in the country to private operators. The country still needs modern and efficiently run port terminals to meet the growing demands of efficient port services. Development in deep sea ports to accommodate the ever increasing draft of modern ships deployed in international haul is another priority investment area. Nigeria presently has no deep sea port, and the growth envisaged in the economy in the medium to long term would require such a port facility to accommodate the size of ship and volume of traffic.

Ship Yards: Investment in the provision of ship yard services is intended to meet the rapidly growing demand for local dry docking facilities in response to the dictates of the cabotage law. Shipyards are necessary to meet the demands of the offshore and coastal shipping services. Investment in this area will lead to expansion in shipping technology. The combined shipyard capacity in the country today is not only limited, but grossly inadequate.

Ship Breaking and Recycling: There are no ship breaking and recycling activities in the whole of the African continent despite the high number of scrapped ships and the relics that adorn the inland waterways of African countries. This constitutes navigational hazards as well as threats to safer shipping and cleaner waters. This development makes it compelling those vessels for scrapping anywhere in Africa are towed all the way to Asia. This constitutes a serious economic dislocation from any perspective it is considered. In Nigeria, ship wrecks and scraps are high in numbers and constitute reasonable base feed stock for a scrapping and recycling industry.

Reefer Trade: Reefer trade is high and growing in Nigeria. In addition to a high volume of trade in frozen fish and associated sea food, trade in dairy products, fruits, vegetables, and refrigerated foods is significant throughout the year.

Pollution Control: As a major oil producer, it is imperative that Nigeria ensures that appropriate surveys are conducted and that areas are mapped out for spill and pollution control. There is also need for reception facilities at ports and terminals to receive oily waters and bilge waters from ships (Prassad, 2010). Private investment in the area of technical surveys, provision of reception facilities and general delineation of the nation's water ways for pollution control and rapid response systems are avenues for possible investment.

Search and Rescue: The federal government of Nigeria has articulated a new policy of search and rescue which requires provision of facilities and training to meet the needs. This is aimed at containing distress at sea. This is another area in which the public private partnership is most desired.

Cabotage Trade: The cabotage regime came into force on May 1st, 2004. The regime was introduced to strengthen the participation of Nigerians in the economic opportunities created by shipping and maritime activities. Investment in this area accommodates foreign and domestic trade through joint ventures. A broad list of the investment corridors with the domestic shipping market includes:

- Dry docking
- Ship repairs
- Coastal shipping services
- Trawlers
- Terminal/jetty infrastructure
- Offshore construction and fabrication
- Supply boats to offshore oil fields
- Crew boats
- Tug Boats/Anchor handling
- Diving support vessels
- Cables/pipe laying vessels
- Barges/House Boats

- Dredgers
- Passengers/ferry services
- Tourism services

2.1.10 Shipping in Nigeria as a Revenue Source

It is unfortunate that many developing countries of the world, particularly in the West African sub region, have not been very successful, active and prominent in the theatre of world shipping. There is need for a deliberate attempt to seek for the future of world shipping and the integration of Nigeria in the serious global shipping initiative. It is glaring that the economy is externally dominated. About 85% of the nation's external trade, import and export, passes through the nation's seaport. Since 1990's, not less than 2,500 vessels are recorded in the Nigerian seaports annually (Badejo, 2012)

2.1.10.1 Shipping Haulage Fees

Shipping Haulage Fees refers to the fees charged by shippers for lifting goods and cargoes from the Nigeria sea ports to other countries of the world. Usually, it is the exporters that pay for haul age fees of the goods shipped. Most of the goods and cargoes shipped are in large volumes which attract high fees paid by exporters. While the shippers realise the revenue from this trade transaction, a percentage of what is realised is paid to the government. According to Akaso, et al 2011, the government charges and realises about 20% from each haulage transaction. Apart from the fact the Nigerian shipping industry is fraught with foreign shippers, the haulage fees are usually paid in foreign currencies. While the foreign shippers receive their haulage charges in foreign currencies, Nigerian government equally receive their charges in foreign currencies from foreign shippers. This source of revenue is major revenue generating means for government through the Nigerian Ports Authority.

2.1.10.2 Berthing Tariffs/Fees

Another major source of revenue for the government through the Nigeria Ports is berthing of ships at the ports. Whenever a ship comes into Nigerian Ports from other countries of the world, such is charged what is called berthing fee or berthing tariff. A ship is charged for berthing at the sea port. This is what is obtainable all over the world where seaport operations take place (Chizea, 2008). The berthing fees are charged as a basis for the provision of conducive environment for the safe berthing of ships at the sea ports. Ships are charged the berthing fees immediately they berth. The ships are further charged for demurrage when they stay longer than necessary at the ports. The government realises a lot of revenue from this source through the Nigeria ports authority. The more the ships that berth at the Nigerian ports authority, the more the revenue the country realises from this source.

All berthing charges are denominated in foreign currencies, more so that all ships presently operating commercially in the Nigerian territorial waters are foreign owned. Revenue from this source contributes in small measure to the foreign exchange earnings of Nigerian government (Akaso, et al, 2011).

2.1.10.3 Custom Duties

Custom duty is a tax levied on imports and at times, on exports by custom authorities in order to raise revenue for government and/or to protect domestic industries from more efficient or predatory competitors from abroad. Custom duty is based generally on the value of goods or upon the weight, dimension or other criteria of the item concerned. Imports or exports to be levied duties are received in custom bond houses from they are assessed the rates of duties fixed. All protocols are followed by the importers or exporters to pay the duties as charged by the custom authorities at the ports before goods are released. Importers and exporters are also careful to ensure that their goods in the customs bond houses do not unduly stay long because that will attract extra charges from the custom authorities. For the Nigerian situation, custom duties are usually denominated in Naira, that is, in local currencies.

2.1.10.4 Clearing and Forwarding Fees

Clearing and forwarding fees form part of the sources that generate revenue for Nigerian government. Principally, clearing and forwarding agencies are companies that act as agents to importers and exporters. They are involved in helping importers and exporters for documentations and payments of the required fees at the ports. They therefore, act as intermediaries between the port authority and exporters/importers. The freight forwarders carry out several functions which include:

- Consulting for the importers and exporters. They advise importers and exporters within the supply chain process in many ways which include advice on choice of packaging, the choice of the route and transport mode, the type of insurance cover needed for cargo, the customs rules and regulations as well as transportation documentation and processing of letter of credit

- Organizer/planner for Imports: The freight forwarders offer services where imports and exports may require to undergo a lot of processes before reaching final destinations. Because of the complexities of these processes, freight forwarders may be involved because of their knowledge in these areas. An example is when trans-shipment is involved when dealing with special cargo.

- Organizers for exports: Freight forwarders are very key parties during the process of exportation of cargo. They can be involved in picking up the cargo from the source, packing and marking packages freight and space booking, issuance of transport documents, supervising departure and dispatch advice to customs clearance.

For all the role the clearing and forwarding agents play in port operations of exports and imports, they receive their payments/compensations from exporters and importers. Just as they earn their income from exporters and importers, they equally pay taxes, registration fees and other charges to government in the course of their operations. As well, other necessary levies are charged by the Port authority, all geared towards realisation of revenue for government (Ekpo, 2012).

2.1.11 An Overview of the Nigerian Economic Growth

The Nigerian economy is fundamentally rich, self-sufficient in energy, a semi literate population and adequate level of wealth among less developed countries (LDCs). (Anya,1995). But the country has suffered from considerable mismanagement leading to erratic economic growth, slow GDP growth rate, high inflation, high unemployment rate, balance of payments crisis and reduced economic activity. Other vulnerabilities are reliance on a single export commodity, a weak political structure, regional and religious tension. The economy of Nigeria is a typical low-income type with abundance of unskilled and underemployed labour and inadequate industrial capital stock. The economy was stagnant and its structure has a strong agrarian base, savings and investments are at low level and the growth rate of the economy is at an abysmal rate lower than the population growth rate. This macro-economic policy structure is as confusing and inimical as that of many African countries. The result is that development dynamics are conspicuously missing. In terms of per capital income, Nigeria is at the button of poverty league. The monetary policy in the country is targeted, at least theoretically, at a set of macroeconomic objectives aimed at influencing the aggregate level performance of the economy. The broad first rank objectives included price stability, full employment, balance of payments equilibrium and growth in the real sector. A new economic scheme, the Structural Adjustment Programme (SAP) was introduced by the military government in July, 1986. The monetary and financial policy structure was reoriented with an objective to support high diversification of production base of the economy, commercialization and revitalization of state-owned enterprises. Arising from the deregulation of various economic variables, for example, interest rates, there was an increase in financing assets, that is time and savings deposit.

Contractionary monetary policies were followed whenever inflationary forces seemed to get out of hand (Afolabi, 1999). Fiscal policies and budget deficits have a significant bearing on the aggregate demand, inflation level, composition of economic activity and the external economic balance (Agiobenebo & Onuchuku, 2000). Over time, the lack of a credible fiscal policy triggers capital flight, leading external balance to plunge into the red. The entire major external policy instruments like tariffs, subsidies and flexible exchange rates have important fiscal policy implications.

Gbosi (1993) posits that budget deficits have been a recurrent fiscal feature of the economy arising directly or through off-budget activities. According to Akpakpan (1999), he asserted that the financial sector comprises of monetary institutions, specialized financial institutions and non-bank financial intermediaries. The Central bank of Nigeria, which is the apex regulator of the financial sector, was established in 1961, and has virtually not been independent. Financial repressions, direct controls and monetary policies have been sources of distortion to the banking system. (Anyanwu, 1993). The interest rate policies swept away the intermediation functions of rate of interest. They did not reflect the market-clearing rate. Monetary policies neglected the profitability of banks by minimizing the spread between lending and deposit rates. Commercial loans were not based on feasibility and credit worthiness of the project.

At present the country's economic structure reflects an undiversified economy that is highly dependent on a capital-intensive oil sector, with a traditional agricultural sector accounting for the bulk of employment. Agriculture was the leading contributor to GDP in 2009, helped by a good harvest.

2.1.12 Economic Growth Indicators

An economic indicator is a statistic about an economic activity. Economic indicators allow analysis of economic performance and predictions of future performance. One application of economic indicators is the study of business cycles. (https://en.m.wikipedia.org., 2018). Economic indicators include various indices, earnings reports and economic summaries such as balance of payments of a country, external reserves, gross domestic products, per capita income, total revenue and so on.

2.1.12.1 Balance of Payments

Balance of payments is defined as a systematic record of economic and financial transactions for a given period of time, say one year, between residents of a country and non-residents rest of the world. These transactions involve the provision and receipts of real resources goods, services and income and changes in claims on and liabilities to the rest of the world. Specifically, the balance of payments records transaction in goods, services and income, changes in ownership and other changes in an economy’s holdings of monetary gold, Special Drawing Rights (SDRs) and claims on and liabilities to the rest of the world. It also records unilateral transfers or receipts of an economic value without the acceptance or relinquishing of something of equal value.

The balance of payments (BOP), also known as balance of international payments, summarizes all transactions that a country's individuals, companies and government bodies complete with individuals, companies and government bodies outside the country. These transactions consist of imports and exports of goods, services and capital, as well as transfer payments such as foreign aid and remittances. A country's balance of payments and its net international investment position together constitute its international accounts.

The balance of payments divides transactions in two accounts: the current account and the capital account (sometimes the capital account is called the financial account, with a separate, usually very small, capital account listed separately). The current account includes transactions in goods, services, investment income and current transfers. The capital account, broadly defined, includes transactions in financial instruments and central bank reserves. Narrowly defined, it includes only transactions in financial instruments. The current account is included in calculations of national output, while the capital account is not.

The sum of all transactions recorded in the balance of payments must be zero, as long as the capital account is defined broadly. The reason is that every credit appearing in the current account has a corresponding debit in the capital account, and vice-versa. If a country exports an item (a current account credit), it effectively imports foreign capital when that item is paid for (a capital account debit).

If a country cannot fund its imports through exports of capital, it must do so by running down its reserves. This situation is often referred to as a balance of payments deficit, using the narrow definition of the capital account that excludes central bank reserves. In reality, however, the broadly defined balance of payments must add up to zero by definition. In practice, statistical discrepancies arise due to the difficulty of accurately counting every transaction between an economy and the rest of the world.

Balance of payments and international investment position data are critical in formulating national and international economic policy. Certain aspects of the balance of payments data, such as payment imbalances and foreign direct investment, are key issues that a nation's policymakers seek to address. Economic policies are often targeted at specific objectives that, in turn, impact the balance of payments. For example, one country might adopt policies specifically designed to attract foreign investment in a particular sector, while another might attempt to keep its currency at an artificially low level in order to stimulate exports and build up its currency reserves. The impact of these policies is ultimately captured in the balance of payments data (https://www.investopedia.com/terms/b/bop.asp#ixzz54MeGt3hp).

2.1.12.2 Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. Though GDP is usually calculated on an annual basis, it can be calculated on a quarterly basis. GDP includes all private and public consumption, government outlays, investments, private inventories, paid-in construction costs and the foreign balance of trade (exports are added, imports are subtracted). Put simply, GDP is a broad measurement of a nation's overall economic activity the godfather of the indicator world.

Gross domestic product (GDP) is also a monetary measure of the market value of all final goods and services produced in a period (quarterly or yearly) of time. Nominal GDP estimates are commonly used to determine the economic performance of a whole country or region, and to make international comparisons. Nominal GDP per capita does not, however, reflect differences in the cost of living and the inflation rates of the countries; therefore using a basis of GDP per capita at purchasing power parity (PPP) is arguably more useful when comparing differences in living standards between nations.

GDP is commonly used as an indicator of the economic health of a country, as well as a gauge of a country's standard of living. Since the mode of measuring GDP is uniform from country to country, GDP can be used to compare the productivity of various countries with a high degree of accuracy. Adjusting for inflation from year to year allows for the seamless comparison of current GDP measurements with measurements from previous years or quarters. In this way, a nation’s GDP from any period can be measured as a percentage relative to previous periods. An important statistic that indicates whether an economy is expanding or contracting, GDP can be tracked over long spans of time and used in measuring a nation’s economic growth or decline, as well as in determining if an economy is in recession (generally defined as two consecutive quarters of negative GDP growth).

GDP’s popularity as an economic indicator in part stems from its measuring of value added through economic processes. For example, when a ship is built, GDP does not reflect the total value of the completed ship, but rather the difference in values of the completed ship and of the materials used in its construction. Measuring total value instead of value added would greatly reduce GDP’s functionality as an indicator of progress or decline, specifically within individual industries and sectors. Proponents of the use of GDP as an economic measure tout its ability to be broken down in this way and thereby serve as an indicator of the failure or success of economic policy as well (https://www.investopedia.com/terms/g/gdp.asp#ixzz54MbYfWFW).

2.1.12.3 Income Per Capita

Income per capita is a measure of the amount of money earned per person in a certain area. It can apply to the average per-person income for a city, region or country, and is used as a means of evaluating the living conditions and quality of life in different areas. It can be calculated for a country by dividing the country's national income by its population. Income per capita counts each man, woman and child, even newborn babies, as a member of the population. This stands in contrast to other common measurements of an area's prosperity, such as household income, which counts all people residing under one roof as a household, and family income, which counts as a family those related by birth, marriage or adoption who live under the same roof.

Perhaps the most common use of income per capita is to ascertain an area's wealth or lack of wealth. The figure is also useful in assessing an area's affordability. It can be used in conjunction with data on real estate prices, for instance, to help determine if average homes are out of reach for the average family.

Because income per capita is the overall income of a population divided by the number of people included in the population, the figure does not always give an accurate representation of the quality of life due to the function's inability to account for skewed data. Specifically, the metric does not account for the effects of income inequality. For instance, if there is an area where 50 people are making N10 million per year and 1,000 people are making N 2 million per year, the per capita income is N120, 000, 000 but that does not give a true picture of the living conditions of the entire population. For this reason, to obtain an accurate picture of the quality of life in a given area, it is important to consider income per capita in conjunction with other income measurements, such as the median income and the percentage of residents living below the poverty line (https://www.investopedia.com/terms/i/income-per capita.asp#ixzz54McSqScP)

2.1.12.4 Foreign Exchange Reserves

Foreign exchange reserves are reserve assets held by a central bank in foreign currencies, used to back liabilities on their own issued currency as well as to influence monetary policy. Foreign-exchange reserves (also called forex reserves or FX reserves) is money or other assets held by a central bank or other monetary authority so that it can pay if need be its liabilities, such as the currency issued by the central bank, as well as the various bank reserves deposited with the central bank by the government and other financial institutions.

Generally speaking, foreign exchange reserves consist of any foreign currency held by a centralized monetary authority, like the U.S. Federal Reserve. Foreign exchange reserves include foreign banknotes, bank deposits, bonds, treasury bills and other government securities. Colloquially, the term can also encompass gold reserves or IMF funds. Foreign reserve assets serve a variety of purposes, but are primarily used to give the central government flexibility and resilience; should one or more currencies crash or become rapidly devalued, the central banking apparatus has holdings in other currencies to help them withstand such markets shocks.

Almost all countries in the world, regardless of the size of their economy, hold significant foreign exchange reserves. More than half of all foreign exchange reserves in the world are held in U.S. dollars, the most traded global currency. The British pound sterling (GBP), the Eurozone's euro (EUR), the Chinese yuan (CNY) and the Japanese yen (JPY) are also common foreign exchange currencies. Many theorists believe that it's best to hold foreign exchange reserves in currencies not immediately connected to one's own, to further distance it from potential shocks; this has, however, become more difficult as currencies have become more interconnected. Currently, China holds the world's largest foreign exchange reserves, with more than 3.5 trillion of assets held in foreign currencies (mostly the dollar).

Foreign exchange reserves are traditionally used to back a nation's domestic currency. Currency in the form of a coin or a banknote is itself worthless, merely an IOU from the issuing state with the assurance that the value of the currency will be upheld. Foreign exchange reserves are alternate forms of money to back that assurance. In this respect, security and liquidity are paramount for a useful reserve investment.

