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COOKING GAS: GOLD IN CYLINDERS


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Editor's Note

DR. NJIDEKA KELLEY

The price of cooking gas or liquefied petroleum gas (LPG) in past seven months has gone out of the reach of the poor in Nigeria. The commodity is currently considered a preserve of the rich with a 12.5kg cylinder costing as much as N9,500. This is despite the huge deposits of natural gas in the country. Presently, Nigeria has proven reserves of natural gas of 206 trillion cubic feet.

To gas industry stakeholders, a couple of factors are responsible for the high price of the commodity in Nigeria, which includes reliance on importation, introduction of 7.5 per cent Value Added Tax (VAT), huge depreciation of value of naira against the dollar, and gang-up among major players in the industry with a view for profiteering, among others.

There are concerns that all the gains made in deepening penetration and consumption of cooking gas might be lost as about 70 percent of Nigerians who were using gas for cooking are moving back to the use of firewood and charcoal which has increased pressure on our forests as trees are felled every minute of the day to produce firewood for cooking.

Besides, the World Health Organisation (WHO) stated that indoor smoke from solid fuel remained one of the leading causes of avoidable deaths and ill-health worldwide, with women mostly affected because they often cook for their families and spend a lot of time in smoky kitchens.

It noted that close to four million people die prematurely from illnesses attributable to household air pollution from inefficient cooking practices using polluting stoves paired with solid fuels and kerosene.

WHO further reveals that household air pollution causes non-communicable diseases that include stroke, ischemic heart disease, chronic obstructive pulmonary disease and lung cancer, adding that close to half of deaths due to pneumonia among children under five years of age are caused by particulate matter (soot) inhaled from household air pollution.

The persistent free-fall of the naira is another area where Nigerians expressed worry. To them, the fall is an indication that none of the interventions being applied by the monetary authorities has worked.

Also, the mounting debt of the country is becoming a major concern. The worry is exacerbated by the fact that a chunk of the debt comes from China and the implication of defaulting in payment comes with huge consequences.

The Debt Management Office (DMO) said as of March 31, Nigeria's total public debt stood at N33.1 trillion ($87.24 billion).

A report by the World Bank placed Nigeria among the top 10 countries with the highest debt risk exposure. Nigeria is fifth with $11.7 billion debt exposure, behind India ($22 billion), Bangladesh ($18.1 billion), Pakistan ($16.4 billion), and Vietnam ($14.1 billion).

The ability of Nigerians to produce what they consume locally is not called to question, and most of the nation's leaders know this fact and very well too. But they (Nigeria leaders) have failed woefully over the years to initiate policies and programmes to stimulate and bring to fruition this latent industrial capacity of the average Nigerian.

In the words of the current minister of industry, trade and investment, Otunba Niyi Adebayo, "Nigerians are intelligent and resourceful and I see no reason that we cannot utilize our resources to be the biggest manufacturing hub in not just Africa but the whole world."

The Federal Government is also proposing to commence operation of Nigeria's national carrier next year, read the views of experts on the issue.

These, among other interesting and educative reports are packed in this edition. Enjoy your reading.

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COVER

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COOKING GAS: GOLD IN CYLINDERS

With proven gas reserves of 206 trillion cubic feet (tcf) and over 600tcf of unproven reserves, Nigerians ought to be accessing gas easily and at affordable price. However, this is far from reality as the price of gas in Nigeria is among the highest in the world, writes ***EMEKA UGWUANYI.***

According to data, Nigeria's proven gas reserves is around 206 trillion cubic feet while unproven reserves stand at about 600 tcf.

The Nigerian Upstream Regulatory Commission (NURC) said the nation's proven gas reserves will hit 230 tcf by 2030. Despite boasting of a 206 trillion cubic feet of gas reserves and ranking 9th in the world, , Nigeria's per capita consumption of gas is the lowest in the sub-Saharan Africa, Minister of State for Petroleum Resources, Chief Timipre Sylva said.

