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**COVID-19 AND SUPPLY CHAIN DISRUPTIONS IN NIGERIA**

1. How has the COVID-19 crisis hit the transport and logistics industry in your country and what are the key challenges?

The fallout of Covid-19 on the logistics and transport sectors of the Nigerian economy is very high. The fact that transport is a derived demand was exemplified at this period. Owing to the huge disruptions in the value chain of our production lines, as well as the supply chain nodes, the demand on transportation and even the logistics support for moving the products stalled, and resulted in quasi-halt on the economy. Additionally, the sudden eruption of CIVID-19 and its impact, showed the level of ignorance of some government institutions on the essence of logistics and transport, in sustaining an economy or even a project.

This can be evidenced by the fact that the committee handling matters relating to COVID-19 in Nigeria did not want to disrupt the manufacturing process or create additional bottle necks at the sea ports. They declared that the ports are open for business and that companies producing medical products or pharmaceuticals supplies are not covered by the lockdown order. In doing this, they did not consult with the experts or the Institute in determining how that chain can lead to a good success. On account of that failing, while the ports are up and running, some organizations that are to take in the wares from the seaports were closed down. In some others, while the wares were taken in for production, and their production lines were being sustained by the new wares, they encounter filled warehouses and suffer in outlets as they could neither proceed to the markets nor reach their wholesalers. Even at this point, there was no arrangement by the government to take up their excess products. In yet another scenario, where the wares for some factories were arriving, their workers were not at work, due to the lockdown. In this type of situation, every organization experienced its own impact of COVID-19.

On the whole, there were disruptions in the value chain, as well as the supply chain processes of many organizations, resulting in supply scarcities and in the mild inflationary pressure. What stood out this time was the ability of third party logistics firms to try to meet up with orders. The notable firms, as quickly as, at the onset of the lockdown, signed up logistics firms for distributing their wares. While some succeeded in making the supplies, the others did not open and the absence of additional storage space for the logistics firms, affected their efficiency in taking in new orders, as they were becoming unable to get out the ones with them.

The next impact was on how the government is deploying the numerous vehicles, vans, trucks and heavy plants being donated to them. Even with the food reliefs it had planned to offer to the people, they were faced with huge logistics problems relating to profiling the population and drawing up a logistics system for reaching them. Additionally, they had problems taking in drivers to help, because they have no clear idea on the assignments to them or on their effective deployment. The Government pronounced lockdown on some cities and at the same time, do not have food reserve banks and other stockpiles, to draw from in supporting families under the lockdown. They still have to depend on the major producers under the environment of the lockdown, to reach to the people. This created an initial confusion in addressing their supply chain needs.

The likely challenge is that organizations are looking at renting additional spaces to accommodate their raw materials. Hiring of security personnel, at the expense of increasing their costs, is also being undertaken by these firms, to secure their new sites. Owing to the lockdown, some organizations are looking at reducing office spaces, make some savings on rent of smaller office space and arrange for some staff to rotationally and on weekly basis, alternate working at home and to physically come to work. The limited spaces they hope to retain would be made available to those who have to physically come together as a team and rotationally. Work deliverables are mapped out. All involved staff is linked through the ICT platform for proper coordination and as feeder for decision makers. The telecommunication companies are now increasing their capacities and developing new application methods to enable the affected firms to key into the size of data they need and function from home. The only snag is, in the new investments these firms would be making, and in adopting these new changes, which some have started.

In summary, and as it relates to the aviation sector, Nigeria’s air flight cancelations contributed to air freight capacity constraints. The road and railway transport disorders were heaping misery on immobilized passengers and freight forwarders, and medics, who were required to attend to their duties. Rerouting of shipments, consolidating airfreight to ocean freight and changing transit countries to catch aircraft are increasingly being undertaking.

1. To what extent have businesses and organizations been able to change their operational response already to manage through the Covid-19 period?

In Nigeria, businesses and organizations have been able to adapt their operational response in order to manage through the covid-19 period, in a number of ways, some of which include the following:

 Digitization: this absorbs the problem of disturbances around physical contact. There is acute physical separation among industry players in obedience to the rule of the lock down, but close social proximity is mitigated by the aid of electronic communication methods, throughout the value chain. Additionally, moving away from substantial paperwork, to digitization of data/information, is increasingly being adopted. E-signatures and e-transaction platforms provide guidance and enable continuous logistics operations in the face of disruptions, to physical logistics. Digitizing more of the records is making supply chain more resilient to present and future disruptions.

Information and Communication Technology (ICT), Internet of Things (IoT), Artificial Intelligence (AI), Big Data, Robotics and virtual operations are all advanced technologies that are beginning to dislodge physical end-to end logistics processes. This is even more acceptable, since by their design, they can anticipate and overcome future operational shocks, in the production, distribution and warehousing operations, which will increase the resilience of supply chain logistics in the near future.

