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Monetizing the Blue Economy: Economic Opportunities From Coastal Tourism, Offshore Renewables and Maritime Smes in Nigeria

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A B S T R A C T

The persistent over-reliance on hydrocarbon revenues has rendered the Nigerian economy acutely vulnerable to exogenous shocks, necessitating an urgent scholarly and policy pivot towards sustainable diversification strategies. This paper interrogates the underexplored fiscal and developmental potentials embedded within the nation's blue economy, with a focused analysis on three pivotal sectors: coastal tourism, offshore renewable energy, and maritime small and medium-sized enterprises (SMEs). Employing a qualitative desk-review methodology that synthesizes secondary data from national agencies, peer-reviewed literature, and extant policy documents, the study constructs a nuanced narrative of latent opportunity constrained by systemic impediments. Findings indicate that Nigeria's extensive coastline and aquatic endowments harbour significant, yet largely untapped, capacity for job creation, GDP augmentation, and sustainable industrial growth. Coastal tourism, for instance, remains hampered by infrastructural deficits and security concerns, despite its proven potential for foreign exchange earnings and community upliftment. Similarly, the potential for offshore wind, tidal, and solar energy presents a viable pathway for energy security and low-carbon transition, but is stymied by prohibitive upfront capital requirements and an immature regulatory ecosystem. Concurrently, maritime SMEs, which constitute the backbone of the aquatic industrial ecosystem, face crippling logistical and financing bottlenecks that stifle scalability

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INTRODUCTION

Global economic paradigms are increasingly shifting towards the sustainable stewardship of oceanic and aquatic resources, a concept broadly encapsulated within the framework of the "blue economy" (World Bank, 2017). For a historically mono-resource nation like Nigeria, where oil and gas have long dominated fiscal revenues and export profiles, this shift presents a critical imperative for structural economic transformation. The establishment of the Federal Ministry of Marine and Blue Economy in 2023 underscores a nascent political recognition of this imperative (Dike, 2024). However, between political recognition and tangible socioeconomic yield lies a complex terrain of implementation, requiring meticulous scholarly unpacking.

Nigeria is endowed with an approximately 850-kilometer coastline along the Atlantic Ocean, complemented by extensive inland waterways, lagoons, and a vast Exclusive Economic Zone (EEZ). These assets theoretically position the country to harness a diverse portfolio of blue sectors, including maritime transport, fisheries, aquaculture, and the focal areas of this study: coastal tourism, offshore renewables, and maritime SMEs (Nweke & Ali, 2025a). Preliminary estimates suggest the blue economy could generate up to ₦7 trillion annually for Nigeria, yet current contributions remain a fraction of this potential (Asua, 2024). This discrepancy between potential and actualization forms the central puzzle this article seeks to address.

The extant literature on Nigeria's blue economy, while growing, often adopts a broad, sector-agnostic approach or remains narrowly focused on traditional areas like fisheries and shipping (Elisha, 2019; Enueshike & Anyanwu, 2025). Consequently, nuanced analyses of high-growth, innovation-driven sectors such as offshore renewables and their linkage to SME ecosystems are relatively sparse. Furthermore, discussions on coastal tourism frequently oscillate between cataloguing potentials and lamenting challenges without sufficiently embedding these within the broader political economy of maritime governance (Nweke & Ali, 2024). This study, therefore, aims to fill these gaps by providing a consolidated, critical examination of three inter-linked opportunity sectors. Its primary objective is to delineate the specific economic opportunities within coastal tourism, offshore renewables, and maritime SMEs; analyse the prevailing constraints that inhibit their monetization; and propose a coherent policy agenda for integrated development. By doing so, the paper positions itself within ongoing scholarly conversations about sustainable diversification in resource-cursed economies and contributes a distinctly Nigerian perspective to the global blue economy discourse.

