



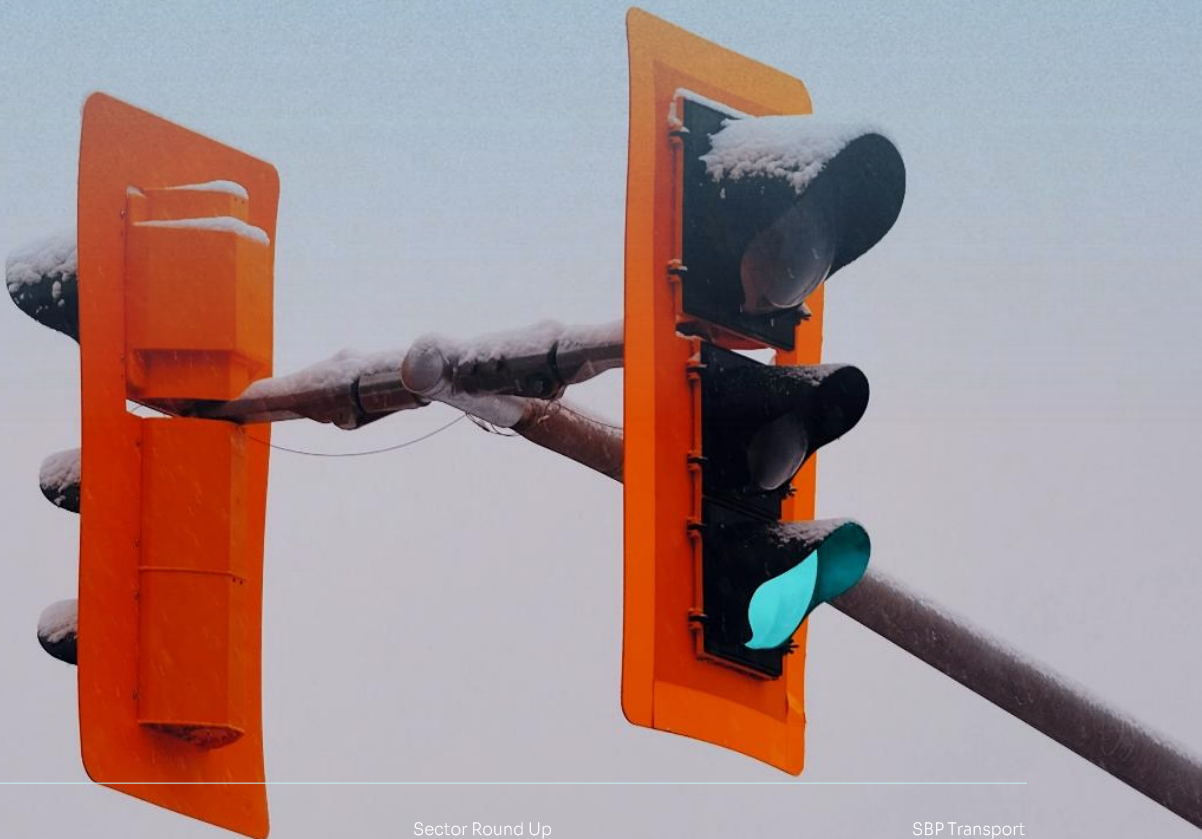
Transportation Sector Round Up for H1 of 2025:

Key Developments
and Outlook for H2
2025

Introduction

The first half of 2025 (H1) was pivotal for Nigeria's transportation sector due to significant policy reforms and strategic alliances. Key developments included the launch of the African Continental Free Trade Area (AfCFTA) air corridor, which highlighted Nigeria's commitment to regional integration and diversifying non-oil exports. The introduction of new tax reforms aimed at enhancing the ease of doing business and streamlining tax compliance improved the business climate for transport and logistics operators.

A major milestone was the submission of documentation for Nigeria's largest private seaport, underscoring the country's commitment to transforming maritime operations in West Africa. The momentum continued with advancements in aviation modernisation and regulatory digitisation, with significant efforts made towards addressing long-standing infrastructural challenges and creating a solid foundation for growth. With the advancements already made in H1, the second half of 2025 (H2) promises to further enhance connectivity, investment, and trade in the transportation sector.