However, foreign reserves are now more commonly used as a tool of monetary policy, especially for those countries who wish to pursue a fixed exchange rate. Retaining the option to push reserves from another currency into the market can give a central lending institution the ability to exert some control over exchange rates. It is theoretically possible for a currency to be completely "floating," that is, completely open and subject to exchange rates. In this situation, it would be possible for a nation to hold no foreign exchange reserves. However, this is very rare in practice.

Theorists differ as to how much of a nation's assets should be held in foreign reserves, and different nations hold reserves for different reasons. For example, China's vast foreign exchange stores are used to maintain considerable control over exchange rates for the Yuan, and thus to promote favorable international trade deals for the Chinese government. But they also hold reserves (mostly in dollars) because it makes international trade, which is done almost exclusively in U.S. dollars, considerably simpler. Country like Nigeria, may hold vast foreign reserves if the economy is largely dependent on a single resource (in this case, oil).

Reserves are considered assets in a capital account, but it is important to remember the liabilities associated with foreign reserves. They are either borrowed, swapped with domestic currency on the international exchange market, or purchased outright with domestic currency all of which incurs a debt. Exchange reserves are also as risky as any other investment; should a currency collapse, all foreign exchange reserves held in that currency around the world will become worthless (https://www.investopedia.com/terms/f/foreign-exchange-reserves.

2.1.12.5 Total Revenue

A country’s total revenue is the sum of all income flows at a particular period, usually monthly, quarterly or yearly. For every nation of the world, it is expected that adequate means of collecting all incomes due are properly put in place. In Nigeria the Single Treasury Account Act, as enshrined in the 1998 constitution succinctly spelt out that monies due to

Federal Government of Nigeria should be channeled through a single account from where payments are equally made.

Federal Government, by its status, has over riding powers to generate revenue from all facets in all subsectors of the economy. One of the major sources of Nigeria revenue generation is the Nigerian Ports Authority where port fees or levies, shipping fees are collected and remitted to the government through Federal Inland Revenue Service.

2.1.13 Transportation and Maritime

The transportation sector is an important sector of any nation's economy. Its importance is so overwhelming to the extent that it cannot be relegated to the background. According to Igberi and Ogunniyi (2013), transportation can be defined as the movement of people and goods from one location to another. It is a vital aspect of the social and economic life of any country. This is because it plays a key role in the socioeconomic development of the country; moreover, it serves as an engine of economic integration. Since the advent of mankind, mobility has always been required or involved in virtually all the productive activities that have enabled survival, reproduction, and prosperity for an individual, group or society. The evolution of the modes of transport in the world has evolved according to the growth in technology and economy of various countries.

Igberi and Ogunniyi (2013) noted that transportation industry is the largest industry in the world today. This includes the manufacture and distribution of vehicles, the production and distribution of fuel, and the provision of transportation services. Therefore, the history of transportation is largely one of technological innovation; advances in technology which have allowed people to travel farther, explore more territory, and expand their influence over larger and larger areas.

In Nigeria, the history of transportation dates back to the pre colonial era; within this period, transportation facilities such as roads, railways, air transport facilities were really non-existent with emphasis then on the bush path using the foot or using animals such as horses, cattle, donkeys and camels as aids to transport. Eventually, the evolution of the modern transport system in Nigeria began during the colonial period. The networks of rails, water and roads that were developed then were built for the exportation of cash crops and mass importation of produced consumption goods. Although they were planned in the most economic possible way, they later proved inadequate

Maritime transport is one of the oldest forms of transport in Nigeria. It has been in existence since the time of our forefathers. It dates back as early as the history of Nigeria itself. It started out with the use of canoe and paddle boats as a means of transporting people and goods and has since then gone through several evolutionary stages. It was the main form of trans-continental transportation; it was this form of transport that was used in the famous trans-Atlantic slave trade, where slaves were exchanged for goods such as jewellery, clothing materials and the likes. Nigeria's maritime heritage has been an important economic engine for Nigeria throughout most of its history. This is due to the fact that Nigeria is endowed with different water bodies such as the Atlantic Ocean, lagoons and other various rivers.

The water transport system in its early years faced a lot of challenges making it difficult to use as a reliable means of transport, this is due to the fact that most of the creeks and cataracts were seasonal water ways that can only be navigated during the wet seasons whereas the inland waterways dried up in dry season. Other forms of water ways that were navigated got silt that made them difficult for canoes and boat to sail smoothly. Also, most of the water ways possessed rocks, hills, lowlands and rapid waterfalls that made it difficult for navigation over them. Apart from these problems, the problem of unaccountability of this sector poses a major threat; this is due to the fact that the effect of this sector on the economy is largely unaccounted for. Other problems militating against the maritime transport system includes: the malfunctioning port system- where the dwell time is averagely 11 days which is a lot higher than those of developed nations, and insufficient indigenous private sector investment in shipping industries as most investors are foreigners (Igberi & Ogunniyi, 2013).

2.1.14 Definitions and Identification of Maritime Infrastructure

Maritime infrastructure is an umbrella term for all those activities and facilities that support and enhance the maritime transport sector and make it efficient, productive, safe and environmentally friendly, reinforced by an effective regulatory framework all combined to make the sector deliver on its fundamental objectives (Afolabi, 2015). There are two common forms of infrastructure. They are: Physical and Social infrastructure.

Physical infrastructure typically involves the network of transport, communication, operational and public services that together function as a system. Examples of physical infrastructure include public utilities such as power, telecommunication, water supply, sanitation and sewage, waste collection and disposal, intermodal transport modes including roads, railways, seaports, waterways and airports.

Social infrastructure which is mentioned here only in passing for the sake of completeness as it is not the main focus of this presentation involves a set of beneficial services meant for the improvement of the general wellbeing of the citizenry. Examples of social infrastructure items include health care services, schools and other services that are considered indispensable for economic development.

Maritime infrastructure has played and continues to play a very significant role in the growth performance and efficiency level of seaports of littoral countries across the world. Where development of maritime infrastructure has followed a rational, well-co-ordinated and harmonized path, growth and development of seaports and their nation's economy has received a big boost. Examples are Singapore, Belgium and the United States of America. Conversely, where the growth of maritime infrastructure has not followed a distinctly rational and co-ordinated path, growth and development of seaports and, ipso facto, their nation's economic development, has been stunted. Examples can be found in most African countries and other low developing countries in other parts of the world. Why is it so?

2.1.15 Tools for Expanding Maritime Infrastructure

Maritime infrastructure is a derived demand. In other words, it is not acquired, installed, expanded, sustained and modernized simply for its own sake, but to propel improvements in the efficiency, productivity and cost effectiveness of the industry it supports. According to Afolabi (2015), there are certain requirements that must be regarded as necessary before maritime infrastructure can exist in adequate and qualitative quantum to effectively support the industry. A few of these requirements are briefly examined here:

Funding is one important requirement. It is a known fact that infrastructure and facilities provision in the maritime sector and the demand for its continuous modernization are capital intensive and attract huge capital outlay. Hardly can any system anywhere boast that it has the needed complement of industry infrastructure in the right number, the optimum quality and the required mix at any given time to do the job. Any such boast is likely to be hollow and dishonest. This explains why, when the Nigerian government was the sole provider/investor in maritime infrastructure, government was never able to provide enough in the face of competing demands from other critical sectors of the national economy (Akaso, 2011; Afolabi, 2015).

The situation was not helped by emerging innovations and advances in technological development that frequently occur globally within the industry itself. In essence, the scenario puts unending pressures on the investor to continue to make further investment and re-investment decisions, if ever he or she is to remain relevant in the competitive industry. Even with government's adoption of privatization and commercialization as the preferred strategy of national development, which saw public/private sector participation (PPP) elevated to the status of a national mantra, the situation is not different. It is still clear to industry operators and stakeholders that the recognition of the constant need for re-financing the sector is the beginning of wisdom.

Professional and skilled manpower is one other requirement. The industry depends for its success and productivity on the ready availability of professional and skilled manpower. This is known to all operators. The need is reinforced by the fact that shipping is an international enterprise that requires technical expertise in several specialized areas of activities. It follows therefore that all those who may aspire to grow along with the demands of the industry, and be relevant on a guaranteed, sustainable scale, will be only those who take pains to equip themselves with the right skills, technical expertise and competences. And this is inclusive of, but not limited to, competence in the field of Information Communication Technology (ICT) only.

There is need for effective maritime administration. Apart from under-funding, the poor system of governance in the country over time has been largely responsible for the poor state of infrastructure in all sectors of the national economy, including the maritime. According to Afolabi, (2015), to realize the 20:2020 Vision, which is just some five years away now, the country's economy was projected to grow at 14 percent per annum. Current available data, however, show that the economy is recording an annual growth of just 7 percent. The low GDP growth is largely due to inefficient allocation, resulting from delayed and in some cases outright non-release of appropriated funds for infrastructural development. Effective maritime administration, which the industry has begun to witness post-concession despite some challenges, needs to be taken to another level if the right transformational agenda is to be charted for a sustainable maritime infrastructure development in Nigeria.

Technical and economic regulation is equally needed. As was noted earlier, the maritime industry is a theatre for many different classes and groups of market players, often times with mutually exclusive business interests and strategies. Under this kind of ambience, it is inevitable that occasional conflicts, misunderstanding and crises arising from perceived failed expectations cannot but occur. This provides the rationale indeed for the need of a regulator, or regulators either to regulate technically or regulate economically, or preferably both, acting separately.

Anyone appointed to regulate technically, must regulate technically well; and anyone in the position to regulate economically, must regulate economically well. Regulation indeed calls for a strong and transparent commitment to balance the interests of users of port services and those of the providers of such services, to the better health and faster growth of the industry.

Prominent among the issues generating so much interests and debates in the industry of recent, is the alleged arbitrary charges by shipping companies and terminal operators, and the unsettled question of what ideally should constitute appropriate pricing for services rendered by them to the port users. The issue, no doubt, calls for the wisdom of a Solomon as well as random eclectic borrowings from the principles long adopted by other maritime nations, especially those in the advanced world that have made a huge success of privatization in their own ports and terminals. But over and above this, is the need for the economic regulator, acting in full consultation with the critical stakeholders, to seek to regulate the industry, with a clearly perceived passion to balance and protect the interests of all parties to avoid crisis.

Another area that is critical is legal framework. There is the need for government to institute market forces-driven policy regime for the industry and seek to back this up effectively with the appropriate laws and regulations. In a participatory democracy, such as ours, this will be through the instrument of enabling Acts of the National assembly with a view to giving statutory protection to the interest of all classes of Nigerian maritime investors (domestic and foreign) thereby launching the industry onto the pathway of modernity.

It would be agreed, that government took an unprecedented positive action in 2006 when it invited private sector participation into certain aspects of port operation by concessioning 26 terminals to 20 terminal operators. But after nearly 10 years into the life of the novel port regime, this act of concession is yet to be statutorily backed by law. It is a fact that the Ports and Harbor Bill, like other similar bills that are still before the National Assembly, remain just mere documents, until they are passed into law. This delays the opportunity for the industry to be launched into the 21st Century and stalls the inflow of accruable social and economic benefits that can expectedly optimize the nation's development.

2.1.16 Port Operators

As there are roles for central governments and port authorities, so also port concessionaries (such as stevedoring firms, cargo handling companies, and terminal operators) who play key roles in the port communities. Terminal concessions are granted to companies with different backgrounds. The award of the concession to private entities expands their activities to terminal operations, so they become terminal operators. The private entity form an important strand in the concession process, as its success, or otherwise, depends on the experience, behaviour and the performance of the private parties. There are many classifications of terminal operators in the literature; the most recent is Farrell (2012), which identified 11 groups based on the geographical reach and activities of the entities involved in concessions. They include: Global terminal operators (GTO), Regional terminal operator (RTO), Stevedores (STE), Shipping lines (SL), Freight transport companies (FT), Construction companies (CC),Equipment manufacturers (EM), Property developers (PD), Industrial conglomerates (IC), Public authorities (PA) and Financial institutions (FI).

There is another proposed classification of terminal operating companies by Bichou and Bell (2007), namely: terminal operating shipping shippers (TOS). This group engage mainly in bulk cargo operations, examples include oil companies such as Shell, or cement companies such as Dangote. Another group is the terminal operating shipping lines (TOSL) that operate port facilities by acquiring long-term concessions or leases. An example of this is APM terminals, where the parent company is the Maersk shipping line. There are also terminal operating port authorities (TOPA), which have expanded their activities by operating ports or terminals in other countries as their base. Lastly in this classification, is the terminal operating companies (TOC). These groups are made up of companies that undertake activities in logistics, property development, or related business ventures and have extended to international port operations and management. Companies in this group include HPH, ICTSI and SSA Marine. The TOCs are also regarded as transnational terminal operating companies (TTOs) by Slack and Frémont (2005). Parola and Musso (2007) categorised terminal operating companies into thr ee broad groups, the pure stevedores, integrated carriers and hybrid terminal operators.

Nevertheless, the two most outstanding concession participants are the GTOs and the shipping lines involved in concessions. The role of GTOs is critical to port operation as literature has revealed that international terminal operators are the dominant players in the cargo handling industry, especially of containers. The top ten terminal operators handle 64.4% of total world cargo (Notteboom & Rodrigue, 2012). The GTOs successful inroad into port operations can be attributed to the strategic importance of seaports and the need to secure reliable supply chains (Farrell, 2012). Also, Farrell (2012) was of the view that due to size, reputation and independence, the international terminal operators are better placed to attract business to ports. The presence of GTOs in many ports provides the ease of switching equipment and management resources around the world, hence the flexibility to respond to market changes. In addition, Notteboom and Rodrigue (2012), described GTOs as market seekers that pay particular attention in selecting their locations.

Furthermore, the market segment for single-user terminals operated by global container carriers is expanding rapidly (Wiegmans, Hoest, & Notteboom, 2008). The growth is possible because shipping lines strive to secure terminal capacity at major locations globally through vertical integration of shipping lines into port operations. It provides the shipping lines the control of their global door-to-door services. The assumption is that the operation of terminals by shipping lines will result in efficiency gains, delivery of better service and reduction in port charges (Slack & Frémont, 2005). Another advantage derivable from shipping lines operating port services is throughput guarantee, resulting from the vertical integration in the supply chain. According to Farrell (2012), although many new companies have entered the terminal operation market, only very few outside the shipping companies are successful. That notwithstanding, shipping lines are keener on locations with the potential for high-value additions in the overall supply chain (Notteboom & Rodrigue, 2012).

Typically, most port operators are private firms that pursue conventional microeconomic objectives, such as profit maximisation, growth and additional market share. The creation of an enabling environment for port operators to freely pursue such objectives ensures the achievement of benefits of a market-orientation in ports. The nature of a port service confers it with unique economic characteristics, explained in the following section.

2.1.17 History of Nigeria Port Authority

Port operations and development in Nigeria began in the middle of the 19th century. The effort towards the provision of facilities for ocean going vessels started with the opening of Lagos Lagoon in the early 1990. The Apapa Port in the South West was earmarked for development in 1913 and construction of the first four deep water berths of 548.64m at the port began in 1921.

The Port of Port Harcourt was conceptualized on discovery of coal at Enugu and was subsequently opened for the business in 1913. The completion of the railway line in Enugu in 1916 resulted in the development of four 1920 feet long berths at Port Harcourt to expedite the exploitation and eventual exportation of coal on one hand and the support of importation of goods on the other hand. The Nigerian Port Authority was established as a continuous Public Corporation by the Ports Act of 1954 to address the institutional weakness that bordered on lack of coherent policy framework as ports development were done on adhoc basis driven by changes on the level and demand of sea-borne trade.

In 2003, the Federal Government of Nigeria initiated the drive towards improving efficiency at out Ports, and the landlord model was adopted for all the Nigerian Ports. This gave rise to the concession of 25 Terminals to private Terminal Operators with lease agreement ranging from 10-25 years. One of the concessions was a Build, Operate and Transfer (BOT) arrangement. Also in the process of reorganising the ports, the former eight (8) ports were reduced to six (6) major ports, with two (2) ports in Lagos and four (4) in the east namely; Lagos Port Complex, Tin Can-Island Port Complex, Calabar Port, Rivers Ports, Onne Ports Complex and Delta Ports Complex respectively.

In line with the reform programme, the transaction commenced with the advertisement for Expression of Interest on the 3rd of December, 2003, by the National Council on

Privatization with the Bureau of Public Enterprise acting as the transaction agent. A total of 110 EOIs were harvested out of which only 94 were pre-qualified.

Pre-bid conferences, Data room and physical due diligence were also done and request for proposals sent out to bidders. Technical bids were submitted and evaluated; the financial offers were also opened to determine the successful bidders. All the successful bidders negotiated their concession agreements with a Public Sector Team made up of Nigerian Ports Authority and the Bureau of Public Enterprise. Successfully negotiated agreements were signed. Transition programme initiated preparatory to handing over. Under this new arrangement the Authority ceded some of her functions and responsibilities to the Private Sector.

2.1.18 Port Infrastructure

The steady growth of the economy as reflected increased foreign trade transactions, accentuated the imperatives of modem ports infrastructure and services as a trade facilitator. At independence, Nigeria had two major seaports - Lagos and Port Harcourt ports. These ports together with few minor ones at Warri and Calabar served adequately, the maritime needs of the country. By second half of the 1970s, Nigerian port facilities were severely overstretched due to the oil boom and the associated improved level of living, which led to a sharp increase in import traffic. This increase imposed major strain on the system, leading to delay in ship landing and resulting in high demurrage.

In response to this trade challenge and to further push the limit of economic development, a massive investment programme was undertaken and port capacity increased by about 300% between 1975 and 1980. Today, the Nigerian Port Authority (NPA) has 13 major ports under eight-port management, 11 oil terminals and 128 private jetties within the port system (Obi, 2001).

