UNENDING MENACE OF OIL THEFT, PIPELINE VANDALISM

NIGERIA'S 2020 ECONOMIC OUTLOOK FRAGILE

ETHIOPIAN AIRLINES POSITIONS TO TAKE OVER AFRICA'S SKIES

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CONCERNS ABOUT DECLINING OIL PRICE AND NIGERIA'S 2020 BUDGET IMPLEMENTATION


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DR. NJIDEKA KELLEY

Editor's Note

There are concerns about declining oil price and implementation of Nigeria's 2020 budget. The concerns are not out of place as Nigeria largely depends on oil and gas proceeds to carry out its economic activities and governance.

The price of crude oil in the international market has already fallen below the oil price benchmark for the 2020 budget. The major worry currently is that with sustained slide in the price of crude oil the 2020 budget will be at risk as there will be gross inadequate fund to implement it.

The first week of February, 2020, saw oil price fell from over $60 per barrel to $51 per barrel only to rise above $54 per barrel few days after, which is still below the $57 per barrel budget benchmark, from which a chunk of the fund expected to actualize the implementation of the N10.6 trillion 2020 budget would come from.

The Coronavirus threat in China has been blamed for the drop in oil prices. The declining oil price portends serious negative economic implication for Nigeria. Besides, being a member of the Organisation of Petroleum Exporting Countries (OPEC), Nigeria is also being restricted from producing the 2.18 million barrels of crude per day on which the 2020 budget was based by the cartel. The restriction is due to OPEC's December output cut of 1.7 million, which was taken in a bid to forestall crude inventory buildup, which is not favourable to prices.

There is probably more to worry about because the virus is yet to be contained. China is among Nigeria's top ten foreign trade partners buying crude oil which it uses to power its industries. As a result of Coronavirus threat, many Chinese companies have been shut worsening the demand level for oil by China.

This means lower revenue for the Federal Government to carry out its obligations. In the circumstances, the Federal Government may be propelled to raise additional debt to finance the budget, which would further worsen our debt portfolio and fiscal position. The downward movement of oil prices would weaken our foreign reserves, which was depleted by $129 million in the final week of January 2020. This might affect the capacity of the Central Bank of Nigeria (CBN) to inject liquidity in the currency market, which would further put the exchange rate under pressure. There is also the risk of exchange rate depreciation which would also put pressure on prices. Also, the population is growing every day. What is the way out of all these?

In this edition, we beamed our searchlight on the economy with the continued closure of borders, implementation of the 7.5 per cent value added tax (VAT). Economic growth has been constrained by a weak macroeconomic framework with high persistent inflation, multiple exchange rate windows and foreign exchange (forex) restrictions, distortionary activities by the Central Bank of Nigeria (CBN), and a lack of revenue-driven fiscal consolidation results.

Bold reforms that could have a significant impact on the economy's trajectory are the removal of subsidies, elimination of forex and trade restrictions, greater transparency and predictability of monetary policy and increased domestic revenue mobilization. Such reforms would help raise living standards of low-income groups while increasing spending on much needed public services.

Also, the signing of the Africa Continental Trade Agreement, after extended deliberations, may also provide some positive momentum over the medium-term.

On transportation, we highlighted what government is doing to provide the citizenry with smooth, safe and affordable transport system. Government is working to comprehensively tackle insecurity on Nigeria's territorial waters and exclusive economic zones by deploying integrated maritime security infrastructure. The Integrated National Security and Waterways Protection Infrastructure is also called the Deep Blue Project.

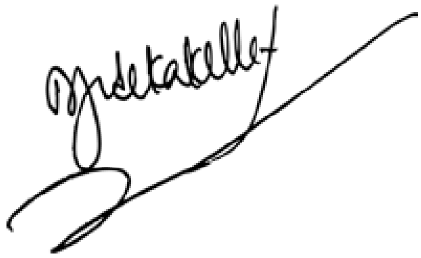
The Federal Government, through the Nigerian Maritime Administration and Safety Agency (NIMASA), has put arrangement in place to commence the disbursement of the Cabotage Vessel Financing Fund (CVFF) put at $200 million (about N72 billion).

In this edition's political economy, emphasis was laid on the need to stem undue cross-carpeting of Nigerian politicians from one political party to another. Currently, we have in Nigeria is 'political prostitution,' which over the years has been elevated over and above ideology-driven politics unlike in the First Republic when the nation's political turf was characterized by principles and discernable ideology-based politics. This is unhealthy. It does not make room for stability and flourishing of political ideologies.

These, among other reports, are assembled in this edition and will certainly make delightful reading to you – our readers. Keep a date with us every month.

The TBI Africa team also welcomes all the delegates and participants at the 2020 Nigeria International Petroleum Summit (NIPS), which is in its third edition. We encourages you to network and make new friends and business partners and also explore and enjoy the beautiful city of Abuja.

We wish you all fruitful deliberations.



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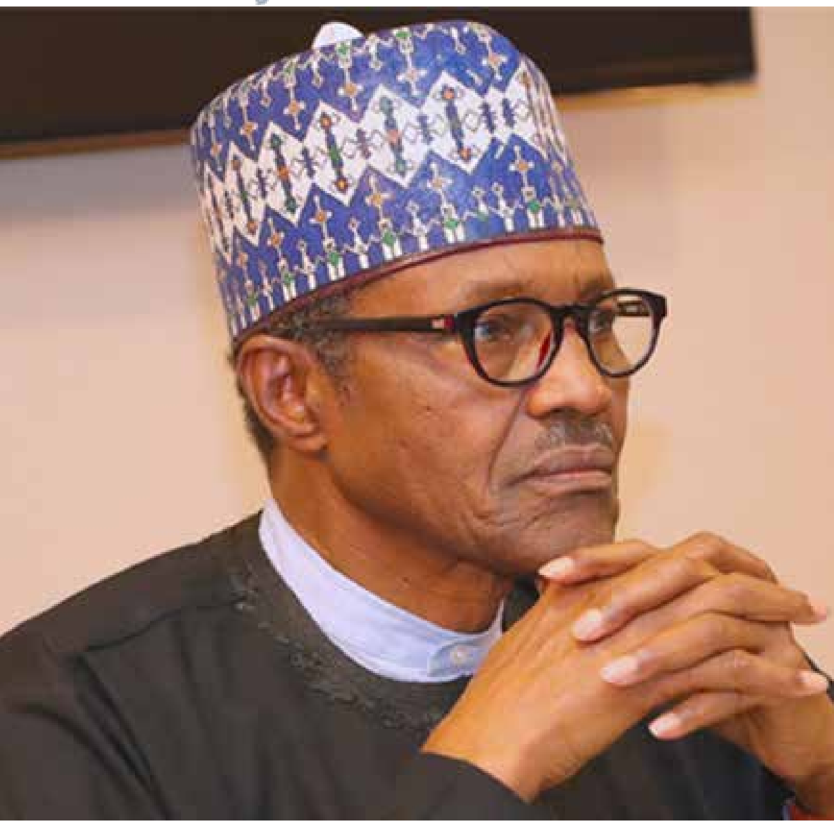
CONTENTS

JANUARY 2020

CONCERNS ABOUT DECLINING OIL PRICE AND NIGERIA'S 2020 BUDGET IMPLEMENTATION

*Stakeholders have expressed worry about the dwindling price of crude oil in the international market as it falls below the oil price benchmark for the 2020 budget. Their concerns are hinged on the fears that with sustained slide in the price of crude oil in the global market, the 2020 budget implementation will be grossly threatened, reports **Olamilekan FAWAS.***



President Muhammadu Buhari

Timipre Silva, Minister of State, Petroleum

The first trading week in February, 2020, saw oil price fell from over $60 per barrel to $51 per barrel. The price of the global benchmark grade - Brent Crude, only gained and rose above $54 per barrel on February 5, when news filtered out the a vaccine that prevents the deadly Coronavirus has been developed. Even at $54 per barrel, the price is still below the $57 per barrel budget benchmark, which Nigeria's ambitious N10.6 trillion 2020 budget was based. The Coronavirus threat in China has been blamed for the dip in oil prices.

The sliding oil price portends serious negative economic implication for the most populous black nation, which depends majorly on oil exports for its revenue realisations. At the moment, the country is experiencing a revenue shortage and a budget deficit of 1.52 per cent to the estimated gross domestic product (GDP).

Nigeria's problem beyond Coronavirus

There is more to the problem of 2020 budget implementation aside coronavirus and the consequent fall in price of crude. Not only is crude oil price low, but Nigeria is also being restricted from meeting the 2.18 million barrels of crude per day on which the 2020 budget was based by the Organisation of Petroleum Exporting Countries (OPEC). The restriction is due to OPEC's December output cut of 1.7 million, which was taken in a bid to forestall crude inventory buildup, which is not favourable to prices.

> *Nigeria is required to comply with OPEC's output cut, which in turn means that it could soon be exporting lesser barrels, far below its 2020 budget benchmark*

There is probably more to worry about because the virus is yet to be contained. China is among Nigeria's top ten foreign trade partners buying crude oil which it uses to power its industries. But as Coronavirus threat has resulted in many Chinese companies remaining shut, meaning less fosil fuel consumption. This is not good for a country like Nigeria that needs to export crude to China in order to earn foreign exchange.

Another issue to worry about is the likelihood of further output cut for OPEC countries. A recent report noted that the oil cartel is planning further large production cut in order to cushion the effect of the price collapse, which the Coronavirus has occasioned. As an OPEC member, Nigeria is required to comply with OPEC's output cut, which in turn means that it could soon be exporting lesser barrels, far below its 2020 budget benchmark.

Why OPEC may not change output cut soon

In the meantime, Nigeria is looking to raise money through various means including exploring tax options that were hitherto unexplored. Nigeria is also borrowing money in a bid to finance the budget, with the Finance Minister insisting that the country does not have a debt problem despite the rising debt.

The 2020 budget benchmarked the oil price based on reference price of 57 dollars per barrel with the understanding that the volatile market could remain stable for the greater part of the year.

Stakeholders' views

To the Director-General, Lagos Chamber of Commerce and Industry (LCCI), Mr Muda Yusuf, in an exclusive interview with TBI Africa, noted that the sustained decline in oil prices since late January

2020,has been as a result of weak energy demand from China following the outbreak of coronavirus.

Yusuf said that oil price which stood at $54.6 per barrel is now below the budget benchmark of $57 per barrel, and this has serious implications for our fiscal and external position as a nation.

According to him, the continuous drop in global oil price put the realization of the Federal Government revenue projections in the 2020 budget at risk. We note that the Federal Government intends to generate N2.64 trillion from crude oil in 2020. We also have the problems of lower crude production and there is likelihood that OPEC and its allies will deepen production cut to support oil prices.

The LCCI chief said: "The implication is that we will be forced to produce below our current quota of 1.77 million barrels per day (mbpd). If this happens, we will have to struggle with relatively low oil production and prices.

"This means lower revenue for the Federal Government to carry out its obligations. In the circumstances, the Federal Government may be propelled to raise additional debt to finance the budget, which would further worsen our debt portfolio and fiscal position.

"We note that the downward movement of oil prices would weaken our foreign reserves. Our external reserves depleted by $129 million in the final week of January 2020. This might affect the capacity of the Central Bank of Nigeria (CBN) to inject liquidity in the currency market, which would further put the exchange rate under pressure. There is also the risk of exchange rate depreciation which would also put pressure on prices.

"Overall, this development once again undeclines the fact that we are still vulnerable to external shocks and should oil prices tumble, the economy may risk another recession.

"We have had warnings from the International Monetary Fund (IMF) and World Bank as well as Fitch and Moody on the need to diversify the economy to high-impact non-oil sectors to stimulate growth and attract investments. We note the intervention of the Central Bank of Nigeria in this direction, especially in addressing the challenge of high interest rate and

Overall, this development once again undeclines the fact that we are still vulnerable to external shocks and should oil prices tumble, the economy may risk another recession

access to credit."

Also, the Chairman, Major Oil Marketers Association of Nigeria (MOMAN), Mr Tunji Oyebamiji, said: "If you have planned some certain revenue based on the oil price and the oil price is no longer reaching that amount, then, what that tells you is that your budget is already in trouble.

"Already, you are borrowing so much for your finances, so your borrowing is either to increase even beyond the level that it has reached now, or you have to reduce your expenditures, therefore, you will not be able to achieve the objectives that you have set out in your budget.

"So, it's unfortunate that the country so much depended on oil, and immediately there is fall in price, you start having budget and revenue pressures, and your chances of having successful budget circle will reduced significantly.

Oyebamiji, who is also the Managing Director/Chief Executive Officer, 11 Plc, said there will be pressures on the naira because "we don't have dollars as much again."

To address the issues, Oyebamiji said: "It is like every other companies or individual now, if your revenue is not coming as expected, you have to reduce your expenditures but unfortunately for us, we have increased the minimum wages, we have continue to subsidise petroleum product and power and borrow more and service the increase, so the end result is that money that will now be spent on capital and infrastructures is going to be reduced. Because the other overhead had taken the money as well as the high wage government has to pay for, the only thing government can do is to cut recurrent expenditures.

"Government has to reduce its expenditure, if government wants to continue to meet its demand. If government is infrastructure handicap, it means that they have to reduce their expenditure but it also has some implications.

"All these big salaries people earn and government officials travelling with entourage of over 50 people outside the country have to be addressed. Meanwhile, our population is growing, all these do not go well with the country," he said.

Foreign analysts

According to Peter Hanks, Junior Analyst for DailyFX.com, crude oil narrowly escaped bear market territory, defined as a decline of 20 per cent or more from a recent high, on Wednesday as it climbed from Tuesday's lows of about $49.50 to reclaim the $51 mark. While crude has escaped the technical designation of a bear market for the time being, the commodity's outlook remains in question.

The spread of coronavirus has resulted in

Zainab Ahmed, Finance Minister

> ***The Chinese economy will be weakened for some time to come as quarantines, social distancing and travel restrictions remain in place***

quarantined cities and reduced economic activity in China, a key source of crude oil demand. In turn, crude oil prices plummeted and have been buoyed by technical support around $50 and the potential for deeper production cuts. To that end, OPEC officials engaged in a series of meetings last week to discuss possible options for the members to pursue. If the group can agree to further reduce production, it could result in a boost in crude oil prices, but Russia has already voiced opposition.

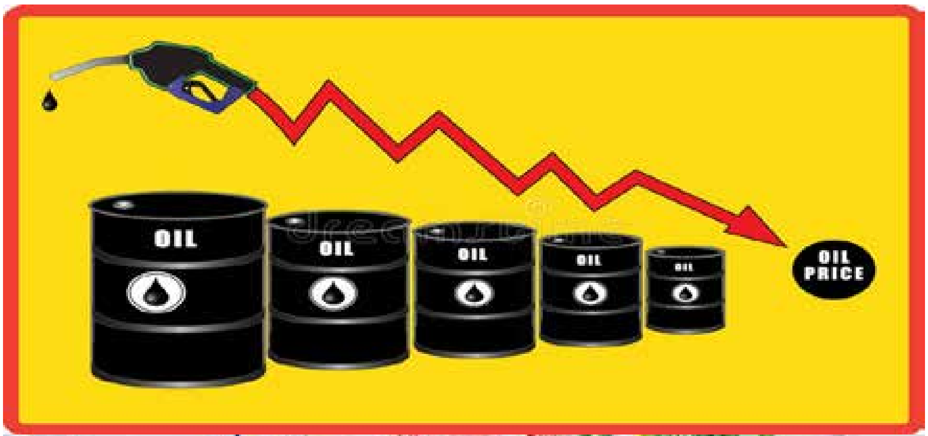
That being said, the prospect of deeper production cuts providing a lifeline for crude oil prices looks thin at the time being. Therefore, the growth-linked commodity may struggle to reclaim lost ground until virus fears cool and growth forecasts level off. If a rebound does occur, initial resistance may reside around $53.90, followed by the Fibonacci level at $55.57.

On the other hand, a break beneath – and daily close below – the psychologically significant $50 could translate to further crude oil weakness. Should it occur, subsequent support is rather sparse which could see losses accelerate toward the December 2018 low around $42.43.

Oil prices jumped more than two per cent on Wednesday after media reports that scientists had developed a drug against the fast-spreading coronavirus that continues to weigh heavily on global economic activity. The World Health Organization played down the media reports, saying there are "no known effective therapeutics" against the virus.

Lending further support to oil was news that the Organization of the Petroleum Exporting Countries (OPEC) and its producer allies are considering further output cuts to counter a potential squeeze on global oil demand.

China's Changjiang Daily newspaper



reported on February 4 that a team of researchers led by Zhejiang University Professor Li Lanjuan had found that drugs Abidol and Darunavir can inhibit the virus.

Separately, Sky News reported that a British scientist has made a significant breakthrough in the race for a vaccine by reducing part of the normal development time from two to three years to only 14 days.

Still, refineries including China's Sinopec, Asia's top refiner, have slashed throughput as the virus cuts demand for refined fuels.

Fears of a slump in global oil demand had pushed U.S. crude and Brent futures into contango this week - a structure in which longer-dated oil futures trade at a premium that encourages traders to keep crude in storage for more profitable resale in the future.

"Based on our forecast that China's GDP growth will slow to just three per cent year-over-year in first quarter (Q1) 2020 and assuming that the virus is brought under control relatively quickly, we have tentatively pencilled in a 10 per cent drop in the country's oil consumption in Q1," Capital Economics analysts said. "This pushes the global market into a small surplus in the first half of 2020."

Falling demand for jet fuel worldwide because of the deadly coronavirus has also hit U.S. prices for the product, which dropped to their lowest seasonally in five years, market participants said.

Companies including Royal Dutch Shell and Phillips 66 have limited business travel to China.

Demand impact

A slowdown in the global economy resulting from the outbreak is expected to reduce 2020 worldwide oil demand growth by 300,000-500,000 barrels per day (bpd), roughly 0.5 per cent of total demand, BP's Chief Financial Officer Brian Gilvary said.

"The Chinese economy will be weakened for some time to come as quarantines, social distancing and travel restrictions remain in place," BNP Paribas analyst Harry Tchilinguirian told the Reuters Global Oil Forum.

"But as financial markets are anticipatory, one can see how favourable news in relation to potential medical solutions, or indications that we have reached a turning point in the progress of the virus outbreak, are likely to be interpreted positively."

OPEC and allies led by Russia, a group known as OPEC+, considered the impact on global oil demand and economic growth from the coronavirus at a meeting on Wednesday.

UNENDING MENACE OF OIL THEFT, PIPELINE VANDALISM

Efforts by the government and organisations to curb oil theft and pipeline vandalism seem to be in futility. Several lives and billions of Naira had been lost to activities of oil thieves and pipeline vandals over the years. Stakeholders in the petroleum industry are calling for collaboration to fight and stem the menace. However, will the scourge never end? ***Meletus EZE*** *reports.*

The Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, recently said the Corporation had recorded a total of 45,347 pipeline breaks on its downstream pipeline network across the country between 2001 and January to June of 2019, to underscore the gravity of activities of oil thieves and pipeline vandals in Nigeria.

On December 5, 2019, part of the System 2B pipeline was vandalised by oil thieves at Baruwa village in Egbe-Idimu Local Council Development Area of Lagos State. Barely one month after the Baruwa incident, on January 19, 2020, the vandals struck again in Abule-Egba leaving five people dead and properties millions of Naira burnt. In the process of stealing refined petroleum product especially premium motor spirit (petrol), the pipeline caught fire and resulted in loss of several lives, revenues and environment pollution. The Baruwa incident was the second in the year in the same area as similar attack occurred in November, 2019 while the Abule-Egba case was the first in 2020.

The Chief Operating Officer, Downstream, Nigerian National Petroleum Corporation (NNPC), Mr. Adetunj

Adeyemi, said Baruwa has become particularly a difficult area as there was fire outbreak twice there last year, in February and April, and this year alone, in November and December, all caused by pipeline vandals and oil thieves.

The menace is not only restricted to Baruwa area but traverses every part of the country where there is crude, products and gas pipelines. This has led to loss of over 3000 lives and trillions of Naira in revenues that would have accrued from oil losses and burnt properties. For instance, In July 2000 in Jesse Delta State, over 250 were killed in pipeline explosion. Also, on October 12, 2018, in Umuimo and Umuaduru village, close to Arongwa in Osisioma Local Government Area of Abia State, about 200 people died of pipeline explosion while many houses were burnt and properties worth billions of Naira destroyed. The victims often were people scooping refined petroleum products from vandalized pipeline.

On 26 December 2006 and December 19, 2018, scores of lives were lost and properties worth millions of Naira destroyed in the Abule Egba area of Lagos as a result of pipeline vandalism. Similarly, on July 4, 2019 at Ijegun area in Lagos, pipeline explosion caused by vandals, led to several deaths and loss of properties.

The list is long and has been happening over the past few decades in different states including Rivers, Bayelsa, Imo and Enugu, among other states where there is petroleum pipeline.

Besides loss of lives, economic and environmental ruins caused by these incidents, hardly are these vandals caught despite presence of security personnel assigned to man these pipelines. According to oil industry operators, the security personnel that monitor the facilities are grossly inadequate as the oil and gas infrastructure is huge.

The Group Managing Director of NNPC, Mallam Mele Kyari, while fielding questions from reporters during his visit to the site of the NNPC pipeline explosion incident that occurred at Ile-Epo in Abule-Egba area of Lagos State in January this year, assured Nigerians that the Corporation and the security agencies would look inward to fish out the bad elements among them. Such bad elements are suspected to be conniving with these vandals to perpetrate their evil acts, which leave sorrow and pains at last. He said there would be a wider collaboration to stem the menace and urged all stakeholders to cooperate with the NNPC.

He agreed that there are complicities of members of the security agencies, the NNPC and the communities in the act because these incidents happen in the communities and nobody reports to the Police or the security agencies, which make the vandals have their way.

On why he responded quickly and visited the site of incident in matter of hours, he said: "It is unfortunate this incident happened and we lost five lives while there are many more people who are in the hospital receiving some forms of treatment and that is pathetic for us. I think the right thing is to come and commiserate with the communities and Lagos State Government. However, what is happening around this pipeline - from Atlas Cove to Mosimi and all the way to Ilorin are acts of vandals of all nature along our Right of Way (RoW). They make insertions into our lines and tap petroleum products and at the end, this is the kind of disaster we get.

"We are working with the security agencies to make sure that we reduce it to the barest minimum. We are also working particularly with the Navy, Army, Nigerian Security and Civil Defence Corps, Police and other security agencies to contain this act to the barest minimum.

"Why this incident portends danger for all of us is that if it had occurred on a windy condition, we will be talking of thousands of people dying. However, Nigerians must know that these activities are happening among communities. People are aware of what is happening and allow them (vandals) to continue what they are doing. If we allow these vandals, they will kill all of us and everybody along this corridor would be impacted. Therefore, we do need the help and cooperation of the communities to expose these people they come. As you can see, the point of this fire yesterday (Sunday) is in the visibility of everybody around here. That means you saw it and didn't do anything about it. We are hoping and counting Nigerians help us to resolve this because it is a major national security concern.

"However, we are also happy that we

have restored the line after the break, we shut down the line to contain the damage it can cause but now we are back on stream. Petroleum products are flowing all the way from Atlas Cove to Ilorin as we speak. But what is important is to sustain this operation, and to sustain it, everyone should cooperate with us."

On ways to ensure that the nefarious act of pipeline vandalism and oil theft and the attendant disaster are stemmed sustainably and in view of allegations that some members of staff of NNPC, the monitoring security agencies, NNPC contractors and members of the communities collude with oil thieves, Kyari stated the actions are being taken. The allegations of complicities of these stakeholders in the theft arise because boring the pipeline to still oil requires a lot of expertise, knowledge and money. Therefore, it is not just business for anybody.

However, the NNPC chief agreed that he shares the same view and explained what the Corporation is doing to stop these illicit activities and to bring the culprits to book. He said: "We are working with all the security agencies including the NNPC to take out the bad elements in our midst. We agree there are compromises within the NNPC, the security agencies, communities and everyone involved in this. What we have done in the last two months is work with these agencies and NNPC to make sure that we take out the bad elements out of us, resolve this issue and delete them if we need to do that and that is what we will do.

"For communities that harbor this act, the warning is that this act constitutes danger to all of us. For those who are particularly involved in tapping our petroleum products or laying pipes to their homes, the Governor and Lagos State Government have agreed we must take out these houses no matter who own them or what they do. Once we establish that your property is involved in this, we take it out.

"We are already doing that. So far, the Nigerian Navy has taken out over 300 houses along our pipeline Right of Way (RoW) and we will continue to do this. By the time we are done with this, sanity will come to this line we assure Nigerians that it will be safe for all of us."

Current data from the Ministry of Petroleum Resources showed that the industry has 258 oil fields, over 2000

•Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari

wellheads, 5,120 kilometres of pipeline for products, 4441 kilometres of pipeline for crude, 164 kilometres of pipeline for gas and 124 kilometres of pipeline for condensates. This makes it impossible for the security personnel to oversee all at the same time, the operators said, adding that there is need for robust collaboration with communities, law enforcement agencies and others to really secure the pipelines.

Lagos state government reacts to pipeline explosion

Lagos State Deputy Governor, Dr. Obafemi Hamzat also called for collaboration among the relevant stakeholders on how to end the incessant vandalisation of pipelines in the State.

Speaking during a visit to the scene of the Abule Egba pipeline explosion, the Deputy Governor, accompanied by some State officials, said such collaboration has become imperative, in view of lost lives and property occasioned by the handiwork of vandals, whose activities can bring tears and sorrows to the people.

Hamzat, who described the fire incident as "very unfortunate development", assured that government would fish out the perpetrators and punish them according to the laws of the land.

He noted that the Lagos State Government, the Nigerian National Petroleum Corporation (NNPC) and relevant security agencies must put in place, measures that would deter these criminals from perpetuating evil acts.

While expressing his displeasure on acts of vandalism, he called on the residents to be more vigilant by reporting any suspicious moves by the vandals to the appropriate authorities.

He said: "Please, endeavour to call security people on any of free toll emergency numbers for appropriate response to forestall any form of vandalisation of our infrastructure. We need the help of the community to provide information. The people doing these evil acts are not ghosts, they are human beings and can be caught. We must apprehend them. We will work with security operatives to catch them and make examples."

While commiserating with those affected by the fire incident, the Deputy Governor said the State government will meet with the families who are affected by the inferno and see what can be done to ameliorate their losses, adding that government will support the community in whatever they are doing to ensure the safety of their lives and property.

LASEMA's reaction

The Director-General, Lagos State Emergency Management Agency (LASEMA), Dr. Olufemi Oke-Osanyintolu confirmed that five fatalities, three adult males, one adult female and one female child aged five-year-old were recorded. A total of 20 people were treated for minor injuries and discharged at the scene while 150 people including children were displaced.

The Agency further noted that about eleven buildings were also affected by the inferno. According to LASEMA, seventeen shops, thirty-three trucks, three cars, and three tricycles were also affected by the fire.

DPR opens investigation on Abule-Egba pipeline explosion

Meanwhile, the Department of Petroleum Resources (DPR) said it was investigating with other relevant stakeholders, the NNPC pipeline explosion at Ile Epo, in Abule Egba axis of Lagos State.

The DPR, which is the regulator of the petroleum industry, in a statement through its spokesman, Paul Osu, made the announcement adding that a report on the agency's inquest would be communicated when concluded.

The statement read: "The Department wishes to commiserate with all who were affected by this unfortunate tragedy, which has been attributed to sabotage and vandalism by unscrupulous persons.

"In line with our regulatory oversight to the Nigerian oil and gas industry, as enshrined in the Petroleum Act Cap P10 LFN 2004, the DPR has commenced investigations with other relevant stakeholders into the incident.

"We assure the public that the safety of all Nigerians is of paramount concern in the discharge of our regulatory mandate for the oil and gas sector."

Security agencies react

The Flag Officer, Western Naval Command, Rear Admiral Oladele Daji, who spoke on behalf of the security agencies, denied that the security agencies were not being lackadaisical about their job of securing the pipeline. He was asked why the incidents repeatedly happen without arrests and prosecution but each times it happens, all arms of the security agencies would flood the scene of the incident wielding arms. But after the dust settles, nothing happens.

