AKABOGU & ASSOCIATES
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The Nigerian Maritime Industry Outlook 2026

About Akabogu & Associates

AKABOGU & ASSOCIATES is a full-service business law firm operating across Nigeria. Our services include legal advisory, due diligence, claims handling, documentation, and litigation.We serve a broad spectrum of business sectors, offering legal solutions to both large corporations and informal enterprises.

Our expertise spans diverse business sectors, enabling us to provide bespoke solutions for unique challenges. We achieve this by leveraging our deep understanding of Nigeria's legal and regulatory frameworks.

We also collaborate with a broad network of resource partners to deliver solutions that extend beyond traditional legal services.

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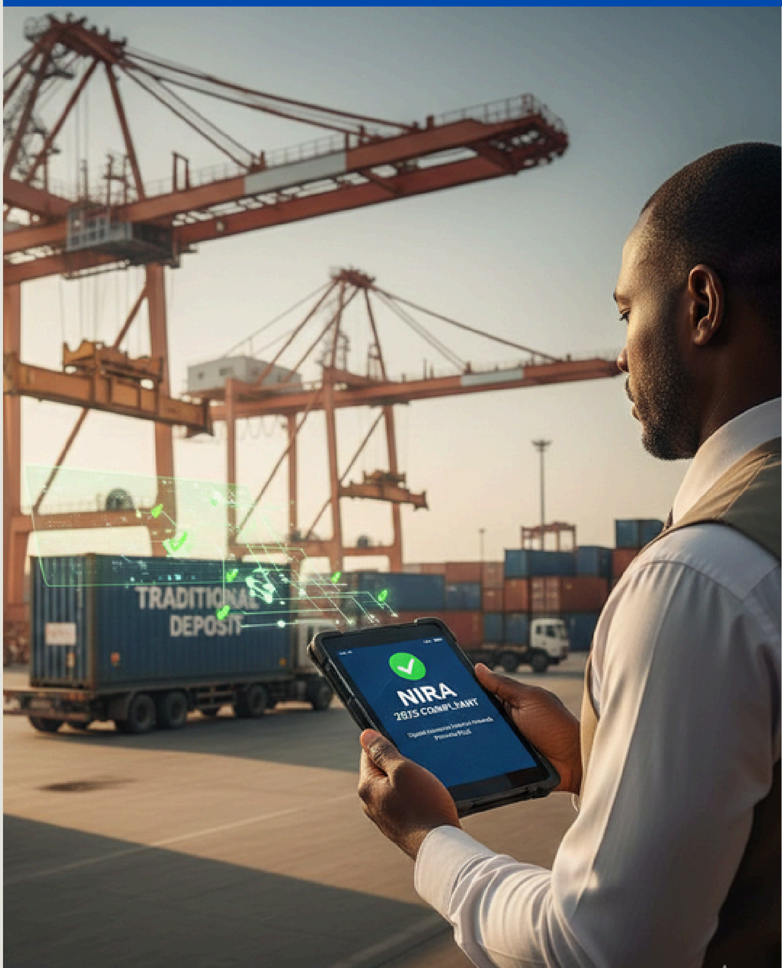
The National Policy on Marine and Blue Economy was launched in 2025, providing a policy anchor for 2026 goals. While the government still struggles to achieve alignment with the market on a cohesive route to all-inclusive maritime development, Nigeria's election to the International Maritime Organization (IMO) Council (Category C) could yet be a silver lining for things to come. Important drivers include overdue legislative reform, aggressive enforcement of existing framework policies and the successful integration of digital trade infrastructure.

1. The Legislative Landscape: NPERA and the Regulatory Vacuum

An important administrative challenge for 2026 remains the legal status of the Nigerian Shipping and Ports Economic Regulatory Agency (NPERA) Bill. Although severally passed by the National Assembly, the bill currently lacks Presidential assent due to reported friction among agencies regarding the overlap of mandates between the proposed regulator and existing bodies like the NPA and NIMASA. Strong advocacy remains on for it to be signed by the President, which will come with considerable industry impact.

Stakeholder Impact:

- Terminal Operators & Shipping Lines: In the absence of this "referee," these entities continue to operate in a loosely regulated tariff environment, currently held together by the Nigerian Shippers' Council on the authority of a Presidential executive order.
- Importers and Consignees: The delay in signing the NPERA Bill is said to sustain annual financial leakages and lost investment opportunities. For the cargo owner, this translates to high "hidden costs" that are said to make Nigerian ports less competitive than regional hubs like Lomé or Cotonou.



