NLNG TRAIN 7: ENHANCING NIGERIA'S ECONOMY, SAVING THE ENVIRONMENT

DEEP BLUE PROJECT: NIGERIA'S MASTERSTROKE AGAINST PIRACY

NCDMB DRIVING IN-COUNTRY VALUE CREATION, CAPACITY AND CAPABILITY GROWTH

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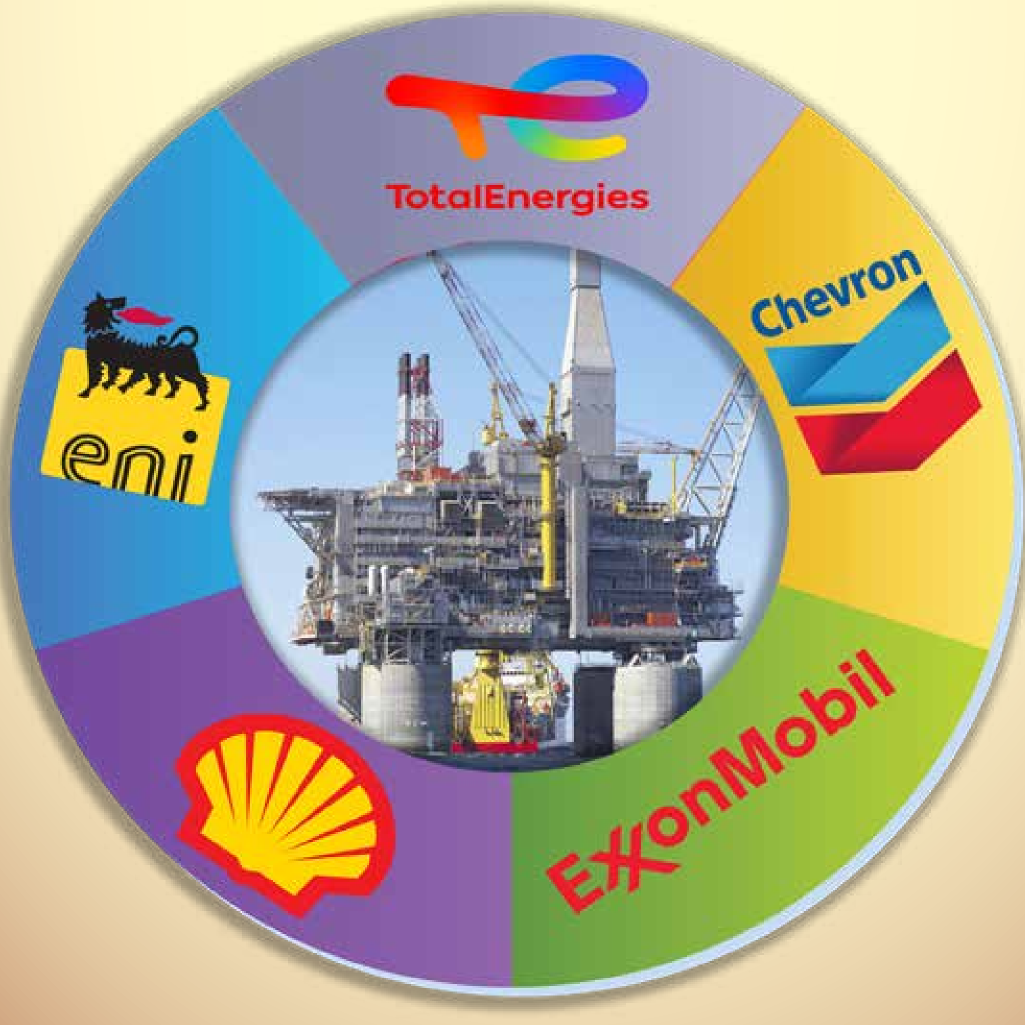
ENERGY TRANSITION: IS NIGERIA PREPARED FOR THE PARADIGM SHIFT?

•SHELL'S OVER 270 STAFF & 900 CONTRACTORS KNOW FATE JULY END AS MASS SACK LOOMS

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Editor's Note

DR. NJIDEKA KELLEY

No sooner did world jubilate that the dreaded COVID-19 Pandemic vaccine has been discovered and the world leaders procured it for its citizenry, one would have thought that the story is over. Surprisingly, the second and third wave surfaced which deadlier than the first.

Nevertheless, the global economy is gradually bouncing back, as various governments across the globe released funds to lubricate the various sectors of the economy that creates jobs and utilities which invariably cushions the attendant effects experienced during the lock-down.

Moreover, TBI Africa will keep advising all to continue to observe all laid-down safety rules.

In this edition, the energy sector speaks on how the role of the Nigerian Content Development and Monitoring Board (NCDMB) is putting Nigeria on global map as a country with the requisite personnel decked in the right skillsets, capacities and capabilities that can compete in part of the world. In view of the outstanding records by the Board, stakeholders in the oil and gas sector have hailed the broad specializations and depth of Nigerian Content initiatives under the leadership of the Executive Secretary of the NCDMB, Engr. Simbi Kesiye Wabote. To them, Wabote who is still on the saddle with the core mandate to create in-country value through viable and robust strategic development of capacity and capabilities has performed creditably.

It also speaks on how Electronic Voucher Distribution (e-Pin distribution) has become a secure end-to-end prepay system, enabling mobile operators to supply airtime to corporate, distributors, dealers, agents and through to the end users electronically. One company presently does this in Nigeria. The firm had developed a solution that allows companies, agents, distributors and vendors to top up airtime accounts of their members of staff or customers with any payment denomination on any of Glo, Airtel, Etisalat and MTN.

This edition tells that since inception in 2010, the implementation of the Act has resulted in 35 per cent of in-country value retention compared to the less than five per cent value retention before the NOGICD Act.

"Before the Act, we had annual spend of $20 billion with little or nothing retained in-country. Today, I can confidently say that we spend over $6 billion in-country annually. "We have two world-class pipe mills and five impressive pipe coating yards. About 40 per cent of marine vessels used in the oil and gas industry are owned by Nigerians. We have four (4) active dry-docking facilities in Port Harcourt, Onne, and Lagos. In cable manufacturing, all cables required in the oil and gas sector are all manufactured in-country.

In the finance sector the World Bank stated that Nigeria can implement economic and revenue reforms which would raise the country's revenue to N10 trillion in 3 years and raise tax to GDP ratio to seven per cent. Senior Public Sector Specialist at the World Bank on Domestic Revenue Mobilisation, Mr Rajul Awasthi, expressed that in the long term, reform of the tax system will be a necessity to stimulate post-pandemic investment and economic growth as policy reforms with revenue growth enhancement are needed for Nigeria to increase revenue generations.

He explained that as Nigeria tries to build back better after the COVID-19 crisis, the approach to revenue mobilisation needs to be more strategic, not just taxing more, but taxing better; not just how much to collect, but how to collect, what to collect, and from whom.

Awasthi harped that Internally Generated Revenues (IGR) should be intensified as efforts are needed to improve States' collection of PIT and other taxes such as the property tax, while the Federal Government should address policy and compliance gaps in VAT as Nigeria has much greater revenue potential from VAT than currently achieved, as citing that the total additional VAT potential could be N3.1 trillion or more.

He elucidated that one of the success stories of the Islamic Finance Market in Nigeria since 2014 has been the Sukuk bond issuance in the nation, noting that at present, Nigeria has raised over N362billion through the issuance of three rounds of Ijarah Sukuk to finance road infrastructure across the six geo-political zones.

Moreover, the finance sector also talks on how the CBN has granted Lotus Bank Licence to commence non-interest banking in the country, and explains how Emefiele's 7 years in office has helped CBN catalyse Nigeria's economic recovery.

Similarly, the Agri-biz speaks on the parameters of Utilising sustainable practices to enhance productivity of smallholder women farmers, as studies have shown that small scale farmers, with less than two hectares of land under cropping, are the ones producing the larger percentage of food consumed by Nigerians.

The agri-biz corroborates the contributions of Solidaridad West Africa – Nigeria, a solution-oriented Civil Society Organisation that inaugurated a Multi-Stakeholder Platform (MSP) for Sustainable Climate Smart Oil Palm production among communities in Kogi.

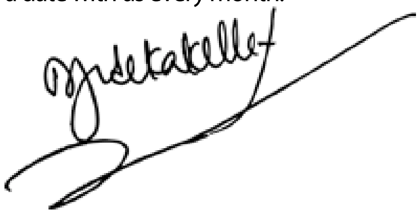
More so, the Senior Climate Specialist, Africa and County Technical Lead, Nigeria, Dr Sam Ogallah, who inaugurated the platform in Lokoja, said the effort was part of the National Initiative on Sustainable Climate Smart Oil Palm Smallholder (NISCOPS) project.

Consequently, the Inspiring story of 31-year old building N2.5bn largest rice mill in Kaduna was told. Falau is a young man with a mission to establish Kaduna's largest rice mill. He is already positioned to achieve this dream before the end of the year.

In the transportation, fascinating detailed story of Deep Blue project: Nigeria's masterstroke against piracy was told.

While in the real sector, the need for full implementation of AfCFTA was analysed.

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



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ENERGY TRANSITION: IS NIGERIA PREPARED FOR THE PARADIGM SHIFT?

•SHELL'S OVER 270 STAFF & 900 CONTRACTORS KNOW FATE JULY END AS MASS SACK LOOMS

Energy transition - the trend in global energy space, is sweeping through the oil majors with more funds increasing allocated to renewable energy. Although aimed at a more habitable global environment with minimal greenhouse gas emissions, the energy transition policy has its drawbacks – job losses. For most of the developing economies that are still heavily dependent on fossil fuels for income and to drive their energy needs, the transition is another difficult journey to embark on. ***EMEKA UGWUANYI*** *takes holistic look at the programme and reports.*

Ben Van Beurden

Chad Holliday

Energy transition, according to S&P Global's ESG Solutions, refers to the global energy sector's shift from fossil-based systems of energy production and consumption - including oil, natural gas and coal, to renewable energy sources like wind and solar, as well as lithium-ion batteries.

To the Solutions firm, the increasing penetration of renewable energy into the energy supply mix, the onset of electrification and improvements in energy storage are all key drivers of the energy transition.

Regulation and commitment to decarbonization has been mixed, but the energy transition will continue to increase in importance as investors prioritize environmental, social and governance (ESG) factors.

"As more investors and companies seek greater clarity and confidence in accounting for long-term climate risks and opportunities, businesses are adapting to the "energy transition" — a transformation of the global energy sector from fossil-based systems of energy production and consumption to renewable energy sources. Switching from nonrenewable energy sources like oil, natural gas, and coal to renewable energy is made possible by technological advancements and a societal push toward sustainability. Spurred by structural, permanent changes to energy supply, demand, and prices, the energy transition also aims to reduce energy-related greenhouse gas emissions through various forms of decarbonization.

"After years of depending on regulation for growth in the sector, renewable energy sources have become a powerful and cost-effective source of electricity. The costs of both solar and wind have fallen so drastically that in some regions of the United States and in the United Kingdom and Europe, wind power has become cheaper than traditional high-carbon energy resources. As costs continue to fall and wind and solar become mainstream, the renewable energy sector will only keep growing and solidify as a strong investment opportunity.

"The International Energy Agency (IEA) forecasts the world's total renewable-based power capacity to increase 50 per cent between 2019 and 2024. In response to this shift, utilities have begun a rapid energy transition away from coal. While some market observers expect that transition to slow, pressure is mounting on power generators to retire existing assets that depend on coal supplies and build out other forms of power generation. Many major oil companies are accelerating spending on and diversifying into renewable and low carbon energy in response to growing concerns over climate change.

"Generating power from renewables is only part of the energy transition. Mass introduction of electric transportation infrastructure and energy storage, coupled with greater usage of technologies to improve energy efficiency, are also driving this movement. As the average cost of lithium-ion batteries has fallen drastically on a mixture of manufacturing economies of scale and technology improvements, companies and consumers alike are increasingly turning to electrification for power transportation, making the transition to electric vehicles (EVs) one of the largest potential areas for electrification," the company said.

Major concern here is whether Nigeria is prepared for this change, although major industry players including the Minister of State for Petroleum Resources, Chief Timipre Sylva, assured at this year's Nigeria International Petroleum Summit (NIPS) that Nigeria is prepared to key into the energy transition but it is always easier said than done.

Oil majors' commitment

Of all the oil majors, Royal Dutch Shell leads in the energy transition agenda. The oil giant has since unveiled its energy transition strategy programme. The Shell Energy Transition Strategy publication, which is aimed at making it become a net-zero emissions energy business concern by 2050, has been made public. Shell said the decision is in step with society's progress towards the goal of the UN Paris Agreement on climate change. Other companies are keeping their strategies to their chest but noted they have begun to allocate greater budget to their renewable energy projects. TotalEnergies is one of such companies.

In its Energy Transition Strategy publication, Shell explained how it is transforming its business and working to become a net-zero emissions energy business by 2050, in step with society's progress towards the goal of the UN Paris Agreement on climate change.

"The Shell Energy Transition Strategy publication aims to help investors and wider society gain a better understanding of how Shell is addressing the risks and opportunities of the energy transition. It shows how we intend to navigate the transition profitably, and in line with our purpose – to power progress together with more and cleaner energy solutions. Our energy transition strategy is a key part of Shell's Powering Progress strategy, which aims to accelerate the transition of our business to net-zero emissions, in step with society. It describes our climate targets, customer-focused

The Shell Energy Transition Strategy publication aims to help investors and wider society gain a better understanding of how Shell is addressing the risks and opportunities of the energy transition

decarbonisation strategy, capital allocation and approach to climate-relate policy and advocacy.

"We will publish an update to our Energy Transition Strategy publication every three years until 2050. Every year, starting in 2022, we will also seek an advisory vote on our progress towards our plans and targets."

Chad Holliday, Royal Dutch Shell Chair and Ben Van Beurden, the Chief Executive Officer, in Energy Transition Strategy, published earlier this year, confirmed the oil plans to reach net-zero emissions by 2050. The Strategy aims to reduce net carbon emissions by between six per cent and eight per cent by 2023 when compared to 2016 levels and the target jumps up to 20 per cent by 2030, 45 per cent by 2035, and 100 per cent by 2050 in step with society's progress towards the goal of the UN Paris Agreement on climate change.

Holliday said: "Shell is the first energy company to submit its energy transition strategy to shareholders for an advisory vote. We will publish an update every three years until 2050. Every year, starting in 2022, we will also seek an advisory vote on our progress towards our plans and targets.

"The vote is purely advisory and will not be binding on shareholders. We are not asking shareholders to take responsibility for formally approving or objecting to Shell's energy transition strategy. That legal responsibility lies with the Board and Executive Committee.

"While the energy transition brings risks to the company, it also brings opportunities for us to prosper and to build on our positive contribution to society. Our strategy, as outlined in this report, is designed to minimise those risks while enhancing our ability to profitably lead as the world transitions to an energy system that is aligned with the goal of the Paris Agreement."

Beurden said: "Our target to become a net-zero emissions energy business by 2050, in step with society's progress towards the goal of the Paris Agreement on climate change, is at the heart of our energy transition strategy.

"That means continuing to reduce our total absolute emissions to net zero by 2050. We have set our net-zero target, and our short- and medium-term carbon intensity targets, so that they are fully consistent with the more ambitious goal of the Paris Agreement.

"We will work with our customers to change and grow demand for low-carbon energy products and services, sector by sector, using the strength of our business relationships, knowledge and expertise.

"We will increasingly offer low-carbon products and solutions, such as biofuels, charging for electric vehicles, hydrogen and renewable power, as well as carbon capture and storage and nature-based offsets. In this way, we expect to build low-carbon businesses of significant scale over the coming decade"

The drive for energy transition was further boosted after a landmark Dutch court ruling recently. Last month a Dutch court ruled in favour of Shell's lead in energy transition programme, though the court ordered it to reduce greenhouse gas emissions by 45 per cent by 2030 from 2019 levels, which is significantly faster than its current transition strategy.

Impact of energy transition

Shell announced last year it would cut as much as 9,000 jobs across it operations worldwide, which is more than 10 per cent of its global workforce. The jobs cuts are anchored on reorganization that seeks to transform it into an energy company that produces fewer greenhouse-gas emissions as well as adapting to the realities of the effects of COVID-19 pandemic on businesses worldwide.

Data from the websites of Shell Global and Shell Petroleum Development Company (SPDC) show that Shell employs 83,000 people worldwide, while its Nigerian operation – SPDC employs about 2,700 people of whom 97 per cent are Nigerians.

According to Shell 2021 Briefing Notes inits website, "Shell Companies in Nigeria (SCiN) empower their employees and develop talent for the future. SCiN invest in people with strong technical and leadership capabilities, giving them the tools and accountability to deliver.

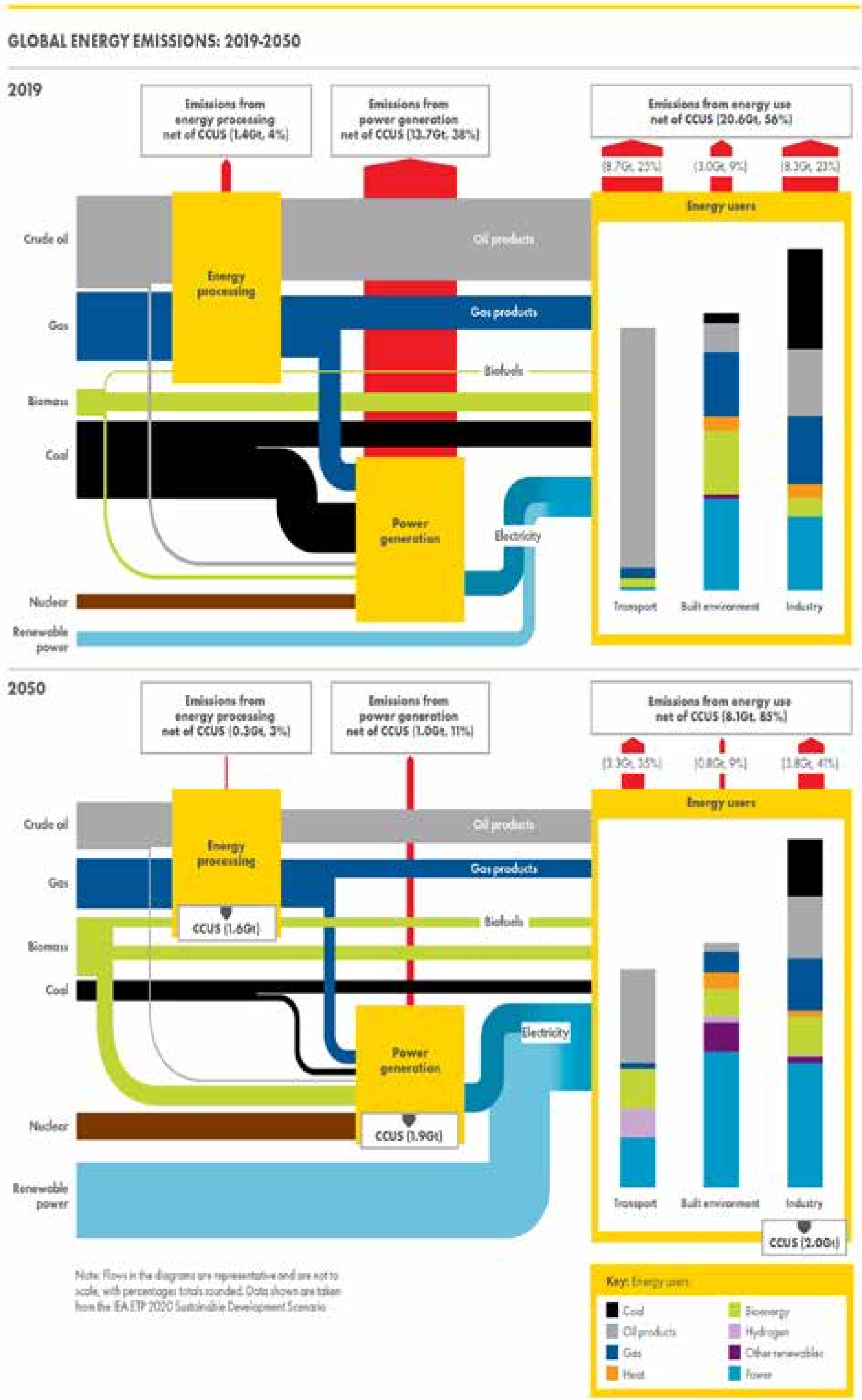
"SCiN directly employ around 2,700 people and more than 9,000 contractors in Nigeria. The majority of Shell's staff (97 per cent) are local Nigerians.

"SCiN also believe in developing Nigeria's talent of the future. The Shell Petroleum Development Company of Nigeria joint venture (SPDC JV) and Shell Nigeria Exploration and Production Company (SNEPCo) fund secondary and tertiary education scholarships. These scholarships have provided opportunities to thousands of Nigerian children in a country where demand for schooling far exceeds supply.

"SCiN also invest in affordable and accessible health care to help improve the well-being of the communities where we operate. SCiN operate to high international standards when it comes to safety, governance, the environment and our impression on neighbouring communities.

"To achieve this, we encourage strong leadership that empowers employees to act responsibly and we work with all partners to set mutually agreed objectives and implement strategies.

"Safety and security remain top priorities and SCiN apply international standards in Nigeria. They work closely with communities, civil society, local businesses and joint venture partners, as well as federal and state government agencies to promote a secure and safe environment.



They aim to achieve no harm to people and no leaks across operations."

Also, the Shell Petroleum Development Company of Nigeria joint venture (SPDC JV) focuses on oil and gas production in the Niger Delta. The joint venture has the largest acreage in the country and operates a leased area of 31,000 square kilometres. It produces more than half a million barrels of oil per day on average with capacity to produce more.

With the energy transition programme, attention and funding are shifting to renewable energies. In other words, all the benefits that derive from extraction of hydrocarbon in Nigeria will also begin to shrink with its attendant negative impacts on economic and social wellbeing of Nigeria.

Already, investigation has shown that the over 10 per cent job cut will be evenly distributed across its operations globally indicating that the over 10 per cent of its Nigerian workforce will go.

Going by the figures obtained, over 10 per of the 2,700 staff and 9,000 contractors will lose their means of income. This means that over 270 staff will lose their jobs in Nigeria, while over 900 contractors will also go.

TBI Africa investigation reveals that currently Shell Nigeria Companies in Nigeria have begun to merge some offices to trim down the size of the workforce, some have been penciled down for exit, while some have voluntarily chosen to go (voluntary retirement). The workforce reduction cuts across all cadres of staff including management staff.

TBI Africa further gathered that implementation of the job cut exercise will begin mid-July (this month) and completed by end of July staff members would know who stays and who has gone.

Experts' views on energy transition

Experts at a global research body, Wood Mackenzie, in a report predicted further woes for the oil and gas sector, stating that the pressure from energy transition could wipe as much as $14 trillion from the upstream sector of the petroleum industry.

The International Energy Agency (IEA) had earlier said investments in new fossil fuel projects would need to stop if the world would reduce global warming to 1.5 °C. The Guardian had reported that such development put planned $150 billion oil and gas projects in Nigeria at risk.

The new report released by WoodMac said that energy transition represents $14 trillion worth of uncertainty for upstream oil and gas. The experts noted that while oil and gas has been alluded to as a risky business, growing tension pushing for energy transition has worsened the concern.

The experts predicted rapid fall in oil demand if the world acts decisively to limit global warming to 2°C by 2050 but that gas demand and price would be more resilient.

"While this range of outcomes has major implications for the oil and gas industry, in either scenario there is still a huge amount of upstream value on the table.

"Using its global lens asset-by-asset modelling, Wood Mackenzie estimates the range of pre-tax future valuations for upstream is a staggering $14 trillion – from $9 trillion to US$23 trillion. On a post-tax basis, operators' share of this economic rent ranges from $3 trillion to $9 trillion," the research noted.

Wood Mackenzie vice president, Fraser McKay, stated that the sector has found itself having to supply oil and gas to a world in which future demand – and price – are highly uncertain.

According to her, the range of possible outcomes was dizzying but the world would need oil and gas supply for decades to come, and the scale of the industry will remain enormous.

As the environment for oil gas gets tougher, WoodMac said delivery and discipline would remain paramount in all aspects of the upstream value chains as the macro environment for oil and gas gets tougher.

"Performance against budgets and timelines has improved dramatically since the last downturn. The industry needs to remain relentless in its push to improve efficiency, drive down costs and deliver projects flawlessly. Oil and gas companies need to send a strong signal to stakeholders that they can be reliable stewards of capital," the report noted.

Wood Mackenzie Research Director, Angus Rodger, added that "Only exceptional and low-cost projects will work in all demand scenarios. He predicted that the cost of capital and the cost of doing business in oil and gas will increase.

"Oil and gas companies must

Osagie Okunbor, MD Shell Nigeria

Bayo Ojulari, SNEPCo MD

Electric car recharge station.

improve their environment, social and governance (ESG) credentials.

"The bond of trust with stakeholders must improve. For the biggest players, new energies will play an increasing role, but this is not an option for many industry participants. They will need to cut Scope one and two emissions to reduce their exposure to increasingly expensive debt," the report said.

The report further noted that investment would shift to gas, a development that would signal the oil's long supremacy.

"The industry will have to figure out the conundrum of weaker economics if the giant gas projects the world needs are to happen. The returns on developing a barrel of oil are currently higher, with oil-production and cash-flow profiles delivering more value upfront. Gas prices are lower than oil prices on an energy-equivalent basis; that relationship will have to invert as it does in our AET-2 scenario to make this happen," said Rodger.

Also, Total changed its name to TotalEnergies as the company moves to become one of the world's top five in renewables by 2030.

TotalEnergies said it has concluded plans to invest about $60 billion in renewable projects to be financed over a period of 10 years with Nigeria set to receive part of the funds to accelerate the energy transition.

The Executive General Manager, Total Country Services, Mrs Bunmi Popoola-Mordi, disclosed this in a virtual press briefing in Lagos. Popoola-Mordi said Total had on May 28, 2021, transformed into TotalEnergies as an active player in the global energy transition and is committed to combating climate change, adding that the oil firm has a target of reducing its carbon emission by 40 per cent in 2030 with the goal of getting to zero carbon emission by 2050.

However, Popoola-Mordi said TotalEnergies would continue to invest in oil, natural gas, electricity, hydrogen, biomass, wind and solar. She noted that as part of the transition for the oil firm, TotalEnergies would soon commence the rebranding of all its filling stations across the country to reflect the new name, logo and direction.

She said: "Energy is life. We all need it and it's a source of progress to contribute to the sustainable development of the planet facing climate challenges. We are moving forward together toward new energies. Energy is reinventing itself, and this energy journey is ours.

"Our ambition is to be a world-class player in the energy transition. That is why Total is transforming and becoming TotalEnergies. This new name and new visual identity embody the course TotalEnergies has resolutely charted for itself.

