



Lekki Deepsea Port Its Prospect, Challenges and Its Impact to Nigerian Economy

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Abstract

This study examined Lekki Deepsea port its prospect, challenges and its impact to Nigerian Economy. The researcher employed the descriptive survey research design. A total of 75 responses were validated from the survey. From the responses obtained and analysed, the findings revealed that there are significant prospects for the development of Lekki deep seaport and its impact to Nigeria economy. Lekki Deepsea port will positively impact on trade and commerce, there by facilitating the import and export of goods and improving the efficiency of trade. Also enhancing Nigeria's overall competitiveness and boosts economic growth to a very high extent. The findings also shed light on the intricate relationship between Lekki Deepsea port development and economic development. Therefore, this study recommends that government and management of Nigeria Port Authority are to ensure sustainable and inclusive development alongside the expansion of deep-sea ports. Regulatory mechanisms and environmental safeguards should be in place to mitigate negative impacts such as pollution, displacement, and congestion. Efforts should be made by the government and management of Nigeria Port Authority to address logistic bottlenecks and improve ease of doing business to fully realize the prospects of Lekki deep-sea ports for the Nigerian economy.

Keywords: Deep seaport, Prospect, Lekki, Challenges, Job creation.

1.0 Introduction

Ports, shipping, docks, Inland Water Transport (IWT), and other marine-related endeavours are all part of Nigeria's maritime sector, (Notteboom, 2020) opined that ports are the backbone of global trade as a result

of the revenue generated by nations, from shipping commodities throughout the world. Presently, the maritime sector is experiencing significant growth, which has resulted in positive outcomes for individuals worldwide. The increased ease with which goods may be transported across national borders is largely responsible for this development (Mogbojuri, 2020).

The Lekki Deep Seaport is a Nigerian Deepsea port located in the Lagos Free Trade Zone, the port has deep-water berths with 670 metres turning circle and a harbour basin 14 metres deep (Mohammed, 2022). The development of Lekki Port is being undertaken by Lekki Port LFTZ Enterprise (LPLE). It comprises three shareholders, the Nigerian Ports Authority (NPA), the Lagos State Government and an Investment Holding Company incorporated to hold the non-Nigerian governmental interests in LPLE. The Sponsors, the Tolaram Group, holds a beneficial interest of up to 45% in the port, while the NPA and Lagos State Government holds approximately 20% each (Chilaka, 2019).

Deep seaports such as Lekki Deepsea port are becoming the preferred options for ships across the world. "Deep water ports" is another term for deep seaports. Over sixty to seventy-five percent of roughly the one hundred sea port constructed and developed throughout the world are deep seaports or terminals (Soumyajit, 2019). Ports and piers along interior waterways are likely to make up the bulk of the remainder. Simply looking at the numbers shows that the construction of deep seaports is the present challenge in the maritime industry. Increasing support from marine architects and engineers for very big carriers, which are viewed as "economical vessels" (John and Joel (2018), is connected to the goal competition for deep seaports. This trend towards larger vessels that require deeper draughts to berth is anticipated to grow. It's good to know that the auto-mobile industry has progressed from being primitive to sophisticated. Nigeria's maritime sector is crucial to the country's economic growth as a transport, commerce, resource, and leisure component due to the country's wide maritime space, huge maritime potentials, and unchallenged leadership position in cargo traffic on the West and Central African area (Akabogu, 2018). Nigeria, with its huge maritime capacity and potentials, cannot be anticipated to lag behind among the global maritime industry in relation to deep seaport development. Nigeria's vast container, dry and wet bulk cargo traffic is a regional force, something that is well understood even by regional competitors (Chilaka, 2019).

As a result of the substantial effect that cargo volume and ship traffic may have on the port's efficiency and turnover, ports engage in a wide variety of operations. These elements are pivotal in encouraging or discouraging the formation of new commercial partnerships. Keeping ahead of the pack and becoming the indisputable transshipment centre in the region is becoming increasingly important as competition

increases on the regional maritime space (Kusano, 2018). It is worthy to note that the current ports, particularly Apapa and Tin Can Ports in the Lagos axis, are understaffed and experiencing unreasonable delays in cargo handling and processing due to capacity constraints. The ports' operational capacity is 100 million metric tonnes per year, whereas their capacity is 60 million metric tonnes. (Mohammed, 2022). Wilson (2018) predicts a rise in the future.