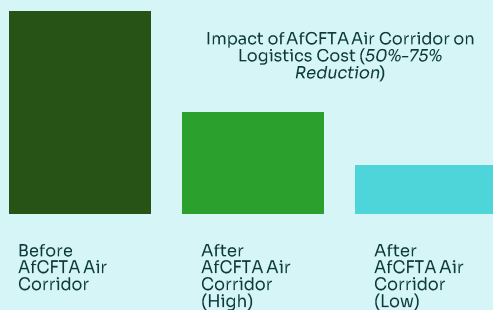
Macroeconomic and Policy Developments

A. Nigeria Launches AfCFTA Air Corridor to Boost Intra-African Trade

In May 2025, Nigeria officially launched the African Continental Free Trade Area (AfCFTA) air corridor, connecting Nigerian goods to Kenya, Uganda, and South Africa while reducing logistics costs by 50-75%. The Federal Ministry of Industry, Trade and Investment, in collaboration with the United Nations Development Programme (UNDP) and Uganda Airlines, officially inaugurated the Nigeria-East/Southern Africa Air Cargo Corridor at the Nnamdi Azikiwe International Airport, Abuja. This initiative signifies Nigeria's commitment to accelerate the diversification of Nigeria's non-oil exports by harnessing the opportunities of the AfCFTA.

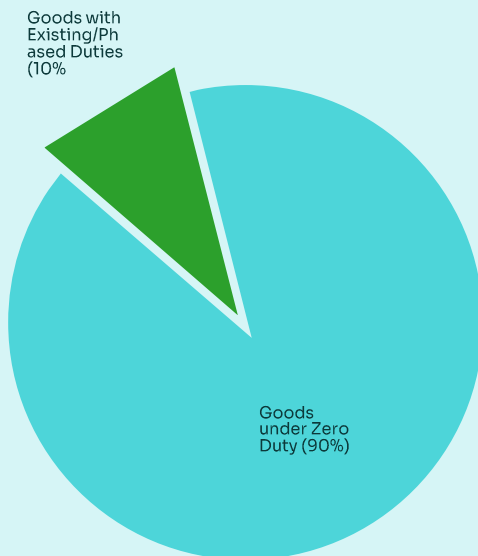
Outlook:

- The air corridor is expected to boost Nigeria's export volumes to African markets by 30% in the remaining quarters of 2025, according to internal estimates, thereby enhancing the economic diversification agenda.
- Reduced logistics costs will improve the competitiveness of Nigerian SMEs and manufacturers, with job creation projections reaching up to 15,000 positions by year-end. Also, preliminary plans are underway to expand the corridor to additional African destinations, including Ghana and Rwanda, with implementation targeted as early as Q4 2025, subject to bilateral agreements.



B. Nigeria Gazettes AfCFTA Provisional Schedule of Tariff Concessions

In April 2025, Nigeria formally gazetted and transmitted its ECOWAS Tariff Schedule for Trade in Goods to the AfCFTA Secretariat, enabling the application of zero duties on 90% of goods traded under the agreement. This milestone follows President Tinubu's approval and marks a significant step in Nigeria's implementation of the AfCFTA. The move positions Nigerian exporters for improved market access and greater competitiveness across African markets, with tariff reductions following a phased 10-year strategy.



Outlook:

- a. With the gazettement of Nigeria's AfCFTA tariff schedule and expanded preferential access, non-oil exports are expected to continue their upward trend in the second half of 2025, building on strong performance in Q1. While specific growth percentages remain subject to market dynamics, ongoing reforms are positioned to facilitate greater trade volumes across African markets.
- b. Improved market access and reduced tariff barriers will benefit Nigerian manufacturers and agro-processors, many of whom are actively planning capacity expansion and regional outreach strategies in anticipation of growing demand in Q3 and Q4 2025.

