



An Analysis of Investment Trends, Innovation and its Impact on Cabotage and Local Content Regime: Nigerian Experience from Businesses in Oil and Gas and Maritime Industries

Omolade S. ADEYEMI¹
Timilehin O. OLUBIYI²

Abstract

This study looks into how Nigeria's oil and gas and maritime industries are affected by laws against cabotage and local content, with particular attention to employment rates, investment trends, technological developments, and communication. The study adopts the quantitative survey methodology. The target population comprises 358 oil and gas and maritime industries' employees. Stratified random sampling was adopted to size the population into strata. Data was collected through a closed-ended structured questionnaire. The study used the primary and secondary data sources. The study examines the effects of local content and cabotage regulations in the two sectors, evaluating theories about employment rates, innovation, and investment trends. The result showed that there was a positive and significant effect of investment trend and innovation on cabotage law in the oil and gas industry in Nigeria (t-statistics (43.312) > critical value (0.000)). Also, the study revealed that there was a positive and significant effect of investment trends and innovation on local content law in the oil and gas and maritime industry in Nigeria (t-statistics (48.491) > critical value (0.000)). The findings show a strong positive correlation between compliance with these regulations and investment patterns. Turning barriers/obstacles into opportunities has proven to need effective innovation. The study recommends that policy improvement, improved innovative capacity, industry cooperation, monitoring, and enforcement will help improve compliance with the regulations and enhance investment patterns/innovation.

Keywords: Cabotage Law, Investment Trends, Innovation, Local Content Law, Nigeria.

¹ Department of Business Administration, Oduduwa University, Oyo State, Nigeria.

² Department of Business Administration & Marketing, School of Management Sciences, Babcock University, Ilishan-Remo, Nigeria.

Corresponding author's e-mail: drtimiolubiyi@gmail.com

ORCID: <https://orcid.org/0000-0003-0690-7722>

Introduction

Over time, there has been a paradigm shift in the global dynamics of the maritime and oil and gas industries due to many challenges with the environment, infrastructure constraints, safety, and changes to governance and regulations. Nigeria's oil revenue and overall economic stability are also at risk from the volatile global oil price and growing competition from other oil-producing nations. As globalisation has increased, countries have realised how important these industries are to promoting economic expansion (Dhali *et al.*, 2023). The need for energy and international trade has increased due to economies becoming more integrated. As a result, nations worldwide have been looking for methods to change their legal system, draw in foreign capital and promote innovation in the shipping and oil and gas industries (Osemwegie, 2019). The importance of strong maritime and energy sectors in the context of Africa cannot be emphasised. The continent's economic hopes rest on the effectiveness of its energy and maritime sectors. For example, Nigeria is one of the most important oil and gas operations centres in the Gulf of Guinea (Team - PwC Indonesia, 2023). African countries (Nigeria included) are aggressively pursuing law reforms to foster an atmosphere supporting sector-specific investment and innovation and take advantage of these prospects (Nwekeaku & Atteh, 2016; Scholarworks & Onwuka, 2021a). Collaborative initiatives among surrounding countries have been undertaken to streamline legal frameworks in West Africa, where Nigeria is a significant actor (Etuk, 2022; Nwekeaku & Atteh, 2016).

Harmonised rules are necessary to enable cross-border investments and developments in the shipping and oil and gas industries, as recognised by regional organisations like the Economic Community of West African States (ECOWAS). Nigeria has responded to this by coordinating its legal reforms with regional goals, which has helped to promote a more unified strategy for sector growth (Agbeja, 2012; Etuk, 2022). Focusing on Nigeria, the country is essential to the energy and maritime environment of the region. However, there have always been difficulties with the legal system, especially with regard to cabotage and local content (Obiri & Bjeirmi, 2019). Acknowledging the necessity to draw in capital and stimulate creativity, Nigeria has commenced an extensive legal overhaul process. For several reasons, the oil and gas sector is very important to Nigeria's economy. Nigeria is a major oil producer, and the country's income is largely derived from oil exports. The industry uses taxes, royalties, and other fiscal tools to give the government substantial money. Nigeria's foreign exchange earnings heavily rely on its oil exports, which are essential for sustaining currency stability and promoting global trade. The industry offers both direct and indirect employment opportunities, from upstream exploration and production activities to downstream refining, distribution, and related services. Despite initiatives

to broaden the economy, the oil and gas industry plays a crucial role, impacting several other national businesses and sectors.

