



## **NIGERIAN PORTS AUTHORITY**

### **A KEY NOTE ADDRESS DELIVERED BY THE MANAGING DIRECTOR, NIGERIAN PORTS AUTHORITY, HADIZA BALA USMAN ON THE OCASSION OF NIMPORT EXECUTIVE BUSINESS NETWORKING LUNCH SEMINAR/MEETING ON IMPROVING PORT OPERATIONAL EFFICIENCY**

**Chief Executive Officers of Sister Agencies  
Managing Directors of Concessioned Terminal  
And Shipping Companies  
Distinguished Ladies and Gentlemen,**

**Ladies and Gentlemen of the Press**

**I feel greatly honored to be invited to deliver the key note address at this all important business networking conference put together by Nigeria's foremost maritime ports and terminals development promotion event, NIMPORT.**

**I am particularly happy that you requested to have me speak on the subject of ports efficiency and the need for operators to invest in technologically up-to-date equipment that will enhance port operational efficiency, improved work environment and increased lifespan of ports, terminals and road pavements.**

**Growth in trade volumes has been identified as a strong factor in the need for port investments.**

**Global growth in containerized, bulk (liquid and dry) and general cargo entails an increased demand for matching ports and required**

cargo handling equipment. For example in North America, Europe and Asia Pacific, growing container market has already led to incremental upgrade of the existing port infrastructure with complete container handling automation already put in place for handling large container carriers with up to 18,000 teu. This is because manually operated Rubber Tyre Gantry (RTG) are not adequate to handle this volume of containers from one vessel only.

Our vision is to be the leading port in Africa. This also means that we must lead in modernization of equipment and infrastructure to respond to global trends in shipping business. Thus, developments and upgrades of existing port infrastructure as well as improvements in port performance have become imperative.

Between 2005 and 2008 alone, the volumes handled globally increased from 400 million TEU to 525 million TEU, an increase of approximately 32 per cent. It was estimated that container growth will stay consistent with 7.3 per cent every year for 2010 to 2015.

The port system functionally wears two caps. It is an international border post where fiscal and other regulatory requirements of Government are monitored and enforced. This brings to light the functions of Port Health, Immigration, Customs, Port Police and the likes .

On the other hand, the Port is a logistics nodal point where cargoes and passengers are transferred between modes of transport interconnectivity to the hinterland.

In this domain are found the Ports Authority, the terminal operators, the shipping companies, the ship owners and the freight forwarders.

It is the contribution of this later part that this key note address seeks to address with regards to how port efficiency can be achieved.

**NIMPORT's invaluable contributions to port development promotion over the years has been well noted. Your steadfastness and consistency have gone a long way in fostering mutually beneficial business relationship between the Government and the Private Sector partners in the maritime sector.**

**The Federal Government through the Nigerian Ports Authority has continually made efforts to reposition the Nigerian ports in line with global trends in shipping and ports operation. This led to a comprehensive port industry reform in 2006. The aim was to build a robust, responsive and competitive port economy that will have increased private sector participation and be in tune with global best practices.**

**The current administration of President Mohammadu Buhari is not relenting in its efforts to revamp the ailing Nigerian economy and one of the items on the Government's agenda for sustainable economic growth is to further develop the seaports and properly position the port industry to play its key role as the gateway to the nation's economy.**

**At inception, Nigerian seaports were owned, operated and regulated by the NPA before the concession in accordance with its enabling Act. This system did not allow for operational efficiency.**

**Nigerian ports have been designed and planned to provide-**

- **Safe, well-marked approach channels.**
- **Sufficiently protected berths of appropriate sizes and types for vessels that will use them at the present time as well as in the foreseeable future.**
- **Adequate cargo handling equipment, tugs and other pilotage complements.**

- Sufficient back-of-port area for administrative block, plant maintenance and storage, movement and clearance facilities appropriate for cargo handling.
- Good roads and or rail communication with hinterland.

The consideration for adequate provision of the above is to ensure that within the design capacity of the port, the under listed operations go on in the most efficient manner.

1. Pilotage
2. Loading /unloading of cargo from vessels
3. Transit storage
4. Billings and other documentation
5. Delivery and evacuation

Even with the provision of the above, the role and contribution of private operators were grossly stifled and private investments into the industry were limited. The turnaround time of vessels in the Nigerian Ports was high. There was low labor productivity as well as low level of vessel and cargo traffic. The period was the height of cumbersome and long traffic procedures, which brought about incessant port congestion. These conditions were contrary to acceptable global standard and best practices. Our ports were far from being competitive.

Efficiency measures how well the resources of a port are utilized while effectiveness is concerned with the extent to which goals are accomplished. The main value of maritime logistics therefore has been recognized as achieving a high rate of both operational efficiency such as enhancing cost effective port operation, improved work environment and increased life span of port infrastructure.

Then came the idea to reform the ports for the following reasons.

- 1) The need to increase the efficiency of Port operation.

- 2) To reduce the cost of port services.
- 3) To boost economic activities and accelerate development.
- 4) To make Nigeria the hub for maritime trade in West and Central Africa.
- 5) To reduce the out flow of funds from limited government resources.

The measure of port efficiency is derived from level of service delivery, customer satisfaction and visible multiplier effect of value added services on the industry and national economy. Hence the Key Performance Indicators of ports are globally acknowledged to be:

- Ship waiting time
- Ship's time in port or at berth
- Ship turn-round time
- Cargo dwell time
- Cargo throughput
- Channel and quay depth
- Equipment and craft availability
- Port community network
- Ease of doing business, etc.

To this end, the Nigerian Ports Authority's scorecard has been commendable, although there are still more milestones to cover.

In its stride to deliver on its mandate of availing an efficient Port system for the overall good of the Nigerian economy, the Authority recorded a number of milestones, some of which include but are not limited to the following:

- i. Improved operational efficiency of the Ports and increase in cargo throughput;
- ii. Improved provision and maintenance of Port terminal infrastructure;
- iii. Higher availability of cargo handling equipment and capacity;

- iv. Deepening of Port channels and berth draughts has enabled the reception of larger vessels in Apapa, Tin Can Island and Onne Ports;
- v. Improved safety through wreck removal operations and installation of navigational systems;
- vi. Improved Towage and Pilotage services to ships through 3<sup>rd</sup> party arrangements;
- vii. Acquisition of more marine crafts such as tugs and pilot cutters;
- viii. Improved vehicle and human traffic management in Ports;
- ix. Automation of Port services through implementation of the Oracle e-Business Suite, Electronic Document Management System; Revenue Invoicing Management System (RIMS), e-Payment system; Electronic Ship Entry Notice (e-SEN), Customs NCIS Integration Platform and Port Control Management;
- x. Deployment of Virtual Private Network (VPN) to connect all the ports with the Head Office. New and Improved interactive Web Portal for business purposes.
- xi. Establishment of Command & Control, Communication and Intelligence Centre for domain visibility;

Upon assumption of office, the present management saw the need to review the Concession Agreements in line with global best practices and to improve efficiency.

The review will challenge all parties to meet their various obligations with regard to provision of infrastructure including technologically up-to-date equipment aimed at improving efficiency of port operations.

It is envisaged that the Maritime industry will play its role as a major boost to Nigeria's economy.

However for this to be achieved, operators in the Port industry must position themselves to deliver by investing in the requisite up to date equipment that will provide efficient services competitively.

**Distinguished Ladies and Gentlemen, in closing, I want to reassure all stakeholders that the Nigerian Ports Authority is committed to the realization of the vision to make our ports the leading port in Africa. We shall continue at all times to remain focused on making our ports efficient and customer friendly.**

**Thank you.**

