



THE VOYAGE



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CABOTAGE: BUILDING LOCAL CAPACITY FOR ECONOMIC COMPETITIVENESS



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Dr. Dakuku Peterside,
DG/CEO NIMASA

Giving Nigerians Confidence to Explore Our Waters

A

s we pursue our mandate of regulating the maritime industry and promoting shipping, I am energised by the agency's new focus on local capacity building. We need to equip and encourage the indigenous operators to maximise the opportunities in the country's rich

maritime domain.

We have launched a five-year Cabotage waiver cessation plan aimed at indigenising commercial shipping activities and operations within Nigeria's territorial waters. Our Cabotage law says all vessels involved in trade in the country's coastal waters must be owned

and manned by Nigerians, as well as built and flagged/registered in Nigeria.

After years of partial implementation of the law through grant of waivers to foreigners to participate in our Cabotage trade, we are set to go full blast, and we have set for ourselves a target, in conjunction with our stakeholders. But we have also allowed a moratorium to enable the affected local and foreign operators set their house in order and put appropriate structures in place.

Our goal is to make the maritime sector more competitive by expanding local capacity and foreign direct investment, and encouraging smarter collaborations, and sharing of knowledge and expertise.

To achieve that goal, we have set up processes to deliberately aid partnerships between Nigerians and foreigners in the critical aspects of the Cabotage regime. We want to give our citizens the ability and confidence to get more out of our rich oceans and seas. We believe in the power of fair competition.

As we approach the 2021 takeoff date for the full implementation of our Cabotage waiver cessation policy, I wish the maritime community an eventful voyage of discovery in the vast ocean of opportunities on offer.

We remain grateful for your cooperation and the honour of serving you as a regulator and ally in the task of delivering a robust maritime sector.

Dakuku Peterside

WORDS ON MARBLE

We shall not relent in our drive to put the right framework together to help beneficiaries and investors have good return on investment.

– DR. DAKUKU PETERSIDE



Isichei Osamgbi

Cabotage on Our Minds

T

oday, the subject of most discussions in maritime countries is Cabotage – how to enhance national shipping capability. Of course, it is an appropriate subject-matter in an era of emerging opportunities and exponentially growing economic significance of the maritime environment. In this edition of The Voyage, we have keyed into that conversation, bringing you informative pieces and interviews on the Cabotage regime in Nigeria.

Ultimately, as our cover story explains, the Cabotage system is all about building local capacity to optimally harness the country's enormous maritime potential.

We have other interesting read.

NIMASA gathered the who's who of the Nigerian corporate world in January for the second edition of the agency's annual corporate dinner and awards. We bring you memorable highpoints of that great night of glamour, glitz and fashion.

The event celebrates excellence, commitment, professionalism, and resilience among NIMASA staff and industry stakeholders. It is another pioneering feat of innovation in furtherance of the agency's mandate of shipping promotion and regulation.

In this issue also are the perspectives of experts at the Strategic Admiralty Law Seminar for Judges. The annual seminar organised by NIMASA offers a platform for the exchange of ideas on the performance and improvement of Nigeria's maritime laws. All the paper presentations and speeches converge on the one belief that strong laws and effective justice administration system have the potential to accelerate the development of the maritime industry in Nigeria by developing local capacity and attracting foreign investment.

Read on, and follow NIMASA on Twitter and Instagram.

Bon Voyage!

Isichei Osamgbi

OUR VISION

To be the leading maritime administration in Africa, advancing Nigeria's global maritime goals.

OUR MISSION

To achieve and sustain safe, secure, shipping, cleaner ocean and enhance maritime capacity in line with global best practices towards Nigeria's economic development.

CABOTAGE: BUILDING LOCAL CAPACITY FOR ECONOMIC COMPETITIVENESS

As Nigeria moves to get a new five-year Cabotage waiver cessation plan up and running, **Vincent Obia** examines the impact of the renewed indigenous capacity development effort

Given the pace at which the global maritime industry is growing, and the enormous economic and political leverages it offers, many countries have embarked on strategies to increase their stakes in the sector that is generally considered the lifeblood of the world economy. It was in line with this objective that Nigeria enacted the Coastal and Inland Shipping (Cabotage) Act in 2003.

The Coastal and Inland Shipping (Cabotage) Act 2003, which came into force in 2004, aims “primarily to reserve the commercial transportation of goods and services within Nigerian coastal and inland waters to vessels flying the Nigerian flag, owned and crewed by Nigerian citizens, and built in Nigeria.”

ANALYSIS OF ENFORCEMENT ACTIVITIES (2016-2018)

DESCRIPTIONS	2016	2017	2018	VARIANCE 2017 – 2018	% DIFF
NUMBER OF VESSELS BOARDED	584	861	1035	174	20
NUMBER OF VESSELS WITH CABOTAGE REGISTRATION	371	477	524	47	9.8
NUMBER. OF VESSELS WITHOUT CABOTAGE REGISTRATION	213	413	180	-233	-56.4
WHOLLY NIGERIAN OWNED VESSELS	234	318	291	-27	-8.4
FOREIGN OWNED VESSELS/JOINT VENTURES	350	505	746	241	47.7
NUMBER. OF NIGERIAN SEAFARERS ONBOARD THE VESSELS	5965	6610	7311	701	10.6
NUMBER OF FOREIGN SEAFARERS ONBOARD VESSELS	9678	7897	7662	235	2.97
NUMBER OF NIGERIAN BUILT VESSELS	55	55	21	-34	-61.8
NUMBER OF FOREIGN BUILT VESSEL	527	792	898	106	13.3
NUMBER OF VESSELS DETAINED	17	30	45	15	50
NUMBER OF VESSELS RELEASED	14	24	31	7	29

The disparity in the comparative narratives above reaffirms the identified gaps in indigenous capacity with regards to the four pillars of Cabotage Act (Shipbuilding, Manning, Ownership and Registration solely by Nigerians).



Dr. Dakuku Peterside...facilitating modern cabotage re-engineering to grow Nigeria's maritime industry

The Cabotage Act is essentially a local capacity-building law. Its central plank is to empower Nigerians for greater participation in maritime trade. The law seeks to achieve that goal through four key pillars, namely, ensuring that vessels that operate in coastal waters within the country's territory are built in Nigeria, owned by Nigerians, manned by Nigerians, and registered in Nigeria.

But for issues bordering on inadequate indigenous capacity to sustain the pillars of the Cabotage Act, provisions were made in the law for waivers, to allow foreigners' involvement in areas where Nigeria lacks capacity. Overtime, however, the waiver facility seemed to gain a

lot of traction in the Cabotage regime, taking the shine off the law's main plank, which is to build indigenous capacity and increase local participation in activities within the country's territorial waters.

It was in an attempt to arrest the seeming drift that the Nigerian Maritime Administration and Safety Agency (NIMASA) came up with a five-year strategic plan, beginning 2021, to end in stages the grant of Cabotage waiver. The winding down process is phased to avoid major disruptions to the Cabotage trade. The plan is to achieve the key objectives of the Cabotage Act in terms of in-country construction, ownership, manning, and flagging of ships engaged in coastal trade by 2024.

The process of bringing the grant of Cabotage waiver to a gradual end has already begun, with NIMASA, the country's maritime administrator, launching a renewed effort to implement the provisions of the Cabotage Act. This was following a series of engagements with stakeholders.

Announcing the new effort in Lagos recently, the Director-General of NIMASA, Dr. Dakuku Peterside, stated, "Our laws forbid foreign vessels operating in our territorial waters, save for compliance with the Cabotage Act. There shall be no sacred cow when we commence clampdown on erring vessels.

"We want to increase the number of Nigerians who participate in the marine aspect of your business and we are working closely with the Nigerian Content Development and



Monitoring Board (NCDMB) to have a joint categorisation of vessels operating under the Cabotage Act in order to ensure the full implementation of the Act.”

At a meeting with stakeholders in March, Dakuku said, “NIMASA’s mandate is all about promoting and regulating shipping in Nigeria and we have no intentions to stifle anybody’s business. Rather, we are committed to promoting, protecting and providing the enabling environment so that the local ship-owners can grow and compete with their international counterparts.

“We are, certainly, determined to work with our stakeholders.”

Represented by the agency’s Executive Director, Maritime Labour and Cabotage Services, Mr. Gambo Ahmed, the Director-General said as part of the strategy for phasing out the issuance of waivers, NIMASA was intensifying the development of infrastructure and human capital as regards the training of seafarers to attain international standards.

There is massive stakeholder buy-in on the renewed determination to implement the Cabotage law, as evidenced by the huge interest of relevant bodies and individuals in the NIMASA/Stakeholders Committee on Cessation of Cabotage Waiver. The committee comprises many stakeholders, including sister agencies, banks, shipbuilders, and ship operators, among others.

A member of the committee, Mr. Victor Egejuru, who is also Head, Cabotage Services at NIMASA, told *The Voyage*, “There has been a complete stoppage for now of the grant of Cabotage waiver on manning, except for Chief Engineers and Masters, and it also depends on the merit of the application for waiver and the type of vessel. It is a case-by-case thing.”

He also stated that a replacement plan for such foreign seafarers allowed to remain onboard vessels was required

to enable them train Nigerians onboard.

For ownership and building of vessels, Egejuru said from 2021, vessels like fishing vessels and barges would no longer qualify for waiver, as it is expected that by then Nigeria would have developed the capacity to build such vessels in-country.

One of the critical agencies NIMASA is collaborating with in the capacity-building and Cabotage waiver cessation strategy is the Nigerian Content Development and Monitoring Board (NCDMB). NCDMB has the mandate to build local capacity in the oil and gas sector in line with the Nigerian Oil and Gas Industry Content Development (NOGICD) Act. The NIMASA/NCDMB cooperation is already yielding fruit, as both agencies have achieved the categorisation of vessels for uniformity and harmonised enforcement.

That collaboration has also helped in the conduct of capacity audit of existing shipyards and maritime training institutions in the country.

“There has been a whole lot going on to ensure that we form joint ventures between Nigerians and their foreign counterparts with regard to ship-owning, bareboat charter with purchase options,” Egejuru said. “All these are geared towards increasing the capacity of Nigerians in the maritime sector, especially for Cabotage operations.”

NIMASA has adopted a strategy of encouraging Nigerians to go into joint ventures and joint ownership of vessels with foreign operators on a 60-40 basis, and this has started yielding fruit. About 20 new vessels are currently flying the Nigerian flag under this arrangement, as against one last year. Bareboat charter of vessels has witnessed an increase, while foreign-owned vessels on Nigeria’s Cabotage register has witnessed a decline.

There has been an increase in the number of wholly-owned Nigerian vessels on the Nigerian Cabotage register.



The 2018 half year result showed that 125 vessels were registered, representing a 33 per cent increase when compared with the 94 registered in the corresponding period in 2017. Currently, there are more than 200 vessels captured in the Cabotage register.

About 68 per cent of vessels trading within the country's maritime space are Nigerian-flagged.

In the area of ship building, many of the vessels operating on the country's territorial waters are still not built in Nigeria because of the challenge of steel and aluminum. But the capacity audit of shipyards in the country being conducted by NIMASA in conjunction with NCDMB, with the aim of assisting the shipyards to build capacity, is set to reverse the situation.

The agency is negotiating with notable shipbuilding companies in Singapore, South Africa, and India to partner with existing shipyards in Nigeria for facility upgrade or to establish new shipbuilding/repair yards in Nigeria.

Along the lines of the objective of building and enhancing local capacity, the Cabotage Act provides for the establishment of the Cabotage Vessel Financing Fund (CVFF) to support indigenous ship operators.

According to the guidelines published by the Federal Ministry of Transportation, the CVFF, financed through contributions from NIMASA and the Primary Lending Institutions (PLIs), particularly commercial banks, "shall be utilised by the agency to offer financial assistance, create access to funding by financial institutions with the sole aim of increasing indigenous ship acquisition capacity."

But beyond the CVFF, NIMASA has opened negotiation with the Central Bank of Nigeria (CBN) and other relevant institutions to secure a special single digit interest facility for indigenous ship-owners to enable them acquire needed assets.

The agency is also negotiating with the Nigeria Customs

RECENT DEVELOPMENTS

- The new cabotage compliance strategy
- In 2017, NIMASA introduced the New Cabotage Compliance Strategy (NCCS) for a successful Coastal and Inland trade regime thereby halting consideration of applications for grant of waivers on manning for prescribed category of Officers on vessels engaged on cabotage trade.
- Renewed Synergy between Nigeria Content Development and Monitoring Board (NCDMB) and the Nigerian Maritime Administration and Safety Agency (NIMASA) leading to the following amongst others:
 - i. Joint approval of an implementation framework to drive local content development in the maritime sector, pursuant to section 105 of the Nigeria Oil and Gas Industry Content Development (NOGICD) Act and Cabotage Act.
 - ii. Development of procedure and template for data collection and analytics for marine vessel utilization. Five (5) year vessel demand for oil and gas operators.
 - iii. Capacity Audit of ship building yards and ship repair yards in the country
 - iv. Development of framework for manpower development for critical skills required in the maritime sector – Expected by Q1 2019
 - v. Five (5) year plan for cessation of grant of Cabotage waiver has commenced.
- To ensure effective management and disbursement of the Cabotage Vessel Financing Fund (CVFF), pre-disbursement parameters have been put in place, and review of the CVFF Guidelines 2007 is ongoing.

Service and the Federal Ministry of Finance to create a special tariff regime for the importation of maritime assets.

"They have agreed with us in principle that is something worth considering," Dakuku said in a recent interview.

The Dakuku-led management of NIMASA is advocating the creation of a basket of incentives, including tax holidays, to encourage Nigerians to go into the shipping sector.

According to him, "An average Nigerian investor needs to be given some incentives for him to compete favourably with his counterparts elsewhere in the world, who access funds at single digit interest rate, some at one per cent rate, and have incentives and some form of support from their home countries.

"If we want our people to compete favourably, we need to also give them equivalent support and that is receiving attention at the highest level of government."

The incentives and the other measures adopted by NIMASA are turning things around for Nigerians in the maritime sector.

Other attempts by NIMASA to develop indigenous capacity under the Cabotage regime include the downward review of freight rates, which has fostered a harmonious relationship between the agency and operators and led to increased patronage.

The current administration at NIMASA has also

L – R: Former Director-General, NIMASA, Mr. Temisan Omatseye; Executive Director, Maritime Labour and Cabotage Services, NIMASA, Mr. Gambo Ahmed; Head, Cabotage, Mr. Victor Egejuru; Director, Maritime Labour, Mr. Ibrahim Jibril; Director-General, Nigerian Chamber of Shipping, Mrs. Obi Obiageli; and Deputy Director, Western Zone, Mrs. Irene Macfoy, after a meeting between NIMASA and maritime industry stakeholders on the five-year Cabotage cessation plan, in Lagos



championed a change of Terms of Trade for the affreightment of Nigerian crude oil, from Free on Board (FOB) to Cost Insurance and Freight (CIF). Under FOB trade terms, Nigeria practically has no control over the distribution of its crude oil with respect to carriage, insurance and other ancillary services. But under the CIF arrangement, the tide would change in favour of indigenous operators. The agency has continued to engage the Nigerian National Petroleum Corporation (NNPC) and other relevant government agencies on this, and the engagements are yielding good fruit.

The manning aspect of Cabotage is one area Nigeria has recorded tremendous success. While the Maritime Academy of Nigeria (MAN), Oron, which is funded and equipped by NIMASA, produces the needed middle-level manpower for the maritime sector, the Nigeria Seafarers Development Programme (NSDP) supplies the high-end manpower requirements.

NIMASA has intensified efforts to build the capacities of Nigerian seafarers through training and placement on ships. The agency has trained many citizens under the Nigeria Seafarers Development Programme (NSDP), with about 2,000 cadets at various stages of completion of the programme, including sea-time training and academic phase.

NIMASA is tackling the issue of sea-time training through full sponsorship, in partnership with some international institutions with access to ocean going training vessels.

About 150 cadets have done their on-board sea time training under the first phase of the NIMASA fully-sponsored sea time training programme, facilitated alongside the Arab Academy of Science, Technology and Marine Transportation in Alexandria, Egypt. Onboard training for another 89 cadets was facilitated by the South Tyneside College, UK, making a total of 239 cadets in the first phase of the programme. The agency has allocated many cadets to local and foreign partners for sea-time training on their ocean going vessels. For the second phase, a number of cadets have been placed onboard sea going vessels.

The number of Nigerian seafarers placed onboard

CABOTAGE - THE VOYAGE SO FAR

The underlying law behind cabotage activities in Nigeria is the Coastal and Inland Shipping (Cabotage) Act 2003.

The objectives of the cabotage law are as follows:

- 1. To attain national sufficiency in tonnage capacity, shipbuilding and seafarers' capabilities;**
- 2. To acquire the technical know-how in ship management, shipbuilding and ship manning;**
- 3. To enhance the earning and conservation of foreign exchange for the country;**
- 4. To preserve the internal and economic security of the nation; and**
- 5. To create employment in the maritime industry.**

vessels by half year 2018 was 2,337, representing a 58.9 per cent increase in the number of seafarers employed. This means significant job opportunities and economic empowerment for Nigerians.

Under NIMASA's Survey, Inspection and Certification Transformation Programme, Certificate of Competency (CoC) examinations have been conducted at the Maritime Academy of Nigeria (MAN), Oron, leading to the issuance of different categories of CoCs to successful candidates. In 2017 alone, NIMASA issued 3,752 certificates to successful seafarers. This represented a 149 per cent increase from the 2016 figures.

Currently, most of the vessels that trade within the country's coastal waters have at least 70 per cent Nigerian content in terms of manning. In addition, the agency is collaborating with NCDMB to do a five-year skills demand programme, which would give the Agency an idea of the skills needed in the industry.

"The bigger picture is that when we identify the gaps, we would begin to train people to take advantage of the gaps, leading to the employment of more Nigerians in the sector," Dakuku stated.

NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB) MARINE VESSEL DEMAND PROFILE

In an effort to drive local content development in the maritime sector, the Nigerian Content Development and Monitoring Board has identified the types of vessels that local operators in the shipping business should acquire so as to guarantee good business and return on investment. Preliminary findings using types of vessel categories and industry spending shows that the top five vessels in projected demand between 2019 and 2023 would be tugboats,

security patrol vessels, jargon barges and crew boats, among others.

According to analysis carried out, the top five vessels will account for 66% of vessels in demand between 2019 to 2023. The least demanded vessels in these periods will be water bus, support vessels among others. Also, In the next five years, industry spend on tugboats and other vessels is projected to be \$1.6bn, or 51 per cent of total spend, and the annual spend is projected to be \$641m over 519 marine contracts in Nigeria between 2019 and 2023.

