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Concession as a Strategic Tool for Ports Efficiency: An Assessment of the Nigerian Ports

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This paper examined the problems bedeviling the operations of the Nigerian ports before the concession programme of 2006 and how well the concession has improved the performance of the Ports system. Data were collected through secondary methods such as annual reports, as well as interview and media reports. The content analysis method was adopted in analyzing the data. The findings of the study showed that the concession may for all its worth have been able to earn more income for the government but the Authority has failed to keep its part of the contract agreement especially as it concerns the provision of the enabling environment for port operations; infrastructures were still lacking, dwell time has not substantially reduced and corruption still soared high. The paper submits that the regulators of the maritime system need to do more to ensure that it is not paying lip service to its vision of being the leading port in Africa.

Keywords: Nigerian ports, concession, strategic tool, maritime, ports efficiency, reform, restructuring

Introduction

In today's global commerce, seaports or maritime transport play an important role of being many nations' major gateway for international trade and are a good instrument for measuring the economic health of a nation (Ogunsiji & Ogunsiji, 2010, UNCTAD, 2008). The ports have considerable influence on the volume and conditions of trade as well as the capacity for economic development of nations still developing. In Nigeria, greater percentage of international trade is routed through the sea, and given its huge population, it is believed that the Nigerian economy may account for about 70% of all seaborne trade in the West African sub-region (Fivestar Logistics, 2008). Hence, the country's ports are increasingly challenged to meet the pressure mounted from movement of ships and cargo in and out of the ports.

The Nigerian Ports Authority established as an autonomous public corporation with the enactment of the Ports Act of 1954, assumed responsibility as a regulator and an operator entirely owned by the federal government (Mohammed, 2008). The Technical Committee for Privatization and Commercialization (TCPC) was established in 1988 as a result of the need among others for a private sector driven port, and was charged with the responsibility of transforming NPA into a commercial organization. In 1992, the Nigerian Ports Authority was commercialized and it changed its name to the Nigerian Ports Plc. though the ownership remained that of government. Four years after, it reverted to its former name as a parastatal under the Federal Ministry of Transport. The reversion however, did not affect its commercialization efforts (NPA Brand Manual, 2005).

With globalization, government realized it lacked the resources and managerial ability to drive a modern seaport successfully (Razak, 2005). Around the world, governments and port authorities have withdrawn from port operations knowing that enterprise-based port services and operations would allow for greater flexibility, efficiency, and better services to port consumers (Notteboom, 2007). This made the disengagement of government from the activities that could be more efficiently provided by the private sector inevitable.

The process of involving greater private sector participation and expertise in the Nigerian seaports began in 2003 by the National Council on Privatization (NCP), the apex policy body on sector reforms in the country, in conjunction with the Bureau of Public Enterprises (BPE) (Razak, 2005).

The Nigerian government initiated one of the most ambitious infrastructure concessioning programmes ever attempted in September 2004 (Leigland & Palsson, 2007). The programme gained global credibility with the involvement of the World Bank, CPCS Transcom of Canada and Royal Haskoning of Holland as project monitors, concession bid managers and consultants

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respectively (Fivestar Logistics, 2008). The Haskoning study as it is referred to identified some of the bottlenecks to the port operations and recommended the “landlord” model approach. By July 2006, twenty long term port concessions were awarded with some more in progress (Leigland & Palsson, 2007).

Statement of Problem

It is believed that the Nigerian Ports by the 1990s demonstrated very low levels of efficiency which resulted in long turnaround times for ships and increased container dwell time (Leigland and Palsson, 2007). Instead of the forty-eight hours international standard to unload and reload a ship, it took weeks. The workforce was overbloated, there were excessive port-related charges, and massive levels of cargo theft. The most unfortunate was that the port infrastructure required considerable rebuilding and restoration. This entailed massive external financial support which the federal government was unwilling to provide due to the existing corruption and operating inefficiencies. Hence, port operators and users were left dissatisfied (Leigland & Palsson, 2007).

