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HOW TO MONITOR, SUPPORT LOCAL AIRLINES TO STEM COVID-19

HOW CORONAVIRUS IS IMPACTING AGRO EXPORTS

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HOW NNPC, OIL INDUSTRY, CACOVID ARE FIGHTING CORONAVIRUS


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DR. NJIDEKA KELLEY

Editor's Note

The past three months had been harrowing as the coronavirus (COVID-19) pandemic hopelessly cripples the world economy with unbelievable number of deaths, yet without solutions in sight. As at the last count, April 30, 3,300,058 cases have been recorded across the world with 233,639 deaths and 1,037,905 recovered patients. In Nigeria, within the same period, 1,932 cases has been recorded with 58 deaths and 319 patients recovered.

Economic activities came to standstill globally as the aviation industry was shut down and countries shut borders against one another. Internally, countries restricted inter-state movement and imposed lockdowns and curfews, all in attempt to contain the spread of the virus.

In Nigeria, where there is high level of poverty, implementing such measures effectively became arduous for law enforcement agents as citizens deliberately began to violate the orders as a result of hunger. To such citizens, it is better to contract the disease than to die of hunger indoors. Meanwhile, the palliatives promised by the government for the very poor couldn't be seen and accessed as only very few were privileged to get. Crime was on the increase and people were falling sick with medics in hospitals afraid to attend to patients to prevent getting the disease.

However, the private sector in partnership with major public companies came to the rescue. The Nigerian National Petroleum Corporation (NNPC) and its partners, the upstream and downstream companies under the umbrella of the "Oil and Gas industry Intervention Initiative on the COVID-19" and the "Nigerian private sector Coalition against Coronavirus (CACOVID" rose to the challenge, raised about N40 billion for the provision of medical consumables such as testing kits, medical protective suits and ambulances. Also, on individual basis, the companies raised additional money to buy protective materials, food items and other consumable for distribution to the poor masses.

With these interventions, the disease has been impressively managed and contained, though there is still much to be done as nobody knows when the disease will be finally subdued.

In the financial sector, technology through digital banking and payments helped a lot, as banks were shut down. This is despite the criticism and resistance cashless banking faced when the Central Bank of Nigeria introduced. But the ongoing spread of COVID-19 pandemic has provided opportunity for those that abandoned cashless banking to return it. Within this period, the finance industry has witnessed widespread use of the e-payment channels – Automated Teller Machines (ATMs), Point of Sale (PoS) terminals, web payment, online transfers and even mobile phones transactions. These channels are the easiest way to transact without physical contact, which is the fastest route to spread the Coronavirus.

The transportation sector was also hard hit by the pandemic, the Federal Government banned all flights. Operators and stakeholders are asking the Federal Government to support the airlines. To them, with or without airplanes, people must move. You cannot lockdown a city for too long. The local airlines need to keep running at least skeletally, but should be closely monitored much more.

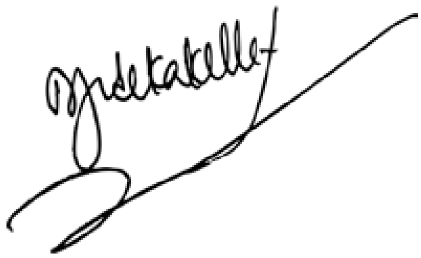
Players in the agriculture sector are also lamenting. To them, Nigerian agro exporters could find themselves in a state they least expected as movements to top destinations are being restricted. The United Nations Conference on Trade and Development (UNCTAD) said the outbreak could cost the global economy $1 trillion this year. UNCTAD further noted that the coronavirus epidemic is disrupting world trade and could result in a $50 billion decrease in exports across global value chains, adding that exporters have been hard hit. Big ticket importers of agro produce countries, such as United States, UAE, Germany, United Kingdom (U.K.), Singapore, Italy and China have also taken precautionary measures on food safety to prevent the spread of the virus and impact on their economies.

On Lifestyle and Relationship, we brought to you reasons to know your partner's blood type before marriage as mismatch may cause dissolution of the marriage due lack of love and childlessness.

The blood test reveals the couple's blood types and their compatibility. According to Healthline Networks, a provider of health information headquartered in California, United States, every partner must know the different blood types and those that are compatible before marriage.

Also, the burning issue of whether a boss should employ the opposite sex as personal assistant (PA), was elaborately discussed. These and interesting reports will make your day.

Take responsibility, stay safe and stay home if what will make you go out is not important. If you must go out observe WHO safety guidelines. We love you.



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From left: Minister of State for Health, Senator Olorunibe Mamora; Lagos State Governor, Babajide Sanwo-Olu; Minister of State for Petroleum Resources, Chief Timipre Sylva; Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari; and Chairman of Independent Petroleum Producers Group (IPPG), Adeyemi Bero, during the presentation of six ambulances and other medical consumables to Southwest states in Lagos.

HOW NNPC, OIL INDUSTRY, CACOVID ARE FIGHTING CORONAVIRUS

Global economies, including Nigeria, were hard hit by the coronavirus (COVID-19) pandemic. The consequences, according analysts, will linger long even after the pandemic has been contained. But kudos to the Nigerian National Petroleum Corporation (NNPC) led oil and gas industry coalition and the Nigerian private sector Coalition against Coronavirus (CACOVID, which hugely aided the government in the fight against and containment of the disease, reports ***Olamilekan FAWAS****.*

Ongoing upgrade of the NNPC International Diagnostic Centre, Abuja

When the variant of the coronavirus species of virus, COVID-19, broke out in China in December 2019, little did anyone know it would develop into a global pandemic. But like a wild fire, within four months, the disease has spread to almost all countries of the world. On February 27, 2020, the first official case of COVID-19 in Nigeria was reported in Lagos State.

The index case (patient) was an Italian citizen, who had arrived in Lagos from Europe and a few days later, he tested positive for the disease. Also in Ogun state, a neighbouring state to Lagos, another patient, the second case was confirmed on March 9. The second case, a Nigerian citizen in Ewekoro, Ogun State, had contact with the Italian citizen. However, on March 13, the second case was confirmed to be free of the virus having tested negative. Since then, the situation has developed with more cases occurring, regardless of measures initiated by the state and the Federal Government to combat the virus and return to normalcy.

Between February 27 the index case was confirmed, and end of April, Nigeria has recorded 1,932 cases with 58 deaths and 319 patients recovered while on global level, 3,300,058 cases have been recorded with 233,639 deaths and 1,037,905 patients recovered. However, Lagos State has remained the epicenter of the disease with susbtantial increases in the number of cases.

> *The Corporation is working towards enrolling other companies within the oil & gas Industry "so that we can have robust suggestions and get more contributions and support in the fight against COVID19 in Nigeria*

In line with World Health Organisation's (WHO) advice on several methods to help prevent spread of the virus and to save health systems across the world from a complete collapse such as hand washing, social distancing, using alcohol-based sanitisers and staying at home, which Nigeria adopted, containment of the disease was difficult. Meanwhile, Nigeria's health system before the pandemic was nearly non-existent. In most of the cities, health systems were completely dilapidated due to utter neglect as government officials and wealthy Nigerians unduly encouraged medical tourism.

As the number of COVID-19 cases began to escalate, the Federal Government declared an initial two-week lockdown on March 30, for three of 36 states (Lagos, Ogun, and Abuja). On April 13, the Federal Government extended the lockdown by another two weeks. Shortly after the order was announced by President, Muhammadu Buhari, there was uproar among the citizens due to a myriad of concerns particularly hunger. This is no surprise because in 2018, Nigeria was announced by the World Poverty Clock to be the poverty capital of the world, with over 40 per cent of its citizens living below the poverty line. Therefore, a large proportion of the population especially in Nigeria's commercial centre, Lagos, live on daily income with no savings to act as a financial buffer during the lockdown.

The prospect of staying at home, according to Bernard Kalu, could, therefore, lead to another problem, which is much hunger.

How NNPC led oil and gas industry coalition, CACOVID intervened

Although President Buhari promised the citizens some palliative measures including disbursing of funds and food items to those most affected. But the palliatives were far cry from the number of people that needed them. Just a small proportion of the population attested to receiving such support. It is in view of this development that a large number of citizens disobeyed the lockdown order, went out to eke out a living, but they were apprehended by the police. The combined effort of the police and the military to enforce the lockdown may have caused more problems than the infection itself. Lagos and Ogun had seen a spike in armed robberies, such as the attacks by the dreaded one million boys, which is one of negative outcomes attributed to the lockdown but the duo of the Oil and Gas industry Intervention Initiative on the COVID-19 and Nigerian private sector Coalition against Coronavirus (CACOVID) came to the rescue, giving all the necessary supports financially and otherwise.

Intervention of NNPC, oil and gas industry coalition

On March 27, the Nigerian National Petroleum Corporation (NNPC) collaborated with 33 upstream oil companies to raise a princely sum of $30 million to help the Federal Government in the fight against coronavirus (COVID-19) pandemic.

The collaboration initiated by the Group Managing Director of NNPC, Mallam Mele Kolo Kyari, was principally to garner the managerial and financial resources of the private sector and channel them to the containment of the disease.

The collaboration yielded result with the donation of $30 million about N11 billion, which would be used to provide medical consumables, deploy logistics and in-patient support and deliver medical infrastructure.

The industry-wide initiative would also involve players in the industry, which would be unveiled later. According to Kyari, the essence of the collaboration is to address the increasing demand for medical services. We are immediately providing medical consumables covering testing kits, medical protective suits and ambulances to the highly impacted areas across the federation.

He said: "The donation of $30million is an industry-wide collective support in

GMD NNPC, Mele Kyari donated two medical equipments to hospital in Abuja

Coronavirus pandemic is a global issue; and as a country we are not insulated from it as already seen by the growing number of people affected by the virus. The first thing that needs to be resolved is the health of our citizens

the fight against coronavirus in Nigeria. We will like to thank the 32 partners within the upstream oil & gas Industry that have enlisted into this initiative. The list is by no means exhaustive, just as the contribution too will not be exhaustive.

"The Corporation is working towards enrolling other companies within the oil & gas Industry "so that we can have robust suggestions and get more contributions and support in the fight against COVID19 in Nigeria.

"This will be followed in the next few days with the deployment of ventilators, beds and temporary intensive care facilities across the geopolitical zones of the federation."

The companies that donated to the initiative are: Shell Companies in Nigeria; ExxonMobil Companies in Nigeria; Total Companies in Nigeria; Chevron Nigeria Limited; Eni Companies in Nigeria; Addax Petroleum; Aiteo Eastern Exploration and Production Limited; AMNI International Petroleum Development Company Limited; Dansaki Petroleum Limited; Elcrest Exploration and Production Nigeria Limited; Eroton Exploration & Production Company Limited; Energia Limited; First Exploration & Petroleum Development Company Limited; First Hydrocarbon Nigeria Limited; Frontier Oil Limited; Green Energy International Limited; Lekoil Nigeria Limited; Midwestern Oil & Gas Company Limited; Newcross Exploration &Production Limited; Network Exploration & Production; Niger Delta Petroleum Resource Limited; Oando Oil Limited; Oriental Energy Resources Limited; Pillar Oil Limited; Platform Petroleum Limited; SEPLAT Petroleum Development Company PLC; Shoreline Natural Resources; Suntrust Oil Company Nigeria Limited; Vertex Energy Limited; Waltersmith Petroman Oil Limited; Yinka Folawiyo Petroleum Limited; Sahara Energy Fields Limited; and Belema Oil Producing Limited.

Players in the downstream industry under the aegis of Major Oil Marketers Association of Nigeria (MOMAN), Depot and Petroleum Products Marketers Association of Nigeria (DAPPMAN) and other petroleum producers, traders and marketers contributed to the fund.

The NNPC chief said in the downstream sector, the DAPPMAN donated N120 million for the provision of 36 ventilators and 1,500 coveralls, while MRS donated 2,000 test kits, 1,000 coveralls and N100 million for the acquisition of ambulances. Matrix Energy provided N360 million for necessary medical equipment, MOMAN provided 50 ventilators and OVH Energy donated ambulances for use.

Also speaking on a television programme interview on April 6, Kyari reiterated that

"Coronavirus pandemic is a global issue; and as a country we are not insulated from it as already seen by the growing number of people affected by the virus. The first thing that needs to be resolved is the health of our citizens. This is a difficult time for the country, and no Government on its own can resolve all the issues the pandemic has thrown at us. This industry is one that clearly benefits from the country, and we contribute to the growth and development of the country. So, we must come together to support the country."

He explained that the contributions from sector players had grown to N21billion and continues to grow as a result of downstream and service industry players joining the partnership. These contributions will support three thematic areas; the provision of medical consumables such as face masks and testing kits among others, the deployment of logistics and in-patient support systems such as ventilators and the delivery of temporary isolation medical centres and permanent medical infrastructure for use during this period and after the pandemic.

He noted that 60 per cent of the resources will go towards the third thematic area - the delivery of permanent medical infrastructure across the country, seen as a long-term intervention to upgrade the country's healthcare facilities but with immediate visibility and impact.

Scaling solutions rapidly to address what could potentially become a national crisis requires significant investment, innovation and collaboration. In this regard the individual indigenous companies have gone one step further to deploy additional initiatives to support the containment of the coronavirus; some with Nigeria's peculiarities in mind.

The sector has made commendable efforts in the area of medical relief. Seplat Petroleum and Waltersmith, have donated some medical supplies and equipment to the Edo State Government, including masks, temperature guns, motorised sprayers and other personal protective equipment. OVH Energy (an Oando licensee) and Aiteo have also made contributions to the Government's efforts by way of the donation of ambulances whilst MRS donated test kits, medical overalls and ambulances.

The Oil and Gas industry Intervention Initiative on the COVID-19 also donated six ambulances, medical equipment including nose masks, surgical gloves and ventilators, among others, to the six states in the Southwest to fight the coronavirus pandemic

Other companies like Matrix Energy made financial contributions towards the procurement of necessary medical equipment.

Sahara Group also donated a 190-bed medical facility. Thisday Dome in Abuja that would house the bed-spaces., while Eko Electricity Distribution Company (EKEDC) donates food items worth N150 million to the Lagos State Government in addition to supplying uninterrupted power to some of the isolation centres.

The NNPC, on its own, equipped the intensive care unit of the University of Abuja Teaching Hospital with 16 beds, ventilators and a dedicated laboratory.

Ex-President Olusegun Obasanjo offered properties to be used as isolation centres and health materials for treatment of infected cases.

The Oil and Gas industry Intervention Initiative on the COVID-19 also donated six ambulances, medical equipment including nose masks, surgical gloves and ventilators, among others, to the six states in the Southwest to fight the coronavirus pandemic.

The donation was at the National Petroleum Investment Management Services (NAPIMS) office in Ikoyi, Lagos. The Oil and Gas industry Intervention Initiative on the COVID-19, according to Kyari, is a coalition of all players in all segments of the Nigerian oil and gas industry including the NNPC, Oil Producers Trade Section (OPTS), Independent Petroleum Producers Group (IPPG), Major Oil Marketers Association of Nigeria (MOMAN) Depot and Petroleum Products Marketers Association of Nigeria (DAPPMAN) and other petroleum producers, traders and marketers.

Speaking at the presentation of the donation, the Minister of State for Petroleum Resources, Chief Sylva Timipre, said the oil industry coalition made similar donation in Abuja last two weeks after raising the sum of N21 billion and was replicating same in Lagos for the Southwest states. He noted that the intervention is hinged on three broad factors – provision of medical consumables, deployment of medical logistics, and delivering of health infrastructure. He added that similar items will be delivered in Kano in coming days.

Minister of State for Health, Olorunimbe Mamora, who represented the Chairman of Presidential Task Force on COVID-19, Mr. Boss Mustapha and received the donation on behalf of the Southwest states, said the gesture of the oil industry coalition was highly commendable. "You have done so well and I can assure you that posterity will be kind to you

COVID-19: NNPC, Partners Donate Ambulances, Medical Kits To South West States.

COVID-19 Oil & Gas intervention: Kano State Governor, Abdullahi Ganduje receives packages.

especially at this point in time of our nation. What you have presented today and will present in the days and weeks to come, will fortify the health sector of this country," he added.

The Governor of Lagos State, Babajide Sanwo-Olu, who also stood in for his colleagues – other governors, said the donation will immensely contribute to containing and eradicating COVID-19 pandemic. He thanked the donors for what they did and what they will do. He also commended their efforts to fortify the health sector and promised that the donation would be put to judicious use. He also assured that all the items would be delivered to the respective states, saying "Our people will come out of the pandemic strong."

The Group General Manager, NAPIMS, Bala Wunti, said anything that affects our health, safety and environmental sustainability, will bring down this industry. It is in view of this development that the players in the oil industry came together under the initiative of the Minister of Petroleum, GMD to see how we can mitigate the impact of the Covid-19 pandemic on the citizens and on our operation.

Through the initiative, we were able to raise N21 billion to make provision for ambulances, personal protective equipment and ventilators, among others. What we are doing today in Lagos is replication of what we did in Abuja. We have six ambulances and other medical materials and equipment for the six states in the Southwest –Lagos, Ogun, Oyo, Ondo, Osun and Ekiti.

Through the initiative, we were able to raise N21 billion to make provision for ambulances, personal protective equipment and ventilators, among others

We will deliver them to the respective states or they will come and collect them. When the fight against the coronavirus pandemic is over, we will ensure we have 12 permanent world class and well-equipped infectious disease hospitals (IDHs) at least two in each geopolitical zones of the country.

The Chairman of 1PP Group, Ademola Adeyemi-Bero, stated that they were glad to be part of the initiative to collectively fight the coronavirus pandemic, adding that part of the donation aside the ambulances include five million nose masks, surgical gloves, ventilators and diagnostic laboratory, among others.

Impressed by what the NNPC and the oil and gas industry coalition is doing, the Women in energy network showered praises on them.

According to Mrs Funmi Ogbue, the Managing Director Zigma Oil & Gas and President, Women in Energy Network (WIEN), WIEN an apolitical and non-profit organization, and is proud of the support extended to the Federal Government to combat the Coronavirus (COVID-19) pandemic by the NNPC and the entire Oil and Gas Industry.

"On our part, the Women in Energy Network (WIEN) and its members are doing a lot collectively and individually to join hearts and hands with NNPC and the Nigerian government to deal with COVID-19. We would encourage all women and women-groups to do same. This is not the time to lag behind as all hands need to be on deck to deal with this as a country.

"As the leading Women's Association in the energy value chain, WIEN has pledged to the oil and gas industry humanitarian intervention initiative, to donate test kits and lab equipment as well as boost the testing capabilities of government, all of which we are currently working to deliver.

"Our members through their individual companies are making donations in consignments of medical consumables, logistics facilities as well as providing free food items. For instance, Zigma Oil & Gas which I lead as the Managing Director has been working on supplying medical equipment and doing advocacy for "clean hands".

"In these difficult times, my sincere hope is that our WIEN community and the country at large, is safe and healthy and remains so as we move through COVID-19, low oil prices, and other present difficulties. WIEN is working to adapt to the current environment and to find ways to serve and benefit members now and in the "new normal" as it emerges.

"To achieve these goals, we are working on hosting webinars and providing educational opportunities for our members and the general public. Through the hosting of virtual events, WIEN hopes to continue providing members and the general public with networking, educational, and leadership opportunities at this time when most of us are at home. As majority of the world's children are currently out of school because of COVID-19 closures,

"Our intervention also provides for continuing with the education of children and the youth as the impact of the current situation is expected to be widespread and devastating, particularly for women and girls.

"It is important to highlight that since the emergence of the novel coronavirus, women have played a central role in the fight against the pandemic as they comprise the bulk of the world's frontline health workers, shouldering the burden of strenuous work and risking their lives."

Nigerian Private Sector Coalition against Coronavirus (CACOVID)

On March 26, Nigerian private sector leaders under the aegis of the Nigerian private sector Coalition against Coronavirus (CACOVID) unveiled the CACOVID initiative. The initiative led by the Central Bank of Nigeria (CBN), which had all the blue-chip companies including Dangote Group, Access Bank Group, Zenith Bank, Guaranty Trust Bank, UBA, MTN, ITB and BUA Group, among others.

The primary objective of CACOVID is to join the Federal and State Governments in the fight against COVID-19 by raising public awareness, supporting healthcare professionals, institutions and governments, and by mobilizing private sector leadership and resources.

Speaking at the launch of the initiative, Governor of Central Bank of Nigeria (CBN), Godwin I. Emefiele, said: "The Central Bank of Nigeria, on behalf of the Bankers' Committee and in partnership with the private sector led by Aliko Dangote Foundation and Access Bank have come together to form the Nigerian Private Sector Coalition Against COVID-19 (CACOVID). This Coalition was created out of the urgent need to combat the unfolding COVID-19 crisis in Nigeria.

The rate at which the virus is spreading is unprecedented and it appears we are fighting our most lethal adversary to date. So far, the Federal Government has made giant strides in the fight but it is clear that the private sector needs to step in and support efforts already being made. The objectives of the Coalition are to: Mobilize private sector thought leadership; Mobilize private sector resources; Increase general public awareness, education and buy-in; Provide direct support to private and public healthcare's ability to respond to the crisis; and Support Government effort.

"In doing this, the Coalition has set up four major committees comprising of: 1. Steering Committee to provide

Aliko Dangote *Tony Elumelu* *Mike Adenuga*

The primary objective of CACOVID is to join the Federal and State Governments in the fight against COVID-19 by raising public awareness, supporting healthcare professionals, institutions and governments, and by mobilizing private sector leadership and resources.

leadership and steer the coalition and committees in procuring all needed funding, equipment and materials for the battle against this pandemic. The steering committee will be chaired by the Secretary to the Government of the Federation, Mr. Boss Mustapha who currently chairs the Federal Government Committee on Covid-19. Other members of the Committee will be announced later.

"2. Funding Committee: This committee will be responsible for the initial funding of the effort. Membership comprises the CBN Governor, Aliko Dangote, Herbert Wigwe of Access Bank, Jim Ovia of Zenith Bank, Tony Elumelu of UBA, Segun Agbaje of GTBank, Abdulsamad Rabiu of BUA Group and Femi Otedola.

"This Coalition was created out of the urgent need to combat the unfolding COVID-19 crisis in Nigeria. Each member of the committee is to ensure that their institution contribute at least N1billion to this effort. More members are allowed as long as they are willing to contribute at least N1billion.

"3. Operational Committee: This will be responsible for project management, logistics, communication and advocacy. This comprises CBN Governor, Aliko Dangote Foundation, Access Bank, Zenith Bank, GT Bank, Stanbic IBTC, Ecobank, Fidelity Bank, Unity Bank, Nigerian Breweries Plc.

"4. Technical Committee: This committee is responsible for gathering data about the equipment and materials needed nationwide. They will also be responsible for intellectual leadership around testing issues, treatment protocols, isolation centres, among others. Membership comprised NCDC, WHO, Bill and Melinda Gates Foundation, Federal Ministry of Health and select members of the operational and funding committee.

"We will be working with reputable institutions and consultants including the Lagos State Commissioner for Health, Dr. Akin Abayomi, Dr Christian Happi, and Dr. Phillip Onyebujo.

"Information gathered so far has revealed that to procure all needed equipment, material, and all infrastructure needed to fight this pandemic, over N120billion need to be raised. The Bankers

COVID-19: Seplat, Waltersmith support Imo State, donate medical items to curb disease

Committee and these important Stakeholders will be required to step up to support this endeavour. We are already engaging other important stakeholders in Nigeria and abroad, such as the NNPC and players in oil industry.

"An account will be set up at the Central Bank of Nigeria to receive both Naira and foreign currency from our donors. The Technical Committee will be providing information about the venue where equipment and materials will be received just for those who wish to donate materials and equipment. They have made commitment to provide funding, equipment and material as well.

"At the end of the process, we shall have a reputable form of Accountants to render full account of how the funds were utilized as well as account for the materials donated.

"The need for all Nigerians to play a role in this fight cannot be understated as we are quite literally in the fight of our lives. I must highlight the fact that this is not just about bringing money. Your time, your services, your products will all be helpful. The committee has already begun work and we will keep you updated of our progress."

By April 23, the Nigeria Private Sector Coalition against COVID-19 had realised about N27.160 billion. The update on the contribution, as at April 23, was made known in a document released by the Director, Communications, Central Bank of Nigeria, Mr. Isaac Okorafor, on behalf of the coalition in Abuja.

We are pulling together resources across industries to provide technical and operational support, while providing funding and building advocacy through aggressive awareness drives

The document containing the list of contributors showed that the donations were made by institutions and individuals across the country. The CBN and Aliko Dangote were so far the highest contributors of two billion naira each.

AbdulSamad Rabiu of BUA Group , Segun Agbaje (GTB), Tony Elumelu (UBA), Oba Otudeko (First Bank), Jim Ovia (Zenith Bank), Herbert Wigwe (Access Bank) and Femi Otedola of Amperion Power Distribution donated one billion naira each to the fund. Also, Deji Adeleke of Pacific Holding Limited made N500 million donation.

Also Union Bank Plc, Sterling Bank Plc, Standard Chartered Bank, Stanbic IBTC, Citi Bank Nigeria Limited, FCMB, Fidelity and ECO Banks, African Steel Mills donated N250 million each and Multichoice Nigeria Limited contributed N200 million.

The list also showed that some Nigerians made donations of N1,000, N500, N200, N100, N50 and as little as N1.0 to the contribution.

Okorafor said the coalition was grateful to all the institutions and individuals that had open handedly donated to the relief fund.

As part of the efforts to combat COVID-19, CACOVID, said it will build fully-equipped medical tents as testing, isolation, treatment and training centres. These centres will be equipped with medical equipment, supplies and trained personnel to support sick patients. Work has already commenced to ensure the facilities are completed in time to serve the growing need of the population during this critical period.