Daji said: "In line with the directive of the Chief of Defence Staff, General Abayomi Olonisakin, we mobilized under "Operation Awase" involving all the security agencies – the Navy, Civil Defence, Police, Army and Air force to support the NNPC to clear the NNPC pipeline RoW all the way from Atlas Cove to Mosimi. It is an ongoing operation and we will be collaboration with the Lagos State Government to ensure the success of this operation."

Daji said some arrests have been made. "We are working with the Department of State Security (DSS) to ensure that all the pieces of evidence are gathered to ensure diligent prosecution. It is not just enough to make arrest, so by the time the perpetrators are prosecuted, it will serve as deterrent," he added.

Oba of Lagos assures intervention

To Oba of Lagos, His Royal Majesty, Oba Rilwan Babatunde Osuolale Aremu Akiolu 1, the act of pipeline vandalism and oil theft is driven by desire to make quick money. According to him, people no longer want to work to make money but do all manner of illegal and bad things to get easy wealth, which he condemned in its entirety. This is his words when the NNPC chief visited him after going to the scene of the incident.

Kyari appealed to the Oba of Lagos to rally all the traditional leaders in the state to help secure the pipelines, stressing that collective effort was required to curb the menace. Oba Akiolu pledged his support to organise other Obas in the state to fight pipeline vandals to a standstill. In the presence of his guests, he sent for Oba of Agege to come, after which all the Obas will have a meeting to discuss how to stop every act of pipeline vandalism and oil theft in Lagos. Oba Akiolu said "enough is enough."

Economic losses

According to data obtained from the Nigeria Extractive Industries Transparency Initiative (NEITI), a total of $41.94 billion was lost to crude and refined product theft in 10 years, 2009-2018. A breakdown of the losses revealed $1.56 billion worth of crude loss was incurred by the Nigerian National Petroleum Corporation (NNPC), $1.84 billion worth of refined products loss and $38.54 billion worth of crude losses by oil companies. Further breakdown showed volume of crude losses in the 10 years. In 2009, 69.9 million barrels of crude oil was lost; in 2010, 28.3 million barrels; in 2011, 38.61 million barrels; in 2012, 51.58 million barrels; in 2013, 78.3 million barrels; in 2014, 40.17 million barrels; in 2015, 27.12 million barrels; 2016, 101.05 million barrels; in 2017, 36.46 million barrels; and 2018, 17.46 million barrels.

On losses incurred through pipeline vandalism and the monetary value between 2009 and 2015, NEITI said in 2009, about 1.77 million barrels estimated at $88.28 million was lost; in 2010 , about 2.33 million barrels worth $166.77 million; in 2011, about 6.39 million barrels worth $639.13 million; in 2012, about 3.05 million barrels worth $304.56 million; in 2013, about 2.40 million barrels worth $240.12 million; in 2014, about one million barrels worth $100.01 million; and in 2015 , about 0.51 million barrels worth $25.93 million.

On losses incurred through refined petroleum products between 2009 and 2017, NEITI said in 2009, $78.48 million

Kyari

was lost; in 2010, $72.10 million; in 2011, $98.68 million; in 2012, $201.71 million; in 2013, $284.01 million; in 2014, $273.55 million; in 2015, $287.56 million; in 2016, $37.49 million; and in 2017, $514.23 million.

Meanwhile, in the first half of 2019 (January-June) between 150,000 barrels per day (bpd) and 400,000 bpd of crude oil was lost. The figures are between 7.5 per cent and 20 per cent of total production of Nigeria's daily production two million barrels, NEITI said.

According the Agency, 22 million barrels were lost in first half of 2019, which is valued at $1.35 billion, about five per cent of 2019 budget and higher than combined 2019 budgetary capital allocations for health, education, defence and agriculture.

It is noted that the issue is not just a 2019 problem but actually a lingering ones, saying the data that showed the $41.94 billion loss in 10 years translated to $11.47 million a day, $349 million a month and $4.19 billion a year, which were colossal losses in ramifications.

The Nigeria Union of Petroleum and Natural Gas Workers on Monday gave reasons for non-pumping of petroleum products through System 2B Pipelines Network by the Nigerian National Petroleum Corporation.

Also whenever there is attack on the System 2B pipeline, it paralyses commercial activities substantially. The System 2B pipeline takes fuel from Atlas Cove Jetty in Lagos and supplies to depots in Ejigbo, Mosinmi in Ogun State, Ibadan in Oyo State and Ore in Ondo State as well as to Ilorin in Kwara State. Therefore, any breach on the pipeline puts consumers that depend on these depots for fuel supply on unsavoury situation.

Besides, time and cost of fixing vandalised pipelines is long and huge causing drawbacks on social and economic activities. The Federal Government spends about N125 billion yearly on repairs of vandalised pipeline.

Also, it takes long to remediate lands where pipeline vandalism and oil theft occur because the oil damages the soil and water and render them useless for farming and fishing as well as pollute the air. These are hazardous to people living within the areas of the incidents.

What the government is doing through NNPC

The frequency of occurrence and the latest pipelines explosions occasioned by vandals underscores the need for concerted action to curb or stem the menace. This becomes imperative considering the fact that some of the incidents happen at the same spots without the culprits being caught.

The Chief Operating Officer, Downstream, Nigerian National Petroleum Corporation, Mr. Adetunj Adeyemi, apart from paying a visit to the Baruwa pipeline explosion site promptly, ensured the Corporation collaborated with other agencies including the fire service and Lagos State Government to put out and fire on time. While talking to reporters, Adeyemi said: "We are here to assess the fire of December 5, 2019 at Baruwa village. We can all see that the fire has been put out. This was done within 24 hours of the fire. We thank all the agencies of government, Lagos State Fire Service, officers of the Civil Defence, Nigerian Police, our contractors, who all came here and joined forces to put out the fire. We have started pumping of petroleum product to Mosimi and Satellite Depots. So everything is under control and we have enough products for supply.

"But I must say that Baruwa is a particularly difficult area. Last year, there was fire outbreak twice in this Baruwa area. In February and April last year, and this year alone, in November and December. So this is an area that is very prone to fire and vandalism. We are doing our best in the NNPC to ensure we have security and have adequate maintenance in terms of pipeline integrity. We are also appealing to the residents here, the community leaders and religious leaders to ensure that they also protect the pipelines. This is Nigeria's assets and we must protect it as Nigerians. Like they say, security is for everybody, so when you see something, say something.

"We will continue to engage them. Our public affairs department and security departments are engaging them and we will continue to make sure that we do that engagement on a regular basis. We also have been enlightening Nigerians on the right of way (RoW) of the pipeline and the need to protect it. We will continue to engage Nigerians, put in place security measures and also technology to ensure that the pipelines are secure."

We need the help of the community to provide information. The people doing these evil acts are not ghosts, they are human beings and can be caught. We must apprehend them

The Baruwa community lauded the NNPC for its quick intervention in containing the fire and remediation of the environment. The Bale of Baruwa Community, Alhaji Khalid Baruwa, identified with the push by the Corporation to tackle the issue of pipeline vandalism and oil theft headlong. He stressed the need to fortify surveillance around the community with clear demarcation of pipeline Right-of-Way.

Collaboration as the way out

The NNPC has forged a formidable alliance with some key stakeholders in the downstream sector of the petroleum industry including the Nigerian Association of Road Transport Owners (NARTO) to ensure their members don't engage in lifting fuel or crude from vandals and oil thieves; Tanker drivers, Community leaders. The collaboration is to enable NNPC join forces with them to combat pipeline vandalism not just in Baruwa Community but in all its pipeline right of way across the country. To the Corporation, the alliance will stamp out the ugly incidences of oil pipeline vandalism while ultimately sustaining the prevailing sanity in the supply and distribution of petroleum products across the country.

The Executive Secretary, National Association of Road Transport Owners (NARTO), Mr. Aloga Ogbogo, said the protection of oil pipeline infrastructure should be the responsibility of every well-meaning Nigerian.

The National Chairman of Petroleum Tanker Drivers (PTD), a branch of the Nigerian Union of Petroleum and Natural Gas Workers (NUPENG), Comrade Salmon Oladiti, assured of the commitment of his members to work with NNPC to combat the activities of oil thieves and pipeline hackers. He said PTD prohibited its members from partaking in the illicit transport of stolen products because it views it as an act of economic sabotage.

The Chairman of Peace Estate Development Association, in Baruwa Com-

munity, Mr. Omojowo Adedeji, said the entire residents of the estate, which borders the scene of incessant attacks, fully aligns with the renewed drive by the NNPC to stamp out the illicit trade in stolen oil within and around the community.

The Group Managing Director of the NNPC, Mallam Mele Kyari, corroborated Adeyemi. He said the Corporation has laid out steps to mitigate the twin menace of pipeline vandalism and crude oil theft in Nigeria's oil and gas industry. Speaking in Abuja at the inaugural Nigeria Extractive Industries Transparency Initiative (NEITI) Policy Dialogue, he said oil theft had remained a challenge in the Industry despite some strong interventions in the past.

Kyari, however, assured that the gradual reduction in incidences of vandalism and theft would be sustained through improved collaboration, implementation of Global Memoranda of Understanding (GMoUs), and deployment of appropriate technologies, among other measures.

Kyari who was represented at the event by the NNPC Chief Operating Officer, Upstream, Mr. Roland Ewubare, listed other measures to curb the menace to include a security architecture with single accountability for national critical infrastructure; Industry and regulatory commitment to transparent crude oil and products accounting; realistic expectation by host communities; and emplacement of sustainable social investment mechanism.

He emphasised the need to inculcate shared values of integrity and transparency across every level of the governance structure for pipeline security, policy refill and enforcement of legal actions on economic saboteurs.

The NNPC chief harped on the need to prioritize and instill in the nation's teeming youth a sense of patriotism and national orientation.

On the immediate and remote causes of oil theft and pipeline vandalism, Kyari stated that most stakeholders were of the view that oil theft was essentially a social problem, which is caused poverty in the communities, community-industry expectation mismatch and corruption.

Others, he noted, include ineffective law enforcement, poor governance, poor prosecution of offenders, high unemployment in the communities, thriving illegal oil market involving both Nigerians and foreigners, and inadequate funding of resources to combat oil theft.

He lamented that NNPC, as an operator, had suffered severe attacks on its facilities and assets, noting that between 2001 to half year 2019, NNPC had recorded a total of 45,347 pipeline breaks on its downstream pipeline network across the country.

Kyari said for the Nigerian economy to prosper, NNPC and other oil companies must be able to operate efficiently and profitably. "Unfortunately, the combination of crude oil theft, illegal refining and pipeline vandalism, has become a major threat to Nigeria in meeting its revenue projections in recent time," he added.

The Edo State Governor, who is also the Chairman of the National Economic Council (NEC) Ad Hoc Committee on Crude Oil Theft, Prevention and Control, Mr. Godwin Obaseki, stressed the need to institute a proper governance structure for pipeline security in the Industry. Obaseki called on the Nigeria Intelligence Agency (NIA) to work with the NNPC in identifying possible international markets and destinations of stolen Nigerian crude oil.

He said the Industry must end the prevailing incentives that make it possible for crude oil theft and pipeline vandalism to flourish, adding that the National Economic Council (NEC) had upgraded the Ad Hoc Committee on Crude Theft to a standing committee with mandate to provide regular updates to NEC as may be required.

The Executive Secretary of NEITI, Mr. Waziri Adio, reeled out the statistics on the ugly situation of oil theft and pipeline vandalism and challenged participants at the policy dialogue to come up with practical solutions as the theme of the dialogue is "Stemming the increasing cost of oil theft to Nigeria.

Need for National Assembly to legislate against oil theft, pipeline vandalism

At different fora in Nigeria and abroad stakeholders in the oil and gas industry including the Oil and Gas Trainers Association (OGTAN), Society of Petroleum Engineers, Nigeria Council and the Nigerian Association of Petroleum Explorationists, had stressed the need for the National Assembly to make laws that will deter oil thieves and pipeline vandals from engaging in the nefarious acts. To them, that will be the only sustainable way to stem the crime. When there are laws that will appropriately punish vandals, oil thieves and economic saboteurs, the crime will drastically reduce, they added.

IKEJA ELECTRIC RECORDS REDUCED TECHNICAL, COMMERCIAL LOSSES, IMPROVED SUPPLY

Despite challenges in the power sector, Ikeja Electric Plc (IE), has recorded reduction in Aggregate Technical, Commercial and Collection (ATC&C) losses with the introduction of e-billing system and improved sustainable power supply through its bilateral agreements.

Ikeja Electric's Chief Operating Officer (COO), Folake Soetan, who disclosed this while giving highlights of the electricity distribution company's (DisCo's) performance also noted that Ikeja Electric took a bold step towards improved sustainable power through the bilateral initiative.

According to her, the company had successfully reduced her ATC&C losses from about 31.3 per cent last year to 24.5 per cent presently. ATC&C refers to Aggregated Technical and Commercial Loss reduction, which is the difference between the amount of electricity received by a distribution company from the Transmission Company and the amount of electricity for which it invoices its customers plus the adjusted collections loss.

Soetan said: "2019 was a phenomenal year for us at Ikeja Electric. Despite the huge challenges we thrived and flourished. We tested new waters, learnt amazing lessons and set the pace in the Nigerian power industry. We were able to reduce our ATC&C losses from 31.3 per cent to 24.5 per cent, introduced e-billing, started the experiment towards improved sustainable power through the bilateral initiative and optimized our existing systems through innovations."

Speaking further she said: "We are committed to providing access to affordable and reliable power supply in line with the SDG 7 as we pursue our vision of being the provider of choice where energy is consumed.

"In 2020 we will deliver exceptional service to our customers, improve the quality of power supply and partner with the key industry players to build a sustainable power sector in Nigeria. 'We are Ikeja Electric, We bring Energy to Live," she noted.

According to Soetan, the company was committed to providing access to affordable and reliable power supply in line with the Sustainable Development Goal (SDG 7) in pursuance of its vision of being the provider of choice where ever energy is consumed.

The Disco has continued to demonstrate its commitment to improved service delivery by working in line with Meter Asset Provider (MAP) Scheme to close the metering gap.

It introduced E-billing (electronic billing) system which enables effective delivery of bills to customers via SMS, email and USSD platforms. And recently announced the IE Mobile App which allows customers to view their bills, make complaints, request connection, check supply availability and chat live.

With its customers spread across the northern part of Lagos State and parts of Ogun State, Ikeja Electric operates through the six Business Units located in Ikeja, Oshodi, Akowonjo, Ikorodu, Shomolu and Abule-Egba.

IE is the largest Nigerian electricity distribution company. The company came into being on November 1, 2013 following the handover of the defunct Power Holding Company of Nigeria to NEDC/KEPCO Consortium under the privatisation scheme.

$16BN OGIDIGBEN GAS PROJECT NOT ABANDONED -FG

By Meletus EZE

The Federal Government has assured that the $16 billion Ogidigben gas project in Delta State would be resuscitated as a process has begun to ensure the realisation of the project.

The Minister of State for Petroleum Resources, Chief Timipre Sylva, who gave the assurance, said security challenges were responsible for the delay of the multibillion dollar project.

He tasked host communities to show commitment to peace especially now that government has begun the process to get the project back on stream, adding that the cooperation of host communities as well and peace in the Niger Delta would be required to develop the area and create jobs.

He said: "The Ogidigben Gas Project isn't abandoned at all, I can tell you that. Unfortunately, before now, Ogidigben project was affected by security issues. When they tried the project, there were some security issues around it and the investors got worried.

"We must understand, as Nigerians and as Niger Deltans that they say that the Dollar is a coward, it doesn't like to go to any place where it is threatened. So if you have insecurity in the Niger Delta, you will have such problems.

"However, we have also started discussing the Ogidigben Project again. If you listened to me while I was in Riyadh last year, the Ogidigben Project was in the front burner and it is a project that we really hope to achieve and I believe that between us and the communities, cooperation and peace from the area, the project can be achieved."

BROWN TO TAKE OVER AS SEPLAT CEO WHEN AVURU RETIRES IN JULY

By Meletus EZE

Seplat Petroleum Development Company Plc (Seplat) has said its pioneer Managing Director and later Chief Executive Officer (CEO), Mr. Austin Avuru will be retiring in July 2020 after 10 years of leading the company.

In these 10 years, Mr. Avuru led the development of a strong organization, the deployment of agile systems, processes and stakeholder relationships that allowed the organization to grow rapidly from a gross production of 22,700 barrels of oil equivalent per day (boepd) as at December 2010 to peak of 111,368boepd gross production as at December 2018 through major drilling campaigns and major new Oil and Gas plants development.

The acquisition of 45 per cent in oil mining lease (OML) 53, post Company's IPO of 2014, created an opportunity in partnership with the Nigerian national Petroleum Corporation (NNPC), to spawn a mid-stream subsidiary, ANOH Gas Processing Company Limited currently progressing what will ultimately be a 300 million standard cubic feet per day (MMscf/d) of gas, 22,500bdp of condensate and 1,200boepd of liquefied petroleum gas (LPG) processing Company. All these could not have been achieved without Avuru's leadership skills, personal dedication and hard work, at the head of the Company.

The Board of Seplat is grateful to Avuru for these accomplishments and is looking forward to his continued service at the Board level.

Looking forward, Seplat plans to position itself for a next phase growth ambition which would see the expansion of its footprint in terms of energy business activities, a plan to pursue offshore assets as well as opportunity driven entry into different geographies.

The Company believes that such a corporate transition would require a different kind of organizational structure, people skills set and mentality to compete well in the expanded space. In view of this, Seplat will be reviewing its current organizational and systems structure.

To lead the Company in her latest aspirations, the Board has selected Mr. Roger Brown as the successor to Avuru as CEO, when Avuru steps down on 31 July 2020. The Board also decided that the CEO desig-

Roger Brown

nate will lead the restructuring during the Transition period between now and final exit date of Avuru on 31 July 2020.

Brown joined SEPLAT in 2013 as the CFO and played a key role in the successful dual listing of the Company in 2014. Similarly, since joining the Company, he has played significant roles in various asset acquisitions by the Company.

Brown brings to the CEO role, a deep knowledge of the Company in his 6 years as the CFO and a member of the Board. He has strong financial, commercial and M&A experience as well as proven people skills which will be an asset as the Company embarks on the next phase of its growth plan.

Prior to joining SEPLAT, Brown was an advisor to the company since 2010 while he was the Managing Director and head of EMEA Oil and Gas at Standard Bank Group. During his time at the bank, he was instrumental in providing advice and deploying capital across the African continent in the Oil & Gas, Power & Infrastructure and the renewable energy sectors.

While we thank Avuru for a meritorious service, we welcome Brown and wish him every success in his upcoming new role.

SEPLAT COMPLETES ACQUISITION OF ELAND OIL, GAS

By Abisola THOMPSON

On 15 October 2019, the boards of Seplat and Eland said they had reached agreement on the terms of a recommended cash acquisition by Seplat of the entire issued and to be issued ordinary share capital of Eland to be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme").

A scheme document was posted to Eland shareholders on 28 October 2019 setting out the terms of the acquisition. On 12 December 2019, Seplat and Eland said the Court had sanctioned the Scheme.

"Eland and Seplat are pleased to announce that the Court Order sanctioning the Scheme has today been delivered to the Registrar of Companies. Accordingly, the Scheme has now become Effective and the entire issued and to be issued ordinary share capital of Eland is wholly owned by Seplat," companies said.

Commenting on the acquisition, Austin Avuru, Seplat's Chief Executive Officer said: "We are delighted to successfully complete the acquisition of Eland, which further enhances Seplat's footprint in Nigeria and provides opportunities for enhanced scale, diversification and growth. We welcome our new colleagues and Nigerian partners as we look forward to working together in this exciting phase of our development."

Delisting of Eland

Admission to trading of the Eland Shares on AIM will be cancelled with effect from 18 December 2019. As a result of the Scheme becoming effective, share certificates in respect of Eland Shares have ceased to be valid and of value and entitlements to Eland Shares held in uncertificated form in CREST will be cancelled.

Settlement

Shareholders on the register at the Scheme Record Time, being 6.00 p.m. on 16 December 2019, will receive 166 pence in cash for each Scheme Share. The consideration due to the Scheme Shareholders will be sent by no later than 31 December 2019.

Resignation of non-Executive directors

Each of the non-Executive Eland directors has resigned as a director of Eland with immediate effect. Full details of the Acquisition are set out in the Scheme Document. Defined terms used but not defined in this announcement have the meaning given to them in the Scheme Document.

It would be recalled that following the 15 October 2019 announcement by the boards of Seplat and Eland that they had reached agreement on the terms of a recommended cash acquisition by Seplat of the entire issued and to be issued ordinary share capital of Eland to be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 28 October 2019, Eland announced that it had posted a circular to its shareholders in connection with the Scheme (the "Scheme Document").

On 20 November 2019, the Court Meeting and the General Meeting were held at which the resolutions to approve the Scheme were duly passed by the requisite majorities. The Scheme is expected to take effect on 17 December 2019.

On 10 December 2019, Seplat entered into an amended and restated US$350 million revolving credit facility, which is available on a "certain funds" basis thereto to fund the cash consideration payable by Seplat to Eland shareholders (and participants of the Eland Share Schemes) pursuant to the Acquisition.

As a result of entering into the Revolving Credit Facility, the US$350 million Bridge Facility Agreement, entered into with Citibank, N.A., London Branch prior to the announcement of the Acquisition, is no longer required and has been cancelled.

Citi, as financial adviser to Seplat, is satisfied that the necessary financial resources are available to Seplat to enable it to satisfy in full the cash consideration payable to Scheme Shareholders (and participants in the Eland Share Schemes) under the terms of the Scheme.

AGONY OF NIGERIAN ELECTRICITY CONSUMERS

The Nigerian Electricity Regulatory Commission (NERC) in January 2020, approved increase in tariff by the 11 electricity distribution companies (DisCos) in line with updating the Multi-Year-Tariff-Order (MYTO). While the increase is expected and legal, the issues of quality of service and distribution of prepaid meters to consumers remain in the backburner suggesting profit maximisation over service delivery. Will electricity consumers get value for their money from the new tariff? ***Abisola THOMPSON*** *examines the development.*

Since the privatisation of the power sector in 2013, it has been series of blame game between operators and lamentation of losses with quest to increase tariff without necessarily improving the quality of service. The distribution companies (DisCos) were worst hit by complaints from consumers, the regulators and other stakeholders.

Challenges of metering remained despite the introduction of Meter Asset Providers (MAPs) scheme. Accusations of non-remittance of fund and lack of investment continued to be made against the DisCos.

With DisCos as the primary target and the only part of the value chain that interfaces with consumers, at some point, Market Operator (MO) had to penalise operators found to have repeatedly failed to abide by the Market Rules guiding operations in Nigeria's electricity market.

Indeed, the Vice President, Prof. Yemi Osinbajo, had earlier in 2019, expressed dissatisfaction over the performance of electricity distribution companies in the country, saying there was the need for a substantial change of strategy in order to meet the electricity needs of homes and businesses. He lamented the inability of the DisCos to distribute available grid power to consumers.

"The distribution capacity in the 11 DisCos is significantly low, hovering at around 4,000 megawatts (Mw) on average with a peak at about 5,400Mw. So, despite the availability of about 8,000Mw of generation and 7,000Mw of transmission capacity, the lack of distribution infrastructure to absorb and deliver grid power to end-users has largely restricted generation to an average of about 4,000Mw, and sometimes even falling below 4,000Mw," the Vice-President said.

On his part, the Minister of Power, Saleh Mamman, said that effective metering of electricity consumers remains the best option to help distribution companies get more money to pay generating companies.

According to the Minister, metering is one of the serious issues bothering Nigerians, particularly consumers of electricity, even as he restated his ministry's commitment to supporting local meter manufacturers while also creating a level playing field for foreign investments.

With metering remaining a critical problem in the power with the DisCos failing to meet their targets, the sector's regulator, Nigerian Electricity Regulatory Commission (NERC) introduced MAPs with the intention of bridging the prevailing metering gap, reduce estimated billing of consumers and improve revenue collection.

MAPs performance

The Meter Asset Providers (MAPs) scheme which commenced in May, last year, continues to experience several bottlenecks caused by distribution companies. Though the DisCos had signed a Performance – Agreement to ensure that the gap in metering is bridged, the practice of estimated billing remained a critical challenge in the sector.

A report by PricewaterhouseCoopers (PwC) had indicated that although, the 11 DisCos committed to metering 1.75million customers yearly, the metering capacity of the DisCos has been constrained due to limited allowable capital

expenditure (CAPEX) in the Multi-Year Tariff Order (MYTO).

The total annual CAPEX provision of N46.3 billion in the MYTO, according to PwC, if utilised wholly for metering, is insufficient to meet the DisCos' yearly metering commitment, which is estimated at N52.5 billion yearly.

In terms of performance, only the Abuja Electricity Distribution Company (AEDC) noted that it has hit a 50,000-meter installation milestone within six months of the commencement of the regulation.

Consumers kick as NERC explains review

Though the Coordinator of Electricity Consumer Advocacy Network, AbdulHakim Balogun, said the increase was expected as provision had been made for such under the law, he however, stated that the timing might not be appropriate, considering the state of the economy, increase in VAT and pressure on consumers' disposable incomes.

"We can never have 24 hours uninterrupted power supply as regards to the distribution system. The government has failed us. Why are they giving the operators funds after privatising assets?

"Consumers have been paying for meters and this shouldn't be the case. NERC should compel DisCos to distribute meters before effecting the tariff or else consumers will continue to pay increased estimated bills for energy that they did not consume.

The Director-General of Lagos Chamber of Commerce and Industry (LCCI), Dr. Muda Yusuf, said the power sector problem was multifaceted, adding that the approach to addressing it should be holistic, otherwise the consumers would be vulnerable.

"The tariff question is no doubt one of the problems. But what is NERC doing about the issues of the capacity of the DisCos, estimated billing, technical and commercial losses, metering problem, quality and adequacy of investment by the DisCos, transmission, proposal on the decentralisation of the sector, promotion of off-grid solutions and incentives for renewable energy solutions? All of these need to be addressed in order to inspire the confidence of consumers.

"NERC should protect the interests of consumers as well as those of the investors. There is also the social dimension of electricity provision to those at the bottom of the pyramid. It is also critical to disaggregate and interrogate the components of cost being claimed by the DisCos. Already, many small businesses have complained about prohibitive tariffs by DisCos following the last review. What is needed is a holistic reform rather than the simplistic solution of tariff review," he stated.

Empowered by EPSRA to carry out minor reviews of the Multi-Year Tariff Order (MYTO) 2015 (the Electricity Tariff), twice a year, NERC notes that Tariffs shall remain the same as they presently are (i.e. 2015 levels) until April 01, 2020 when there will be a slight increment to cater for tariff shortfalls which shall be gradually passed on to the consumer until this is fully completed by the end of 2021.

Any succour from FCCPC?

To check monopoly and protect consumers from unfair prices, President Muhammadu Buhari, in February last year, assented to the Federal Competition and Consumer Protection Bill, thereby making it the Federal Competition and Consumer Protection (FCCP) Act 2019.

The Act prohibits agreements made to restrain competition such as agreements for price fixing, price rigging, collusive tendering, etc. (with specific exemptions for collective bargaining agreements, employment, among others). Under the new Act, the FCCP Commission replaces the Consumer Protection Council (CPC) established by the Act, and also makes provision for the establishment of a Tribunal to handle issues and disputes arising from the operations of the Act.

While the move has been lauded by operators, consumers believe more should be done by the FCCPC in getting a reprieve for them from actions of many business entities that provide essential services.

According to the 2019 Edelman Trust Barometer, Nigerians' trust in government, business, and non-governmental organisations remain on the decline. Though the FCCPC was able to get the court to back its actions against businesses found to be engaged in unfair pricing, there are concerns about its ability to secure compliance and also extend its influence across other sectors where consumer complaints are very loud.

