



Nigeria's Transportation Sector: Q1 2026 Reform & Implementation Update

www.strenandblan.com
contact@strenandblan.com
[@strenandblan](https://twitter.com/strenandblan)

+234 (0)702 558 0053
3 Theophilus Orji Street, Off Fola Osibo
Road, Lekki Phase 1, Lagos, Nigeria

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Table of Contents

Introduction	03
Key Industry Developments (Maritime & Inland Waterways)	04
Key Industry Developments (Aviation)	11
Key Industry Developments (Logistics)	23
Conclusion	29
About Stren & Blan Partners	30

Introduction

Nigeria's transport sector is clearly moving from plans to real action. In the first quarter of 2026, there were strong developments across the maritime, aviation, and logistics sectors, showing steady progress in infrastructure, investment, and operations. In the maritime space, major projects like Omi Eko and the \$1 billion Snake Island Port continued to gain momentum, supported by a significant 649% increase in foreign investment. At the same time, new initiatives such as the Cabotage Vessels Financing Fund ("CVFF") funding scheme, the Lekki-Lagos Free Zone Green Channel, and partnerships with global operators helped improve efficiency and attract more investor interest.

In aviation, the sector recorded progress through aircraft acquisition by local airlines, ongoing airport concession plans, and the introduction of the FAAN cashless system to improve revenue collection and reduce inefficiencies. There was also increased focus on digital solutions and improved ground handling and cargo services, helping to position the sector for better performance.

The logistics sector also grew steadily, driven by increased Africa-Asia trade, rail development through international partnerships, and the planned launch of a Digital Trade Platform to simplify cargo processes.

Additional initiatives, such as transport financing schemes and urban infrastructure upgrades, further improved last-mile delivery and connectivity. Taken together, developments in the first quarter (Q1) point to a sector that is gaining momentum, becoming more integrated, and increasingly attractive to investors.





Key Industry Developments

Maritime & Inland Waterways

Omi Eko Port Enters The Lagos Gateway Market

The development of Omi Eko Port marks a significant shift in Nigeria's maritime landscape, positioning Lagos more firmly as a multi-port gateway rather than a single-corridor hub. Backed by a 45-year concession to Mediterranean Shipping Company Nigeria Limited (MSC), the world's largest container shipping line. The project represents an estimated \$1 billion foreign direct investment and aligns with a sharp rebound in maritime-sector capital inflows.

Located at Snake Island and designed as a deep-water facility, Omi Eko is strategically positioned to absorb Nigerian-bound import cargo that currently strains Apapa and Tin Can Island ports. Unlike Lekki Port, which is increasingly oriented toward regional trans-shipment, Omi Eko is structured to prioritise direct imports into the Nigerian market, leveraging MSC's captive cargo volumes and global network to attract mother vessel calls.

As the port moves toward operational readiness, a growing share of containers previously routed through congested Lagos terminals, or transhipped via neighbouring countries, is expected to be discharged directly at Omi Eko, reinforcing Lagos's emergence as a dual-hub maritime gateway.





Outlook

- Between the second half of 2026 and 2027, more container vessels are expected to berth at Omi Eko instead of Apapa and Tin Can Island ports, driven by improved efficiency, deeper drafts, and dedicated carrier support.
- The shift will stimulate demand for barge transport, off-dock warehousing, inland container movement, and last-mile logistics solutions connecting the port to Lagos and hinterland markets.
- Logistics operators, terminal service providers, and cargo-handling companies that invest early in supporting infrastructure and services around Omi Eko are likely to benefit as the port scales into a major import-focused cargo hub.

Maritime FDI growth signals renewed investor confidence

Nigeria's maritime sector has recorded a sharp rebound in foreign direct investment, with maritime-related FDI rising by an estimated 649%, reflecting a clear turnaround in investor confidence. This resurgence has been driven by landmark port concessions, deep-water port developments, and the successful operationalisation of Lekki Deep Sea Port, which demonstrated the viability of large-scale private investment in Nigerian port infrastructure.