If properly utilised, the maritime industry has the potential to provide revenues together with those generated by the oil and gas industries, making it a significant contributor to the national economy. A country's GDP may benefit significantly from maritime earnings. Soumyajit (2019) notes that Nigeria's maritime potentials are enormous and if well harnessed can be among the best globally. The construction of deep seaports in Nigeria appears to be economically necessary due to these challenges of financial constraints, political interference, lack of adequate legal framework and regulatory regime, short and long run safety regulations, poor existing road and rail networks, poor power capacity, poor viability assessment, culture and moribund businesses, and other related challenges. Consequently, the purpose of this research is to examine the potential and difficulties of Lekki Deepsea port its Prospect, Challenges and its Impact to Nigerian Economy.

The aim of this study is to examine Lekki Deepsea port its prospect, challenges and its impact to Nigerian Economy. The specific objectives are as follows:

- To find out the impact of Lekki Deepsea port to Nigeria Economy.
- To examine the prospects for development of Lekki deep seaport to Nigeria Economy.
- To investigate possible challenges (financial constraints, political interference, lack of adequate legal framework and regulatory regime) of Lekki deep seaport in Nigeria Economy.

2.0 Literature Review

This study adopted the Neoclassical growth theory, the neoclassical growth theory delineates the essential components that contribute to the expansion of an economy. Nevertheless, the theory places significance on its assertion that transitory, or short-term, equilibrium diverges from long-term equilibrium and does not need any of the three components. Seaports refers to a specific geographical location situated along a coastline or shore that encompasses one or multiple harbours, serving as docking points for ships to facilitate the transfer of individuals and goods between the vessel and the land. The selection of port locations is driven by the objective of optimizing accessibility to both land and navigable water, as well as catering to commercial demand and providing protection from wind and waves. The utilisation of maritime transportation in Nigeria can be traced back to the 15th century (1485), when Portuguese

explorers arrived in Lagos with their ships primarily for the purpose of engaging in trade involving artefacts from Benin City (Adenigbo et al., 2023).

From the period before independence until the present, the maritime industry of the nation has been marked by the prevalence of foreign vessels and carriers from the economically advanced market economies of Western Europe and America. To exert control over the situation, subsequent progressions resulted in the establishment of ports at Apapa and Port Harcourt, which subsequently led to the formation of the Nigerian Ports Authority (NPA) through the enactment of the Ports Act of 1954. The NPA was tasked with the responsibilities of facilitating the loading and unloading of goods, as well as the maintenance and development of the ports (Irinoyemi & Olorunfemi, 2018).

According to Damilola (2016), the challenges that plagued Nigerian ports prior to the implementation of port concession in 2006 encompassed various issues such as extended ship turnaround times, cargo insecurity, inefficiency of the labour force within the Nigerian Ports Authority (NPA), the presence of numerous government agencies operating within the port, corrupt practices, and excessive charges. Consequently, shipping companies were compelled to engage the services of these machines from private sector entities, incurring additional expenses after remunerating the NPA. (Adepoju, 2020). The extended duration of goods' present in ports was a result of inadequate port management, which subsequently resulted in the accumulation of cargo in the busiest seaports, leading to port congestion. Additionally, the labour force responsible for ship-related tasks was under the control of influential individuals overseeing dockworker unions, who failed to provide the expected level of manpower despite receiving payment (Mogbojuri, 2020).

