

THE LEGAL LANDSCAPE OF DRY PORTS AND OPPORTUNITIES FOR LEGAL PRACTITIONERS: A CASE STUDY OF KANO DALA INLAND PORT

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Abstract

The global trade landscape is transforming rapidly, with dry ports emerging as critical hubs for enhancing transportation and logistics efficiency. This study examines the legal complexities associated with dry ports, using the Dala Inland Port (DIP) in Kano, Nigeria, as a case study. As dry ports become integral to supply chains, they present unique legal challenges, including navigating export controls, customs regulations, trade agreements, and dispute resolution mechanisms. These challenges highlight the need for specialised legal expertise to ensure compliance and optimise operations. Using an armchair research methodology, this study explores the legal dimensions of dry port operations, focusing on the DIP. It identifies a growing demand for legal professionals skilled in addressing the intricacies of dry port-related regulations. The findings underscore the pivotal role of lawyers in streamlining trade processes, mitigating risks, and enhancing the efficiency of international trade. The study recommends fostering collaboration between logistics and legal stakeholders to develop robust legal frameworks tailored to the unique challenges of dry ports. Additionally, it emphasises the importance of capacity-building and sensitisation programs to equip legal professionals with the skills needed to navigate this evolving landscape. By addressing these issues, stakeholders can unlock the full potential of dry ports, driving economic growth and facilitating seamless global commerce.

Keywords: Dry Port; Legal Complexities; Shipping Law; Trade Regulations and Customs Compliance.

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1. Introduction

The logistics and transportation segment are crucial in enhancing business and commercial transactions in a progressively globalised world. Quintessentially, a Dry Port is an intermodal hub that opens a floodgate of advantages, and the legal community is no exception to the advantages it offers. As a result, the development of dry ports has spurred a beehive of tremendous opportunities not only for logistic and clearing agents but also for the legal profession. It opens multifaceted opportunities for the legal community to leverage and hone their professional skills within the shipping industry. Thus, shipping companies, maritime practitioners, land-locked countries like Chad, Niger and other port users would also join the cue in maximising and benefitting from the DIP for the import and export of their cargoes.

The designation and inauguration of DIP introduce substantial legal complexities within the framework of shipping law. Key issues include regulatory compliance, liability, dispute resolution, and alignment with international and regional trade agreements. A thorough legal analysis must address these aspects, promote effective governance, and establish a framework for the successful operation of this strategic trade hub. As logistics and shipping evolve, the legal landscape surrounding dry ports will need continual assessment to adapt to emerging challenges and opportunities.

In light of the foregoing, this article unravels the tremendous prospects the DIP offers to the legal community and how to maximise those opportunities. It provides, albeit briefly, the conceptual background of the DIP, its essence and benefit to the community, the legal framework and how to navigate through this complex web of the legal mechanism. The article also proffers some useful recommendations.

2. Conceptual Framework of Dry Ports

Dry ports, also known as inland ports or intermodal terminals, are integral components of modern logistics and supply chain networks. They serve as extensions of seaports, located inland, and are designed to facilitate the efficient movement of goods between maritime and

land-based transportation systems.¹ By providing services such as cargo handling, storage, customs clearance, and distribution, dry ports play a critical role in reducing congestion at seaports, lowering transportation costs, and enhancing trade efficiency.²

The concept of dry ports emerged as a response to the growing complexity of global trade and the need for seamless integration of multimodal transportation.³ Unlike traditional seaports, dry ports are strategically positioned closer to industrial and commercial hubs, enabling faster and more cost-effective delivery of goods to end-users.⁴ They act as intermediaries, bridging the gap between seaports and inland destinations, while also offering value-added services such as warehousing, freight forwarding, and logistics management.

The Inland Dry Ports (IDPs) being an equivalent of a seaport located in the hinterland, receives containers by rail or road from the seaport for examination and clearance by customs and other authorised agencies. It has all the loading and off-loading equipment needed to handle containers.

The development of IDPs across the country was an initiative of the Nigerian Shippers' Council. The IDPs are being promoted and facilitated based on Build, Own, Operate and Transfer (BOOT) under the Public Private Partnership (PPP) agreement.⁵

Globally, dry ports play a vibrant function towards expediting effective logistics and commerce by serving as centres for the consolidation, and delivery of goods. Dry ports serve to facilitate efficient logistics and trade by serving as hubs for the consolidation, deconsolidation, and distribution of goods. It's worth mentioning albeit briefly, some of the

¹ Li, Yunhua & Dong, 'Dry Port Development in China: Current Status and Future Strategic Directions' *Journal of Coastal Research*: [2015] (73) 641-646.

² Ahmed Musa, Fatima Bello, 'The Dry Ports as Catalysts for Regional Economic Development: Evidence from Sub-Saharan Africa.' [2022] *Journal of Transport Geography*

³ See (n.1)

⁴ Ibid.

⁵ Available at: <<https://www.transportation.gov.ng/nigerian-importers-and-exporters-to-benefit-immensely-from-inland-dry-ports-fg/>>, accessed 13/12/2024.

prominent inland ports around the globe: Duisburg Port, Germany;⁶ Chengdu International Railway Port, China;⁷ Kansas City SmartPort, United States;⁸ Tilburg, The Netherlands;⁹ and Port of Johannesburg, South Africa.¹⁰

The two most common ports are the airport and the seaport respectively. But the other crucial but seldom not too familiar is a Dry Port or Inland Port. Gleaning from its name, a Dry Port connotes a port located onshore and serves as a terminal for the storage and trans-shipment of cargo.¹¹ The massive cargo storage facilities within dry ports are also used for customs clearance of those goods.