Policy reforms, relative tariff stabilisation, and improved regulatory clarity have further strengthened sentiment, encouraging global terminal operators, shipping lines, and long-term institutional investors to commit capital to Nigeria's ports.

As a result, maritime FDI is no longer concentrated in a single asset but is driving a broader pipeline of greenfield port projects, terminal expansions, and integrated logistics and free-zone developments across the Lagos maritime corridor, reinforcing Nigeria's position as West Africa's largest and most commercially attractive port market.

Outlook

- Through 2026 - 2027, additional deep-water ports, terminal upgrades, and logistics-linked developments are expected as investor momentum carries forward.
- Growing private-sector participation is likely to intensify competition among port operators, improving turnaround times, service standards, and overall operational efficiency.
- Rising port activity will create opportunities in marine services, towage, pilotage, equipment leasing, terminal support services, and integrated logistics solutions.

CVFF Portal Launch Unlocks Long-Awaited Vessel Financing

The Federal Government took a long-anticipated step toward strengthening indigenous shipping in early 2026 with the operational activation of the Cabotage Vessel Financing Fund (CVFF) through a newly launched digital application portal. The portal provides a structured and transparent mechanism for Nigerian shipowners to access financing of up

to \$25 million for vessel acquisition, marking the first practical disbursement framework since the fund's establishment.

By digitising applications and clarifying eligibility and approval processes, the initiative addresses long-standing concerns around transparency, access, and governance that had stalled CVFF utilisation for years.

If effectively implemented, the programme is expected to expand local fleet capacity, reduce reliance on foreign-flagged vessels, and deepen indigenous participation in coastal shipping, offshore support services, and domestic maritime logistics.

Outlook

- From the second quarter of 2026 onward, more Nigerian shipowners are expected to access structured financing to acquire vessels, gradually reducing dependence on foreign operators in cabotage-restricted trade.
- The disbursement framework is likely to stimulate activity across vessel acquisition, marine finance, ship management, and local participation in offshore, energy, and logistics contracts.
- Sustained impact will depend on transparent loan administration, consistent approvals, and alignment with cabotage enforcement to ensure the fund delivers tangible capacity growth.



Lekki-Lagos Free Zone Green Channel enhances port-to-zone efficiency

The Nigeria Customs Service advanced trade facilitation efforts in early 2026 with the introduction of a “Green Channel” corridor linking Lekki Deep Sea Port directly to the Lagos Free Zone (LFZ). The arrangement allows eligible, pre-cleared cargo to bypass routine physical inspections and move seamlessly from the port into the Free Zone under a risk-based clearance framework.

By leveraging digital cargo tracking, advanced documentation, and selective inspections, the Green Channel significantly reduces dwell time and administrative bottlenecks for compliant operators.

The initiative strengthens Lekki Port’s value proposition as an integrated logistics gateway, particularly for manufacturers and zone-based investors seeking faster cargo turnaround, greater predictability, and lower supply-chain friction.

Outlook

- In the near term, cargo owners and shipping lines are expected to increasingly route shipments through Lekki Port to take advantage of faster clearance processes and reduced port dwell time.
- Efficiency gains from the Green Channel are likely to divert cargo away from more congested Lagos ports while reinforcing Lekki’s position as a preferred port-free zone logistics corridor.
- Expanded use of fast-track clearance heightens compliance risks, making accurate documentation, digital traceability, and strict adherence to Customs and Free Zone regulations essential for sustaining system integrity.

Nigeria – AD Ports Group MoU signals deepening foreign participation in port development

Nigeria expanded its maritime modernization drive in 2026 by signing a strategic Memorandum of Understanding (MoU) with Abu Dhabi Ports Company PJSC (AD Ports Group) to explore collaboration across port infrastructure development, maritime logistics, and digital trade systems. The agreement reflects growing

international confidence in Nigeria's port sector and reinforces efforts to attract global operators with capital, operational expertise, and technology capabilities.