C. Federal Government Enacts Comprehensive Tax Reform Acts

In June 2025, President Bola Ahmed Tinubu signed four comprehensive Tax Reform Acts into law: the Nigeria Tax Act (NTA), the Nigeria Tax Administration Act (NTAA), the Nigeria Revenue Service Act (NRSA), and the Joint Revenue Board Act (JRBA). The Acts thoroughly overhauls the Nigerian tax system to promote economic growth, boost revenue collection, and enhance the business environment. Small companies (i.e., companies earning a gross turnover of N50,000,000 or less, with total fixed assets value not exceeding N250,000,000) are now exempt from Companies Income Tax (CIT), Capital Gains Tax (CGT), and the newly introduced Development Levy.

Outlook:

- a. The recent tax reforms are set to improve the business environment for transport operators, particularly benefiting small and medium-sized logistics companies in the second half of 2025. These changes will simplify compliance and reduce tax burdens on SMEs, fostering growth in the sector.
- b. Additionally, the reforms will provide greater regulatory certainty for transport infrastructure investments, encouraging private sector participation. By streamlining revenue generation, they will also help fund critical transport projects planned for the remainder of 2025.

Development Levy	Exempt
Capital Gain Tax (CGT)	Exempt
Companies Income Tax (CIT)	Exempt

Tax Exemptions (Status) for Eligible Small Business – Nigeria Tax Reforms (June 2025)

D. Federal Ministry of Aviation Proposes the Fly Nigeria Act to Empower Nigerian Carriers, Reduce Capital Flights

The Minister of Aviation and Aerospace Development, Festus Keyamo, proposed the enactment of the Fly Nigeria Act, which would require government-funded travellers to use Nigerian carriers or their partners. This policy aims to protect local airlines, strengthen the aviation sector against foreign dominance, create employment opportunities, and increase tax revenues from the industry.

Aviation industry experts are optimistic that the Fly Nigeria Act will increase passenger numbers for Nigerian carriers on international routes and reduce the amount of money transferred out of Nigeria by foreign airlines, thereby revitalising the aviation sector.

Outlook:

- a. If passed, the Fly Nigeria Act by mandating the use of local airlines for government-funded travel will revolutionise the Nigerian aviation sector, encouraging fleet expansion, new route development, and improved service delivery by Nigerian airlines. This will undoubtedly boost public trust in Nigerian carriers and strengthen their competitive standing.
- b. In addition to protecting the local market, the Act has the potential to stimulate job creation, boost ancillary aviation services, and retain a greater share of aviation spending within the national economy. This shift could also enhance sectoral tax revenues and reduce capital flight over time.

Maritime and Port Infrastructure

A. APM Terminals to Build Deep Seaport, Dry Port in Ogun State

APM Terminals, a global leader in port operations, announced plans to build a deep-sea port and a dry port in Ogun State, Nigeria. The deep seaport will facilitate international trade, while the dry port will serve as an inland logistics centre, enhancing the efficiency of cargo handling and distribution. The deep-seaport and dry port project is expected to have a significant impact on the transportation sector in Nigeria. By providing state-of-the-art port facilities, the project will improve the efficiency of cargo handling and reduce congestion at existing ports.

Outlook:

- a. The proposed deep seaport and dry port project is expected to play a significant role in strengthening Nigeria's transportation and logistics infrastructure. Once completed, it will allow for faster vessel turnaround times and reduced logistics costs for businesses across key trade corridors.
- b. By accommodating larger vessels and easing pressure on congested urban ports, the deep seaport will enhance Nigeria's international trade capacity. The dry port component will serve as a key inland distribution hub, facilitating more efficient cargo movement and improving connectivity to the hinterland.

B. Dangote Submits Documentation for Nigeria's Largest Seaport Development

In June 2025, Africa's richest man, Aliko Dangote, submitted formal paperwork to commence construction of Nigeria's most prominent and deepest seaport at the Olokola Free Trade Zone in Ogun State. Speaking in an interview in Lagos, Dangote confirmed that his group submitted the documentation in late June to kickstart construction on what he described as "the biggest, deepest port in Nigeria." The seaport will be located approximately 100 kilometres from his fertiliser and petrochemical facilities in Lagos, facilitating exports including liquefied natural gas (LNG).

