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## **INSUFFICIENT RESOURCES AND THE NIGERIA TRANSPORTATION SECTOR**

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### **ABSTRACT**

*Nigeria with a total land area of 190,771 square kilometers and over 200 million populations requires not only a functional transportation system, but also adequate resources for development efficient operations, as well as management of transportation sector. Resources, most especially in financial context are extremely crucial to the provisions, maintenance, management and sustenance of transportation system in order to efficiently operate various socio-economic engagements in the country. Hence, government at all levels in Nigeria usually makes financial provisions, most especially through annual budget for this vital sector among other competing needs. It is in this context that this paper examined insufficient resources in relation to transportation system in Nigeria with a view to improving mobility and accessibility and enhancing investment potentials socio-economic transactions in the country. This paper relied mostly on data from secondary sources through literatures, publication and other prints materials. This paper established that the resources deployed to the transportation sector through the yearly budgetary allocation are grossly inadequate. It therefore recommended an upward review in the budgetary allocation to the transportation sector so as to meet the growing demand of Nigerian from the sector.*

*Keywords: Resources, transportation sector, socio-economy and Nigeria.*

## Introduction

The movements of people, freight, information and services in three dimensions of space, time and state have always been a fundamental component of human society since time immemorial. Although crude mode and means of transportation were employed to satisfy socio-economic aspirations and spatial interaction of the people prior to industrial revolution. However, the advent of industrial revolution in 1750AD saw the concomitant increase in economic and industrial activities which necessitated improved transportation system (Akinmu, 2008). This is to satisfy increasing needs, demands and aspirations of people and countries at large in relation to changing demands, emerging trends and socio-economic and industrial aspiration.

It is not a gainsaying that transportation sector is a key factor in influencing the nature of society; and it plays a special role in socio-economic development of any nation. It is sequel to the above that, Onwuka and Eguavoen (2007) opine that an increase in interdependence across the world in the last two decades due to globalization is anchored on efficient transport system. Transportation as a wealth creating industry is the life-line of an economy since it is extremely important for the survival of the economy (Olubomehin, 2012; Olamigoke and Emmanuel, 2013). This opinion is also canvassed by Badejo (2011 and 2014) that transportation life that has to be nurtured for optimal efficiency and performance.

Therefore, the growth, development and survival of nations has always been widely acknowledged all over the world through efficient transport system (Okoko, 2018). Oyesiku (2017) notes that the benefits and importance of economic growth to infrastructure (by itself and supports it provides for man-made surroundings for human activities, which encompasses buildings, parks, community gardens and transportation systems) through continual investment have been recognized for a long time. Accordingly, nations across the globe are massively investing resources in their transportation sector. Such resources which may be material (of natural origin or man-made) or immaterial (Robert, 2001) are essential inputs necessary to meet modern socio-economic realities as well as satisfying mobility requirements in livable communities for both residents and visitors.

Accordingly, Olubomehin (2012) is of the view that inadequate transportation limits a nation's ability to utilize its natural resources, distribute food and other finished goods in addition to integrating manufacturing and agricultural sectors; and supply education, medical and other infrastructural facilities. As a result, Nigeria governments have been injecting resources into the transportation sector for overall national development from colonial era to date. This assertion is affirmed by Onokala (2012) who opines that Nigeria is one of the African countries that have spent a considerable amount of financial resources building, expanding and modernizing her transportation infrastructure.

With contemporary economic processes which have been accompanied by a significant increase in mobility and high level of accessibility (Rodtrige et al, 2006); several calculated and deliberate efforts are equally being channeled into transportation sector by governments all over the world. Nigeria government is not an exception in the quest to make her transportation sector more functional and efficient for growth and development through deployment of resources into this critical sector. However, the persistent challenges and associated constraints being

experienced by masses and other critical sectors despite consistent investments and injection of resources into transportation sector over the years leave much to desire.

Consequently, this paper examined inefficient resources and the Nigeria transportation sector with a view to unravel causes and effect of inefficient transport sector inspite of whopping government investment in the sector.