By engaging AD Ports Group—an established global port and logistics operator, the partnership aligns with Nigeria's broader agenda to

upgrade port efficiency, integrate digital trade solutions, and strengthen supply-chain resilience. While the MoU does not immediately commit either party to specific assets, it establishes a formal framework for project identification, feasibility assessment, and future investment across Nigeria's maritime and logistics value chain.

Outlook

- In the months ahead, the MoU is expected to translate into defined project pipelines, creating pathways for foreign capital deployment into port infrastructure, terminals, and logistics facilities.
- The partnership strengthens Nigeria's appeal to international investors and is expected to support downstream port modernisation and logistics integration initiatives.
- Collaboration with an experienced global port operator is likely to accelerate the adoption of modern port management systems, digital trade platforms, and efficiency-enhancing operational practices.



Key Industry Developments

Aviation Sector

Aircraft Acquisition Initiatives Reshape Nigerian Carrier Operations

Nigeria's aviation sector is beginning to stabilise and grow after years of limited aircraft availability and operational strain. A key driver of this change is the country's stronger enforcement of international aircraft-leasing rules, particularly the Irrevocable Deregistration and Export Request Authorisation (IDERA).

By fully implementing IDERA, Nigeria has reassured aircraft owners and financiers that leased aircraft can be repossessed smoothly, if necessary, significantly reducing risk.

This has reopened access to dry leasing, where airlines operate and maintain aircraft themselves, allowing Nigerian carriers to move away from expensive wet-lease arrangements that often increase costs and disrupt flight schedules.

Supported by additional government initiatives, including plans for a national aircraft leasing platform and development finance backing, airlines are steadily adding aircraft to their fleets and improving reliability across domestic, regional, and international routes.



Outlook

- As more aircraft enter service, pressure is shifting to the rest of the aviation ecosystem. Larger fleets mean greater demand for local maintenance, repair, and overhaul (MRO) services, pilot and engineer training, simulators, and spare-parts support, areas where Nigeria has historically spent heavily overseas.
- With airlines previously sending aircraft abroad for major maintenance at high foreign-exchange cost, investments in domestic MRO facilities are now gaining urgency and investor interest. Going forward, newer aircraft, stronger leasing confidence, and expanding MRO capacity are expected to lower operating costs, reduce downtime, and support sustainable growth.
- For investors and service providers, early entry into aircraft maintenance, leasing advisory, and aviation training offers a strong opportunity as the sector transitions from survival-focused operations to long-term scale and efficiency.



Airport Modernisation Partnerships And Aviation Investment Summit Drive Infrastructure Renewal

Nigeria's airport modernisation drive is gaining momentum as the government increasingly partners with private investors to renew ageing aviation infrastructure.

Through public-private partnerships, concession agreements, and sustained engagement via the Aviation Investment Summit, the focus is on upgrading passenger terminals, rehabilitating runways, and developing airport-city (aerotropolis) projects at major hubs such as Lagos, Abuja, Port Harcourt, and Kano.

These efforts respond to a long-standing gap between rapidly growing passenger traffic and underdeveloped airport facilities.

International airport operators, infrastructure funds, and construction firms are now committing capital to Nigerian airports, encouraged by clearer concession frameworks and the commercial potential of the market. As a result, a growing share of airport operations is gradually shifting to private-sector management, leading to improved service standards, better asset maintenance, and stronger revenue generation.

Outlook

- Private management is expected to expand across more Nigerian airports, improving passenger experience, operational efficiency, and non-aeronautical revenue performance.
- This transition will support growth in complementary services such as ground handling, airport retail, duty-free, hospitality, and cargo and logistics operations.
- As passenger volumes rise and airports become more commercially oriented, early investors in airport retail space, cargo terminals, ground handling, and airport-city developments are well positioned to benefit from increasing traffic, longer passenger dwell times, and more diversified revenue streams.



FAAN Cashless Policy Transforms Airport Transaction Efficiency

The Federal Airports Authority of Nigeria's (FAAN) roll-out of cashless payments across Nigeria's major airports is emerging as a meaningful operational improvement heading into 2026.