According to Harding et al. (2007), Africa's contribution to global container traffic is less than one percent. A potential market share of 27 percent could be achieved by introducing an additional vessel service with a capacity of 2,200 TEU from Europe to a small country located in the West and Central Africa sub-region. Conversely, a vessel with a capacity of 5,500 TEU travelling from the Far East to Europe has the potential to generate a market share of 3.6 percent, considering the overall market size. The determination of which port to call in the global shipping industry is increasingly influenced by the port turnaround time. The additional duration of one day spent at a port incurs a cost exceeding US\$35,000 for a shipping line operating a vessel with a capacity of 2,200 TEUs. Consequently, he proposed the necessity of implementing reform. The concept of a deep seaport lacks a universally agreed-upon definition. There are several descriptive definitions ascribed to a deep seaport, which ultimately converge around a consensus that evaluates its capacity to accommodate large vessels, particularly with regard to the depth of its

draught. According to (Akabogu and Onyiuke, 2014), ordinary ports typically have draught depths ranging from 6 to 9 metres, but deep seaports are characterised by draught depths that exceed 10 to 18 metres and beyond. A deep seaport may be characterised as a port that possesses the capacity to accommodate a Panamax ship, which is fully laden, or even a Post-Panamax ship. A "Panamax port" refers to a deep seaport capable of accommodating a Panamax ship or a Post-Panamax ship that is fully loaded. The phrases "Panamax" and "New Panamax" are nomenclatures that pertain to the prescribed size restrictions imposed on vessels through the Panama Canal.

According to the US Deep Water Port Act 1974 (DWPA), a Deep-Water Port is characterised as a constructed structure, either fixed or floating, that is distinct from a vessel. It may consist of a single structure or a collection of structures, and it is situated beyond the territorial sea and along the United States coastline. The primary purpose of these structures is to serve as a port or terminal for the loading, unloading, and subsequent handling of oil, which is then transported to any state within the country (Soumyajit, 2019). The need for a seaward high water mark site, although not universally defined, is a variation of the legislative requirements in the United States. However, it emphasises the reality that the majority of deep seaports are situated outside seaward limits. A conventional port is characterised by its continuous connection to the beach and its extension from it. From a legislative perspective in the United States, several deep seaports are constructed in coastal areas that are situated at a distance from the natural shoreline. In some cases, these ports are even established on islands and afterwards connected to the mainland by bridges. It is customary for a deep seaport to be established at a specific site along the beach where the naturally existing draught is very deep.

Moreover, it is worth noting that a sea draught of 50 feet is deemed necessary for a significant number of bigger Post-Panamax vessels now in operation or scheduled for delivery. It is anticipated that there would be a growing need for a minimum air draught requirement for Post-Panamax vessels, which will also be considered in the classification of deep ocean ports with the conclusion of the expanding project of the Panama Canal (Wilson, 2018). In addition to draught considerations, a deep seaport must also adhere to certain structural criteria in order to accommodate cargo handling capacity. Therefore, it is anticipated that a deep seaport that handles containers for 'Lift On/Lift Off' (LO/LO) boats should possess mobile and regularly operating track run cranes that have the capacity to lift containers up to 22 rows deep without requiring the vessel to turn. A port that possesses the capability to only accommodate containerized lift-on/lift-off (LO/LO) cargo using the vessel's own equipment is not classified as a deep seaport. In order to generate a substantial volume of traffic, a deep seaport must include a minimum of three container cranes, with a preferable range of 8 to 10 cranes, that are capable of concurrent operation to accommodate at least

two Panamax Ships simultaneously (Baoli et al, 2021). Failure to meet these criteria would render the seaport economically unfeasible. Additionally, the necessity of on quay storage for the majority of Panamax and Post-Panamax operations renders finger piers challenging to operate and incapable of accommodating more than one vessel of this size simultaneously using yard hustle equipment. According to Wilson (2018), a deep seaport may be classified as a seaport that possesses the necessary capacity, whether natural or artificial, to accommodate and manage extremely big vessels. This capacity is determined by factors such as the depth of the draught and the capabilities of cargo handling operations.

