# POLICY BRIEF

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**Shipping Delays at Nigerian Ports and the Need for Legislative Intervention**

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**Executive Summary**

Nigeria's seaports, handling over 70% of the nation's trade, face chronic delays due to congestion, bureaucratic hurdles, and corruption, resulting in annual losses of US$3-5 billion in freight charges and up to N2 trillion in demurrage for over 5,000 trapped cargoes. Average dwell times exceed 10 days – far above global benchmarks of 1-2 days – eroding economic competitiveness, inflating costs, and deterring investment. While executive reforms have yielded limited gains, targeted legislative amendments to the Nigerian Ports Authority (NPA) Act are imperative to enforce accountability, modernize operations, and integrate best practices from efficient hubs like Singapore, Rotterdam, China, and Kenya. Key recommendations for intervention include:

- The National Assembly may wish to amend Section 8 of the NPA ACT to expand the NPA's functions to mandate adopted of global best practices, including a landlord model for private operator involvement, implementation of a Port Community System and single-window clearance to ease delays at the ports.
- The National Assembly may wish to amend Section 82 of the NPA Act to introduce strict liability for avoidable delays, requiring mandatory refunds or offsets for affected parties, while imposing fines on the NPA for systemic delays.
- The National Assembly may wish to mandate system interoperability to require full integration between NPA systems and the Customs Service's B'Odogwu platform for real-time cargo clearance, to prevent bottlenecks.
- The National Assembly may wish to advise the executive to allocate resources for dedicated truck parks and rail links to all Nigerian ports via PPPs, reducing road gridlock and improving multimodal connectivity.
- the National Assembly may wish to advise the executive to open and develop underutilized ports like; Onne, Ibaka deep sea port and Warri ports to decongest Lagos ports

**Introduction**

Nigeria as a pivotal gateway for West African trade, handles over 70% of its imports and exports through its seaports, including the busy hubs of Lagos (Apapa and Tin Can Island). These facilities are critical arteries for the nation's economy, facilitating the movement of essential goods ranging from raw materials to consumer products thereby contributing significantly to GDP through imports, exports, and logistics services. Yet, for decades, these ports have been plagued by incessant shipping delays – vessels often languish at anchorage for weeks or even months due to bureaucratic bottlenecks, inadequate infrastructure, corruption, and inefficient customs processes. Recently, Over 5,000 cargoes trapped at ports amid N2tr demurrage losses[1] with average dwell times exceeding 10 days[2] – being a contrast to global benchmarks of 1-2 days in efficient hubs like Singapore, Rotterdam, and Hong Konghubs that are seen as the gold standard for port efficiency[3].

These delays not only erode investor confidence and deter foreign direct investment but also increase supply chain vulnerabilities, contribute to inflationary pressures, and hinder Nigeria's competitiveness in global trade. Despite incremental reforms by executive agencies like the NPA and the Nigerian Maritime Administration and Safety Agency (NIMASA), systemic issues persist, underscoring the limitations of administrative fixes alone. Against this back drop, this brief examines the root causes of these persistent delays, their multifaceted economic and social impacts, and argues unequivocally for targeted legislative intervention – through amendments to the Nigerian Ports Authority Act to enforce accountability, modernize infrastructure, and streamline operations for sustainable efficiency.

**Issues:**

Nigerian ports, continue to face chronic delays, despite reforms and financial investments. These inefficiencies result in extended ship turnaround times (often exceeding the global benchmark of 1.2 days), prolonged cargo dwell times, losing between US$3 billion and $5 billion annually due to freight charges, port congestion, policy inconsistency and poor multimodal integration, according to a report by the Sea Empowerment and Research Center[4], and losing up to N2 trillion in demurrage charges from recent backlogs affecting over 5,000 containers. Some of the key challenges include:

a) *Port Congestion/Infrastructure Gaps*:
Over 70% of Nigeria's port traffic passes through Lagos, resulting in overcrowding due to high cargo volumes, insufficient berths, poor access roads, inadequate container space management, and insufficient dredging, which forces ships to anchor offshore. Aging facilities and limited rail and road connectivity worsen the situation, with haulage trucks contributing to traffic congestion. As a result, larger vessels prefer alternative ports like Lome, Cotonou, and Tema, citing Nigeria's lack of automated and advanced[5] port infrastructure, leading to prolonged turnaround times and port congestion.

