



NIGERIAN PORTS AUTHORITY

THE PORTS AS STRATEGIC BASE FOR ECONOMIC DEVELOPMENT – A PRESENTATION BY THE MANAGING DIRECTOR, NIGERIAN PORTS AUTHORITY, HADIZA BALA USMAN AT THE NATIONS NEWS PAPER'S ECONOMIC FORUM ON THURSDAY, MAY 4TH, 2017.

The strategic role of ports in economic development is that they function as gateways to international trade and, accordingly are regarded as major accelerators of local economic development.

According to the Economic and Social Commission for Asia and the Pacific (ESCAP), the Netherlands has been able to sustain a relatively high economic growth rate because of the Port of Rotterdam, in spite of the intensely competitive environment in Europe. The success of Singapore is equally attributed to the Port of Singapore which has developed a transport logistic centre and has successfully been able to attract foreign investment.

It is thereby acknowledged that the maritime sector, an essential component of the transportation system is crucial for wealth creation.

However, a port becomes an active wheel of an economy only if it is run efficiently. One of the key areas of efficiency that our ports require is the national single window .I am pleased to announce that the Authority and the Nigerian Customs service have concluded the operational model for establishing the National single window and will in the next few months commence with the public tender process of selecting the vendors that will deploy the required information technology infrastructure.

Presently the function of a port is not only limited to the traditional activities but has expanded to a logistical platform. Ports not only perform the basic operations (embarking, disembarking and transferring of passengers and crew, loading, unloading and transhipment of cargo to and from the vessels, storage and warehousing of merchandise on land and stevedoring to and from vessels), they provide inland access and intermodal connections as well as complementary services to shipping carriers.

A port is also a place for the provision of services, which add value to the products transported and thus helps the increasing demand of trade. For example, bulk fertilizer is bagged, bulk wheat is milled and used to produce various flour based products, etc in our port terminals. There are also oil and gas logistics bases where value is added to project cargo before they are taken to offshore locations for deployment.

Given the abundant mineral and agricultural resources available in most regions of Nigeria and the desire of the Federal Government to diversify the economy, the need to adequately explore the port sector as a road to boosting economic development in Nigeria cannot be over-emphasized.

The Federal Government under President Mohammadu Buhari has identified Agriculture and Solid Minerals as upbeat and the Maritime Industry will play a pivotal role in the movement of these produce and minerals. In February this year, all terminal operators and shipping companies were mandated by the Nigerian Ports Authority to set up fast-track desks for export of solid minerals and agricultural produce. Process of review of associated existing procedures and protocols has been commenced to ensure efficiency and intended results are achieved.

For the Nigerian ports to play this key role in the economy an efficient rail system will be needed in moving agricultural produce and solid Mineral from the locations of production that are usually in the hinterlands to the seaports for export. The Federal Ministry of Transportation has embarked on a US \$2 billion concession rail project to be handled by General Electric which will provide the needed intermodal support. It will cover about 3,500km (2,200 miles) of existing narrow gauge lines from the south western commercial capital, Lagos to Kano in the north and south Eastern oil hub, Port Harcourt, to Maiduguri in the North-East.

We are already recording increase in export of agricultural produce. According to the National Bureau of Statistics, in its Trade Intensity Index Report for the Q3, 2016, export of frozen shrimps and prawns for the period July to September were worth over N5billion; Sasame seed export was worth over N4.8billion in the same period; income from cashew export exceeded N2billion; Soya beans yielded over N4billion; Ginger contributed over US\$30million

Developing the ports is very crucial for realising the lofty but achievable development objectives of the Federal Government. Our port infrastructure like the quay walls and aprons would need to be reconstructed and reinforced to make them fit to

handle anticipated heavy solid mineral cargo. For agricultural produce, we would need specialized and refrigerated warehouses etc. The channels must be constantly dredged and maintained and deep seaports must be developed to address the dynamics in trade and transport demand.

Improved port infrastructure will bring about improved port activities, which would stimulate economic growth and in turn would impact positively on the economy.

I would like to stress in addition that several businesses derive from activities in the ports. Trade has constantly been one of the crucial pillars of remuneration since prehistoric times. The port sector is a huge employer of labour, directly or indirectly. Experts say the shipping sector, which is a part of the port system has the potential to generate about 80,000 jobs annually. There exist several opportunities inherent in the port business and it is a very welcome development that the economic importance of the seaports has been brought to light. This is a good take off point for what should follow.

I will conclude by expressing my excitement and great optimism for the envisaged strategic role the ports have begun to play in Nigeria's economic development agenda. I want to state that the Nigerian Ports Authority is committed to delivering what is expected of it and in line with globally accepted standards.

Thank you and God bless you.