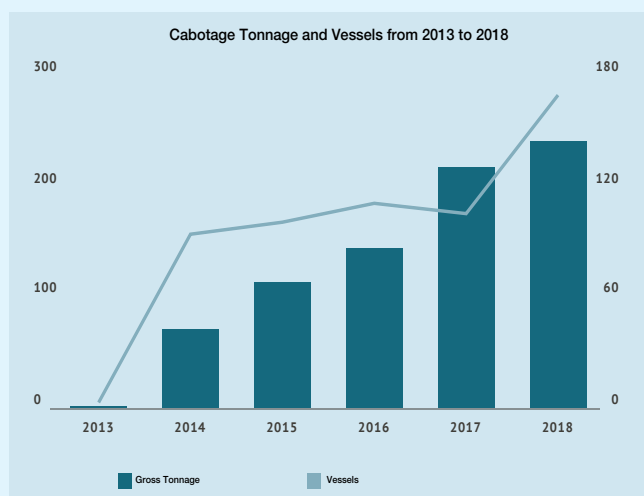
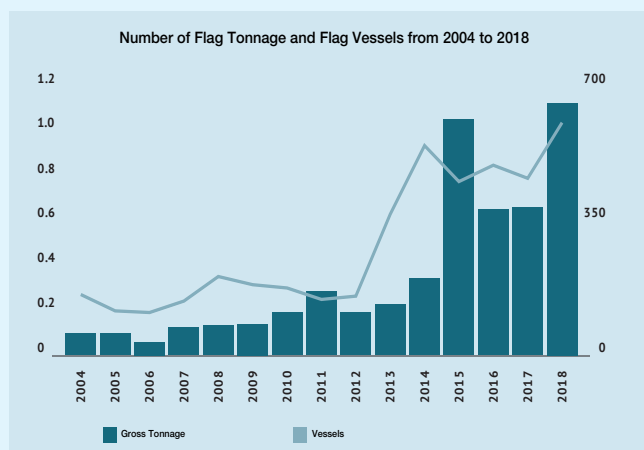
Elsewhere, expenditure on marine vessels cost Nigeria about N1.09 trillion in the last four years. Data provided showed

that between 2014 and 2018, the industry expenditure of \$2.21billion on category 1 of marine vessels accounting for 73 per cent of total funds spent on marine vessels. Category 2 expenditure stood at \$393 million or 13 per cent, while \$ 437 million or 14 per cent was for category 3 vessels. Vessels in category 1 and 2 accounted for 87 per cent of vessels utilized in the period.

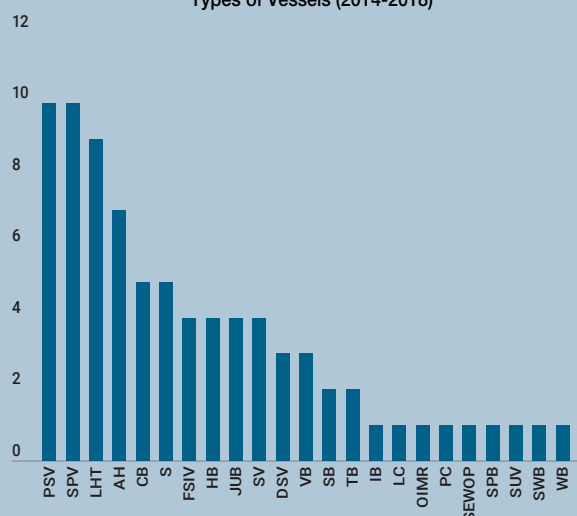
The NCDMB and NIMASA approved an implementation framework to drive the collaboration with respect to local content development in the Maritime Sector, pursuant to Section 105 of the Nigeria Oil and Gas Industry Content Development (NOGICD) Act and Cabotage Act.

VESSEL REGISTRATION/TONNAGE COMPARATIVE ANALYSIS (2004 -2018)

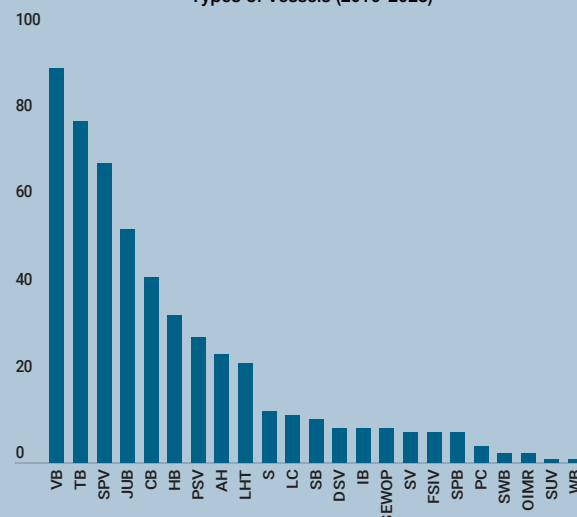
The Nigerian Ship Registration office is currently being repositioned to ensure a globally competitive and attractive flag. The below charts show flag registered vessels with their total gross tonnage from 2004-2018 and the increase rise in GRT for the year 2018. The merchant fleet growth tonnage increased by 71.03% (figure 1); the reason for the tonnage increase was due to the registration of high capacity index vessels (registration of EGINA FPSO in November 2018).



Types of Vessels (2014-2018)



Types of Vessels (2019-2023)





Executive Director, Maritime Labour and Cabotage Services, Mr. Gambo Ahmed (left), sharing a point with Deputy Director, Public Relations, Mr. Isichei Osamgbi, during the interview

GAMBO AHMED: We're Determined to Achieve Full Cabotage Implementation to Enhance Local Capacity, Attract Foreign Investment

Executive Director, Maritime Labour and Cabotage Services, Nigerian Maritime Administration and Safety Agency (NIMASA), Mr. Gambo Ahmed, shares some details on Nigeria's new Cabotage implementation strategy with **The Voyage** team of **Vincent Obia, Ganiyu Alayaki, and Kumuyi Oluwafemi**. Excerpts:

W

hat are some of the steps NIMASA is taking to ensure successful implementation of the Cabotage Act?

The Cabotage law came into effect in 2003, implementation started 2004. But I must say we are not there yet. The Cabotage law is built on four pillars, namely, that vessels involved in Cabotage trade must be built in Nigeria, owned by Nigerians, manned by

Nigerians, and registered/flagged in Nigeria. The aim is to promote local capacity in shipbuilding, manning, etc. But we still have more of foreign investors than the local investors. Some people will tell you there is no money to buy vessel.

There is the Cabotage Vessel Financing Fund (CVFF), which was created primarily to promote and encourage the local ship-owners and even provide infrastructure. But today, if you look at it, do we have any serious

shipbuilding facility in Nigeria? I don't think we are there yet. Even manning that ordinarily by now we should have 100 per cent, we still have problems, especially when we talk of the captain, chief engineer. Many times you find out that Nigerians are not readily available.

Are there legal inhibitions to the optimisation of the opportunities in the maritime sector?

The opportunities in the maritime industry are enormous. You can make more money from maritime than oil and gas. We are encouraging more and more investment in the field, we are encouraging capacity growth through various programmes and we believe in NIMASA that when we come together, especially all the stakeholders, and engage, keep reminding ourselves what and what is there, what and what should be done, definitely, with time this sector will overtake oil.

I think our problem is not the law per se, even though I must say some of them also require some amendments here and there. There is a need to amend our laws: the NIMASA Act, Cabotage Act, etc.

What are your thoughts on the five-year Cabotage waiver cessation plan being implemented by NIMASA?

The ship-owners have a responsibility here, all those operators in the market have a responsibility to train and retrain their staff. We are in NIMASA here, are we not training our people? But those people want to employ only. When they need to train they want somebody else to train. We have the boys, but we have not trained them enough. We cannot take this anymore and that was why we now came up with this strategy – Cabotage waiver cessation plan.

In that plan, we are realistic. We say, look you cannot say a ship must be built in Nigeria today because we do not have the facility for this. We should be able to put the structures together before we start to build. Manning, as we have said earlier, when we saw that there was deficiency of seafarers, NIMASA started the programme with confidence. We said, okay, let's train Nigerians to fill that gap here locally and even also be employable internationally. The programme was not restricted to employment in the local level, we want them to compete in the international market. We have other nationals making so much money. With our population of about 200 million we should be able to have seafarers that we can export. In five years, we will have those necessary manpower that will serve 100 percent, whether it is the Chief Mate,

Seafarers Training and Certification in Nigeria

Taiwo Olajide O. of the Maritime Labour Department looks at the application of the seafaring requirements

T

aining is a basic concept in human resource development. It is focused on developing a particular skill to a desired standard by instruction and practice. Training is a highly useful tool that enhances effectiveness and diligence.

On the other hand, certification is a credential which shows that the holder has specific skills or knowledge.

According to Maritime Labour Convention, 2006 (MLC, 2006), a seafarer is any person who is employed or engaged or works in any capacity on board a ship. The seafaring profession is highly technical and complex in nature; which explains why the job requires capable and knowledgeable hands.

In line with global best practices, every seafarer, before proceeding onboard a vessel, must fulfill the provisions of the International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW), 1978, as amended, among other requirements. This standard is not an exception in Nigeria. The Nigerian Maritime Administration and Safety Agency (NIMASA) ensures that seafarers graduate from recognised Maritime Institutions (MIs) or approved Training Institutions (TIs) with expected qualifications and training/certifications before going onboard a vessel.

Training Institutions and Maritime Schools offer a range of courses and certification, depending on the desired specialisation of the prospective seafarer. Having graduated from a Maritime School, the graduate is expected to go onboard for not less than 18 months, which serves as an Industrial Training (IT) period for the Cadet before progressing in his/her career.

However, for someone who has not been to a Maritime School, such may enroll at TIs approved and recognised by the Designated Authority (DA) for some short courses and certification, depending on the anticipated and preferred job role and category onboard a ship.

The following are some examples of the training courses: A. Elementary First Aid; B. Personal Survival Techniques; C. Personal Safety and Social Responsibilities; D. Fire Prevention and



Chief Engineer, whatever it is. If it is a specialised vessel and they are committed to the Cabotage regime, we can tell them clearly, give us your outline, the plan of your vessel requirement. So I know in the next two to three years, you will require such type of vessels, and if they are not available we will encourage local ship-owners and say these people require so type of vessels, try to get it in.

You cannot get in a vessel and hope and pray that one day it will get job. This is a big investment, you don't bring it in to just come and keep. Even keeping a vessel costs you money, how much more if it is not at work. But by the time you know your vessel will get engaged, you will be encouraged to bring in the vessel. That is why we ask for vessel requirement.

What is your level of engagement with the stakeholders regarding the Cabotage waiver cessation plan?

We have been engaging them, even now we have a committee that mostly comprises the operators, stakeholders. They are the ones chairing, they are the ones leading. It is made up of shipbuilding companies, shipping associations, etc. The ship-owners in business have come together to talk about what the problems are and the solutions, so at the end of the day, you don't say they imposed it on me. They are giving every cooperation needed. A typical Nigerian will like to see the Cabotage law working because it will improve their earnings and their capacity. But there are those who are also benefiting from the lack of capacity that may not want to see development at that level. But for us, that will not hold because we are determined to ensure compliance with the laws of the land.

In terms of training, what measures are you taking to prepare the requisite manpower for the Cabotage waiver cessation regime?

First and foremost, it is for us to begin to train the lower level manpower. There are certain processes we need to go through. There are certain trainings they need to go through and certain vessels we send them to. We are encouraging this to build their capacity. If the five years is not enough, it does not mean we cannot start.

Maybe, we would not achieve 100 per cent, but the target is to achieve 100 per cent. If for any reason we are not able to achieve 100 per cent and end up at 70 or 80 per cent, at least, we have started. We may ask for one or two more years, but we have to challenge ourselves to do something and that's what we are doing. We cannot keep saying it cannot be, it cannot be done. As long as we sit back and say it cannot be done, it will never be done. Anything is possible as long we have the focus, we have the determination. We are focused on this and we will achieve it.

How are the local operators being assisted financially to acquire necessary capacity?

We have the CVFF under the NIMASA Act. Essentially, if you look at the current guidelines, the CVFF can only be disbursed under the approval of the Honourable Minister of Transportation. There were attempts in the past to disburse the fund, and recommendations were made. When we came on board, we also tried to awaken the need to disburse the fund. The then minister said to us in the presence of the ship-owners, "Look, I'm not averse to disbursement of the CVFF, but I don't want you to see CVFF as the normal national cake that people take and disappear." We want to avoid a situation where somebody would say, I have a vessel and takes the money, and instead of buying the vessel that he put forward, he goes to buy something much lower, something that is not as good. And the next thing you hear is that the guy got a mansion somewhere outside Nigeria.

It has happened with various operators in the past.

“Anything is possible as long we have the focus, we have the determination. We are focused on this and we will achieve it.”

So the minister said you must give assurance, show, not just by word of mouth, that this money, if it goes out, will come back, because it is meant to benefit the operators as a whole. So we sat together again with the ship-owners and operators, and we said we needed to do some amendments to the guidelines. There was input from the operators. It is before the Federal Ministry of Transportation. But the main challenge is to ensure that it is used for the purpose it was given.

Are there checks in place to ensure proper use of the fund?

Some of the checks we are looking at, even though they were there before, include strengthening collaboration with the commercial banks or development banks, whichever one we are using. You know the banks, if there is commitment from a bank to guarantee the money you are putting in the bank, it will take necessary measures to ensure that the facility is secure and it is applied appropriately. But you see, when a bank gives the guarantee, if you don't meet all the conditions, they would hold on to the money and that would defeat the purpose of the fund. Taking all that into consideration, we are engaging the banks. Even in the committee, we have the Bank of Industry. We are trying to bring onboard the Central Bank of Nigeria (CBN) and some of the commercial banks that are active in maritime. But there is need to do what best we can to avoid putting undue stress on the money and ensure also that as much as possible the money comes back.

Fire Fighting; E. Basic Oil and Chemical Tanker Operation Cargo; F. Tanker Ship Dangerous Cargo; G. Medicare; H. Advance Fire Fighting; I. Global Maritime Distress And Safety System (Roc & Goc); J. Bridge Resources Management; K. Environmental Awareness, etc.

There are different positions occupied by seafarers on board a vessel according to certifications and qualifications, which are generally categorised into Deck and Engine. Following are some of the tasks under each category:

DECK CATEGORISATION

- 1) Ordinary Seafarer (OS)
- 2) Able Seafarers (AB) Deck
- 3) Bosun
- 4) Deck Cadet
- 5) 3rd Officer
- 6) 2nd Officer
- 7) Chief Mate
- 8) 2nd Mate
- 9) 3rd Mate
- 10) Captain

ENGINE CATEGORISATION

- 1) Able Seafarers (AB) Engine
- 2) Engine Cadet
- 3) 3rd Engineer
- 4) 2nd Engineer
- 5) Chief Engineer
- 6) MEA
- 7) Oiler
- 8) Motorman
- 9) Electrician
- 10) Welder

There are also Steward and Cooks that work in the galley of a ship.

Furthermore, before a seafarer can embark on board, there is need to be duly registered with NIMASA, in addition to qualifications and certifications obtained. The registration process involves the following:

- a) Collection of Seafarer Registration Form
- b) Collection of Seafarer Identity Document (SID) Form
- c) Presentation of Seafarers Discharge Book
- d) Presentation of Basic Mandatories (STCW'95) as amended
- e) Presentation of Certificate of Competency (COC) as an Officer
- f) Presentation of Certificate of Proficiency as an AB
- g) Presentation of Medical Certificate by NIMASA approved clinic
- h) Presentation of Yellow Card
- i) Presentation of ISPS and other necessary certifications as it may apply, etc.

If a seafarer is found on board any vessel without total fulfillment of the above requirements, such a person is liable to N1 million fine. This is strictly applied to prevent unqualified seafarers from going on board and constituting a danger to the crew.



There may be a few restrictions here and there. We may not get 100 per cent, but we aim at perfection.

What is being done to improve the capacity of indigenous shipbuilders and repairers?

We have gone round the existing shipyards, and they are in this committee I mentioned. Nigerdock is part of the committee, coming from the angle of ship repairing, shipbuilding. We have also had some discussions towards calling foreign shipbuilders to see how they can collaborate with our local operators here or even come and establish here. Right now, we are discussing with some shipbuilding companies in South Africa, Singapore, and India. We are trying to see how they can come in. We have mentioned them to Nigerdock and other shipyards.

Some go to neighbouring countries to dry dock even at higher charges. We had to engage the Nigerian Ports Authority (NPA) and just of recent NPA wrote to clarify and Nigerdock wrote to say with the current arrangements, they believe they would be able to attract more patronage. So we are bringing everybody concerned onboard – NPA, Customs, etc.

We are also putting together a plan to meet the Vice President of the Federal Republic of Nigeria, who has been fervent in the pursuit of the ease of doing business initiative of the President Muhammadu Buhari government. He has been keen on involving shipping so that it will attract people to come to Nigeria. If people see that in Nigeria they can make money by doing XYZ business, you don't go and lobby, they would come. But the operating environment must be such

that encourages investment and that's what we are working towards.

We have written through the Federal Ministry of Transportation to meet the vice president to bring up all these issues, show the concerns of operators, show where government should come in, in terms of market policy, fiscal policy, and see how we can engage the CBN. We had meetings with some of the operators so that we can also hear from them where the issues are, what we can do together. At the end of the day, we are all Nigerians and what we want is the development of Nigeria and Nigerians, so all hands are on deck.

How would you assess the progress so far?

What I would say is that there is obvious transparency in the approach because everybody is now working, everybody is engaged, and some of them are raising their concerns, quite genuinely. They are not saying don't do it, nobody is saying don't go that way. Some people are just saying five years may be too short and too tight because of certain reasons, and we are saying, look we cannot stop at one point and say there is a problem. We are saying, let's face it head-on, even after five years, if we are not fully there, we still need to move. But let's all go with a positive mindset that in these five years we will do it.

All the concerned are coming onboard, we keep getting reports daily. We have met with associations, agents, maritime lawyers, the actual ship-owners, everybody is engaged.

“Hopefully, before the end of 2020 whoever has the shore-based training will have the sea-time training for them to get the Certificate of Competency.”

What is the current state of the Nigerian Seafarers Development Programme (NSDP)?

About 2, 000 Nigerian youths have been sent to various schools, but they are at different levels of completion of their programmes. Some have completed the programme, some are employed outside Nigeria, some are employed in Nigeria, some are awaiting sea-time to complete the programme, and a few are still in school doing the shore-based training. Very few others have finished the shore-based training.

We are working on the issue of sea-time. Sometime last year, about 150 people were taken to the Arab Academy in Egypt for sea-time training. We had another 89 schooling in the UK, of recent we have also engaged a maritime institution in Ukraine to train 100 cadets, and another 58 will be leaving shortly. Some went to two institutions in India. We have a school in Turkey we are trying to visit, they have said they can take up to 300, but we need to have physical inspection on their facilities, meet with them and agree that, yes, this institution is worth attending, then we come back and put a report and get necessary approvals to engage them.

NIMASA is working and willing to get sea-time for Nigerian cadets. Hopefully, before the end of 2020 whoever has the shore-based training will have the sea-time training for them to get the Certificate of Competency. What happens thereafter will depend on the individual cadet. Before the end of 2020, it is our plan that every NSDP cadet that has done shore-based training will attain sea-time training.

How would you react to insinuations in some quarters that there is a conflict of interest between NIMASA and the Maritime Academy of Nigeria

(MAN), Oron, regarding the training of seafarers?