"In addition to the safety measures we have put in place, we are also extending support to complement the Federal Government's efforts in the fight against COVID-19. We have created CACOVID, tasked with the responsibility of mobilizing the private sector though leadership and resources, creating public awareness, and directing support to private and public healthcare institutions," said Group Managing Director/Chief Executive Officer, Access Bank Plc, Herbert Wigwe. "We are pulling together resources across industries to provide technical and operational support, while providing funding and building advocacy through aggressive awareness drives. CACOVID is approaching the fight against the virus from three levels – "One, it was clear from beginning that no one institution can go it alone, so we solicit everybody's cooperation in tackling this scourge. Two, while several measures are being taken to stop the spread, including lockdowns, restriction, social distancing, there is the need to address the hunger. How do we cater for feeding the needy if these measures are to be effective?"

Wigwe explained that the third level was the thought leadership aspect of the plan, which is to tackle the post-pandemic aspect. He said: "A lot of businesses have been badly affected and economies have been disrupted. How do we get them back to life after we might have defeated the Coronavirus."

To the President of Dangote Group, Aliko Dangote, "COVID-19 affects us all and threatens our collective health – economic, social, psychological and physical wellbeing; hence, the urgent need to work together to beat this common enemy. The task ahead is daunting and bigger than any one organization. To win this battle, it is critical we all come together as one."

Africa's richest man stated that the facilities are in construction with respect to a potentially imminent need. He also proposed to supplement government testing with testing done at private labs in order to reduce the waiting period.

In addition, Aliko Dangote Foundation (ADF) had pledged N200 million to help prevent the spread of the disease. ADF Managing Director and CEO, Zouera Youssoufou told CNBC Africa that the investment will help to improve point-of-entry screening as an early defence, which includes the donation of thermal cameras at airports to monitor the temperature of travelers entering the country as well ambulances, personal protection equipment (PPEs), and training of healthcare workers. She added that ADF is actively working with the Nigeria Centre for Disease Control (NCDC), Federal Ministry of Health (FMOH), the Lagos Ministry of Health on the COVID-19 response, and is funding surveillance efforts to monitor the pandemic across the nation.

Open PCR machine is currently the standard platform. Eight labs in Nigeria are certified to conduct COVID-19 testing; 10 new PCR machines and 150,000 extraction kits have been ordered

By April 21, CACOVID stated that it has ordered for the supply of 250,000 tests kits and additional 150,000 extraction kits to fast-track molecular testing for the Coronavirus. Already, 10,000 test kits, out of the 250,000 have arrived as at April 16, the group said, adding that shipment receipt for the rest is expected in few weeks.

Interacting with reporters in Lagos, the group also said no fewer than 1.7 million households would benefit from its food relief package as part of complementary efforts to help alleviate the effects of the lockdown and restrictions adopted by governments across the nation.

The coalition said it has also set up isolation centres in five states of Lagos, Kano, Rivers, Borno and Enugu as well as FCT, while renovations of hospitals and medical supplies are being carried out in other states.

The Chief Executive Officer of Aliko Dangote Foundation (ADF), Zouera Youssoufou, explained that all the partners in CACOVID are ready to roll out in all parts of the country having commenced building and equipping of isolation centres in some states. According to her, there are currently three testing platforms for molecular testing in Nigeria, one of which is the "Open PCR machines", which the Coalition has ordered for 10 units, with eight laboratories certified to conduct COVID-19 tests.

Youssoufou said: "Open PCR machine is currently the standard platform. Eight labs in Nigeria are certified to conduct COVID-19 testing; 10 new PCR machines and 150,000 extraction kits have been ordered.

"The other is Roche Cobus platform with six machines in Nigeria, each capable of testing 960 tests at a time. Nigeria was on track to receive 38,000, but we have ordered 250,000. Also, 10,000 tests ordered arrived on April 16. The shipment of the testing kits comes in every 10 days on a UNICEF plane that literally flies them into Abuja, from where the dispatch happens.

"We also have Cepheid Gene Expert Machines – there are 400 machines installed in the country. 250 are expected to be functional with trained lab technicians. Cepheid has developed a COVID-19 testing cartridge that has received FDA approval, and will begin shipping to Africa in two weeks. We have ordered 250,000 cartridges and expect shipment receipt in two weeks."

ThisDay Dome, central area district isolation centre Abuja.

OIL COMPANIES CUT BUDGETS ON COVID-19 IMPACT

*As the world battles to contain the deadly coronavirus, the global economy appears to have nosedived as the oil industry undergoes the worst shock with prices on free fall - trading below $30 per barrel, writes **Olamilekan FAWAS.***

To remain in business, International Oil Companies (IOCs) and indigenous firms across the world have begun to scale down their operations and budgets as demand for oil from Asia and Europe increasingly continues to dwindle.

In China, most of the big companies that consume oil for their day-to-day activities had all shut down operations in a bid to curtail the spread of coronavirus. But to avoid total shutdown of the oil industry, countries and companies are beginning to scale down capital expenditure, working and operating budgets to keep the industry alive.

For instance, Saudi Arabia and Iraq have opted to sell crude oil at discounted rates ranging from $5 to $8 per barrel, and several oil companies are cutting down on their exploration, production and new projects budgets.

Nigeria has equally joined the League of Nations offering discounts on crude oil in a bid to woo buyers to patronise her, having earlier announced that about 50 cargoes of its crude oil were stranded.

Nigeria slashes crude prices

Nigeria before releasing its May loading programme, cut the official selling prices for its crude oil to record lows to clear a glut of unsold April-loading cargoes.

The country has had to grapple with an unprecedented excess of oil triggered by the coronavirus outbreak and a price war between Saudi Arabia and Russia for market share.

The Nigerian National Petroleum Corporation cut its April official selling prices for Bonny Light and Qua Iboe by $5 per barrel to dated Brent, minus $3.29 and minus $3.10 per barrel, respectively.

Brent crude, the international benchmark, has since fallen by over 60 per cent from January this year. It stood at $26.44 per barrel. May loading programmes emerged with key grades seeing an increase over the previous month, according to Reuters.

Bonny Light and Forcados are both higher and due to load 245,000 barrels per day (bpd), Bonga 123,000 bpd and Qua Iboe 215,000 bpd. There will also be two cargoes each of Usan and Yoho, five cargoes each of Brass River and Agbami, six of Egina and four Amenam, according to the report.

The Group Managing Director of the Nigerian National Petroleum Corporation, Mallam Mele Kyari, recently admitted the country was already struggling to find buyers for its crude oil, with over 50 cargoes yet to be sold.

The unsold cargoes represent more than 70 per cent of the country's total oil exports, which puts it in a very difficult spot, according to S&P Global Platts.

Kyari said Nigeria's crude cargoes had been stranded due to the higher selling price compared with its fellow OPEC members such as Saudi Arabia and Iraq, which could afford to offer discounts of around $5 to $8 per barrel to buyers.

> ***In these very tough conditions, I am very proud of our staff and contractors across the world for maintaining their focus on safe and reliable operations***

Shell cuts operating, working capital

Chief Executive Officer of Royal Dutch Shell, Ben van Beurden, in the company's 2019 annual financial report, said the company has embarked on a series of operational and financial initiatives expected to result in; reduction of underlying operating costs by $3-4 billion per annum over the next 12 months compared to 2019 levels; reduction of cash capital expenditure to $20 billion or below for 2020 from a planned level of around $25 billion; and material reductions in working capital.

In order to deliver sustainable cash flow generation, he said Shell is actively managing all its operational and financial levers – from focusing on maintaining safe and reliable operations each day to reducing capital spend and operating expenses.

Together, he said, these initiatives are expected to contribute $8-9 billion of free cash flow on a pre-tax basis, adding that Shell is still committed to its divestment programme of more than $10 billion of assets in 2019-2020, with timing depending on market conditions.

The company said as the COVID-19 virus spreads across the world – seriously impacting people's health, our way of life and global markets – Shell is putting the safety and health of our people and customers first, along with the safe operations of all our businesses. At the same time, it said it taking decisive action to reinforce the financial strength and resilience of its business so that it is well-positioned for the eventual economic recovery.

"As well as protecting our staff and customers in this difficult time, we are also taking immediate steps to ensure the financial strength and resilience of our business. The combination of steeply falling oil demand and rapidly increasing supply may be unique, but Shell has weathered market volatility many times in the past.

"In these very tough conditions, I am very proud of our staff and contractors across the world for maintaining their focus on safe and reliable operations while also ensuring their own health and welfare and that of their families, communities and our customers."

Chevron cuts spending

Amid the rising effect of COVID-19 on businesses, Chevron also announced actions in response to market conditions. Some

of its key business decisions included a 20 per cent 2020 capital spending reduction plan by $4billion and Permian production guidance reduction by 20 per cent.

Others are suspension of share repurchases, adding that the actions protect the dividend, prioritize long-term value, and support industry leading balance sheet.

"With an industry leading balance sheet and a flexible capital programme, we believe Chevron is resilient and positioned to withstand this challenging environment," said Chevron Chairman and CEO Michael Wirth. "Given the decline in commodity prices, we are taking actions expected to preserve cash, support our balance sheet strength, lower short-term production, and preserve long-term value."

The company, he said, is reducing its guidance for 2020 organic capital and exploratory spending by 20 per cent to $16 billion. Reductions, he sadded, are expected to occur across the portfolio and are estimated as follows; •$2 billion in upstream unconventionals, primarily in the Permian Basin, •$700 million in upstream projects and exploration, •$500 million in upstream base business spread broadly across our U.S. and international assets, and •$800 million in downstream & chemicals and others.

He explained further that cash capital and exploratory expenditures are expected to decrease by $3.3 billion to $10.5 billion in 2020. Total capital and exploratory spending in the second half of 2020 is expected to be about $7 billion, an annual run rate 30 per cent lower than the approved budget announced in December 2019.

The flexibility of our capital programme allows us to respond to these unexpected market conditions by deferring short-cycle investments and pacing projects not yet under construction

"Excluding 2020 asset sales and price related contractual effects, the Company expects production to be roughly flat relative to 2019. Note that Chevron's net production increases about 20,000 barrels of oil equivalent per day (boepd) for each $10 movement lower in Brent oil prices due to contractual effects. Permian production by the end of the year is expected to be about 125,000 boepd or 20 per cent below prior guidance.'

"The flexibility of our capital programme allows us to respond to these unexpected market conditions by deferring short-cycle investments and pacing projects not yet under construction," said Jay Johnson, Executive Vice President of Upstream. "At the same time, we are focused on completing projects already under construction that will start up in future years while preserving our capability to increase short-cycle activity in the Permian and other areas when prices recover."

In addition to reducing capital expenditures, the company is taking other actions to support its industry leading balance sheet including: •the $5 billion annual share repurchase programme that has been suspended after repurchasing $1.75 billion of shares during the first quarter.

•The company completed the sale of its interest in the Malampaya field in the Philippines with proceeds over $500 million received in the first quarter. In April, the company expects to close the sale of its upstream interests in Azerbaijan and its interest in a related pipeline.

•The company continues to execute its plans to reduce run-rate operating costs by more than $1 billion by year-end 2020.

"Chevron's financial priorities remain unchanged," said Chevron Chief Financial Officer Pierre Breber. "Our focus is on protecting the dividend, prioritizing capital that drives long-term value, and supporting the balance sheet."

Seplat cuts cost by 30 per cent.

Major Nigerian independent oil and gas firm, Seplat Petroleum Development Company Plc, is looking to cut costs by at least 30 per cent to counter a crash in crude prices, its Chief Financial Officer, Roger Brown, has said.

Brown said the company's cuts, which would ideally be higher in the short term, would see its drilling plans reduced to three wells from the 15-20 it had planned.

FUEL MARKETERS SHUT STATIONS, KICK AGAINST N123 PER LITRE

By Abisola THOMPSON

Fuel marketers across different states in the country shut their filling stations and declined to sell Premium Motor Spirit (PMS), which the federal government reduced the pump price from N125 to N123 per litre, the second slash within a month.

The operators, who are mostly members of the Independent Petroleum Marketers Association of Nigeria (IPMAN), said that they were yet to recover from the losses they incurred when the federal government on March 18, 2020 reduced the pump price of petrol from N145 to N125 per litre.

According to our correspondents in the states, it was discovered that most of the independent marketers refused to dispense the product. While some shut their stations, others opened but refused to sell to motorists. Some of the attendants said they were instructed not to sell the product to the public until further notice. In a few places, where the marketers dispense the product, it was still at the old rate of N125 per litre.

IPMAN, which issued a statement on the development, appealed to the federal government to stay action on the implementation of the new pump price of N123.50k for PMS as announced by the Petroleum Products Pricing Regulatory Agency (PPPRA).

The Association's South West zonal chairman, Alhaji Dele Tajudeen, in Abeokuta, Ogun State, said the appeal was to allow IPMAN's members to sell the petroleum products which they had purchased at an expensive price before PPPRA announced the new price regime.

PPPRA's executive secretary, Abdulkadir Saidu, announced further reduction in the pump price of PMS from N125 to N123.50k per litre. But Tajudeen, berated the management of PPPRA for announcing another reduction in the pump price of petrol without adequate consideration for the plight of marketers, most of whom he said, run their businesses through bank loans.

He stated that the entire executive committee of the South West branch of the Association had directed its members to continue to dispense petrol to customers at the existing pump price of N125 before the announcement of the new price regime of N123.50 announced by the PPPRA.

Tajudeen said: "It is very disheartening to hear that a new price regime is coming to effect without considering the plight of marketers who bought these products at an expensive price.

"We want to categorically state here that the last time when the federal government cut off a whole N20 from the pump price, all of us incurred greater debts. And the federal government needs to know that some of us obtained loans from banks to run this business and we have to pay interest on them. We are still struggling with the debts incurred not up to a month ago before another price reduction.

"We however, want to plead with the federal government to please understand with us so that majority of the marketers may not be sent away from business," he said.

In the same vein, the Kano State chairman of IPMAN, Alhaji Bashir Dan Malam, has directed members of his Association not to sell petrol for N123.50 per litre until their old stock is exhausted.

Danmalam told newsmen in Kano that members of the Association would not comply with the new price regime until they have sold their old stocks. According to him, the last time the federal government reduced the pump price of the product from N145 to N125 per litre its members nationwide lost over N5.5 billion.

He said: "We called on the government to compensate or support our members who incurred the huge losses due to the sudden reduction in fuel pump price but nothing was done. But to our surprise the private depots' owners were paid but none of our members was supported to reduce the losses they incurred. This time around, we will not sell our product until the old stocks are exhausted," he insisted.

He noted that IPMAN is the largest employer of labour besides the federal government, adding that members of the union would not continue to operate at loss.

NEW OIL PRICING TEMPLATE MAY UPSET DOWNSTREAM SECTOR –STAKEHOLDERS

By Olamilekan FAWAS

The Federal Government's monthly plan to implement and reactivate a pricing template for Premium Motor Spirit (PMS), otherwise known as petrol set in May 11, 2016, might disrupt the current stability enjoyed in the downstream sector as the inability of marketers to immediately align with set prices could result in product scarcity and resumption of fuel queues.

In fact, the new monthly pricing template, which has not been implemented in the last four years, may set the Federal Government on a collision course with marketers, who continue to advocate full deregulation of the sector.

The country has enjoyed stability and a level of uninterrupted supply of petroleum products within the last four years, due to a pricing mechanism that was retained, despite changes in global oil prices and government's monopoly in the importation of petrol.

While major marketers may find it easy to adjust their prices immediately, independent marketers are struggling to maintain their books, as many struggled to comply with the initial reduction to N125 last month. Already, the major marketers are calling for full deregulation of the industry, rather than the controlled prices.

According to the Major Oil Marketers Association of Nigeria (MOMAN), the present situation gives the government an opportunity to deregulate the market. With oil prices relatively unstable and foreign exchange presently scarce, especially for the importation of fuel by marketers, the impact of the monthly price review might not be felt immediately till the lockdown ends, and demand for PMS rises.

If the oil prices maintain the upward movement, having risen to $34.11, and going by moves by OPEC and allies to agree on a deal, the relief on the pump price of petrol might be a short one, as government might have to revert to the pre-existing template of N145 per litre.

OPEC and its allies are regrouping over the weekend following signals from the United States President Donald Trump that American producers would not be joining any production cut, and a rift between Saudi Arabia and Russia put Monday's planned summit on the ropes.

Similarly, there are concerns about the sustainability of monthly pricing template, considering that marketers stock products to meet demand and uncertainty in price affects the margins from the business; importations are still being managed by the Nigerian National Petroleum Corporation (NNPC); and the ability of many Nigerians to bear additional fuel costs may not be feasible, even as government revenue dwindles.

The Federal Government had in 2016 promised to monitor market fundamentals in line with the new policy of appropriate pricing with a view to advising marketers on subsequent guiding price band for products at the beginning of every month, but failed to fulfil the promise, until the recent fall in oil prices.

Already, Petroleum Products Retail Outlets Owners Association of Nigeria (PETROAN) has said that its members across the country have recorded massive losses due to the current changes in the price of petrol. The National President of the group, Dr. Billy Gillis-Harry stated that even though it was commendable for the Federal Government to reduce the pump in the face of COVID-19 pandemic and its attendant economic down turn globally, the development has adversely affected businesses for the retailers.

While the Federal Government had in March reduced the pump price from N145 to N125 per litre, it again, through the Petroleum Products Pricing Regulatory Agency (PPPRA), announced a further reduction of the pump price of petrol from N125 to N123.50k per litre last week.

With the further reduction, Gillis-Harry stated in Abuja that the marketers would lose a sizable amount of money, which would impact negatively in their buying power. "Our association wishes to bring to the notice of the Federal Government, the challenges of petroleum products retail outlets owners in Nigeria. Our members have recorded massive losses from March 19, 2020 when the first reduction was announced by the Federal Government.

"We therefore wish to appeal to the Federal Government, the PPPRA and other relevant stakeholder to come to our aid by urgently setting up an intervention fund to be midwifed by the CBN and disburse to our members in form of soft loans so as to cushion the effect of the PMS price reduction on their businesses and to guarantee replenishing re-investible capital," Gillis-Harry said.

However, the Group General Manager, Group Public Affairs Division of Nigerian National Petroleum Corporation (NNPC), Dr. Kennie Obateru, insisted that the group, which has remained the sole importer of PMS would do everything possible to ensure availability of the product.

Apart from stocking its over 6, 000 retail outlets across the country and maintaining operations during and after the lockdown, Obateru said: "On product availability, NNPC has up to 2.6 billion litres of petrol, which amounts to 60 days sufficiency at an average consumption rate of 45 million litres a day.

A Professor of Petroleum Economics and Policy Research, Omowumi Iledare, stated that at the current price, there would be surplus of PMS, adding that there could be the possibility of hoarding the product going by prevailing realities. To him, after the lockdown, the price must naturally go up to avoid scarcity without subsidy.

"The government must use this opportunity to liberalise the market, and at least, move away from price setting without market consideration," Iledare said.

He noted that should a sole importer be at play, what is to be regulated is not the retail price but the wholesale market, adding, "the retail market is competitive, but for sentiment and patronage driving

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NEW OIL PRICING TEMPLATE MAY UPSET DOWNSTREAM SECTOR –STAKEHOLDERS

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the price equalisation strategy."

The Founder and Principal Partner at Nextier, Patrick Okigbo, noted that the only solution to the downstream sector remained total deregulation. He said: "The government should do what it has known for a long time to be the only solution: deregulate the market. This is the best time to get it done and it will not impact the people."

Okigbo insisted that the Federal Government must also remove fuel subsidy now that the price of crude is at record low, adding that the low price offers the best opportunity to deregulate the market.

Head, Public Affairs, Department of Petroleum Resources (DPR), Mr. Paul Osu, who admitted that unless the lockdown was over, the true situation of the market could remain elusive stated that the regulator would ensure compliance on the modulated price.

While adding that the agency has ensured strict monitoring despite the lockdown, he noted that some fuel stations were last week sealed due to violation of the new pump price. Urging the public to report erring fuel stations, Osu said the group would not only enforce the new pump price, but penalise marketers, who attempt to hoard, divert the product or sell less quantity.

PricewaterhouseCoopers's Associate Director, Energy, Utilities and Resources, Habeeb Jaiyeola, said the Federal Government needed to communicate with petrol marketers and enable to plan appropriately, otherwise compliance with the modulated price would be difficult.

He said while government is looking to introduce a dynamic modulation system given the current price and the COVID-19 challenges, there was need for a strategy and holistic plan, especially between the marketers and the government.

"The price must be a collective decision. Private sector must be allowed to stay in business. The price must also give Nigerians the best reasonable price," Jaiyeola.

He projected that crude oil price would move should OPEC intervene based on current plans, adding that such reality would push the price up.

OIL PRICE SLUMP COULD FORCE NIGERIA TO BORROW MORE

As the price of crude oil at the international markets sunk further below $30 per barrel, analysts and operators in the Nigerian economy have said a sustained downward trend in the price of crude could force Nigeria to borrow more than it planned to and a possible devaluation of the naira, reports ***Abisola THOMPSON.***

President Muhammadu Buhari called an emergency closed-door meeting with key aides in charge of the economy, including those in charge of Finance and Petroleum Resources over the oil price.

Those at the meeting were Minister and Minister of State Finance, Budget and National Planning, Mrs Zainab Ahmed, and Prince Clement Agba; as well as the Minister of State for Petroleum Resources, Chief Timipre Sylva and the Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, and the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari.

The severity of the Covid-19 and its spread across the world had sparked a panic and spurring a sell-off of stocks. The price of oil which had suffered a setback since the outbreak was the most hit losing more than 30 per cent of its value overnight.

Oil prices have been on a slippery decline with more negative headlines on the coronavirus outbreak compounding downside losses. From $66.77 per barrel which crude sold at the beginning of the year, its price had crashed to $48.23pb at the beginning of April and had dropped below $30, a level that was last seen in 2016. The fall comes after Saudi Arabia announced massive discounts to its official prices in April as a response to OPEC and its allies failing to reach a middle ground over deeper supply cuts.

According to senior research analyst at FXTM, Lukman Otunuga, the staggering depreciation in oil prices could not have come at a more disruptive and critical time for the Nigerian economy. "At this point in time it is difficult to pinpoint where the floor is on oil which has depreciated over 43 per cent since the start of 2020, and this is bad news for many emerging market energy producers including Nigeria.

"The country's export earnings and government revenues will take a direct hit from the steep decline in oil prices. This will hit foreign exchange earnings, the Central Bank of Nigeria's ability to defend the naira, and may even result in rising inflationary pressures."

Raising questions over Nigeria's ability to effectively implement the 2020 budget which has set the benchmark for oil at $57 and oil revenue goal of N2.64 trillion, Otunuga noted that if severely depressed oil prices will hit export earnings, reduce government revenues, weaken the naira and stoke inflationary pressures adding that "Nigeria's economy will be under threat in 2020."

On his part, Head of Research at United Capital, Wale Olusi, noted that the oil price crash will mean a fall in the revenue for the country and the country may need to borrow more than the initial plan to be able to execute the budget.

According to him, the crash in oil price "means that oil revenue will drop by 40 per cent and it means we won't be able to properly execute budget of N10 trillion except we increase borrowing beyond the initial plan because the extra 40 per cent decline has to come from somewhere. If we don't borrow, the budget automatically will not be able to be executed 100 per cent which simply means that some of the capital projects will go unimplemented.

"Most of the time recurrent expenditure will be implemented because people have to get paid their salaries and debt servicing obligations have to be met. Most of the time it is capital projects that get abandoned."

This view was also shared by the managing director and chief executive of Cowry Assets Management, Johnson Chukwu, who noted that the prognosis is not good for the country. He said the revenue will be severely affected to the extent that "it will be difficult for the government to meet recurrent expenditure talk less of capital expenditure if oil prices remain at the low level."

He, however, hoped that what the global oil price situation is a short term situation as he said "what we are witnessing is a panic drop in crude prices. I believe it will correct itself. It may not go back to $58 but I don't think it will remain at the current level for a long time.

"Should it remain at current level, our reserves will be depleted sooner than expected, exchange rate will be affected and we may see a devaluation of the currency, and a sharp increase in inflation rate."

Managing director of Afrinvest Securities Limited, Ayodeji Ebo, who noted that with oil price now below the $50 mark, the trade deficit in the first quarter in 2020 may be higher than what was recorded in the last quarter of last year.

He noted that if there is a continued decline in the price of crude the reserves would further deplete making it unsustainable for the country to continue to defend its currency. Olusi while noting that oil proceeds account for about 90 per cent of what goes into the reserves, said: "if there is a pressure coming from oil, it means the accretion to the external reserves will be very slow.

"If the CBN is dipping hand faster into the reserves more than oil is adding into it, it is likely to fall below the psychological level of $30 billion that the CBN has been talking about recently. If it hits that level, then there might be problem with devaluation."

In his reaction the managing director of Danvic Petroleum International, Dr Afe Mayowa, said Nigeria should be guided by the obvious fact that crude oil being a global commodity cannot be controlled by any nation.

CORONAVIRUS, THE ECONOMY AND GLOBAL OIL PRICE

By Meletus EZE

That global oil prices recently witnessed a drastic drop in the early days of April because of the shock to the world economy from the corona virus (COVID-19) pandemic should be of huge concern to the government and people.

This global health crisis, which subsequently became an economic crisis has significantly ravaged the global economy including the advanced economies of the Organisation of Economic Cooperation and Development (OECD) as well as the emerging markets.

Nigeria, as a major oil exporting country, has been caught up in this spiralling global crisis. The Nigerian economy is currently in tatters given that the price of crude oil, the country's main foreign exchange earner has crashed with the drastic fall in demand by China, one of the major destinations of Nigeria's crude oil.

In fact, the price of crude oil has dropped by half in 2020 due to this global demand shock caused by the virus pandemic.

It would be recalled that the deal entered into by OPEC and its allies including Russia, in the effort to manage the crisis, could not hold with Russia rejecting further output cuts with a reaction by OPEC to remove limits to its production levels.