Proposals such as the Local Content Development Act and the Cabotage Act aim to establish a legal framework that fosters technical innovation, improves capacity building, and encourages domestic participation in the maritime and oil and gas industries (Agbeja, 2012; Edih et al., 2022). Notwithstanding these changes, problems still exist. The areas that require constant attention are enforcement procedures, administrative roadblocks, and the requirement for continued adaption to changing global standards. But there are also big potential benefits: a more dynamic and competitive maritime and energy sector that benefits Nigeria as a whole as well as greatly enhancing the world's energy and trade environment (Nwekeaku & Atteh, 2016; Olatunji Ajiye 2013; Scholarworks & Ikpogu, 2021). However, this study aims to examine the influence of Law reform for encouraging sector-specific investment and innovation from sea to sea (Cabotage Law to Local Content Law) in the Nigerian oil and gas industry and shipping Industry.

Nigeria's economic development is significantly influenced by the maritime sector, which links the country "from sea to sea." The study examines how changes to local content laws and cabotage restrictions affect investment trends and foster innovation in this important industry. Over time, there have been notable modifications to local content regulations, which encourage the involvement of indigenous enterprises in the industry, and captive laws, which are intended to reserve domestic maritime transport for national vessels (Obiri & Bjeirmi, 2019; Okon, 2019).

With enormous potential for expansion, innovation, and job creation, Nigeria's shipping and oil and gas sectors are vital to the nation's economic development. Nevertheless, the current legislative system controlling these industries presents serious obstacles to the best possible investment and innovation, especially concerning cabotage and local content (Nwozor *et al.*, 2020) The goals of cabotage regulations, which are meant to encourage indigenous involvement in maritime activities, have not always been fully realised due to obstacles in their implementation. Moreover, the oil and gas industry's existing regulatory environment regarding local content standards is unclear, inconsistent, and difficult to implement, which prevents the full advantages from being realised (Edih *et al.*, 2022; Nwekeaku & Atteh, 2016). With a focus on the effects these major legislative barriers have on sector-specific investment and innovation, this research attempts to identify and evaluate the cabotage and local content frameworks. In order to foster local participation, job creation, economic empowerment, and technological advancement, all of which contribute to the general development of Nigeria's economy, cabotage and local content rules play critical roles in shaping investment and innovation within the oil and gas and maritime industries.

Indigenous participation by reserving particular activities for vessels owned and operated by Nigerian individuals or businesses and rules against captivity promote indigenous participation in the maritime industry, encouraging local ownership and control, which fosters economic empowerment. Cabotage regulations promote employment development in maritime and onshore sectors by limiting specific maritime activities to Nigerian vessels. The insistence on Nigerian ownership and crewing encourages the local marine industry to strengthen its operational and technical skills, controlling vessels operating in Nigerian seas, lowering the possibility of illicit activity, and strengthening control over domestic maritime trade. These laws improve maritime security. On the other hand, Local Content laws in the oil and gas industry guarantee that indigenous businesses receive a sizable share of contracts and activities, which promotes economic empowerment and the nationalisation of riches, thereby encouraging the transfer of technology and expertise from multinational corporations to regional firms, these rules help to increase the knowledge and skills of Nigerian workers. Local content requirements, like anti-cabotage laws, require the use of local labour and resources to generate jobs for Nigerians. The rules guarantee that a sizeable portion of the economic advantages stay in Nigeria by mandating that a sizeable portion of contracts in the oil and gas industry be given to local businesses, fostering inclusive economic growth. The study will explore the ambiguities, inefficiencies, and enforcement gaps within these legal frameworks to propose targeted reforms that encourage a conducive environment for increased investment, technological advancement, and sustainable growth in the Shipping and Oil & Gas industries.