According to United Nations Conference on Trade and Development (UNCTAD), inland dry port is “a common user facility with public authority status, equipped with fixed installations and offers services for handling and temporary storage of any kind of goods (including containers) carried under customs transit by any applicable mode of transport, placed under customs control and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export temporary storage for onward transit and outright export.”¹²

Dry ports are specialized facilities that are designed to process standardized shipping companies used within international transport.

⁶ It is located at the confluence of the Rhine and Ruhr Rivers. It is the world’s largest inland port. It serves as a key logistics hub in Europe, connecting various transportation modes, including rail, road, and waterways.

⁷ It is located in the heart of China. Chengdu International Railway Port is a significant inland port facilitating trade between China and Europe. It is a key node in the Belt and Road Initiative, offering efficient rail connections between Asia and Europe.

⁸ As a major inland port in the United States, the Kansas City Smartport leverages its central location to enhance the efficiency of goods movement. It serves as a key logistics and distribution center, connecting U.S. to global markets.

⁹ Tilburg is a strategic inland port in Europe, known for its multimodal transportation capabilities. It integrates rail, road, and water transport to facilitate the smooth movement of goods, especially in the Benelux region.

¹⁰ As the largest and busiest inland port in South Africa, the Port of Johannesburg plays a vital role in connecting the country’s economic hub with global markets. It serves as a critical gateway for import and exports.

¹¹ See (n 2)

¹² Ibid.

The use of these shipping containers makes it easy to move goods off of a ship and onto a tractor-trailer, train, or another ship. The transported goods only need to be unloaded once they arrive at their final processing destination.¹³

One of the benefits of having dry ports is their ability to relieve the issues of storage and customs space that frequently plague seaports. Ports along the ocean have a limited amount of space, which is far less than is sometimes necessary to handle the large quantities of goods coming in. They help reduce the competition of companies trying to get their goods stored temporarily before they embark onward to their destinations. Another benefit is the ability of a dry port to speed up the movement of cargo between ships and inland transportation systems that distribute the goods. This helps maintain dry ports as central distribution hubs for a massive amount of goods, as the import and export of goods becomes quicker.¹⁴

Dry ports also act as a cost-effective distribution channel between seaports and high-capacity rail. The entire process becomes more efficient thanks to this link existing within the supply chain. Collection of the containers is simple and fast, allowing goods to reach their final destinations quicker and at a lower price.

2.1 The Dala Inland Port (DIP)

The DIP in Kano is a logistics-oriented free trade zone designed to provide various transport and logistics services. It is capable of handling 20,000 twenty-foot equivalent units (TEUs) and aims to enhance trade efficiency in the region. The rationale behind the DIP was to decongest existing Sea Ports and extend the shipping business into the hinterland, as well as transit cargo to landlocked countries.¹⁵

¹³ Eto Gabriel M and Eyo Eric B, 'Inland Dry Ports: Mechanisms for Improved Inland Freight Distribution in Nigeria.' *African Journal for the Psychological Study of Social Issues* [2024] (27) 1. The authors remarked that "the evolution of IDPs is considered to be proper for landlocked developing countries which are constantly faced with the challenge of physical isolation, supply chain-related barriers from the sea and the high costs of trading with the rest of the world."

¹⁴ <<https://independent.ng/the-economic-prospects-of-nigerias-dry-ports/>> accessed 13/12/2024

¹⁵ <<https://shipperscouncil.gov.ng/inland-dry-port/>> accessed 13/12/2024

On 05/08/2022, the former Minister of Transportation, Eng. Mu'azu Sambo announced that DIP is designated as a Port of Origin.¹⁶ Thus, this declaration implies that the DIP is empowered to operate shipping businesses, including clearing and forwarding of Cargo directly from anywhere in the world to Kano State. Following this, on January 30, 2023, Muhammadu Buhari, the former President of the Federal Republic of Nigeria, officially inaugurated the DIP.

Designated or otherwise known as Inland Container Depots (ICDs) or Containers Freight Stations (CFs), an ICD is equivalent to a Sea Port located in the hinterland. It receives containers by rail or road from the seaport, examination and clearance by Customs and other competent authorities.¹⁷

3. The Legal Framework

The legal basis for establishing the DIP is traced to some key statutory provisions, regulations, and policies designed to expedite the effective trans-shipment of goods within the country. Below, this article will summarise the crucial legal regimes regulating the establishment of DIP in Nigeria:

3.1 Nigerian Ports Authority Act:

The Nigerian Ports Authority (NPA) Act is a foundational piece of legislation that governs the operation of ports in Nigeria, including dry ports.¹⁸ Section 3(1) of the NPA Act establishes the Nigerian Ports Authority and provides it with the authority to manage and operate ports, including dry ports. The NPA Act also empowers the NPA to enter into “agreement with any person for the operation or provision of any of the port facilities which may be operated or provided by the Authority.”¹⁹ Furthermore, to give effect to this provision and specifically to designate an area as an IDP, the NPA is saddled with

¹⁶ <<https://www.transportation.gov.ng/nigerian-importers-and-exporters-to-benefit-immensely-from-inland-dry-ports-fg/>> accessed 13/12/2024

¹⁷ Ibid.