The Nigerian Ports as is the case in many other public corporations were also believed to have complex institutional management structure with stiff bureaucratic bottlenecks. In a bid to address some of the clear and immediate problems such as congestion and delays, the NPA introduced port concession to some of the ports in the country to bring in needed expertise in the area of operations. Concession is a process whereby the concession grantor gives the right to operate a facility and/or deliver a service of public interest to a merchant concessionaire, against the commitment assumed by the concessionaire to build and manage the subject of the concession or to manage the delivery of service at the concessionaire’s own risk (Tsvetkov, 2010).

Studies on the circumstances necessitating the Nigerian Ports concession and the initial outcomes have been carried out (Akinwale & Aremo, 2010); others have looked at logistics and physical distribution at the ports (Ogunsiji & Ogunsiji, 2010). However, no known study have examined if some of the basic objectives of the concession were achieved five years after the concession, hence the need for this study. Against this background, the study examines the current practices at the Nigerian Ports with a view to ascertaining if:

a. The cost of port services has decreased.
b. The turnaround time has improved.
c. The percentage of berth occupancy rate has improved.
d. The infrastructural facilities have improved significantly.
e. The security around the seaports has improved.

Research questions

Based on the objectives of the study, the following research questions deserve answers.

a. Is there significant decrease in the cost of port services?
b. Is there relative improvement in the turnaround time?
c. Is there improvement in the percentage of berth occupancy rate?
d. Is there significant improvement in infrastructural facilities?
e. Has security around the seaports improved?

Literature Review

The magnitude, scope and persistence of failure of Nigeria’s public enterprises (PEs) including the Ports became alarming as these enterprises required continuous massive subsidies but delivered only intermittent and substandard services. The returns on these large investments were generally poor, and in some cases negative, with an especially low rate of return relative to the large amount of resources invested in them (FGN, 1986 in Jerome, 2008). Net outflows from the government to the public enterprise sector were estimated at US$2 billion annually (Callaghy & Wilson, 1988, Jerome, 2008). All these pointed to the inefficiencies of the public enterprises of which the ports are part of.

The reasons for the poor performance of Nigerian Ports and other public enterprises from history tend to have a uniform pattern globally and range from the presence of conflicting and interwoven roles determined by politicians, prevalence of uncompleted contracts and subsidies from government. These more or less aid internal inefficiencies, issues of excessive bureaucratic controls, to government interference and intervention, and other public service culture of undermining and compromising efficiency and optimum productivity (Ogunsiji & Ogunsiji, 2010; Jerome, 2008).

Concessions were born out of the needs for one reform or another. Concession may be considered analogous to public private partnerships (PPPs) and Private Finance Initiatives (PFIs) and or seen as an arm of privatization (if defined broadly). Privatization of state-owned enterprises (SOEs) has become a key component of the structural reform process and globalization strategy in many economies (Jerome, 2008). It gained popularity in recent times but is an old innovation as it was practiced by the French government as can be seen in the water project of 1776 (Idornigie, 2006).

Section 168 of the draft Ports and Harbour Authorities Bill defines a ‘concession’ as an arrangement between an Authority and a third party pursuant to which such third party shall be authorized to provide a port service or operate a port facility in accordance with the bill (Idornigie, 2006). It is argued that privatization of terminals through concession contracts would be a valuable option if port competition is effective, but not necessarily in cases where competition needs to be created by regulation (Niekerk & Henriette, 2005). It is not the plan of this paper to discuss the suitability or not of concession as a method.

The FGN embarked on the concession of Nigerian Ports essentially to solve the protracted problems of inefficiency, corruption, mismanagement, and huge debts that characterize the Nigerian ports. The rationale behind the Nigerian Port concession includes the $34 million indebtedness of the NPA, the redundancy of 24 out of 83 managers as well as its poor management structure. Emphatically concession of Nigerian ports refers to lease of port terminals and re-organization of stevedoring companies. About 110 applications were received in December 2003 and out of 94 pre-qualified concessionaires, only 20 were granted to operate Nigerian seaport terminals for 10-25 years (Leigland & Palsson, 2007; Kieran 2005; Cameron, 2004; Akinwale & Aremo (2010).

