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EDITOR'S CABIN.

Welcome to the OFIANYI CHAMBERS NEWSLETTER for the year 2023's New Year edition (January). We are glad to provide to you research analysis in this edition on topics including 16 Years of Port Concession: The Pains and the Gains, High Revenue Target Paradox by Customs, and more.

Jimi P. Ojo Esq., Oladapo O. Olawoye Esq., Ujuamara F. Etiwelu Esq. and Ajogu Kelechi S. are the authors of this edition. Other intriguing news pieces are also included.

This edition is intended to be educational, interesting, and amusing.

Ujuamara F. Etiwelu Esq.

Editor-in-Chief:

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16 YEARS OF PORT CONCESSION: THE PAINS AND THE GAINS

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INTRODUCTION:

The Nation's Seaports will continue to play a critical role in Nigeria's growth and socio-economic development. The ports serve as a gateway to the nation's economy – providing direct and

indirect jobs to hundreds of thousands of Nigerians. The ports support Nigeria's export drive and are also critical to the importation of goods for which the country cannot establish a comparative advantage in producing locally.

In 2005-2006, the Nigeria Ports Authority (NPA) entered into concession agreements for several bulk, breakbulk and container terminals, partly on a competitive basis (13 terminals), and partly through negotiation (12 terminals).

The concession of the ports' terminals under varying leaseholds in 2006, saw the Nigerian Ports Authority (NPA) divesting itself from cargo handling and other terminal operations. Consequently, under that "landlord model" of port management, the NPA retained responsibility for the provision and maintenance of common user facilities such as ports internal road networks, main gates,



waterfront security, and marine services.

The NPA is also the technical regulator of the ports.

The ports concession, which recorded 25 concessionaires with leases on terminals ranging from 15 to 25 years, aimed at attracting private sector investments for much-needed upgrades in the system, in order to align it to world-class standards to boost efficiency and revenue. Being the famed “gateway to the nation’s economy”, the Federal Government obviously intended to utilize the port concession to radically improve the state of the ports, thereby boosting capacity and promoting Nigeria’s economic growth and development.

The landlord model for ports operations the Federal Government adopted for the concession regime, while allowing the NPA to retain ownership of terminals, gave exclusive rights to the terminal operators, “the

concessionaires”, to invest on, operate, and maintain facilities within designated terminals. In effect, the landlord model reduces the financial burden on the Federal Government of managing the ports, as the terminal operators cater for both infrastructure development at their respective concessions, while each of them pays to the Federal Government, through the NPA, annual concession fees in the form of lease fees and throughput fees. The estimated revenue to government from the ports terminals concessions is estimated at \$6.54 billion over the period.

The port-concessioning program has now entered its 16th year. Multiple concessions are close to expiry, while some have already reached the end of the concession term. Nine terminals have Supplemental Agreements with their tenure extended by 5 years for various reasons. Among the reasons for concession extension are encumbered areas,



computation of throughput on export laden and empty Containers, relocation of terminal and wrong surveys prior to handover. A proper evaluation of the concession performance can be conducted. In addition, a framework needs to be developed for the approach for concession expiry.

MEANINGS OF CONCESSION&CONCESSIONAIRE:

Concession as defined by the Cambridge dictionary, is 'something that is allowed or given up', often in order to end a disagreement, or 'the act of allowing or giving'.

Wikipedia defines concession or concession agreement as 'a grant of rights, land or property by a government, local authority, corporation, individual or other legal entity'.

A concession agreement is a contract between two parties where one party grants the other

the rights to operate a particular business under certain conditions. In a concession agreement, land, property and other rights are negotiated between the two parties involved in the contract. Concession agreements can occur between governments and companies, where such companies are allowed to carry out business operations within the state jurisdiction, upon meeting certain criteria. Concession agreements can also occur between two business owners where one party gives the other rights to operate in a facility, given certain conditions.

A Concessionaire is a person or company that has the right to sell a product or to run a business; especially in a building belonging to another business. A concessionaire is a person, group, or company to whom a concession has been granted, especially to operate a subsidiary business or service.



THE PAINS AND THE GAINS OF PORT CONCESSION:

- One of the main advantages of concession agreements is the mechanism for reducing and diversifying the risks of the State.
- A concession contract is a special form of temporary provision of the right for using the property of public legal authority to an individual on a reimbursable basis;
- The State plays an active-passive role when concluding a concession agreement; it is interested not only in obtaining fiscal benefits and royalties, but also in the efficiency of using its own property. The right for temporary use is transferred to the concessionaire;
- Zero budget participation is possible. (The public partner does not invest in project financing; the investor realizes the return of investment funds from the project activity revenues);
- The public party does not use budget funds, but uses other forms of support (for example, state guarantees, grants, tax incentives for the investor in this project, allocation of land, guarantee of loading of the facility, etc.);
- Private sector bears a significant share of the risks.
- High level of private investment.
- Potential for efficiency gains in all phases of project development and implementation and technological innovation is high.
- In the global port community, concessioning is seen as a means of reducing public infrastructural deficits engendered by



disproportionate growth in population and insufficient resources for national development. Public-private infrastructural

developments have become a preferred model for delivery of services in much of the West, and Nigeria is slowly embracing the model to fill the gap in public works.

- The efficiencies that occur in a port system depend on how it is integrated within the global maritime network and its relationship with the local and regional environment and with their specific economic, political and geographical characteristics. Findings show that the concessions may have been able to earn more income for the Government of Nigeria notwithstanding both counter-parties having partially failed to keep their

part of the contract agreements in some part, especially as concerns the provision of the enabling environment for port operations as identified in the following areas:

- New policies on latest Infrastructures are still inadequate, while the current ones have become obsolete. The management/investment model for existing public assets is as follows:
- Private operators are managing publicly owned assets and make additional investments in them, in exchange for the rights to use the assets for a specified period of time.
- Ownership of the public assets remains with public sector throughout this period; privately-funded fixed assets are usually taken into public ownership immediately after



construction, while mobile assets usually remain in private ownership.

- This is reflected in the 'transfer-back' arrangements at the end of the contract period.
- Dwell time has not substantially reduced with delays and port congestion still high within the sector at large.
- The development rights model for new private assets (BOT)
- Private investor buys the right to build new port assets and manage them (exclusively or on common-basis) for a fixed period of time before transferring them to public sector.
- This is a model which has increased in popularity in the ports sector as the stock of public assets suitable for private management has dwindled.
- There is minimal enhancement in Information Technology in relations to the global utilization of same.
- The Public-Private joint venture model
- The public sector has an influential or controlling stake in special purpose vehicle (SPV) set up to hold either a management-investment contract or a development rights contract for new facilities.
- These contracts otherwise operate broadly, although the existence of a large public sector stake in the SPV has a significant effect on the detailed provisions of the contract.
- Excessive bureaucracy supports corruption and sharp practices by Port officials and regulatory bodies.
- Terminal operators also have failed in their financial



obligations by giving various excuses contrary to the contract signed at inception and in view of Force majeure clause in the various Lease Agreements/contracts.

