



REPORT

THE STAKEHOLDERS' ROUNDTABLE: DIGITALIZING CUSTOMS, PORTS OPERATIONS, AND TRADE IN NIGERIA (DCPOTN 2022)

Thursday, January
27, 2022.

Radisson Blu Anchorage Hotel,
1 Ozumba Mbadiwe Ave,
Victoria Island, Lagos.

9am – 4pm

INTRODUCTION

On average about 70% of consumers make at least one international purchase a year. The benefits that accompany cross-border trading are endless—increased access to end customers, increased revenue, increased brand awareness, sustainability, and expansion. This has a great impact on an economy's Gross Domestic Product.

Nigeria's cross-border trade is currently ranked 179 out of 190, and this rank reflects the various challenges that accompany trade in Nigeria. Traders avoid direct trade with Nigerian ports and prefer using neighboring ports; this has a combined total loss of \$6 billion annually on Nigeria's GDP. Businesses are the lifeblood of a nation's economy as they contribute to its revenue, and the ability to reach a wider market is paramount to their success.

If you've ever tried to export goods out of Nigeria, you'll understand the frustration of waiting for 10 days to clear your goods while the same process takes 30 minutes in South Africa. There are inconsistencies with the time it takes to get your goods out, dishonesty within the system, corruption, delay, poor infrastructure, and a host of other bottlenecks. In 2017, trade from Africa to the rest of the world averaged \$760 billion compared to \$4,109 billion from Europe, \$5,140 billion from America and \$6,801 billion from Asia.

Currently, Africa is peaked at 2% of the entire global trade, and the introduction of the AfCFTA is to impact socio-economic development and improve intra- and inter-continental trade in Africa. Because of this agreement's potential for Nigeria, it is important to understand how trade can become more efficient.

How can Nigeria compete for a larger share of global trade? How can the efficiency of port operations be improved? What efforts are being made towards digitalization port operations? How can Nigeria benefit fully from the AfCFTA? What benefits would the single window provide and how does that look like?

Welcome2Africa International has collaborated with Oneport365 and the Convention on Business Integrity, NEXIM Bank, and Webb Fontaine to put together the Stakeholders' Roundtable: Digitalizing Customs, Ports Operations, and Trade in Nigeria to engage stakeholders in public and private sectors to answer these questions and more. This roundtable is set to achieve this by bringing together stakeholders in the industry to discuss a way forward for Nigeria's trade ecosystem.

Discussions and panel sessions addressed many areas, including digitalization of the ports, implementation of the single window and AfCFTA, the challenges faced with exports and imports in Nigeria and what solutions are present, possible infrastructural changes, and how participants of trade can improve the Nigerian trade ecosystem.

Trade is important to the survival of an economy, and if our economy is to survive, we have to get our customs, ports operations, and trade right.





70%

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179/190

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\$760
BILLION

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2%

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OPENING REMARKS



BAMIDELE OWOOLA,
CEO/ Founder,
Welcome2Africa
International

Bamidele Owoola opened by expressing gratitude to everyone present.

She explained that Nigeria's customs, ports, and trade ecosystems are riddled with portholes. These difficulties impede the growth of businesses in the country. As businesses are the bedrock of an economy, it is safe to assume that when the ports, customs, and trade ecosystems are more efficient, there will be an improvement in Nigeria's economy.

She urged the audience to participate in this process by sharing their experiences to provide solutions to the problems of inconsistencies, delays, corruption, etc. The address ended with thanksgiving.

WELCOME ADDRESS



SOJI APAMPA,
CEO CBI

He began by explaining according to the National Bureau of Statistics that Ghana's export for 2021 was estimated at \$25.6 billion, and Nigeria's export peaked at \$12.2 billion. According to the World Bank, Ghana's population is over 31 million, while Nigeria's population is more than 6 times theirs but is exporting more than Nigeria, why?

The challenges presented by Nigeria's port operations and customs have discouraged exporting from the country. Businesses are the ones who are the center of the products that affect our GDP, and what the business would like to know is how long and how much it would cost them to have their goods go across the border. What's the predictability in terms of time and cost? How transparent are the operating procedures? How consistent is the application? These are questions businesses want to be answered, and when the Nigerian ports cannot answer those questions. Traders circumvent these issues by shipping their goods through neighboring countries' ports.