There is no such thing. MAN, Oron, from the beginning, was designed to develop the lower level manpower and they have their cadets that will go for sea-time training, mostly, in the Cabotage vessels. But we decided to go beyond Cabotage vessels and began to put people on oceangoing vessels, and that is the target of NSDP. It is to produce seafarers that can compete favourably with their foreign counterparts. We want to be a nation known for sports and seafarers.

For NIMASA, it is an intervention. The NSDP came about because we decided to deliberately promote seafarers' training as a service to the nation. The programme started with about 300 cadets and it was in collaboration with the states. The states paid 60 per cent, and NIMASA took 40 per cent of the cost. Every state was given 22 slots, some took them, some did not. Some stopped paying along the line. At a point, we said no to collaboration with the states. NIMASA took the bull by the horns and decided to do it 100 per cent.

Before taking over the process completely, we realised that many people had finished shore-based training and they were unable to proceed because of lack of sea-time, and the more they were graduating the more you are adding to the number who were waiting. It was becoming a crisis, as the cadets were not understanding. At some point, they were demonstrating at our embassies and, occasionally, we got letters from the foreign affairs ministry telling us, your people are giving Nigeria a bad name.

So we decided to make sure those who were ready for sea-time got it, but through a programme we could control so that the programme will run from start to end. In the past, they sent people without minding how they ended.

Are there other things you want Nigerians and, indeed, the global maritime community to know?

As we know, our mandate is to regulate and promote shipping. We wish to assure Nigerians that we are going to enforce compliance with the laws of the country with regard to promotion of shipping. We want to see our locals, I mean Nigerian ship operators, ship managers, our citizens in every aspect of the maritime business. We want to see Nigerians taking their rightful place, and we are here to give all the support we can according to the laws of the land.



Boosting Confidence in Nigeria's Maritime Industry with Snapshots, Forecasts

NIMASA unveils 2019-2020 Nigerian maritime industry forecast.
Kumuyi Oluwafemi reports



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t started like a tiny acorn, but from this small fruit a mighty oak tree is growing. The Nigeria Maritime Industry Forecast has come to stay as a veritable guide for investors in the sector. The Nigerian Maritime Administration and Safety Agency (NIMASA) published the second edition of the forecasts in January in line with its mandate, which includes development of maritime infrastructure; promoting the development of indigenous commercial shipping in international and coastal trade;

and regulation and promotion of maritime safety, security, marine pollution, and maritime labour.

The 2019 Nigerian Maritime Industry Forecasts, a set of predictions based on the study of local and international trends and patterns, it is intended as a guide for investors and stakeholders in the industry. It analyses the economic environment, the maritime industry (locally and internationally), regulatory framework, emerging opportunities, and challenges.

The publication concedes that the Nigerian maritime industry remains considerably untapped, but stresses

Nigeria's Maritime Industry Forecast

2019-2029

**HARNESSING THE
MARITIME AND
SHIPPING SECTOR
FOR SUSTAINABLE
GROWTH**



that if fully exploited, the industry has the potential to contribute about 10 per cent of the country's Gross Domestic Product (GDP). It, however, predicts a rise in shipping activities.

The forecast, tagged, "Harnessing the Maritime and Shipping Sector for Sustainable Growth," complements Nigeria's current efforts to attract more foreign direct investment.

It says the economic outlook for 2019 echoes concerns about a substantial global economic growth slowdown, likely higher interest rates in the United States, and a stronger dollar and volatile oil prices, possibly averaging

below US\$60 per barrel. Domestically, the forecast says the outlook for the economy reflects the impact of sentiments around the 2019 general election and post-election transition.

According to the forecast, the empirical analysis projects the growth of the total fleet size in 2019 over 2018 to be 10.33 per cent, easing to 8.75 per cent for 2020. Oil tanker fleet size is projected to decrease by 11.2 per cent for 2019, and recover to a positive growth of 0.11 per cent by 2020. Similarly, non-oil tanker fleet size is estimated to increase by 14.3 per cent in 2019

NIMASA Board Chairman, Gen. India Garba, Rtd (left) and Executive Director, Maritime Labour and Cabotage Services, Mr. Gambo Ahmed, at the unveiling of 2019-2020 Nigerian maritime industry forecast.



and 10.2% in 2020, while Oil Rig count is projected to increase by 6.98 per cent and 6.5 per cent in 2019 and 2020, respectively.

Director-General of NIMASA, Dr. Dakuku Peterside, said at the unveiling of the 2019 forecast on January 29 in Lagos, "The maritime sector has the potential of contributing at least 10 per cent of Nigeria's GDP in no distant future, as Nigeria has the biggest market in Africa; and generates about 65-67 per cent of cargo throughput in West Africa, and 65 per cent of all cargo heading for these regions will most likely end up in the Nigerian market."

Dakuku said asset building/acquisition and human capacity development were two factors that would enable Nigerians play a more active role in the maritime and shipping sector. He said due to the capital-intensive nature of shipping, the Cabotage Vessel Financing Fund (CVFF) created under the Cabotage Act could not adequately finance the acquisition of maritime assets by Nigerian operators. That was why the Agency also sought other funding models, he said.

According to him, "We have been engaging with government at the highest level to push for special intervention fund, special interest rate and other incentives that will drive optimal performance in the sector. We shall not relent in our drive to put the right framework together to help beneficiaries and investors have good return on investment. The country is also making huge investments in human capacity development in the sector, which means that more Nigerians will get involved in shipping, especially, in shipping operations."

Dakuku said the Federal Government had made concerted effort to drive improvements in the maritime and shipping sector through regulatory and infrastructural development. He added that the main public bodies regulating the maritime and shipping sector had all keyed

into the government's strategies to reform the operating environment and improve on the country's ease of doing business index. These, he said, were geared towards attracting more investment in the maritime industry.

He said 2018 offered the government opportunities for strategic change in policies to restore growth in the economy, invest in the people, and build a globally competitive economy. Dakuku assured the stakeholders of the agency's resolve to push for reforms that will help grow the maritime sector. He said building and enhancing indigenous capacity in the shipping and maritime sector and ensuring a conducive playing field for operators to tap into the vast economic benefits inherent in shipping will remain a priority.

A consultant and lecturer at the Lagos Business School, Dr. Doyin Salami, who reviewed the forecast, noted that it was intended to provide the context in which the maritime sector will operate in 2019 to 2020. Salami said it was expected that in 2019 the Petroleum Industry Bill (PIB) will be passed; the anti-piracy bill will become law; and more International Maritime Organisation (IMO) conventions would be domesticated in Nigeria.

He stated that the general election and its aftermath were a major factor that will affect the economy this year. The other, according to him, is happenings in the global economy, especially the United States/China trade war.

Salami observed that NIMASA based the forecast on the Economic Recovery and Growth Plan (ERGP) of the Federal Government and charged stakeholders to key into the agency's vision.

In his welcome address, earlier, the Minister of Transportation, Rt. Hon. Rotimi Amaechi, emphasised the importance of shipping in job creation, poverty alleviation, and wealth creation. Amaechi, who was represented by the Deputy Director, Cabotage and Shipping Development in the ministry, Mrs. Gloria Adie-Ayabie, informed stakeholders

'We Are On Course'

Mr. Victor Egejuru, a member of the NIMASA/Stakeholders Committee on Cessation of Cabotage Waiver, and Head, Cabotage Services at NIMASA, weighs in with clarifications and observations on the Cabotage waiver cessation plan. Excerpts:

ON THE INTERFACE BETWEEN NIMASA AND OTHER STAKEHOLDERS

First, the agency thought it wise to collaborate with relevant stakeholders, including sister organisations, shipbuilding yards, both local and international, and vessel operators, to bring all together in a committee that has been inaugurated as NIMASA/Stakeholders Committee on Cessation of Cabotage Waiver. That committee has a lot of stakeholders on it, which includes the banks (for financial reasons, like vessel finance), shipbuilding companies (represented by two shipbuilding firms in Nigeria – West Atlantic Shipyard and Niger Dockyard), major associations of ship operators/owners, for example Ship-owners Association of Nigeria, African Ship-owners Association, Nigerian Indigenous Ship-owners, Indigenous Ship-owners Association of Nigeria.

What we have done is to get all of these associations and even some manning and stevedoring associations to be part of this project.

The committee is already working to ensure that we build capacity. The agency, apart from working with the committee, is also intensifying its collaborative measures with some notable organisations, like the Nigerian Content Development and Monitoring Board (NCDMB), which has capacity-building as its core focus in the oil and gas sector. The relationship with the NCDMB has yielded result because the issue of categorisation of vessels for uniformity and harmonised enforcement processes has been achieved by both agencies.

So today, what we call wholly-owned Nigerian vessel is what NCDMB will also refer to as wholly-owned Nigerian vessel, among other things.

Through that synergy, we have also been able to conduct capacity audit of existing Nigerian shipyards and existing maritime training institutions. There has been a whole lot going on to ensure that we form joint ventures between Nigerians and their foreign counterparts with regard to ship-owning, bareboat charter with purchase options.

All these are geared towards increasing the capacity of Nigerians in the maritime sector, especially for Cabotage operations.

The five-year Cabotage waiver cessation plan basically is meant to develop in-country capacity and gradually phase out the use of foreign vessels for coastal trade in Nigeria. There has also been a lot of collaborative efforts with organisations that really matter in this regard, including, for instance, the umbrella body for the oil producers, Oil Producers Trade Section (OPTS) of the Lagos Chamber of Commerce and Industry (LCCI).

ON THE RESPONSE OF THE STAKEHOLDERS

Interesting, because before now every person believed that Cabotage was not working. And it was just like NIMASA had to do everything. But NIMASA has now said, yes, we have to do everything, but the law also says we should collaborate with relevant stakeholders, which includes organisations, agencies of government, etc., to achieve this purpose. That we are doing now, and everybody is interested. And some of those not included in the committee are not happy because they all want to contribute positively to ensure that the Cabotage regime works in Nigeria.

Don't forget, the Cabotage regime was not majorly a baby of government, the agitation started with the stakeholders who felt that foreigners were dominating the maritime domain and there was need for full participation of Nigerians. But then, they lacked capacity. The Act came in to ensure we build capacity and with time, Nigerians would fully take over. There is a lot of excitement in the industry.

ON THE PROSPECTS

It is already succeeding. You would find out that Nigerians are displacing foreigners on board Cabotage vessels because of the cessation on grant of manning waiver. On the issue of waiver on shipbuilding, we have interfaced with foreign and local shipbuilding yards. Many foreign shipbuilding yards are interested in coming to develop the local shipyards, and some are interested in developing new shipbuilding and repair yards. We have also gone to find out from the existing shipyards what their problems



•Egejuru

are. Why are Nigerians going abroad to repair their vessels? They have told us their problems. NIMASA is ready to ensure that they are patronised because we need to enforce the Cabotage Act to the extent that we have to ensure every Cabotage vessel is dry-docked in Nigerian shipyards. Anyone dry-docked outside will not have its waiver renewed. Don't forget that the waiver still continues until it affects your own vessel. If it is a barge or fishing trawler, for instance, by 2021 it will affect it, so that we won't be talking about waiver for all that anymore. The time given is to ensure that we build capacity before we completely stop waivers.

ON THE CABOTAGE MESSAGE

Cabotage is all about capacity-building and Nigerians are eager to fully participate in our coastal trade. What the agency is doing is to ensure that Nigerians are empowered to compete with their foreign counterparts.

Full Cabotage implementation comes with a lot of benefits. Besides capacity-building, there is also the issue of security. When you have your own vessels plying your coastal waters, it enhances security and conservation of foreign exchange.

My message is to encourage Nigerians to see the potentials of their waters and find ways of getting engaged in Cabotage activities. It does not only have to do with owning vessels and manning vessels. It is for them to find out where they can get involved and make sure that they participate. Nigerians banks are ready. For instance, we are partnering with the Bank of Industry. They are ready to finance good maritime projects presented by Nigerians.

that the Federal Government had initiated reforms to facilitate the development of the Blue Economy, saying this involves the enactment of laws and domestication of relevant international instruments.

Stakeholders in attendance, including the NIMASA Board Chairman, General Jonathan India Garba (rtd.), and Rector, Maritime Academy of Nigeria (MAN), Oron, Commodore Emmanuel Duja Effedua (rtd), agreed that the forecast was a step in the right direction. They called

for continuous support for NIMASA to enable it achieve its mandate of realising a robust maritime sector.

The agency unveiled the first maritime forecast in the industry in February 2018. That had projected a five per cent growth, along with other improvements, which were largely achieved and served as an important guide to stakeholders and investors. There was a significant growth in the maritime sector and this is expected to continue in 2019-2020.



Minister of Transportation,
Rt. Hon. Chibuike Rotimi Amaechi

'We're Committed to Creating Enabling Environment for Maritime Business'

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he Nigerian economy holds many opportunities, in the maritime sector alone there is focus on sustainable use of ocean resources for economic growth, and jobs and ecosystem health.

This concept referred to as the Blue Economy holds the key to streams of opportunities in the industry in areas such as: renewable energy, fisheries, maritime transport, waste management, tourism, and climate change. Wherever one is inspired to invest, the opportunities are limitless. The Federal Government more than ever is committed to creating the enabling environment for people to prosper, grow the economy, sustain the country's infrastructural development and keep our society safe.

Considering that the maritime industry is dynamic and susceptible to global socio-economic changes, having an investment guide would be of immense help in navigating through successfully. Therefore, NIMASA's presentation of the Nigeria's Maritime

Industry Forecast for 2019 – 2020 period is not only timely but very informative. With the theme "Harnessing the Shipping and Maritime Sector for Sustainable Growth", the forecast builds on the identified opportunities and challenges of 2018 to highlight areas with great potentials, that will yield good returns on investments as it offers suggestions that could guide investment decisions in harnessing the potential of the sector.

Despite 2019 being an election year, there are enormous potential in the sector which remain untapped. I therefore urge all-stakeholders, industry players and local and international investors to pay attention to the indices highlighted in the forecast and take advantage of the huge potentials as well as identified opportunities for investment as Government will sustain its efforts in formulating and driving policies to ensure growth of the maritime and shipping sector.

•An address by the Honourable Minister of Transportation at the unveiling of 2019-2020 Nigerian Maritime Industry Forecast.

'Maximising the Contribution of Shipping to Economy Growth is Our Goal'



DG/CEO NIMASA,
Dr. Dakuku Peterside

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he first Maritime Industry Forecast which covered the period of 2018 – 2019 highlighted key developments in the Nigerian economy as well as in the maritime industry, and offered an outlook on key parameters driving the industry. It revealed areas of emerging opportunities

and challenges the country's maritime industry in order to provide better assessment and guide to investors (Foreign and Local).

Nigeria's Maritime Industry Forecast 2018 – 2019 predicted an 8.15% to 8.72% growth in demand for non-oil tankers and an upward increase in demand for container vessels simultaneously. Nigeria is going to export more non-oil-and-gas-based cargoes over the next three years and with the expected completion of NLNG Train 7 which will be done in-country by mostly Nigerian companies. It will also export more liquefied gas within the period in context. The Maritime Sector holds a lot of promise for Nigeria and Nigerians.

The 2019 – 2020 Forecast is focusing on harnessing the shipping and maritime sector for sustainable growth. Essentially, the forecast will be addressing: how emerging trends in the global maritime industry affect the maritime sector in Nigeria; and what domestic factors will influence the maritime sector in Nigeria. The maritime sector has the potential of contributing at least 10% of Nigeria's GDP in no distant future as Nigeria has the biggest market in Africa and generates about 65% of cargo throughput in West Africa, and 65% of all cargo heading for these regions will most likely end up in the Nigerian market.

To enable Nigerians play major roles in the Maritime and Shipping Sector, two things are critical. The first is asset building/acquisition and the second is human capacity development. It is a known fact that Shipping

is capital intensive, the Cabotage Vessel Financing Fund (CVFF) is not adequate to address the huge demand for maritime asset, so in addition, NIMASA is looking at other Ship Financing Models. That is why we have been engaging with government at the highest level to push for special intervention fund, special interest rate and other incentives that will drive optimal performance in the Sector. We shall not relent in our drive to put the right framework together to help beneficiaries and investors have good return on investment. The Country is also making huge investments in human capacity development in the Sector which means that more Nigerians will get involved in shipping especially in shipping operations.

There has been consistent effort by the government to drive changes in the maritime and shipping sector through regulatory and infrastructural developments. The main public bodies regulating the maritime and shipping sector have all keyed into the government's strategies to reform the operating environment and improve on her ease of doing business index which has the potential of attracting more businesses to the maritime industry.

The year 2018 offered government opportunities for strategic changes in policies so as to restore growth in the economy, invest in our people and build a globally competitive economy. The regulators and the stakeholders will continue to push for these reforms as our interest remains to develop indigenous capacity in the shipping and maritime sector to ensure a high-level playing field for operators to tap into the vast economic benefits inherent in shipping and we are happy to project a 2019 – 2020 period full of hope for investors and sustainable growth.

•An address by the Director-General/Chief Executive Officer, NIMASA, at the unveiling of 2019-2020 Nigerian Maritime Industry Forecast.

Executive Summary

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lobal maritime trade grew 4% in 2018, its fastest pace in five years, as robust growth in global economic activity and trade buoyed the global shipping industry. This presents the backdrop to the second edition of the Nigerian Maritime Industry Forecast 2019–2020.

This edition builds on the inaugural edition from last year (which provided forecasts on key maritime sector indicators running from 2018 to 2020), inspired by the recognition of the strategic importance of the maritime sector as an agent of sustainable national economic growth and development.

The forecasts of maritime sector indicators rely on baseline and alternate scenario forecast estimates of macroeconomic indicators underpinned by current realities, which required adjustments to projections made in the Economic Recovery and Growth Plan (ERGP), in order to give them a credible bearing in 2019. This includes adjustments to the ERGP's foreign exchange (FOREX) reserves estimate which has been adjusted to reflect the actual size of reserves in 2018, Foreign Trade estimate for 2018 (in the absence of Q4–2018 foreign trade figures), Crude Oil price and production based on the 2019 FG Draft Budget oil price (reasonably in line with international oil price expectations) and production assumptions.

The empirical Forecast model employed relies on data running from 1981 to 2018 covering domestic macroeconomic indicators, Nigeria's merchandise goods trade with the rest of the world, maritime industry characteristics, and demand for use of maritime industry facilities. It further elaborates on the opportunities and

challenges within the maritime industry and its position as an enabler and facilitator of economic growth and prosperity.

Setting the context is the Review of Economic Conditions, which reports an acceleration of growth in 2018 to a cumulative rate of 1.76% based on data from the first three quarters of the year, with the economy relying on the Transport and ICT sectors to compensate for significant deceleration in the primary sectors responsible for catalysing its recovery – Agriculture and Oil & Gas. International trade continued to recover in 2018, expanding by 33% year-on-year, driven by a 45% and 18% increase in exports and imports respectively. This culminated in a merchandise goods trade surplus average of 5.7% of GDP across the first three quarters of 2018.