LITERATURE RIVIEW

Conceptualizing the Blue Economy

The blue economy concept has evolved from a niche environmental discourse to a mainstream development framework. It is fundamentally understood as the sustainable use of ocean and freshwater resources for economic growth, improved livelihoods, and jobs while preserving the health of the aquatic ecosystem (World Bank, 2017). Gbadegesin and Akintola (2021) emphasize its legal and governance dimensions, arguing that sustainable wealth derivation from oceanic resources is contingent upon a "comprehensive and cohesive legal framework." This perspective is crucial for Nigeria, where policy fragmentation and weak enforcement often undermine well-intentioned initiatives. The concept moves beyond mere resource extraction to encompass ecosystem services, circular economy principles, and climate resilience, thus aligning with the United Nations Sustainable Development Goal (SDG) 14 (Dike, 2024).

Coastal Tourism in Nigeria: Potentials and Pitfalls

Scholarly work on Nigerian coastal tourism consistently highlights a paradox of abundant potential juxtaposed with chronic underperformance. The country's coastline features picturesque beaches, rich cultural heritage, and biodiversity, offering a foundation for diverse tourism products (Okosodo, 2019). Studies by Oladele et al. (2018) enumerate these potentials, citing opportunities for eco-tourism, sport fishing, and coastal resort development. However, the literature is equally replete with identifications of systemic bottlenecks. Nweke and Ali (2024), in their analysis of factors influencing ocean tourism, identify critical barriers including inadequate tourism infrastructure (e.g., access roads, sanitary facilities), pervasive security concerns, particularly maritime piracy in the Gulf of Guinea, environmental degradation from oil pollution and plastic waste, and a weak regulatory framework that fails to incentivize private investment. The sector's development is thus framed not as a simple matter of promotion, but as a complex challenge requiring integrated solutions spanning security, environmental management, and infrastructure finance.

Offshore Renewable Energy: An Emerging Frontier

The discourse on energy within Nigeria's blue economy has traditionally been dominated by offshore oil and gas. However, a nascent but growing body of literature is exploring the frontier of offshore renewables. Nweke and Ali (2025b) systematically review the potential for offshore wind, tidal, wave, and floating solar PV, noting that Nigeria's coastal wind regimes and hydrodynamic energy resources are theoretically significant. The significance of this sector is framed in multiple dimensions: enhancing national energy security, diversifying the energy mix away from fossil fuels, reducing greenhouse gas emissions, and creating new high-tech job opportunities (Dosunmu, 2025). However, scholars uniformly point to formidable challenges: the exorbitant capital expenditure required for offshore installations, a near-total lack of domestic technical expertise and supply chains, absent feed-in tariffs or other supportive policies, and potential conflicts with existing maritime uses like shipping and fisheries (Akuru et al., 2017, as cited in Nweke & Ali, 2025b). The literature suggests that

harnessing this potential will require unprecedented levels of international partnership, technology transfer, and de-risking mechanisms from the state.

Maritime SMEs: The Engine of Inclusive Growth

Small and medium-sized enterprises are widely recognized as the backbone of any vibrant economy, responsible for the bulk of employment and innovation. In the maritime context, SMEs operate across shipping logistics, boat building and repair, aquaculture supply, marine tourism services, and coastal hospitality. Their growth is therefore synonymous with the broader development of the blue economy. Research by Ogwah, Aigbedion, and Ezie (2025) provides an empirical basis for understanding their constraints, finding that while water transport services have a positive impact on SME growth, overall transport inefficiencies in Nigeria severely hamper performance. Beyond logistics, other studies identify acute challenges specific to maritime SMEs: limited access to tailored financing (as blue economy projects are often deemed high-risk by traditional banks), regulatory harassment from multiple agencies, and a lack of business development support (Chukwudi et al., 2024). The literature posits that without a targeted strategy to nurture these enterprises, the blue economy will remain dominated by large, often foreign-owned corporations, with limited trickle-down benefits for local communities.