¹⁸ Laws of the Federation (LFN) 2004

¹⁹ Nigerian Port Authority (NPA) Act, section 8

that responsibility to inter alia designate any place to be a port within the spirit and intendment of the Act.²⁰

3.2 The Nigeria Shippers' Council Act:

The Nigerian Shippers' Council (NSC) is responsible for regulating the activities of shippers and shipping companies in Nigeria.²¹ The NSC Act gives the Council the authority to oversee the establishment and regulation of dry ports. The NSC Act provides for the registration, licensing, and regulation of dry port operators and ensures that they comply with relevant standards and comply with relevant standards and guidelines.²²

3.3 Customs and Excise Management Act:

The Customs and Excise Management Act provides the legal framework for customs procedures, duties, and tariffs applicable to dry ports.²³ It outlines the obligations and responsibilities of importers, exporters, and customs authorities in the dry port context. S.12 empowers the President through the Comptroller of the Customs for the designation of the Port Area as a Customs Port. Thus, the role of customs within a Dry Port is pivotal in facilitating international trade operations. Customs authorities play a crucial role in ensuring compliance with import and export regulations, tariff classifications, and other legal requirements. Their responsibilities include:

- i. Customs Clearance: At the Dry Port, customs officials oversee the process of clearing goods that enter or leave the country. They carefully check all the documentation, calculate duties and taxes and ensure that shipments adhere to laws and regulations.
- ii. Tariff Classification: It is the responsibility of customs to assign tariff classifications to goods. This

²⁰ Ibid, section 30(1)

²¹ Nigerian Shippers' Council (NSC) Act, Cap. 133, Laws of the Federation of Nigeria (2004)

²² Ibid.

²³ The Nigeria Customs Service Act (2023) replaced the Customs and Excise Management Act (CEMA) of 1958. The new Law was signed into Law on 20th April 2023 by President Muhammadu Buhari.

- classification determines the duties and taxes, which helps streamline the shipment processing procedure.
- iii. **Documentation Verification:** Customs conducts verification of import/export documentation such as invoices, packing lists and certificates of origin. This meticulous scrutiny ensures that shipments comply with standards.

To put it simply, the customs department plays a role in making sure that goods move smoothly along trade routes in a Dry Port. Their responsibilities include ensuring compliance with regulations, facilitating trade and implementing security measures. All of these factors contribute to the efficiency and dependability of the Dry Port in supporting business transactions.

3.4 The Federal Competition and Consumer Protection Act (FCCPA):

The Federal Competition and Consumer Protection Act (FCCPA),²⁴ addresses competition issues in various sectors, including logistics and transportation. It ensures that competition is fair and transparent and prevents anti-competitive practices in the dry port industry, such as price-fixing or abuse of market power.

In some cases, dry ports in Nigeria may be connected to inland waterways for transportation. The National Inland Waterways Authority (NIWA) Act establishes the NIWA and regulates the use of inland waterways for transportation, providing a legal framework for the integration of dry ports with inland waterway transport systems.²⁵

²⁴ The FCCPA is the major legislation guiding the Nigerian market to ensure the promotion of fair, efficient, and competitive activities in the economy as well as ensuring consumer protection. It was assented to by President Muhammadu Buhari on the 30th January 2019.

²⁵ The National Inland Waterways Authority (NIWA) Act, Cap 46, LFN (2002) was established on 01/01/1996 to improve and develop inland waterways for water transportation and navigation.

3.5 State Laws and Regulations:

States in Nigeria may also enact laws and regulations specific to the establishment and operation of dry ports within their jurisdictions. These laws typically complement federal legislation and address issues related to land use, environmental regulations, and other local considerations. For instance, in Kano State, entities conducting businesses within the DIP are expected to comply with the following provisions: Registration of Business Premises Law; Personal Income Tax Act (PITA)/Tax Laws; Land Use Charges Law, etc.

3.6 Federal Government Policies and Guidelines:

The Federal Government periodically issues policies and guidelines that provide direction for the establishment and operation of dry ports. These policies cover matters such as licensing, concession agreements, and incentives for private sector participation in the development of dry ports.

4. The DIP as a Port of Origin/Destination

Friday, the 5th of August 2022, will go down well in history as the day the Federal Government declared Dala Inland Dry Port as a port of origin for the export of goods and the final destination for goods brought into the country via the nation's seaports. This proclamation raises several salient legal issues that require discerning legal minds to pontificate and ponder. This is expedient as it is strongly advisable for businesses engaged in international transactions to obtain legal advice to ensure compliance and minimise the threat of legal tussles.

4.1 The Rule of Origin and Destination

The DIP's designation as both a port of origin and a port of destination has significant implications under the International Maritime Code²⁶ and the General Agreement on Tariffs and Trade (GATT).²⁷

As a port of origin, Dala serves as a critical point for the exportation of goods, which means it must comply with international regulations regarding customs, documentation, and safety standards. This status can enhance Nigeria's export capabilities and facilitate trade by streamlining processes for businesses looking to ship goods internationally.

Conversely, as a final destination for goods imported into Nigeria, Dala must also adhere to the import regulations outlined in both the International Maritime Code and GATT. This includes ensuring that imported goods meet the necessary standards for entry into the Nigerian market, which involves customs clearance, tariffs, and compliance with local laws.

The dual status can foster economic growth by improving logistics and reducing congestion at traditional seaports, thereby making trade more efficient. However, it also requires robust infrastructure and regulatory frameworks to manage the complexities of handling both exports and imports effectively.