Literature Review

The necessity to control operations, promote indigenous participation and guarantee maritime security has led to historical legal revisions in Nigeria's marine sector. One of the first laws to prevent shipping operations and ensure maritime safety was the Merchant Shipping Act of 1951. The Nigerian Ports Authority was founded by the Nigerian Ports Authority Act of 1954, which centralised port management and control to increase productivity (Agbeja, 2012; Etuk, 2022). The Shipping Policy Act of 1978 provided guidelines for the growth of the shipping sector and emphasised the necessity of a national fleet. The Coastal and Inland Shipping (Cabotage) Act of 2003 is a noteworthy law that encourages the involvement of indigenous people in coastal trade by limiting specific activities to Nigerian-owned vessels, owners, and crews (Coastal and Inland Shipping (CABOTAGE) ACT, 2003). The promotion of local content, economic empowerment, and the utilisation of the country's oil and gas resources are all critical to the evolution of law reforms in Nigeria's oil sector. The Petroleum Act of 1969 established the legislative framework and laid the groundwork for regulating petroleum exploration and production (Obiri & Bjeirmi, 2019). The Nigerian

National Petroleum Corporation (NNPC) was subsequently renamed the Nigerian National Oil Corporation (NNPC) after the Nigerian National Oil Corporation Act of 1971 established the former. The Deep Offshore and Inland Basin Production Sharing Contract Act (1999) addressed the financial aspects of producing oil offshore while attempting to draw capital to difficult-to-explore regions. Nigerian Oil and Gas Industry Content Development (NOGICD) Act (2010). An important piece of law that ensures a large number of Nigerians and indigenous enterprises participate in the oil and gas sector by encouraging local content (Nigerian Oil and Gas Industry Content Development Act 2010 Act No. 2 Part I-Nigerian Content Development in Oil and Gas Industry, 2010) .

The establishment of Cabotage laws resulted from a regulatory evolution that acknowledged the necessity of indigenous participation in the maritime sector. The National Shipping Policy of 2009 laid the groundwork for extensive reforms in the maritime industry by prioritising the development of a national fleet and the involvement of indigenous people (Amuka & Ezinna, 2021). The Coastal and Inland Shipping (Cabotage) Act 2003 was passed to implement the National Shipping Policy's goals by restricting certain maritime operations to vessels owned and operated by Nigerians (Okon, 2019). Also, a growing emphasis on economic empowerment and technology transfer characterises the growth of legislation in the oil and gas sector toward local content development. The 2008 Petroleum Industry Bill (PIB) included provisions for local content development along with other extensive reforms for the oil and gas industry. Act (2010) on the development of content for the oil and gas industry in Nigeria (NOGICD) (Nigerian Oil and Gas Industry Content Development Act 2010 Act No. 2 Part I-Nigerian Content Development in Oil and Gas Industry, 2010). Specifically focused on fostering local content, this law was passed to fill in the holes in the PIB by requiring a significant portion of oil and gas activities to be completed by Nigerian enterprises (Oluwatosin, 2014). The regulatory progression that resulted in the legislation about cabotage and local content is indicative of a deliberate endeavour to augment the involvement of indigenous people, generate economic prospects, and guarantee sustainable growth in the marine and oil and gas domains of Nigeria's economy (Scholarworks & Onwuka, 2021b). These regulations align with larger national development objectives by attempting to balance luring in foreign capital and supporting the expansion of regional industries (Wabote Simbi Kesiye, 2022). Consequently, several studies have shown that anti-cabotage legislation has had a favourable effect on the number of indigenous people working in the marine industry (Dike *et al.*, 2023a, 2023b; Nwekeaku & Atteh, 2016; Olatunji Ajiye, 2013). There are now more locally owned ships and more job prospects for Nigerian seafarers as a result of the allocation of certain activities to Nigerian-owned boats (Oluwatosin, 2014; Ovadia Jesse, 2013; UNCTAD, 2013; Wabote Simbi Kesiye,

2022). Similarly, few scholarly works emphasise how the marine industry benefits from applying cabotage rules in terms of capacity building and technology transfer. The laws support transferring skills and knowledge by mandating those Nigerian staff vessels (Agbeja, 2012; United Nations Conference on Trade And Development, 2023).