### **Nigeria Transportation Sector**

The Nigeria transportation sector is characterized by all modes of transport-land (road, rail and pipeline), water (maritime/shipping and inland waterways) and air (domestic and international) modes with distinct operational features and infrastructures. Specifically, Nigeria has a total road length of 193,200 kilometers, which comprise of 34,123 km of federal road, 30,500 km of state roads, and 129,577 km of local government roads (FGN, 2009), while the length of the network is 3,505 km running from North-South. The rail transport has basic characteristic of narrow gauge single track (1.067m) and only accounts for less than 1% of land transport in the country. The Nigeria pipeline transport, according to Nigeria Liquefied Natural Gas Limited consists of 2,042km of crude oil network, 3,000km petroleum products network and 500km of natural gas with over 20 petroleum depots and four petroleum refineries.

With respect to water transport, Nigeria has an inland navigable waterway of about 3,000km with an extensive coastline of about 852km which traverse 20 out of the 36 States of the country. Precisely, inland waterway is very paramount in the coaster part of the country, most especially in the Niger Delta region and along the Bight of Benin where it remains the only available mode of transportation for creeks movement. However, Nigeria trade with the rest of the world is only possible through shipping/maritime transport. In this respect, the Nigeria Ports Authority (NPA) has 13 major ports, 11 oil terminals and 128 private jetties within the port system. There are 102 hard quay berths, 62 buoys and over 650 different cargo types of handling plants and equipment (FGN, 2010) with cargo handling capacity of over 35 million tones. Nigeria air transportation mode is characterized with local and international airport operations. Thus, Nigeria has 21 international and domestic airports and 62 private airstrips across the country.

However, all the modes of transportation in Nigeria are characterized by inherent challenges and varying degree of inefficiency and underperformance despite huge deployment of resources over the years. In supporting this assertion for instance, the Nigeria Draft National Transport Policy (2010) gives the statistical assessment of Nigeria roads that 23 percent are in bad condition in 1985; 30 per cent in 1991 and 50 per cent in 2001. Also, the Draft Policy states that about #300billion were estimated to be required over the next 10 years to bring national roads network to fairly good condition in 1998; and that after recovery, #24billion would be required yearly for subsequent maintenance, while #32billion per year will be for rehabilitation. This figure for above what is allotted to the sector in the yearly budget. These financial estimates connote insufficiency in resources deployment not only to road transportation, but cutting cross other modes of transportation in the country; hence, the inability of the sector to perform above international benchmark.

### **Resources/Investments in the Nigeria Transportation Sector**

Scholars across the globe have expressed varying opinions on various issues of transportation over the years. This is as a result of the fact that the sector increases the geographical and occupational specialization as well as interdependence of countries based on the principle of comparative advantage, while improvement in transportation provides more opportunities for specialization Good and Jebbin, (2015).

The transport sector in Africa, according to Owoputi and Kanyio (2017) can be described as sick and requires cure, redemption and resuscitation for it to cope with physical distribution, contemporary travel, logistics, international and local business needs throughout the length and breadth of the continent. Also, apart from lumping transportation and communication together in the budgetary allocation of resources, Good and Jebbin (2015) observe that what is allocated to the sector is inadequate given the crucial role of transportation in the modern economy.

Transport development projects are not only capital intensive, but also require long gestation periods before there are enough returns to justify huge investments already made or to be made in the future (Onakala, 2012). Also, while x-raying the proportion of allocation to the transport sector in relation to the total planned public sector expenditure between 1962 and 1998, Oyesiku et al (2013) observe that within the first 25 years of the nation's development plan period, the percentage share of the transport sector was between 15.2% and 27%, while the magnitude of the actual investment declined to 11.6% in 1990 and further to 8.6% in 1996. In terms of public sector capital expenditure between 1986 and 2007, capital investment in the transport sector had increased tremendously over time in absolute terms as the magnitude of transport investment rose from N516 million to N19.24billion and reached a peak of N35.23 billion in year 2007. However, Nigeria as a developing country is seriously confronted with insufficient resources for establishment of capital overheads or infrastructure in which transportation sector remained not only a potent, but essential for harnessing the available raw materials for productions (Uma et al, 2014).

In their contribution, Owoputi and Kanyio (2017) described transport sector in Africa as presently sick requiring cure, redemption and resuscitation due to their unenviable and retrogressive nature in all ramifications. Hence, Good et al (2015) suggest increase in the budgetary allocation to transport, prompt release of the actual budgeted funds and proper utilization of the approved and released funds to implement designed transportation facilities. This is for the sector to contribute its quota to overall attainment of national development, through satisfaction with physical distribution, contemporary travels, logistics, international and local business needs.