Outlook:

- a. Construction of the seaport is expected to begin in Q4 2025, with the first phase targeted for completion by late 2026. The project is poised to significantly expand Nigeria's port capacity and unlock new economic opportunities within Ogun State's industrial corridor.
- b. During the construction phase, it is projected to create approximately 10,000 direct jobs and attract further investment. Once operational, the port will help reduce logistics costs for exporters and strengthen Nigeria's position as a key maritime hub in West Africa.

C. WACT-APM Terminals Nigeria Welcomes Major Container Carrier at Onne Port

In Q2 2025, the West Africa Container Terminal (WACT) operated by APM Terminals Nigeria welcomed leading container carrier Hapag-Lloyd to Onne Port, marking a significant expansion of the port's international shipping connections. This development enhances the port's capacity to handle major global shipping lines and improves connectivity for cargo moving through Nigeria's eastern ports. The partnership demonstrates growing confidence in Nigeria's port infrastructure and operational capabilities.

Outlook:

- a. The addition of Hapag-Lloyd services at Onne Port is expected to boost container throughput and strengthen the port's role in regional trade. Improved connectivity will benefit importers and exporters, particularly in the South-East and South-South regions, through more reliable and frequent shipping schedules.
- b. This development is also likely to drive healthy competition among Nigerian ports, encouraging improved service quality, operational efficiency, and broader investment in port infrastructure across the country.

D. NPA, PEPEC in Strategic Partnership to Boost Efficiency, Ease of Doing Business at Nigerian Ports.

The Nigerian Ports Authority (NPA) and the Presidential Enabling Business Environment Council (PEPEC) are in discussions to enhance efficiency and ease of doing business at Nigeria's ports. This partnership aims to reduce delays in cargo handling, cut costs for businesses, and improve Nigeria's global ease of doing business ranking. By addressing bureaucratic bottlenecks, the initiative will create faster, cost-effective port operations, making Nigeria a more competitive trade hub in West Africa. If successful, this collaboration could lead to increased trade efficiency and higher government revenue from port operations.

Outlook:

- a. The partnership between the NPA and PEPEC is expected to reduce delays at the ports by addressing bureaucratic bottlenecks and streamlining operations.
- b. If sustained, this collaboration could significantly improve trade efficiency and enhance government revenue, while positioning Nigeria's ports as more competitive gateways for regional and international commerce.

E. Regional Maritime Development Bank Secures Major Financing

In Q2 2025, the Regional Maritime Development Bank secured \$150 million in financing for shipyard upgrade projects in Nigeria, following the approval of the bank's establishment by the Presidency. This development represents a significant boost to Nigeria's maritime infrastructure capacity and ship repair capabilities. The financing will support the modernisation of existing facilities and the construction of new maritime infrastructure.

Outlook:

- a. Shipyard modernisation projects will commence in Q4 2025, enhancing Nigeria's capacity for vessel maintenance and repair services. The improved facilities will reduce ship repair costs by 30% and position Nigeria as a regional maritime services hub for West Africa.
- b. The bank's operations will support local content development in maritime industries, creating skilled employment opportunities.

₦150,000,000

Secured by the **Regional Maritime Development Bank** for shipyard upgrade projects in Nigeria

30%

Reduction projection in ship repair and vessel maintenance.

f. Shippers' Council Saves N31.1 billion Through Automated Demurrage Fee Confirmation.

The Nigerian Shippers' Council (NSC) announced a significant milestone, saving the Federal Government N31.1 billion through the automated demurrage fee confirmation system between January and June 2024. This system, part of the Electronic Regulatory Port Portal (ERPP), aims to streamline port operations, reduce outflows from the Nigerian economy, block leakages and over-invoicing, and minimise capital flight.

