

RECENT TRENDS IN INTER-SEAPORT COMPETITION IN NIGERIA

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Paper examined the recent trends in inter-seaport competition in Nigeria using the net tonnage figure of shipping that used the country's major sea is between 1987 and 1996. A hierarchy of port significance emerged with Apapa Port in the lead and Calabar on the trail. Although this was normal, the decline of the port Harcourt port and the upward movement of Warri port was deserved.

Keywords: Seaport Competition, Nigeria

INTRODUCTION

The importance of sea transport to the development of any nation cannot be over emphasized. Even with the existence of efficient rail, road and air transport systems, the absence of seaport renders a country's economic system inefficient and particularly when heavy, bulky goods and external trades are involved.

Nigeria presently has a total of 20 seaports. These consist of both large and small specialized and general cargo ports. They include Apapa, tin can Island (TCI), Port Harcourt, Bonny, Federal Lighter Terminal (Onne), Okrika, Forcados, Warri Sapele, Escravos, Burutu, Merry Land, Koko, Pennington, Calabar, Roro, Qualboe (Eket), Atan and Container Terminal (Lagos), Figure 1.

The Port Harcourt, Bonny, Federal Lighter Terminal, Okrika, Forcados, Warri, Sapele and Escravos Port are located in the Niger Delta. This Delta once provided the largest number of sheltered port sites along the coastline of West Africa. This was before sandbars blocked most of the channels. Presently the most significant general cargo ports in the Niger Delta are Warri and Port Harcourt ports and of course the newly established Federal Lighter Terminal (FLT) at Onne. To the west of the Niger Delta are Ports

the Lagos Ports Complex-Apapa, Roro, Tin Can Island (TCI), and Container Terminal; while the Calabar and Qua-Iboe (Eket) Ports are to the east of the Niger Delta. The General Cargo Ports of Nigeria include Apapa, TCI, and Warri, Port-specializing in bulk cargo especially crude oil and refined oil. This study focused in the general cargo ports.

Ports are not static entities but are dynamic in nature. Consequently there are always changes in their physical structure, functions and status, which either enhance or hamper their competitiveness. The competitive

relationship of Nigerian seaports is not a recent phenomenon. They probably have been on since the pre-twentieth century period. For instance, during the last century, while Forcados, brass and Akassa lost all their traffic and became defunct (Udo and Ogundana 1966), Calabar and Burutu declined in relative significance while Lagos and Port Harcourt gained relatively in significance. So, while some ports became defunct or declined in relative significance, Apapa port (Lagos) has continuously remained, over a long time, the leading ports in Nigeria with a sustained dominance since the nineteenth century.

Significant changes have occurred in the conditions affecting competition among the ports and consequently the functional significance of