The outlook for the economy's performance in 2019 reflects, on the global side, concerns about a substantial global economic growth slowdown, likely higher US interest rates, a stronger dollar and volatile oil prices (possibly averaging below US\$60pb), and the impact of sentiment surrounding the 2019 general elections and post-electoral transition on the domestic side.

Against this backdrop, the empirical analysis projects the growth of the total fleet size in 2019 over 2018 to be 10.33%, easing to 8.75% for 2020. Oil tanker fleet size is projected to decrease by 11.2% for both 2019 and recover to a positive growth of 0.11% by 2020. The projections for non-oil tanker fleet size is estimated to increase by 14.3% in 2019 and 10.2% in 2020, while Oil Rig count is projected to increase by 6.98% and 6.5% for 2019 and 2020 respectively.

This report focuses on the role of the maritime

Nigerian Maritime Industry Profile

- **Coastline:** 853km Territorial Waters: 12nm
- **Coastal State:** 8 out of 36 State (Lagos, Ondo, Ogun, Rivers, Delta, Bayelsa, Cross River and Akwa Ibom).
- **Gas Reserve:** (e) 193 (tcf)
- **Fleet National Flag:** 3,660,000 DWT
- **Continental Shelf:** 200nm
- **Inland Waterways:** 10,000 kilometres
- **Number of Seaports:** 6 Port Complexes
- **Vessel Calls:** 2,008 (Jan- Jun 2018 Provisional Figures by NPA)
- **Container Throughput:** 1,656,000 TEUs Mechanized
- **Trade:** (e) US\$ 91 900 Millions
- **Crude Oil Reserves:** 37,062 bbls
- **OPEC Ranking:** 9th
- **Fleet Ownership:** 4,768,000 DWT

industry as a driver for the Nigerian economic and business environment while considering the challenges and opportunities it faces in order to provide a veritable estimation of its performance in 2019-2020.

The 2018 Nigerian Maritime Industry profile lends credence to the fact that it is indeed a vital aspect to the Nigerian economy. Though a predominantly oil producing and exporting nation, the country is however heavily dependent on imports. Hence the sector is pivotal to the stability and growth of the economy. It possesses the potential of being the most competitive on the continent if significant improvements are made. This has been the focus of the present administration with the aim of repositioning the ports coordinated by the Presidential Ease of Doing Business Council (PEBEC) through a series of Presidential Executive Orders targeted at efficiency.

REGULATORY DEVELOPMENTS RELEVANT IN 2019

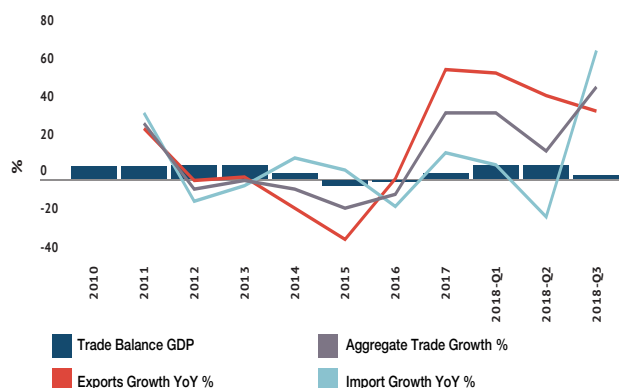
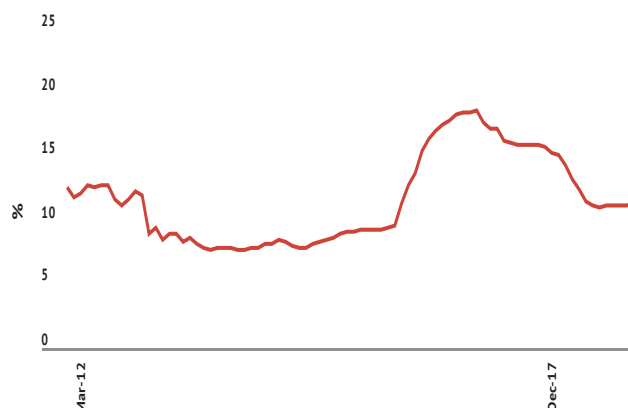
It is expected that the Suppression of Piracy and other Maritime offenses Bill (Anti-Piracy) will be passed into law within the margin of the 8th National Assembly to provide a robust and detailed framework to criminalize and punish piracy and unlawful acts in the Nigerian maritime domain as well as give further expression to the relevant provisions of the International Maritime Convention on maritime security to which Nigeria is a party. This will also provide the necessary assurance to foreign investors that Nigeria and the Gulf of Guinea to a large extent is a safe hub for International trade. Other Bills that would impact on the sector are National Transport Commission Bill, Petroleum Industry Governance Bill, National Inland

Waterways Authority Amendment Bill, Coastal and Inland Shipping (Cabotage) Amendment/Revised Bill and Ports and Harbour Bill.

EMERGING OPPORTUNITIES AND CHALLENGES WITHIN THE NIGERIAN MARITIME INDUSTRY

Nigeria possesses vast natural maritime resources with an 853km coastline, 10,000km of inland waterways, 12 Nautical Miles of Territorial Waters, 200 Nautical Miles of Exclusive Economic Zone (EEZ), Six (6) functional seaports, inland ports and river ports as well as 275 identified jetties and wharfs in 8 coastal states. Furthermore, Nigeria's location is strategic in the Gulf of Guinea which could serve as a conduit for land-locked East and Central African Nations. The blue economy has an inescapable role as a facilitator for growth and prosperity in the Nigerian economy which is yet to be fully harnessed.

Presently, the ongoing construction of the Lekki Deep Seaport is poised to increase maritime capacity for the country and serve as a hub for the West African Sub-region and would require (in addition to existing ports) linkages to hinterlands by road and inland waterways. Other opportunities lie in financing and acquisition of assets for coastal and international trade, manpower development, maritime safety, ship building/ repairs/ recycling, marine insurance and support services. The fact remains that there are lots of opportunities for investors in the maritime and shipping sector regardless of whether you want to play in the financing space, leasing or service sector. Where ever you want to step into, the space is huge and the return on investment enormous.

External Trade Performance

Inflation YoY %


Key Drivers of Economic Conditions in 2019

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rojections of the performance of the economy in 2019 would rely on a set of assumptions, including the following:

- The Nigerian economy remains driven by global conditions, which are presently unfavourable as is seen in:

- the likelihood of higher US interest rates and a stronger US dollar.

- Volatile oil prices, potentially averaging below US\$60pb.
- Successful 2019 general elections and post-electoral transition.

Headwinds which bear troubling implications for Nigeria are building from the global economy:

- The United States:
- Headwinds which point to the possibility of a slowdown in US growth in 2019, potentially even a lapse into recession, are building. This will contribute to slowing commodities demand (including and especially oil).
- The US budget deficit has risen to within 4% of GDP for the first time since 2013. Coupled with tight US monetary policy (although the pace of tightening by the US Federal Reserve could be moderated by a weaker growth outlook), US interest rates are headed higher. Higher interest rates in the US will limit Nigeria's attractiveness as a destination for portfolio capital, particularly in an election year.
- The Chinese economy recorded its slowest growth in 28 years in 2018 (6.6%). The slowdown is likely to persist into 2019, largely as a consequence of its trade disputes with the United States, unless those are resolved amicably and quickly. A slowdown augurs badly for commodities demand overall and energy

demand in particular.

- Volatility in Crude Oil Prices: Heading towards the close of 2018, oil prices eased to as low as \$50pb by year end, after reaching US\$86pb some three months earlier. 2018 was marked by significant volatility in oil prices. Going into 2019, such volatility is again expected. There will be three key drivers of oil prices: (i) A slower economic growth outlook, thus weaker demand (ii) The Organization of Petroleum Exporting Countries' (OPEC) response to weaker demand through production cuts and their degree of effectiveness (iii) US Sanctions on Iran and countermeasures by Iran and its allies.

DOMESTIC PRESSURES

- Electioneering and electoral uncertainty could lead domestic investors to adopt a cautious approach to investment, whilst inspiring foreign capital providers to stay in holding patterns offshore.
- Given the likelihood of restrained oil prices, domestic oil production will be critical. The commencement of production at the 200,000bpd Egina deep water oil field should boost production substantially. However, Nigeria's willingness to adhere to OPEC quotas will come into sharp focus in 2019. Optimistic oil production projections will also have to assume production breaches in the Niger Delta which occurred in 2018 are not repeated this year, especially given the elections.
- Agriculture, alongside oil, is the second major growth driver. This sector will have to recover sharply for growth to be sustained or to improve.

Regulatory Developments in the Nigerian Maritime Industry between 2019-2020

1. Key Domestic Regulatory and Legislative Developments

A. Key IMO Conventions/Protocols being considered for ratification by Nigeria

- The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009
- INTERVENTION Protocol, 1973
- International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS), 1996 (and its 2010 Protocol)
- Protocol on Limitation of Liability for Maritime Claims (LLMC), 1996
- 2002 Protocol to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea (PAL)
- Protocol on Preparedness, Response and Co-operation to pollution Incidents by Hazardous and Noxious Substances, 2000) (OPRC-HNS Protocol)
- 2008 amendments to the International Maritime Satellite Organization Convention (IMSO) 1976
- International Convention on Standard of Training, Certification and Watchkeeping for Fishing Vessel Personnel (STCW-F) 1995
- Protocol of 2005 to the Convention for the Suppression of Unlawful Act against the Safety of Maritime Navigation.
- 1993 amendments to the Convention for Safe Containers 1972
- Convention relating to Civil Liability in the Field of Maritime Carriage of Nuclear Material 1971
- 2003 Protocol on International Oil Pollution Supplementary Fund

B. Review of the Merchant Shipping Act (MSA) 2007 to fully domesticate already ratified IMO Conventions/Protocols in line with the IMO Member States Audit Scheme (IMSAS) report actions.

C. Review of Nigerian Maritime Administration & Safety Agency Act (NIMASA) 2007

D. Development of Regulations made pursuant to the MSA 2007 and NIMASA Act 2007

E Ratification of relevant ILO Conventions:

- C152 - Occupational Safety and Health (Dock Work) Convention, 1979 (No. 152)
- Revising Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32);
- Work in Fishing Convention, 2007 (No. 188); R.199



Work in Fishing Recommendation 2007

F. Domestication of ratified ILO Conventions

- Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32)
- The Dock Work Convention, 1973 (No.137)
- Maritime Labour Convention 2006 as amended
- Seafarers' Identity Documents Convention (Revised), 2003, (No. 185)

G. Key bills being considered by the National Assembly

- Suppression of Piracy and other Maritime offenses Bill (Anti-Piracy): The Bill when passed into law within the margin of the 8th National Assembly would provide a robust and detailed framework to criminalize and punish piracy and unlawful acts in the Nigerian maritime domain as well as give further expression to the relevant provisions of the International Maritime Convention on maritime security to which Nigeria is a party. This will also provide the necessary assurance to foreign investors that Nigeria and the Gulf of Guinea to a large extent is a safe hub for International trade.
- National Transport Commission Bill
- Petroleum Industry Governance Bill
- National Inland Waterways Authority Amendment Bill
- Coastal and Inland Shipping (Cabotage) Amendment/ Revised Bill
- Ports and Harbour Bill.

The outlook for the next four years (2019 and 2023) according to analysis states that the volume of transaction for category 1 vessels would be 49 per cent as against 23 per cent in category 2 and 28 per cent in category 3. The industry's expenditure on category 1 vessels was projected to be \$1.65billion or 51per cent of total spend compared to \$1.04billion or 33per cent for Category 2 vessels and \$519million or 16per cent for Category 3 vessels.

It is clear that the downstream sector presents opportunities considering the huge logistics required to meet Nigeria's daily energy demand. Other opportunities across the value chain include vessel construction, repair and maintenance, auxiliary services for catering companies, waste management and a host of other opportunities which are all hinged on promoting and sustaining growth in the indigenous ownership of vessels.

KEYS: VESSEL CATEGORIZATION & VESSEL DEFINITION

Category 1 - Non-Dynamically Positioned
Low acquisition cost - <\$50m
Tenure > 2 years

Crew Boat, Surfer, Security vessel, Diving support vessels, Fast supply intervention vessel, Supply vessel, Mooring Launch vessels & Shallow draft vessels.

Category 2 - Dynamically Positioned & Specialized vessels
Higher acquisition cost - >\$50m- 200m
Tenure > 2 years

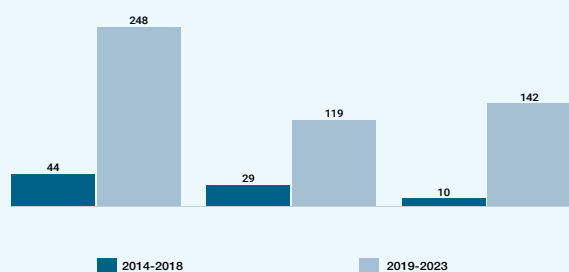
Accommodation vessel, Platform supply vessel, Anchor handling tug vessel, Tug boat, Multipurpose vessel, Pipe lay barges.

Category 3 – Short term vessels
Very higher acquisition cost - >\$200m
Tenure < 1 years

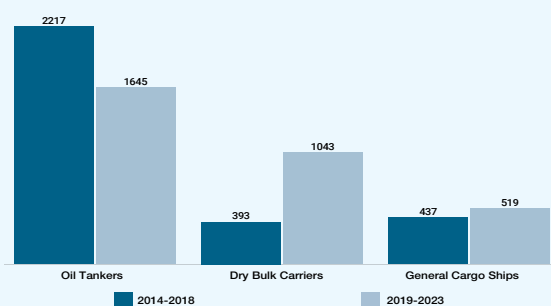
Installation barges, Jack-up barge, Lift boats, Seismic acquisition.

It was observed that the economic benefits from marine vessel transactions are enormous and extend into other sectors, hence the need to help stakeholders review and plan their business models in the near future. Finally, the agencies share the view that the \$600 million per year forecast revenue from the engagement of marine vessels for the upstream sector will positively impact on the financial and insurance institutions if a large chunk is retained in-country.

Vessel Category



Industry Spend (Millions \$)



Man Of The Year

R-L: Deji of Akure and Royal Father of the Day, Oba Aladetoyinbo; Man Of The Year in Ondo State awardee, Executive Director, Operations, NIMASA, Engr. Rotimi Fashakin; his wife, Mrs. Bisola Fashakin; and former Minister of Finance, Chief Olu Falae, at the presentation of the award organised by Trace Magazine in Akure



L-R: Oba Aladetoyinbo; Wazirin Katsina, Alhaji Kabiru Murnai; and Fashakin

NEWS

NLNG/NIMASA: Dakuku Hails Appeal Court Judgement

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he judgement of the Court of Appeal in the case between the Nigerian Maritime Administration and Safety Agency (NIMASA) and the Nigerian Liquefied Natural Gas (NLNG) Limited over levies payable to the maritime regulator has been hailed by the Director-General of the agency, Dr. Dakuku Peterside, as a reaffirmation of confidence in the judiciary. Dakuku said NIMASA remained law-abiding and would continue to work with the judiciary in matters that required clarity and interpretation.

The Court of Appeal in Lagos had set aside an earlier judgement of the Federal High Court, which exempted NLNG from the levies due to NIMASA, on the grounds that NIMASA was not given fair hearing at the lower

court. Justice Mohammed Lawal Garba, who delivered the judgement, ordered that the case be sent back to the high court for fresh trial under a different judge.

Dakuku said, "This judgement has further shown that the judiciary is unbiased and remains a beacon of hope for Nigerians. On our part as a responsible government agency, we will continue to work closely with the judiciary and other stakeholders to ensure that we realise our mandate of creating a robust maritime sector in line with best global practices."

He added, "NIMASA and NLNG are neither foes nor competitors. We are corporate cousins working together for the common good of our great country. Judgements like this only serve to strengthen our institutions and ensure greater bonding."



NIMASA Corporate Dinner and Merit Awards



L-R: Minister of Transportation, Rt. Hon. Rotimi Amaechi; former Head of State, Gen. Abdulsalami Abubakar; and Director-General, NIMASA, Dr. Dakuku Peterside



Emir of Kano, Lamido Sanusi Lamido (left), and Ooni of Ife, Oba Adeyeye Enitan Ogunwusi, Ojaja II



NIMASA Long Service Award winners being recognised at the Annual Corporate Dinner and Awards held in Lagos. Presentation of this category of awards was done by the Governor of Ondo State, Mr. Rotimi Akeredolu, and Governor Abubakar Atiku Bagudu of Kebbi State.



R-L: Managing Director, National Inland Waterways Authority (NIWA), Senator Olurunnimbe Mamora, Rt. Hon. Rotimi Amaechi, and Dr. (Mrs.) Nike Akande



Dr. Dakuku Peterside (left) and Chairman, Dangote Group, Alhaji Aliko Dangote

Nigerian Maritime Industry Forecast and Outlook



DG, NIMASA, Dr. Dakuku Peterside (left), in a handshake with a Faculty at the Lagos Business School, Dr. Doyin Salami

THE GLOBAL OUTLOOK

The context for the Nigerian Maritime Industry Forecasts for 2019 and 2020 is set by the global economic environment, specifically global growth prospects and global trade prospects. Global growth is forecast to slow from 3.7% in 2018 to 3.5% in 2019 and 3.6% in 2020, according to the IMF.

Growth in Advanced Economies is expected to decelerate from 2.3% in 2018 to 2.0% in 2019 and 1.7% in 2020. These projections indicate a sharp deceleration, or worse, a significant loss of growth momentum. Underlying concerns include the potential for deceleration or even a recession in the United States as well as the threats to growth in Europe from uncertainty surrounding BREXIT, the tightening of monetary policy by the ECB and unrest and industrial action in places like France.

Growth in Emerging Markets is expected to slow in 2019 to 4.5% from 4.6% in 2018. Deceleration in China's growth is at the heart of this expectation, as pressures from the disruptions to trade occasioned by the disputes with the United States bite. India may offer the offset required to keep growth from weakening by a greater degree.

Oil Prices: Across a range of forecasters, oil price projections are sitting the \$55 to \$65 per barrel range. The United States Energy Information Administration forecasts Brent spot prices as averaging about \$60.52 per barrel in 2019 and \$64.76 per barrel in 2020. Presently, the New York Mercantile Exchange (NYMEX) futures prices place oil at about \$62.63 per barrel for the rest of 2019 and \$61.93 in 2020. The proposed 2019 budget benchmark price of \$60pb, which is just slightly lower than the average price forecasts quoted above, is taken as our baseline scenario.

Oil Production: The 2019 budget assumes 2.3 million barrels per day oil production, including condensates. The commencement of production at the 200,000bpd Egina deep water oil field should augment domestic production.

DOMESTIC OUTLOOK

The economy is expected to pick up, albeit at limited speed, from growth this year. We expect the uncertainty surrounding the 2019 elections and the time lag possibly required to activate growth-stimulating policies after the inauguration. Growth will also rely on recovery in Agriculture, the largest sector of the economy, to once familiar levels above 3%. At the baseline we foresee 2% GDP growth in 2019.