In a bid to address some of such consumer concerns, the FCCPC coordinated a meeting with electricity consumers of Ikeja Electric and Eko Electricity Distribution Companies in Lagos, on their challenges and the way forward in the electricity sector.

Transparency in the operations of DisCos

FCCPC boss, Babatunde Irukera, pointed out the need for transparency in the operations of the distribution companies while urging customers to be disciplined and civil in their engagement with the companies.

Irukera argues that companies need to begin to be more transparent in the way they do their business, while he agreed that there were absolutely no reason people should pay for what they have not consumed. He noted the infrastructure challenge and poor customer relationship.

For the period over which estimated billing will subsist, he makes a case for rational, transparent, reasonable bills, and insist that there should be a linear connection between the bill estimate and actual usage. He argues that the arbitrariness in the billing must stop.

Discos have to be more responsible

He believes that the next thing that needs to happen is that distribution companies need to be more responsible. They must work to recover their debt and hold the communities accountable for unpaid liabilities. He insists that Group Disconnection must stop.

Operational efficiency

The FCCPC chief asserted that the DisCos must improve their operational efficiency and ensure that their equipment such as transformers is upgraded, to meet the demands of their customers. He castigated Disco officials for deceiving customers into spending money on replacing transformers and other equipment; a practice he says must stop.

"What I will call for is regulators coming together to meet with these companies and find ways to address the problems and penalize infractions appropriately. I believe a stick and carrot regime of regulation would prove effective.

"Ensuring good conduct in the power sector is not what the regulator can handle alone; it needs the support of other operators and consumers."

2019 NIGERIA'S YEAR OF GAS, UNCOMPLETED FIDS

For Nigeria and many other African countries, 2019 was a year of gas and other key discoveries. In the same year, per capita consumption of cooking gas – liquefied petroleum gas (LPG) and liquefied natural gas (LNG) in the manufacturing sector equally increased with targets set for the next five years. Despite the growth in gas exploration and utilisation, final investment decisions (FIDs) for several oil projects remained in limbo. Will 2020 witness the commencement of these projects, asks ***Shile GIWA.***

Global discoveries of conventional oil and gas continue to show promising growth, despite competition from shale and other alternative sources, The Guardian reports.

Different statistics put new discoveries in 2019 to nearly 8 billion barrels of oil equivalent (boe), compared to 10 billion barrels of oil equivalent discovered in 2018, it added.

According to data from Rystad Energy, the current resource replacement ratio for conventional resources is only 16 per cent. In other words, only one barrel out of every six consumed is being replaced with new resources.

So, not only has the pace of discovery declined, but discoveries are also in much more challenging geological venues and typically offshore, which means it could take many years just to bring new resources online.

In 2019, the African oil and gas sector moved from a cycle of stagnation in exploration, capital expenditure spend and production between 2014 and 2018 in the wake of the oil price crash, to a more dynamic growth phase.

During the downturn, the industry restructured itself for improved efficiency and performance and is fitter for this new future.

PwC in its latest report stated that rising investor interest in Africa's oil and gas resources, renewed investment in exploration after the downturn, and major new finds offshore the continent are expected to shift African oil and gas development into a growth phase after years of stagnation.

For instance, an Italian oil major, Eni, in August 2019, said it has made a huge gas and condensate discovery onshore Niger Delta. Eni said through its affiliate, Nigerian Agip Oil Company, it made a significant gas and condensate find in the deeper sequences of the Obiafu-Obrikom fields, in Oil Mining Lease (OML) 61.

It said the Obiafu-41 deep well had reached a total depth of 4.374 m, encountering an important gas and condensate accumulation within the deltaic sequence of Oligocene age comprising more than 130m of high-quality hydrocarbon-bearing sands.

"The find amounts to about one trillion cubic feet of gas and 60 million barrels of associated condensate in the deep drilled sequences," Eni said in a statement.

Investors linger in taking investment decisions

Last year, over $163 billion projects initiated across the value chain of the industry remained in limbo as investment drought takes a new turn in the country. With the exception of the NLNG that took the Final Investment Decision (FID) for its Train 7 Project, which will increase its production by 35 per cent and its competitiveness in the global LNG market, other projects are still waiting to be sanctioned.

The decision allows the expansion to increase the capacity of NLNG's six-train plant from the extant 22 Million Tonnes Per Annum (MTPA) to 30 MTPA, with the award of contracts for the engineering, procurement and construction activities to follow the closure of bank and Export Credit Agency (ECA) financing, and the finalisation of some key supporting commercial agreements expected in early 2020.

Other projects in limbo have already created a booming market for other smaller and emerging oil and gas countries in Africa who may not only quash Nigeria's lead role in hydrocarbon development on the continent but undermine nation's oil reserves and production projection as well as create job losses.

Similarly, the recent signing of the Production Sharing Contract bill into law by President Muhammadu Buhari has also jolted many of the international oil companies who felt that their concerns were not taken into consideration before the bill was signed.

Indeed, the Nigerian National Petroleum Corporation (NNPC), which has stakes in most of the projects along with International Oil Companies (IOCs) appeared to be unclear on the state of the projects as the corporation has been unable to ascertain the future of the investments, which would have increased the nation's oil reserve to about 40 billion barrels; daily production to around 3 million barrels and fast track domestic utilization of gas-to-power in households and industries.

Though Minister of State for Petroleum Resources, Timipreye Sylva, had said Final Investment Decisions (FIDs) on at least four key projects within the nation's oil and gas industry would be delivered before end of 2019, similarly promises made by his processors did not yield meaningful result.

Stakeholders, who raised concern over the inability of the current administration to reach Final Investment Decisions (FIDs) on a single critical project five years after taking over office, raised alarm over heightening poor investment climate, which is already forcing oil firms to divest their interests.

In the face of the volatility in the industry, the concern for most stakeholders is that changes to the global economy, oil and gas prices, capital expenditure and other germane factors may undermine projected economic value from the projects.

For instance, many projects are still at the planning stage or under some legal hurdles years after initiation, and they include Shell's Bonga South-West and Aparo, which is expected to add about 225,000 barrel per day (bpd) oil production, Bonga North (100,000bpd), Eni's Zabazaba-Etan (120,000bpd), Chevron's Nsiko (100,000bpd), ExxonMobil's Bosi (140,000bpd), Satellite Field Development Phase two (80,000bpd) and Uge (110,000bpd).

These projects are estimated to cost around $100 bilion, boosting the nation's production by as high as 875,000 bpd and nation's revenue by about $1.5 billion.

The Ajaokuta-Kaduna-Kano (AKK) pipeline, a 614km-long natural gas pipeline developed by NNPC at a cost of $2.8 billion and scheduled for commissioning in 2020 is yet to commerce though NNPC originally announced tenders for the development of the AKK pipeline as far back as July 2013.

Similarly, the $20 billion Brass LNG project in Bayelsa State and the $9.8 billion Olokola LNG in Ogun State as well as the 5000 km Nigeria-Morocco offshore gas pipeline which at today's prices will cost an estimated $20 billion, are awaiting key decisions.

With new discoveries and investor-friendly policies in neighbouring countries like Mozambique, Ghana, Niger, Uganda, Kenya, Senegal, Mauritania, and South Africa, Nigeria is fast losing its attraction as operators are increasing their stakes in the new environments.

For instance, while most gas projects are idle in Nigeria, Mozambique with its Coral Floating LNG project is on the verge of becoming the world's largest gas producers with an estimated $128 billion flowing into the country's gas sector alone before 2025.

Similarly, while the Federal Government is looking to recover as much as $62 billion from IOCs due to a 2018 Supreme Court regarding the production-sharing contracts (PSCs), which was amended a few weeks ago, Total is reportedly seeking to sell its 12.5 per cent stake in a deep-water oilfield over attempt to expand into other Africa countries.

Received with mixed prospects by some stakeholders, there have been indications that ExxonMobil, Shell, and Chevron may divest upstream assets in the country.

One of the oil majors said the firm was yet to take a final investment decision on the over 200,000bpd project because it was concerned about the regulatory environment in the country.

In the face of the volatility in the industry, the concern for most stakeholders is that changes to the global economy, oil and gas prices, capital expenditure and other germane factors may undermine projected economic value from the projects

According to the operator, fiscal stability is key to attracting investments in the country, noting that the investment climate needs to be able to attract capital.

Principal and Executive Director, Kaptepia Capital, Tosan Omatsola, noted that the identified projects were capable of spurring the economy and generating employment for Nigeria's teeming youths.

Omatsola urged the Federal Government and regulatory agencies to address drawbacks to the growth of investments in the country and also unveil incentives to encourage investors to the sector.

The Nigerian Association Petroleum Explorationists (NAPE) also urged the Federal Government to address concerns bordering on the long contracting cycle in the oil and gas industry, adding that such practice continues to hamper investments and development.

According to the body, the long contracting cycle results in high levels of uncertainties in costing and planning, thereby, creating a sluggish business climate.

Chief Executive Officer of an indigenous oil servicing firm, Mudiame International Limited, Sunny Eromosele, insisted that the current administration is living in the part by undermining the looming challenges for the nation's oil sector, especially the competition from another country.

He said: "Most of the investment package that this administration met has not taken off for the past five years. The attitude of government is irresponsible, especially pushing companies away in the name of revenue generation."

Eromosele decried that investors' confidence has been lost in the nation's oil sector due to the growing level of uncertainties amid rising insecurity and business environment.

According to him, while it takes as much as 10 years to some of the current projects to yield results even if they are sanctioned, the current administration may have crippled the sector before realizing the depth of the implications of their inaction.

While fiscal uncertainties had remained due to the delay in regulations like the Petroleum Industry Bill (PIB) and Production Sharing Contract (PSC), experts including, Partner and Head of Odujinrin & Adefulu's Energy Practice, Real Estate, and Mining Teams, Dr. Adeoye Adefulu, is optimistic that the recently amended PSC Act could spark the projects live, particularly the exploration and production projects.

Noting that a lot of factors which would have propelled private sector players to make quick decisions on some of the projects are yet to be addressed to guarantee security of those investments, Adefulu said that the needed political will on the part of the government remained a key factor that must be considered.

The Chairman, International Energy Services (IES) Limited, Diran Fawibe, who noted that the reasons affecting some of the projects were not only government related, said cost estimations, litigations and inability to reach consensus among the parties involved in the projects were other underlining challenges.

"I am not saying the government could not do much, the government needs to wake up especially in engaging the oil companies.

``Government needs to draw the companies closer. There is need for the government to continuously have a dialogue with the oil companies, especially now that is competition. There are other places for the opportunity for investment," Fawibe, who was former top management of the NNPC stated.

According to him, it is worrisome that the companies are divesting because of the challenges they are facing in the country, adding that while there are various challenges the companies are dealing with, government, which should find a way to deal with the challenges is adding to the issues.

Fawibe insisted that the Federal Government must strike a proper balance to curb its excesses, stressing that such development would force the companies to divest.

The need to sanction projects on time and deliver the right economic value and well as job creation if not checked would continue to impede the nation's oil and gas sector, PricewaterhouseCoopers's Associate Director, Energy, Utilities and Resources, Habeeb Jaiyeola said in his contribution.

"It is very important that government's decisions are being executed to time frame that can bring needed economic value because when they are not done, the changes to the global economy, prices and capital expenditure and other things required on each project will affect the commissioning of the projects," he said.

ASHARAMI ENERGY OFFERS UPSTREAM CAREERS

Asharami Energy Limited, a Sahara Group Upstream Company, has commenced its recruitment exercise aimed at giving young professionals a shot at honing their careers at the African Exploration and Production (E&P) Company.

Asharami Energy is one of Africa's leading independent E&P players with a diverse portfolio of nine oil and gas assets in prolific basins across Africa.

According to the Managing Director, Asharami Energy, Olajumoke Ajayi, the Sahara Graduate Upstream Trainee Programme has been designed to give brilliant professionals a solid foundation for a promising career in the upstream sector.

Ajayi said the programme will give successful candidates exposure to challenging real-life upstream business scenarios in today's rapidly evolving business environment, mentorship opportunities to shadow seasoned leaders and experts as well as world class training in practical upstream activities that are tailored to their career aspirations.

She said highlights of the programme include formal classroom and practical training for one year, career progression opportunities with clear paths and growth plans, cross-function exposure to several aspects of the sector and in-depth training on the soft skills needed to thrive in a structured business environment.

Olajumoke Ajayi, Managing Director, Asharami Energy

"Asharami Energy is excited about the programme and looking forward to welcoming exceptional talent that will add impetus to our drive towards achieving oil production of 100,000 barrels per day over the next five years," she added.

The current programme, among other requirements, features opportunities for individuals with Second Class Upper in their first degrees in Engineering and Geosciences.

Some of the beneficiaries of the programme expressed delight at their experiences which they summed up as being "a dream come true".

Adaora Obi-Okoye said: "My experience in Asharami energy has been exceptional, to say the least. It has surely surpassed all my expectations. Asharami Energy has invested in me as an individual. I can honestly say that it goes beyond honing my skills, I see the organization's genuine interest in my development as an individual, overall."

"Working with Asharami Energy has been a tremendous experience as I have learnt to push myself beyond my comfort zone to achieve set goals especially in a fast-paced environment. With great support from a team of highly skilled industry experts and opportunities to learn both on the job and in-class training, I have gained mastery of my role, "said Olamide Seyi-Olutayo.

Ifesanmi Tolu-Alao said: "Sahara is not where I work, it's who I am". When I saw that mantra for the first time, I thought it was just a nice-sounding phrase, but I soon found out that it was the absolute truth. Being part of Asharami Energy has been a wonderful journey, every day presents a new opportunity for growth and advancement."

BOOSTING DOMESTIC GAS CONSUMPTION WILL AID ECONOMIC DEVELOPMENT

*Nigeria has huge proven and unproven reserves of 200.79 trillion standard cubic feet (Tscf) and 600Tscf. Despite this huge gas deposit, the resource is not adequately utilised in-country, calling for the need to boost exploration and utilisation of gas, reports **Olamilekan FAWAS.***

Nigeria is blessed with huge deposits of hydrocarbon resources with a greater part of these deposits yet untapped. At the last count, according to the Department of Petroleum Resources (DPR), Nigeria's proven natural gas reserves as at last January stands at 200.79 trillion standard cubic feet (Tscf) while the expected to be discovered reserves stand at 600Tscf.

Until recently, focus of oil firms and the government was on crude oil from where refined products, such as premium motor spirit (petrol), household kerosene and aviation fuel as well as automotive gas oil (diesel), are derived. Less attention was given to gas as most of the associated gas was flared while gas fields were ignored.

However, reality globally is that gas has become the preferred fuel because it is cleaner and more environmental-friendly than other fossil fuels. The late recognition of the value of gas made Nigeria to be one of the lowest consumers of gas including liquefied petroleum gas (LPG) also called cooking gas despite being producer of LPG.

According to data, Nigeria is among large producers of LPG in the world.

Experts and stakeholders believe that harnessing and deepening of LPG consumption can serve as an engine and catalyst for the economy and for the benefit of Nigerians.

According to them, it is important to create sustainable growth for the LPG sector through systematic and concerted efforts by all stakeholders if the Federal Government is to achieve its target of five million metric tonnes per annum (MTPA) of LPG consumption in Nigeria by 2023.

The Nigeria Liquefied Natural Gas Limited (NLNG) has been setting aside 350,000MTPA of LPG for domestic consumption, but experts are demanding for an upward review in line with realities.

In a renewed drive by the government, Minister of State for Petroleum, Chief Timipre Sylva, has declared 2020 as "the Year of Gas" for the nation.

He said the government will rehabilitate the Warri, Port Harcourt and Kaduna

• CONTINUED ON PAGE 27

NLNG TRAIN 7 FID: SIGNIFICANT MILESTONE TO ECONOMIC DEVELOPMENT

It was a good way to end 2019 for the country's oil and gas industry when on December 27, the shareholders of the Nigeria Liquefied Natural Gas Limited (NLNG), including the Nigerian National Petroleum Corporation (NNPC), Shell, Total and Eni took the Final Investment Decision (FID) on NLNG Train 7 project. The decision, which signals a go-ahead with the construction of the huge project, is significant to the development of the petroleum industry and the economy, writes ***Meletus EZE.***

NCDMB Executive Secretary, Simbi Kesiye Wabote

After 12 years of delay and shifting the post on taking the Final Investment Decision (FID) on NLNG Train 7 project, the owners (shareholders) of the Nigeria Liquefied Natural Gas Limited (NLNG) put ink to paper last December 27, thereby ending the dilly-dallying on the Train 7 project FID.

To oil and gas industry stakeholders, taking the FID was significant in many ways. Beside the potential huge income and employment generation that are anticipated in it, the project is an answer to calls for the utilisation and monetisation of the country's huge gas resources.

The calls were part of concerns expressed by stakeholders about the sub-optimal exploration and utilisation of the nation's natural gas.

Notwithstanding the low utilisation, Nigeria is still among world's major gas flaring nations, and also the world is gradually moving away from fossil fuels, which calls for aggressive and maximum monetisation of the nation's natural gas for use in development of other sectors of the economy.

According to data from the Department of Petroleum Resources (DPR), flared gas in Nigeria can attract $3.5 billion investments and enough to generate 2.5 gigawatts (Gw) of power or produce 50 million barrels of oil equivalent (boe).

The DPR noted that the flared gas can produce 600,000 metric tonnes of liquefied petroleum gas (LPG) yearly, produce 22 million tonnes of carbon dioxide (CO2), feed two-three liquefied natural gas (LNG) trains and generate 300,000 jobs, among others.

It further said gas flared last in 2018 was as high as 324 billion standard cubic feet (bscf), while about 888 million standard cubic feet of gas was flared daily in 2017, adding that it identified about 178 flare gas sites or points spread across the Niger Delta in onshore and offshore oil fields.

According to the Nigerian National Petroleum Corporation (NNPC), oil and gas firms in 2018, flared a total of 282.08 billion standard cubic feet of natural gas, which was put at a financial loss of about N234 billion.

It is in view of the huge financial losses, health and environmental hazards caused by flared gas that the Federal Government created the Nigerian Gas Flare Commercialisation Programme (NGFCP) to capture all flared gases.

Train 7 journey

The Train 7 project has been on the table for about 12 years. The delay on taking the FID was initially attributed to inclement investing environment and later lack of consensus among the shareholders. Even before the FID was finally taken on December 27, it took about seven consecutive days of prolonged meetings of the shareholders before the contentious areas were resolved.

At a point, stakeholders in the oil and gas industry gave up hope on the actualisation of Train 7 and thought it has gone the ways of Olokola and Brass LNG projects. About four years ago, Train 7 was considered to be broken into two Trains – 7&8, owing to its size and to make the funding easier.

However, the plan later changed and it has to be implemented as a single Train. Therefore, it was not surprising to see airs of joy, excitement and fulfillment among the shareholders immediately the Train 7 documents were signed. It was mission accomplished after many years.

However, despite the bottlenecks in taking the FID, the shareholders were forging ahead expectantly as they took steps that gave assurance the FID must be realised.

For instance, in March, last year, the Nigerian Content Development and Monitoring Board (NCDMB) and the Nigeria LNG Limited (NLNG) signed the Nigerian Content Plan (NCP) for the Train 7 project. At the event were senior officials of the Nigerian National Petroleum Corporation (NNPC), Shell, Total and ENI shareholders of the NLNG.

NCDMB Executive Secretary, Simbi Kesiye Wabote, and NLNG Managing Director, Tony Attah signed the NCP. The $1billion Nigerian Content Plan for Train 7 project, according to Wabote, is to ensure that work scopes of the project with capacities in-country must be done in Nigeria.

The NCP is also to aid the maximisation of Nigerian content deliverables in the project by giving first consideration to indigenous goods, services and human resources as well as opportunities to Nigerian firms.

Under the Nigerian Content Plan for Train 7, the NCDMB introduced a provision that would ensure that a lead engineering, procurement and construction (EPC) bidder that has built capacity in-country is not disadvantaged with regards to cost.

The scope of work on the Train 7 project includes in-country and out of country work. They are "design, engineering, procurement, expediting, transportation, management, construction, installation, pre-commissioning and start up support and acceptance testing of an expansion to the NLNG facility."

The NCP is a key outcome of the Service Level Agreement (SLA) the Board signed with the NLNG in May 2017. The SLA committed the two organisations to timely approvals and compliance with the Nigerian Content.

Also last July, the Nigeria LNG Limited sought $7 billion from the global financial markets for the sustainability of its operations and construction of Train 7.

At a ceremony in London to commemorate the repayment of a US$5.45 billion shareholder loan for its trains, Attah revealed that funds being sought would cover the company's expansion programme (construction of Train 7) and investment in the upstream gas sector in Nigeria that will ensure the sustainability of feedgas supply to its existing trains (Trains 1 to 6) and the new Train 7.

Attah also said the NLNG has monetised over 5.96 trillion cubic feet (Tcf) of associated gas (AG), which would have otherwise been flared thus helping to build a better Nigeria.

Last September, the NLNG announced the issuance of a Letter of Intent (LoI) for the Engineering, Procurement and Construction (EPC) contract of the Train 7 project to SCD JV consortium. SCD JV Consortium is made up of Saipem of Italy, Japan's Chiyoda and Daewoo of South Korea.

According to the General Manager, External Relations, NLNG, Eyono Fatayi-Williams, the LoI was coming on the heels of the Nigeria Content Plan signed with NCDMB and the submission by NLNG the summary outcome of the commercial bids evaluation for the Train 7 Project to NCDMB in line with the project certification and authorisation procedure.

Benefits of Train 7 project

According to the Nigerian National Petroleum Corporation (NNPC) Group Managing Director, Mallam Mele Kyari, the actualisation of the FID of Train 7 of the NLNG would open windows of opportunities for the economy.

He said the taking of Train 7 FID is an affirmation that Nigeria remains a prime foreign investment destination, adding that the project will generate $20billion in revenue to the Federal Government's coffer, provide 10,000 direct and 40,000 indirect jobs to Nigerians. This could not have come at a better time to help government deliver on its promises, he added.

Describing the FID as a desired met, the NNPC boss said the project would help open a floodgate of opportunities for more of such investments, which could boost the economy and create prosperity for the over 200million Nigerians, who are the shareholders of the corporation.

"We need to do more, and we can do more. This FID has opened the gateway for doing more great things. We will work with our partners to bring in more projects that will add value to this country in the upstream, and particularly in the gas processing sector," he said.


NLNG Managing Director, Tony Attah

The NNPC chief thanked President Muhammadu Buhari for giving him the utmost support to the project. This, however, might not be a surprise to Nigerians as some of the refineries were constructed during his tenure in the 1980s as the Minister of Petroleum, he added.

He thanked the investment partners and the management of the NLNG for their tenacity in staying committed to the project despite the challenges, adding that the President's desire was to drive the NLNG to establish Train 12 soonest.

The Managing Director of Shell, who was represented by Mr. Henry Bristol, the Managing Director of Total, Mr. Mike Sangster and the Managing Director of ENI, who was represented by Mr. Peter Costello, expressed the commitment of their firms to the realisation of the project.

Train 7 would boost the production capacity of NLNG's current six Trains by 35 per cent from 22million tonnes per annum (MTPA) to 30MTPA and increase its competitiveness in the global LNG market.

According to stakeholders, the consummation of the processes leading to the Train 7 FID, was worthy of commendation, especially the leadership role of the Kyari, who demonstrated immense dexterity to actualise the decision. He expressed the commitment of the oil industry leaders to buoy its contribution to the economy.

The NCDMB Executive Secretary said Train 7, like other forthcoming major projects in the oil and gas sector, must leave a legacy facility, just like Total's Egina deepwater, which catalysed the development of floating production, storage and offloading (FPSO) integration facility in Lagos.

He explained that the expected job explosion from Train 7 is banked on the Nigerian Content Plan, which provides for 100 per cent engineering of non-cryogenic areas in-country. The total in-country engineering man hours is set at 55 per cent, which exceeds the minimum level stipulated in the NOGICD Act.

"It will also provide great opportunities for the utilisation of local goods and services in addition to enhancing and developing new capacities and capabilities for the local supply chain.

There will be 100 percent local procurement of all LV cables and HV cables, all non-cryogenic valves, protective coatings, and all sacrifice anodes. 70 per cent of all non-cryogenic pumps and control valves will be assembled in-country.

"Other spin-off opportunities would include logistics, equipment leasing, insurance, hotels, office supplies, aviation and haulage," he added.

Wabote pointed out that the increased number of NLNG Trains would also provide huge business opportunities for local businesses to build capabilities in the maintenance of LNG plants, especially in cryogenics.

The project would also catalyse other upstream gas supply projects required to keep the LNG train busy and make stranded gas fields in the shallow and deep offshore in the area economical.

Attah confirmed that the value network of the Train 7 project would be about $12billion, including the net cost of the project, estimated in the region of $5 billion and additional spend at its operational base in Bonny, Rivers State.

"It is also about the upstream development, which is the real gas that will come to us. That also is a huge investment of $5 to $6 billion. So, potentially, the full value network is almost $12 billion."

The stakeholders urged the NNPC chief to extend the kind of commitment to Train 7 to the Brass LNG as well as Olokola LNG and other projects such as the integrated gas processing facility in Delta State.

Each of these projects, according to them, is capable of generating tens of thousands of jobs in the country; reduce gas flaring and boost the nation's economy with the concomitant effect of enabling Government to provide for the needs of the citizens.

To the President of Nigerian Gas Association (NGA), Mrs Audrey Joe-Ezigbo, natural gas is key to unlocking the country's economic potential, therefore, the actualisation of Train 7 is a major milestone to the oil and gas industry and Nigeria's economy.

Mrs Joe-Ezigbo, who is also the co-founder/ Executive Director Falcon Corporation, said: "The gas industry is one that has significant prospects, and the potential to transform the landscape of economic development in Nigeria.

It is a well proven fact that there is a correlation between the amount of natural gas that is used and consumed in-country and the level of economic development of any nation.

Indeed, it is said that every $1 of gas that is consumed in-country contributes an extra $3 to the GDP. It can create thousands of jobs that can absorb a significant chunk of our teeming mass of unemployed youths."

NLNG's history

The NLNG was incorporated on May 17, 1989 to harness the country's vast natural gas resources and produce Liquefied Natural Gas (LNG) and Natural Gas Liquids (NGLs) for export. The establishment of NLNG is backed by the NLNG Act.

The company is owned by four shareholders, namely, the Federal Government, represented by NNPC (49 per cent); Shell (25.6 per cent); Total Gaz Electricite Holdings France (15 per cent) and Eni International N.A. N.V. S.àr.l ((10.4 per cent).

Its subsidiaries are Bonny Gas Transport (BGT) Limited and NLNG Ship Management Limited (NSML).

With six trains, NLNG's plant on Bonny Island in Rivers State, produces 22 million tonnes yearly (MTPA) of LNG, and five MTPA of NGLs (LPG and Condensate) from 3.5 billion standard cubic feet per day (Bcf/d) of natural gas intake. NLNG's construction of a seventh train will shoot up its production capacity to 30 million tonnes per annum (MTPA) of LNG.

NLNG's operations have helped to reduce the country's gas flaring volume from 65 per cent to below 25 per cent. It also supplies about 40 per cent of the yearly domestic liquefied petroleum gas (LPG) (cooking gas) consumption.

BOOSTING DOMESTIC GAS CONSUMPTION

• CONTINUED FROM PAGE 24

Refineries to achieve local production of 360,000MTPA of LPG by 2023.

The minister, who spoke at the Nigeria Gas Summit recently, said the government was desirous of deepening LPG penetration in the country. He said other plans by the government include upgrading the Lagos-Apapa LPG plant from 4,000MT to 8,000MT storage and increasing LPG allocation to the domestic market from Natural Gas Liquids (NGLs) to reduce butane/propane exports.

He said the government also aims to diversify supply sources with 110,160MTPA from Nigerian Petroleum Development Company's Oredo facility expected to come on stream by first quarter of the year.