Theoretical Lens: Structural Change and Sustainable Governance

This study is underpinned by two interlocking theoretical perspectives. First, the Theory of Structural Change (Lewis, 1954; Chenery, 1979) provides a macro-economic lens. It explains economic development as a transition from dependence on a primary sector (in Nigeria's case, oil) to a more diversified and productive economic structure. The blue economy is posited as a viable vehicle for this structural transformation, offering a bridge from natural resource endowments to a broader range of tradable goods and services (Dosunmu, 2025). Second, the analysis is framed by principles of Sustainable Ocean Governance. This framework insists that economic exploitation of marine resources must be balanced with ecological conservation and social equity (Gbadegesin & Akintola, 2021). It moves beyond mere economic calculation to incorporate environmental limits (carrying capacity), intergenerational equity, and the fair distribution of costs and benefits among coastal communities. Applying this dual lens allows the paper to critically assess proposed monetization strategies not only for their growth potential but also for their sustainability and inclusivity.

METHODOLOGY

This research adopts a qualitative, descriptive design based entirely on secondary data. The choice of methodology is justified by the exploratory and synthesis-oriented nature of the study, which aims to consolidate existing knowledge and identify critical gaps rather than generate new primary statistical data. A systematic desk review was conducted, involving the following steps:

1. Data Collection: A comprehensive search for relevant literature was performed using academic databases (Google Scholar, ResearchGate), institutional repositories (NIMASA, NBS), and reputable online journals. Search terms included "Nigeria blue economy," "coastal tourism Nigeria," "offshore renewable energy Nigeria," "maritime SMEs Nigeria," and combinations thereof. The search was limited to materials published between 2015 and 2025 to ensure contemporaneity, with a few foundational works cited from earlier years.
2. Source Selection: Priority was given to peer-reviewed journal articles, official reports from Nigerian government agencies (e.g., NBS, CBN, NIMASA), and working papers from reputable international organizations (World Bank, UNCTAD). Over 50 documents were initially screened, with 25 selected for in-depth analysis based on relevance, authority, and publication date.
3. Data Analysis: The selected materials were subjected to thematic content analysis. Data pertaining to the three focal sectors were extracted, organized, and critically evaluated. The analysis focused on identifying: (a) documented economic opportunities and estimates, (b) consensus and divergences in the literature regarding challenges, and (c) proposed policy recommendations. Trends and patterns were synthesized to build a coherent narrative.
4. Limitations: The reliance on secondary data means the findings are contingent on the accuracy and biases of the original sources. Furthermore, the rapid evolution of the policy landscape (e.g., the new Ministry) may outpace published research. These limitations are acknowledged, and the study's conclusions are presented as a contribution to an ongoing dialogue, not as definitive statements.

Analysis and Findings

1. Coastal Tourism: A Sector Awash with Unrealized Revenue

Nigeria's coastal tourism sector represents a classic case of latent potential. The country's beaches, such as those in Lagos, Calabar, and the Niger Delta, along with cultural assets like the Badagry Slave Route and the Lagos Carnival, form a competitive tourism product. Econometric studies suggest tourism is a significant contributor to economic diversification, often outperforming other blue economy sectors in correlation with non-oil GDP growth (Dosunmu, 2025). Revenue generation models from similar coastal economies indicate that with adequate investment, Nigeria could capture a meaningful share of the West African tourism market, generating foreign exchange and creating jobs in hospitality, guiding, and craft industries.

However, the path to monetization is obstructed by a confluence of factors. Infrastructure deficiency is paramount; many potentially attractive sites lack basic amenities. Security concerns, particularly piracy and kidnappings in the Niger Delta and Gulf of Guinea, severely deter international tourists. Furthermore, environmental degradation from oil spills and plastic pollution

degrades the very natural capital the sector depends upon. The regulatory environment is also fragmented, with overlapping mandates between federal, state, and local authorities creating confusion for investors.