The ERPP is a digital platform designed to automate and streamline various port processes, including the confirmation of demurrage fees. Demurrage fees are charges levied on cargo that remains in a port beyond the allotted free time. These fees can accumulate quickly, leading to significant costs for shippers and potential revenue losses for the government if not properly managed. The automated demurrage fee confirmation system within the ERPP aims to address these issues by providing a transparent and efficient mechanism for calculating and confirming demurrage fees.

Outlook:

- a. The successful rollout of the Electronic Regulatory Port Portal (ERPP) marks a major step toward full automation in Nigeria's port operations, helping to reduce human error, cut delays, and improve transparency. The platform has already demonstrated its effectiveness, saving over N31.1 billion in just six months through its automated demurrage confirmation system.
- b. This achievement reinforces the government's anti-leakage drive and sets a strong precedent for broader digital reforms across the trade and transport sectors. With continued adoption, the ERPP could unlock further cost savings and operational efficiency across Nigeria's logistics landscape.

Aviation Sector Reforms and Investments

A. Afreximbank to support Nigerian airlines with 25 Aircraft through dry lease financing.

In H1 of 2025, Afreximbank announced a significant initiative to support Nigerian airlines by providing 25 aircraft through dry lease financing. This move aims to enhance the competitiveness of Nigerian airlines by enabling them to lease aircraft without the need for crew, maintenance, or insurance, thereby offering greater operational control. This development is poised to have a significant impact on Nigeria's transportation sector. Facilitating access to modern aircraft enables domestic airlines to expand their fleets, improve service delivery, and operate more efficiently.

Outlook:

- a. Nigerian airlines will be better equipped to service both domestic operations and Bilateral Air Service Agreement (BASA) routes. For the transportation sector, the introduction of dry lease financing represents a shift from the more common wet lease arrangements, where airlines lease aircraft along with crew, maintenance, and insurance.
- b. The initiative underscores Nigeria's commitment to improving its aviation infrastructure and compliance with international standards, as evidenced by the country's improved Cape Town Convention score.

B. NCAA Launches Advanced Air Transport Regulation Portal

In Q2 2025, the Nigerian Civil Aviation Authority (NCAA) continued enhancing the Directorate of Air Transport Regulation (DATR) Electronic Portal (E-Portal), building on its December 2024 launch. The platform serves as a single-window solution to digitise and streamline aviation regulatory processes, aligning with global standards to enhance service delivery for industry stakeholders. The system has significantly reduced approval timelines and operational bottlenecks.

Outlook:

- a. The continued digitalisation of aviation processes is expected to significantly reduce licensing timelines, with projections indicating up to a 60% cut by Q3 2025. This efficiency is likely to attract new investors and operators to the sector, creating a more competitive and responsive regulatory environment.
- b. The platform will also support the implementation of policies like the Fly Nigeria Act by simplifying compliance for local airlines. Overall, enhanced regulatory efficiency is set to strengthen Nigeria's position for increased international partnerships and investment in the aviation industry.

C. NSIB, Aero Contractors sign agreement to strengthen aviation safety.

The Nigerian Safety Investigation Bureau (NSIB) and Aero Contractors signed a landmark Memorandum of Understanding (MoU) to strengthen aviation safety and human capital development. This agreement, signed in Lagos on 17 March 2025, aims to enhance collaboration in industry-led safety training, knowledge exchange, and technical cooperation. The partnership underscores Nigeria's commitment to upholding global aviation safety standards and improving the overall safety of its airspace.

The MoU between NSIB and Aero Contractors establishes a framework for structured training programs, technical collaborations, and resource-sharing between the two organisations. This partnership aims to leverage Aero Contractors' state-of-the-art facilities, including simulators and maintenance workshops, to provide specialised on-the-job training for NSIB's Transportation Safety Officers and technical personnel.

Outlook:

- a. The MoU between the NSIB and Aero Contractors strengthens Nigeria's aviation safety framework by promoting advanced training and technical collaboration. This proactive approach positions the country to align more closely with international safety standards.
- b. The partnership also prioritises human capital development through hands-on training, while fostering inter-agency collaboration. These synergies are expected to enhance investigative capacity, streamline safety processes, and support more effective policy implementation in the aviation sector.