b) *Bureaucratic Delays:*
Slow, manual customs clearance processes, fragmented documentation, and persistent glitches in the Trade Modernization platform and Customs' B'Odogwu platform are compounded by a lack of coordination among multiple agencies,

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[1]Adaku Onyenucheya, "Over 5,000 Cargoes Trapped at Ports Amid N2tr Demurrage *Losses*". 28 August 2025. https://guardian.ng/featured/over-5000-cargoes-trapped-at-ports-amid-n2tr-demurrage-losses/. Accessed 29th October, 2025.

[2] ,"NPA, NSC Urged to Address Inefficiencies in Cargo Handling, Vessel Turnaround". 31st December 2024, https://guardian.ng/business-services/business/npa-nsc-urged-to-address-inefficiencies-in-cargo-handling-vessel-turnaround/, accessed 29th, 2025.

[3]Timi Olubiyi, "Lagos Ports Modernisation: The Time is now!" 7 August 2025. https://guardian.ng/opinion/columnists/lagos-ports-modernisation-the-time-is-now/. Accessed 29th, October, 2025.

[4]Nigeria's Maritime Sector Losing US$5b to Inefficiencies. October 14, 2025. https://shippingazette.com/news?news_id=9251000000219&share=true. Accessed 29th, October, 2025.

[5]Bethel Olujobi, Apapa, "Tin Can Ports Missing from Global top 100 for Ninth Straight Year". October 29, 2025. https://businessday.ng/maritime/article/apapa-tin-can-ports-missing-from-global-top-100-for-ninth-straight-year/. Accessed 30th October, 2025.

including the Nigeria Customs Service (NCS), the Nigerian Ports Authority (NPA), the Nigerian Maritime Administration and Safety Agency (NIMASA), and the Nigerian Shippers' Council (NSC). This results in redundant checks and bureaucratic bottlenecks, dragging cargo clearance out for weeks and saddling importers with unpredictable demurrage fees[6]. As seen in recent system failures that racked up millions in extra charges, these inefficiencies have sparked urgent calls for government waivers to ease the financial strain.

c) *Corruption and Human Factors:*

The endemic corruption within the Nigerian Ports, compounded by human factors such as inadequate training, low staff morale, and ethical lapses among personnel, has severely undermined the efficiency and effectiveness of maritime services. This intertwined condition has eroded operational integrity, fostering a complex web of challenges that hampers port capacity and service delivery. Consequently, inefficiencies in port operations – driven by both systemic graft and human-induced delays – have escalated costs, prolonged cargo dwell times, and eroded stakeholder trust, underscoring the imperative for holistic reforms that address both institutional and behavioural dimensions.

**Cross Country Experience**

Global port reforms demonstrate that targeted legislative and governance changes can dramatically enhance efficiency.

- In Singapore, Maritime and Port Authority Act[7] enables a hybrid landlord model with private operators; digital tools like Next-Generation Vessel Traffic Management System (NGVTMS) and Green Port Programme incentivize efficiency via fee reductions for compliant vessels. Against this back drop, the turnaround time in Singapore ports reduced to under 1 day; handles 37 million TEUs (twenty-foot equivalent units) annually with minimal delays; 100% digital clearance.
- In the Netherlands, the corporatization of the Port of Rotterdam under the Port of Rotterdam Act has shifted the port's governance to a landlord model, which seamlessly integrates spatial planning and energy transitions while regulating competition among private terminal operators through antitrust laws. This transformation has driven notable outcomes, including 20-30% efficiency gains in cargo handling, resilience against disruptions like the Red Sea crisis, a €50 billion contribution to GDP, and a 37% improvement in intra-EU trade efficiency.
- In China, decentralization under the Port Law of the 2000s empowered provincial governments, attracting foreign direct investment (FDI) for infrastructure upgrades and enabling the implementation of single-window systems to streamline trade procedures. Consequently, Chinese ports handled over 161.8 million TEU in the first half of 2024[8]**,** reducing clearance times to under 24 hours and saving 10% in time and costs.