2. Offshore Renewable Energy: Powering a Sustainable Future

The analysis of offshore renewable energy (ORE) reveals a sector at its earliest conceptual stage in Nigeria, yet one with transformative potential. Technical assessments confirm the availability of resources: consistent offshore wind speeds along the coastline, significant tidal ranges in estuaries, and abundant solar radiation for floating photovoltaic systems (Nweke & Ali, 2025b). The monetization opportunity is multi-faceted. Firstly, ORE can contribute to solving Nigeria's perennial energy crisis, providing stable power to coastal communities and industries. Secondly, it can catalyze a new industrial ecosystem involving manufacturing, installation, operations, and maintenance, creating high-value jobs. Thirdly, it positions Nigeria as a regional leader in the clean energy transition, potentially attracting climate finance.

The barriers to entry, however, are substantial and are summarized below. The most pronounced is the financial challenge; the levelized cost of energy from offshore wind, for example, remains high and requires significant upfront investment in grid connection and port infrastructure. There is a near-total absence of a domestic supply chain or skilled workforce. The legal and regulatory framework for seabed leasing, grid integration, and power purchase agreements for ORE is non-existent. Moreover, potential conflicts with other maritime spatial uses, such as shipping lanes and fishing grounds, must be carefully managed.

3. Maritime SMEs: Navigating Choppy Waters

Maritime SMEs are the essential capillaries of the blue economy, translating macro-level opportunities into localized enterprise and employment. Their activities range from providing boat transportation and fishing gear to offering catering services for offshore platforms and running beachside resorts. Their growth is directly correlated with the vitality of the broader maritime sector. Research indicates that when supported, these enterprises are potent job creators and incubators of innovation within coastal communities (Chukwudi et al., 2024).

The findings, however, paint a picture of a sector struggling against systemic headwinds. Access to finance is the most frequently cited constraint. Banks perceive maritime ventures as high-risk due to factors like volatile commodity prices (for fisheries), security threats, and the perishable nature of goods. Loan collateral requirements are often prohibitive for small operators. Secondly, logistical bottlenecks are severe. While Ogwah et al. (2025) found water transport itself to be efficient, the integration of maritime logistics with road and rail networks is poor, increasing costs and delays for SMEs involved in trade. Thirdly, "red tape" and multiple taxation from various maritime agencies (NIMASA, NPA, NIWA, customs) create a hostile business environment. Finally, there is a severe skills gap, with few training programs tailored to the needs of modern maritime SMEs in areas like digital marketing, quality standards, and sustainable practices.

RESULT AND DISCUSSION

The findings underscore a consistent theme across all three sectors: the presence of substantial economic opportunity is necessary but insufficient for monetization. The conversion of potential into prosperity is mediated by a dense thicket of institutional, financial, and infrastructural constraints. This aligns with the theoretical framework of sustainable governance, which posits that resource abundance alone does not guarantee development; rather, the quality of institutions and the effectiveness of governance are paramount (Gbadegesin & Akintola, 2021).

The analysis of coastal tourism reveals a sector whose challenges are predominantly "soft" – related to governance, security, and environmental management – rather than a lack of intrinsic appeal. This suggests that interventions focused on improving the business environment, enhancing security, and launching targeted international marketing campaigns could yield relatively swift returns. In contrast, the offshore renewables sector faces "hard" barriers related to technology, capital, and deep infrastructure gaps. Its development horizon is necessarily longer, requiring sustained state commitment to create enabling conditions that can attract major international developers and financiers.

The plight of maritime SMEs is particularly telling. As the intermediaries that connect macro-investments to local livelihoods, their struggles indicate a fundamental disconnect in the blue economy value chain. Large port or energy projects may proceed, but if local SMEs cannot effectively provide ancillary services, supply chains, or downstream processing, the benefits of growth will leak out of the local economy. Therefore, nurturing SMEs is not a separate agenda but a critical enabler for the success of the other two sectors.

This study engages with the scholarly tension between optimistic potential assessments and pessimistic realism regarding implementation. While authors like Enueshike and Anyanwu (2025) emphasize the blue economy's promise for employment, this paper contends that realizing this promise requires moving beyond generic advocacy to sector-specific, problem-solving research. The constraints identified are not novel in the broader context of Nigerian development, but their manifestation in the maritime domain, with its unique technical and regulatory complexities, requires specialized policy responses.