FORECASTS

The forecast period of 2019 to 2020 covers a time of the 2019 general elections and finally concludes in the post-election environment. Two broad sets of dynamics would drive the outlook of the Nigerian maritime industry over this period. The first pertains to international developments as they relate to growth in global output and trade, the situation in the global oil market and international maritime regulatory conditions. The second is the domestic economic conditions, which speak to economic growth and the associated growth in trade, availability of and access to foreign exchange (FX), as well as the evolving factors in domestic maritime regulation. Precise forecast estimates are difficult enough. As such, planners and economic operators typically resort to scenarios in anticipating future conditions. This report, like similar documents, will explore three scenarios:

- The Baseline Scenario is driven by the Economic Recovery and Growth Plan (ERGP) which covers the period to 2020
- Scenario B is a slightly pessimistic scenario relative to the Baseline
- Scenario C is a slightly optimistic scenario relative to the Baseline.

Based on the scenarios enumerated above and in light of our earlier indication, we produce forecast estimates on the tonnage of Vessels berthing at Nigerian Ports for 2019 and 2020. This is further delineated into the fleet size for Oil and Non-Oil Tankers for those two years. Finally, we also produce for Oil Rig Count in the same period. However, before we display the forecast

2018 Estimates	Forecast	Full Year Actuals
GDP Growth (%)	3.50	1.9*
Total Trade (N 'tn)	23.90	23.14
Foreign Exchange Reserves (US\$ 'bn)	43.50	43.10
Oil Price (US\$/bbl)	47.00	53.2
Oil Production (mbpd)	2.30	1.94**

*IMF FY2018 estimate

**January–September Average

2018 Forecast Estimates

2018 Forecast Estimates	Pessimistic	Baseline	Optimistic	2017	2018***
Total Fleet DWT (Mn)	3.83	3.87	3.95	3.64	3.71
Oil Tanker Fleet DWT (Mn)	0.64	0.66	0.69	0.67	0.71
Non-Oil Tanker Fleet DWT (Mn)	3.19	3.21	3.26	2.96	3.00
Oil Rigs (Land & Offshore)	10	11	12	9	11

*** UNCTAD 2018 Estimates

2019 Forecast Estimates

Forecast Estimates	Pessimistic	Baseline	Optimistic
Total Fleet DWT (Mn)	4.10	4.13	4.21
Oil Tanker Fleet DWT (Mn)	0.62	0.64	0.67
Non-Oil Tanker Fleet DWT (Mn)	3.47	3.50	3.55
Oil Rigs (Land & Offshore)	11	13	13

estimates, some caveats are in order.

Our forecast models for the selected parameters rely on a number of macroeconomic indicators as explanatory variables. These include:

1. Foreign Exchange Reserves
2. Total Trade
3. Oil Prices
4. Oil Production

Baseline forecast estimates for the aforementioned are taken from the Federal Government's ERGP. However, we note that with the ERGP having been released in February 2017, forecast estimates provided under the Plan cover the period 2017-2020. 2018 ERGP forecasts have been overtaken by current realities, which may have a bearing on 2019, requiring us to make the following adjustments:

1. 2018 estimates for Foreign Exchange Reserves are revised to \$43.1bn, which is where Gross Reserves stood at the end of 2018. We maintain the ERGP's FX Reserves forecast estimate of \$60.10bn in 2019.
2. In the absence of Q4-2018 Foreign Trade estimates, we project 2018 Total Trade (in light of the reality of Q1–Q3 2018 cumulative Total Trade estimate of N23.14tn) at N29.16tn.
3. Our assumption on oil for 2019 is the recently approved MTEF price estimate of \$60/bbl which would reflect the baseline scenario for oil price would reflect the 2019 budget benchmark price.
4. Oil production estimates for the forecast period, 2019–2020, remain unchanged.

SCENARIO ASSUMPTIONS

The econometric model used in forecasting assumes that the size of the parameters projected for a given year are affected by the conditions in the current and immediately preceding year i.e. the estimates for our maritime forecast indicators – total fleet size, oil tanker fleet size, non-oil tanker fleet size and oil rig count – in 2019 are affected by the conditions, in 2018, of the following macroeconomic indicators: the volume of trade, extent of foreign exchange reserves holding, oil price and oil production.

We restate, for emphasis, that our baseline scenarios for the macroeconomic parameters reflect the Federal Government's assumptions in the ERGP. We need to also emphasise that with 2018 having already passed, the ERGP estimates for that year have been overtaken by current realities. As such, we are using actual full-year estimates of trade, FX reserves, oil price and production in 2018 (instead of the ERGP forecast estimates for these) in deriving the 2018 forecast estimates for the aforementioned maritime indicators. The 2019 forecast estimates for the maritime indicators are derived from the 2018 ERGP forecast estimates for the named macroeconomic indicators.

Finally, while baseline scenarios assume that conditions proceed as they are, our optimistic scenarios anticipate even more favourable conditions, such as higher oil prices. However, the pessimistic scenarios anticipate a possible deterioration of conditions, such as the now unlikely event of a decline in oil prices.

Emerging Opportunities and Challenges: Implications for the Nigerian Maritime Industry

MOVING INTO THE SMART SHIP ERA

W

What's next? It's a simple question to ask but it's not so simple to answer. Companies are constantly scanning the horizon to see what's coming and what the future holds. The future poses many challenges but also opens many new opportunities.

World trade is expanding. Shipping as its workhorse is undergoing a transformation and facing huge challenges in maintaining competitiveness.

GLOBAL TRENDS

Smart Ships: Smart ships are being widely debated as the shipping industry's next technological revolution. In the manufacturing industry, the term fourth industrial revolution describes how smart devices will replace the role of humans for the management, optimisation and control of machinery. Full autonomy remains elusive for the vast majority of the industry. A fully autonomous and unmanned vessel requires no input from humans other than in an emergency. As at today, the most advanced seagoing ships are at level one already considered "smart". They are directed by humans but rely on systems and sensors for support in collecting data and making decisions.

Cyber Risk: As vessels become connected, increasingly smart and reliant systems, cyber safety and security have become a major concern for ship owners seeking to protect their data, people, assets and operations. However, cyber-enabled ships and systems are already here as ships increasingly incorporate the systems and sensors required to suggest or even make autonomous decisions.

Big Data Analytics: IT infrastructure will be upgraded to retrieve, store and process data in real time. The

shipping industry will, therefore, move from a decision-tree-driven approach to the adoption of a probabilistic approach. Real-time performance monitoring, alert systems and/ or visualizing situational awareness can all be achieved wherever you are and whenever you want. This will help increase business competitiveness and will assist the shipping industry stakeholders to take proactive actions.

Sensors: Sensor technologies are developing rapidly to meet the ever-growing demand for data and information that will enable consumer-driven needs. For example, The Internet of Things, which allows real-time monitoring and control of systems and processes, from home through to medical and industrial applications. These will also address the need for ever-increasing capabilities to measure the ocean (and near ocean) environment, including biological, acoustic and electromagnetic characteristics.

Robotics: In recent years, the technical potential of robotics has been demonstrated in various areas in commercial shipping. For the short- to mid-term future, autonomous robots will only see the application in a limited range of rather specific areas. In fields where, autonomous robotics is not a realistic option, at least for the foreseeable future, remote-controlled robots are a promising alternative.

The concept of blue economy has taken a global focus and Nigeria, being hugely endowed in ocean resources can attain economic prosperity and wealth creation for its citizenry if the right investments are mobilized to optimize these resources and opportunities. The Nigerian Maritime Industry is an enabler and facilitator of economic growth and prosperity. About 90% of world merchandise/ trade by volume is carried by sea and over 60% of all imports to West Africa are Nigeria bound. Over the years, maritime transportation has made the movement



of cargoes of all types and volume both possible and efficient especially engendering economies of scale through massive cargo transportation that has positively impacted global logistics value chain. The industry is constantly evolving leading to greater efficiencies and precipitating economic opportunities especially across coastal nations including Nigeria.

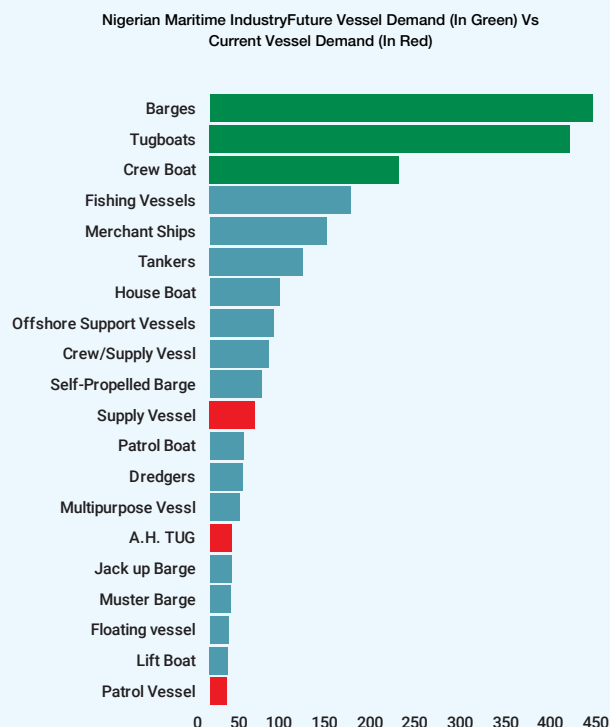
The unveiling of the 2018 Nigeria's Maritime Industry Forecast in 2018 threw up Opportunities and Challenges in the Maritime and Shipping Sector.

EXISTING OPPORTUNITIES

Ship Financing: Shipping is capital intensive as critical maritime assets are usually long-term assets that have longer life span and gestation period. Government intervention in the sector is therefore essential to source funding required to unlock the acquisition of these maritime assets. Furthermore, Prospective investors and buyers should seek innovative financing models and new sources of funding should be explored away from existing traditional models. Effectiveness of seeking and securing financing will, however, only be achieved with adequate evaluation and provisioning for risks, appropriate leverage levels and use of financing structures most suitable to a maritime asset at hand. There has to be funding structure that suits the maritime sector because it is capital intensive

The capital market remains critical for the enhancement as well as the promotion of shipping business growth and creation of corporate value. They are viable financial alternatives.

Ship Building and Ship Repairs: The maritime industry in Nigeria holds a lot of promise for economic development. One of which is the gradual migration of



Nigeria's oil and gas exploration towards deep offshore, off the coast and in the coastal waters. This would increase the demand for more offshore support vessels, FPSOs, tankers and platforms. Huge investments are required in developing this aspect of the industry which is critical for trade facilitation. Investments in the form of funding, technology and human capacity building are some opportunities to be explored by both local and international investors.

A capacity audit of ship building and ship repairs yards in Nigeria has been commissioned as this subsector remains under developed and has potentials of reducing capital flight if vessels are dry-docked in-country. There are huge investment opportunities in building of vessels to meet national and cabotage requirements. Dry Docking remains a critical area of investment with over 3,500 vessels operating in Nigerian waters and largely been dry-docked outside the shores. Nigeria has quite a few ship yards in operation but the capacity remains an all-time low.

Marine Insurance: The insurance sector represents the backbone of Nigeria's risk management system. Therefore, the role of insurance in the growth and development of the economy cannot be over emphasized. Insurance has the ability to mitigate the impact of risk and positively correlates with growth as investors and entrepreneurs cover their exposures and inculcate more risk abilities.

An overview of the insurance industry show that motor, general accident and marine insurance contributes



Cadets during a parade and march-past

positively to the development of the insurance market in Nigeria by their positive coefficients. Hence marine insurance will continue to exert significant influence on the overall insurance business in Nigeria. For marine insurance to thrive, underwriters must adopt a realistic approach to the enormous build-up of exposures in the maritime trade.

Nigeria's marine subsector is one of the most under developed compared to peers and a number of critical factors that have the potential to drive growth in the area such as technological disruption, mergers and acquisition, recapitalization to underwrite big transactions in the industry have been identified as game changers for investors. Ship owners are called upon to also look into establishing a Protection and Indemnity Club (P&I). For intending investors, huge opportunities abound in the subsector.

Research and Development: The Maritime Industry has not really made a leap change in the use of Technology.

It is still very much human driven. A number of innovation and new technology approaches are taking place globally and even locally in the oil and gas sector. Investment opportunities exist in setting up training and research centres as these will scale up activities in the maritime sector.

Maritime Law and Law of the Sea Experts: The law relating to activities at sea is based primarily on Maritime Law and the Law of the Sea. Maritime law is the law of things, activities and events related with the sea. Specifically, it deals with matters concerning sea going personnel, ships and other seagoing vessels, charter contracts and ocean transport, ship ownership and sales, maritime safety incidents at sea and marine insurance. The law of the sea on the other hand is the law of maritime space, it defines its zones as well as the rights and obligations of States in these zones,

especially in regard to environmental protection and law and order at sea. These maritime law experts are there to inform and advise, act on behalf of clients, draft legal documents where necessary.

Manpower & Human Capacity Development: The availability of manpower is crucial to development of Nigeria's maritime and shipping sector. Large opportunities exist in establishment, upgrading of facilities and management of maritime institutions. Nigeria as a country is making heavy investments in human capacity development in the maritime industry which implies an increase in local participation in shipping especially shipping operations. There are ongoing discussions and plans driven by government for Nigeria to re-float a national shipping fleet. The implication of this development upon its crystallization will see Nigerian flagged vessels trading with other countries of the world. As expected, this would come with the benefit of employment generation, sea-time for cadets and competitive cost of doing business. We need to train our young generation to develop cross disciplinary skills required in today's world by providing professional development courses focussing on advanced maritime technologies, cyber security, maritime and port management, supply chain management etc. West Africa's offshore oil and gas deposits remain under explored and exploited. Nigeria is playing no significant role in seabed mining and exploration. There is need for a lot of investment in training and development of maritime professionals.

Haulage and Storage Services (Warehousing): As an industry, we must adapt to changes and develop in sync with shifts in the broader trade and logistics ecosystem. Ports are now much more than transit points. They provide added value for which there is a real demand, such as the processing of products,



“Nigeria as a country is making heavy investments in human capacity development in the maritime industry which implies an increase in local participation in shipping especially shipping operations.”

financial breaks in free trade zones, specialized packing methods etc. Supply chain logistics (transport of raw materials usually in bulk) accounts for two thirds of shipping traffic, while distributing logistics (manufactured products usually transported in containers) account for the third. The Haulage business provides a lot of opportunities. Also establishing warehouse or distribution houses outside the Ports would help reduce business cost.

Marine Renewable Energy, Storage and Services:

The Marine Renewable Energy (wind, current, tidal, wave and ocean thermal energy) is the world's second largest maritime zone. Africa is lagging behind in marine renewable energy technology. The development of marine renewable energy requires knowledge and know-hows that are specific to our marine environment. Leasing: The robust activities in the sector present enormous opportunities for investors to lease on short- or long-term bases. For instance, the deregulation and liberalisation of the port sector has given additional impetus for private initiatives in terminal operation.

Classification Societies: Classification societies play predominant roles in maritime transport by ensuring that ships are built and operated according to satisfactory safety standards.

Marine Support Services: Economic dynamics and global changes account for ongoing transformation and reforms in ports worldwide. Businesses are evolving rapidly embracing technology and innovation. The pace and scope of change is impressive and opportunities abound for investors.

Ship Broking Firms: Acting as intermediary between the supply and demand sides of ship chartering, ship building & sales and dismantling markets. Ship broking firms will further strengthen activities under the cabotage regime.

Port Development and Modernization:

Construction of new green field ports, dedicated coastal berths and development of new terminals and jetties will be required to ensure smooth and efficient shipping operations.

Development of Deep Seaports: In response to the demands of modern- day shipping, Nigeria embarked on the development of deep-sea ports. This is a Public Private Partnership initiative between the federal government and private investors. Multiple opportunities for the development of deep-sea ports are available considering Nigeria's coastline stretching over 853kms. Some deep-sea projects which are already at different stages of implementation include the Ibom deep sea port in Akwa Ibom State, the Lekki deep sea port and Badagry deep sea port in Lagos State.

Inland Container Depots and Multimodal Transport: Inland Container Depots are inevitable as a result of the vastness and diversity of the country's landscape and the resulting distance between some major commercial centres and the coastline, there is need to bridge the service gap occasioned by the lack of access to seaport services.

Hinterland connectivity & Multimodal Logistics: Modernization of rail corridors and connection of narrow gauges at ports will speed up evacuation of goods and reduce congestion. Investments through Public Private Partnership is encouraged.

Blockchain Technology: Potential exists in the use of blockchain technology, in cargo tracking; visibility in the supply chain; recording vessel information including global risks and threats; integrating smart contracts; maritime policies and digitizing, as automating the documentation and reserves save costs and time for the release and movement of the cargo.

Jamoh Investiture



Chairman, Board of Trustees, Institute of Transport Administration of Nigeria (CloTA) and Elejiri of Ejiriland, Oba Rafiu Balogun Alaiyewura (left), during the investiture of Dr. Bashir Jamoh as the President of CloTA, in Lagos



Professor of political economy, management expert, and Founder, Centre for Value in Leadership, Prof. Pat Utomi (right), Jamoh, and a stakeholder at the investiture

Daily Independent Awards



R-L: Head, Corporate Communications, Nigerian Maritime Administration and Safety Agency (NIMASA) Mr. Isichei Osamgbi, Executive Director, Finance and Administration, NIMASA, Mr. Bashir Jamoh, Head, Planning Research and Data Management Services, NIMASA, Mrs. Moronke Thomas and Coordinator, Central Zone, NIMASA, Engr. Femowei Abel during the Independent Newspapers Awards 2018

The Royal Danish Visit



L-R: Executive Director, Finance and Administration, Dr. Bashir Jamoh; Director-General, NIMASA, Dr. Dakuku Peterside; Danish Ambassador to Nigeria, Amb. Jesper Kamp; a Danish naval officer; and Maritime Guard Commander, NIMASA, Navy Captain Badamasi Ishaq Yahuza, during a courtesy visit to the NIMASA corporate head office in Apapa, Lagos.

Management Retreat



R-L: Dakuku, Ahmed, Director, Abuja Zonal Office, NIMASA, Alhaji Ali Indabawa, and Director, Special Duties, Hajia Lami Tumaka



L-R: Ahmed, Dakuku, Jamoh, and Fashakin



L-R: Dakuku, Tumaka, and Indabawa



'Nigeria's Economic Prospects Enhanced by Maritime Infrastructure, Enforcement'

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he Director-General of NIMASA, Dr. Dakuku Peterside, says the agency has created operational conditions that have prompted a turnaround in prospects for maritime safety and successful utilisation of the country's enormous marine resources. Dakuku stated this on

January 31 in Abuja while delivering a lecture on "Maritime Safety and Shipping Development in Nigeria: Challenges and Prospects," at the National Defence College.

Dakuku said NIMASA's Total Spectrum Maritime Security Strategy had engendered significant improvement in maritime safety and security in the country. The other measures adopted by the agency to better the state of safety and security in the marine environment, he said, include acquisition and utilisation of marine technology infrastructure (maritime domain awareness); improved compliance monitoring and enforcement activities; training/re-training; and conscious efforts to ensure adequate funding for the maritime sector.

At NIMASA, he said, "We have moved from enforcement to education and enlightenment, to get operators to understand why they should comply with the rules and the risks in not complying, as well as help them to comply."