Sylva said: "By our 2018 record, gas utilisation is being deepened by increasing LPG penetration. LPG consumption increased by about 16 per cent year on year.

"A total of 364 LPG plants licences and approvals were issued in 2018. This is expected to give about 15 per cent rise in the nation's LPG consumption based on storage capacity."

Similarly, Programme Manager, National LPG Expansion and Implementation Plan, Mr Dayo Adeshina, said Nigeria has made a giant stride in the LPG market with about 70,000MTPA in 2007 to 624, 000 MPTA as at last September.

Achieving the target of five million MTPA of consumption by Nigerians w, he said, would require about $750 million worth of infrastructure for LPG transport and retailing across the country.

"Apart from household consumption, the government is also moving to increase LPG usage in areas such as agriculture, transportation and manufacturing.This will enable Nigeria to reduce carbon dioxide (CO2) emission by about 20 per cent and create about 450,000 direct jobs.

"It will require infrastructure development, including the establishment of 3,000 LPG plants, procurement of 10,000 trucks, 5,000 bridgers as well as additional skids," he added.

The Group Managing Director, Nigerian National Petroleum Corporation, Mallam Mele Kyari, stated that the recent signing of final investment decision (FID) for the NLNG Train 7 Project, would boost gas supply.

According to him, it will increase the Federal Government's revenue by $9 billion and generate about 10,000 direct jobs and 40,000 indirect jobs to ease youth unemployment challenge in the country

Industry stakeholders said the government has demonstrated commitment towards improving domestic gas usage through the removal of the five per cent Value Added Tax on domestic LPG.

Nigerian Association of Liquefied Petroleum Gas Marketers (NALPGAM) President, Mr Nosa Ogieva-Okunbor, said LPG marketers would continue to support government's efforts to deepen gas consumption in the country.

Ogieva said NALPGAM has distributed no fewer than 10,000 6kg cylinders with burners to Nigerians in seven states and has been holding sensitisation exercises to enlighten Nigerians on the benefits of switching to LPG usage as against kerosene and firewood.

Also, Nigerian Liquefied Petroleum Gas Association (NLPGA) President, Mr Nuhu Yakubu, said there was the need to sustain the efforts of LPG penetration. He called for a synergy between government and industry stakeholders to maximise the potential of LPG for the benefit of the country.

NIGERIA POWER SECTOR'S DISMAL PERFORMANCE IN 2019

*From so many regulatory and operational flip-flops, the Nigerian power sector failed to progress in 2019, ending the year with the usual discordant voices instead of leeway, **Meletus EZE** highlights some of the climaxes of the year.*

The year 2019 started with heightened uncertainties due to the general elections, as stakeholders worried about the expected review of the privatisation exercise, five years after the sector was unbundled and the political risks, which may emerge from the election.

The re-emergence of President Muhammadu Buhari at the polls, some stakeholders said, was expected to see a turn of the sector for progress.

A few days into the year, Executive Secretary of the Association of Power Generation Companies (APGC), Dr. Joy Ogaji, said the investment made by operators, especially power generation firms, was under threat. This, she said, was due to a regulation introduced by the Nigerian Electricity Regulatory Commission (NERC) to favour electricity distribution companies (DisCos).

With warnings that the sector was heading for bankruptcy and no longer bankable, the complaint from her was not new. The sector had remained in limbo for the past five years while stakeholders in the sector appeared to be confused and perpetually engage in the blame game, leaving the industry with a step forward and 10 backward.

In 2013, the Federal Government took a bold step of privatising the power sector. The change in ownership was against the backdrop of the despondent nature of the sector, which affected standards of living and crippled economic growth with only a miserable 4,000 megawatts (Mw) of power to a population of about 180 million people.

It is important to note that in terms of generation, there was no significant improvement in 2019. Though the generation companies stated that current generation capacity hovers around 12, 000 megawatts, industry statistics from the Market Operator showed that the average generation remained around 4000Mw.

While the Transmission Company of Nigeria had trumpeted that the nation's transmission capacity significantly improved as the frequencies were strengthened, 2019 witnessed a very persistent grid collapses, which left the country in darkness.

The distribution companies were worst hit by complaints from consumers, the regulators, and other stakeholders. Challenges of metering remained despite the introduction of Meter Asset Providers.

Accusations of non-remittance of fund and lack of investment continued against the DisCos. With DisCos as the primary target, at some point, Market Operator (MO) had to penalise operators found to have repeatedly failed to abide by the Market Rules guiding operations in Nigeria's electricity market.

With an allegation that DisCos owed N231 billion energy service debt, Market Operator, an arm of the TCN, tried to suspend – Eko, Enugu and Ikeja distribution companies for failing to renew their security cover. Similar disconnection notice was also served Kano DisCo.

From indications, the approach of TCN worked largely in helping to force the erring DisCos remit fund. The development was also an indication that with discipline, the sector could perform better.

Maybe an elixir to make the allegedly docile Nigerian Electricity Regulatory Commission (NERC) perform better, shortly after TCN commenced disciplinary actions against erring players, NERC issued a directive to terminate licences of some DisCos.

NERC notified the eight power distribution companies (DisCos) on its intent to cancel their licences in 60 days after they accumulated N30.1 billion energy invoice debts for July 2019. But NERC is yet to disclose its since the 60 days deadline elapsed sometimes in early December.

Seen as a bold step ahead of the scheduled final performance review of the sector, the Federal Government had equally given an indication of repossessing 10 electricity distribution firms as one of the options to rescue the electricity industry.

One of the highlights of the year also included the signing of Electricity Road Map agreement between the Federal Government of Nigeria and Germany-based company, Siemens at the State House, Abuja. The agreement was seen as an outcome of a meeting Buhari held with German Chancellor, Angela Merkel on August 31, 2018.

Though the deal generated criticism, especially against the Germany based firm, which reportedly contributed to the current failure of the nation's power sector, particularly the national grid, stakeholders would keenly watch the take-off of the agreement and its impact.

Another remarkable event was the passage of a bill seeking to criminalise estimated billing of electricity consumers by distribution companies at the House of Representatives.

The proposed law if passed at the Senate and assented to by the President, will become criminal for service providers to issue estimated bills, also known as 'crazy bills', issuance of which would attract either a one-year jail term or a fine of N1m or both.

Similarly, NERC had also increased the tariff payable by power consumers across the country, which from this year, power consumers in Nigeria will have to pay an additional sum of between N8 and N14 for every kilowatt-hour of energy provided by their respective distribution companies.

Most stakeholders equally watched the drama that went on and led to the suspension of the Managing Director of the Rural Electrification Agency (REA), Damilola Ogunbiyi and the forceful eviction of Nigerian Bulk Electricity Trading Plc (NBET) counterpart, Marilyn Amobi.

Minister of Power, Sale Mamman announced the decision, which came after a series of alleged infractions and power play in the agencies. Amobi had been enmeshed in the indictment regarding violation of the Procurement Act 2007 and had been under investigation by the Independent Corrupt Practices and other Related Offences Commission (ICPC).

Ogunbiyi was also accused of infractions, which led to her suspension, just as Spokesman to the minister, Aaron Artimas, confirmed that Ogunbiyi's suspension followed infractions in the REA.

Apart from the dearth of investment into the power sector, for instance, the industry witnessed the persistent collapse of the national grid, which left the country in a country in darkness intermittently, regulatory challenges, discordant Voices among the sector, weak bankability, retrogressing quality of supply and others.

Renowned energy economist, Prof. Adeola Adenikinju, of the Department of Economics, and Centre for Petroleum, Energy Economics and Law believed that the performance of the power sector was below par.

Adenikinju stressed that the power sector could be best described as heading towards retrogression as the transmission, distribution, and generation performed woefully.

"The power sector did not perform as it should. The various segment of the power sector did not record significant progress. It should be called retrogression instead of progression. It failed to attract investment in the last four year," he said.

Pioneer Managing Director of the Nigerian Bulk Electricity Trading (NBET) Plc, Rumundaka Wonodi, said 2019 remained a dismal year for the power sector especially in terms of performance.

According to him, the investment climate did not get better, stressing that the sector continued to face bankability issues. "In terms of performance and operations, 2019 was a dismal year for the power sector. The performance was poor. You could see the number of systems collapses that we had. It was not a year that added any significant value to the sector," Wonodi stated.

Chair in Petroleum Economics and Management at the University of Cape Coast, Ghana, Prof. Wunmi Iledare, stated that the power sector remained epileptic in the year. "There is no reason for it to be so but for amorphous institutional governance structure. This is similar to the experience in the petroleum sector. Let the regulator be distinct from the policy institution and commercial," he said.

President, Nigeria Association for Energy Economics, Prof Yinka Omorogbe, noted that the performance was equally miserable in 2019. She said: "The performance was certainly suboptimal, and unfortunately this has become the norm. I don't see how it can get better without decisive efforts to restructure the sector."

They expressed that the ministry ought not to engage Nigerians on confrontation for daring to lament the state of the power sector, adding that there was nothing wrong for Nigerians to speak out against the ills of sector

A power expert, Ade Fadayomi, said: 'what is happening in the ministry of power shows that it lacks coordination to fix the round peg in a round hole. This can still be corrected, but shouldn't be done with the use of vulgar and uncomplimentary language used against critics by the media handlers of the minister.

The minister should be open to criticism and should constructively address the concerns by Nigerians on the power sector. Nigerians want the sector free of unimaginable ills plaguing it, they want the current administration to succeed through provision of uninterrupted power supply, they also want the economy to move to the next level through the power sector".

Above all, observers described as needless the metamorphosis of the ministry into 'Fuji House of Commotion' and advocated the need for it to brace up for the daunting challenges in the power sector as well as draw creative outline on how best to fix them.

'WHY GOVERNMENT IS COMMITTED TO COMPLETION OF MODULAR REFINERIES'

By Aliyu DANLADI

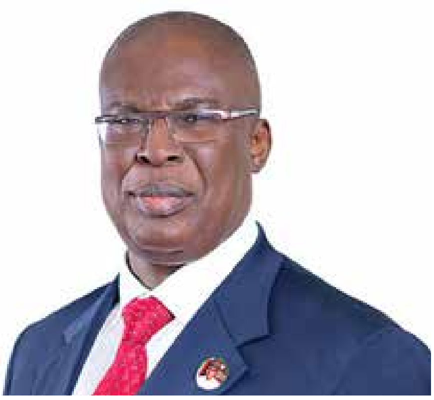
The Minister of State for Petroleum Resources, Timipre Sylva has disclosed that the modular refinery by Waltersmith located in Imo State, has advanced to a completion stage of over 90 percent, stressing that the development would improve supply of petroleum products in the country.

Speaking during the inspection of the ongoing works in the refinery, Sylva expressed excitement at the pace of the project, adding that the development of indigenous solutions to product shortfall in the country remained critical.

To him, the incorporation of the modular refinery component in the existing business concerns of Waltersmith Petroman Oil Limited, was exactly what the Federal Government envisaged by with marginal fields allocation.

Sylva said:"The overall expectation was to see indigenous Nigerian companies do well and the Waltersmith Modular Refinery is a major bright spot which has recently been incorporated into the nation's projection for petroleum product sufficiency and availability."

He urged the company to focus on corporate social responsibility to ensure a sustained and successful relationship with the host community.



Timipre Sylva

Sylva pledged the commitment of the Federal Government in ensuring that the expected completion date and refinery operations commencement date of May 2020, is achieved.

The project, being executed in partnership with the Nigerian Content Development and Monitoring Board (NCDMB) would turn out about 30,000 barrels per day.

Executive Secretary of NCDMB, Simbi Wabote stated that necessary steps have been put in place to ensure that the full realisation of the objectives of the project was achieved, adding that the partnership forged with the firm, showed the power of public-private investments.

To him, the initial partnership with the company was stemmed from the quest to achieve President Muhammadu Buhari's aspiration to improve in-country refined products capacity.

The May 2020 completion date of the phase one (5,000 barrels per day) would coincide with the ground breaking for the phase two of the project targeted at delivering 25,000 barrels per day crude and condensate refinery; designed to produce gasoline, diesel, LPG, kerosene and aviation fuel, Wabote said.

The Chairman of the oil firm, AbdulRazaq Isa said the fundamental reasons for embarking on the refinery include crude loss resulting from crude handling and the cost of crude transportation from the marginal fields owned by the company.

Isa said the partners have worked assiduously to ensure the phase one delivery timeline, which has been pegged at 18 months.

CHEVRON TO ACQUIRE PUMA ENERGY

By Meletus EZE

Chevron Australia Downstream Pty Limited, a wholly-owned subsidiary of Chevron Corporation, said it has signed a conditional Share Sale Agreement with Puma Energy Asia Pacific B.V. to acquire all shares and equity interests of Puma Energy (Australia) Holdings Pty Ltd for the amount of AU$425 million.

Puma Energy (Australia) Holdings Pty Ltd and its subsidiaries hold assets including a network of company-owned and retailer-owned service stations in Australia, a commercial and industrial fuels business, owned or leased seaboard import terminals and fuel distribution depots.

"The acquisition will provide Chevron with a stable market for production volumes from our refining joint ventures in Asia and create a foundation for sustainable earnings growth," said Mark Nelson, Chevron's executive vice president for Downstream & Chemicals.

"It will build on Chevron's strong history of partnership in Australia and our global experience in fuels and convenience marketing and supply."

The acquisition of Puma Energy (Australia) Holdings Pty Ltd is expected to close in mid-2020, subject to regulatory approvals and the satisfaction of customary closing conditions.

18BN LITRES OF PMS SUPPLIED IN 2019 –PPPRA

By Abisola THOMPSON

The Petroleum Products Pricing Regulatory Agency (PPPRA) has said over 18 billion litres of Premium Motor Spirit (PMS) also known as petrol was supplied in Nigeria in the year 2019.

PPPRA disclosed this in its PMS report signed by its Executive Secretary, Alhaji Abdulkadir Saidu. It said that total quantity of PMS supplied across the nation as at November 2019 was 18.6 billion litres and the PMS average sufficiency stood at 40.68 days.

It emphasised the need for enhanced private participation in the refining business and the revamping of the nation's refineries for improved production.

The report further revealed that 1,612 vessels laden with different petroleum products docked in Nigerian waters in 2019.

A breakdown of marketers performance shows that the Nigerian National Petroleum Corporation (NNPC) was responsible for 99.61 per cent of the total 19 billion litres of petrol that was imported.

It noted that the Major Oil Marketers of Nigeria (MOMAN) imported 0.39 per cent in 2019.

On the other hand, 166.3 million litres of PMS was produced locally in the same year. The report revealed that other petroleum products imported into the country were 5 billion litres of AGO, 128 million litres of HHK, 952 million litres of ATK, 307 million litres of Base Oil, 126 million litres of Bitumen and 46 million litres of LFPO.

NNPC/SNEPCO DONATES MEDICAL EMERGENCY RESPONSE EQUIPMENT TO HOSPITAL IN LAGOS

Lagos State Governor, Mr. Babajide Sanwo-Olu who inaugurated the equipment at the General Hospital, Odan, Lagos Island, described the intervention NNPC and SNEPCo as laudable at a time when government resources are being stretched to cater for the rapidly growing population of Nigeria's commercial capital.

L-R: Manager, Non-Operated Venture Assets, Shell Nigeria Exploration and Production Company (SNEPCo), Yemi Asaolu; Member, Lagos State House of Assembly, Olanrewaju Afinni; Managing Director, SNEPCo, Bayo Ojulari; Lagos State Commissioner for Health, Akin Abayomi; Acting Public Affairs Manager, National Petroleum Investment Management Services, Yetunde Azendah; SNEPCo's General Manager, Bonga South West Aparo Project, Adam Bradley; and Deputy Manager, Community Development of NAPIMS, Mrs. Clementina Arubi, at the inauguration of medical equipment donated by NNPC and SNEPCo to the General Hospital, Odan, Lagos Island.

The governor, represented by the state Commissioner for Health, Prof. Akin Abayomi, said the donation underscored the importance of public-private partnership, adding that the state government would continue to encourage partnerships with the potential to positively impact health and the wellbeing of its citizens.

Sanwo-Olu said, "As we all know, 2030 is the timeline to achieve the Sustainable Development Goals. This implies that by 2030, we must have achieved the 17 SDGs, and for us to achieve this, it is of utmost importance that we encourage more of public-private partnership such as this initiative undertaken by NNPC and SNEPCO, which will impact positively on SDG3 geared towards ensuring good health and well-being."

The governor expressed appreciation to NNPC and SNEPCo for the intervention. "The Government and people of Lagos State are indeed appreciative of the kind gesture of NNPC, SNEPCo and their co-venture partners including Total, ExxonMobil and Agip."

Speaking at the event, the Managing Director of SNEPCo, Bayo Ojulari said that the social investment strategy of NNPC/SNEPCo was centered on health and education initiatives across the country and the donation of the medical emergency response equipment would mark the start of a new medical response experience at the General Hospital, Lagos.

He noted that the donation was a product of the partnership between the Lagos State Government, NNPC and SNEPCo under the Lagos State Medical Emergency Response Improvement Programme (Lagos MERIP).

"Lagos MERIP is aligned with the State Government's health agenda and therefore guarantees the government's ownership and drive; and will also ensure the sustainability of the programme," Ojulari said.

The equipment donated included a fully equipped intensive care ambulance; two mini-ambulances; specialised beds; automatic external defibrillators; a mobile x-ray machine unit; ECG machine; operating tables and lamps; autoclave; and medical consumables.

"In addition to this, we have also partnered with the hospital to build the capacity of equipment operators and put in place processes and policies to ensure efficient delivery of quality emergency services," the Ojulari said, adding that another important element of MERIP is the collaboration with LASEMS to strengthen and improve pre-hospital care through the Lagos State Ambulance Service and hospital-based care at the General Hospital, Lagos.

Commenting, the Group Managing Director, NNPC, Mr Mele Kyari, said that the equipment would bring succour to many people in emergency situations.

Kyari, represented by the Deputy Manager, Public Affairs Department, National Petroleum Investment Management Services (NAPIMS), Mrs. Yetunde Asinge,. said that NNPC had embarked on many life-touching projects across various sectors in different parts of the country.

In his remarks, Oba Rilwan Akiolu of Lagos, commended NNPC and SNEPCo for the intervention in medical emergency management, asking other corporate citizens in the state to support any of the people-oriented programmes of the state government.

The Medical Director of the General Hospital Odan, Dr Gani Kale, noted that with the equipment, particularly the mini ambulances, the hospital would be able to extend emergency evacuations to locations which were hitherto difficult to access on Lagos Island.

The event was attended the Chairman, Lagos State Health Service Commission, Dr. Bayo Aderiye; Member of the state house of assembly, Mr. Olanrewaju Afinni; Deputy Manager, Community Development of NAPIMS, Mrs. Clementina Arubi, among others.

FOCUS MORE ON GAS DEVELOPMENT, KYARI TELLS PETAN

The Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, has charged Nigeria oil service operators, under the aegis of the Petroleum Technology Association of Nigeria (PETAN), to focus more on gas development. The event was PETAN's 2019 annual clients' appreciation and industry achievement awards dinner held in Lagos, ***Olamilekan FAWAS*** *was there and reports.*

The Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, has advised members of the Petroleum Technology Association of Nigeria (PETAN) to focus more on gas development to support the Federal Government in its effort to reduce hazardous emission.

Kyari represented by the Chief Operating Officer (COO), Gas and Power, NNPC, Mr. Yusuf Usman, at the PETAN's 2019 Clients' Appreciation and Industry Achievement Awards held in Lagos, said the use of gas for sustainable development has become paramount in policy formation in Africa.

He said: "PETAN members should focus on gas development. We are a gas province as a country and there is need to develop gas because it is cheap, clean, environmentally friendly and affordable. We can help save the environment by substituting coal with gas, therefore, reducing emissions by half."

The Chairman of PETAN, Mr. Bank-Anthony Okoroafor, in his remarks, assured the NNPC chief and all stakeholders present at the event that PETAN remains committed to ensure a sustainable environment for business and for the people. "PETAN remains committed to partnering with all stakeholders to create enabling environment for investment to thrive. PETAN was formed to utilise the technical know-how that abounds in the oil and gas industry by Nigerians as a springboard for economic change and technological advancement of our nation.

"This we have been pursuing since 1990. It was in 2010 that PETAN developed a 4Cs strategic plan - Capacity building, Capitalisation, Collaboration and Consolidation, to identify and leverage capacity gaps from the Local Content Act, consolidate and expand end-to-end capacities across the value chain."

He said PETAN will be 30 years in March 2020 and invited the audience to celebrate the milestone with PETAN in grand style. "I will be

Kyari

inviting the industry to celebrate with us in working with the Nigerian Content Development and Monitoring Board (NCDMB) and the National Assembly to increase retained earnings from five per cent to more than 27 per cent; to increase equipment ownership, drilling rigs, cementing, simulation and wellheads, among others to more than 90 per cent," he added.

He also noted that PETAN will work to increase (indigenous) vessel ownership from less than 10 per cent to more than 40 per cent; fabrication tonnage from nothing to about 60, 000 metric tonnes; iron processing, pipe-coating, pipe-laying, operation and maintenance, FPSO integration and engineering design, among others.

He stated that this year's award night theme "Oilfield of the Future: operational Excellence", is to re-emphasise the long standing PETAN philosophy for the growth of the industry, which is professional excellence.

"That was why we initiated a PETAN's Seal of Quality to sanitize our operations and certify our people in particular and the industry in general. The process has fully commenced and a number of our members have been certified in conjunction with Bureau Veritas. In the last four years, my executive team have been working on getting a befitting secretariat, conferences and meeting venue for the association and for the use of the industry and stakeholders. As you are aware, there is no functioning facility that can be used for the industry events in Port Harcourt, the oil city of Nigeria where many of us began our career.

"Graciously, the governor of Rivers State Nyesom Wike has provided us a location just by the Port Harcourt International Airport. We will be conducting the groundbreaking ceremony for the project first quarter of 2020. We urge all our partners to join us to deliver the best oil and gas museum for the country," he said.

NLNG SIGNS SALES DEAL WITH TOTAL GAS & POWER, ENI

By Abisola THOMPSON

Nigeria LNG Limited (NLNG), Total Gas & Power (TGP) and Eni have signed a liquefied natural gas (LNG) Sale and Purchase Agreements (SPAs) for some of the remarketed volumes from NLNG's Trains 1, 2 and 3.

The agreements were signed on different dates in January 2020. A statement from the General Manager, External Relations, NLNG, Eyono Fatayi-Williams, the agreement with TGP is for the supply of 1.5 million tonnes per annum (mtpa) for a 10 year term on a Delivered Ex-ship and Free on Board (FoB) basis.

The deal, according to findings from The Nation Economic Team, will fetch the Nigeria LNG an estimated annual income of US$268.062 million. According to the Team's finding using the UK NBP recent pricing template of $3.628 per million British thermal Units (BtU), the l.5mtpa will fetch NLNG about US$268,061,485.

The Managing Director and Chief Executive Officer of NLNG, Tony Attah, signed on behalf of the company while Thomas Maurisse, Senior Vice President LNG, signed for TGP.

According to NLNG, the agreement is in line with NLNG's drive to continue to deliver LNG globally in consolidation of its position as one of the top ranking LNG suppliers in the world.

The SPA with TGP advances the plans by NLNG to remarket volumes from three trains. The SPA is expected to boost the company's global presence and market reach, in line with its corporate vision of being a "global LNG company, helping to build a better Nigeria".

Similar agreement was signed with Eni for some of the remarketed volumes from NLNG's Trains 1, 2 and 3. The agreement is for the supply of 1.5 million tonnes per annum (mtpa for a 10 year term on a Delivered Ex-ship (DES) and Free on Board (FoB) basis, Fatayi-Williams added.

NCDMB, WALTERSMITH TO SUPPORT EQUATORIAL GUINEA ON MODULAR REFINERY DEVELOPMENT

From left: Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), Simbi Wabote; Minister of Mines and Hydrocarbons, Equatorial Guinea, His Excellency Gabriel Mbaga Obiang Lima and Chairman Waltersmith Petroleum Oil Limited, Mr. Abdulrazaq Isah during the Minister's visit to the Waltersmith Modular Refinery at Ibigwe, Imo State.

By Meletus EZE

The Nigerian Content Development and Monitoring Board (NCDMB) and Waltersmith Petroleum Oil Limited will assist Equatorial Guinea to develop modular refineries in the central African nation, so it can process some of its crude oil and derive increased value from the hydrocarbon resources.

The bi-lateral cooperation was confirmed after the Executive Secretary of NCDMB, Engr. Simbi Wabote, and Chairman Waltersmith, Mr. Abdulrazaq Isah, hosted the Minister of Mines and Hydrocarbons, Equatorial Guinea, His Excellency Gabriel Mbaga Obiang Lima at the 5,000 barrels per day Waltersmith modular refinery being developed at Ibigwe in Imo State, with 30 per cent equity investment from the NCDMB.

Commending stakeholders of the Nigerian petroleum industry for the achievements recorded so far with modular refineries, the Minister stated that his country plans to replicate the initiative, so it can stop the wholesome export of its crude oil and begin to add value to the resources.

He said: "We believe that with this co-operation and experience between our country and Waltersmith and the Nigerian petroleum industry, we should be able to replicate it."

Noting that Nigeria had vast experience in the hydrocarbons industry, Lima added that Equatorial Guinea would also understudy the commercial aspects of the modular refinery project to ensure that its planned investments would be economically viable.

He underscored the need for knowledge and experience sharing amongst African countries, particularly in the petroleum sector, stating that "there are a lot of things we can learn from brotherly countries and in this case-Nigeria. Rather than go to Europe or United States or Asia, we decided to visit our neighbour, to see what they do."

He expressed delight that a new dawn had come in the African oil industry and nations needed to start utilizing their crude oil resources more efficiently. "We cannot continue to export crude oil. We should start processing our products and we are watching what Nigeria is doing and we want to replicate them."

In his remarks, the Executive Secretary NCDMB described the cooperation between Nigeria and Equatorial Guinea as a perfect example of the benefits of the recently signed Africa Continental Free Trade Agreement (AfCTA), which encourages African countries to trade and cooperate among themselves.

He maintained that governments and businesses in Africa needed to cooperate closely and lift the continent out of its present state, rather than depending on foreign assistance and aid.

Wabote highlighted the local content benefits of the Waltersmith modular refinery, noting that "it is being built by a local company and 90 percent of the workers are Nigerians. Most of these will be replicated to create jobs and put young people out of idleness."

Welcoming the Minister, Chairman Waltersmith Petroleum Oil Limited stated that the company participated in an international tender in Equatorial Guinea and was declared the winner in one of the offshore blocks.

Isah thanked the Government of Equatorial Guinea for the opportunity to participate in the tender, be properly evaluated and declared winner of the asset and explained that "part of what we indicated to them was our capacity to plan and execute projects and we have submitted that to them."

He also assured the Minister of Waltersmith's commitment to invest in Equatorial Guinea and support the development of the hydrocarbons industry, adding that "we see a lot of opportunities and similarities about our two countries and we are going to share our experience, capacity, technology and knowledge base that we have as Nigerians who have operated in this industry in the last 50 years."

He also announced that the initial target was to deliver the Ibigwe modular refinery project in two years, but it is now on track to be completed in 18 months. "By May 2020, we are going to commission the refinery and we will also do the ground breaking of the second phase of the refinery, which will take us to a total capacity of 30,000 barrels of oil per day," he confirmed.

SHELL INDUCTS 31 ACADEMICS TO ONE YEAR SABBATICAL, RESEARCH INTERNSHIP

By Meletus EZE

Thirty-one Nigerian academics and research interns including nine professors and four senior lecturers were last week inducted to a one-year sabbatical programme and research internship in Shell companies in Nigeria at a ceremony held at the Port Harcourt Headquarters of Shell Petroleum Development Company of Nigeria (SPDC).

The participants were drawn from 10 Nigerian and one British universities, the 31 participants are the highest in the 40-year history of the Shell Nigeria sabbatical programme, and the number represents 40 percent increase over the 22 intake for 2019 who concluded their programmes last December.