- Since government cannot do it alone, private investors have to become involved as public private partnerships, (PPP). Public and private infrastructural developments have become a preferred model for delivery of services in much of the West. Nigeria is slowly embracing the model to fill the gap of public works. However, the model is threatened by a lack of understanding, in some elements of the Public Sector, of PPP best practice in relation to Port operations. The attempts by successive administrations to institutionalize PPP have been truncated by officials

whose vision is not in alignment with the Government. Even those concessions that appeared to have been successfully executed have been controversial. In fact, in situations where the concessionaire and the concessioner successfully reach an agreement, workers often protest because of the fear of job cuts. The Infrastructure Concessioning Regulatory Commission (ICRC) has estimated that the Federal Government must spend about N2.25 trillion annually to reduce the infrastructure deficit facing the country. The current attitude of some government officials to concessioning may hinder the growth of PPP as a model for infrastructure development. By comparison, the Jamaican government published



initial PPP Policy documents, popularly called PPP3, in 2012, which has led to the government divesting its large interest in Sangster International Airport, Highway 2000, and the Government-owned sugar factories and estates; in addition to the Kingston Container Terminal and the Norman Manley International Airport. Infrastructure services and development are critical to the operation and efficiency of a modern economy. They are critical inputs in the provision of goods and services which significantly affect productivity, cost and the competitiveness of the economy.

- Consequently, policy decisions regarding their provision and sector development have ramifications throughout the macro-economy of Nigeria.

Infrastructures' enormous economic importance, a desire to protect the public interest in industries supplying essential services and concerns about private monopoly power have led many governments to conclude that control over these services could not be entrusted to the motivations and penalties of free markets. Governments also believe that, given the large investments involved, public resources were required to increase infrastructure coverage. Accordingly, a single public entity (NEPA, NITEL, NPA, NIWA, and NIPOST) usually controlled every aspect of a utility – facilities, operations and administration – and determined which services to provide to customers. This made the disengagement of government from business



activities, provided by the private sector, inevitable.

- Over the years, government ownership and operational management of public infrastructures has proved disappointing, leading to a paradigm shift in the ownership, organization and regulation of public infrastructure. Over and above all of these, in the face of competing demands, government lacked the resources to provide significant investment in these sectors. Consequently, most countries have transferred the provision of infrastructure services to the private sector. Such transfer has been accompanied by sector reform and restructuring before privatization, or concession, and by the implementation of a regulatory framework.
- Many port premises and quay aprons have fallen to

disuse and failed road sections inside the ports made movement of goods within port environs cumbersome, sometimes dangerous and very slow. Also, several key terminal operators have complained about breaking sand extensions of quay aprons during earlier visitations. A series of irregularities were witnessed to this regard with operators. Following increased port congestion, complaints of untraceable or missing cargoes were also being regularly lodged against the NPA, all to no avail. Security inside Nigerian seaports was compromised by the activities of miscreants as theft and pilferage became widespread. It was discovered that despite the concessions not much improvement has taken place at the nation's ports.



Complaints by operators of high port charges, not tied to specific services, still persist. Lack, or unserviceability, of equipment by the terminal operators i.e. scanning machine are still evident.

THE CONCESSION AGREEMENT: WHAT IT SHOULD CONTAIN.

Concessions come in many shades, colours, and subject matters: Build Operate and Transfer (BOT), Leaseholds, Management Concessions and more. The aim is to part with the operation of the asset for a given period whilst the operator provides a public service and makes a profitable income. Understanding the structure of the Agreement is very important to drafting a composite Agreement.

- Phases:

Many Concession Agreements after they are signed, would still have phases – depending on the

structure of the Concession. Typically, it would be that the Agreement is signed on a “signature date”, then phase one would be the “Conditions Precedent” which simply refers to the items that one or both parties need to fulfil before the asset is physically handed over to the Concessionaire. Some good examples may be the fact that the Concessionaire is required to provide some level of Financial Security, make some payment as an entry fee or achieve some regulatory icings. On the part of the Government, some state support guarantees may be expected.

If we pass the Condition Precedent stage (or some are waived), then the asset that is handed over would usually need construction or rehabilitation when handed over to the Concessionaire. The amount of time this is scheduled to take is usually called the “Construction or Project stage”.



Then comes the “Operational phase” – when the asset is finally put to work and the money begins to roll in to the Concessionaire – or both parties if the deal is one for profit sharing.

A typical question that arises from these phases is: when the term of the Concession begins to run? There are several options: the day the agreement is signed; the day the parties meet the conditions precedent; the day the asset is handed over; the day construction phase is completed or the date on the certificate of completion; or the date the Concessionaire actually starts collecting money. The choice depends on the equity of the situation and the economic dynamics.

- Parties:

It is also very important to get the parties right or else one may have an agreement that is void from the start. In many scenarios, the owner of the asset may not be the party negotiating. For example,

the Bureau of Public Enterprise negotiating on behalf of a government agency. Also, where Government support guarantees are provided, the question arises as to whether the Government should not of necessity be a party to the Agreement (in addition to the relevant agency). The rule of thumb is to ensure that the asset owner and people who have serious obligations to fulfill under the Agreement are parties. On this aspect it is better to err on the side of excess.

One key aspect with the parties is the Consortia principle. Many concessionaires would be several people lumped up into one company called a “Special Purpose Vehicle”. The agreement needs to unveil and mention specifically who these constituent parties are and have a follow up clause that requires the Asset holders’ consent before they effect any changes to their shareholding structure.



How is the Asset transferred? - Discussion on the parties majorly deals with who can transfer the asset. This still leaves the question of how the asset is transferred. The local law dealing with asset transfers must be complied with. For example, where the asset includes landed property under a Certificate of Occupancy, it follows that in addition to the Concession Agreement, the Concessionaire must have a lease agreement for the term of the Concession duly registered at the Lands' Registry.

- **Risks:**

Risk Allocation and Risk Mitigation are the heartbeats of any business venture.

What are the risks that need to be allocated?

They are very many, but the key ones would usually fall into one of these broad categories:

- Political risks – shift in government policy or unrests for example.

- Economic risks – the expected number of passengers dwindled as the operations commenced.
- Operational risks - The operator lacks the competence to run the business or installed the wrong type of equipment.

These risks are usually allocated by having a risk allocation chart as a Schedule to the Agreement or by drafting the risk allocation as obligations of the parties. The party whose obligation it is, bears the risk from cradle to grave. The risks may typically be shared amongst these parties and in some, this load bearing order: Concessionaire naturally being the greatest risk taker and income earner; Lender, Asset holder, Government, Subcontractor, Insurer, etc.

- **Insurance**

Insurance is a major item in any Concession Agreement. Given the value of the concessioned asset, both the Concessionaire and the



Government have a vested interest in getting credible Insurance cover.

This Insurance would usually cover all possible risks: force majeure, workmen's compensation, political risk and more. In Nigeria, the current Insurance Act provides that Nigerian Insurance companies should be patronized for assets within Nigeria and these provisions arguably limits offshore Reinsurance. These provisions do pose a disincentive for an offshore investor and has been taken care of in several ways – one of which is to ask the Government for a waiver as regards the Reinsurance aspect.

- **Clauses**

Changes Clause- Typical Concessions have a term that runs from 10 years up to 30 years. Given the term, the Concessionaire is concerned about changes that may occur in future. One of them is a change in Law

that causes a material adverse situation – for example the Government passes a legislation that makes it impossible for the Concessionaire to run profitably. Depending on the situation, some concessionaires request Guarantee's from Government to cover these possibilities. There is definitely a clause in every good Concession Agreement that covers this aspect.

Non-Compete Clause - An investor who is given an airport to build, operate and transfer for 30 years wants some assurance that the Government does not start a similar project 1 kilometer away that competes with them and dilutes their projections for return on investment (ROI). At the same time, it may become necessary in 10 years' time to build a new airport. These issues must be negotiated in such a way to achieve comfort for all the parties: Concessionaire, Government and the Lender.



