

An Overview of Barge Operations in Nigeria

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Effective cargo management is essential to the smooth operations of Nigerian ports and terminals. The management of cargo on arrival at the ports and terminals directly impacts the nation's commercial, economic, and international trade status. A key component of cargo management at Nigerian ports and terminals is the operation of barges.

Barges are flat bottom raft-like boats propelled by their own engine or towed by another, built primarily for conveying cargo on canals and rivers. Barge operation in the context essentially involves the use of barges for conveyance of cargo on inland waters, from one point to another.

Road to Barge Operations in Nigeria

The congestion experienced in our ports and terminals, particularly the Ports in Lagos became a common story in the Nigerian shipping industry, defying several measures that were put in place to combat the trend. Cargo evacuating trucks often had to wait for long periods before gaining access to the ports to load their cargo and exit the ports. The impact of the congestion was financially and economically crippling to the nation, the cost of trucking cargo from the ports to their destination became highly inflated and cargo interests were often forced into paying huge sums as demurrage

to shipping companies for failure to return empty container units timeously. All these unnecessary and avoidable expenses are eventually borne by the end purchaser of the goods. Dynanmar, a Dutch consultancy firm in its 2020 report stated that congestion at Nigerian ports cost the nation about \$55 million (N20 billion) per day¹.

Several factors are responsible for the congestion, one of which is the failure to evacuate cleared cargos from the port within a reasonable time. The gridlock caused by the congestion became very challenging to the point that shipping lines at one time were compelled to divert Nigerian bound cargo to neighboring countries.

1. [Nigeria loses \\$55 million daily to port congestion | The Guardian Nigeria News - Nigeria and World News — Business — The Guardian Nigeria News - Nigeria and World News](#)

In a bid to reverse this trend, stakeholders recommended the use of barges for the movement and evacuation of cargo from the ports. Consequently, the Nigerian Ports Authority signed a Memorandum of Understanding² with AP Moller Capital to adopt barges as a mode of sustainable transportation for the country. The Nigerian Ports Authority has since then issued licenses for barge operations. Stakeholders and different regulatory bodies have continuously encouraged the use of barges whilst monitoring operators to ensure that international best practices and local regulations are fully complied with.

Advantages of Barge Operations

1. Reduced congestion

Barges have significantly reduced the congestion at our ports and terminals by reducing the dwell time of cargo as more cargo are moved out of the ports to their destination within a shorter time. While a truck may carry one or two containers out of the port at a time, a barge can move as many as ten containers, depending on the size of the barge and the containers. Barges have reduced the delays occasioned to vessels not able to berth at port due to lack of space and improved turnaround time of vessels calling at our ports.

2. Reduced road burden

Nigeria cannot boast of a very good road infrastructure. Accidents, often fatal in nature and leading to substantial loss of cargo, are a frequent occurrence on our roads. The fear of loss of human lives and cargo has discouraged cargo interest from transporting cargo by road.

Barges provide an effective alternative for most high density, large volume, and over-sized cargo. It has reduced the burden on our roads since a significant amount of cargo, empty container units that ordinarily would have been trucked from the ports to their destination and vice versa are now carried by barges from the ports to jetties closest to the cargo destinations. This has reduced the burden on the roads and the risks associated with the transportation of cargo over long distance by road.

3. Trade facilitation

The inability to deliver cargo meant for export at the ports and imported cargo at their destination in reasonable time impaired local and international trade. The reduction in dwell time of cargo and turnaround time of vessels resultant from the introduction of barge operations have had a positive impact on both local and international trade. The optimal utilization of barge operations has enhanced the ports' capacity to receive and process more volumes of cargo leading to increased traffic at the ports and a boost in trade.

4. Creation of job opportunities

The National Chairman of the Barge Operators Association of Nigeria has stated that 80% of barges used in our waterways are locally built and efforts are made to ensure that the barges are built according to international standards and in compliance with the specimen set by regulatory bodies for the construction of barges³. The increase in the use of barges translates to a more thriving barge manufacturing and maintenance industry in the country, thereby creating more job opportunities. Similarly, other aspects of barge operations such as repair, manning, etc. will equally create job opportunities.

2. [How barges can reduce Apapa gridlock – The Sun Nigeria \(sunnewsonline.com\)](#)

3. [80% of barges in Nigeria are locally made, say operators – Punch Newspapers \(punchng.com\)](#)

Regulation of Barge Operations

Barge operations in Nigeria is regulated by the Nigeria Ports Authority (NPA), the National Inland Waterways Authority (NIWA), Nigerian Maritime Administration and Safety Agency (NIMASA) and additionally in Lagos State, the Lagos Inland Waterways Authority (LIWA). The NPA has issued a handbook regulating barge operations in Nigeria. The handbook contains international best practices for the operation of barges and provides criteria for the issuance of operational licenses, minimum safety standard qualification, operational guidelines for terminals and barge operators, and the standard procedure for barge operators and the terminals.