The concept of efficiency is very vague and proves difficult to apply in a typical port organization extending across production, trading and service industries. Ports are complex and multi-parts organizations in which institutions and functions often intersect at various levels (Bichou & Gray, 2004). There are many ways of measuring port efficiency although reduced to three broad categories – physical indicators, factor productivity indicators and economic and financial indicators (Trugillo & Nombella, 1999). Physical indicators refer generally to time measures concerned with the ship e.g. ship turnaround time, ship waiting time, berth occupancy rate, waiting time at berth). It can sometimes measure coordination with land modes e.g. cargo dwell time or how long it takes for unloaded cargo to leave the port. Factor productivity indicators focuses on maritime side of the port as it measures both labour and capital required to load or unload goods from a ship. In the same vein, economic and financial indicators are usually related to the sea access, for example, operating surplus or total income and expenditure related to gross registered tonnes (GRT) or net registered tones (NRT) or charge per twenty foot equivalent (TEUs). Port impacts on the economy are sometimes measured to assess the economic and social impacts of a seaport on its respective hinterland or foreland. The importance of logistics to port operations and achievement of efficiency cannot be underestimated (Itami, 1980; Taticchia et al, 2008).

Most developing countries like Nigeria lack the expertise required for crafting environment conducive for good logistics system (Fawcett *et al* 1993). As an important element in a concession scheme, strategy refers to the plans, investments, and actions taken to achieve sustainable competitive advantage and both superior economic and social performance (Husted & Allen, 2001). Strategy presupposes that the most basic component of strategic management - planning which could have clearly define the port's mission, specify achievable objectives, develop strategies and set policy guidelines would be available; it did appear this was absent in the concession scheme (Hitt, Ireland & Hoskisson, 2009). An example is the fact that it wasn't clear if the ports should operate as a public enterprise, an infrastructural enterprise, a social service or a profit making business enterprise (Ogunsiji, 2004; Ogunsiji & Ogunsiji, 2010).

Table 1 shows the location and characteristics of the various major ports before the concession. The Apapa port for instance after the concession culminated into six terminals owned by three concessionaires or terminal operators.

Table 1. Location of ports and characteristics of the various major ports before concession.

S/No.	Port	Location	Maximum depth of berth	Quay length (Metres)
1.	Apapa Port	Lagos	9.0	2459
2.	Tin Can Island Port	Lagos	11.5	2045
3.	RoRo Port	Lagos	11.5	705
4.	Container Terminal	Lagos	10.5	1005
5.	Port Harcourt Port	Port Harcourt	7.8	1877
6.	Delta Ports*	Warri	11.5	2506
7.	Calabar Port	Calabar	11.0	1137
8.	Federal Lighter Terminal	Onne	5.7	1185

Source: NPA Service Charter (2001).

The Nigerian ports concession

Going by the supposed vision statement of the Nigerian ports, it wishes to be the leading Port in Africa**,** to deliver efficient port service in a safe, secure and customer-friendly environment. Its' core value includes Efficiency, Customer Satisfaction, Safety and Security, Innovation. However, business at the Nigerian seaports was bedeviled with difficulties summarized below by Razak (2005) which necessitated the concession or reform programme:

- Turnaround time for ships was too long and usually calculated in weeks, sometimes months, depending on the cargo being loaded or discharged.
- Cargo-handling plants and equipment owned by the NPA were few and mostly unserviceable, leading to shipping companies hiring these machines from private sector sources after having paid NPA.
- Dwell time for goods in ports was prolonged due to poor port management and that led to port congestion.
- Corruption soared high among labor contractors and various service providers at the port
- Nigerian seaports were rated as one of the costliest seaports in the world, as a result of the compounded problems.
- Many port premises and quay aprons had fallen to disuse and failed road sections inside the ports made movement of goods within port grounds cumbersome and very slow.
- Following the seaport congestion, complaints of untraceable or missing cargoes were being regularly lodged against the NPA, all to no avail.
- Security inside Nigerian seaports was compromised by the activities of miscreants as theft and pilferage became the order of the day.