According to research, by controlling vessels operating in Nigerian waters, anti-counterfeit regulations have helped to improve maritime security. Better control over coastal trade has resulted from this, and the possibility of illicit activity has decreased (Okon, 2019; Scholarworks & Ikpogu, 2021). Research has shown that local content requirements in the oil and gas industry favour job creation and economic empowerment. Research indicates that Nigerian businesses are becoming more involved in the oil and gas industry, which keeps wealth and creates jobs in the nation (Rapu *et al.*, 2013). Studies show that local content regulations positively impact the transfer of technology and skills. The mandate for multinational corporations to collaborate with local businesses has resulted in the exchange of knowledge and skills, thereby fostering the development of domestic capacities (Scholarworks & Onwuka, 2021a). According to some research, local content regulations that require a significant portion of contracts to be awarded to indigenous businesses help preserve the nation's wealth. This is consistent with the overarching objective of attaining equitable economic growth (Etuk, 2022). Although the material currently in publication sheds light on the immediate consequences of local content and boycott legislation, it is unclear how sustainable these policies will be in the long run. The longevity of these laws in fostering indigenous involvement and economic development may be investigated in more detail. A limited number of studies have thoroughly compared the effects of local content and cabotage legislation in various sectors. Therefore, the objective of this study is to examine the effects of investment trends and innovation on cabotage law in the oil and gas industry; and also to evaluate the effects of investment trends and innovation on local content law in the maritime industry.

Methodology

This study adopts the quantitative survey research approach in order to give a concise and impartial summary of trends, patterns, and linkages within the sectors under study, this research approach entails gathering and evaluating numerical data. The empirical tests of the hypothesis in this study were carried out by relying on the prior study methodology of Arokodare, Falana, and Olubiyi, (2023), Olubiyi, (2024), Ukabi, Uba, Ewum, and Olubiyi, (2023) and Uwem, Oyedele, and Olubiyi, (2021); Olubiyi (2023a). The selected methodology is to provide a thorough overview of the quantitative components of these laws' effects on investment trends and innovation. This study's population comprises 358 employees of businesses operating in maritime

and oil and gas industries, using a stratified random sampling method. In order to divide the population into subgroups or strata according to important features that are pertinent to this investigation, the study uses stratified random sampling. Different sectors of the maritime and oil and gas industries, such as shipping businesses, oil exploration companies, service providers, regulatory organisations, and local content development agencies, are included in the stratum in this context. After that, random samples are taken from every stratum to ensure the research fairly represents every subgroup. Data was gathered through a closed-end structured questionnaire.

Through the utilisation of statistical instruments, the study evaluates the statistical importance of noted patterns, offering a degree of assurance regarding the applicability of results to a wider demographic. Quantifiable metrics are made possible by descriptive statistics, which enable the measurement of many factors like investment trends and technology improvements—calculating measures of dispersion, such as standard deviation, and measurements of central tendency, such as mean and median, to characterise the distribution and variability of important variables using SPSS version 26. The research attempts to give a thorough and nuanced knowledge of the effects of local content and cabotage legislation on Nigeria's shipping and oil and gas industries by utilising these analytical methods within a descriptive and regression analysis. The selected approach ensures the methodical and data-driven investigation of the research topics, which also contributes to evidence-based conclusions and suggestions.