TotalEnergies is a broad energy company committed to producing and providing energies that are ever more affordable, reliable and clean."

The Country Communications Manager, Total Companies in Nigeria, Mr. Charles Ebereonwu, said TotalEnergies is in Nigeria for the long haul despite being in Nigeria for over 60 years. He noted that Nigeria was key to TotalEnergies transition due to its abundant gas resources and sunlight for solar projects.

He said 77 TotalEnergies filling stations had been solarised already, adding that the company would also key into the Federal Government's Decade of Gas Development initiative to further drive the objective.

NCDMB DRIVING IN-COUNTRY VALUE CREATION, CAPACITY AND CAPABILITY GROWTH

Since the Nigerian Content Act came into effect in 2010, the nation's petroleum industry has witnessed tremendous development particularly in the past four years, courtesy of the Nigerian Content Development and Monitoring Board (NCDMB), hence the clamour for extension of the Act to other sectors of the economy. ***EMEKA UGWUANYI*** *looks at the Board's feats in the recent years.*

The role of the Nigerian Content Development and Monitoring Board (NCDMB) in putting Nigeria on global map as a country with the requisite personnel decked in the right skillsets, capacities and capabilities that can compete in part of the world cannot be overemphasized.

Between 2010 and now, the petroleum industry has undergone marvelous transformations with significant achievements. The feats achieved by NCDMB have compelled some countries in Africa to seek the Board's model for application in their oil and gas industries.

In view of the outstanding records by the Board, stakeholders in the oil and gas sector have hailed the broad specializations and depth of Nigerian Content initiatives under the leadership of the Executive Secretary of the NCDMB, Engr. Simbi Kesiye Wabote. To them, Wabote who is still on the saddle with the core mandate to create in-country value through viable and robust strategic development of capacity and capabilities, has performed creditably.

The stakeholders noted that the deliberate utilization and promotion of Nigerian human and material resources as well as services to further the attainment of sustainable development in the Nigerian oil and gas industry, and creation of sectoral linkages to boost industry contributions to the growth of Nigeria's National Gross Domestic Product (GDP).

The is Board competently building human capacities in key technical areas of the Nigerian oil and gas industry, they said, and expressed hope that the skills being developed will serve several other key industries of the economy.

The Executive Secretary has engaged in series of capacity building and job creation initiatives to grow local content in-country. The Board has collaboratively conducted trainings, which met international standards, got all the international certifications and affiliations. That is what we want because the oil and gas industry does not accept mediocrity or unqualified people to work onboard, the stakeholders added.

For a sector such as the oil and gas to praise the achievements of the Content Board shows that it is on course and plays to the rule of the game. The sector is such that rarely compromises standard, quality and safety. Therefore, for it to buy into the initiatives of the Board is a big testament that the capacities and capabilities offered by indigenous firms are and personnel are of international and industry standards, although, some experts are of the view that there are still rooms for improvement.

Players in the construction and telecoms sectors are pressing for extension of Nigerian content to that space having seen the transformation and value creation it brought to the petroleum sector.

The Board has also domiciled mechanical maintenance certification, technical and theoretical aspects of maintenance of engines, turbines, compressors and pumps which is of international standard.

Similarly, some years ago, nobody knew that Nigerians could be part of the value chain in the phone recharge business. At a time, a bulk of the business was taken abroad by Nigerian telecommunications

Simbi Wabote

operators, with the final product exported back to Nigeria. Telecoms operators were also producing recharge cards abroad, thereby giving jobs that could have been done by Nigerians to foreigners.

The country lost a lot of foreign exchange (forex) in the process and the number of unemployed Nigerians continued to rise. Today, local production of recharge cards has turned the table around. A lot of Nigerians produce recharge cards in paper form and resell to final users.

This, however, had taken a new shape now. Some small businesses recharge phones using Point-of-Sales terminals. All they (the small businesses) need to do is to establish a business relationship with service provider acting as an intermediary between the telecoms operator and the final consumer.

Electronic Voucher Distribution (e-Pin distribution) has now become a secure end-to-end prepay system, enabling mobile operators to supply airtime to corporate, distributors, dealers, agents and through to the end users electronically.

One company presently does this in Nigeria. The firm had developed a solution that allows companies, agents, distributors and vendors to top up airtime accounts of their members of staff or customers with any payment denomination on any of Glo, Airtel, Etisalat and MTN.

"The technology is instant and hassle-free, and the customer or company will get a discount on any amount using the system. The company would set up a multi-level retail channel, comprising of distributors and agents, to enable consumers to recharge airtime (pin and pin-less top up). To ensure rapid market penetration and coverage, said agents would be equipped with free transaction terminals such as mobile phones, mobile Point of Sale terminals, desktop PoS terminals and netbooks.

"Consumers do not require bank accounts, debit cards or credit cards. Upon cash payment to the agent, they can purchase the services or create a mobile wallet from which they will be able to carry out such transactions. Banking services are, therefore, brought to the unbanked."

Prior to the enactment of the Nigerian Oil and Gas Industry Content Development Act (NOGICD Act) in 2010, less than five per cent of the annual Nigerian oil and gas Industry spend was retained in-country.

Wabote, however, said the enactment of the NOGICD Act in 2010 which led to the establishment of Nigerian Content Development and Monitoring Board (NCDMB) restored hope to the Nigerian oil and gas industry as no nation can survive under the negative trend of capital flight, loss of jobs and community discontentment.

The Board according to him, has two key mandates which are: to develop local capacities and capabilities along the oil and gas value chain without compromising standards and, to monitor compliance and enforce the provisions of the NOGICD Act.

He said since inception in 2010, the implementation of the Act has resulted in 35 per cent of in-country value retention compared to the less than five per cent value retention before the NOGICD Act.

"Before the Act, we had annual spend of $20 billion with little or nothing retained in-country. Today, I can confidently say that we spend over $6 billion in-country annually. "We have two world-class pipe mills and five impressive pipe coating yards

About 40 per cent of marine vessels used in the oil and gas industry are owned by Nigerians. We have four (4) active dry-docking facilities in Port Harcourt, Onne, and Lagos. In cable manufacturing, all cables required in the oil and gas sector are all manufactured in-country." he said.

Currently, over 50,000 direct jobs have been created on the back of implementation of the NOGICD Act, with over 76 operating companies and over 8,000 oil and gas service companies pulling their weight in the industry.

Wabote said: "Our indigenous operators are responsible for 15 per cent of our oil production and 60 per cent of our domestic gas supply while in fabrication, Nigeria can handle fabrication of more than 120,000 tonnes per year.

In cable manufacturing, all cables required in the oil and gas sector are all manufactured in-country, while 10 million training manhours have been delivered via our human capacity development programmes.

The NCDMB boss said the trainings were responsible for indigenous workforce to sustain oil production at the peak of the COVID-19 pandemic lockdown.

Listing other achievements, he said in the last four years the Board has completed and commissioned its 17-storey headquarters building complete with 1,000-seat auditorium and multi-level car park and completion of 10 Megawatts (MW) power plant at Elebele Bayelsa State for supply of electricity to the new headquarters building and the oil and gas park in Bayelsa State

The power plant is equipped with three gas powered generators of 4800kva each.

In addition the Board completed and commissioned the 5,000 barrels per day (bpd) Waltersmith Modular Refinery as well as the launch of the $200million Nigerian Content Intervention Fund which was recently increased to $350million with additional products for Working Capital and for Women in Oil and Gas and Forensic Audit of NCDF Remittances with the recoveries close to $100 million.

The Board has also successfully exited appropriation since 2018 and intend to maintain self-funding status through the prudent management of the Nigerian

About 40 per cent of marine vessels used in the oil and gas industry are owned by Nigerians. We have four (4) active dry-docking facilities in Port Harcourt, Onne, and Lagos

Content Development Fund entrusted in its care.

Wabote also added that the Egina FPSO which is the largest in the world was integrated in the SHI-MCI yard in Lagos, which confirms that the only infrastructure in West Africa for FPSO integration is available in Nigeria.

Other achievements include STEM Education training for 1,500 teachers in Bayelsa and Katsina States; Completion of thirty ICT Labs in nine states; Completion of sea-time training for 20 marine cadets in international waters with another batch of 40 cadets enrolled.

The Board also completed The GSM training scheme for 3,500 participants in Kano, Bauchi, Yobe, and Cross River States, upgrade of two Vocational Technical Colleges in Akwa Ibom and Enugu States; got approval for the $50million Nigerian Content Research & Development Fund.

"We launched NOGTECH-HACKATHON and ENACTUS-STIC to nurture innovation amongst our young minds;

"We have made steady progress in the implementation of Project 100 to grow capacities and capabilities of indigenous oil and gas service providers.

We have engaged the services of seven (7) Third Party Monitors to expand the coverage of our compliance and monitoring efforts to additional thirty (30) operators in the upstream, midstream, and downstream," Wabote also added.

Additionally, it has harmonized its Marine Vessel Categorization standards with that of NIMASA and NIWA, reinvigorated the Nigerian Content Consultative Forum (NCCF) by creating the Diversity Sectorial Group and the Gas Value-Chain Sectorial Group. This is in line with Section 58 of the NOGICD Act of 2010, he explained.

In the area of Service Level Agreements, SLA, the Board has signed SLA's with OPTS, IPPG, and NLNG thus covering about 98 per cent of industry operators. The benefit of the SLA was evident in the Board's record-breaking timely approvals of the NLNG requests for the Train-7 project.

Industry operators are aware of the 15-day rule in which they can take any request forwarded to us as approved if they get no response from the Board after 15 working days and in line with its 10-Year Strategic Roadmap, the Board aspires to attain 70 per cent Nigerian Content level by the year 2027.

The Board is also in the process of completing the construction of oil and gas industrial parks spread across four states complete with the provision of infrastructure and utilities to enhance local manufacturing and partnership for the local manufacturing of 1.2million composite LPG cylinders per year with the 1st phase scheduled for commissioning by the end of this year;

It is also in partnership for the establishment of additional modular refineries in Bayelsa and Edo States and the construction of 300 million standard cubic feet per day (MMscfd) gas gathering hub for gas supply into the OB-3 pipeline as well as ongoing partnership to deepen LPG utilization in the North with the roll-out of LPG bottling plants and depots in ten Northern States of Kano, Kaduna, Katsina, Bauchi, Nassarawa, Zamfara, Niger, Plateau, Gombe, Jigawa states and Abuja.

"As we journey towards the 70 per cent Nigerian Content level target, we will continue to utilize industry platforms and fora like this to connect with our stakeholders to provide clarity on our mandate and ways to address any constraints of the industry.

The local content development drive unleashes an array of opportunities in the oil and gas industry," he said.

Since its establishment, the NCDMB has been very active in driving Nigerian content, as set out in the Local Content Act, in the Industry. Set out below, are some of the initiatives which have benefitted the Nigerian shipping and oil services sectors:

Marine vessel utilisation scheme (the Scheme)

In 2013, the NCDMB issued the Marine

Vessel Categorisation Procedure which subsequently established the Scheme.

The Scheme seeks to encourage construction of vessels in Nigerian yards, promote ownership of marine vessels by Nigerian entities, stimulate flagging and registration of vessels in Nigeria and deepen Nigerian manning of marine vessels.

Further to the Scheme, NCDMB issues, every quarter, a report on categorization of registered marine vessels providers in the Industry. The basis for categorization of marine vendors is the extent of their compliance with requirements and documents to be uploaded on the Nigerian Oil and Gas Industry Content Joint Qualification Content (NOGIC) – i.e. a databank of available capabilities which is the sole system for Nigerian content registration and pre-qualification of contractors in the Industry.

Under the Scheme, Nigerian marine vessel owners and vessels built in Nigeria are prequalified to participate in tenders based on a set of criteria established by the Board, thereby reducing the long period hitherto taken to pre-qualify vendors and ultimately shorten the cycle time for contract award in the Industry.

Failure, delay, and/or refusal on the part of any operator, project promoter, contractor or other stakeholders in the industry, to comply with the Marine Vessel Categorisation Procedure attracts sanctions from the NCDMB.

Nigerian content intervention fund (NCI fund)

In 2017, the NCDMB launched the $200 million NCI Fund, which is funded from the Nigerian Content Development Fund established by the Local Content Act. The NCI Fund is managed and administered by the Bank of Industry Limited (BOI) and it has products which offer, inter alia, attractive single digit interest rate and a maximum tenor of five (5) years.

Some of the products provided by the NCI Fund to the shipping and oil services sectors include:

(a) Asset acquisition facility: This is targeted at indigenous oil and gas production and services companies who intend to acquire rigs and marine vessels for use in the Industry.

(b) Loan re-financing facility: This is targeted at indigenous oil and gas production and services companies who intend to refinance performing loans advanced by commercial banks for asset acquisition (such as rigs and marine vessels) and indigenous oil and gas services companies with contracts from international oil and gas companies ("IOCs").

If you don't comply and we do our best to engage you, the board will have no other option but to take you before the court where sanction would be applied

In 2018, the first facility from the NCI Fund was advanced to BGAM Services Limited for the acquisition of a multi-role ballistic security vessel (with protective machine gun panels, electronic fuel monitoring system and deck command centre for security personnel) that would work with the Nigerian Navy to secure offshore oil and gas operations.

FPSO integration in Nigeria

With NCDMB's intervention, the first onshore Floating Production Storage Offloading vessel ("FPSO") integration facility in Africa, SHI MCI yard, was completed in 2016 at the Lagos Deep Offshore Logistics Base (LADOL), Lagos, Nigeria.

In 2018, a portion of the topside fabrication and integration of the largest FPSO in the world, producing two hundred thousand (200,000) barrels per day, the EGINA FPSO, was successfully completed in Nigeria at the aforesaid facility.

Following the success of the EGINA FPSO project, NCDMB has also prescribed that new projects, like the upcoming Zabazaba Deepwater project (being developed by Nigerian Agip Exploration Limited in partnership with Shell Nigeria Exploration and Production Company Limited ("SNEPCO") and Bonga South West Aparo Deepwater project (being developed by SNEPCO), must carry out their FPSO topsides fabrication and integration in Nigeria.

NLNG Train 7 project

Sometime in March 2019, the Nigeria LNG Limited ("NLNG") and NCDMB signed off the Nigeria Content Plan (with an estimated value of $1 billion) for NLNG's Train 7 project.

In April 2020, the NCDMB approved the Nigerian Content Compliance Certificate (NCCC) and Approved Vendors Lists (AVLs) (which include all the likely Nigerian vendors, foreign vendors and community vendors for each scope of work) for the kick-off of the Nigeria LNG Train 7 Project.

Under the Nigeria LNG Train 7 Project, some of the local content opportunities available to the Nigerian shipping and oil services sectors include procurement, logistics, equipment leasing, catering, insurance, hotels, office supplies and haulage.

Rig utilisation strategy

In December 2018, the NCDMB issued the Rig Utilisation Strategy with the purpose of providing the necessary incentives that will lower the barrier for entry and encourage Nigerian Companies to venture into rigs contracting and if need be providing the appropriate guarantees that will ease the acquisition of rigs and other technologies, services associated with rigs activities in the onshore, swap and offshore sectors of the Industry.

The Rig Utilisation Strategy supersedes the NCDMB's earlier Offshore Rig Acquisition Strategy which did not record the desired outcome of increased ownership in rig assets.

6. Mediation of the Sea Trucks Group ("STG") and West African Ventures Limited ("WAV") Dispute

After two and a half years of a protracted commercial dispute, with dire consequential effects on the availability of key marine assets in the Industry, STG and WAV amicably resolved their issues following the intervention of the NCDMB and the National Petroleum Investment Management Services.

NCDMB's pivotal role in the mediation of the dispute, which had taken on an international dimension, as STG was an international company and WAV a Nigerian company, was a clear marker to the international community that Nigeria was committed to protecting international investments notwithstanding the Local Content Act.

Project 100 Initiative

In January 2019, the Ministry of Petroleum Resources in conjunction with NCDMB, launched an initiative tagged "Project100"

with the view to providing institutional and financial support to 100 indigenous oil and gas service companies offering seismic, marine, engineering and drilling services.

To date, NCDMB has selected sixty (60) beneficiaries of Project100 with the aim of developing them, in collaboration with the Nigerian national Petroleum Corporation (NNPC) and NAPIMS, into globally competitive actors that will create high impact in the Industry and Nigeria as a whole.

Recently, the NCDMB requested NLNG to consider Project100 beneficiaries and engage them, following NLNG's assess of their capabilities, in the execution of its Train 7 project and other related services.

From the above, there is no gainsaying that the NCDMB has undertaking laudable initiatives towards the development of the industry, in its implementation of the Local Content Act, which enactment was in itself commendable. At this juncture, the NCDMB has climbed a great hill but as Mandela said, "there are many more hills to climb…. for the long walk is not ended."

I therefore implore NCDMB to consider the following, as part of its 10-Year Strategic Roadmap which was issued in 2017, for the future:

(a) Procurement of the removal, or at least a substantial reduction, of import duty paid on vessel acquisition and importation of vessel parts as well as steel for the repairs of vessel – these have a significant effect on the cost of acquiring and maintain vessels in Nigeria. This is further instructive as commercial aircraft and spare parts imported for use in Nigeria attract no import duty and Value Added Tax.

(b) Procurement of longer tenors for contracts awarded for, the use of vessels, or provision of services, in the Industry. This approach has been proposed by some IOCs who believe same would reduce the need for tenders and encourage investment in asset acquisition by Nigerians.

(c) Longer tenors (current tenor is 5 years) for loans obtained under the NCI Fund. Whilst the current tenor is a break from the mould, it is imperative for the NCDMB to note that the average tenor for ship acquisition facility for a new vessel, issued by commercial banks in leading international shipping centres, is between 8 to 10 years. This ties with the above proposition for longer tenors for vessel contracts.

(d) reduced interest rate for its intervention funds. Just as the NCDMB, in order to spur business continuity in the Industry following the COVID-19 pandemic, reduced the interest rate (from 8 percent to 6 percent) (as well as mortarium and tenor extensions) for loans already advanced by the NCI Fund, I believe the interest rate for the intervention funds can be fixed between 4 percent and 6 percent.

Afun is a leading commercial lawyer – experience includes, cross border advisory, financing (including leases) and claims in the Nigerian shipping & oil services and energy sectors

The Director, Legal Services, Nigerian Content Development and Monitoring Board (NCDMB), Muhammed Umar, has said that the success of any good law such as the Nigerian Oil and Gas Industry Content (NOGICD) Act cannot be hinged on the elegance of its form or content but the commitment of all stakeholders to make a success of it, in spite of any observed limitations.

Speakg during a one-day symposium organised by the Nigerian Bar Association Section on Business Law (NBA-SBL) and NCDMB themed: "NOGICD ACT-Strides: Challenges and Opportunities", Umar disclosed that the engagement with NBA-SBL is one of the stakeholders' engagement mechanisms geared towards bringing out the activities of the board, seeking understanding and engaging people on what the board is doing.

He also stated that through collaboration, stakeholders' engagements and education, there would be an understanding between the board and its stakeholders, which has lawyers as critical stakeholders.

"If you don't comply and we do our best to engage you, the board will have no other option but to take you before the court where sanction would be applied. Either the contract is cancelled or you pay five per cent of the contract value as a fine. We keep doing our best and we hope we will make progress with time.

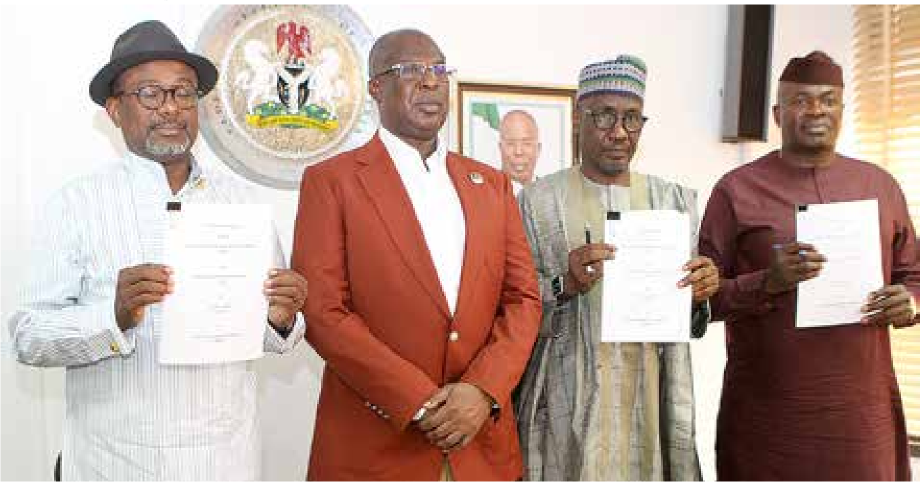
"Before the act, things were done in a different way, after the act, we try to change the way things are done. In the past, you had businessmen, portfolio, service companies that would take a job in Nigeria and outsource the entire job out of the country but now we insist that jobs be done in Nigeria, by Nigerians using Nigerian goods or Nigerian services. There would be challenges but those who understand what is good for the country are compliant," Umar explained.

In his remarks, the chairman NBA-SBL, Ayuli Jemide said the section noticed that the Nigerian content for lawyers was not really being enforced, so the body has been in engagement with the NCDMB and part of that engagement is to create awareness about the activities as it pertains to lawyers.

According to him, the NBA-SBL entered a strategic partnership with the NCDMB in a bid to enforce the Nigerian content for lawyers.

Jemide who stated that this is just the beginning of many more events between the section and the NCDMB assured that the partnership will help open constant engagements with the NCDMB that would be a huge success, such that the NBA-SBL can always go to the NCDMB when it has complaints about its activities or the regulations.

His words: "The long-term gain is to work with the NCDMB to ensure the Nigerian content development for lawyers is properly enforced. This will improve thousands of Ni-



•L-R: Executive Secretary, Nigerian Content Development and Monitoring Board, Engr. Simbi Kesiye Wabote; Minister of State for Petroleum Resources; Chief Timipre Sylva; Group Managing Director, Nigerian National Petroleum Corporation, Mallam Mele Kyari and representative of ZED Energy Limited, Mr. Onesi Obendi, displaying the shareholders agreement signed on the construction of Brass Petroleum Products Terminal Limited (BPPT) in Abuja.

gerian law firms and Nigeria's Gross Domestic Product, (GDP). We will keep engaging to make enforcement successful.

"The NCDMB under the leadership of Simbi Wabote has been very forward-looking and dynamic. Following the leadership, the director, legal services, Muhammed Umar has also been very dynamic. It is of great pleasure that the NBA-SBL is partnering with the NCDMB on this event.

"At the end of this, we would have documented outcomes and these outcomes will form the basis for other discussions that will help Nigerian content policies in Nigeria."

Also speaking at the event, Akintunde Adelana, director, Monitoring and Evaluation, NCDMB explained that the NCDMB is a government agency responsible for the growth of local capacity in the oil and gas industry and by extension, the entire economy.

Adelana stated that part of NCDMB's mandate was to create that linkage to other sectors in the economy. "Establishing a board is a legal instrument, which is in the Nigerian Oil and Gas Industry Development Act, 2010 and a legal instrument of such magnitude is a great role for lawyers. So, at this point, we need lawyers to support the interpretation of the act and also to drive compliance in the industry in terms of implementation of the provisions of the act.

"Lawyers play key roles in the activities of the oil and gas industry; putting together contracts here and there, interpreting the acts because this is a global industry and there are a lot of legal documents arising from oil and gas business in several sectors of the economy and in several environments in the world. Lawyers are very relevant in this area. So, there are a lot of opportunities for Nigerian lawyers and this partnership will help to drive that," he explained.

The NCDMB chief said after signing the NCDMB SERVICOM Service charter at the Board's headquarters in Yenagoa in presence of senior official of the SERVICOM office.

He mentioned that the Board is passionate about service delivery, and this is evident in the diligent and professional way the staff discharge their statutory responsibilities to the oil and gas industry and execute all Board's activities.

He asserted that as part of the Board's efforts to continuously improve service delivery, it provides appropriate budgetary provision to train the staff to improve their skills and competencies.

According to him, "we want to be the number one government agency in the country, and we are working towards it. To achieve this, we are investing in our people, our service delivery and the turnaround time in everything that we do."

Wabote mentioned that the Board signed a Service Level Agreements (SLAs) with key stakeholders in the oil and gas sector to ensure promptness and effectiveness in the delivery of its statutory responsibilities. He said: "At some point we challenged the oil and gas industry that we have a 15-day rule that anything they send to us and they do not get a response within 15 days, they should assume that it has been approved. Nobody has been able to take us to task on it because meet the SLA that we signed."

He also hinted that the Board's efficient service delivery contributed significantly to securing the approval for the NLNG Train 7 contract within a year as against the usual three-year contract approval cycle in time past. He assured that the Board will focus on continuous improvement of its processes and activities

He said the milestones for NCDMB aim to achieve by 2027 lies on the Board key goals to drive the industry's Nigerian content level to 70 per cent, create 300,000 new jobs and attain in-country retention of USD 14 billion out of USD 20 billion in annual industry expenditure, with active participation of Nigerian companies upstream, midstream and downstream along the oil and gas value chain. All of this will be materialised by 2027. We have been working on these targets for the last 10 years.

Speaking on the extent local content been an anchor of resilience during the pandemic, the Executive Secretary said the "When Covid-19 struck, it did not affect oil and gas production in Nigeria. Despite the fact that most expatriates left the country, locals were able to sustain production.

However, said the pandemic dealt a severe blow to the price of oil, and subsequently the demand for it dwindled as lockdowns materialised. Interestingly enough, our industry showcased an impressive level of resilience, evidenced in the FID on NLNG Train 7, along with the commissioning of other projects during this period. Local capacity managed to fill in the gap left by multinationals. Deliberate local content efforts in the Nigerian oil and gas sector have made it resilient.

In addition, Covid-19 has taught us that we can do much more when it comes to developing capability. It also showed us that we are lacking investment in R&D and new technology. The needs in this space are huge and for this reason we are focusing on R&D for manufacturing equipment, which will end up being cheaper for our oil and gas sector. The pandemic was an eye-opening experience that accentuated the importance of local content and shook the foundations of globalisation.

On the key positions local indigenous companies acquiring in the market, Wabote said that although it's true that some IOCs have divested from oil and gas assets, Nigeria remains a very important and attractive hydrocarbon destination despite its numerous challenges. At the same time, we are witnessing a phenomenon where more and more local companies are gaining market share, thanks to the building up of capacity and capabilities.

What's more, most of the IOCs are divesting assets because they believe that local companies have developed sufficient skills to produce crude oil on land and swamp areas. As of today, over 15% of the total production in the country comes from indigenous companies and we are going to see a lot more of this as IOCs will eventually drift towards deepwater offshore, where they have an edge with technological and financial strength.