By mandating electronic payments for services such as airport access tolls, parking, and passenger charges, the authority is steadily replacing manual cash handling with automated, traceable transactions.

Digital payment platforms, point-of-sale terminals, and integrated revenue systems are now active at key airports, helping to ease congestion at entry points while improving transparency around day-to-day collections.

Importantly, the shift is enabling FAAN to recover revenue previously lost to weak controls and informal cash processes, improving real-time visibility over airport income and strengthening its financial management outlook.

Outlook

- Through 2026 - 2027, FAAN is expected to extend cashless payments to a broader range of airport services and concessions, further tightening revenue controls and reducing cash-handling risks.
- The transition will drive higher demand for fintech platforms, contactless payment technology, automated tolling systems, and integrated revenue-management solutions tailored to airport operations.

FG Concludes Enugu Airport Concession Agreement

The Federal Government marked a major milestone in its aviation reform agenda in early 2026 with the formal conclusion of the concession agreement for Akanu Ibiam International Airport, Enugu, to Aero Alliance Limited.

The agreement, approved by the Federal Executive Council in July 2025 and signed in January 2026, reflects a deliberate shift toward using public-private partnerships (PPPs) to modernise airport infrastructure, improve operational efficiency, and attract long-term private capital into the aviation sector.

The concession followed an extended negotiation and regulatory process involving FAAN, the Infrastructure Concession Regulatory Commission (ICRC), aviation unions, and the Federal Ministry of Justice, with particular emphasis placed on job security, labour protections, and regulatory compliance.

Under the framework, the government retains ownership of the airport assets, while the concessionaire is expected to bring investment, technical expertise, and commercial discipline to airport operations, positioning Enugu as a stronger regional gateway for the South-East and improving passenger experience and service delivery.

Although some operational elements, such as security charges and final financial modelling, are still being ironed out, industry stakeholders widely view the Enugu concession as a test case for Nigeria's wider airport concession programme.

The deal demonstrates the government's willingness to move beyond policy statements toward executed transactions, signalling increased openness to private sector participation in airport management and infrastructure renewal. It also reinforces Public-Private Partnerships (PPPs) as a core instrument for upgrading regional airports that have historically struggled with funding constraints, bureaucratic inefficiencies, and uneven service quality, while aligning aviation reform with broader infrastructure and investment priorities.

Outlook

- In the near term, attention will shift to on-the-ground implementation, with expectations of gradual improvements in operational efficiency, service standards, and commercial management at Enugu and other regional airports.
- The model reinforces PPPs as a central tool for airport upgrades, reducing fiscal pressure on government while improving long-term asset performance.
- The successful closure of the Enugu deal is likely to accelerate additional airport concessions, strengthening private sector participation across Nigeria's aviation infrastructure network.
- Sustained success will depend on strong legal frameworks, transparent concession management, effective labour protections, and consistent regulatory oversight to maintain investor confidence and public trust.



Ethiopian Airlines Advances Digital Transformation Through Tech Partnership

In early 2026, Ethiopian Airlines advanced its digital transformation through a strategic partnership with Nucore Technologies, aimed at improving automation, systems integration, reporting, and data analytics across its Business-2-Business (B2B) operations.