Objectives of the port concession

The objectives of the Port concession or reform was to increase efficiency in port operation, decrease cost of port services to stakeholders, decrease cost to the government for the support of port sector and attract private sector participation so as to free public resources for public services (Mohammed, 2008). Given the recommendation of the project monitors (CPCS, World Bank & Royal Haskoning), the Landlord port model was chosen. The landlord port model in essence entailed the public sector being responsible for port planning and regulatory tasks (related to safety, security and environment), and maintains ownership of port-related land and basic infrastructure and divide the Nigerian Ports Authority into several autonomous port authorities, each responsible for a different geographical zone. Under this arrangement, the private sector would be responsible for marine and terminal operations, construction, cargo handling operations, dock labour management, purchase and ownership of superstructure and equipment (NPA Brand Manual, 2005). Pay suitable compensation to the Port Authority for concessioning the land and the operations, manage commercial risks associated with their concession operations, and maintain direct contacts (and contracts) with shippers, who would pay the operators directly without interference from the port authority, finance and implement investments and maintenance for superstructure and equipment. The proposed concession took effect in 2006 and the Ports were divided and the following terminals were handed over to their successful bidders as follows (Table 2).

Table 2. Terminals and their successful bidders.

Terminal	Company name	Lease terms (Years)	Handover date
Apapa Terminal A	Apapa Bulk Terminal Ltd.	25	3rd April, 2006
Apapa Terminal B	Apapa Bulk Terminal Ltd.	25	3rd April, 2006
Apapa Terminal C	ENL Consortium	10	3rd April, 2006
Apapa Terminal D	ENL Consortium	10	3rd April, 2006
Apapa Terminal E	Greenview Dev. Nig. Ltd.	25	3rd April, 2006
Apapa Container Terminal	APM Terminals Ltd.	25	3rd April, 2006
Ijora Container Depot	Lilypond Container Depot Nig. Ltd.	10	3rd April, 2006
TCIP Terminal A	Josepdam Ports Services Ltd.	10	10th May, 2006
TCIP Terminal B	Tin Can Island Container Ltd.	15	10th May, 2006
TCIP Terminal C	Ports & Cargo Handling Serv. Ltd	10	10th May, 2006
TCIP Roro Terminal	Five Star Logistics Ltd.	15	10th May, 2006
Port Harcourt Terminal A	Ports & Terminal Operators Nig. Ltd.	15	23rd June, 2006
Port Harcourt Terminal B	BUA Ports & Terminals Ltd.	25	23rd June 2006
Onne FOT A	Intels Nigeria Ltd.	25	21st June, 2006
Onne FLT A	Brawal Oil Services Ltd.	25	21st June, 2006
Onne FLT B	Intels Nigeria Ltd.	25	21st June, 2006
Jetty FOT Onne	Atlas Cement Co. Ltd.	25	21st June, 2006
Calabar New Port Terminal A	Intels Nigeria Ltd.	25	23rd June, 2006
Calabar New Port Terminal B	Ecomarine Nig. Ltd.	10	1st August, 2007
Calabar Terminal C (old port)	Addax Logistics Nig. Ltd.	25	26th May, 2007
Warri Old Port Terminal A	Intels Nigeria Ltd.	25	23rd June, 2006
Warri Old Port Terminal B	Associated Maritime Services Ltd.	10	12th June, 2007
Warri New Port Terminal B	Intels Nigeria Ltd.	25	23rd June, 2006
Warri New Port Terminal C	Julius Berger PLC	25	4th May, 2007
Koko Terminal	Greenleigh Limited	10	12th June, 2007

Source: Nigerian Ports Authority Brand Manual (2005).

Methodology

This is an ex-post facto study which evaluated the impact of the concession exercise on the ports efficiency. The ex-post facto design is considered appropriate in this study since the researcher would have no control over the variables nor be able to manipulate them but would rather report what has happened or what is happening (Cooper and Schindler, 2001).

Efficiency was measured in this study in terms of the extent to which NPA was able to meet the objectives of the concession plan. Specifically, the study made use of some pre-concession annual reports of the Nigerian Ports Authority, its service charter and handbook in addition to other secondary data like the report presented at the African Ports and Harbours Congress 2008 held in Johannesburg, South Africa, by the NPA managing director. Additionally, people's reactions and comments through interviews and the media report in this regards were also used. It should be noted that the Nigerian Ports Authority as it were has not published any unified (operations of all the terminals put together) annual report since after 2007. In order to at least measure some of the activities of the pre-concession and post-concession performance, the annual report of the Tin Can Island Port (one of the concessioned ports consisting of five terminals) were used. Data were gathered from the annual reports of the 2004 and 2005 pre-concession years and the 2007 and 2008 post concession years. The method adopted was the content analysis of the annual reports and literature readily available and comparing the objectives of the concession versus actual performance after concession.