²⁶ Lam Canh Nguyen, Vinh V Thai, Duc Minh Nguyen, Mai Dong Tran, 'Evaluating the Role of Dry Ports in the Port-hinterland Settings: Conceptual Framework and the Case of Vietnam.' *The Asian Journal of Shipping and Logistics*, [2021] (37) (40) 307-320. 'Dry ports designated as both ports of origin and destination hold significant implications under the International Maritime Code, as they facilitate customs clearance and streamline the movement of international cargo. This dual designation allows dry ports to function effectively in international trade, even for landlocked countries, by connecting inland areas directly to seaports. Such arrangements enhance logistical efficiency and compliance with international regulations.'

²⁷ The General Agreement on Tariffs and Trade (GATT) is a legal treaty that was signed in 1947 by 23 countries to promote international trade by reducing tariffs and other trade barriers. It aimed to create a stable and predictable trading environment among its member countries. Available at: <https://www.elibrary.imf.org>, accessed 13/01/2025.

The World Trade Organisation, aptly provides Technical Information on Rules of Origin.²⁸ Rules of origin are criteria used to determine the national source of a product, playing a significant role in the application of trade duties and restrictions. The World Trade Organization (WTO) aims to harmonise non-preferential rules of origin, outlining general principles for creating these rules, which are defined by the laws and regulations of member countries.²⁹

Generally, Rules of Origin serve as a foundational tool in international trade, fulfilling a variety of critical functions. Primarily, they are employed to implement commercial policy measures, which are essential for protecting domestic industries from unfair trade practices.³⁰ Additionally, they play a pivotal role in determining whether imported products qualify for most-favoured-nation (MFN) treatment, ensuring equitable and non-discriminatory trade relations between nations.³¹ Beyond their role in trade policy, Rules of Origin are indispensable for compiling accurate trade statistics, which inform economic analysis and decision making.

General Agreement on Trade and Tariff (GATT) has no specific rules governing the determination of the country of origin of goods in international commerce.³² Each contracting party was free to determine its own origin rules, and could even maintain several different rules of origin depending on the purpose of the particular regulation.³³ The draftsmen of the General Agreement stated that the rules of origin should be left:

“...within the province of each importing country to determine, in

²⁸ Peter Van Den Bossche and Werner Zdouc, *The Law and Policy of the World Trade Organisation: Text, Cases, and Materials*, (Cambridge University Press, 4th edn, 2022).

²⁹ Available at: <https://www.wto.org/english/tratop_e/roi_info_e.htm>, accessed 12/01/2025.

³⁰ Stefano Inama and Edwin Vermulst, *Rules of Origin in International Trade: A Comparative Study*, (Cambridge University Press, 2019)

³¹ Ibid.

³² Joseph A. LaNasa III, ‘An Evaluation of the Uses and Importance of Rules of Origin, and the Effectiveness of the Uruguay Round’s Agreement on Rules of Origin in Harmonizing and Regulating them.’ Available at: <jeanmonnetprogram.org/archive/papers/96/9601ind.html> accessed 30/12/2024.

³³ Ibid.

accordance with the provisions of its law, for the purpose of applying the most-favoured-nation provisions (and for other GATT purposes), whether goods do in fact originate in a particular country.”³⁴

There are various legal permutations contiguous to the port of origin and the final destination for the export of goods and these encompass an intricate web of international trade laws, regulations, and agreements. Here are some key considerations:

- 1. Customs and Tariffs:** There is no uniform or specific regulations on Customs. Each sovereign nation is responsible for enacting its Customs regulations suitable to its peculiarities. It is expedient for Lawyers to be well acquainted with the extant legal framework on Customs and Excise Duties at both the port of origin and the port of discharge to safeguard the hassle-free shipment of goods. Sequel to this, a Non-Tariff Barrier (NTB) Elimination Workstream was established by the Central Bank of Nigeria (CBN) to deal with all NTBs that restrict or increase the cost of importation and/or exportation of goods.³⁵ There are applicable taxes, tariffs, and duties at both ports, and strict compliance with these regulatory frameworks is critical to evading thorny legal disputes.³⁶ In Nigeria, the tariffs are determined by the ECOWAS 2015-2019 Common External (CET).³⁷ The tariff has five bands: 0% duty on capital goods and essential drugs, 5% duty on raw materials, 10% on intermediate goods, 20% on finished goods and 35% on imports into strategic sectors.³⁸

³⁴ Ibid.

³⁵ Available at <<https://www.cbn.gov.ng/MonetaryPolicy>> accessed on 22nd December 2023.

³⁶ See Export Processing Zone Act; NPA Regulations; Companies and Income Tax Act (CIT); etc

³⁷ A Report by the Nigerian Institute of Social and Economic Research (NISER), “The ECOWAS Common External Tariff (CET): Implications for Nigeria’s Trade Policy.” Nigerian Institute of Social and Economic Research (NISER), 2016.

³⁸ Report of Nigerian Export Promotion Council (NEPC), “ECOWAS Common External Tariff: A Guide for Businesses in Nigeria, (2017).

2. International Conventions: Nigeria's decision to establish a dry port in the state of Kano presents a significant opportunity to enhance the country's multimodal transportation system and strengthen its position in the global supply chain. As a signatory to various international conventions governing maritime and multimodal transportation, Nigeria must carefully navigate the legal implications of this development. In this article, we will examine the relevant provisions of the Hague-Visby Rules, Hamburg Convention, Rotterdam Convention, and other pertinent conventions, and explore the benefits of the Kano Dry Port for the legal community in the state.