Speaking further at the event, which had participation from several African countries, Dakuku

called for multilateral cooperation, especially among African countries, to ensure vessel safety and enhance opportunities for the exploitation of marine resources, saying maritime security is a global issue.

"Shipping, perhaps, is the most globalised of all great industries in the world. Approximately 90 per cent of world trade is transported by ships. Such as the case of Nigeria, this figure is close to 95%. There are over 50,000 merchant ships trading internationally today, manned by more than a million seafarers and carrying every kind of cargo. Thus, the safety of vessels is critical to the global economy," he stated.

Dakuku said maritime safety had moved from the approach of reacting to marine incidents only after their occurrence to a proactive regime entailing the prior initiation of solutions based on risk analysis.

The DG said research had shown that most maritime accidents in Nigeria resulted from human factors, stressing that industry actors have a big role to play in the new approach to maritime safety, as they have a better control over the human elements. He said NIMASA was tackling the human factors that could imperil shipping in the country through its improved enforcement and monitoring mechanisms.

Underscoring the role of the human factor in the efforts to ensure safety of vessels, Dakuku said a study of marine accidents/incidents in Nigeria between 2016 and 2018 showed that 38 per cent resulted from collision (poor vessel traffic) – human error; 19 per



L-R: DG, NIMASA, Dr. Dakuku Peterside; Commandant, National Defence College, Abuja, Rear Admiral Adeniyi Osinowo; and Chairman, NIMASA Board, General Jonathan India Garba (rtd), at a lecture on Maritime Safety and Shipping Development in Nigeria: Challenges and Prospects by Dakuku at the National Defence College, in Abuja

cent resulted from fire explosion; 12 per cent was due to capsizing; grounding and sinking accounted for eight per cent each; and oil spill caused 15 per cent.

He identified the challenges associated with maritime safety and shipping development in Nigeria to include poor compliance with regulations, insufficient manning, professional competence issues, lack of capital, piracy, inadequate technological infrastructure, and pollution.

Dakuku stated, "NIMASA has continuously dealt with safety challenges in the context of operations, management, surveying, ship registration, and the role of administration. Since international maritime safety has moved from a largely prescriptive and reactive safety scheme to a risk-based proactive regime, responsibility for safety is being placed on those in the industry to set out and create new perspectives on risk-based decision making.

"Hence, the way forward would be to adopt a Formal Safety Assessment (FSA) framework for maritime safety management."

He said the FSA framework consisted of five key steps, namely, identification of hazards, assessment of risks associated with the hazards, finding ways of managing the risks, analysis of the risk control options (RCOs), and deciding on the options to select.

"The five-step process covers all aspects of safety analysis and suggesting suitable safeguards against all major and minor areas," Dakuku stated.

Dakuku also disclosed that the six fast intervention security vessels, which NIMASA leased under its maritime security strategy project, had made tremendous impact. The initiative helped to increase Port State Inspection by 10.53 per cent in 2017, from 475 in 2016 to 525 in 2017. It also facilitated an upswing in Flag State Inspection, from 77 in 2016, to 98 in 2017, representing a 27 per cent increase. He said the rise in PSI and FSI had continued.

In his own remarks, Commandant of the National Defence College, Rear Admiral Adeniyi Osinowo, also emphasised the importance of maritime cooperation among African countries, particularly in the Gulf of Guinea, saying this is key to their maritime security, safety and development.

He said in Africa there used to be excessive focus on land, with little or no interest in activities in the sea. But increased political contacts among African leaders have transformed that to "wealth blindness".

"Wealth blindness in the sense that there is so much in the maritime environment in terms of economic resources and activities that could solve practically 70 to 80 per cent of our national economic problems. Our ability to explore and exploit the related opportunities are part of the problems," he said.

Those present at the lecture included Chairman, NIMASA Board, General Jonathan India Garba (rtd), members of the agency's management team, and course participants of the National Defence College.



NIMASA Admiralty Law Seminars: A Strategic Intervention

The marine law sessions offer a unique moment for explanation, correction, advice, and instruction in efficiency and viability of the Nigerian maritime domain.

Vincent Obia reports



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igeria, Africa's biggest oil producer, is a key player in the global maritime community. The country boasts enormous maritime potential. But tapping the latent capacities of the continent's most populous country has sometimes proved difficult due to legal constraints.

But the Nigerian Maritime Administration and Safety Agency (NIMASA) is rising to the challenge.

NIMASA's Strategic Admiralty Law Seminar for Judges aims at assessing and improving the legal tools that can aid investment in the maritime sector and enhance Nigeria's status within the global maritime space. This is in line with the agency's mandate of promoting the development of shipping and building capacity in the maritime sector.

January 21 and 22 saw the eighth edition of the annual seminar. Organised in Lagos by NIMASA in conjunction with the Nigerian Institute of Advanced Legal Studies (NIALS), it was the second in the series since Dr. Dakuku Peterside became Director-General of NIMASA.

The theme for this year's conference was "Strengthening Nigeria's Admiralty Regime through Effective Implementation of International Maritime and Labour Instruments". The theme speaks to the vital role of international laws governing nautical issues in the effective operation of domestic maritime activities. It also addresses the issue of timely adjudication in maritime disputes. These formed

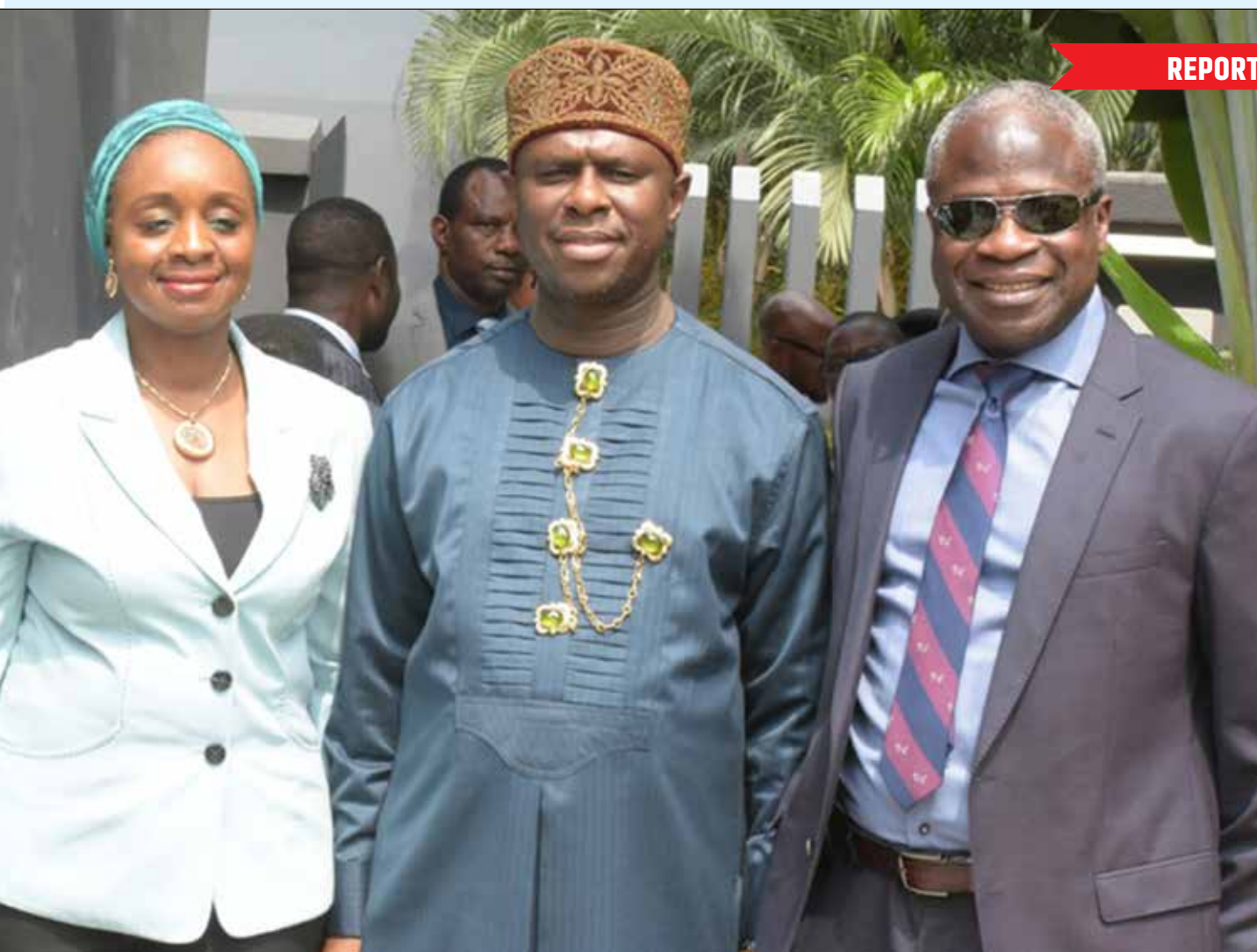
the subtext addresses at the seminar.

"Timeliness in justice dispensation is very key to realising the potentials in the maritime sector so that investors can trust our judicial process," Dakuku told the gathering comprising mainly legal personalities, while opening the conference. "The more time taken on a case, the more investment opportunities are lost. I, therefore, wish to use this opportunity to appeal to our judges to facilitate timely resolution of dispute for maritime cases as we all have one role or the other to play in catalysing the Nigerian economy."

The Director-General flagged Nigeria's efforts to comply with international maritime instruments, saying, "NIMASA remains committed to playing its part in ensuring the implementation of relevant maritime treaties to ensure the growth of the maritime sector and admiralty regime."

He added, "It has been a herculean task trying to sell Nigeria to the international community for investment because in some cases the investors had raised the issue of uncertainty in dispensation of litigation and implementation of laws. It is on this premise that the seminar, titled 'Strengthening Nigeria's Admiralty Regime through Effective Implementation of International Maritime and Labour Instruments' is imperative."

Nigeria has ratified 40 conventions of the International Maritime Organisation (IMO) and International Labour Organisation (ILO) on maritime safety, maritime labour, and marine environment management. And the country



L-R: Executive Director, Maritime Labour & Cabotage Services, Nigerian Maritime Administration and Safety Agency (NIMASA), Mr. Gambo Ahmed; Head, Legal Services, Mrs. Aisha Jidda; Director-General, Dr. Dakuku Peterside; and Executive Director, Operations, Engr. Rotimi Fashakin, during the 8th Strategic Admiralty Law Seminar for Judges organised by NIMASA in conjunction with Nigerian Institute of Advanced Legal Studies (NIALS) in Lagos

has domesticated 19 of these conventions by adoption, regulations, or incorporation into the Merchant Shipping Act.

Dakuku stated that NIMASA was working with the Federal Ministry of Transportation, under the auspices of an Inter-Ministerial Committee, to facilitate the ratification of additional six IMO conventions before the end of 2019, in line with Nigeria's treaty obligations as an IMO member-state. The six conventions are: the Hong Kong International Convention for the safe and environmentally sound recycling of ships (or Hong Kong Convention), 2009; Protocol Relating to Intervention on the high seas in cases of oil pollution casualties (Intervention Protocol) 1973; and 1996 Protocol on limitation of liability for maritime claims (LLMC).

Others are Protocol of 2002 to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea (PAL), 1974; International Convention on Standards of Training, Certification and Watch keeping for Fishing Vessel Personnel (STCW-F) 1995; and the Protocol of 2005 to the Convention for the Suppression of Unlawful Act against the Safety of Maritime Navigation.

Dakuku also disclosed that NIMASA was working

with relevant stakeholders under the umbrella of the IMO Member State Audit Scheme (IMSAS) Corrective Action Plan Committee to ensure that all queries raised in the 2016 IMO Audit report on Nigeria's maritime sector were addressed before the next IMO General Council in November 2019 to boost Nigeria's reelection bid into Category C of the council.

Director-General of NIALS, Professor Adedeji Adekunle, who was represented by the Director of Studies, Associate Professor Emmanuel Okon, spoke in a similar vein. Adekunle stated, "The crux of the matter lies on enforcement and the stakeholders, who happen to be the judiciary." He assured that NIALS will continue to partner NIMASA to realise timely judicial decisions on maritime issues.

Papers were presented by renowned legal professionals during the seminar.

In his paper, titled, "Compliance and Enforcement of Maritime Labour Conventions: Role of the Judiciary," Head, Maritime Unit, at Olisa Agbakoba law firm, Dr. Oluwole Akinyeye, emphasised the significant place of the Maritime Labour Convention, 2006, in the maritime sector and the role of the judiciary in its effectiveness.



L-R: Executive Director, Maritime Labour and Cabotage Services, NIMASA, Mr. Gambo Ahmed, Justice of the Court of Appeal, M.L. Garba, and Executive Director, Finance and Administration, NIMASA, Dr. Bashir Jamoh, during the 8th Strategic Admiralty Law Seminar for Judges organised by NIMASA in conjunction with NIALS in Lagos.



The convention came into force on August 20, 2013 after ratification by 30 countries, representing at least 33 per cent of the world gross tonnage.

Akinyeye said, "The Maritime Labour Convention (MLC) 2006 was established to alleviate centuries of shameless exploitation of seafarers by unconscionable ship-owner-employers."

He also stated, "The MLC 2006 was designed to codify minimum international labour standards for seafarers and place them on the same pedestal as the international regulatory framework governing ship safety (SOLAS), security and prevention of ship pollution (MARPOL), and seafarers' certification, training and watchkeeping (STCW)," adding, "MLC, 2006 was intended to be the fourth pillar of international maritime law."

Akinyeye frowned on what he called the stripping of the Federal High Court (FHC) of its admiralty jurisdiction and the "donation" of that jurisdiction to the National Industrial Court (NIC). He lamented the effect of such jurisdictional alteration on maritime labour claims, saying, "While it is true that the claimant-crewmen can approach the NIC for the enforcement of their claim for wages, it is also true that such enforcement is bedeviled by the shortcomings of stripping the FHC of its jurisdiction over crew wages, as earlier considered."

"There was no need for the 1999 Constitution (as amended) to strip the FHC of its admiralty jurisdiction over crew wages, as this affects the role of the judiciary in effectively enforcing the claims that could arise from the maritime labour convention, specifically in respect of crew wages."

Akinyeye called on the legislature to strive to remedy the situation in future constitution amendments.

Speaking on the topic, *"Compensation for Oil Pollution Damage: Nigerian Perspective*, Mrs. S. N. Asagwara stressed the need for NIMASA's strict enforcement of

the international compensation regime established by the 1992 Civil Liability Convention (CLC), which governs the liability of the ship-owner with respect to spill or discharge of oil from his ship.

The convention came into force in Nigeria on May 24, 2003. It was adopted into the Merchant Shipping Act in 2007, and regulations were made pursuant to the Act in 2012.

Asagwara stated, "The need for deep knowledge of the provisions of the compensation regime and other international conventions to which Nigeria is a party is paramount."

The paper by Principal Partner, Highflyers Solicitors, Lagos, Mr. Matthew Egbadon, "The Use of Administrative Fines and Penalties in the Enforcement of Legal Instruments: Matters Arising," examined the use of charges, forfeitures, and other sanctions by regulatory agencies as a tool in the enforcement of legal mandates. Egbadon identified the procedural complexities in the pursuit of criminal prosecution, the need for efficiency and avoidance of delay, promotion of regulator/operator harmony, and deterrence as rationale for administrative fines and penalties.

He concluded, "The powers to impose fine and penalty where and when necessary, which are vested in some government agencies (including NIMASA) by the various enabling statutes and instruments, are very clear and unambiguous and, logically, are in the overall public interest. They should not be seen or regarded as an infraction on, or a derogation from the constitutional provisions on the separation of powers."

"The agencies must, therefore, be supported in the use of this tool, since inherent in the use of this tool are requirements of due process principles."

"It must be emphasised, however, that the agencies must be firm, fair and predictable in the use of fines or

penalties as a tool of enforcement of their mandate. The powers must not be capriciously deployed, otherwise any agency who does that may be held liable for wrongful use of the tool, with the attendant consequences."

The paper, "Nigerian Maritime Litigation: The Role of Counsel and the Courts," by L. Chidi Ilogu, SAN, emphasised the significant and complementary duties of lawyers and the court system in the delivery of justice in maritime litigations in the country. While counsels are required to ensure diligent prosecution of cases, the courts have a responsibility to uphold and preserve the rule of law, Ilogu stated.

He regretted the "declining level of maritime litigation in Nigeria," saying this "can be attributable severally to delays in the adjudication process, unpredictable decisions of the courts, and poor handling of cases by counsel.

"As has been observed, maritime litigation is highly international in nature and there is every need for maritime jurisprudence in Nigeria to be relatively consistent and uniform with the norms and customs in maritime business, shipping, international trade and conventions applicable in other jurisdictions."

Other papers delivered during the seminar sessions this year included, "Implementation of IMO Instruments: Flag/Port/Coastal State Responsibilities," by Dr. Emmanuel Kofi Mbiah; "Legal Issues in Marine Environmental Management," by Dr. Irekpitan Okukpon, a Research Fellow at NIALS; and "Legal Framework for Maritime Security Management: Implications and Impacts," by Dr. Chukwuechefu Ukattah.

With the development of the country's maritime sector on their minds, the speakers tried to do justice to the

issue of admiralty law in Nigeria, sensitively considering its various aspects.

In the pursuit of its mandate of promoting shipping and building capacity in the maritime sector, NIMASA instituted the Strategic Admiralty Law Seminar for judges, with the initial target being judges of the Federal High Court, who by the provisions of Section 251 (1) (g) of the Constitution of the Federal Republic of Nigeria 1999 (as amended), are vested with exclusive jurisdiction over admiralty matters. This scope was subsequently expanded to include Justices of the Court of Appeal and the State High Court Judges of the littoral states, due to their strategic role in the dispensation of justice.

This year's seminar was well attended by stakeholders and leading lights in maritime law, including Justice of the Court of Appeal, M.L. Garba; Chief Judge of Ogun State, Justice Mosunmola Arinola; and Chief Judge of Akwa Ibom State, Justice Godwin Abraham.

Typically, gatherings like this are designed to put right mistakes or misunderstandings, and offer advice. Judging by the papers and addresses at the occasion, the admiralty law seminar sufficiently did that.

As was severally pointed out during the presentations, some investors have had to put the idea of investment in Nigeria on ice because of legal challenges. But the admiralty law seminars have been a good icebreaker, helping to dismiss reservations and build confidence in the Nigerian maritime domain. This year's edition was particularly excellent, as it came at a time the President Muhammadu Buhari government was going full steam ahead with its Ease of Doing Business initiative.



L-R: Director of Studies, Nigerian Institute of Advanced Legal Studies (NIALS), Associate Professor Emmanuel Okon; Justice of the Court of Appeal, M.L. Garba; Director-General, Nigerian Maritime Administration and Safety Agency (NIMASA), Dr. Dakuku Peterside; Chief Judge of Akwa Ibom State, Justice Godwin Abraham; and Executive Director, Maritime Labour and Cabotage Services, NIMASA, Mr. Gambo Ahmed, during the 8th Strategic Admiralty Law Seminar for Judges organised by NIMASA in conjunction with NIALS in Lagos.



