

**TRANSCRIPTION OF Mi WEBINAR SERIES OF 10 JUNE 2020 ON THE TOPIC:
COVID-19 AND THE NIGERIAN MARITIME SECTOR - Lessons and Way Forward**

The Webinar started at about 12.30pm and ended at about 3.10pm. Below are the highlighted points discussed by each of the panelists which touched on “the challenges” of the pandemic, “the lessons learnt” from it, and “the way forward”:

1. MRS HADIZA BALA USMAN [MD, Nigerian Ports Authority (NPA)]

Challenges

- Enlightenment of NPA personnel on Covid-19.
- Need for the NPA staff to be properly kitted and to ensure their safety while they embark on their jobs.
- Implementation of the NCDC Guidelines as a way to contain the spread of the virus among the members of staff.
- Boarding of vessels in anchorage in some locations as some personnel did not have the expertise to do so and if the non-experts handle the task, insurance might not cover them in the event of any casualty.

Lesson(s) Learnt

- Need to ensure that prioritizing for the ports to remain open and bend over backwards to accommodate the challenges.
- The essence of provision of certain equipment to conduct the operations.
- The need to remain dynamic and open and to engage with stakeholders to take some of these policies one day at a time.
- To always be vigilant, as safety is key.

Way Forward

- To constantly remain on its toes and dynamic enough to go with the flow.
- Ensuring that the ports remain open and functional.
- Vessels coming into the country from a country that has over 1000 infections should be quarantined for 14 days for now, whilst looking forward to the lifting of the ban soonest.
- To have a submission and recommendation from authorized bodies as opposed to circumventing it with a view to decongesting the ports.
- Address concerns around the infection of crews.
- To sustain the pressure on the presidential task force to lift the ban to ensure that priority is given to vessels coming in and out of member states in line with IMO’s guidelines that vessels should be given free access in and out of member-states.
- Additional barriers to prevent the inflow of vessels in our ports should be avoided.

2. MR HASSAN BELLO [Executive Secretary, Nigerian Shippers Council (NSC)]

Challenges

- It is a difficult time for Ports as we know that they cannot operate on their own, they have to operate with the society.
- The ban on public transportation affected movement to and from the ports.
- Banks were also not working so; it was challenging to move cargo into the ports and to exit them.
- Challenge of operations that needed to be manually done.
- Huge electronic markets were not open especially in Lagos and Kano.
- Ban on inter-state travel caused a lot of problems for movement of cargoes; as cargoes could not be taken out of the ports.
- Observation of NCDC Guidelines. It was initially difficult for the Council as there was very low compliance with the directives such as maintaining social distancing, wearing of masks or even sanitation. The Council had to grapple with that at first but later on, it got better.

Lesson(s) Learnt

- There must be virtual ports. For example, instead of going to the ports, it can be done online. Also, meetings with NPA and other critical stakeholders could be done online to eliminate physical presence at the ports.
- There must be paperless and contactless ports. This has been done in some terminals which are up to 80% completed. However, there is need for integration of Customs, Ports, NPA, Freight Forwarders, Shippers Council e.t.c to transact business online.
- Need to sharpen customs of trade. There are some major legislations that urgently needs to be pushed through:
 - i. FAL Convention - where the MD of NPA is the Vice-chairman – The convention is about the arrival, stay and departure of ships.
 - ii. Convention on Responsibility of Cabin Operators.
 - iii. Electronic Bill of Lading which would make it mandatory for people to transact online.
- Need for all parties to cooperate to enable ports operate on Saturdays and Sundays just like airports, for the purpose of reducing congestion.
- Inter-model evacuation of cargoes on terminals.

Way Forward

- Push the crucial Legislations.
- 24 hours operation of ports.

- Multi-model evacuation of deliveries.
- Strike a balance between operations of ports and safety, and act accordingly at all times.

3. MRS ONYEMA ORAKWUSI [Chairman, Maritime Trade Group, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)]

Challenges

- The Pandemic has affected and is still affecting businesses all over the world.
- NACCIMA is the leader of the privatized sector in Nigeria and is highly affected; it had cause to lay off some workers.
- Covid-19 has affected NACCIMA in the fishing industries.
- Government has failed to give the sector the attention that it deserves, especially in finances. Before the Covid-19, accessing funds and insufficient building capacity was already a problem.
- Most of our vessels were caught up in the high sea and when they were eventually released, there were no markets to sell them and the vessels were carrying perishable goods. Some of our already exported goods had to be stored in the cold room in different countries indefinitely.
- Decrease in industrial fishing.
- Drastic drop of companies involved in fishing due to reasons beyond their control.
- Loss of revenue earnings.
- Sources of domestic consumption of fish became low.