Lenders Comfort Concession Agreements are by design supposed to be “bankable”. They should therefore be attractive to a potential Lender from the onset. This is a major role for the financial adviser and the lawyer to fashion out a “bankable” Concession Agreement. One method that has become a norm is for Concession Agreements to have the attached “Substitution Agreements”. A substitution agreement basically allows the Lender to step into the shoes of the Concessionaire as operator if and when the need arises, and the terms for doing so.

- **Credibility**

Credible Concessionaire - A concessionaire that lacks the financial and technical muscle to operate the asset is a disaster waiting to happen. Agreements are therefore crafted to impose certain hurdles (usually as conditions precedents) to ensure that the Concessionaire shows credibility before the asset is

handed over. This may usually come in a cocktail of variables: set minimum equity participation; criteria for participation in the special purpose vehicle; and all types of guarantees and financial security. Many agreements add a Financial clause as a condition precedent – that the Concessionaire must submit a full package of equity, debt and in-kind contributions to convince the Asset holder that he is prepared to deliver before the asset is handed over.

THE WAY FORWARD:

There is significant progress in port developmental efforts since the port concession era. The pattern in Nigeria’s port traffic during the pre-concession era was one of degeneration whilst the post-concession period has evidenced a sharp progressive rise. This concession led upturn has partially led to a consistent improvement in cargo throughout.



It should be noted that the downward cargo volume trend of 2015 can be partly ascribed to the global recession and the import oriented shut down measures introduced by the Government with the view to improving the ailing economy. The downward trend had continued up to 2017 with a shortfall in cargo throughout in 2016 and rising again in 2017 as a result of the rising trend of the global economy. Full exportation oriented and branded economy will boost and create a rapid rise in the cargo throughout, enhancing economy growth, thereby resulting in a rise in GDP, culminating in, potentially, unprecedented growth notwithstanding any political uncertainty that may occur.

The various Lease Agreements did not clearly make provision for a specific period for review of the agreements, but they allow for amendments to the agreement subject to the mutual consent of

the parties. Meanwhile, several maritime experts and members of the Presidential Committee on Port Reforms, have also called for the audit of the terminal operators and a review of their agreements and from project observations, it was noted that the 2006 concession exercise was partially flawed. It was not supported by legislation. They developed lease agreements, which were mainly for land. A true port concession should adopt the landlord's model, which has various components like marine, port operation and regulation. Going forward, there are issues to address like traffic, tariff, infrastructure, ICT and labour, amongst others. These should be fed into the concession agreements but were lacking in the 2006 agreements. There was no regulator and no supporting legislation. This created private sector monopoly. Charges are compared with others in the sub-region and. currently, Nigeria's



are the highest and the processes and procedures are not streamlined. Hence, if some concessionaires' tenures have expired, there should be a standard, full, review. There is a transfer process in concession or PPP. Their own is Build, Operate, Own and Transfer (BOOT). There is need to re-assess the agreement models. Charges are still very high, a development that has continued to make neighboring West African ports more attractive to shippers. Importers and agents insist that Benin Republic, Ghana and Togo would continue to siphon cargoes meant for Nigeria because of lower operational cost, faster clearing process and other incentives. According to a recent World Bank study that compared charges in Nigerian ports and other sea terminals in West Africa, the results showed that Nigerian ports are the costliest to operate in within the sub-region. For instance, the terminal delivery/labour charges in Nigeria

stands at N62,682 while it is N9,655 in Ghana and N24,000 in Benin Republic. In Senegal, the charge is dependent on weight and volume of cargo. For cargo dwell time, Nigeria still records the highest in Sub-Saharan African with an average of 20-28 days. Togo is 18 days, Benin Republic- 10-15 days, Ghana (Tema Port) 15-21 days, Kenya (Mombasa port) nine days, South Africa (Durban) four days and Zambia seven days.

CONCLUSION:

Many governments today are seeking to decrease their financial involvement in ports and to use private resources to finance new port development, including construction of basic infrastructure such as quay walls. This implies not only an increased role for the private sector in port development, but also increased financial exposure. In such situations, a simple and straightforward lease contract



may not be sufficient to cover all responsibilities and liabilities. As a result, a more complex contractual relationship, a concession agreement, has been developed. The primary objective of concession agreements is to transfer investment costs from the government to the private sector. One of the reasons for the poor performance of Nigerian Ports and other public enterprises is likely to be the presence of conflicting and interwoven roles determined by politicians, the prevalence of uncompleted contracts and subsidies from government. These aid internal inefficiencies, issues of excessive bureaucratic controls, government interference and intervention, and other public service cultures of undermining and compromising efficiency and optimum productivity. Concessions were born out of the need for reform. Concession may be considered analogous to public private partnerships (PPPs) and Private

Finance Initiatives (PFIs) and or seen as an arm of privatization (if defined broadly). Privatization of state-owned enterprises (SOEs) has become a key component of the structural reform process and globalization strategy in many economies. It gained popularity in recent times.

From observation, this dual objective seems to drive the concession agreements in the Nigerian Ports; On the one hand to prevent NPA's monopoly on port operations and promise competition, and on the other hand to attract private sector funding of port infrastructure and services which can be a significant expenditure for the government and then port public funding can be reallocated to other important areas.

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HIGH REVENUE TARGET PARADOX BY CUSTOMS

For its operations year 2022, the Nigeria Customs Service (NCS) has set a revenue target of approximately N4.1 trillion. This came after it contributed N2.24 trillion to the government's

Consolidated Revenue Account (CRA) in 2021.

The recent assertion by the Comptroller General of the Nigerian Customs Service (NCS) that the organization will make every effort to achieve the projected revenue targets for the years 2022, 2023, 2024, and 2025 of N2.272 trillion, N2.873 trillion, N3.540 trillion, and N3.752 trillion has sparked a lot of responses and debate from the key players in the sector.

While some contend that increased revenue could help the economy expand quickly, others argue that even while others contend that even though increasing revenue leads to economic growth, the high goal set by the Nigerian government for the Customs is absurd and could cause economic disruption if adequate steps are not taken to address pertinent issues, such as trade facilitation and the ease of



doing business, which is also a Federal Government policy.

There are additional functions that the Customs Service should fill in addition to its primary responsibility of generating money in order to maintain the health of the entire economy and advance economic development and growth. Findings indicate that, among the many functions played by the NCS, it holds a crucial position in both the export and import sectors of global trade.

In this way, customs safeguards the environment in terms of security by preventing the importation of illegal items and the spread of subpar goods. In addition, the Customs "protect the nation's natural heritage from being explored illegally, the prohibition of unhealthy trade among business owners, the collection of data for the purposes of national planning, interrelationship with other government agencies to ensure

security efficiency for the well-being of the nation as well.

Unanswered is the question of whether the NCS is still carrying out these duties fairly or if they have abandoned other duties to focus on revenue generation in order to reach the goal the Federal Government has set for them. Are the other functions neglected if money development is the NCS's primary priority? What effects would there be on the economy and the general welfare of the population if the response were yes?

The government's deliberate measures to limit importation and foreign exchange encumbrances have resulted in a significant decline in importation, which has had an influence on the flow of revenue to the economy. It is naive to think that the recent increase in income announced by Customs as generated by duties can be sustained if the value of the naira



risers against other world currencies on the forex market.

It is a proven fact that the customs lines that are established at the ports during cargo delivery cause price increases to occur. The main goal of conducting business is to maximize profits, and after an importer determines the cost of bringing the goods into the country, the pricing of the various imported products are set. The hefty import tariffs that importers pay at the various ports has an impact on the market prices for these commodities.