Furthermore, the energy transition also comes into play, as seen in major multinationals shifting their rhetoric towards greener and cleaner forms of energy. To a greater or lesser extent, IOCs are trying to manoeuvre into the renewables game. Yet if fossil fuels remain attractive, it will be possible for local companies to progress and prosper.

Wabote highlighted the impact Nigerian Content Intervention (NCI) Fund targeted, noting the NCI Fund is one of the most transparent funds managed in Nigeria. Instituted in 2017, the USD 350-million NCI Fund is managed by the Bank of Industry, which facilitates on-lending to qualified stakeholders in the Nigerian oil and gas industry. You see, one of the key factors when developing local capacity is having adequate funding, as without it local companies cannot flourish. This has been an issue in Nigeria because while in other countries local companies get negative interest rates, here they get double-digit ones, making it difficult to compete in the global arena. The NCI Fund provides the opportunity for indigenous firms to borrow money at single-digit interest rates.

The fund started with USD 200 million, which was all lent to indigenous companies striving for capacity development. As of May 2020, around 94 per cent of the NCI Fund had been disbursed to 27 beneficiaries. Additionally, the NCDMB has received new applications from 100 companies for nearly triple the size of the original fund. Given this appetite, we increased it to USD 350 million. Within that is a special fund of USD 20 million dedicated to encouraging women's participation in the oil and gas sector; gender parity is something we take

L-R: Chief Executive Officer, Rungas Group, Mr. Lanre Runsewe; Executive Secretary of Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote; Minister of State for Petroleum Resources, Chief Timipre Sylva and Chairman, Rungas Group, Ambassador Shuaibu Ahmed at the groundbreaking ceremony of Rungas ALFA composite cylinders manufacturing facility at Alaro City, Free Trade Zone, Epe Lagos on Friday

seriously. Another USD 30 million was deployed as working capital and capacity-building facility for PETAN [Petroleum Technology Association of Nigeria] member companies.

The NCI Fund has five key products: manufacturing, asset acquisition, contract financing, loan refinancing and community contractor financing. The Women in Oil and Gas Intervention Fund was added after the pandemic struck as another element of capacity building. It has been very successful and all those who borrowed money have begun paying it back in line with their agreement. In addition, in April 2020 as part of the NCDMB's response to mitigate the economic impact of the pandemic, our Governing Council approved a reduction of the interest rate from 8% to 6% per annum for all loan products.

Addressing the rationale and importance behind Project 100, he said, Project 100 is an initiative of the Ministry of Petroleum Resources alongside the NCDMB to holistically support 100 wholly indigenous small-scale oil and gas companies and bring them to the next level. The aim is to enhance their capacities, support them financially through the NCI Fund and help them find opportunities in the industry, in collaboration with NNPC and its subsidiary NAPIMS [National Petroleum Investment Management Services]. Let us take the example of Korea with Samsung or Daewoo: These started as small companies that were supported by the government, and now they are global conglomerates. We aim to do something similar.

The goal of the project is to push 100 companies the extra mile to create a big impact, not only in the industry but also in the nation's GDP – creating jobs, enhancing industrialisation, increasing the retention of industry spending and substituting imports. Even turning five of the 100 into large players would be a success. That is the philosophy.

The Board started Project 100 in January 2019, appointing 60 companies, and in February 2021 the second phase concluded with a new batch of 40 newly selected beneficiaries out of 609 applications. It has been a huge success.

On NCDMB's contribution to domestic modular refining, Wabote stated that NCDMB is a regulatory agency, but we are also entrusted with building Nigerian capacity. Our vision is to catalyse the industrialisation of Nigeria through the oil and gas sector. To do that, we focus on government initiatives. For instance, the country has struggled to establish modular refineries, so we felt we needed to prove that the modular-refinery phenomenon is viable. Consequently, we are working on four modular refineries as equity investors: Waltersmith, Atlantic, Azikel and Duport.

As for Waltersmith, we are involved as an equity investor with the rationale that once they are stable, they will have the right to buy us out. The facility was commissioned in December 2020 with a capacity of 5,000 bpd. Likewise, we are equity investors in the Duport refinery, which is expected to be commissioned later this year with a capacity of 2,500 bpd. We are also planning the commissioning of the Atlantic refinery next year, and the Azikel refinery we expect will come on stream in early 2023.

NLNG TRAIN 7: ENHANCING NIGERIA'S ECONOMY, SAVING THE ENVIRONMENT

President Muhammadu Buhari on June 15 virtually flagged off the construction of Nigeria LNG's Train 7 project marking another giant step to Nigeria's economic prosperity. The Train 7 project was almost botched having been on the discussion table for over 12 years before getting green light. ***EMEKA UGWUANYI*** *examines the economic benefits of the project.*

Green light for the execution of Train 7 project of the Nigeria Liquefied Natural Gas Limited (NLNG) beamed when on December 27, 2019, shareholders of the Nigeria Liquefied Natural Gas Limited (NLNG), including the Nigerian National Petroleum Corporation (NNPC), Shell, Total and Eni took the Final Investment Decision (FID) on the Train 7 project. This was after 12 years of delay.

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

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

The decision, which was hailed by oil and gas industry stakeholders, signalled a huge endorsement that the project had become a reality. However, the commencement of construction of the project, which could have begun last year, was put on hold due to the COVID-19 pandemic.

But in May 2020, another significant step was taken by the shareholders of the company when a joint venture led by Italy's Saipem - the SCD JV Consortium, comprising affiliates of Saipem, Chiyoda of Japan, and South Korea's Daewoo- won the Engineering, Procurement and Construction (EPC) contracts for Train 7. Saipem has a 60 per cent stake in the venture.

At the contract award signing ceremony, Saipem's chief executive officer, Stefano Cao, said: "The investment decision by Nigeria LNG Limited, which includes several important energy companies, demonstrates that natural gas, in whose value chain Saipem has a recognized leadership, will be pivotal to the energy transition.

"The award of this contract contributes to increase the portion of non-oil-related backlog and confirms the overcoming of the link between Saipem's share value and oil price."

However, before the award of the EPC contract, the letter of intent (LoI) had been signed in September 2019.

Commenting on the EPC deal, the Managing Director and Chief Executive Officer of NLNG, Engr. Tony Attah, remarked that the EPC contracts represents yet another milestone in NLNG's journey towards achieving its vision of being a global LNG company, helping to build a better Nigeria.

"With the award of the EPC contracts to our preferred bidders (SCD JV), we are guaranteeing that our country remains significantly on the global list of LNG suppliers.

This singular act clearly demonstrates our shareholders' determination and resolve to sustain the economic dividends that NLNG's monetisation of our vast natural gas reserves offers our great country Nigeria"

He expressed confidence in SCD JV Consortium's proven competence, adding that the demonstration of an understanding of NLNG's business philosophy by the consortium will positively influence the execution of the Project and ensure zero harm to people, environment and host communities.

The Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, said the actualisation of the FID of Train 7 would open windows of opportunities for the economy, adding that it is an affirmation that Nigeria remains a prime foreign investment destination.

The Managing Director of Shell, who was represented by Mr. Henry Bristol, the Managing Director of Total, Mr. Mike Sangster and the Managing Director of ENI, who was represented by Mr. Peter Costello, expressed the commitment of their firms to the realisation of the Train 7 project.

Today, Train 7 project has become a reality with the flag off by President Muhammadu Buhari on June 15.

Train 7 project

The Nigeria LNG Train 7 project comprises the construction of a complete LNG train and an additional liquefaction unit with a total capacity of 8 million tonnes per annum (MTPA), plus other associated utilities and infrastructures.

NLNG's General Manager, External Relations, Eyono Fatayi-Williams, confirmed this, noting that the project is expected to increase the capacity of NLNG's current six-train plant by 35 per cent from the extant 22 million tonnes per annum (MTPA) to 30 MTPA.

The Train 7 project, which would bring total capacity to 30 MTPA, will include a liquefaction unit, an 84,200-m3 storage tank, a 36,000-m3 condensate tank, and three gas turbine generators. It will be the latest in several expansion projects the Bonny Island plant has undergone since it began commercial operation in 1999.

Economic benefits of Train 7 project

According to the Nigerian National Petroleum Corporation (NNPC) Group Managing Director, Mallam Mele Kyari, NLNG operates a unique business model that is profitable, adding that the stakeholders are proud to be part of this exceptional Nigerian brand that stands out in the global market.

Kyari said the Train 7 project will generate $20billion in revenue to the Federal Government's coffer, provide 10,000 direct and 40,000 indirect jobs to Nigerians. "This could not have come at a better time to help government deliver on its promises," he added.

The NNPC boss said the Train 7 project would help open a floodgate of opportunities for more of such investments, which could boost the economy and create prosperity for the over 200million Nigerians, who are the shareholders of the Corporation.

"We need to do more, and we can do more," adding that the actualization of Train 7 has opened the gateway for doing more great things. "We will work with our partners to bring in more projects that will add value to this country in the upstream, and particularly in the gas processing sector," he said.

The NNPC chief thanked President Muhammadu Buhari for giving him the utmost support to the project. He thanked the investment partners and the management of the NLNG for their tenacity in staying committed to the project despite the challenges, adding that the President's desire was to drive the NLNG to establish Train 12 soonest.

Train 7 would boost the production capacity of NLNG's current six Trains and increase its competitiveness in the global LNG market, he added.

The Minister of State for Petroleum Resources, Chief Sylva, stated that Train 7 would contribute to maintaining the country's status as a gas exporting nation. He said: "Nigeria has more gas reserves than crude oil, and we have much to gain from sustaining our LNG exports to a market that has a growing demand for the commodity as the preferred fuel for industrialization and power generation."

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

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

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

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

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

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

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

Also, the $1billion Nigerian Content Plan (NCP) for the Train 7 project signed by NCDMB and NLNG, according to Wabote,

From left: NNPC GMD, Mele Kyari; NLNG Board Chairman, H.M. Dr. Edmund Daukoru; Mrs. Oma Attah; NLNG MD, Tony Attah; Rivers State Deputy Governor, Dr. (Mrs.) Ipalibo Harry Banigo; the Amanyanabo of Grand Bonny Kingdom, H.M. King Edward Asimini William Dappa Pepple III, Perekule XI; NLNG GM, External Relations & Sustainable Development, Eyono Fatayi-Williams; and NLNG Deputy MD, Sadeeq Mai-Bornu, at the NLNG's Train 7 groundbreaking Ceremony in Bonny.

was to ensure that work scopes of the project with capacities in-country must be done in Nigeria.

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

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

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

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

Managing Director, Nigeria LNG Limited, Engr. Tony Attah, said the benefits of gas to the country will increase on the back of this Train 7 project. He added that Train 7 will stimulate the inflow of more than $10billion Foreign Direct Investment into Nigeria as part of the project scope; create more than 12,000 direct jobs and additional 40,000 indirect construction jobs; and develop Nigerian local capacity and businesses. He also stated that the increase in volume supply to the global market as a result of Train 7 will keep NLNG and the country on top of the suppliers' chart as world LNG demand grows.

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

"It is also about the upstream development, which is the real gas that will come to us. That also is a huge investment of $5 to $6 billion. So, potentially, the full value network is almost $12 billion." Attah also said the NLNG has monetised over 5.96 trillion cubic feet (Tcf) of associated gas (AG), which would have otherwise been flared thus helping to build a better Nigeria.

Managing Director, Dormanlong Engineering Limited, Dr. Timi Austen- Peters, said: "Train 7 would create many multiplier effects, including increased processing, export of LNG and domestic utilisation LPG in Nigeria. There are thousands of jobs to be created along the entire value chain. With a project of this nature, the entire landscape of Nigeria's economy would change for better."

The Deputy Managing Director, Falcon Corporation, Mrs Audrey Joe-Ezigbo, said natural gas is key to unlocking the country's economic potential, therefore, the actualisation of Train 7 is a major milestone to the oil and gas industry and Nigeria's economy.

Mrs Joe-Ezigbo said: "The gas industry is one that has significant prospects, and the potential to transform the landscape of economic development in Nigeria.

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

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

Environmental benefits of Train 7 project

To oil and gas industry stakeholders, besides the potential huge income and employment generation that are anticipated from Train 7, the project is an answer to calls for the utilisation and monetisation of the country's huge gas resources. To them, the sub-optimal exploration and utilisation of the nation's natural gas has become a major issue for concern.

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

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

The DPR noted that the flared gas can produce 600,000 metric tonnes of liquefied petroleum gas (LPG) yearly, produce 22 million tonnes of carbon dioxide (CO_2), feed two-three liquefied natural gas (LNG) trains and generate 300,000 jobs, among others.

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

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

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

NLNG's operations have helped to reduce the country's gas flaring volume from 65 per cent to below 12 per cent. It also supplies about 40 per cent of the yearly domestic liquefied petroleum gas (LPG) (cooking gas) consumption.

Attah confirmed this at the Nigeria LPGA and LPG Summit in Lagos, saying: "Our operation has helped to reduce about four trillion cubic feet of previously flared natural gas, thereby improving Nigeria's gas flaring profile from about 65 per cent per cent in 1999 to less than 25 per cent today."

The NLNG chief also said: "We have also undertaken the role as a major influencer of the domestic LPG market in Nigeria, dedicating 350,000 metric tonnes of liquefied petroleum gas (LPG), also called cooking gas, to the market; an effort that focuses on deepening the penetration of cooking gas to support environmental and human protection through the use of cleaner energy."

Recently, the Company announced an increase of that commitment from 350,000 tonnes to 450,000 tonnes.

NLNG history

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

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

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

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

ANALYSTS DECRY IMPACTS OF WORSENING ELECTRICITY ON POVERTY

By Meletus EZE

The poor state of electricity supply in Nigeria may continue to increase the poverty rate and frustrate attempts by local and international organisations in empowering the citizen, analysts under the Association for Public Policy Analysis (APPA) said in Abuja.

The group equally insisted that most electricity end users were being denied their rights given the poor level of consumer protection in the country fuelled by the lack of awareness and education that would have provided needed information to the citizens on their rights.

President of the association, Princewill Okorie, stated that there was a need to ensure that licensees perform to standards set by the Electric Power Sector Reform Act, 2005, through training and educational programmes, thereby ensuring that the government's objective of delivering power for increased productivity, consumer satisfaction, community development and increased revenue for investors was achieved.

In a letter filed to key public and private entities over the development, Okorie said the group had prioritised the need to advocate sensitisation of citizens by training Small and Medium Enterprises, which is under the umbrella of SMEDAM to acquaint them with the provisions of consumer protection component of Electric Power Sector Reform Act, 2005.

"It will also equip them with skills to identify and prevent unwholesome business practices. In addition, it will help establish beneficial relationships between consumers and Electricity Distribution Companies in Nigeria, to enhance productivity and efficient management of scarce resources," Okorie said.

The initiatives tagged: "National Electricity Consumer Protection Education Programme (NECPEP) and Electricity Consumer Protection Education Programme (NASMECOP)" with necessary support is expected to assist in the eradication of poverty in the country, ensure sustainable growth and development, empower women and youths and lead to the achievement of Sustainable Development Goals (SDG) four, seven, eight, 12 and 17.

Okorie said: "Adequate and affordable Electricity will be required for realisation of the above SDG goals while exploitation through fraudulent estimated billing and non-compliance with regulatory procedures will lead to non-actualization of the lofty SDG goals.

"For example, the 11 electricity distribution companies (DISCOS) across Nigeria were said to have received a total sum of N542.73billion out of N816.15 billion they sent as bills to their consumers in 2020", he said.

GAS, NIGERIA'S HOPE FOR ECONOMIC DEVELOPMENT, SAYS SYLVA

By Meletus EZE

The Minister of State for Petroleum Resources, Chief Timipre Sylva, has described the country's gas expansion programme as a highway to economic prosperity and development.

Sylva said this when he featured on NAN Forum, the flagship interview programme of the News Agency of Nigeria (NAN), to highlight the achievements recorded in the oil and gas sector since he assumed office about two years ago.

He noted that the Federal Government embraced the gas expansion programme having realised that the country had abundant gas resources and that there was a need to focus on it as a bridge to renewable fuels.

"Last year we declared 2020 the year of gas because we realised that we need to focus on gas as a bridge to renewable fuels and we have abundant gas resources, so we need to take advantage of it," he said.

According to him, the Federal Government is now paying greater attention to gas development because it provides a bigger linkage to the economy than crude oil.

"Gas is produced and it can be transformed to fertiliser and fertiliser can fertilise our agricultural sector.

"Also, the gas that is produced can be transformed into petrochemicals, and petrochemicals can be transformed into everything that we need in life including the plastic on the camera, phones, even the clothes we wear.

"Petrochemicals come from gas, and gas can be transformed to methanol, and this is the basis of chemical and pharmaceutical industries.

"So you can imagine if we harness our gas resources and do a fertiliser blending plant based on gas, then produce the fertilisers and send them to the farmers.

"And you can imagine if all the farmers in Nigeria have access to cheap fertiliser what it would do for our agriculture without anybody doing anything else," Sylva said.

The minister noted that employment generation from gas alone is immeasurable going by the number of people that would be affected in the value chain.

NDEP APPROVES N7 DIVIDEND

Foremost Independent Integrated Energy Company, Niger Delta Exploration & Production (NDEP) Plc, held its 26th annual general meeting on June 29, 2021, in Lagos, where its shareholders approved a dividend per share of N7.00, the Company's 15th year of consistent dividend payment.

For the second time, the AGM was held virtually due to the COVID-19 pandemic and was held in compliance with Health & Safety protocols as well as the relevant regulatory guidelines.

The Chairman of NDEP, Mr. Ladi Jadesimi, in his statement, said though the dividend of N7.00 was significantly lower than its record N17 per share for the preceding year, it was a prudent approach based on the effects of the COVID-19 Pandemic, and reflected NDEP's solid fundamentals and commitment to its growth strategy and cash preservation.

He said that despite the effect of the Pandemic on business operations in 2020, NDEP "demonstrated its resilience by meeting all its obligations, attaining new milestones and ended the year in profit albeit modestly with staff strength intact".

"We rose to the challenges posed by COVID-19 and the prolonged lockdown" he said, "The Board and Management carefully monitored industry developments and took steps to reposition NDEP and its subsidiaries while sustaining efficiency and ensuring company survival". With a Profit after Tax of N1.6 billion for the Company and N16.8 billion for the Group, he added that NDEP entered 2021 "on a solid financial foundation".

He announced the appointments of Mr. 'Gbite Falade and Mr. Adegbola Adesina as the Group Managing Director/Chief Executive and Chief Financial Officer of the Company, respectively and thanked the pioneer Managing Director/CEO, Dr. 'Layi Fatona, for coming out of retirement to hold fort until Mr. Falade's appointment. Both appointments were ratified by the Shareholders at the AGM.

Among the highlights of the Company's operations for the Review year, according to the Chairman, was the 15th Anniversary of first oil production from its Ogbele Marginal Oil field which had produced 20 MM bbls of oil, 95 BScf of Gas and over 160MM litres of Diesel as at 2020 year-end.

He also announced DPR's approval for the introduction of Hydrocarbon to the Train of its Ogbele Refinery which he said would make the full-fledged refinery "the first of such privately owned and operated in Nigeria."

NDEP Plc is a foremost Independent integrated Energy Company. Through its wholly-owned operating Companies, Niger Delta Petroleum Resources Ltd (NDPR), ND Gas Ltd and ND Refineries Ltd – it owns a range of assets including its flagship asset, the Ogbele Oil and Gas Field with a fully self- managed Flow Station, the soon-to-be commissioned Refinery with 11,000 bbl/d processing capacity, a 100MM Scf/d gas processing plant, and a Joint Venture in South Sudan with Nile Petroleum.

CHEVRON URGES CLOSER TIES, PEACE FROM HOST COMMUNITIES IN ONDO

Rick Kennedy, CNL Managing Director

Chevron Nigeria Limited (CNL) has urged for closer ties and peace from host communities in Ilaje Local Government Area of Ondo State to enable sustained developmental projects in the area.

The CNL Managing Director, Mr Rick Kennedy, made the call on Sunday at the Annual General Meeting (AGM) of the Ilaje Rural Development Committee (IRDC) held at Ode-Ugbo in Ilaje LGA of the state.

IRDC is a Community-Based Organisation (CBO) established in 2005 to support oil exploration companies in bringing succor to residents of host communities.

There was a Global Memorandum of Understanding (GMoU) between NNPC/CNL and the state government which gave birth to IRDC.

It allowed oil communities the opportunity to own and manage various projects solely funded by the oil giants.

Kennedy, represented by Mr Esimaje Brikinn, General Manager, Policy, Government and Public Affairs of the company, also noted that its partnership with oil communities had been cordial since the establishment of the IRDC.

According to Kennedy, since 2005, the NNPC/CNL have contributed millions of dollars to IRDC which have been used to implement various projects on education, healthcare, economic activities and general welfare of residents of host communities.

“This is a tough time for oil and gas industry globally.

“Nevertheless, Chevron takes its role as corporate citizen in Nigeria seriously and remains active in many projects that promote health, education, economic development and committed to terms of the GMoU.

“However, now more than before we seek more cooperation of all stakeholders as the company take steps to ensure sustainability of the business in the face of current business challenges.

“It is important to note that the benefits of GMoU can only be sustained in an atmosphere of peace that is conducive for business activities.

“We also need to work together to checkmate the activities of oil thieves and vandals who are responsible for most of the pollution in the waterways because we support global efforts to reduce flaring and carbon emissions.” Kennedy said.

Earlier, Mr Roland Akintoye, IRDC’s Chairman, while rendering his account of stewardship, noted that GMoU stood out as the most reliable platform for sustainable development in the oil-rich communities.

He said that IRDC was able to commission the IRDC permanent secretariat, awarded scholarships to 330 students of secondary and tertiary and distributed note and text books to primary and secondary schools.

He said that IRDC distributed fishing gears and safety kits to fishermen and fisher women in eight communities, distributed food items, organised free medical outreach and as well concluded skills acquisition training for 80 women and young girls.

“We have completed and commissioned two solar powered mini grid energy cabins to supply electricity to 200 residents in Awoye and Odofado communities and the joint Mother and Child hospital project is almost completed.

“All of these wouldn’t have been possible without the support of communities, our sponsors and other development partners, we are very grateful.

“In our efforts to be committed to the policies and principles of IRDC which are transparency, accountability, integrity and sustainability, the AGM is held to account for our stewardship to stakeholders,” Akintoye said.

The occasion was graced by government functionaries, politicians, traditional rulers and other stakeholders.

NNPC WEEKLY ACTIVITIES HIGHLIGHT ENERGY SECURITY

By Abisola THOMPSON

The weekly activities of the Nigerian National Petroleum Corporation (NNPC) started on a cheering note as the Federal Government assured the Corporation of maximum security as it returns to the Chad Basin for exploratory activities.

President Muhammadu Buhari gave the assurance during his recent visit to Borno State, following the improvement of security in the area.

The president tasked the NNPC to expedite action towards the delivery of 50 megawatts power plant in the state to ensure the prompt restoration of electricity to Maiduguri and its environs.

Still on a cheering note, the House of Representatives Committee on Upstream commended the National Petroleum Investment Management Services (NAPIMS), a corporate Service Unit of the NNPC for efficient management of the nation's Joint Venture Operating Agreements with the International Oil Companies in Nigeria.

Rep Musa Adar, Chairman of the Committee, who gave the commendation during a recent oversight visit by the committee in Lagos noted that NAPIMS had demonstrated capacity and efficiency in the management of the nation's hydrocarbon resources.

Speaking earlier, Group General Manager, NAPIMS, Mr Bala Wunti, urged the National Assembly to pass the Petroleum Industry Bill (PIB) to create a competitive oil and gas industry for the country.

Also in the week under review, NNPC struck a partnership deal with the Economic and Financial Crimes Commission (EFCC), Department of State Services (DSS), Nigeria Police Force (NPF), Nigeria Customs Service (NCS), and the Nigeria Security and Civil Defence Corps (NSCDC).

The deal with was struck with other relevant downstream and upstream stakeholders in the petroleum industry was to curb smuggling and crude oil theft which had negatively impacted the nation's economy.

The Group Managing Director of the NNPC, Malam Mele Kyari, said the move was at the instance of President Muhammadu Buhari who had ordered a stop to crude oil theft and illicit truck-out of petroleum products to other countries.

Kyari said the president had urged the Corporation of every stakeholder to ensure that the daily national petroleum products consumption which shot up to 102million litres in May was brought down to realistic

Mele Kyari, NNPC GMD

levels of around 60million litres.

"We will all agree that smuggling is not a business that should be condoned because even for deregulated petroleum products it brings extra cost burden on this country both in terms of safety and security of supply and in securing of foreign exchange.

"It even constitutes more burden to this country when the product involved is a regulated product like Premium Motor Spirit (PMS).

"We all know that our daily consumption is not up to 60million litres. We all know that, and that is why we have to pull it down. We will pull it down by every means necessary," Kyari said.

He said NNPC would commence Advanced Cargo Declaration in line with global best practices to tackle the menace.

EFCC Chairman, Abdulrasheed Bawa, said the Commission would work with NNPC to ensure perpetrators of the act were brought to justice.

The Major Marketers Association of Nigeria (MOMAN), Depot and Petroleum Products Marketers Association of Nigeria (DAPPMA) and the Independent Petroleum Marketers Association of Nigeria (IPMAN), assured NNPC of total support towards the fight.

The Nigerian Association of Road Transport Owners (NARTO), Petroleum Tanker Drivers (PTD) and all the other stakeholders also pledged their support to fight smuggling.

The NNPC Gas and Power Investment Company (NGPIC), a wholly owned subsidiary of the NNPC, launched an initiative tagged "Hazard Hunt Awareness" aimed at curbing harmful incidents in and around the workplace.

NGPIC is a subsidiary of the NNPC with the responsibility to promote domestic gas utilisation and maximise value from investments across the LNG and power value chains as well as the gas-based industries.

The event which was held at the NNPC Towers Abuja saw the Chief Operating Officer, Gas and Power, Yusuf Usman, saying that the initiative was in line with NNPC Top Management's drive towards becoming a company of global excellence.

"Safety is an aspect that we in the oil and gas industry should pay serious attention to for sustainable operations.

"The Hazard Hunt Initiative which we are launching today, is an awareness programme to help us to promptly identify unsafe acts and conditions so that we can curtail incidences and accidents in our operations," Usman said.

Earlier in his remarks, the Managing Director of NGPIC, Mr Salihu Jamari, who was represented by the General Manager, Commercial, Mr Justin Ezeala, said that the initiative was a result of research and consultations with stakeholders.

CONSEQUENCES OF UNFRIENDLY BUSINESS ENVIRONMENT ON NIGERIA'S INTERNATIONAL TRADE

Unfriendly business environment foisted on Nigeria by insecurity has continued to take its toll on the country's foreign trade, ***Olamilekan FAWAS*** *examines the development.*

Insecurity and excessive bureaucratic bottleneck created by some government agencies and the activities of selfish local businesses have all resulted to lack of significant improvement in Nigeria's foreign trade.

