

INLAND DRY PORT IN NIGERIA

A PAPER PREPARED AND PRESENTED

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ON

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ALL PROTOCOLS OBSERVED

On behalf of Oyo State Shippers' Association (OYSSA), I thank the Board, Management and Staff of Manufacturers Association of Nigeria (MAN) for giving me the opportunity to present a paper on **"INLAND DRY PORT IN NIGERIA"**.

PREAMBLE

OYSSA congratulates your organization for the choice location of your House. Apart from the biblical Jericho town in the Middle East, history tells us that Ibadan is the only city in the world that has Jericho town inside it. In addition, Nigeria is blessed with three (3) export trade groups which your organization is one of them. They are:

- (1) Made-in-Nigeria Goods
- (2) Agricultural Products and
- (3) Solid Minerals.

It is our focus to encourage you to be exporters of Nigerian goods and compliment the efforts of Nigerian Export Promotion Council (NEPC), Cargo Defence Fund (CDF) and Shippers' Complaints Handling Services (SCHS) under Nigerian Shippers' Council (NSC), Bank of Industry (BOI) and USAID representative in Nigeria through African Growth Opportunity Act (AGOA) initiative. If you wish, you may apply for space at the Export Processing Zone (EPZ) beside Ibadan Inland Dry Port to produce and export your goods. You will refill the empty containers for import, with your goods for export, and thereby make the port operational.

In modern times, the economy of nations have been increasingly vested on "Organized Private Sector" whose activities cover facets of economic sphere from the real sector to financial, technical and administrative services, agriculture, tourism, education, health, manufacturing and commercial businesses. It is the private entrepreneurs who create the wealth of every nation and drive economic development in all sectors. They engineer productive economic activities at all levels. However, in the current dispensation of globalization and World Trade Organization (WTO), the competitiveness of any

product or service in terms of meeting customer expectations depends on three factors, viz-a-viz:

- ❖ The quality of the product
- ❖ The price and
- ❖ The effectiveness

Of all the three determinants above, studies have shown that quality is the most important and that other factors depend on it to a greater extent.

The shippers and manufacturers are advised to continue to imbibe the tenets of eight quality management principles:

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual Improvement
7. Factual approach to decision making and
8. Mutual beneficial supplier relationship.

Based upon the foregoing, both SON and NAFDAC are poised and determined to assist business and indeed the nation to become competitive and successful through their various standardization schemes/functions. With your cooperation, understanding and determination, Nigerians can get rid of sub-standard/fake products from the ports and the nation.

INTRODUCTION

Custom Port

A Custom Port is any area in Nigeria designated by the President of the Federation, specified in the Order to be a place of arrival or departure of ships by sea, aeroplane by air and train by rail for customs purposes (see Part II S. 12 of Customs and Excise Management Act).

ICD

An Inland Container Depot (ICD), Container Freight Station (CFS) may be defined as a common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs control and with Customs and other agencies competent to clear goods for house use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export. Trans-shipment of cargo can also take place from such stations (UNCTAD).

Shipping is the movement of freight from one location to another. Among the stakeholders are the Shippers, Freight Forwarders, Commercial Banks, Customs, Immigration, Port Health, NDLEA, Police, Port Authorities, Insurance, Transporters, Maritime Lawyers, Government, etc.

ICD/CFS

The concept of ICD in Nigeria arose or was introduced as far back as 1979 when the then Elder Dempster Lines, leading other members of the United Kingdom West Africa Line Conference, UKWAL, joined hands with the National Insurance Corporation of Nigeria, NICON to establish an ICD in Kano under the management of a company called Inland Containers Nigeria Limited, ICNL.

The first container was said to have been delivered to the Kano ICD in August 1980, and Kaduna in 1982 by the end of its full year of operation, the experiment was considered so successful that other ICD were on the drawing board for places like Aba and Maiduguri.

Unfortunately some policy problems led to the virtual demise of these ICD, by and large some other developments in the nations seaports also provided the immediate need for a new policy on IDP/ICD/CFS.

