

COMMUNIQUE OF THE STAKEHOLDERS' FORUM ON THE DRY PORTS PROJECT IN NIGERIA HELD AT SHEHU MUSA YAR'ADUA CENTRE, ABUJA ON 15TH – 16TH MAY 2008

INTRODUCTION

Nigerian Shippers' Council organised a two (2) –day Stakeholders' Forum on the Dry Ports project in Nigeria at Shehu Musa Yar'Adua Centre, Abuja on 15th – 16th May 2008.

The Forum organised for the Stakeholders brought key players together to ensure the workability of the project in Nigeria and to chart a course on how the project would wither the inherent challenges in our operating environment.

The forum was declared open by the Honourable Minister of State for Transportation (Water), Prince John Okechukwu Emeka who also presented a Keynote Address.

The programme was also graced by eminent personalities like Chief Ernest Shonekan, GCFR, CBE, Alhaji (Dr.) Bamanga Tukur (OFR) Tafidan Adamawa, Comptroller General of the Nigerian Customs Service Jacob Gyang Buba (OFR). Other participants were representatives of governors of the six (6) states where the Dry Ports are sited, Chief Executive of Parastatals, and captains of the Maritime Industry.

The two (2) day forum was structured into an opening and two (2) sessions, during which four (4) papers were presented. Each presentation was exhaustively discussed by a panel of discussants in addition to contributions from the participants.

Participants observed the following after due discussions:

- (i) That Stakeholders in the Dry Ports project such as the federal and state governments, service providers and the

Concessionaires have distinct and crucial roles to play to facilitate the realisation of the project.

- (ii) That Dry Ports other than facilitating the efficiency and effectiveness of seaports must provide logistics services to support agro-allied processing industries, medium and small-scale enterprises, and thereby extending development to the hinterland.
- (iii) That the project would not succeed without putting in place all the necessary infrastructure such as efficient inter-modal transportation facilities (especially railways), power, ICT, and proper legislation.
- (iv) That in addition to facilitate and enhance the efficiency of seaport services, Dry Ports must be sources of raw materials for production centres.
- (v) That the inter-modal nature of the transport networks vis-à-vis the ICDs must achieve reliability of delivery of cargoes.
- (vi) That security in clearance and movement of cargo to dry ports is substantially key and that the project must meet the security standard as stipulated by the Nigeria Customs Services for cargo movement.
- (vii) That double cargo handling/clearance killed the Kano and Kaduna (ICNL). That the Dry Ports should not be affected by double clearance since they are designated as ports of final destination.
- (viii) That there are daunting challenges such as inadequate and dilapidated infrastructure, security, cumbersome cargo clearance procedures, multiplicity of taxes that would threaten the efficient operation of Dry Ports when they become operational and they need to be urgently addressed.

- (ix) That the viability of the Dry Ports located in the six (6) locations is not in doubt as a comprehensive feasibility study on their viability was done by Messrs Hamburg Port Consult, an internationally acclaimed Consultant and a local consultant Messrs Spring Fountain Consulting who were commissioned by the Council to carry out the study.
- (x) That the Dry ports are ports of final destination. The multi-modal transport operators have the obligation of providing bonds from the sea ports to the Dry ports

Based on these observations and other contributions, the Forum resolved as follows:

- (i) That the success of the Dry Ports project lies in sustaining global Best Practices. The project deserves a seamless synergy and collaboration of all the Stakeholders.
- (ii) That attention of State Governments should be drawn on the existing agreements, on their obligation to provide access roads and other infrastructure such as water and power for the success of the ICDs.
- (iii) That Nigeria Customs Service procedure must be streamlined/simplified to ensure quick movement of cargo from the seaports as an interface to the hinterland in order to facilitate trade.
- (iv) That there must be improvements on all modes of transport (especially, the Rail mode) otherwise delays occasioned by poor and near absence of good transport network will rob off the perceived potential benefits of the project.
- (v) Participants agreed that Nigerian shippers' Council, which is the Regulatory Agency of the project, should ensure that the legal framework as stipulated in the terms of the

concessioning agreement and the gazette are strictly complied with.

- (vi) That the design and layout of the Dry Ports meet approved standards, with modern state-of-the-art facilities that meet international standards such as handling equipment, and ICT connectivity to both the port and customs services.
- (vii) That the tariff structure must be cost effective and the problem of multi taxation must be addressed by the government to ensure the success of the project.
- (viii) That for a country that 90% of its exports is oil, we need to diversify our economy by laying emphasis on agricultural production, mineral resources exploitation and industrial production to service these Dry Ports.
- (ix) That with so much potential in terms of serving a multi dimensional purpose, serving landlocked countries etc, efficient operation and setting up a Maritime Policy to exploit these potentials will ensure the success of the project.
- (x) That Nigeria Customs Service should ensure the simplification of documentation for ICDs bound cargoes to ensure quick and timely deliveries to the dry ports.
- (xi) That there should be attitudinal change by the Stakeholders in ensuring utmost good faith in their business dealings to facilitate trade.
- (xii) That there should be phased implementation of the project to ensure that pitfalls are avoided to guarantee the success of the project.

- (xiii) That the operators of the project should ensure operational efficiency, render value added service to goods through sustained door-to-door transport logistics chain for the success of the project.
- (xiv) That there should be a seamless inter-phase between key players in cargo handling and delivery and the integration of other stakeholders into the entire process as a pre-requisite for successful Dry Port operation.
- (xv) That the siting of the project should not be politically motivated rather to be economically motivated to avert failures.
- (xvi) That there is the need to clearly understand the workings of the project by stakeholders through intense capacity development to drive the project through.
- (xvii) That for effective operations, shippers should always clearly manifest their cargoes to specific dry ports of their choice and that they are not to be charged for goods moved to locations other than the ones they have put in their transactions from the onset of shipment.
- (xviii) That in spite of the daunting challenges facing the establishment of the project in the country, there is the compelling need to promote the project because it offers great economic potentials.
- (xix) That section 3 of the Nigerian Shippers' Council Act be amended to expressly include a provision to "promote and regulate the establishment and operations of Dry Ports".
- (xx) That appropriate insurance cover should be taken for goods designated for the Dry Ports.

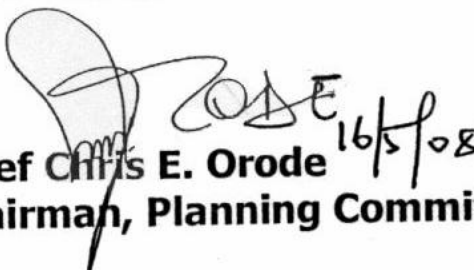
- (xxi) That the banks should come up with a promotional interest regime that will encourage long term lending for the success of the project.
- (xxii) That the Council should liaise with NEPZA in respect of securing a free trade zone status for the land bordering the Dry ports where cluster industries would be sited to service the ICDs.
- (xxiii) That since the Dry Port is a port of final destination; it means that the cargo destined for the Dry Port must be carried under 'Through" bill of lading. Therefore, the responsibility of who provides the bond rest squarely with the carrier or the Multi-modal Transport Operator (MTO) until the goods arrive the Dry Port.



Otunba Kunle Folarin
Chairman, Communiqué Session



Nanle Nanbol
Rapporteur



Chief Chris E. Orde 16/5/08
Chairman, Planning Committee