This rigmarole by the major global oil suppliers in combination with the global demand shock has made many oil exporting developing nations very vulnerable in the management of their domestic economies.

The management of this crisis is quite challenging for Nigeria. This is particularly so given that the country has, over the years, failed in its quest to diversify the economy. This is quite unfortunate despite the promise by the Buhari administration to refocus and diversify the economy through the launch of its Economic Recovery and Growth Plan (ERGP).

The promise is that by 2020 the dependence of the economy on oil would have been drastically reduced. The whole plan has turned out to be a mirage. According to the Fitch rating agency, this COVID-19 crisis will have a downside risk for short-term growth of the Nigerian economy in view of the fact that most of the country's non-oil exports are usually destined for the Chinese market.

The services industry has also been affected by this crisis. Largely it has been affected with supply chain disruptions due to seaport and air travel cancellations. For example, the air travel disruptions are quite damaging to the economy with the loss of over twenty thousand jobs and over N160 billion in revenues, if estimates by the International Air Transport Association (IATA) are anything to go by.

The question to ask is whether there is any way out of this economic quagmire. In the short term several issues have been raised. One of which is how the country can meander its way in implementing the 2020 federal budget, which is based on a $57 per barrel benchmark in determining the expected revenue to be derived from oil. Expectedly the government has come up with a strategy to drastically reduce the size of the budget.

One wonders, however, whether the government's reaction of cutting the budget benchmark price to $30 per barrel will do the trick. The government's plan, which includes a 50 per cent cut in revenue from privatisation, cut in capital expenditure by 20 per cent across all ministries, departments and agencies (MDAs), 25 per cent cut in all government expenditures and a suspension in recruitments appears insufficient in addressing the issue.

This strategy is based on the assumption that oil price will be at least $30 per barrel whereas it currently hovers around $25 per barrel. In addition, it is not quite certain when this whole corona virus imbroglio will come to an end. Could it be that the crisis would persist longer than the government's strategy anticipates or is it not even doubtful that the country would be in a position to service its current public debt of over N25 trillion?

One strategy proposed by the Senate is that the naira should be devalued. That is a major step that could have different implications for the economy. While the Central Bank of Nigeria (CBN) has denied having any plans to devalue the naira, it nonetheless offered dollars to its investors and exporters foreign currency window at N380 as well as moving the official exchange rate from N307 to N360 per dollar.

Though the CBN calls this a price adjustment, many see it as a subtle devaluation of the naira by the apex bank. This is more so given that the country's excess crude

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BOOSTING ACCESS TO ELECTRICITY WITH

By Aliyu DANLADI

The need to focus on off-grid/mini-grid solutions to increase access to electricity in the country took centre stage at the launch of the $200 million loan made available to the Rural Electrification Agency (REA) by the African Development Bank (AfDB) recently in Abuja to prosecute the Nigerian Electricity Project (NEP).

Access to electricity in Nigeria has remained a lingering challenge over the years. With a population close to 200 million, only about 50 per cent of the people, mostly residents of the townships are said to have access to electricity supply, and in most cases not quality one, from the national grid.

According to a report, over 80 per cent of Nigerian business owners cite power challenge as the most significant obstacle to doing business, as they experience an average monthly power outage put at 239 hours.

Nigeria's Power Sector Recovery Programme (PSRP) estimates that the erratic supply of power results in an annual economic loss in excess of $25 billion.

Recurrent unscheduled blackouts have pushed the population and businesses to invest in self-generation. It is estimated that only about 50 per cent of the electricity generated comes from the grid, while the other half is generated from individual power sources, generally small petrol/diesel generators.

In 2009, the total capacity of individual power sources from petrol and diesel generators was conservatively estimated at 6000 MW. As of 2006, the Federal Capital Territory, Lagos and the South-South and South East, particularly the Niger Delta states (Delta, Bayelsa and Rivers), which are abundantly endowed with oil and gas, were the ones with the highest concentration of generators.

The situation is a far cry from projections on electricity demand trajectory in Nigeria by stakeholders in the past. For instance, as a result of high economic growth and demographic pressure, in 2008, the Energy Commission of Nigeria (ECN) together with the International Atomic Energy Agency (IAEA) projected a demand of 15,730 megawatts (MW) for 2010 and 119,200MW for 2030 under the reference scenario (seven per cent yearly economic growth). As at today, Nigeria's annual GDP and growth rate remains in the region of 2 per cent while average power supply is within an average of 3, 5000MW.

Seeking a way forward, the federal government, in its Power Sector Reform Roadmap (2013), set the ambitious targets to upgrade the hydro and thermal power systems and key into renewable power alternatives to increase capacity by the year 2020.

The targets also aim at diversifying Nigeria's energy mix to reduce its natural gas dependence. This led to the deployment of alternative power solutions such as mini-grids which are believed to be a cost-effective and practical solution in a timely manner when compared to grid expansion, being facilitated by the federal and states governments.

The federal government's Economic Recovery and Growth Plan (ERGP) 2017 – 2020 focused on increasing access to electricity throughout the country by encouraging small-scale renewable energy sources in addition to repositioning the grid system for optimal performance.

Hence the Nigeria Electrification Project (NEP), which was an initiative of the federal government. The project which is being implemented by the Nigeria's Rural Electrification Agency (REA) in conjunction with the World Bank, is private sector driven and seeks to provide electricity access to households, micro, small and medium enterprises in off grid communities across the country through renewable power sources.

On the 24th May, 2017, the Nigerian Electricity Regulatory Commission (NERC) released a Mini-grid Regulation to govern the development of integrated electricity generation and distribution supply systems of under 1MW either in isolation from the Distribution Companies (Discos) or interconnected to the DisCos' existing network infrastructure, thus enabling willing and capable individuals, corporate organisations, and states to build and manage a mini-grid to complement the conventional grid supply, thus increasing access to electricity.

A mini-grid is an integrated local generation and distribution system with installed capacity below 1MW, capable of serving numerous end users independent of the national grid. It may be 'isolated' with no link to any other network or 'interconnected' with the main grid such that energy exchange is possible between.

To implement NEP, Nigeria got approval for $350 million loan by the World Bank through the International Development Association (IDA) in 2018. According to the agreement, the loan is to mature in 30 years with five years grace.

In May 2019, REA launched the mini-grid and solar home components of NEP which aims to extend electricity services to 300,000 households and 30,000 enterprises in rural areas by 2023.

In demonstration of its overwhelming support for NEP, the African Development Bank (AfDB) has approved $200 million loan for REA to invest in mini-grid/renewable energy projects that would electrify the unserved and underserved majority, estimated to be 80 million people, largely rural dwellers.

Speaking at the official launch of the fund in Abuja recently, the acting vice president, Power Energy, Climate and Green growth Complex at AfDB, Wale Shonibare, said AfDB was providing the $200 million fund for REA to service the four components that will provide solar hybrid power for 250 sites, Productive Use Appliances (PUA) for deployment across mini grid sites, powering eight federal universities and institutional strengthening for REA to improve on its capacity.

MINI-GRIDS

He noted with concern that although Nigeria's power sector was privatised in 2013, it still struggles to generated 4,000MW for 120 million people, leaving 80 million without access to power. "Nigeria needs to connect 500,000 to 800,000 households per year to achieve the electricity for all target by 2030 in line with the Sustainable Development goals (SDGs).

"With the improvement in off grid technology, there is now a means to reach unserved and underserved communities," Shonibare said.

On his part, the managing director, Rural Electrification Agency (REA), Ahmad Salihijo who expressed gratitude to AfDB for the gesture said his agency would rely on private sector investments to ensure that the 80 million people without access to electricity in the country are electrified through off-grid/mini-grid projects.

The REA boss said: "Over the past two years, the agency has intensified efforts at providing electricity across communities. REA was capitalising on private sector investments to ensure that the 80m people have access to power.

According to him, there are four components of the project that include Solar Hybrid Mini Grids ($70m), Energy-Efficient Appliances for Productive Use ($20m), Phase Three of the Energising Education Programme ($100million), and Technical Assistance and capacity building ($10million).

The minister of State, Power, Goddy Jeddy Agba, at the launch in Abuja lauded AfDB for the partnership. Agba, who referred to the success story of Rokota Mini Grid in Niger State, executed by REA with World Bank's funding in 2019, said, "If we could have many of those things done across the country, we could have a lot to shown in a very short time."

The special adviser to the President on infrastructure, Ahmed Zakari, said the President Muhammadu Buhari's administration is working to lift 100 million people out of poverty in 10 years, saying agency like REA could help drive that ambition. "When we talk about 80 million Nigerians not having access to energy, this is a problem that could create other problems."

Zakari who represented the minister of Power, Sale Mamman, also said there is a bleak on economic outlook over the coronavirus outbreak and falling oil prices. He, therefore, advised that REA increases its local content in the project delivery.

The Head, Project Management Unit of the Nigeria Electrification Project (NEP) at AfDB, Kenny Amuwe, said the PUA will be deployed to exiting REA mini grid sites before August 2020 to boost economic growth.

Chairman of the REA Board, Umaru Maza Maza assured of support for the agency. "The board of REA will do all within its power to help the agency achieve its mandate as spelt out in the Electric Power Sector Reform Act 2005 and the RESIP and approved by President Buhari in 2017," he noted.

CORONAVIRUS, THE ECONOMY AND GLOBAL OIL PRICE

Continued from page 19

account is virtually empty and the foreign exchange reserves have been declining since 2019. The reality dawning on all and sundry is that the Nigerian economy is currently not on a sound footing.

In the short term, government should undertake a cost cutting posture across all its MDAs as it has already proposed. It should do more particularly for appointments and programmes that do not add value to the common good.

The cost reduction should start from the top. Unnecessary appointments of special assistants, special advisers, white elephant projects and programmes should be cancelled. The bogus expenditure profiles of the presidency and the other arms of government should be drastically reduced. In fact, a number of the expenditures by this administration have not been producing tangible results as would have been expected.

For example, about N11billion is said to have been budgeted for the Aso Villa Clinic since 2015 and not much has been seen on ground to justify such humongous expenditures. If those funds were judiciously spent on the health sector, one wonders whether it would have been necessary for the president and top government officials to travel abroad for medical attention.

Overall, if expenditures on the health sector were done judiciously, Nigeria would have been better prepared to combat the current COVID-19 pandemic. This lack of preparedness and poor response to the crisis has led to a near total shutdown of the economy with very devastating effects on the very poor and the micro, small and medium scale enterprises in the country that need daily cash flows to live at the subsistence level.

In the long term, this country should seriously consider the restructuring of the polity and the economy. The overly dependence on oil has become a curse to the country. No wonder international scholars have referred to the "oil curse" as the main problem confronting third world oil exporting countries.

Nigeria should seriously embrace fiscal federalism as was practised in the first republic where each region developed from within and was able to generate revenue to execute its various development programmes with the appropriate agreed percentage remitted to the centre.

AKK GAS PIPELINE: BUHARI'S BIG INFRASTRUCTURE PUSH

One of the big promises made by President Muhammadu in his campaign for Nigeria's presidency is the Ajaokuta-Abuja-Kaduna-Kano (AKK) gas pipeline project.

The project entails the engineering, procurement, construction and commissioning (EPCC) of 614-kilometres gas pipeline and stations, traversing the states of Kogi, Niger, FCT, Kaduna and Kano. It is to transport dry gas from the nation's rich gas fields in the Niger Delta to the Northern parts of Nigeria.

This pipeline project is itself a section of an ambitious pipeline project to supply gas to Europe through the proposed Trans Sahara Gas Pipeline (TSGO) and Nigeria Morocco Gas Pipelines.

The Federal Executive Council (FEC) under President Muhammadu Buhari took the important and decisive step to fast track the closure of all outstanding issues relating to the financing and the issuance of a Sovereign Guarantee (SG) to support debt service and China Export and Credit Insurance Corporation, SINOSURE's policy to underwrite up to a maximum of 85 per cent of the project cost, which is now reduced to USD 2,591,849,049.19.

The earlier contract, approved by this administration for the AKK was USD2,890,522,548.37 based on 100 per cent "Contractor Financing Model."

This changed when SINOSURE offered to underwrite 85 per cent only of the entire contract sum and the basis of the relationship changed to "EPC Lump Sum Contract Award."

This arose from a rethinking on the part of the Nigerian National Petroleum Corporation (NNPC) which came up with a new project financing design by with the balance of 15 per cent of financing was taken up by them.

The Nigerian Gas Company (NGC) a subsidiary of the NNPC quickly intervened to provide the required 15 per cent, the equivalent of US434 million equity contributions from internal sources and accumulated revenues.

To quicken the speed of the project takeoff, this 15 per cent equity funding has been paid and will be used to proceed with the project to mitigate further delays and ensure that the project is back on track.

The "gas penetration" to these areas of the country will significantly reduce energy cost for industries along the pipeline corridor in addition to the massive generation of employment during and after the construction.

In addition to the creation of employment and serving as a boost to industrialization through gas based industries and power generation sectors as beneficiaries of this project, the AKK will increase government revenues, encourage exports and enhance the nation's foreign reserves by reducing dependence on imports.

It is equally hoped that the project, upon its completion, will ensure that economic challenges being witnessed in the northern region due to shortage of gas supply are addressed. It will also give the nation energy security and act as a catalyst to propel industrial development and boost agriculture in the country.

This project is among the cardinal policy objectives of the Buhari administration and its realization will be a major accomplishment of the government's efforts in the delivery of democracy dividends.

The project is environmentally friendly as it will contribute to the elimination of gas flaring, improve the health of communities in the oil producing areas, reduce the nation's carbon footprints and comply with climate control treaties to which the nation is signatory.

The resolution of the outstanding issues around the AKK project at this time should send an important message that the journey to its realization is for real.

The President is determined to accomplish the project in the 24-month period of the signed agreement. The period falls within the balance of period covered by his Second Four Year Term.

We are a country notorious for truncating government projects on account of changes in administrations. Except for the Buhari experiment, marking a break with the past, Presidents, governors and council chairmen don't come to office with the mind of completing projects they met.

They alone want their signature on the projects they execute. So they stop work on those projects they met and start new ones. In the end, they leave office without finishing what they started, adding thereby to the nation's mountain of uncompleted projects.

The difference President Buhari makes is that he insists on completion, rather than the commencement of new projects except where it is extremely necessary.

If you take away the Abuja-Kaduna-Kano expressway, all the major projects under the Presidential Infrastructure Development Fund with dedicated funding from the Nigeria Sovereign Investment Authority, and lately the recovered loot from Abacha are all inherited from past administrations: the Second Niger Bridge, the Lagos-Ibadan Expressway and the Mambila Power Project.

All the major spendings in the Ministry of Transportation, specifically the standard gauge railways linking the south to the north and the west to the east are geared towards project completion.

Under the Ministry of Water Resources, no new projects have been budgeted in the last five years. All money allocated to the ministry is towards the completion of projects started and abandoned, some of them going back to the President's years in the Petroleum Trust Fund (PTF).

Thankfully, we are seeing a harvest of so many of these projects, due to the President's insistence and the focus and dedication of the ministers in his cabinet.

The AKK project which will now leave the drawing board towards its execution and completion was agreed to in June, 2009 between Gazprom, the Russian gas monopoly, in a signed deal to invest at least $2.5billion in a new joint venture with Nigeria's state-owned oil company NNPC to explore and develop the country's vast gas reserves.

The formation of the 50:50 joint venture, between Gazprom and the NNPC named Nigaz, followed a prolonged courtship by Russia which began under Vladimir Putin by the administration of the late President Umaru Musa Yar'adua. If floundered with his death.

This time around, there is no going back on the AKK project because there is a market already waiting. It has off-takers, when completed, with Abuja on cue to having a 1,350 megawatts (MW) power plant, Kaduna, 900MW and Kano, 1,350MW.

President Buhari is determined to take it forward. It's another signature project on which the name "Buhari" will be written in gold, to be remembered long after he leaves Aso Rock.

By Garba Shehu, Senior Special Assistant to the President (Media and Publicity)

STRENGTHENING ENERGY SECTOR TO MEET CHALLENGES IN 2020

By Abisola THOMPSON

Unarguably, the use of energy is fundamental to development even as energy production and consumption remain one of the main factors for determining the strength of the global economy.

Apart from its impact on world economy, energy sector drives real growth and improves the economic fortune of any nation when harnessed appropriately.

Recognising the importance of the sector, stakeholders suggest that the performance of the sector ought to be reviewed regularly to enable it to meet the desired expectations.

According to them, the performance of the sector in 2019 should be a guide for what is expected in 2020 and beyond, especially when there are sustainable policies for the diversification of energy sources that can result in renewable energy.

In 2019, the energy sector witnessed series of events such as increase in electricity consumers, irregular power supply and issues with electricity generation and distribution, among others.

Consumers also showed commitments by coming together to complain about power service delivery and estimated billings. Also, the Ministry of Power claims that it has been able to increase electricity megawatts and resuscitated some moribund transmission companies.

Miss Ruth Ifah, an electronic electrical engineer, observes that the country made some notable progress in 2019. "The year has been a ground-breaking year the private power sector groups; this was made possible through varying initiatives for rural or community electrification, corporate utilities and value packed home power systems.

"A few of United Nations sustainable development goals which are sustainable and clean energy, goal number seven and climate action goal number 13 also set the pace to follow," she said.

Ifah noted that Nigeria is fast improving on its sustainability in power generation it can boast of sustainable energised cities and communities in future. "This will bring to actualisation sustainable development goal number 11; where the citizenry will have access to providing opportunities for all with increased access to basic services, energy, housing, transportation and more.

Ifah further notes that the country increases its electricity production and also makes proactive steps in getting a ready alternative by leveraging on its natural resources.

"Presently, Nigeria has just about two to three means of power generation fed into its national grid for an ever increasing population. This is by far an outstretched on our demand-supply ratio and makes it impossible to meet such expectations through these means alone.

"Developed countries adopt a wide range of energy resources to meet up with existing and increasing demand for power. I strongly believe the country will go a long way if such means of power generation be explored; one of such renewable means plausible is solar energy.

"Technology for adopting solar energy in the world today is fast rising and improving, hence I believe the power sector — both private and public — could take advantage of it," she explained.

She insisted that Nigeria can attain the SDGs and ensure safe earth through renewable energy. "Nigeria is blessed with most appropriate weather; nonetheless, we should preserve and nurture this by adopting UN SDGs.

"I believe one of the most possible threats for the nation's climate state is the use and combustion of fossil fuels through fossil fuel generators for daily operations.

"This daily and increasing use of fossil fuels has adverse consequences on our climate; gladly the renewable energy reform through solar energy solutions is indeed a breath of fresh air and thus a most sustainable solution," she said.

Also, Dr Olumuyiwa Alaba, an energy expert, said government must be prepared to solve the problems that have plagued the sector for long. He advises the government to adopt energy model that is working such as the independent power plant.

"A model that government can adopt is to continue to encourage independent power plant, but it must have power sector edge. There is a model that Rural Electrification Commission with support from GFI — a software organisation — in Ariara Market, Onitsha and Sura Market in Lagos, called Energising Economy. What they do is to create independent power plant metered for cost recovery; people pay whatever meter read to the private sector implementing that. By this, people realise they pay less than half the price of what is used to run generator, thereby eliminating all generators.

"If such models are replicated all around, there would be less pressure on the national grid which is old and lacking in capacity to transmit what is generated by the electricity generating companies," he said.

He noted that one of the major challenges of the generating companies is that the bulk of what is generated and sold is lost to the national grid because the facilities are very old.

Experts in energy sector observe that although power generation has improved, government should include investors more to ensure adequate power generation required for overall national development.

COVID-19 LOCKDOWN: OUR LOADING DEPOTS REMAIN OPERATIONAL —NNPC

By Shile GIWA

The Nigerian National Petroleum Corporation (NNPC) says its depots will be in operations to ensure availability of petroleum products in the country.

The Managing Director of the Petroleum Products Marketing Company (PPMC), Mr Musa Lawan, disclosed this through the NNPC's spokesman, Dr Kennie Obateru, in Abuja.

He said the move was to ensure that the Presidential directive on the lockdown of some states was adhered to without concerns about availability of petroleum products. He added that the activation was also one of the measures to guarantee seamless distribution of fuel across the country throughout the period of the lockdown and beyond.

"The PPMC workforce have been mobilised to provide loading services throughout the period of the envisaged lockdown. If you recall, the Group Managing Director of NNPC, Malam Mele Kyari, stated that we have 60 days sufficiency of Premium Motor Spirit.

"That is very correct, as a matter of fact, we have about 2.68 billion litres of petrol in-country and in marine storage. At the prevailing daily consumption rate of 45 million litres that translates to roughly 60 days," he said.

Lawan called on motorists and other consumers of petroleum products not to engage in hoarding or panic buying of petrol, noting that the Corporation was ready to provide enough products across the country.

He also disclosed that two more petrol laden vessels were expected to berth at the Ports, adding that the vessels would be discharging 250 million litres of petrol.

On the recent complaints of non-availability of personal protective equipment against the Coronavirus for tanker drivers by the National Association of Road Transport Owners (NARTO), Lawan assured that the PPMC was engaging with the stakeholders to address the issue of safety kits for tanker drivers.

OIL PRICE SLUMP: FG'S CHANCE TO EXIT RECOVERY CHALLENGES — EXPERT

By Aliyu DANLADI

Former President, National Association of Energy Economics (NAEE), Prof. Wumi Iledare, said the global oil price slump was an opportunity for Federal Government to exit the under recovery and over recovery challenges in the petroleum sector.

Iledare made the remark in Abuja, adding that apart from reducing the pump price of Premium Motor Spirit (PMS) to N125 per litre, the sector needed a lot of reforms.

"Government should have taken advantage of this low price to get out of the under or over recovery saga. The government appears too afraid of social unrest to maintain paternalistic lifestyle that is unsustainable," he said.

Commenting on the new pump price of PMS, he said that the N125 per litre of fuel would create producer surplus rather than consumer surplus. It is a price floor above the market clearing price at less than 30 dollars per barrel of crude.

"Unfortunately, government looks at N125 as price ceiling while marketers look at it as price floor. Basic economics supports the latter. So, consumers are not necessarily better off with this seemingly price reduction," he said.

According to him, consumer surplus is not optimised. He explained that the only good thing was that there would not be shortage of PMS, but noted that it would be a substantial welfare loss with the price floor at N125.

"I wish the government could take the advantage of low crude prices and let go of price setting," he added.

NCDMB UNVEILS $50M INTERVENTION FUND FOR OPERATORS

By Shile GIWA

The Executive Secretary of the Nigeria Content Development and Monitoring Board, (NCDMB) Simbi Wabote, has stressed the Board's commitment to change the narrative in research and development (R&D) activities in the oil and gas industry with the implementation of the R&D Framework and the hosting of an R&D Fair and Conference to engender stakeholders' participation.

Wabote, during the flag off of the NCDMB Research and Development, Fair and Conference Roadshow before the Minister of State for Petroleum Resources, Timipre Sylva in Abuja, explained that the Board intends to develop an R&D specialized centre in Yenagoa with a model to convert ideas to products.

He also dropped the hint that the Board is providing leadership in its drive for research development by launching a $50million R&D intervention fund to enhance the role of R&D in developing local content and for other stakeholders to contribute to the fund as most countries who have invested in R&D are optimal in their GDP.

In his response, Sylva commended the Board for the R&D initiative which according to him, is a good start and promised to be at the Fair and Conference to declare it open and carry out any other function that may be required of him.

The Minister stated that R&D is a major pathway to job creation and the transformation of the nation from a resource-based to a knowledge-based economy.

He, however, regretted the non-responsiveness of the industry and the academia to research development and urged the industry to engage in R&D as the country is striving to move from an oil-based to a knowledge-based home-grown technology after over five decades of oil production.

Sylva charged the industry to collaborate more with the academia to bring about home-grown solutions to the nation's problems. He further mentioned that the issue of climate change is a problem of carbon emission, not necessarily transition to renewables, hence, the industry should research into how it can reduce the carbon emission from oil exploration activities as the nation has far too long allowed other climes to dictate the narrative for us.

Simbi-Wabote, NCDMB Executive Secretary

In a related development, the Group Managing Director of the Nigerian National Petroleum Corporation, (NNPC), Mr. Mele Kolo Kyari has pledged NNPC's resolve to partner with relevant government agencies and NCDMB on its steering committee to make decisions that will jointly support innovations in the oil and gas industry that will be beneficial to the nation.

Kyari made this known at the NCDMB Research and Development, Fair and Conference Roadshow visit to him by the Executive Secretary of the Board, Engr. Simbi Wabote.

He further stated that the corporation intends to constitute a team of seasoned employees to lead the initiative which clearly fits into the NCDMB objective of growing local capacities and abilities with a commitment to participate in the Board's R&D Framework to support indigenous competencies.

NPDC GIVES OML 65, NOGA COMMUNITIES TRANSFORMERS, FREEZERS

By Abisola THOMPSON

The Nigerian Petroleum Development Company (NPDC), a subsidiary of NNPC, gave OML 65 and NOGA assets host communities seven 500KVA and 300 KVA step down transformers in Delta.

Other items donated to the host communities are 300 solar powered deep freezers and 3,000 school chairs and desks.

The Managing Director of NPDC, Mansur Sambo, represented by the Deputy Manager, Community Relations Department (CRD), Noble Imabibo, presented the items to members of the communities.

Sambo said NPDC presented the items to OML 65 and NOGA communities to boost their economy as well as ameliorate the untold hardship facing the people of the communities.

He said the items would be shared among the seven communities in the Non-Oil and Gas Asset (NOGA) and OML 65 assets host communities equally.

"The items will no doubt improve the presence of social amenities and life of the people. It is, therefore, pertinent to utilise the kind gesture to better your life and that of your families.

"NPDC is a friend to the communities where its operates, we are partners in progress and we share a common bond towards sustaining the existing mutual relationship. We shall continue to leverage on the peaceful coexistence and improve on our corporate social responsibilities to bring about development in our host communities," he said.