In the oil and gas business for instance, both local and international operators had come to the conclusion that Nigeria's operating environment is the most difficult among the oil-producing countries.

According to Vanguard report, the difficult operating environment has led to a slump in the country's foreign trade, according to government's own statistics.

For instance, Nigeria recorded a 10.3 per cent decline in foreign trade in 2020, according to the National Bureau of Statistics (NBS). According to the report, the value of total imports in 2020 stood at N19.898 trillion or 17.3 per cent higher than the N16.96 trillion recorded in the previous year.

Total exports, according to the report, also dropped by 34.8 per cent from N19.19 trillion in 2019 to N12.522 trillion in 2020.

Within 2020, Nigeria's total foreign trade also dropped by 27.46 per cent year-on-year in second quarter of 2020, when compared to N8.61 trillion recorded in the corresponding quarter (Q2) of 2019.

According to the report, Nigeria's total export during the second quarter of 2020 nosedived by 51.7 per cent to stand at N2.22 trillion, representing a significant fall when compared to N4.59 trillion recorded in second quarter of 2019 and N4.08 trillion recorded in the second quarter of 2018.

The report also showed that Nigeria's total foreign trade recorded a decrease of 27.3 per cent when compared to N8.59 trillion recorded in previous quarter (Q1 2020).

In September 2020, Nigeria recorded its lowest foreign trade with the United States since 2015, slumping to N1.5 trillion as of September 2020 compared to N2.1 trillion recorded in September 2019.

The challenges of the operating environment were said to have been aggravated by the disruptions caused by the COVID-19 pandemic.

Nigeria's dwindling international trade and the recent alarm raised by the Nigeria's Minister of Industry, Trade and Investment, Otunba Niyi Adebayo, that the volume of trade between Nigeria and South Korea plunged by 74 per cent within a two-year period, should be an eye opener to the Nigerian government and its agencies.

In a statement issued in Abuja, the minister specifically stated that the volume of trade between both countries dropped from $5million in 2018 to $1.3million in 2019.

The minister said Nigeria and South Korea shared strong economic and investment ties with over 20 Korean companies presently operating in Nigeria.

Adebayo named some of the companies to include: Samsung Heavy Industries (SHI) and Hyundai Heavy Industries (HHI).

He also called on foreign investors to take advantage of the Nigeria's involvement in the African Continental Free Trade Zone (AfCFTZ) to invest in Nigeria so that they would have access to the large market on the African continent.

Adebayo told his visitors to encourage foreign investors to invest in the new special economic zones established by the ministry in each of the six geographical zones across the country.

Otunba Adebayo is one of the few ministers in the administration of President Muhammadu Buhari who have exhibited unbridled passion to woo foreign investors in line with President Buhari's agenda.

But while Adebayo and his likes are making strenuous efforts to attract foreign direct investments (FDIs), some other officials of government and their collaborators among local investors have embarked on deliberate efforts to scare foreign investors in a bid to wade off competition.

Foreign investors are not insulated from the adverse effects of the activities of these predators who use their local political contacts and connections to engender unfriendly government policies that do not only destroy existing investments but chase away potential investors.

While other countries like Senegal and Cameroon have opened their doors to foreign investments and skill transfer to create quality jobs in their countries, some foreign firms in Nigeria are being strangulated to death without any soothing words.

South Korea, for instance is well-positioned to help Nigeria build capacity but unfortunately, the enabling environment has not been created.

The minister cited Samsung Heavy Industries (SHI) as one of the South Korea giants operating in Nigeria.

Indeed, since SHI came to Nigeria about a decade ago, it has demonstrated its capacity to transform the Nigerian economy by local manpower development, which could boost the country's Gross Domestic Product (GDP).

SHI has proved its mettle and invested heavily to demonstrate that it is in Nigeria for a long-term.

But despite its record-breaking achievement in the development of Egina oil field, the uncertainty in Nigeria's oil and gas industry has discouraged investors from launching more projects that could utilise the expertise of SHI.

Foreign investors operating in some of the country's free trade zones are worst hit by the activities of these local operators who connive with some corrupt government agencies to seize investors.

Free trade zones are areas in which businesses are exempted from the normal tax regime applicable in Nigeria.

In return, the Federal Government expects such companies to boost national exports, create jobs and help in diversifying the country's economy by bringing in new activities.

But companies operating at LADOL free zone in Lagos are being suffocated with excessive charges and other acts of hostility by the free zone managers.

For instance, an American pipe-coating company, Africacoat was forced to exit Nigeria by operators of LADOL.

While other free zones nationwide are championing the struggle to woo investors, LADOL has since the past seven years engaged its tenants in protracted litigations, leaving investments to suffer.

The operating environment at the zone is characterised by open hostility against investors.

This open hostility against Korean investors got to its peak in April 2019 when an officer of the Nigeria Security and Civil Defence Corps (NSCDC), Mr. Innocent Oshemi, guarding LADOL shot and killed a fellow officer and wounded a Korean staff working at the fabrication and integration yard of SHIN located in the free zone.

The LADOL's armed security guard was said to have gone berserk around the SHI-MCI yard, killing his colleague during an argument, and shooting a Korean SHI-MCI employee operating a crane within the yard at the time.

This kind of incident was capable of scaring away any actual or potential investor from any operating environment. The incident, no doubt, must have dealt a great blow to trade between Nigeria and South Korea because no investor will like to invest in an unsafe environment.

It was not surprising that the slump in trade between South Korea and Nigeria occurred during 2018/2019, exactly around the time the ugly incident occurred.

The dwindling trade between Nigeria and South Korea also occurred during the period LADOL locked out one of the major investors in the zone, denying it access to its investments in the zone.

It took the intervention of government agencies, and the courts for LADOL to lift the blockade and allow the investors access to their facilities in the free zone.

In the present world of internet, other international businesses read all these negative reports about LADOL's open display of brazen hostility against its partners, and this painted Nigeria in a bad light and made it a wrong destination for Korean businesses during the period.

Apart from the unfriendly posture of the likes of LADOL, business activities at the Apapa ports in Lagos, which account for 70 per cent of international trade in that corridor, are also affected by gridlock.

This gridlock also hurt multilateral trade between Nigeria and other countries, including South Korea, adversely.

Insecurity is also increasingly affecting investors' appetite for Nigeria's operating environment.

Another issue of great concern to investors is government's policies. Government should be sensitive to the operating environment and refrain from making policies that could undermine investments.

All policies must be geared towards improving the country's Ease of Doing Business.

An operating environment that is characterised by policy inconsistences, political interference and policy somersault is not a preferred destination for investments.

Investors in the Nigeria's free trade zones (FTZs) recently threatened to divest from the zones over a proposed reform by the Federal Ministry of Industry, Trade and Investment (FMITI).

A recent statement signed by the Director of the Snake Island Integrated Free Zone, Lagos, Yusufu Abdullahi, on behalf of the investors, alleged that the ministry had concluded plans to transfer the supervision of the free zones from the Nigerian Export Processing Zones Authority (NEPZA) to the Oil and Gas Free Zone Authority (OGFZA) located at Onne Port in Rivers state.

The investors are suspicious of the government's decision, describing the proposed reform as "a ploy to destroy multi-million naira private investment in the free zones".

They alleged that FMITI had directed NEPZA to transfer five selected free zones (Dangote Industries Free Zone, LADOL Free Zone, Snake Island Integrated Free Zone, Tomato Industrial Park, and Olokola Oil and Gas Free Trade Zone) regulated by the authority to OGFZA.

It is not clear why investors made the threat but the onus is on the government to restore the confidence of these investors in its activities.

Though NEPZA has not implemented this directive, it is imperative for the government to bring all the parties to a negotiating table for the sake of protecting investments.

John, an analyst, writes from Abuja

REFORMS CAN RAISE NIGERIA'S REVENUE TO N10TR IN 3 YEARS, SAYS WORLD BANK

By Shile GIWA

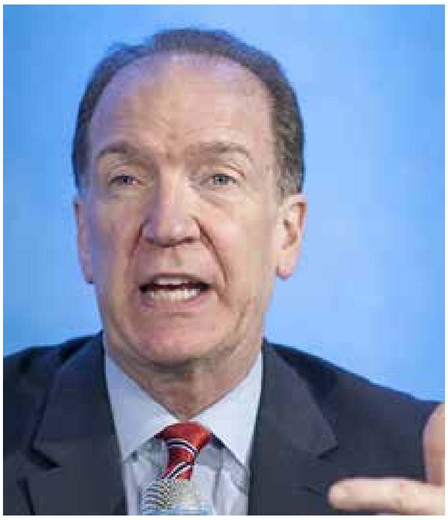
The World Bank has stated that Nigeria can implement economic and revenue reforms which would raise the country's revenue to N10 trillion in 3 years and raise tax to GDP ratio to seven per cent.

Senior Public Sector Specialist at the World Bank on Domestic Revenue Mobilisation, Mr Rajul Awasthi, disclosed this at a virtual media summit in Abuja.

According to the News Agency of Nigeria, he added that in the long term, reform of the tax system will be a necessity to stimulate post-pandemic investment and economic growth as policy reforms with revenue growth enhancement are needed for Nigeria to increase revenue generations.

"As Nigeria tries to build back better after the COVID-19 crisis, the approach to revenue mobilisation needs to be more strategic, not just taxing more, but taxing better; not just how much to collect, but how to collect, what to collect, and from whom," he said.

He added that Nigeria's revenue sources had been further hit hard by COVID-19 and in 2020 Nigeria recorded its deepest quarterly contraction since the 1980s, but exited the recession in the fourth quarter



World Bank Group President: David R. Malpass

of that year.

"Safeguarding and mobilising revenues was necessary but needed to be designed so that investment, growth and jobs do not suffer.

Also, reprioritising public spending to protect critical development expenditures and supporting economic activity and access to basic services and providing relief for poor and vulnerable communities were essential," he said.

He said there were key areas of reform to improve revenue mobilisation as they had the potential to raise N4 trillion to N6 trillion. These key areas include excise reforms through policy measures, property tax reforms by updating/completing property records and Value-Added Tax (VAT) administration and plugging compliance gaps.

Others are Personal Income Tax (PIT) revenue-raising measures and access to data and rationalising tax expenditures in Corporate Income Tax (CIT).

According to him, revenue mobilisation can be sequenced into immediate, medium and long term. He added that in the short term, Nigeria could enhance excise rates on "sin goods" and establish excise on petrol and diesel at a token rate, while in the medium term, emphasis could be placed on rationalising tax expenditures and in the long term, it could improve revenue from cross border transactions and other international tax measures.

"Internally Generated Revenues (IGR) should be intensified as efforts are needed to improve States' collection of PIT and other taxes such as the property tax," he said.

"The Federal Government should address policy and compliance gaps in VAT as Nigeria has much greater revenue potential from VAT than currently achieved," he added, citing that the total additional VAT potential could be N3.1 trillion or more.

SUKUK: DMO PLANS TO EXPAND INVESTOR BASE IN NIGERIA WITH FUTURE ISSUANCES

One of the success stories of the Islamic Finance Market in Nigeria since 2014 has been the Sukuk bond issuance in the nation.

At the moment, Nigeria has raised over N362billion through the issuance of three rounds of Ijarah Sukuk to finance road infrastructure across the six geo-political zones.

Recently in an interview, the Director-General of the Debt Management Office (DMO) Nigeria, Patience Oniha, assessed the progress that has been made through the Sukuk issuances between 2017 and 2020.

According to her, the Sukuk issuance is an initiative of DMO to raise local borrowing which has been successful since inception in 2017. She said there have been huge investments in the road infrastructure across the six geo-political zones in the country.

Oniha described the feedback from investors as remarkable with a 105 per cent subscription (2017) , 132 per cent subscription (2018) and 470 per cent subscription (2020) showing their confidence in the potentials of the Sukuk market.

According to her, the three Sukuk issuances has changed the nation's socio-economic landscape as the public is aware and have invested massively in the market.

The DMO boss said: "In addition to raising money for the government, investors are happy with the fact that the Sukuk is project-tied and they can see the projects the funds are deployed for. There has been significant awareness created in the media on the value of this segment of the non-interest finance and how it can support economic development".

She said the 10 year (2015-2025) capital market master plan already recognized non-interest financial product, and the Nigeria Exchange Limited and FMDQ Securities has been supportive of new products.

The product according to her is supported by guidelines in the fixed income market that also has non- interest banking provisions.

She said, there is need to have a bigger and more diversified base of investors for all the products, especially the areas where government has huge investment in infrastructure.

CBN GRANTS LOTUS BANK LICENCE TO COMMENCE NON-INTEREST BANKING

By Meletus EZE

The Central Bank of Nigeria (CBN) has granted a non-interest banking licence to Lotus Bank Limited.

Lotus Bank seeks to pursue the mission of creating value and growth for all through digital innovation and best-in-class customer experience for Nigerians.

Founded and chaired by Mrs. Hajara Adeola, who is also the Founder and Managing Director of Lotus Capital (the pioneer of non-interest finance in Nigeria), the Bank is commencing operations on a solid foundation of experienced leadership and a strong Advisory Council of Experts (ACE).

Lotus Bank is managed by a team of seasoned professionals and financial experts led by the Managing Director/CEO, Mrs. Kafilat Araoye who has over 25 years of commercial banking experience.

According to Araoye, Lotus Bank's focus and guiding principle are 'to deliver an alternative option to interest-based banking and to cater to the needs of not just the banked but also the under-banked and unbanked population. Non-Interest banking is geared towards supporting the real sector and Lotus Bank aims to improve financial inclusion in the country. In addition, the bank will operate transparent pricing models as is the norm in non-interest banking.'

"Our values are deeply rooted in partnership. A critical component of our mission

CBN governor, Godwin Emefiele

is the provision of innovative solutions that drive ethical prosperity for all stakeholders. We pride ourselves on digital solutions that provide our customers with the convenience of unlimited access to our services and products," she added.

Mrs. Araoye further stated, "Our products and service offerings will include non-interest Business Financing, Deposit Products (current, savings and investment accounts) and personal financing. The bank aims to be a socially responsible organization that will satisfy its customers across all touch points."

With its flagship branch located at Adetokunbo Ademola Street, Victoria Island, Lagos, the bank will open its doors to customers from July 2021.

Globally, non-interest banking is worth 2.23 trillion USD and is expected to grow to about 4 trillion USD by 2024. This type of banking is recommended to all Nigerians who desire to be involved in the ethical and non-speculative business.

Lotus Bank is the first non-interest bank to commence operations from South-West, Nigeria with a focus to serve people of all faiths.

AYO TERIBA ADVISES FG TO LIBERALIZE THE SERVICES SECTOR

By Abisola THOMPSON

The Federal Government of Nigeria has been tasked to liberalize the country's service sector to enable it attract large scale foreign direct investments (FDIs).

An economist and public policy specialist, Dr. Ayo Teriba, made this point at the Economic Associates one-day quarterly conference, that dwelled on developments in the Nigerian economy and the economic outlook for the country in 2021 and beyond.

According to Teriba it was time for Nigeria to learn from emerging economies like Brazil and India, by opening up critical service sector areas like power (especially transmission), petroleum services (the pipelines), and the railways system (transportation) to unlock hitherto dormant economic opportunities.

He believed that it was time for the country to compile a list of all national assets through the creation of an asset Registry that would provide the primary data base for the creation of a national deal room for prospective foreign and local investors.

Teriba noted that this would require Nigeria to leverage the capital market to privatize state-owned enterprises (SOEs) and assets which would help in determining the tradable market value of such assets.

The economist cited the example of Saudi Arabia that liberalized its State-owned oil company 'Saudi Aramco' through the capital market, and established a market value of over $1trillion for the Saudi-owned international oil major.

He acknowledged that the world had shifted to the "Age of Deal Making", stressing the need for the both federal and state governments to create the environment for increased local deal counts.

Speaking further, Teriba decried the fact that Nigeria had no single entity that had been listed in its capital market, which would assist in unlocking liquidity.

With added liquidity by way of foreign investment inflows, Nigeria would find it easier to fund infrastructure projects, invest in human capital development, and transform city centers and improve national security.

The financial economist added that "Nigeria needs to take the bold step of connecting its local assets to global liquidity, because liquidity leads to stability and stability would drive growth".

He emphasized the need for Nigeria to think more strategically about encouraging foreign direct investments (FDIs) and provide an enabling environment for improving the size of diaspora remittances.

AFRICAN DEMOGRAPHICS CHANGING RAPIDLY, FORCING A RE-THINK OF PENSIONS

Gerald Gondo

By Abisola THOMPSON

Africa has long been known for its youthful population, and while the continent will continue to have the largest youth cohort in the world, they'll live longer than their forebearers. This is according to the latest Bright Africa pensions research from RisCura, a global investment firm.

In fact, longevity expectations have changed dramatically, thanks to better nutrition, medical advances and overall improvements in the general standard of living.

"The estimates for the elderly are astounding, which is putting enormous pressure on governments and pension funds to deliver some form of social security," says Gerald Gondo, Business Development Executive (Africa) at RisCura.

Estimated at 13.1 million people aged 65 or more in 1975, this figure increased to 41.3 million people in 2015 and is expected to reach 150.6 million people in 2050 and 652.4 million people in 2100.

"Africa will continue to have the largest youth cohort on the planet – but they'll live longer than their forebearers, and will need retirement income," Gondo says. "It is critical for savings to take place for this cohort and more importantly, for that savings to sustainably grow in tandem with this inevitable demographic transition."

A major issue governments face is that 85.5 per cent of Africa's working population are informally employed. This is according to the International Labour Organisation (ILO). Not only are informal workers difficult to target, they also contribute minimally, if at all, to overall tax collection. "Clearly, this presents limitations to traditional long-term savings products, like pensions," Gondo says.

To avert fiscal and social stress, policy-making on pensions and social security in Africa needs to quickly move to enable affordable, convenient, and secure micro-pension products to be established.

Nigeria, where only 10.5 per cent of the workforce is formally employed, has already done so. The country's National Pension Commission (PenComm) launched a micro pension scheme in 2019 for the informal sector and employees of organisations with less than three employees.

Gondo says that technology (fintech) is proving to be a key enabler of financial inclusion and pension provision in Africa. Countries like Rwanda are demonstrating that it is possible to bring national identification systems and high mobile phone penetration together to foster financial inclusion and a broad-based adoption of savings products.

As of 30 June 2020, the Rwanda Utilities Regulatory Authority (RURA) recorded 9.8 million active mobile subscriptions (75 per cent of the population). "Mobile technology provides an important platform for the delivery of a broad range of financial services, including micro-savings products," says Gondo.

African pension funds currently have approximately US$350billion of assets under management. Gondo says that although slow, a progressive rebalancing of this capital away from domestic fixed income to equities and alternative investments is underway. "They are attuning their asset allocation to the changing social and economic environment."

In most Organisation for Economic Co-operation and Development (OECD) and many non-OECD countries, bonds and equities remain the two predominant asset classes for pension funds. For the selected pension funds within the 2020 Bright Africa Pensions research, South African, Botswana, and Namibian asset allocations reflect greater allocations to equities than OECD countries. For the rest of the African countries, however, the picture continues to illustrate a skew to fixed income.

Regulation continues to be the single most important determinant of asset allocation decisions in African countries. However, there are cases where regulation has changed, but the market has not followed. In Kenya, for example the upper limit for exposure to private equity of 10 per cent was established in 2016. As of June 2020, the total allocation to private equity according to the published statistics from the Retirement Benefits Authority (RBA) was less than one per cent.

The prospect of a seismic growth in the elderly population on the continent and the fact that over 85 per cent of working Africans are employed informally pose unique challenges to the African pension fund industry. However, progress is being made in tackling these issues. Regulators are reviewing legislations, governments are experimenting with unique solutions such as micro-pensions, assets allocations are changing to allow for greater long-term growth and across the continent, the high rate of mobile penetration is being viewed as a significant opportunity to innovate.

"The road ahead will be thorny, and no doubt full of delays, but awareness of the problems is there, coupled with firm intentions to solve them," Gondo concludes.

STAKEHOLDERS LIST INVESTMENT OPPORTUNITIES IN NON-INTEREST CAPITAL MARKET ECOSYSTEM

By Abisola THOMPSON

Stakeholders in the capital market sub-sector have listed non-interest finance opportunities in Nigeria's capital market, urging corporate entities and investors to explore the investment window.

They spoke at the maiden edition of Islamic Finance webinar series hosted by WebTV (digitalTV powered by Proshare) in Lagos on investment opportunities in Nigeria's Non-Interest Capital Market (NICM).

Mrs Bukola Akinyele-Yisau, WebTV, Islamic Finance Weekly Programme Anchor, said this in a statement made available in Lagos. Akinyele-Yisau said the webinar was an avenue to enlighten corporate entities and investors about non-interest finance opportunities in Nigeria's capital market, while addressing salient issues affecting the growth of the market.

She added that it was essential to enable stakeholders deliberate on avenues of synergy to grow the industry.

The statement quoted Mr AbdulKadir Abbas, Head of Department, Securities and Investment Services, as saying that the Securities and Exchange Commission (SEC) was committed to the growth and development of NICM.

Abbas, in his the keynote address, added that the growth of NICM in the country had been fueled by the increase in Sukuk bond issuances amidst a growing appetite for the instrument by local investors.

Speaking on the Capital Market Master Plan (2015-2025) developed by the commission, he said the goal was to ensure that the NICM sub-sector represented 25 per cent of the overall market capitalisation by 2025.

Abbas explained that Sukuks would represent 15 per cent of total debt issuances outstanding by 2025.

He noted that in 2004, SEC joined the IOSCO joint committee on the Islamic Capital Market in Nigeria which led to the development of several initiatives to deepen the market.

Abbas said the commission would continue to promote enabling regulations to make Nigeria the regional hub for non-interest finance in Africa through collaboration with market stakeholders to introduce regulations that provide level playing field for all participants.

He said that SEC would foster partnerships for capacity building to build an innovative and efficient NICM.

According to him, the commission will embrace digitisation to support innovative products and developing a dynamic fair, transparent and an efficient market where investors and businesses in Africa could invest and raise sharia-compliant capital.

On his part, Mr Tesleem Akosile, who represented the Managing Director of TajBank, Mr Norfadelizan Abdulrahman, said there were enormous opportunities for non-interest banks to collaborate with other stakeholders to build a vibrant Islamic finance ecosystem.

He identified areas like wealth management as a means to develop products for high-net-worth individuals and other classes of citizens, thereby driving financial inclusion and economic empowerment.

Head, External Affairs, FMDQ Group, Mrs Adaeze Uzor-Kalu, in her presentation said Nigeria was one of the pioneering nations that established an Islamic Finance Regulatory framework in the West African region.

Uzor-Kalu said the total global Sukuk market from the debt market perspective had reached 715.2billion dollars in Q1, 2021 which was three per cent higher than amount in Q4, 2020.

On prospects for developing Islamic finance through the debt capital market, she stressed the need for a standardised and robust regulatory framework for Sukuk issuance.

Uzor-Kalu also called for government and regulatory incentives to drive participation in the Islamic finance sector.

According to her, there is the need for heightened awareness on Islamic Finance and build capacity in key institutions and increased primary markets issuances of Sukuks and Islamic commercial papers.

She explained that Islamic financing was critical to improving financial inclusion as it takes account of Shariah-complaint market players.

FG, STATES' OWE N33.11TN IN EXTERNAL, DOMESTIC DEBT IN Q1 – NBS


Yemi Kale, Statistician General of the Federation

By Meletus EZE

The Federal and State Governments owe N33.11 trillion in public debts, as at March 31, according to latest figures released by the National Bureau of Statistics (NBS).

The NBS, who stated this in its "Nigerian domestic and foreign debt for quarter one, 2021 (Q1 2021)", added that upon disaggregation, the nation's total public debt indicated that N12.47 trillion or 37.67 per cent of the debt was external, while N20.64 trillion or 62.33 per cent of the debt was domestic.

"The Federal Government's domestic debt stock alone was put at N16.51 trillion, while States and the Federal Capital Territory (FCT) domestic debt stock were put at N4.12 trillion.

"Lagos state accounted for 12.31 per cent of the total domestic debt stock with N507.3 billion, while Jigawa State, with N31.7 billion, has the least debt stock in this category with a contribution of 0.77 per cent to the total domestic debt stock", the report said.

Although the domestic debt stock for 35 States and the FCT were as at 31 March, 2021, that of Rivers was as at December 30, 2018.

To arrive at the figures, data was supplied administratively by the Debt Management Office (DMO), while the NBS verified and validated it, the report said

AFDB TO SPEND ADDITIONAL $2BN ON AFCFTA RELATED INFRASTRUCTURE

By Shile GIWA

The African Development Bank (AfDB) has said it expects to spend an additional two billion dollars on African Continental Free Trade Area (AfCFTA) related infrastructure over the next two years.

The President of the AfDB, Dr Akinwumi Adesina, said this in a virtual media briefing at the end of its 2021 Annual Meetings of the bank. Adesina said the AfCFTA was a massive opportunity for the African continent to grow its economy and further deepen regional integration.

"For the potential to be realised fully, it is very important for the private sector to play a big role and the AfDB is supporting the AfCFTA to do that.

"You cannot trade if there is no infrastructure to trade; roads, rails, ports, highways. Those are the things the AfDB has been doing. We did not wait for the AfCFTA.

"The work of the bank is at the core of driving regional integration for Africa. In the next two years we expect to spend an additional two billion dollars on AfCFTA related infrastructure to further deepen regional integration."

He stressed that the AfCFTA must be an industrialised and manufacturing zone for high valued manufactured products for wealth creation.

He said the bank was driving its industrialisation strategy to support value chains and help Africa build its manufacturing capacity.

He reiterated the bank's investment of three billion dollars in the pharmaceutical industry and the work on textile and garments supported by its private sector group.

"We are supporting the development of the special agro industrial processing zones that will allow African countries industrilise their agriculture and add value to every product they produce.

"Regional value chains that are well supported with infrastructure and will allow Africa unlock its capacity in all of those areas."

He said the AfCFTA was "very important" and expressed the bank's commitment to give all it takes to its success.

The AfDB president recalled that the bank provided 4.8 million dollars to help establish the AfCFTA Secretariat in Ghana.

He also recalled the 40 billion U.S. dollars the bank spent on infrastructure development across Africa from 2016 to 2019.


Akinwumi Adesina

REPOSITIONING NIGERIAN MSMES FOR AFCFTA

By Shile GIWA

The Africa Continental Free Trade Area (AfCFTA), officially came into force on Jan 1, 2021 to deepen economic integration on the continent.

This followed Africa's low intra-regional trade volume in relation to other continents like America, Europe, and Asia.

The agreement also seeks to eliminate tariffs on 90 per cent of goods while also enabling micro, small, medium, and large businesses to penetrate new markets and establish strong cross-border supply chains with trade partners on the continent.