2. Comprehensive Insurance Reform: NIIRA 2025

In 2025, the legacy Marine Insurance Act of 1962 was repealed and consolidated under Part XIV of the Nigerian Insurance Industry Reform Act (NIIRA) 2025,resetting the legal architecture of marine risk management. The highly controversial “container deposit” system is effectively prohibited under the new law, which mandates that any container-based delivery of goods within Nigeria must be covered by an insurance policy issued by a licensed Nigerian insurer. A new regime of tracking is introduced, involving both the insurance regulator and market stakeholders. While the insurance approach is useful, the implementation of the scheme will be watched closely.

Stakeholder Impact:

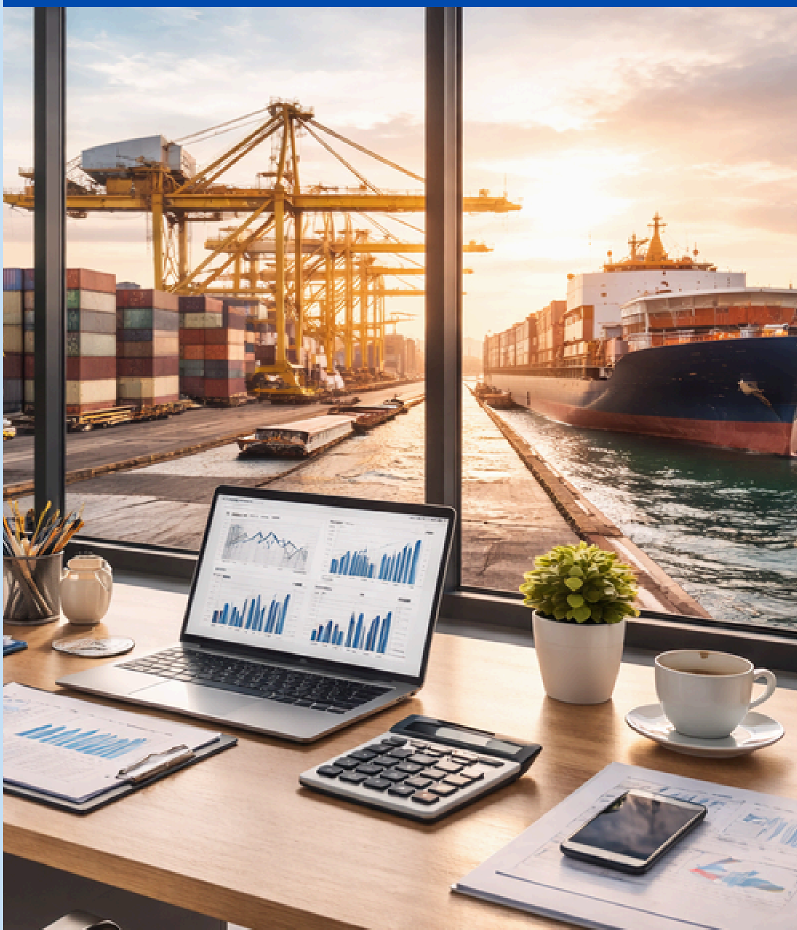
- Freight Forwarders & Shippers: The primary impact is an injection of liquidity. By replacing cash deposits (often hundreds of thousands of Naira per container) with a non-refundable insurance premium, shippers can reallocate capital back into their core operations.
- Foreign Shipping Lines: These carriers must now transition from holding cash security to a claims-based recovery model. Thus, their primary risk in 2026 is the efficiency of local insurers in settling claims for damaged or unreturned containers within the Act’s new 60-day mandatory window.
- Local Underwriters: With the consolidation of capital requirements—now reaching N15 billion for non-life insurers—local firms must demonstrate a 100% capital adequacy ratio to benefit from the projected multi-billion Naira premium pool created by these mandates.

3. Ship Operations, Acquisition, and Financing Dynamics

Though significant capital and regulatory hurdles remain, there are signs that the ship acquisition market in 2026 may be shifting from theoretical planning to actual project proposals; the success of which will be conditional upon the stability of the financial sector and the clarity of fund disbursement protocols proposed under the Cabotage Vessel Financing Fund.

Proposed CVFF Disbursement: The potential disbursement of the Cabotage Vessel Financing Fund (CVFF), estimated at approximately $700 million, remains a focal point for indigenous shipowners seeking to acquire tonnage. For these operators, the prospect of single-digit interest rates represents a significant opportunity to acquire modern vessels. With the late-January unveiling of the digital application portal for the fund, the Federal Government has signaled a decisive transition toward a 'rules-based framework.' By stipulating a 30-day window for initial reviews by Primary Lending Institutions (PLIs) and a structured 80-day timeline from application to disbursement, this new system effectively dismantles the administrative opacity that has stalled fund access for more than two decades. Much of the scheme's overall success will however depend on the PLIs performing rigorous technical due diligence to mitigate the risk of non-performing loans in a volatile market.