- i. **The Hague-Visby Rules:** The Hague-Visby Rules, which Nigeria has ratified, provide a framework for the carriage of goods by sea.³⁹ While the rules primarily address sea carriage, they also have implications for multimodal transportation involving a sea leg.⁴⁰ Specifically, Article 1(e) of the Hague-Visby Rules defines "carriage of goods" to include the period from the time the goods are loaded onto the time they are discharged from the ship. This definition suggests that the rules may apply to the land-based portion of the multimodal journey, including the transportation of cargo from the dry port to the coastal port for export.⁴¹
- ii. **The Hamburg Rules:** This is another international agreement to which Nigeria is not a party and focuses on the rights and responsibilities of parties involved in

³⁹ The Hague-Visby Rules: International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading." Adopted 25 August 1924 (The Hague Rules), amended by the Brussels Protocol 1968 (Visby Amendments). Nigeria ratified the Hague-Visby Rules through its Carriage of Goods by Sea Act, Cap. 44, Laws of the Federation of Nigeria (LFN) 2004, which incorporates the provisions of the Rules into Nigerian Law.

⁴⁰ The Hague-Visby Rules primarily govern the carriage of Goods by Sea, they can also have implications for multimodal transportation, including a sea leg. This is because the Rules apply to the sea portion of the journey, even if the overall transportation involves multiple modes (e.g., rail, road, or air). See William Tetley, "Multimodal Transport and the Hague-Visby Rules: Legal Implications for the Sea Leg, (Thomson Reuters, 2008)

⁴¹ Ibid.

the carriage of goods by sea.⁴² While the convention does not explicitly address dry ports, its provisions regarding the liability of the carrier and the rights of the shipper may have implications for the operations of the DIP. For example, Article 16 of the Hamburg Convention outlines the carrier's liability for loss, damage, or delay in the delivery of goods. However, the Hamburg Rules apply only to the carriage of goods by sea and do not directly govern rail transport or other modes of transportation. If rail transport is part of a multimodal transport operation that includes a sea leg, the Hamburg Rules may apply to the sea portion of the journey but not to the rail portion.⁴³

- iii. **The Rotterdam Rules:** It is the most recent international agreement governing multimodal transportation, provides a comprehensive legal framework that may be particularly relevant to the DIP.⁴⁴ The convention's definition of "maritime performing party"⁴⁵ and the provisions regarding the liability of such parties⁴⁶ could be applicable to the

⁴² The Hamburg Rules, formally known as the United Nations Convention on the Carriage of Goods by Sea, 1978, were adopted to modernise and replace the Hague-Visby Rules. However, Nigeria has not ratified the Hamburg Rules and continues to apply the Hague-Visby Rules under its Carriage of Goods by Sea Act, Cap. 44, LFN (2004). See Chidi Ilogu, *Nigeria's Maritime Legal Framework: Hague-Visby Rules vs. Hamburg Rules*, Nigerian Maritime Law and Practice, Malthouse Press, 2015.

⁴³ Alexander von Ziegler, *The Hamburg Rules: A Commentary on the United Nations Convention on the Carriage of Goods by Sea, 1978*, (Kluwer International, 2000). For rail transport, other international conventions such as the Convention Concerning International Carriage by Rail (COTIF) would apply.

⁴⁴ Formerly known as the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea, provide a comprehensive legal framework for multimodal transportation, including operations involving inland Dry Ports. The Rotterdam Rules, adopted in 2008, require a minimum of 20 ratifications to enter into force, and this threshold has not yet been met globally. As of February 2025, Nigeria is listed as a signatory or party to the Rotterdam Rules. See,

<https://uncitral.un.org/en/texts/transportgoods/conventions/rotterdam_rules/status>, accessed 02/02/2025.

⁴⁵ Ibid, article 1(7)

⁴⁶ Ibid, article 18-20

operators of the dry port and the rail transport service. Additionally, the convention's rules on the delivery of goods⁴⁷ and the rights of the shipper⁴⁸ may have implications for the operations and legal considerations surrounding the DIP.⁴⁹

3. Export Controls and Regulations: Importation and exportation of goods are strictly regulated not only for trade purposes but for the crucial issue of national security and promotion of foreign policy objectives. Under the Central Bank of Nigeria (CBN) Act,⁵⁰ the CBN has established an 'Export-Market Development Workstream' as a platform for policymakers and exporters to deliberate on issues about the export market and proffer solutions to the challenges faced by exporters.⁵¹ A strict compliance of the relevant regulations of both the port of origin and the destination country is necessary. A lawyer should, therefore, be well acquainted with the relevant licenses and permits for both import and export of some specific goods. The relevant regulatory framework is the Nigerian Investment Promotion Commission (NIPC) Act⁵² and the Export Processing Zone Act.⁵³

4. Trade Agreements: It is a common feature across the globe for sovereign nations to partake in Bilateral, Regional, and Multilateral agreements to regulate their trade deals.⁵⁴ These

⁴⁷ Ibid, article 43

⁴⁸ Ibid, articles 7-9

⁴⁹ Stuart Hetherington and John Knott, *The Rotterdam Rules: A Practical Annotation*, (Informa Law, Routledge, 2010).