### **Demand for Resources by, the Nigeria Transportation Sector**

The resources demand by transportation sector is extremely huge all over the world. This is due to expensiveness and costly nature of infrastructure for transportation sector. For instance, Federal Government of Nigeria (2001) placed the replacement value of Nigeria roads network to be between #350b and #430b in 2001, while only paltry sum of #9.5b-#70b was invested in



Nigeria railway in recent years (FGN, 2010). The inadequacy in resources has consistently been reflected in inadequate maintenance, absence of new construction, poor rehabilitation and reconstruction of existing transportation infrastructure with associating traffic challenges confronting Nigeria urban and rural center in this century. With this, it is deduced that all Nigerian transportation sub-sectors suffered increasingly from the effects of past shortage of resources which would have been deployed to avoid avoidable challenges and misfortunes.

In addition, lack of motorable road often necessitates subsequent reconstruction, while Lack of necessary resources to keep tracks, rolling stocks and signaling facility and their maintenance usually produced a serious deterioration on the railways system, while ditto to the aviation and waterway sub-sectors. As a result, huge resources are required to turn the sector around for optimal levels of performance. Specifically, among several efforts made since 1979 to reverse the decline of the NRC operations and services involved deployment of huge financial resources as well as entering into 3 year contract with The Rail India Technical and Economic Services (RITES), by the Federal Government in 1979. According to Adesanya (2010), this was to overhaul and manage the services of the NRC among other things in addition to the signing of a sino-Nigerian contract of US\$528,697,000 with the China Civil Engineering and Construction Corporation (CCFCC) in December 1995 for 36 months (Adesanya, 2010).

### **Supply of Resources to the Nigeria Transportation Sector**

Resources are unavoidably ingredient required for various components of transportation system. As a necessity, they are needed for fixed facility (transport infrastructure), flowing entity (means of transport) and control unit (human and non-human). Aside from human clement of the control unit, all other sub-systems are not only durable assets, but also capital intensive in which huge financial resources arc usually required from planning/conception through fruition to operation, management, and maintenance to sustenance stage.

Since transportation to a large extent is major responsibility of the three tiers of government in Nigeria, hence, provisions are usually made for the sector in the allocation and distribution of resources-financial resource. However, the main source of resource for this, most especially infrastructural component in the country is through annual budget. In this regard, government at all levels annually makes financial provisions for the sector with consideration of priority and guiding policy of the government.

However, all budget preparation and estimation are usually predicated on certain key assumptions to have a realistic fiscal outlook for the projected year. The annual budget of the Federal Ministry of Transport is presented in Table 1 in which final disbursement of such appropriated resource (finance) is based on the availability of funds to finance such projects listed in the budget among other competing or emerging needs. Naturally, transportation budget, like other sectors are derived from capital expenditure approved by the Federal Executive Council which serves as inputs for annual budget estimations for the country.

Typical capital expenditure/projects that are usually included in the estimates include highway construction and rehabilitation; survey, mapping and geo-information activities; water transportation development, dredging of the Rivers and construction of jetties. Others include

modernization of locomotives, coaches and wagons, rehabilitation works and procurement of railway equipment as well as upgrading air navigation and security systems, remodeling of 11 airport terminals and work on 5 new airport terminals, completion of East-West road, dualization of the Abuja- Abaji-Lokoja and Kano- Maiduguri road, and increase pace of work on Lagos Ibadan expressway, Enugu-Port- Harcourt expressway and 2nd Niger bridge (Okogu, 2014). However, the over one trillion naira budgeted for transportation at the federal level is grossly inadequate for development, management and maintenance of infrastructure aspect of transportation sector in the country, while development of human resource component of it has grossly being neglected across the level of government in the country.

**Table 1: Budgetary Allocation to the Ministry of Transportation**

S/no	Year	Amount in Naira
1.	2010	146,736,754,518
2.	2011	247,892,711
3.	2012	284777901
4.	2013	262,052,657
5.	2014	Not obtained
6.	2015	319,111,871
7.	2016	215,797,393,98s
8.	2017	276,860,103,581
9.	2018	278,825,582,503
10.	2019	159.13bn
11.	2020	123bn
12.	2021	105.1bn
	Total	<b>4,034,963,136</b>

Source: Extracted from Budget Office/Federal Ministry of Finance/Ministry of Budget and National Planning (2010-2011)

## Materials and Methods

This article relied on secondary data that were sourced from extant literature. Literatures and publications relating to transportation sector and resources were consulted, while government documents relating to the transport sector in Nigeria in recent times were also deployed in the study. The trend of government budgetary allocations and expenditures on transportation sector formed part of the data this paper relied on.