Way Forward

- Since investors and global managers are most likely to be drawn to Africa due to the low number of cases, we should keep our eyes open to capture the funds and use it for training of skilled personnel.
- Need to adapt to the new technology and good gadgets.
- Adapt to the new way of doing business, as Covid-19 has reinforced the use of E-commerce, internet banking, communication technologies and digital information.
- It is creating new businesses, breaking down trade barriers.
- Automation should be driven to ports activities.
- Need to attract investors.
- Efficiency in the operations of ports.
- Infrastructure should be made available to meet international best standards for sea transportation.
- Diversification of the economy.

- Ease of doing business.
- Need to create employment.

4. ALHAJI BABATUNDE MUKAILA [Representing the President, Association of Nigerian Licenced Customs Agents (ANLCA)]

Challenges

- Total confusion at the starting point but NSC and NPA did wonderfully well at addressing issues arising.
- Transport and logistics aspect of the Ports were adversely affected.
- Loss of jobs.
- A whole lot of activities in the ports have not been automated yet; as such, a whole lot of physical contacts still exist.
- There was a dilemma as the lockdown kept people at home, but the ports were kept open.
- Loss of revenue.
- Turnaround time of vessels accumulated storage rents.
- People that got their cargoes caught up in the pandemic are yet to get them released.
- NPA and NSC were urged to look into the situation at hand.
- Unpreparedness as most of the processes are not automated, as such, it became very difficult for activities to run smoothly.
- Only few banks are open for business. Most of the import documentations emanate from banks' headquarters and when the transaction for the import documentation is completed, the documents are transferred to the branches of the banks. During these periods, most of the branches of the banks were not open for business; as such, the importers were caught up as they did not have access to their importing process documents needed for their clearance. The banks that were open within the ports did not have access to the documents and some of them claimed that the transactions did not emanate from the branches.
- The switching companies were not up and doing during this period as such, the transaction of charges became difficult for the terminal operators to access because no terminal operator would let you off their hook unless the payment is confirmed as having been credited into their account.
- Physical contact was not restrained as people marched to the terminal operators to demand for resolution of their issues.

- Introduction of Seaway Bill that would resort to coding system instead of the traditional filing system was test ran but a whole lot of terminal operators are not automated so, it was quite difficult to go through with the process.
- Custom service is in the front line of this pandemic because of physical contact which is inevitable. We heard of some customs officials that lost their lives to Covid-19.
- The freight forwarders are not alienated, as they are also front liners.

Lesson(s) Learnt

- Mortar and brick offices is gradually phasing out. We should think about remote offices and virtual office as the future is now.

Way Forward

- The NSC and NPA to push more efforts to automate the system and to reduce physical contact among people.

5. MR AMINU UMAR (Ex-Chairman, Nigerian Ship Owners Association)

Challenges

- Speaking from the perspective of a tanker owner/operator, it has been a roller coaster since March. From a commercial position, globally, tanker owners made so much money between the end of March and the end of April. But since the beginning of May, the graph has gone so down that the tanker owners are making minimal or losses.
- From an operational point of view, they have been so many changes in the way they operate. Now, before a vessel can come in, it must be quarantined for a period of 14 days.
- From a technical point of view, certification of ships is almost not possible at the moment so as to avoid the spread of the corona virus.
- Complying with the NCDC guidelines has been tough, as there is hardly any limit to human interaction because, crucial shipping activities have not yet been automated.
- Delay at the discharge port led to a lot of demurrages which has affected the commercial affiliation of ship owners. Even if it is the most feasible thing to do at the moment, they do not want to charge their customers for it so as to avoid conflict.
- Repairs of ships have been pretty difficult at this time, as some of the repairs are done outside the country. Due to the lockdown, there has been a hindrance to the movement of faulty ships for repair.
- Certification and Insurance of ships are tied to their maintenance so, that is also affected.
- Poor movement of workers on the ship due to the lockdown, as crew members who are supposed to be on the ship for a 4-month contract are held down for longer periods due

to the lockdown. This has caused mental breakdown and depression for some of them having been kept away from their families and loved ones for too long.