Speaking at the 2021 yearly sub-Saharan African Oil and Gas Conference tagged "The future of Upstream and Deepwater Development, Advancing Digitisation and Gas Development Options in Sub-Saharan Africa" organised by Energy & Corporate Africa, the minister said "while Nigeria currently holds approximately 206 Trillion Cubic Feet (TCF) in proven gas reserves, ranking among the top ten in the world with over 600 TCF unproven, current per capita consumption of gas is still very low.

The International Energy Agency also confirmed in its 2020 report that Nigeria concentrated most of the natural gas reserves in Africa, adding that the country had more than 200 trillion cubic feet in natural gas reserves while Algeria and Mozambique followed with 159 trillion cubic feet and 100 trillion cubic feet, respectively.

How this natural resource has benefitted Nigerians is entirely a matter of concern. Despite government's avowed commitment to promoting the use of natural gas for cleaner and safer environment, Nigerians pay the highest for cooking gas (liquefied petroleum gas, LPG) in sub-Saharan Africa.

The spiraling price of cooking gas started as if it was being driven by speculation, but has eventually come to stay. For over six months, the price of the commodity continued increasing from 3,000 for 12.5kg cylinder to the current price of between 8,500 naira and 9,500 depending on point of purchase.

The majority of Nigerians presently perceive use of cooking gas as the preserve of the rich, and they shouldn't be blamed. This is a country where minimum wage of civil servants is 30,000 naira.

The battle for accessible and affordable cooking gas didn't start lately. In 2004, Liquefied Petroleum Gas (LPG) marketers and the National Assembly condemned the Federal Government for its insensitivity to the soaring price of the product, making it unaffordable by the majority of Nigerians.

At its annual conference and general meeting then, the Nigerian Association of Liquefied Petroleum Gas Marketers (NALPGAM) and the lawmaker maintained that the action of the federal government was at variance with its avowed commitment to making gas the choice fuel in Nigeria as well as the fuel of the future.

The same year, the Federal Government and the World Bank said they were exploring ways to optimize utilization LPG in Nigeria by making its price competitive with other fuels.

The Federal Government even expressed worry just like the indigenous LPG dealers over the "low level patronage and consumption of gas in Nigeria" despite the advantages it has over other fossil fuels. Government's concern about this development is even heightened when considered against the background that the LPG market was deregulated some years past.

However, seventeen years down the line, the story has not changed, the promises continue with every government in power, while problem remains unsolved and Nigerians suffer the consequence.

Like the proverbial man that lives in the sea but bathes with spittle, Nigerians sit on gas but cannot use it. The government is only interested in export of the commodity to earn foreign exchange.

It is unthinkable that Nigeria with huge natural gas reserves go neighbouring country Niger Republic, which is far less endowed with hydrocarbon resources including gas to import LPG. Aside the administration of former President Olusegun Obasanjo that made efforts to domesticate LPG meant for export for domestic usage, other governments look away from the pains of Nigerian consumers.

What are responsible for high LPG price in Nigeria?

To gas industry stakeholders, a

The devaluation of Naira is another cause of the cooking gas price surge, foreign exchange is another. The amount of dollar inflows is far less than outflow and this shortage has become a serious issue for importers of the LPG who need dollars to make their importations

couple of factors are responsible for the high price of the commodity in Nigeria, which includes reliance on importation, introduction of 7.5 per cent Value Added Tax (VAT), huge depreciation of value of naira against the dollar, and gang-up among major players in the industry with a view for profiteering, among others

To the Chief Executive Officer of Ecogas Energy Resources Limited, one of the major processors and distributors of LPG in Nigeria, Chief Shina Luwoye, 60 per cent of LPG consumed in Nigeria is imported.

He said his company has steadily pursued LPG adoption and penetration within the localities of her gas refilling plants, adding he aggressively pursued cost and margin cutting measures aimed at making the product more available and affordable within the areas he operates.