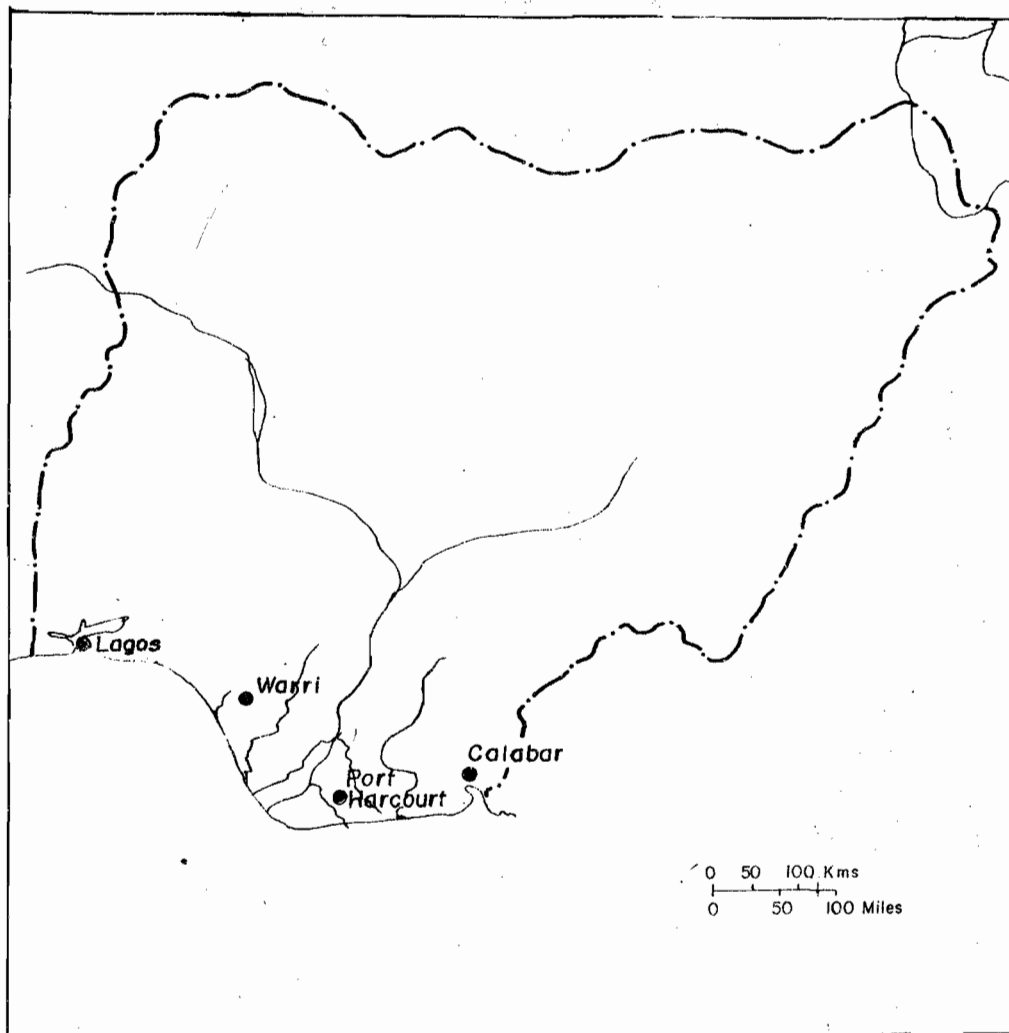


Fig. 1 MAIN SEAPORTS OF NIGERIA

Nigeria ports may have changed differentially. A major significant event for instance is the global economic recession, which led to the introduction of the Structural Adjustment Program (SAP) in 1986. How have these ports fared in the last decade in terms of the volume of traffic handled? Have there been any changes in the port hierarchy? To answer these questions, this paper set out to examine the recent trend in inter-port competition in Nigeria using number of ships that entered the nation's major seaports and their net registered Tonnage (NRT).

NIGERIA'S SEAPORTS

The first ports of Nigeria were sited in Akassa in the present Bayelsa State, Forcados in the present Delta State, Calabar in the present Cross River and Victoria now in the Republic of Cameroon. In 1913 the Lagos port as it was then called was opened to service the tail line. Next was the Port Harcourt Port, which was constructed in 1914 to service the Tail line linking the north through the eastern part of the country. By 1953, the nation's initial ports had become defunct and nine other new ones became

prominent. These included the two National Ports of Lagos and Port Harcourt, five regional ports, which consisted of Sapele, Degema, Calabar, Victoria and Toki and Niger Delta Ports of Warri and Burutu.

Presently, Nigeria has 20 seaports, which have been grouped into three zones. Western, central and eastern zones (Table 1). The western zone which is the largest and most important has its headquarters in Apapa. This zone is made up of the following ports: Apapa port complex, Tin Can Island (TCI) and the Roro Port Container Terminal, Lilly Pond at Ijora. The central zone with headquarters in Warri includes Sapele, Koko, Burutu Ports Aladja street jetty and the Crude Oil Terminals of Escravos, Forcados and Pennington. The Eastern zone has its headquarters in Port Harcourt and other ports in

this zone include the Federal Lighter Terminal at (FCT) Onne, Okrika refined petroleum oil jetty, the Crude Petroleum oil terminals of Bonny, Brass, Qua-Iboe Atan and Calabar Port (Nigeria Port PLC. 1995).