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[6]Editorial Board, "Dealing with Trapped Cargoes, N2tr Losses to Economy". 27 October 2025. https://guardian.ng/opinion/editorial/dealing-with-trapped-cargoes-n2tr-losses-to-economy/. Accessed 3rd October, 2025

[7]See Maritime and Port Authority of Singapore Act, (Chapter 170a) Revised Edition 1997.

[8]Syed Rakin Rahman, "Chinese Ports Hit 160 Million TEU in H1 2024", July 26, 2024. https://www.porttechnology.org/news/chinese-ports-hit-160-million-teu-in-h1-2024/. Accessed 3rd October, 2025.

- In Kenya, the Merchant Shipping (Amendment) Regulations 2024 were upheld by the High Court, paving the way for a Sh41 billion expansion under the Kenya Ports Authority Act and the rollout of a digital Port Community System (PCS) to enable single-window clearance. These reforms have dramatically reduced clearance times from days to hours, driven a projected 20% growth in cargo volume for 2025, and solidified the Port of Mombasa's position as East Africa's premier maritime hub.

**Lessons for Nigeria**:

- ✓ Adopt a landlord model like Singapore and the Netherlands, enabling private operators for efficiency gains while regulating competition to cut turnaround times and boost throughput.

- ✓ Roll out a Port Community System and single-window clearance as in China and Kenya, aiming for 100% digital processing to reduce clearance from days to hours and save 10-20% in costs.

- ✓ Introduce fee rebates for efficient, green vessels mirroring Singapore's programme, promoting sustainability and handling higher TEU volumes with minimal delays

- ✓ Empower states via port laws like China's to attract investments for expansions, akin to Kenya's Sh41 billion project, targeting 20% cargo growth and regional hub status.

**Area for Legislative Intervention**

Legislative intervention under the Nigerian Ports Authority (NPA) Act is essential to empower the NPA, streamline operations, and enforce accountability. Below, we outline targeted areas for intervention, focusing on proposed amendments to Sections 8, and 82, followed by other recommendations.

- The National Assembly may wish to amend functions of the authority as captured in Section 8 of the National Ports Authority Act to have clauses requiring adoption of global best practices like Landlord model, Port Community System and Single Window systems; mandate annual efficiency audits with penalties for non-compliance; expand to include sustainable infrastructure upgrades funded via public-private partnerships (PPPs) because what is captured in section 8 does Lacks specific mandates for modern technologies or time-bound efficiency targets; overly broad, leading to ad-hoc operations and congestion.
- The National Assembly may wish to amend Section 82 of the National Ports Authority Act on No liability for delay to passengers to introduce strict liability for avoidable delays, with mandatory refunds or offsets; align with international standards like UNCTAD (United Nations Conference on Trade and Development) guidelines for port performance. The amendment is to limit exemptions to force majeure events; impose fines on NPA for systemic delays; and require compensation rebates for affected shippers, with an independent oversight board to adjudicate claims.
- The National Assembly may wish to mandate full interoperability between NPA's systems and Customs' B'Odogwu platform for real-time clearance, with automatic alerts for delays within 24 hours to avert unnecessary delays.

- The National Assembly may wish to advise the executive to fund dedicated truck parks and rail links via public-private partnerships to any Nigerian port to reduce unnecessary delays as a result of road gridlock.
- The National Assembly may also wish to advise the executive to open and develop underutilized ports like; Onne, Ibaka deep sea port and Warri ports to decongest Lagos ports

**Conclusion**

Nigeria's seaports stand at a critical juncture, where chronic delays undermine economic vitality and global competitiveness, costing billions in lost revenue and stifling trade flows. While executive efforts have laid groundwork, the persistent bottlenecks demand bold legislative action through targeted amendments to the Nigerian Ports Authority Act – expanding mandates for modern technologies, enforcing accountability via strict liability, ensuring system interoperability, and bolstering infrastructure via PPPs. By drawing on proven models from Singapore, Rotterdam, China, and Kenya, these reforms can slash dwell times to global standards, unlock N2 trillion in savings, and position Nigeria as West Africa's premier maritime hub.

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