2.1.19 Nigerian Seaports and National Development

There is need to examine the potentialities and associated benefits of Maritime Transport Sub-sector in the economic development and transformation of the country and to imagine the concomitant negative consequences when serious repositioning and functional approaches are not taken to sustain the benefits identified in the maritime sector. A critical examination of the economic geography and trade pattern of Nigeria, shows that the nation's trade pattern is outward looking meaning that the country relies on the export of goods in exchange of import (Olukoju, 2006; Badejo, 2012; Badejo and Solaja, 2014). This pattern has assisted over the years to promote international trade through the maritime sub-sector. It has therefore in addition to other benefit improved water transportation system and infrastructural development especially ports and terminal facilities. As a result of the trade pattern and economic geography tendency of the country, key development issues have emerged. For example, evidence-based researches have shown that Nigerian seaports have created numerous opportunities which include the following:

- Endless list of jobs and employment opportunities (both formal and informal) ones.
- Huge revenue generation and financial outlay for the government through various forms of licenses, taxes, rates, tariff, demurrage, fines, renewals and rents. These various sources of fund have made the maritime sub-sector to be financially buoyant and therefore attractive to government and other stakeholders.
- Promotes huge trade and commerce opportunities especially international and regional business through water means.
- Transportation of goods at cheap and affordable costs when compared with other modes of transport is generally associated with the water mode. This benefit becomes

more realistic and meaningful when the distance to traverse is much and volume of goods high.

- Emergence of various stakeholders and investors with varying infrastructural needs for terminal development and ports provision.
- Regional economic growth due to port terminal development.
- Expansion of local economies as a result of the quantum volume of goods that can be hauled at a time.
- It encouraged Institutional establishment by government. For example, the Nigerian Shippers' Council, Nigeria Ports Authority, NIMASA, Nigeria Customs Service, Immigration etc. It is obvious that without the natural endowment or presence of maritime opportunities in Nigeria, these institutions will not exist and the benefits accruable from the maritime sector will be absent.
- Promotion of international business that partly operates within the purview of international laws and conventions as well as domestic laws and acts.

In the words of Badejo and Solaja, (2017), the benefits and potentialities associated with the nation's maritime sector, it is quite revealing that no government will allow such a sub-sector that contributes so much to the national economic development and revenue base to deteriorate or decline. The implications for allowing the maritime sector of the country to deteriorate and decline are enormous. These include;

- A massive unemployment and job loss which is as a result of decline in maritime business and the need to downsize its staff complements.

- More importantly, expected revenue generation target from the maritime sub-sector would be drastically reduced and therefore affecting the overall revenue expectation of the country. Again, it will as a result slow down developmental efforts, goals and objectives of government.
- It is a known fact that infrastructure and facility provision in the maritime sector are capital intensive and attracts huge capital outlay. When these facilities are not optimally utilized the essence of providing them in the first instance is defeated.
- Issues relating to security, safety and theft are further raised as stakeholders are further compelled to seek cost minimization device/strategy which often leads to frauds and falsification of documents. This poses more challenges for terminal operations and entire maritime subsector.
- Decline in ports operations and services lead to berth vacancy, empty sheds and stacking areas. These facilities must be maintained and managed. Unfortunately financial/operational gains are quite elusive as a result of decline in overall shipping activities.
- Unethical and illegal means of operations are introduced by stakeholders.

2.1.20 Ports and Regional Development

According to Olukoju, (2006), seaports constitute the hub of the maritime sector of a nation's economy. For one thing, they are generally regarded as gateways between their hinterlands and forelands the overseas territories to which they are linked by commerce and other elements. They thus serve as conduits in the exchange of merchandise between opposite ends of the intervening oceans. Moreover, without them, shipping and shipbuilding cannot exist and it is the capacity of a port that determines the volume and regularity of its shipping. Ports do not exist for their own sake or as mere conduits of trade, but are expected to exert a developmental impact especially on their hinterlands. To be sure, a port has several hinterlands stretching from the port itself to as far as transport links and competing outlets permit. While the proximate hinterlands are likely to be captive to it, other areas may be contested by other ports depending on their differential access to transport facilities (Olukoju, 2006). With regard to the measurement of the economic impact of ports, the Canada Ports Corporation once developed a computerised Economic Impact Model, which supposedly 'measures the economic benefits of the freight handling activities of Canadian ports on the local, provincial and national economies and provides a realistic and defensible assessment of the economic contributions of the ports'. This assertion was based on certain observable results. Canadian ports were reported to have generated jobs (direct and indirect), revenue, and personal income quantified in billions of dollars, which derived from port and related activities. However, critics have expressed doubts about the reliability and propriety of such measurements. Some contend that 'port impact' studies of this kind were designed by port authorities to justify or attract port investment. Others argue that it is misleading to attribute regional development to the ports, which are 'only one element in a large number of producing and distributing systems' which generate economic changes in a given region (Goss 1990). It may also be noted that accurate quantification of the regional impact of ports is difficult to achieve in the face of the diffusion (that is, of origins and destinations) of port traffic beyond the narrow confines of a region or nation.

These foregoing criticisms should not be confined to 'port impact' studies as such but may be extended to the whole question of the significance attached to ports in economic development. Orthodox historians would naturally be wary of any explanation that ascribes sole or unduly exaggerated importance to a single causal factor: the pitfall of monocausal explanation. It is in this light that one should view the tendency to attribute developments generated in a region to either the geographical or transport factor. But as is indicated below, the human factor appears to be overwhelmingly important in this age of technology (Olukoju, 2006).

Olukoju, (2006) opines that whatever reservations that one may have about the reliability of the quantification of the social and economic impact of ports and their allied industries on the adjoining cities and regions, it is hardly debatable that port activities and shipping generate employment, and induce industrialization and overall economic growth. The striking example of Maritime Industrial Developments Areas (MIDAs) in post-Second World War Europe aptly illustrates the immense growth-pole potentials of ports. Even so, it must be conceded that there is a symbiotic relationship between the port itself, on the one hand, and the port-city and port-induced industries, on the other. Economic boom or depression in either a port's forelands or hinterlands immediately affects the port and the silting of the port or the loss of its comparative advantage to rival ports would be reflected in the fortunes of its hinterlands, particularly those that are dependent on it.

A related issue is the role of human agency in these developments. Without prejudice to the now discredited thesis of environmental or geographical determinism, we may note that the development of the maritime sector and, indeed, of the wider economy, reflects the degree of the harnessing together of technological, political, economic, physical and other factors. However, what can hardly be controverted is that human agency can reverse or ameliorate the natural disadvantages of a port or initiate developments in its hinterland or foreland to the advantage or disadvantage of the port (Olukoju 1996). This is most clearly manifest in the formulation and implementation of policies which achieve port (re)development and foster shipping and industrial growth. Government is more suited to this sort of intervention because it has the capital that such large-scale works entail and it also has the capacity to absorb the impact of the long gestation of such low-return investments. It is capable of formulating policies reversing the natural disadvantages suffered by certain ports and regions. This will be made clear in this study of Japan and Nigeria in the aftermath of the Second World War. We begin by outlining the development of the Japanese maritime economy and policies.

2.1.21 Seaports development in Nigeria: Historical perspectives

The history and evolution of shipping reforms in Nigeria is not recent. However, the recent level of interest generated by maritime reform effort is as a result of the increasing complexity, popularity and growth of shipping and cargo activities in the maritime sector. The year 1906 was symbolic in the evolution of shipping reforms in Nigeria (Afolayan, 1994; Badejo 1998). That year, the Nigerian Marine was created. The marine as it was popularly known, emerged as the first shipping reform to initiate and bring some sanity into port administration in the country (NPA, 1996). At its creation, it was charged with the responsibility for control and administration of the existing ports and terminals in Nigeria. The Marine therefore dominated the scene for about 48 years before it metamorphosed into Nigerian Ports Authority in 1954 (Badejo, 2001; Badejo, 2012). Unlike what the situation was prior to independence in 1960. In the days of British colonial presence in the country, the big multinational corporations such as John Holt, CFAO, Elder Dempster and UAC dominated the national and shipping economy and made extensive use of the nation's ports and terminals (Badejo, 2009; Obed and Ndikom, 2013). When the country became independent in 1960, the need for an ambitious economic and social restructuring and transformation as a matter of national pride was obvious.

Apart from the heavy reliance on the seaports, there was the need for the Nigerianization of the maritime industry. This was a major reform and change to reflect the independence status of the country and the need to break away from the past approach and methods.

The enactment of the NPA in 1954 was the first major attempt at forging an integrated national approach to shipping administration and terminal development in Nigeria. This was the situation until 1988 when new political economic thinking of privatization and commercialization commenced. Essentially, the maritime and shipping reforms and evolution in Nigeria can be classified into four major phases. These are:

- 1906 – 1954 Phase
- 1954 – 1992 Phase
- 1992 – 2004 Phase
- 2004 – 2015 Phase

1906-1954 Ports Reforms Phase

Lord Lugard who summed up in one word that "transport development" is the singular solution to the myriads of problems facing Africa particularly Nigeria, created the Marine. The Marine had the responsibilities to manage all ports, terminal facilities and waterways in Nigeria (Afolayan, 1994; Obed and Ndikom, 2013). In addition, it was charged with the provision of navigational aids, the enactment and enforcement of safety regulations and for the maintenance of dockyards, wharves, Inland waterways and general administration of existing public ports. It also operates a complementary functions of freight, services for mails, cargo and passengers (Badejo, 2009; 2012).

The significant feature of this period was multiplicity of interests in port operation, terminal management and control. The first generation ports and terminals such as Akassa, Forcados, Calabar and Victoria (now in Cameroun) came under joint operation of several government agencies and private business concerns. Furthermore, apart from the Marine, other public agencies like Nigerian Railway, Customs Service, John Holt, UAC, CFAO also functioned in port management related issues. Nonetheless, the Marine department was the most prominent during this phase (Badejo, 2012). The Nigerian maritime operated a fleet of 100 vessels which included dredgers, tugs, coal carriers, launchers and a number of barges, lighters, canoes (Igbokwe, 2006; Badejo, 2009). However, by 1955, the activities of the Nigerian maritime were extensively restructured and altered. All with the aim of reflecting and reacting to the need for reforms which is aimed at better service delivery, sustainable port operation and terminal management.

No doubt that the reform of the Nigerian maritime brought drastic improvements to port operations management particularly in the area of infrastructural buildings and equipment procurement. The Lagos and Port-Harcourt Ports were developed to prominence during the 1906-1954 phases. This period actually laid the foundation for infrastructural provision and construction in the nation's maritime sector. Some of the structures established during this period are still present at Apapa Quay and Port Harcourt ports respectively.

1954 -1992 Phase

Following the infrastructural and equipment development in Nigerian maritime sector, there was creation of National Port Authority (NPA). NPA was predominantly setup for the management of marine operations and activities (NPA, 1996; 2017). After the Second World War in 1945, the world political map changed. There was the emergence of new nations and world powers. Of great significance were the emergence of United States of America (USA) and Union of Soviet Socialist Republic (USSR) as world powers. Britain's influence and global politics dominance have suffered setbacks. There was a deliberate need to have greater grips and control over its traditional areas. Two important world political groups emerged. The United Nations Organization and the Commonwealth of Nations. Britain had a firm and strong influence in both emerging World Institutional Bodies.

Recognizing the lapses of the Marine era, (1906-1954) there was the need to improve and or introduce new measures towards achieving better results from investments. However, the effects of the Second World War did not allow such reforms to manifest until 1954. The major features of the Ports Act 1954 are as summarized. It was charged with the responsibility of providing and operating cargo handling and quay facilities. It was also charged with the maintaining, improving and regulating the harbours and approaches. Furthermore, dredging to desired depth, pilotage services and provision of navigational aids formed additional responsibilities of the port management.

It is observed that the NPA actually annexed the entire functions of the Nigerian Marine and the Nigerian Railway ceased to operate port related services other than transportation and haulage logistics. There was the centralization of all ports under one administrative control and management structure (Ogundana, 1970; Olanrewaju and Falola, 1986). Nonetheless, the organization has gone a long way since its inception. As demands for port and terminal management services increased, port development progressed. The NPA expanded its scope of operation to meet new challenges particularly port expansion and development from two ports to eight ultra-modern port complexes during the phase.

It is important to reveal that during the phase (1954-1988) there existed some reactions or reforms which took place as a response to certain operational demands and reactions e.g. 'Containerization' as well as the Nigerian Civil War (1967-1870). During this period particularly in 1969, all private ports in Nigeria were nationalized and taken over by the Government. The Warri Port which was then owned and managed by John Holt was taken over and the government paid N1.62 million as compensation. Other affected ports during this period (1968) included Calabar and Burutu which was owned by UAC.

Prior to the Port nationalization exercise, the 1962-1968 National Development Plan period provided for the Second Apapa Wharf extension. In the 1970's when Nigeria was just coming out of the vestiges of civil war (1967-1970), Nigeria witnessed the high level of economic prosperity. The unexpected huge returns from crude oil sales again favoured port reforms particularly through port infrastructure and terminal provision and port extension programme. The second national development plan made provisions for port expansion. The rationality is to arrest the prevailing chronic port congestion (Badejo, 2012; Badejo and Solaja, 2014). The Apapa, Calabar and Warri ports were marked. In fact, the case of Calabar and Warri were obvious because they needed the presence of federal might since they have just been acquired from private entrepreneurs. The massive importation of cement created a major crisis at the Apapa Port which was handling over 75% of all ocean cargoes in Nigeria then.

The port congestion, created through the cement armada and the gradual emergence of new shipping technology-containerization, compelled the government to conceptualize the Tin-Can Island Port and the Container Terminal through the Third Wharf extension and Lily pond all situated in Lagos (Igbokwe, 2003; Badejo, 2012; Obed and Ndikom, 2013). In addition, with the emergence of large vessels in the shipping fleets; there was need for the country to be futuristic, believing that such global trend should not be allowed to leave the country behind. For the country to be well integrated into the world shipping family there is the very urgent need to prepare a port capable of handling and receiving such very large vessels. This led to the Federation Ocean Terminal at Onne. It is a deep sea terminal. The Nigerian Shippers' Council (NSC) was also a child of circumstance that emerged during this reform period (Badejo, 2012).

Apart from physical reforms of the port, specific issues again featured prominently in the port industry during the period. It introduced the port commandant and a small naval detachment. Their first appearance was during the cement armada which led to port congestion. Their

Presence have serious implication on port operations, terminal management, cargo handling, rating, management information system and general slowdown of operational activities due to prolonged documentation process (Badejo, 2012). The registration and licensing of freight forwarders was restructured and the Nigeria Customs Service was moved to the Ministry of Finance. This issue of port tariffs, rates and charges have witnessed various restructuring from time to time. However, the issue of tariff setting has remained a major problem in port/shipping reforms in the country which is of major concern to NSC.

In 1988, with the adoption of the Structural Adjustment Programme (SAP), the port and terminal management thinking of government again changed focus to reflect and represent the dynamic nature of the national thinking towards SAP (Olukoju, 2006; Badejo, 2012; Badejo and Solaja, 2014). The vulnerability of the Nigerian economy to the international oil trade was a bitter lesson because there was a global collapse of the petroleum prices. The cumulative effects of this collapse of oil prices, led to the introduction and subsequent implementation of the Structural Adjustment Programme in 1986. The concept of Structural Adjustment Programme (SAP) which started in 1986 was intended to be a stop gap between short and long term objectives designed to redress structurally the general weakness of the Nigeria economy, which has been described as being mono cultured or single dependent product (Badejo, 2001). As a result of the implementation of SAP, there was a concomitant reaction in all strata of the national economy. It led to general port/shipping reforms. For example, the National Shipping Policy known as decree 10 of 1987 led to the establishment of the National Maritime Authority. This general reform was to focus on shipping and its development. Again, it was responsible for issuing the license regulating and monitoring shipping activities. It has undergone series of decomposition and it is now known as NIMASA.

Furthermore, the Nigerian Shippers' Council was further strengthened with more powers to protect indigenous shipping companies, importers and exporters. Again, the establishment of the Maritime Academy of Nigeria, Oron to develop seafarers and navigators for the emerging shipping industry of the country was strengthened. These developments have serious effects on the future of port operations and terminal management. There is a need for consultation among these agencies in order to realize an enhanced peaceful coexistence, thereby combining their desired objectives together, in such a way that, port and terminal management efficiency could be achieved unhindered.

During the SAP era, a number of fiscal and monetary policies were packaged to support the new economic agenda of the government. For the Nigerian ports, the implementation of SAP led to gross under-utilization of port facilities due to drastic reduction in ship traffic and cargo tonnages. However, by the year 1992, a major change in the management structure of ports led to gradual improvement in port and terminal operations. This management change was from Nigeria Ports Authority to Nigerian Ports Plc which was concluded through privatization in 1992. In addition to the management restructuring that occurred in 1992, tariffs and various rates chargeable on port users were reviewed mainly upwards all with the aim of implementing the privatization status recently accorded the Nigerian Ports.

1992- 2004 Phase

The restructuring of ports/shipping management in Nigeria led to the creation of Nigeria Ports Plc it further led to general decentralization by zoning the Nigeria Ports into four (4) namely; Western, Central, Eastern Zones and Headquarters. The essence of this arrangement is to minimize bureaucracy, thereby accelerating general efficiency in port operations and terminal management (Olukoju, 2006; Badejo, 2012). However, despite the zoning, policy decisions, regulations and monitoring remained centralized. In other words, it was the operational exigencies that play out in the port industry that may have accounted for the decentralization. Other issues that emerged during this period that could be relevant to general port reforms were the implementation of rates and tariffs for the goods imported into the country. The principal culprits or voices often heard on issues relating to tariffs are from:

- Shipping companies – Importers and Exporters
- Clearing and forwarding agents
- Importers and exporters; and
- Government agencies particularly Nigerian Shippers' Council whose principal responsibility is to develop and protect indigenous shipping companies both locally and internationally.