For the issuance/renewal of barge operator's license, a letter of application, prequalification assessment form and the appropriate barge/pusher tug minimum safety standard prequalification checklist will be submitted to the Managing Director of the NPA at the Corporate Headquarters. After the verification of information contained in the applicant's submission, a letter of acceptance containing guidelines for barges operations in the pilotage district will be issued to the successful applicant.⁴ The Authority publishes a list of successful applicants on its website for the information of stakeholders.

The handbook further provides for the need to comply with NPA's regulations on documentation, safety management, pollution prevention, structural condition, and communication⁵. The terminal operators are to ensure compliance with NPA's license regulations before engaging a barge operator and must desist from engaging an unregistered/unlicensed barge operator. Contravention of any of the provisions of the regulations may result in restriction of the offending person from engaging in barge operations⁶.

The barge operator's permit is subject to compliance with all extant regulations with regards to documentation, sea worthiness, insurance coverage and regular reports of operational activities. The NPA retains the power to state other requirements deemed necessary for safety of navigation, security and revenue mobilization. A barge operator who contravenes the provision of the handbook shall have its license withdrawn after the issuance of two consecutive warning letters on the same issue⁷.

On September 1, 2021, a new standard procedure was introduced for barge operators whereby an electronic call up system was developed. Barges are, accordingly, expected to remain at anchor until called to load or discharge cargo⁸. This development is aimed at streamlining the movement of the barges to reduce congestion and possible threats to ocean bound vessels. The Nigerian Shipping Council, NPA and NIWA set up a committee to formulate the modalities for the regulation of barges. This was against the backdrop of irregularities ranging from barge specification, insurance policies, general operation, amongst others.

As a regulatory body created for the regulations of activities regarding inland water navigation, the NIWA ensures the compliance of regulations and requisite qualifications to operate barges in Nigerian waters. This enforcement of compliance is done in partnership with NPA, NIMASA and the Marine Police. In a bid to rid the Nigeria waterways of barges operating illegally, reduce accidents and eliminate unlicensed jetties, and un-seaworthy barges, NIWA entered into a strategic alliance with Samsung Heavy Industry Nigeria (SHIN) Limited for the construction of barges for the Authority⁹. The activities of NIWA in conjunction with other agencies has reduced incidents of wrongly anchored barges which obstruct visibility, and this has reduced avoidable fatalities caused by offending barge operators.

4. Section 1, NPA Barges Operations Handbook 2022

5. Section 3, NPA Barges Operations Handbook 2022

6. Section 4, NPA Barges Operations Handbook 2022

7. Section 4, NPA Barges Operations Handbook 2022

8. [NPA unveils new guidelines for barge operations – AMG Logistics](#)

9. [NIWA, Korean firm partner on barges construction, others – The Guild \(theguildng.com\)](#)

Inadequacies in Barge Operations

A major challenge in barge operations is the quality of barges used in the Nigerian waterways. In 2019, the NIWA lamented the use of substandard barges in cargo evacuation by barge operators from Apapa Port to jetties in Ikorodu and Epe after investigations revealed the poor quality of the barges¹⁰. As a quality control measure, the Lagos office of NIWA restricted issuance of permits to barges which are cleared as fit and capable of engaging in cargo carriage business. Despite the measures put in place to ensure the quality of barges used for cargo transportation, there have been incessant complaints from cargo interests about the potential risks associated with transporting their cargo with substandard barges.

Insurance cover for barges

In August 2022, the Managing Director of NIWA, Dr George Moghalu, disclosed in a press conference that the Authority was setting up modalities to ensure comprehensive insurance cover for barges and cargoes¹¹. Dr. Moghalu disclosed that he had engaged Nigerian barge operators and informed them of the need to have standard insurance cover on all cargoes and barges. This is necessary because cargo interests would not risk losing their cargo in the Nigerian waterways without any measure of protection, especially after safe carriage through international waters.

The introduction of compulsory insurance cover for barges will impress the need on barge operators to guarantee quality of their barges as insurance companies would be reluctant to provide cover for barges that are not fit and cleared in line with industry practices. To ensure compliance, NIWA should restrict issuance of operational permits to operators who show evidence of comprehensive insurance cover for their barges.

Conclusion

Barge Operations at the Nigerian ports and terminals have not totally eradicated congestion and the issues associated with it. However, it has gone a long way in reducing the menace, thereby promoting cargo transportation, and reducing the economic and financial losses occasioned by congestion and related issues. It is arguable that currently, the use of barges stands out as the fastest, easiest, and safest way to transport cargo and empty container units to and from the hinterland and the ports.

The recent introduction of compulsory insurance cover for barges engaged in barge operations is a welcome development and will further enhance these benefits and gains by improving the standard and quality of barges and providing a measure of protection for cargo interests. This will improve confidence in the system and enhance the continuous growth of the shipping industry. The regulatory authorities are enjoined to continue to monitor the operations and make periodic interventions that will continue to develop and enhance the safe and effective use of barge operations in the Nigerian shipping industry.



10. [Cargo evacuation: NIWA decries use of substandard tugboats, barges on waterways – The Sun Nigeria \(sunnewsonline.com\)](#)

11. [NIWA to implement obligatory insurance coverage for barges, cargoes | The Guardian Nigeria Information – Naira Graph \(naijagraph.com\)](#)