

The Role of the Maritime Industry in the Import and Export Trade



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ABOUT NIGERIAN CHAMBER OF SHIPPING





NCS: Network of Relationships

COMPOSITION OF NIGERIAN CHAMBER OF SHIPPING MEMBERSHIP



Overview of the Maritime Industry

INSTITUTIONAL FRAMEWORK

Nigeria's economy is largely monolithic depending mainly on oil revenue. Though Nigeria is abundantly blessed with various agricultural, mineral and human resources, we have been blinded to the economic reality by the oil revenue which portends false prosperity. Current realities can attest to this. We must harness our abundant resources and explore alternative revenue sources.

As a majorly import dependent economy, deliberate and aggressive effort must be made by government and stakeholders to turn our fortunes around and engage in export trade to arrest the huge foreign exchange flight.

We must also ensure the terms of trade are skewed to our economic advantage by moving from , Free on Board (FOB) to Cost Insurance and Freight (CIF) and other more favourable terms.

The indigenous tonnage, vessel ownership must increase and improve to attract cabotage and non-cabotage trade.



Export << Sea-Port >> Import



Overview of the Maritime Industry

INSTITUTIONAL FRAMEWORK ...cont'd

THE INDUSTRY REGULATORS

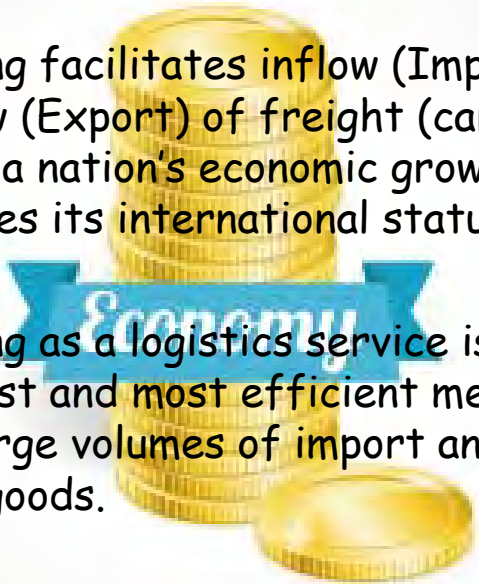
- The Federal Ministry of Transportation (FMOT) The supervisory ministry for transportation in Nigeria.
- ✓ **Nigerian Maritime Administration and Safety Agency (NIMASA)**
Plays lead regulatory role within Nigeria's maritime domain
- ✓ **Nigerian Ports Authority (NPA)**
Oversees the ports system and the concessionaires.
- ✓ **Nigerian Shippers' Council (NSC)**
The Economic Regulator of the Ports, the NSC is really directly involved with the daily relationships between shippers and other government agencies in terms of cargo matters
- ✓ **The Council for the Regulation of Freight Forwarding in Nigeria (CRFFN)**
Regulate freight forwarding practice

- ✓ **Maritime Academy of Nigeria, (MAN) Oron**
Responsible for capacity building and training of cadets for the industry
- ✓ **Nigerian Customs Service (NCS)**
Responsible for Trade facilitation and collection of revenues like import duties and clearance of import/export cargo.
- ✓ **National Inland Waterways Authority (NIWA)**
Regulates the inland rivers.
- ✓ **Nigerian Chamber of Shipping (NCS)**
✓ Stakeholders Advocacy platform for the Industry.



The Maritime Industry

- The maritime industry is the prime mover of the economic resources of nations.
- Shipping facilitates inflow (Import) and outflow (Export) of freight (cargo) and boosts a nation's economic growth and enhances its international status.
- Shipping as a logistics service is the cheapest and most efficient means of moving very large volumes of import and export trade goods.
- Indeed shipping is the life-wire of international trade, development in Port - Port linked flows and all the associated ancillary services.



Export << Sea-Port >> Import



The Nigerian Maritime Industry

- The maritime industry moves about 95% by value and about 98% by volume of international cargo

The Nigerian Port have faired better under the concession regime as Concessionnaires have brought in modern equipment to handle cargo and facilitate quicker turnaround times of vessels hence increasing productivity of the ports.