The Nigerian Government made an announcement on its intentions to undertake the building of deep seaports within the country. The news elicited a range of responses, encompassing both positive and negative sentiments, as documented by John and Joel (2018). Setting aside the contentious aspects, it is indisputable that the establishment of a deep seaport will significantly benefit the Nigerian economy. The Lekki Deep Seaport, currently in operation but undergoing partial construction, is being developed through a Public Private Partnership spearheaded by the Tolaram Group, the Nigerian Ports Authority (NPA) on behalf of the Federal Government, and the Lagos State Government. Upon its completion, the seaport is expected to serve as a significant economic centre, contributing to both the local and national economies. The Lekki Deep Seaport holds the potential to serve as an exceptional entry point, providing Nigeria with advantageous prospects to access the swiftly expanding West African market. According to John and Joel (2020), the next port in Nigeria is anticipated to be the most extensive in size inside the country. It is expected to possess the highest container capacity and enhanced accessibility infrastructure, surpassing all other ports in the West African area, the impact of a deep seaport on the Nigerian economy encompasses:

- i. **Regional Load Centre (Transshipment Base):** The fundamental advantage of a deep seaport is in its ability to accommodate larger boats, which in turn offers several benefits to the nation's marine sector and leads to economic gains. Given Nigeria's current position as a prominent market for ships destined for the West and Central Africa areas, the establishment of a deep seaport would enhance Nigeria's prospects of achieving the status of a regional shipping centre. A discreet rivalry exists for the unequivocal status of being the primary regional centre for shipping in West Africa. The primary contenders consist of Nigeria and its nearest western coastal counterpart, Benin Republic. (John and Joel.,2018)
- ii. **Job Creation Potentials and Increased Employment of Services:** Nigeria, as the foremost importer and exporter within the West African area, stands to gain significant economic advantages from the expansion of marine and general commerce, facilitated by the attainment of a deep

seaport and regional hub status volumes. The acquisition of regional hub status has several advantages, such as the ability to generate significant number of employments, both directly and indirectly, over a span of five years. Additionally, it may lead to a substantial reduction of roughly 70% in vessel turn-around time (Adenigbo et al., 2023). According to John and Joel (2018), the establishment of a deep seaport is expected to have several positive effects on the economy. These include an increase in public revenue earnings from port operations and levies, as well as the stimulation of production and earning scales in the real sector, the formal sector, and the organised private sector.

- iii. **Increased Ports and Terminals Handling Capacity:** The establishment of a deep seaport in Nigeria is expected to have a favourable influence on the total capacity for handling cargo in Nigerian ports, thereby leading to a rise in Nigeria's Gross Domestic Product (GDP). The maritime transportation industry holds significant importance within the Nigerian economy. However, it is an undeniable reality that this very profitable industry has not been properly exploited in comparison to the oil and gas sector (John and Joel, 2018).
- iv. **Urban, Commercial and Industrial Hub:** The prospective Greenfield port development in Lekki holds significant potential for generating substantial economic advantages for Nigeria upon its completion. Throughout history, it has been well recognized that port cities have emerged as significant commercial centres and densely populated areas, accompanied by the concurrent growth of supporting infrastructure and enterprises as a result of port operations. In certain regions such as Lagos, the availability of area for expanding port infrastructure has been progressively constrained, while the need for port services and commercial shipping interactions has witnessed a corresponding rise. Lekki port, thus, pledges to facilitate urban growth and promote industrialisation (Wilson., 2018). According to John and Joel (2018), the potential implementation of the Ibaka Industrial City project holds the prospect of stimulating several sectors, including industry, commerce, and urban development.
- v. **Multiplier Effects on the Informal Sector:** The Lekki port has generated anticipation for the potential urbanisation and industrial development it may bring. This initiative aims to prepare for the anticipated arrival of a prosperous community that will be involved in port operations and utilise the adjacent international airport. Consequently, he recommended that the local residents construct residential properties that might be made available to prospective renters at market rates. The operations associated with the establishment of a deep seaport in Nigeria are expected to have a favourable influence on the country's economy. However, in order to fully capitalise on the advantages, Nigeria must begin its efforts at an early stage to ensure proper execution. The

potential advantages of even the most substantial possibilities might be overlooked in cases of poor management (Ucheh, 2020).

3.0 Methodology

This study was carried out to assess Lekki Deepsea port its prospect, challenges and its impact to Nigerian Economy. In this study, the researcher employed the survey research design. The population of this study consist of terminal operators, vessel crew and stevedores. The estimated population of Lekki Deepsea port staff is 1,126. The researcher adopted the convenient sampling method to determine the sample size which selected 75 out of the overall population as the sample size for this study. Two source of data collection which are primary source and secondary source were used to collect data. The method used to collect data in this study is the questionnaire.