"The annual sabbatical and research internship programmes continue to form key aspect of our effort to contribute to the development of higher education in Nigeria. It is a mutually beneficial relationship in which Shell obtains specialised services from the professors and senior lecturers, while they, in turn, acquire industry experience and exposure to new technologies that can be ploughed back to the university curriculum," explained Shell Nigeria's General Manager, External Relations, Igo Weli.

The academics and research interns are from the University of Ibadan; University of Benin; University of Port Harcourt; Federal University of Technology, Owerri; Niger Delta University, Wilberforce Island, Bayelsa State; Rivers State University, Port Harcourt; University of Calabar; University of Ilorin; Ladoke Akintola University of Technology, Ogbomosho; Nnamdi Azikiwe University, Awka; and Manchester Metropolitan University in the United Kingdom.

According to Weli, "The programme enables professors on sabbatical within the year to conduct researches in identified areas and share their findings with the company for application in the industry, while the research internship programme involves Master's and Doctoral degree students who are offered one-year placements to acquire work experience in either SPDC or Shell Nigeria's deep water company, Shell Nigeria Exploration and Production Company (SNEPCo), in addition to undertaking researches leading to the award of post-graduate degrees by their respective institutions.

The Shell sabbatical and internship programmes help Nigerian academics and post graduate students to build industry knowledge and understanding in such fields as biodiversity, petroleum engineering, geophysics, environmental impact assessment, community and occupational health, oil spills remediation, social performance, and oil and gas exploration.

SHELL WINS PETAN'S INDUSTRY ACHIEVEMENTS AWARD

By Abisola THOMPSON

Shell companies on Friday won the Industry Achievement award at the 2019 awards night of the Petroleum Technology Association of Nigeria (PETAN), the umbrella body of indigenous technical oilfield service companies in the upstream and downstream sectors of the Nigerian oil and gas industry.

Managing Director, The Shell Petroleum Development Company of Nigeria Limited (SPDC), Osagie Okunbor, was also honoured at the event with the Aret Adams Award for Excellence for leading a formidable team in Shell to deliver value to its partners, stakeholders and particularly the country.

PETAN President, Bank-Anthony Okoroafor, said the Industry Achievement Award was in recognition of Shell's consistent outstanding contributions to the development of local content in the Nigerian oil and gas industry over the years. Okoroafor acknowledged the leadership role of Shell companies in Nigeria and described the award was well-deserved.

"Indigenous companies look up to Shell and other industry leaders to leverage growth opportunities in the industry," he said.

Managing Director of Shell Nigeria Exploration and Production Company (SNEPCo), Bayo Ojulari, received the Shell awards on behalf of Okunbor.

Speaking on the awards, Ojulari said: "At Shell, we see local content as a critical business enabler, not just a regulatory requirement, and that is why we take cogent steps to encourage community and Nigerian contractors even before the Nigerian Oil and Gas Industry Content Development Act was enacted in 2010."

According to Ojulari, the many 'intentional steps have matured as contracts and funding and other capacity building initiatives as well as highly rewarding collaborative engagements with Nigerian oil and gas professionals in Scotland and suppliers in China. We are pleased that the milestones have been recognised by PETAN and other organisations."

The PETAN awards came barely a week after Shell companies in Nigeria emerged the top companies to work for in Nigeria according to a survey by Jobberman, an international recruitment website with over 2 million job applicants and 40,000 employers in Nigeria.

OANDO, NLNG, OTHERS SEAL GAS SUPPLY DEAL FOR TRAINS 1-3 & 7

Oando Energy Resources, the upstream arm of Oando Plc, Nigerian Agip Oil Company (NAOC) Joint Venture and the Nigerian Petroleum Development Company (NPDC), the exploration and production (E&P) arm of the Nigerian National Petroleum Corporation (NNPC) and the Nigeria Liquefied Natural Gas Limited (NLNG) just signed gas supply agreements for the existing NLNG Trains and the planned Train 7. The gas supply agreement was cheery news for the Nigeria's oil and gas industry as that signals imminence of signing of the final investment decision (FID) for Train 7, writes ***Olamilekan Fawas.***

Oando Plc, through its upstream arm, Oando Energy Resources, has signed two gas supply agreements (GSA) with the Nigeria Liquefied Natural Gas Limited (NLNG), for the renewal of gas supply for the existing Trains 1-3 for a term of 10 years and for gas supply for the impending Train 7 for a term of 20 years.

Under the terms of the current agreement, the Nigerian Agip Oil Company (NAOC) Joint Venture made up of the Nigerian National Petroleum Corporation, NNPC/NAOC/Oando, has a total supply obligation of 850 million standard cubic feet per day (MMScfd) for Trains 1–6. The Joint Venture (JV) is specifically responsible for supplying a daily contract quantity (DCQ) of 344.6MMscf/d for Trains 1-3 and 505MMscf/d for Trains 4-6, making the NAOC JV the second largest gas supplier to NLNG. The first GSA is a renewal of the gas supply terms for Trains 1-3.

In addition to the JV's current supply to trains 1-6 and under the terms of the second agreement the JV will be responsible for supplying a DCQ of 294.7MMScf/d for Train 7. Train 7 is expected to come on stream in 2024, and will bring the JV's total supply obligation to 1.1 billion cubic feet daily (Bcfd). The execution of these agreements also effectively monetizes about 3.3 trillion cubic feet (Tcf) of gas for the NAOC JV of which 666Bcf will be net to Oando.

The NLNG GSAs were signed by the Managing Director, NLNG, Mr. Tony Attah; General Manager Commercial & Negotiations, NAOC, Mr. Massimiliano Bertona, who represented Managing Director of NAOC, Managing Director, Nigerian Petroleum Development Company (NPDC) - the exploration and production arm of NNPC, Alhaji Mansur Sambo and the Group Chief Executive, Oando Plc, Wale Tinubu, while the event was chaired by the Group Managing Director, NNPC, Mallam Mele Kolo Kyari.

Commenting on the agreement Mr. Tinubu said: "We are particularly pleased to be the only indigenous company party to the NLNG supply agreement, which is testament to the potential of local players. The NLNG vehicle will support the Federal Government's efforts to grow reserves, boost the country's gas footprint and market share in the global LNG market and in turn positively develop the Nigerian economy – a goal that we are aligned with and have always wholly endorsed.

"The signing of these two agreements confirms and consolidates our long-term partnership with NLNG. Furthermore, it is a validation of NLNG's confidence in our operational track record. The execution of the GSA is another positive stride in our journey to becoming the leading independent exploration and production company. Being a 20-year guaranteed income stream, it will strengthen our financial position as well as demonstrate to our key stakeholders the Company's growth potential.

"Finally by way of this agreement and in line with our increased focus on sustainability and social impact the JV is closer to its objective of achieving zero gas flare in the immediate future. We will continue to collaborate with our partners and other stakeholders in finding creative solutions to move both the industry and economy forward."

The NNPC chief said with the signing of the gas supply agreement, all was set for the take-off of the project, stressing that the Final Investment Decision (FID) on the project would be taken next week.

Kyari also noted highlighted the impact the project would have on the economy, which include boosting the Federal Government's revenue by $9billion and generation of about 10,000 direct jobs and 40,000 indirect jobs that will ease youth unemployment challenge in the country.

The Country Chairman of Shell Group of Companies in Nigeria and Managing Director of Shell Petroleum Development Company (SPDC), Mr. Osagie Okunbor, appreciated the NNPC chief for his purposeful leadership which saw the partners coming together to sign the Gas Supply Agreement. He urged the partners to look beyond Train 7, adding that it was time to move into action.

The Managing Director of Total Nigeria, who was represented by Mr. Patrick Olima, pledged the company's commitment to make gas available for the NLNG and executing other big projects in the country like the Egina Project.

EKO DISCO BEGINS NEW VAT RATE ON METERS FEB. 1

Eko Electricity Distribution Company (EKEDC) said from February 1, the prices of meters sold to customers under the Meter Asset Provider (MAP) scheme will be reviewed to reflect the increase in Value Added Tax (VAT) recently implemented by the Federal Government.

The EKEDC Corporate Communications General Manager, Godwin Idemudia, told reporters that review was in compliance with the 2019 Federal Government directive which would see an increase in value added taxes from 5 per cent to 7.5 per cent from the first day of February 2020.

He further stated that customers should now expect to pay "39,765.86 (VAT inclusive) for a single-phase meter and 72,085.68 (VAT inclusive) for a three-phase meter".

The statement also disclosed that VAT on tariffs have been adjusted to accommodate the new 7.5 per cent rate, and service charges on installmental meter payments through MAP will be reviewed to accommodate the new VAT charge.

Idemudia appreciated customers for their "unwavering support" and urged them to always pay bills on time, as these are the major source of funding for several projects underway to improve service delivery in their operational network.

EKO DISCO INAUGURATES RENOVATED IKOYI PASSPORT OFFICE, CUSTOMER SERVICE POINT

Eko Electricity Distribution Company (EKEDC) has commissioned part of the complex it renovated at the Ikoyi Passport Office of the Nigerian Immigration Service (NIS).

This came about after a courtesy visit to the office by the MD/CEO of EKEDC, Engr. Adeoye Fadeyibi, in September 2019. At the visit, Fadeyibi had promised to assist in revamping the facility.

At the commissioning of the renovated Passport Office, the Passport Control Officer (PCO) Manir Yari received the EKEDC MD/CEO, Engr. Adeoye Fadeyibi and some members of the management team - the Chief Finance Officer, Joseph Esenwa; Chief Treasury and Taxation Officer, Jimoh Fadipe; General Manager, Corporate Communications, Godwin Idemudia among others.

To improve its service delivery to its customers, EKEDC opened a customer service point at the passport office where customers can pay their bills, acquire meters as well as make complaints and inquiries right in the premises.

Expressing his gratitude to EKEDC, Mr Yari said: "On behalf of the Comptroller General and the Management of Nigerian Immigration Service, we appreciate EKEDC for their efforts in completing the renovation as promised. I must commend them for completing the project in record time as no other projects have been completed in such a short time. I Implore other corporate organisations to emulate and replicate this good deed".

Fadeyibi in his response said: "This is one of our Corporate Social Responsibility projects as we strive to give back to our society. We are impressed by the efforts of the NIS as our passports have gained more respect all over the world through the new security features added to our passports. We are also grateful for the opportunity given to us to situate our customer service point on these premises as we tend to meet our customers' needs while they come to get their passports. We have a cordial relationship with the Passport Office, and we will continue in that direction".

EKEDC boss further mentioned that several efforts are underway to improve the company's quality of service and increase customer satisfaction.

NIGERIA'S 2020 ECONOMIC OUTLOOK FRAGILE

*The outlook of Nigeria's economy remains fragile, dampened by high unemployment, insecurity challenges, power shortages, unstable oil prices and a more subdued global economic environment, writes **Olamilekan FAWAS.***

Focus Economics panelists see GDP growing 2.4 per cent in 2020, which is unchanged from last month's estimate, and 2.8 per cent in 2021. Growth picked up modestly in the third quarter on the back of strengthening momentum in the non-oil segment of the economy.

Nigerian economy is in bad shape, though worrisome but did not come to many as a surprise. It would be recalled that at the last annual meetings of the International Monetary Fund, IMF/ World Bank held in Bali, Indonesia, the growth prospect for Africa was predicted to be sluggish for 2018 and 2019.

It was also reported that contrary to an earlier IMF/World Economic Outlook report released in July 2019 that the Nigerian economy was projected to grow by 2.1 per cent in 2019, this growth rate was downgraded to 1.9 per cent, due to unfavourable developments in the economy.

Notably, the industrial sector posted the strongest expansion in a year and half, underpinned by more upbeat manufacturing and construction activity. Meanwhile, output in the all-important oil sector remained robust in third quarter (Q3), despite weakening slightly, lending further support to the expansion.

Turning to the fourth quarter, business dynamics seem to be improving. Bank lending was buoyant in October, with the manufacturing sector benefiting the most, while the PMI hit a 17-month high in November. In other news, Parliament passed a record 2020 budget of NGN 10.6 trillion on December 5, up from the NGN 10.3 trillion presented in October. This will likely lead the government to return to international capital markets to finance a large part of its spending, particularly in infrastructure projects.

The economy experienced slow growth in 2019, an election year where the incumbent retained power and foreign capital flight continued due to the uncertainties of an election in Nigeria.

Perhaps, the most shocking decision taken by the government in 2019 was to close the border looking to stop the smuggling of goods such as rice and subsidised petroleum products. The move goes against all commercial and freedom of movement treaties signed under the Economic Community of West African States (ECOWAS).

It was also a major red flag in a year where the continent was lauded for signing its landmark continental free trade agreement. President Muhammadu Buhari announced the closure on the sidelines of the Seventh Tokyo International Conference for African Development in Japan.

The partial closure of the borders wiped out the gains made with the reduction of food and general inflation in the first half of the year. No goods were allowed to move in and out of the country's land borders with the Benin Republic, Niger and Cameroon.

Nigeria's revenue problem continued with the average oil prices below $60 and revenue targets, especially from taxes, hardly met. So, the government has continued to borrow to fund its budget, making the mounting debt profile and servicing charges continue to choke the country.

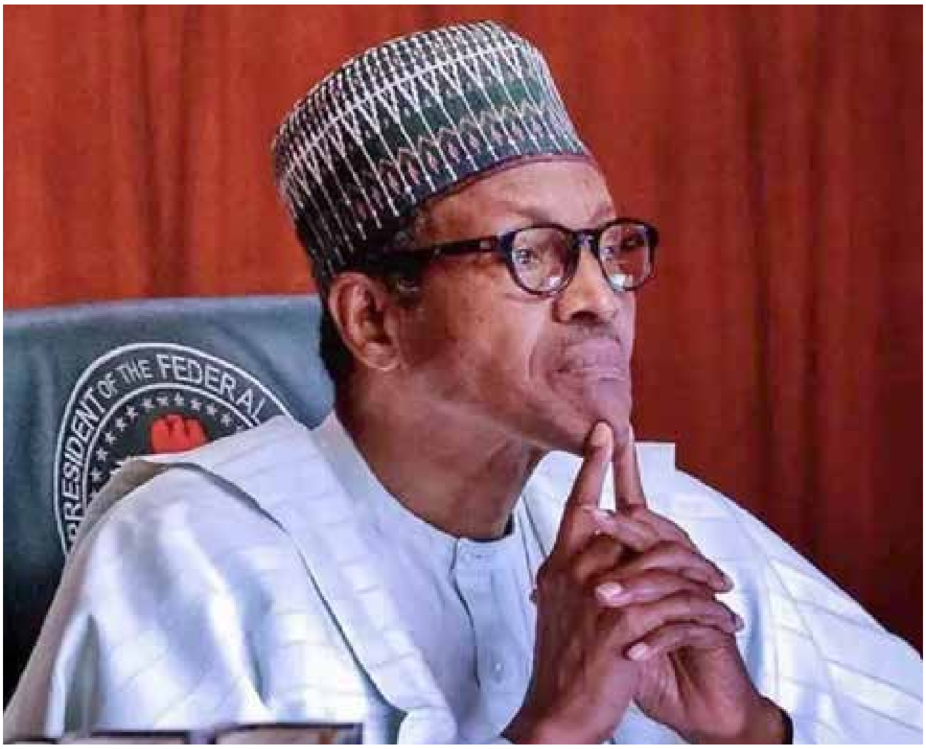
However, this has not affected the appetite to borrow. The Nigerian Government seeks to borrow a fresh $30 billion dollars which will see its service cost to 80 per cent of the revenue of the country, according to SBM Intelligence.

The government has thought several ways to make more money from the Communication Tax Bill on the floor of the National Assembly to the Stamp Duty charge and the VAT increase to 7.5 per cent in 2020. But it has still failed to enforce tax laws and widen the tax base.

Oil price volatility continues to influence Nigeria's growth performance. Between 2000 and 2014, Nigeria's gross domestic product (GDP) grew at an average rate of seven per cent per year. Following the oil price collapse in 2014-2016, combined with negative production shocks, the gross domestic product (GDP) growth rate dropped to 2.7per cent in 2015. In 2016 during its first recession in 25 years, the economy contracted by 1.6 per cent.

Since 2015, economic growth remains muted. Growth averaged 1.9 per cent in 2018 and remained stable at two per cent in the first half of 2019. Domestic demand remains constrained by stagnating private consumption in the context of high inflation (11 per cent in the first half of 2019).

On the production side, growth in 2019 was primarily driven by services, particularly telecoms. Agricultural growth remains below potential due to continued insurgency in the North-east and ongoing farmer-herdsmen conflicts in the North-central.



Muhammadu Buhari

Industrial performance is mixed. Oil GDP growth is stable, while manufacturing production is expected to slow down in 2019 due to a weaker power sector performance. Food and drink output are expected to increase, likely in response to import restrictions. Construction continues to perform positively, supported by ongoing megaprojects, higher public investment in the first half of the year, and import restrictions.

Growth is too low to lift the bottom half of the population out of poverty. The weakness of the agriculture sector weakens prospects for the rural poor, while high food inflation adversely impacts the livelihoods of the urban poor.

Despite expansion in some sectors, employment creation remains weak and insufficient to absorb the fast-growing labour force, resulting in high rate of unemployment (23 per cent in 2019), with another 20 per cent of the labour force underemployed. Furthermore, the instability in the North and the resulting displacement of people contribute to the high incidence of poverty in the North-east, North-west and North-central and Nigeria in general.

Without significant structural policy reforms, Nigeria's medium-term growth is projected to remain stable around two per cent. Given that the economy is expected to grow more slowly than the population, living standards are expected to worsen.

Growth is constrained by a weak macroeconomic framework with high persistent inflation, multiple exchange rate windows and foreign exchange (forex) restrictions, distortionary activities by the Central Bank of Nigeria (CBN), and a lack of revenue-driven fiscal consolidation results.

Bold reforms that could have a significant impact on the economy's trajectory are the removal of subsidies, elimination of forex and trade restrictions, greater transparency and predictability of monetary policy and increased domestic revenue mobilization. Such reforms would help raise living standards of low-income groups while increasing spending on much needed public services.

The signing of the Africa Continental Trade Agreement, after extended deliberations, may also provide some positive momentum over the medium-term.

In all, the CBN has stood valiantly defending the naira and heavily depleting the country's foreign reserves. Defending the naira cost more than $3.3billion in the second half of 2019.

Development challenges

While Nigeria has made some progress in socio-economic terms in recent years, its human capital development remains weak due to under-investment and the country ranked 152 of 157 countries in the World Bank's 2018 Human Capital Index.

Furthermore, the country continues to face massive developmental challenges, which include the need to reduce the dependency on oil and diversify the economy, address insufficient infrastructure, and build strong and effective institutions, as well as governance issues and public financial management systems.

Inequality in terms of income and opportunities has been growing rapidly and has adversely affected poverty reduction. The North-South divide has widened in recent years due to the Boko Haram insurgency and a lack of economic development in the northern part of the country.

Large portions of Nigeria's population still live in poverty, without adequate access to basic services, and could benefit from more inclusive development policies. The lack of job opportunities is at the core of the high poverty levels, of regional inequality, and of social and political unrest in the country.

Macroeconomic performance

The growing importance of services has bolstered growth in the economy. The sector accounts for about half of GDP, dwarfing the 10 per cent from oil and 22 per cent from agriculture. Real GDP growth was an estimated 1.9 per cent in 2018, reflecting a recovery in services and industry; particularly mining, quarrying, and manufacturing. The recovery benefited from greater availability of foreign exchange. Growth in agriculture was lackluster; due partly to clashes between farmers and herders coupled with flooding in key middle-belt regions and continued insurgency in the North-east.

Real GDP was projected to grow by 2.3 per cent in 2019 and 2.4 per cent in 2020 as implementation of the Economic Recovery and Growth Plan gains pace. However, the slide in oil prices from late 2018 coupled with an output cut imposed by the Organization of the Petroleum Exporting Countries (OPEC) poses a downside risk to the economic outlook.

Parliament's late approval of the 8.83 trillion naira 2019 "budget of continuity" also delayed growth coupled with it coming on the general election year.

Finance bill

In November 2019, the Finance Bill 2019 was passed by the Senate after scaling through third reading on the floor of the Senate. The Bill had earlier, on October 14, 2019, been submitted to a joint session of the National Assembly, alongside the 2020 Appropriation Bill) by His Excellency, President Muhammadu Buhari.

The Bill proposes fiscal measures in support of the 2020 Budget of the Federal Government, with extensive tax implications for the country.

With a total proposed expenditure of N10.33 trillion against total expected revenue of N8.15 trillion, resulting in a deficit of N2.18 trillion; the 2020 Budget is projected to be financed partly by tax revenues expected to be generated through the key fiscal changes introduced by the Bill.

The Bill, among other things, generally amends certain key provisions of various tax legislations in Nigeria; with a view to making them more responsive to the tax reform policies of the Federal Government and thereby enhances their implementation and effectiveness.

The key reforms proposed by the Bill include: Petroleum Profits Tax – The Bill repeals section 60 of the Petroleum Profits Tax Act (PPTA) and effectively introduces Withholding Tax (WHT) of 10 on dividends paid out of the profits of companies engaged in petroleum operations in Nigeria. By this measure, the Bill seeks to remove the tax exemption granted under the PPTA in respect of such income or dividends.

Also the Capital Gains Tax – The Bill amends sections 32 and 36 of the Capital Gains Tax Act. In effect, this seeks to review the exemption from capital gains tax granted to business entities, in the transfer of assets between related parties in a business restructuring exercise. This also seeks to impose capital gains tax on payments of loss of employment compensations exceeding ten million naira (N10,000,000).

The Stamp Duties Bill amends sections 2 and 89 of the Stamp Duties Act. In effect, this seeks to extend the scope of stamp duties in Nigeria to cover electronic documents and impose a one-off stamp duty of N50 on bank transfers of the sum of ten thousand naira (N10,000) and above. However, this is proposed to exclude transfers between banking accounts of the same owner, provided that the banking accounts are maintained in the same bank. The Bill also excludes share transfers and payments made in a Regulated Securities Lending ("RSL") transaction from the payment of stamp duty.

Also the Customs & Excise Tariff – The Bill amends section 21 (Fifth Schedule) of the Customs, Excise Tariff, Etc. (Consolidation) Act 1995 to include "goods imported" into Nigeria in the list of goods liable to excise duty, and the Value Added Tax – The Bill amends sections 2, 4, 10, 15, 46, and the First Schedule of the VAT Act.

A tax Expert Ighodalo Grey has explained that services will be deemed to have been provided in Nigeria and, therefore, subject to VAT where the recipient is in Nigeria, regardless of whether the services were rendered within or outside Nigeria. However, where the recipient of a service is outside Nigeria, such service shall be deemed "exported service" and hence not chargeable to VAT.

He said the Bill further clarifies that services rendered to the fixed base or permanent establishments of non-resident persons do not qualify as exported service and are, therefore, subject to VAT.

Although the Federal Government has disclosed that it targeted tax burden reduction with finance Bill 2019 modifications.

The minister of Finance, Budget and National Planning, Zainab Ahmed in her presentations, stated that "The Finance Bill 2019 has generated a positive narrative from key stakeholders, economic analysts, tax experts and the general public. Furthermore, its provisions, if passed into law by the National Assembly, are likely to increase

Hajiya Zainab Ahmed, Finance Minister

investors' confidence and attract foreign direct investment."

Power

Rapid economic growth and sustainable development depends largely on the level of infrastructural development of a nation. This reasonably suggests that a good knowledge of the performance of infrastructural services in an economy is vital and an essential requirement for policy directed at attaining sound and vibrant economic development.

Drawing from above, the study analyses the overall performance of the Nigeria power (electricity) sector and presents some policy guidelines for achieving a world standard power market and sustainable development.

In 2019, Nigeria power sector is underperforming and there is an urgent need for proper policy towards achieving a quality and continuous well-functioning electricity market in the country.

About 40 per cent of the population had no access to electricity and supply is usually epileptic for those that have access. However, the country's current operational capacity stands at less than 4,000 megawatts (Mw), less than 8,400Mw projection for 2018 in Multi-Year Tariff Order (MYTO).

The installed capacity of 7,000Mw is also less than the pre-privatization target of 11,879Mw by 2012 and post-privatization target of 14,218Mw and 40,000Mw by 2013 and 2020 respectively. The bulk of electricity generated comes from thermal sources (gas-fired power plants). As a result, inadequate gas supply often affects power generation.

A surge in oil revenue-driven investment is unlikely. Other investments, besides short-term portfolio flows, continue to be hampered by the difficult operating environment and uncertainties in the foreign exchange market. To break out of this trap Nigeria will need to show it is a serious investment destination, for example by enacting legislative-driven reforms to attract capital to infrastructure.

While GDP growth has disappointed in recent years, largely because of the collapse in the price of oil in 2014 and poor accumulation of savings up to that point, five years on there are signs of a turnaround.

Oil sector growth saw its strongest momentum for some time in 2019, accelerating to more than 5 per cent year on year. Non-oil GDP has lagged behind but the hope is that better adherence to a tighter budget cycle in 2020, and an initiative to encourage more bank lending, may bring faster economic

• Godwin Emefiele, CBN governor

growth. Federal finances are in poor shape debt load 'unsustainable' in a country in 'fiscal crisis.

The debt load is clearly on an unsustainable path. If things continue, we think Nigeria will face some form of debt crisis within five years.

Several off-ramps are available, though. One would be to raise federal revenue through improved tax collection. Nigeria has a revenue problem rather than a debt problem. The faster way is if oil goes up to $110 a barrel.

What to expect in 2020

Devaluation of the Currency - Experts have continued to stress the need for major changes with the unsustainability of CBN's Naira defence. The fact is the country has major revenue issues and the artificial measures to prop up the Naira will definitely wear out. "The Federal Government's revenue position is alarmingly untenable, and with the modest increase in the National Minimum Wage still yet to take effect, the CBN simply cannot continue to defend the Naira at current levels," SBM Intelligence said in their report predicting the events of 2020.

The Naira will be devalued," the report said. The prediction is based on the CBN governor's triggers for a devaluation– reserve at $25 billion to $30 billion, and oil prices at $50 to $45.

If the current trend continues, the CBN will have to take a decision regarding devaluing the Naira to relieve some pressure on the reserves.

"Subsidy removal and inflation: When the All Progressives Congress was not in power, they heavily protested for the removal of petrol subsidy but after they won the election in 2015, they soft-pedaled on subsidy removal.

SBM Intelligence believes the current drag on the already lean revenues by subsidy means the government will be forced to trim the fat and let go of or adjust subsidy.

Despite the populist stance of his administration, we expect President Buhari to announce an increase in the price of petrol at some point in 2020."

It means an increase in inflation. 2020 could really bite hard on the average Nigerian with increased VAT, a potential electricity tariff increase and the continued effects of the border closure. Although the government has given conditions to reopen on January 31, 2020, but if the three neighbouring countries of Benin, Niger and Chad yield to the conditions then the border will be opened.

For good economic outlook in 2020

Nigerians marked the New Year with great expectations. They want improvement in all sectors of the economy. Such optimism that things will turn out fine will be reflected in the management of the economy.

Despite the optimism, emerging key macroeconomic indicators for 2020 suggest that the economic outlook might not be so good. This may not be the best start since the country came out of recession three years ago, but it may not be the worst case economic scenario as some critics of the government might have projected. However, the economy might not have a steady growth path if the government fails to initiate aggressive fiscal and monetary policies.

On the bright side indicator of the economic outlook for the year is the relatively stable global oil prices and local production level. At present, oil price in the international market is within US$60 per barrel, $3 above government's projected budget benchmark.

Compared to the same period within the past four years, this is the best start for the economy since 2015 if sustained for the rest of the year.

Also, the level of oil production is at a four-year high at the beginning of the New Year at two million barrels per day daily. Non-oil revenue is also improving the prospects of the economy to remain on course depending on steps government will take to generate more revenue.

Besides, the stock market ended 2019 with an impressive N362billion gain as at the last three trading days. The positive performances came on the heels of a hefty loss of N492billion in the fourth quarter of 2019. The market capitalisation of equities listed in the Nigerian.