- The Nigerian Customs Service (NCS) has continued to collect huge revenue from the ports. **N833.397billion** and **N977.088 billion** in 2013 and 2014 respectively
- NIMASA, Nigeria's major maritime industry regulator has received **USD1,990,727,892.43 (about N4.9Trillion)** from the 3% Levy on Freight between 2009 and June, 2015

- “The industry is projected by experts to generate a whopping **N7Trillion** annually”



The Nigerian Maritime Industry



- Port productivity indicated by **cargo throughput, vessel and container traffic** is a measure of the inflow (import) and outflow (export) potentials of any country. The Nigerian scenario is presented hereunder
- NPA, the Port Landlord and “Gateway to Nigeria’s Economy” recorded cargo throughput of **76,855,754, 76,886,997 & 84,951,927 million metric tonnes in 2012, 2013 & 2014** respectively exclusive of crude oil terminals.
- **877,737 TEUs & 1,010,836 TEUs** in container traffic was recorded in 2012 & 2013 respectively
- In 2013 & 2014, the total of **5,185 & 5,333** oceans-going vessels with a total Gross Registered Tonnage (GRT) of **131,674,337 & 148,323,065 gross tons** called at Nigerian Ports.



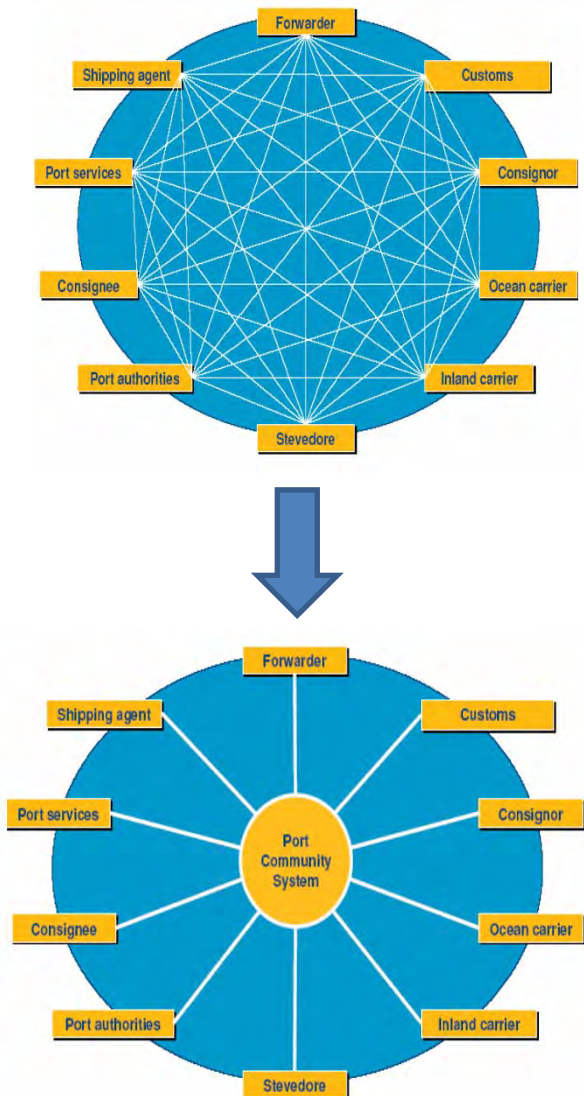
Export << Sea-Port >> Import



IMPORT CARGO CLEARANCE



- **CARGO CLEARANCE: CHALLENGES AND PROFFERED SOLUTIONS**
- Cargo clearance in Nigeria is challenged by delays which are mainly institutional. The Trade Facilitation Committee of the Nigerian Economic Summit Group (NESG) under my chairmanship had made substantial effort to list about 28 Factors responsible for the delays and proffered solutions summed up in the Single Window System (SWS).
- The SWS is a "facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements."
- Recognising the fact that shipping is the second largest revenue earner for Nigeria, there is the need for efficiency in the industry which will lead to a boost in the economic growth and revenue due to the transparent and efficient customer centric service nature of the SWS service.