2004 to 2015 Phase (Era of Port Concession)

This period can be described as the port concessioning period. It is based on the concept that government and its institutional representations are bad managers of resources, and therefore cannot handle any business of government from a profitable and efficient point of view (Badejo, 2009; 2012; Badejo and Solaja, 2014). Again, government could no longer guarantee regular funding and finance of the ports and terminal infrastructure. Furthermore, government seems to be more concerned about handling over of the ports and terminal infrastructure to the private sector that are better grounded, well equipped, with excess liquidity and professionals to handle and manage on behalf of government the ports and terminal facilities. To achieve this objectives and desires of government, the idea of ports concessioning came to the fore-front of government agenda as to how to manage and operate ports and terminal infrastructure. Nevertheless, it represents a situation where government has come to the conclusion that ports and terminal management can best be handled and administered by private sector that can provide good credentials and evidence of competence in the area or ports and terminal management. It is important to note that this is a form of port reform that shows a complete break away from the traditional way of having government handling port operations. It is purely transferring entirely public sector initiative to private sector driven initiative. Hence, it is more of economic rationality than government or public sector thinking.

In essence, the desired objective of government by encouraging ports operation and terminal management to be handled by the private sector is to secure additional fund and finances that could be injected into it, create room for professionalism, promote efficiency and more importantly, economic rationality and efficiency for the industry which the government on its own using the existing prevailing structure cannot achieve. It is important to note that the concessioning of the ports infrastructure and terminals is still in progress suffice to say that the effects of concessioning of the ports have started to take their toll and casualty. Conclusively, it can be seen that port reforms is an ongoing process which is often determined by the socio-economic, political and environmental circumstances or forces at play. However, such foci no doubt should take into consideration, the abilities and circumstances under which various stakeholders of the port operate. It is for this reason that the next session of this article will focus on the determinants of ports reforms within.

2.1.22 Nigerian Experience in Port and Maritime Development and Administration

The beginning of modern port development in Nigeria may be traced to the British occupation of Lagos, a notorious centre of the trans-Atlantic slave trade, in 1861, and the subsequent colonisation of the Nigerian hinterland. Lagos and Port Harcourt eventually emerged as the leading ports following extensive and expensive harbour works. At Lagos the most extensive works carried out during the colonial period (1861-1960) took place before the Second World War, while Port Harcourt was created from scratch.

Port development policy oscillated during this period from concentration to diffusion (Ogundana 1970, 1972). The former refers to a policy of concentrating investment in, and developing, a few ports, at the expense of the rest while the latter involved developing a multiplicity of seaport outlets. Such contraction and expansion reflected the prevailing global and local economic conditions which dictated the demand for shipping and port facilities. Hence, during the Great Depression of the 1930s, major public works (including harbour works) were suspended or deferred especially as the volume of maritime trade and shipping had contracted. Conversely, the optimistic outlook fostered by a trade boom (as in the immediate aftermaths of the two world wars) or the expectation of one, induced the formulation and implementation of port development projects.

In terms of the administration of Nigerian ports, policy was characterised, up to the mid-1950s, by a combination of duality of control and multiplicity of authorities. First, the duality of control meant that private interests such as the United African Company and the foreign shipping lines, specifically, Elder Dempster Shipping Line, controlled certain activities such as lighterage (Olukoju 1992a, 1992b, 1994, 2001-2002), and controlled certain ports (such as Burutu). Second, there was a multiplicity of authorities in the ports, especially the major ones like Lagos and Port Harcourt. Among these were the Railways, Customs, Port Engineering and Marine, each handling specific aspects of port operations, such as tariff collection, transport, pilotage and harbour works. These government departments were embroiled in an acrimonious inter-departmental rivalry which impeded the effective coordination of services and port operations (Olukoju 1992c). The management of the crisis entailed a series of investigations and administrative reorganisation but it was not until the Nigerian Ports Authority was established in the mid-1950s that a semblance of order was established.

Paradoxically, maritime administration in Nigeria has since degenerated into a jungle of competing authorities hindering and meddling with the efficient operation and administration of the ports.

By virtue of the Ports Act 1954 (Cap 55) of the Laws of the Federation of Nigeria, the Nigerian Ports Authority was established as the sole authority in control of Nigeria's ports in place of eight government departments. The NPA came into being with jurisdiction over the operation of cargo-handling; maintenance, improvement and regulation of harbours and approaches; dredging, pilotage services, lighting and navigational aids, and related services. The NPA embarked on indigenisation ('Nigerianisation') of its staff and the construction of a wharf extension at Apapa and harbour works at Port Harcourt. Yet, within a decade, its activities had come under the scrutiny of a commission of inquiry. The Justice Beckley Tribunal found out that the NPA had engaged in redundancy and jobbery in its appointments, and its operations had been bedevilled by ethnicity, corruption and inefficiency. The civil war caused the enforced contraction of Nigerian maritime operations following the closure of eastern Nigerian ports such as Port Harcourt and Lagos became the only functional seaport. In 1969, the military government formally placed the ports of Warri, Burutu and Calabar, hitherto under private control, under the control of the NPA (Olukoju, 2006).

According to Olukoju (2006), the civil war was followed by the requirements of reconstruction and the oil boom in the aftermath of the Arab-Israeli war of 1973. Massive imports engendered by these developments resulted in unprecedented port congestion, characterised by the infamous cement armada whereby ships carrying cement stayed outside the ports in a long queue of vessels waiting to berth and offload their cargo. The country incurred huge losses in demurrage and damaged cargo, in addition to the unscrupulous dealings of some Nigerians and foreigners. The government then embarked on massive port development not only to cope with that exigency but in anticipation of increasing demand.

But the slump of the 1980s forestalled the latter and left the country with under-utilised facilities.

Meanwhile, port administration was undergoing certain changes which worked against efficiency and motivation of staff. First, the appointment of a military Port Commandant in the face of the port congestion of the 1970s eroded the influence and efficiency of the NPA Board, and breached the norms of due process and accountability. Second, the public sector reforms of the 1970s dampened the morale of NPA staff, who were now made to work under civil service conditions of service, especially pay. Third, certain powers of the NPA were transferred to the Minister of Transport, who became the supervisory authority for the Authority. The consequence of these developments was that the NPA 'moved from an autonomous status to that of a department of the Federal Ministry of Transport with its centralized control, no user representation advisory board and all the trappings of civil service bureaucracy' (Ovbude 1991).

These changes had wider and deeper implications for the NPA and the entire ports sector. The most striking is that the Authority was not consulted when the Ministry embarked on some important projects within its area of competence. This was the case with the Tin Can Island and Sapele ports. In the former case, adequate preliminary investigations were not carried out and, so, the NPA was saddled with dredging costs that would have been avoided. In the latter, the new port was too close to another at Warri, thus making it a white elephant project. The Sapele project and the construction of five berths (instead of the two recommended by the NPA) at Calabar were undertaken by the civilian government of President Shehu Shagari for political reasons (Olukoju, 2006).

A related policy thrust was the 'commercialisation' of port administration in Nigeria in the late 1980s. By Decree 25 of 1988, the NPA was listed among thirty-five state-owned enterprises slated for commercialisation. Ninety-two others were to be privatised. The aim was to make the NPA make profits on its operations. Such a policy implied that the government would give the operators a free hand not only in day-to-day administration but in the setting of port charges and the collection of revenue. Unfortunately, the professed aim was never achieved, although the NPA (then renamed Ports PLC) was finally weaned off its dependence on state subventions as it succeeded in earning enough and making profits from its services to shipping and other port-users. However, the government never gave its officials a free hand at least to the extent of appointing the Authority's Board of Directors and interfering in other ways. The NPA was never rid of political jobbery, sinecures and large-scale fraud which had destroyed (or subsequently decimated) other government parastatals, such as the NNSL and Niger dock, which were supposed to be financially solvent (Olukoju, 2006).

He opines that in all, port development in Nigeria has had a measurable impact on city and regional development though the extent varies with each port. To be sure, the export processing zone developed around Calabar port in eastern Nigeria has yet to make the expected impact. A recurring factor in the decline of the port is that its natural hinterland is in the Republic of Cameroon. This has robbed it of a critical factor in its development, unlike the case at Lagos and Port Harcourt.

That said the most profound case of port-induced urban and regional development has been that of Lagos, which generated a huge population concentration in an adjoining metropolitan area that extends inland up to Ota, some forty-five kilometres to the north. Major developments at Apapa have also fostered an industrial zone that has grown in depth since the 1960s. Industrial zones have also sprouted at Ilupeju, Yaba and Ikeja as the port exerts its direct and indirect impact on its immediate hinterland. By 1971, the Lagos metropolitan area was dotted with six industrial estates. By 2000, functional estates included those at Apapa, Agidingbi, Amuwo, Odofin, Gbagada, Iganmu, Ijora, Ikeja CBD, Ilupeju, Kirikiri, Matori, Ogba, Oregun, Oshodi/Isolo/Ilasamaja and Surulere (Light Industrial) (Akintola Arikawe1987). The industrial estates at Ikeja and Mushin had owed their existence to the industrial policies of the Western Region government since the late 1950s but others too had developed since the 1970s. The extent of the impact of port development at Lagos may be judged by the rise and development of the Agbara and Ota-Ifo industrial estates in the 'metropolitan shadow' some twenty to forty kilometres away (Akintola-Arikawe 1987).

As well, the western railway linking Lagos with Ibadan and Kano, major urban, commercial and industrial centres, has also spread the impact of the port several hundred kilometres into the Nigerian hinterland. The same process has been replicated, though on a smaller scale, at Port Harcourt, the terminus of the eastern railway. The port literally created the city following its development in the inter-war years (Anyanwu 1971; Olukoju 1996a). There, as in Lagos, the port serves as an industrial and commercial hub, and its hinterland extends to the administrative and commercial centres on the railway, like Aba and Umuahia.

A related issue is fleet development, which began in earnest with the establishment in 1959 of the Nigerian National Shipping Line (NNSL). The politics of that act has been studied elsewhere (Olukoju 2003) but it should be stated that the project was flawed from the start and it was, in any case, unlikely to have fared better given the hostile world in which Nigerian shipping had had to operate, and the unpatriotic and irresponsible management of the maritime sector of the Nigerian economy to date. Meanwhile, the NNSL tottered until it finally collapsed in the early 1990s, ironically in the immediate aftermath of the United Nations Commission for Trade and Development (UNCTAD) Code on Liner Shipping which had sought to assist underdeveloped countries to gain a share of their maritime economy, especially the shipping trade (Karandawala, 1989). The government of General Ibrahim Babangida had even proceeded to promulgate a National Shipping Policy (Decree 10 of

1987) to give effect to this code. The Decree established a National Maritime Authority as the clearing house of the maritime sector and the agency for the allocation of shipping space. Unfortunately, the basic precondition for meaningful participation by Nigerians in the shipping business an indigenous fleet was lacking and when the government instituted a fund for fleet development; the Ship Building and Ship Acquisition Fund; that facility was simply turned into an open sesame to the looting of the treasury. The Fund was depleted and its beneficiaries not only failed to redeem their loans but merely bought scrap (worthless vessels) which were un-seaworthy. In the event, Nigerians could not utilise their forty per cent quota and merely fronted for foreign operators. The policy died a natural death and the NMA fell into the grip of a succession of incompetent and corrupt administrators who merely collect rent and fail to develop the mercantile marine or the maritime sector. The same verdict applies to the Nigerian Ports Authority, which, like the NMA, exists to collect rents on shipping. Similar unscrupulous leadership ran the NNSL aground while its counterparts in other parts of the Global South (Sri Lanka, for example) have managed to stay afloat (Dharmasena 1989; Iheduru 1996; Olukoju 2003).

2.1.23 Human Resource Capacity Building in Maritime Industry

Maritime trade is very technical and requires specialised training. Thus, highly trained, skilled and experienced manpower is very critical to the success of any maritime engagement. To ensure availability of indigenous human capacity to drive activities in the various aspects of the maritime trade, Nigeria invested in the establishment of relevant training institutions that cater for both technical and managerial manpower needs of the sector.

The Maritime Academy of Nigeria (MAN), Oron, was established to provide training for shipboard personnel. Over the years, the academy has produced reputable seafarers including shipmasters, marine engineers, deck officers, etc. and has provided organic support to the development of the Maritime industry in Nigeria. The academy enjoys the accreditation of the International maritime Organisation (IMO), thereby qualifying Nigeria in the "White-List" of the global body responsible for regulating standard in the maritime trade (Obi, 2001). The direct implication of the "White-List categorisation is that certificate from MAN, Oron, is acceptable by other maritime jurisdiction, thus providing a robust employment market for Nigerian seafarers graduating from the Academy.

The Nigerian Institute of Transport Technology (NITT), Zaria, was established with the vision to produce techno-managerial manpower for the entire transport sector. The Institute has, over the years, conducted specialised courses for different levels of personnel in the maritime sector. It has equally produced high-level manpower for the sector and has continued to provide valuable research and consultancy services to key maritime institutions and organisations in the country.

The NPA has a training institution that caters for some specific manpower needs in the port industry. This has contributed significantly to deepening the technical skill of the Authority's workforce and has saved cost hitherto incurred in training such personnel elsewhere and perhaps overseas.

Complimenting these specialised training institutions, are our own Universities that offer courses in transport and maritime related fields such as marine engineering, maritime management technology, shipping studies, etc.

2.1.24 Concession of Nigerian Port

The magnitude, scope and persistence of failure of Nigeria's public enterprises (PEs) including the Ports became alarming as these enterprises required continuous massive subsidies but delivered only intermittent and substandard services. The returns on these large investments were generally poor, and in some cases negative, with an especially low rate of return relative to the large amount of resources invested in them (FGN, 1986 in Jerome, 2008). Net outflows from the government to the public enterprise sector were estimated at US$2 billion annually (Callaghy & Wilson, 1988, Jerome, 2008).

All these pointed to the inefficiencies of the public enterprises of which the ports are part of. The reasons for the poor performance of Nigerian Ports and other public enterprises from history tend to have a uniform pattern globally and range from the presence of conflicting and interwoven roles determined by politicians, prevalence of uncompleted contracts and subsidies from government. These more or less aid internal inefficiencies, issues of excessive bureaucratic controls, to government interference and intervention, and other public service culture of undermining and compromising efficiency and optimum productivity (Ogunsiji & Ogunsiji, 2010; Jerome, 2008).

Concessions were born out of the needs for one reform or another. Concession may be considered analogous to public private partnerships (PPPs) and Private Finance Initiatives (PFIs) and or seen as an arm of privatization (if defined broadly). Privatization of state-owned enterprises (SOEs) has become a key component of the structural reform process and globalization strategy in many economies (Jerome, 2008). It gained popularity in recent times but is an old innovation as it was practiced by the French government as can be seen in the water project of 1776 (Idornigie, 2006, Oghojafor, Kuye and Alaneme, 2012).

Section 168 of the draft Ports and Harbour Authorities Bill defines a 'concession' as an arrangement between an Authority and a third party pursuant to which such third party shall be authorized to provide a port service or operate a port facility in accordance with the bill (Idornigie, 2006). It is argued that privatization of terminals through concession contracts would be a valuable option if port competition is effective, but not necessarily in cases where competition needs to be created by regulation (Niekerk & Henriette, 2005). It is not the plan of this paper to discuss the suitability or not of concession as a method.

The FGN embarked on the concession of Nigerian Ports essentially to solve the protracted problems of inefficiency, corruption, mismanagement, and huge debts that characterize the Nigerian ports. The rationale behind the Nigerian Port concession includes the $34 million indebtedness of the NPA, the redundancy of 24 out of 83 managers as well as its poor management structure. Emphatically concession of Nigerian ports refers to lease of port terminals and re-organization of stevedoring companies. About 110 applications were received in December 2003 and out of 94 pre-qualified concessionaires, only 20 were granted to operate Nigerian seaport terminals for 10-25 years (Leigland & Palsson, 2007; Kieran 2005; Cameron, 2004; Akinwale & Aremo (2010).

The concept of efficiency is very vague and proves difficult to apply in a typical port organization extending across production, trading and service industries. Ports are complex and multi-parts organizations in which institutions and functions often intersect at various levels (Bichou & Gray, 2004). There are many ways of measuring port efficiency although reduced to three broad categories– physical indicators, factor productivity indicators and economic and financial indicators (Trugillo & Nombella, 1999). Physical indicators refer generally to time measures concerned with the ship e.g. ship turnaround time, ship waiting time, berth occupancy rate, waiting time at berth). It can sometimes measure coordination with land modes e.g. cargo dwell time or how long it takes for unloaded cargo to leave the port. Factor productivity indicators focuses on maritime side of the port as it measures both labour and capital required to load or unload goods from a ship. In the same vein, economic and financial indicators are usually related to the sea access, for example, operating surplus or total income and expenditure related to gross registered tonnes (GRT) or net registered tones (NRT) or charge per twenty foot equivalent (TEUs). Port impacts on the economy are sometimes measured to assess the economic and social impacts of a seaport on its respective hinterland or foreland. The importance of logistics to port operations and achievement of efficiency cannot be underestimated (Itami, 1980; Taticchia, Cagnazzob, Botareelic, 2008).

Most developing countries like Nigeria lack the expertise required for crafting environment conducive for good logistics system (Fawcett et al 1993). As an important element in a concession scheme, strategy refers to the plans, investments, and actions taken to achieve sustainable competitive advantage and both superior economic and social performance (Husted & Allen, 2001). Strategy presupposes that the most basic component of strategic management - planning which could have clearly define the port's mission, specify achievable objectives, develop strategies and set policy guidelines would be available; it did appear this was absent in the concession scheme (Hitt, Ireland & Hoskisson, 2009). An example is the fact that it wasn't clear if the ports should operate as a public enterprise, an infrastructural enterprise, a social service or a profit making business enterprise (Ogunsiji, 2004; Ogunsiji & Ogunsiji, 2010).