⁵⁰ The Central Bank of Nigeria (CBN) Act, (2007).

⁵¹ Available at <<https://www.cbn.gov.ng/MonetaryPolicy>> accessed on 22nd December 2023

⁵² Nigeria Investment Promotion Commission Act, Cap. 117, LFN (2004)

⁵³ Cap. N 107 LFN (2004). The NEPZ Act was established to create an authority, known as the Nigeria Export Processing Zones Authority (NEPZA), which licenses and regulates Free Zones designed for enhancing export activities. This allows entities to operate efficiently under specific legal and tax frameworks aimed at boosting foreign investments and trade.

⁵⁴ Nigeria has bilateral investment agreements with about 31 countries. It is also a founding member of the African Union and the ECOWAS. The Abuja Treaty provides for the establishment of the African Economic Community (AEC) by 2028,

pacts have a significant impact on quotas, tariffs, and other commerce-related issues. Nigeria has been a member of WTO since 1st January 1995, and a member of the General Agreement on Tariffs and Trade (GATT) since 18 November 1960.⁵⁵ Nigeria ratified the WTO Trade Facilitation Agreement on 20 January 2017 and the amended WTO Agreement on Trade-related Aspects of Intellectual Property Rights 1994 (TRIPS) Agreement on 16 January 2017.⁵⁶ Thus, Lawyers play a crucial role in advising their clients and should be conversant with the applicable commercial deals between the port of origin and destination. For instance, Nigeria signed several regional and bilateral trade agreements with several countries. The African Continental Trade Agreement (AfCTA) plays such crucial role in regulating several trade deals among some African nations.⁵⁷ AfCFTA is a free trade area founded in 2018, with trade commencing as of 1 January 2021. The African Continental Free Trade Agreement created it among 54 of the 55 African Union nations. The free-trade area is the largest in the world in terms of the number of participating countries since the formation of the World Trade Organization. Accra, Ghana serves as the Secretariat of AfCFTA and was commissioned and handed over to the AU by the President of Ghana Nana

using existing economic communities as pillars. It is also a party to the African Growth and Opportunity Act (AGOA), which is a US trade act that grants products from 40 sub-Saharan African countries (including Nigeria) duty-free access to the US market. It also signed a Joint Declaration on Cooperation with the European Free Trade Area (EFTA) on 12 December 2017 in Buenos Aires, on the margins of the 11th WTO Ministerial Conference. This Declaration sets the framework for Nigerian trade agreements with EFTA states. See: <https://www.mondaq.com/nigeria/international-trade-and-investment/1194794/trade-agreements#>:

⁵⁵ See <<https://www.trade.gov/country-commercial-guides/nigeria-trade-agreements>>, accessed 29/12/2024.

⁵⁶ Ibid.

⁵⁷ Agreement Establishing the African Continental Free Trade Area, adopted March 21, 2018 and came into force in May 30, 2019. Available at: <https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area>; visited 22nd December 2023. Nigeria is a member of the AfCFTA. This agreement is to establish a single market for goods and services across 54 countries, allow the free movement of business, travelers, investments, and create a continental customs union to streamline trade and attract long-term investment.

Akufo-Addo on August 17, 2020, in Accra.⁵⁸ This is an excellent opportunity for the legal industry to create awareness through one of its sessions where synergy is created between our local traders and enlighten them of these tremendous opportunities. (Out of experience, most of our local traders don't know how to export agricultural products to foreign countries such as Europe, the USA, the Middle East, Asia, etc. Unfortunately, their counterparts from other parts of the country, along with some foreign nationals (especially Chinese, Indians and Lebanese) capitalize on this weakness and dominate this booming trade. The local traders are reduced to agents and middlemen. In Kano, there are about nine companies that are licensed to export agricultural products, but sadly only one is owned by a Kano trader and the rest are owned by foreigners and others.

5. **Sanctions and Embargoes:** Some countries are subject to international sanctions or embargoes, restricting trade with specific nations. Exporters must adhere to these restrictions, as violations can lead to severe legal consequences. The port of origin and destination may have different stances on sanctioned countries, making it crucial for exporters to understand the implications for their specific trade route. According to the Nigeria Country Commerce, Nigeria employs a combination of tariffs and quotas for the dual purposes of revenue generation and protecting local industries from highly competitive imports. The country's tariffs are determined by the ECOWAS 2015 – 2019 Common External Tariff (CET). The tariff has five bands: 0% duty on capital goods and essential drugs, 5% duty on raw materials, 10% on intermediate goods, 20% on finished goods and 35% on imports into strategic sectors. Nevertheless, effective rates tend to be higher since the Nigerian government

⁵⁸ The Federal Executive Council (FEC) initially approved the signing of the AfCTA on March 14, 2021, following the conclusion of negotiations for State 1 of the Agreement. However, this approval was suspended due to the need to critically evaluate the Agreement with respect to Nigeria's national interest and determine the implications for the economy. Following this evaluation, the Federal Government approved the ratification of the Agreement on November 4, 2020, and deposited the instrument of ratification on December 15, 2020, becoming the 34th State Party to ratify the treaty.