Lesson(s) Learnt

- It became clearer, how important shipping capacity is to a nation. Every country needs a national shipping capacity for its survival.
- How to reduce physical human interaction. A good example is the Nigeria LNG have introduced zero human interaction thereby, reducing the risk of Covid-19.

Way Forward

- Human capacity development should be canvassed as crew members are sitting on the ship depressed and cannot be flown to their countries.
- There should be reduction in the number of governing agencies that go on board to clear the vessels to contain the spread of the corona virus.

6. CAPTAIN ADEWOLE ISHOLA (Former President, Nigerian Association of Master Mariners)

Challenges

- Training institutions are shut down. Although, trainings are done online but they cannot write their exams online as most of the exams are oral-based and it will be impracticable to demonstrate their ability and knowledge.
- It has been hard complying with physical distancing as working on board has drastically changed.
- Delay in clearance of vessel.

7. MR MICHAEL IGBOKWE, SAN [Principal Counsel, Mike Igbokwe (SAN) & Co.]

Challenges

- Delay in hearing and determination of maritime claims by Courts due to the Covid-19. Courts have been on a stand still.
- Lawyers have been denied the opportunity to practice their trade by not going to Court.
- Loss of income as well. Some Lawyers could not meet the cost of running their practice; some had to stop paying salaries.

- Risk of anarchy as some litigants do not have access to litigate; as such, some would resort to self-help having lost confidence in the Court system at this point.
- Increase in breaches of maritime contracts, charter parties, ship finance contract, and default in paying for maritime claims.
- Majeure clauses and frustration of contracts may be invoked.

Lesson(s) Learnt

Due to the lack of virtual proceedings there is already a stack of pending cases, disputes and claims owing to the pandemic. Lawyers should be ready for more work as the Courts re-opens.

Way Forward

- Virtual hearing should be made permanent as this would soon be the new normal.
- Fast track hearing and determination of maritime claims should be heightened.

ENGR. EMMANUEL ILORI (Chairman of Ship Registry, and President, Association of Marine Engineers and Surveyors)

Challenges

- The issue of food security has become an area of concern since the inception of the Covid-19; fish importation has become almost impossible.
- We should learn to be dependent on ourselves to provide the security of energy source which is oil & gas, as we cannot depend on foreign nations for our energy source.
- Global recession: Due to the fact that nations would reduce the industrial production of their goods, which means less containers coming into Nigeria, the revenue generation of those agencies that rely on those importations to collect import duties will be reduced.
- General reduced income for our nation.

Way Forward

- We should now focus on fish farming and invest in the fishponds in order to feed the populace.
- We need to start thinking globally. We need to start thinking outside the box to create jobs for our people, as many people would be out of jobs due to the pandemic.

- Funding of the maritime sector.

Final Words from MD of NPA:

- **Demurrage:** - NPA has granted a waiver on rent fee of consignees for the lockdown period. Though some terminal operators have refused to comply, NPA has advised consignees to send proof of payment of the rent fee so it would be refunded. NPA has received some of their letters and is working on them already.
- Issues relating to applicable policies for berthing of vessels in West African would be resolved in a timely manner.
- NPA has granted a waiver for repair and servicing of vessels.
- Most of the important components of automation lies within the Nigerian Customs service. NPA is in the process of speaking with stakeholders to bring in state of art facilities.
- NPA is working on reducing the high number of days on offloading cargoes in neighbouring countries.

QUESTIONS AND ANSWERS

Q: Is there any framework that exists in the implementation of the suggested points discussed in the webinar?’

A: We are in the process of speaking with the relevant stakeholders. (MD, NPA)

Q: When is the right time for the right infrastructure to be in the ports?

A: We are beseeching investors to invest a lot in larger vessels to decongest the Lagos ports because, funding of the relevant agencies is also an issue. (MR AMINU)

Q: What are the lessons learnt as a result of Force Majeure at the Lagos seaports?

A: We have to prove the impossibility to perform as a result of force majeure clauses, and this could only be done through proper documentation. So, the need to keep records and proper documentation is a lesson learnt. Also, we would concentrate on new ports in 2021. (Executive Secretary, NSC)

Q: Any palliatives from Government in the maritime sector?

A: A lot is needed in the maritime sector, as there is no much intervention from the Government. There is need to get the banks to convert existing loans into simple digit interest rates and we can be able to compete with that. We have to get the government to provide the needed platforms as we are not blind to the devastating effects of sea piracy and armed robbery on seaways. (Mrs Orakwusi).



MIKE IGBOKWE (SAN) & CO.