Distinction between Custom Port and ICD

While the Custom Port as per the above citation enjoys the status of port of destination for customs purposes, an Inland Container Depot is a place of arrival or departure of containers on rail and road modes.

IDP DEVELOPMENT IN NIGERIA: AN HISTORICAL PERSPECTIVE

Today, we have six (6) IDP/ICD/CFS across the nation. These commenced with NSC's involvement with the promotion of IDP/ICD/CFS as a component of transport infrastructure for hinterland shippers as well as the several Government development policies on port reforms that today the IDP are being established on a Build, Own, Operate and Transfer (BOOT) model.

GOVERNMENT POLICY OBJECTIVES ON THE INLAND DRY PORT PROJECT

The Inland Dry Port is a Federal Government project drawn at a point the Government felt it has no business in business. The private sector is to become the engine of growth for the economy through the Federal Government's privatization programme.

The emphasis is on reduction of all forms of cost in order to boost profitability and viability as well as increased efficiency hence the recommendation and acceptance of the BOOT model for implementation of the Inland Dry Port projects. Six concessionaires emerged for the six (6) IDP/ICD/CFS locations approved so far by the Federal Government. It is important to note that three major selection processes were employed to ensure Due Processes, World Bank Quality Standards (WBS) and Transparency. The following are the preferred Bidders, site, capacity, zone and status of the IDP/ICD/CFS.

No	Preferred Bidders	Site	Capacity	Zone	Status
1.	Catamaran Logistics	Ibadan	50,000 TEUS	South West	IDP
2.	East Gate Terminal	Isiala Ngwa (Abia)	50,000 “	South East	IDP
3.	Dala Inland Dry Port Ltd.	Kano	20,000 “	North West	IDP
4.	Duncan Maritime	Jos	20,000 “	North Central	ICD
5.	Equatorial Marine Ltd.	Funtua	10,000 “	North West	CFS
6.	Migfo Nigeria Ltd.	Maiduguri	10,000 “	North East	CFS

The Nigerian Shippers' Council is the monitoring and supervisory agency acting on behalf of the Federal Government of Nigeria.

THE ROLE OF IDP/ ICD/CFS

The primary functions of the IDP/ICD/CFS may be summed up as:

- a. Receipt and dispatch/delivery of cargo.
- b. Stuffing and stripping of container.
- c. Transit operation by rail/road to and from serving ports.
- d. Custom clearance.
- e. Consolidation and desegregation of LCL cargo.
- f. Temporary storage of cargo and container.
- g. Reworking of containers.
- h. Maintenance and repair of container units.

CHALLENGES OF THE IDP/ICD/CFS PROJECT

A few challenges confront the progress of the implementation of the IDP/ICD/CFS project in Nigeria. These include:

- Poor cooperation and collaboration amongst all stakeholders involved in project implementation.
- Funding: inadequacy of credit lines available to concessionaires on the project.
- Political intrigues in States where IDP/ICD/CFS are located.
- Poor support infrastructure e.g. power.
- Poor port access; rail services, inland waterways and road connectivity.
- Absence of legislative framework on transit cargo.
- Cumbersome bureaucratic process of obtaining documentation and approvals from various agencies whose functions touch on the establishment and operations of the IDP/ICD/CFS.
- Lack of existing institutional framework for the operation of the IDP/ICD/CFS project.
- Inadequacy of specialized manpower for the operation and management of IDP/ICD/CFS.

ADVANTAGES OF IDP/ICD/CFS

The advantages of an IDP/ICD/CFS in any particular location are so enormous but include the following.