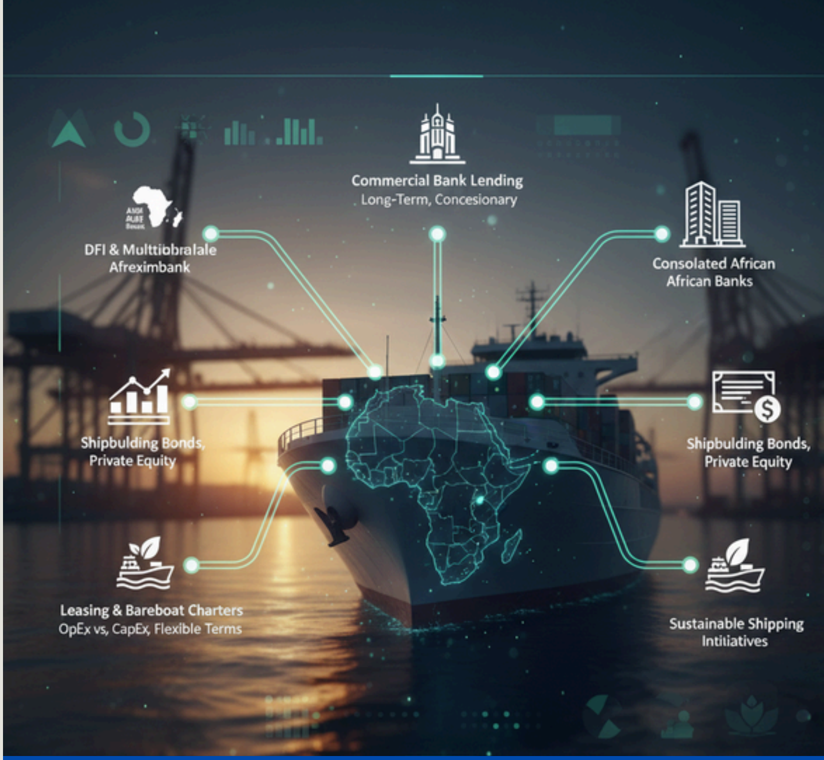
Banking Recapitalization and Lending Capacity: The Central Bank of Nigeria's (CBN) March 2026 recapitalization deadline is projected to alter the maritime credit environment. As international banks move toward a N500 billion capital floor, their single-obligor limits are expected to increase, potentially allowing for the local financing of larger assets. While this may benefit large-scale operators, mid-tier and indigenous owners may face stricter governance and credit hurdles as consolidated banks prioritize institutional-grade "bankable" projects over smaller, fragmented ventures.



Alternative and Charter-Led Financing: International financiers and private equity firms are increasingly viewing theNigerian maritime sector as an infrastructure-play, particularly for assets tied to long-term charters with major refineries.This “charter-led” model shifts the risk from the vessel asset itself to the cash flow of the off-taker, offering a potential path for operators who can secure stable contracts but lack traditional collateral.

Sustainability and Asset Obsolescence: The 2025 Blue Economy Policy’s which emphasis on “Green Shipping” introduces the risk of asset obsolescence for owners of older, high-emission vessels.

Financiers are increasingly adopting “ESG-linked” lending criteria, which may limit credit access for operators who do not have a clear fleet modernization plan. For indigenous shipowners, this creates a strategic dilemma: the need to acquire modern, compliant tonnage while managing the high cost of newbuild acquisition versus the diminishing returns of a secondary market for aged hulls.