Rail and Intermodal Connectivity

A. NRC, APM Terminals partner to expand cargo rail transport from Apapa Port to Ibadan.

The Nigerian Railway Corporation (NRC) and APM Terminals partnered to expand cargo rail transport from Apapa Port in Lagos to the Moniya Freight Yard in Ibadan. This collaboration aims to enhance the efficiency of cargo movement, reduce road congestion, and improve Nigeria's overall logistics network.

The expanded cargo rail service is expected to have a profound impact on Nigeria's transportation sector. By providing a reliable alternative to road transport, the rail service will help alleviate the heavy traffic congestion around Apapa Port, which has been a significant bottleneck for logistics operations.

Outlook:

- a. The expansion of cargo rail services from Lagos to Ibadan is expected to improve the movement of goods across the South-Western region, easing pressure on road networks and enhancing logistics efficiency.
- b. As the project progresses, it is likely to open a new trade corridor that supports regional distribution and economic activity. A significant scale-up is anticipated in Q3 2025, marking a key milestone in Nigeria's rail infrastructure development.

B. NRC Partners with Galaxy Backbone to Enhance Railway Technology

The Nigerian Railway Corporation (NRC) partnered with Galaxy Backbone Limited to enhance technology services, internal security, and internet connectivity across Nigeria's railway network. The collaboration, which aligns with the Federal Government's modernisation agenda, aims to transform railway operations by leveraging digital infrastructure and innovative technologies. This partnership is expected to enhance railway communication systems, improve passenger experience, and improve security monitoring.

Outlook:

- a. The partnership is expected to boost railway communication systems significantly. There is great business potential in this partnership, which will scale up investment in innovative technologies within the transportation sector.

C. FG's Approval of Significant Road Infrastructure Investment Package

In Q2 2025, the Federal Government approved a \$652 million China Exim Bank financing package for the development of critical road infrastructure, alongside continued progress on the Lagos-Calabar Coastal Highway project. These investments demonstrate the government's commitment to enhancing road connectivity and promoting economic growth in key regions. The financing will support multiple road rehabilitation and construction projects nationwide.

Outlook:

- a. Construction activities under the approved road infrastructure package are expected to ramp up in Q3 2025, creating an estimated 25,000 temporary jobs and stimulating economic activity across key regions.
- b. Improved road networks will help lower transportation costs significantly along major trade corridors, while enhancing connectivity between ports, airports, and industrial hubs, ultimately boosting Nigeria's overall logistics efficiency.

Energy Logistics and Strategic Shipping

A. NNPC signed a joint venture shipping deal with Stena, Caverton

In the second quarter of 2025, the Nigerian National Petroleum Company (NNPC) signed a joint venture agreement with Stena Bulk and Caverton Marine Limited to enhance the shipping of petroleum products. This strategic collaboration aims to establish a robust tanker operation that will serve Nigeria and West Africa's requirements for crude oil, refined products, and liquefied natural gas (LNG) shipping. The agreement marks a significant milestone in NNPC's efforts to modernise Nigeria's maritime infrastructure and strengthen its position in global energy logistics. The partners will explore options to develop a modern and efficient fleet of tankers, comprising both new and existing vessels, depending on market factors and commercial opportunities. This fleet will primarily serve the logistics needs of NNPC, including crude oil, clean products, and LNG/LPG. Additionally, the new company will cater to other oil producers and traders, offering the strategic advantage of a modern fleet, substantial financial backing, and maritime expertise.

The modern fleet and efficient operations will improve the reliability and cost-effectiveness of shipping services, benefiting the entire supply chain. This initiative aligns with global trends in maritime logistics, where efficiency and sustainability are key drivers of competitiveness.