SEAPORT COMPETITION

Number of Vessels and Net Registered Tonnage (NRT)

An annual average of 2440 vessels with 10,010,000 Net Registered Tonnage (NRT) excluding crude petroleum tankers entered the Nigerian ports during the 1988/1992 periods.

The competition among the ports for traffic showed some deviation from the pattern in the pervious decades. Although there was a decline in the absolute number of vessels and NRT

Table 1: Nigeria's Seaports and Oil terminals

| Zone | Ports | Classification | Headquarters |
|---------------------|------------------------------|-----------------------|---------------------|
| Western Zone | Apapa port complex | General Cargo | Apapa |
| | Tin Can Island Port | " | |
| | Roro Port | " | |
| | Inland Container Depot Ijora | Container | |
| Central Zone | Warri Port | General cargo | Warri |
| | Sapele Port | " | |
| | Koko Port | " | |
| | Burutu Port | " | |
| | Aladja Steel Jetty | | |
| | Escarvos | Crude Petroleum | |
| | Forcados | " | |
| | Pennington oil Terminals | " | |
| Eastern Zone | Port Harcourt | General Cargo | |
| | Fed. Ocean Terminal | " | |
| | Calalbar | " | |
| | Okrika Jetty | Refined Petroleum | |
| | Bonny | Crude Petroleum | |
| | Brass | " | |
| | Antam | " | |
| | Qua-Iboe | " | |

handled by Apapa Port, it still maintained the number one position among Nigerian ports. Specifically the port handled 41.1% of vessels and 47.5% of the NRT that was handled by the nations ports (see table 2). Surprisingly, the Warri Port came next to Apapa having handled 22.5% of the vessels but was not able to maintain this second position when the NRT was considered. In other words although Warri port registered more ships than Tin Can Island port, the latter registered a higher tonnage thus ranking second in terms of NRT handled. The Port Harcourt seaport, which hitherto (before 1988) has been second to Apapa port dropped to the fourth position in the NRT, handled during this period under study. Coming next to Port Harcourt seaport in importance is the Federal Lighter Terminal, which is located in the same port complex as Port Harcourt. The Calabar port trailed behind all the ports. It is rather unfortunate that this has been the trend with this port since its inception the history of ports Nigeria.

General Cargo

An annual average of 14,683,000 metric tones of foreign trade and coastwise cargo were loaded and unloaded by all the ports in Nigeria between 1987 and 1996 (Table 3). Compared to previous decade the ports of Nigeria recorded a decline in volume of cargo handled during this

period under review. The major ports of Nigeria: Apapa, TCI Port Harcourt, Warri Federal Lighter Terminal and Calabar together handled 10,623,00 tonnes representing 72.35% of the total cargo handled by all the Nigerian ports.

Among these major ports, Apapa still maintained its dominant role as the premier port accounting for 37.7% of the annual average of the total throughput handled by all the ports between 1987 and 1996. TCI port which had been up and coming since its establishment in 1977 consolidated its second position with 12.2% of the total throughput thus displacing Port Harcourt (7.77%) from its erstwhile second position. Very remarkable is the upward movement of Warri port from the fourth position to the third coming next to TCI. Consequently Port Harcourt port, the nation's erstwhile second busiest seaport was relegated to the unenviable fourth position during the 1987 and 1996 period.

Zonal, the Lagos zone comprising Apapa and TCI ports accounted for an annual average of almost 50% of the total throughput handled by all the Nigerian ports. This only goes to show that business and industrial activities of the nation are still largely concentrated in the Lagos area. This trend negates the nation's policy toward spatially dispersing industrial/major economic activities in the country as well as the attempt to increase the

Table 2: Characteristics of the Location of Nigerian Ports

| Port | Entrance | Seaward approach | Harbour | Land site | Land approach |
|-----------------------------|----------|------------------|-------------------------|-----------|---------------|
| Lagos | - | A | a | A | - |
| Port Harcourt | a | D | - | D | a |
| Sapele | d | D | d | - | d |
| Koko | d | D | a | A | a |
| Warri | d | D | - | - | a |
| Burutu | d | D | - | D | - |
| Degema | - | D | a | - | d |
| Opobo | D | - | - | - | d |
| Calabar | - | - | a | D | D |
| A - Particularly favourable | | | d - defective | | |
| A - Favourable | | | D - Seriously defective | | |

