

The role of maritime sector to national development essay sample



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Maritimes Sector a Strategic Economic Importance to National Development

The maritime sector is of critical significance to any economy. It is the main means for transporting goods internationally, and many nations rely on their ports as a major source of revenue. The maritime industry, which is a subsector of the transport sector, globally accounts for over 70 of transportation requirement of the world. Maritime activities are expanding bringing benefits to people across the world. The merchant navy, offshore oil subsector, commercial fishery and cruise companies have added impetus to the growth in the industry. The sector is a major catalyst for socio-economic development and international competitiveness in a changing world. The maritime industry is of huge importance in terms of natural resources and energy, trade and industry, as well as sciences and leisure activities. It is an essential part of trade which demands innovative solutions and careful management systems to ensure its long-term sustainability. It is difficult to quantify the total value of the worlds maritime industry, and the economic relevance of a sector that affects a wide range of aspects of modern societies and their development.

Nigerian ports constitute the mainframe of the maritime sector of the nations economy, and a number of them have been responsible for the growth of certain cities and large commercial centres in Nigeria, and consequently national development. However, prior to concession, NPA was unable to perform the statutory functions it was established to carry out efficiently. This led to the port reform programmes which culminated in the privatization of the ports, with the aim of increasing efficiency and improving service delivery. Nigerias International Trade Nigeria as a nation is endowed with a

vast coastline as well as navigable inland waterways and is strategically placed on the Atlantic Coast of West Africa. However, 76 of shipping business that takes place in the whole of West Africa is done in Nigeria alone, which means that Nigeria is very important in the West African sea ladder. Nigeria is the sixth largest producer of crude oil in the world and also has most prolific gas reserves in the world which have only been recently exploited. The country is also rich in natural resources and agricultural produce. Most of these products are exported to international markets by sea where they are sold and foreign currency earned to ensure the countrys developmental objectives.

The marine vessels requirement plan by the International Oil Companies (IOCs) between 2010 and 2014 for its upstream operations is a total of 912 units. With the volume of maritime trade and required marine equipment, Nigeria qualifies by her volume of import trade to be a hub for the short sea-trade of West and Central Africa sub-region. Statistics from the Nigerian Ports Authority (NPA) on ship calls to Nigeria revealed that between 2009 and 2012, Nigerias tonnage has grown from 82 million tons to over 150 million with an estimated freight payment rising from 4. 1 billion to above 7. 5 billion annually. Economic ImportanceThe maritime industry is a key sector of the Nigerian economy, considering the countrys status as an oil producing and exporting country. As a consumer nation, the country is a large market for foreign goods owing to its population. Shipping remains very crucial to Nigerias economy as the petroleum industry which is currently the number one revenue earner for the country depends largely on shipping. Without shipping, product lifting becomes impossible as it is the back bone of oil and

gas production and marketing. Over 70 of the worlds oil is produced in regions where total consumption of oil produced is not feasible.

Hence, transportation to other regions of need becomes essential in ensuring full consumption. Statistics has shown that over 80 of the global oil is transported by ship. In the case of Nigeria it is 100. The Nigerian oil and gas sector requires huge shipping and logistics services for its smooth operations. This subsector of the maritime industry is estimated at over 3 billion. Coastal State Among Other Nations Maritime sector, places every coastal state in a significant position among other Nations. It constitutes one of the major transportation alternatives available to such a state. If developed to meet the acceptable standard is a major source of revenue and development of the Nation. Maritime activities facilitate not only intra-movement of goods and persons but also opens up the frontiers of the maritime Nations to international opportunities incidental to National Development in addition to Road and Air Transport. One of the major significant of maritime sector is that it allows for the movement of heavy cargoes which otherwise would have been difficult to transport by means of any other mode of transportations. The relevance of coastal Nation as a key player in the institution sphere as a member of International Maritime Organisation (IMO) cannot be over-emphasized.

Such activities as being a signatory to Maritime Treaties (Convention) and domestication of such conventions to meet the update of National Policy on Maritime does not only place the Nation on a prestigious position among Nations but also attracts investment and development. Nigeria has just made a historic turn from the past. Fifteen years of continuous and <https://assignbuster.com/the-role-of-maritime-sector-to-national-development-essay-sample/>

damaging military rule literally destroyed the countrys social and political institutions, forcing a large part of the population into poverty, and seriously damaging the economy. A dominant enclave oil sector, a financial sector out of touch with the developmental requirements of a poor economy, a rapacious public sector and a tired agricultural sector characterized the Nigerian economy during the many years of military rule. In spite of its vast natural and human resources, the Nigerian economy in the past has recorded abysmal performance and little growth. Population growth has far outstripped real output growth. Nigerias true gross domestic product (GDP) growth fell short of four per cent in 1997 and 1998.

Currently, over 65 per cent of Nigerians live below the poverty line, in contrast to 43 per cent in 1985 and 49.92 per cent in 1992. Shipping has fared no better than other sector of the economy, being dogged by inconsistent policies and controversy with regard to port reforms, local shipping charges, inspection of imports and the efficiency of regulatory authorities. Nigeria hopes that the return of democracy will facilitate a permanent break with the past and release Nigerias resources for sustainable economic growth. As part of the drive to achieve a new orientation in Nigerias economy management, the new democratic reform programme based on political stability, a corruption-free environment, monetary adequate infrastructure and a good investment climate. At the moment, the buzzword in Nigeria is privatization. Maritime sector the government is striving to create an investor friendly climate to enable Nigeria and its foreign friends to reap the benefit of what is potentially one of the largest and most vibrant private sectors in Africa. Nigeria is making a

determined break from the past. The building blocks for a bright future are being steadily put in place and a better investment environment is emerging.

If the momentum is maintained and the new administration pursues its policies with diligence, the country will be launching itself on the path to economic growth.

1. 0. 2Background of the Study The history of the development of any coastal state is the history of its maritime activities. Since maritime activities have enormous impact in the level of national development, it becomes imperative to understudy those indices of development in the maritime industry for an effective policy formulation and decision-making.

1. 0. 3Statement of problem Nigeria is a country with enormous natural endowment. The level of development in the nation today is evidence of the fact that we are yet to tap into the unlimited resources within our national disposal. The maritime industry is one of the major sector that, if properly managed, could lead Nigeria through a sustainable development that would be envied in the committee of Nations.