According to Sambo, I advise you to eschew all forms of violence, radicalism and other actions capable of creating societal unrest.

Mr Misan Ogbegbe, President General of one of the benefitting communities, Okorofiangbe community in Warri South, thanked NPDC on behalf of the host communities for the gesture.

Ogbegbe urged NPDC to do more and called on other corporate organisations to take seriously their corporate social responsibilities to host communities.

STAKEHOLDERS SEEK SPEEDY PASSAGE OF PROPOSED REGULATIONS FOR GAS DEVELOPMENT

Timipre Sylva, Minister of State, Petroleum Resources

By Meletus EZE

Stakeholders in Nigeria's gas sector have advocated the speedy passage of the proposed 2019 Gas Resolutions to make the sector more effective.

The industry players, who spoke at the 'Stakeholder's Engagement for the Review of the Mandate and Structure of the Gas Aggregation Company of Nigeria (GACN): Phase II," in Abuja stressed the need to harness the nation's huge gas resources.

Speaking at the event, Chief of Staff to the Minister of State, Petroleum Resources, Moses Olamide, said that government would prescribe what will become of the Gas Aggregation Company of Nigeria (GACN) in the Petroleum Industry Bill (PIB) and that an Executive Order to that effect will soon be out.

He said the separation between policy, operations, and regulation in the management of Nigeria's gas was necessary to effectively deliver the mandate of the GACN.

The keynote speaker at the event, Dr. Tim Okon stated that 12 years after the '2008 Pricing Regulations,' which spelled out the Powers of the GACN, 'Aggregation' which is at the heart of the mandate of GACN should commence. Okon added that the intention to review the mandate of GACN was to ensure transparency in the industry.

In order to ensure the efficiency of GACN, Okon recommended that the organisation must be independent; its funding must not be subjected to manipulation or undue inference, and must not act impartially while its transactions should be done in a seamless manner.

Managing Director of GACN, Lekan Ogunleye, said that GACN is one of the most important tools to drive and achieve the economic agenda of the government and the gas sector.

NEW LEASE: SAMSUNG EXPANDS AT LAGOS SHIPYARD

By Meletus EZE

With a new land lease from the Nigerian Port Authority (NPA), Samsung Heavy Industries Nigeria (SHIN) has said its fabrication and integration yard will expand services to Nigerian firms and others.

SHIN received an approval from NPA, which was backed by Presidential Committee for their licence application, to operate a private jetty for their fabrication and integration yard in Tarkwa Bay, Lagos State.

According to a statement by SHIN, the new direct lease agreement opens up opportunities for more international projects, partnerships and an expanded service offering for the world-class facilities with over 500 metre length of robust quay wall, where Samsung made investment of over $300 million.

According to the Managing Director of SHIN, Mr. Jejin Jeon, the new licence provides SHIN with a strong foundation to continue fabrication and integration activities for West Africa's oil and gas industries, as well as maritime related activities. The SHIN fabrication and integration yard is now able to deliver marine services, ship maintenance, repair and manufacturing to the regional oil and gas and maritime industries.

The flexibility of its facilities allows it to accept all kinds of seagoing vessels and conduct a wide range of operations. The SHI-MCI yard, which is ISO 29001 and ISO 9001 certified yard in West Africa, is a fully secure facility that is strategically located to allow optimum proximity to the main shipping channel. As a result of this, it will also save customers costs due to its excellent accessibility, he said.

He further noted that the 502-metre long quay wall alongside the 121,000 square metre yard can accommodate ships with up to 13 metre draft and boasts the largest capacity travelling tower crane in West Africa with a lifting capacity of 70 tonnes.

The facility also has a load bearing capacity of 25metric tonnes per square metre on average and vessel mooring bitt capacity of 100 tonnes (in total there are 72 bitts), while the quay side height from chart datum is 2.6 metres.

The certainty of a direct lease followed by the private jetty licence will enable SHIN to develop full multi-purpose terminal operations and expand its operations to include one-stop logistic services to customers, the company said.

The new agreement permits any national vessels to berth directly alongside the 502-metre wharf and discharge their cargo in various types and sizes. Jeon said the yard will also handle the transportation of container cargo, vessel maintenance, supply of utilities, storage space and will facilitate crew changes.

The SHIN chief said:"I am pleased that the Federal Government, acted by NPA, has entrusted us with a direct land lease for our existing fabrication and integration yard, and approved our licence application to operate our facilities as a private jetty. This gives more certainty to foreign investors to continue investing in Nigeria and will attract significant new international projects for the benefit of all stakeholders.

OIL PRICE SLUMP: FG NOT RETURNING TO FUEL SUBSIDY –NNPC

By Abisola THOMPSON

There are indications that the federal government may deregulate the petroleum downstream sector as subsidy on Premium Motor Spirit, PMS known as petrol has been removed.

Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, hinted of a possible deregulation of the Nigerian downstream petroleum sector, stating that the Federal Government has eliminated subsidy and under recovery in the industry.

Speaking in an interview monitored on a television programme in Abuja, Kyari said: "There is no subsidy and it is zero forever. Going forward there would be no resort to either subsidy or under recovery of any nature. NNPC will play in the marketplace; it will just be another marketer in the space. But we will be there for the country to sustain security of supply at market price."

Kyari further disclosed that Nigeria's crude oil and condensates output has risen to 2.3 million barrels per day.

He stated that the output growth, which was achieved on Sunday, was the first time the country was hitting that milestone in very many months and years.

He noted that despite the glut in crude oil supply across the world due to the Novel Coronavirus (COVID-19) pandemic, the country was still getting buyers for its crude oil, while he added that the number of stranded vessels carrying Nigeria's crude oil had dropped to less than 20.

He said: "There is no challenge with that. The buyers have choice now. Choice of quality and choice that is associated with distance. These two factors will determine which crude oil consumers buy. Our major source of trade is Europe, followed by Asia, particularly India.

"And in times like this when crude oil prices go down, what buyers do is to buy the cheap crude available and take them into storage. So the way to gauge this is when your buyers do not return the crude after six days of purchase. For by contract, after allocation of a cargo, the buyer is supposed to come back to you within six days and say I cannot take this. There is a legitimate right to do that.

"When we reported stranded cargo it means that our partners are unable to find a way around it as at the point in time we reported. But I am happy to announce that that number has gone down substantially, I don't have the exact numbers for today, but it is now less than 20."

Kyari further projected that crude oil prices would end the year at an average of $30 per barrel going by global economic trend.

Meanwhile, in another development, the federal government condemned the huge expenditure expended by NNPC on moribund refineries.

The Senior Special Assistant to the President on Niger Delta Affairs, Senator Ita Enang, disclosed this in a communiqué obtained after a meeting between him and the Association of Artisanal Local Refineries Operators in Nigeria (ALRON) held in Abuja.

Enang bemoaned the current state of the country's refineries, especially the losses posted by the facilities and the huge amount the NNPC continue to expend on the refineries.

NNPC GMD, Mallam Kyari

He said: "Whereas, if the mega refineries were not even in operation, Nigeria would have been saved the losses which come from other revenues of the federation. Whereas experts have asserted that so long as import and subsidy operates, our mega refineries may never work as it is more profitable for operators to import, gaining from subsidy paid."

NCDMB, SHELL SEAL PACT ON GAS FACILITY DEVELOPMENT

By Shile GIWA

The Nigerian Content Development and Monitoring Board (NCDMB) and Shell Nigeria Gas (SNG) have signed agreement on the development of a Pressure Reduction and Metering Station.

NCDMB will lease one hectare of its land at Polaku, Bayelsa State, to SNG, which will develop the pressure reduction and metering station.

The agreement was signed in Abuja by NCDMB Executive Secretary, Kesiye Simbi Wabote and the Managing Director of Shell Nigeria Gas (SNG), Mr. E. D. Ubong.

The pressure reduction and metering station will be used to distribute part of the gas from Shell's Gbarain-Ubie Gas Plant for domestic utilisation.

Wabote stated that the Board decided to use part of its land to catalyse the distribution and availability of natural gas to domestic gas users in Bayelsa State and neighbouring states, in line with the Board's vision to be a catalyst for the industrialisation of the oil and gas industry and its linkage sectors.

According to him, the availability of natural gas will open up the corridor of opportunities for investors. He added that NCDMB is already in receipt of proposals for the location of power plants, compressed natural gas (CNG) plants, and other manufacturing outfits at Polaku.

"With the extension of the gas pipeline network by SNG, more businesses can be supplied with natural gas, thereby, creating employment and enabling impactful economic activities.

With this partnership, we expect 30,000 direct and indirect jobs to be created in construction, manufacturing, and services sector within the next two years," he said.

In January, the Board partnered Rungas Prime Industries Limited in the establishment of a 400,000 per year Type 3 LPG Composite Cylinder Manufacturing Plant at Polaku, Bayelsa State.

Wabote further noted that the Minister of State for Petroleum Resources, Chief Timipre Sylva, had declared 2020 as the Year of Gas and NCDMB had bought into this declaration. He stated that the deal with SNG will enable the provision of natural gas for power generation, feed stock, transportation, and for other industrial uses.

He said SNG's project aligns with the Board's 10-year Roadmap, which aims to increase the level of Nigerian Content in the oil and gas industry to 70 per cent by 2027.

SECTOR DEBTS MOUNT AMID POOR POWER SUPPLY

Nigeria's electricity sector has recorded a shortfall of N1.7 trillion in the first quarter of 2020, amid irregular supply of power. This is as key operators in the value chain - generation, distribution and transmission — battle to improve their liquidity to provide power nationwide, writes ***Meletus EZE.***

Amid poor supply, the power sector is going from bad to worse. Assessing its performance, the Chairman, Nigerian Electricity Regulatory Commission (NERC), Prof James Momoh, said recently that the shortfall in the sector in the first quarter of the year increased to N1.7 trillion from N1.4 trillion in the fourth quarter of last year.

The declaration, like others in the past, has thrown the sector into a frenzy as stakeholders wondered why and how the industry recorded such a huge deficit, despite that it was unable to provide uninterrupted electricity six years after it was privatised.

According to Momoh, the shortfall was caused by the inability of consumers to pay tariffs for over five years. The period, he said, is between 2015 and last year. He added that the issue had impacted negatively on the sector. Expectedly, it has generated controversy as stakeholders are divided on how the industry incurred such huge debts.

While some reasoned that the sector was in a dire strait and, as a result, was unable to record productivity, despite the huge funds committed into it by several organisations, such as the World Bank, International Monetary Fund (IMF) and the Federal Government, some stakeholders disagreed, saying the funds were not well managed.

The mismanagement, they said, is having a negative effect on the sector, which operates on less than 5,000 megawatts (mw). The trio of the World Bank, IMF and the Federal Government were believed to have provided the funds to the sector as long-term loans.

Records have shown that World Bank approved $486 million for the upgrade of transmission lines and sub-stations in

Chairman, NERC, Prof James Momoh

2018, coupled with the $3 billion facility, which the Federal Government was to take from the World Bank last year to galvanise the sector.

The Minister of Finance and National Planning, Mrs. Zainab Ahmed, gave impetus to this during a stakeholders' forum in Abuja recently. The facility, she said, was meant to improve the activities of the three main operators – the generation, distribution and transmission arms – stressing that the facility would help to reposition the sector for optimal performance.

She added that the Federal Government approached the World Bank to take the facility in two tranches of $1.5 billion to ensure it was judiciously spent. While this lasted, there is the need to examine the operation of the stakeholders in the value chain vis-a-vis their contributions to the growth of the sector.

Government's role

The Vice-President, Prof Yemi Osinbajo, said the Federal Government provided intervention funds of N1.5 trillion to the sector in the last two years. The funds, he said, were meant to improve the operation of the sector, which for years generated less than 5,000 megawatts (Mw) of electricity.

Investigations revealed that the Federal Government provided a loan of N700billion to the sector recently. The loan, which was in line with the intervention programmes of the government, was given to settle the operation of the market, in which power generation and distribution companies are players.

DisCos' perception

According to the Executive Director, Research and Advocacy, Association of Nigerian Electricity Distributors (ANED), Mr Sunday Oduntan, the shortfall recorded in the sector was caused by the operators in the sector, not DisCos alone.

In an interview, Oduntan said it would be wrong to conclude that the energy distribution companies recorded a shortfall of over N1trillion and that the shortfall represents the debts owed by the sector's operators.

He said the challenges were affecting the three key operators in the value chain, including power generation firms, distribution companies and the Transmission Company of Nigeria (TCN).

He said there was no truth in the claims by the government that it spent N1.5 trillion in the last two years. The government, he said, had not paid subsidies to the power distribution firms as alleged by the government. He said the government instead owed the electricity distribution companies for the services rendered to it.

Oduntan said: "The Federal Government owes the DisCos a lot of money. This is evident by the debts owed the DisCos by the Ministries, Departments and Agencies (MDAs) in form of unpaid bills.

TCN's view

Stakeholders, such as the power distribution and generation companies, have on several occasions blamed the Transmission Company of Nigeria for the incessant collapse of the grid. The issue, they argued, made it difficult for the power firms to pick electricity from the grid for onward distribution to consumers across the country.

In his reactions, the Managing Director, TCN, Mr Usman Mohammed, said the agency is working assiduously to improve the operation of the sector. On the issue of funding, he said TCN is seeking loans from multilateral agencies in order to improve its transmission capacity and by extension supply of electricity.

TCN, Mohammed said, is planning to buy a technology known as Supervisory Control and Data Acquisition (SCADA) to prevent the collapse of the grid in the future.

GenCos' position

The Executive Secretary, Association of Power Generation Companies of Nigeria (APGCN), Dr Joy Ogaji, said shortage of gas had threatened the growth of the sector, urging the Federal Government to wade into the matter. According to her, liquidity is a problem in the sector, adding that the issue was compounded by policies implemented by the government, in recent times.

He said the decision by the Federal Government to introduce Value Added Tax (VAT) of 7.5 per cent had affected electricity generation firms, adding that the issue is having undesirable effects on the output of the power sector.

Other operators

The Chief Executive Officer, Power Cam Nigeria Limited, Mr Biodun Ogunleye, said the sector is facing enormous problems, adding that liquidity is a major problem, which is besetting the growth of the industry. He said operators need to have enough funds at their disposal if they want to produce megawatts of electricity that would be enough to improve the growth of the economy.

REDUCTION IN PMS PRICE, A NOD TO DEREGULATION OF DOWNSTREAM?

By Meletus EZE

The Federal Government announced a reduction in the price of Premium Motor Spirit (PMS) to N125 from the current price of N145, necessitated by the fall in crude oil prices. Brent crude oil prices have fallen by about 64 per cent % since the beginning of the year, implying a reduction in the landing cost of PMS.

The pricing template puts the total landing cost for a litre of petrol at Nigerian port at N137 per litre as of February 12, 2020, when Brent crude price stood at US$55.79 per barrel.

This has however declined to N64.33 per litre as of 16 March 2020 following the dip in crude oil price to US$30/bbl. The decision has been lauded by many as a signal towards deregulation of the downstream sector. While we see the rationale behind the move, we are concerned that the government is giving up an opportunity to prop up its already slumped revenue prospect given the significant drop in crude price.

That said, the decrease will likely ease inflationary pressures at a time when inflation is on the rise. Headline inflation stood at 12.2 year-on-year in February, up from 12.13 per cent in January.

On May 11, 2016, petrol pump prices were hiked by around 68 per cent from N87 per litre to N145 per litre and many assumed this signalled full deregulation of petroleum products prices. This wasn't the case, however, as the subsidy regime was still in place. The exchange rate factored into the landed cost of fuel was between N280 and N285/US$1.

A steep devaluation in the currency and an increase in crude prices in the international market, implied an increase in the landing cost which necessitated the continuation of the subsidy regime, though now booked as under-recovery losses in the books of NNPC.

The removal of the subsidy is a critical free-market reform, in our view, and we believe it is beneficial to the economy and government finances, though it will almost certainly put pressure on consumers and small businesses.

Beyond the impact on government revenues, the removal of the subsidy also removes disincentives to refine petroleum product and may improve the balance of payments through import substitution. We, however, refrain from labeling this price reduction move as any sign of deregulation as the price of fuel is likely to remain regulated in our view.

IMPACT OF CORONAVIRUS ON NIGERIA'S OIL AND GAS SECTOR

By Meletus EZE

The coronavirus pandemic also known as COVID-19, is affecting a wide range of energy markets: coal, gas and renewables, but its impact on oil markets is particularly severe.

This can be seen from the supply glut currently witnessed in the market and the persistent drop in crude oil prices. As a result of the rapid spread of the virus, movement of people and goods had been curtailed worldwide.

This is dealing a heavy blow to demand for transport fuels, according to Dr Fatih Birol, Executive Director of International Energy Agency. According to him, this is especially true in China, the largest energy consumer in the world, which accounted for more than 80 per cent of global oil demand growth last year.

He said the repercussions of the virus are spreading to other parts of the world, noting that what happens in China will have major implications for global energy and oil market.

The International Energy Agency in its latest forecast also stated that global oil demand was expected to decline in 2020 as the impact of the new COVID-19 spreads around the world, constricting travel and broader economic activity.

Nigeria, among others, has cause to be concerned, as the global spread of coronavirus, and the continuous drop in the price of crude oil in the international market would take a heavy toll on the nation's economy as oil and gas account for over 90 per cent of Nigeria's foreign exchange earnings and more than 60 per cent of the country's earnings.

Currently, with developments in the international oil and gas market, Nigeria's major revenue earner, the country's economy is under threat.

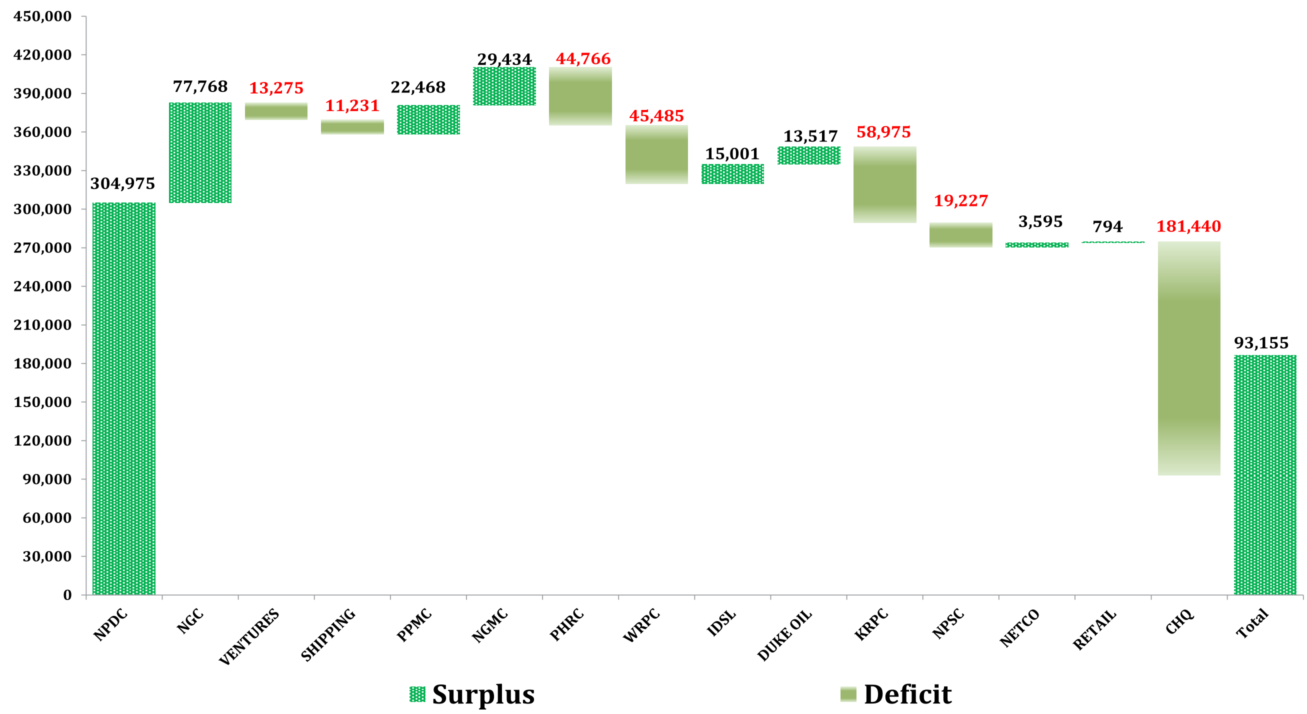
The National Bureau of Statistics in its Foreign Trade Statistics Report for the Fourth Quarter of 2019, had stated that the major buyers of Nigeria's crude oil are India, Spain, Netherlands, France and South Africa, among others.

CONTINUED ON PAGE 32

NNPC MONTHLY OIL & GAS REPORT: DECEMBER, 2019

NNPC Group Financial Performance by Entity

SBU/CSU	MONTHLY BUDGET (=N= MILLION)			(=N= MILLION) NOVEMBER, 2019			(=N= MILLION) DECEMBER, 2019			PTD (=N= MILLION) 2019 BUDGET			PTD (=N= MILLION) 2019 ACTUAL		
	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)
NPDC	181,951	69,061	112,891	86,036	51,974	34,061	91,867	70,331	21,537	2,183,417	1,037,727	1,145,690	1,080,961	775,986	304,975
IDSL	2,982	2,205	777	1,082	1,852	(769)	6,069	2,757	3,313	35,784	26,459	9,325	31,574	16,572	15,001
NETCO	2,148	1,873	275	2,673	2,622	51	7,172	6,913	260	25,774	22,479	3,296	38,049	34,454	3,595
Sub-Total	**187,081**	**73,139**	**113,943**	**89,791**	**56,448**	**33,343**	**105,109**	**80,000**	**25,109**	**2,244,975**	**1,086,665**	**1,158,311**	**1,150,584**	**827,012**	**323,572**
NGC	11,984	1,933	10,051	7,332	2,320	5,012	7,074	1,770	5,304	143,805	23,197	120,609	100,570	22,801	77,768
NGMC	18,578	13,254	5,324	14,837	13,724	1,113	16,889	13,997	2,892	222,935	159,053	63,883	192,543	163,109	29,434
Sub-Total	**30,562**	**15,187**	**15,374**	**22,169**	**16,044**	**6,125**	**23,963**	**15,767**	**8,196**	**366,741**	**182,249**	**184,491**	**293,112**	**185,910**	**107,202**
KRPC	8,640	10,387	(1,747)	1	5,048	(5,047)	2	4,621	(4,619)	103,678	124,646	(20,968)	6,280	65,255	(58,975)
PHRC	10,360	12,588	(2,227)	2	4,370	(4,368)	55	3,752	(3,697)	124,324	151,051	(26,727)	3,521	48,287	(44,766)
WRPC	6,762	8,471	(1,709)	39	3,141	(3,102)	39	5,180	(5,142)	81,139	101,649	(20,511)	59,155	104,640	(45,485)
Sub-Total	**25,762**	**31,445**	**(5,684)**	**42**	**12,559**	**(12,517)**	**96**	**13,554**	**(13,458)**	**309,140**	**377,346**	**(68,205)**	**68,957**	**218,183**	**(149,226)**
RETAIL	28,619	26,566	2,053	14,930	15,094	(164)	18,605	18,970	(365)	343,426	318,789	24,637	178,760	177,966	794
PPMC	182,774	177,161	5,613	102,326	101,316	1,010	335,260	333,637	1,623	2,193,284	2,125,934	67,350	2,466,115	2,443,647	22,468
NPSC	6,733	4,025	2,708	3,641	5,559	(1,918)	3,835	2,780	1,056	80,793	48,296	32,497	45,822	65,049	(19,227)
SHIPPING	8,142	7,291	850	8,306	8,683	(377)	8,325	8,321	4	97,699	87,497	10,202	68,984	80,215	(11,231)
DUKE OIL	1,183	270	913	89,398	88,827	571	199,341	196,447	2,895	14,193	3,243	10,950	1,770,423	1,756,906	13,517
Sub-Total	**227,450**	**215,313**	**12,136**	**218,601**	**219,479**	**(878)**	**565,366**	**560,155**	**5,212**	**2,729,394**	**2,583,758**	**145,637**	**4,530,104**	**4,523,782**	**6,322**
CHQ	38,757	53,887	(15,130)	151	20,543	(20,392)	242	18,337	(18,095)	465,084	646,644	(181,560)	3,016	184,456	(181,440)
VENTURES	727	3,471	(2,744)	46	1,776	(1,730)	402	2,089	(1,687)	8,721	41,652	(32,930)	1,143	14,418	(13,275)
Sub-Total	**39,484**	**57,358**	**(17,874)**	**197**	**22,319**	**(22,122)**	**644**	**20,426**	**(19,782)**	**473,806**	**688,296**	**(214,490)**	**4,159**	**198,873**	**(194,715)**
Grand Total	**510,338**	**392,443**	**117,895**	**330,800**	**326,850**	**3,950**	**695,178**	**689,902**	**5,277**	**6,124,056**	**4,918,313**	**1,205,743**	**6,046,916**	**5,953,761**	**93,155**



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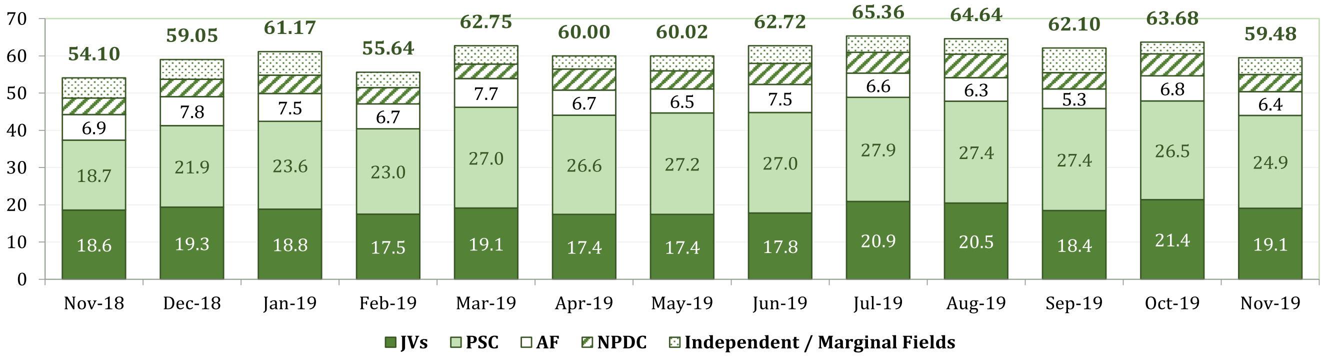
NNPC MONTHLY OIL & GAS REPORT: DECEMBER, 2019