CONCLUSIONS AND RECOMMENDATIONS

This research has provided a detailed exploration of the economic opportunities and binding constraints within three critical sectors of Nigeria's blue economy: coastal tourism, offshore renewable energy, and maritime SMEs. The conclusion is twofold. First, the potential for job creation, revenue generation, and sustainable diversification is unequivocally significant. Second, realizing this potential is a non-trivial task that demands deliberate, coherent, and sustained action across multiple fronts. Monetizing the blue economy is less about discovering new resources and more about building the governance and market structures to harness existing ones effectively.

Based on the findings, the following recommendations are proposed:

For Coastal Tourism:

1. **Develop Coastal Tourism Clusters:** Government should designate and develop 2-3 pilot "Coastal Tourism Zones" (e.g., in Lagos, Cross River) with integrated infrastructure (power, water, access roads, waste management) to attract private investment in resorts and amenities.
2. **Launch a "Safe Seas for Tourism" Initiative:** A dedicated maritime police unit, in collaboration with NIMASA and the Nigerian Navy, should be tasked with securing key tourist waterways and beaches.
3. **Create a Unified Regulatory Portal:** A one-stop digital portal for all tourism-related licenses, permits, and approvals to reduce bureaucratic bottlenecks.

For Offshore Renewable Energy:

1. **Enact a Dedicated ORE Policy and Roadmap:** The Federal Ministry of Power and the Ministry of Marine and Blue Economy should collaborate to produce a clear policy framework, including seabed leasing rules, grid integration standards, and a target for ORE capacity by 2035.
2. **Establish a Pilot Project with International Partners:** Government should facilitate a public-private consortium to develop a pilot offshore wind or tidal project, leveraging climate finance (e.g., Green Climate Fund) and technology transfer agreements.
3. **Invest in Foundational Studies:** Fund detailed resource mapping, environmental impact assessments, and feasibility studies to de-risk the sector for private investors.

For Maritime SMEs:

1. **Create a Blue Economy SME Fund:** The Bank of Industry (BOI), in partnership with NIMASA and international development banks, should establish a dedicated credit facility with favorable terms for maritime SMEs, accepting alternative collateral.
2. **Streamline Regulations and Taxation:** Implement a "Single Window" system for port clearance and harmonize taxes levied on maritime SMEs by various agencies to reduce the cost of compliance.
3. **Establish Maritime SME Clusters and Incubators:** Set up physical clusters near major ports with shared facilities (cold storage, workshops, ICT) and provide business development services, including training in sustainable practices and digital skills.

Cross-Cutting Recommendations:

- **Strengthen Data Collection:** The National Bureau of Statistics (NBS) should work with sectoral agencies to systematically collect and publish data on the contributions of these blue economy sub-sectors to GDP and employment.
- **Foster Public-Private Dialogue:** Establish a permanent Blue Economy Council with equal representation from government, the private sector (including SME associations), academia, and coastal communities to guide policy formulation and monitor implementation.

- **Mainstream Sustainability:** All policies and projects must be subjected to rigorous Environmental and Social Impact Assessments (ESIAs) to ensure growth does not come at the cost of ecological degradation or social displacement.

In conclusion, the journey to monetize Nigeria's blue economy is a marathon, not a sprint. It requires a shift from rhetoric to strategic action, from isolated projects to integrated planning, and from viewing the ocean merely as a resource base to recognizing it as a complex socio-ecological system to be managed for sustainable prosperity. This paper offers a roadmap for that journey, contributing to the scholarly and policy arsenal needed to navigate it successfully.

FURTHER STUDY

This research still has limitations so that further research is needed on the topic of Monetizing the Blue Economy: Economic Opportunities From Coastal Tourism, Offshore Renewables and Maritime Smes to perfect this research and increase insight for readers and writers.

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