Additionally, it has been claimed that NCS employs many techniques that go against widely acknowledged international best practices in order to assure that income is collected and to achieve the high revenue objective.

The Nigerian Customs make money through "hook or crook" methods, in violation of international best practices. It has

been established by the World Trade Organization (WTO), is co-signed by the World Customs Organization (WCO), and Nigeria is a signatory to this law to the extent that Nigeria domesticated what is referred to as the "Agreed Customs Valuation" in 2003, which is a universal practice under the General Agreement on Tariff and Trade (GATT). Additionally, CAP 45 of the Customs and Excise Management Act (CEMA) 1958, schedule 4 which deals with the international. One of them is the commercial value on imported items, for which the exporter from the nation of origin issues the value, the man stated.

"In this step, if an importer or shipper presents a specific commercial value to a Customs officer and the Customs officer rejects it, then the Customs officer has shifted the burden of proof to the importer or shipper. If the importer or shipper then goes to attest to the price at which the



products were purchased, then he pushes what is known as the "burden of integrity" to the Customs officer. The decision as to which value will be used at this time will be made by either the shipper or the importer. The shipper or the importer will now choose the value that will be applied to the products' valuation.

What do we have in Nigeria, though? Each item has been benchmarked by container denomination after it enters the country and approaches the pass system. A twenty-foot container is benchmarked at two million Naira, while a forty-foot container is benchmarked at four million Naira. Where do you now bring up the fact that the importer instructed you to determine the commercial value of the imported goods using a certain methodology? The Nigerian system does not offer a venue where importers can show themselves and verify their legitimacy beyond a shadow of a

doubt. He is being cowed and coerced to accept a benchmark", he posited.

It is incorrect for the CGC to place a high priority on income production, he further emphasized that such a statement is highly unprofessional.

He said, "That's not right. You take no action that may possibly increase revenue. As a result of the exchange rate in the global economy, imports are declining. Where on earth are we discussing a target? We are discussing sincerity and other things. What kind of revenue is being discussed when a non-secure nation mentions it? That statement is not appropriate for a professional setting, and Nigeria Customs shouldn't make it. Nigeria Customs is only there to carry out government policies, and when the policies are favorable, there would be more importation, the purpose of customs is to maintain economic balance and promote



economic growth. What happens if you kill the system while attempting to reach your goal? The Nigerian Customs should not be evaluated on the basis of revenue generation alone. What is revenue when businesses are closing and the employment rate is declining?"

The current Customs administration is not doing what it should be in terms of facilitating trade and making conducting business easier. He stated that it is the responsibility of the next government, which is expected to take office early next year, to relocate the Nigeria Customs to its proper location. He claimed that the current administration of the Nigerian Customs lacks professionalism and solely works toward the goals that have been set for it and each individual official.

"The aim is incorrect and does not follow the government's stance on business accessibility. We should

stop messing around with trade facilitation and stop prioritizing targets all the time. This even contradicts international best practices, which is why we believe the new government, which will take office the following year, should focus on trade facilitation going forward. Once we encourage good trade, more revenue will follow, not this issue of prioritizing trade facilitation over revenue, we believe. Additionally, he added, the high income target set for the Nigeria Customs is a role in the nation's present high inflation rate.

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INTERNATIONAL MARITIME ORGANIZATION

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HISTORY OF IMO

It has always been recognized that the best way of improving safety at sea is by developing international regulations that are followed by all shipping nations and from the mid- 19th century onwards a number of such treaties were adopted. Several countries proposed that a permanent international body should be established to promote maritime safety more effectively, but it was not until the establishment of the United Nations itself that these hopes were realized. In 1948, an international conference in Geneva adopted a convention

formally establishing IMO. The original name was the Inter-Governmental Maritime Consultative Organization, or IMCO, but the name was changed to IMO in 1982.

STRUCTURE OF IMO

The organization consists of:

- **ASSEMBLY:** The highest governing body of the organization. It consists of all member states and it meets once every two years in regular sessions, but may also met in an extraordinary session if necessary. The assembly elects the council and approves the work programme, vote's budget and determines the financial arrangements of the organization.
- **COUNCIL:** Elected by the Assembly for two-year terms beginning after each regular session of the Assembly. The council is the executive organ of IMO.
- **MARITIME SAFETY COMMITTEE (MSC):** The



highest technical organization of the organization. The function of the Committee is to consider any matter within the scope of the organization concerned with aids to navigation, construction and equipment of vessels, manning from a safety standpoint, rules for the prevention of collisions, handling of dangerous cargoes, maritime safety procedures and requirements, hydrographic information, log-books and navigational records, marine casualty investigations, salvage and rescue and any other matters directly affecting maritime safety.

- **THE MARINE ENVIRONMENT PROTECTION COMMITTEE (MEPC):** Consists of all member states and is empowered to consider any matter within the scope of the organization

concerned with prevention and control of pollution from ships.

- **SUB COMMITTEES:** The MSC and MEPC are assisted in their work by a sub-committees which are also open to all member states:
 - (i) Sub-Committee on Human Element Training and Watchkeeping (HTW);
 - (ii) Sub-Committee on Implementation of IMO Instrument (III);
 - (iii) Sub-Committee on Navigation, Communications and Search and Rescue (NCSR);
 - (iv) Sub-Committee on Pollution Prevention and Response (PPR);
 - (v) Sub-Committee on Ship Design and Construction (SDC);
 - (vi) Sub-Committee on Ship Systems and Equipment (SSE); and



- (vii) Sub-Committee on Carriage of Cargoes and Containers (CCC)
- **LEGAL COMMITTEE:** Consists of all member states of the IMO and empowered to deal with any legal matters within the scope of the organization.
- **TECHNICAL COOPERATION COMMITTEE:** Consists of all the member states of the IMO and required to consider any matter within the scope of the organization concerned with the implementation of technical cooperation projects for which the organization acts as the executing or cooperating agency and any other matters related to the organizations activities in the technical cooperation field.
- **FACILITATION COMMITTEE:** Established as a subsidiary of the council in 1972 and became fully institutionalized in 2008. It

consists of all member states and deals with IMO's work in eliminating unnecessary formalities in international shipping.

- **SECRETARIAT:** Consists of the Secretary-General (Mr. Kitack Lim of the Republic of Korea) and some 300 international personnel based at the headquarters of the organization in London.

PURPOSE OF IMO

The increase in the number and the size of ships and the cargo carried over the past five decades has gone hand in hand with the work of IMO, through its 172 member states to create the legal and technical framework within which shipping has become progressively cleaner and safer.

Formed by means of then 1978 Convention on the International Maritime Organization, IMO initially focused on maritime safety and navigation. Then in the 1960's, the world became more aware of the spillage of oil into the oceans and seas through accidents



or as a result of poor operating practices. The purposes of the Organization as summarized by Article 1(a) of the convention, are:

“to provide machinery for corporation among governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships”

IMO's first task was to adopt a new version of the International Convention for the Safety of Life at Sea (SOLAS) the most important of all treaties dealing with maritime safety. This was achieved in 1960 and IMO then turned its attention to such matters as the facilitation of international, maritime traffic, load lines and the carriage of dangerous goods, while the

system of measuring the tonnage of ships was revised.

Though safety was and remains IMO's foremost purpose, a new problem has emerged- pollution. The growth in the amount of oil being transported by sea and the size of oil tankers was of particular concern.