Results and Discussion

Table 1: Demographic Information of Respondents

Variable	Frequency	Percentage
Gender		
Male	213	59.5
Female	145	40.5
Total	358	100
Age		
Below 30	153	42.7
31-40	111	31.0
41-50	66	18.4
Above 50	28	7.8
Total	358	100
Marital Status		
Single	125	62.3
Married	223	34.9
Widow/Widower	7	1.9
Divorced	3	0.8
Total	358	100
Educational Qualification		
O'Level	34	9.5
NCE/ND	40	11.2
HND/BSC	193	53.9

Postgraduate Degree	91	25.4
Total	358	100
Length of Service		
1-5yrs	111	31.0
6-10yrs	153	42.7
11-20yrs	66	18.4
Over 20yrs	28	7.8
Total	358	100

Source: Researchers' Field Survey 2024

The Table showed the respondents' profile in frequency and percentage distribution of gender, age, marital status, educational qualification, and length of service.

Do investment trends and innovation affect cabotage law in the oil and gas industry?

Table 2: Mean rating of responses of respondents on the effects of investment trends, and innovation on cabotage law in the oil and gas industry

S/N	SA	A	U	D	SD	Mean	SD
	5	4	3	2	1		
1	156	124	58	12	8	4.14	0.0029
2	124	156	48	20	10	4.02	0.0027
3	213	91	42	9	3	4.40	0.0034
4	197	104	37	12	8	4.31	0.0032
						4.218	0.0031

Source: Researchers' Survey 2024

This Table shows respondents' opinions on the effects of investment trends and innovation on cabotage law in the oil and gas industry. The research items 1, 2, 3, 4, have a mean score of above 4.0 points, respectively and it was rated great extent by respondents. Thereby study revealed that investment trends and innovation had a significant effect on cabotage law since the investment trends and innovation had serious influences on cabotage law. The respondents agree with all the items.

How do investment trends and innovation affect local content law in the maritime industry?

Table 3: Mean rating of responses of respondents on the effects of investment trends and innovation on rates of local content law in the maritime industry

S/N	SA	A	U	D	SD	Mean	SD
	5	4	3	2	1		
1	180	100	48	23	7	4.18	0.0029
2	126	158	64	20	10	4.20	0.0027
3	200	101	45	9	3	4.36	0.0034
4	190	111	35	12	10	4.28	0.0032
						4.255	0.0031

Source: Researchers' Survey 2024

This Table shows respondents' opinions on the effect of investment trends and innovation on local content law in the maritime industry. The research items 1, 2, 3, 4, have a mean score of above 4.0 points respectively and were rated greatly by respondents. The study revealed that Investment trends and innovation had a significant effect on Local content Law since investment trends and innovation influence Local Content Law. The respondents agree with all the items.

The effect of Investment trends and Innovations on the oil and gas industry and shipping industry

Table 4: Mean rating of responses of respondents on the effect of Investment trends and Innovations on the oil gas industry and shipping industry

S/N	SA	A	U	D	SD	Mean	SD
	5	4	3	2	1		
1	126	158	64	20	10	4.20	0.0030
2	116	158	74	13	17	4.13	0.0029
3	180	100	48	23	7	4.18	0.0030
4	197	104	37	12	8	4.31	0.0032
						4.205	0.0030

Source: Researchers' Survey 2024

This Table shows respondents' opinions on the effect of Investment trends and innovations. The research items 1, 2, 3, and 4, have mean scores of above 4.0 points respectively and it was rated great extent by respondents. The study revealed that investment trends and innovation had a significant effect on the Nigerian oil and gas industry and the shipping industry since investment trends and innovation influence them. The respondents agree with all the items.

Test of Hypotheses

Test of Hypothesis One

H₀₁: investment trends and innovation have no significant influence on cabotage law in the oil and gas industry.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.917 ^a	0.840	0.840	0.40781

Source: Researchers' Survey 2024

a. Predictors: (Constant), Investment Trends and Innovation

Table 6: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	311.992	1	311.992	1875.954	0.000 ^b
1 Residual	59.207	356	0.166		
Total	371.198	357			

Source: Researchers' Survey 2024

a. Dependent Variable: Cabotage Law

b. Predictors: (Constant), Investment Trends and Innovation

Table 7: Coefficients^a

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.640	0.113		5.645	0.000
	ITI	1.095	0.025	0.917	43.312	0.000