Table 3: Infrastructural facilities and Cargo handling Equipment at Major Nigerian Ports

| PORT | Facilities | | Cargo Handling | | | | | |
|----------------|------------------|-----------------|----------------|-------------|--------|----------|-----------|-------------|
| | Berthing (metre) | Ware-House Sq.m | Storage sq. m. | Cranes | | | Fork-lift | Loco-Motive |
| | | | | Quary Shore | Mobile | Floating | | |
| Apapa | 4252 | 68333 | 78869 | 9 | 15 | 2 | 42 | 7 |
| Tin Can Island | 3128 | 68000 | 34000 | 10 | 11 | - | 234 | - |
| Port Harcourt | 1390 | 12486 | 26337 | 5 | - | - | 30 | 3 |
| Warri | 2476 | 45475 | 34889 | 10 | 2 | - | - | - |
| Calabar | 859 | 19224 | 36651 | 18 | - | - | 42 | 25 |

importance of some other ports outside the Lagos area

Determinants of Seaport Competition in Nigeria

The success of a port has been partly explained by its regional location, the size of its local and nearby economy, its proximity to oversea trading area (Kenyon 1970 and Weigend 1956) and socio-political activities in the area and its neighbouring area. The functional significance of Nigeria ports has changed due to a number of factors. Some of these factors include: the unequal significance of the site and situation of the ports, differential development of port terminal facilities, development of economy and transportation on the hinterland, control of hinterland traffic and organization of port facilities (Udo and Ogundana 1966). This section shall attempt to explain the observed trend in port significance using some of these variables.

Locational Characteristics of the Ports (Fig.2)

There are two aspects of the concept of port location that affect the competitive advantage of any port. These are port *site* and port *situation*. The details of port site influence the relative development and functionality of a port as a terminal. Port situation on the other hand affects the port's area of influence relative to competing ports. The suitability of these two components change over time, thus the attributes of an ideal port location vary over time depending on change in the mechanics of ocean and land transport and in the volume and form of traffic handled by the port. Resulting from this is the concept of adaptability. This is the extent a port can adjust to changing terminal requirements of innovation, shipping or land transport. The more adaptable a given location is to changing terminal requirements the more likely it is for the location to emerge as a port of sustained dominance.

Due to lack of adaptability of most

Nigerian ports at various times, in history port functions switched from exterior to interior locations and vice versa in different eras in response to changes in the technology of sea and transport (Ogundana, 1971). As the pattern of port location changes, the ports not located in the emerging dominant zone of port location declined in significance. For instance Apapa port and the other Lagos ports located where both exterior and interior zones of port location merge had never experienced any of such radical shift in port location. This has been responsible for the emergence of the Apapa port as a point of sustained dominance having the best location among the Nigerian ports.

Table 4 compares the various ports as regards the various elements of port location. Apapa port has the best seaward approach, a favourable harbour and also a favourable land site; it may be applicable to all other Lagos ports since they all virtually have the same location. Port Harcourt has a favourable port entrance and land approach while other elements are defective. Warri port only has a favourable land approach while Calabar port only has a favourable harbor.

The contention of port situation consent that the relative spacing of ports serving a given aggregate area influences the portion over which each port has a distance advantage and consequently its potential area of influence. This, in other words, means that the area, which a port principally controls, depends on the distance separating the port and other adjoining ports. Apapa for instance is the only entrance in about 208 kilometers of Nigerian coast. This makes it an obvious outside for a large area. In the Niger Delta where Warri, Port Harcourt and Federal High the terminal ports are located, as well as many other smaller ports, each port thus has a proportionally small area of outlet.