Outlook:

a. The joint venture between NNPC, Stena Bulk, and Caverton Marine is expected to significantly enhance Nigeria's capacity to transport crude oil, refined products, and LNG across the region. By reducing reliance on foreign shipping operators, the initiative will strengthen regional logistics self-sufficiency and support West Africa's energy trade.

b. Through a combination of new and existing vessels, the venture aims to establish a modern, efficient, and environmentally compliant tanker fleet. This in-house capacity is projected to lower freight costs, minimise logistics bottlenecks, and improve the overall stability and resilience of Nigeria's energy supply chain.

Urban Transport and Waterways

A. Lagos State Advances €410 Million Omi Eko Water Transport Project

In Q2 2025, Lagos State confirmed plans to commence implementation of the €410 million Omi Eko water transport project, scheduled to begin in June 2025. This comprehensive water transportation initiative aims to integrate ferry services with existing road and rail networks, creating a seamless multi-modal transportation system. The project represents one of Africa's most significant investments in urban water transport.

Outlook:

- a. The implementation of the Omi Eko water transport project in Q3 2025 is expected to generate 5,000 construction jobs and position Lagos as a leading example of sustainable urban transport in Africa. The initiative aims to ease congestion and promote more efficient commuting across the state.
- b. By the end of the year, the system is projected to reduce travel times by a significant percentage on key routes and serve as a daily alternative for over 200,000 commuters. Its success could pave the way for similar water transport projects in other coastal cities, strengthening Nigeria's national transportation network.

B. Lagos to Launch 10 New Ferries as Part of Intermodal Transportation Expansion.

The Lagos State Government announced plans to launch 10 new state-of-the-art ferries as part of its expansion of intermodal transportation. This initiative aims to enhance water transportation and support the state's socio-economic development. The introduction of these new ferries is expected to have a significant impact on the transportation sector in Lagos. By increasing the total fleet to 25 ferries, the state aims to enhance connectivity across its waterways, reduce road congestion, and provide a reliable alternative mode of transportation.

Outlook:

- a. The Lagos State Government is expected to complete the procurement and deployment of the new ferries by the end of Q3 2025. This expansion aims to improve waterway connectivity and ease movement for residents across key routes.
- b. As the fleet grows, there is potential for greater integration between ferry services and existing logistics operations. Shipping and transport companies may increasingly align with this initiative, enhancing last-mile delivery and boosting the efficiency of the broader urban transport value chain.

International and Environmental Policy

C. Nigeria Intensifies Bid for IMO Category C Seat

Throughout Q2 2025, Nigeria intensified its campaign for election to the International Maritime Organisation (IMO) Council under Category C for the 2026–2027 biennium. The campaign was officially flagged off during the 110th Session of the Maritime Safety Committee (MSC 110), demonstrating Nigeria's commitment to playing a larger role in global maritime governance. This initiative reflects the country's growing influence in international maritime affairs.

Outlook:

- a. Nigeria's bid for a Category C seat on the IMO Council is expected to elevate the country's role in international maritime policy-making and standard-setting. This move reflects Nigeria's broader ambition to shape global maritime governance and promote regional interests.
- b. If successful, the campaign could attract increased international investment and partnerships in the maritime sector by Q4 2025. Strengthened global standing will further reinforce Nigeria's leadership in West Africa's maritime affairs and blue economy development.

C. Global Shipping Coalition Proposes Greenhouse Gas Levy to Drive Zero-Carbon Transition

A coalition of 47 governments and industry stakeholders proposed a groundbreaking initiative to implement a GHG levy on international shipping. This proposal aims to drive the transition to zero-carbon shipping by incentivising the use of zero- or near-zero-emission (ZNZ) marine fuels. The proposed GHG levy is designed to reduce the cost gap between conventional marine fuels and ZNZ fuels such as green methanol, ammonia, and hydrogen. By imposing a charge per tonne of CO₂ emitted, the levy will generate funds to support the production and uptake of these cleaner fuels.

Outlook:

- a. The proposed introduction of a global greenhouse gas (GHG) levy marks a significant step toward more sustainable maritime practices. It reflects a growing international commitment to reducing carbon emissions in the shipping industry.
- b. By incentivising the adoption of zero- and near-zero-emission (ZNZ) fuels, the levy is expected to lower the environmental impact of shipping and support broader global efforts to address climate change.