may apply additional charges (e.g., levies, excise, and VAT) on the imports.’⁵⁹

- 6. Intellectual Property and Licensing:** Exporters should consider intellectual property laws at both ends to protect their rights. Additionally, licensing requirements for certain types of technology or goods may vary between the port of origin and the final destination. In Nigeria, various legal regimes are enacted to guide and safeguard intellectual property rights. Specifically, there are three key thematic laws regulating intellectual property rights. These are: The Copyrights Act,⁶⁰ the Patents and Designs Act,⁶¹ and the Trademarks Act.⁶²
- 7. Dispute Resolution:** In trade, parties do come to terms and agree to disagree either mutually, etc. or through squabbles.⁶³ They may sit down at the coffee joint and resolve amicably without any fuss. Ironically, the deal may snowball into a serious scuffle thereby resorting to a serious legal battle. Lawyers should take advantage of the DIP by coming up with bespoke contractual clauses that would be favourable to the local community. For instance, using the boilerplate clauses to suit the local environment by using Kano as an arbitration hub, conferring exclusive jurisdictions to the courts in Kano. This factor will gradually turn Kano into a major arbitration hub for

⁵⁹ Available at: <<https://www.trade.gov/country-commercial-guides/nigeria-trade-barriers>>; accessed on 18/12/2024.

⁶⁰ L.F.N (2022). An Act to repeal the Copyright Act, Cap. C28, LFN 2004 and enact the Copy Right Act 2022. The Copyright Act enacted the previous Copyright Act and establishes Regulations concerning the definition, protection, transfer, infringement, and remedies related to Copyright in various works, including literary and musical creations. It aims to enhance the protection of the creator’s rights and outline penalties for infringement.

⁶¹ L.F.N, Cap. P2 (2004). It provides for comprehensive provisions for the registration and ownership of patents and industrial designs in Nigeria. It outlines the definitions, processes, and legal frameworks surrounding intellectual property rights related to interventions and designs.

⁶² CAP T13 LFN (2024). It establishes the rights of trademark owners, including the ability to sue for infringement or passing off of goods, and applies to both registered and unregistered trademarks. This framework is aimed at protecting the rights of trademark owners and preventing consumer confusion.

⁶³ See Arbitration and Conciliation Act, 2023 (as amended).

trade disputes and create a huge market for lawyers. Both London and Lagos Arbitration Centres are the biggest beneficiaries of a beehive of trade activities especially shipping and other maritime-related activities.

8. Legal Advisory Services for Infrastructure Development:

One of the most direct ways in which lawyers benefit from dry ports is by providing legal advisory services to stakeholders involved in the establishment and operation of these facilities. Dry port projects involve intricate legal frameworks, including contracts, permits, licenses, land acquisition, environmental regulations, and compliance with international trade laws. Lawyers specializing in infrastructure development and regulatory compliance find ample opportunities to assist clients in navigating these legal complexities.

Navigating the legal landscape of international trade requires a comprehensive understanding of the laws and regulations in both the port of origin and the destination. It is advisable for lawyers flying their legal practice in Kano to acquaint themselves with these legal and regulatory frameworks to ensure compliance, boost commercial activities and reduce to the barest minimum unnecessary litigation which defeats the purpose of trade.

5. Benefits of the DIP for the Legal Community

The establishment of the DIP offers significant benefits for the legal community, creating new opportunities and fostering professional growth. The port's operations are expected to generate a wide range of legal issues, including contract negotiations, dispute resolution, regulatory compliance, and liability claims. This influx of legal work will provide ample opportunities for legal professionals to offer their expertise and services, thereby expanding their practice areas and client base. Additionally, the complexities of multimodal transportation law will require lawyers to develop specialised knowledge of international conventions and domestic regulations, enhancing their competitiveness and positioning local law firms as leaders in this niche field.

The DIP also opens doors for collaboration between local legal practitioners and international experts. As the port attracts global stakeholders, Nigerian lawyers will have the opportunity to work alongside their counterparts from other jurisdictions, facilitating the exchange of knowledge, best practices, and innovative legal solutions. Such collaborations will not only elevate the standards of legal practice in Nigeria but also strengthen the reputation of the local legal community on the international stage. This cross-border engagement will further equip Nigerian lawyers with the skills and insights needed to navigate the complexities of international trade and transportation law.

Moreover, the unique legal challenges arising from the dry port's operations will provide the legal community with opportunities to contribute to the development and refinement of transportation law in Nigeria and beyond. By addressing novel legal issues and setting precedents, lawyers can play a pivotal role in shaping the legal frameworks that govern multimodal transportation and trade. This contribution will not only advance the field of transportation law but also position Nigeria as a key player in the global logistics and trade ecosystem, ultimately benefiting the legal profession and the broader economy.

6. Challenges

Ironically, a lack of or limited awareness and knowledge is one of the essential drawbacks bedeviling the development and operation of dry ports such as DIP, among the critical stakeholders. Dry ports, as intermodal logistics hubs that facilitate the movement of goods between seaports and inland destinations, require a specialised understanding of international trade law, customs regulations, transportation law, and public-private partnership (PPP) frameworks. However, many legal practitioners lack the requisite expertise to navigate the complex legal and regulatory environment surrounding dry ports. This knowledge gap often leads to inadequate legal representation, poorly drafted contracts, and disputes that could have been avoided with proper legal guidance. Furthermore, the lack of awareness among policymakers results in inconsistent regulations and delays in the implementation of dry port projects. Addressing this challenge requires targeted capacity-building initiatives, including

training programs, workshops, and the development of specialised legal frameworks to equip legal practitioners and stakeholders with the knowledge needed to support the growth of dry ports in Nigeria.