Going by the supposed vision statement of the Nigerian ports, it wishes to be the leading Port in Africa**,** to deliver efficient port service in a safe, secure and customer-friendly environment. Its' core value includes Efficiency, Customer Satisfaction, Safety and Security, Innovation. However, business at the Nigerian seaports was bedeviled with difficulties summarized below by Razak (2005) which necessitated the concession or reform programme:

- Turnaround time for ships was too long and usually calculated in weeks, sometimes months, depending on the cargo being loaded or discharged.
- Cargo-handling plants and equipment owned by the NPA were few and mostly unserviceable, leading to shipping companies hiring these machines from private sector sources after having paid NPA.
- Dwell time for goods in ports was prolonged due to poor port management and that led to port congestion.
- Corruption soared high among labour contractors and various service providers at the port
- Nigerian seaports were rated as one of the costliest seaports in the world, as a result of the compounded problems.
- Many port premises and quay aprons had fallen to disuse and failed road sections inside the ports made movement of goods within port grounds cumbersome and very slow.
- Following the seaport congestion, complaints of untraceable or missing cargoes were being regularly lodged against the NPA, all to no avail.
- Security inside Nigerian seaports was compromised by the activities of miscreants as theft and pilferage became the order of the day.

2.1.25 Basic Concepts and Principles of Maritime and Port Security

The basic concepts, principles and aspirations of maritime (shipping) and port security resolve around safe navigation and smooth port operations (Marlow, 2002). For this to be achieved, however, several formalities have to be carried out on board the ship, it is sea and at the port in relation to its environment and the port's infrastructural facilities and operational mechanisms (South African Maritime Year Book, 2004). There are however, key measures to be taken on board ships and at ports in order to achieve maritime and port security.

These are:

- To prevent unauthorized persons entering a port facility or boarding a ship, whether from the seaside of the ship or when at sea.
- To prevent unauthorized weapons and goods entering a port facility or being taken on board a ship, either hidden in cargo, in stores or in baggage.
- To alert the appropriate authorities if a security incident arise, for instance, when being illegally boarded or when suspect items are discovered.
- In order to systematically achieve this, the IMO carried out a meaningful overhead of the various provisions of the SOLAS Conventions,

The administrative requirement involved the creation of a central designated Authority and institutional national focal point of contact and the assignment of general and specific tasks. Under the Administrative requirement, a Presidential Implementation Committee on Maritime Safety and Security (PICOMSS) was established as the designated Authority for the ISPS Code. This Committee is still in existence and chaired by the Honourable Minister of Transport, who reports directly to the President. PICOMSS is an administrative convenience to fast track the implementation of the ISPS Code especially as it affects the port facilities (Okoroji and Ukpere, 2011).

For effective implementation of the provisions of the ISPS Code, the country's qualifying facilities were delineated into four geo-functional Maritime Security Zones (MSZs) as follows: Lagos MSZ, Delta MSZ, Rivers MSZ and Calabar MSZ.

The technical requirement is the core of Nigeria's ISPS Code compliance initiatives. It is the basis on which Nigeria was assessed to have complied with the provisions of the Code. The technical requirement involved assessments and approval of plans and the training of relevant personnel. It involved the identification and designation of Port facilities that are required to comply with the relevant provisions. Nigeria has seventy five (75) Port Facilities, out of which seventy (70) have approved Port Facility Security Plans (PFSP) (PICOMSS, 2004). What this means is that the sixty five port facilities are compliant with the provisions of the Code for Port Facilities. These Port Facilities are required under the ISPS regime to comply with security requirements otherwise they will be considered unsafe for ships visits (PICOMSS, 2004).

More importantly is the development of National ISPs Code Guidelines, which is generally referred to as National Maritime Security Plan (NMSP). This is a comprehensive plan that embodies all the security plans, Port Facilities and ships alike. These plans are audited and reviewed on a regularly basis to ascertain the needs or otherwise for update as the security scenario demands.

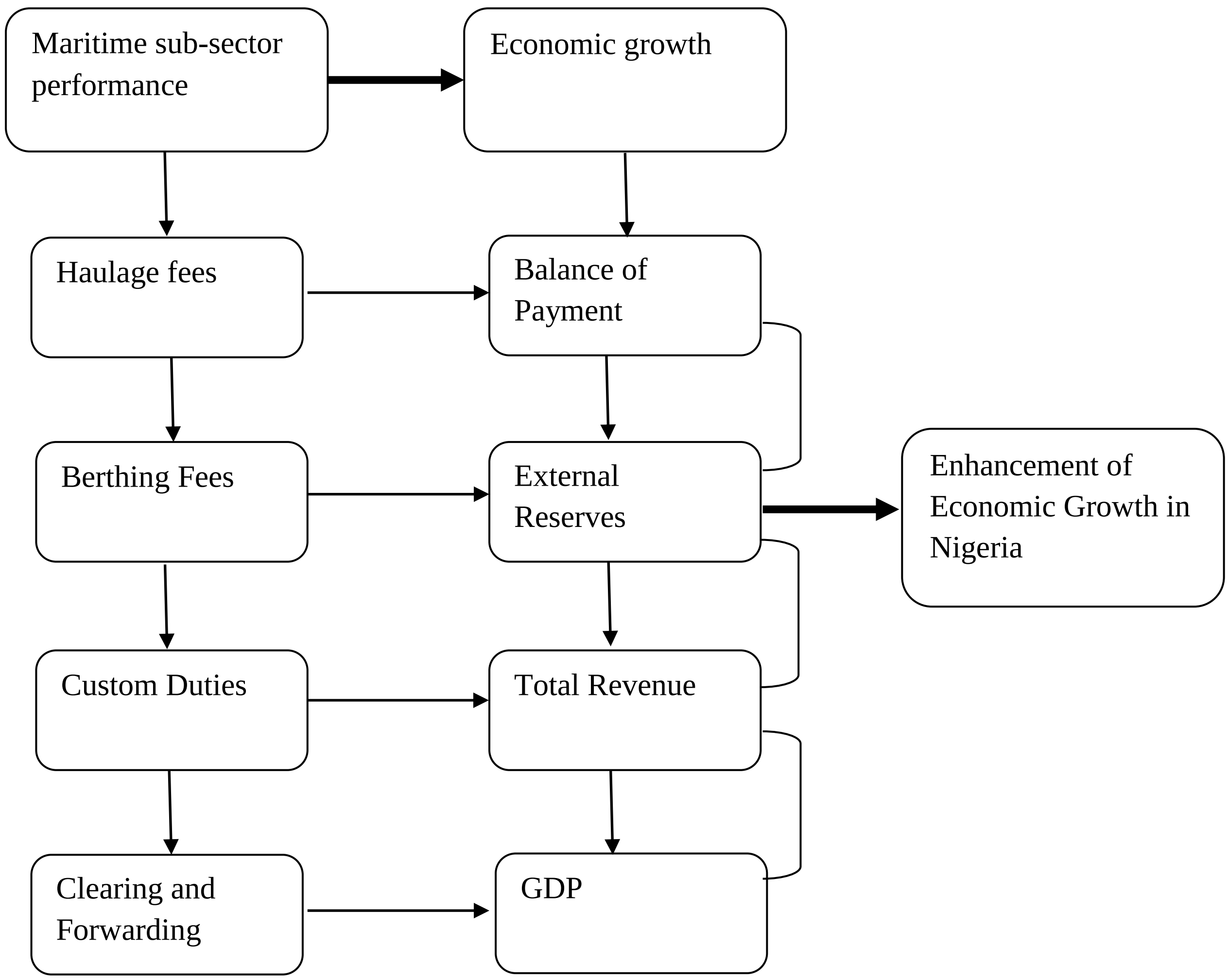
For the Nigerian Maritime Administration, the lead RSO namely the Maritime Underwater Security Company (MUSC) played a very key role in the development and audit of the National Maritime Security Plan. This is an on-going exercise. Only ships of five thousand Gross Registered Tonnages (GRT) are classified as SOLAS vessels and such come under the requirements of the ISPS Code, other ships are classified as Non-SOLAS vessels. A major component of the technical requirement was the identification and upgrading of security infrastructure and equipment (Emah, 1998). The Recognized Security Organisation appointed by Nigeria carried out equipment survey report (ESR) which was produced on a port by port basis. Based on approved existing global industry benchmarks, the technical requirement involved the establishment of national baseline standards for pot security infrastructure/ equipment upgrade. As a natural component of maritime security initiatives, there is an ongoing implementation of the Global Maritime Distress and Safety (GMDSS) system by the Nigerian Safety Administration. Furthermore, to ensure complete adherence to the requirements for complying with the provisions of the ISPS Code, Nigeria has embarked on the development and integration of various telemetric and surveillance infrastructure for ship to shore, shore to ship, shore to shore, intra/inter agency communications, through the following maritime communication installations (Sekibo, 2004):

- Automatic Identification System (AIS)
- Vessel Traffic Management System (VTMS)
- Global Maritime Distress and Safety Systems (GMDSS)
- Ship Security alert System (SSAS)
- Long Range Identification and Tracking of Ships (LRIT)

Tracking/Identification of non-convention Crafts Command Communication/Co-ordination Centers. Overall there was upgrading of vulnerable or sub-optimal physical structures, port approaches, quay/land side access and restricted areas. An important element in the technical requirements, was training. In accordance with the dictates of the ISPS Code, training for maritime security was carried out at all levels in the maritime industry (ISPS Code, 2003).

For instance, over one hundred top maritime executives were trained at very high levels both within and outside Nigeria. Other personnel trained for the same purpose include four hundred and thirty three (433) Port Facility Security Officers, sixty four (64) Company Security Officers (CSO) and Ship Security Officers (SSO), twenty seven (27) Port State security courses were also held for all the marine police attached to all maritime agencies in Nigeria (PICOMSS, Train the trainer, 2004).

2.1.26 Figurative Model of the Study



Source: Researcher’s Figurative Model

2.2 Theoretical Framework

2.2.1 The Theories of Economic Growth:

Several theories suffice when economic growth of a country is discussed. Theories of economic growth focus on the aggregation of goods and services produced in a nation over a period of time. In Eze and Odigbo, 2017, the neo-classical theorists believe that for a nation to witness economic growth, there must be diminishing returns in capital and labour followed by technological advancement. Another school of thought believes that economic growth must be linked to the level of poverty, standard of living index and general citizens' welfare in a country. Mascelluti, 2015, observes that economic growth is a macroeconomic phenomenon that explains the remarkable differences in income and standards of living across countries. He emphasised the need to address issues concerning differences in the speed of growth and the level of poverty across countries. Another school of thought as propounded by Weil, 2003, is to measure economic growth in terms of unit of national gross domestic product, GDP, balance of trade of a nation, external reserves and other economic indices.. Accordingly, the GDP, like other economic indices, is a measure of the value of goods and services produced in a country in a year. GDP is also seen as the value of the final goods and services produced in the economy or the sum total of the value added of all firms, which is defined as the value of its production minus the value of the intermediate goods used in production.

The implication of the theories of economic growth to this study cannot, therefore, be overemphasised since a clear direction is given as to what constitutes economic growth in a national economy. In that wise, it is not out of place to measure a country's economic growth with indices such as GPD, balance of payments, foreign reserves and annual total revenue since all these have direct bearing on living standards of the people.

2.2.2 Theory of Performance

Theory of Performance is adopted for the purpose of this study. Principally, the theory explains the rationality of classifying an organisation as a successful one. The theory says that performance is a yardstick for measuring success or failure of an organisation. Many authors and theorists have towed this same line. But for this study, two out of the major contributions are assessed.

2.2.2.1 Theory of Performance by Don Elger, 2007

According to Elger, humans are capable of extraordinary accomplishments. Wonderful accomplishments also occur in day-to-day practice in higher education. An advisor inspires students to follow their dreams. A teacher magically connects with students. A researcher continually asks the quintessential questions that lead to revolutions in thinking. A dean inspires an entire college to collaborate and attain wonderful outcomes.

Since worthy accomplishments are produced from high level performances, a theory of performance (ToP) is useful in many learning contexts such as traditional context which informs learning in classrooms, workshops, and other venues that are traditionally associated with learning and non-traditional Contexts informs learning in contexts that are not traditionally conceptualized as learning environments. Examples of these contexts include academic advising, self-development, departments, academic committees, professional research groups, colleges.

Elger viewed performance as a process of taking a complex series of actions that integrate skills and knowledge to produce a valuable result. In some instances, the performer is an individual. In other performances, the performer is a collection of people who are collaborating such as an academic department, research team, committee, student team, or a university. Performance, as the adage goes, is a "journey not a destination." The location in the journey is labelled as "level of performance." Each level characterizes the effectiveness or quality of a performance. It is expected that at any particular level of performance, quality should increase, cost should decrease, capability should increase and capacity should as well increase. It is also expected that at each level of performance, knowledge would have increased, skills would have increased, identity and motivation would have increased as well.

2.2.2.2 Sonnentag and Frese Theory of Performance, 2002

These duos looked at performance from the perspective of individuals and their actions that result to performance. Sonnentag and Frese (2002) believe that it is not all actions that result to performance. Instead of looking at a group action that result to outcome, they choose to take the study on individual basis.

Despite the great relevance of individual performance and the widespread use of job performance as an outcome measure in empirical research, relatively little effort has been spent on clarifying the performance concept.

When conceptualizing performance, one has to differentiate between an action (behavioural) aspect and an outcome aspect of performance. The behavioural aspect refers to what an individual does in the work situation. It encompasses behaviours such as assembling parts of a car engine, selling personal computers, teaching basic reading skills to elementary school children, or performing heart surgery. Not every behaviour is subsumed under the performance concept, but only behaviour which is relevant for the organizational goals: "Performance is what the organization hires one to do, and do well". Thus, performance is not defined by the action itself but by judgemental and evaluative processes. Moreover, only actions which can be scaled, i.e., measured, are considered to constitute performance.

The outcome aspect refers to the consequence or result of the individual's behaviour. The above described behaviours may result in outcomes such as numbers of engines assembled, pupils' reading proficiency, sales figures, or number of successful heart operations. In many situations, the behavioural and outcome aspects are related empirically, but they do not overlap completely. Outcome aspects of performance depend also on factors other than the individual's behaviour. For example, imagine a teacher who delivers a perfect reading lesson (behavioural aspect of performance), but one or two of his pupils nevertheless do not improve their reading skills because of their intellectual deficits (outcome aspect of performance). Or imagine a sales employee in the telecommunication business who shows only mediocre performance in the direct interaction with potential clients (behavioural aspect of performance), but nevertheless achieves high sales figure for mobile phones (outcome aspect of performance) because of a general high demand for mobile phone equipment.

In practice, it might be difficult to describe the action aspect of performance without any reference to the outcome aspect. Because not any action but only actions relevant for organizational goals constitute performance, one needs criteria for evaluating the degree to which an individual's performance meets the organizational goals. It is difficult to imagine how to conceptualize such criteria without simultaneously considering the outcome aspect of performance at the same time. Thus, the emphasis on performance being an action does not really solve all the problems.

Moreover, despite the general agreement that the behavioural and the outcome aspect of performance have to be differentiated, authors do not completely agree about which of these two aspects should be labelled 'performance'.

The theory of performance as propounded by Elgar, (2007) is adopted for the purpose of this study because Elgar looked at performance from both the perspective of individual and perspective of group. To perform is to produce valued results. Elgar stated in his theory that a performer can be an individual or group of individuals engaging in a collaborative effort. He stated performance can be developed. “Developing performance is a journey and level of performance describes location in the journey” (Elger, 2007).

In the theory of performance (TOP), current level of performance depends holistically on six components namely, context, level of knowledge, level of skills, level of identity, personal factors and fixed factors. The theory noted that worthy accomplishments are produced from high level performances.

In the theory of performance, to perform is to take a complex series of actions that integrate skills and knowledge to produce valuable results. Elgar noted that “performance is journey and not destination”. The location in the journey is labelled as “level of performance” and each level characterizes the effectiveness or quality of performance. Performances as well advance through levels. Outcomes of high performance are increased quality, cost decreases, capability increases, capacity increases, knowledge increases and skills increases.

2.2.3 Relevance of the Theory of Performance

The theory of performance is seen to be of great relevance to this study in the sense that it will aid in identifying the level of performance the maritime subsector has attained over the years, especially within the period under study. According to Edgar (2007), performance is a journey and not a destination. Wherever the maritime subsector is located in the “journey” is regarded as the level of performance. This will, otherwise, show whether the subsector is making positive or negative contribution to the Nigerian economy. Whichever level (stage) of performance the maritime subsector has attained in the process of performance will enable the researcher to identify the lapses or otherwise that will help in suggesting ways of better attainment. In that wise, where lapses are identified, suggested solution will be proffered. The most important aspect of this theory is that it's application in this study will help determine whether the maritime subsector is making the desired progress or not, whether it is contributing positively or not to the Nigerian economy and whether its performance is progressing or otherwise since each level of performances characterises the effectiveness or quality of a performance. The theory serves as a yardstick for measuring positive progress or otherwise.

2.3 Empirical Review

Badejo, (2014) in his study "maritime transportation industry in Nigeria: structure, analysis, challenges and prospects" asserted that in recognizing the dynamics of maritime transportation, global changes, technology and socio-economic alterations, there is no doubt that the maritime sector will have to respond to these changes especially as they occur. He also opined that despite the complexities and dynamics taking place in the maritime sector/international trade, there is need to seek adequate conscious and applicable measures through which improved process and implementation could be achieved.

Peretomode, (2014) in his work "the role of the maritime industry and vocational and technical education and training in the economic development of Nigeria" suggested that a robust and virile maritime industry and quality vocational technical education will no doubt have positive impact on the economic development of Nigeria. He further stressed that TVET can bring about reduction in unemployment, also has a positive role to play in improving the productivity of all workers and enhance the skills of those in the maritime industry and equip the unemployed with employable skills.