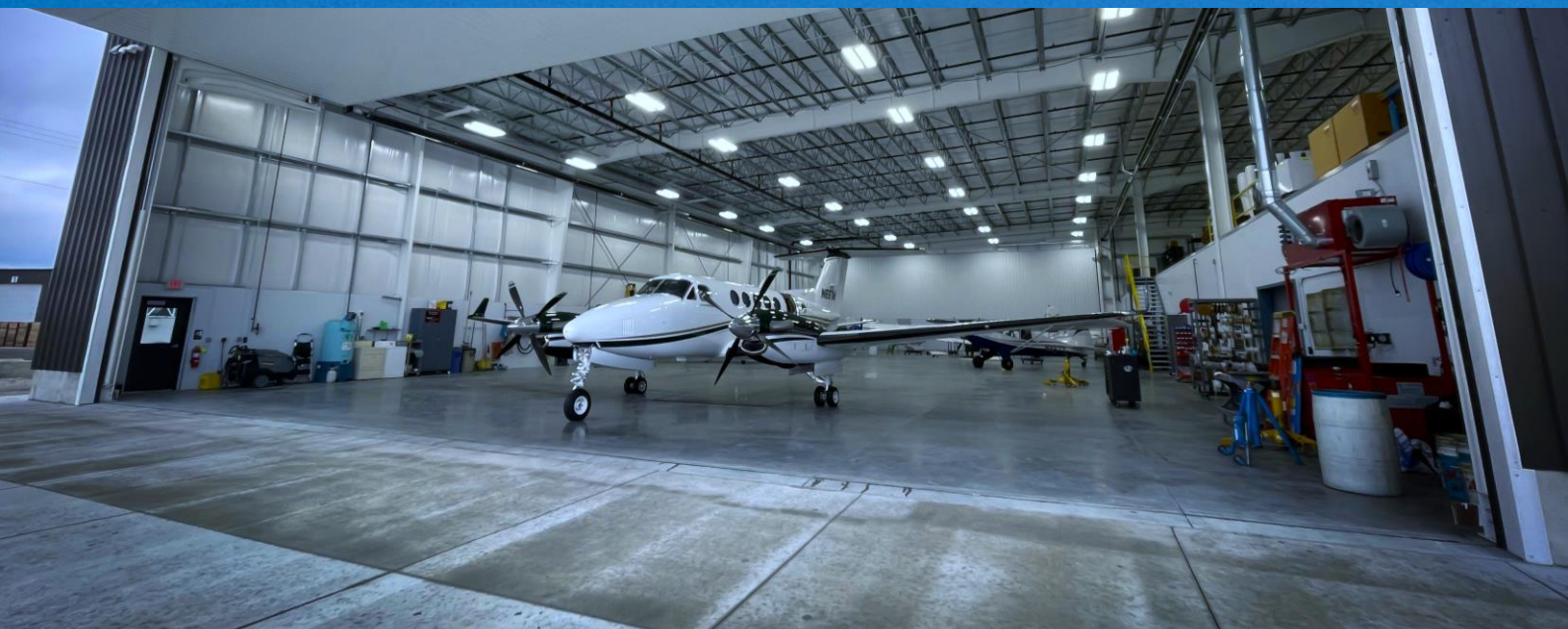
Central to the initiative is the airline's Agency Portal, which enables travel agencies, corporate clients, and aggregators to access Ethiopian Airlines' inventory through NDC-enabled distribution, integrated payment options, and real-time reporting tools, improving efficiency and data visibility while reducing reliance on legacy systems.

Already serving over 2,000 customers across more than 100 global stations, the platform underscores how leading African carriers are adopting smart aviation systems to strengthen commercial performance and support data-driven decision-making.

Beyond Ethiopian Airlines, the partnership reflects a broader shift across the African aviation sector, where digital transformation is increasingly becoming a core operational requirement rather than a peripheral upgrade, shaping revenue management, partner engagement, and customer experience.

Outlook

- Over the coming quarters, African airlines are expected to deepen adoption of digital platforms that enhance operational efficiency, partner connectivity, and customer experience, following examples set by market leaders.
- The trend is likely to accelerate investment in aviation technology, including data analytics, automation software, NDC-enabled systems, and integrated operational platforms.
- As airlines become more data-centric, legal and regulatory focus will increase around data governance, cybersecurity resilience, intellectual property rights, and long-term technology contracting structures



NAHCO Secures Long-Term Ground Handling Contracts

NAHCO Aviance strengthened its market position heading into 2026 by renewing and securing multiple long-term ground handling contracts with major international and domestic airlines, including Air France, KLM, Virgin Atlantic, and RwandAir, alongside new agreements with emerging regional carriers.