ACHIEVEMENTS OF IMO

As IMO instruments have entered into force and been implemented, developments in technology and/or lessons learned from accidents have led to changes and amendments being adopted.

The IMO has introduced a series of measures designed to prevent tanker accidents and to minimize their consequences. The most important of all these measures was the International Convention on the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978. It covers not only accidental and operational oil pollution but also pollution by chemicals, goods in packaged form, sewage, garbage and air pollution.



IMO was also given the task of establishing a system for providing compensation to those who had suffered financially as a result of pollution. In the 1970's, a global search and rescue system was initiated, with the establishment of the international Mobile Satellite Organization (IMSO), which has greatly improved provision of radio and other messages to ships.

The Global Maritime Distress and Safety System (GMDSS) was adopted in 1988 and began to be phased in from 1992. In February 1999, the GMDSS became fully operational, so that now a ship in distress anywhere in the world can be virtually guaranteed assistance, even if the ship's crew do not have time to radio for help, as the message will be transmitted automatically.

New conventions relating to the marine environment were adopted in the 2000's, including one on anti-fouling systems (AFS 2001), another on ballast water management to prevent the invasion of alien species (BWM

2004), and another on ship recycling (Hong Kong International Convention for the Safe and Environmentally Sound Recycling of ships, 2009).

In 2005, IMO adopted amendments to the Convention for the Suppression of Unlawful Acts (SUA) Against the Safety of Maritime Navigation, 1988 and its related Protocol (the 2005 SUA Protocols), which amongst other things introduced the right of a state party desires to board a ship flying the flag of another state party when the requesting Party has reasonable grounds to suspect that the ship or person on board the ship is, has been, or is about to be involved in, the commission of an offence under the Convention.

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the Pollution of the World's
Oceans from Ships and
Shipping

**Ujuamara F. Etiwelu Esq...(Jean
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INTRODUCTION OF NEW CERTIFICATES OF SHIP REGISTRATION

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INTRODUCTION

The Nigerian Maritime
Administration and Safety Agency

(NIMASA) has commenced the issuance of new certificates of ship registration for the purpose of preventing the entry of unseaworthy and sub-standard ships into the Nigerian waters.

The Director General of NIMASA, Dr. Bashir Jamoh, said, *"We are restructuring the Nigerian Ship Registration office to serve you more efficiently and effectively. We are determined to grow our national fleet and tonnage to an enviable height."* He also noted that the Agency is committed in ensuring that our Ship Registry remains of International Standard, and this is why we have enhanced our certificates with more security features that would stand the test of time. The all-encompassing process of issuance will ensure robust screening of vessels that would visit our waters."

The regulation which took effect from July 1, involves the Certificate of Nigerian Registry, Provisional Certificate of Registry, Certificate of Nigerian Registry for Bareboat Chartered Vessel, Fishing Boat and Certificate of



Cabotage Ship Registry for wholly owned Nigerian vessel, among others.

The Certificate of Cabotage Ship Registry for Bareboat Chartered Vessel; and Foreign Owned Vessels are also affected. Others are Certificate of Cabotage Ship Registry for Joint Venture Owned Vessel, Deletion Certificate, Bill of Sale and Transcript of Registry.

The Certificate of Mortgage to Secure Account Current and Certificate of Freedom of Encumbrance has also been changed. All existing certificates issued by the Registrar of Ships before the commencement of the new regulation remain valid and should be carried on board vessels until their expiration. But vessel owners or Masters may apply for the reissuance of their existing certificates.

The Merchant Shipping Act, 2007 makes it mandatory for the Originals of Certificates of Registry to be carried on board the vessels at all times.

It should be noted that issuance of these certificates is a fulfillment of

Section 30 of the Merchant Shipping Act 2007 which provides, inter alia, that “the Registrar of Ships shall on completion of the registration of a ship, issue a certificate of registration in such form as may be approved by the Agency”.

Article 91 of United Nations Convention on the Law of the Sea (UNCLOS) 111(1982) requires every state to issue ships which it has granted the rights to fly its flag a document to that effect which is known as the “certificate of registry”. The Nigerian Ship Registration Office (NSRO) is empowered to register ships in accordance with the following Acts:

- Merchant Shipping Act. S. 5-81 (part ii & iii)
- NIMASA Act 2007 S. 28-32 (part viii)
- Coastal and Inland Shipping Act S. 22-28 (part v)

Types of Ship Registration

- ✓ Provisional Registration:
- ✓ Flag Registration
- ✓ Bareboat Registration (Flag/Cabotage)



- ✓ Cabotage Registration (Wholly Nigerian Owned, Joint Venture, Foreign Category) Registers Maintained by the Nigerian Ship Registry
- ✓ Register for merchant ships.
- ✓ Register for fishing vessels.
- ✓ Register for ships under construction.
- ✓ Register for ship under the bareboat charter and other charters exceeding 12 months
- ✓ Register of licensed ships below 15 gross tons.
- ✓ Register for Floating Production Storage and Offloading (FPSO) and Floating Storage and Offloading (FSO).
- ✓ Special Cabotage Register for Wholly Nigerian Owned Vessels.
- ✓ Special Cabotage Register for Bareboat Chartered Vessels.
- ✓ Special Cabotage Register for Foreign-Owned Vessels
- ✓ Register of Boats with Engine of 200 Horsepower and Above.

Qualification to Registered Nigerian Ships

The Merchant Shipping Act 2007 provides that the following are persons eligible to register Nigerian Ships:

- Nigerian citizens.
- Bodies corporate established under and subject to Nigerian laws, having their principal place of business in Nigeria.
- Such other persons as the Minister of Transport may by regulations prescribe.

Requirements for Flag Registration

The owner of the ship or his agent will submit a formal letter of application for registration of the ship inclusive of the following information and supporting documents:

1. Company's Particulars:
2. Vessel Particulars



3. Applicable Fees Download Forms

- Copy of certificate of Incorporation.
- CTC of Memorandum and Articles of Association.
- CTC of Form CAC7 (Particulars of Directors).
- CTC of Form CAC2 (Allotment of Shares) note that company's share capital should not be less than twenty-five million Naira (N25m).
- Company's current tax clearance certificate.
- Company's Bank statement or reference letter.
- Declaration of ownership form (to be issued by the Ship Registry).

The ship-owner is expected to submit an application for survey and issuance of certificate of tonnage measurement to facilitate the flag survey of the vessel.

Declaration of ownership form (to be issued by the Ship Registry)

- ✓ Full names, addresses, and occupations of the purchaser of the ship.
- ✓ Evidence of ability or experience of the purchasers to operate and maintain the ship.
- ✓ Logbook of the ship to be inspected by the Registrar of ships.
- ✓ In the case of second-hand tonnage, a bill of sale with warranty against liens and encumbrances from the sellers.
- ✓ Evidence of financial resources sufficient for operation and maintenance of the ship



- ✓ The registration forms may be downloaded on the website or obtained from the Nigerian Ship Registration Office.

How to Register with the Nigerian Ship Registration Office

STEP 1- Send an application to the Director-General with all supporting documents required for your request (Check the requirement page)

STEP 2- Liaise with the Nigerian Ship Registry Office for payment of the required fees.

STEP 3- Pick up your certificate/document from the Nigerian Ship Registry Office

Minimum Share Capital for Vessel Owners (Companies Only)

The minimum share capital for any vessel owned by a Nigerian company is N25, 000,000.00

Reservation and Approval of Ship Names

The Application for Registration allows an owner to specify a preferred name for a ship and any alternatives, should the preferred name be unavailable. It is also possible to check on name availability before submitting the application and to reserve preferred names. This can be done by visiting the Nigerian Ship Registration Office.