Momentum
Ahead: Sector
Priorities For H2
2025

1. Trade and Logistics

In the second half of 2025, Nigeria's participation in the AfCFTA is expected to deepen as new air and trade routes extend beyond East and Southern Africa to additional markets like Ghana and Rwanda. This expansion is likely to stimulate a new wave of non-oil exports, particularly

in agro-processing, textiles, and light manufacturing. Exporters are poised to benefit from sustained reductions in logistics costs, while increased trade activity is expected to drive job creation in freight forwarding, customs brokerage, and supply chain management.

2. Ports and Maritime Development

The maritime sector is set for a critical phase of infrastructure growth. Major seaport developments in Ogun and Olokola are expected to break ground, signalling a shift toward expanded deep-sea capacity that will ease congestion in Lagos and support larger, modern vessels. Eastern ports, especially Onne, are projected to experience increased container traffic due to new

shipping line partnerships. At the same time, the rollout of digital platforms such as the automated demurrage system will continue to deliver fiscal savings and transparency. Shipyard modernisation, backed by the Regional Maritime Development Bank, is also forecast to attract skilled labour and reduce Nigeria's dependence on foreign repair facilities.

3. Aviation Sector

The aviation industry is likely to experience a surge in both operational capacity and regulatory efficiency. Dry lease financing for aircraft acquisition will enable local airlines to expand their fleets, improve service delivery, and enter underserved routes. If passed, the Fly Nigeria Act could redirect a sizable share

of government travel budgets to domestic carriers, offering a significant revenue boost. Meanwhile, digital innovations in licensing and safety oversight are expected to shorten approval timelines and attract new entrants, making Nigeria's aviation space more competitive and investment-friendly.

4. Maritime Logistics and Energy Transport

By Q4 2025, the NNPC-Stena-Caverton joint venture is anticipated to move from planning to procurement, laying the foundation for Nigeria's first modern, state-supported tanker fleet. This initiative could play a transformative role in regional energy logistics, reducing

reliance on foreign carriers and cutting freight costs for crude oil, LNG, and refined products. As the first set of vessels comes onboard, the country's capacity to manage its energy exports may be significantly enhanced.

5. Rail and Intermodal Connectivity

The Lagos-Ibadan cargo rail corridor is expected to scale up substantially in Q3, unlocking inland distribution routes and enhancing trade flow to and from southwestern states. Rail-linked logistics hubs may begin to emerge, creating opportunities for bulk freight handling and reducing the strain on Nigeria's

overburdened road network. The digitisation of rail operations, through partnerships like NRC-Galaxy Backbone, will likely improve communication systems, onboard security, and service efficiency, encouraging broader adoption by cargo owners.

6. Urban Mobility and Inland Waterways

Urban transport innovation is set to accelerate with the ongoing rollout of the Omi Eko water transport system in Lagos. The integration of new ferries into the existing network is expected to add over 200,000 daily seats, significantly easing congestion on road routes and shortening commute times. As

Lagos positions itself as a model for multi-modal urban mobility, other coastal cities, such as Port Harcourt, Warri, and Calabar, are expected to explore similar water transport systems, supported by both public and private sector interest.

Conclusion

Nigeria's transport sector enters the second half of 2025 not as a passive passenger, but as a determined driver of economic transformation. The first half of the year laid strong foundations, from the launch of trade-enhancing air corridors to the groundwork for deep seaports, expanded rail links, and digital reforms across aviation and maritime systems. What comes next will test the Country's ability to convert momentum into measurable outcomes. Proper execution, inter-agency alignment, and investor confidence will be critical to turning projections into performance.

It is encouraging that Nigeria is beginning to move from reactive solutions to long-term strategic planning, positioning itself as a serious player in regional and global transportation discussions. Although the path ahead will not be without challenges, Nigeria is no longer stagnant. With the right coordination, the country has the resources to accelerate progress, drive growth, enhance integration, and transform its logistics landscape for decades to come.



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