The Ecogas chief noted that the Federal Government's efforts to deepen the adoption of LPG, which have been yielding results, may nosedive as a result of the current escalation in LPG price

Luwoye said: "We can boldly see this through the high demand for the product. Even my aged mother who hitherto forbids her tenants from using cooking gas now uses LPG for cooking. The gains we have recorded, which now make more people demand gas shows that we have done well as a country in terms of gas. Unfortunately, the recent uncontrollable upward price movement in the LPG market price curve is a major threat to the domestic LPG market.

"What we are now experiencing with gas also has elements of general price increase/inflation in Nigeria that is affecting the nation in general and other petroleum products. And, because just 40 per cent of demand for LPG is being supplied locally while 60 per cent is sourced through importation, a lot of other external factors have come to affect the price. Chief among these is the 7.5 Value Added Tax (VAT).

"The NPSC LPG terminal at Apapa had played salutary roles in bringing down the price of LPG for many years. This critical facility with 8000MT capacity had been unproductive for over six months because of protracted maintenance, that could have taken the private sector to carry out in less than 30 days," he said

Besides losing over half a billion naira revenue, he stated that the unavailability of the facility has marginally contributed to the price increase.

"The devaluation of Naira is another cause of the cooking gas price surge, foreign exchange is another. The amount of dollar inflows is far less than outflow and this shortage has become a serious issue for importers of the LPG who need dollars to make their importations."

Luwoye disclaimed allegations that marketers of cooking gas are profiteering. He said on the contrary, the businesses of the marketers and off-takers are at risk. "The operators are now complaining bitterly because of the situation on the ground and its effects on patronage. And, if the price goes beyond the reach of the consumers, they will definitely look for alternatives. We have observed this dangerous trend at Ecogas and that is why we have kept looking out for ways to keep making gas available and affordable for people in our catchment areas.

"Aside from this, we have noticed that the information that the people have about safety and handling of cylinders is poor and we are doing a lot in this regard too. The people are not aware that this cylinder has expiry dates, the area also not aware that other adjoining materials to cylinders like hose, clips and others, have life spans too," he stated

The National President of NALPGAM, Olatunbosun Oladapo, said Nigeria has deposit in abundance but the production is inadequate. According to him, "There is difference between deposit which is natural resource that God has given to us. We are the 9th in terms of deposit all over the world but in terms of production, exploration, we are not there".

Oladapo who was guest on Arise TV's The Morning Show, further explained reasons for the inadequate production of gas which has led to spike in the cost of the product.

"The problem is, years back, Nigerians were not using gas because of fear and poor enlightenment, unlike the western world. Now we are talking about 240million estimated population which is in combination, more than four African countries. If 15 or 20 per cent of this population decides to adopt gas, the question is, is the gas available?

"What we did before is, because the usage was not much and people got it locally; when NLNG came on board, with due respect to President Obasanjo, who gazetted it, NLNG began giving gas to the local production.

"The NLNG's production was very adequate but when population began to increase and more people began to use gas, we began to have problem. We were on 550 metric tonnes per annum, now Nigeria is on 1250 metric tonnes per annum.

"We have capacity to go to 5 million metric tonnes per annum because of huge population but currently what we produce locally is so insufficient and when that was the case before, we supplemented it with import".

Oladapo said that about 60 per cent of gas used in this country is imported from Algeria, America and Central Africa, among others.

President Muhammadu Buhari

"We want the gas we are using to be produced in this country but we are not mindful that we don't have the capacity to produce the need because all our four refineries are not working".

The huge gap in local production can only be bridged by importation. The import becomes an issue because of dearth of forex.

An economist, analyst and former Director-General, Lagos Chamber of Commerce and Industry (LCCI), Muda Yusuf, described the situation Nigerians face as "double jeopardy" with costly food and costly cooking gas.

Yusuf stated that the hike in price of Liquefied Petroleum Gas is contrary to government's avowed drive to promote the use of clean energy

Muda Yusuf

especially natural gas and protect the environment.