Most of the renewed contracts span three to five years, extending services through to 2028 in some cases, and reflect sustained confidence in NAHCO's operational reliability and service quality.

These agreements enhance revenue predictability and underline rising demand for dependable aviation support services as airline traffic gradually recovers and network complexity increases.

The contract wins also align with NAHCO's ongoing investment in modern ground handling equipment and operational capacity, reinforcing its role as a critical enabler of airport operations across Nigeria's major gateways.

Outlook

- In the near term, ground handling providers are expected to secure additional multi-year contracts, improving revenue stability and operational continuity across the sector.
- Expanding contract portfolios are likely to drive further investment in handling equipment, safety systems, staff training, and service quality.



Key Industry Developments

Logistics

Africa–Asia cargo growth (41.6%) reshapes trade lanes

Following a 41.6% surge in Africa–Asia air and sea cargo volumes over the past year, trade lanes are entering 2026 with clear signs of structural realignment between the two regions.

The growth reflects deepening commercial ties driven by sustained Chinese infrastructure investment in Africa, ongoing supply-chain diversification by Asian manufacturers, and stronger demand for African raw materials alongside Asian manufactured goods.

Nigerian ports and airports are increasingly capturing this momentum, with facilities such as Lekki Deep Sea Port and major air-cargo hubs positioning as consolidation and redistribution points for West African trade.

As these trends carry into 2026, a growing share of cargo is being routed directly between African and Asian markets, gradually reducing reliance on traditional transshipment hubs in the Middle East and Europe and shortening overall supply chains.

Outlook

- Through 2026–2027, more direct Africa–Asia shipping lines and air-cargo routes are expected, reducing transit times and logistics costs for exporters and importers.
- Sustained trade growth will drive investment in cold storage, bonded warehouses, free-trade and export zones, and expanded cargo-terminal capacity.



Trade expansion trends: Nigeria-Germany rail partnership collaboration

Trade and logistics dynamics are entering 2026 with increased attention on rail as Nigeria deepens collaboration with Germany to modernise its railway network. The partnership brings together German engineering expertise, equipment supply, and structured financing to support the upgrade of ageing narrow-gauge lines, the expansion of standard-gauge corridors, and the development of rail-linked industrial parks.

German rail manufacturers and infrastructure firms are committing technical and capital resources to Nigerian projects, attracted by Nigeria's position as West Africa's largest freight market and a natural gateway for regional trade.

As rail capacity and reliability improve, a growing share of cargo is beginning to shift from road to rail, easing pressure on highway networks, lowering logistics costs, and improving overall supply-chain efficiency for bulk and containerised freight.

Outlook

- Rail freight volumes are expected to increase along key corridors linking Lagos with inland centres such as Ibadan, Kaduna, and Kano, reducing dependence on long-haul road transport.
- Expanded rail use will drive growth in inland container depots (ICDs), rail-served warehouses, multimodal logistics hubs, and last-mile distribution services.

Simba-LAPO Partnership Expands Transport Asset Financing

In early February 2026, Simba Group entered a strategic partnership with LAPO Microfinance Bank to expand access to asset-backed financing for tricycle and motorcycle operators across Nigeria.

The initiative targets mobility entrepreneurs who rely on motorcycles and three-wheelers for income generation, enabling them to acquire vehicles through structured credit rather than informal lending arrangements.

By combining Simba's nationwide mobility distribution and after-sales network with LAPO's expertise in microfinance and financial inclusion, the partnership lowers entry barriers for last-mile transport operators, supports livelihood creation, and strengthens the informal transport ecosystem.

The model also improves credit discipline by tying financing directly to productive assets, helping to bridge the gap between informal transport activity and formal financial services as Nigeria's urban mobility demand continues to grow.





Outlook

- Over the coming quarters, similar asset-backed financing models are expected to scale across informal transport segments, increasing vehicle ownership and operational capacity among riders and small transport entrepreneurs.
- Wider adoption of structured credit will support the gradual formalisation of last-mile transport, improving revenue tracking, repayment behaviour, and credit penetration within the sector.
- The model is likely to broaden access to transport assets nationwide while stabilising income streams for informal operators.

