

## **Motivating Factors for Cargo Diversion from Nigerian Ports to Neighbouring Ports**

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**ABSTRACT** Maritime experts have in recent times observed a generally low level of performance at the ports particularly in the area of patronage. On the contrary, the Nigerian Customs Service (NCS) at the land borders have, at the period under review, recorded tremendous increase in the volume of cargo traffic and revenue generated from freight coming into the country through the land border. This study investigated the reasons for the diversion of cargo (meant for the Nigerian economy) away from the Nigerian seaports to ports of neighbouring countries. Stephens' (2003) study on the capacity utilization of the Lagos Ports Complex (LPC) concluded that the facilities were underutilised, though the researcher linked this underutilisation to the development of new ports which, according to him, led to over-capacity. Basically, however, development of new ports is a strategy employed to accommodate either an existing cargo surplus or a targeted increase in cargo traffic occasioned by improved technology that has led to increase shipment capabilities so as to reduce the chances of diseconomies of scale that will be experienced at transshipment points. So, the fact that the newly developed capacity is underutilised while the land borders are recording unusually high cargo traffic shows that importers are engaged in cargo diversion. This study ascertained the most pressing factors influencing cargo diversion, the categories of cargo mostly diverted and the rate at which they are diverted. Operational delays and corruption and sharp practices at the ports were discovered to be the main reasons for the diversion of cargo to neighbouring ports.