FISCAL ARRANGEMENT

PRODUCTION

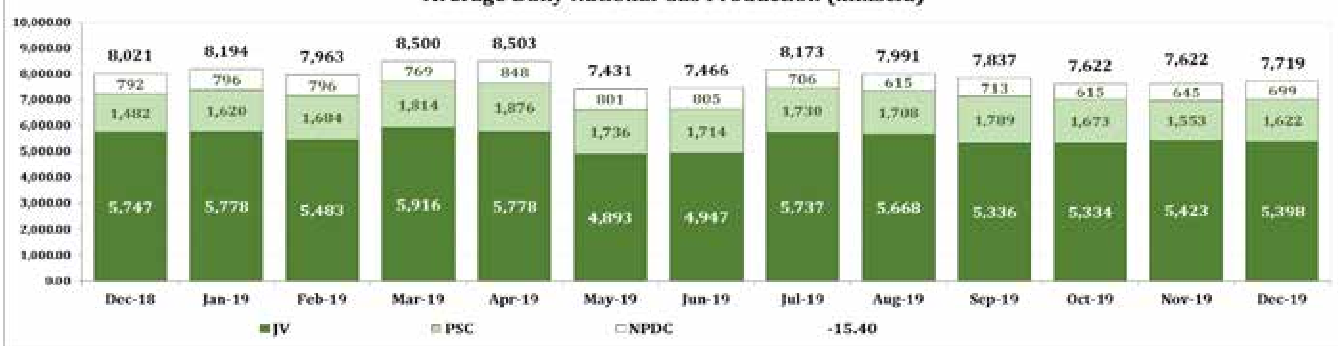
Month	JVs	PSC	AF	NPDC	Independent / Marginal Fields	Total	Average Daily Production
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Nov-18	18,612,068	18,745,390	6,900,890	4,410,454	5,428,523	54,097,325	1,803,244
Dec-18	19,349,575	21,901,114	7,790,576	4,719,450	5,288,429	59,049,144	1,904,811
Jan-19	18,822,538	23,581,458	7,483,749	4,946,892	6,334,359	61,168,995	1,973,193
Feb-19	17,486,614	22,957,771	6,673,108	4,346,424	4,178,816	55,642,733	1,987,240
Mar-19	19,120,775	27,045,491	7,724,090	3,894,652	4,961,504	62,746,512	2,024,081
Apr-19	17,442,808	26,638,336	6,731,332	5,676,252	3,508,973	59,997,701	1,999,923
May-19	17,402,590	27,248,246	6,464,447	4,875,061	4,029,966	60,020,310	1,936,139
Jun-19	17,815,332	26,978,405	7,529,665	5,665,192	4,728,791	62,717,385	2,090,580
Jul-19	20,925,923	27,914,006	6,558,131	5,548,452	4,414,862	65,361,374	2,108,431
Aug-19	20,456,210	27,392,883	6,292,482	6,312,535	4,186,431	64,640,541	2,085,179
Sep-19	18,444,962	27,425,205	5,258,304	4,350,850	6,620,481	62,099,802	2,069,993
Oct-19	21,395,347	26,503,302	6,761,513	5,878,606	3,143,467	63,682,235	2,054,266
Nov-19	19,075,620	24,932,225	6,387,164	4,638,276	4,451,537	59,484,822	1,982,827
PTD	**246,350,362**	**329,263,831**	**88,555,451**	**65,263,097**	**61,276,137**	**790,708,878**	**2,001,531**

Total Monthly Crude Oil & Condensate Production (Million Barrels)



PERIOD	JV	PSC	NPDC	TOTAL
	mmscfd	mmscfd	mmscfd	mmscfd
Dec-18	5,746.97	1,482.49	791.75	**8,021.21**
Jan-19	5,778.46	1,619.95	795.93	**8,194.34**
Feb-19	5,482.93	1,684.30	795.58	**7,962.82**
Mar-19	5,916.36	1,814.01	769.21	**8,499.58**
Apr-19	5,778.09	1,876.31	848.14	**8,502.54**
May-19	4,893.09	1,736.49	801.38	**7,430.96**
Jun-19	4,946.80	1,713.90	805.39	**7,466.09**
Jul-19	5,736.81	1,730.32	705.58	**8,172.70**
Aug-19	5,668.22	1,708.10	614.63	**7,990.95**
Sep-19	5,336.22	1,788.60	712.60	**7,837.42**
Oct-19	5,334.00	1,673.00	615.00	**7,622.00**
Nov-19	5,423.06	1,553.27	645.35	**7,621.68**
Dec-19	5,397.90	1,621.80	699.29	**7,718.99**
Average	**5,495.30**	**1,692.50**	**738.45**	**7,926.25**

Average Daily National Gas Production (mmscfd)



UPSTREAM VALUE CHAIN

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These countries have recorded cases of the coronavirus and the disease had impacted negatively on their economies.

To reaffirm its impact on the oil and gas sector in Nigeria, the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Malam Mele Kyari, said that the coronavirus pandemic was taking its toll on the Nigerian economy. He said that currently, the country is having difficulties finding buyers for about 50 cargoes of crude oil and 12 Liquefied Natural Gas (LNG) cargoes.

He warned of serious economic challenges as a result of the falling crude oil prices and called on government at all levels, captains of industries and the organised private sectors to brace up for the new low regime of global crude oil prices.

He added that realistic estimates must be made to reflect the current realities of the crude oil market. He said: "Due to the coronavirus pandemic, Nigeria has about 50 cargoes of crude oil that have not found landing. This implies that there are no off-takers for them for now due to drop in demand. Today, I can share with you that there are over 12 stranded LNG cargoes in the market globally.

"It has never happened before. LNG cargoes that are stranded with no hope of being purchased because there is abrupt collapse in demand associated with the outbreak of coronavirus."

Kyari added that in the face of the coronavirus global pandemic, countries like Saudi Arabia were giving discount of eight dollars and Iraq five dollars respectively, to their off-takers in some locations, meaning that when crude oil sold at 30 dollars per barrel, countries like Saudi Arabia was selling at 22 dollars per barrel and Iraq selling their crude at 25 dollars per barrel.

He noted that due to the uncertainties of the global crude oil market, countries that produce at the cheapest price would remain in the market, while jurisdictions with high cost of crude oil production would not be able to cope with the competing prices. To reduce the effect of the coronavirus, member countries of the Organisation of Petroleum Exporting Countries (OPEC), met early March, with a few non-OPEC member countries to agree on a production cut, that would see major crude oil producers cutting their export output by an additional 2.5 million barrels per day.

The situation would cause a major strain on the country's finances and its budget, especially as the country is relying heavily on crude oil sales to finance the 2020 budget

Participating countries at the meeting failed to reach an agreement, so the output cut deal failed to materialise. As a result of the failed output cut deal, the fight for international market share of crude oil between Saudi Arabia and Russia was renewed, and as both countries, among other countries, increased their crude oil output, the price of crude oil began a steep slide, hitting new lows last seen almost a decade ago.

Meanwhile experts are of the opinion that the Nigerian economy is placed at a disadvantage, as the country would struggle to find buyers for its crude oil output and would have to settle for low prices, when it eventually gets buyers.

An energy expert, Mr Andrew Akpan, said the situation would cause a major strain on the country's finances and its budget, especially as the country is relying heavily on crude oil sales to finance the 2020 budget.

The 2020 federal budget was based on 57 dollars per barrel oil benchmark and 2.18 million barrels per day oil production and an exchange rate of N305 per dollar. Currently, the price of Nigeria's Bonny Light has dropped to about 33.73 dollars per barrel, 40.8 per cent below the 57 dollars per barrel budget benchmark.

Akpan said that the 57 dollars per barrel benchmark and 2.18 million barrels of crude oil per day output the government is targeting, as well as the oil revenue of N2.64 trillion would likely not be achieved.

"Therefore, with the decline in crude oil price, the ability of the country to meet its N2.64 trillion oil revenue target has been curtailed by about 40 per cent, while the country's budget deficit is expected to rise by about 40 per cent.

"With the inability of the country to meet its revenue target, it would face serious constraints in its ability to pay workers' salaries, as well as carry out most of the projects listed in the budget.

"With all these challenges, to avoid a major crisis or shutdown of the country, the government might resort to drawdown of the already depleted excess crude account or outright borrowing, both locally or internationally, to meet its obligations to

its workers and to undertake significant infrastructure projects.

"This would worsen the country's debt situation and plunge the country into another debt trap with a high risk of default, as the country's foreign reserves faces the risk of depletion due to an expected devaluation of the naira," he said.

A petroleum engineer, Mr Chinedu Onyeizu, said the impact of the virus would be felt with foreign reserves and defending of the naira by the Central Bank of Nigeria (CBN). He noted that with the low foreign exchange earnings from the already challenged crude oil sales, monies in the foreign reserves would be used to finance import of other critical goods.

He said that this would lead to the depletion of the naira, as well as making it difficult for the CBN to effectively defend the naira. "With the decline in the value of the naira, prices of goods and services in the country would rise sharply; inflation rate would skyrocket, unemployment would increase and poverty rate in the country would worsen," he said.

A Nairobi-based investment analyst and Chief Executive Officer of Rich Management Limited,

Mr Aly-Khan Satchu, said that Nigeria currently has between 16 billion and 18 billion dollars, "sitting in short term certificates," such as Open Market Operation (OMO)

This would worsen the country's debt situation and plunge the country into another debt trap with a high risk of default, as the country's foreign reserves faces the risk of depletion due to an expected devaluation of the naira

bills, adding that with the uncertainty posed by the falling oil prices, the country would be at risk when most of these foreign investors chose to cash out of the country.

"There is about 16 billion to 18 billion dollars sitting in short term certificates, OMO, where investors are getting double digit in dollars. The premise of that returns is that the currency remains stable. With the oil price falling more than 20 per cent since the beginning of the year, the entire premise of that double digit return has been kneecapped. Most of the investors would be looking to hit the eject button as soon as they can," he said

To tackle the challenge, President Muhammadu Buhari has constituted a committee to assess the impact of the virus on the economy and best practices to adopt.

The Minister of Finance, Hajiya Zainab Ahmed, said the committee would revisit the crude oil benchmark and lower the price. She said: "Mr President has formed us into a committee, with the Minister of State, Petroleum Resources, the CBN governor, the GMD NNPC and myself as members.

"Our mandate is to make a quick assessment of the impact of this coronavirus on the economy, especially as it affects the crude oil price. We will be writing a report and brief Mr President, and after that we'll also have more substantial information for the press.

"But it is very clear that we will have to revisit the crude oil benchmark price of 57 dollars per barrel, we have to revisit it and lower the price. Where it will be lowered to is the subject of the work of this committee.

"Definitely, there will be reduced revenue to the budget and it will mean cutting the size of the budget. The quantum of the cut is what we are supposed to assess as a committee."

However, the NNPC boss assured that the NNPC was working round the clock to increase the country's daily crude oil output to three million barrels per day and shore up the country's crude oil reserves to 40 billion barrels.

He further said the NNPC was ready to strategically put in place measures that would alleviate the cost of crude oil production in Nigeria to create markets for Nigeria's crude and make Nigeria a choice destination for Foreign Direct Investment (FDI).

Kyari said at the moment, the cost of crude oil production in the country was within the range of 15 dollars to 17 dollars per barrel, adding that some leaders in the industry such as Saudi Arabia's cost of production is between 4 dollars and 5 dollars per barrel.

Experts advocate that Nigeria must ensure that refineries are working to boost local production of crude oil in the country. According to them, the country has the population to consume its products and is strategically located to service other African countries.

They noted that the coronavirus outbreak was a reminder that the country should get its refineries working, diversify the economy to create jobs, generate more revenue and in turn bring about economic growth and development.

COVID-19: HOW CASH-LESS BANKING AIDED TRANSACTIONS, STAYING SAFE

For years, Nigeria's push towards cash-less economy was greeted with mixed feelings but eight years after the Central Bank of Nigeria (CBN) rolled out the scheme, many people have come to realise that the gains outweigh the pains. With the ongoing COVID-19 pandemic, digital payment remains one of the ways to stay safe, with banks encouraging their customers to go cash-less, writes ***Olamilekan FAWAS.***

Cash-less banking has faced several criticisms since it made its debut eight years ago. From complaints of poor service delivery, double debiting, excess cashiers to loss of funds to fraudsters, e-payment users have gory stories to tell.

But the ongoing spread of COVID-19 pandemic has provided opportunity for those that abandoned cash-less banking to return. Hence, the industry has witnessed widespread use of the e-payment channels – Automated Teller Machines (ATMs), Point of Sale (PoS) terminals, web payment, online transfers and even mobile phones transactions.

These channels are the easiest way to transact without physical contact, which is the fastest route to spread the Coronavirus.

Deposit Money Banks (DMBs) are now advising their customers to use alternative digital channels for their transactions.

Ecobank Nigeria, First Bank, Unity Bank, Wema Bank and Access Bank, among others, have reiterated the gains of going cash-less. For instance, customers of Ecobank have been urged to utilise its digital self-service solutions, which include Ecobank Mobile App, Ecobank Online, EcobankPay, Ecobank OmniPlus, OmniLite and the RapidTransfer App without having to visit branches. This is part of efforts to ensure social distancing, which will help curtail the spread of COVID-19.

According to the bank, customers can "bank from anywhere" by utilising digital solutions to easily access their bank accounts, make payments, transfer funds, process salaries, and carry out other ancillary transactions from the comfort of their homes and offices without visiting branches.

The bank advised that its branches remain open and available to customers who choose to visit to carry out their transactions. The bank emphasised that its branches are equipped with prescribed preventative measures.

Additionally, the bank noted that as part of its self-service options, customers can create virtual cards for eCommerce and other online transactions on the Ecobank Mobile when required. It noted that Ecobank also provides online and digital product assistance through its Chatbot, Rafiki on Ecobank Online or Mobile, and through 24/7 Contact Centres across the group.

The bank reiterated that "standard measures have been put in place at the branches across the group to help curtail the spread. These include provision of temperature checks at all entry points to screen employees, customers and visitors; installation of hand sanitisers; equipping customer-facing staff with emergency response plan; encouraging social distancing especially from anyone who is coughing or sneezing; educating branch staff on international best practices recommended by the Federal Ministry of Health and the World Health Organisation (WHO) and actively updating customers and employees on the COVID-19.

Group Chief Executive Officer, Ecobank Transnational Incorporated (ETI), Mr. Ade Ayeyemi, said: "This is an unusual, extraordinary and difficult period in time. At Ecobank, we do understand that COVID-19 is impacting a number of people and causing others serious concern and anxiety.

"We will continue to stay abreast of the situation in order to adapt to changing developments for the good health and well-being of all our customers, employees and communities. Together let's keep well and safe, following the instructions given to us by the world health experts for our better health."

Cash-less banking journey

And so, for the past eight years since the exercise kicked off in 2012, first in Lagos and later across the country, cashless banking is gradually becoming a lifestyle with those that failed to embrace the scheme learning the hard way.

Take for instance Michael Oliseh, a 42-year-old entrepreneur, who spends a part of his business time in banking halls making payments to his suppliers of goods. During one of such visits to a bank in Central Lagos, a cashier who has been monitoring him for years, including his frequent visits to the banking hall, decided to tell him about

electronic payments. "You don't need to be physically here to pay your suppliers. You can do it at home, or even in your shops or through mobile phone," the cashier told Oliseh.

That was the turning point for the businessman. For the past three years after that encounter, Oliseh has never visited the banking hall. His android phone is now his bank. He is one of the millions of Nigerians that have been captured by the cash-less banking fever.

Even market women are not left behind. It is a common experience to see roadside mechanics, road side traders, food vendors (mama put), tailors, bricklayers and even beggars telling people "You can transfer to me."

Many people who previously dodged payment for services in the pretext that "I don't have cash on me" will have to look for another lie to tell their service providers. The question is: If you don't have cash with you, what about your phone?

The CBN said the awareness of these channels is needed to lift businesses and economy. Hence there is also an incentive for those who embrace the initiative. The Nigeria Interbank Settlement System (NIBSS) is encouraging the use of cards to pay for goods and services via PoS terminal.

The agency, collaborating with CBN, Committee of E-Banking Industry Heads (CEBIH) and banks, is ensuring that bank customers that use their e-payment cards to pay for goods and services on PoS terminals and web platforms are rewarded with cash back of 50 kobo for every N100 spent. The scheme allows cash back rewards to card holders for using their cards to make payments on alternate channels.

Understanding bank customers

KPMG Nigeria survey explained that to succeed in the banking environment, bank executives need to understand their customers: their preferences, their channel usage, their needs and their satisfaction.

"Banks need to ask them what is important to them in a banking relationship, the channels they use and what channels they would like to use and how their current banks are compared to their expectations," it said.

Partner, KPMG in Nigeria and Head of Financial Services Africa, Adebisi Lamikanra, said much has changed across Nigeria's banking industry in the past three years. She said customers were still concerned about financial stability; but what they primarily want from their banks is enhanced high-quality service, more innovation and greater convenience.

Nigerians love the internet. The country is estimated to have more than 148 million mobile telephone subscribers and at least 92 million of them access internet data services on their devices. And, with around one-third of Nigeria's population now under 24 and a growing middle class population, all signs suggest that internet penetration and usage is set to grow significantly. In

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particular, social media channels are gaining significant adoption in Nigeria. Platforms such as Facebook, Instagram, Twitter, LinkedIn and Tumblr are widely used by Nigerians as a way to communicate with friends and the wider public.

In fact, according to our survey, 77 per cent of Nigeria's banking customers use social media for personal purposes. The problem is that Nigeria's banks have largely failed to translate this passion for the internet and social media into increased adoption of internet and mobile banking solutions.

Forty-two per cent of banking customers said they use online banking platforms for one or more banking activities. And just 40 per cent said they have interacted with their bank using social media in the past.

The benefits of shifting transactions to web-based platforms are enormous. For customers, web-based platforms offer convenience, 24/7 access, and freedom of location. For Nigeria's banks, the shift promises the opportunity to improve service delivery and achieve a lower cost-to-serve.

The statistics still low

According to NIBSS data, Nigeria has 37.4 million Bank Verification Number (BVN) enrolled customers but total active BVN across all banks is 29.4 million. Also, of the 120.9 million bank accounts in the country, only 74 million are active as at January, last year.

The NIBSS data showed that banks did N1.5 trillion worth of transactions on 56,102 ATMs between January and March. The transactions were done in 203 million deals. Also, N107.6 billion transactions were done through web payment and N810.1billion through mobile money.

This explains that although Nigeria is racing on the e-payment track, the statistics is still low when compared with what obtains across the world. For instance, the cashless society is fully in action in Sweden. Only one per cent of the Swedish economy operates on bills and coins. The New York Times says only about one in 10 Swedes paid for anything in cash last year.

CBN's position

The CBN has admitted that a lot more must be done in the implementation of the cash-less policy. It urged stakeholders to reduce the use of cash across all segments of the economy. According to the regulator, the cash-less policy provides safe and efficient mechanisms for making and receiving payments with minimum risks to the CBN, payment service providers and end-users.

"To participate actively in the global economy, our payment system must be successfully benchmarked against the global best practices, as in most developed nations of the world. We have made some significant achievements so far in this journey but a lot still remains to be done," it said.

The CBN said it will continue to sanction banks, mobile money operators, payment solution providers and other financial institutions for e-payment infractions, one of the reasons some people have refused to embrace cash-less banking.

To reverse the trend and boost confidence in the e-payment system, the CBN, banks and other financial institutions need to take the message of cash-less banking that is safe, secure and seamless to the grassroots.

CONCERNS ABOUT CORONAVIRUS AND THE NIGERIAN ECONOMY

As fears of a global coronavirus pandemic continue to grow, there are increasing worries it could bring the global economy to a standstill, reports ***Shile GIWA.***

The COVID-19 pandemci, which originated in the central Chinese city of Wuhan, has infected over 1.5 million people and killed over 87,400 people across the world. Given the overall vulnerability of the Nigerian economy to external shocks, particularly to volatility in global crude oil prices and disruptions in China, the nation's biggest trading partner, the impact of the coronavirus on Nigeria cannot be underestimated.

Already, the outbreak has caused severe economic and market dislocation across the globe, disrupting global supply chains and travel. This is particularly compounded by the strategic importance of China to an increasingly connected global economy. The effects of all these on Nigeria are not insignificant.

Most glaring is the impact of the pandemic on the global prices of crude oil, Nigeria's major export. Since January, the spread of the coronavirus has sent global stock markets tumbling and reversed nearly all the positive momentum in oil prices over the past four months. This was compounded by the price war between Saudi Arabia and Russia. Thanks to the truce reached between the two countries recently, which is expected to spur rise in oil prices again.

As the virus spreads, the oil market continues to suffer enormous losses as consumption continues to contract, with Brent crude trading below $25 per barrel. Furthermore, the near-term outlook looks grim while the forecast for the rest of the year remains considerably unfavourable.

The effect of this development on the Nigerian economy could be significant. The last major crash in the price of crude oil in 2014 precipitated the downturn in the nation's economy, culminating in a recession.

Thus, there are reasonable fears that a sustained period of low oil prices could send the nation's economy spiraling into another downturn.

This is quite worrying given that since the 2014 slump in global oil prices, the Central Bank of Nigeria (CBN) has rolled out a string of policies geared towards maintaining an artificially strong Naira reliant upon high crude oil prices and external borrowings.

Thus, if crude oil prices remain low for an extended period of time or drop even further, there could be even more pressure on the already pressured exchange rate and the nation's overall economy.

In addition, the current crude oil price of $25 a barrel is significantly below the $30 per barrel from the $57 a barrel benchmark planned in the nation's 2020 federal budget. Therefore, if the low crude oil price regime persists for an extended period of time, the viability of the nation's 2020 budget will remain further in doubt.

Already, the nation's Finance Minister has alluded to this, expressing worries that a sustained period of low crude oil prices could scupper the nation's financial projections.

Another risk posed by the COVID-19 pandemic to the Nigerian economy is the likelihood that the nation's already high inflation rate could rise even further.

Given that China accounts for about a quarter of Nigerian imports, greasing much of the country's supply chain; and that the nation is reliant on China for raw materials, inputs and machinery utilized in local production, there is a significant possibility that the pandemic could induce an increase in the cost of local production or at least a significant reduction in the already limited local production capacity.

All of these highlight a fundamental structural problem with the Nigerian economy. Nigeria typically exports low value raw materials and imports high value finished goods, a situation which makes the nation's economy highly susceptible and vulnerable to external shocks

Furthermore, if China remains unable to export due to a myriad of reasons, there is a risk that raw material and inputs usually sourced from China for the manufacturing industry might need to be sourced from other nations where they are presumably more expensive. The economic effect of this will also be an increase in the prices of goods and services, thus resulting in a rise in the inflation rate.

Therefore, there is a need to encourage local manufacturing and spur the export of processed goods. Perhaps most importantly, there is a need to address the biggest elephant in the room: Nigeria's reliance on the sale of crude oil as the major source of the nation's foreign exchange earnings. There is a need to diversify the nation's economy away from a reliance on crude oil.

The need to restructure and diversify the productive base of the economy, with a view to reducing dependence on the oil sector and imports has never been more apparent. As long as the Nigerian economy remains a mono-economy totally dependent on oil revenues, the nation will continue to remain vulnerable to oil price shocks.

IMF PROFFERS INITIATIVES TO MITIGATE ECONOMIC IMPACT OF PANDEMIC IN SSA

By Aliyu DANLADI

The International Monetary Fund (IMF) has stated that what began as a health crisis and now a major global economic crisis, may have substantial economic impact on Nigeria and other sub-Saharan African countries.

According to the IMF, many countries in sub-Saharan Africa have limited room in their budgets to increase spending, as they have had rely more on global capital markets since the financial crisis a decade ago.

Already, it has stated that growth forecast in April's regional outlook would be significantly lower, as slowdown will mean revenues take a hit, just as countries face additional public spending needs.

The IMF had warned that the world might witness a global recession that is as bad as 2008 financial crisis, as a result of the coronavirus pandemic. Though the growing presence of COVID-19 in sub-Saharan Africa threatens the same human costs as elsewhere in the world, the Fund said the economic costs could be just as devastating.

To mitigate the impact of the pandemic, the IMF stated that fiscal policy would have to play a leading role in mitigating the shock, with fiscal positions reverting to medium-term paths consistent with debt sustainability.

"Targeted cash transfers could also be considered to help individuals and households under strain. Where feasible, governments should consider targeted and temporary support for hard-hit sectors such as tourism. For instance, temporary tax relief through targeted reductions or delays in paying taxes could help address cash flow shortfalls for affected businesses.

"Easing monetary policy can complement fiscal efforts, especially with inflation in single-digits in the vast majority of countries in the region. Financial measures can help minimize disruptions to much-needed credit and liquidity for businesses, including central bank liquidity provision or temporary credit guarantees. For countries with flexible exchange rate regimes,


Christine Lagarde

the exchange rate should be allowed act as a shock absorber", the IMF added.

While countries in sub-Saharan Africa are acting decisively, taking sweeping measures to halt the advance of the virus, with limits on public gatherings, public safety campaigns, and similar measures, the IMF stated that for the society's most vulnerable in the region, "social distancing" is not realistic.

