

THE FEDERAL GOVERNMENT OF NIGERIA NEW POLICY ON CARGO PALLETISATION.

As part of its plans to ease the burden of doing business in Nigeria, the Federal Government of Nigeria in December 2017 announced the palletisation of cargo as part of its new import and export guidelines starting 1 January 2018. By this it means that all cargoes coming into Nigeria must be on a pallet. Goods already loaded for shipment to Nigeria prior to the commencement date will however not be affected by the policy. According to the Minister of Finance, due to the fact that scanners at the ports and borders are not functional, the new policy will aid manual examination of cargoes pending the time the country acquires and installs functional scanners at the seaports and borders.

Palletisation in simple definition is a technique used to store or transport goods that have been placed upon a pallet, and shipped as a unit load.

Since the announcement of the policy there have been both positive and negative reactions, the negative reactions being more than the positive. On the positive side is the fact that it has reduced the general documentation requirements to export out of and to import into Nigeria. It is said that the requirements to export out of Nigeria has been reduced from ten to seven requirements whilst that of import has been reduced to eight from the previous 14 requirements. The requirements are:

For Import:

- i. Single Goods Declaration (SGD) of Form C2010
- ii. Form M
- iii. Pre-Arrival Assessment Report (PAAR)
- iv. ASYCUDA Acknowledgement of Exit
- v. Bill of Lading/ Air Way Bill
- vi. Combined Certificate of Value and Origin of Form C16 (CCVO)
- vii. ASYCUDA Payment Receipt; and
- viii. Packing List

For Export:

- i. A duly completed Form NXP
- ii. A Pro-Forma Invoice
- iii. A Sales Contract Agreement, where applicable
- iv. Nigerian Export Promotion Council (NEPC) Registration Certificate
- v. Relevant certificate of quality as issued by one or more of the following Agencies (depending on the export item): Nigerian Agricultural

Quarantine Service, Federal Produce Inspection Service, National Agency for Food and Drug Administration and Control (NAFDAC), and Standards Organization of Nigeria (SON)

- vi. Shipping Documents, and
- vii. Other Certificates.

On the flip side is the fact that there are some who believe that Nigeria is not ripe to incorporate palletisation into our shipping laws due to the low volume of cargoes shipped into the country; lack of vessels; bad and inadequate ports access roads; and inefficient port system.

It is also argued that palletisation, if allowed to continue, will have an adverse effect on our foreign reserve because cargoes that would normally have been freighted into one container would now be split into two or three; and these would necessitate the importers to pay thrice the original cost of freight. The players in the industry will have no other option but to look for alternate ways to ship their goods, for example the diversion of their goods to the nearest port for shipment into Nigeria through the land borders. This will have a resultant negative effect on the ease of doing business in Nigeria and also on the average Nigerian who will be made to bear the burden of the increase in the cost of bringing the goods in. The National Publicity Secretary of the Association of Nigerian Licensed Customs Agents (ANLCA), Mr. Kayode Farinto, warned that Nigeria will loose about N500billion should the government continue with the policy.

Other stakeholders have also warned against the continuation of this policy as the general consensus is that palletisation is a global shipping phenomenon which Nigeria is not yet ripe for. The cost effect on the manufacturing sector, shipping industry, the economy and lives of the people of Nigeria is too high a price for the nation to pay at this period. It is noted that some shippers have already left Nigeria. Our policy makers will do well to come up with policies that are people friendly and are geared towards encouraging a viable business environment.

Thank you.

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