Recent reports by the World Bank indicate that the agreement would boost regional income by seven per cent, increase wages for women and lift 30 million people out of extreme poverty by 2035.

The National Action Committee of AfCFTA, in the first quarter of the year, flagged off a sensitisation drive to enlighten Nigerians on the benefits the trade agreement and the need for full participation.

Six months into the take-off of the AfCFTA, however, some believe many Nigerian Micro, Small and Medium Enterprises (MSMEs) can do better with more awareness on its intricacies and the technical know-how, to maximally exploit its benefits.

MSMEs, relevant to the Gross Domestic Product (GDP) growth as well as employment generation, are believed to be the major drivers of development in any economy as they form the bulk of business activities.

Notable are the various interventions of the Federal Government and the Central Bank of Nigeria (CBN), such as the reduction in interest rates on CBN's facilities from nine per cent to five per cent, and creation of N50billion intervention fund for households and MSMEs.

Others include the creation of N1.1 trillion intervention fund for manufacturing sector (drug sub-sector inclusive), and temporary and time-limited restructuring of tenor and loan terms for businesses affected by the pandemic.

The need to reposition MSMEs with context-specific awareness mechanisms and education can, however, not be overemphasised.

Zainab Ahmed, Minister of Finance

Director-General, Lagos Chamber of Commerce and Industry, (LCCI), Dr Muda Yusuf noted the nationwide sensitisation by the federal government Action Committee on AFCFTA. He, however, said that a great deal of work was still required to create the desired level of awareness.

This, according to him, is due to the size of the country and investors' population.

Yusuf said that there was the need for better targeting for desired outcomes to be realised, with emphasis on international trading and investing community.

He said the percentage of MSMEs that undertook international trade was possibly less than 10 per cent.

"The truth is that most MSMEs are domestic market focused and most exporters are not necessarily the producers.

"The language of dissemination of the AFCFTA message should be accessible, especially to the MSMEs through the simplification of terms and terminologies.

"There is also need to ensure a balance in the use of the traditional media platforms and the digital platforms.

"Government needs to commit more resources to the AFCFTA sensitisation campaign," he said.

Director-General, Manufacturers Association of Nigeria (MAN), however, Mr Segun Ajayi-Kadir, said that more than 50 per cent of manufacturers, most of which were MSMEs, were knowledgeable about the workings of the agreement.

This, he said, was because the association, for close to two years, had engaged members on the subject through consultations, zonal sensitisation workshops, sectoral meetings and series of webinars.

He said there had been high level interactions with top echelons of the AfCFTA Secretariat, African Union, Africa Export-Import Bank, and other relevant national Ministries, Departments and Agencies.

These, according to him, brought to fore the need for a number of steps member-companies must take to benefit maximally from the agreement.

He cited the need to begin to accelerate export diversification by targeting products which are largely demanded on the continent but were mostly sourced from outside as one of such steps.

The MAN DG also called for the re-alignment of production processes with agreed rules of origin for product lines, to ensure qualification for the preferential tariff that AfCFTA seeks to build.

Ajayi-Kadir stressed the need to continue to develop capacity in the understanding of AfCFTA Rules of Origin and the trade remedy mechanisms and skills required to effectively participate in the continental value chain.

"We must also begin to embark on capacity building on export trade logistics and modalities for shipment amidst huge infrastructure deficit prevalent on the continent, and adopt market entry strategy that best suits their products, giving adequate attention to culture of the people in the target market.

"We need to improve on product packaging to engender increased market penetration, with MSMEs ensuring quality assurance before products are shipped to final destination.

"Although price competitiveness of Nigerian manufactured goods remain a challenge, stakeholders in the MSMEs group must adopt the best pricing strategies by ensuring efficiency in their production and logistics processes.

"There is also the need for capacity building in the area of paperwork because there is tendency for a failed transaction and ultimately losses when the documentation is faulty, hence, the need for pre-export and post-export documentation.

"Appropriate familiarisation with payment systems like Letter of Credit, bill for collection, Open Account and Advance Payment is also required as there will be need for sourcing of funds to pay local suppliers and getting payment from the buyer after shipment," he said.

Executive Secretary, Nigerian Association of Small and Medium Enterprises (NASME), Mr Eke Ubiji, on his part, stressed the need for inclusion of MSME stakeholders in government's enlightenment and sensitisation advocacy, to engender grassroot participation.

Ubiji urged governments of countries that had already ratified the agreement to build an intra-African rail transport system to holistically address transportation infrastructure gaps acting as barrier to trade for MSMEs.

He also advocated the use of non-formal, and highly simplified means of information transmission to players in the MSME space.

"The onus is on government and relevant organisations to have a way of passing this relevant information to the players, even at the grassroots.

"Countries must also holistically address basic infrastructure, especially transportation, through the creation of an intra-African rail network system just as Kenya has built to Uganda.

"As it stands, we are landlocked and cannot move anywhere. Many MSMEs may not be able to fly their products, but with connecting railing system to link the whole of Africa to one another, trade barriers would be addressed.

REMITTANCES TO THE RESCUE

*A period of crisis like the COVID-19 pandemic is not the best time for countries to expect diaspora remittances. Although remittances were initially stalled by the pandemic, the World Bank report says the flows later rebounded to play crucial role in supporting economic activities across nations. The 'Naira for Dollar' initiative in Nigeria, Roshan Digital Account in Pakistan, or two per cent cash incentive in Bangladesh have yielded significant benefits to the countries, writes **Abisola THOMPSON.***

At the onset of the COVID-19 pandemic, funding and sending diaspora remittances became almost impossible for Nigerians abroad and citizens of other nations across the globe.

Job losses and severe curfews needed to curb the spread of the illness resulted in reduced incomes, restricted mobility, and disrupted operations of service providers in many countries.

Remittance services were not deemed essential, and many were forced to close. Even those who managed to continue providing services faced higher costs and unexpected expenses to meet the requirements of "the new normal."

But the new World Bank report by Oya Ardic, Senior Financial Sector Specialist of the bank, says remittance flows later rebounded and have played a crucial role in supporting economic activities as countries developed new policies to keep them coming.

For example, the introduction of the Roshan Digital Account in Pakistan, the 'Naira for Dollar' initiative in Nigeria or the two per cent cash incentive in Bangladesh seems to have yielded benefits in the short run.

Central Bank of Nigeria (CBN) Governor, Godwin Emefiele said the bank's 'Naira for Dollar' initiative gives N5 incentive for every $1 sent from the diaspora. The policy also means that the cost of transferring $1 is reduced by about N5.

The global bank report says the role of digital financial services in helping the remittance industry navigate through the disruptions and risks of the crisis underscores the importance for authorities and donors to prioritise legal reform and market interventions.

The report explained that in recognition of the important role that remittances play as an enabler of growth and prosperity, the World Bank inaugurated weekly pulse surveys and pricing analyses to monitor the situation in the international remittances market in April and May, last year, with the objective of identifying challenges and making recommendations to address the crisis.

Another contributor to the report, Senior Payment Systems Specialist, World Bank, Hemant Baijal, explained that despite the odds and initial projections, remittance flows rebounded quickly after a sharp decline at the start of the pandemic. By the end of last year, remittance flows were down by only 1.6 per cent globally from early in the year, far less than what was projected at the start of the pandemic, and less than the decline in volumes experienced during the financial crisis of 2008.

NIGERIAN GOVERNMENT PLANS TO LAUNCH DIGITAL CURRENCY

By Shile GIWA

Central Banks in the world were actively against the use of cryptocurrency from its inception. Recent developments show that most central banks now see the need to drive their traditional fiat currencies from physical to digital, thereby creating a digital form of currencies like Dollar, Naira, Pound, Euro and Rand, among others.

"We are committed and I can assure everybody that digital currency will come to life even in Nigeria." That was the statement made by the governor of the central bank of Nigeria on Digital currency. This clearly shows that Nigeria is also joining the train of countries attempting to create their own digital currencies.

It is no news that earlier in the year, the CBN issued a ban on the trading of cryptocurrency and digital currency in Nigeria. Now, a few months later the governor of the CBN has stated that Nigeria has room for digital currency since it will be launching hers.

In this article, we will be discussing things you should know about the Central Bank Digital Currencies (CBDCs), their advantages and disadvantages, and their relationship with Bitcoin.

Introduction to CBDCs

Thousands of years ago, trade by barter was the acceptable way to make transactions. Thereafter, the coin was used as its substitute, the Chinese then invented the first paper currency which was used for many years till the late 19th century where there were so many attempts to create the first cryptocurrency but wasn't successful until 2009 when the first cryptocurrency called Bitcoin was created.

People liked the idea of Bitcoin decentralization and anonymity and saw it as an opportunity to make transactions without the close monitoring of the government or any other third party. People learned how to mine bitcoin, buy Bitcoin and use it for transactions and also as a store of wealth.

Central Banks across the world saw it as a threat to their currencies and then, some countries issued a ban on it. However, people still buy Bitcoin regardless of their government ban and since one of its benefits is anonymity, the government couldn't find out.

While countries were banning it, China found a way around it. They mint cash digitally eliminating the need for bills and cash thereby turning their legal tender into a series of codes. This was a very smart move by the Chinese government. Instead of the government telling its people not to buy Bitcoin they provide a close alternative for them which has the same function as the cryptocurrency with little differences.

Interestingly, Nigeria is also planning to follow suit by creating its digital currency which is scheduled to be released before the end of 2021.

CBDC is an acronym for the Central Bank Digital Currency. It uses a digital token and electronic record to represent the virtual form of the fiat currency of a country. Unlike Bitcoin and Altcoins, CBDCs are centralized, monitored, and issued by the Central Bank of the country. It has the same functionality as the traditional fiat which includes the store of value, unit of account, and will have a monetary reserve.

Advantages of CBDCs

The Central Bank of Nigeria won't adopt new technology if it isn't in the best interest of Nigerians. This means that CBN has successfully scrutinized the advantages, disadvantages, and risks of having a CBDC. The central bank of Nigeria is tasked with the protection of the financial security of Nigerians. Some advantages of the CBDCs includes: Interoperability; Increase technical and functional opportunity; and Reduction in the cost of having to mint and print physical currency.

There will be a more efficient means of settlement since there will be no need for intermediaries. Increase in financial inclusion of citizens since it will become very easy and cheap to create an account.

Reduction in fraudulent activities, counterfeit money in circulation, and armed robbery since there will be increased oversight of movement of funds.

And the most important advantage for the central bank is increased transparency. The government can monitor transactions of its citizens and the citizens can monitor the transactions of the government.

Disadvantages of CBDCs

It is almost certain that what has an advantage must surely have a disadvantage. Same for the CBDC, there are surely some disadvantages and they include: It might result in heavy centralization by the Nigerian government; There will be close monitoring of Nigerians transactions; The use of CBDCs might widen the gap between the rich and the poor; A huge percentage of Nigerians are not versatile with technology; The number of people with a bank account is less than half of the population of the country; and It can result in massive pumps and dumps.

The relationship between Bitcoin and CBDCs

Should you still find out how to buy Bitcoin or even actually go ahead to buy Bitcoin when there is the alternative of the Central Bank Digital Currency? Well, this brings us to the similarities between Bitcoin and CBDCs. Both are indeed digital currencies that can be stored electronically and be used to carry out transactions remotely. However, an important difference between the two is decentralization.

THE NEED FOR FULL IMPLEMENTATION OF AFCFTA

*The commencement of African Continental Free Trade Area in January 2021 was greeted with much encomium by industry players, However, Nigeria seems to be missing out from the largest trading arena of 55 countries, with over 1.5 billion people and a prospective Gross Domestic Product (GDP) of about $3trillion. This position is no longer palatable to most player who now seek full implementation.of the agreement for optimum benefits.**Charles Okonji** examines.*

Why Push For Total Implementation

Some have argued that totally implementing AfCFTA, is the only way the country could tap from the huge benefits presented by the trade agreement.

Throwing the first punch, the newly installed President of National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) Ide John Udeagbala stated that the full implementation of AfCFTA commenced in January 2021 is in line with the realization of a dream conceived in 1963 during the establishment of Organization of African Unity (OAU), now African Union (AU).

"This is a giant leap towards increasing intra-African trade and creating collective wealth. It is also a bold step to take Africans out of poverty. This is why we have focused on it. We are delighted at the work of the National Action Committee on AfCFTA since its establishment and have been part of its sensitization activities, through the NACCIMA committee on AfCFTA.

We will continue to advocate for the full implementation of the agreement and ensure that Nigerian businesses harness its full benefits. AfCFTA will certainly be an important strategy in its quest to ensure Nigeria's economic influence on the continent; taking note that Nigerian businesses are already strongly rooted in many African countries.

In furtherance to NACCIMA calls, the Manufacturers Association of Nigeria (MAN), has raised some important issues, that since the commencement of actual trading, discourse has been centered on what should be done to ensure that the private sector in Nigeria quickly occupies a vantage position in AFCFTA implementation at the Continental level; what measures should be taken to insulate the private sector from the potential backlashes of AfCFTA; and how the economy, particularly the manufacturing sector can be positioned to for beneficial trade in the Continental wide Free Trade Area.

In a document made available to TBI Africa by MAN, "We observed that since the official commencement of trade on January 1, 2021, information on vital aspects of trade under AfCFTA are not readily available and some issues that ideally should have been addressed before the commencement of AfCFTA are still inconclusive.

"These issues need to be quickly addressed to ensure Nigeria's maximum benefit from the first mover advantages that come with a trading arrangement like AfCFTA. It is in this light that we recommend the following actions for the Government: Confirm the level of readiness of Nigeria for AfCFTA and provide the following: The agreed Rules of Origin & its manual, clarify the role of regulators, procedures for financial transactions on the Pan African Payment System and the mode of operation of the Trade Observatory that will guide trading;

List documents and procedures for export under the AfCFTA Regime and Provide

H.E. Mr. Wamkele Mene, Secretary General, AFCFTA

Ide Udeagbala, President of NACCIMA

specimen of relevant application forms, import and export documents; Share the regulation on AfCFTA Special Economic Zone (as provided for in Article 22 of the Framework Agreement) with the national position; Provide the agreed schedule of Tariff Concessions for Trade in Goods to be used for trading under AfCFTA and the approved tariff dismantling calendar; Share information on strategies in place to balance offensive market access priorities with defensive safeguard interests and to empower SMEs to participate in AfCFTA; Provide national positions/strategies on safeguarding of the Balance of Payment, infant industry protection, conditional exceptions to liberalization and rules & procedures for settling disputes as provided for in Article 26, 23, 25 and 29.

"Invite MAN and other relevant private sector organizations to regional and continental meetings on AfCFTA as provide for by the Framework Agreement. This is because, contrary to practice, we have not received invitation to join the Nigerian delegation to all the meetings held in the last nine (9) months neither do we have the reports of such engagements. Constitute the National Rules of Origin administration Board that will superintend the implementation of RoO, validate the process (application and registration) of issuing the Certificate of Origin; Establish the National Trade Malpractices Investigative Council with representation from relevant stakeholders in the public and private sector and put in place national legislative and institutional framework for Trade Remedy Infrastructure (as provided for in Article 22) to see to the implementation of other relevant Articles like 16-19. These are perquisites for seamless trade; Convene the meetings of the Industrial Policy and Competitiveness Advisory Council to consider and validate Competitiveness and Sustainability Plan for Nigeria as a proactive response to AfCFTA and the resultant Global reaction; Direct that the meetings of the National Technical Working Groups on Trade in Goods and Services Committees should hold regularly to receive progress report, share experience on implementation realities and make appropriate recommendations."

Apart from COVID-19, reaching 50 percent intra-African trade, and hopefully above that, depends on our capacity to accelerate regional value chains and the manner and pace in which we implement the agreement

Worries of local manufacturers

Mainstream manufacturers have lamented unpleasant business conditions and massive infrastructural deficit as it lead to unhealthy competition, due cheaper cost of electricity, lower cost of funds amongst other incentives experienced in other participating countries.

According to Dr. Segun Ajayi-Kadiri, Director General, Manufacturers Association of Nigeria (MAN), noted that Nigeria should not be apprehensive about the AfCFTA, adding that MAN did conduct a study and the government was aware of the things they clearly need to do in order to get the economy and especially the manufacturing sector ready to trade in the continental market.

MAN DG said; "Federal Government set up a National Action Committee on AfCFTA which has widely consulted our stakeholders and what I feel remains to be seen is the readiness plan that is all encompassing and we must also ensure that we have a well-coordinated approach to addressing issues that may emerge from the implementation of AfCFTA. Nigeria cannot afford a situation where we have discordant tunes, where we do not have a focus on what to do in the event that there are infractions."

Commenting on the level of preparedness, MAN DG faulted level of preparedness of the AfCFTA of secretariat in Accra, stressing the need for the whole continent to be prepared, especially the secretariat in Accra to prepare for the implementation of the AfCFTA in a Covid-19 environment.

"When we were drafting this agreement, we did not envisage that we are going to implement it in an environment such as this, so there is need for us to be ingenious, there is need for us to take into account all the logistics, supply chain disruptions, all the Covid-19 protocols that would affect trade between nation's and across borders. So we need to be able to see how we are going to implement all of these so that we do not at the end inadvertently promote the spread of this disease which is of a global concern. I think all put together with the budget," Ajayi-Kadiri stressed.

Opportunities in AfCFTA

TBI recalls that Wamkele Mene, Secretary General, AfCFTA Secretariat outlined both the short and long run tools for the regulation of the trade agreement.

Mene said, "We have short and long-term tools. A short-term tool is that our Heads of State agreed to establish trade corridors to

enable the transit of what the African Union Centers for Disease Control and Prevention (Africa CDC) refers to as "essential goods" or germ-killing products such as soaps that are essential to combat the pandemic. These products get priority transit through the borders, particularly in landlocked countries. Second, the African ministers of trade are exploring the possibility of reducing duties on these essential products so that they become affordable and accessible to people. This is a temporary measure.

In the long-term, it is our view that accelerating Africa's industrial development is very important for reconfiguring our supply chains, establishing regional value chains and boosting the manufacturing of essential value-added products.

"AfCFTA has an objective of reaching 50 percent intra-African trade between now and the year 2030. There is not much time remaining. Apart from COVID-19, reaching 50 percent intra-African trade, and hopefully above that, depends on our capacity to accelerate regional value chains and the manner and pace in which we implement the agreement."

Relaying the opportunities accruable to Nigeria in the trade, Mr. Francis Anatogu, senior special assistant to the President on Public Sector Matters and Secretary of the National Action Committee on AFCFTA, observed that for Nigeria to trade under AfCFTA, it must have stable environment that would support businesses to flourish.

"It remains on us as Nigerians to know the landscape that's leading us to what we call AFCFTA. If we think we'll succeed in AFCFTA, by importing from abroad and circulating it, we're making a mistake. Our focus should be on industrial revolution and production of what the country will consume. We must realize that we have to be involved in things that'll reduce our important bills. We have to build on other infrastructure and manage our borders properly. We can't trade under AfCFTA with an unprotected border and circulation of fake products."

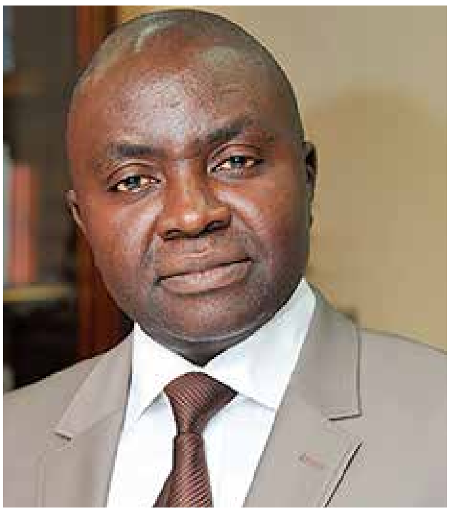
"The space is large and a lot of things are lacking in our neighbouring countries yearning for us to take advantage of. Nigerian businesses must go out as our banks are going out doing great in our neighbouring countries. We should be the major beneficiaries of AfCFTA. We already have the capacity to take over the African market. Intra Africa investment or Africa to Africa

Ajayi Kadri, DG, MAN

investment is important and we can take advantage of it under the AfCFTA, because we can now invest in other neigbouring African countries, by complying in their laws. We must focus on impact investment that solves an existing problem as well as generating income as well for the investors. We must see opportunities that are available by problems that are confronting us," he stated.

In his contribution Ambassador Ayo Olukanni, Director General National Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA) who spoke to TBI Africa on the country's involvement in AfCFTA, noted that the continental trade is an opportunity for the Nigerian businesses to leverage on the areas where it has advantages.

He noted that NACCIMA supported that Nigeria must continue to play its part in the historic Continental Trade Agreement, adding that Nigeria has been part of it from inception in 1963 when OAU announced that an African Continental Economic and Trade Agreement



Dr. Muda Yusuf, former DG, LCCI

must be put in place to ensure true and economic independence of Africa.

"We must remember that Nigeria has always been part of the evolution and trajectory of the Agreement, which received a boost through the 1991 Abuja Treaty." NACCIMA DG stressed.

Capacity and competiveness

Nigerian manufacturers have always been confronted by the fears that the Nigerian business terrain has always been hash to operators, thereby seeing it as a problem to competitiveness in the African market.

Ambassador Olukanni agreed that there are fears about Nigeria's capacity to effectively compete due to problems in the country's manufacturing sector which is beleaguered and struggling for reasons we all know.

"But even at that, we have shown the capacity to compete. Some of our manufactured products such as Cement, Soap, Agric products and some pharmaceutical products can compete under the AfCFTA. We need to stand up to be counted and reposition ourselves and I am delighted to know that this is already going on. This was why NACCIMA started the AfCFTA Dialogue Series to educate and sensitize its members on the nitty-gritty and details of the Agreement, including major issues such as Rules of Origin and Tariff Concessions.

"We should also realise that the AfCFTA is a not a 100-metre dash. It is a marathon and this is the beginning. It will take some time before full and complete trading come on stream. There are still areas of the Agreement on which negotiations are still going on and yet to be completed. The most important thing is to help develop capacity of our private sector operators to compete. Our Banks and financial institutions which dominate the banking sectors in West Africa and other African countries are in a way already trading defacto in context of the AfCFTA. And I am sure other sectors, if properly guided and supported strategically, can and will be able to effectively compete and harness the opportunities under the Agreement," he stressed.

In his submission, the immediate past Director General of Lagos Chamber of Commerce and Industry (LCCI), Dr. Muda Yusuf, disclosed that AfCFTA will present both opportunities and risks for Nigerian businesses, adding that it will certainly lead to some significant disruptions in the business environment.

But with Dr. John Isemede, the story is a bit different as he says, irrespective of the fact that Ghana has the secretariat does not mean they have advantage over us. Prior to that, trade within Africa is only 15 per cent, trade within ECOWAS is 5 per cent, and when you look at AfCFTA, with 55 countries and they are 1.2 bullion people, and 1.2 trillion dollar market is what we are looking at.

Hs said; "Within three years, if Nigeria is able to put its house in order, it will have a greater percentage share of the market out of the proposed 20 trillion. This is because the trade within Africa is only 15 per cent, within Asia is 52 per cent, within Europe is 72 per cent and within America is 70 per cent. The button line is that Nigeria should not think that AfCFTA is just a single project. It is a journey; it is a process that started in 1957, which we were looking at it as agenda 2063. It is between now and 2063 that the whole thing would have fully taken shape."

Isemede noted, "What we need now is sensitisation because if you consider the budget of UK's budget on BBC that is covered all over the world, it runs into billions, the French CFI on TV 2. How much has the Nigerian government committed to any media house, newspapers, televisions and radio on sensitisation? Who are the people assigned by the government on the sensitisation of AfCFTA. What we are looking at is not just a transaction, because it is a process, and research must have to be carried out immediately for us to identify our market.

BOOSTING FOOD PRODUCTION, CALL FOR CONCERN

*Acute shortage of food occasioned by Covid-19 pandemic and incessant insecurity ravaging the country has caused a spike in the prices of food items across the nation. The upward movement in inflationary trend has not helped matters either. In this report, **Charles Okonji** examines ways to boosting food production to tame the tide.*

As part of efforts towards reversing the tides, several stakeholders have come up with various strategies.

Firstly, The All Farmers Association of Nigeria (AFAN) came up with a program that will benefit 8 million Nigerian farmers and their families which will benefit directly for cultivating the recently launched pod borer resistant cowpea variety called SAMPEA 20-T.

AFAN President, Kabiru Ibrahim, who disclosed this to journalists at the unveiling of SAMPEA 20-T in Kano recently, stated that 12.5 million hectares of land will be dedicated to the production of the new variety across Africa where many millions consume cowpea on daily basis.

Ibrahim noted; "I understand that Nigeria is the first country in the world to commercialise this variety of cowpea and hitherto, yield losses of 70-80 per cent are commonplace due to pod-borer infestation on cowpea. But the development and release of SAMPEA 20-T completely mitigates this phenomenon," the AFAN president told the audience at the launch.

Advising famers, he said; "Embrace the variety and vigorously cultivate it to become prosperous as well as make Nigeria food sufficient. I have personally tried the variety on a small portion of my farm and can attest to its potential to take the Nigerian farmer out of poverty as well as contribute immensely to the quest for food security in Nigeria."