Model Specification

Model 1: $JOB = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (JOB=Job Creation, e=error term)

Model 2: $THC = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (THC=Terminal Handling Capacity, e=error term)

Model 3: $UCIH = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (UCIH=Urban, Commercial & Industrial Hub, e=error term)

The data gotten from respondents will be analysed using Statistical package for social sciences (SPSS) Version 23. Linear Correlation will be used to test the three formulated hypotheses. Descriptive statistics will be employed to analyse the demographic characteristics of the respondents.

4.0 Data Analysis

Question 1: To what extent does Lekki Deepsea port impact on Nigeria Economy?

Table 1. Extent Lekki Deepsea ports impact on Nigeria Economy.

Statement	VHE	HE	U	LE	VLE	X	S.D	DECISION
Lekki Deepsea port impact on trade and commerce by facilitating the import and export of goods and improving the efficiency of trade, thereby enhancing Nigeria's overall competitiveness and boosts economic growth	75	-	-	-	-	4.5	5.0	Accepted
Lekki Deepsea port creates numerous employment opportunities directly for labour in the port as well as generating indirect employment through related industries	75	-	-	-	-	4.5	5.0	Accepted
Lekki Deepsea port enhances investment and industrial growth by attracting foreign direct investment by offering improved logistics and connectivity hence enhancing Nigeria's overall economic diversification and foster technological advancements	75	-	-	-	-	4.5	5.0	Accepted

Lekki Deepsea port contribute to revenue generation for the Nigerian government through taxes, customs duties, and fees levied on imports, exports, and port services which can be used for infrastructure development, public services, and social welfare programs, thereby improving the overall quality of life for citizens	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port have a ripple effect on regional development by stimulating economic activity in the surrounding areas where ancillary industries such as transportation, warehousing, tourism, and hospitality thrive due to increased trade	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port increase ports and terminals handling capacity	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port have the potential of making the locality an urban, commercial and industrial hub	75	-	-	-	-	4.5	5.0	Accepted

Source: Author Field survey, 2024

From the responses obtained as expressed in the table above on the extent Lekki Deepsea ports impact on Nigeria Economy. All the respondents constituting 100% agreed that Lekki Deepsea port impact on trade and commerce by facilitating the import and export of goods and improving the efficiency of trade, thereby enhancing Nigeria's overall competitiveness and boosts economic growth to a very high extent; Lekki Deepsea port creates numerous employment opportunities directly for labour in the port as well as generating indirect employment through related industries to a very high extent; Lekki Deepsea port enhances investment and industrial growth by attracting foreign direct investment by offering improved logistics and connectivity hence enhancing Nigeria's overall economic diversification and foster technological advancements to a very high extent; Lekki Deepsea port contribute to revenue generation for the Nigerian government through taxes, customs duties, and fees levied on imports, exports, and port services which can be used for infrastructure development, public services, and social welfare programs, thereby improving the overall quality of life for citizens to a very high extent; Lekki deep-sea port have a ripple effect on regional development by stimulating economic activity in the surrounding areas where ancillary industries such as transportation, warehousing, tourism, and hospitality thrive due to increased trade to a very high extent; Lekki deep-sea port increases ports and terminals handling capacity to a very high extent; and that Lekki deep-sea port have the potential of making the locality an urban, commercial and industrial hub to a very high extent.

Questions 2: To what extent does the development of Lekki deep impact on Nigeria Economy?

Table 2. Extent the development of Lekki deep impact on Nigeria Economy.