A proposed name may be refused for any of the following reasons:

- It is already the name of a Nigerian registered ship
- It is a name so similar to an existing name that it could pass off as belonging to the same owner.
- It is likely to cause offence or embarrassment to the flag.
- It is calculated to deceive or offend the public interest.
- Reservation of name is for a 60 daysperiod after which the name shall lapse.

Conclusion

Ship registration continues to be relevant and dynamic, adapting to the needs of international trade. This registration grants the ship physical and legal protection of



that flag state which may be applied to vital areas such as safety of cargo and life of those on board the ship.

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AFCFTA: IS NIGERIA READY?

AfCfTA, as a trading block, was established to engender economic growth and sustained development of African economies, create a single market for goods and services in Africa and also remove barriers for effective trade facilitation.

Nigeria was the 34th nation to sign the African Continental Free Trade Agreement (AfCfTA) and by implication, the last.

Now, ten African nations including: Ghana, Egypt, Kenya, Rwanda and Cameroun, have all completed the mandatory trading requirements necessary for the intra – African trade and therefore are set for the take-off trade on the AfCfTA platform. However, Nigeria again, just like when she signed the agreement late, is missing in the conversation of African nations that are ready to commence AfCfTA project.

It is projected that by 2030, the market size across the Continent is expected to include 1.7 billion people with over \$6.7 trillion of cumulative consumer and business spending—if all African countries join the agreement.

On March 21st, 2018, some African countries signed an agreement to establish the African Continental free trade Area. It is the largest free trade area by the number of member states after the World Trade Organization. This is symbolic because it involves a



market size of 1.3 billion people across the world's second largest continent.

The agreement was initially signed by 44 member states in Kigali, Rwanda, but 10 more states were added around July 2018, when Nigeria signed the agreement.

Under the agreement members agreed to eliminate tariffs on most goods and services over a period of five years and above.

The overall aims of AfCfTA are to increase trade among African nations, reduce poverty, and make Africa more competitive in the global economy.

With Nigeria populated with about 206 million citizens, the country no doubt has all it takes to take full advantage of the agreement as far as demography and human capital are involved. Despite the untapped potential, the country may likely lose out of these numerous benefits; no

thanks to poor administration, infrastructural decay, insecurity amongst others.

Conclusion:

Looking at our population, looking at our demand for products from African countries and of course, the size of our economy we should be better beneficiary of AfCfTA. Nigeria might be having some challenges now, but that cannot mean that Nigeria is not fully ready for AfCfTA.

Nigeria may not be fully ready now, but certainly the challenges would be taken care of, in the nearest future.

Oladapo Olawoye Esq.... (Jean Chiazor & Partners.)

MARITIME LIENS IN NIGERIA



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INTRODUCTION:

Liens generally are a known practice in commercial relationships and transactions, it is not particular to maritime. They are a form of security interest granted over an item of property to secure the payment of a debt or performance of an obligation.

Ships are birds of passage and move from place to place, calling at various ports and traversing many seas and continents. In the course of these travels, there could be competing legal interests of owners, charterers, suppliers, builders, repairers, other trade creditors, and even employees of the vessel.

Interests which are legally recognizable as attaching and

enforceable against a vessel may be classified as “proprietary rights” because they affect the property and may derogate from the right of ownership of the vessel. Prominent among those proprietary rights are maritime liens.

There have been three international conventions on Maritime Liens and Mortgages in 1926, 1967 and 1993. These conventions were designed to establish uniform rules for the recognition and enforcement of these rights. Nigeria acceded the International Convention on Maritime Liens and Mortgages 1993 on the 5th of, March 2004 however, no further steps were taken by the judiciary to incorporate it into domestic law.

MEANING AND TYPES OF MARITIME LIENS

Liens as defined by the Cambridge Dictionary is an official order that allows someone to keep the property of a person who owes



them money until the money has been paid back.

It is basically an interest or right in the property of another with the property being used as security for any claim arising from the interest or right. This interest or right arises from some commercial transaction which imposes an obligation or duty on the party who owns the property "*lienor*". The lien attaches to the property of the *lienor* when he fails to fulfill an obligation owed to the "*lienee*" in a transaction until the obligation is fulfilled.

Maritime lien is a privileged claim upon a vessel arising from services rendered to it or injuries caused by it, which hovers over attaches to and remains with the vessel irrespective of who is in actual possession at any given time. It is based on the concept that the ship (res) has itself caused harm, loss or damage to others or their property and must itself make good of the damage.

The courts in Nigeria have leaned towards the definition of maritime

lien given in the case of *Mercantile Bank of Nigeria Ltd v E. R. Tucker and Ors, The Bosnia* "it is a claim upon a thing to be carried into effect by legal process, that process to be proceedings in rem. This claim or privilege travels with the thing into whosoever possession it may come, it is inchoate from the moment the claim or privilege attached, when carried into legal effect by legal process by proceeding in rem it relates back to the period when it first attached"

MARITIME CLAIMS RECOGNISED AS MARITIME LIENS IN NIGERIA

- **Salvage:** Claims arising from any voluntary service rendered to save a vessel in distress from imminent danger or damage. For the service to be salvage, the salvage must be done voluntarily and the salvors must at least record some level of achievement regarding the service rendered. The major legislative instrument in



Nigeria regarding salvage is the Merchant Shipping Act (MSA).

- **Damage Done by a Ship:**

For damage done by a ship to occasion a maritime lien, three criterion must be satisfied;

- (i) The damage must be caused by something done by those engaged in the navigation or management of the ship in a physical sense;
- (ii) The ship must be the actual or noxious instrument by which the damage is done; and
- (iii) The damage must be sustained by a person or property external to the ship

- **Wages of a master or a member of the crew:** Both the crews and masters wages, dues, repatriation fee and allowances must be paid as a maritime claim and have the status of a maritime lien.

- **Master's Disbursements:**

The Admiralty Jurisdiction Act (AJA) in Section 3 holds that a claim by a master or a member of the crew of a ship qualifies as a maritime lien.

CONCLUSION

Maritime liens just like ordinary liens in commercial transactions confers a right and a remedy in addition to any available remedy against a defendant liable 'in personam'. The lien arises in the event creating (such as collision, or wages becoming payable). It is enforceable against other creditors and subject to existing possessory liens, takes priority over all other creditors whether claims of those creditors arose before or after the creation of the lien. Once created, the lien is enforceable even if the ship is sold, whether or not the purchaser has notice of it. The lien may be extinguished by laches, waiver or satisfaction of the debt. It could also be extinguished by rules relating to effluxion of time.



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NEWS AND EVENTS

NIMASA SET TO ATTAIN EFFECTIVE PORT, FLAG ADMINISTRATION WITH STANDARDIZED DIGITALIZATION



Bashir Jamoh, DG, NIMASA

In order for Maritime Administrations around the world and all stakeholders in the maritime sector to effectively communicate in accordance with the provisions of the International Maritime Organization, IMO, and the International Association of Marine Aids to Navigation and Lighthouse Authorities Dr. Bashir Jamoh, Director General of the Nigerian Maritime Administration and Safety Agency, NIMASA, has stated that international collaboration to achieve standardized digitalization is essential.

As part of the current Management's efforts to ensure



adoption of international best practices in the Nigerian maritime sector, Dr. Jamoh noted that NIMASA is taking part in the testing stage of an international satellite system that would improve communication channels for ships at sea. He made these remarks at the launch of Denmark's first commercial satellite, Sternula-1, in Aalborg, Denmark.