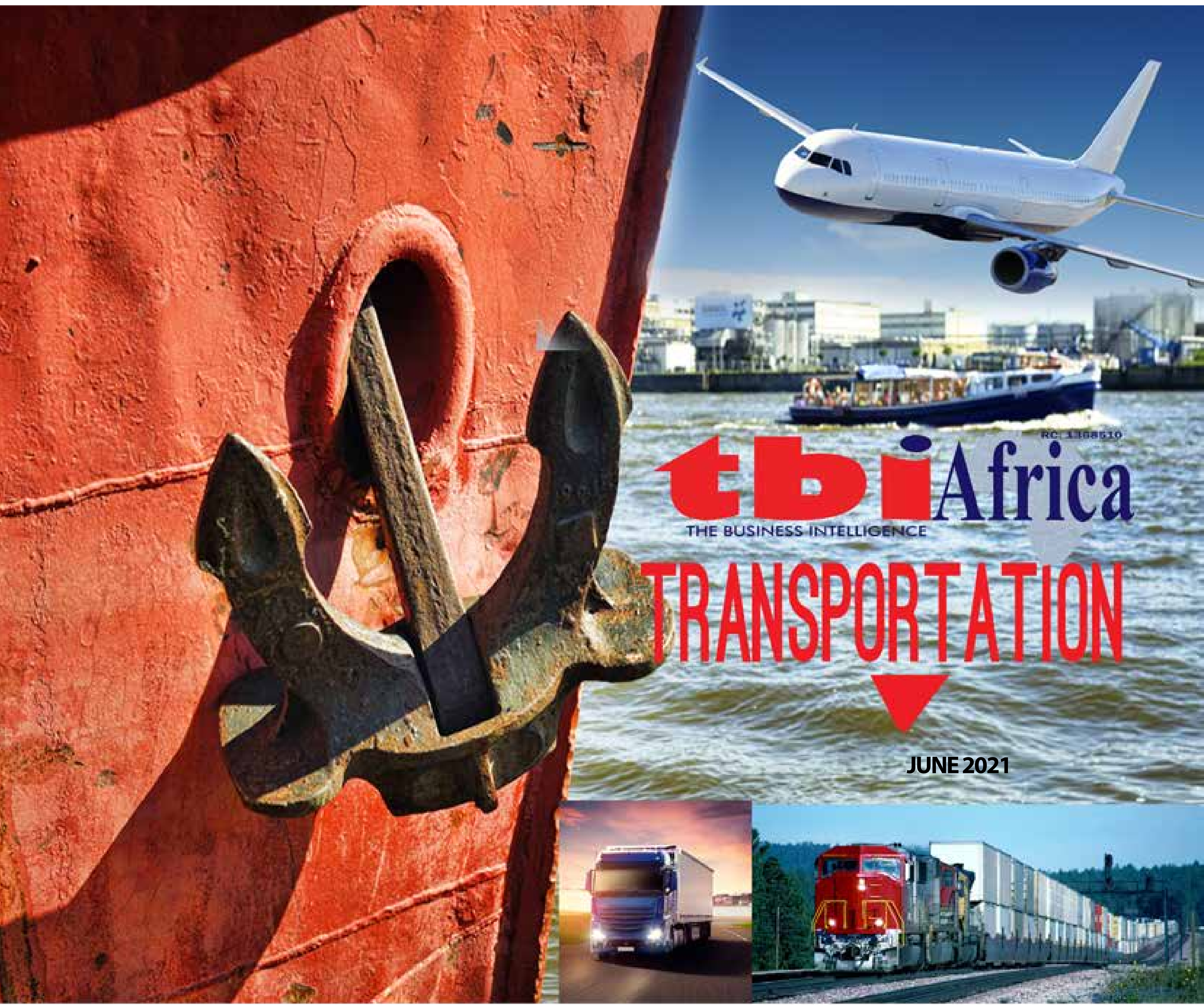
In line with food security actualization, Osun State Government provided 1,000 hectares of land for farming to boost agricultural productivity and ensure food sufficiency in the state.

Speaking to the press, Commissioner for Agriculture and Food Security, Adedayo Adewole who disclosed this recently, during an inspection visit to the land in Ife South Local Government Area of the state, noted that out of the 1,000 hectares of lands made available by the state, 400 hectares have been cultivated for the plantation of cocoa, cassava, and other agricultural products.

He said; "The initiative targets over 200 farmers who would be allocated the 400 ploughed lands in Ife south and Ifon-Osun in Orolu LGA. The government of Osun had also cleared over 23 hectares of land in Ifon-Osun town for tomato plantation, farmers leaving around with interest will be allocated these lands.

"This is a way of making agriculture more lucrative and attractive to farmers especially the younger generation. On this first phase, we are looking mainly for cocoa and cassava farmers to populate the entire 1000 hectares and priority will be given to people from Ife.

"We have been carrying the traditional rulers and other community stakeholders along to ensure their full participation in the allocation process and in identifying the real farmers. The objective is to serve as a catalyst for diversification process by the government, in line with our clear vision to turn our state to food basket of the South-West zone. Aside the 1000 hectares of land that we are working on in Ife, we have equally cleared 23 hectares in Ifon-Orolu for tomato production."



DEEP BLUE PROJECT: NIGERIA'S MASTERSTROKE AGAINST PIRACY

*Until recently, Nigeria had the inglorious reputation of being rated number one in maritime insecurity in the Gulf of Guinea, and in the whole world, **Olamilekan FAWAS** writes.*

A recent report by the International Chamber of Commerce (ICC) and International Maritime Bureau (IMB) rated the Gulf of Guinea the world's piracy hotspot, and that it accounted for 43 per cent of all piracy incidents in the first three months of 2021.

The report also stated that the Gulf of Guinea continued to be dangerous for seafarers, accounting for all 40 kidnap crew incidents, as well as the sole crew fatality.

Indeed, piracy was proving too costly for Nigeria and the Gulf of Guinea, as it was projected that Nigeria alone would lose up to $600 million in export earnings due to threats to its fishery sector.

More than 67 fishing companies have relocated from Nigeria, while others are shutting their operations as a result of piracy in Nigeria's territorial waters.

It suddenly dawned on the Federal Government that a drastic step must be taken to save the country's colossal losses, hence the need to secure its territorial waterways from piracy and attacks by militants.

That concern came to an end on June 10 when President Mohammadu Buhari inaugurated the Integrated Security and Waterways Protection Infrastructure, popularly known as the Deep Blue project.

The project initiated by the Federal Ministry of Transportation and Federal Ministry of Defence is being implemented by the Nigerian Maritime Administration and Safety Agency (NIMASA).

With the Deep Blue project, Nigeria sent signals to the international maritime community that it is no longer business as usual in tackling piracy and other maritime crimes in its territorial waters and the Gulf of Guinea.

Director General, NIMASA, Dr Bashir Jamoh, said the project was the final piece of the agency's strategy for combating the menace of piracy and sea robbery in not just Nigeria's territorial waters but also in the Gulf of Guinea.

He said the Deep Blue project comprised two special mission vessels, three special mission helicopters, four unmanned air drums, 17 fast interceptor boats, 16 armoured vehicles, over 600 specialised trained personnel for the maritime security unit and the C4i centre.

He said since the assets were deployed in mid-February, the country had gradually experienced a decline in piracy attacks on its territorial waters.

The Minister of Defence, Major General Bashir Magashi (Rtd) described the C4i intelligence centre as the heart of the project.

He said with the operation of C4i and the entire project, piracy in the nation's exclusive economic zone (EEZ) and the entire maritime space would be addressed.

Magashi stated that with the Deep Blue project, safety was guaranteed in the maritime sector and this would attract Foreign Direct Investments (FDIs) to the country.

The Minister of Transportation, Mr Rotimi Amaechi, pointed out that the assets of the Deep Blue project were huge, expensive and very sensitive, which should be run efficiently in a sustainable manner.

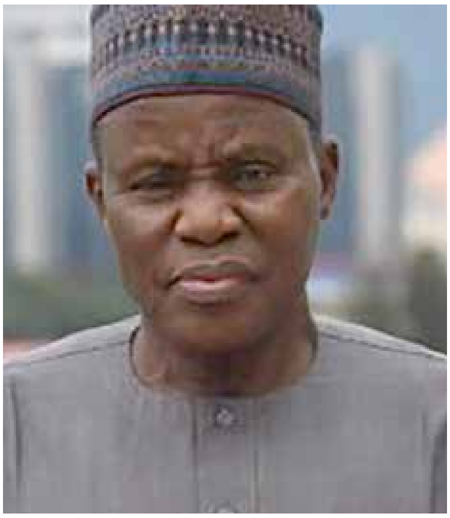
He, therefore, tasked the project's management team to work out the framework for maintenance and sustainability of the project.

"The scope of the Deep Blue project covers Nigeria's exclusive economic zone, which is zero to 200 nautical miles off the coast.

"But with the approval given by Mr President for NIMASA to take over the operations of the Secure Anchorage Area in Lagos from a private company, OMSL, a quick operational adjustment had to be made.

"Some of the assets have been deployed to the area and we are expecting to see results there and also thinking of deploying the assets to Bonny.

"The unnecessary security cost borne by shipping companies running into millions of dollars annually has been



Major General Bashir Magashi (Rtd)

Rotimi Amaechi

removed and we shall now focus on indigenous participation of maritime trade," he said.

Amaechi is confident that the Deep Blue project has laid the foundation for a robust maritime sector, paving the way for a smooth transition to Nigeria's post oil economy.

He said he evaluated the transportation requirement of the country and the overall state of the Nigerian economy in 2015 and realised that the development of the maritime sector was the future of the Nigerian economy.

"This is in view of the worldwide decline in fossil fuel requirements due to climate change, and oil sector uncertainty created by the oil revolution in America. And this has consequences for oil dependent Nigerian economy.

"Based on these facts, I developed an agenda to secure the channels of maritime drift, reduce shipping cost and expand indigenous participation in the sector in order to increase it's contribution to the revenue and gross domestic product of the nation.

Amaechi said the contract for the Deep Blue project was signed on July 27, 2015 between the federal ministry of transportation and Homeland Security International Agency, and the implementation of the project commenced in early 2018.

President Muhammadu Buhari is elated that the Deep Blue project has become the benchmark for maritime security in the West and Central African region.

He believes that the project will facilitate a conducive environment for the maritime sector to thrive and contribute to the diversification of the Nigerian economy.

According to him, the Deep Blue project is a critical step towards the realisation of the maritime security in the region and underscores Nigeria's commitment to providing the necessary framework, resources and cooperation with other nations and maritime users.

"This assemblage of security assets is coming at a critical time when global discretion is centered at piracy activities and the new dimensions it has taken in the Gulf of Guinea.

"Water accounts for over 80 per cent of transportation environment of the global economy, and so concerted efforts are needed to address the intended security challenges.

"Therefore, the flag off of the Deep Blue project marks an important milestone in this regard and our collective efforts to tackle the security challenges in the form of piracy and militants crimes in Nigeria and the Gulf of Guinea," the President said.

With the Deep Blue project, the world is now acknowledging Nigeria's active engagement with global and regional initiatives to end piray.

The Secretary-General of International Maritime Organisations (IMO), Mr Kitack Lim, said IMO appreciated the contribution of the Nigerian government to ensure safe and secure maritime operations in the Gulf of Guinea.

"The thorn on seafarers, in shipping and on the region and the illicit maritime activities including piracy is grave. The unfortunate situation must not be allowed to persist,"

Mr Kitack Lim

said Lim.

He explained that the Deep Blue project marked a major milestone for the world to address piracy in the Gulf of Guinea, and that the launch of the project reflected Nigeria's determination to lead the fight against piracy, not only in its national waters but in the Gulf of Guinea.

President, Shippers Association of Lagos (SAL), Rev. Jonathan Nicole, said the Deep Blue assets were long overdue as safeguarding the country's maritime space was very important.

"We know that in shipping trade, we need to protect not only the vessels but also the commodity carried, so the first mandatory requirement is that there must be free flow of traffic on our high sea.

"They know that they have invested so much in this project so they should ensure its sustainability," he said.

From the postulations of virtually all the strategic stakeholders, the Deep Blue project will not only curb the menace of piracy in Nigeria's territorial waters, but will also help diversify the country's resource base.

Dr Bashir Jamoh

AIB-N SEEKS ONSA, NCAA CLEARANCE TO OPERATE DRONES IN 'NO FLY ZONES'

By Meletus EZE

The Accident Investigation Bureau (AIB) is seeking clearance from the Office of the National Security Adviser (ONSA) and Nigerian Civil Aviation Authority (NCAA) to operate the acquired drone in 'no flying zones'.

The Commissioner of AIB Mr Akin Olateru made this known in his presentation on Drone Essence in Accident Investigations at the drone technology conference exhibition – Dronetecx 2021 in Lagos

TBI Africa reports that a no-fly zone is a geographic location over which aircraft cannot fly. These aircraft can include manned aircraft, unmanned aircraft systems (drones) or both.

Olateru said since drones had been programmed not to operate within the zone unless unlock codes were obtained, adding that its request to ONSA for permanent unlock authorisation did not receive favorable response.

He explained that the newly acquired four MAVIC-2 Pro and one Matrice 300 RTK DJI drones was for the purpose of pioneering the use of it for accident investigation in the West African sub-region.

Olateru explained that the clearance for the usage was currently undergoing certification process by NCAA to authorise it operate the drones.

The commissioner, however, added that because of drone regulation process, it cannot operate its drones at accident sites in close proximity (five miles) to the airport areas, which were tagged as 'no-fly-zone' without clearance.

"The drone regulation by the Nigerian Civil Aviation Authority is at work-in-progress level, which rarely separate between commercial drone operators and non-commercial/ recreational operators.

"The implication is that a government agency like the AIB cannot operate its drones at accident sites in close proximity (five miles) to the airport areas.

"These areas are tagged as no-fly-zone unless cleared on case-by-case basis by the Office of the National Security Adviser (ONSA) and the NCAA.

"Obtaining the needed clearances upon occurrence of an accident will take longer

Mr Akin Olateru

than desired time and keeping in mind that most aviation accidents occur around the airport area.

"This limitation will hamper our ability to deploy the drones as soon as we arrive at the accident sites in the restricted zones.

"Since the drones are programmed not to operate within the zone unless unlock codes are obtained. Our request to ONSA for permanent unlock authorisation did not receive favorable response," he said.

Olateru also said that another challenge of drone deployment by the bureau would be the need to maintain currency requirements by providing the necessary training to the pilots.

He also said that as the drone and camera technologies develop rapidly, the need for constantly upgrading the drones and the software components cannot be over-emphasised.

According to him, these do not come cheap considering that you require high speed processing computers, large memory and storage to render the hundreds of images taken in a single operation.

Olateru said despite these challenges, Drone technology was a veritable tool at accident sites as they are good for capturing the scene before people start disturbing it.

He added that they could be used to help search for missing wreckage and to perform final flight path reconstruction/ visualizations.

Olateru said in aircraft accident investigation, gathering and documentation of the evidences at accident sites were of paramount importance for accurate investigation to take place.

NIGERIA'S MRO UNDER CAPACITY: IS GOVERNMENT DOING ENOUGH?

Nigerian airlines spend about N23billion to N25billion annually on aircraft maintenance for serviceable aircraft owned by at least nine scheduled operators due to the lack of an established Maintenance and Repair Overhaul (MRO) facility and this creates a big hole in their pockets; a factor tied in to their safety and economics, simply put: their survival, ***Abisola THOMPSON*** *reports.*

Senator Hadi Sirika

Nigerian airlines spend princely amounts between N23billion and N25billion yearly on aircraft maintenance. This amount is spent on serviceable aircraft owned by at least nine scheduled operators due to the lack of an established Maintenance and Repair Overhaul (MRO) facility in the country. This development depletes their pockets but because it is a factor tied in to their safety and economics, or simply put their survival, it is indispensable.

On many occasions government has intended and reneged on that intention to save them from the current chokehold they are into by establishing an MRO for the country, from the national hangar project conceived in the 90s to an agreement signed with Lufthansa to build one in Abuja in the 2000s, it would seem the talk about hangars are hardly new to Nigerians.

Up until now these dreams are still in the pipeline and the latest promise by Senator Hadi Sirika the Minister of Aviation has been no different so far.

Due to this gap noticed, Aero Contractors in 2016 established its own MRO facility in its hangar in Lagos to maintain Boeing 737-classics, Embraers and NGs as well as some turbo props and smaller jets but despite carrying out several C-Checks for its own and third party aircraft, the Aero MRO does not have the capacity to compete with the big boys in the MRO sub sector or to handle every airline in the country.

The gap has further led others, including Air Peace, Dana Air and new entrants United Nigeria Airlines to express interest, once land is available, to establish same facility in other parts of the country, all these leaping out because of huge cost faced by the airlines and the submission probably that no one is looking out for their interest and if they are to survive, they need to fend for themselves.

Minister of Aviation, Senator Hadi Sirika,

Meanwhile, six years after announcing the establishment of an MRO as a key component of growing the industry, and one of this administration's key plans in aviation, Senator Sirika is still foot-dragging, thus pushing these airlines to look inward as cost of maintenance is strangling them.

One of the key things to note is how lack of an MRO affects the industry and what happened after nations relaxed the shutdown on flying when the world started emerging from the COVID-19 Pandemic.

Airlines from Africa and many in Nigeria who had aircraft being maintained out of the country could not get them back after the shutdown because the global industry was grounded and almost every aircraft needed some form of maintenance after six months of not taking to the skies.

Air Peace particularly lamented it had taken several of its Boeing aircraft out for C-Check before the pandemic hit and this coupled with the lockdown forced a suspension on aircraft maintenance and this leading them to reduce capacity by 30 per cent affected its operations.

Nigeria has at least 65 serviceable aircraft flown by various scheduled operators all of which must have C-Checks after every 18 months or a particular flight cycle (every takeoff and landing) and to carry out comprehensive C-check on an aircraft ranges between $1m and $2m (N470million and N940million), depending on the scope of work.

This is coupled with the fact that Nigerian airlines spend about N23billion to N25billion annually on aircraft maintenance providing justification for a viable MRO or multiple ones given that the country's aviation space is now diversifying from the usual Boeing aircraft to other brands including the Embraers, ATRs, Dash-8s and others.

In January, the Federal a Government through the Ministry of Aviation announced the consortium of AJ Walters Leasing Limited, Egypt Air Maintenance & Engineering (EGME) and Glovesly Pro Project Limited as preferred bidder to establish the MRO in Abuja.

The Public Private Partnership (PPP) Build Operate and Transfer (BOT) model is supposed to have capacity to service both wide body and narrow(jet and turboprop) aircraft however like other projects it is still in the works and fears are by the time this comes on stream, most operators might have gone done due to the cost of operations coupled with charges from other government agencies.

Many have argued still that the penchant to start things anew instead of negotiating existing structures and build on them to make them better is one of the reasons why the nation's aviation sector is all motion and barely movement.

The fact that the Asset Management Corporation of Nigeria (AMCON), a federal government owned organization, owns an Aero that has perfected its maintenance of the classics makes one wonder why the government does not key into this and make it better instead of starting a project that is yet to see light after six years.

While all these are being considered, there is also a failure to mention an already existing $100million aircraft hangar at the Victor Attah International Airport In Akwa Ibom State, a situation that has over the years saddened Mr. Nick Fadugba who is Chairman of AfBAA, who in 2017 wondered why Nigerian airlines have not pooled resources together to grow themselves through mutual symbiosis by establishing a one stop shop for MRO also using the Ibom Hangar.

His argument then was that instead of ferrying their aircraft to Europe, Nigerian airlines can ferry it to Akwa Ibom, spend less transit time, less time waiting and save foreign exchange (forex).

The fact that so far, the national MRO is not available and government is not looking at its already existing structures to kick start any process, most stakeholders are looking at what the nation is losing due to the lack of a well-supported MRO here in Nigeria.

Reactions

Engr. Lookman Animashaun, who spoke on the MRO situation, said: "Nigeria doesn't have an MRO now because we are not serious about having it. Most of the things they are doing are politics and they are telling people what they want to hear at a particular time. Honestly, I must tell you that we are playing to the gallery. If truly we are serious as a nation, we should have gotten MRO now. We should have built on what we had in Nigeria Airways then, rather than liquidating it. Don't let us talk about the liquidation of Nigeria Airways anymore. That has passed.

"But, I must tell you that without sustainable MRO in the country, the industry will continue to experience capital flight and what we are experiencing now, which is the moment the aircraft is due for heavy maintenance, it will be taken out, there is no foreign exchange to carry out the maintenance, the aircraft will remain there and the next we are going to hear about the aircraft is that it can't be sent to Nigeria. That is one of the reasons we are having low capacity in the industry as at today.

The focus of federal government or any individual should be MRO facilities now. If they should do this, nobody will regret it because there is work for them throughout the year. This is the country where the weather has been so nice to us, unlike in Europe without good weather. It is good for us to have an MRO now.

Also Aviation Safety Round Table Initiative (ART) Scribe, Group Capt. John Ojikutu, stated that building an aircraft maintenance depot has been on the government

programmes as far back as the 80s, but for the instabilities of governments and its policies, the project remains in the tunnel and never to see the day lights as long as it remains with the government administrators.

He said: "What is trending in the commercial aviation sector globally today is public private partnership. Government cannot regulate and still be sole operator aircraft and maintenance at any level. The delay in getting an MRO set up in the country can only be either there is no clear understanding among those responsible for policy administration in government or between them and those in the private partnership.

"Government cannot be thinking of concession of a part of commercial aviation and still want to keep another; again, you cannot be a regulator of the industry and still be sole operator; either it excised itself from the ventures or be minority shareholder of not more than 20 per cent; foreign technical and financial investors 30 per cent; credible Nigerian investors 30 per cent and the balance of the 20 per cent for the Nigerian public.

Capital flight

Animashaun did a rough calculation of monies taken out of the country for maintenance annually and stressed that without a viable MRO the nation will remain in a quagmire.

He said: "Let's do the calculation. The minimum you can do a C-check now for any airline is $1million; there are some C-checks that can even go as high as $2million, depending on the way and manner the aircraft is maintained. Let's keep to the minimum of $1million.

"Let's say on the average, each airline has three aircraft, the number of aircraft scheduled airlines we have, multiply it by $1million, by the time you do that, you will realise that we are losing about $300million as capital flight annually. If you have an MRO in Nigeria, that will remain in the country. Without a sustainable MRO and the government looking at it, we will continue to be in a quagmire as we are having right away.

Group Captain Ojikutu on his part said: "Cost of aircraft offshore maintenance is and has always been exorbitant. It ranged between $500,000 and $2million depending on the required level of maintenance. If you imagine about 50 aircraft in a year for whatever level and at average of $500,000 to $1million for an aircraft, you might be looking at total average of $25million to $50million.

"The question to ask; do these airlines and aircraft operators make such earnings annually in returns to the CBN or we still must find money for them from the public reserve? That is the dilemma of our country in distress and now bleeding."

Chief Executive of ONEDOT Aviation, Captain Oludotun Ogunyemi, who spoke to Nigerian FLIGHTDECK in 2016, said then that putting all airlines' maintenance together will be saving the country forex, capital flight ferry cost, on time efficiency for the aircraft as well as saving ground time which will increase profit of the airlines.

As we speak, there are no major MRO facilities in West Africa coupled with the fact that Africa as a whole controls a paltry four per cent of the MRO market with Ethiopian Airline MRO, South African Airways Techincal, Tunis Air Technic, Air Algiers, Egypt Air Maintenance and Engineering and Royal Air Maroc controlling that four per cent market share.

The breakdown of the MRO market in 2018 also indicated that North America had 30 per cent, Asia- Pacific 28 per cent, Europe 26 per cent while Middle East and South America has six per cent each.

US$250M PRIVATE INVESTMENT FOR NATIONAL AIRLINE: HOW FEASIBLE IS 24 MONTHS EXECUTION?

The release of the Aviation Development Roadmap by the Ministry of Aviation in reaction to the questions being asked about the project has opened the possibility for more questions especially on how feasible the national carrier is given the current administration has a year and eight months to go and with the competing demands in this COVID-19 era including security, health and other important areas, how viable is it all? ***Olamilekan FAWAS*** *reports.*

Federal Government recently in a document released by the Ministry of Aviation, gave an update on the proposed establishment of the national carrier indicating that it aims to raise US$250million (N102.75billion) from private investors to start the airline between now and 2023, barely 24 months away.

The Ministry in the document on the Aviation Development Roadmap of the present administration explained that the project development phase has been complete with the development of the outline business case (OBC) and subsequent issuance of compliance certificate by the Infrastructure Concession Regulatory Commission (ICRC).

The Ministry also explained that the next phase would be the placement of request for qualification (RFQ) in local and international media.

"The next step will involve the commencement of procurement phase by placing advert for RFQ in national dailies and foreign media. $250million approximately is to be raised to start up the airline by private investors," the document stated.

Minister of Aviation, Senator Hadi Sirika, confirmed this at the three day public hearing on aviation agencies at the National Assembly Complex in Abuja.

The document said: "The national carrier project will be private sector driven, with the government holding not more than five per cent of the shares. The private sector consortium may comprise reputable international airlines (such as Qantas), leasing companies, aircraft manufacturers (OEMs), financial and institutional investors."

However, the ministry's response which was borne out of criticism over the delay in the actualization of the national carrier project despite monies allocated to the venture as well as other five projects listed in the roadmap seems to have opened a new vista for questions to be asked of the government.

This includes the fact that with a short time left for the present administration to round off, and the lack of continuity in government at all levels, will 24 months be enough to garner private investors to bring in $250million for the project? Will said monies be enough to even kick start a viable national carrier? As well as why would government be investing in a new carrier when it has no fewer than three airlines it owns through Asset Management Corporation of Nigeria (AMCON)?

And in this new normal where investors are cutting their losses world over due to the dip in air travel majorly caused by the virus and the apathy presented by the strict protocols causing travelers to shun physical for virtual meetings, who will want to invest as the situation is now, when they were wary before the covid-19pandemic?

The Managing Director, Flight and Logistics Solutions, Amos Akpan told TBI Africa that to get private investors to invest $250million in establishing a national airline will be a difficult task for the present government for numerous factors such as return on investment (ROI), business environment and other latent factors.

"To get private investors to invest $250million in establishing a national airline will be a difficult task for the present government. Why? Investors have factors they consider before they invest. They will consider if there will be returns on that investment, and when will they recoup such returns? They will consider the suitability of the environment and why choose that environment amongst the available options. The due diligence and risk assessment analysis will be carried out.

"The actual setting up of the national airline requires putting enormous infrastructures in place. Considering above factors, it will be extremely difficult to establish and operate national airline in one year and eight months. My advice to this administration is to build enabling environment for investment first. The right environment will attract investors.

"By illustration; there is need to set up and run cargo Operations to take advantage of the increasing international cargo market. Does NCAA have trained inspectors on the B767 or A330 freighters? The simulator that government bought for the B737 classics; are they installed? Are our pilots having their simulation training there? We need to address the issue of MRO. Should we invest to increase the existing facilities and capacity in Aero Contractors? Or partner with the existing infrastructure in Victor Attah airport, Uyo to make it functional and serve the aircraft in the region? Training for skills is critical in Nigerian industry aviation today.

"Positioning to attract investment is more critical now. If the gestation of investment runs into the next government coming at 2023, will it affect the agreements estab-

lished with this government? Nigerians still experience discriminatory aircraft leasing agreements and insurance program. We are still trying to effect the implementation of no duty on aircraft spare parts.

"The forex regime is yet to accommodate airline operators. Interlining and cooperation is still at discussion of concept stage. Let's fix the platform or foundation first before we can build or launch on it.

Air peace Embraer E195-02

Head of Research at Zenith Travel, Olumide Ohunayo, told Nigerian FLIGHTDECK that there is no amount too small for a national carrier if there is high credibility and contact with lessors, aircraft manufacturers and other airlines; however, this is something that history shows the country has not had.

He, however, said the money was not the issue as the major concern was why government who has three airlines on its stable is still trying to invest in a fourth instead of investing in the industry that is already operating at monumental costs.

Mr. Ohunayo gave three conditions where it was important for government to step in and establish a national airlines implying that none of those conditions which may have played out in the past is currently in play present day.

He said: "There is no amount that is too small to use to start an airline depending on your contact and level of credibility. You can probably have contacts with other airlines and leasing companies and some manufacturers by virtue of your business line in the past, almost every credit facility would be given to you to have some aircraft since you are not buying outright. And you can start and use the $250million dollars for some other things.