Another variant of this is the initiative in some small scale businesses that have modified their production systems to accommodate making totally different products such as “Ankara” face masks, from locally sourced cotton fabrics. As a new business opportunity that has a quicker turnover, manufacturers of perfume and skin care products, started integrating the production of hand sanitizers, to suit the current market needs. Another area that the Nigerian medium businesses are leveraging on, is the employment of Information and Communication Technology in warehousing, to make such operations more efficient in locating and picking stocked items for delivery to end users, who buy through the internet.

There are additional tasks on the Delivery Workers, as they function under the twin pressure of getting the job done and adhering to the requirements for sanitizing supplies and in hand-washing after each operation, in order to keep safe. Same goes for the postal mail sorters and mail carriers, who are exposed to the daily inundation of mails, at this time, as postal services surge.

In the circumstance, the moral action to disinfect mails and parcels and keep every party safe is undertaken. This has helped to expand the scope of the Nigerian Postal Services, as they are involved in moving essential parcels, such as medical and energy related supplies; and had to work closely with the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development to pick up and deliver other packages, including relief materials across Nigeria. They equally maintained steady communications with other courier services firms, at this period of emergency response, for synergy and capacity building.

1. What help and support is being given in your country by government, CILT or other trade bodies? How can B2B and CILT play a role in overcoming the COVID-19 challenges?

Considering the huge disruptions this pandemic has already introduced into the economy, the government has announced several relief projects for sustaining the economy of companies and the individual households. Tax holidays have been announced for some highly impacted firms. Grants were to be given to firms that can take up the production of medical products that are in high demand, this time. Some SMEs, who have loan accounts, are to have those accounts converted to grants, with a longer payback period. In the case of households, electricity supply bills are to be waved, while allowances are to be provided to some poor families, to support their inability to run their daily routines, to earn income and address their daily needs.

On the part of the CILT, it noted that vehicles, vans trucks being donated to help fight the disease, may result in shortage of drivers. Hiring of drivers at this time may negate the usual vetting process. Accordingly, the Institute, in recognition of its partnership with Verisure Nigeria Limited, a drivers’ vetting sight for hiring road vehicle drivers, offered to link up their services with Lagos State Government, for recruiting drivers through them. It has also offered to help the State work out a logistics scheme that will take-off the pressure from the government, in terms of logistics planning, routing and management of vehicles, wares, personnel and inventory of those stocks. In terms of creating ease of access to the testing centres for the Corona Virus and self isolation centres, the Institute has offered meaning suggestions to the State, on how best they can execute that. A schedule of timing for running a set of its BRT buses on designated routes for ferrying medical workers, to close enough points to their workplaces, has also been made to the State.

As for Members and our clients, the Institute has continued to maintain visibility and close contact via intensive and extensive use of various social media platforms. This has aided us in solving inquiries, serving them administratively, where necessary and aiding us to disseminate knowledge and guidance on how to navigate supply chain challenges. This experience does show that while physical distancing creates a gulf among individuals, there can be social cohesion among them. Thus virtual socialization and electronic networking has allowed the relationship between us and our members and customers to deepen, as there is no other choice to make, on working collaboratively at the moment.

In terms of how CILT and other organizations can play a role regarding overcoming COVID-19 pandemic, it needs to collaborate with other businesses at this time that supply chain networks get disrupted and the spectrum for information is shrinking, amid high premium on information. Solutions to problems should be shared amongst willing and available stakeholders for the benefit of the concerned parties. Information needs to be accurate, timely and practically dependable, and at a time like this.

CILT could profile the markets, to identify suppliers and producers; identify places of demand and supply and establish a link between the two ends. This can be achieved by capturing market demand data on one hand, and inventories and their producers on the other, through a networking approach. Placing these pieces of information online, and on the Institute’s website for ease of public accessibility, and creating the needed general awareness among manufacturers, shippers, marketers, transporters and consumers across the supply chain, will generate instant traffic to the site.

1. Conclusion

The huge disruptions in service deliveries under this pandemic are huge and expensive. It will be a while to fully estimate the costs of this disease and the lives it has taken. With the United States Postal Service reporting on April 6, 2020 that out of 630,000 workforces, 293 postal employees had been tested positive for covid-19, it shows how the human capital in most organizations can be devastated and thrown off balance. It is instructive to note that the fallout of covid-19 is not entirely negative. This is because, it has helped companies, institutions and governments, to attempt at re-strategizing for better handling, deployment and management of resources, both now and in the future. It has changed the structure of business organizations and had introduced new concepts in business processes.

**CILT Nigeria**