FG, FINANCE INSTITUTIONS EXPECTED TO LIFT REAL ESTATE SECTOR IN 2020

*Though the real estate sector ended 2019 in a negative growth territory, industry stakeholders are still optimistic that the sector could be lifted out of its present state if the right environment is created and the necessary things done in the new year by power brokers in the sector, reports **Meletus EZE.***

Among the power brokers in the real estate sector are the Federal Government, Central Bank of Nigeria (CBN), Federal Mortgage Bank of Nigeria (FMBN), and Nigerian Mortgage Refinance Company (NMRC).

According to the stakeholders, what the sector needs is the right environment and strong policies, which the Federal Government has both the capacity and responsibility to provide. "The sector needs these two in order to attract both foreign and local investors," said President, FIABCI-Nigeria, Adediji Adele said Adediji Adele,.

Arguably, finance is the greatest challenge of the real estate sector. Lack of it and banks refusal to lend are part of the reasons for the sector's slow growth and persistent recession.

Illiquidity and high cost of funds in the mortgage market explain why many Nigerians can neither afford nor access housing finance to buy or build their own homes. They are also part of the reasons housing deficit is high in the country at an estimated 22 million units.

"This is why the CBN, in its fiscal and monetary policies, should address issues of high interest rate on mortgage loans," Johnson Chukwuma, a civil engineer, explained.

Chukwuma added that CBN should in 2020 bring to fruition the mortgage interest drawback scheme and collaborate with the bankers committee towards deepening liquidity and opportunities derivable from affordable housing and mortgage provision.

He said the apex bank should broaden its hand of fellowship and also extend the benefits it has accorded to commercial banks to other financial institutions especially mortgage banks.

While acknowledging and commending the achievements of its management, the stakeholders said FMBN should do more, especially in the area of National Housing Fund (NHF), which will give more low income earning Nigerians access to affordable housing.

The apex mortgage bank should enter into partnership with other public and private institutions in the housing sector to achieve common goals. FMBN should build on the present awareness campaigns on how to access and benefit from NHF.

The pending NHF Act 2018 must involve the inputs of all stakeholders including advocacy groups just as all outstanding estate development loans must be recovered to enable the bank to provide more houses.

The bank must sustain the rent-to-own and cooperative housing schemes that were recently introduced and also collaborate with bodies such as Family Homes Funds (FHF), NMRC, Shelter Afrique and others.

Besides looking into its corporate governance issues, stakeholders also want NMRC to introduce technology and innovations into addressing Nigeria's housing and land use laws while positioning mortgage banks and brokers for a futuristic, fast-changing and customer-focused model of housing finance.

They expect the mortgage refinancing company to do this through yet to be launched Mortgage Guarantee Scheme in partnership with the Central Bank of Nigeria and other stakeholders.

The stakeholders also have their expectations from the Federal Ministry of Works and Housing. They expect the ministry to perfect the National Housing Programme, which is expected to deliver affordable housing to Nigerians across the country's six geopolitical zones.

They advised that rather than seeking to raise an infrastructure bond of N10 trillion to pay contractors, the government should facilitate the creation of an enabling environment for infrastructure and housing guarantees to thrive.

This, according to them, will drive investment interest in infrastructure and housing from local and foreign Investors. Nigeria's infrastructure has the potential to match returns with risk given the country's growing population and the desire for better and improved infrastructure and housing delivery.

The stakeholders also advised that the Minister of Works and Housing, Babatunde Fashola, should stop making controversial statements that might plunge the housing and infrastructure markets into deeper uncertainty.

"Challenging the World Bank on housing deficit figures or claiming that Nigerian roads are better than reported, smacks of insincerity on the part of government and this will only lead to investors pricing our infrastructure investments with higher risk. You can't lend money to a man whose words do not reflect the reality on ground," said a stakeholder

NIGERIANS WANT FURTHER CUT AS NEW BANK CHARGES COMMENCE

Bank customers across the country enjoyed the Central Bank of Nigeria's (CBN) new cut in bank charges for cash withdrawals and electronic transfers as they further urged government to cut down charges, ***Abisola THOMPSON*** *reports.*

The Central Bank of Nigeria (CBN) had on December 20, 2019, slashed bank charges across several platforms.

"This new Guide to Charges by Banks and Other Financial Institutions issued in 2017, took effect from January 1, 2020, and may be reviewed from time to time to reflect changes in the business environment," the CBN had said in a directive to banks in the country.

The CBN said a graduated fee scale for electronic transfers would replace the current flat fee of N50. Accordingly, it said, transfers below N10,000 will attract a maximum charge of N10; transfer from N10,000 – N50,000 attracts charge of N25; and transfers above N50,000 attracts N50 charge.

It also said card maintenance fee on current account had been removed as the accounts already attract account maintenance fee. Savings accounts will now attract card maintenance fee of N50 per quarter from N50 per month, it told the banks.

The apex bank said the Annual Card maintenance fee on Foreign Currency (FCY) denominated cards had been reduced to $10 from $20. Also, charges on cash withdrawal from other ATMs, other than from the bank that issued the card, were reduced to N35 after third withdrawal within a month from N65.

While the charge for hardware token will be on cost recovery basis subject to a maximum of N2,500 from previous maximum charge of N3,500, according to the CBN. Fee for SMS mandatory alert will be on cost recovery from previous maximum charge of N4, it said.

It said bill payment via e-channels will attract a maximum charge of N500 from 0.75 per cent of transaction value subject to maximum of N1,200.

It also issued a new section on Accountabilities/Responsibilities and Sanctions regime to address instances of excess, unapproved and/or arbitrary charges. Though many bank customers who spoke with TBI Africa commended the CBN for the new charges, they however called for more slashes.

A Lagos-based engineer, Mr Idowu Ige, said the CBN should further slash the various charges by banks in order to deepen financial inclusion. He claimed some people failed to keep their monies in conventional banks because of charges.

Also, an Abuja-based financial expert, Taju Ilyas, called on the CBN to remove ATM withdrawal charges.

He said there was no justification for banks to charge their customers for withdrawal. Adeola Esther, a trader at Balogun Market in Lagos, said the CBN should bring all charges down to N5.

Another bank customer, Mr James Onumah, said the CBN's directive was a new year gift to bank customers, adding that Nigerian banks were still characterised with inefficiency, yet they charge customers for services not provided.

He said the withdrawal charge of N65 after three withdrawals in other banks in a month was exploitative.

Mrs Hadiza Maikarfi said the announcement was cheering news for her, adding that various bank charges, before the reduction, were too high for customers like her to bear.

She urged the apex bank to still review the charges downward. According to her, these charges can discourage people from getting involved in financial services, thereby affecting financial inclusion that is being promoted by the CBN.

Sani Nura, another bank customer, urged CBN to supervise banks to ensure the directive was implemented fully. Nura added that the banks' charges reduction by the apex bank was timely due to the current hardship being experienced by the citizens.

Funke Akin said she had been celebrating over the reduction as announced by CBN, saying that she was particularly happy over the removal of card maintenance charges, adding that she never understood the essence of such charges.

Similarly, House of Representative members commended the CBN for reducing bank charges. One of the Reps member said CBN governor has always made commitments that what he is doing is in the interest of Nigeria and Nigerians.

The lawmakers believe the development would help reduce hardship in the country. The Chairman, House Committee on Banking and Currency, Victor Nwokolo, said the move by the CBN was due to the House's intervention.

He said: "Remember that there was a motion where the House mandated the committee to discuss with the CBN to see how they could ameliorate and listen to Nigerians who were complaining about the charges.

"So, what we are seeing today is due to his commitments and as a result of the interface between the National Assembly and the CBN."

Of course, Nigerians are happy. It is a very welcome development. That shows that with time, things will be better and the burden of charges on Nigerians will be reduced.

"Of course, the CBN and the governor are also listening to the yearnings of Nigerians. As Nigerians were complaining to the National Assembly, they were also writing on social media and through you (the media). So, this is due to everybody's contribution. In any case, it is a response to the demands by Nigerians."

2020 BUDGET IMPLEMENTATION: LIRS TO GENERATE N500BN

By Shile GIWA

The Lagos State Internal Revenue Service (LIRS) is to generate N500 billion toward the implementation of the 2020 budget, the state Commissioner for Economic Planning and Budget, Mr Sam Egube, has said.

Giving newsmen a 'detailed analysis of Year 2020 Budget' of Lagos State in Ikeja, Egube said the budget of N1.16 trillion would be funded from a total revenue estimate of N1.07 trillion.

"A significant percentage of the projected Total Internally Generated Revenue (TIGR) of N500 billion is expected to be contributed by LIRS.

"We shall achieve this by expanding the tax net through the deployment of technology, amongst other initiatives, which include massive investments in technology and other facilities to improve the efficiency in operations of all revenue generating agencies.

"We believe that there are huge revenue generating opportunities in the informal sector, including real estates, transportation, markets, for which Lagos State is known for," the commissioner said.

Egube said that included in the Capital Receipt was a balance of N175 billion brought forward that comprised of proceeds from Year 2019 Loan and Bond issuance of N100 billion and N75 billion respectively.

He said the balance gave the administration a significant head-start in the implementation of major capital projects this year.

The commissioner said the deficit of N97.53 billion was projected to be funded by a combination of internal and external loans.

He said that government had maintained a conservative posture in its projection for Federal Transfers/Receipts in view of the production challenges within the oil sector.

Egube said the 2020 budget of N1.16 trillion was made up of N711.03 billion for Capital Expenditure and N457.52 billion for Recurrent Expenditure, giving a 61:39 Capital to Recurrent expenditure.

Under recurrent expenditure, the Total Personnel Costs would account for N167.90 billion; the Total Overhead Costs N249.93 billion, while the Debt Charges would be N39.69 billion.

Gov Sanwo Olu

"The recurrent expenditure is moderated at a level of 39 per cent of the Total Expenditure, out of which the personnel cost is N167 billion, representing 14.4 per cent of the Total Expenditure, which is well within the fiscal sustainability ratio of 25 per cent. This budgetary provision for personnel cost takes into consideration, the new minimum wage.

"Capital expenditure accounts for 61 per cent of the total budget size. This is a demonstration of the administration's commitment to massive infrastructure renewal and development toward actualising a 'Greater Lagos'.

"I want to assure you that this administration will leave no stone unturned in ensuring the full implementation of this budget.

"May I also use this opportunity to make a passionate appeal to all the citizens of Lagos to fulfill their civic responsibilities; such as pay their taxes as and when due in order to ensure the optimal performance of this budget," the commissioner said.

The Education sector has the highest allocation of N136.10 billion, which is N70.40 billion higher than year 2019 provision of N65.69 billion.

CBN DEEPENS E-PAYMENT ADOPTION WITH NEW POS RULE

By Aliyu DANLADI

The Central Bank of Nigeria's (CBN) initiative to get more people embrace e-payment channels, especially Point of Sale (PoS) machine has started yielding results.

The Nigeria Interbank Settlement System (NIBSS) data showed the total volumes of PoS transactions for 2017 stood at 146.3 million, which was worth N1.4 trillion; 285.9 million transactions in 2018 worth N2.3 trillion and 187.7 million for six months-January to June 2019 worth N1.4 trillion.

The apex bank has, therefore, reviewed the messaging format for PoS machine transactions to ensure more acceptances for the e-payment channel.

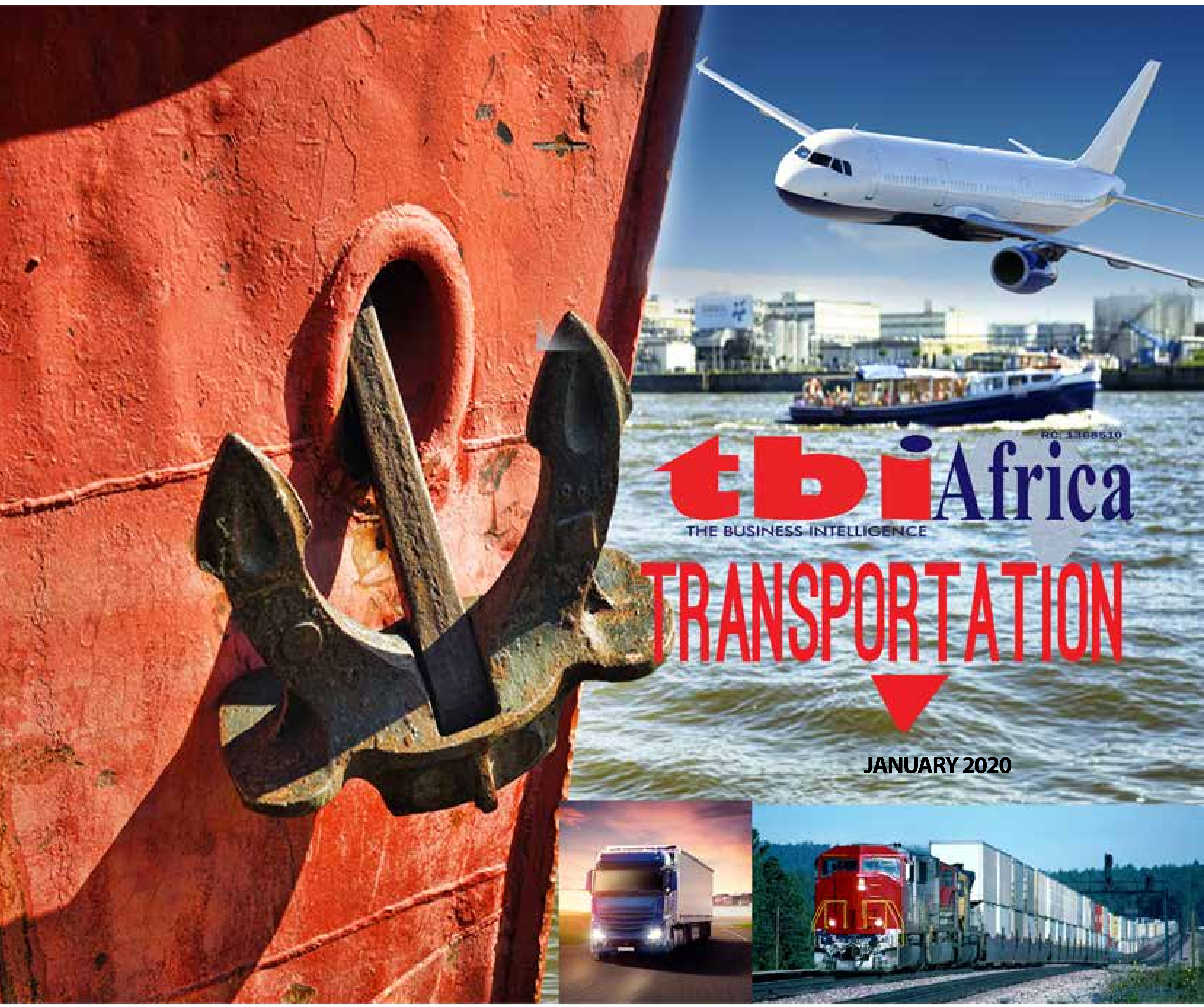
CBN Director, Payment System Management Department, Musa Jimoh, said the move was part of its commitment to facilitate the development of the Nigerian payment system and deepen the adoption of various electronic payment options available to users.

The apex bank has also identified the predominant use of single messaging format for PoS transactions as an obstacle to the use of pre-authorisation as a mode of payment in Nigeria.

According to the apex bank, merchant acquirers are required to obtain Acquirer Device Validation certification or the applicable testing completion notification from the CBN licensed card schemes.

"By this directive, all PoS terminal must have the capability for transaction pre-authorisation and sales completion. All card issuers are required to build the capability and enable the processes for pre-authorisation and sales-completion of transactions. Card schemes are also required to provide online simulators for acquirers and issuers to test their systems, when necessary," the circular said.

This circular takes immediate effect, but with a deadline of July 31, 2020, for full compliance, after which appropriate sanctions would be imposed for contraventions and non-compliance.



ETHIOPIAN AIRLINES POSITIONS TO TAKE OVER AFRICA'S SKIES

... LAUNCHES DIRECT FLIGHT TO HOUSTON

Determined to increase its market share in the aviation industry, Ethiopian Airlines has positioned itself to take over Africa's skies with ambitious plans. The expansion is part of the airline's 2025 Vision to become the leading aviation group in Africa, writes ***Olamilekan FAWAS.***

With 127th destinations in the world and over 130 aircraft in its fleet, Ethiopian Airlines, the biggest in Africa, has become the lens through which the global aviation industry views Africa. On December 16, it added another feather to its kitty when it launched a direct flight from Africa to Houston, Texas in the United States.

TBI Africa was part media team that witnessed its inaugural flight to Houston. For an airline that prides itself as the biggest to emerge from the continent of Africa, there is always an urge to explore something new just as each passing day opens a new vista. It was not surprising when on December 16, Ethiopian Airlines broke the jinx. It launched its inaugural flight from Africa to Houston, becoming the first airline to connect Africa to Houston, Texas, through its famous Boeing 787 Dreamliner.

The journey to Houston, tagged as the coolest city in the United States, began at the Muritala International Airport where Nigerian passengers were moved to Lome, the Capital of Togo for the historic flight. Although, the management would have preferred the inaugural flight to take off from Lagos as talks are ongoing with the Nigerian government for landing right.

Nevertheless, it was a smooth 25 minutes' ride to Lome where passengers were treated to the airline's hospitality on arrival.

In her brief remarks, Vice-President of the Airlines, Rahel Assefal said: "Ethiopian Airlines is happy to connect more cities in America to Africa because of the connection between West Africa and Houston. We, as a company decided to route the Airlines from Lome, West Africa instead of home base in Addis Ababa. We hope this increases the relationship between Africa and America."

With the boarding check formalities concluded, the direct flight took off around 2.15 pm Nigerian time. And the Airlines started on a good note being the first flight it almost filled to the brim. Around 6:30 pm Nigerian time, the management made a surprise announcement with the cutting of the cake to mark the historic flight.

The passengers trooped to the front to catch a glimpse of the well-decorated cake cut at 37,000 feet at the Island of Praia, in the Cape Verde region. The non-stop 12 hours flight was second to none with its smooth ride and in-flight entertainment that glued its passengers to the screen. There was enough food while drinks, wine, and champagne flowed freely.

The plane eventually touched down at 8.09 pm local time at George Bush International Airport in Houston, Texas. It was like a carnival of a sort as Ethiopian dance troupe were on the ground to welcome passengers to one of the busiest airports in the United States.

Basking in the euphoria of the airline's historic achievement, the Group Chief Executive Officer of Ethiopian Airlines, Mr. Tewolde Gabrielmariam, said it was a commendable effort that took many years to materialize. "Thank God that we achieved it," he stated.

The airline, he said, would operate three frequencies weekly from Lome (Togo) into Houston using the Boeing 787 Dreamliner, adding that with direct flight services into Houston from Lome, the airline has been able to connect Houston to the entire continent of Africa, Middle East, and Asia.

He pointed out that the new direct flight was the airline's 127th destination in the world, asserting that the connections have been designed in such a way that it will be one of the most direct and fastest routes for Africa, the Middle East, and Asia.

Gabrielmariam added that Houston is the fifth gateway in North America and the fourth in the US next to Washington, New York, and Chicago. On the opportunities of flying directly from Nigerian if giving the landing rights, The Group CEO said Houston is strategic as it has the largest concentration of Nigerians in the United States with a 250,000 population, making it a win-win situation for the airline and Nigerians in the United States through seamless and hassle-free connection.

"The connectivity that we have established is beyond Lome as we have set out to serve our esteemed customers. It is the fastest and shortest in the history of the aviation industry."

"Ethiopian Airlines is now the largest airline on the continent with a fleet of 130 aircraft. It is by far the airline with the most extensive network in the world connecting Africa to the rest of the world and Africa within," said Gabrielmariam.

Tewolde Gebremariam, CEO Ethiopian Airlines

Speaking further, he said the airline has been working very hard for a long period of time to fly into Houston but thanked God that the dream finally became a reality on December 16 with the inauguration of the direct flight into Houston, saying: "This is also a very important connection for East Africa, South Africa, and Central Africa and also a very important connection to West Africa.

This is the only direct connection to West Africa because we are using our second half in Lome for West Africa to connect passengers to the entire West and Central Africa."

The Ethiopian Airlines boss commended the airline's management team and the over 16,000 workers across the globe for working day and night to ensure that the airline shines in the sky.

Gabrielmariam said the choice of Houston was fitting because "I have never seen an airport so generous in terms of hospitality like Houston Airport. It is a customer-focused airport".

According to him, Houston is known to some international corporations, including some of the largest companies in West Africa, adding that Houston will now have more direct access to West Africa, a key global market for any serious trading partner.

Corroborating Gabrielmariam, Executive Director, Houston Airport, Mario Daiz, said the historic flight would not only improve connectivity between Africa and Houston, but the airline would also contribute about $100 million into the US economy yearly.

He said: "Houston is now officially reconnected to the African continent through the efforts of Ethiopian Airlines to make business seamless for international travelers and others in the corporate world. Through the flight to Houston, Ethiopian Airlines is creating unity among people of diverse groups, promoting culture and strengthening values."

Expressing his delight at the new partnership, Daiz thanked the management of the airlines for introducing the airlines to connect Africa to America particularly Houston because "you have seen values in us".

"This route will not only save time, but it will also provide job opportunities, then injects multimillion dollars into the Houston economy," he added.

In her remarks read on her behalf, the Congresswoman representing the district in Washington, DC, Sheila Jackson, also applauded the historic partnership between Houston and Ethiopian Airlines direct flight from West Africa to the city of Houston.

"This is historic and it will enable residents of Houston particularly the African Community the opportunity to experience a direct flight home. We welcome this partnership as it promotes trade and business between Addis Ababa in West Africa and the City of Houston, Texas," she said.

The inaugural celebration continued on December 17 at a business luncheon organized for the airline by the US Bilateral Chamber of Commerce and Houston Airport at Hotel Zaza, Houston, the United States where members of the diplomatic, business community and oil company executives registered their presence.

In his speech, Ethiopian Ambassador to the U.S., Mr. Fitsum Arega extolled the airline's consistency, professionalism, and excellence in its operation.

He said Ethiopia had been expanding its network in trade and investment, adding that one of the major reasons why Ethiopian Airlines had to fly to Houston was the presence of large Africans in the city.

Arega said there are huge opportunities for Ethiopia to strengthen investment opportunities to Houston, adding that with about 110 million population, Ethiopia is the second-most populous country in West Africa and one of the fastest-growing economy in the world.

"With 10 percent annual GDP growth with

a significant reduction of poverty, reforms in the country have eased the cost of doing business and private investment participation is now encouraged the country. The newly established U.S. Development Finance Corporation has promised to provide five billion dollars to support America and local businesses to invest in Ethiopia," said Arega.

Also speaking, the U.S. Ambassador to Ethiopia, Mr. Micheal Raynor, said Ethiopian Airlines would promote commerce, trade, and investment between the two countries. Raynor urged business communities in Houston to tap into the new business opportunities opening up across Ethiopia. He said that the newly inaugurated route would make millions of people connect to Houston and transact business.

Some of the passengers at the inaugural flight expressed satisfaction at a high level of hospitality and professionalism.

Obinna Oruche, a Nigerian medical doctor based in Houston, said: "I have been in the US for 10 years but try to visit Nigeria once in a year. This inaugural flight is a big deal and relief considering the hassles of travelling from Houston to Addis Ababa, which is 16 hours. With this, we don't have to fly from Addis to Nigeria, which takes another four to six hours sometimes. With Lome is 12 hours. So the business move is good. I want to commend the Ethiopian Airlines management for this initiative. It has been a pleasant experience for me. The plane is clean, neat. The hostesses are good. They had this permanent smiles on their faces. I will be flying them more often."

Sharing her own experience, Wese Obiabaka, a mother of two young boys, stated: "I didn't know it was an inaugural flight. I just found out online. I am lucky to have flown the airline and it is my first time flying the airline. I have two kids and it is the only flight that we found that has the shortest time. Others have longer waiting periods like 11 hours. But this is short and we opted for it. It is epic. The experience so far has been wonderful. It is an airbus. I like air hostesses. They are free; not tight-fisted. They are going to enjoy Nigerian patronage because Houston is like an extension of Lagos."

An Ethiopian, Solomon Tamrat, who was flying to the United States for the first time explained: "This is my first time in the (United) States and it is a good experience for me. The airline is good. The service is good. And being an Ethiopian, I can say Ethiopian Airlines is me and I will continue to fly it."

Also, Mrs Vera Obeng-Konadu, an Immigration Officer from Ghana, commended the management of Ethiopian Airlines for initiating direct flights from West Africa to Houston, saying that it would save passengers the

Rahel Assefa, Vice President Marketing

stress of long transit hours.

Konadu said: "The aircraft is clean, modern and comfortable. The cabin crew is courteous and welcoming.

"I like the lovely reception and the in-flight entertainment. We were also served with lovely delicacy."

A Nigerian, Mr Ogolo Ikhide, who also boarded with his family, expressed satisfaction with the new direct Ethiopian Airlines' flight to Houston. Ikhide said: "It's indeed a good business strategy for the airline.

"It's a fantastic airline with customers' satisfaction. I encourage everybody to fly Ethiopian Airlines direct to Houston.

"I hope subsequent flights to Houston will be as decent, enjoyable and customer-friendly as this inaugural flight. They started well and I would advise them to keep it up and also make it affordable."

Mr Yaregan Menigiqu, an Engineer from Ethiopia, said that the newly-introduced direct flights to Houston would go a long way to save Ethiopians the stress of going through the long routes.

Menigiqu said the management had added new aircraft and new destinations, making it easier for all Africans to fly from their destinations at ease.

"As an Ethiopian, I am extremely happy that the airline is growing day by day and all Africans are equally happy with the new routes," he said.

Mr Mawunyega Dossah, a Ghanaian, said that the airline was a bit cheaper compared to other airlines, saying that it had saved passengers some money.

Dossah also commended the orderliness of the aircraft with professional experience of handling passengers. According to him, I used to pay over 1,500 dollars to Minnesota in United States but in this flight, I paid less than 1,300 dollars.

"I will advise them to keep the standard and professionalism in the business in order to thrive. Customer satisfaction is key and I hope this will not drop as they go along," Dossah said.

Solomon Touret, a Businessman from Addis Ababa, advised the management of Ethiopian Airlines to maintain its standard in terms of customer services and effective communication. Touret said the ticket was affordable and cheaper compared to other airlines plying the route.

"I used to pay 32,000 Ethiopian currency (Ethiopian Birr) to United States but on this flight, I paid 28,000 Ethiopian currency, which is a moderate price.

"Ethiopian Airlines is me because I am an Ethiopian. I believe in my country and everything that is good for the development of Ethiopians," he said.

Chimeze Okoronkwo, a Nigerian who works in a logistics company, urged the management of Ethiopian Airlines to upgrade their customer services in terms of attending to customers and information dissemination.

Okoronkwo said the development was fantastic and interesting, saying that it was the first flight from West Africa that plied Houston directly within 12 hours. "I am satisfied with their customer service and entertainment. I will give them 95 per cent," he added.

Florence Bih, a Cameroonian based in U.S, advised the management of Ethiopian Airlines to maintain a customer-friendly operational standard. Bih, a teacher in U.S. said the airline had given Africans a face in the international community.

She said: "It's a great development for Africans. We should all come together as Africans to support the organisation. Their service is excellent on this inaugural flight and I hope they keep it up. I hope they will not be carried away with their operations and increase price arbitrary subsequently."

It was a standing ovation for the Ethiopian Airline of over 450 passengers from West Africa, who boarded the ET 546 flight to Houston, celebrated the inaugural flight at 37,000 feet above sea level at Cape Verde with the management of Ethiopian Airlines.

