

ONE DAY NATIONAL AIRFREIGHT SUMMIT ON “THE DIVERSIFICATION OF NIGERIA’S ECONOMY: ROLE OF CARGO AIRPORTS IN THE EXPORTATION OF PERISHABLES, KWARA STATE IN FOCUS”

COMMUNIQUE

1.0 Preamble

A One-Day National Airfreight Summit was organized by the Nigerian Shippers’ Council (NSC) and the Airfreight Stakeholders’ Forum (ASF) in collaboration with Kwara State Government (KSG) held at Kwara Hotel, Ilorin, Kwara State on Thursday 4th February, 2016.

The summit was at the instance of the Governor of Kwara State His Excellency AbdulFatah Ahmed, a fallout of a courtesy visit paid by members of the ASF to the Governor in 2013 in appreciation of his efforts towards building a world class cargo airport in Ilorin, Kwara State. Goodwill messages were sent by the Managing Director of FAAN, MD of NCAA, Chairman of ASF, President of the Kwara State Shippers’ Association, Governor of Kwara State and ES/CEO Nigerian Shippers’ Council.

A welcome address was delivered by the Executive Secretary/CEO of the Nigerian Shippers’ Council, Barrister Hassan Bello while goodwill messages were delivered by FAAN, NCAA, President Kwara Shippers' Association and the Chairman of ASF Mr. Toyin Olufade. The messages were centered mainly on the need for government to diversify the nation’s economy and move from oil dependency to exploring the non-oil sector for revenue earning.

2.0 The objectives of the summit were to:

- i. Highlight the potentials of Kwara State for a vibrant airfreight industry;
- ii. Critically analyze the challenges and problems confronting the Airfreight sector in Nigeria and proffer solutions to them;
- iii. Examine the experience of shippers in Airfreight and inform them of the best practices to enhance the success of their business; and
- iv. Articulate the necessary interventions required from Government to boost the airfreight sector.

3.0 PARTICIPATION

The summit was well attended with about two hundred and fifty (250) participants from Federal and State MDAs and the Organized Private Sector including Nigerian Civil Aviation Authority (NCAA), Federal Airport Authority of

Nigeria (FAAN), Skyway Aviation Handling Company Limited (SAHCOL), Nigerian Aviation Handling Company Limited (NAHCO), Air France/KLM, Association of Nigerian Licensed Customs Agent (ANCLA), National Agency for Food, & Drug Administration Control (NAFDAC), Nigerian Customs Service(NCS), Nigerian Export Promotion Council (NEPC), Shonga Farms, Ilorin and other Shippers in the Airfreight sector etc.

4.0 THE AGENDA OF THE SUMMIT

The summit featured presentation of papers by experts in the airfreight industry and an interactive session leading to identification of opportunities, challenges and suggestions on how to move the airfreight sector in the country forward. Afterwards a visit was conducted to the cargo airport being developed by the Kwara State Government by members of the ASF and some prospective investors.

5.0 OBSERVATIONS BY PARTICIPANTS

In the course of extensive deliberations and various interventions participants observed as follows:

1. That the Summit is timely and very act in view of the dwindling oil revenue and the promotion of non-oil export by the Federal government.
2. Nigeria's mono-sector economy is being seriously threatened and it has therefore become very pertinent to diversify the economy and the export of Agricultural products and solid minerals could be a veritable alternative.
3. There is abundance of exportable perishable agricultural products in Kwara State and indeed all over Nigeria that are in high demand abroad but are being neglected to the detriment of the nation's economic growth and development.
4. Compared with some sister African and West African countries, Nigeria does not have a well articulated policy for supporting and promoting the export of the nation's abundant perishable agricultural products by air to the international market.
5. Support for perishable agro produce exporters in terms of finance, infrastructures (roads, rails, refrigerated warehouses, modern cargo shed etc.) are lacking and this is a major discouragement for would-be exporters of perishables in the hinterlands of the country.
6. The level of awareness of the potentials of Kwara State and other parts of the country for the production of exportable perishable agricultural products, especially from the Shonga farms is very low.

7. Cumbersome procedures and multiplicity of charges and agencies give rise to prohibitive costs which discourage exporters and make their products uncompetitive at the international market.
8. Most exporters of perishable agricultural goods lack the required high volume and sustainable supply that could bring down the cost of freighting the products to the international market.
9. The youths of the country who are the very imaginative, agile and resourceful and which constitutes the largest section of the nation's population are not often being involved in developing the culture of exporting perishables targeting foreign markets.
10. There is a general knowledge gap among shippers, handlers, airline staff and other stakeholders about standards and requirements for successfully exporting perishable products out of the country by air.
11. There is a disturbing trend of the proliferation of cargo airports all over the country, especially by State Governments most of which are not viable and are mere duplication of efforts.

6.0 RECOMMENDATIONS

Drawing from the above observations participants recommended as follows:

- i. In view of the great potential inherent in the airfreight sector to transform the nation's economy, the Federal Government as a matter of urgency, should come up with appropriate policy measures to support and develop the sector;
- ii. An inter-ministerial committee should be set up by the Federal Government to meet monthly with the Air Freight Stakeholders' Forum to drive the process of reviving, developing and supporting the exportation by air, of Nigeria's perishables and other products to the international market for foreign exchange earnings from the sector;
- iii. The current proliferation of cargo airports in the country by some State Governments is unhealthy for the sector. Establishment of such cargo airports should be streamlined for viability and they should be spatially positioned to serve the major agricultural and mining areas;

- iv. The challenge of cumbersome procedures and documentation process by regulatory agencies as well as high freight charges by airlines should be addressed in order to encourage greater exportation of perishable goods;
- v. There should be wide focused and sustained enlightenment of all actors in the exportation of perishables throughout the country on the logistics and requirements for successfully exporting to the international market;
- vi. Youth empowerment programmes should involve inculcating in the youths engagement in farming and exportation of perishables and high value products to international markets by air and the youths should also be encouraged to participate fully in the activities of the Airfreight sector for the sustainability of the Forum and the sector;
- vii. Government both at Federal and State levels, should put in place policies that will provide incentives for large scale farmers of perishable exports to produce in large volumes for export; such incentives include buying excess produce from farmers to avoid wastage and losses, easy access to funds, tax reduction and subsidies etc;
- viii. The 6-P elements of packaging which are price, profit, protection, presentation, promotion and preservation must be seriously taken into account by exporters in order to avoid the rejection of their exported perishable goods at international market;
- ix. Nigeria needs to embrace trade facilitation which is key to success in the exportation of perishables to international market as this reduces barriers to the movement of goods from sellers to buyers in an international supply chain, encourages the simplification of regulatory procedures for export and import, and it is instrumental the establishment of a single window for submission of all trade related documents;
- x. The Nigerian Export Promotion Council should open an office in Ilorin for the benefit of the shippers who will need information and education on exportation of agro produce; these will assist the shippers to obtain firsthand information on export markets and requirements;
- xi. There should be sustained education and enlightenment of farmers, and all stakeholders in the airfreight sector to keep them abreast of global trends in the industry so as to enable them operate at international standards.

At the end of the event participant commended the organizers of the summit for the choice of Kwara State, the selection of knowledgeable and

experienced resource persons and the overall planning and execution of the event.

APPRECIATION

The Kwara State Government, Nigerian Shippers' Council and the Airfreight Stakeholders' Forum wish to express their appreciations to all participants and the various stakeholders in the airfreight industry for attending the summit.

Your various contributions at the summit made the occasion a great success.

**Done in Ilorin Kwara State
Thursday 4th February, 2016**