When Glamour Meets Elegance

The setting and attendance at the NIMASA awards night and dinner are the height of corporate chic.

Vincent Obia writes

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here is glamour, glitz, and charm. Quality and elegance, staff and guests sashaying in shapes and colours of designer labels. A huge party, complete with flashing blue disco lights and comperes doing what they know best. Black is also on display, with most guests loyal to a black

tie dress code. And the hall decoration: a portrayal of class and the reliability and ubiquity of blue. Each and every little thing about the Nigerian Maritime Administration and Safety Agency (NIMASA) Merit Awards and Corporate Dinner is a reflection of the new management led by Dr. Dakuku Peterside.

A tough act to follow, Dakuku knew what he wanted when he led his team to organise a night out for maritime stakeholders and other members of corporate Nigeria, individuals and groups continually striving for achievement, producing results, and delivering progress: a celebration of excellence.

Aptly tagged "A Nautical Night of Excellence," it is an evening to honour outstanding industry stakeholders and NIMASA staff. The date is January 12, and venue, Eko Hotels and Suites, Victoria Island, Lagos.

"The maritime industry in Nigeria has grown from strength to strength, especially in the past two years," Dakuku says. "Our stakeholders, players in the industry



L-R: Minister of Transportation, Rt. Hon. Chibuike Rotimi Amaechi; former Head of State, General Abdulsalami Abubakar; winner of NIMASA Staff of the Year 2018, Mr. Abraham Iseghohi; and Director-General, NIMASA, Dr. Dakuku Peterside, at the NIMASA Corporate Dinner and Merit Awards held at Eko Hotels and Suites, Lagos.



Governor of Kebbi State, Abubakar Atiku Bagudu (left), and Governor Rotimi Akeredolu of Ondo State during the presentation of awards for excellence to some NIMASA staff

are doing great exploits. They are breaking old records, they are setting new standards."

He explains, "Today, it is globally acknowledged that Nigeria is a force to reckon with in the maritime community. All of this could not have been possible without our people. Our people are the reason we are making giant strides, doing great things. Their sacrifice, their selflessness, their commitment, the professionalism, and their resilience.

"Aside from our people, our stakeholders have been wonderful. We acknowledge that in the industry, we are facing a lot of tailwinds. Despite these challenges, our stakeholders have been resilient, they are doing great exploits, they are making giant strides.

"So tonight, we have gathered all of you, great and mighty men and women, to celebrate our people, to celebrate our stakeholders, to celebrate excellence, to celebrate the resilience of a people, to celebrate accomplishment, to celebrate the best of the best."

The quality of attendance matches the classiness of the venue.

Former Head of State, General Abdulsalami Abubakar (rtd); Africa's richest man, Aliko Dangote; and renowned economist, entrepreneur, and founder of The Tony Elumelu Foundation, Mr. Tony Elumelu are among the crème de la crème of Nigerian business and politics at the occasion. Others are the governors of Edo, Kebbi, and Ondo states, Godwin Obaseki, Abubakar Bagudu, and Rotimi Akeredolu, respectively.

It is hosted by Minister of Transportation, Rt. Hon. Rotimi Amaechi, and chaired by Secretary to the Government of the Federation (SGF), Mr. Boss Mustapha, represented by Minister of Budget and Planning Udo Udoma.

Royal fathers of the day are the Emir of Kano, Mallam Muhammad Sanusi II, and the Ooni of Ife, Enitan Adeyeye Ogunwusi.

There are also heads of maritime agencies and captains of maritime industry, including Chairman of the NIMASA Board, General Jonathan India Garba (rtd); president of Nigerian Ship Owners Association, Aminu Umar; chairman of the Nigerian Ship Owners Forum, Mrs. Margaret Orakwusi; former Director-General of

R-L: Director-General, NIMASA, Dr. Dakuku Peterside, Minister of Transportation, Rt. Hon. Rotimi Amaechi, The Chairman and Chief Executive Officer of Dangote Group, Alhaji Aliko Dangote, and chairman of Heirs Holdings Mr. Tony Elumelu at the NIMASA Corporate Dinner and Merit Awards held at Eko Hotels and Suites, Lagos.



NIMASA, Temisan Omatseye, among others.

NIMASA organised the get-together not only to honour outstanding staff and industry players, but also to entertain them. Music acts, like Mr Eazi, Flavour, Tiwa Savage, and Rude Boy, combine performances with bantering comperes – Osakioduwa, Chi Girl, and Toby Bakare – to make the event even more glorious.

The awardees' list is a most telling evidence of a newfound regulator-operator harmony in the Nigerian maritime industry. They include MAERSK Nigeria Limited, Shipping Company of the Year 2018 – Vessel Traffic (Foreign) award; GAC Shipping Nig. Ltd, both Shipping Company of the Year 2018 – Cargo Throughput (Foreign) and Shipping Company of the Year 2018 (Regulatory Compliance) Foreign; and West Atlantic Port Services, Indigenous Shipping Company of the Year 2018 – Vessel Traffic.

Others are Blueseas Maritime Services, Indigenous Shipping Company of the Year 2018 (Cargo Throughput); Integrated Shipping, Indigenous Shipping Company of the Year 2018 – Regulatory Compliance; Atlantic Shrimpers Nig. Ltd, Nigerian Registered Shipping Company with Highest number of Nigerian Flagged Vessels; Pan Afrique Maritime, Manning Agent of the Year 2018; TIN-CAN Island Container Terminal, Terminal Operator of the Year 2018; and Micura Services Ltd, Stevedoring Company of the year 2018.

Charkin Maritime & Offshore Safety Centre is honoured with Maritime Education & Training Institute of the Year 2018; Sea Transport Services Nigeria Limited, Marine Environment Management Company of the Year 2018; Katrina Shipping Company Nig Ltd, Most Cabotage Compliant Oil & Gas Company 2018; and Peak Shipping

Agency Limited, Most Cabotage Compliant shipping Company 2018.

Among the awardees also are Avantguard Security Solutions, Best Recognised Security Organisation 2018; Ports & Terminal Multiservices Ltd. (PTML), Best ISPS Code Compliant Facility 2018; and Egina FPSO with Gross Tonnage of 219,830.0 owned by Total Upstream Nigeria Limited, Floating Production, Storage and Offloading (FPSO) with highest Gross Tonnage in the Nigerian Ship Registry.

MT Ultimate with a registered gross tonnage of 40,834 owned by Nexttee Oil & Gas Trading Company Nigeria Limited is Biggest Crude Oil Tanker in the Nigerian Ship Registry, and Maritime Worker Union of Nigeria is honoured with Recognition for Industrial Peace and Harmony in the Maritime Industry.

Highlights of the awards include the Special Recognition Award for the mid-sea rescue of 13 passengers after a PDSC incident, given to the Nigeria Liquefied Natural Gas Limited, and Special Posthumous Recognition Award for Sea Rescue Bravery, given to a young man, Joseph Blankson, for sacrificing his life to rescue 12 other passengers involved in a boat mishap in Rivers State.

The moment turns solemn as Blankson's mother and family members mount the stage to receive the award on behalf of their late son, their faces breaking into sobs and tears, amid sombre expressions from the audience. Despite the bitter tone, Blankson got a standing ovation for his bravery and act of kindness.

Especially noteworthy is the Special Recognition Award given to Amaechi by maritime stakeholders.

On the staff recognitions, Mr. Abraham Iseghohi from the Western Zonal Office, NIMASA's July 2018 Employee

of the Month, emerged tops among 11 Employees of the Month winners in 2018 to win Employee of the Year 2018 with a N1 million cash prize.

A notable sideshow is the dancing competition won by a lady from the Special Duties Directorate. She won a trip to the UK, courtesy of a travels agency. The first runner-up, a male invitee, won a trip to Dubai, courtesy of another travel agency, while the second runner-up, a female invitee, got two nights rest at the Nicon Hilton Hotel, Abuja.

It is a remarkable evening, from the red carpet and sideshows, getting into the awards proper, and winding down into a long night of dance, drinks, and food.

It was not a night for speech making, but a moment to celebrate merit. Excellence occasioned by the NIMASA director-general's transformational leadership since March 2016.

"One area we have done extremely well is in maritime regulation and shipping promotion," says Dakuku. "More Nigerians are getting involved in the industry, and many more are given opportunities in the industry."

NIMASA has achieved a lot in the last three years in the discharge of its duties of administering maritime safety and security, seafarers' standards, maritime labour, shipping regulation, promotion of commercial, coastal, and inland shipping activities, and pollution prevention and control measures in the marine environment.

Ship registration has been on the rise. About 125 vessels were registered last year, as against 94 vessels registered in 2017, representing an increase of 33 per cent. The number of Nigerians manning vessels has also increased. About 2,840 Nigerian officers and ratings were recommended to be placed onboard Cabotage vessels in 2018, as against 1,789 Nigerian seafarers in the same period in 2017, which is an increase of 58 per cent.

The agency has done a downward review of the freight rates benchmark, in response to operators' yearnings, thus helping to boost shipping and fostering a harmonious regulator-operator relationship. The review resulted in over 30 per cent rise in cargo activities last year, compared to the previous year's figures.

It has championed a Change of Terms of Trade for the affreightment of Nigerian crude oil from Free on Board (FOB), where the country virtually loses control over the distribution of its crude oil, to Cost Insurance and Freight (CIF), which favours indigenous operators and the domestic economy.

NIMASA has intensified training for seafarers under

SN	AWARD CATEGORY	NAME OF COMPANY/ WINNER
1.	Shipping Company of the Year 2018 - Vessel Traffic (Foreign)	MAERSK Nig Ltd
2.	Shipping Company of the Year 2018 - Cargo Throughput (Foreign)	GAC ShippingNig. Ltd
3.	Shipping Company of the Year 2018 (Regulatory Compliance) Foreign	GAC Shipping Nig. Ltd
4.	Indigenous Shipping Company of the Year 2018 - Vessel Traffic	West Atlantic Port Services
5.	Indigenous Shipping Company of the Year 2018 (Cargo Throughput)	Blueseas Maritime Services
6.	Indigenous Shipping Company of the Year 2018 - Regulatory Compliance	Integrated Shipping
7.	Nigerian Registered Shipping Company with Highest number of Nigerian Flagged Vessels	Atlantic Shrimpers Nig. Ltd.
8.	Manning Agent of the year 2018	Pan Afrique Maritime
9.	Terminal Operator of the Year 2018	Tin Can Island Container Terminal
10.	Stevedoring Company of the year 2018	Micura Services Ltd
11.	Maritime Education & Training Institute of the Year 2018	Charkin Maritime & Offshore Safety Centre
12.	Marine Environment Management Company of the Year 2018	Sea Transport Services Nigeria Limited
13.	Special Recognition Award for the mid-sea rescue of thirteen passengers after a PDSC incident/accident.	Nigeria Liquefied Natural Gas Limited
14.	Special Posthumous Recognition Award for Sea Rescue Bravery	Joseph Blankson
15.	Most Cabotage Compliant Oil & Gas Company 2018	Katrina Shipping company Nig Ltd
16.	Most Cabotage Compliant shipping Company 2018	Peak Shipping Agency Limited
17.	Best Recognized Security Organization 2018	Avantguard Security Solutions
18.	Best ISPS Code Compliant Facility 2018	Ports & Terminal Multiservices Ltd. (PTML)
19.	Floating Production, Storage and Offloading (FPSO) with highest Gross Tonnage in the Nigerian Ship Registry	Egina FPSO with Gross Tonnage of 219,830.0 owned by Total Upstream Nigeria Limited
20.	Biggest Crude Oil Tanker in the Nigerian Ship Registry	a) MT Ultimate with a Registered gross tonnage of 40,834 owned by Nexttee Oil & Gas Trading Company Nigeria Limited
21.	Recognition for Industrial Peace and Harmony in the Maritime Industry	Maritime Workers Union of Nigeria
22.	15 Years long Service Award	Staff
23.	15 Years long Service Award	Staff
24.	15 Years long Service Award	Staff
25.	20 Years Long Service Award	Staff
26.	25 Years long Service Award	Staff
27.	25 Years long Service Award	Staff
28.	30 Year long Service Award	Staff
29.	Special Appreciation Award	Honourable Minister of Transportation
30.	Star Award (Employee of the Year)	Iseghohi O. Abraham

L-R: Chairman, Heirs Holdings, Mr. Tony Elumelu, wife of NIMASA DG, Mrs. Elima Dakuku-Peterside, and Dr. Dakuku Peterside



the Nigerian Seafarers Development Programme. Only recently, Dakuku announced that no fewer than 500 seafarer cadets will be placed on various vessels by this month, to undergo their mandatory sea-time training. This would bring to over 1, 000 the number of cadets that have undergone such training.

In line with efforts to enhance shipping, the Dakuku leadership of NIMASA is negotiating a special interest rate with the Central Bank of Nigeria (CBN) for acquisition of assets by indigenous ship-owners.

Under the Survey, Inspection and Certification Transformation Programme, Certificate of Competency (CoC) examinations have been conducted at the Maritime Academy of Nigeria, Oron, leading to the issuance of different categories of CoCs to successful candidates. In 2017 alone, NIMASA issued 3,752 certificates to successful seafarers, which represented a 149 per cent increase from the CoCs issued in 2016.

The agency leased six fast intervention security vessels under the maritime security project, and the impact is already being felt. Port State inspections rose by 10.53 per cent in 2017, up from 475 in 2016 to 525 in 2017. Flag State inspections are also experiencing an upswing, from 77 in 2016 up to 98 in 2017, representing a 27 per cent increase. The increase has continued.

The Dakuku administration has taken steps to ensure effective maritime domain awareness and better compliance enforcement through the establishment of a satellite surveillance control and command centre with coverage capacity of up to 312 nautical miles from the coastline (approximately 100 nautical miles off Nigeria's Exclusive Economic Zone). The system is capable of detecting vessels even with their Automatic Identification System (AIS) transponders switched off, as Synthetic-aperture Radar (SAR) images, which can be interrogated immediately by near point of sight patrol/enforcement boats.

The system has facilitated effective enforcement of maritime regulations. It has helped to preserve Cabotage trade for indigenous operators by identifying and differentiating Ship-To-Ship (STS) operations that take place at the secured anchorage and offshore locations from Cabotage trade to avoid foreign domination of the trade under the guise of STS.

Consequently, there has been an increase in indigenous

participation in Cabotage vessels manning, ownership, building, and registration.

To facilitate effective regulation of the maritime industry and provide direction for local and international stakeholders intending to do business in the Nigerian maritime domain, NIMASA has initiated a yearly publication of its outlook for the maritime industry. The initiative debuted with the unveiling of the 2018 Nigerian Maritime Industry Forecast last February. NIMASA intends to publish the next edition of its Outlook and Forecasts for the Nigerian Maritime Sector, covering 2019, in the first quarter of 2019.

Other achievements of NIMASA in the last three years include the arrival of the modular floating dockyard, which would create capacity and help retain multimillion of dollars in-country through vessel maintenance; and midwifing of the collective bargaining agreement for industrial harmony with improved wages and entitlements for maritime workers.

NIMASA is working hard to position the maritime sector as a strong revenue alternative to oil for Nigeria. The former Head of State aptly captures this in comments ahead of the NIMASA Maritime Awards. "It is time to develop other alternative sources of revenue for the nation and the maritime sector is well positioned to do so. What NIMASA is doing in the industry and the Awards are quite in line to motivate stakeholders and staff to take advantage of the policies in place to invest and grow the economy," Abdulsalami says.

The Minister of Budget and Planning, representing the SGF at the awards night, says he agreed to drop other engagements to be at the event "because of the wonderful work that the DG and his team and the Board have been doing in NIMASA. They have transformed the organisation. I would also like to congratulate the Minister of Transportation, because it is under his guidance and supervision that all this transformation has taken place."

There is a prevailing air of amity. As one staff, Sylvanus Obasi, puts it, "For the impression and experience of the event, I came back feeling motivated, proud of my profession and above all, encouraged to continue to do my little best for the Nigerian maritime industry where I find myself, and I believe majority of those who attended the occasion will feel likewise."

R-L: Dakuku and Managing Director, TMC Shipping Pvt. Limited and the Maritime Academy of India, Neeraj Kumar, displaying the Memorandum of Understanding (MoU) between NIMASA and the Maritime Academy of India for on-board seetime training of some graduates of the Nigerian Seafarers Development Programme (NSDP) at the headquarters of the Agency in Lagos.



Nigeria Reaffirms Commitment to Seetime Training for Cadets

• Signs MoU with Maritime Academy of India

T

he Nigerian Maritime Administration and Safety Agency (NIMASA) has restated its commitment to partnerships with international institutions for sea-time training of Nigerians under the Nigerian Seafarers Development Programme (NSDP). Director General of NIMASA, Dr.

Dakuku Peterside, said this in Lagos during the signing of a Memorandum of Understanding (MoU) between the agency and the Maritime Academy of India for on-board sea-time training of some graduates of the NSDP. Dakuku said the MoU covered the training of 60 cadets in three batches of 20 each.

"This MOU will help reduce the amount of cadets awaiting sea-time by clearing up the first 60 of the backlog in three batches of 20 each," he stated.

He congratulated the 20 trainees under the first batch of the scheme and tasked them to be dedicated, disciplined, and committed to making the best use of the opportunity to develop themselves and aid national development.

"We are proud that you will be joining the global merchant fleets. Be sure to represent Nigeria positively," the DG told the trainees. "We are determined to get all of your mates the much needed sea-time. Under the current leadership of NIMASA, we are working very hard to provide sea-time for all that have gone through our NSDP," he added.

He expressed NIMASA's determination to explore and use appropriate avenues to ensure that Nigerian seafarers got the right exposure and training to excel in the global maritime space, saying in the near future

Nigeria would be a supplier of qualified seafarers to the rest of the world.

Dakuku said the agency was in negotiation with other academies with access to oceangoing training vessels in countries, like Turkey and United Kingdom, among others, to secure sea-time for Nigerians. He said he wanted to replicate in Nigeria the progress recorded under similar partnerships in countries, like Philippines, in the area of providing seafarers to the international market.

The Maritime Academy of India was represented at the MoU signing ceremony by Managing Director, TMC Shipping Pvt. Limited and the maritime Academy, Neeraj Kumar. Kumar appreciated NIMASA's effort to develop the seafarers and commended the NSDP initiative.

TMC is India's leading maritime education, training and recruitment company.

NIMASA has trained about 2,000 Nigerians under the NSDP scheme, with many cadets at various stages of completion of the programme. The agency is tackling the issue of sea-time training for the cadets through full sponsorship, in partnership with some international institutions that have access to oceangoing training vessels.

Some cadets have done their on-board sea-time training under the first phase of the NIMASA fully-sponsored sea-time training programme, facilitated alongside the Arab Academy of Science, Technology and Marine Transportation in Alexandria, Egypt. On-board training for another set of cadets was facilitated by the South Tyneside College, UK. The agency has also trained some Nigerians under a partnership with universities in the Philippines.