Nigeria has the labor to produce, but that labor needs encouragement. That encouragement can come in the form of a working port where the processes are digitalized, and it is easy doing business. A working port would enable Nigerian businesses to compete for market share in the global trade ecosystem. This increased efficiency would have a multiplier effect on other areas of the economy. Not only would the businesses grow, but also improvement in the country's GDP. Digitalization of the port's processes would bring about the speed and efficiency needed to encourage trade in Nigeria.

KEYNOTE ADDRESS



AKINTUNDE FOLORUNSO,
Deputy Director, Policy and
Strategy.

NIGERIA'S READINESS FOR AfCFTA AND THE NEED FOR TRANSPARENT AND EFFICIENT PORTS AND TERMINALS

The African Continental Free Trade Area (AfCFTA) is a flagship project of the Agenda 2063 of the African Union. It is the strategic framework for delivering on Africa's inclusive and sustainable development goal. It aims to boost intra-African trade by providing a comprehensive and mutually beneficial trade agreement, AfCFTA will cover a market of 1.2 billion people and a gross domestic product (GDP) of \$2.5 trillion across all 55 member states of the African Union.

In terms of the number of participating countries, AfCFTA will be the world's largest free trade area since the formation of the World Trade Organization. It is also a highly dynamic market. With an average tariff of 6.1%, it is cheaper to export from Nigeria to Switzerland than from Nigeria to Burkina Faso. AfCFTA will progressively eliminate tariffs on intra-African trade, making it easier for African businesses within the continent and cater to and benefit from the growing market.

Nigeria signed the AfCFTA agreement in July 2019 and submitted ratifications in December 2020. As of 2018, Nigeria's imports from the African region relative to the total imports were at 3.2%, while Nigeria's export to the African region relative to total exports was 13.2%. When the AfCFTA brings new trade to Nigeria, would our ports be able to take advantage of this new dispensation?

The AfCFTA can only be maximized by eliminating apparent barriers to trade in Nigeria such as:

- Low agricultural yield
- High post-harvest losses
- Significant dependence on oil exports
- High operating costs
- Low adaptation of technology
- Interrupted power supply
- Obsolete infrastructure
- Inefficient logistic operations
- Low interconnectivity of transport modes due to poor planning
- Multiple taxations
- Uncertainty
- Weak economic environment
- Difficulty in accessing incentives and international financing.

The fundamental purpose of trade facilitation is to simplify the trading processes and foster transparency on all rules regarding trading procedures. In order to simplify trading concepts, the Nigerian single-window has been proffered as a tool to develop simple, transparent, and effective processes for global businesses through trade facilitation recommendations. Nigeria's single window is a facility that allows partners involved in trade and transport to launch standardized information and documents into a single-entry point to fulfill all imports and exports requirements.

Focus on the single window would allow faster services at the border for imports and exports, minimize costs for imports and exports procedures, lead to better coordination between authorities, improved compliance on data, better revenue collection, and low wait times, which would contribute to a better economy.

TECHNICAL SESSIONS

PANEL SESSION 1

OBSTACLES AND OPPORTUNITIES TO IMPORT AND EXPORT IN NIGERIA: POTENTIALS TO ENHANCE CROSS-BORDER TRADE THROUGH IMPORT AND EXPORT THAT AFCTA PRESENTS

MODERATOR:

Hemense Orkar

SPEAKERS:

Dr. Emeka Asiegbu,
Comptroller, Nigeria
Agricultural quarantine
services (NAQS);

Mr. Tayo Omidiji,
Head of Strategy and
Communication,
NEXIM bank;

Mr. Soji Apampa,
Nigerian Representative,
Maritime Anti-corruption
Network

Mr. Chidi Ulelu, Chief
Executive Officer,
Erste Grace land Limited.

The purpose of this session was for the panelists to share their experiences with trade in Nigeria. In discussing the challenges they've faced while interacting with Nigeria's ports, the panelists highlighted that one major issue to cross-border trade is the issue of corruption in the form of bribery which allows for the entry and exit of substandard products.

The issue of poor documentation has impacted the ability of banks to provide financing for exports as they should. The panelists presented different perspectives in this panel session, and the panelist had a chance to share their vision for connected trade services through Nigeria's ports and terminals.