Findings

Table 3 shows the data excerpts from the paper presented by the Managing Director of NPA at African Ports and Harbour Congress in Johannesburg, South Africa in 2008, on cargo throughput for the period 1995-2007.

Table 3 showed that the Nigerian Ports (all concessioned terminals put together) witnessed a tremendous increase in the cargo throughput in the concession year from 44,952,078 TEUs of 2005 to 54,641,084 in 2006, however, this dropped in 2007 to 49,173,324 and reasons for this decrease could not be ascertained as more information would be required to be able to follow the trend and the possible reason(s). Turnaround time also reduced from an average of 7.40 days in 2005 to 4.70 days in 2006, but however also rose to 6.10days in 2007. Berth Occupancy rate in 2005 was an average of 49.70% but dropped to 47.43% in 2006 and further reduced in 2007 to 46.93%.

Table 3. Cargo throughput for Nigerian ports authority (1995 – 2007).

Year	Inward	Outward	Throughput	Waiting time	Turnaround time (days)	Berth occupancy (%)
1995	9,289,971	3,983,082	13,273,053	0.47	6.17	27.76
1996	10,224,300	5,251,001	15,475,301	0.46	6.34	36.68
1997	11,213,624	5,396,181	16,609,805	0.47	6.71	36.73
1998	14,286,864	5,038,854	19,325,718	0.39	7.31	41.39
1999	15,751,331	6,481,605	22,232,936	0.36	6.31	47.09
2000	19,230,496	9,702,384	28,932,880	0.34	7.01	44.76
2001	24,668,791	11,271,901	35,940,692	1.27	7.91	51.78
2002	25,206,380	11,780,861	36,987,241	3.99	11.34	56.58
2003	27,839,293	11,926,652	39,765,945	2.17	7.89	52.75
2004	26,907,075	13,909,872	40,816,947	1.44	6.44	50.93
2005	29,254,766	15,697,312	44,952,078	2.60	7.40	49.70
2006	33,722,488	20,918,560	54,641,084	1.00	4.70	47.43
2007	31,937,804	17,235,520	49,173,324	2.00	6.10	46.93
Total	279,533,183	138,593,785	418,126,968	1.30	7.05	45.10

Source: Mohammed (2008).

From Table 4, Ship Traffic for the 2-year (2007 and 2008) post concession recorded a total of 2446 vessels entering as against the 999 vessels recorded in the pre-concession period of 2004 and 2005. This translates to more than 140% increase, a positive variance of 1,447.

Total Cargo traffic or Throughput also recorded an incredible growth from 8,823,687 metric tonnes (Pre-concession years) to 21,818,883 metric tonnes, more than 145% increase which suggests that the concession brought about more activities in the operations of the port.

The Average Turnaround time also improved from 6.84 days pre-concession period to an average of 4.5 days in the post concession. The Berth Occupancy Rate improved from an average of 52.5% to an average of 73.8% in line with the increase in ship and cargo traffic. Personnel Strength naturally, reduced from an average of 1343 pre-concession period to 733 post-concession. This is in line with global practice as it is assumed that public enterprises usually have an over bloated staff strength which leads to redundancy and ineptitude. Again, considerable revenue is saved when the right downsizing is done as dead woods are weeded out.

Operating expenditure decreased from an average of N2.25 Billion in the 2004/2005 pre concession year to N1.4 billion in 2007. This may be explained by the fact that there may have been possible prudence in spending. It further decreased to 445 million in 2008. The 2008 annual report also showed that port security was intensified as measures were put in place to control the access roads and restrict entry of people without legitimate business in the port premises. The base year 2006 was not taken into consideration due to the fact that the accounting period of the terminals that make up the Tin Can Island Port Complex started some from May 2006 while others were June 2006.