KEY INSIGHT

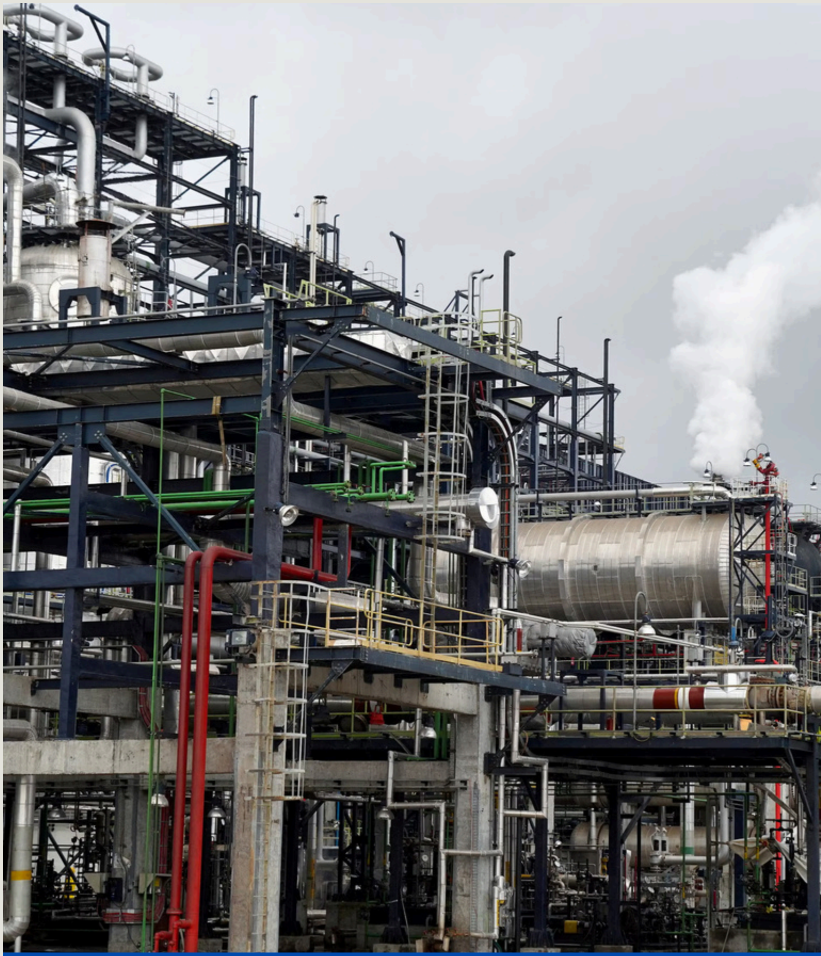
“Nigeria’s push toward a sustainable Blue Economy is reshaping maritime finance and competition. As ESG standards gain prominence and funding mechanisms like the Cabotage Vessel Financing Fund resurface, indigenous shipowners face pressure to modernize fleets. Green compliance is no longer optional but a gateway to capital and market relevance. Operators that align early can attract financing and reclaim coastal trade share, while delays risk exclusion in an increasingly sustainability-driven maritime economy.”

4. The "Dangote Effect"

The Dangote Petroleum Refinery has become the dominant driver of maritime throughput in West Africa, recording over 650 vessel calls in its first full year of operation. This is a structural pivot for the Nigerian maritime sector, transforming it from a historically import-centric gateway into a regional hub for large-scale crude feedstock intake and refined product exports.

This shift is also expected to drive a fundamental recalibration of maritime regulatory activities to manage increased export side tanker density.

Viewed through the lens of the local fleet owners however, the tension between gantry dominance and the coastal supply is very real – even though the refinery's long-term strategic goal is to move 70% of its products by sea, the immediate reality of 2025 and early 2026 has been defined by a significant surge in truck-out volumes and a concurrent decline in the traditional import-based wet charter market.



Stakeholder Impact:

- The Shipping Impact (Metric Tonnes): At the peak of the "Direct Sale Direct Purchase" (DSDP) era, Nigeria was importing approximately 52.8 million liters (equivalent to 332,000 bpd) daily. By late 2025, sea-based imports have dropped to approximately 6.4 million liters daily, as the refinery has scaled its gantry output. For the shipping industry, this represents a loss of approximately 1.2 million Metric Tonnes (MT) of monthly inbound "wet" cargo. This volume previously sustained a consistent fleet of Medium Range (MR) tankers and coastal shuttle vessels

- Indigenous Shipowners: This class is currently the most vulnerable. The loss of the "import-to-coastal" transshipment business has not been offset by refinery shuttles, leading to a surplus of idle coastal tankers.
- Tank Farm Owners (Non-Coastal): Those located in the hinterland are benefiting from the gantry model, as they can receive product via road more reliably than through the currently underutilized sea corridors.
- Regulatory Bodies: The NPA and NIMASA face a potential revenue shortfall from "vessel dues" and "3% levies" if the bulk of Nigeria's energy distribution remains road-bound rather than sea-bound.

5. Port Operations

Dated challenges of port congestion, slow turn-around time, high costs and corruption could witness profound reconfiguration if proposed National Single Window Project comes on stream within the first quarter of 2026 as envisaged by the government. Anchored on Nigeria's commitments under the Trade Facilitation Agreement and the Nigerian Customs Service Act of 2023, the project promises to institute a regime of single submission for all compliance requirements for cargo clearance, with the potential for cargo to be cleared from ports within two days. Coupled with the reform in container deposits and strengthened by the Nigeria Ports Economic Regulatory Bill (if signed), the indicators are positive for more efficient port operations from 2026.

6. Conclusion: Policy, Politics and Ports Power

Implemented effectively, the National Policy on Marine and Blue Economy (2025–2034) could be a springboard for broad maritime sector development from 2026, provided regulators and other government decision-makers are not distracted by politics of elections in early 2027.

The value of the Nigerian Naira has proved to be a potential boost to exports, and it is expected that digital upgrades in port formalities will boost vessel turn-around and regional shipping opportunities.

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