From the study of Ibeawuchi and Okeudo, (2013) titled "empirical evaluation of the maritime industry's impact on the Nigerian economy", it was observed that NIMASA have the potential to contribute immensely to the growth and development of Nigeria. He further said that maritime industry on one hand, and greater contributions which is yet to manifest significantly in the national economy, on the other hand since the maritime industry has been proven to exhibit great potentials, NIMASA should intensify efforts in efficiency in the maritime industry through strict adherence to the legal framework and their implementation. They finally concluded that the bottleneck surrounding the cabotage regime should be wiped out as soon as possible in order to reap the full benefits derived from inland coastal trade.

It was discovered in the study of Akaso, Bariweni and Abowei, (2011) that maritime transportation has been of valuable significant importance and would continue to be on invaluable importance to the Nigerian economy. Without maritime transport according to them, revenue and availability of finance, promotion of tourism, development of related economic activities, industrial growth and development, institutional development, social-political harmony, defence and security would have been absent. They suggested that the maritime sector is a mode of transport in which the Federal Government should create the enabling environment necessary for the stake holders to thrive and to monitor and implement set goals in the sector.

Igberi and Ogunniyi (2013) in their study "has maritime transport sector impacted on the growth of Nigeria's economy" opined that Nigeria is bound by vast water resources along her coast, the access to sea water ways can therefore be explained by the volume of transportation of goods and persons to and from the country. They also discovered that maritime transport sector has a negative relationship, though not significant on the economic growth of the nation and also on industrialization of the Nigerian economy. They concluded that for the Nigerian maritime transport to have a positive and significant impact on economic growth and industrialization in Nigeria, government should formulate policies that would encourage genuine foreign and private participations in the maritime sector of the economy.

Afolabi, (2015) assessed building economic capacity through maritime infrastructure development and opined that there are certain things that can be done to pull the sector back from the edge of the cliff and these include ship ownership. According to him, nature has kindly bestowed on Nigeria vast resources of a long coastline and even longer inland waterways, thus making us, at least theoretically, a maritime nation. But we need to go beyond this. We need to realize that one is not necessarily a monk, just because we live in a monastery. We must take measures to build and consolidate on nature's gifts by putting vessels on them, including Nigerian-flagged vessels, with hope for effective participation in deep ocean-going international trade in the foreseeable future.

Chizea, (2008) in "development of the maritime industry: issues and challenges" asserted that whosoever commands the sea, commands the trade; whosoever commands the trade of the world commands the riches of the world and, consequently, the world itself. Seas and oceans are natural endowments that require careful development for a nation to have command and reap the immense benefits. Apart from the body of water that is provided by nature, other linkages to effective maritime operations, such as cargo, vessel, port facility and human element are tied to commitment to proper management (i.e. planning, organizing and control), infrastructure development and capacity building.

Okoroji, (2013) in his work "the importance of shipping to the economic development of Nigeria" opined that there is perceived weak institutional setting which therefore needs to be improved upon in other to boost the contribution of the maritime to national economic growth.

Okoroji and Ukpere, (2011) assessed "a strategic reposition of the maritime industry for economic recovery and sustainability: The Cabotage Act" and opined that if the cabotage law is properly implemented, Nigeria will be able to maintain jobs and skills in an industry that is vital to its future. Lack of knowledge about the maritime sector could be blamed for the very poor response it has generated from investing public.

In their work, "an assessment of the productivity of the Nigerian shipping industry using Saari production model" Stephens, Nze, Ibe and Ukpere, (2011) opined that shipping is a global industry handling ninety percent of the global trade (in terms of volume). This makes the industry a lifeline of world trade. Due to the mobile nature of the asset, the ship, the freight rates available in any particular route is significantly different from what is charged in others. This makes the global shipping trade/market totally dependent on what is going on at the global stage.

In their assessment of "the impact of globalization on international maritime transport activity" Corbett and Winebrake, (2008), stated that the intrinsic connection between maritime transportation, international trade and globalization trends will continue as long as economic wealth continues to derive from consumption of goods and services.

Khalid, (2012), in his work "measuring the contribution of the maritime industry to Malaysia's economy" stated that despite the undoubted importance of maritime-related activities to Malaysia's economy, there lacks a reliable, current and easily accessible empirical valuation of the industry's worth and contribution to the nation's economy. This seems to be a universal challenge in the sector.

Okoroji and Ukpere, (2011) in their study "the effectiveness of the international ship and port facility security code (ISPS) in Nigeria" assert that over the years, acts of insecurity, lack of safety consciousness and threat of terrorism have pervaded the maritime landscape of the world economy. The obvious dishonest outlook and fraud-like tendencies which over the years, have formed the most basic characteristics of the maritime industry have never helped matters either way, but has indeed complicated the issue of high insecurity of the port industries worldwide. They recommended that Nigeria should adopt a pragmatic approach to the codes implementation resource training and development within the maritime industry.

Akinwale and Aremo, (2010) carried out a research on “concession as a catalyst for crisis management in Nigerian ports”. They observed that despite Nigeria’s huge investment in the public sector her returns on the investment have been abysmally low for several decades. They are of the opinion that, to redress the poor performance of Nigerian ports, the Federal Government of Nigeria has embarked on concession of its ports with expectations that the concession would boost socio-economic development; though the expectations have not been met, while barriers to exportation and importation of goods continue to affect the Nigerian society.

Okpata, (2010) in his work “economic and political implications of maritime transport system in Nigeria” suggested that the emergence of maritime transport in Nigeria since independence, has not only achieved the policy objective of transport development and balancing of all modes of transport in Nigeria but has succeeded in stimulating and diversifying Nigerian economic base thereby placing our economic and political development in the international transport system in an enviable pedestal thus bringing pride to Nigeria world over in maritime transport technology. He concluded that maritime transport management has secured for Nigeria, control of strategic trading and economic infrastructure with critical implication to developing Nigeria political economy; however, caution is here sounded, that effective management of the maritime transport system needs be handled with care in order not to sleep into the national problem of corruption and mismanagement.

In the works of Oghojafor, Kuye and Alaneme, (2012) “concession as a strategic tool for ports efficiency: an assessment of the Nigerian ports” They asserts that the cost of Port services to users is on the increase; turn-around time has not improved on the average relatively; berth occupancy rate has not improved on the average; no significant improvement on infrastructural facilities, and security around the seaports. The Ports concession programme may not have solved the existing problems at the ports even though it was able to earn more revenue for government. They found out that the concession may for all its worth have been able to earn more income for the government but the Authority has failed to keep its part of the contract agreement especially as it concerns the provision of the enabling environment for port operations; infrastructures were still lacking, dwell time has not substantially reduced and corruption still soared high. They recommend that the regulators of the maritime system need to do more to ensure that it is not paying lip service to its vision of being the leading port in Africa.

Badejo and Solaja, (2017) carried out a study on “the Nigerian seaports and development (1900-2015): Historical perspectives and dynamics” they asserts that Nigerian seaports have undergone various stages of evolution, reforms and repositioning. These observed changes are also functions of changes taken place in international environment, economy and technology. As these entire trios interrelate, policy dynamics in the seaports sector will continue to review itself. It is on this note that there is need to ensure that the various Institutions operating in the seaports arena should function and interact as one family. Therefore socio-economic changes, globalization and technology are basically responsible for the historical perspectives and dynamics noted in the Nigerian seaports. They recommend that there is need to intensify coordination of port activities, focus on Human Capacity Development, improved Information Communication Technology (ICT), strategic finance and funding especially the Public Private Partnership (PPP) options.

Onyema, Emenyonu, Kpee and Emeghara, (2016) in their study “the impact of short-sea shipping on Nigeria Economy” asserts that modern transportation and freight distribution system all over the world are trending towards the adoption of best practices that are reliable, timely and cost effective. Their research has shown that short sea shipping is a cost efficient method of transport that cuts transport costs down drastically. Short sea shipping (SSS) has become very relevant and encourages suitable turn-around time for ship operations in Nigerian port. It was therefore recommended that government should map out strategic policies and allocation of funds to the effective development of SSS within Nigeria and West Africa sub-regions with a view of broad approach to its development.

Ekpo, (2012) "carried out a research on impact of shipping on Nigerian economy: implications for sustainable development" it was discovered that it is imperative to explore avenues that exert impact on the citizenry of Nigeria an improvement material per capita income, hence, improved material income and standard of living. He posits that shipping as a capital and/or Inland water trade has tremendous impact on the nation's economy of which the study is aimed at exploring through cargo reservation, transportation and haulage of wet and dry cargo within and outside the Nigerian waterways. He further say that shipping is of great importance to the Nigerian economy and one of the major challenges facing Nigeria at present is that it has no meaningful participation in the shipping industry on which Nigeria depends, both for exports and imports. He recommend that port facilities should be upgraded and modernized for quick discharge of consignments as a ship owner is more interest in timely turnaround of his ship for next engagement and avoid lay time and lay days.

Orji, (2014) accessed "the role of effective ports management in facilitating international trade in Nigeria" and opined that effective ports management is a panacea for successful international trade practices. It is a key to successful international trade. He also asserts that ports management facilitates global trade. This is because it makes available the necessary platform upon which international trade can be carried out. Equipment and materials imported for capacity development and industrial use come through the wharf. In the event of mismanagement of the ports, there will be supply and delay problems, which will further constitute challenges to international operations. It was thus recommended that government should fund and sustain the Nigerian Ports Authority to enable it effectively manage all the ports in country, Government should also build more ports in the coastal areas to decongest the existing posts and make them more productive and finally, stakeholders in the shipping industry should collaborate with NPA and other government agencies in the ports to achieve effective port management system.

Khalid, Ang and Joni, (2008) in their work “the importance of the maritime sector in socio-economic development: a South East Asian perspective” observed that expansion of intra-regional and international trade has enhanced the role of the maritime sector in boosting the economic growth of SEA nations through shipping and port services and a myriad of ancillary activities. They also accepted that with the growing importance of seaborne trade, the maritime sector increasingly plays a significant role in the development of port cities and coastal communities in the region, contributing to their wellbeing and prosperity. They concludes by emphasizing the importance of nations in the region working together to ensure that they can continue to optimally harness the resources of the seas in meeting their socio-economic development aspirations, in a manner that will enable them to hand over a peaceful, stable, safe, secure and clean seas to future generation.

In a comparative study carried out by Olukoju, (2006), titled “maritime policy and economic development: a comparism of Nigerian and Japanese experience since the second world war”, he recognized that the maritime sector could, if properly harnessed, play a critical role in the development of regional, national and global economies. This is in view of the growth-pole potentials of ports and ancillary industries. Although a comparison of Japan, a leading global power, and Nigeria, a vastly underachieving African country, might sound far-fetched, the effort is rewarding, as shown in this article, for its implications for public policy formulation and implementation. He attempts a comparison of the evolution and implementation of policies relating to the development of ports, the mercantile marine and port industries in both countries. Focusing on the roles of the government and the private sector, it locates the discussion in a wider, global comparative context. The prospects and challenges of regional development through the agency of the maritime sector in both Nigeria and Japan are considered in the light of such concepts as 'maritime industrial development areas (MIDAs)' and 'developer ports'. Pertinent lessons in comparative history and public policy analysis are highlighted in the paper, which has benefited from primary research in both countries.

Ndikom, (2013), carried out a study on “a critical assessment of the inland waterways operations and management on the development of the Nigerian maritime industry” and asserted that Nigeria has the second longest length of waterways in Africa. It has 8,600 kilometers of inland waterways and an extensive coastland of about 852 kilometers. Nigerians centre on its longest rivers, River Niger and Benue, which cuts across the country into the cardinal east, west and north sections. The two rivers run into each other at Lokoja and flow into the Atlantic Ocean. The coastal waterways extend from Badagry region through Warri to Calabar; however, water transport scores a distant second to road transport with an average share of about 1.6% of Nigeria gross domestic product i.e. internally generated cargoes, although water transport is slow and while unsuitable for passenger movement, an efficient coastal and inland waterways operation and system generally can minimize the pressure on a country’s rail and road transport infrastructure (Ndikom, 2008). Inland water transport operation is advantageous in terms of costs of moving heavy traffic; especially where speed is not put in consideration than cost, instance, a single 15-barge tow is equivalent to above 225 rail- road cars or 870 tractor-trailer trucks. This would be of more optimum benefits in the transportation of tonnes of agricultural products from the middle belts areas to the Delta areas via this medium and vice-versa; hopefully bringing about a fall in food prices in the regions, likewise other coastal generated cargo and passenger movements from and to where they are of more value and demand. This mode of transport will equally play an important role in the export and import of raw materials such as materials importation via Delta area ports for use at the Ajaokuta steel complex, which is a major industrial centre on the Niger and will likewise benefits from the importation and use the same route to export its products.

In the study of Tijani, (2014) titled “empirical analysis of balance of payment adjustment mechanisms: monetary channel in Nigeria, 1970-2010” he asserts that disequilibrium in balance of payment in any country is adjusted through various mechanisms which monetary measure is one of such adjustment mechanisms. The investigation into the monetary channel or approach of the Nigeria’s balance of payment adjustment mechanism in indicated that balance of payment in actual fact, a monetary happenings and it’s by and large true, that it is a basis of change in base money which could cause inconsistency in balance of payment this can subsequently correct the anomalies, if it application is done appropriately. It was revealed that monetary tools could effectively serve as adjustment mechanism to influence the balance of payment irregularities in Nigeria. Empirical proofs gathered in this work concluded that though not its entirety, balance of payments is palpably a monetary occurrence and any observed disequilibrium or instability in a country’s balance of payment can be corrected via the adjustment of domestic credits demand and the quantity of balance of trade.

Anishere, (2016) in his work “introduction to maritime law and admiralty jurisdiction in Nigeria” sees maritime law as the entire body of laws, rules, legal concepts and processes that relate to the use of marine resources, ocean commerce and navigation. In his work, admiralty law is used in many countries with Anglo Saxon legal traditions. Admiralty law refers to the body of law including procedural rules developed by the English Courts of Admiralty in their exercise of jurisdiction over matters pertaining to the sea.

In assessing organization commitment of Nigeria port authority workers, Majekudomi, (2013) is of the opinion that management of all organisations should make sure that they are at least meeting 75% of the demands of their workers. They should promote them when they are due for it, they should not deny them of their right and opportunities, anything short of this can degenerate to conflict. Good condition of service should always be provided in all organisations. All these put in place, will to great extent motivate workers to give their best and contributing their quota to the success of their organisations and in the achievement of the overall objectives.

2.4 Gaps in Knowledge

Notwithstanding the volume of literature that abounds with respect to maritime sector operations, it has been observed that procedures of operation in the sector were not made mention of. As important as procedure is to carry progressive organization, the process of operations in the maritime sector seemed to be elusive in all discourses about the subject area.

Secondly, work on how new entrants can find their ways to the sector also seems to be missing in all the literature that was reviewed. It was expected that modalities for intending entrants into sector could be explicitly spelt out to give room for motivation into the sector.

Another major lacuna was realised in the course of literature is the dearth of statistics that have do with performances in the subsector. Though one could readily see volumes of literature on maritime subsector, one hardly comes across statistical representations of information that can readily make readers comprehend what they see at a glance.

2.5 Summary of Reviewed Literature

As a way of summarizing the reviewed literature, it was first observed that the maritime subsector is an integral part of transport sector of any economy. Whereas the transport sector encompasses road and railway transport, the maritime sector is part and parcel of the transport sector.

Furthermore, the maritime subsector was defined as the transportation that is involved in the shipment of goods (cargo) and people by sea and other water ways. It was noted operations in the maritime sector are based on port operations.

Likewise, maritime infrastructure and its branches were defined and explained on necessities for maritime operations. The branches are physical and social infrastructures which are needed to be combined before having a successful operation at the maritime ports.

In this work, the history of Nigerian maritime industry was reviewed and it was discovered that Nigeria's major investment started in 1959 with the establishment of Nigerian National Shipping Lines (though extinct as at now). The history reveals that the nation has gone through a chequered maritime development history that could not be said to be rewarding to the country.

In this work, the tools that can be used to expand the maritime infrastructure, aim maritime subsector as well as the importance/benefit of the sector to the Nigerian economy were also reviewed.

Likewise, the institutional structure of the transport sector was x-rayed. The institutions that mainly involved in the maritime subsector are the Ministry of transport, the National Maritime and Safety Administration, the Nigerian Ports Authority, the Nigeria Shippers

Council and the Inland Water Ways. All of them play one role or the other to make the maritime subsector function.

The particular place of shipping in maritime business was extensively reviewed. Shipping being the main focus in the maritime subsector was reviewed from the perspective of its operations and revenue generation with its attendant negative implications.

The role of concession in the functionality of the maritime subsector was largely reviewed. It was discovered that with the advent of concession, some of duties of the Nigerian Port Authority were relieved of it. Whereas the Nigeria Port Authority was hitherto the landlord and operator of the ports, concession policy conceded some of these responsibilities of operation to concessionaires.

Finally, specific terms necessary for the attainment of the objectives of this study were defined and explained to have a better understanding of the relationship that exists between them and operations of the maritime subsector. They include balance of payment (BOP), External Reserve of Government, Gross Domestic Product and Total Revenue of a Country.

CHAPTER THREE

METHODOLOGY

This chapter is concerned with the procedure used in collecting and analyzing data for the study. This chapter is organized under the following sub-headings: Research Design, Sources of Data, Procedure for Data Analysis, Hypotheses Testing, Test of Significance, and Assumptions of Models.

3.1 Research Design

The study adopted ex-post facto research design because the design does not allow manipulation of data; it handles population in their natural occurrence. In this design, the study sought to establish relationships between the variables of interest which comprised Haulage Fees, Berthing Tariffs, Custom Duties and Clearing and Forwarding Fees (independent variables) over External Reserve, Balance of Payments, Total Revenue and Gross Domestic Product ,GDP, (dependent variables). As indicated earlier, the data already existing will not be manipulated by the study. Simple regression will be used to determine the extent of relationship between the independent and dependent variables.