Table 4. Pre and post concessioning performance report of Tin Can Island port complex.

Indicator	2004	2005	2006 Base Line	2007	2008
Ship traffic					
No of ships entered	504 vessels	495 vessels	843	1,128	1,318
No of ships cleared	548 vessels	535 vessels	903	1,185	1,367
GRT for ships entered	5,410,086	5,508,854	10,788,867	15,803,871	21,121,705
GRT for ships cleared	5,920,421	6,127,851	11,417,939	21,964,073	16,493,822
Cargo traffic or throughput	4,079,946 Tonnage	4,743,741	7,371,962	10,303,260	11,515,623
Container throughput(TEUs)				266,634	416,479
Vehicle throughput (units)				165,970	161,139
Average turn around time	6.83 days	6.85 days	3.45 days	3.77 days	5.2 days
Berth occupancy rate (%)	47%	58%	73%	86.56%	61%
Revenue generated					
Naira	1.50 Billion	2.16 Billion	2.07 Billion	688 million	870 million
Dollar	54.55 million	39.63 million	10.4 Billion	53.6 million	119.6 million
Revenue collected					
Naira	1.26 Billion	2.10 Billion	1.81 Billion	1.14 billion	1.23 billion
Dollar	39.57 Million	41.93 Million	42.9 Million	58.5 million	121.8 million
Operating expenditure	2.00 Billion	2.51 Billion	682 Million	1.47 Billion	448 million
Personnel	1437	1250	1,103	799	668

Source: TCIP Annual Reports (2004, 2005, 2006, 2007, 2008).

Table 5 shows the Ports revenue generation between 2003 (pre-concession period) to 2008 (post-concession period). It reveals increase in revenue generation resulting from the concession.

Table 5. Nigerian ports authority revenue generation.

Pre-concession			Concession year	Post concession	
2003	2004	2005	2006	2007	2008
N56.4bn	N58.1bn	64.7bn	N75bn	N80.1bn	N87bn

Source: Adenekan (2010).

It was discovered that despite the concession not much improvement seems to have taken place at the nation‘s ports; complaints by operators of high port charges not tied to specific services still persist; lack of equipment by the terminal operators and other corrupt practices are still evident; The terminal operators have also complained of lack of adequate infrastructures at the ports, which impedes their business operations and adds to cost of doing business. For instance, an account given by Francis Omotosho of Association of Nigeria Licensed Customs Agents (ANLCA) to Vanguard newspaper says: “Shipping agents Presently collects about seven illegal charges from port users, water front terminal operators collect about 11 charges on every container while their counterpart in the off dock operation (bonded terminals) collect about 20 different charges…” (Bivbere, 2011, p. 29).

In the same vein, a report by the Nigerian Voice (2011) an online media, reports a stakeholder saying thus: *'Has anything changed at the ports? 'Four years ago, it was easier to access the ports in Lagos, but now it has become near impossible to carry out any business successfully at the port without getting stuck. The traffic congestion is hellish, the infrastructures at the ports have depreciated, congestion is the order of the day at the terminals and importers are skillfully ripped off in the name of demurrage. To worsen matters nobody monitors anybody and sheer manipulation has become the other of the day.'*

Alhaji Suleiman Hameen, the Chairman, port industry anti-corruption standing committee in the same report said: *"there is no meaningful infrastructural development at the nation's port despite the huge revenue collected by the government after the concession…corruption is a major factor responsible for the poor state of infrastructure at the ports. 'Port development is an ongoing process, but what is happening in Nigeria is that the ports have realized a lot of revenues from the port concessionaires but they are not used for port development due to corruption. Government is not putting back to the ports; … 'The port industry needs the proper intervention of the presidency, otherwise we will be losing our cargoes to the neighboring countries, because anything that comes to the port, you will find out that 45 per cent of charges are imposed without being tied to services…"*.

There is also complaint on the part of government that terminal operators have reneged on their part of the agreement. The report by Adenekan (2010) averred that the Senate committee on Maritime Transport headed by Senator Gbemi Saraki condemned the process leading to the 2006 port concession programme as she alleged that there were irregularities in the amount paid by terminal operators and that the operators had reneged on the part of the agreement as they failed to bring in their investments.