The decline of Opobo port for instance was largely due to a smaller uncontested area of influence. Under normal situation, Calabar's proximal area could be as large as that of Port Harcourt but however Port Harcourt has a large effective hinterland. This has been attributed to the peculiar location of Calabar Port, which gives it an aspect and orientation away from a greater

part of the eastern Nigeria towards the neighboring country of Cameroon. This coupled with its initially very poor transport links with other parts of the country resulted in a diminished effective proximal area of influence. The initial advantage was thus not there and this affected and has continued to affect that constant low volume of traffic handled by Calabar port.

TRANSPORT NETWORK

The proximal location of a port per se is not an all-important factor because according to Weigend (1950) the effective traffic handled by a port is a function of the transport links between the port and the region. Thus the maintenance of significance by any port will therefore depend on the adaptability of the port. For instance, during the days of inland water transport dominance in Nigeria, the ports of the Niger Delta were the main ports for the Northern Nigeria but with the advent of the railway which eventually took over from river transport, these ports lost a large share of their northern traffic to Apapa and Port Harcourt because they were not linked by rail. (Ogundana, 1970; Deplaix 1988; Ikporukpo 1994). It is pertinent to note that up till this moment, the Warri and Calabar Ports are yet to be connected to the Nigeria rail system to the low volume of traffic handled by Warri and Calabar ports.

Move still, since the mid 1980s, the link road network to the heart of the Niger Delta area where the Port Harcourt seaport is located has been very deplorable. The Warri-Port Harcourt axis of the East-West Road as well as the Enugu-Port Harcourt Expressway which are the two major links between the seaport and other parts of the country are virtually impassable during the rainy season every year. Trailer vehicles that transport containers and goods very frequently fall while transition through these bad parts of the road thus resulting in huge financial losses to the operators, importers and exporters. This may have forced many users of the ports, especially those coming from or going to Hinterland beyond the port immediately hinterland, to dwell operations to Warri Port, Port Harcourt's nearest neighbours. This explanation is predicated on the

TABLE 4: NUMBER AND REGISTERED TONNAGE (NRT) OF VESSELS THAT ENTERED THE GENERAL CARGO PORTS OF NIGERIA 1988 - 1992 (NRT in '000 TONNES)

| Port | 1988 | | 1989 | | 1990 | | 1991 | | 1992 | | Annual Average | | % contribution | | | | | |
|-----------------------------|------|-------|------|------|------|------|------|------|------|------|----------------|-------|----------------|---------|---|-------|-------|---|
| | No. | NRT | No. | NRT | No. | NRT | No. | NRT | No. | NRT | No. | NRT | 1988/92 | 1991/79 | | | | |
| Apapa | 781 | 3746 | 884 | 4273 | 9018 | 4336 | 1149 | 5243 | 1185 | 6160 | 1063 | 4752 | 41.1 | 47.47 | 1 | 57.30 | 63.31 | 1 |
| Tincan Island(TCI) | 369 | 20032 | 333 | 1997 | 377 | 2150 | 336 | 1785 | 309 | 1851 | 345 | 1949 | 14.1 | 19.47 | 2 | 14.05 | 13.51 | 3 |
| Warri | 626 | 1378 | 531 | 1155 | 446 | 994 | 513 | 1262 | 630 | 1529 | 549 | 1529 | 22.5 | 12.61 | 3 | 9.86 | 6.75 | 4 |
| Sopole | 16 | 36 | 17 | 37 | 12 | 36 | 10 | 22 | 18 | 48 | 15 | 36 | 0.62 | 0.36 | 8 | - | - | - |
| Port Harcourt | 235 | 940 | 176 | 563 | 121 | 578 | 214 | 973 | 233 | 1218 | 202 | 854 | 8.28 | 8.53 | 4 | 15.29 | 13.95 | 2 |
| Fed. Lighter Terminal (FLT) | 82 | 360 | 69 | 333 | 137 | 550 | 174 | 630 | 226 | 811 | 138 | 537 | 5.66 | 5.37 | 5 | - | - | - |
| Merryland | 12 | 25 | 118 | 426 | 130 | 694 | 114 | 793 | 59 | 589 | 87 | 505 | 3.57 | 5.05 | 6 | - | - | - |
| Calabar | 97 | 190 | 80 | 75 | 108 | 101 | 111 | 129 | 109 | 133 | 101 | 118 | 4.14 | 1.18 | 7 | 4.43 | 2.48 | 5 |
| Total Average | | | | | | | | | | | 2440 | 10010 | 100 | 100 | | | | |

