

A BRIEF ON THE NATIONAL TRANSPORTATION SECTOR **REPORT OF THE FEDERAL REPUBLIC OF NIGERIA.**

1.0 INTRODUCTION:

Transportation for any country is a vital aspect of its social and economic life; it enhances trade needs whereby the country's manufacturing, industrial tourism and distribution needs are served. Therefore, a vibrant, responsive, effective and efficient transport system will enhance Nigeria's economic, developmental and strategic roles in the global system/economy.

It is for this reason that Transport has been accorded high priority in the country and the Federal Ministry of Transport is charged with the responsibility of delivering a transport sector that is capable of meeting the needs of a modern, competitive, industrial economy.

Although Transport conventionally covers road, rail, water and air modes, the Federal Ministry of Transport is assigned the statutory responsibility for Rail and Mass transit, Inland Waterways, Maritime, Intermodal co-ordination and policy issues. Therefore, our paper will dwell on the existing situation /challenges that are present in these areas.

1.1 BACKGROUND OF THE TRANSPORT SECTOR IN NIGERIA.

The evolution of the modern Transport System in Nigeria began during the **colonial period**. The networks of Rail, Water and Road that was developed then was built for the exportation of cash crops and the importation of mass produced consumption goods. They were planned in the most economic way possible and later proved inadequate.

The post colonial period after the attainment of Independence came with a re-orientation of goals - transportation became an instrument of unification in the country and an important tool for socio-economic development while the exploration and exploitation of petroleum resources also put increasing demands on the transport system.

In the country, goods and passenger movements are performed mainly by road, with the Railway and Inland Waterways playing insignificant and less important roles. International freight movement is principally by sea while Air Transportation is the main passenger carrier and also accounts for an increasing freight by value.

Past shortages of resources resulted in the inadequate maintenance of all the transport sub-sectors causing the Government in the past to focus more on rehabilitating the roads as it remains the major mode of transportation.

Presently, our dependence on roads has resulted in a rapid deterioration of the network, affecting the economy as goods and services are delayed and high transport costs translate to a high cost of goods and services.

This has driven the Government to formulate and begin the implementation of reforms geared towards establishing a safe, efficient, affordable and seamless international transportation system in line with global best practices while creating an enabling environment for Public Private Partnership (PPP).

2.0 REFORMS IN THE TRANSPORT SECTOR:

Previously, the Public Sector had monopoly of major transport enterprises particularly in the Rail and Maritime, which led to losses of public funds. Over the years, the sector suffered decay, mismanagement,

inadequate maintenance and poor service delivery. The reforms have opened doors to PPP while Government concentrates on policy, regulation, supervision and co-ordination of the sector.

2.1 **MARINE SECTOR**: The Nigerian Ports were inefficient and unattractive to shippers which resulted in the diversion of Nigeria bound cargoes to the ports of neighbouring countries, causing huge revenue losses and an inability to effectively monitor imports.

The ports had:

- Long turnaround time for Cargo and Ships
- Insecurity of Cargo
- Unproductive Labour force in both NPA(Nigerian Ports Authority) and dock labour
- Multiple Government Agencies at the ports
- Corrupt practices
- Excessive Charges
- High degree of centralization of the NPA
- Burdensome bureaucratic structure

These problems were addressed in the reforms by the concessioning of the seaports while the Landlord model was adopted which included

- Transferring cargo handling and other marine services to the private sector while Government retained ownership of the port.
- Developing a new legal and regulatory structure i.e. establishing independent port regulator and drafting of a new ports Act.
- Restructuring the public agency (NPA) into smaller autonomous port authorities to bring decision making closer to the level of activities and create inter-port competition.

The reforms brought about the Port Harbour Authorities and the National Transport Commission bills which are necessary to sustain the reforms, the bills resolve issues such as

- Labour matters
- Multiplicity of Government agencies at the ports
- Regulation of the sector etc.

The concessioning of the sector has resulted in achievements in the areas of:

- Revenue profile increase
- Enhanced operational efficiency
- Rehabilitation/ construction of physical infrastructure
- Improved security measures including CCTV as specified by the requirements of ISPS code and PICOMS
- Construction of perimeter fencing
- Adequate and functional lighting
- Procurement of new modern equipments such as cranes, forklifts, trailers and other operational vehicles
- Construction of terminal road
- Investment in modern ICT for improved operational and administrative efficiency including the installation of modern container tracking system by the operators.

2.2 INLAND WATER WAYS

The use of this Transport mode diminished over the past three decades due to physical, investment and operational constraints. This resulted in;

- High rate of sediment build up along the channel;

- Physical obstruction (wrecks, rock out crop)
- Low Government investment in infrastructural development
- Inadequate River Port infrastructure
- Poor landward connection to River ports
- Poor communication and navigational aids.

With the reforms, Government commenced dredging of the Rivers Niger and Benue in 2009; the dredging of the Lower River Niger (i.e. between Warri in Delta State to Baro in Niger State) has been completed while the maintenance dredging is in progress, the Lower River Niger stretches 572km, traverses 8 states and over 160 riverine communities. Seven (7) River Ports and Jetties are also being developed along the dredged rivers as a component of the dredging programme. The Onitsha River Port in Anambra State has been completed while the others are in various stages of completion. In addition, six (6) Inland Container Depots are being developed so as to decongest the sea ports. Four (4) of them have been completed while the remaining two (2) are still under construction.