Statement	VHE	HE	U	LE	VLE	X	S.D	DECISION
Lekki deep-sea port will bring about a rising demand for container capacity levels in Lagos expected to reach over 2.5 million TEUs	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port will brings about a significant growth in sectors, such as finished goods, within Nigeria and the regions that are linked to high levels of containerization.	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port has the potential to transform into the first major transshipment hub in the region, servicing the regional sea routes and the hinterland.	75	-	-	-	-	4.5	5.0	Accepted
Lekki deep-sea port will be the first-mover advantage in providing deepwater facilities to support large container volumes, liquids and dry bulk cargo.	75	-	-	-	-	4.5	5.0	Accepted
Lekki deepsea port will provide downstream procession facilities contributing to the need for liquid bulk facilities	75	-	-	-	-	4.5	5.0	Accepted
Lekki deepsea port will enable Nigeria to handle larger vessels, thereby attracting more international trade and commerce. With improved logistics and connectivity, the country can expand its export capacities and diversify its trade portfolio, leading to increased foreign exchange earnings	75	-	-	-	-	4.5	5.0	Accepted
Lekki deepsea port will boost job creation and human capital development	75	-	-	-	-	4.5	5.0	Accepted
Lekki deepsea port will boost revenue generation and government income	75	-	-	-	-	4.5	5.0	Accepted
The construction and operation of the Lekki deepsea port will necessitate infrastructure development	75	-	-	-	-	4.5	5.0	Accepted
Lekki deepsea ports will play a crucial role in integrating Nigeria into regional and global value chains	75	-	-	-	-	4.5	5.0	Accepted

Source: Author Field survey, 2024

From the responses obtained as expressed in the table above on the extent the development of Lekki deep impact on Nigeria Economy. All the respondents constituting 100% agreed that Lekki deep-sea port will bring about a rising demand for container capacity levels in Lagos expected to reach over 2.5 million TEUs to a very high extent; Lekki deep-sea port will brings about a significant growth in sectors, such as finished goods, within Nigeria and the regions that are linked to high levels of containerization to a very high extent; Lekki deep-sea port has the potential to transform into the first major transshipment hub in the

region, servicing the regional sea routes and the hinterland to a very high extent; Lekki deep-sea port will be the first-mover advantage in providing deep-water facilities to support large container volumes, liquids and dry bulk cargo to a very high extent; Lekki deep-sea port will provide downstream procession facilities contributing to the need for liquid bulk facilities to a very high extent; Lekki deep-sea port will enable Nigeria to handle larger vessels, thereby attracting more international trade and commerce. With improved logistics and connectivity, the country can expand its export capacities and diversify its trade portfolio, leading to increased foreign exchange earnings to a very high extent; Lekki deep-sea port will boost job creation and human capital development to a very high extent; Lekki deep-sea port will boost revenue generation and government income to a very high extent; The construction and operation of the Lekki deep-sea port will necessitate infrastructure development to a very high extent; and that Lekki deep-sea ports will play a crucial role in integrating Nigeria into regional and global value chains to a very high extent.

Question 3: To what extent does the challenges of Lekki deep seaport impact on Nigeria Economy?

Table 3. Extent the challenges of Lekki deep seaport impact on Nigeria Economy.

Statement	VHE	HE	U	LE	VLE	X	S.D	DECISION
financial constraints	75	-	-	-	-	4.5	5.0	Accepted
political interference	75	-	-	-	-	4.5	5.0	Accepted
lack of adequate legal framework and regulatory regime	75	-	-	-	-	4.5	5.0	Accepted
short and long run safety regulations	75	-	-	-	-	4.5	5.0	Accepted
poor existing road and rail network	75	-	-	-	-	4.5	5.0	Accepted
poor power capacity	75	-	-	-	-	4.5	5.0	Accepted
poor viability assessment culture and moribund businesses	75	-	-	-	-	4.5	5.0	Accepted

Source: Field survey, 2024

From the responses obtained as expressed in the table above on the extent the listed challenges of Lekki deep seaport impact on Nigeria economy. All the respondents constituting 100% agreed that financial constraints, political interference, lack of adequate legal framework and regulatory regime, short and long run safety regulations, poor existing road and rail network, poor power capacity, poor viability assessment culture and moribund businesses are the challenges that limits the impact of Lekki Deepsea port on Nigeria economy to a very high extent.

4.2.1 Testing of Hypotheses

H₀: There are no prospects for development of Lekki deep seaport in Nigeria

H₁: *There are prospects for development of Lekki deep seaport in Nigeria*

To test this hypotheses, three aspects of the prospects will be investigating in this section which are: Job creation, Terminal Handling Capacity, and Urban, Commercial and Industrial hub.