Source: Researchers' Survey 2024

Investment trends and innovation were regressed against Cabotage law in testing the hypothesis. The result of the single-regression analysis showed the model to examine the effects of investment trends, innovation, and employment rates on cabotage law in the oil and gas industry. Cabotage Law = 0.640 + 1.095Investment Trends and Innovation. The empirical result showed that the coefficient investment trend and innovation positively affected Cabotage Law; it means that Investment trends and innovation have a positive and direct impact on Cabotage Law. The results of the t-statistics denote that the coefficient was statistically significance because an observed value of t-statistics (43.312) was greater than its P-values (0.000). The results of the F-statistical test showed that the overall regression of hypothesis one was statistically significance because the observed value of the F-statistics (1875.954) was greater than its p-value (0.000). Again, the empirical result shows that the Pearson product-moment correlation analysis (r) was 0.917. The strength of the relationship between the two variables was high. However, the null hypothesis was rejected, and the result showed that investment trends, innovation, and employment rates significantly influence cabotage law in the oil and gas industry.

Test of Hypothesis Two

H₀₂: investment trends and innovation have no significant influence on local content law in the maritime industry.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.932 ^a	0.869	0.868	0.37028

Source: Researchers' Survey 2024

a. Predictors: (Constant), Investment trends and Innovation

Table 9: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	322.388	1	322.388	2351.338	0.000 ^b
1 Residual	48.811	356	0.137		
Total	371.198	357			

Source: Researchers' Survey 2024

a. Dependent Variable: Local Content Law

b. Predictors: (Constant), Investment Trends and Innovation

Table 10: Coefficients^a

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.650	0.102		6.401	0.000
	ITI	1.109	0.023	0.932	48.491	0.000

Source: Researchers' Survey 2024

Investment trends and innovation were regressed against local content law in testing the hypothesis. The result of the single-regression analysis showed that the model evaluates the effects of investment trends and innovation on local content law in the maritime industry. Local Content Law = 0.640 + 1.109Investment Trend. The empirical result showed that the coefficient investment trends and innovation had a positive effect on Local Content Law; it means that investment trends and innovation had a positive and direct impact on local content law. The results of the t-statistics denote that the coefficient was statistically significance because the observed value of t-statistics (48.491) was greater than its P-values (0.000). The results of the F-statistical test showed that the overall regression of hypothesis one was statistically significance because the observed value of the F-statistics (2351.338) was greater than its critical value (0.000). Again, our empirical result showed that the Pearson product-moment correlation analysis (r) was 0.932. The strength of the relationship between the two variables was high. However, the null hypothesis will be rejected, concluding that investment trends, innovation, and employment rates significantly influence local content law in the maritime industry. The study revealed that there was a positive and significant effect of investment trends and innovation on cabotage law in the oil and gas industry in Nigeria (t-statistics (43.312) > critical value (0.000).

The result of this study is consistent with the outcome of research scholars such as (Osemwegie, 2019; Edih *et al.*, 2022; Nwekeaku & Atteh, 2016; Onuoha & Nnubia, 2004; Scholarworks & Onwuka, 2021b). Also, the study revealed that there was a positive and significant effect of investment trends and innovation on local content law on the maritime industry in Nigeria (t-statistics (48.491) > critical value (0.000)). The study is consistent with research scholars (Agbeja, 2012; Dhali *et al.*, 2023; Etuk, 2022; Scholarworks & Onwuka, 2021a)