Policies are also being put in place through the implementation of the Cabotage Act to encourage and assist indigenous shipping companies to own vessels in order to develop indigenous capacity and seafaring in the maritime sector on the other hand, safety in the sector is enhanced by the removal of wrecks and derelicts as well as reducing piracy.

The benefits derived so far are that;

- It positively impacts on the riverine communities as it facilitates trade and movement of persons.
- It decongests the Lagos and Portharcourt sea ports as well as reducing the volume of heavy trucks on the nation's highways.

- The River Port serves as a transit and delivery port for traders transporting their goods and services.
- It also facilitates the movement of goods and people.
- Our roads will last longer as haulage of goods will preferably be done via water.
- Costs of goods and services will be cut down as transportation becomes diversified and cheaper by water.

Presently, there have been noted increases in traffic of cargo and commerce on the waterways as a result of the dredging; indigenous companies are making use of the facility to transport their goods and services with ease. With the completion of the dredging of the River Niger, dredging of the River Benue is due to commence this year i.e. from Ilokoja to Makurdi. It will assist the flourishing of our economic potentials and the socio-development of our coastal towns and cities especially in areas of commerce and tourism. However, investors are needed as there abounds vast business opportunities in this sector.

2.3 RAIL SUB-SECTOR

In cognizance that Railways play a key role in the mass movement of goods and people over long distances, conveniently and at affordable rates, the Nigerian Government is exploring the potentials of this mode and has therefore began the resuscitation of the previously moribund Nigerian Railway Corporation (NRC), thereby laying firm foundation for modernization of the country's railways, linking seaports, major airports, refineries, Inland container depots, economic zones like the Steel plants, coal mines, tourism locations and State capitals by the

railway network to facilitate travel, commerce, regional development, national integration and intermodal activities.

- Presently and under its 25 years Railway Strategic Vision, the Government has begun the phased implementation of its system **Transition, Modernization and Stabilization** activities which include the:- rehabilitation, restoration and reactivation of the existing narrow gauge lines and the
- Procurement of 25 No C25 EMPD diesel locomotives and other equipments.
- Construction of a light rail in four cities to be extended to the six (6) geo-political zones.

The benefits of this project are;

- It will relieve pressure on the roads for the movement of goods and people while contributing to a seamless chain of transport.
- The modernization programme of rail lines using standard gauge lines
- Availability of feasibility studies for Public Private Partnership for various and new, strategic economically viable routes
- Intra-city mass transit services
- Freight services with the movement of goods/produce from the factories to major consumption centers e.g. the conveyance of raw materials such as iron ore, coal etc from Mines at Itakpe or Enugu to the Steel plant at Ajaokuta.
- It will create jobs
- It will fast-track Agricultural and Industrial sector development
- Reduction of maintenance cost of Roads and extend the life cycle.

2.4 ROAD TRANSPORT:

The Ministry does not construct roads but formulates the policies on road transport and monitors its implementation.

2.5 NATIONAL PLAN OF ROAD CHECKPOINTS:

Nigeria has drawn up a National Plan of road check points in alignment with the ECOWAS Regional Road Transport and Transit Facilitation Programme designed to include

- ❖ reducing multiplicity of official and un-official check points
- ❖ reducing harassment and extortion of travelers
- ❖ reducing axle load excesses

The most problematic corridor has remained the Lagos-Seme route with over 15 check points and about 11 security agencies.

3.0 ISSUES/ CONCLUSION:

The Government had previously handled all modes of transportation to the exclusion of the private sector. With the adoption of a PPP approach, Government is committed to

- Concessioning of the existing rail network when fully rehabilitated and inland waterways facilities to private operators
- Ending public sector monopoly in the transport sector and;
- Eliminating all barriers to private sector participation in the ownership, planning, financing, construction, maintenance and management of transport facilities and services. In other words, Government intends to use the PPP strategy to undertake extensive Rail modernization projects and high speed rail links

under the Transformation Agenda. To this end feasibility studies are being carried out for the 896km Lagos – Abuja high speed, 240km Lagos – Benin, 360km Ajaokuta – Jakwa – Baro- Abuja, 604km Zaria- Kaura Namoda- Sokoto rails and 323km Aba – Owerri – Onitsha – Agbor- Ajaokuta routes.

However, the following areas remain a challenge;

- ❖ Funding to fully carry out capital projects in the afore mentioned areas
- ❖ Capacity building of staff and workers in the sector
- ❖ Capacity building on infrastructure maintenance
- ❖ Capacity building on Research and planning.
- ❖ Limited supply of indigenous professional technical and managerial capacity in core areas
- ❖ Over dependence on foreign expertise and limited indigenous capacity building

Other challenges include; - use of substandard vessels for the water sector, inexperienced operators.

In view of the magnitude of the initial Transport challenge, the desired results cannot be achieved over-night; however, commitment to the reforms is an indication to a better repositioning of the sector.