"But the issue here right now is not about the $250 million, it is about the viability of this project. Why should the government be starting an airline now when AMCON another agency of the government has three airlines on its stable? Why should the government want to start a new airline with the use of private investors when we have over 23 airlines and more are still coming in from other investors? So is it that the national carrier will be more projected than those who are in the industry already that have been sweating over the years?

"Again, we were given N27billion for palliatives to support the covid-19 issues in the industry, N5billion was released to an industry that is operating and N22 billion was kept for a project at its infancy. What I see now is we must have a national carrier than the necessity for having it.

"There are three conditions where you must have a national carrier, one, where the industry is at its teething stage and there is virtually no airline then the government can establish a national carrier and we did this to Nigerian airways then, Again, when the major airline collapses, If you want to save jobs and restore air transportation then government can step in with an airline to save the country like when Arik was going down with Aero they had to step in through AMCON and at that point that would be a national carrier because it is owned by government .

"The third is when aircraft are not available to operate; we have 23 airlines so what is our issue? All we need is to strengthen them. If the government is still strong enough heading this national carrier direction it is either the join AMCON or they invest in our private carriers," he said.

NG Eagle Aircraft

Group Captain John Ojikutu (Retired) who reacted to the new document making rounds questioned the kind of national carrier the government planned to set up with the sum of money it plans for private investors to bring to the table.

He said: "Private investors will include foreign and local; how much is $250million in a national carrier or how many aircraft would that buy? How much would government investment of 10 per cent be in the national carrier? If we want a national carrier let it be now or we better go for a flag carrier and government take a rest from the journey it started in 1993 when the national carrier became government airline.

"A restart in 2017 has yielded no fruitful result with government attempt alone to inject $300million. What really do we want from the national carrier? If we don't know what we are looking for, we can never find it. Peace

Recall, same national carrier project christened the Nigeria Air was unveiled in July 18, 2018 in Farnborough, United Kingdom without any aircraft flying until the project was suspended indefinitely in September 19 same year by the Federal Executive Council (FEC) for the lack of feasibility of the project.

However, the Minister of Aviation, Senator Hadi Sirika, is still insistent that the project remains on course and consistently emphasized the determination of the present government to deliver Nigeria a low-cost, competitive national airline, five years on.

AIR PEACE'S ACQUISITION OF BRAND NEW AIRCRAFT HAS REDEFINED AVIATION – NCAA BOSS

By Meletus EZE

The director-general of Nigerian Civil Aviation Authority (NCAA), Capt. Musa Nuhu, has described the acquisition of a brand new aircraft by Air Peace as a milestone in Nigeria's aviation industry.

Nuhu who noted that what is happening in the industry was a paradigm shift from happenings in the past, also lauded the Air Peace chairman, Allen Onyema, for acquisition of the new aircraft.

Nuhu who stated this at the Nnamdi Azikiwe International Airport, Abuja, to mark the delivery of Air Peace's third brand new E195-E2 aircraft out 13 being awaited, emphasised that the beauty of the aircraft delivery was not just that the aircraft is new but that the airline picked the right kind of aircraft befitting the market.

Capt Nuhu, NCAA DG

"Today is another milestone and a paradigm shift and this is something that I have not seen since my days at Nigerian Airways when they were purchasing the right aircraft for the right routes. Air Peace is not only buying aircraft, but also buying the right-size aircraft for the Nigerian market.

"The Embraer aircraft is the right aircraft; it breaks even with low passenger figures; your maintenance cost is low; your operational cost is low. Another factor is that the new aircraft is absolutely great for the environment; it does less pollution. I am really proud that I am DG when this paradigm shift is happening.

"We are all here to work together to grow the industry and we have to give kudos to the entrepreneurs, as without such people, all this will not be possible. We need entrepreneurs like Onyema," Nuhu asserted.

TBI Africa recall that just recently Air Peace took delivery of its third brand new E195-E2 jet out of the 13 ordered from Embraer, with five more to be delivered before 2021 runs out.

PROCUREMENT OF N1.7BN MOBILE CONTROL TOWERS TO BE DEPLOYED AS CONTINGENCY -SIRIKA

By Abisola THOMPSON

Federal Government's has said that its just procured N1.7 billion mobile air traffic control tower will be deployed to Lagos and Abuja and other locations where the Nigerian airspace lacks conventional control towers as contingency in case they are required according to International Civil Aviation Organization Annex 11.

Minister of Aviation, Senator Hadi Sirika, who made this known while commissioning the two mobile control towers procured on behalf of the Nigerian Airspace Management Agency (NAMA) said the procurement is aimed at handling traffic during unusual difficult times.

This mobile control towers procurement are in compliance with the Nigerian Civil Aviation Regulation Part 14 that requires Air traffic management contingency strategies and plans and in compliance with ICAO Annex 11 that requires Air traffic management to have a contingency plan in an event of degradation, an event of failure or an event of any issue affect the use of a control tower there will be a contingency to be used because flights cannot be stopped because of failure.

According to Sirika, the mobile towers like every other investment in aviation is geared towards safety and may not be something passengers would see but readily plays a vital role in getting them from point A to point B safely.

He said: "The cost of these two mobile towers is N1.7 billion and it is geared towards improving safety of our operations which we take as key activity here in our ministry. The intent and purpose of the ministry and what we are doing is to ensure safety and efficiency of our sector without degrading and de-emphasizing issues of security and comfort.

"How very safe you depart point A and land at point B is our primary concern and is of primary importance. So this is an extension to that intent and purpose and so the amount of 1.7billion has been spent to procure these mobile towers, we would use it in Lagos and Abuja and if need be we would take them to locations where they do not have conventional control towers.

"They are so equipped, so modernized, so efficient and so very alive. It has everything that a control tower should have, it has real time weather, we have all of that approach and departure procedures and everything else and overflight that ensures smooth flight operations and air traffic management.

He thanked President Muhammad Buhari for his generosity stating, "So I am glad that NAMA has been proactive on this request and that Mr. President has been gracious and generous enough yet again to allow us do this procurement and spend this amount of money in the interest of safety.

He further added that during emergency situations such as pandemics the mobile tower can be deployed.

"In addition, the managing director of NAMA is reminding me of the fact that during unusual times such as pandemics, this will come in handy when you have to create physical distancing and so on and so forth or when you have to operate in difficult circumstance; this is the solution to that."

RAILWAY TO CURB N140B WEEKLY LOSS TO GRIDLOCK AT LAGOS PORTS

By Shile GIWA

With the commissioning of the $1.5 billion Lagos-Ibadan railway project that links the Apapa seaports, about N140 billion that were hitherto lost to gridlock on roads will now be drastically reduced.

Stakeholders, who spoke to The Guardian on the development, said the rail connection to the port would aid the smooth movement of cargoes in and out of the ports.

President of Dangote Group, Aliko Dangote, had estimated that the nation was losing about N140 billion weekly to traffic gridlocks on the access road to Nigeria's busiest seaports in Apapa, Lagos.

For over a decade, evacuation of cargoes from the seaports has become a clog in the wheel of progress of seaborne trade that contributes over N34 billion to the country's economy.

After several tactics and deployment of technologies, the gridlock has proved to be a monster getting stronger with no end in sight. But the unexpected happened within 24 hours when President Muhammadu Buhari visited that area – the gridlock disappears overnight, only for it to resurface a day after.

During the commissioning, Buhari described it as another milestone in revitalisation of railway projects to boost economic activities in Nigeria.

A spokesperson for terminal operators under the aegis of the Seaport Terminal Operators Association of Nigeria (STOAN), Bolaji Akinola, said the new development would enhance evacuation of cargo from the port via rail.

Akinola said: "Terminal operators are happy with the railway project. Recall that a few years ago, one of the terminal operators at Apapa Port reconstructed the rail line into the port enabling the haulage of containers twice a week from the port to the north. With the commissioning of the new rail line by the President on Thursday, we expect to see more cargo exit the port via the rail. This will contribute to taking some pressure off the road.

"Recall that terminal operators have been using barges also to reduce pressure on the road. We, therefore, look forward to seeing tank farms and manufacturing concerns put their cargo on barges and on the new rail line to reduce the number of trucks on our roads.

"All stakeholders must support the efforts of government and terminal operators to facilitate the exit of cargo from the port and decongest the road," he said.

President, Shippers Association of Lagos, Jonathan Nicol, said the rail connection was a good development to aid the movement of cargoes for shipping, calling for proper maintenance and upgrade.

He said: "It is an excellent development. The Minister of Transportation, Rotimi Amaechi has delivered. It is now left for those in charge to sustain the infrastructure.

"Goods can now be transferred to Ibadan with ease and back to the port with export cargo. I wish they could develop a Transit Container Depot at Ikeja for Industries to pick up their containers. Then, Lagos port will ease up a bit," Nicol said.

The Manager, Port Projects, Port of Antwerp International, Belgium, Philippe Droesbeke, during a visit to Lagos recently, said multimodal connection (adoption of road, rail and waterways for transportation) is one of the solutions to the congestion at Nigerian ports, urging the country to shift from it's over-dependence on roads for cargo evacuation to rail and waterways.

He stated that the Port of Antwerp handles over 140 million tonnes of cargoes yearly, but deploys a multimodal approach for cargo evacuation with rail carrying 50 percent, barges responsible for 40 percent, while the roads only handle 10 per cent.

The Nigerian Railway Modernisation Project, Lagos-Ibadan section with extension to Lagos Port at Apapa starts from Lagos, the largest Port City

The length of the mainline is 156.8 km with 6.51km extension to Apapa Port. It connects three important states in the south-west region namely Lagos, Ogun and Oyo states.

The project adopts China Railway Standard, with a designed speed of 150 Km/h. It is a double-track standard gauge railway, using diesel traction and an automatic blocking system.

The project will enhance the decongestion of the Lagos Seaport and increase the throughput capacity for better development of the port with a positive influence on the Lagos region.

WHY SEAPORT OPERATIONS APPEAR 'INEFFICIENT,' BY TERMINAL OPERATORS

By Meletus EZE

Following the allegations of inefficiency at the ports, the Seaport Terminal Operators Association of Nigeria (STOAN) has disclosed that the dilapidated port access roads, among other factors, are major hindrances to smooth port operations.

The terminal operators said that operations inside the port terminals across the country are well organised and professionally coordinated by the concessionaires.

Spokesman, STOAN, Dr. Bolaji Akinola, in a statement, disclosed that the major challenges facing port operations in the country are dilapidated port access roads, poor traffic management and manual examination of cargo by Customs.

He said terminal operators, like other business entities in Apapa, are victims of the "dysfunctional state and chaos" on the port access roads.

According to Akinola, "The port terminals are well organised and efficient. Concessionaires have done very well to ensure efficiency in their various terminals. The major problem is the road. Terminal operators do not have any role to play or responsibility to bear on the road. We don't own the road; we don't control the roads, and we don't control happenings on the road. We cannot control the security agencies saddled with the responsibility of managing traffic on the road."

He said terminal operators, more than any other entity in the logistics chain, do bear the brunt of the Apapa traffic congestion because it hampers the evacuation of cargo from the port.

"The business of terminal operators is to keep trade moving. We don't make money from cargo sitting at the terminal. Our profitability is in the volume of cargo we handle. So it is in our best interest for cargo to leave the port as soon as possible. Unfortunately, those who profit from the chaos on the road make it difficult for trucks to move freely to evacuate cargo from the port," he said.

Akinola said the fact that the roads were cleared and rid of the notorious traffic anytime President Muhammadu Buhari visited Lagos "shows that security operatives know what to do to deliver us all from the pains we suffer daily from the gridlock."

He said: "In 2019, when the president visited Lagos, the otherwise intractable Apapa gridlock disappeared. The gridlock also disappeared on June 10, 2021 when the president visited Apapa to commission the rail line and the Deep Blue project. It was not terminal operators that cleared the road; it was the same security operatives that manned the road that cleared it. How did they make it happen? Can they continue to do so, on daily basis, what they did on those two occasions of Mr President's visits?

Meanwhile, Bello-Koko, during on-the-spot assessment visit to the TinCan Island Port highlighted some impediments to the smooth flow of traffic and effective security, within and around the port complex.

While visiting the Sunrise Bus-Stop area of the Apapa – Mile 2 highway that had become a failed passage, he noted that the poor road situation within this corridor (the major artery in and out of the Tin Can Island Port) remains a huge concern to NPA.

He observed that some of the internal roads within the Port Complex are in a state of disrepair, but assured that the Authority, in concert with other relevant agencies of Government and the National Assembly would mobilise resources as soon as possible to fix such roads.

"It should be noted that the problem with the roads leading into and out of Apapa is caused by bad roads, numerous checkpoints mounted by security agencies and rickety trucks. If these three issues are addressed and adequate parking lots provided for trucks, the gridlock would become history.

"The trucks that have direct business to do at the port are less than half the number of trucks you see on the road. The other half consists of petroleum tankers heading to petroleum jetties/tank farms and trucks owned by some Apapa-based manufacturing concerns such as Honeywell, Flour Mills and Dangote, among others.

"A few days ago, the Acting Managing Director of Nigerian Ports Authority (NPA) Mr Mohammed Bello-Koko said NPA counted about 30 checkpoints mounted by security and traffic management officials on the roads in Apapa.

"The truth is that those who mount these illegal checkpoints are profiting from the chaos they deliberately create. It has nothing to do with terminal operators. We cannot control the activities of these government officials. Only government can call them to order," he said.

Akinola said private terminal operators at the seaports invested N538 billion in port development from 2006 when the ports were concessioned to December 2017. He said the ports have become much more efficient than they were before the 2006 port concession, "but those who thrive in chaos desperately want to cast aspersion on the concession exercise because orderliness does not benefit their pockets".

Meanwhile, Bello-Koko, during on the spot assessment visit to the TinCan Island Port Complex highlighted some impediments to the smooth flow of traffic and effective security, within and around the port complex.

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WAYS GOVERNMENT POLICIES CAN ATTRACT FDI

Nigeria has enormous resources, most of which are yet to be fully exploited. It has been reported that apart from oil, Nigeria's other natural resources include natural gas, tin, iron ore, coal, limestone, niobium, lead, zinc and arable land and are worth billions of dollars. ***Olamilekan FAWAS*** *examine how govenment's policies can attract investment*

It is an aberration to deny the fact that tremendous opportunities for foreign direct investment (FDI) exist in industries such as agriculture, natural resources, tourism, consumer goods, textiles and entertainment.

Two of the largest banking and financial services institutions in the world, HSBC and UBS, have recently closed their local representative offices in Nigeria.

There is also trouble brewing elsewhere in Nigeria's business world that's prompted fears about the climate for foreign direct investment in the country. Foreign direct investment is an investment made by a firm or individual in one country into business interests located in another country.

For instance, Nigeria's government in September accused HSBC of money laundering after an analyst working for the lender said a second term for President Muhammadu Buhari may stall economic recovery in Africa's biggest oil producer.

There are also tensions between Nigeria's central bank and the South African telecom company MTN. In 2015, MTN was fined about $5bn for failing to cut off unregistered SIM cards. This was later reduced to $1.7 billion after a long legal dispute and the intervention of South Africa's then President Jacob Zuma.

Recently, the central bank has ordered MTN to repatriate $8 billion it said has been taken out of the country illegally.

Analysts are concerned that the Nigerian government's attitude towards MTN and the two banks may erode the confidence of foreign direct investors. Their fears seem to be well founded: foreign direct investment in Nigeria fell to $1 billion in the first half of 2018, from $1.48 billion in the first half of 2017.

President Muhammadu Buhari

Foreign direct investment is crucial for any economy. So, how can Nigeria attract and keep the right kind of investment from global companies? Compromise will be key, both for the government and foreign firms.

Why foreign direct investment?

Foreign direct investment is often preferred to exporting. That's because while exports merely involve moving goods from one country to another, foreign direct investment actually involves an investor establishing foreign business operations or acquiring foreign business assets.

This often includes establishing ownership or controlling interest in a foreign country (for instance an American business establishing a physical business presence in Nigeria). Many emerging economies like China, Brazil, Vietnam and India have built their growth on FDI flows.

The trick is to attract "quality foreign direct investment" that links foreign investors into the local host country economy. The International Growth Centre, a British-funded research centre that aims to promote sustainable growth in developing countries, characterises "quality" here as contributing to:

decent and value-adding jobs and enhancing the skill base of host economies;

transfer of technology, knowledge and know-how; boosting competitiveness of domestic firms and enabling their access to markets.

What Nigeria can do

There are few things Nigeria can do to boost FDI. For starters, it must play fair. Foreign and domestic businesses should be treated equally. They should be open, transparent and dependable conditions for all of firms.

Another area that needs attention is infrastructure. Businesses need easy access to ports, an adequate and reliable supply of energy and relative certainty that the country will be good to invest in. Good institutions also promote FDI.

The government should encourage partnerships between foreign and local businesses. Foreign firms might be familiar with global good business practices, but local firms will be more familiar with the indigenous context. This synergy could be very beneficial.

It is also critical to note that Nigeria gets its regional governments involved: there are many regions in Nigeria, and these regions all have unique opportunities and challenges. Our latest research shows that when the central government of Nigeria ran out of ideas and foreigners wanted to exit the agricultural sector, the regional government of Kwara state stepped in to create a positive business climate based on the cooperation of local banks, community members, and the foreigners themselves culminating in the Shonga farms public-private venture.

This has kept the firm in Nigeria. It's also brought private investors to the table, bolstering the firm and the local economy.

Nigeria should also tap into its huge diaspora. There are many Nigerians living outside the country who understand its challenges. They should be encouraged to help, or asked to work with their networks to invest in the country.

What foreign firms can do

Foreign firms also have a role to play. They can enhance their success in Nigeria (and elsewhere on the African continent) in several ways.

First, they need a long term strategic plan. This means thinking carefully about what sectors or activities to target. Many foreign firms come to developing countries when things are rosy but leave when conditions change. They don't properly consider that solving such problems will gain them a competitive advantage in the long run.

If they stay and follow a learning curve, foreign firms will better understand the local business context. They'll also gain credibility among ordinary people and possibly get more customers and support that way.

In the same vein, foreign businesses should create local solutions that meet ordinary people's needs. The banks leaving Nigeria have been accused of only catering to the needs of wealthy Nigerians, who are perceived as

Zainab Ahmed, Minister of Finance

corrupt. A more diverse portfolio that catered to the needs of ordinary Nigerians would have nullified this claim.

Foreign firms must also work closely with credible and strategic local firms, and be willing to enter into dialogue with the Nigerian government where necessary. This is crucial especially as administrations may change or government policy may evolve. Dialogue could ensure that all parties are on the same page.

Act local, think global

It's unfortunate that these banking institutions have decided to leave Nigeria. Hopefully both the Nigerian government and other foreign investors can learn from this.

The main takeaway for both foreign investors and governments involved in foreign direct investment is that it would be prudent for all parties to act locally but think globally.

A rundown of all the major frameworks recently passed in Nigeria to improve the business environment and stir investment, leaving the recession in the country's rearview mirror.

Nigeria's GDP grew by 0.55 percent in signifying the end of the country's recession that it had been experiencing since 2015. Statistics from the National Bureau of Statistics indicate that the major contributors to this development include agriculture, mining and quarrying, and manufacturing. The federal government of Nigeria (FGN) also employed various initiatives to improve the environment for businesses. These initiatives seek to increase investor confidence in Nigeria's economy, drive local and foreign investment, and ultimately improve the economy. Key policies and initiatives introduced by FGN for this purpose are highlighted below.

Taxation

Nigeria's tax to GDP ratio, at 6 percent is one of the lowest in the world. In a bid to improve this, FGN introduced a tax amnesty program in June 2017. The program provides a timeframe of nine months for tax defaulters to declare their taxable income for the preceding six years. In return, defaulters would enjoy immunity from prosecution for tax offenses, tax audit, waiver of interest until December 31, 2017, penalties, and the option of spreading payment of outstanding liabilities over a maximum period of three years as may be agreed upon with the relevant tax authority.

In October 2017, the Nigerian Investment Promotion Commission (NIPC) published the Compendium of Investment Incentives, which restated some of the incentives available to investors in specific industries. The industries and incentives are outlined below:

• Agriculture/Agro-Allied Industry: Investors in this sector will enjoy capital allowance of 95 percent, and are exempt from payment of minimum tax. In addition, they may carry forward their losses indefinitely while also enjoying a rebate of 10 percent on import duty, and 20% levy on husked brown rice.

• Solid Minerals: Investors are entitled to exemption from payment of companies income tax during the first three years of operation.

• Manufacturing: Investors who borrow from banks under the Agricultural Credit Guarantee Scheme for cassava production and processing are entitled to a 60% reduction on interest payable after liquidation of the loan. Investors in sugar processing will enjoy a rebate of 5% on import duty and 5 percent on the levy on raw sugar imported for local processing. Investors who carry out approved manufacturing activities in an Export Processing Zone (EPZ) are exempt from all taxes, levies and rates, and may export up to 100 percent of their products from the EPZ into the Nigerian customs territory.

• Tourism/Hospitality: 25 percent of income generated from tourism, if deposited in a reserve fund to be utilized within five years (for building and expansion of new hotels, conference centers and other facilities for tourism), is exempt from tax.

• Oil & Gas: Investors are entitled to investment tax allowance that is 50 percent of the chargeable profit for the duration of their production sharing contract. Also, investors who carry out activities in the Oil and Gas Free Zone are exempt from all taxes, levies, and rates. Such investors may export up to 100% of their products into the Nigerian customs territory. In addition, they will enjoy a 75 percent duty rebate on raw materials processed in the Oil and Gas Free Zone.

Furthermore, investors engaged in mining, wholly export trade, manufacturing, and agriculture, with a turnover of less than NGN1 million, will be entitled to pay company income tax at the rate of 20 percent instead of 30 percent, for the first five years in which the turnover is less than that amount.

In August 2017, 27 industries were added to the list of industries eligible for pioneer status incentive (PSI), which exempts qualifying industries from paying income tax for an initial period of three years, which may be renewed for a maximum additional period of two years. Some of the newly-included industries are coal mining and processing industries, steam generator manufacturers, railway locomotives, textile machine manufacturers, apparel and leather producers, plastics and rubber machine manufacturers, e-commerce service providers, and real estate investment vehicles under the Investments and Securities Act.

Additionally, with the introduction of the 2017 Revised Guidelines for Export Expansion Grant Scheme, the Export Credit Certificate can now be used to settle all federal government taxes.

It is noteworthy that FGN signed a double taxation agreement (DTA) with Singapore in August 2017, which now awaits ratification. Also, the DTA between Nigeria and Spain has recently been ratified. This is in addition to the long-standing DTAs with 13 other countries that have been in operation.

Access to Credit

The Credit Reporting Act 2017 was passed by FGN to improve access to credit by providing a framework for credit reporting, licensing, and regulation of credit bureaus. The act ensures that credit providers have access to accurate and reliable credit information on prospective borrowers. To this end, it sets standards and conditions for the establishment and operation of credit-rating agencies. This law will enable credit providers to evaluate the credit history of a borrower before making decisions on whom to grant credit. It will also boost the willingness of financial institutions to grant credit facilities to more enterprises in need of such facilities.

Access to Foreign Exchange

To improve foreign exchange (FX) availability, the Central Bank of Nigeria (CBN) introduced some policies to boost liquidity in the market and ensure timely execution and settlement of eligible transactions. The Investors & Exporters (I&E) window, for example, was introduced in April 2017. This window is market-driven, as dealing parties determine exchange rates on a willing-buyer-and-willing-seller basis.

Only invisible transactions (e.g. loan and interest repayments, dividends/income remittances, capital repatriation, software subscription fees and technology transfer agreements, and so on), bills for collections, and trade related payment obligations are permitted on the window. For other transactions, investors can access FX through CBN interbank market. According to FMDQ OTC Securities Exchange, the total value of transactions traded at the I&E Window between April 2017 and December 2017 amounted to approximately USD26 billion.

Immigration

FGN has introduced an online platform for processing of visas on arrival for foreign nationals in order to make the process easier and faster than the manual process of visa applications. The visa is valid for a single period of 14 days and can be obtained on arrival in Nigeria.

Godwin Emefiele, CBN gov

Infrastructure

• Electricity: Power supply remains a challenge in Nigeria. A recent report from the World Bank shows that 80 million Nigerians lack access to electricity while millions more are poorly served. As electricity generation capacity presently stands at 7,000MW, there is a wide margin between demand and supply of power in Nigeria. In a bid to address this, the Nigerian Electricity Regulatory Commission (NERC) introduced regulations geared toward encouraging investments in power projects. Two important regulations in this regard are the Mini-Grid Regulations (MGR) 2016 and the Eligible Customer Regulations (ECR) 2017. MGR enables investors to obtain permits to set up facilities for generation and distribution of electricity within particular geographic locations. ECR permits certain classes of consumers to purchase power directly from electricity generators (e.g. independent power plants) at prices to be negotiated by the parties. Both regulations allow a structure under which contracts for supply of electricity are not subject to tariff control by NERC, thereby assuring the generating companies a return on their investment. FGN also introduced incentives for development of renewable off-grid power projects. Notable among these is the Rural Electrification Agency capital grant, for funding of off-grid renewable energy projects in unserved and underserved communities. The fund is granted as a one-off subsidy and is in the range of 50–75 percent of the required capital, or USD10,000–USD300,000, whichever is less.

• Roads: FGN introduced the Road Trust Fund (RTF) in October 2017 to increase private sector participation in the provision of roads. Under RTF, participating companies are entitled to recover 100% of capital expenditure on road infrastructure as tax credit against the total tax payable over a three-year period.

Impact of Initiatives

The initiatives introduced by FGN will help to increase investor participation in various sectors of Nigeria's economy. It is expected that there will be more reforms applied to sectors, and sustained implementation of the reforms will drive greater economic growth.