▶ Mr. Chidi serves as a representative of the private sector. An exporter is open to the challenges that Nigeria's port processes present. He highlighted the delay with the ports process, whereby it takes longer to complete a process than it would elsewhere. He talked about how the inability for Customs officers to speak French has cut Nigeria out of trade with 14 Francophone countries in West Africa. Seeing as AfCFTA is a vote towards increasing intra-African trade, we can see the language barrier's problem on trade with other parts of Africa.

MR CHIDI ULELU
Chief Executive Officer,
Erste Grace land
Limited.

The steps discussed to tackle these challenges were surmised as follows:

- Proper market intelligence
- Proper roots of origin
- Digitalization of the port's processes
- Improved quality of goods
- A crash education program that teaches Customs officers French
- Proper dissemination of information.

He concludes by highlighting that the AfCFTA is a good opportunity for the Nigerian Economy and that it is important that we position ourselves to benefit fully from it.



MR SOJI APAMPA
Nigerian Representative,
Maritime Anti-corruption
Network

▶ The problems that can prevent Nigeria from taking full advantage of the AfCFTA, as highlighted by Mr. Soji, surround the inconsistencies that businesses face when they want to send their goods across the border. Because the officials and procedures involved in the port's processes are inconsistent and not transparent, the business involved cannot predict how much and how long sending their goods out would cost.

The ubiquitous substandard goods are all problems that plague trade in Nigeria. He thereby proffered these as possible solutions to ease our economy from these problems and improve our GDP.

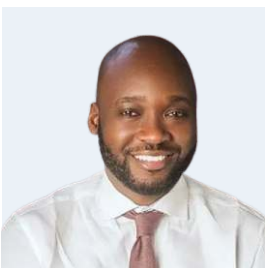
- Provision of standard operating procedures and the insistence on those procedures. Mr. Soji discussed that setting up these procedures to deal with corruption risks and inefficiencies and ensuring that recourse would happen in cases of wrongdoings would increase people's confidence and would aid them to insist on the right procedures being followed.
- The new arrangement under the port process manual is a solution to limiting liability. The port process manual causes an increase in the confidence of the shipper because they can fight their case when there's a dispute and insist on the right process being followed.
- Digitalization of the trade value chain processes from payments to ports processes to commerce. Digitalization would increase efficiency and speed and allow Nigerian businesses to compete for market share within Africa. Nigeria's businesses competing for market share would have a bottom-line impact on our GDP.



DR. EMEKA ASIEGBU
Comptroller, NAQS

▶ He highlighted that people involved in cross-border trade like to beat corners, which harms our image as we send out substandard goods. He further highlighted that the problem of the lack of access to information leaves room for difficulty.

The solutions conferred is that traders involved in exporting their goods should follow due processes and engage in information dissemination seminars that would help inform them.



MR HEMENSE ORKAR

▶ He highlighted that one thing that has improved trade in Nigeria is the CBN trade monitoring system, a single-window where you can do all the trade documentation for your product vessel. He also suggested using online mediums to have information disseminated more quickly and efficiently.



MR TAYO OMIDIJI
Head of Strategy and
Communication,
NEXIM bank

▶ According to NEXIM bank's Head of Strategy and Communication, high informal trade in the region and low documentation have impeded the provision of financial support. He discusses how Nigeria's reliance on oil has a multiplier effect across various sectors of the economy as a drop in the oil market leads to an effect in the foreign exchange market, thereby affecting the price of goods and services.

He proceeds to say that our strength for our manufacturing export is through the regional market, which is populations in certain areas that share common characteristics and are distinguishable from other regions. Participating in regional market trade would ensure demand for similar products. This trade

direction can boost Nigeria's participation under AfCFTA.

Another solution to the problem of improper dissemination of information is awareness. NEXIM has made an effort in that space by insisting that prospective clients are members of NAPC, an agency whose mandate is to create market awareness and develop a market for export by ensuring people know what they need to do to go into the export market. There is a need to close the knowledge gap to create an environment where people can learn. The process needs to be simple enough, so compliance is encouraged.