"The notion of working from home is only possible for the few. So, difficult decisions to close borders (to people, but not essential goods) are even more important. All the more, so if we are to minimize added strain on already fragile health systems.

"The pandemic will have a substantial economic impact on sub-Saharan Africa, in three ways. One, the very measures that are crucial to slowing the spread of the virus will have a direct cost on local economies. The disruption to people's daily lives means less paid work, less income, less spending, and fewer jobs. And, with borders closed, travel and tourism are quickly drying up, and shipping and trade are suffering.

"Two, global hardships will spill over to the region. The slowdown in major economies will see global demand fall. Disruptions to production and world supply chains will weigh more on trade. Tighter global financial conditions will limit access to finance. Countries are likely to also see delays in getting investment or development projects off the ground.

"Three, the sharp decline in commodity prices will hit oil exporters hard, compounding the first two effects. The price of oil has tumbled to levels not seen in decades. We don't yet know where they will settle, but with oil prices already down by more than 50 per cent since the start of the year, the impact will be substantial. We estimate that each 10 percent decline in oil prices will, on average, lower growth in oil exporters by 0.6 per cent and increase overall fiscal deficits by 0.8 percent of GDP", experts from the IMF, Karen Ongley and Abebe Aemro Selassie, added.

BUSINESSES WORRIED ABOUT

By Abisola THOMPSON

Although many businesses surveyed under the Central Bank of Nigeria's Business Expectations Survey (BES) for the month of March expressed optimism about the macroeconomy, they are equally worried about the inflationary trend and lingering constraints in the business environment.

Indeed, respondents' outlook on the volume of total order, business activity and financial conditions (working capital) were positive during the review period.

Firms however identified insufficient power supply, competition, high interest rate, financial problems, unfavourable economic climate, unclear economic laws, unfavourable political climate, access to credit and insufficient demand as major factors constraining business activity.

Earlier, consumers' overall outlook was negative in the first quarter of 2020, as consumers were pessimistic in their outlook, according to the Central Bank of Nigeria.

The Statistics Department of the CBN revealed in its Consumer Expectations Survey Report for Q1 2020, however that consumers had a positive outlook for the

COVID-19: FG REDUCES N252BN PRIVATISATION TARGET, N1.5TN CUSTOMS REVENUE

By Aliyu DANLADI

The Federal Government has cut its revenue target from privatisation by 50 per cent. The Minister of Finance, Zainab Ahmed, stated this in a meeting between the executive arm of government and the leadership of the National Assembly in Abuja.

The meeting, according to a statement by the Senate President media office, was meant to review the 2020 budget and Medium Term Expenditure Framework against the background of the impact of the coronavirus pandemic on global economy.

She also said the reduction in revenue expected from the Nigeria Customs Service from N1.5tn to N943billon. The minister confirmed a review of the budget oil benchmark from $57 to $30 per barrel.

She said this was done to prepare for the worst case scenario as well as insulate the Nigeria economy against any form of unexpected crisis.

Ahmed also told the leadership of the National Assembly that budgeted revenues for the Nigeria Customs Service had been reduced from N1.5trillion to N943billion due to anticipated reduction in trade volumes.

She added the privatisation proceeds would be cut by 50 per cent based on the adverse economic outlook on sales of the Independent Power Projects and other assets.

The Federal Government is targeting to generate about N252.08billion from privatisation proceeds in the 2020 fiscal period. The N252.08billion represents an increase of N42.08billion over the N210billon which was approved in the 2019 fiscal period.

Zainab Ahmed

On the other hand, the Bureau of Public Enterprises said in February that it planned to generate a total net revenue of N266.8billion from the sale of public assets to support the implementation of the 2020 budget.

It said the transactions would include the completion of the sale of Yola Electricity Distribution Company, Afam Power Limited and Afam Three Fast Power; and the sale of Tafawa Balewa Square, Bank of Agriculture, Dowell Schlumberger Nigeria Limited, NMC houses, Nigeria Commodity Exchange, River Basin Development Authorities and Lagos International Trade Fair complex.

Ahmed disclosed that the Federal Government had undertaken cuts to revenue-related expenditures for the Nigerian National Petroleum Corporation for several projects included in the 2020 Appropriation Act passed by the National Assembly in December, 2019.

She said: "The Federal Government is working on Fiscal Stimulus Measures to provide fiscal relief for taxpayers and key economic sectors. We will incentivise employers to retain and recruit staff during the economic downturn.

"We will stimulate investment in critical infrastructure; review non-essential tax waivers to optimise revenues; and complement monetary and trade interventions to respond to the crisis."

Ahmed further disclosed that the Federal Government would release N6.5billion in two tranches (N1.5billion and N5billion) to the National Centre for Disease Control as intervention to assist in the fight against the spread of the COVID-19 disease in Nigeria.

Also, she stated that the Lagos State Government would receive financial support of N10bn from the Federal Government to combat coronavirus spread in the state. In addition, she informed the lawmakers that Nigeria had received a grant of $18.2million from Japan for strengthening seven NCDC centres across the country.

The finance minister said N1billion would be released by the government to pharmaceutical firms in the country. Ahmed also explained that "prior to COVID-19 and oil price decline, the Nigerian economy was already fragile and vulnerable."

The minister said the development had put "increasing pressure on the naira and foreign reserves as the crude oil sales receipts decline and the country's micro-economic outlook worsens."

The Governor of the Central Bank of Nigeria, Godwin Emefiele, said the proposed measures would depend on the how fast the nation was able to address the pandemic.

The President of the Senate, Ahmad Lawan, who presided over the meeting, said the National Assembly would review the MTEF/FSP in the bid to study and approve the proposed measures being sought by the executive arm of government.

INFLATION, LINGERING CONSTRAINTS

next quarter and the next 12 months.

Part of the report stated, "The consumers' overall confidence outlook dipped in Q1 2020, as consumers were pessimistic in their outlook.

"The index at -0.3 point was 5.1 points lower than the index in the corresponding period of 2019." Respondents attributed this unfavourable outlook to declining economic conditions.

The consumers were, however, optimistic in their outlook for the next quarter and next 12 months with indices of 28.9 and 43.3 points, respectively.It stated that this positive outlook could be attributed to the expected increase in net household income, expectations to save a bit and/or have plenty over savings and an anticipated improvement in Nigeria's economic conditions in the next quarter and the next.

For businesses, they expect the Naira to appreciate in the current month, next month, next 2 months and next 6 months. Similarly, inflation level is expected to rise in the next 6 months but is expected to fall in the next 12 months, while borrowing rate is expected to rise in the current month, next month, next 2 months and next 6 months.

COVID-19: SEC INTRODUCES ELECTRONIC FILING, PROCESSING OF APPLICATIONS

By Aliyu DANLADI

The Securities and Exchange Commission (SEC) in furtherance of its role as the apex regulator of the Nigerian capital market has issued an advisory that would mitigate the impact of COVID-19 on capital market operations.

In a circular to capital market stakeholders on COVID-19, SEC released a number of market-focused adjustments to be adopted in the interim in response to the effects of COVID-19 which includes filing and processing of applications electronically, extension of deadline on 2019 annual reports and Q1 2020 reports, postponement of the Q1 Capital Market Committee meeting earlier scheduled for April 23, 2020.

The Commission stated that applications shall be filed electronically while pending applications and requests by CMOs for update of information would be processed via registration@sec.gov.ng.

Mary Uduk

However, fresh applications for registration of Capital Market Operators are suspended until further notice. Also, returns shall be filed electronically while the Commission has approved a 60-day extension, in the first instance for public companies and capital market operators to file their 2019 annual reports and Q1 2020 reports.

By the advisory, public companies are to take appropriate precautionary measures as recommended by the Federal and State Governments as well as the Nigerian Centre for Disease Control (NCDC) to ensure the safety of shareholders and participants at Annual General Meetings/ Extra-Ordinary General Meetings and other meetings which may be held during the prevalence of the pandemic.

"The first Capital Market Committee Meeting for the year scheduled to hold on April 23, 2020, and all other meetings have been postponed indefinitely.

All complaints and enquiries should be made to the Commission at sec@sec.gov.ng, 09-4621100 and 09-4621168 or at our various social media accounts.

"It is important to note that the foregoing guidelines are not exhaustive, but rather represent an outline of immediate actions the Commission considers necessary to sustain the actualisation of its regulatory mandate and maintain the integrity of the Nigerian capital market during this challenging period.

COVID-19: BANKS TO PROTECT STAFF, CUSTOMERS

By Aliyu DANLADI

Deposit Money Banks (DMBs) are taking measures to ensure their staff members, customers and stakeholders are protected against the Coronavirus (COVID-19) pandemic gradually spreading in the country.

To ensure the continuity of businesses and economic activities with minimal effect from the pandemic, banks have ensured that everyone visiting any of its branches takes a temperature test, makes use of hand sanitisers and maintains social distance.

Many lenders also reduced the number of staff on duty and encouraged customers to use digital channels, like Automated Teller Machines (ATMs) and mobile payments.

FirstBank, Access Bank, Unity Bank, Ecobank, among others, advised their customers on the need to use alternate channels for their transactions.

One of the customers, Ada Osita, who came to make cash withdrawal through the ATM, said she needed cash backup, because no one was sure what would happen next.

Access Bank through its verified Twitter handle, @myaccessbank, urged its customers to use alternate channels. "We will continue to serve through the alternate delivery channels such as online banking, mobile apps, among others," it said.

Access Bank closed one of its branches in Lagos State over a coronavirus case. The bank, in a statement, said it closed its Ligali Ayorinde Branch, in Victoria Island after confirming that a customer at the branch tested positive for coronavirus. The statement sent through its twitter handle, said: "We have just confirmed that an individual who visited our Ligali Ayorinde Branch on Monday, 16th March 2020, has tested positive for coronavirus.

"He was symptom-free as at the time of the visit and he is currently being monitored at an Isolation Centre in Yaba. In line with our emergency response plan and following regulatory practices, the branch has been temporarily closed for thorough disinfection. Persons who had any contact with the concerned individual are currently in isolation."

Access Bank advised anyone who visited the branch in the last week to self-quarantine for 14 days immediately. The bank said it was working with the Ministry of Health to resolve the issue.

Also, Group Head, Marketing & Corporate Communications at FirstBank, Mrs. Folake Ani-Mumuney, said: "Embedded in our corporate strategy is business continuity management that ensures the delivery of products, services and initiatives to our stakeholders and enabling the economy in the long-term with minimal impact.

"Therefore, we have employed measures to keep our employees, customers and the general public safe-guarded and sensitised on preventive steps to flatten the curve at the fastest possible rate.

"These include the deployment of temperature measuring tools; hand sanitisers; face masks and adopting social distancing including utilising virtual meetings.

We have also cancelled owned and partnered planned events in the interim; suspended staff travels and have put measures in place to identify and communicate to staff who are arriving from affected countries to self-quarantine following the established protocols by the World Health Organisation and the government," she said.

COVID-19: CAPITAL MARKET CAN RESCUE NIGERIA'S ECONOMY — AMOSUN

By Meletus EZE

The capital market has been described as a veritable tool that could rescue the nation's economy from the brink of recession in the face of COVID-19.

Chairman, Senate Committee on Capital Market, Sen. Ibikunle Amosun, stated this during a visit to the Lagos Zonal Office of the Securities and Exchange Commission (SEC).

The commission in a statement by Mrs Efe Ebelo, Head of Corporate Communications, quoted Amosun as saying that the capital market had the depth to revamp the nation's poor state of infrastructure.

He noted that there was no better time than now for federal and state governments to leverage opportunities provided by the capital market for sourcing infrastructure financing.

"We now know what the capital market can do to rescue the economy at a time like this. Shares are tumbling but we hope it won't last long, however, we also have to look inward and explore ways of diversifying our economy away from crude oil.

"If we have to diversify our economy, the capital market has a role to play and that is why we are here to support you. We will


Amosun

support the capital market for our country to realise these economic goals," he stated.

The committee chairman commended stakeholders in the market on their efforts so far, adding that there was room for improvement in efforts to getting the nation's economy on the right path.

Amosun assured that the National Assembly was ready to assist with enabling legislation that would provide the right environment for the capital market to thrive.

"We are happy with what we have seen so far, we are on the right path. But there is room for improvement to get our economy to where we want it to be. We need to have the enabling laws in place to create an enabling environment for the market to thrive and the national assembly is ready to assist in that regard," he added.

In her remarks, Mary Uduk, SEC acting Director- General, lauded members of the committee on their drive to ensure that the capital market was stable and able to attract more investors. This, she said, the national assembly has done by supporting the SEC in ensuring that it delivered on its mandate of regulating and developing the capital market.

"This visit is important to us because over 90 per cent of capital market operators are here and Lagos is very strategic to the commission's mandate. We are glad the senators are here, so they are able to see for themselves what we do and assist in whatever way possible to make our market one of the best performing in the world," Uduk said.

CBN MULLS LOWER RATE TO BOOST GROWTH, SAYS EMEFIELE

By Shile GIWA

The Central Bank of Nigeria (CBN) is condering interest rate cut to stimulate growth and protect the economy, its Governor, Godwin Emefiele, has said.

Speaking at the Going for Growth Session held in Abuja, the CBN boss explained that central banks in key markets across the globe have responded by reducing policy rates to stimulate growth, while measures are being taken by fiscal authorities to build resilient buffers to contain the spread of the coronavirus.

He said the event was more relevant now than ever before, given the external headwinds that the economy faces, such as the effects of the trade and technology wars, and more importantly the recent spread of the coronavirus, which has emerged as a major threat to global growth in 2020.

He said: "The impact of the coronavirus across over 100 countries, has affected global supply chains, as well as demand for goods and services. Commodity prices have also been affected, as crude oil prices have plummeted by over 45 per cent since January 2020.

"The CBN fortunately had already embarked on similar measures which have resulted in significant reduction in lending rates, as part of our efforts to boost growth. Working with the fiscal authorities, we will not hesitate to deploy additional measures to strengthen our buffers and insulate the economy from the global headwinds."

According to Emefiele, the International Monetary Fund (IMF) had early this year, projected that global growth would rise to 3.3 per cent in 2020, up from 2.9 per cent in 2019.

"However, with the onset of the virus, global growth is expected to decline in 2020, but the extent of the decline would depend on how the epidemic is contained over the next few months," he said.

Emefiele said one of the critical measures that helped to boost growth last year, was the impact of the CBN's new minimum loan to deposit ratio, which was initially at 60 per cent, and subsequently raised to 65 per cent.

"We also imposed restriction on access to Open Market Operation (OMO) auctions to encourage banks to lend to the real sector. Indeed, the banking sector has responded positively with the rise in aggregate industry credit from N15.3 trillion May 2019 to over N17.4 trillion in January 2020.

"I am aware that these loans have been granted to borrowers across different sectors at considerably lower rates. Although a lot more still needs to be done, we intend to sustain these policy measures, as it will help support improved economic growth and create more employment opportunities," he said.

CBN INTERVENES IN ECONOMY WITH N1TR

Godwin Emefiele

By Abisola THOMPSON

With the coronavirus pandemic rapidly ravaging the global economy, the Central Bank of Nigeria (CBN) has announced N1 trillion interventions in all critical sectors of the economy.

The CBN Governor, Godwin Emefiele, said the stimulus package is in addition to the regime of incentives contained in a six-point palliative announced to ameliorate the impact of the COVID-19 pandemic on the Nigerian economy.

He challenged Nigerians to take advantage of what appears to be an adversity into an opportunity for development and growth in the economy.

Since the outbreak of the deadly virus first reported in Wuhan, China, the global economy has been shaken to its foundation, with disruptions transcending all sectors. These include disruptions in supply chains, cancellation of international travels and events as well as restriction of movement between countries.

Nigeria and other resource-dependent countries appear to be the worst hit, with the virus driving crude oil prices at the international market below approved benchmarks and estimates in Nigeria's 2020 federal budget.

Although the federal government constituted a committee to review the budget fundamentals, economic analysts are already anticipating a meltdown capable of stirring another economic recession.

The apex bank unveiled what it called its first set of policies to cushion the negative impact the virus on Nigerian businesses and the economy.

They included the immediate cut on interest rates of all applicable CBN intervention facilities from nine per cent to five per cent per annum for one year, effective March 1 and the creation of N50 billion targeted credit facility for small and medium scale enterprises as well as households impacted by the COVID-19 pandemic.

Also, it announced a further extension of the period of grace given businesses for the repayment of the loans by one year on all principal facilities, particularly intervention loans, effective March 1, 2020.

The CBN said the latest intervention is to boost local manufacturing and ensure import substitution in the economy as a way of providing succour and creating more jobs to the people directly impacted by the deadly virus.

Emefiele said the plan is in addition to about N100 billion in loan in 2020, aimed at supporting the health authorities to ensure laboratories, researchers and innovators work with global scientists to produce vaccines and test kits in Nigeria to prepare for any major crises ahead.

To work out the modalities for the disbursement of the stimulus package, the CBN governor said its management is scheduled to meet with the Bankers' Committee.

Private sector

Emefiele said an implementation committee would be set up to mobilise the private sector contribution of N1.5 trillion Infrastructure funding that will link farming communities to markets as agreed at the "Going for Growth" Roundtable.

Given the plunge in the price of crude oil, which dropped to $25 per barrel, with its attendant low accretion to oil revenues, the CBN governor directed all Deposit Money Banks to increase their support to the pharmaceutical and healthcare industries. The support, he said, would enhance local drug manufacturing, increase bed count in hospitals across Nigeria, support the funding intensive care as well as in training, laboratory testing, equipment and research & development. Emefiele said the CBN will release details of how the unveiled facilities would be accessed and released.

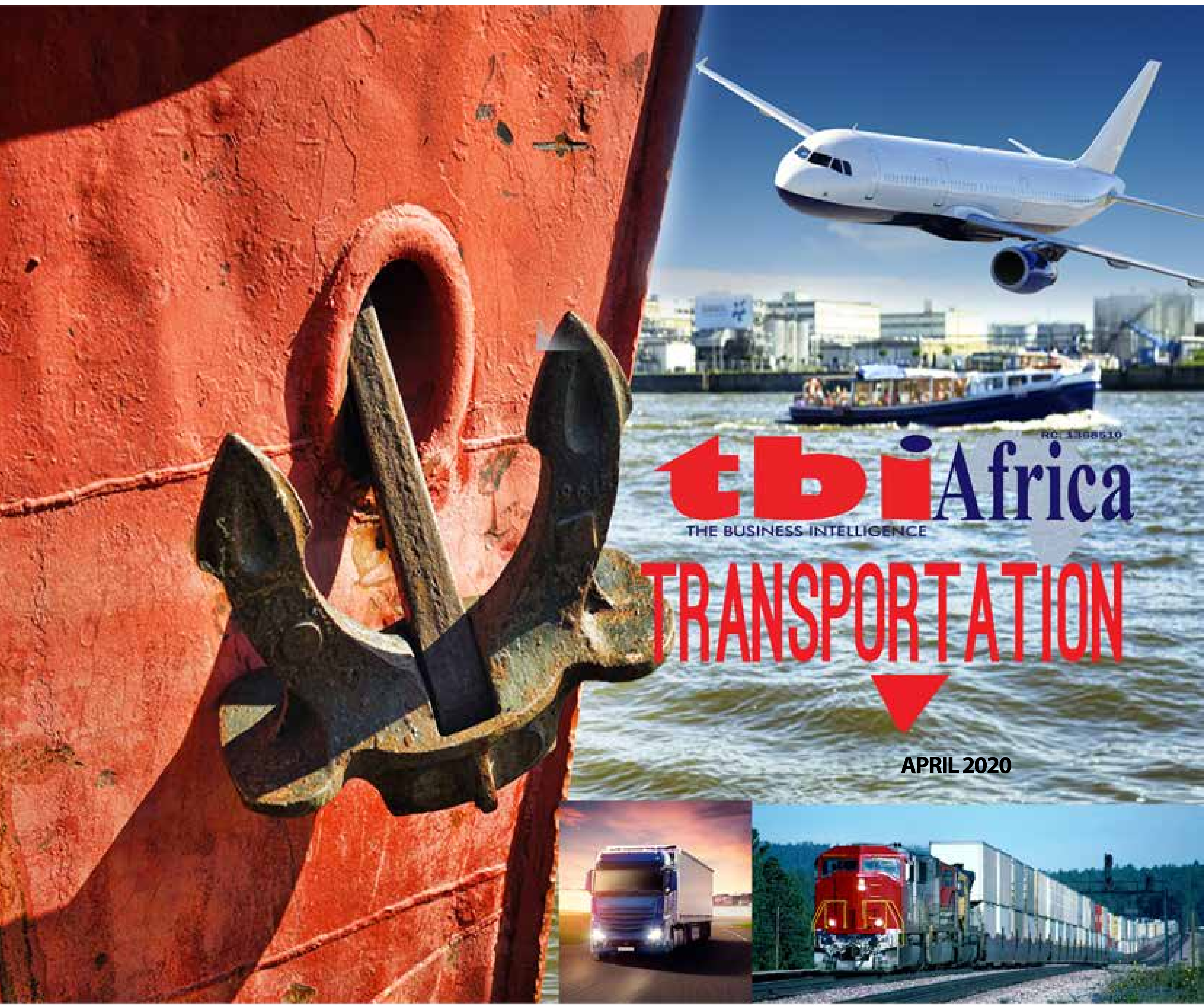
'Situation room'

He also said a Financial Markets Situation Room would be set-up to monitor global markets and advise the bank on adequate response. He advised all Deposit Money Banks and other regulated entities in the banking industry "to trigger their business continuity plans to ensure that their staff and families are protected and their operations remain largely undisrupted".

He also advised the banks to adhere strictly to the directives, advice, and notices from the Federal Ministry of Health, National Centre for Disease Control and other relevant government agencies on the national response measures to COVID-19.

As a way of checking the possible spread of the virus, he urged the institutions to ensure regular and appropriate sanitisation of their premises and make available in all their locations adequate sanitisation materials and also to discourage large gatherings.

The CBN assured it will continue to monitor all developments on the outbreak "and design appropriate monetary policy response to protect the people and economy of Nigeria".



HOW TO MONITOR, SUPPORT LOCAL AIRLINES TO STEM COVID-19

The reality of the coronavirus pandemic is starring doubters in the face and raising panic across nations. But a more strategic and timely preventive medicine, in right doses, can halt the contagion, ***Olamilekan FAWAS*** *reports.*

Apparently coming too late to wisdom, the Federal Government banned all flights en route 15 endemic countries with immediate effects. This was after about 89 countries took decisive yet economically painful measures to stop the virus. More than half of them have not even seen an index case.

Travellers and air travel business are quite central in this rampage. But there is more to stopping a pandemic crisis than banning few foreign airlines from high-risk countries. People will move anyway and anyhow.

Hence, at local level especially one that already has 12 some cases; the operating airlines can be a critical asset at curtailing the spread and should not be overlooked in this public health emergency.

In fact, operators and stakeholders alike are unanimous that it is high time the Federal Government applied the right support mechanisms to enhance best practices in hygiene, thorough screening measures across the aviation value chain, and sustenance of local airline operations while the covid-19 impacts last.

Safety first

Indeed, the global distress could have been different without the high speed commercial flights crisscrossing the globe. With one and in a matter of weeks, the Chinese Hubei province virus has become a pandemic. Declaring a no fly-zone or border closure is also as fatal. No economy can survive in self-isolation for long. But as it is, covid-19 is an unusual ailment and should be treated in uncommon ward.

Aviation lawyer and consultant, Segun Ajaguna, remarked that the world currently faces a major health and economic crises, and "aviation is the fall guy. Airlines have to bear it stoically because safety of lives is the most critical. But aviation cannot afford to shut down completely because it is a major life wire of an economy and will play a very important part in national recovery.

"With or without airplanes, people must

move anyway. You cannot lockdown a city for too long. So, for me, the local airlines need to keep running, but should be closely monitored much more than we have done with Immigration and Port Health screening at our major airports.

"I am aware that the airlines have intensified control measures and the government through the regulatory should support them in this exercise," Ajaguna said.

The airlines, drawn by enlightened self-interest, said they had no choice than clean all interior surfaces harder than before, and carry extra hygiene supplies at least to assure travellers of their safety.

Not unusual on domestic flights these days are glove wearing crew, alcohol-based hand sanitiser, sani-com wipes, foaming handsoap, disinfectant wipes, mini-mops with a handle and trash pickup devices.

Safety Manager of Air Peace, the biggest carrier in Nigeria, Captain Godfrey Ogbogu, confirmed measures to protect both passengers and staffers in the organisation. Ogbogu said all passengers of Air Peace are now subjected to a thorough hand sanitisation at the boarding gate, adding that the airline has introduced temperature checking for all passengers before boarding.

He noted that any passenger whose temperature reads above 38 degrees, are not allowed to board while a refund are issued. According to him: "We wish to state categorically that any passenger who fails to cooperate will be declined boarding on any of our flights".

Assuring the passengers that these exercises would be seamlessly carried out, Ogbogu hinted that the passengers will not be inconvenienced in any way. He enjoined all passengers to cooperate with the airline to this end, as the World Health Organisation (WHO), has declared covid-19 a pandemic. He disclosed that the airline's aircraft is extensively sanitised before flying each day.

"Air Peace is cooperating with the Federal Government in fighting the incidence of the pandemic. We use this opportunity to thank all our customers for making us their airline of choice; the safety of our passengers and workforce is our priority, and this we shall pursue vigorously," Ogbogu said.

One good turn deserves another

Chairman of the Airlines Operators of Nigeria (AON), Capt. Nogie Meggison, also confirmed that the airlines were doing their best to sustain the safety trend within the local operations, but needed to be encouraged to sustain the tempo.