IMPORT CARGO CLEARANCE...CONT'D



➤ SWS: GUIDE TO IMPLEMENTATION

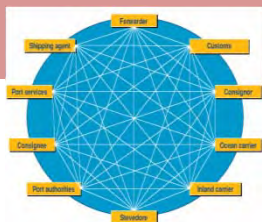
- Identifying the stakeholders and their functions
- Defining scope & concept
- Data & Business process analysis
- Technology evaluation
- Establishing a legal framework
- Change management:

➤ BENEFITS OF SWS:

- Increases Ports Competitiveness
- Increases Foreign direct investment
- Increased Revenue to Government
- Improved Customer Service
- Simplicity & Flexibility
- Reduces Manual Documentation
- Saves Cost of Shipments
- Faster Clearance of Cargo
- Reduced Corruption
- Updates on Information
- Real time visibility of transactions

However for the successful deployment of SWS, it must be designed by the users for the users. It would also depend on the willingness and commitment of the Government in terms of policy and regulations

Accurate and faster payments
Easier data gathering for Government



NIGERIAN IMPORTS IN THE LAST ONE YEAR (2014- 2015)



- According to the National Bureau of Statistics, Imports in Nigeria increased to NGN 564694.20 Millions in June from NGN 465091.70 Millions in May of 2015.
- However, in a period of 25years from 1981, Imports in Nigeria averaged NGN 158248.66 Millions until 2015, reaching an all time high of 1554732.90 NGN Millions in March of 2011 and a record low of 167.88 NGN Millions in May of 1984..



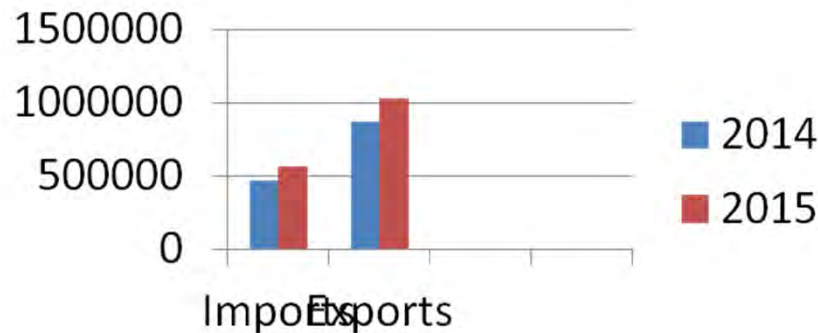
SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS, NIGERIA



NIGERIA EXPORTS IN THE LAST ONE YEAR (2014-2015)



- Exports in Nigeria increased to 1028194.30 NGN Millions in June from 875690.50 NGN Millions in preceding month of May of 2015.
- Taking a 25 year perspective, Exports in Nigeria averaged NGN 360578.30 Millions from 1981 until 2015, reaching an all time high of NGN 2648881.76 Millions in December of 2011 and a record low of NGN 322.93 NGN Millions in February of 1983. (National Bureau of Statistics)



- Exports of commodities (oil and natural gas) is the main factor behind Nigeria's growth and accounts for more than 91% of total exports. In 2014, 43% of total sales went to Europe; 29% to Asia; 13% to America and 12% to Africa.

Measuring the Nigerian Import and Export Trade: Partners, Goods and Trade Volumes/Values



• Top 10 Export Partners	Export Volume (\$)
• United States	\$24,139,338,084
• India	\$15,895,243,806
• Brazil	\$10,791,458,476
• Netherlands	\$9,957,569,051
• United Kingdom	\$9,042,007,481
• Italy	\$8,796,790,526
• China	\$8,038,724,047
• Spain	\$7,801,977,095
• France	\$5,958,705,873
• South Africa	\$4,730,797,696

• Top 10 Import Partners	Import Volume (\$)
• China	\$7,715,360,743
• United States	\$4,886,970,974
• India	\$2,887,641,814
• Brazil	\$2,867,581,306
• United Kingdom	\$2,360,676,784
• Belgium	\$1,312,155,381
• Japan	\$981,134,200
• Germany	\$954,185,529
• Italy	\$747,716,424
• France	\$736,962,877

Top 10 Export Goods	Export Volume (\$)
27 (Oil & Mineral Fuels)	\$79,354,194,181
40 (Rubber)	\$2,429,209,106
18 (Cocoa)	\$2,023,528,231
41 (Hides & Leather)	\$924,014,869
12 (Oil Seeds)	\$890,445,199
89 (Ships & Boats)	\$546,136,934
08 (Fruit & Nuts)	\$290,983,755
03 (Seafood)	\$289,442,346
52 (Cotton)	\$259,998,256
39 (Plastics)	\$235,755,648