PANEL SESSION 2

INFRASTRUCTURE (INCLUSIVE OF ICT INFRASTRUCTURE)

MODERATOR:

Chinedu Enworom,
Commercial and Pricing
Analyst, Oneport365

SPEAKERS:

Adekunle Olusile,
National Advisor
Investment and
Technology, ITPO
Germany UNIDO;

Ope Babalola, MD,
Webb Fontaine;

Engr. Mrs. Anthonia
Chinelo Ohagwa,
General Manager,
ICT Network and
Communication,
Nigerian Ports Authority;

Ms. Foluke Akinmoladun,
Director-general, African
Shipowners Association
of Nigeria.

This panel focuses on infrastructure, including ICT infrastructure. Poor infrastructure is a major problem implicating trade activities in Nigeria. Infrastructural improvements would lead to the seamless transportation of goods along the trade value chain. Improvement in road networks, construction of effective interconnected rail networks, proper data management and analysis, and constant power supply would work hand in hand to ensure that digitalization is effective.

The panelists discuss possible improvements to infrastructure, the ideal single window, and what automation looks like to them. It is agreed upon that data needs to be translated and that the ideal single-window represents all agencies working together in unity.



ADEKUNLE OLUSILE

National Advisor Investment
and Technology, ITPO Germany
UNIDO

Mr. Adekunle was asked how FDA's were preparing themselves at the federal level for AfCFTA opportunities, and he reiterated the fact that a lot of the agencies at the federal level work in silos and that progress can only come when there's cooperation and if they work together for the application of the single window. He further went on to say that the ideal single window would mean that every agency involved sees the big picture and understand the effect of their contribution. He believes that the assessment of performance data would allow us to visualize what has taken place to assess the effectiveness and efficiency of the current infrastructure. Without assessing performance data, we cannot properly access the situation and know what has been done.

The critical areas for assessment of performance are:

- Digital infrastructure
- Digital platform
- Digital financial services
- Digital entrepreneurship
- Digital skills and literacy

The data must be accessible and useful, presented in the right way to enable decision-making.



ENGR. MRS. ANTHONIA CHINELO OHAGWA

General Manager, ICT Network and Communication, NPA

▶ Engr. Antonia believes cooperation must be within the systems to benefit from digitalization. Agencies must put vested and selfish interests aside because selfish interests encourage the public officers to hoard data that could be analyzed to aid decision-making. She further stated that the ideal single window is a trade facilitation tool that creates ease of doing business.

The ideal single window is when different single windows from different sectors integrate into a single national window. The coming together of both the private and public sectors would allow for one source of truth, which can greatly eliminate confusion.



OPE BABALOLA

MD, Webb Fontaine

▶ Mr. Ope Babalola's assessment of the effectiveness and efficiency of current infrastructure and the efforts being made to improve the infrastructure through digitalization and streamlined procedures is that infrastructure is not just about technology. He believes it comprises the road networks, storage capacity, and every other infrastructure along the value chain.



MS. FOLUKE AKINMOLADUN

Director-general, ASAN

▶ Ms. Foluke Akinmoladun agrees that Nigeria can be a major port player, as seen from the impact of digitalized businesses, such as Flutterwave and Paystack, on the African ecosystem. She believes that getting our data right would aid the improvement of the port's processes. The digitization and communion of various agencies would catapult Nigeria into being a major port player.

She also highlights how good road infrastructure and rail networks would allow for easy transportation of farm produce. She believes that for the success of the single window and the digitization of the port processes, there needs to be a lot of changes at the ministerial level. Vested interests have to be put aside.

PRESENTATIONS



▶ THE ONEPORT VISION AND DIGITIZATION DRIVE IN THE CONTEXT OF AfCFTA

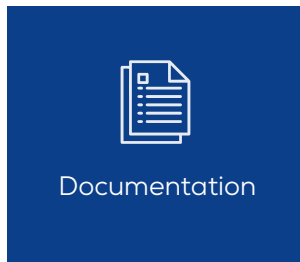
This presentation focuses on improving and facilitating economic growth by maximizing import and export trade using our ports. Here, the problems faced in cross-border trade are highlighted, including unreliability, documentation, third parties, and focuses on how OnePort365 can proffer solutions to the problem of cross-border trade.

ADEWUMI ADEBAYO,
Team lead, Technology,
Oneport365

OnePort365 is a new and fast-rising organization that has tasked itself with building seamless freight management all across Africa by simplifying the process of moving freight goods using technology.