MARITIME SECURITY: FG SET TO DEPLOY INTEGRATED ARCHITECTURE, SAYS AMAECHI

...EXPLAINS WHY SECURE ANCHORAGE WAS STOPPED
. . . .. DAKUKU SAYS 80% OF DEEP BLUE ASSETS READY BY JUNE

By Meletus EZE

From left: Director General, Nigerian Maritime Administration and Safety Agency (NIMASA), Dr. Dakuku Peterside; Minister of Transportation, Rt. Hon. Chibuike Rotimi Amaechi; Director, Maritime Safety, Federal Ministry of Transport (FMOT), Mr Paul Adalikwu; and the Managing Director of Nigerian Ports Authority (NPA), Ms. Hadiza Bala Usman during a press conference on the progress of the Deep Blue Project held in Lagos.

In an effort to comprehensively tackle insecurity on Nigeria's territorial waters and exclusive economic zones, the Federal Government says it is set to deploy its integrated maritime security infrastructure.

The Minister of Transportation, Rt. Hon. Chibuike Rotimi Amaechi, stated this in Lagos while briefing reporters ahead of the launch of the Integrated National Security and Waterways Protection Infrastructure, also called the Deep Blue Project.

The Minister, who addressed reporters alongside all the heads of agencies under the ministry, also explained the government's decision to end the secure anchorage project, a private security initiative run outside the country's port system. He insisted that all ships coming into the country must anchor at the national ports under the Nigerian Ports Authority (NPA).

The Director-General of Nigerian Maritime Administration and Safety Agency (NIMASA), while expatiating on the Deep Blue Project, said 80 per cent of the assets required for the takeoff of the total spectrum maritime security architecture would be deployed by June.

Amaechi, who briefed the media after a high level security meeting with maritime stakeholders, restated the President Muhammadu Buhari government's determination to tackle maritime insecurity head-on. He assured that the Deep Blue Project, when fully operational, would drastically reduce piracy and other crimes within Nigeria's maritime domain and the Gulf of Guinea.

The Minister stated: "Recall that we secured an approval from the Federal Executive Council to introduce a maritime security architecture, which is coming to fruition. We engaged the Homeland Security International (HLSI), who are only to provide training and equipment, while the Nigerian Navy would lead the Police, Nigerian Army and Department of State Services, among others that would run the equipment."

He stated that the security of the maritime sector needs a more holistic approach, hence the need to involve other arms of the country's security services to support the Nigerian Navy working with NIMASA.

Giving a breakdown of the assets being installed under the Deep Blue Project, Dakuku revealed that a good number of the assets had arrived the country, including six interceptor boats and a special mission vessel, saying a second one will come in before the end of February.

The Director-General also disclosed that the first special mission aircraft will be in the country before the end of the first quarter of the year, while six armoured aircraft were already in the country, and the first unmanned aerial vehicle would come in before the end of February.

Dakuku stated: "We expect the first helicopter in the first quarter of this year. Almost all the communication gadgets are in the country as well as the Personal Protective Gear (PPG). The C4i centre is fully operational in Kirikiri, the NIMASA Research Centre. Those are the assets we have on ground.

"However, between now and June this year, over 80 per cent of the assets would be in the country and they would be manned by Nigerian military."

Dakuku stated that the training aspect of the project had since commenced in phases. He said the first set of training for C4i operators and intelligence officers had been concluded. Basic infantry training for soldiers who would fight on land around the littoral areas has also been concluded and the soldiers awaiting deployment, according to him.

"These trainings would continue over time as we try to integrate the intelligence officers with the C4i and those operating the special mission vessels and aircraft," Dakuku said.

ABUJA-KADUNA TRAIN: NRC ASSURES PASSENGERS OF SAFETY

By Shile GIWA

Managing Director of the Nigeria Railway Corporation (NRC), Mr Fidet Okhiria, has assured Nigerians of the corporation's commitment to the safety of passengers and train along the Abuja-Kaduna Train Service (AKTS).

Okhiria who made the disclosure in Abuja that NRC's priority was to ensure safe transportation of all passengers to their destinations. He denied claims by some national dailies that a train conveying passengers to Abuja from Kaduna was attacked by suspected gunmen.

"This news is not correct. What happened according to the police escorts on the train is that a stone was thrown at the train by some boys, which affected only the window glass of coach SP4.

"Nigerians should not panic as the news of the suspected attack is false and NRC is doing everything possible to ensure safety of passengers," Okhiria said.

Some national dailies had reported that armed men suspected to be kidnappers had attacked an Abuja-bound train with guns and other weapons.

The report alleged that the train, which left the Rigasa train station in Kaduna, at around 10 a.m. was attacked a few kilometres to Katari, about 70 kilometres to Abuja.

2020: AVIATION STAKEHOLDERS OUTLINE KEY ACTIVITIES FOR PRIORITY IN THE SECTOR

Having given the Nigeria's aviation industry a not too impressive mark for its 2019 performance, stakeholders' say 2020 present another opportunity for policy makers to change the industry from the state of a grudging turkey to that of a flying eagle, reports ***Abisola THOMPSON.***

Senator Hadi Sirika, Aviation Minister

There is no doubt that for many countries of the world, aviation is the live wire of their economy, while those who have realised the potentials the sector can bring to them are leaving nothing to chance to develop the critical infrastructure that spur travel into the countries thereby promoting tourism, attracting foreign investment and contributing significantly to the Gross Domestic Product (GDP).

There are indications that 2020 may be a better year for the aviation industry in the areas of infrastructure, aircraft acquisition and improvement in passenger traffic

There were three glaring challenges in the aviation industry in 2019. Firstly, it became evident last year that lessors were no more willing to lease aircraft to Nigerian operators. Secondly, there were too many flight cancellations and delays.

These were attributed to weather, dearth of operating aircraft and poor airport facilities. The third challenge was that although there were no accidents, but there were serious incidents involving domestic airlines.

The consequences of these problems were far reaching. Refusal to lease aircraft to Nigerian airlines by lessors led to fewer operating aircraft, high cost of airfares and the inability of the airlines to cope with their flight scheduling.

Poor weather meant that travelers had to stay too long at the airport and sometimes flights were subsequently cancelled to sunset airports due to lack of runway light.

And serious incidents involving many of the airlines disabled the aircraft and forced them to maintenance hangars; thereby further depleting the overall fleet.

Year 2020

Naturally it is good to step into the New Year with good feeling and optimism, but there may not be fundamental changes that can bring radical improvement this year because in aviation progress is marked by process, which could be long term or short term but obviously processes are a continuum that do not recongise end of the year and starting of a new.

It is expected that price of aviation fuel will oscillate the same way it did in 2019. But the expectation is that there would come a respite when the Dangote Refinery becomes operational in 2021.

Aircraft maintenance will follow the same pattern, but there are indications that more aircraft may be maintained in Nigeria at Aero Contractors maintenance facility and new one that may come up before the end of the year.

Airspace

The Nigerian Airspace Management Agency (NAMA) is expected to complete many projects it started in 2019 this year. The agency almost completed work on Aeronautical Information Service (AIS) to ensure the flow of information necessary for safety, regularity and efficiency for international air navigation. The project will be completed early this year.

However, the AIS equipment in Lagos has been installed; but the agency is working on the installation of similar equipment in six other places.

Stakeholders are however unanimous that Nigeria is strategically located to serve as a hub for airlines transiting within Africa as well Europe and America, but that policy summersault, corruption, and the lack of drive by the Ministry of Aviation remains the major drawback to unlocking and developing the huge potentials the aviation sector present to a country like Nigeria.

According to majority of them, the near absence of the show of leadership by the Minister of Aviation, Senator Hadi Sirika leaves everyone and everything in a state of confusion with no one knowing what government is thinking and intends to do in the industry.

They pointed to the fact that since his return as the Minister in charge of aviation for the second time, he has virtually been evasive from stakeholders and activities of the sector.

When Sirika assumed office as the Minister of State for aviation in 2015, President Muhammadu Buhari received huge commendation for finally finding an aviator to pilot the affairs of the sector, but the Minister's six point agenda to turn around the industry remains a mirage five years into the administration.

However, optimism is rife in the sector that the New Year 2020 presents another opportunity to the Minister, the agencies and policy makers in the sector to position the sector to become the bride and pride of Africa.

Change the industry's fortune in 2020

Passage of Aviation Bills - According to experts in the industry, the National Assembly holds the ace to unlocking the potentials of the sector in 2020 if the country is to achieve anything meaningful by speedily considering and passing the bills presented to the parliament by President Buhari in November 2019.

The six bills are the Civil Aviation Bill 2019, the Federal Airport Authority of Nigeria Bill 2019, and the Nigerian College of Airspace Management Agency Establishment Bill 2019.

The others are the Nigerian College of Aviation Technology Establishment Bill 2019, Nigerian Meteorological Agency Establishment Bill 2019 and the Nigerian Safety Investigation Bureau Establishment Bill 2019.

A former Airport Commandant and security expert retired Group Captain John Ojikutu while affirming the need for NASS to expedite action on the bills also posited that the federal govt. must seek to separate the safety and economic regulatory functions of the country's air business.

He advised that a Civil Aviation Commerce Board (CACB) be establish and vested with the authority to oversee and regulate air trades among airlines and on behalf of Nigeria, unlike what is currently obtain whereby the Nigerian Civil Aviation Authority (NCAA) perform both functions of economic and safety regulations of the industry.

Capt. Ojikutu said NCAA has not done well in its economic regulatory oversights. He said "the CACB should be tasked to promote and regulate civil aviation commerce within and between Nigeria and foreign countries in the interest of air business.

The approval of scheduled commercial air routes BASA and Commercial Agreements should be considered air commence function and accordingly the responsibility of the CACB," he said.

Infrastructure development

The development of airport infrastructure remains the core mandate of the Federal Airports Authority of Nigeria (FAAN) at an interactive session with members of the House of Representative during their oversight tour of airport facilities in Lagos, Managing Director of FAAN, Captain Hamisu Yadudu did outlined the massive infrastructure improvement been carried out by the agency.

While the agency has received commendations for brand new terminals constructed and already been use in Abuja and Port Harcourt, it promises that those of Kano and Lagos will soon be commission and open for business.

There is need to transparently concession Lagos and Abuja airports for a start with inputs from key stakeholders. It is erroneous not to engage stakeholders in the development of the airports including the designs of the facilities

A Consultant and Managing Director of SYnT Communications, Mr. Simon Tumba said it is to the credit of FAAN that the industry has witnessed an impressive infrastructural upgrade in the last few years but added that a lot still need to be done to meet up with nations that have taken their aviation industry to greater height.

Mr. Tumba said: "We still need to build more infrastructures; the nagging issue of concession must not be put away.

"There is need to transparently concession Lagos and Abuja airports for a start with inputs from key stakeholders. It is erroneous not to engage stakeholders in the development of the airports including the designs of the facilities."

Launch of national carrier

Whether the proposed launch of a national carrier has become a mirage or a project still under incubation by the Minister is an issue that baffles industry experts.

Sirika had during an Air Show in July in the United Kingdom in 2018 announced the launch of a National Carrier christened 'Nigeria Air'.

The announcement was greeted with pomp and jubilations in the country and beyond, but to the chagrin of the aviation world, the Minister via a tweet on his twitter handle @hadisirika on 19 September 2018, barely two months after the UK show of intent announced the Nigerian govt. decision to suspend the launch of the national carrier.

Experts said the suspension does not amount to the demise of the project but that he must return to the drawing board and get all the necessary things right before the next launch. Many still believe that the country deserves to have a national carrier. For Grp. Capt. John Ojikutu, he believes that "to move forward in the industry, we must set up a national carrier that can effectively compete with foreign airlines on the continental and intercontinental routes.

We must restrict each of the foreign airlines either to Lagos or Abuja and any one or two from alternate region to the airport of first choice"

He added that "these arrangements will create market for the Nigeria domestic airlines. FAAN must upgrade the dormant and not too active airports for night flying to improve the domestic airlines markets and earnings.

"Grade the airports into four categories where the grade one (Lagos and Abuja) would charge higher service fees compare to grade B, and B higher than C and D may charge no fees."

Also, stakeholders affirmed that the launch of a carrier remains the best option to fast track the employment of thousands of pilots, engineers and associated force who are jobless in the industry.

Improving airports' security

Two incidents of security breaches by supposed stowaway at the Lagos airport in 2019 is a pointer to the fact that more work still need to be done to ensure a safe and secure airport environment for airlines and passengers.

Those who spoke to Blueprint Newspaper are of the opinion that a breach of security fence around the Lagos airport does not augur well for the industry.

However, FAAN has promised an upgrade in the security architectures around the facilities across the country in the New Year.

Security experts in the industry call for effective fencing of the operational areas including provision of surveillance gadget for security and safety of airport operations.

A security contractor who does not want his name made public advised that "the Aviation Security should excised from FAAN and made autonomous, and to be conform sufficiently to Chapter one of ICAO Annex 17, ensure that a single command and control is established from the autonomous agency for all government security agencies working in the airports. That is what the USA TSA do at all airports."

It is the views of stakeholders that the year 2020 holds tremendous prospects for the Nigeria aviation industry but that if government and those saddles with the responsibility to execute well thought out policies and programmes will put square pegs in the correct holes.

NEW PARADIGM FOR TRANSPORTATION

*Going by the current prognosis, 2020, which just kick star, promises to be one with pleasant outcomes for the transportation industry, writes **Meletus EZE.***

The Minister for Transportation Rotimi Chibuike Amaechi shocked stakeholders immediately he was sworn-in for a second term. He called for memoranda on the policies and programmes they want his ministry to implement between then and 2023.

To industry watchers, such a path was novel, giving an indication of his willingness to thread uncommon path in rebasing the sector, which until 2015 had been prostrate.

If 2019 had gone as one of the best years for the sector, with rail transportation emerging as the toast of the Ministry, going by the Minister's disposition, 2020 may emerge as a better year.

New rail experience

The completion of the Lagos-Ibadan standard gauge and the activation of commercial operation of the speed train service will, certainly, be the administration's greatest gift to Nigerians in the new year.

Already, a four-month free train ride was kicked off on the Lagos-Ibadan Standard gauge on December 4, and it will run till April 2020.

Amaechi, in a slew of tweets on his tweeter handle @rotimiamaechi, expressed happiness that the double track lanes have finally reached Moniya, the terminus in Ibadan.

What remains, according to him, is the Lagos end, with the construction from Agege to Apapa Ports as well as the completion of the 10 train stations. He gave an April deadline for both.

Though hitting Apapa may stretch beyond April, Amaechi is optimistic that the original plan, which was to take the standard gauge to Ebute-Metta, is achievable.

During his routine tour of the project on December 20, Amaechi erased doubts that the project would be delivered in April.

He assured that work would be speeded up from January 6 on all sections simultaneously to achieve the set deadline. It will be the first time for a project of such magnitude to be completed within the first cycle of its life span.

Rotimi Amaechi

The Ajaokuta-Itakpe-Warri railway, which was conceived as the nation's pioneer standard gauge took 38 years to be completed, while the second, which is the Abuja-Kaduna standard gauge took 12 years.Both were delivered by the Buhari administration in 2017. That the 157-kilometre standard gauge track would be delivered within three years, underscores the commitment of the administration to the transformation of the transportation sector, which might have been borne out of the recognition of the sector's capacity to unlock the economy.

Undoubtedly, the administration remains committed to changing the narrative, which pitches transportation as one of the least contributors to the nation's Gross Domestic Product (GDP), and its almost exclusive concentration on the road mode as its only means of transportation, despite being Africa's largest market.

As the administration takes ownership of the Lagos-Ibadan standard gauge by April, and its eventual historic flag-off by May, it proposed intention to start the Ibadan to Kano leg (which is the final leg of the project), same month. This leg is projected to be completed before the end of the administration in 2023.

Again, speaking on this, Amaechi had said it would be rather disappointing after all his worries, if the Buhari administration will have to leave the project for another administration to commission.

Yet, it is not only on the Lagos-Ibadan standard gauge that the government is expected to deliver. The government said it is shopping for funds to take on the Lagos-Calabar Standard Gauge Costal Rail line, while the Itakpe-Lokoja-Abuja route is being farmed to a private concern on a Build, Own, Operate and Transfer Private Partnership Participation (BOOT-PPP).

Amaechi said the administration would link state capitals with rail lines, while attempts would also be made to link Kaduna with Kano, with a slip line to Daura to terminate in Maradi in Niger State to ease trans-sahelian trade, where Nigeria's port cities would benefit maximally from the landlocked nations with whom it shared common borders.

Waterways transformation

Nigerians are also expecting the Amaechi leadership of the Transportation ministry to leave a lasting legacy on the waterways.

Beyond making Nigeria more competitive in the international environment with the several ongoing reforms led by the ministry, operators and industry watchers said the ministry must take more than a passing glance at the inland waterways to make the inland ports more viable.

They argued that the huge investments of the government over the years would continue to pale into insignificance if the inland ports were not operational. Experts argued that accessibility by roads, dredging and channelisation and outdated equipment or lack of facilities are some of the bane of these inland ports.

The Baro port, said to be the flagship of the inland ports under the Nigeria Inland Waterways Authority (NIWA), stakeholders argued, has continued to be under-utilised despite the huge investment of successive governments because of the scant attention placed on it and other inland ports to be the drivers of economic regeneration in their zones.

NIWA's new Managing Director, Dr Chief George Moghalu, who described these river ports as key to socio-economic development, for instance, bemoaned the non-completion of the Jamata river port in Lokoja, a project which has for long seem to have been abandoned by the contractor.

According to him, "If the waterways transportation is effective, it will reduce pressure on the roads as heavy axial loads could now be transported on water instead of the roads thereby prolonging the lifespan of the roads."

Within the year, Nigerians would want issues of abandoned projects scattered round the waterways resolved and the waterways become more active.

They would want to see NIWA engage with littoral states with very strong presence on the waterways and encourage others less visible to push their government for greater presence on the waterways.

Rather than the war of attrition over which agency is superior or have overriding capacity on the waterways, NIWA, experts said, should play the lead role by setting the pace, standards and regulations and seek the assistance of other players in the sector to reduce the anticipated challenges in the sector.

Laws and policies

Perhaps Amaechi's greatest achievement, which would beat his strides in the railway transformation, would be the berthing of a transportation policy for the country. Experts and industry watchers have cried hoarse on the need for the nation after 60 years of independence to have a governing policy driving the sector.

Rather than give it the requisite priority, successive administrations have paid lip service to the desire of operators to see the nation develop a policy to guide the government-to- government relationship as well as policies to regulate the operators, operations and other gamut of transportation in the country.

Governments since 1960 have set up various committees and panels, which have come up with various recommendations on the framework of a transportation policy for Nigeria.

However, rather than such materialising into a position paper, and a policy, such recommendations usually ended in white papers that were never implemented. The result has been a chaotic transportation system that is at best ad-hoc, with various states, which ought to domesticate such policies working at cross purposes as none, until the outgoing year, when Lagos received a draft policy from a committee set up in last year to help it draft a transportation policy to guide all gamut of the industry.

Interestingly, some of the 36 states of the federation are yet to see the need to establish a Ministry of Transportation, while some still merged the ministry with other activities giving the headship of such agencies to advisers.

These problems are said to be responsible for the skewed outcomes and an economy that is tottering.

Pioneer Dean, Lagos State University School of Transportation (LASU-SOT) Dr Tajudeen Kayode Bawa'Allah said the beginning of a new decade is another opportunity, which Amaechi has to stand at the cusp of history.

"We would love him to please give Nigeria a transportation policy and this can be achieved before the end of the year. No fewer than five committees have been set up to come up with recommendations at various times of which I have been privileged to be among two of such.

Our reports are still gathering dust in the Ministry there. Let Amaechi dust those files and begin early in the year a process in which before the end of 2020, we can have a policy that can be passed to the National Assembly in place," Bawa'Allah said.

Beyond the transportation policy, which forms the super structure, upon which every investment of the government – whether in the past, present or in the future – devolves , stakeholders have also restated the need for the government to amend some laws that has militated against the sector.

One such law is the Nigerian Railway Act 1955, which is yet to be amended since it was presented to the eighth National Assembly. Other laws, which the lawmakers failed to ensure their passage are the National Transportation Authority bill, The Nigeria Ports Authority Amendment bill, The Nigeria Shippers Council Amendment bill, among others.

An early passage of all those enabling bills, according to Bawa'Allah, who is a Fellow of the Academy of Engineers, remains one way of ensuring that the investments and legacies are preserved and continue to impact on the sector beyond the tenure of the administration.

He commended the Buhari administration for the University of Transportation, which ground breaking was done this month and the foundation of a wagon factory in Ogun State in November, adding that by these it has written Nigeria's name in gold in the comity of nations.

But all these will pale, if the nation still continues to adopt ad-hoc measures to address the challenges besetting the sector.

BRT OPERATOR MULLS UPWARD REVIEW OF FARES IN LAGOS

By Aliyu DANLADI

Primero Transport Services Limited, operator of Bus Rapid Transit (BRT) in Lagos, said it is planning an upward review of transport fares across all routes in the state to meet up with current realities.

The Managing Director of the firm, Mr Fola Tinubu, made the disclosure in Lagos that the current fares were grossly inadequate if the firm was to provide better services for the people of Lagos.

According to him, cost of operating the buses have increased so much that the firm is finding it difficult to survive and sustain operations.

Tinubu said: "Primero is planning to approach the regulator for an increase in fares. The last increase we got was done three years ago and our cost of operations has really increased. The company is not in a good financial standing now to run and foot cost of maintenance and operation of buses.

"We understand the need to provide services to the people; I think the increase has become necessary in order to serve the people of Lagos better. With the increase, we will be able to roll out enough buses to meet the need of the state's teeming commuters."

He said the current fares across routes were no longer sustainable for running the buses, and it had become imperative for the firm to meet with the regulator.

Tinubu said the firm was already concluding plans to sit down with the Lagos Metropolitan Area Transport Authority (LAMATA), the regulator of BRT, to push for the review.

He assured the people of Lagos of the firm's commitment to provide excellent service and reduce waiting time at various bus stops to get commuters to their destinations.

LAMATA is the Lagos State Government agency created to coordinate transport planning, policies, and public transport infrastructure implementation in the Lagos Metropolitan Area.

The organisation oversees wide range of transport planning and implementation of transport strategies and plans in Lagos, as well as the Lagos Rail Mass Transit and the Lagos Bus Rapid Transit System.

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Political Economy

NEED TO STEM UNDUE CROSS-CARPETING AND ITS IMPACT ON THE ECONOMY

Uche Secondus, National Chairman, Peoples Democratic Party (PDP)

Adam Oshiomhole, Natonal Chairman, All Progressives Congress (APC)

It is a truism that in politics there is no permanent friends but permanent interests. One veritable instrument by which Nigerian politicians give eloquent expression to this concept of permanent interests as against permanent friends is through cross-carpeting from one political platform to another whenever the individual's interest is threatened or appears no longer protected by the platform, writes ***Olamilekan FAWAS.***

Over the years, Nigerian politicians have been seen decamping from one political party to another as a tool for expressing dissatisfaction at intra-party matters and also when they lose party nominations for elective posts or political appointments.

The current defection by various categories of politicians in the country has again confirmed their vulnerability to changing platforms even under questionable circumstances.

For the avoidance of doubt, the1999 constitution of the Federal Republic of Nigeria (as amended) recognizes the right of politicians to change platforms but this has to be done within the province of the law.

Accordingly, sections 68(1) (g) and 109 (1) (g) of the constitution copiously guaranteed the right to decamp in event of factions or crisis. Unfortunately, many politicians have exploited this constitutional provision by wittingly and unwittingly precipitating intra-party crisis to pave way for incessant cross-carpeting.

We are worried by this state of affairs as it has the capacity of not only heating up the polity and upsetting the entire political configuration but destabilising our nascent democracy. The decamping of politicians to parties other than whose platforms they were elected is a pointer to this fact.

Incessant cross-carpeting more than anything demonstrates absence of clear-cut political ideology among decampees in particular and the nation's political chessboard generally.

Indeed, political 'prostitution', has over the years been elevated over and above ideology-driven politics unlike in the First Republic when the nation's political turf was characterized by principles and discernable ideology-based politics. This is unhealthy. It does not make room for stability and flourishing of political ideologies.

The consequences of a political system devoid of ideologies leaves much to be desired as it is colourless and leaves the electorate with no alternatives or options to choose from when it comes to ideological block.

There must be further and better means or constitutional provisions to check the speed and ease with which politicians change platforms, especially when the new umbrella's programmes and manifestoes are diametrically opposed to those of the platform on which a decampee was given mandate by the electorate.

This is because promises which formed the basis of people's mandate to a decampee but do not fall within the province of a new party that receives the decampee can hardly be implemented under the platform of the new party.

To check the frequency of decamping, we therefore suggest that sections 68(1)(g) and (109) (1) (g) be amended to the effect that politicians wishing to decamp can only benefit from the constitutional provisions provided that they did not either directly or indirectly instigate or precipitate the party crisis on the basis of which they wish to decamp while their term obtained on the platform of another party has not expired.

This will prevent politicians from precipitating crisis only to use same as basis for cross-carpeting. Again, incessant cross-carpeting will be minimized if Nigerians play politics of ideology rather than that of bread and butter. It is our firm and irrevocable belief that incessant cross-carpeting is unhealthy for the growth of democracy and ideology-based politics.

One of the ugly monsters bedeviling Nigerian politics today is the absence of political ideologies within political platforms and the actors on the political chessboard resulting in incessant and unmitigated volley of defection from one political party to another

One of the challenges to the sustainability of democracy and the evolution of a robust political system and process in Nigeria, is the gale of defections in the country.

This has to a large scale led to a lean political base in the country, that are consistent in the political philosophies, beliefs, values and convictions.

Developed democracies like the United States, Germany, France and United Kingdom have politicians with over 3 decades of experience in politics without wavering in party affiliations and ideologies.

One of the ugly monsters bedeviling Nigerian politics today is the absence of political ideologies within political platforms and the actors on the political chessboard resulting in incessant and unmitigated volley of defection from one political party to another.

This has led political observers and analysts to conclude that exponents of incessant cross-carpeting are nothing but political prostitutes who either do not have anything to offer or are so blinded by selfish interests which more often than not, subject them to eternal slavery of defection and inconsistency.

According to this school of thought, this class of politicians lack principles, morality, sincerity of purpose, decency, sense of hard work, diligence, patriotism, commitment to nation building, expansion of the frontiers of modern democracy and global best practices and are merely driven by avarice, greed, lust for power and selfish motivations which some people popularly referred to as "politics of the stomach".

This position aptly captures the recent scenario in Delta State when some self-serving politicians who hitherto have benefitted immensely from the ruling party in the state, the People's Democratic party (PDP) and the state government cross-carpeted to another party. In other states of the federation, similar cases abound and many more are still to come.

The question then is why do politicians take delight in defecting with reckless abandon? The reason as adumbrated by political analysts revolves around selfishness and insincerity of purpose.

A critical view of the numerous cases of defection in Nigeria obviously leads to the conclusion that such incessant parting of ways by politicians are never motivated by the need for service to fatherland or for the greater good of the masses but are indeed driven by self-centred disposition of the defectors.

For instance, nobody needs a pair of binoculars or the skills or services of a marabout to know that the crop of defectors in the recent case in Delta State are crying wolf because they could not hijack the reigns of statecraft.

It smacks of greed and lust for power at the expense of many sincere, honest, diligent and patriotic Deltans who are driven by genuine desire to fast-track social, political and economic development of the state by genuinely contributing to good governance.

This crop of self-seeking politicians are anachronistic and cannot fit in to in the present administration which is driven by irrevocable commitment to prosperity for all Deltans as they are bereft of global best practices. Indeed, their exit from the ruling party in Delta State is a good riddance to bad rubbish.

Rather than lament, Deltans should celebrate the exit of wolfs in sheep's clothing, which will create more windows of opportunities for sincere and dedicated citizens to join Dr. Ifeanyi Okowa's administration to give eloquent expression to the SMART Agenda.

Beyond this, incessant defection has helped in perpetrating inconsistency, death and burial of political ideology among political parties as well as enthroning trial and error kind of politics and politicking.

This ugly phenomenon must stop and the only way is for Nigerians to reject selfish politicians from getting in the saddle.