Meggison said deploring safety measures are

> *The agencies should, therefore, help the airlines by immediately streamlining over 32 multiple charges given to airlines, which are mostly double billing*

most necessary but not cheap amid dwindling fortunes of aviation business. He called on the Ministry of Aviation to take a cue from the Central Bank of Nigeria (CBN) by directing the various agencies under its supervision to immediately put in place and extend critical palliative measures to Nigerian airline operators in order to reduce the burden of colossal losses.

He recalled the CBN's buffer interventions, including the N50 billion targeted credit facility to cushion the impact of the virus on businesses, adding that it would not be out of place to support the domestic airlines as well.

"Nigerian airlines are suffering heavily from the impact of the coronavirus as the passenger numbers have dropped drastically and our overheads remain the same on many fronts and even increasing significantly on other fronts.

Like we all know Nigerian airlines trade in Naira but we do our business in Dollars and the Naira has come under pressure since the coronavirus pandemic.

"The agencies should, therefore, help the airlines by immediately streamlining over 32 multiple charges given to airlines, which are mostly double billing.

Government should also bear 100 per cent cost of disinfecting all aircraft for this period, provide thermal scanners, hand sanitisers, mobilise more manpower, and training of Port Health personnel at our local airports to encourage more people to travel.

"What we are asking for is not unprecedented. For instance, in the United Stated of America, airlines are seeking a $50 billion bailout. As part of its response, an Emergency Stimulus Package was passed by the US

(IATA) had lately estimated the financial impact of covid-19, putting the loss at $113 billion.

In the face of serial shutdown of air travel businesses, the body had warned governments to prepare for the broad economic consequences, and ready to respond to the financial frailty of airlines."

Right support for safety

The Chief Executive Officer of IATA, Alexander de Juniac, said flight disruptions would create enormous cash-flow pressures for airlines. "We have already seen Flybe go under. And this latest blow could push others in the same direction. Airlines will need emergency measures to get through this crisis.

"Governments should be looking at all possible means to assist the industry through these extreme circumstances. Extending lines of credit, reducing infrastructure costs, lightening the tax burden are all measures that governments will need to explore.

Air transport is vital, but without a lifeline from governments we will have a sectoral financial crisis piled on top of the public health emergency," de Juniac said.

Ohunayo agreed that that the local airlines and the service providers need palliatives at this time, in the form of waivers, reduction in levies and taxes to help the industry stay afloat.

"If other countries are doing it for their airlines, why should Nigeria not do it? Though we don't have public-owned airlines, the private carriers should be supported to weather the storm.

"Arik has just stopped its flights on the West Coast. It will also affect Air Peace. With states banning gatherings, it will affect passenger traffic putting pressure on the airlines too," he said.

Secretary General of the ASRTI, Group Capt. John Ojikutu (rtd), added that both State and operators must be concerned about the onboard health of the passengers, as we have for onboard security in the aviation security.

Ojikutu urged them to enhance the screening of passenger at departure point with pre-boarding screening of all passengers.

"Passengers detected at the departure point to be positive must be disallowed from boarding and handed over to the responsible health services authority. There must be a primary cost for that. Government could give concessions on services at some airports particularly the not too viable airports.

"The support must not come in the form of the usual dolling non-recoverable monies to the private airlines," he said.

Senate and House and they reduced interest rates to 0.25 per cent. Also, the bill granted their airlines tax credit for their losses during the pandemic.

"Our government can do the same, therefore, by granting the above stated reliefs to Nigerian airlines as a way of assisting them during this very difficult time to recover from their losses," Meggison said.

Why airlines are more at risk

Indeed, airlines are bleeding globally. It is a highly pressured business that has no margin for laxity. So, having a scheduled aircraft grounded and for too long can cost the operator dearly.

Member of the Aviation Safety Round Table Initiative (ASRTI), Olumide Ohunayo, explained that airlines run on high capital aircraft leasing arrangements, routinely trained personnel, very huge overhead, and backup cash, all of which involve regular revenue schedule that don't foresee major crisis like covid-19 pandemic.

"Legacy carriers also have large pension liabilities because they have always being there and have the tendency to have higher

Air transport is vital, but without a lifeline from governments we will have a sectoral financial crisis piled on top of the public health emergency

staff to aircraft ratio that is above average, among other liabilities. They often put service and nationalism before profitability. That is why they get hit very badly in bad times," Ohunayo said.

It is, therefore, a little wonder that the Founder of Virgin Atlantic, Richard Branson, turned to the British Government to seek £7.5 billion in credit facilities for the airline industry. Air France-KLM airlines also took more strategic measures, drawing a revolving credit facility for a total amount of €1.1 billion and €665 million.

The International Air Transport Association

AIR TICKET SALES TO WORSEN WITH CORONAVIRUS GLOBAL PANDEMIC

• FAAN POSTPONES AVIATION SUMMIT OVER CORONAVIRUS

By Meletus EZE

Ticket sales for international travellers in Nigeria recorded about 31.4 per cent slump in 2019, compared to 2018 estimates. Travel agencies, released the N360 billion total sales figure for 2019 – a N165 billion difference when compared to N525 billion ($1.5 billion) recorded in previous year.

The 2019 figure is at variance with about 10 per cent projected rise in passenger traffic, increased capacity and new routes that opened during the year under review.

President of the National Association of Nigeria Travel Agencies (NANTA), Bernard Bankole, who disclosed the figure, said the "sharp drop" was on account of xenophobic attacks and visa restrictions by the United States' government.

Indeed, expectation was erstwhile high on an upsurge in actual passenger traffic and attendant sales revenue for 2019.

The Minister of Aviation, Hadi Sirika, last year said no fewer than 18 million passengers now travel through the Nigerian airspace in a year. The surge, compared with the 2017 figures, represents about 11 per cent increase in passenger traffic.

The marginal growth trend was confirmed in the first quarter (Q1) of 2019, with no fewer than 3.5 million passengers travelling through the airports. The Q1 report released by the Federal Airport Authority of Nigeria (FAAN), showed an increase of 76,397 passengers and 2.23 per cent growth compared to the 3.43 million passengers recorded in the first quarter of 2018.

Sirika, at a meeting with stakeholders in Lagos, said the industry recorded marginal growth of 33 per cent rise in local passenger traffic and 11 per cent in international travels.

Bankole explained that the airlines had serious competition among themselves as they kept reducing fares just to make as much sales as possible. "So, while they were reducing fares, they were increasing capacity to meet the demand. There was serious competition among the airlines. Therefore, there were lesser yields."

Bankole added that the travel restrictions by President Trump to America also caused reduction in ticket sales. The Xenophobic attacks on Nigerians also had a major impact, as a lot of Nigerians travel to South Africa. He said for 2020, ticket sales would further reduce as a result of the coronavirus spread and attendant far-reaching disruption.

Following President Donald Trump's travel ban on travel from European countries in an effort to halt the coronavirus, Nigeria may be one of the worst hit countries as the US-Europe routes account for over 35 per cent of revenues on tickets sold by travel agencies yearly.

Bankole said before the ban, Nigeria's aviation sector has seen about 20 per cent decline in passenger traffic as a result of coronavirus and will experience further decline.

"The year 2020 till date has been challenging. Movements have been restricted globally, United States is putting a '30 days' restriction to everyone from mainland Europe, several embassies have shut down, there have thousands of flight cancellations, there are new rules on yellow fever vaccination for inbound travellers and the dollar rate has increased.

"I understand the challenges of the times, but let us persevere, let's hold on until the light breaks, the tide turns, and the times change for the better. Let us together inspire people with our cheerful attitude and positive thinking whilst we face these difficult times courageously," Bankole said in a message of hope to the aviation stakeholders.

Meanwhile, FAAN postponed the National Aviation Conference earlier scheduled for April 2020 over coronavirus concerns. General Manager, Corporate Affairs of FAAN, Henrietta Yakubu, said the indefinite shift was in line with the safety precautions in the face of the coronavirus presently spreading across nations globally.

The World Health Organisation recently declared covid-19 as a global pandemic and advised that as much as possible, individuals and organisations should avoid clustered gatherings to prevent the spread of the virus. Yakubu said that a new date for the conference would be announced as soon as possible.

By Aliyu DANLADI

STAKEHOLDERS CHART PATH FOR NEW NIMASA MANAGEMENT

Major stakeholders in the maritime sector have charted a path to a progressive maritime sector to be championed by the new management team of Nigerian Maritime Administration and Safety Agency (NIMSA).

Speaking at a Maritime Industry Reception organised in honour of the new Director-General of NIMASA, Bashir Jamoh in Lagos, the stakeholders believed that the maritime sector has the capacity to buoy the nation's fortunes if the potential in the sector is properly harnessed.

Former Minister of Interior and Chairman, Integrated Oil and Gas Limited, Emmanuel Iheanacho, said Jamoh's appointment was an answer to the prayers of the industry stakeholders who had yearned for an insider to properly position the agency to achieve its mandate.

Iheanacho urged him to focus more on the regulatory mandate of the agency instead of revenue generation while ensuring that that the guidelines set up for the disbursement of the Cabotage Vessel Financing Fund (CVFF) is fair and equitable to assist indigenous operators.

Former President, Nigerian Shipowners Association (NISA), Aminu Umar, urged Jamoh to address insecurity in Nigeria's maritime domain and build indigenous capacity.

He said: "One of the issues that have been on the front burner for shipping is piracy. We cannot discuss enough the damage that piracy is doing to us presently in all the sectors of the maritime industry.

We will love the DG and his management to take this as their priority and promote, protect the interest of indigenous ship-owners,"

Chairman Seaport Terminal Operators Association of Nigeria (STOAN), Princess Vicky Hasstrup, sought the intervention of the NIMASA boss for the relocation of tank farms from the port area.

Hasstrup said the concentration of tank farms within the port environment poses a dangerous threat to the port businesses. She said""We are sitting on a keg of gun powder. It is only in Nigeria that I see tank farms sitting in the middle of a city.

"We have almost 63 tank farms sitting right in Apapa. Can you imagine if just one of the tank farms blows up? We need the tank farms to be relocated. Please help us inform appropriate authorities to relocate the tank farms far away from the port area."

Bashir Jamoh

Chairman, Ship-owners Forum, Mrs. Magret Onyema-Orakwusi, urged the NIMASA boss to revive the moribund Nigerian Maritime Expo (NIMAREX) to enable Nigeria to showcase the potentials of the maritime industry to investors.

Jamoh, however, expressed appreciation for the confidence reposed in him by industry stakeholders, vowing that he will not fail them. He said the task ahead in repositioning the agency is not an easy one, calling on stakeholders to collaborate and support his administration.

Jamoh assured that NIMASA under his watch would work within its mandate to meet the aspirations of stakeholders. He said: "We have our own mandate. We need your assistance and support to be able to actualise this mandate. Your support, understanding and guidance are always going to be our watchword. I cannot do it alone.

"Join me and support me to get these things right to reposition the agency for the betterment of us all. I assure you we will do everything possible not to fail you."

The industry operators took turns to applaud the appointment of Jamoh, expressing hope that his appointment, given his years and wealth of experience will attract more development to the industry.

EXPERTS LAUD APPOINTMENT OF JAMOH AS NIMASA BOSS

By Abisola THOMPSON

The appointment of a new helmsman at the affairs of the Nigerian Maritime Administration and Safety Agency (NIMASA) has drawn series of commendations from experts in the maritime sector who believed that the regime would berth new dawn for the sector.

Bashir Jamoh is considered the first NIMASA DG to have risen through the ranks to clinch the seat of director-general. Officers of the agency went into jubilation when news filtered out that President Muhammadu Buhari had approved the appointment of Jamoh as the new director-general of the agency.

Stakeholders said Jamoh's appointment would herald a new dawn in NIMASA, and bring succour to the industry especially because of his vast knowledge of the maritime industry.

Jamoh, who is currently the president of the Chartered Institute of Transport Administration (CIoTA), has spent over 25 years of professional experience in the industry. Until now, Jamoh was the Executive Director of Finance and Administration at NIAMSA.

Speaking on the development, President of Nigerian Shipowners Association (NISA), Aminu Umar, hailed his appointment because of his understanding of the maritime sector. Umar who called for industry support for Jamoh said his presence in the management team of Dakuku Peterside means he will continue from where the immediate past administration stopped.

He said: "I wish him all the best, as we all know, he is an insider and he is also a veteran in transport administration because he is the president of CIoTA, so it is a better day ahead for the maritime industry,"

He stated further that, "with his appointment, the presidency has put a round peg in a round hole and it is very different from bringing an outsider that is someone who will start learning the industry," he said.

Former president, Shipowners Association of Nigeria (SOAN), Engr. Greg Ogbeifun, described the choice of Jamoh being an insider as a good development for the industry. According to him, "It is a rare opportunity to have somebody who has been in the system over a couple of decades, who has seen it all both the bad and the ugly and does not need to be tutored on what the agency mandates are.

SHUTDOWN TO COST AIRLINES $252BILLION AS IATA REITERATES BAILOUT

By Meletus EZE

Airlines has reviewed the cost of airspace shutdown, pushing potential losses from $113 billion to $252 billion, as passenger revenue slumps globally.

The airlines, under the aegis of the International Air Transport Association (IATA), said many airlines are on the brink of collapse without urgent support from their home governments.

IATA welcomed the support of those governments that had provided financial relief to airlines and urged other governments to follow suit before more damage is done. The Association that represents some 290 airlines had warned that Nigeria was at risk of losing 2.2 million overseas-bound passengers and $434 million of revenue if the coronavirus spread continues to escalate.

The National Association of Nigerian Travel Agencies (NANTA) had recorded over 4000 jobs and N180 billion losses.

IATA's Director-General and Chief Executive Officer (CEO), Alexandre de Juniac, said airlines are currently fighting for survival in every corner of the world.

"Travel restrictions and evaporating demand mean that, aside from cargo, there is almost no passenger business. For airlines, it's apocalypse now. And there is a small and shrinking window for governments to provide a lifeline of financial support to prevent a liquidity crisis from shuttering the industry," de Juniac said.

Alexandre de Juniac

According to IATA's latest analysis, released Tuesday, annual passenger revenues will fall by $252 billion if severe travel restrictions remain in place for three months. That represents a 44 per cent decline compared to 2019.

This is well-over double IATA's previous analysis of $113 billion revenue hit that was made before countries around the world introduced sweeping travel restrictions. "It did not seem possible, but in a matter of days, the crisis facing airlines worsened dramatically.

"We are 100 per cent behind governments in supporting measures to slow the spread of covid-19. But we need them to understand that without urgent relief, many airlines will not be around to lead the recovery stage.

"Failure to act now will make this crisis longer and more painful. Some 2.7 million airline jobs are at risk. And each of those jobs supports a further 24 in the travel and tourism value chain. Some governments are already responding to our urgent calls, but not enough to make up the $200 billion needed," de Juniac said.

NPA TARIFFS NOT HIGHEST IN W/AFRICA

By Aliyu DANLADI

The Nigerian Ports Authority (NPA) has said its tariffs in the ports were not the highest in West Africa, contrary to speculations.

General Manager, NPA Corporate and Strategic Communications, Mr Jatto Adams, stated this in Lagos. "NPA hereby states that it does not charge the highest tariffs along the West African coast. In May 2019, Messers Crown Agents, commissioned by the authority with the support of UK Aid, produced the result of an assessment which revealed that it is cheaper to berth general and container vessels in Nigerian ports than in Ghana and Togo ports.

"Specifically, it costs $94,567.63 VAT inclusive to berth a general cargo vessel with Gross Register Tonnage (GRT) of 26,770, Length Overall (LOA) at 196m and cargo of 14,100 MT in Nigerian ports.

"In Ghana and Togo, they charge $217,879.07 and $120, 357.58 exclusive of VAT for the same types of cargo respectively.

"Similarly, while the authority charges $108,806.90 VAT inclusive on a container vessel with 39,906 GRT, LOA of 261m carrying 172×20" and 139×40" containers, ports in Ghana and Togo charge $117,906.58 and $128,406.94 exclusive of VAT respectively," Jatto said.

He said apart from towage dues, which were reviewed to cover the cost of providing the service in 2015, NPA tariffs had remained the same since 1993.

The NPA spokesman said this was also in spite of the erroneous inclusion of stevedoring charges, which was collected by terminal operators as the authority's component. He said costs such as freight rates and terminal handling charges were components outside the purview of the NPA.

"The NPA assures its customers and all port users of its commitment to the ease of doing business policy of the President Muhammadu Buhari's administration and is working to enhance the competitiveness of all Nigerian ports," Jatto said.

COVID-19: SURVIVAL OPTIONS FOR LOCAL AIRLINES

By Aliyu DANLADI

Continuous spread of COVID-19 across the globe is dealing a deadly blow on airlines with Nigeria projected to lose 2.2 million overseas-bound passengers and an estimated $434 million revenue loss. To mitigate the effects of the ravaging disease on the industry, Nigerian carriers are rolling out survival measures, including flight cuts/suspension and deployment of suitable aircraft, to keep their operation afloat, Meletus EZE reports.

Global air travel is hard hit by the ravaging effects of COVID-19, which has not only dipped passenger traffic but almost sounding the death knell for many carriers. The development has forced global carriers to evolve a string of measures not limited to flight restriction and bans within and outside affected countries in a bid to reduce the effects of the scourge on the air transport industry.

To keep global aviation running, a coalition of efforts by many internationalorganisations, including: International Civil Aviation Organisation (ICAO), International Air Transport Association (IATA), African Airlines Association (AFRAA) and Airline Operators of Nigeria (AON), have been spiked to reduce the devastating effects of COVID-19 on aviation business.

IATA, the Association that represents some 290 global airlines, said the gloomy outlook of COVID-19 was not peculiar to Nigeria, but spreads across regions warranting emergency support for the airlines.

IATA, in a market analysis released at the weekend, appealed to governments in Africa and the Middle East, to provide emergency support to airlines as they fight for survival due to the evaporation of air travel demand as a result of the covid-19 crisis.

IATA's Director-General and Chief Executive Officer (CEO), Alexandre de Juniac, said stopping the spread of covid-19 should be the top priority of governments.

"But they must be aware that the public health emergency has become a catastrophe for economies and for aviation. The scale of the industry crisis is much worse and far more widespread than 9/11, SARS or the 2008 global financial crisis.

"Airlines are fighting for survival. Many routes have been suspended in Africa and Middle East and airlines have seen demand fall by as much as 60 per cent on remaining ones. Millions of jobs are at stake. Airlines need urgent government action if they are to emerge from this in a fit state to help the world recover, once covid-19 is beaten.

"Extensive cost cutting measures are being implemented by the region's carriers to mitigate the financial impact of covid-19. However, due to flight bans as well as international and regional travel restrictions, airlines' revenues are plummeting—outstripping the scope of even the most drastic cost containment measures,"de Juniac said.

Globally, IATA estimates that emergency aid of about $200 billion is required.
On the domestic front, carriers are not leaving anything to chance. From scaling down of flights, operators have devised survival options to mitigate the effects of COVID-19 on their operations.

Largest domestic operator by fleet size, Air Peace, disclosed that it was scaling down operations. The airline said it took the decision after an emergency meeting with its management and staff to review its operations in the face of the disease.

The airline said several measures taken were aimed at addressing the adverse effects occasioned by the disease. Its Chief Operating Officer (COO) of Air Peace, Toyin Olajide, said the airline took the decision to cut down its flights following a huge decline in passenger traffic and the need to cut costs.

She said: "Air Peace, as a result of the adverse effects of the Coronavirus pandemic on passenger traffic, has taken the hard decision to downsize flight operations to cut the mounting costs occasioned by the pandemic."

She said the airline also suspended its operations on the Dakar-Senegal and Monrovia-Liberia routes and would be cutting down its Freetown-Sierra Leone and Banjul-Gambia operations to once weekly. She disclosed that the airline would also be reducing its operations into Accra from Lagos to just two daily and suspend its Abuja-Accra operations.

"On the domestic scene, we are reducing our frequencies while at the same time, restructuring our operations by deploying our hoppers to more airports," she said.

Another indigenous carrier, Arik Air, said it has temporarily suspend flights on its West African Coast destinations. Chief Executive Officer, Arik Air, Captain Roy Ilegbodu, stated this in an interview. He said the management of the airline took the decision after an analysis of the novel COVID-19.

Ilegbodu continued: "The safety and well-being of our personnel and valued customers are paramount at this critical time. We do not want to take chances and this is why we have taken this decision."

The airline apologises to customers whose travel plans may have been affected by the suspension of flights and promise to mitigate the effects by ensuring a prompt refund of tickets.

Only last week, the umbrella body of

CONTINUED ON PAGE 50

COVID-19: SURVIVAL OPTIONS FOR LOCAL AIRLINES

CONTINUED FROM PAGE 49

local carriers, Airline Operators of Nigeria (AON), called on the government to develop measures aimed at keeping airlines afloat.

AON Chairman, Captain Nogie Meggison, called on the Ministry of Aviation to take a cue from the Central Bank of Nigeria (CBN) by directing the various agencies under its supervision to immediately extend critical palliative measures to airline operators. Such meaures, he said, would reduce the burden of colossal losses operators suffer from the impact of the virus on air travel.

He said: "On March 16, 2020, the Central Bank of Nigeria created a N50 billion credit facility to cushion the impact of the virus on businesses. We use this medium to call on the aviation agencies, through the Federal Ministry of Aviation, to follow the same path by taking action to support domestic airlines that are the drivers of our national economy.

"Nigerian airlines are suffering heavily from the impact of the corona virus as the passenger numbers have dropped drastically and our overheads remain the same on many fronts and even increasing significantly on other fronts. Like we all know, Nigerian airlines trade in naira but we do our business in dollars and the naira has come under pressure since the corona virus pandemic.

"The agencies should, therefore, help the airlines by immediately streamlining the over 32 multiple charges given to airlines, which are mostly double billing. The government should also bear 100 per cent cost of disinfecting all aircraft for this period and provide thermal scanners and hand sanitisers as well as mobilise more manpower and training of Port Health Personnel at our local airports to encourage more people to travel. "What we are asking for is not unprecedented."

Meggison said the government could assist local carriers citing the instance, in the United States, where airlines are seeking a $50 billion bailout. He said: "Our government can do the same, therefore, by granting the above stated reliefs to Nigerian airlines as a way of assisting them during this very difficult time to recover from their losses."

Meanwhile, National Union of Air Transport Employees (NUATE) has expressed its concerns over the heavy toll COVID-19 was having on global aviation.

In a statement, its National President, Comrade Ben Nnabue, said Covid-19 has ravaged aviation through high exposure of airlines and airport personnel to danger.

He said: "The break out and wild spread of Corona Virus has taken a heavy toll on aviation globally. From high exposure of airline and airport personnel, through the near total collapse of international travel, to the closure of some airports, it is very obvious that aviation has taken the hardest hit from this pandemic.

"The colossal losses arising from this state of affairs has created a very serious labour challenge. As the airlines, especially the international carriers, and the companies dependent on them count their losses,

"All stakeholders must share the worry of the affected aviation companies. We truly sympathise with their situation. And there is a genuine fear that some of the smaller entities might be unable to survive the crush. This type of circumstance calls for sober thoughts.

"On the other hand, it cannot be denied that the workers of these companies are real human beings with real human needs. The unfortunate situation of their companies does not diminish the bills they have to bear. If anything, the psychological trauma imposed by this condition might likely lead to health issues and cause greater spending. This unfortunate, paradoxical inter-relationship between the companies and their workers truly begs for understanding of the deepest kind.

"We use this opportunity to commend the Federal Government who, through the Central Bank of Nigeria, has announced an intervention fund of N1trillion. To mitigate the negative impact of the coronavirus pandemic, we are grateful that aviation has been named among the beneficiaries, and hopeful that the sector will actually be given the lion share.

"We equally use this medium to call on all aviation agencies to activate, or scale up, their corona virus response modes. We expect an integrated mechanism that incorporates the entire airport activities nationwide led by the Federal Airports Authority of Nigeria (FAAN). This mechanism should in turn be integrated with the national response system."

*Investment opportunities are becoming boundless in aviation industry. Regrettably, private sector players in Nigeria are not taking advantage of existing windows. To reverse this trend, regulators and the airport authority are meeting in Abuja next month to examine ways of unlocking huge investment windows for the sector, reports **Aliyu DANLADI.***

Global aviation is becoming a huge industry with massive investment opportunities spanning airport business, airlines, ground handling, shuttle and hailing services, airline catering, tourism, leasing, financing and other activities that boost economic development.

Studies reveal that public financing options are becoming inadequate to drive these chains of activities, thereby paving the way for massive private sector investment and other intervention models. To bridge this gap, a campaign is mounting among aeronautical agencies on the strategies to be adopted to attract private sector investors.

The push for private sector investment continues to gain global traction as regulatory bodies, including Airports Council International (ACI) and International Air Transport Association (IATA), have endorsed the private sector investment model for countries, including Nigeria.

According to the International Air

DRIVING INVESTMENT OPPORTUNITIES IN AVIATION

Transport Association (IATA), the global aviation industry supports over $2.7 trillion of the world's gross domestic product.

On the African continent, operations of airlines and airports generate over $10.3 billion yearly to the gross domestic product.

The global airline's regulator said air transport supports over 6.2 million jobs and $ 55.8 billion in Africa. But, Nigeria is yet to fully plug into this window given the size of its aviation.

To reverse this trend, the government, through the Ministry of Aviation and Federal Airport Authority of Nigeria (FAAN), planned to engage players and stakeholders in April in Abuja to discuss how to pull investment into the aviation industry at the maiden edition of National Aviation Conference. The conference was eventually postponed because of COVID-19 pandemic.

In an interview in Lagos, Managing Director, FAAN, Captain Rabiu Yadudu, said the proposed conference could not have come at a better time when aeronautical authorities were thinking out of the box in deepening the space for greater private sector inclusion and investments in aviation and allied sectors.

He said the conference would have provided a window for Nigeria to interface global air transport expertise in navigating around issues on the implementation of single African air transport market in terms of its prospects and challenges.