Africa, relative to the rest of the world, has contributed little to global trade. This is a result of a host of factors that have set us back for decades. Many issues like low infrastructure, lack of funding, bad maintenance have limited our capacity to become key players in global trade—all issues OnePort365 aims to solve.

Problems identified that reduce the efficiency of moving freight goods include:



According to the World Bank, Africa makes up 4% of global trade and 14% Intra-Africa export quota. OnePort365 looks at seamlessly easing the difficulties of freight goods using mobile phones, which provide end-to-end visibility for users so they can track their goods wherever they are whenever they want to. To ensure such, they have significantly discounted the cost of warehouses for freight goods on the trader's part every week. They also provide cargo insurance for goods.

Their goal is to reduce the turnaround time of shipments in and out of Africa by partnering with other organizations in Africa and outside the continent. Services OnePort365 offers also include:



OCEAN FREIGHT: Moving goods to and fro the ports of Africa using inland transportation, including inland haulage.



WAREHOUSING: Short-term lease to prospective traders to store freight goods.



DOCUMENTATION: Custom clearance and properly licensed paperwork for the legal movement of goods cannot be overemphasized; this is why OnePort365 offers prospective customers fluidity in processing and presenting documents needed before traders can transport freight goods without involving third parties.



MARINE INSURANCE: OnePort365 also solves the insurance of freight goods by offering marine insurance for freight goods and demurrage where applicable.

OnePort 365, although a relatively new name, has been in operation for over 2 years and has gathered important experiences in navigating the freight industry. During this short time, general freight transparency has been optimized, which means there is 100% visibility of freight goods from both sender and receiver.

Within the coming months, they are also working to improve their service through customer feedback by the end of the 1st quarter and also ensure that data sharing to remove bottlenecks in freight movement, and this is to ensure there is enough information to track freight data, documents, licenses, accessible ports and seamless movement of freight to ensure that Nigeria and Africa in retrospect are among the key players in the transportation sector and the global world trade which in turn will usher in economic growth and development.



ENGINEER ANTONIA CHINEHO OHAGWA
General Manager,
ICT Nigeria Ports
Authority

▶ DIGITALIZING THE NIGERIAN PORT AUTHORITY

INTRODUCTION

This report engages relevant stakeholders in the transportation sector looking for ways to digitalize and automate the NPA activities and reflect on how far they have gone to see that port processes all over the country integrate technology in their quotidian tasks. Digitizing is no longer a choice, but obligatory efforts are being made to implement this before 2024. Data-sharing firms must be engaged for the NPA to collaborate with cybersecurity firms.

THE PROCESS OF DIGITALIZATION

Port digitization will help decongest and reduce pressure on existing ports by ensuring there is a smooth flow of traffic in ports like Apapa in Lagos, which has been bedeviled with traffic gridlock for years due to the congestion of the Apapa seaport. NPA seeks to collaborate with relevant players in the sector to digitalize their processes to create a single port community for all cross-border transactions and finally link up with the national single window to create a fully digitalized economy.

NPA ensures this process is aligned with the business plan and strategy of the authority, streamlining the internal processes to support ICT deployment so that automation is not done inefficiently. Automation is done module by module by creating a Port Community System (PCS), which was integrated last year with the help of the International Maritime Organization.

Collaboration with other key players like the Nigerian Customs Service, shippers' council, vessel handlers, truckers, and all stakeholders in the port ecosystem has also been initiated.



STRATEGY FOR THE NEXT 5 YEARS

- Deployment of Revenue Invoice Management System (RIMS)
- Creation of a Port Ecosystem to help streamline port activities using the project management system. This strategy will help manage visibility, tracking, and transparency.
- Ensure value for money by use of technologies like floodgate access control systems, business process review, e-document management system, business intelligent solution analysis, land management system, government risk and compliance, cybersecurity upgrades, and maintenance. Active servers need to be maintained across all offices of the NPA in the six geopolitical zones.
- The PCS is an open, neutral platform that provides a secure, intelligent exchange of information between private and public stakeholders, and the purpose is to ensure integration of the administrative flows with the logistic flows easily. It is a trade facilitation tool.