Top 10 Import Goods	Import Volume (\$)
27 (Oil & Mineral Fuels)	\$8,996,800,142
84 (Industrial Machinery)	\$5,299,844,466
87 (Motor Vehicles & Parts)	\$3,662,638,426
85 (Electrical Machinery)	\$3,150,187,122
39 (Plastics)	\$2,406,334,027
40 (Rubber)	\$1,616,402,523
73 (Iron & Steel Articles)	\$1,479,201,295
24 (Tobacco)	\$1,440,217,883
10 (Cereals)	\$1,394,148,925
03 (Seafood)	\$1,197,474,379

EXPORT PROHIBITION LIST

- ❖ Maize
- ❖ Timber (rough or sawn)
- ❖ Raw hides and skin (including Wet Blue and all unfinished leather)
- ❖ Scrap Metals
- ❖ Unprocessed rubber latex and rubber lumps
- ❖ Artefacts and Antiquities
- ❖ Wildlife animals classified as endangered species and their products
e.g. Crocodile; Elephant, Lizard, Eagle, Monkey, Zebra, Lion etc.
- ❖ All goods imported



The Import Prohibition List



1. Fruit Juice in Retail Packs
2. Waters, including Mineral Waters and Aerated Waters containing added Sugar or Sweetening Matter or Flavoured, ice snow; other non-alcoholic beverages[**but excluding energy or Health Drinks {Liquid Dietary Supplements}** and Beer and Stout (Bottled, Canned or Otherwise packed)
3. Bagged Cement
4. Listed Medicaments
5. Waste Pharmaceuticals
6. Soaps and Detergents
7. Mosquito Repellent Coils (Mosquito Coils).
8. Sanitary Wares of Plastics and Domestic Articles and Wares of Plastics **but excluding Baby Feeding bottles]** and flushing cistern and waterless loos toilets.
9. Rethreaded and used Pneumatic tyres but excluding used trucks tyres for rethreading of sized 11.00 x 20 and above
10. Corrugated Paper and Paper Boards and cartons, boxes and cases made from corrugated paper and paper boards, Toilet paper, Cleaning or facial tissue (excluding baby diapers and incontinent pads for adult use) and Exercise Books
11. Telephone Re-charge Cards and Vouchers
12. Carpets and other Textile floor coverings
13. All types of Foot Wears, Bags and Suitcases **but excluding Safety Shoes used in oil industries, Sports Shoes, canvass shoes all Completely Knocked Down (CKD) blanks and parts]**
14. Hollow Glass Bottles of a capacity exceeding 150mls (0.15 litres) **of all kinds used for packaging of beverages by breweries and other beverage and drink companies**
15. Used Compressors and Used Fridges/Freezers
16. Used Motor Vehicles above **fifteen (15) years from the year of manufacture**
17. Furniture (with some exclusions)
18. Ball Point Pens and parts including refills (excluding tip)

The IMPORT PROCEDURES



- Duly completed e-Form 'M' shall be submitted electronically to an Authorized Dealer bank with the following attached document:
 - Profoma Invoice.
 - Insurance Certificate
 - Regulatory Certificate/Permits (e.g. NAFDAC, SONCAP Pharmaceutical Board of Nigeria, etc. and any additional documents that might be prescribed by relevant government agency).
- However the originals of the Documents listed 1"a", "b", "c" should be submitted to the bank.
- Upon receipt of duly completed and submitted copy of the e-Forms 'M' from the importer, the Authorized dealer bank shall:
 - ensure that the e-Form 'M' is duly completed with detailed description of goods clearly stated;
 - ensure that the entire relevant documents that are to accompany the completed e-Form 'M, are actually provided. It should be stated that the Authorized Dealer bank is expected to carry out proper Know - Your - Customer (K-Y-C) and be satisfied that all the relevant documents forwarded are genuine
 - after (a) and (b) above, the bank shall validate and transmit the e-Form 'M', to Nigeria Customs Service (NCS).