Discussions

The study's findings show that in Nigeria's oil and gas and marine sectors, investment trends and innovation have a major and favourable influence on local content and cabotage regulations. The execution of these laws, investment trends, and innovation have a strong positive association, indicating that a strong investment climate and innovation are linked to a higher possibility of regulatory framework compliance. Regarding the rules about sabotage, the results suggest that an increase in investment trends and innovation within the oil and gas industry correlates favourably with adherence to sabotage legislation. This could be explained by the belief that following these laws makes the industry more appealing to domestic and foreign investors. The favourable impact noted in the oil and gas sector can be attributed to the regulatory actions intended to safeguard the domestic maritime industry and encourage indigenous participation. In a similar vein, the study finds that investment trends and innovation have a major impact on maritime industry compliance with local content rules. The correlation between investment patterns/innovation and local content legislation indicates that an increase in investments and innovation in the marine industry is likely to positively affect compliance with rules that support local involvement and content. Moreover, the research reveals a noteworthy affirmative association between innovation and the conversion of obstacles/barriers to innovation into prospects in Nigeria. This emphasises how crucial innovation is to overcoming obstacles and using them as chances for improvement. Within the oil and gas and maritime industries, innovation can be essential for managing regulatory obstacles and cultivating a cooperative atmosphere.

Conclusion

The study offers insightful information about how local content and cabotage rules affect Nigeria's oil and gas and maritime industries. These rules are crucial in influencing industry dynamics and drawing investments, as seen by the strong and positive correlation between investment trends and compliance. The successful execution of public policy has emerged as a very influential tool in driving progress in contemporary society. Additionally, it is used to establish the groundwork for the

sustained development and progress of any country. The speed at which this may be achieved depends mostly on the government's capacity to develop suitable policies and, crucially, on the public bureaucracy's ability to efficiently execute these policies. Furthermore, the necessity of open and honest channels of communication within the regulatory framework is underscored by the positive correlation that has been found between successful communication and the conversion of obstacles into possibilities. This is essential for creating an atmosphere in which problems are solved quickly, creating chances for improvement.

Recommendations

For the Nigerian Cabotage Laws to effectively influence the economy, the Government must approach policy implementation regarding waivers with determination and innovation. If exemptions are to be granted, it is imperative that they are administered in strict adherence to a prescribed set of regulations. They include

- i. **Policy Refinement:** Given that investment patterns and adherence to local content and cabotage laws are positively correlated, legislators should consider improving the efficacy of these restrictions. The regulatory framework can be made to stay sensitive to the dynamics of the industry by ongoing examination and modification.
- ii. **Communication Enhancement:** Stakeholders in the oil and gas and maritime industries should prioritise efficient communication strategies because of communication's important role in turning obstacles into opportunities. This includes cooperation between important stakeholders and the open distribution of industry updates and regulatory changes.
- iii. **Industry Collaboration:** The report emphasises how crucial it is for investors, industry participants, and government agencies to work together. Collaboration can result in the creation of plans that support the goals of local content and cabotage regulations, creating an atmosphere that is favourable to long-term development.
- iv. **Monitoring and Enforcement:** Strong monitoring and enforcement procedures are required to guarantee the laws against local content and cabotage remain effective. Violations can be discouraged, and adherence encouraged via regular compliance evaluations and suitable sanctions for non-compliance.
- v. The decision-making process of African governments, especially Nigerian oil and gas industry operators, will be aided by a framework for a cogent future

vision. It will supply current and really beneficial data and analysis. Additionally, it is a matter of choice and future orientation for optimizing the advantages of African oil and gas.

- vi. Nigeria must keep diversifying its economy and wean itself off of its oil dependence. To do this, the country would need a lot of funds, political will, sound policies, and strong leadership. Ironically, therefore, oil revenue is needed to diversify Nigeria's economy to supply electricity, bridge the infrastructure deficit, and establish and expand other sectors of the economy that are lagging behind. This will assist in lowering reliance on foreign dependency.

Suggestions for further study

Although the study points out the beneficial effects of investment trends on regulatory compliance, it also creates opportunities for more investigation. Subsequent research endeavours may focus on particular elements impacting maritime and oil and gas investment choices. Given that hydrocarbon investments are made based on net present value (NPV), an examination of how international law is used in Nigeria's oil business would assist multinational oil and gas firms in measuring reasonable expectations. The study will also identify any gaps in Nigeria's legal and regulatory framework, assisting decision-makers in setting up the necessary arrangements for the oil and gas sector to properly adopt international law.

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