Another position aptly captures the recent scenario of nine lawmakers in the Imo House of Assembly, including its minority leader, had defected to the ruling All Progressives Congress (APC) days after the ruling party clinched the governorship position via a Supreme Court ruling.

The Deputy Speaker of the assembly, Okey Onyekamma (Mbaitoli, PDP) also, resigned his position as a principal officer of the Assembly.

The minority leader, Ekene Nnodumele (Orlu, APGA) first resigned his position, and defected to the APC. The speaker of the Assembly, Collins Chiji (Isiala Mbano, PDP) announced the developments on the floor of the house.

The apex court declared Hope Uzodinma of the APC as the winner of the March 9 governorship election in the state. Mr Uzodinma originally came fourth in the election.

The seven-member panel of the Supreme Court led by Chief Justice Tanko Muhammad gave the unanimous decision in Abuja.

Defections, resignations

Reading Mr Onyekamma's resignation letter dated January 20, 2019, the Speaker disclosed that it was as a result of "convention and zoning". He said the convention prescribes that the deputy speaker should be from the geo-political zone of the sitting governor.

The Speaker then announced the defection of nine members of the assembly from their respective parties to the APC citing various reasons for their defections.

Gale of defections

Four members left the Action Alliance (AA); two from the All Progressives Grand Alliance (APGA) and three other lawmakers from the Peoples Democratic Party (PDP). They all defected to the APC.

Arthur Egwim, representing Ideato North defected from the Action Alliance (AA), Amarachi Iwuanyanwu from Nwangele defected from the Peoples Democratic Party (PDP) and Chidiebere Ogbunikpa (Okigwe) also from the PDP.

The Nkwere representative, Obinna Okwara, defected from the AA; Paul Emeziem from Onuimo left the All Progressives Grand Alliance (APGA), alongside Ekene Nnodumele of Orsu.

Johnson Duru of Ideato South and Ngozi Obiefule of Isu also left the AA while Okoro Hercules from Ohaji Egbema defected from the PDP to APC.

Meanwhile, at the plenary session, the House screened and confirmed Cyprian Akaolisa for the position of Attorney General and Commissioner for Justice following Governor Hope Uzodinma's request for speedy consideration of his nomination.

Cross-carpeting no doubt has telling effects on the process of consolidating democracy, especially when it affects state and federal elected political Office holders. This trend is fast making caricature of democracy in the fourth Republic and seriously belittles the spirit of opposition parties.

Until the formation of the APC in 2013 occasioned by the defections of five aggrieved governors and other parliamentarians from the then ruling PDP, cross-carpeting, right from the inception of the Forth Republic had always been in the direction of defectors emanated from the opposition to the ruling party and not the other way round.

If this is not the case members of ruling or opposition parties breakaway to form a new political party which often lack the capacity and focus to compete reasonably in the polity. In other words incessant cross-carpeting weakens any form of serious threat or opposition the ruling party could encounter in Nigeria.

Frequent cross-carpeting among the political actors leaves the electorate with no alternatives to choose from when it comes to ideological coalition. Cross carpeting puts a serious question on the character composition of parties as defectors most time move their ideas and character to the new party, achieving just a change in name.

Recent happenings in our political space have shown that most defectors that form new political parties developed adhoc ideologies only to win election and form new government, in the long run those ideologies are short lived in the event that they lose election. And in cases where the parties win election, we see obvious clash of interest and struggle for supremacy within the party ranks, and this goes a long way to impede the functions of governance. A practical example is a case of the All Progressives Congress (APC)

Also when political office holders or supposed members of opposition switch alliance to the ruling party, it gives the ruling party opportunities to operate without constructive criticism.

Extreme cases of cross-carpeting where political office holders' defect significantly from the ruling party have led to the collapse of democratically elected governments, such as the case of the then ruling People's Democratic Party (PDP) in the build up to the 2015 general elections.

Another twist that further weakens the consolidation of democracy is the motivation for cross-carpeting among elected political actors that lack philosophical backup. This tends to promote money-bag politics rather than ideological oriented political parties.

According to the News Magazine of February 2014, a "mouth-watering" offer of money was outlined for the legislators that cross-carpeted to the APC in the build up to 2015 general elections.

Although, this is not ideologically driven, where possession of political power is viewed directly as economic empowerment, arising from the above, where possession of political power is viewed directly as economic empowerment. Arising from the above, building strong opposition parties under such circumstances becomes very difficult; hence consolidating democracy in such polity becomes a mere wishful thinking.

There is a need to uphold good conscience and morality if there should be any reason to cross carpet, as this political act has been characterized by greed selfishness and ungodly motive.

Society should also stop celebrating political prostitutes, electorates should follow ideals and not persons, if a person represent an idea we believe, then such a person should get our support, and the minute such a person deviate from such ideals with no justifiable reason, such a person should be shunned and not blinded followed and hailed.

Electorate should also pressure political parties to push, promote and sustain great ideologies that are masses oriented and should not hesitate to punish and reward those who fare well or fail in this regard.

What is defection?

From the Wikipedia definition, and in politics a defector is a person who gives up allegiance to one state in exchange for allegiance to another, in a way which is considered illegitimate by the first state. It involves abandoning a person, cause, or doctrine to which one is bound by some tie, as of allegiance or duty.

This term is also applied, often pejoratively, to anyone who switches loyalty to another religion, sports, team, political party, or other rival faction. In that sense, the defector is often considered a traitor by their original side.

Lack of Political Ideology

According to Olarenwaju, John Shola in his contribution on "Political Parties and Poverty of Ideology in Nigeria" asserts that "Political ideology is an important vehicle of a political party. There is no political party without one or two manifestoes during their electioneering campaign, Nigerian parties seem to be suffering from ideological barreness unlike what is obtainable in advanced democracy".

He opined "Unless leaders of political parties form and maintain political ideologies on their stand, cross carpeting from one party to another will continue to exist, it is only in Nigerian that candidate worked against their parties when they failed to secure parties tickets to contest elections".

This is one of the major reasons why politicians defect in Nigeria, the dearth of political ideologies in parties and the lack of political philosophies also on the part of the politicians, is leading them to move from one party to another.

Society should also stop celebrating political prostitutes, electorates should follow ideals and not persons, if a person represent an idea we believe, then such a person should get our support

The poverty of ideology has continued to affect the fourth republic Nigerian democratic system.

Political Interest

According to Hilke Rebenstorf in his work on "Political Interest: Its Meaning and General Development" in terms of political sociology, political interest is the main component of political motivation, a variable indicating ability in ideological conceptualization, which is essential for participation in the democratic process (Klingemann 1979).

Thus, political interest is a necessary precondition for the desired characteristics of a responsible and democratic citizen: critical loyalty, ability, and readiness for political participation.

Political interest leads people to weigh ideological positions, to assess their pros and cons, and finally to make a commitment and achieve political identity. Without political interest, political identity stays diffuse: not knowing what to think, not knowing what to believe,not knowing where one's own commitments are.

In the Nigerian context a politician will defect from one political party to another, when his or her political interest is no longer guaranteed.

The pursuit of political ambition

According to the American Political science review, Political ambition or the desire to seek higher office is shown to develop as a product of the investments that politicians make in their political careers, and the investments are shown to be associated with the structural characteristics of community size and electoral competitiveness.

It therefore becomes a challenge for some politicians when their aspirations in a particular political party are either scuttled due to the issues of imposition of candidates or structures that will not support them.

Political Agenda

A political agenda is a clear cut policy direction and philosophy that guides the strategies, ideologies and plans of a political party that shapes its governance strategies, when it is in the helm of affairs of a Local Government, State or Nation.

When a political party is not driving a convincing agenda that impacts the socio-economic space, politicians defect to avoid being associated with failures or poorly implemented policies.

Internal party division

Internal party divisions are one of the major reasons politicians defect in Nigeria, and this is manifest in the various factions and executives in a party. When a particular faction feels sidelined and ostracized from the political activities, they can resort to defection to seek better opportunities.

Political parties that lack the capacity to achieve internal cohesion are the worst hit by defections, and this is always massive because of the aggrieved factions who leave the party.

Lack of Transparency in Party Processes

The lack of transparency in the processes of political parties is part of the major reasons why politicians defect in Nigeria. One of the major areas where this is witnessed in Nigeria are in party primaries or the national convention.

This explains why politicians will leave a party they have contributed in building all because they have lost confidence in the leadership and process of the party.

Lack of trust in party hierarchy

The leadership of a political party is very critical, it either shapes or destabilizes the structure or alliances that are in the party and when there are issues and the hierarchy cannot resolve it, politicians defect.

It is always difficult to show complete loyalty in a party, when the leadership cannot be trusted and this is why strategic political parties are meticulous and conscious of the kind of leaders that are elected to lead the party.

HOPE RISING FOR AGRICULTURE

*With strong growth spurred by rising investments and exports, the agriculture sector is expected to be one of the key propellants of national economic growth this year. However, businesses are awaiting new incentives reports **Olamilekan FAWAS.***

Despite numerous risks, the agriculture sector is expected to reap bigger fruits this year with more investments implemented, making it one of the key drivers of economic growth.

The sector has received a major boost over the past two years, thanks to a strong focus by policymakers on food and jobs.

Corroborating this, the International Monetary Fund (IMF) projects that Nigeria's real Gross Domestic Product (GDP) will rise by 2.1 per cent last year to 2.5 per cent this year.

The African Development Bank (AfDB) Group also predicts that the nation's real gross domestic product (GDP) will grow by 2.4 per cent this year as implementation of the Economic Recovery and Growth Plan gains pace.

One sector that will contribute to it is the expected surge in agricultural activities. Experts believe Nigeria has rich natural conditions to host a variety of valuable crops and agriculture will remain a critical sector for the economy.

They anticipate agriculture would expand due to growth in rice production and other agricultural activities. For instance, analysts expect Nigeria to produce more tonnes of rice next year through the Central Bank of Nigeria's (CBN's) Anchor Borrowers Programme.

Output will rise in fruits, vegetables, cereals, cashew, cocoa as well as livestock, which are critical elements for domestic consumption and exports.

This would hinge, however, on the government's ability to maintain a thriving business environment, driving growth and facilitating an impressive economic diversification. Key investments in new processing facilities are expected to continue driving the sector's expansion.

The Lagos Chamber of Commerce and Industry (LCCI) Director-General, Dr Muda Yusuf, noted: "The monetary value of agriculture output has been on the upward trajectory, rising 40 per cent quarter-on-quarter to N5.41 trillion between July and September from N3.86 trillion between April and June, compared with N3.60 trillion in the first quarter.

"The CBN, like it did in 2019, will maintain status quo by not relenting in supporting the sector with much-needed funds in ensuring that the wide gap between local demand for food and supply is bridged."

On the performance of the sector, the DG projected improved credit flow to agriculture on the back of proposed increase in deposit money banks' loans to deposit ratio to 70 per cent.

Yusuf expressed the view that prolonging closure of the land borders would further add impetus to agricultural output this year.

The President, Federation of Agricultural Commodities Association of Nigeria (FACAN), Dr Victor Iyama, said agriculture will remain one of the most important sectors for business and economic growth.

He, however, added that value-added food manufacturing is also important to penetrating high potential markets, where a lack of infrastructure and inefficient logistics can create delays that cause a significant proportion of fresh produce to spoil.

He called for investment in logistics and grading centres, adding that initiatives of this kind would also help to reduce wasted produce, levels of which can be as high as 40 to 50 per cent due to the lack of supply chains linking the field to the consumer.

For small growers, he said infrastructural support is critical because they lack the capacity to pack and grade their produce in line with market requirements.

According to him, improving production capacity will also allow them to create more opportunities to increase income for local farmers and meet the requirements of high-value export markets.

He said the establishment of clearer quality standards would help to drive exports to new markets. Iyama said the association is trying to improve the value of the nation's agro exports by applying safe and sustainable agricultural practices and improving production facilities.

Private sector's response

The Managing Director, Farmcrowdy, Kenneth Obiajulu, said agriculture is the solution that can feed a growing Nigeria and that innovation is the key. Obiajulu said food aggregation, processing, and distribution facilities and infrastructure are critical aspects of building a consistent supply of local foods.

He said Farmcrowdy will support local farmers, producers, by allowing them to access larger and more diverse markets than they could as individual producers. This in turn improves access to fresh, healthy food for a wide range of consumers.

He said his organisation is supporting projects that will make a difference for farmers economically, adding that the projects would help farmers export more and secure some market access for a lot of products.

Minister of Agriculture Muhammad Nanono

The Country Manager, OCP Africa, Caleb Usoh, said supporting agriculture with focus on enhanced private sector investment and key value chains will ensure economic diversification and boost food security. He said OCP Africa will support Nigeria with fertiliser plants.

He said sustainably increasing food production will be possible only with a balanced and rational use of fertiliser, saying this will ensure a decrease in imports of NPK fertiliser, which combine three macronutrients: Nitrogen, phosphorus, and potassium.

Through the plants, he said OCP Africa has set ambitious goals to reach more farmers. In addition to training local farmers in advanced, modern agricultural techniques to rev-up yearly output, OCP Africa has initiated several other programmes that have massively upgraded the scales in terms of sustainable agriculture policy and food security.

To work with farmers to contribute to unlocking Africa's vast agricultural potential, he stated that the company launched its 'Agribooster Offer' aimed at boosting food production in the country.

The 'Agribooster Offer's initiative for food crops provides farmers with support for every aspect of the agricultural value chain. Through this, OCP Africa connects farmers to financing and insurance, working with local extension agents to train them on proper fertiliser use, collaborating with other providers to ensure they have the right fertiliser and other input.

He said OCP Africa believes on empowerment of farmers and will directly towards increasing prosperity and helping Nigeria tackle its worsening challenge of poverty.

Foreign firms to be involved

The private sector, including domestic and foreign companies, has helped to change the economic structure. Along with local private enterprises, many foreign firms will be entering the agricultural sector. Over the past few years, many foreign companies have entered the Nigerian market to engage in agricultural investment projects, investment is largely focused on producing and processing animal feeds, and farm produce.

Their investments in high technologies and production scale will help the agriculture participate in the global value chain. Some other foreign companies have also inked import deals with local businesses. Factors such as a large domestic market and strong development of the export market thanks to free trade agreements, as well as the encouragement of the government will encourage and promote enterprises to invest in agriculture effectively, safely, and sustainably.

High-tech agric development

Some areas are going to emerge as a new hub for high-tech agriculture. In few areas of the Southwest, there are efforts to boost agri tourism development, growing high-tech agricultural products, helping it to attract many domestic and foreign investors. Several high-tech agricultural projects have been granted investment decisions for implementation.

Farmers expected to export more agric products

Iyama said there were efforts to boost agricultural exports from the country to other parts of the world. Notwithstanding, agro exports are expected to face difficulties this year, as there will be increased competition in the global market.

The challenges include a forecast reduction in world economic growth this year, while many countries would focus on agricultural development. Therefore, Nigeria's exports of agricultural products might face fierce competition.

Large importers, such as the US, EU, China, Japan and South Korea, have promoted the protection of agricultural products by setting standards on quality and food hygiene and safety, while requiring traceability. The trade war between the US and China will also affect the export of Nigeria's agricultural products.

Challenges

On the aggregate, experts said foreign direct investment (FDI) inflows into agriculture are still small in terms of project size and proportion of investment capital compared to the total FDI of the country. Risks remain significant.

Domestically, slower progress in strengthening logistics infrastructure have undermined growth prospect, creating large sector liabilities. External risks include escalating trade protectionism.

Yusuf's concern is that the cost of doing business is very high. He attributed it to poor infrastructure, multiplicity of levies, excessive regulations, among others.

Notwithstanding, the government's goals for the sector, experts said production will be threatened by growing pressures, including a fast-growing population and the effects of climate change.

Like last year, increasing insecurity caused insurgent activities meant some agricultural enterprises had to hire security, increasing costs and taking the focus away from improving production techniques.

The sector also remains split between small scale farmers with artisanal growing methods, and large-scale production using modern techniques and consolidated expanses of land. Bridging these two sides of the industry will require better integration.

In recent months, weather-related disasters linked to climate change have contributed to the rise in food insecurity.

Flooding in some parts of the country has disrupted the volume of agricultural production, exposing farmers to high vulnerability and causing fatalities.

Another issue is the high rates of urbanisation that has reduced the amount of arable land available for farming. Across the country, the economy has witnessed a substantial spike in property development into land traditionally used for farming.

Foreign investors still see a gloomy outlook towards the investment environment in the country as various reports indicate fears about unclear economic conditions.

Improving infrastructure

No fewer than 10 million smallholder farmers produce 70 per cent of the food consumed in the country. There is a need to ensure that these farmers are equipped with the appropriate technologies, knowledge, and skills to meet the increasing l demand for sustainable food.

For watchers, the nation's economic productivity is still low mainly due to small scale agricultural production. At present, the power supply-demand gap is hampering food production and sustainable economic growth.

They observed that infrastructure deficiencies and an emerging skills mismatch driven by underlying structural bottlenecks are impacting on the quality of its human capital, productivity and innovation capacity.

Stakeholders advocate actions and policy reforms aimed at addressing bottlenecks in energy, transport and water infrastructure.

This, they believe, will support the sector to attract higher value-added investments, enhance the domestic private sector's capacity to penetrate the regional market and improve public service delivery.

Stakeholders believe the nation's ambitious agenda to transform into a high income country requires a new growth model that relies on enhancing productivity and innovation.

Iyama believes digital solutions can address some of the key challenges faced by farmers, from creating safer farm produce to boosting exports and improving farmers' living standards.

"We encourage partners to join our efforts in applying high-technology and smart agriculture for our farmers," he said.

GROUP APPLAUDS NIGERIA AS AFRICA'S BIGGEST RICE PRODUCER

By Abisola THOMPSON

The Buhari Media Organisation (BMO) has commended Nigeria as the number one rice producer in Africa and debunks claims by the World Food Programme (WFP) that Nigeria risks sliding into a hunger crisis.

WFP had lumped Nigeria with Zimbabwe, South Sudan, Haiti, Central Sahel (Mali, Burkina Western Niger) and Afghanistan among countries it said faced food crisis but the pro-Buhari group is insisting that the claim is presumptuous.

In a statement signed by its Chairman Niyi Akinsiju and Secretary Cassidy Madueke, BMO described the UN agency's position as hollow and not a true reflection of the situation in the country. "We acknowledge WFP's humanitarian assistance in a part of North-East Nigeria, but we are shocked that it listed the country among 'potential flashpoints to look out for in the New Yea'.

"There is no doubt that the UN agency and its partners require greater investment in view of the scope of work they need to handle across the world in 2020, but we won't accept a situation where Nigeria is painted in a bad light.

"Yes, there is a crisis in a part of the North East which was referenced in the report titled: 'WFP Global Hotspots 2020: Potential flashpoints to look out for in New Year. There has not been a recent upsurge in violence in the region of the magnitude reflected in the report.

"Besides, the crisis has been largely restricted to a part of Borno, which is just one out of 36 states making up the country and we do not see how that could be interpreted to mean that Nigeria may face a hunger crisis with the type of bumper harvests it has recorded in recent years.

"We also wonder how WFP managed to restrict its conclusion on Niger to a part of that country (Western Niger) in the report but sees a far bigger country with more arable land as a potential flashpoint."

BMO noted that the claim of a potential food crisis was coming at a time Nigeria was confirmed as the largest producer of rice in Africa. "The same country that WFP says is at risk of a hunger crisis has in the last three years witnessed a rice revolution to the extent that it was competing with Egypt.

WHY DO MEN CHEAT?

By Abisola THOMPSON

For the everyday man and woman, cheating has been around forever. At some point, both men and women would cheat or would have been victims of cheating. Cheating, just like telling lies is a human flaw and will continue to generate arguments and concerns for a variety of reasons.

Ironically, despite all the haggling, we are far from discovering why men especially, cheat even when they love their women and are happily married or involved in a long-term relationship, their women are pretty, sexy or even have more money than they do.

Every man knows that cheating is wrong, otherwise he would not hide it. So, why do men cheat? The reasons are myriad and varied and may even be peculiar to the individual, besides the general assumption that men, no matter the race or colour, are polygamous by nature. Let us examine some of them.

He thinks it's a status symbol: A man will cheat on his wife/partner if he believes having more than one woman is a status symbol and sign of success. In traditional African setting, the wealth and success of a man is measured by the number of women and children he has.

In the time past, a man with one wife was considered a weakling and unsuccessful in the society. Onuka, Okonkwo's father in the novel "Things Fall Apart", by Chinua Achebe is a classic analogy. Typical scenarios abound all across our society today with our wealthy, famous or powerful men and their women).

On the flip side of this is the theory that success and power are like magnets that draw women, even without them being attracted to the women at all. Every woman desires a man who can provide for and protect her. This has very little to do with love in most cases.

He can always get away with it: If a guy cheats on you the first time and you let him get away with it, chances are that he will do it again knowing there is very little that you can or will do to him. This same theory often holds true for abuse and domestic violence.

A very close friend recently walked out of her marriage after 17 years when she discovered by chance that her husband was living a double life, raising another family apart from the one they have. She revealed that it was not his first time of cheating on her as he also had a child while they were still courting, with a woman he introduced to her as a friend.

She said she forgave him the first time after much pleading and promises not to ever do that again. Unfortunately, he did, several years after and in a more damning and brazen manner. The truth is that the typical African man believes from a young age that he is entitled to live a polygamous lifestyle should he choose to do so.

The women are also raised to accept this, though unwillingly. Often, you will hear mothers chastising their daughters for complaining about their cheating husbands. You hear such things as "your father did worse things. At least, he has not brought her home".

An aunt-in-law once told me how she would run bath water for her husband and a mistress he used to bring to their matrimonial home at some point. The whole family had concluded that the mistress would later become the second wife until she sprung a surprise on them and married a young man.

She said to her shame, her husband practically sponsored the wedding ceremony and was even the chairman at the reception. Such is the general laxity allowed the typical African man. When a man is made to feel that he is not accountable for his actions, then he can easily cheat on his partner.

In fact, in the African setting, a woman is encouraged to look the other way if her man (especially a rich one) is cheating as long as he is discreet about his affairs and does not embarrass his wife.

Today, the farther from home an illicit affair is conducted, the more acceptable it ought to be for the partners, especially so as not to rock the marriage boat. Poor role models: A man whose father, uncle, brother cheated on their wives, is most likely to cheat.

This is because he is likely to see them as role models. Besides, it is the life he grew up to know, so, he may have been subconsciously programmed to follow their example, seeing infidelity as a norm or way of life. This point is very rife in a society like ours.

Oftentimes, parents of intending couples from monogamous marriages frown at the prospect of their daughters or sons marrying children from polygamous backgrounds because they believe that they did not grow up around good role models that will encourage monogamous relationships.

You may find the next few points a bit controversial but it does not remove the fact that they are true and have been proved over time by research, society and common sense experience to be true of human behavioural pattern.

Unfortunately, a lot of men who cheat fall into this category. Variety and change: Some men need a lot of variety in their lives. They thrive on new experiences and stimulation and are easily bored by the same thing every day. Supporters of this theory have tried to simplify this by drawing analogy between the variety some men desire in their relationships and the craving for food. They argue that while it is possible to have one favourite food, it is highly impossible that you will desire to eat the same food every day. The pleasure of eating the same meal diminishes as the days progress and a strong desire to eat something else begins to build up.

They went further to explain that a woman's heart works differently from a man's. Whereas a woman's heart tends to be able to love only one man at a time, most men's hearts are capable of and can truly love more than one woman at a time.

Depending on the individual; a man's heart can have several chambers and so can love multiple women, like a tree with many branches. In understanding this, think of the different colours you love. They could be two, three, four or even more. You like the different colours in different ways and for the different ambience and mood that each colour accentuates. You can even combine them with different things for different results. In this same manner, you can love more than one type of food.

These simple facts are obvious examples of what dominate the minds of those who love more than one person at a time, even

though some have argued that people are not like colours or food. And because a man tells more than one woman that he "loves her", desires her, or has feelings for her, it does not make him a "playboy" or "liar" or that he is using people in some sort of game and does not care for them.

Hmmm! It boosts men's ego: Nothing lifts the old self esteem like discovering that you are still a hot cake with the women. If you have been in a long term relationship or marriage and you have been faithful for a long time, it will sure tickle your ego and fantasy to discover that a woman still finds you attractive even after you have been off the dating scene for so long.

This is especially true of men who have crossed the 50s age bracket and beyond. Those in this group are most likely to cheat for a while and go back to their partners and comfort zone. Men with low self-esteem or who earn less than their partners or who have female bosses who are firmly in control also fall into this category.

Boring sex life: When partners have been together for a while, it is easy for sex to fall into a routine, perhaps, on a particular day of the week and in a particular manner. I have been told by several male friends how their wives will never allow them have sex with them in a certain position or how they determine the number of times they can have sex in a month or over a period of time. Some spouses have even told me how they have not had sex with their partners for several months.

Some men find this difficult to cope with and because there is little they can do about it, they just look for the fun and variety where they can find it. And since the wife is not talking, either by design not to rock the boat or truly because she is not in the know, the cheating game continues.

The other side of this too is that men who consider their wives chaste and pure and want to retain that notion about them.

Such men will shy away from having "too much sex" with them and will also not be too keen in making them practice certain sexual positions which they may feel are condescending.

Such men will cheat or even keep mistresses on the side that they pay to perform these roles with. In the movie "Analyze This", Robert De Niro complained that he could not have his wife perform the BJ because that is the mouth with which she kisses his children goodnight.

For the thrill: Some men actually thrive on the excitement and fun that a new affair generates. According to a research, the kind of excitement one gets in a new relationship is like that of being high on drugs. The excitement for both drug use and new relationship takes place in the same part of the brain.

For some men the "high" or adrenaline rush from courting, romancing, or seducing new women, may become an addiction. The excitement, stimulation and novelty they get from it makes them feel alive. They view all the ducking, dodging and sneaking around that cheating involves as a form of recreation or high-risk sport, and themselves as some kind of god or invisible being, capable of getting away with almost anything.

And since they live for the thrill of the chase, and new conquests as often as possible to feed their ego and sense of worth, these men will cheat over and over again, whether they are caught or not. The other side of the coin here are men who see their cheating as a sort of trophy. For each woman they are able to take to bed, it is a sort of victory or conquest.

This group most likely started cheating early in their love lives and is also not likely to quit because they cannot leave behind the thrill of the hunt, the chase and conquest cycle. If you have any reason peculiar to you or someone you know of which you can to the reasons why men cheat, kindly share it with us.

NNPC/SNEPCO DONATES MEDICAL EMERGENCY RESPONSE EQUIPMENT TO HOSPITAL IN LAGOS

Managing Director, SNEPCo, Bayo Ojulari giving his speech at the inauguration of medical equipment donated by NNPC and SNEPCo to the General Hospital, Odan, Lagos Island.

L-R: HRH Oba Rilwan Akiolu, Commissioner for Health, Prof. Akin Abayomi, and Managing Director, SNEPCo, Bayo Ojulari.

Prof. Akin Abayomi, State Commissioner for Health inspecting the Mini Ambulance

Prof. Akin Abayomi, State Commissioner for Health, Acting Public Affairs Manager, National Petroleum Investment Management Services, Yetunde Azendah and Managing Director, SNEPCo, Bayo Ojulari inspecting one of the Ambulances.

During the facility tour

Some of the medical equipment

HEALTH PORTFOLIO

Through the Community Care Programme, SNEPCo have reached the hinterlands of Lagos, Abuja, Bayelsa and Ogun States. This provides free quality health care to people in under-served areas

Reports from UNDP reveal that 1.6 billion people around the world live in fragile settings where protracted crises, combined with weak national capacity to deliver health services present a significant challenge to global health.

As part of concerted efforts to achieve Sustainable Development Goal 3, NNPC/SNEPCo continues to invest in Nigeria's healthcare development through five areas:

1. Health System Strengthening Projects
2. Integrated Humanitarian Assistance Project
3. Medical Emergency Response Improvement Programme
4. Health Insurance Scheme
5. Community care programs

Medical outreach at IDP camp in Borno State, in response to the humanitarian crisis in the North East.


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