3.2 Sources of Data

This study focused on the impact of shipping trade of the marine subsector on economic growth of Nigeria. The period of 1995 to 2017 was therefore covered and no attempt was made to extend the area of study to other countries of the world. The study employed mainly secondary sources of data that were be collected from the following specific offices/sources. CBN publications – Statistical Bulletin, Annual reports and Statement of Accounts, Economic and Financial Reviews, Research Seminar papers, National Bureau of Statistics – Annual Abstract of statistics and annual abstract of statistics.

3.3 Procedure for Data Analysis

The data generated for this study were analyzed employing both descriptive and inferential statistics. However, the four hypotheses formulated were analyzed using simple regression model. This is in view of the single explanatory variables (independent variables) involved in each of the four hypotheses of the study. Therefore, the analysis of variance (ANOVA) coefficients of determination and student t-test were all employed in the various tests.

3.4 Operational definition of variables/Hypotheses Testing

The study was concerned with the analysis of the impact of shipping trade on the level of economic growth in Nigeria for a period of twenty years, hence the specification of the independent and dependent variables in order to encourage effective analysis.

In hypotheses 1 and 2, we have the following dependent variables respectively:

EXT.RESt = Level of External Reserve in the year, t:
BOPt = Level of Balance of payment in the year, t:
The two hypotheses, the independent variable is given as:
HAULAGEt= Level of Haulage fees in the year, t
BERTTARIFt= Level of Berthing tariff in the year, t
Respectively

While hypotheses 3 and 4 the following dependent variables respectively:

TOTREVT = Level of Total Revenue in the year, t.
GDPt=Gross domestic product in the year, t
The two hypotheses, the independent variable is given as:

CustomDut = Custom Duties in the year, t

CLEARFORD= Clearing and forwarding fees in the year, t

Respectively

3.4.1 Hypotheses 1

HO_1: There is no significant relationship between the Haulage fees and External Reserves in Nigeria.

a. Here again, the independent variable is haulage fees (HAULAGEt) for the period under investigation, 1995-2017.
b. The dependent variable is the level of external reserve, EXTRESt.

This is denoted by EXRESt

Hence, mathematically, we have;

EXTRESt = F (HAULAGEt) …… 3.20
i.e (EXTRESt) = BO + B1(HAULAGEt)+ E . . .3.21

Where;

EXTESt = Level of External Reserves in year t:

Bo = Regression Intercept

B1 = Estimated Parameter of Coefficient of Regression

E = Error Term

3.4.2 Hypotheses 2

HO_2: There is no significant relationship between the Berthing Tariff and Balance of Payment.

a. Here, also the independent variable is the Berthing Tariff (BERTTARIFt) from 1995 to 2017
b. The dependent variable is the level of balance of Payment (BOPt) from 1995 to 2017

Hence, mathematically, we have;

BOPt = F (BERTTARIFt)

i.e (BOPt) = Bo+ B1 (BERTTARIFt) + Et.. . . .3.24

Where;

BOPt = Balance of Payment in the years

BERTTARIFt = Level of Berthing Tarrif in the years

Bo = Intercept

B1 = Estimated Parameter of Coefficient of

Regression

E = Error Term

3.4.3 Hypothesis 3

HO_3: There is no significant relationship between Custom Dutiesand TotalRevenue.

a. The independent variable is custom duties from 1995-2017.
b. The dependent variable is total revenue from 1995 - 2017,

therefore we have;

CustomDut = f (TOTREV) + e 3.20

TOTREV= Bo + B1 (TOTREV) + e 3.21

Where:

CustomDut = Level of custom duties in the years, t:
TOTREV= Level of total revenue in the years, t
Bo= intercept
B1 = Estimated Parameter of Coefficient of Regression
E = The error term

3.4.4 Hypothesis 4

HO_4: There is no significant relationship between clearing and forwarding andGross Domestic Product in Nigeria.

a. The independent variable is gross domestic product (GDP) from 1995-2017.
b. The dependent variable is clearing and forwarding fees (CLEARFORD) from 1995 – 2017.

Mathematically, therefore we have;

GDPt = f (CLEARFORDt) + e 3.20

i.eGDPt= Bo + B1(CLEARFORDt) + e 3.21

Where:

GDPt = Level of Gross Domestic Product in the years, t:

CLEARFORDt= Level of clearing and forwarding fees in the years, t

B1 = Estimated Parameter of Coefficient of Regression

E = The error term

3.5 Test of Significance

3.5.1 Test of Model Significance – ANOVA

For the hypotheses to be tested, it is pertinent, if not imperative for a test of the model as a whole to be conducted. Carrying out such a test has the advantage of confirming the appropriateness of the model specification. Two ways of achieving this are: (1) The analysis of variance approach and, (2) the coefficient of determination approach, both calculated from the regression mode.

The analysis of variance approach seeks to split the variations of the Dependent variable (External Reserve, balance of payment, Total revenue, Gross Domestic product respectively for hypotheses 1, 2, 3 and 4) with its components parts. Variations in the Dependent Variables: EXTRESt for hypothesis 1, BOPt, for hypothesis 2, TOTREVt for hypothesis 3 and GDPt for hypothesis 4. They are accounted for by the explanatory variables, are called the EXPLAINED VARIATIONS. Other sources not thus explained are due to random or chance factors. These are estimates of the population disturbance variable 'u' represented by 'e' otherwise called the RESIDUALS or error term

3.5.2 Hypothetical ANOVA

Source of variation Sum of squares (SS) Degree of Freedom (if) Mean Square (MS) F-ratio

Regression SSR = $\sum Y^2 R^2$ K MSR = SSR F = MSR

Residual SSE=SST – SSR = $\sum y^2$ (1-R2) n-k-1 MSE=SSE n-k-1 MSE

Total SST = $\sum y^2$ n-1

Where;

SSR = Sum of squares of the regression

SSE = Sum of Squares of the error term

SST = Sum of squares total variation

K = Number of independent variables

N = Number of observations.

Note $R^2 = b1\sum X1Y + b2 \sum X^2Y + \sum Y^2$

Decision Rule

If f-ratio (calculated) is greater than the f-ratio (tabulated, at Alpha a –level of significance, and (k-1) (n-k), degrees of freedom, then we reject Ho and Accept H1, and state that there is some truth in the estimated model (-i.e., the regression model is significant since the regressors significantly account for the variation in the dependent variable.

Here, F-ratio (calculated) = (R2)/(K-1)

(1- R^2)/(N-K)

Where:

R^2 = R square of the model

K = No variables (independent and dependent)

N = No of observations

3.5.3 Test of the significance of the explanatory variables

Having established the significance of the estimated model as a whole, we now go further to test the specific strengths of the various regressors in bringing about this result. And we can check this through conducting T-tests on the estimated parameters of the regressors.

The test –statistic, t-ratio is calculated thus:

t-ratio = βK = estimate of the population parameters for the regressors and Se (βK) = Standard error of the estimate.

Decision Rule

If absolute value, βk >tn-k a/2

Se (βk)

Level of significance, we reject Ho and accept H_A: and conclude that the variable belongs significantly to the model.

3.6 Assumptions of the linear regression model

In choosing the above model, we make the following principal assumptions about our population disturbance term, ut. These assumptions about the distribution of the values of 'ut' are very crucial for the estimates of the regression. These include the following:

a. Assumption of Randomness: The value "ut" may assume in any given period depends on chance 'ut' being a random real variable may be positive, zero or negative, each with a certain probability of occurrence for a particular period.

b. Assumption of Zero Mean: The mean value of 'ut' in any particular period is zero.

c. Constant Variance Assumption: The variance, 82'ut' for each explanatory variable is constant. This being the case, 'ut' will show the same dispersion for all values of the explanatory variables. (E (u2t) = 82. This is called the assumption of HOMOSCEDASTICITY. If this assumption does not apply, the condition of HETROSCEDASTICITY obtains under which condition, therefore, it would be difficult for us to construct confidence intervals on the regression estimates. These tests, therefore, become inapplicable.

d. Normality Assumption: The variable 'ut' has a normal distribution that is, the values of 'ut' (for each explanatory variables) have a bell shaped symmetrical distribution. The above four principal assumptions are symbolically represented as; ut – N (O, 82 ut), that is, ut is a random variable, with a normal distribution, zero mean and a constant variance.

e. Other Assumptions of the Model

i. Cov (uiuj) – O (there is no covariance between the disturbance terms of different observations.

ii. Cov (Xisui) = O (No covariance between the disturbance term and the explanatory variables).

iii. Cov (XIS) = O (No Cocariance between the explanatory variables (i.e No muticollinearity exists).

iv. The relationship is IDENTIFIED – that is the model has a unique mathematical form. Its explanatory variables are not found in any other mathematical equation related to phenomena being studied.

v. It is also assumed that the model is correctly SPECIFIED mathematically.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Maritime sub-sector and economic growth

Research Objective One: The extent haulage fees relates to balance of payment in Nigeria

HO_1: There is no significant relationship between the Shipping Haulage Fees and Balance of Payments in Nigeria

Table 4.1.1: Simple regression summary of extent haulage fees relates to balance of payment

Indices	Coefficient	T cal	Probability value
Haulage fees	1.81	2.17	0.04*
Constant	6.03	13.71	0.00
R-squared		0.18/18%	
Probability > F		0.04*	
Model Sum of Square		7.62	
Mean Square		7.62	
F statistic		4.71	

Source: Researchers computation// * significant at 5%

The analysis result presented as table 1 showed the extent haulage fees related with balance of payment. From the table, the relationship between haulage fees and balance of payment was positive (1.81). This shows that as haulage fees increase, the balance of payment increases. Also, it equally shows that for any increase in haulage fees, the balance of payment increases by 1.81. Furthermore, the R-square which captures the extent haulage fees explained the variation in balance of payment was 0.18. This implies that haulage fees explained 18% of the changes that occur in balance of payment in Nigeria from 1995 to 2017.

To ascertain the significance of the relationship as well as the overall ability of the independent variable (haulage fees) to explain the variations in the dependent variable (balance of payment), the probability value of 0.04 was less than the 0.05 maximum probability value for significance. This shows that the relationship between haulage fees and balance of payment was significant and also that haulage fees was effective in explaining the variations in the balance of payment. Therefore, the study rejected the null hypothesis, accepted the alternative and concludes that there exists a significant relationship between haulage fees and balance of payment in Nigeria from 1995 to 2017.

Research Objective Two: The extent berthing tariff relates to external reserve in Nigeria

HO2: There is no significant relationship between Berthing Tariffs and External Reserves of Nigeria

Table 4.1.2: Simple regression summary of extent berthing tariff relates to external reserve

Indices	Coefficient	T cal	Probability value
Berthing tariff	1.13	2.27	0.03*
Constant	2.84	14.46	0.00
R-squared		0.20/20%	
Probability > F		0.03*	
Model Sum of Square		4.55	
Mean Square		4.55	
F statistic		5.13	

Source: Researchers computation// * significant at 5%

Table 4.1.2 highlighted the extent berthing tariff relates with external reserve in Nigeria. From the table, the relationship between berthing tariff and external reserve was positive (1.13). This shows that as berthing tariff is increasing, external reserve is equally increasing. In specific term, for any unit increase in berthing tariff, the external reserve increases by 1.13. Furthermore, the R-squared value of 0.20 shows that 20% of the changes that occur in the external reserve were explained by the berthing tariff in Nigeria from 1995 to 2017.

On the other hand, to check for the significance of the relationship and the overall ability of berthing tariff in explaining the variations in external reserve, the study considers the probability value. From the table, the probability value was 0.03 and since it was less than the 0.05 maximum value for significance, the relationship is significant and it equally showed that berthing tariff was able to explain the variations in external reserve. Based on these, the study rejected the null hypothesis, accepted the alternative and concludes that there exists a significant relationship between berthing tariff and external reserve in Nigeria from 1995 to 2017.

Research Objective Three: The extent custom earning relates to total revenue in Nigeria

HO$_3$: There is significant no relationship between Custom Duties and Total Revenue in Nigeria

Table 4.1.3: Simple regression summary of extent custom earning relates to total revenue

Indices	Coefficient	T cal	Probability value
Custom earning	1.29	15.00	0.00*
Constant	1.27	2.76	0.01
R-squared		0.92/92%	
Probability > F		0.00	
Model Sum of Square		24.20	
Mean Square		24.20	
F statistic		224.86	

Source: Researchers computation// * significant at 5%

The information on table 4.1.3 above depicts the extent custom earning relates to total revenue in Nigeria from 1995 to 2017. As seen on the table, the relationship was positive (1.29). It therefore shows that as custom earning is increasing, the total revenue is equally increasing. Specifically, an increase in custom earning by 1, leads to 1.29 increases in total revenue of Nigeria. Also, the R-squared value of 0.92 showed that 92% of the changes that occur in total revenue of Nigeria from 1995 to 2015 were explained by custom earning.

Furthermore, the test for significance of the relationship and the ability of custom earning to explain the variations in the total revenue showed the probability value was 0.00. This value was less than the 0.05 maximum value for significance, hence the relationship is significant. More so, it depicts that custom earning was effective in predicting the variations that occur in the total revenue. Therefore, the study rejected the null hypothesis, accepted the alternative and concludes that there exists a significant relationship between custom duties and total revenue in Nigeria from 1995 to 2017

Research Objective Four: The extent clearing and forwarding relates to GDP in Nigeria

HO_4: There is no significant relationship between Clearing and Forwarding fees and Gross Domestic Product (GDP) in Nigeria

Table 4.1.4: Simple regression summary of extent clearing and forwarding relates to GDP

Indices	Coefficient	T cal	Probability value
Clearing and forwarding	-0.09	-0.07	0.95
Constant	9.37	23.66	0.00
R-squared		0.0002/0.02%	
Probability > F		0.95	
Model Sum of Square		0.01	
Mean Square		0.01	
F statistic		0.00	

Source: Researchers computation

The result of the analysis presented as table 4.1.4 showed the extent clearing and forwarding related to the Gross Domestic Product (GDP) of Nigeria from 1995 to 2017. From the table, the relationship was negative (-0.09). This is an indication that when clearing and forwarding is increasing, the GDP decreases and vice versa. Specifically, an increase by 1 in clearing and forwarding reduces GDP by 0.09. Also, the R-squared value of 0.0002 showed that as little as 0.02% of the changes that occur in GDP were explained by clearing and forwarding in Nigeria.

For the significance of the relationship and the ability of the independent variable to explain the dependent variable, the probability value of 0.95 was higher than the maximum value of 0.05 for significance. It therefore shows that the relationship was not significant. More so, it showed that the independent variable was not able to explain the variations in the dependent variable. Based on the above, the study accepted the null hypothesis and concludes that there exists no significant relationship between clearing and forwarding and GDP in Nigeria from 1995 to 2017.

CHAPTER FIVE

DISCUSSION ON FINDINGS

5.1 Discussion on Findings

This chapter is devoted to discussions on the findings, having subjected the data collected to analysis. Therefore, the relationships between the independent variables and dependent variables are discussed here as revealed by analysis.

5.2 The Extent Haulage Fees Relate to balance of Payments of Nigeria from 1995 to 2017

Haulage fee is one the sources of revenue generation in the maritime subsector in Nigeria. It is a major activity in shipping business. In this study, haulage fee is one of the independent variables which is measured against balance of payments as a dependent variable.

Going by the analysis, the relationship between haulage fees and balance of payments in Nigeria for the period under study showed positivity of 1.8. This means there is a positive relationship between the independent and dependent variables. This therefore explains that revenue from haulage fees have a positive role to play on how favourable Nigeria balance of payments can be at any point in time. In other words, this source of revenue cannot be undermined when considering the favourability of the nation's annual balance of payments.

Furthermore, the R-squared analysis helps us to know the extent of variance haulage fees can cause in Nigeria annual balance of payments. The analysis, in this aspect, shows the extent haulage fees affect the variations in Nigeria balance of payments which stood at 0.18. this simply means that the revenue from haulage fees explains 18% of the changes that occur in balance of payments of Nigeria from 1995 to 2017. This explains that haulage fees contributed 18% to the favourable position of Nigeria balance of payments from 1995 to

2017. It shows that a unit increase in earnings from haulage fees will cause 18% positive increase in balance of payments of Nigeria.

In trying to find out the relevance and significance of revenue from haulage fees and balance of payments of Nigeria, analysis shows a probability of 0.04 which is less than 0.05 (the maximum probability value for significance). This implies that the relationship between haulage fees and balance of payments of Nigeria from 1995 to 2017 is significant. This explains that revenue from haulage fees within the period under study are effective enough to explain the variations in Nigeria balance of payments positions. In all, when more revenue is generated from haulage fees, Nigeria balance of payments position will be better off. This confirms the findings of Peretomode, (2014) which revealed that full exploitation of the potentials of the maritime sector is capable of generating adequate foreign exchange earnings for Nigeria.

5.3 The Extent Berthing Fees Relate to External Reserves of Nigeria from 1995 to 2017

The relationship between berthing fees and external reserves was equally studied and analysed. From the result of the regression analysis, it was discovered that a positive relationship exists between revenue from berthing fees and external reserves of Nigeria from 1995 to 2017 at 1.13. This outcome means a unit increase in berthing fees is responsible for 1.8 increase in external reserves. This further implies that berthing fees play positive and favourable role in the increment of external reserves of Nigeria in the period under study. Whenever revenue from berthing fees increases, external reserves of Nigeria equally increase.

To ascertain the extent of variance in balance of payments that revenue from berthing fees can cause, R-squared was applied and outcome of 0.20 was realised. This means 20% of the changes that occur in Nigeria external reserves in the period under study was explained by revenue from berthing fees. It means that revenue from berthing fees is responsible for 20% of the favourable position of Nigeria balance of payments for the period under study. This further explained that a unit increase in berthing fees is responsible for 20% increase in Nigeria balance of payments from 1995 to 2017.