NIMASA, NLNG Rescue Fishing Vessel

S

earch and rescue operatives from the Nigerian Maritime Administration and Safety Agency (NIMASA) and firefighters from the Nigerian Liquefied Natural Gas (NLNG) Limited rescued a distressed fishing vessel, MV ORC4, and towed it to safety in Lagos.

The vessel owners, ORCiv Fishing and Food Processing Limited, sent a letter to NIMASA to appreciate the rescue effort.

The NIMASA Search and Rescue Control Room had received a distress call about 20:00hrs on 6th Feb 2019 that a vessel, MV ORC 4 (ORC IV), was on fire at Bonny Anchorage and that the crew were abandoning the vessel. The agency's Search and Rescue Station swung into action and relayed the emergency call to shipping within the area, in line with its statutory mandate as enshrined in SS.22(1) and SS.22(4) of the NIMASA Act 2007 and S.2(1) of the Merchant Shipping Act 2007 on Maritime Safety.

After preliminary investigation and assessment of the distress, the agency sought collaboration with NLNG, whose firefighting tug was closest to the scene, to assist in bringing the situation under control, along with other neighbouring vessels that collaborated in the rescue exercise.

NLNG dispatched the firefighting tug boat, named CTOW ANN SOPHIE, to the scene and it was used to extinguish the fire. The crew onboard were safely evacuated and the vessel safely towed to her owner's jetty, ORC Jetty at Kirikiri Lighter Terminal in Lagos, where she is currently undergoing repairs.

Commenting on the incident, Head, Maritime Safety and Seafarers Standards Department of NIMASA, Captain Sunday Umoren, commended the Atlantic Shrimpers' vessels, his team, and NLNG for the successful rescue operation. But Umoren clarified, "There is a difference between emergency and salvage operations. Saving of lives is the mandatory action during an emergency and should be treated with

top priority, but saving an asset is salvage, which is never free."

He said to save time, the salvor and the Master of the vessel to be salvaged usually agree for the operation to be under Lloyd's Open Form (LOF), an international agreement and standard form contract for a proposed marine salvage operation which is aimed at eliminating pre-salvage negotiations, deferring such to be decided by Arbitrators on completion of the salvage operation.

On the MV ORC4 rescue, Umoren said a post incident analysis will be conducted and recommendations put forward, especially on fixed firefighting systems on fishing vessels. He said lessons learnt from the incident will be shared with stakeholders in the shipping industry.

In a letter, titled, "Appreciation for Support During Fire Incident on Board ORCiv Trawler," and dated February 11, 2019, addressed to the Director-General of NIMASA, Dr. Dakuku Peterside, the Group Managing Director of ORCiv Fishing and Food Processing Limited, Rahul Savara, thanked the agency for the rescue effort. Savara stated, "We would like to sincerely appreciate Maritime Rescue Coordination Centre (MRCC) for every assistance provided during the fire incident. Your timely support in dousing the fire aided in reducing the material loss that would have been incurred as a result of the incident. Please, remain assured of our utmost regards and best wishes."

It would be recalled that at a recent interactive session with journalists in Lagos, Dakuku declared that the agency will continue to engage relevant stakeholders on the need for a sustained collaboration to develop the sector. He said NIMASA remained committed to its mandate of ensuring a robust maritime sector, with safety of lives and maritime assets, and effective search and rescue operations as some of the top priorities.

Balanced diet is important for healthy body and mind



Understanding Preventive Health

Taking proactive actions to prevent ill-health is better and cheaper than curative measures, writes **Ehi Iden**, an occupational health and safety expert

A

s a child growing up in a fairly remote village, I followed my mum a couple of times to the local maternity centre at the delivery of my younger ones for routine child immunisation. One thing I noticed, which I clearly remember till date, is mothers giving their babies Paracetamol syrup prior to their immunisation. I watched with so much curiosity with many questions on my mind.

When I started my career in 1997 in the hospital, I saw it happen again and I asked a Matron colleague of mine, who took time to explain to me. It was then I realised mothers actually give this medication prior to immunisation to prevent high temperature in their babies.

What these mothers were involved in can be seen as a preventive health approach to health. It simply means taking proactive actions to prevent possible ill-health, sickness or disease.

Preventive health is the new frontier in healthcare delivery; it is the new world order in both saving healthcare cost and achieving improved healthcare outcomes. We grew up to meet our healthcare professionals enjoying the conventional curative clinical care.

In modern day healthcare services, the complexion of healthcare delivery has greatly changed even the treatment pattern. The focus now is overall wellness, wholeness of body, mind and soul. This is where interaction and patient engagement have placed patients at the centre of quality healthcare delivery.

There used to be a level of reserved disposition

among practitioners towards patients, but this has long changed because we must talk with our patients, answer their questions and clarify bothering medical issues they may have in their mind.

Preventive health has been recommended as the most cost effective form of healthcare delivery. Let's look at Hepatitis B, which is a viral disease that has a violent effect on the liver. You would agree with me that it is easier, safer and most cost-effective to get an early screening and take the vaccination if we come out negative. The highest cost you may get this screening and the three-course vaccination will be between N5,000 and N7,500, but the average cost of having a six-month treatment outside the pre-treatment test falls within the neighbourhood of N500,000 and N750,000. There is no guaranty that the virus will be totally out within these six months, you might need about a year, two years, six years or longer therapy to totally get rid of this viral infection.

What this tells us is that the cost of immunising yourself against Hepatitis B virus is just one per cent of the cost of having a six-month therapy.

Curative medicine is still very much in practice and in use but we need to free spaces in our healthcare facilities through preventive health approaches to allow those who really need those clinical environments access to curative care as recommended.

The most important approach to healthcare delivery in 21st century is "Caregiver-Patient Engagement".

• **Iden can be reached at ehi@ohsm.com.ng**

PHOTO SPLASH GRADUATION OF C4I SYSTEM OPERATOR COURSE



Director-General, Nigerian Maritime Administration and Safety Agency (NIMASA), Dr. Dakuku Peterside (right), in a handshake with the best graduating student, Mohammed El-Yakubu, while Lead Instructor/Manager, HLSI Systems and Technology Limited, Mr. Mickey Har Gaash, looks on during the presentation of Certificate of Graduation to graduands of the special integrated course on maritime security organised by NIMASA in Lagos



Executive Director, Finance and Administration, NIMASA, Dr. Bashir Jamoh, presenting a certificate to a graduand



Some course participants



Head, Shipping Development, NIMASA, Mr. Anthony Ogadi and Deputy Director, Human Resources, Mrs. Rita Egbuche



Some HLSI graduates displaying their certificates



NIMASA staff



A cross section of NIMASA staff





L-R: Executive Director, Finance and Administration, NIMASA, Mr. Bashir Jamoh; Chairman, Shipowners Forum, Mrs. Margaret Orakwusi; Director-General, NIMASA, Dr. Dakuku Peterside; NIMASA Board Chairman, Gen. Jonathan India-Garba (Rtd); and representative of Minister of Transportation, Deputy Director, Cabotage and Shipping Development, Mrs. Gloria Adie-Ayabie, during the public presentation of Nigeria's Maritime Industry Forecast for 2019-2020 held in Lagos



Dakuku (right) and representative of Chief of Naval Staff



Garba (left) and Ahmed... we can do it



L-R: Executive Director, Operations, NIMASA, Engr. Rotimi Fashakin; Executive Director, Maritime Labour and Cabotage Services, Mr. Gambo Ahmed, and Rector, Maritime Academy of Nigeria, Oron, Commodore Duja Effedua



Director, Special Duties, NIMASA, Hajia Lami Tumaka (left), and Director, Maritime Labour Services, Alhaji Jibril Ibrahim

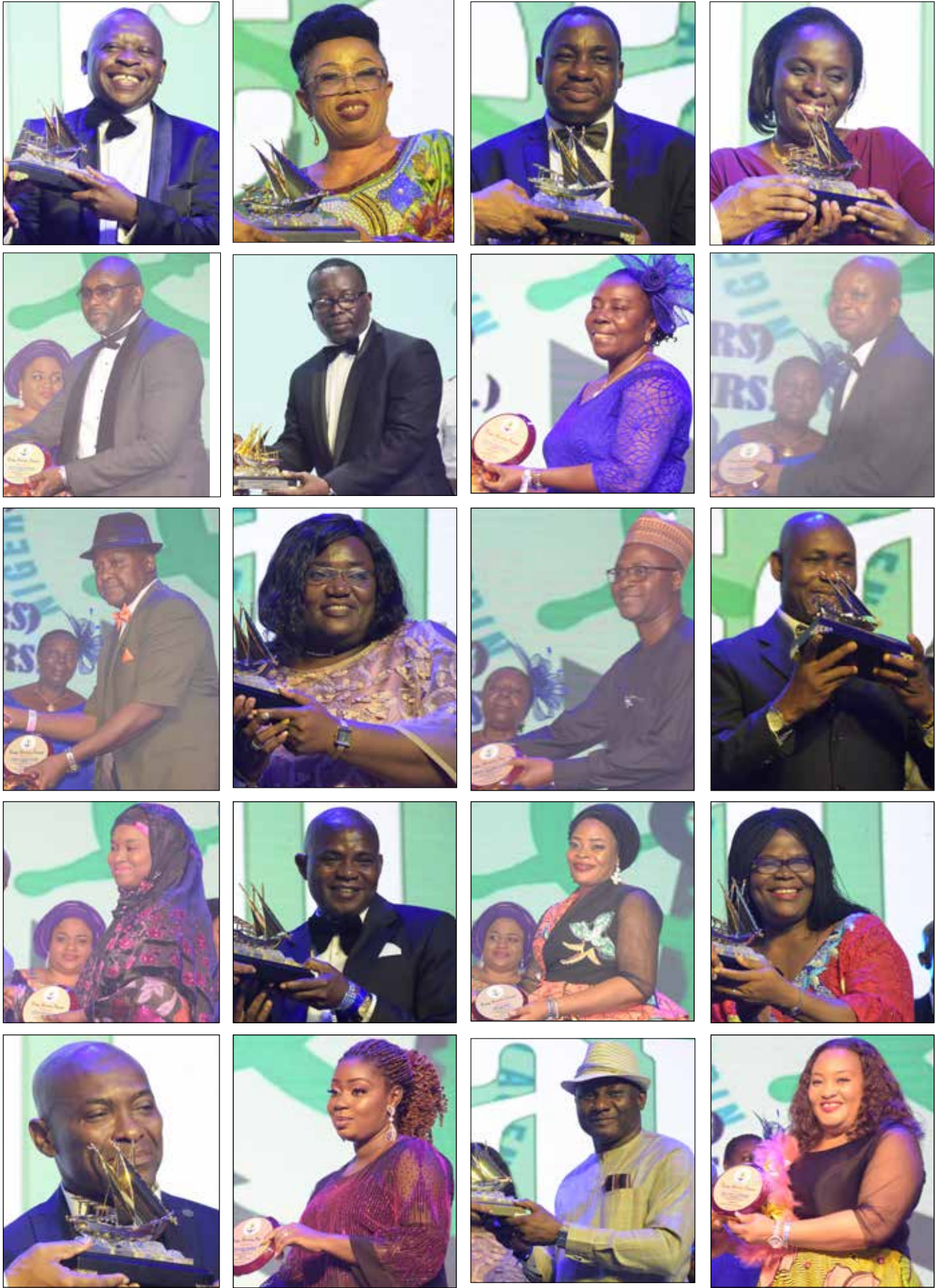


L-R: President, Indigenous Shipowners Association of Nigeria (ISAN), Aminu Umar; Head, Maritime Safety and Seafarers Standard Department, NIMASA, Sunday Umoren; President, Ship Owners' Forum, Mrs. Margaret Orakwusi; and a guest



Director, Internal Audit, Mr. Victor Onuzuruike; Deputy Director, Western Zone, Mrs. Helen McFoy; and Head, Maritime Safety and Seafarers Standard Department, Sunday Umoren

AWARDEES DISPLAYING THEIR PLAQUES





Former Cross River State Governor Donald Duke (right) and former Head of State, Gen. AbdulSalami Abubakar (Rtd.)



Wakilin Katsina, Mohammad Kabir Murnai (middle), arriving at the event



L-R: Lantana Ramalan of Abuja office, NIMASA, Assistant Director, Finance and Administration, Dr. (Mrs.) Odunayo Ani, and Hajia Aisha



A young entertainer performing at the event



L-R: DG NIMASA, Dr. Dakuku Peterside, former NIMASA DG, Dr. Ade Dosunmu, and a guest



L-R: Director, Special Duties, NIMASA, Hajia Lami Tumaka; ex-Big Brother Naija housemate, Tobi Bakare, and Hajia Aisha Musa... on the dance floor



L-R: Minister of Budget and National Planning, Udoma Udo Udoma; political economist and founder, Centre for Value in Leadership, Prof. Pat Utomi; and AbdulSalami Abubakar

NIMASA Employee of the Month



USMAN M. KUTIGI
ADMIN. & HUMAN RESOURCES DEPARTMENT
JANUARY 2019



EMEGHEBO M. CHIGOZIE
SHIPPING DEVELOPMENT DEPARTMENT
FEBRUARY 2019



ASTRA JUOKEMEFTA
MARITIME LABOUR DEPARTMENT
MARCH 2019



NIGERIAN MARITIME ADMINISTRATION AND SAFETY AGENCY (NIMASA)

(Established under the Nigerian Maritime Administration and Safety Agency Act, 2007)

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E-mail: info@nimasa.gov.ng Website: www.nimasa.gov.ng

MARINE NOTICE

To ALL: Fishing Vessels and Fishing Canoe
Operators, Ship Owners, Ship Masters/Captains/
Agents, Maritime Stakeholders and the Public

RESTRICTION ZONE OF 50 METRES BETWEEN SHIPS AT BERTH, SHIP TRAVERSING THE PERIMETER OF THE PORT AND FISHING CANOES/ POWER DRIVEN SMALL CRAFTS

Pursuant to the Agency's statutory mandate to provide
Directions & Ensure Compliance with Vessel Security
Measures and Maritime Security.

NOTICE is hereby given as follows:

1. That from **January 1st, 2019**, there shall be a restriction zone of 50 meters between All Vessels at berth or traversing the perimeters of the port or quays and power driven small crafts such as Dugout Canoes and similar boats engaged in fishing activities.
2. That the restriction is aimed at preventing attacks on ships and stowaways activities and enhance the safety and security of ships within the Nigerian territorial waters.
3. That failure to adhere strictly to this directive may lead to fines, detention of the vessel, revocation of certificates, permit or license or/and will attract appropriate sanctions prescribed under the NIMASA Act and its Regulations.
4. Please be guided accordingly.

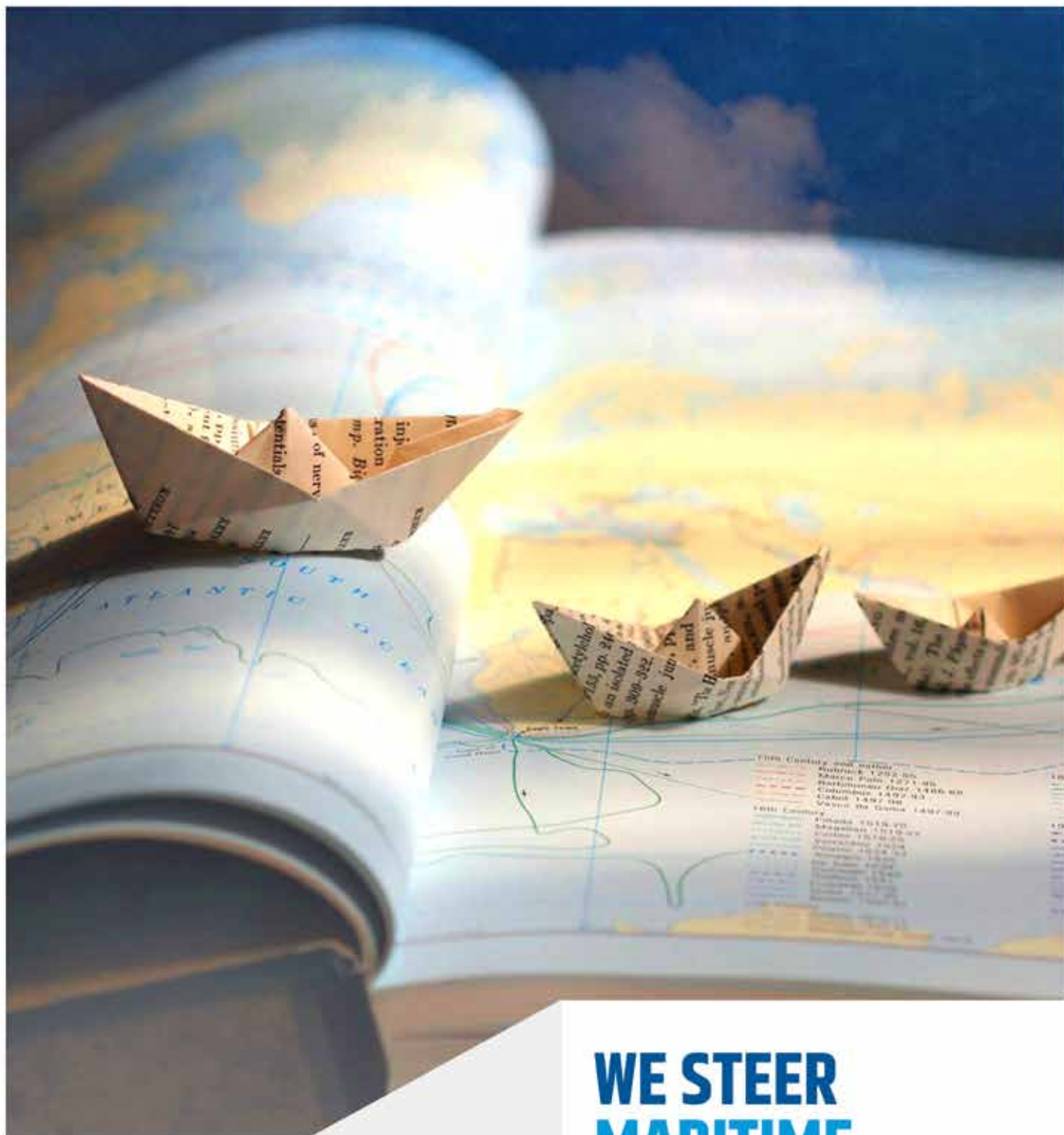
For further information, please contact

**The Director,
Maritime Safety and Seafarers Standards
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SIGNED: MANAGEMENT



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- Cabotage Enforcement
- Shipping Development
- Maritime Labour Regulation
- Maritime Safety Administration
- Maritime Capacity Development
- Training And Certification Of Seafarers
- Marine Pollution Prevention And Control

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- Maritime Security: Moving Beyond Policy Statements to Taking Collective Actions
- Balancing Geopolitical, Economic and Geostrategic Interests in Maritime Security Initiatives
- Maritime Security: Evolving Roles, Models, Missions and Capabilities
- Future of Maritime Security: Trends, Emerging Threat Vectors and Capability Requirements
- Ensuring Maritime Security in the Gulf of Guinea: Effective Regional Cooperation and Roles of International Partners
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