Model 1: $JOB = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (JOB=Job Creation, e=error term)

Table 4. *There are no prospects for development of Lekki deep seaport on job creation in Nigeria*

Independent Variables	Dependent Variable Efficiency	
	B	T
Constant	1,316	2,942**
Lekki Deepsea Port	,773	6,495**
F	42,187**	
R ²	,924	

**Model and coefficients significant at .01 level

R² is the best indicator of the explanatory degree of the regression model. Here, a 92% linear correlation was found between R² the dependent variable (job creation) and the independent variable (port concession). This means that 92% of the job creation variable is explained by the Lekki Deep-sea port variable. It is also possible to carry out an “F-Test for linear correlation” to test if there is a linear correlation between the dependent variable and the independent variable. The F-value is the ratio of the explained regression change to the unexplained error term change. Here, the F-value was shown to be significant. This means that the independent variable (Lekki Deep-sea port) linearly affects the dependent variable (job creation). To evaluate the effect of each independent variable, we look at the coefficients in the output. In this part of the output, the beta value, beta standard error and p significance value of beta is given for each variable in the equation. The power of each independent variable to affect the dependent variable can be measured by the beta probability value by looking at the beta p values. It can be seen that the p values of all independent variables are significant. For comparison, it is possible to say that all independent variables have a definite deterministic effect on the job creation as the dependent variable. The β coefficients in the model were found to be positive; and this shows us that the Lekki Deep-sea port variable has a positive effect on the job creation.

H₁: *The hypothesis that there are prospects for development of Lekki deep seaport on job creation in Nigeria is accepted.*

Model 2: $THC = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (THC=Terminal Handling Capacity, e=error term)

Table 5. There are no prospects for development of Lekki deep seaport on terminal handling capacity in Nigeria.

Independent Variables	Dependent Variable Competitiveness	
	B	T
Constant	1,405	2,833**
Lekki Deepsea Port	,637	5,675**
F	32,210**	
R ²	,847	

**Model and coefficients significant at .01 level

In Model 2, an 85% linear correlation was found between R² the dependent variable (terminal handling capacity) and the independent variable (Lekki Deep-sea Port). 85% of the terminal handling capacity variable is explained by the Lekki Deep-sea Port variable. It can be seen that the p values of all independent variables and the F-value regarding the significance of the model is significant. The β coefficients in the model were found to be positive; and this shows us that the Lekki Deep-sea Port variable has a positive effect on the ports terminal handling capacity.

H₂: *The hypothesis that there are prospects for development of Lekki deep seaport on terminal handling capacity in Nigeria is accepted.*

Model 3: $UCIH = \beta_0 + \beta_1 * \text{Lekki DEEPSEA PORT} + e$ (UCIH=Urban, Commercial & Industrial Hub, e=error term)

Table 6. There are no prospects for development of Lekki deep seaport on Urban, Commercial & Industrial Hub in Nigeria.

Independent Variables	Dependent Variable Performance	
	B	T
Constant	1,730	3,313**
Lekki DeepSea Port	,575	4,763**
F	22,682**	
R ²	,869	

**Model and coefficients significant at .01 level

In Model 3, an 87% linear correlation was found between R² the dependent variable (Urban, Commercial & Industrial Hub) and the independent variable (Lekki Deep-sea Port). 87% of the Urban, Commercial & Industrial Hub variable is explained by the Lekki Deep-sea Port variable. It can be seen that the p values of all independent variables and the F-value regarding the significance of the model is significant. The β coefficients in the model were found to be positive; and this shows us that the Lekki Deep-sea Port variable has a positive effect on the Urban, Commercial & Industrial Hub.

H₃: The hypothesis that there are prospects for development of Lekki deep seaport on Urban, Commercial & Industrial Hub in Nigeria is accepted.

Decision Rule

The results show that the three models built is significant at %1 significance level. Here, the adjusted R^2 have to be taken into account as a multiple regression analysis was used. Adjusted R^2 are considered in situations where there is more than one independent variable in multiple regression analysis. The adjusted R^2 (92%, 85% and 87% respectively) were significant. With respect to this result, dependent variables (Job creation, Terminal Handling Capacity, and Urban, Commercial and Industrial hub) are positively explained significantly by the independent variable (Lekki Deep-sea Port). This means that the explanatory power of the ratio is good. In the light of the data from the Linear correlation analysis, it can be said that there are significant prospects for development of Lekki deep seaport in Nigeria. Hence, the alternate hypothesis is accepted.