He noted that the IMO set the requirements for the e-Navigation strategy implementation plan while, IALA develops the technical solutions such as AIS as part of measures to ease and promote digital communication in the Maritime Industry

According to him, “Ultimately, seaborne transport depends on a secure and trustworthy flow of information. In this new reality, access to quality data is essential for ship managers to make decisions, act on market opportunities, and meet new requirements. A well digitalized system leads to faster access to information, improved customer

experience, increased productivity, lower operational costs, improved decision making, improved information security, higher mobility, and automation of business processes amongst others”.

In the Port Sector, Jamoh noted that Digitalization is the foundation of Smart Ports and Digital Twins, both technological tools and solutions that can transform real-time data into accurate and more precise business decisions, rendering port operations extremely effective as it interconnects all sectors of the maritime supply chain.

While noting that digitalization transforms organizations from reactive to being proactive in areas such as safety and safety reporting, the NIMASA DG said that there are massive untapped potentials for the shipping industry to improve its operational efficiency through harnessing ship-to shore data flows that can positively impact commercial, environmental and safety performance reporting processes.



asserted between 2004 and May 2010, NCS lost a total of 134,986,095,527.81 naira to NDDC as waivers, explaining that

“I wrote this book to expose the unpatriotic dealings and atrocities of some Nigerians; if you read the book you would see the havoc they committed in exemptions as waivers. Between 2003- 2014, N1.4 trillion was lost through waivers. NCS ikot-Ekpene was given almost 1billion in waivers and exemptions in 2007 but they were not producing anything”.

Oramalugo in page 122 of his book, gave a breakdown of the duty exemption to NDDC as N11,478,137,655.38 for 2004; N15,989,292,537.74 in 2005; N36,460,647,307.65 in 2006; N10,271,222,979.00 in 2007; N21,690,393,999.04 for 2008; N16,424,804,924.00 for 2009 and N22,671,596,125.00 for five months in 2010.

According to him, the Nigerian National Petroleum Corporation (NNPC) has refused to remit to NCS about N45billion

as duty payable on imported petroleum products, while arguing that these losses also accounts for low revenue collection for NCS, adding that Nigeria’s losses to international conventions is huge, citing the ECOWAS Trade Liberalization Scheme (ETLS) where the losses amounts to N12.6billion between 2003 and 2009. Imports from ECOWAS member states attract zero duty payment because Nigeria is a signatory to the convention.

While identifying inadequate funding, weak legislative framework, proliferation of agencies at ports, inadequate infrastructure and revenue loss spurred by waivers as challenges of modern customs administration in Nigeria, he further explained that he wrote the book, to educate officers, stakeholders in trade activities and the general public about the activities of Customs.

“The whole idea of this book is for Customs officers, clearing agents and Nigerians to know the stories about Customs. It’s time for us to tell our own stories; the public’s



image of Customs is that it is corrupt but without Customs, it would be difficult to administer Nigeria.

“We have the problem of poor reading culture in Nigeria. We are now having children that are ignorant about the historical background of Nigeria. They don’t know about the Civil War, Nnamdi Azikiwe, Ahmadu Bello, Obafemi Awolowo and other Nigerian great leaders. So we have what we call ‘historical lacuna’ among the children. When you don’t know your roots, you might never know where you are going to. The same thing is happening in Nigeria Customs Service as many officers that joined the NCS don’t know the history of Customs. They don’t know that NCS started in 1891 and started even before the Nigerian Army and Police. It was Customs that sustained Nigeria from 1960 to 1966 and even during the colonial times,” he said

Oramalugo described his book as ‘Magnum Opus’ meaning great work and recommended it for purchase by all customs officers. “In my experience, many young

officers lack the theoretical knowledge about customs activities. They don’t know about Customs conventions, 1961 convention on diplomatic rules, diplomatic impunity, Customs and Excise Management Act (CEMA), etc. Therefore, I am advocating to our Customs training Institutions that international politics should be taught to Customs officers because some of them are in darkness.”

The book reviewer, Deputy Comptroller, Olarewaju Olumoh who observed that the book has six chapters of 237 pages described the book as a great research work, adding, “I recommend this book first to the strategic department of Nigeria Customs Service, all officers of the NCS and students of financial department in institutions and the general public. In all, this is a very brilliant work; we have other chapters that amplified more on the success of the Customs service- the revenue we have been generating, the seizures being recorded, illicit drugs being intercepted and the efforts of the customs officers in promoting the



Federal Government ban on rice importation”.

Dr Benjamin Anaemene of Faculty of History and International Studies, Redeemer's University, gave citation on Oramalugo while Customs Area Controller (CAC) of the Command, Compt. H.J Swomen Kirikiri was represented by Deputy Compt. Enforcement, U A Seriki; former CAC Kirikiri Lighter Terminal between 2003 and March 2004, Compt A.A Nwadike(rtd); Mrs. Felicia Oramalugo, the author's wife as well as many other NCS officers and stakeholders graced the occasion.

(News called from MMS Plus)

THE WAY OUT OF APAPA GRIDLOCK – LAGOS GOVT.



Babajide Sanwo-Olu, Governor of Lagos State.

The Lagos State Government at the weekend assured residents and motorists that it will continue to engage relevant stakeholders until the traffic gridlock being experienced around the ports are eradicated.

Governor Babajide Sanwo-Olu Special Adviser on Transportation, Sola Giwa disclosed this during an interactive meeting with relevant stakeholders, including officials of Nigerian Port Authority (NPA) on the permanent solutions to Apapa traffic gridlocks held at the Ministry of Transportation, Alausa, Ikeja.

Giwa said despite the success recorded in managing traffic around Apapa with the introduction of the truck electronic call-up system known as 'eto', the state government is still working to resolve other challenges around the port access roads.

Giwa said the state government is trying to establish a process that would be seen as fair and



beneficial to everyone no matter the delay.

“When the road is free, motorists will move freely without traffic and tankers turnover will be high. Traffic causes health, security and other social problems,” he said.

He emphasized that the administration of Governor Babajide Sanwo-Olu is discussing the involvement of a private sector in providing parking space where petroleum tankers could temporarily park while waiting to be called up to load.

(News called from www.shipsandports.com.ng)

BUHARI: DIVERSIFIED PARTICIPATION IN INTERNATIONAL TRADE KEY TO AFRICA'S GROWTH



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Participants at the 9th African Shippers' Day organized by the Nigerian Shippers' Council in Lagos on Monday.

President Muhammadu Buhari has said that expansion and diversification of involvement in international trade and global value chain by African countries is pivotal for wealth creation, generation of employment, poverty reduction as well as growth of African economies.

President Buhari who stated this in a keynote address at the opening of the 9th African Shippers' Day held in Lagos, said the global economy is a source of growth that African economies cannot afford to ignore.

He noted that while African export of goods and services have seen their growth in the past decade, the volumes have remained low at just 3 percent of global trade.

Represented at the event by the Minister of State for Transportation, Ademola Adegoroye, the President said African countries must expand



and diversify their participation in international trade and global value chains in order to create wealth and promote their socio-economic development.

Speaking on the African Continental Free Trade Agreement (AfCFTA), President Buhari said the experience during the outbreak of the COVID-19 pandemic and the attendant global lockdown brought to the fore the need for a vibrant and successful AfCFTA.