- i. Establishment of Customs clearance facility close to production and consumption centers. This implies that shippers will be able to clear their cargo closer to their base of operation. This will save them the cost, inconvenience and risks of travelling to the seaports for cargo clearance.
- ii. Improved container usage and reduction in the movement of empty containers on the roads, thus leading to reduced freight and haulage rates as shipping companies and hauliers are assured of return cargo.
- iii. Improved turn around time of ships thereby reducing demurrage and avoiding pilferage.
- iv. Issuance of "Through Bill of Lading" by shipping lines and thereby assuming liability from dispatch to destination ports.
- v. Reduced cost of business resulting from enhanced safety and security measures at the ports.
- vi. Optimal use of surface transport and the decongestion of the sea ports.
- vii. Reduction in marine pollution activities around to seaport.

SOCIO-ECONOMIC BENEFITS OF IDP/ICD/CFS

- i) It will facilitate the integration of multi-modal transport system and global logistic chain.
- ii) Revitalization of our agricultural exports leading to a diversification of the nation's export products' base.
- iii) Increased potential for stimulating industrial growth and job creation in and around the areas where the IDP/ICD/CFS are located.
- iv) Reduced rural/urban population drifts with the usual social and other problems that tend to accompany such drifts.
- v) Increased revenue to the Government through accelerated development of other supportive economic and transport infrastructure.
- vi) Reduced travel distances and cost of goods and services to consumers.
- vii) Increased transport services from the IDP/ICD/CFS to the neighbouring land-locked countries like Chad, Niger, Burkina Faso, etc.

Furthermore, the establishment of the IDP/ICD/CFS would compel the government to rehabilitate and strengthen the nation's transport infrastructures/system. This is expected to positively impact on the overall economy thereby making every one of us a beneficiary of the IDP/ICD/CFS initiative.

SITUATION REPORT IN OYO STATE

SIZE

After the official Turning of the Sod and Foundation Laying Ceremonies at the site of the port by the then Honourable Minister of State (Water) Transportation, Prince John Okechukwu Emeka under the Chairmanship of former Head of Interim Government of the Federal Republic of Nigeria, Chief Ernest Shonekan on Monday, 11th August, 2008, the then Executive Governor of Oyo State, His Excellency, Otunba Christopher Adebayo Alao-Akala presented the Certificate of Occupancy (C of O) for 121 hectares of land at Erunmu, Ibadan to the Honourable Minister.

SENSITIZATION

The OYSSA has started lecturing and organizing seminars for her members and communities; paid and paying courtesy and business visits to organizations, South West Shippers and Stakeholders in the neighbouring West African countries as we are doing today, on the benefits available to them when shipping through Ibadan Inland Dry Port. We also educated and educating the public on print and electronics media about the same. The enlightenment campaign has started yielding positive result as shippers, manufacturers, traders, etc have started visiting OYSSA for more enquiries and visited the port from within and outside Nigeria.

DEMAND FOR IBADAN INLAND DRY PORT

The congestion at Lagos sea ports and sensitization of stakeholders about the existence and benefit therein gave high demand for Ibadan Inland Dry Port from the South West Shippers' and landlocked neighbouring countries which OYSSA

has sold the Port to in order to bring clearing and forwarding of goods closer to them.

BORDER MARKET

The emergence of Okerete Border Market at Saki West Local Government of Oyo State will not only be a feeder to Ibadan Inland Dry Port and Export Processing Zone, but also promote economic activities in the Republic of Benin (Parakou), Togo (Lamakara), Ghana (Tamale), Ivory Coast (Korogo), Mali (Fada and Gouruma to serve as transit points to Bamako) and Burkina Faso (Ouaga).

CONCLUSION

The Nigerian Shippers' Council, as the facilitator of the IDP/ICD/CFS on behalf of the Federal Government has developed strategies to ensure increased awareness of the project among all the stakeholders. The Council is also to put in place systems and structures that would ensure effective management of the Inland Dry Ports/Inland Container Depot/Container Freight Stations. This is very much in the pipeline.

Finally, it is highly pertinent to state that this project cannot be successful without the active and sincere participation of all stakeholders through cooperation, patronage and public enlightenment.

Long Live Oyo State Shippers' Association (OYSSA)

Long Live Manufacturers Association of Nigeria (MAN)

Long Live Federal Republic of Nigeria (FRN)

Thank you and God bless.