Probability value was computed to ascertain whether relationship between berthing fees and balance of payments were significant. The outcome shows a probability value of 0.03 which is less than 0.05 (maximum value of significance). The result shows that the relationship between revenue from berthing tariffs and Nigeria balance of payments from 1995 to 2017 was significant. This means berthing tariffs play significant role in the positivity of Nigeria external reserve for the period under study. In other words, berthing tariffs are parts of the major sources of revenue that make for favourable external reserves in Nigeria since there is a significant relationship. This corroborates the findings of Okeudo, (2013) in his empirical work on “evaluation of the maritime industry’s impact on the Nigeria economy” whereby it was revealed that the sub-sector can play a significant role in beefing up the external reserves of the Nigerian economy when fully harnessed.

5.4 The Extent Custom Duties/Earnings Relate to Total Revenue in Nigeria from 1995 to 2017

From the result of the regression analysis in ascertaining the extent custom earnings relate to total revenue in Nigeria from 1995 to 2017, it shows that there is a positive relationship between the variables at 1.29. This means that whenever revenue from custom duties increase, the total revenue of Nigeria increase as well. As a matter of fact, a unit increase in the revenue from custom duties leads to 1.29 increases in total revenue. It goes to say that custom duties play a positive role in increasing Nigeria total revenue from 1995 to 2017.

In order to ascertain the effect custom duties have on the variation of total revenue in Nigeria, the R-squared analysis was employed. The result showed a value of 0.92. This means that custom duties can be said to be responsible for 92% of the variation in total revenue realised in Nigeria. In other words, custom duties contribute heavily to the total revenue of Nigeria

In the test of significance for the relationship between custom duties and total revenue, probability value of 0.00 was realised. This outcome was less than 0.05 which is the maximum value of significance. It therefore means that the relationship between custom duties and total revenue of Nigeria from 1995 to 2017 was significant. It goes therefore to say that revenue from custom duties cannot be undermined as far as realisation of total revenue is concerned in Nigeria. Apart from having a positive relationship with total revenue, custom duties as a source of revenue plays significant role in the volume thereof. This is a confirmation of findings of Chizea, (2008) that the maritime sub-sector has the potentials to make Nigeria one of the most advanced countries in the world. Also this finding aligns with the revelation in the work of Ibeawuchi and Okeudo, (2013) that the maritime sub-sector of the Nigerian economy has the potentials to generate enough revenue that can sustain Nigeria as a country.

5.5 Extent Clearing and Forwarding Fees Relate to Gross Domestic Product from 1995 to 2017

Analysis on determining the extent clearing and forwarding fees relate to gross domestic product shows that there is a negative relationship between revenue realised from clearing and forwarding and gross domestic product in Nigeria from 1995 to 2017 at -0.09 regression result. The implication of this is that clearing and forwarding fees do not have any contribution to positively make to the growth of Nigeria gross domestic product in the period under study.

The R- squared analysis reveals a result of 0.0002 which can further be interpreted to mean a negative relationship of -0.02% which cannot in any way explain the positive growth or otherwise of the Nigeria gross domestic product. The implication of this is that clearing and fees cannot explain any changes or variations that occur in Nigeria gross domestic product.

Furthermore, a probability value of 0.95 from test of significance was much higher than 0.05 (maximum probability value of significance), hence there is no significant relationship between clearing and forwarding and gross domestic product. In that wise, clearing and forwarding fees can be greatly undermined in considering the growth or otherwise of Nigeria gross domestic product.

CHAPTER SIX

SUMMARYOF FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 Summary of Findings

This study titled 'performance of the maritime subsector and economic growth in Nigeria from 1995 to 2015' was an attempt to determine the extent of maritime subsector contributions to economic growth in Nigeria from 1995 to 2015. Though, the maritime subsector is an integral part of the transport sector of the Nigerian economy, its activities and operations are so broad so much so that the researcher needed to delineate the study to a particular aspect of the subsector. Therefore, shipping operations in the subsector form the nucleus of the study. From the literature reviewed and the knowledge gained from the study, it was realised that the bulk of the revenue realised from the subsector actually comes from shipping and its associated activities. This therefore made it convenient to take shipping as the major independent variable in the study. Shipping was further decomposed into other variables of revenue generations such as haulage fees, berthing fees, custom duties and clearing/forwarding fees. On the other hand, economic growth as the major dependent variable in this study was further decomposed into four other dependent variables which include external reserves, balance of payments, total revenue and gross domestic product in Nigeria from 1995 to 2015. In this work therefore, effort was made to determine the contributions of these independent variables to economic growth in Nigeria.

Ex post facto research design was adopted because the nature of data needed do not require manipulation. Data were primarily gathered from secondary sources such as Central Bank of Nigeria statistical bulletins, annual reports and statement of accounts of the federation, seminar papers, workshop papers, publications of National Bureau of Statistics and so on. Analysis of variance, coefficients of determination and t-test were all employed in this work.

Based on the analysis of data collected, the following major findings were arrived at:

a. Findings revealed that revenue from haulage fees in shipping operations at the port contribute positively to Nigerian balance of payments from 1995 to 2017. It means that there is a positive relationship between haulage fees and balance of payments of Nigeria from 1995 to 2017. A probability value of 0.04 revealed a significant relationship between haulage fees and balance of payments. When revenue from haulage fees increases, the balance of payments of Nigeria becomes more favourable.

b. Findings revealed that there is a positive relationship between berthing fees and external reserves in Nigeria from 1995 to 2017. The study showed that revenue from berthing fees contributed positively to external reserves of Nigeria from 1995 to 2017. When revenue from berthing fees increases, external reserves of Nigeria increase. At probability value of 0.03, there is a significant relationship between berthing fees and external reserves of Nigeria from 1995 to 2017. This signifies that berthing fees contributed significantly to external reserves of Nigeria within the same period.

c. The study revealed a positive relationship between custom duties and total revue in Nigeria from 1995 to 2017. In other words, increment in custom revenue resulted in tremendous increase in total revenue in Nigeria from 1995 to 2017. The result of the study showed that revenue from custom duties in the period of study contributed greatly to economic growth of Nigeria. This means that the more the revenue from custom duties, the greater economic growth of Nigeria. At probability of 0.00, there is a significant relationship between custom duties and total revenue in Nigeria. This implies that custom duties contributed significantly to total revenue in the period under study.

d. Another finding from this study is that the relationship between clearing and forwarding fees and gross domestic product is negative. This implies that revenue from clearing and forwarding did not contribute positively to gross domestic product in Nigeria from 1995 to 2017. In other words, clearing and forwarding could not be taken into consideration when making decisions on gross domestic product. At probability value of 0.95, there is no significant relationship between clearing and forwarding and gross domestic product of Nigeria from 1995 to 2017. In other words, clearing and forwarding can be undermined when decision on gross domestic product is being taken..

6.2 Conclusion

The findings of this study have shown that three of the independent variables representing performance of maritime subsector have positive relationships with three of the dependent variables representing economic growth in Nigeria. In other words, ship haulage, ship berthing and custom duty have positive relationships with balance of payments, external reserves and total revenue respectively. While clearing/forwarding has a negative relationship with gross domestic product. The overall implication of these findings is that the maritime subsector contributes positively to the economic growth in Nigeria since economic growth is determined by the volume of revenue a nation realises. This implication is in conformity with submissions of Afolabi, 2015 that 'the maritime industry in Nigeria and anywhere in the world is a veritable engine of growth of a nation's economic development and transportation agenda. It is a sector that, more than others, is poised to create wealth, reduce unemployment, promote skills acquisition, encourage entrepreneurship and eliminate the nation's present risky overreliance on petroleum if well harnessed'. The result of the study also confirms the position of Peretomode, 2014, that the potentials in the maritime subsector of Nigeria are enough to make the country one of the first world nations if well harnessed. Also, Edomi, 2016, was of the opinion that 'the Nigerian maritime subsector has the potential to generate more revenue than any other sector if adequately harnessed' and this position has been confirmed by the outcome of this work.

In all, it can be authoritatively asserted that the performance of the maritime subsector in economic growth in Nigeria is positive. It means that the subsector is a major contributor to economic growth of Nigeria.

6.3 Recommendations

Based on the findings of this study, the following recommendations are made:

i. The Federal Government of Nigeria needs to do a wholelistic review of the policy on the maritime subsector in order to make it a major source of revenue generation, contrary to the present dispensation. This is because 'there is a vast throve of hidden treasures in the subsector that are yet untapped'. (Afolabi, 2015).

ii. Awareness needs to be created by the government for the larger part of the Nigerian society to be aware the unquantifiable potentials in maritime subsector, for Nigerians to be fully involved in harnessing the sector and generating income. This is in contrast to what is presently obtainable whereby only a very few Nigerians participate in the subsector activities. When more Nigerians are aware and involved in the operations in the maritime activities, more employment will be generated, more skills will be acquired and more revenue will be generated for government in form of taxes.

iii. Concerted efforts should be made by government to sensitise and get the private sector (Nigerians) involved in the acquisition and ownership of ships since this is the major area that generates revenue for the economy. The present disadvantageous situation whereby foreigners own all the ships operating at the Nigerian ports can be taken care of if indigenous ownership is realised. This will further enhance availability of money in the Nigerian economy, contrary to the ongoing capital flight whereby foreigners repatriate all their earnings from Nigerian maritime business to their home countries.

iv. There is the need to put in place ‘custom duty evasion proofs’ at the Nigerian ports in order to checkmate the lapses that give room for duty evasion. This is very important considering the enormorsity of the revenue realised from duties at the Nigerian ports. To say the least, it is not overstatement that lapses presently exists that cause leakages of revenue from duty source. If these checks or proofs are adequately put in place at the Nigerian ports, there will tremendous improvements on the revenue contributed by this source.

v. The government of Nigeria should immediately make it a deliberate policy to shift its emphasis on oil to the maritime subsector and make all necessary investments in the subsector in order to realise the unquantifiable potentials therein. This is very important because it is more predictable and long lasting to realise revenue from this subsector than in the oil sector that has dominated the attention of government. This is not to say that government should abandon the oil sector, but that priority attention should henceforth be paid to the maritime subsector considering the enormous viability and gains the country stands to derive from it.

6.4 Suggestions for Further Studies

Based on the premise that no academic work is exhaustive, it is suggested here that a similar study should be replicated in the area of infrastructural investment in the maritime subsector and Nigerian development. It is believed that with this, a broader outcome could be realised as to the contribution made by the subsector to the growth and development of Nigerian economy.

It is further suggested that the role of the maritime sub-sector in urbanization of societies and creation of employment should form important premises for future research works in this area.

6.5 Contributions to Knowledge

This study has made the following contributions to knowledge:

1. That the maritime subsector has so much treasures and potentials that can make it to take the place of oil sector in Nigeria in the soonest possible time.
2. That the maritime subsector is yet to be fully tapped with the present level of operations, but yearning for Nigerians to venture into.
3. That bulk of present revenue of government is derived from this subsector, its seemingly negligence notwithstanding
4. That the maritime subsector, as at now, contributes positively to economic growth of Nigeria and is therefore worthwhile for heavier investments for more gains

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APPENDIX 1

STATA

```
. reglogBalance_of_PaymentlogHaulage_fees

     Source |       SS       df       MS              Number of obs =      23
-------------+------------------------------           F(  1,    21) =    4.71
       Model |  7.61751207     1  7.61751207           Prob> F      =  0.0416
    Residual |  33.9615205    21  1.61721526           R-squared     =  0.1832
-------------+------------------------------           Adj R-squared =  0.1443
       Total |  41.5790325    22  1.88995602           Root MSE      =  1.2717

------------------------------------------------------------------------------
logBalance_of~t |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
----------------+-------------------------------------------------------------
logHaulage_fees |   1.814287   .8359559     2.17   0.042     .0758217    3.552753
          _cons |   6.035511   .4401801    13.71   0.000     5.120106    6.950915
------------------------------------------------------------------------------

. reglogExternal_ReservelogBerthing_Tariff

     Source |       SS       df       MS              Number of obs =      23
-------------+------------------------------           F(  1,    21) =    5.13
       Model |  4.54679298     1  4.54679298           Prob> F      =  0.0342
    Residual |  18.5972455    21   .88558312           R-squared     =  0.1965
-------------+------------------------------           Adj R-squared =  0.1582
       Total |  23.1440385    22  1.05200175           Root MSE      =  .94105

---------------------------------------------------------------------------------
logExternal_Rese~e |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------------+-------------------------------------------------------------
logBerthing_Tariff |    1.13386   .5004047     2.27   0.034     .0932111    2.174508
             _cons |     2.8396   .1964314    14.46   0.000     2.431098    3.248101
---------------------------------------------------------------------------------

. reglogTotal_RevenuelogCustom_Earning

     Source |       SS       df       MS              Number of obs =      23
-------------+------------------------------           F(  1,    21) =  224.86
       Model |  24.2038711     1  24.2038711           Prob> F      =  0.0000
    Residual |  2.26047901    21  .107641858           R-squared     =  0.9146
-------------+------------------------------           Adj R-squared =  0.9105
       Total |  26.4643501    22    1.202925           Root MSE      =  .32809

--------------------------------------------------------------------------------
logTotal_Revenue |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-----------------+--------------------------------------------------------------
logCustom_Earning |   1.286767    .085812    15.00   0.000     1.108311    1.465223
            _cons |   1.273288   .4617214     2.76   0.012     .3130857     2.23349
--------------------------------------------------------------------------------
```

. reglogGDPlogClearing_and_Forwarding

```
      Source |       SS       df       MS              Number of obs =      23
-------------+------------------------------           F(  1,    21) =    0.00
       Model |  .014534742     1  .014534742           Prob> F      =  0.9471
    Residual |  67.7879922    21  3.22799963           R-squared     =  0.0002
-------------+------------------------------           Adj R-squared = -0.0474
       Total |  67.8025269    22  3.08193304           Root MSE      =  1.7967

------------------------------------------------------------------------------
logGDP |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
--------------------------+---------------------------------------------------
logClearing_and_Forwarding|  -.0898144   1.338471    -0.07   0.947    -2.873317    2.693688
              _cons |    9.36705   .3959825    23.66   0.000     8.54356    10.19054
------------------------------------------------------------------------------
```

SPSS

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.428[a]	.183	.144	1.272	.183	4.710	1	21	.042	1.383

a. Predictors: (Constant), logHaulage_fees

b. Dependent Variable: logBalance_of_Payment

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.618	1	7.618	4.710	.042[b]
	Residual	33.962	21	1.617		
	Total	41.579	22			

a. Dependent Variable: logBalance_of_Payment

b. Predictors: (Constant), logHaulage_fees

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	6.036	.440		13.711	.000
	logHaulage_fees	1.814	.836	.428	2.170	.042

a. Dependent Variable: logBalance_of_Payment

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.443[a]	.196	.158	.94105424	.196	5.134	1	21	.034	.533

a. Predictors: (Constant), logBerthing_Tariff
b. Dependent Variable: logExternal_Reserve

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.547	1	4.547	5.134	.034[b]
	Residual	18.597	21	.886		
	Total	23.144	22			

a. Dependent Variable: logExternal_Reserve
b. Predictors: (Constant), logBerthing_Tariff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.840	.196		14.456	.000
	logBerthing_Tariff	1.134	.500	.443	2.266	.034

a. Dependent Variable: logExternal_Reserve

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.956[a]	.915	.911	.328	.915	224.856	1	21	.000	.982

a. Predictors: (Constant), logCustom_Earning

b. Dependent Variable: logTotal_Revenue

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.204	1	24.204	224.856	.000[b]
	Residual	2.260	21	.108		
	Total	26.464	22			

a. Dependent Variable: logTotal_Revenue

b. Predictors: (Constant), logCustom_Earning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.273	.462		2.758	.012
	logCustom_Earning	1.287	.086	.956	14.995	.000

a. Dependent Variable: logTotal_Revenue

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.015[a]	.000	-.047	1.797	.000	.005	1	21	.947	.045

a. Predictors: (Constant), logClearing_and_Forwarding
b. Dependent Variable: logGDP

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.015	1	.015	.005	.947[b]
	Residual	67.788	21	3.228		
	Total	67.803	22			

a. Dependent Variable: logGDP
b. Predictors: (Constant), logClearing_and_Forwarding

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.367	.396		23.655	.000
	logClearing_and_Forwarding	-.090	1.338	-.015	-.067	.947

a. Dependent Variable: logGDP

APPENDIX II

Data on Haulage fees, Berthing Tariff, Custom Duties and Clearing and Forwarding from 1995-2017

Years	**Haulage Fees (N in billions)**	**Berthing Tariff (N in billions)**	**Custom Duties (N in billions)**	**Clearing and Forwarding (N in billions)**
1995	1.13	0.62	37.36	0.84
1996	1.08	0.78	55.00	0.94
1997	1.15	0.92	63.00	0.8
1998	1.04	0.92	57.68	0.95
1999	0.88	1.29	87.91	0.79
2000	1.54	0.58	101.52	0.91
2001	1.2	1.02	170.56	0.81
2002	1.03	0.85	181.41	1.22
2003	1.8	0.95	195.47	0.98
2004	1.25	0.98	217.20	0.78
2005	0.94	0.56	232.80	1.68
2006	2.01	0.38	177.70	0.98
2007	1.5	1.13	241.40	0.98
2008	1.58	1.19	281.30	1.03
2009	1.68	0.98	297.50	1.35
2010	2.91	2.1	309.20	0.78
2011	2.12	1.09	438.30	0.6
2012	1.72	1.25	474.90	0.78
2013	1.45	1.23	433.6	1.24
2014	2.25	1.56	566.2	0.45
2015	1.92	1.72	546.2	0.98
2016	2.32	1.74	445.7	0.63
2017	2.15	1.33	504.9	1.26

Source: National Beaureu of Statistics (2018)