At the end of Phase 4, the PCS is expected to be fully implemented. For a PCS to be functional, two major factors have to be taken into consideration:

- Stakeholders involved must be active
- Trust between all the stakeholders and relevant government agencies

The PCS aims to streamline and not replace current port operational systems.



Another step at digitalization is deploying the command control communication and intelligence system, a maritime domain awareness system that helps track down the illegal movement of goods across ports and illegal movement of persons and bring them to book.

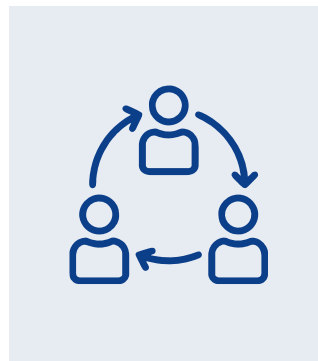
BENEFITS OF DIGITALIZATION OF THE NIGERIAN PORTS AUTHORITY



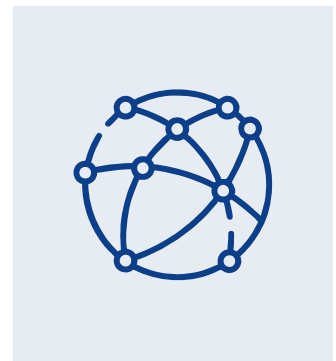
Improved port operations, reduced human contact, and eliminated intermediaries in all port operations and logistics.



Provision of accurate and timely information 24/7.



Improves information sharing between relevant stakeholders.



Improve competitive positioning amongst leading port authorities around the globe.



OPE BABALOLA
Managing Director,
WebbFontaine

WEBB FONTAINE PRESENTATION

Webb Fontaine works in partnership with the Nigerian Customs Service and the federal government to facilitate trade, but essentially Webb Fontaine is a technology company that aims to automate and digitize as much of the trade process as possible.

Their work with Nigeria Customs Service is primarily the whole scale of the trading platform. Trade facilitation involves working with other agencies in the trade space, for example, CBN, SON certificate, NAFDAC certificate, commercial banks.

We agreed that the only way to ensure efficiency is to digitize as much trade processes as possible. These are areas that customs plan to digitize:

- Write-through in terms of operation
- Cooperation and connectivity between the various government agencies. It's possible to have a proper single window through harmonization, and there's an agency responsible for this -- NITDA.
- Data processing. We have a lot of unprocessed information and therefore lose a lot of information derived from that data. Once there is a focus on data, we can derive information to improve customs operations.
- Vessel tracking. The ability to have access to proper documentation and information concerning a vessel on our waters can provide meaningful data for future use.



With digitization fully in place, using your phone and tapping on the app provides you with information about the situation and state of your product. The main thing in free trade is rules of origin. We have to generate certificates of origin, possibly digitize those certificates and transmit those certificates (just like the vaccination cards). There are so many opportunities that technology presents. When you digitize and automate, you reduce human contact as much as possible and improve efficiency.

CONCLUSIONS

The roundtable concluded with a closing remark from Welcome2Africa's Bamidele Owoola, who thanked everyone for attending. She summarized the topics addressed in the roundtable, such as the lengthy processes that come with Nigeria's port processes, the duplication of activities across agencies and states, the delay at ports which affects businesses and which then affects the Nigerian economy, how agencies work in silence and how so many of the ports are underutilized.

She emphasized the importance of turning these ideas into actions. She thanked the speakers and partners for their contributions and talked about further work with government agencies to look out for how we can mobilize trade into the country. The program's anchor, Miss Seun Bankole, said the final pleasantries that brought the roundtable to a close.

GALLERY



WELCOME 2
AFRICA
INTERNATIONAL



OUR VISION

TO BECOME THE WORLD'S LEADING
CATALYST OF INVESTMENTS, TRADE AND
FINANCE INTO AND ACROSS AFRICA

OUR MISSION

THROUGH OUR KNOWLEDGE DISSEMINATION
ENDEAVORS, BESPOKE CLIENT SERVICES AND
INNOVATIVE PROGRAMS WE STRIVE TO BECOME
A CENTRE OF EXCELLENCE FOR THE
FACILITATION OF INVESTMENTS, FINANCE AND
TRADE ON THE AFRICAN CONTINENT.



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