He expressed optimism that the establishment of the African Continental Free Trade Agreement will boost intra-African trade, strengthen the production and export of goods and services, create employment and limit the impact of commodity price volatility on the economies of African countries.

The President said the AfCFTA will bring about a number of benefits to producers and consumers as African producers would benefit from access to cheaper inputs, intermediate goods as well as larger markets for

their products, while consumers will have access to cheaper goods and a broader variety of products.

He however noted that for the AfCFTA to have a positive influence on long-term investment in productive capacities, African Governments must develop appropriate supporting policies, build the requisite infrastructure and ensure an educated work force. “We will need to actively promote productive employment and decent work, women empowerment and food security and reduction in inequalities”, he added.

The President acknowledged that due to the AfCFTA reform, Nigeria’s exports will increase significantly to other African sub-region, outside West Africa.

He said the Nigerian government has intensified efforts aimed at identifying new opportunities for diversification and value chain development under the AfCFTA and complementary actions considered necessary to overcome the existing constraints to intra-African trade.



Earlier in his welcome address, the Executive Secretary of Nigerian Shippers' Council, Emmanuel Jime, stressed that there is a need to sensitize various governments in Africa to fast track the dismantling of tariff and non-tariff barriers hindering trade in the continent.

Jime said the reorientation and reorganization of intra-African trade should start from the West African sub-region, adding that when the sub-region gets it right, it would be easier to connect and freely trade with other regions of the continent.

(News called from
www.shipsandports.com.ng/)

MEDIA ORGANIZE COLLOQUIUM IN HONOUR OF LATE OTUNBA KUNLE FOLARIN ON THURSDAY



{L-R. Dr. Mkgeorge O. Onyung, Chief Isaac Jolapamo, Captain Emmanuel Iheanacho, Dr. Bashir Jamoh, and Jean Chiazor Anishere. SAN.}

Media Friends of Late Otunba Kunle Folarin in collaboration with the Nigerian Ports Consultative Council, NPCC hold a One-Day Colloquium in honour of the late maritime sage, Otunba Kunle Folarin on Thursday, January 19, 2023.

Captains of industry, dignitaries, friends, maritime journalists, associates and family members of the late sage who passed on November 8, 2022, were in attendance.

The event which took place at the Rockview Hotel, GRA Apapa Lagos is chaired by Capt. Emmanuel Iheanacho, with a lead presentation titled "Ensuring Effective Disbursement of Cabotage Vessel Financing"



delivered by Jean Chiazor Anishere. SAN.



(News called from MMS Plus)

BUHARI COMMISSIONS 13KM LAGOS BLUE LINE



President Mohammadu Buhari (2nd left); Governor Babajide Sanwo-Olu of Lagos State and his Deputy, Obafemi Hamzat at the

inauguration of the 13km Lagos Blue line in Lagos on Tuesday

President of the Federal Republic of Nigeria, Muhammadu Buhari, on Tuesday officially commissioned the first phase of the 13km Lagos Rail Mass Transit (LRMT) train popularly called the Lagos Blue Line.

The rail project according to the Lagos State Governor, Babajide Sanwo-Olu, is to restate the state government's commitment to bring the entire stretch of the blue line to completion.

He said the blue line commissioning is a product of the timeless vision of the state that dates back to 20 years, adding that one of the greatest legacies was developing a comprehensive roadmap for the future of Lagos that clearly defines the pathway for a modern, prosperous and globally competitive megacity.

The Lagos State Governor stated that the Lagos State Strategic Transport Master Plan (STMP) was envisioned as a sixth metro



line of which the blue line which is a 27 Kilometer stretch, running from Marina to Okokomaiko was the first to be completed.

“With the Federal Government support, we have received tremendous assistance, especially on the Lagos Badagry expressway which is the main corridor for this rail project,” he said.

He pointed out that the benefits of the blue line will reduce travel time and improve the quality of life of citizens while making Lagos one of the most resilient megacities not only in Africa but also competing with other megacities in the world.

“You might also know too that these blue line systems will be powered end to end by high voltage electricity to be supplied by a dedicated independent power source as well as a backup system. This means that the operation of this line will have zero carbon emission impacts on the environment.

“This iconic Marina station that we are hosting here today will be

the largest and the busiest in Africa. It has the capacity to process about 400 to 450 passengers every minute, meaning in an hour, the station can process about 25,000 passengers.

“Mr President, I want to thank you for your commitment. And thank you for the support you have given us, Sanwo-Olu added.

He commended the President for assisting with clearing waivers on custom duty to bring in the trains, saying that the completion of the blue line is the first rail system by a sub-national in Africa.

Earlier, the Chinese Ambassador to Nigeria, Mr Cui Jianchun, said the blue line is a sustainable project demonstrating the Lagos State government’s commitment to making the state thrive.

(News called from MMS Plus)

GLOSSARY OF SHIPPING TERMS

ADVICE NOTE



A note sent by a supplier of goods to, for example, a ship port agent, giving a description of the goods, the date on which they are due to arrive and the method of dispatch.

AGENCY FEES

A fee paid by a ship-owner or ship operator to a port agent, for services rendered on his behalf or on his ship.

ALLOTMENT NOTE

A document or standing order by which a seaman gives authority to the master or owner of a ship to allocate a percentage of his wages on a regular basis to named persons

BEARER (OF A BILL OF LADING)

Person who tenders the bill of lading to the ship at the place of discharge in exchange for the goods. Bills of lading are often made out to bearer.

BENCH

A seat of judgment, or number of judges composing a court or body of judges.

BENEFICIAL OWNERSHIP

National ownership of ships registered under flags for convenience. The world's main beneficial owners are the United States, Greece, Hong Kong and West European Countries.

CARGO

Goods carried in a vessel or ship.

CARGO WORTHINESS: Fitness of a ship to carry a particular cargo.

CARGO TRACKER: A process in which messages are sent by a ship's agent informing cargo owners about the position of their cargo, whether the cargo was discharged wrongly or not loaded at all, etc.

DELEGATE

The transfer of authority by one to another.

DELIVER

To hand over a ship by a ship-owner to the charterer at the agreed place and time at the beginning of a charter period, or, as carrier of cargo, to convey



goods to the receiver of bill of lading holder at the place or port of destination mentioned in the contract of carriage.

DELIVERED

This sales term makes the seller of an imported good responsible for the arrangement and paying for the carriage of the goods to the place agreed in the contract. The seller bears the risk of loss and damage to such goods until they are delivered to the name place.

ENVIRONMENTAL PROTECTION AGENCY

An agency charged with protecting the environment from known pollutants, including those emanating from the shipping industry.

EQUIDISTANCE PRINCIPLE

In maritime jurisdiction, the median line drawn at an equal distance from the coasts of opposite states.

EQUITABLE LIEN

A right to have specific property applied in whole or part to

payment of a particular debt or class of debts.

FREE ALONGSIDE SHIP

This indicates that the quoted price for the goods which include all costs up to delivering them alongside a vessel at the loading berth is to be borne by the seller or export of the goods.

FREE DELIVERED

Here, the seller is responsible for arranging and paying for the carriage of the goods to the place agreed in the contract. He bears all the costs and risks of the loss or damage to the goods until the goods are delivered to the buyer's premises as stipulated in the contract of carriage.

FREIGHT

refer to cargo that is carried by a carrier (ship, road, rail, air) in exchange for commercial gain.

GROUND OR GROUNDAGE

A charge paid for anchorage in certain ports.

GROUPAGE



The collection of small consignments less than container loads from shippers going to the same destination to form one large shipment.