Sources: From the percentage contribution, the following are observed:

1. Apapa maintained its lead
2. TCI moved from 3rd position to 2nd displacing Port Harcourt to the 4th
3. Warri moved up from 4th position to 3rd overtaking PH
4. PH fell from 2nd position to 4th position
5. Relatively minor port is the FLT. & Merryland displaced Calabar to the unrankable 7th position
6. Calabar remained the most uncompetitive amongst the country's major seaports.

fact that Warri port witnessed an increased volume of its operations during this period. Other factors that may have contributed to the declining role of Port Harcourt seaport include firstly the new port – Federal Lighter Terminal – located at Onne a few kilometers from Port Harcourt which shares the eastern Niger Delta bound traffic with Port Harcourt Port. Secondly, the youth restiveness in the Niger Delta area in the 1990s may have also diverted Port Harcourt bound traffic to other port since Port Harcourt port is located in the heart of the political Niger Delta.

GOVERNMENT POLICIES

Government policies on port development cannot be overlooked when examining the factors that influence seaport competition in Nigeria. Naturally, policy decisions of national governments influence ocean trade and transport. The port of Apapa has always had the greatest concern of the government. For instance in National development plan for the 1970/74 period, government policy was directed towards the expansion of facilities in the Nigerian ports with more emphasis on Apapa port. Although numerical difference may be due to the volume of traffic contended with at various ports. In the execution of this policy

Moreover, while government earmarked N75 Million for the further development of Apapa port alone during the 75/80-plan period, Port Harcourt and Warri ports had N6.5 million and N27.00million respectively while Calabar port got only N16.5 million. It is rather unfortunate to note that this has been the trend since inception. It must be quickly pointed out that although the differences in the attention paid to the development of the different ports may be relative to the amount of business operations at each port, the policy only further consolidates the position of Apapa port in terms of availability of facilities and consequently on the volume of traffic handled thus consolidating the status quo of the ports in terms of their relative significance.

SUMMARY AND CONCLUSION

A hierarchy of port significance emerged with Apapa port on the lead and Calabar on the

trail. Tin Can Island port moved from the third position to the next most important port in the country coming after Apapa and displacing Port Harcourt, the nation's erstwhile second busiest seaport. The Port Harcourt seaport was further displaced by Warri port, which moved up to, the third position. Consequently Port Harcourt seaport now occupies the fourth position in the hierarchy of ports in Nigeria. It was also observed those relatively newer ports of Federal Lighter Terminal and Merryland performed better than Calabar which has remained the most uncompetitive port in Nigeria.

The differential successes of the ports have been explained by their location, transport network, economic activities in the port area, government policies and very important political instability especially the restive situation in the Niger Delta. The significantly dominant position of Apapa port over all other ports in the country may not be in the interest of the country. This is because it shows lopsidedness in the development of the nation's seaports, and over concentration of efforts in a few ports at the detriment of others. The disadvantages of this policy will only manifest the only when well-developed port has a problem. Consequently, efforts should be made towards developing other ports along with Apapa port. The TCI port, which began operation in 1977, has shown signs of a promising port although it is located in the same geographical area as the Apapa port.

Several efforts have been made to develop some existing ports in the country. One remarkable effort is the declaration of Calabar as a free Export processing zone so as to encourage the use of the Calabar sea port by exporters. It is unfortunate to note that such an effort has not produced any positive results in the volume of transactions at the port. There might thus be need to put in place more concrete, resulted oriented projects and programmes that will encourage the use of the less patronized ports. It is hoped that increased patronage will enhance increased development and increased development will in turn encourage increased demand.

Lastly, efforts should be made to link up the ports of Warri and Calabar with the rail

network; this will no doubt influence the volume traffic handled at these ports.

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