NPA may have scored above average in increasing its revenue profile through the concession, but operators complain of high charges, high dwell time, poor infrastructure and unfriendly business environment at the ports continue. Government is not ploughing back to the ports the revenue generated; the access roads to the ports are not in good condition.

Some terminal operators may have been trying their best to improve services as is seen from the excerpt from Mundy and Gwilliam (2010) on the press report of Kruk, B. C. of World Bank on the Apapa Container Terminal, but their efforts are frustrated by some other inadequacies. For instance, the APM Terminal increased its capacity from 220,000 TEUs per year to 1.6 million TEUs after concession. Within months of the award, delays for berthing space dwindled significantly, and shipping lines reduced their congestion surcharge from $740 to $105 per TEU, saving the Nigerian economy $200 million a year. By early 2009, APM acquired new gantry cranes to triple their original capacity. The terminal was able to handle more than 500 containers per day for customs examinations, but majority of the containers were stacked at the end of the day and the port was clogged by uncollected containers. By February ending, the head of NPA announced a temporary suspension of ship entry with immediate effect. This lasted until sometime in mid-April to enable terminals to clear what was termed "alarming" backlogs. The Comptroller of the Nigerian customs service for Apapa blamed the low clearance volume on the need to physically examine every container because of the high incidence of concealment and false declaration by importers. When the containers were cleared, owners refuse to collect and demurrage charges of $4 per TEU in a bid to force owners to move their containers out of the ports. The containers' agents blamed lack of trucks to move the containers among other complaints.

Conclusion, Discussion and Implication of the Study

The findings of the study are indicative of the fact that either the government or the concessionaires or both may not be working in consonance with the terms of the concession so as to bring about the necessary changes in ports operation.

From the findings, the cost of Port services to users is on the increase; turn-around time has not improved on the average relatively; berth occupancy rate has not improved on the average; no significant improvement on infrastructural facilities, and security around the seaports. The Ports concession programme may not have solved the existing problems at the ports even though it was able to earn more revenue for government. The increased earning is yet to be reflected in the infrastructural development of the ports as revealed in the findings. Most of the peculiar problems which led to the concession were still prevalent. For instance, there are still complaints of high charges, corruption, bad link roads, unimproved average berth occupancy rate, lack of infrastructure, and logistics generally. Thus, the imperativeness of improved information, communication and technological facilities within the ports should not be ignored, as that will help to reduce handling costs, corruption and possibly crime within the seaports.

The findings have some important implications for government and the concessionaires. It signifies the need for government and the concessionaires to imbibe the culture of modern customs practices and procedures to reduce the delays and bottlenecks, and corruption within the ports. It provides the awareness that Government needs to respect contract agreement with the concessionaires by providing the needed infrastructures within the Ports to ease doing business.

The study can also help researchers and management executives particularly in developing economies to better understand the relevance of 'concession' as a strategic tool for Ports efficiency. However, further studies need to thoroughly assess and compare the activities and performances of all the concessioner terminals so as to bring about the competition necessary for achieving efficiency.

Definition of Technical Terms (Port Terminologies)

Gross Registered Tonnage (GRT): Ship internal space measured in unit of 100 cubic feet.
Ship Turnaround Time (TRT): Time taken by a ship on the process of entering Port, Discharging Cargo, Re-loading and leaving the port.
Cargo Throughput: The sum of foreign imports, exports and domestic cargoes discharged and loaded.
Waiting Time: Time between arrival at road of vessel and berth excluding preventing delay.
Berth Occupancy: A period in which a Berth is occupied by a vessel.
Revenue Earned: Amount accruable to the company for services rendered.
Revenue Collected: Physical money collected for services rendered.
Inward Traffic: The addition of import and domestic cargo discharged in a port
Outward Traffic: The addition of Export and Domestic outgoing cargo ship from the port.
Vessel Entered: This refers to the vessels that enter the Nigerian territorial water and is recorded at the signal station by the harbour master.
Vessels Cleared: A vessel having called at the signal station and or gains berthing facilities and eventually steams out of the territorial waters.

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