Nigerians Opinion on Investment Opportunities in-country

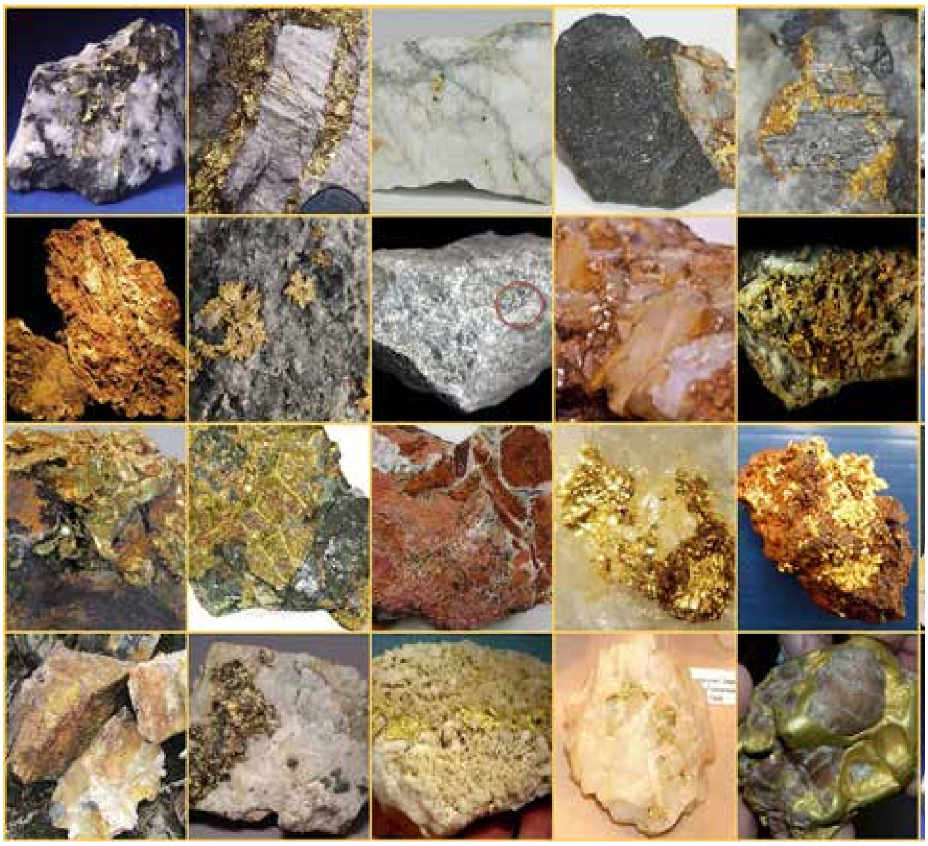
Adeola Adeoye, an Ibadan based said Foreign Direct Investments remain a major source of industrial growth and development as well as a major source of technological transfer for developing economies in particular. For these benefits and more, such countries provide policy frameworks that must of necessity, encourage inflow of direct investments by foreign investors. The starting point is to have an accessible industrial policy which must be revised over time. There must be a national plan of long-term nature, where foreign investors can see where they come in and at what point the plan will be implemented. Nigeria has no long-term national plan and medium-term plan. Beside these two requirements, the issues of multiple taxation, unstable exchange rate, obsolete land use law, infrastructure deficiencies, particularly power and ad hoc policy variations have to be resolved. There is the need for the state and federal governments to work together to harmonise Foreign Direct Investment (FDI) policies. More importantly, the Ministry of Trade and Investment should be visible in the advertising sphere explaining the areas of investment needs in Nigeria to the rest of the world. Also, those who are able to generate their own power, which can be added to the national grid estimates, should be encouraged and compensated with tax rebate. The Federal Government can also ban the importation of products whose parts can be assembled here in Nigeria.

For Victor Wesley in Ilorin, there are various factors foreign investors consider before making an investment decision in a country. These factors, when present and favourable, may strengthen the economy of our country and will also aid the investors in expanding their investment to other locations within the country. For our country to attract and retain FDIs, the Federal Government must be willing to adopt an economic policy of liberalisation, privatisation, and globalisation. Another factor that foreign investors consider is the stability of the government of a country. Nigeria has been able to achieve this so far since the inception of democratic government rule without any threat from the military. Ensuring a stable government will reduce or eliminate the fear of business takeover by government and will enable foreign direct investors to expand. The Nigerian government must also have flexible policies that encourage business growth for foreign direct investors. For instance, a foreign direct investor should be allowed to generate power to favour the smooth running of his investment. Proactive measures such as expansion of seaports, provision of cargo facilities, and development of connectivity around the perimeter of the country will attract foreign direct investments. The exchange rate stability is another factor that our government needs to work on because the commercial viability of any foreign direct investment is based on exchange rate stability. Concession and taxation is must also be looked into and uniform tax policies adopted in line with international best practices. A heavy excise duty, sales tax or customs excise duty will prevent foreign direct investment. For foreign investors to feel comfortable, moderate tax policies must be encouraged. A foreign investor's long-term goal will include diversification, therefore the Federal Government must be able to provide foreign investors opportunities to exploit the market and expand. This will also help to reduce the cost of production and product diversification. On the matter of labour and logistics, Nigeria must encourage provision of labour especially adequate skilled labour in technical areas.Return on investment is another factor that attracts foreign direct investors. This is the ability to keep making profits from the investments made; unless the return on investment is substantially higher than what is obtainable in other countries, they will not be encouraged to invest. The sustainability of the return is also very important and should increase over a period. The Federal Government must encourage avenues to achieve all these, if it wishes to attract foreign direct investment. The importance of security here cannot be overemphasised; the country must be safe from attacks by insurgents, armed criminals, ethnic clashes and religious crisis.

Alero Richards in Lagos said government should ensure that failures of the past resulted from fraudulent processes by the Bureau Public Enterprise (BPE).Make it easier for people to come here and bring in direct foreign investment by making it difficult for people to bring in finished goods and the problem will be solved. If you look at China in the 1970s and early 1980s, the Chinese did not allow people take in finished goods. They made it easier instead for people to go there to manufacture consumables.Why can't investors be encouraged to come here and do the same? I am not talking about goods for export; what about what we consume locally. Why not make it easier for Americans, Chinese and Japanese to come here and process our oranges, mangoes and other raw materials and turn them into consumables? This is the way to go.

Also, Adeyemi baased in Lagos said

Governments of sovereign nations all over the world strive to attain economic prosperity. This is achieved through a vibrant economy that engages her workforce, produces what it has comparative advantage and export to



other nations of the world. The level of economic activities often measured by the Gross Domestic Product remains a critical indicator. Globalisation has ensured that the world is a big market place. Today, labour and capital are, largely, freely mobile. Investment inflow can be direct or otherwise. It is largely desirable that investment inflows are direct as it signals higher confidence in the economy being invested in and eliminates shock associated with hot money. A foreign direct investment is an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It is thus distinguished from a foreign portfolio investment by a notion of direct control. For the government to attract and retain investment, it must develop investment-friendly policies and ensure consistency.Our exchange rate policy in the past few years demonstrates the significance of consistency in policies. Investors are dispassionate. They are driven by gains. While investment risks are a given, investors' desire clarity of economic policies in the nations they invest in. Macro-economic variables are the key drivers of investment. The Federal Government must be proactive, transparent and ensure relative stability. While the government remains the biggest stakeholder in the economy, it must boost confidence and continually ensure that the economy remains attractive for investment inflow.It is by no sheer coincidence that performing economies have huge foreign investment in their portfolio. To boost the economy, raise GDP through improved level of economic activities, attracting and retaining investment inflow must remain a key performance indicator for the managers of our economy.

While Sola Folorunsho views that "

Yes, there are several ways that the government can encourage and sustain Foreign Direct Investments. Let's look at privatisation. Privatisation has two fundamental objectives; it aims at realising the government funds invested in the public enterprises and also selling the enterprises to private investors with the wherewithal to tremendously grow those enterprises.

But the 1999 to 2015 experiences of Nigerian privatisation have been that of underselling the federal enterprises to buyers who not only failed in many cases to operate the businesses or enterprises but also did not grow them in post-privatisation.They actually dismantled the enterprises' production plants and sold them. That is not the way to encourage FDIs. It's either the government departments that handled the privatisation and the government advisers were altogether incompetent or lacking in integrity or both as they sold the public enterprises to rogues. The second way to go is for the government to show commitment to providing massive infrastructure such as roads and power.Back to the issues we had with privatisation, I believe that the Bureau of Public Enterprise must be strengthened and there should be post-transaction review and forensic audit. Where there are issues with buyers not operating and growing the enterprises, the enterprises should be retrieved and resold. No privatised enterprise should be allowed to fail.

GROWING AGRIBUSINESS THROUGH VALUE-ADDED PROJECTS

*The government should make efforts to boost agribusiness through some value-added projects. This was the highlights of the National Council on Agriculture and Rural Development (NCARD) seminar in Abuja, **Abisola THOMPSON** reports.*

For the Minister of Agriculture and Rural Development, Mohammad Nanono, Nigeria's agricultural resources could contribute to its growth and development like oil, if well managed.

Speaking at the 44th Meeting of the National Council on Agriculture and Rural Development (NCARD), he reiterated that the government was working on some agric projects that would create value.

The event's theme was 'Nigeria's agriculture and food security in the face of COVID-19, floods and insecurity'.

The Minister said the government had established a portal to capture the biodata of farmers to assist them.

Nanono stated: "Although we initially set out to capture the data of 2.4 million farmers across the country, the results from the exercise have encouraged the Economic Sustainability Plan Team to expand the data capture to 10 million farmers."

The Minister stated that the database will be "a platform for the Federal Government's intervention, to end ghost schemes and other unscrupulous practices in the agricultural industry".

Nanono noted: "A major hallmark of our agricultural interventions is inclusiveness. We have catered for the youth, women, and many demographic considerations in our implementation strategies. As a stop-gap intervention, we launched the Agric for Food and Jobs Programme, originally conceived as an input loan for smallholder farmers across several commodities, including maize, rice, cotton, groundnut, sorghum, cowpea, soybean, sesame, cassava and oil palm."

He further said: "The scheme brought into a partnership with the Central Bank of Nigeria, Commodity Association and Agricultural Platform Companies for effective facilitation. This, we believe, will not only improve production significantly but also aid in the off-taking of produce while providing input at a reduced price due to economy of scale."

The Minister also said seven states have set aside 19 grazing reserves for the implementation of the National Livestock Transformation Plan (NLTP).

"Seven of these 10 states have also earmarked about 19 grazing reserves for the implementation of the NLTP, with a total land size of approximately 400,00 hectares," he said. He said the NLTP, when fully implemented, will bring an end to the crisis.

NCARD also approved the implementation of the National Agricultural Technology and Innovation Plan (NATIP), the new policy of the Ministry under Nanono. It is a four-year blueprint designed to help Nigeria's post-COVID-19 pandemic economic recovery. The policy will replace the Agriculture Promotion Policy (APP) launched in 2016.

Minister of Agriculture and Rural Development, Mohammad Nanono

Another highlight of the meeting was the approval of the mainstreaming of biofortification of agricultural produce, following a proposal submitted by the Ogun State Agriculture Commissioner, Dr Adeola Odedina, who reiterated the commitment of the state government to address food security.

He noted that the state was providing seeds of improved and nutritious varieties to farmers and working with relevant agencies and partners to facilitate technical and financial assistance to small holder farmers.

His team also collaborates with food processing industries and builds networks for raw material supply, thereby creating markets and building sustainability.

He said the state has been found worthy by international partners led by HarvestPlus to host the Seventh Nutritious Food Alliance – a yearly fair that brings together stakeholders from the public and private sectors, locally and internationally, from November 18 to 20 in Abeokuta.

Odedina said Ogun State has identified technology use in farming, processing, and logistics, where steps were being made towards creating the industry of the future.

He said the government understands the challenge facing the agriculture industry but it is already seeing positive examples of the transition towards building a more efficient food system.

According to him, the urban population is putting pressure on the food system to adapt. This, he noted, would require a food system that is more efficient, better able to meet consumer expectations, more profitable, and more resilient in the face of macro-economic pressures.

CSO INAUGURATES MULTI STAKEHOLDERS' PLATFORM FOR SUSTAINABLE OIL-PALM PRODUCTION IN KOGI

By Shile GIWA

Solidaridad West Africa – Nigeria, a solution-oriented Civil Society Organisation, has inaugurated a Multi-Stakeholder Platform (MSP) for Sustainable Climate Smart Oil Palm production among communities in Kogi.

Senior Climate Specialist, Africa and County Technical Lead, Nigeria, Dr Sam Ogallah, who inaugurated the platform in Lokoja, said the effort was part of the National Initiative on Sustainable Climate Smart Oil Palm Smallholder (NISCOPS) project.

Ogallah said the setting up of the MSP was informed by the result of the studies the organisation conducted in 2019 in the oil-palm sector in Oil-palm Producing States of Nigeria, including Kogi, Enugu, Akwa-Ibom and Cross Rivers States.

"We conducted climate vulnerability analysis studies that gave us a red alert on what we are likely to face between now and the next 30 years if things are not done differently," he said.

He noted that aerial photos and images taken in the course of the study had shown sustained degradation of the ecosystem.

"We compared the land use, vegetation and land cover as at 1949 and projected it to 2039.

"We now see that by 2039, most of what we have now will become rare as there would be no vegetation again (due to lack of proper planning of settlement areas among other degrading human activities," he said.

He said that Solidaridad also conducted analysis on Gender Inclusion and Gender Participation in the oil palm value chain and discovered a lot of biases against women and youths from the report.

"Access to land for women and youths is also an issue. Favourable land tenure system is also an issue. Who has the right to land, who owns the land? We have seen this play out in various communities.

"So the essence of this MSP is to be able to meet with the people who are the custodians of the land and see how we can help with re-orientating and sensitising them, build their capacities so that they can see and do things differently," Ogallah added.

He said the studies also revealed that farmers had limited knowledge of best management practices and were overwhelmed with issues of non-application of improved planting materials and inefficient palm-oil processing facilities.

Realising the enormity of the situation, he said the organisation decided to take a Multi-Stakeholder approach involving people from different backgrounds with direct or indirect interest in oil-palm, to look at the issues, brainstorm and address them holistically.

UTILISING SUSTAINABLE PRACTICES TO ENHANCE PRODUCTIVITY OF SMALLHOLDER WOMEN FARMERS

By Olamilekan FAWAS

Studies have shown that small scale farmers, some with less than two hectares of land under cropping, are the ones producing the larger percentage of food consumed by Nigerians.

It has also been observed that peasant women constitute a large chunk of this farming population.

However, the prominent role of these farmers in the agricultural value-chain in the country still faces heaps of challenges leading to problems in output of crops and profit realised from sales.

Some agronomists observed that the situation will persist unless smallholder farmers employ sustainable farming practices to protect land, water, soil and genetic resources or, precision farming practices.

The experts argued that except the farmers adopted practices that were more resilient to natural occurrences, they would not be able to produce enough food to feed their families or meet public demands.

The claims of these experts are largely substantiated by the experience of some smallholder women farmers in Kwara State, but this was before they gained knowledge on climate resilience and sustainable agriculture practices, courtesy of the Centre for Community Empowerment and Poverty Eradication (CCEPE).

CCEPE is the state-based Non-Governmental Organisation (NGO), which focuses on respecting, promoting, protecting and fulfilling the rights of the poor and excluded people, by focusing on their empowerment.

The NGO, few years ago, organised a training for the women on how to mitigate the impact of climate change by improvising with inorganic materials to improve on agricultural productivity at a near zero cost.

While relating her experience in agribusiness, Mrs. Iyabo Babatunde from Gbago community in Asa Local Government Area, recounted her perpetual yearly shortage from farming due to lack of requisite knowledge on sustainable practices.

Babatunde said the situation affected her output and consequently earned her abysmally low income, the earning which was always insufficient to meet her ends, needs, and sponsorship of her children's education.

"Until we were trained, I never realised how much I have missed in the business. The challenges were too many for me because I was bereft of better farming techniques. This invariably affected my production yearly.

"I was also restricted to subsistent farming system where I could only produce to feed my family and rarely, able to make surplus for sale because of low yield.

"This training, however, changed the narrative," she said.

Babatunde said since she could not afford to buy inorganic fertiliser to enhance the growth of her crop, she quickly found solace in the use of compost manure which she learnt at the training.

"As soon as I applied the lessons in agriculture practices, I began to earn higher income from improved productivity.

"I am now able to send my children to school as well as to take care of my personal needs," she said.

Mrs Rukayat Ibrahim from Apa community said her experience was similar to that of Babatunde.

Ibrahim noted that the sustainable farming practice had turned her to a queen among her contemporaries, who had no opportunity of attending the exercise.

"The moment I began to apply the techniques, I became a queen before my colleagues because I begin to recover from the losses," she said.

Ibrahim added that the training also exposed her to rights and responsibilities between the rights holders and the duty bearers as it related to agriculture practices.

Sharing the same sentiment, Mrs Rashidat Dauda from Ipetu community, said she was nearly dispirited at a point from the farming business because her time and efforts were not reasonably justified by the output. "For instance, anytime I harvested cassava, the produce would be meager, which also applies to maize, guinea-corn and others.

"I was advised to always apply fertiliser and pesticide, but where was the money to procure them?" asked Dauda, who said she had been a farmer for more than 25 years.

She boasted she could conveniently make organic fertiliser from yam peel, cow dung and compost among others, thereby hastening the growth of her crops when applied.

"When I put this into practice, it increased my harvest across all crops, tubers and vegetables. It was a huge surprise to all of us that benefitted from the training.

"On pest control, we were tutored on how to soak cassia leaves (botanically known as Cassia fistula, golden shower, or Indian laburnum) in large volume of water and add little detergent or kerosene to it for usage.

"I applied it on my farm. Ever since, I do not have recurring problem of pest disturbance.

"All these among other factors cumulated in the bumper harvest I now experience each farming season and the ensuing improved earnings.

"We have extended the training to our contemporaries for them to enjoy the benefits," Dauda explained.

HOW EMEFIELE CHANGED THE NARRATIVE IN AGRICULTURE SECTOR

CBN governor, Godwin Emefiele

By Meletus EZE

The Nigerian government is looking to plug a 2017 budget deficit that it forecast at 2.3 trillion naira, or 2.2 percent of GDP following a revenue shortfall caused by the decline of output and price of oil, its main export.

Recently the Central Bank of Nigeria (CBN) through its Anchor Borrowers Programme (ABP) unveiled its first rice pyramids in South West Nigeria, specifically in Ekiti State.

The unveiling is a follow up to the one done in Kebbi and Gombe states where the apex bank also unveiled 13 rice pyramids which housed 50kg bags of rice numbering 200,000.

It is not only rice, recently in Katsina State, the bank working with Maize Association of Nigeria (MAAN) also unveiled the first maize pyramid in Nigeria.

These exercises clearly show that Nigeria is on the match towards self-sufficiency in food.

This is a clear departure from what the situation was before the present governor of CBN, Mr. Godwin Emefiele, assumed office in 2014.

As at 2014, Nigeria was spending N1.3 trillion worth of foreign exchange on the importation of food. This was despite the huge investment made in agriculture by the immediate past administration.

That was even an improvement, between 1990 and 2011, Nigeria imported an average of ₦1.923 trillion worth of commodities per annum. In essence, the nation imported about ₦1.0 billion worth of food per day in the period. This was about $9.28 million worth of food per day in the period.

The result reveals that although the country had a positive trade balance (on the aggregate) annual food import bill was in multiples of five times of the export.

At that same time, Nigeria was also spending about $5 billion annually on the importation of textiles, money that would have been ploughed into the development of infrastructure.

A report by the Global Economic Symposium (GES), also suggested a steady rise in prices of rice between 2006 and 2014, which indicated that Nigeria had been consuming more rice than it had been producing.

"When I assumed office, I felt that that was not acceptable," Emefiele said while justifying his policy thrust in the agricultural sector.

"My immediate question was: can we not produce these ourselves? After all, only a few decades ago, Nigeria was one of the world's largest producers and exporters of many agricultural products like palm oil, cocoa and groundnuts."

He said that food importation fueled domestic inflation, depleted foreign reserves, displaced local production and created unemployment.

"With the fast depletion of rice reserve in the country, it was obvious that Nigeria could not afford to sustain rice importation. We all know that import dependency especially on commodities of comparative advantage was neither acceptable nor sustainable."

It was this stand that informed the establishment of the Anchor Borrowers Programme (ABP), a programme meant to provide farm inputs in kind and cash to small-holder farmers (SHFs) to boost agricultural production which had been neglected through years since Nigeria discovered that huge cash comes from crude oil.

The ABP launched in November 2015 by President Muhammadu Buhari is re-writing the sour narrative on local agriculture.

ABP is a low-interest loan scheme which gives ample room and flexibility for payment. Interest was as low as nine percent but with the advent of the COVID-19, the interest has been adjusted to as low as five percent. The loans are disbursed through any of the Deposit Money Banks (DMBs), Development Finance Institutions (DFIs) and Microfinance Banks (MFBs), all of which the programme recognises as Participating Financial Institutions (PFIs).

Categories of farmers captured under this programme include those cultivating cereals, cotton, roots and tubers, sugarcane, tree crops, legumes, tomato and livestock.

Because of this new push by CBN in the area of agriculture, the nation has witnessed a leverage and quantum leap in agricultural produce. Rice, yam, sundry grains, poultry and livestock among others have enjoyed increased production with some farmers exporting their produce.

With this has also come a significant improvement in the value chain. More and more farmers have upped their game by producing in the farm and processing for the table.

Through the ABP, the CBN governor did not only change the script from the old unimpressive order, he gave force of action to its performance.

The CBN ban on the importations of scores of goods, some of which can be described as low-hanging products for Nigerian entrepreneurs and Emefiele's determination to follow the ban through showed the character and the will of a central banker committed to rescuing his local economy from the treacherous vagaries of a globalised marketplace.

So far, according to CBN, the programme has financed over 3.1 million farmers to the tune of over N492 billion for the cultivation of 3,801,397 hectares across 21 commodities through 23 Participating Financial Institutions in the 36 states of the Federation and FCT, from the inception of the programme till date.

INCREASING MILLET PRODUCTION IN NIGERIA

The bid to revolutionise millet production and bring it back to the plate is being driven by enhanced seeds all over the world, ***Shile GIWA*** *reports.*

The world's millet market value is projected to surpass $12 billion by 2025, according to the Global Market Insights Inc, a United States-based research organisation.

Apart from this, the global millet consumption has been forecast to surge between this year and 2024. This is driven by the growing use of millet for snacks, which include flakes, cookies and chips.

Besides, the non-food use of millet has increased significantly, especially as animal feed ingredient and as raw material in breweries and starch industries. According to estimates, about 60 per cent of the millet production is for non-human consumption. However, in recent years, there is a renewed demand for millet as food for health-conscious urban consumers.

The Millet Market – 2019–2024 by ResearchAndMarkets.com projects that cultivation of millet, known for high nutritive value, will increase, following changing climate patterns and rising salinity that have forced governments to take alternative measures and encourage crop diversification; and farmers are following suit.

According to the International Crop Research Institute for the Semi-Arid Tropics (ICRISAT), more than 90 million people in Africa and Asia depend on millet, and 500 million in more than 30 countries depend on sorghum as a staple food. However, in the past 50 years, these grains have been abandoned in favour of developing more popular crops such as maize, wheat, rice, and soybeans. Consequently, there is a campaign for the development and wider adoption of high-yielding varieties.

For instance, the Food and Agriculture Organisation (FAO) has called for action to make millet a priority for achieving food and nutrition security, particularly in contributing to Sustainable Development Goals (SDGs) 2, 3, 12 and 13.

Following this, national and regional development plans in Africa, according to analysts, rely on millet to ensure food and nutritional security for the population. Scientists say they can survive even under extreme drought conditions. This is because millet is grown mostly on drylands, where other crops cannot be grown.

At present, there are efforts to promote iron-biofortified pearl millet to provide a convenient and cheap source of iron for people. This follows the fact that the nutritional content of the food basket is decreasing and the risk of nutrient deficiencies may be severe among children and women.

With support from HarvestPlus, scientists at ICRISAT have used conventional plant breeding techniques to develop biofortified varieties of pearl millet combining high iron content with high yield.

Iron pearl millet (IPM) varieties are aimed at providing more dietary iron to rural farming communities in arid and drought-prone regions where few other crops thrive.

ICRISAT's Country Representative, Nigeria, Dr. Hakeem Ajeigbe, noted that the renewed focus on boosting the production of millet and highlighting its benefits, was critical to reducing over-reliance on more-commonly grown crops, boosting diverse diets and food security.

Acknowledging the role of millet in responding to nutritional, challenges, he stressed the need to increase the cultivation of climate-resilient millet for balanced and healthy diets.

Ajiegbe said farmers in 13 states received improved seeds of sorghum, pearl millet, cowpea and rice as a part of an initiative to cushion the pandemic's impact on food systems.

The states were selected based on the importance of sorghum and millet as food crops and access of partners to needy smallholder farmers.

Particularly on pearl millet, he noted that following awareness on the existence of improved varieties, the adoption rate had increased.

His words: "Return on investment (ROI) was higher for farmers who adopted improved technologies (83 per cent) than for those who did not (43 per cent)."

He reiterated that ICRISAT had played a role in ensuring availability of quality seeds of pearl millet in Nigeria.

A lead agronomist for Flour Milling Association of Nigeria (FMAN), Tijani Abdullahi, noted that improving nutrition in the North would depend on reviving millet and other crops.

According to Abdullahi, millet remains a staple of millions of Nigerians. His words: "The key millet production areas in Nigeria are Borno, Yobe, Jigawa, Bauchi, Kebbi, Sokoto and Zamfara States."

Making investments in increasing productivity, processing technologies and a price guarantee for millet crops, according to him, will help to make the grains and products available at affordable prices to the common man.

He added that improving security had become critical as most of the areas dominant for millet production had some security challenges, hindering farmers to produce.

Abdullahi has had an extensive work experience with farmers in Kano and Jigawa states. In the last two years, he has collaborated with the farmers for the cultivation and introduction of drought-resistant crops in the North.

He believes support for crop diversification initiative would improve food supply in the North with better varieties of millet released to farmers.

In recent years, Nigeria has been experiencing a fall in millet. The decline is not only due to the reduction of cultivated areas, but also the production challenges.

Last year, analysts estimated millet production in Nigeria to be two million metric tonnes. The production volume stood at 5.2 million metric tonnes in 2010. However, the production volume experienced a decrease by 75 per cent compared to 2010, going from 5.2 million metric tons to 1.3 million metric tonnes.

ADVERT RATES

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RATE	N=	K
Inside Front Cover	580,000	00
Back Cover	610,100	00
Inside Back Cover	551,850	70
Half Page Front Cover	320,175	50
Half Page Back Cover	300,750	00
Quarter Page Front Cover	175,950	85
Quarter Page Back Cover	160,800	65
Full Page	515,700	50
Half Page	265,000	90
Quarter Page	143,250	75
Centre Spread	1,450,270	00
WRAP AROUND		
Full Wrap	10,000,000	00
Full Front Page	6,000,000	00
Half Page Front	4,500,000	00

ONLINE

ADVERT BANNER SIZE/LOCATION	1 Month	3 Months	6 Months
Leader board: Top.Header Banner - (728x90px)	N650,000	N950,000	N1,500,000
Bottom Banner - (728x90px) (Home page)	N600,000	N850,000	N1,000,000
Sidebar Ad - (500x250px)	N800,000	N900,000	N1,700,000
Article Top Ad - (468x60px) Ads on every article)	N150,000	N450,000	N500,000
Article Inline Ad - Banner - (468x60px)	N150,000	N350,000	N400,000
Article Bottom Banner - (468x60px) (Ads on every article)	N150,000	N350,000	N450,000