

# Management of Road Transportation and National Security:

*Challenges and Prospects for Sustainable  
Growth and Survival of SMEs in Nigeria*

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27  
May, 2021

Nigerian Army Resource Centre  
Abuja

# Introduction – 1/2

- The inter-relationship between road transportation management, road safety, security and the economy cannot be emphasized because their effects is impact on the society in a variety of ways.



- Safety and security play key roles in facilitating economic development in the country.
- The informal sector which provides the bulk of the Small and Medium Scale Enterprise (SME) rely heavily on transportation to drive business. There is therefore, benefit in having a closer view of how these factors connect to economic growth.

# Key Definitions

## MANAGEMENT

*The coordination and administration of tasks to achieve a goal. Also, it is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively*

<https://www.indeed.com/career-advice/career-development/what-is-management>

## ROAD

*A thoroughfare, route, or way on land between two places that has been paved or otherwise improved to allow travel by foot or some form of conveyance, including a motor vehicle, cart, bicycle, or horse*

# Key Definitions

## TRANSPORTATION

*The movement of goods and persons from place to place and the various means by which such movement is accomplished*

<https://www.britannica.com/technology/transportation-technology>

## NATIONAL SECURITY

*The security and defence of a nation state, including its citizens, economy, and institutions, which is regarded as a duty of government*

# Key Definitions

## CHALLENGES

*Something new and difficult which requires great effort and determination*

<https://www.collinsdictionary.com/dictionary/english/challenge>

## PROSPECTS

*The possibility that something might happen in the future, especially something good.*

<https://dictionary.cambridge.org/dictionary/english/prospect>

# Key Definitions

## SUSTAINABLE

*Able to be maintained at a certain rate or level*

Oxford Language dictionary

## GROWTH

*The process of increasing in size*

Oxford Language dictionary

## SURVIVAL

*The state or fact of continuing to live or exist, typically in spite of an accident, ordeal, or difficult circumstances.*

Oxford Language dictionary

## SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

*A small and mid-size enterprise (SME) is a business that maintains revenues, assets or a number of employees below a certain threshold.*

<https://www.investopedia.com/>



# Road Transportation, Road Safety, Security and the Economy

1

- Nigeria's expansive **204,000km** total road network, offers the opportunity for viable business.

2

- The vastness of the road in its self, does not portend safety or security challenge, but for 'ungoverned spaces' that have been capitalized upon.

3

- The reliance of the road for transportation and its state has enormous implications for the economy as SMEs depend on for the facilitation of business.

# The Road in Nigeria

- According to the National Transport Policy, Nigeria has 3 major types of road classified as follows:

| Federal | State | Local Govt. |
|---------|-------|-------------|
| 17%     | 16%   | 67%         |





# What the Road means in Nigeria



It is a major  
**INSTITUTION**  
with  
“several meanings and  
implications depending on  
what perspective the view is  
targeted at.

# What the Road means in Nigeria

## In Politics

It is a “barometer”  
for assessing  
political  
achievements of  
administrations  
or individuals

## In Social Parlance

It is the  
meeting point  
for all. Both the  
Rich and the  
Poor

## Economically

The most utilized  
access for moving  
goods and services  
from the farms or  
ports to the  
markets

# What the Road means in Nigeria

## Society

It is a measure of the pulse of **life** in the society or communities.

Deserted streets mean a lot

## Public Expression

Protesters and students use the road to express their views mildly or violently

## Vices

The preferred channel for criminals to perpetrate evil

# Road Transportation : A dominant Factor

- The popularity of the road transport mode over others (Air, Rail, Water, Pipeline) in Nigeria is borne out of its accessibility, flexibility and affordability.



- The preference of the mode has made the subject of road transportation to assume a wider dimension at public discourse such as this programme.

# Road Transportation & National Security

- While road transportation is dominant and highly depended on for virtually all movements and services in the country, the mode has been negatively exploited by some nefarious individuals and groups to the detriment of the society.

- The security implications are exported through the following platforms:

Armed  
Robbery

Traffic in  
Persons

Drugs and Arms  
transportation



# Road Transportation & SMEs



The catalytic role played by SMEs in the economic transformation of Nigeria through substantial contribution to the Gross Domestic Product (GDP), employment generation, export, increasing local value addition and technological advancement has so much to do with the road.



# SMEs : The Importance (1/3)

- Around the world, SMEs have contributed to the growth of economies significantly.
- The SME sector is essential to:
  - Alleviating poverty through wealth creation via job provision
  - Generating taxes and revenue
  - Promoting rapid entrepreneurial growth
  - Accelerating private driven economy
  - Bringing stability to the country's economy

## SMEs : The Importance (2/3)

- PwC Survey on SMEs shows that:

| Country      | % of businesses | GDP | Employment |
|--------------|-----------------|-----|------------|
| South Africa | 99%             | 52% | 29%        |
| USA          | > 99%           | 44% | 48%        |
| UK           | 99.7%           | 51% | 54%        |
| Germany      | 99.5%           | 54% | 63%        |

- Nearly ALL businesses and about half (50%) of the annual GDP of most of the developed economies is supported by SMEs

*Source: 2020 PwC MSME Survey*

# SMEs : The Importance (3/3)

In Nigeria, the Survey shows that:

- SMEs contributes immensely to Nigeria's economic growth by powering the main indicators of development.

| In Nigeria, SMEs contribute |                              |
|-----------------------------|------------------------------|
| 99.8%                       | of businesses                |
| 84%                         | of employment                |
| 49%                         | Contributed to the Total GDP |

*Source: 2020 PwC MSME Survey*

# How Road Traffic Crashes (RTCs) Affects SMEs (1/2)



- Losses in human and material capital are existential threats to SMEs in Nigeria.
- Avoidance of wastages from RTCs involving haulage and freight services is essential

# How Road Traffic Crashes Affects SMEs (2/2)



a

#1

Cause of deaths for children  
and young adults 5-29 years

b

8<sup>th</sup>

Leading cause of death  
for people of all ages

- The involvement of young people (***the productive age group***) in RTCs is inimical to SME development as most small businesses are powered by them.

# Way Forward - 1/4

Government to provide more motorable access roads to expand the existing road network to enhance trade involving door-to-door services in Nigeria. This is critical for SME sustainability.

6,500 km in 1960

10,000 km in 1970

29,000 km in 1980

204,000 km in recent years

In 2021 and beyond, twice of the current coverage to enhance SMEs growth

### **Need to Implement SME Policies**

The National Policy on SMEs, 2007, 2015 should be implemented in relation to its inter-connectivity with road transportation management, safety and security

## Enhance the RTSSS for improved Fleet Administration

The FRSC will continue to improve Road Transport Safety Standardization Scheme (RTSSS) to provide useful data to the NBS for planning and policy purposes.

| FLEET ACTIVITIES             |
|------------------------------|
|                              |
| FLEET OPERATORS REGISTRATION |
| PASSENGERS TRAVELLED         |
| LUX BUS TRAVELLED            |
| VEHICLES TRAVELLED           |
| VEHICLES KILOMETRE COVERAGE  |



**Eliminate  
compromise  
on the part of  
Security  
Agents on the  
road**

Collection of bribes and extortions by some security personnel along the roads is a major stumbling block to achieving the desired level of national security. This will help in addressing cases of illegal diversion of goods.

# Conclusion

- SMEs have proven to be the growth engine in developed and developing countries. The contribution of the sector has established that, the nation's economy largely depend on it for growth.
- It is therefore, not out of place to ensure that all integrating factors needed for SMEs survival, including road safety and security must be addressed adequately.

# Thank you

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