Discussion of Findings

The impact of Lekki Deepsea port on Nigeria Economy positively impact on trade and commerce, their by facilitating the import and export of goods and improving the efficiency of trade, Also enhancing Nigeria's overall competitiveness and boosts economic growth to a very high extent. The findings of this study shed light on the intricate relationship between Lekki seaport development and economic development. This study aligns with the findings of previous research in the maritime industry (Okeudo, 2013). Additionally, the development of Lekki seaport will boost economic activities within the region and hinterland development, Lekki Deepsea port will create numerous employment opportunities directly for labour in the port as improve economic activities to a very high extent, this finding corroborates the importance of poor development to advance economic activities (Daniela, 2020). Also, Lekki Deepsea port contribute to revenue generation for the Nigerian government through taxes, customs duties, and fees levied on imports, exports, and port services which can be used for infrastructure development, public services, and social welfare programs, thereby improving the overall quality of life for citizens, which is in line with (Chilaka, 2019) and Mogbojuri (2020). According to Adepoju (2020) and Adenigbo et al., (2023) opined that Lekki deep-sea port do have a ripple effect on regional development by stimulating economic activity in the surrounding areas where ancillary industries such as transportation, warehousing, tourism, and hospitality thrive due to increased trade.

Lekki deep-sea port increases ports and terminals handling capacity to a very high extent; and that Lekki deep-sea port have the potential of making the locality an urban, commercial and industrial hub to a very

high extent. This fact was deduced and accepted based on the fact that all the listed items had a mean score of 3.0 and above. Findings of the study shows that financial constraints, political interference, lack of adequate legal framework and regulatory regime, short and long run safety regulations, poor existing road and rail network, poor power capacity, poor viability assessment culture and moribund businesses are the challenges that limits the impact of Lekki Deepsea port on Nigeria economy to a very high extent.

Summary of Findings

In this study, our focus was on the prospect and challenges of Lekki Deepsea port to Nigerian Economy. The study was specifically carried out to find out the impact of Lekki Deepsea port to Nigeria Economy, examine the prospects for development of Lekki deep seaport to Nigeria Economy, and investigate possible challenges (financial constraints, political interference, lack of adequate legal framework and regulatory regime, short and long run safety regulations, poor existing road and rail network, poor power capacity, poor viability assessment culture and moribund businesses) of Lekki deep seaport in Nigeria Economy.

The extent to which the development of Lekki deep-seaport impact on Nigeria Economy is that Lekki deep-sea port will bring about a rising demand for container capacity levels in Lagos expected to reach over 2.5 million TEUs to a very high extent; Lekki Deepsea port will bring about a significant growth in the maritime sectors, such as finished goods, within Nigeria and the regions that are linked to high levels of containerization to a very high extent. It is important that the government and management of Nigeria Port Authority are to ensure sustainable and inclusive development alongside the expansion of deep-sea ports. Regulatory mechanisms and environmental safety should be in place to mitigate negative impacts such as pollution, displacement, and congestion. This study will help Nigerian government, and the management of port authority by enlightening them on the various prospects of Deepsea ports in Nigeria and challenges that impede their operation.

Recommendations

1. It is important that the government and management of Nigeria Port Authority are to ensure sustainable and inclusive development alongside the expansion of deep-sea ports.
2. Regulatory mechanisms and environmental safety should be in place to mitigate negative impacts such as pollution, displacement, and congestion.
3. Efforts should be made by the government and management of Nigeria Port Authority to address logistic bottlenecks and improve ease of doing business to fully realize the prospects of Lekki deep-sea ports for the Nigerian economy.

4. Legal and regulatory framework for deep seaports development, ownership, operations, safety and security issues should be clearly set out.
5. Deep seaport activities will impact positively on Nigeria's economy, but to reap the benefits, parameters must be set right. Great opportunities for huge can be missed when mismanaged.

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