Furthermore, another critical issue is the absence of bespoke arbitration clauses and stand-alone dispute resolution mechanisms tailored to the DIP. Most of the Agreements concerning the DIP activities, such as handling or logistics agreements, customs-related agreements, as well as concession agreements, often lack clear arbitration clauses or even fail to nominate a specialised forum such as the Kano Multi-Door Court House as a *forum arbitri* for dispute resolution. This omission leads to prolonged litigation, increased costs, and inefficiencies in resolving conflicts, which can hinder the smooth operation of dry ports. For instance, in the absence of the appropriate dispute resolution mechanisms, disputes arising from the DIP may likely go to conventional courts, where delays and procedural complexities exacerbate the problem. The absence of a specialised arbitration hub, such as the Kano Multidoor Courthouse, to handle dry port-related disputes further compounds this issue. Without a robust and efficient dispute resolution framework, stakeholders may lose confidence in the dry port system, thereby undermining its potential to boost trade and economic development.

In the technologically driven world, no meaningful progress would be recorded if there is limited integration of a modern and robust technology to drive the operations. Any attempt to rely on obsolete and advanced technology will drastically hamper the productivity and operations of the DIP. For instance, resorting to using not state-of-the-art technologies and integration of the Artificial Intelligence (AI) by the DIP for the tracking of cargo, documentation as well as customs clearance, will lead to unnecessary delays, inefficiencies and overall impact on the operational costs. Thus, non-existence of sophisticated technological systems such as automated-cargo tracking, automated or digital platforms for real-time data sharing, and block-chain for safeguarding all forms of documentation, may have serious implications for the efficient running of the DIP.

7. Conclusion

A dry port is simply an inland port linked to a seaport by a road or railway. There is no need to haul goods on a ship, making transportation and dissemination of goods faster. Dry ports help with the transfer of shipping containers from the ships they come in on, to the inland transportation network that helps get goods to everyone uses, to their homes. The benefits of them are clear, which is why they are such an integral component of the entire global supply chain.

The establishment of the DIP in Nigeria presents both opportunities and legal complexities. By carefully navigating the legal framework, Nigeria can ensure the dry port's operations align with its obligations under these conventions. Moreover, the dry port's development offers significant benefits for the legal community in Kano State, including increased legal work, specialization in multimodal transportation law, collaboration with international experts, and the potential to contribute to the development of transportation law in Nigeria. As Nigeria continues to strengthen its multimodal transportation infrastructure, the legal community must be prepared to provide the necessary expertise and guidance to support this critical economic endeavour.

The emergence and expansion of dry ports have created a myriad of opportunities for lawyers across various legal specialities. From infrastructure development and dispute resolution to customs and trade law expertise, lawyers can play a pivotal role in facilitating the operation and growth of these vital logistics hubs. As global trade continues to evolve, the demand for legal services in the context of dry ports is likely to expand, making it an exciting and dynamic field for lawyers looking to broaden their practice areas.

It is envisaged that the creation of more IDPs in Nigeria will enhance international trade and increase the efficiency of port operations and management. It will also lower the cost of freight and port services to port users. However, the right synergy is necessary to foster an effective alliance between the legal community, traders and other regulatory agencies that operate within the precincts of the DIP.

8. Recommendations

To maximise the benefits of dry ports like the DIP, it is essential to upgrade and modernise legal and institutional frameworks. This includes improving the capacity of the Kano Multidoor Court House to serve as an arbitration hub for resolving disputes arising from dry port operations. Standard arbitration clauses should be embedded into contracts to ensure efficient conflict resolution. Additionally, existing legal frameworks should be reviewed and updated to address the unique challenges of dry ports, such as harmonising customs procedures, streamlining trade agreements, and creating tailored dispute resolution mechanisms. Legal professionals must also be equipped with specialised knowledge through training programs and workshops focused on customs regulations, international trade law, and logistics-related legal issues. These efforts will ensure that legal systems are aligned with the operational realities of dry ports and support their growth.

Collaboration among stakeholders is critical to the success of dry ports. Formal platforms should be established to facilitate cooperation between legal professionals, logistics operators, government agencies, and trade organisations. Such collaboration will ensure that legal and operational frameworks are effectively integrated, addressing emerging challenges and promoting compliance. Awareness campaigns should also be launched to educate stakeholders about the legal implications of dry port operations, emphasising the importance of legal compliance and the role of lawyers in mitigating risks. Furthermore, academic and industry research should be encouraged to identify best practices and innovative solutions, contributing to the development of robust legal frameworks that support the growth of dry ports and international trade.

Finally, the integration of technology and international cooperation will play a pivotal role in enhancing the efficiency and transparency of dry port operations. Technologies such as Artificial Intelligence (AI) and blockchain should be adopted to streamline legal processes, including automating customs documentation and improving dispute resolution mechanisms. International cooperation should also be fostered to address cross-border legal challenges, share best practices, harmonise regulations, and establish multilateral agreements that

facilitate trade. By leveraging technology and promoting global collaboration, dry ports like the DIP can become more efficient, transparent, and competitive, unlocking their full potential as catalysts for economic growth and international trade.

By implementing these recommendations, stakeholders can unlock the full potential of dry ports like the DIP, creating a more efficient and legally compliant trade environment. Legal professionals, in particular, stand to benefit from these developments, as their expertise will be indispensable in navigating the evolving landscape of international trade and logistics. Ultimately, a collaborative and proactive approach will ensure that dry ports continue to serve as catalysts for economic growth and global connectivity.