To ensure originality and accuracy of secondary data, the researchers verified all the information from the useful websites such as those of National Search of statistics as well as the federal ministry of information. Well research scholarly journals were consulted part of which the information used in this paper were culled. Additionally, library resources and the internet were largely relied upon for the data generated and used in this paper.

## Conclusion

While presenting the importance of transportation, Oyesiku et al (2013) is of the view that good transportation infrastructure is not only essential in economic development, but also promotes factor mobility while reducing trade costs aside from promotion of market integration. Hence, adequate and accurate resources are required to achieve these noble objectives and targets so as to provide avenue for the reduction of price volatility and reallocation of resources in line with comparative advantage.

However, considering the territorial spread of the country including her quest to be among the leading global economies in shortest possible time, the need for more resources deployment to the transportation sector becomes imperative. Hence, this study concluded that there is insufficient resources allocation and deployment to the transportation sector. In addition, the accorded the sector is quite unreasonable. Specifically, insufficient resources have negatively impacted transportation sector in the country.

As Ogunesan et al (2013) rightly said, relying on annual budgetary provisions for transportation sector, is no longer realistic for achieving sustainable resources for transportation. Thus, there is needs not only for overhauling the existing resource framework, but also explore other areas of viable funding and investments for transportation sector in the country within the enabling legal framework.

With the Federal Government of Nigeria (2017) through Economic Recovery and Growth Plan '2017-2020 recognizing that Nigeria's transport infrastructure stock is inadequate for the size of the economy and constitutes a major cost and constraint for both large and small businesses; therefore, adequate resources are required to provide efficient transportation sector (such as highways, rail systems, airlines, airports, harbours, and waterways) which shall not only provide the backbone to improve the economy aside from moving people and goods around seamlessly, cheaply and safely. With this, transportation sector shall contribute in excess of 10 per cent to total domestic product annually aside from facilitating socio-economic growth and development in the country.



## Recommendations

Considering the dilapidating critical transportation infrastructures in the country, the followings are thereby, recommended for achieving efficient resources deployment to transportation sector in the country:

- ❖ Expansion in sources of resources to transportation sector: There is needed to look beyond statutory budgetary provisions for transportation sector. Hence, exploring other sources for funding transport infrastructure so as to compliment statutory budgetary provisions and optimal utilization of available resources are imperative.
- ❖ Recognition and prioritization of transportation sector: There is urgent need to give due recognition to the transportation sector. With this, prioritization of the sector would be accompanied in the scheme of resources deployment by all levels of government. Recognition of transportation sector in this context shall begin by putting in place, suitable transportation policy for the country.
- ❖ The operational national transportation policy will provide a holistic approach to various components and issues that could guarantee sustainable transportation system in the country.
- ❖ Preparation and implementation of transportation plan: Following recognition and prioritization of transportation sector is the preparation and subsequent implementation of transportation plan for the country. The plan, which shall be broad and all-encompassing, shall be a long range expressing the aspirations of the country taking into consideration, the variation in various geopolitical zones and peculiarity of the country.
- ❖ Consideration of human resource development in the sector: The scope of insufficient resources for transportation sector is beyond financial resources as human development to oversee the sector is often neglected. In this regard, attempt have to be made by government and tertiary institutions to adequately train young people in the art and science of transportation for optimal efficiency and performance. By this, more tertiary institutions are expected to be offering transportation course in order to eliminate quacks and mediocre from the sector.
- ❖ Unbundling of transportation sector: It is high time the federal government unbundled the transportation sector in the country. With this, there should be separation from regulation and operational organs of the sector. This can effectively be achieved through the overhauling of transportation laws, many of which are outdated and frowned at private sector driven operations in the sector. This view is even supported by the Economic Recovery and Growth Plan (FGN, 2017) which observes that partnering with the private sector will be critical and significant towards attracting private sector investment, and ensuring agreed execution priorities and timelines are effectively delivered due to the scale of the investment required in the transportation sector. By this, provision for concessionaire, financial institutions, engineers, public transport operators, construction suppliers, equipment and rolling stock suppliers and others would be

attracted to source and deploy required resources for transportation sector in the country. Hence, design, construct, finance and operate a transit system for a period ranges from 15 to 25 years with viable legislative framework that will guarantee investment would be achieved

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