The experts would have examined issues on "Challenges of route development in Nigeria's aviation industry," "Procurement and maintenance of safety critical facilities in aviation industry: Getting it right," "Harnessing opportunities in Nigeria air cargo development through states, collaboration and partnership," Nigerian airports gateway to development and managing tourists destinations in Nigeria "Special economic zones at the airports and trade facilitation: Growing revenue and the national gap," " Ease of doing business as a panacea for boosting investments in Nigerian airports," "Consolidating safety culture in the Nigerian aviation industry," "Aviation and national se-curity: emerging trends."

Also, President of Top Brass Aviation, Captain Roland Iyayi, said limitless opportunities in the aviation sector has not been fully utilised by both private and multi-lateral players saying the time for national conversation to attract investment in many layers of aviation value chain could not have come at a better time.

Former Secretary-General, Mr Nick Fadugba, said Nigeria should not isolate itself in the global move to attract investment and capacity building in the aviation sector. A source in the Ministry of Aviation said networking at high levels were ongoing to attract experts, including former Director-General of Nigerian Tourism Development Corporation (NTDC), Otunba Segun Runsewe; aviation security expert, Dr Anne Eyinnaya-Egbadon; Executive Secretary, Nigerian Investment Promotion Council (NIPC), Ms. Yewande Sadiku and ace aerodrome safety and fire-fighting expert, Peter Onyeri, to offer their perspectives to the conversation, but the conference has been postponed.

Aviation consultant and Chief Executive Officer, FCI Nigeria Limited and organisers of NIGAV awards, Mr Fortune Idu, said the time for discussions to expand the investment and operational space of the sector was long overdue in view of lacunae not exploited by private sector and other players.

Idu said: "There is need for the industry to access veritable solutions which have been adopted by other players relative to the future and growth of the industry.

"There is need to discuss the future of airport vis-a-vis innovations, safety and security financing and leasing, sustainability , growth drivers , logistics as well as build indigenous intellectual capacity that is required to complement and effectively manage the infrastructural development in the industry.

"The industry needs conversation for stakeholders to showcase commercial offerings at airports in respective states to attract foreign and local investors to drive efforts at boosting agricultural, solid minerals and tourism activities in these locations with its attendant chain effects signaling commercial viability."

Investigations revealed that leading industry lights, including IATA Regional Manager, West Africa, Dr Samson Fatokun, Chief Executive Officer, Landover Company, Captain Edward Boyo as well as Executive Chairman, Airline Operators of Nigeria (AON) Captain Noggie Meggison, would have offered their perspective from the airline's point of view.

SIFAX GROUP SCALES DOWN OPERATIONS OVER COVID 19 PANDEMIC

By Meletus EZE

The SIFAX Group has voluntarily slowed down its operations, in compliance with the social distancing directives of the government, in order to slow down the spread of the COVID-19 disease.

The Group Managing Director, Mr. Adekunle Oyinloye, confirmed this in Lagos, saying the measure was in "reinforcement of our safety protocols."

"The SIFAX Group wishes to inform our esteemed clients and other stakeholders that we have scaled-down operations across our different subsidiaries. As a company that operates in the essential services industry, our core operations, and technical personnel will be on the ground while the non-essential departments will either maintain a skeletal service or work from home.

"For the few staff that will be at work and clients that will visit our business premises, necessary protective gears, thermometer checks, hand sanitisers, gloves, and nose masks have been provided to keep them safe while the clinic at our port terminal in Tin Can Island Port, Lagos is open round the clock to attend to any emergencies", the Group Managing Director further indicated, adding that the company's social media contacts remain open, including the email- info@sifaxgroup.com

Mr. Adekunle Oyinloye

NIMPORT: BUSINESSES IN TRANSPORT INDUSTRY MOST AFFECTED BY COVID-19

By Shile GIWA

The Nigerian International Maritime Ports and Terminals (NIMPORT), a port and terminal promotion body, observed that the coronavirus pandemic had taken the greatest toll on the transport industry, globally.

The NIMPORT Chairman, Mr Fortune Idu, stated this in Lagos, noting that the different modes of transportation such as air, water, and land, involved close contact with persons on board.

Idu maintained that, while governments globally discouraged massive movement of people, the transport industry had remained most vulnerable.

"Cargo movement has been seriously interrupted due to the Coronavirus outbreak. The cargo transport movement as it is today worldwide is being affected seriously as importers and exporters are responding to the coronavirus outbreak situation.

"Importers and exporters are not actually placing orders anymore, because they do not know when the pandemic will end, and the outcome of what is going on. The situation in the country and the world, in general, is one of high uncertainty, and industry stakeholders are responding to that," he said.

The NIMPORT chairman said that cargo movement started from the manufacturing end or supplier end to the logistics part, and then to the port before it now gets to the final destination, and each of these links had been seriously affected.

"Manufacturing outfits, supply outfits, and industrial parks are closing down as people working there are pulling out, except in places that there is high automation. The goods now made cannot leave the factory and go to the logistics park without human contact and that brings people into closer confines and helps in the spread of the virus.

"The link or chain has been really affected and that means that it is no longer efficient and this leads to importers not placing orders," the NIMPORT chairman said.

Mr Fortune Idu

HOW CORONAVIRUS IS IMPACTING AGRO EXPORTS

*Major world economies are slipping into complete shutdown due to the pandemic coronavirus. Experts say Nigerian agro exporters could find themselves in a state they least expected as movements to top destinations are being restricted, **Shile GIWA** reports.*

Despite efforts by countries affected by the coronavirus to control its spread, it is impacting global business.

Many analysts said the virus is hurting global economic growth. The United Nations Conference on Trade and Development (UNCTAD) said the outbreak could cost the global economy $1 trillion this year.

Also, UNCTAD said the coronavirus epidemic is disrupting world trade and could result in a $50 billion decrease in exports across global value chains. Indeed, exporters have been hard hit.

Last month, some exporters saw huge decline in outward shipments as countries close borders and order cancellations increase due to the spread of Covid-19.

With people limiting travel and hunkering down due to fears of COVID-19, the impact caused by the virus on businesses, such as restaurants, hotels, resorts and airlines have bleed into the food and agriculture sectors.

Big ticket importers of agro produce countries, such as United States (U.S.), UAE, Germany, United Kingdom (U.K.), Singapore, Italy and China have also taken precautionary measures on food safety to prevent the spread of the virus and impact on their economies.

The rapidly-spreading coronavirus outbreak continues to rattle global markets as experts assess the risks posed by the virus to economies. Experts have warned of the impact it may have on agro exports.

One of them, a former Dean, Faculty of Agriculture, University of Ilorin (UNILORIN), Prof Abiodun Adeloye, said the effects of the virus could slow global growth and hurt agricultural exports.

He said coronavirus poses a significant risk as demand for agricultural products has declined under restrictions put in place to contain the outbreak. He expects reduced exports in places hard hit by the virus, and said loss of income in those places will further curtail export demand on a longer term.

The Executive Secretary, Institute of Export Operations and Management Nigeria, Ofon Udofia, said commodity markets have been hard hit. He noted that while international ports and their customs offices were operating fairly smoothly, the difficulties lie in getting agro exports to and from the docks because of restrictions brought by the virus into the shipping system.

Due to the coronavirus outbreak, he warned that agro exports growth would dip, though its exact level was still difficult to predict. He underscored the importance of coordinated action to limit the economic effect of the virus.

The importance of China

China is the largest crude oil importer in the world with a staggering 506 million tonnes of crude oil imported last year. She buys oil from Nigeria. But oil import from China has dropped.

Udofia said the shutdown of China has contributed to the transitory slump of crude oil imports. His concern is that the oil price slump will affect the country. He believes that the coronavirus outbreak would exacerbate the negative economic effects.

He noted that travel restrictions due to the virus had also impeded the transportation of goods in and out of China. Because of continued quarantines in China, he observed that problems remained for unloading shipments at docks and transporting goods to domestic destinations and delivery or pickup of those goods for consumers.

Apart from general exports, exporters have continued to report a shortage of shipping containers for agro produce bound for China. At the same time, agro exports and empty containers are piling up at the ports of the Asian country, he said.

Udofia said it was a nightmare getting agro exports to China. For instance, he mentioned that it has been challenging getting sesame to China as freight forwarders have had a very hard time clearing shipments at the ports. China buys Tumeric, Ginger and sesame from Nigeria. Currently, some shipping containers are unable to dock at Chinese ports.

According to him, the disruption to China freight movement is being felt across

major ports, including Nigeria.

Ripple effects of virus

While the death toll is the most important factor, the rippling effect of the virus is being felt in the shipping industry.

According to experts, global shipping has been one of the biggest casualties. More tonnage of container ships can be found around the world. Coronavirus is upending the logistics of global shipping and plunging exports, especially farm products.

Speaking on the issue, the Chairman, Policy Advisory and Conflict Resolution Committee, Lagos State University (LASU), Prof. Martins Anetekhai, said coronavirus has damaged the world trade, economy, and of course, the shipping industry.

Anetekhai, who is a fisheries expert, added that the food industry has been also under pressure, while the impact on the shipping industry has been substantial.

He said US and UK were virtually shutting down mobility of citizens, closing businesses and controlling transportation to stop the spread of the deadly virus. As a result, imported products are getting backed up at the ports.

Anetekhai said the problem make foreign countries to roll out measures that could lead to more rejection of Nigeria's agro produce abroad. Several consignments of agriculture produce shipped to Europe have again been rejected and destroyed over poor quality and presence of high contents of poorly mixed agro chemicals used to treat or preserve them.

He feared that Europe would strengthen produce standards requirements to constitute a more significant barrier to agro exports from Nigeria. The top destinations for Nigeria's agri-food products are the U.S., Europe, China, Vietnam, India and Japan.

While the impact of COVID-19 is not felt, experts said it was only a matter of time when Nigeria would be seriously impacted as she is significantly dependent on the global economy. At stake are Nigeria's agricultural exports, which accounted for 30 percent of all export revenue.

Oil price has fallen.

The Chief Executive Officer, Multimix Group, Dr. Obiora Madu, said the government needed a package of measures to help ease the economic blow. Encouraging more Nigerians to export, agro exports, he added, should be one of the strategies.

Madu urged the government to introduce new measures to ensure that food production is not interrupted by coronavirus. These include increasing farm productivity, enabling higher value addition, strengthening logistics infrastructure to improve the sector's global competitiveness.

As COVID-19 has become a global pandemic, experts expect the impact to be worse, with the economies falling into recession.

Nigeria's customers with coronavirus

As multiple countries report coronavirus cases, Nigeria's agro exports to customers could be impacted. A few countries that have reported cases of the coronavirus have trade relationship with Nigeria. These include U.S. Japan, South Korea, Taiwan, Singapore, France, Thailand, Australia, Vietnam, Hong Kong, Malaysia, Canada, Cambodia and Germany.

As a result of the virus outbreak, they are conducting quarantine checks to contain the spread of it. This is having a knock-on effect in the global commodities market.

HOW NEW TECHNOLOGIES CAN AID INDUSTRIALISATION, DIVERSIFICATION

By Aliyu DANLADI

The Director-General, Raw Materials Research and Development Council, RMRDC, Prof. Hussaini Ibrahim, has said the manufacturing industry stands at the forefront of an effective diversification of the Nigerian economy, hence the need to harness the technologies available in this modern age to give the manufacturing sector an edge in the diversification agenda.

Speaking at the 5th Nigeria Manufacturing and Equipment Exhibition, in Lagos, he noted that the NIRAM Expo is a platform for manufacturers to source raw materials, obtain first-hand information on research breakthrough to enhance efficient synergy amongst the entire manufacturing value chain.

Similarly, the Minister of State, Federal Ministry of Science and Technology, Mohammed Abdullahi, said the present administration has taken numerous positive and bold steps to demonstrate its commitment to the development and application of science and technology as a veritable tool for national development by launching six policies.

These policies include the national science, technology and innovation policy, national Science, technology and innovation road-


Prof. Hussaini Ibrahim

map 2030, Presidential executive order 005, national policy on methanol fuel production, national leather and leather products policy, and national strategy for competitiveness in raw materials and products development in Nigeria.

He urged for collaboration with the ministry's various initiatives and platform to facilitate the commercialization of research findings and prototype inventions to enhance technological and industrial development.

The president, Manufacturers Association of Nigeria (MAN), Mansur Ahmed, pointed out that the emergence of new technology, changing markets, and the upcoming African free trade market call for stakeholders' collaboration to anticipate and respond appropriately to the evolving manufacturing eco-system which is being ushered in the rapid adoption of this new and innovative technology.

He commended the Federal Government's support for manufacturers particularly in ensuring that the operating environment becomes increasingly conducive to help businesses thrive notwithstanding the fast-growing competitive environment.

He said this year's NME Expo is quite unique as it provides a common ground for large manufacturing organizations and SMEs to explore new production process that will increase their production output, saying that MAN has taken the challenge of leading the manufacturing sector to play a vital role in the nation's vision of becoming one of the leading industrialized economies in Africa.

He said NIRAM Expo is aimed at creating a platform where stakeholders in the raw materials supply chain will come together to synergize, display and trade in available resources and raw materials with the users of these products.

"With this in mind, we intend to close the information gaps and encourage local sourcing of available raw materials by manufacturing industries which are in line Government backward integration programme.

HOW CBN AGRIC INITIATIVES BOOST ECONOMY, BY STAKEHOLDERS

By Abisola THOMPSON

Recently, the National Bureau of Statistics (NBS) in its fourth quarter (Q4) & Full Year 2019 GDP report, said the Nigerian economy grew by 2.3 per cent in 2019, compared to 1.9 per cent in 2018, while Gross Domestic Product (GDP) grew by 2.55 per cent (year-on-year).

Recently figures from the rating agencies Bloomberg and the International Momentary Fund classified the Nigeria's economy as the largest in Africa. Nigeria's GDP stood at $476 billion, while South Africa's economy, which is the closest rival in the continent, was $352 billion in 2019.

Despite the 2016 recession and challenges that confronted many startups thereafter; the Nigerian economy keeps defying many odds to stay ahead. Many stakeholders attributed this feat to some of the initiatives the Central Bank of Nigeria (CBN) introduced.

They said initiatives like the Anchor Borrower's Programme, restriction of foreign exchange (Forex) for the importation of certain food items, border closure, outright ban on importation of things that can be locally produced and the recent interest rates cut on intervention funds among others boost local food production and cut down importation on many fronts.

The Managing Director of Arewa Cotton and National President of the Cotton Association of Nigeria, Mr Anibe Achimugu, said President Muhammadu Buhari's political will to support the Central Bank of Nigeria to deploy efficiently taxpayers money in the Anchor Borrowers' Programme (ABP) kick-started a revolution in the Cotton, Textiles and Garments (CTG) sector.

"The ABP model is still, in my opinion, the best agricultural programme yet introduced in Nigeria. There are indeed problems and challenges but not enough to jettison the programme, more so that the CBN is constantly making adjustments to fit realities, their flexibility is ensuring success," he said.

Stakeholders in the agricultural sector have applauded the Central Bank of Nigeria over the slashing of interest rates on intervention funds from nine per cent to five per cent. They said the gesture would increase the incomes of many beneficiaries and scale up the wealth of many start-ups in the country.

Dr Samaila Aliyu said if the recent interest cut is well implemented, it will not only expand the ABP, but also ease up funds to attract more participants. "I just pray the gesture is not abused through non-payment and poor implementation," he said.

Chairman of the Nigerian Apiculture Platform, Dr Ademola Adesina, said the cut would boost activities in the sector and increase the profit margin of most businesses in the nation's agricultural economy.

He said the current global economic challenges will not support high interest rates, adding that the Apex bank took the right decision in order to cushion the effect corona virus, which is melting down the global economy.

REASONS TO KNOW YOUR PARTNER'S BLOOD TYPE BEFORE MARRIAGE

It took a blood test for Kunle and Funmi Akinpelu (not real name) to save their marriage. The couple, who got married in 2016, battled childlessness, which mounted a lot of pressure on them, especially Funmi.

In a recent encounter with Saturday PUNCH, Funmi narrated how she experienced miscarriage anytime she got pregnant for the first two years in their marriage. She said each time the miscarriage occurred, she was depressed. Understandably, any would-be mother would feel sad about pregnancy loss.

The situation continued until mid-2018 when Funmi and her husband relocated from a small community in Osun State to Lagos State, when Kunle got a job as an artisan in the city.

When they got to Lagos, they were advised to visit a consultant, who asked them to do a blood test, which they never did at the village before marriage. "There is just one health centre where we came from and actually, it never occurred to many of us to carry out any blood test before marriage," Funmi said.

After the blood test, it was revealed the couple's blood type was incompatible, because while Kunle had the A+ blood type, Funmi had the B- blood type. In the following, medical experts have explained why the blood type of the couple is a serious issue, especially for pregnancy.

Until they did the blood compatibility test and a solution was offered, the Akinpelus did not know how blood type could decide the health of their marriage.

According to Healthline Networks, a provider of health information headquartered in California in the United States, every partner must know the following information before marriage.

The information is broken into segments as shown below:

What are the different blood types?

Everybody has a blood type and there are four major blood groups: A, B, O and AB. These groups differ primarily on the presence or absence of antigens that can stimulate an immune response.

In addition to these four groups, a protein called Rhesus (Rh) factor may be either present (+) or absent (-) within each group. This further defines blood groups into eight common types: A+, A-, B+, B-, O+, O-, AB+ and AB-.

How does blood compatibility affect pregnancy?

Compatibility in blood group is only a concern for couples if a pregnancy is involved where both partners are the biological parents. That's because of Rh factor. Rh factor is an inherited protein, so being Rh negative (-) or Rh positive (+) is determined by your parents. The most common type is Rh positive.

Being Rh positive or negative typically does not affect your health, but it could affect your pregnancy.

Rh factor and pregnancy

Rh factor can be a concern if the biological mother is Rh- and the baby is Rh+. Blood cells from an Rh+ baby crossing its Rh- mother's bloodstream might trigger an immune response.

The mother's body might form antibodies to attack the baby's Rh+ red blood cells. At your first prenatal visit, your doctor will suggest a blood type and Rh factor screening.

If you are Rh-, your doctor will test your blood again later in your pregnancy to see if you have formed antibodies against Rh factor. That would indicate that your baby is Rh+.

If your doctor identifies a potential for Rh incompatibility, your pregnancy will be monitored closely for any related issues and may need extra care.

Although the mother's and the baby's blood typically do not mix during pregnancy, a minimal amount of the baby's blood and the mother's blood could come in contact with each other during delivery.

If there's an Rh incompatibility and this happens, the mother's body might produce Rh antibodies against Rh factor. These antibodies will not cause problems to an Rh+ baby during the first pregnancy.

But they can cause issues if the mother has a subsequent pregnancy and carrying another child that is Rh+. If there was an Rh incompatibility in a first pregnancy and there's an Rh incompatibility in second and other future pregnancies, these maternal antibodies can damage the baby's red blood cells.

If this occurs, the baby might need a red blood cell transfusion either during your pregnancy or immediately after delivery.

Rh- pregnant women can be exposed to the Rh protein that might cause antibody production in other ways too. These include miscarriage and ectopic pregnancy.

An ectopic pregnancy occurs when a fertilised egg grows outside of the woman's uterus. Almost all ectopic pregnancies occur in a fallopian tube. As the pregnancy grows, it can cause the tube to burst.

A rupture can cause major internal bleeding and this can be a life-threatening emergency that needs immediate surgery. Death might occur if care is not taken.

How is Rh incompatibility treated?

If Rh incompatibility has been diagnosed, the doctor will most likely recommend Rh immune globulin in the seventh month of pregnancy, and then again within 72 hours after delivery if the baby's blood type is confirmed as Rh+ upon delivery.

Rh immune globulin contains Rh IgG antibody, so the mother's body does not react to the baby's Rh+ cells as if they were a foreign substance. A woman might also get a dose of Rh immune globulin if she has a miscarriage or any bleeding during pregnancy.

Summary

Blood group compatibility for marriage is limited to possible Rh factor incompatibility during pregnancy. And that is further limited to pregnancy where both partners are the biological parents.

Potential problems for Rh incompatibility are easily identified and monitored and there are treatments for positive outcomes.

Experts said the Rh factor compatibility should not affect the ability to have a happy, healthy marriage or to have healthy children with one's spouse.

Speaking with Saturday PUNCH, a gynaecologist based in Ibadan, Oyo State, Dr Jide Oladokun, said couples should not treat knowing one another's blood type with levity.

He told our correspondent during a telephone interview that marriage compatibility could sometimes depend on blood type compatibility.

He said: "Many lovers have yet to realise that a desirable marriage goes beyond just love. Sometimes, the love could melt if the necessary things are not done. The Rh factor is a very key factor.

Many couples don't realise this until it is too late. The most important thing is just to do the blood test before marriage. Doctors would give every advice necessary for the couples to know what to do when the woman gets pregnant.

CORONAVIRUS: OVER 300 COUPLES IN CHINA FOR DIVORCE'

Divorce rate in China has risen significantly because 'couples are spending too much time together at home' during coronavirus self-isolation, according to register offices across the country, Daily Mail reports.

Over 300 couples have scheduled appointments to get a divorce since February 24, said Lu Shijun, the manager of a marriage registry in Dazhou, Sichuan Province of south-western China.

Officials believe the sharp increase of divorce requests could be caused by the fact that partners have spent too much time in close quarters under quarantine.

"The divorce rate [in the district] has soared compared to before [the coronavirus outbreak],' Mr Lu told the local press. Young people are spending a lot of time at home. They tend to get into heated arguments because of something petty and rush into getting a divorce,' Mr Lu explained.

Another factor could be a result of delayed applications due to the council offices closing for nearly a month during the coronavirus epidemic.

Marriage registration offices in Xi'an of Shaanxi Province in north-western China have also seen an unprecedented rise of divorce appointments since re-opening on March 1, according to reports.

One district office received 14 requests in one day, hitting the upper limit set by the local council, a registration officer told Global Times.

Officials in Fuzhou, Fujian Province of south-ern China, have adjusted the number of divorce appointments to 10 couples a day after receiving an overwhelming amount of requests.

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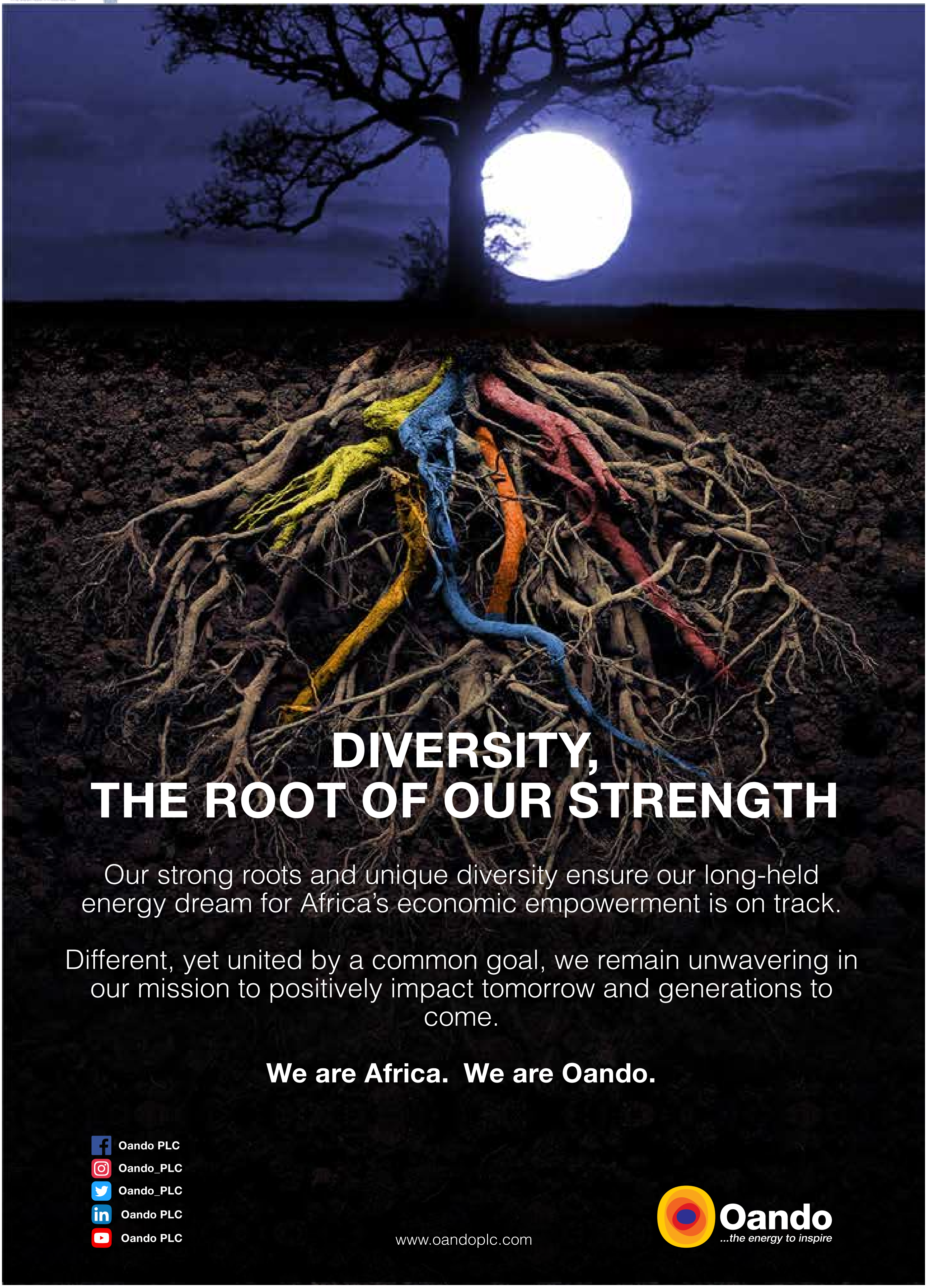
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