EXPORT GRANTS

INDUSTRIAL INCENTIVES



1. Manufacturers Exports - In - Bond - Scheme (MEIBS)

- This scheme is designed to encourage manufacturers to import duty free raw material inputs and other intermediate products whether prohibited or not for the production of goods for export, backed by a Bond issued by any recognized Commercial Bank, Merchant Bank, Insurance Company or Nigerian Export-Import (NEXIM) Bank. The bond will be discharged after evidence of exportation and repatriation of foreign proceed has been produced.

2. Export Expansion Grant Scheme (EEG)

- The Export Expansion Grant Scheme is a very vital incentive required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. The Federal Government is committed in its efforts to bring about tremendous growth in non-oil exports, resolved to enhance efficiency, transparency and accountability in the administration of the key incentive for non-oil export development. The "Export Expansion Grant (EEG)" is a policy tool to further this objective. The use of incentives supports the NEEDS objective of mainstreaming businesses that are currently operating in the informal sector. It is also in line with the NEEDS requirements that companies desiring to receive benefits from the government will have to comply with the laws of the country.

3. Bonafide Manufacturers /Assemblers (BMA)

4. Free Trade Zones /Export Processing Zones & Oil and Gas free Zones

- A Free Port is an enclosed area near to, or forming part of, a seaport or airport, in which imported goods can be stored without payment of customs duty or taxes. These are only paid if the goods are delivered from the Free Port for consumption in the country in which the Free Port is situated. If the good are exported from the free port to another country, no Customs duty or taxes are payable



Export << Sea-Port

LIST OF EXPORTABLE MINERALS FROM NIGERIA



Cassiterite, Galena



Columbite,

Gold



Iron-ore



Illemitite



Coal



Lead-Zinc



Manganese, Molybdenite



Molybdenite



Asbestos



Limestone



Lignite



Emerald



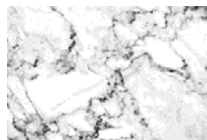
Aquamarine



Safr



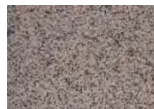
Rub



Granite



Marble



LIST OF EXPORTABLE COMMODITIES FROM NIGERIA



➤ Cocoa



Coffee,



Cashewnuts,



Cotton



➤ Rubber,



Kolanuts

Palm kernel



Sheanut



➤ Coconuts



Ginger,



Charcoal,



➤ Cow horns and hooves,

Timber Cimelina



➤ Shrimps and prawns



Sesame seeds



- FOREIGN VESSELS EXPORT ALL OF THE ABOVE



- However the Nigerian Export Promotion council (NEPC) should work assiduously in encouraging Nigerians to go into providing export vessels.

LIST OF EXPORTED MANUFACTURED/SEMI-MANUFACTURED PRODUCTS



- Alkylate
- Alcoholic Beverages
- Aluminum products
- Adhesives
- Ball pens
- Bolt and Nuts
- Baby food and feeding bottles
- Chemicals
- Cosmetics and perfumes
- Furniture
- Foam products
- Garments and suits
- Handicrafts

- Palm kernel/edible oil
- Insecticides
- Rubber sheets
- Lubricants
- Liquor
- Powder
- Leather products
- Automobile (Peugeot)
- Polyester yarn and chip
- Textiles
- Tires and tubes
- Printing ink
- Glycerin

CATEGORISATION OF EXPORTABLE PRODUCTS IN NIGERIA.

- Furniture
- Clothing
- Food Products
- Commodities
- Minerals
- Automobiles



Export << Sea-Port >> Import



Lastly...The Overwhelming Potentials of Nigeria

The Nigerian coastline is blessed with about 870 km, and 3000 km of inland waters, with abundant natural resources, such as Gas, Oil, Tin, Colombite, Iron Ore, Coal, zinc, limestone, Bitumen, lead and others. Still untapped include oil reserve of over 22.5 billion cubic meters, 3.5 trillion cubic meters of Gas and 42.7 billion cubic meters of bitumen.

Economy

Oil and Gas constitutes about 95 per cent of coastal and inland shipping, while fishing and bread bulk constitutes about 5 per cent.

A nation full of all the above great opportunities and promises, no doubt would prosper to greater heights with a sustainable mastery of shipping trade in place.



“However, in order to tap revenue from this sector there will need to be an overhaul of policy, institutional, regulatory and legal framework”.



Thank You For Your Attention