Digital Trade Platform to Integrate Cargo Documentation Systems

The Federal Government launched Phase One of the National Single Window digital trade platform on 27 March 2026, with initial live deployment covering electronic permits and cargo manifest processing.

The platform, unveiled by the Federal Government under the National Single Window initiative, is designed to unify cargo documentation and regulatory processes across air, sea, and border trade into a single digital entry point.

Through the system, traders, logistics providers, and shipping companies can submit trade documents once, with information automatically shared across participating agencies, including the Nigeria Customs Service, Nigerian Ports Authority, FAAN, NAFDAC, and other regulators.

By replacing fragmented manual processes with electronic submission, automated approvals, and centralised risk management, the platform is expected to significantly reduce paperwork, clearance delays, and transaction costs at ports and airports, while improving transparency and reducing human intervention in cargo processing.

Importantly, the National Single Window does not replace existing agency systems but operates as a coordination layer, integrating platforms such as Customs' B'Odogwu system into a unified digital trade environment.

Initial rollout focuses on electronic processing of import permits and cargo manifests, with phased expansion planned across additional trade processes and agencies.

Early demonstrations at Apapa Port and Lagos airport facilities indicate improved document turnaround times and tighter interagency coordination, marking a significant shift in how Nigeria manages cross border trade as it enters a more digitised logistics era.

Outlook

- In the near term, digital cargo processing is expected to sharply reduce clearance timelines at ports and airports while improving traceability and transparency across trade transactions.
- The platform is likely to accelerate the adoption of electronic documentation, automated approvals, and integrated trade systems across Nigeria's logistics and supply-chain ecosystem.
- Streamlined cargo clearance processes should improve predictability, reduce dwell time, and lower costs for importers, exporters, and logistics operators.





Conclusion

Nigeria's transportation sector is entering a more execution-driven phase, as reforms announced in recent years increasingly translate into tangible infrastructure upgrades, digital systems, and private-sector partnerships.

Across ports, aviation, rail, urban mobility, and trade logistics, 2026 is shaping up as a transition year, marked less by policy formulation and more by implementation, pilot rollouts, and early operational outcomes.

The developments highlighted in this round-up reflect a gradual shift toward integrated transport planning, smarter use of technology, and diversified financing models, while also exposing the importance of coordination across agencies and levels of government.

Looking ahead, the sustainability of this progress will depend on consistent execution, regulatory clarity, and the ability to scale successful pilots into system-wide solutions.

If maintained, these trends position Nigeria's transport ecosystem to become more reliable, commercially viable, and competitive, with meaningful implications for trade efficiency, urban mobility, and broader economic growth.

About Stren & Blan Partners

Stren & Blan Partners is a world-class ingenious law firm with a beautiful blend of the brightest minds and well-rounded individuals championed with sole responsibilities of providing solutions to business problems and equally finding answers to the questions of our clients.

We are a team always guided by our professional ethics. Also, honesty and transparency have been our watchwords in practice. Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations.

We have developed a clear vision for anticipating our clients' business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

The Authors



**SESUGH
FAMAVE**

Senior
Associate

sesughfamave
@strenandblan.com



**TOCHUKWU
AMAEFULE**

Senior
Associate

tochukwuamaefule
@strenandblan.com



**IFEANYI
EZECHUKWU**

Senior
Associate

ifeanuiezechukwu
@strenandblan.com



**BABATUNDE
OYEWOLE**

Associate

babatundeoyewole
@strenandblan.com



**OMOLADE
OBA**

Associate

omoladeoba
@strenandblan.com



+234 (0)702 558 0053
3 Theophilus Orji Street, Off Fola Osibo Road,
Lekki Phase 1, Lagos, Nigeria

www.strenandblan.com
contact@strenandblan.com
CDQ@strenandblan