In an interview with the News Agency of Nigeria, Muda Yusuf said it was noteworthy that significant progress was made in getting a good percentage of the population to transition from the use of firewood and kerosene to use of LPG.

Yusuf who is currently the Chief Executive Officer of Centre for Promotion of Private Enterprises, warned that there could be a relapse of accelerated deforestation if the spike was not checked.

He said although the campaign had won a lot of converts even in many villages but the spike in LPG price may reverse the gains and it would not augur well for the preservation of the environment.

"We may see a relapse of accelerated deforestation if the spike if not checked. The sharp increase in price of LPG also has implication for poverty. This is making access to food more difficult," he said.

"It is bad enough that food has become very expensive. Now the cost of cooking the food has become prohibitive. This is a case of double jeopardy for the average citizen.

NAN reported that the hike started in April 2021 when cooking gas per kilogramme was sold for between N280 and N300 but the price later rose to N750 per.

Currently 20 tonnes of LPG is sold for more than N9.5 million against N4 million sold before the hike. A 12.5 kg cylinder of gas is sold at N9,300 as against N8,500 two weeks ago, NAN added.

According to the National Chairman of the Liquefied Petroleum Gas Retailers Branch of NUPENG, Mr Chika Umudu, price of the commodity has increased by 100 per cent. He attributed the high price to Nigeria's undue dependence on importation of LPG and with the depreciation of value of the Naira against the dollar, the price of cooking gas would keep increasing.

Umudu maintained that as long as

NLNG's drive towards deepening the domestic LPG market is pivotal in line with NLNG's vision of helping to build a better Nigeria

the dollar continues to appreciate and importers access foreign exchange from the parallel market, the price of LPG, would get to an all-time high.

According to the Executive Secretary, Nigerian Association of Liquefied Petroleum Gas Marketers (NALPGAM), Bassey Essien, Nigeria depends on importation to meet domestic demand.

Petroleum Product Retail Outlet Owners Association of Nigeria (PETROAN) said the hike in price of LPG is due to the current price in the international market, activities of middle and political factors.

Rivers State Chairman of the PETROAN, Francis Dimkpa, said LPG is traded at the international price in Nigeria, despite the fact that Nigeria produces part of the LPG consumed in the country.

Dimkpa disclosed that some gas plants operators do not have access to LPG from NLNG, thereby, hiking the price.

NLNG clarifies commitment to LPG supply

The Nigeria Liquefied Natural Gas Limited (NLNG) has dissociated itself from the cause of the high price of LPG.

The gas company's General Manager, External Relations and Sustainable Development, Eyono Fatayi-Williams, said to set the record straight: "It is grossly inaccurate to state that NLNG produces 22 Million Tonnes Per Annum (MTPA) of Liquefied Petroleum Gas, otherwise known as cooking gas. NLNG is primarily an export company that produces 22 MTPA of Liquefied Natural Gas (LNG) and 5 MTPA of Natural Gas Liquids (NGLs).

"It is also erroneous, to say the least, that NLNG contributes to the supply shortfall of cooking gas in Nigeria and consequent price hike. The price of LPG in the domestic market is dependent on several market factors, including the forces of demand and supply.

"On the supply side, NLNG plays a pivotal role in the Nigerian domestic LPG market in line with the commitment it made to help deepen the market. Recently, the Company increased the volume of its annual commitment to the market from 350,000 to 450,000 metric tons, which is about 100 per cent of its Butane production. Butane gas is less volatile and is, therefore, suitable for cooking.

"By committing 100 per cent of its Butane production, NLNG has prioritised the domestic market, thus realising its domestic supply target safely.

"NLNG's current maximum Butane production meets about 40% of domestic demand. The balance is supplied by other domestic producers or via imports. Therefore, NLNG's production alone is not sufficient.

"In order to achieve its aspiration for the domestic supply, a dedicated 13,000 metric ton vessel, LPG Alfred Temile, delivers the product to the market through Lagos and Port Harcourt terminals. The vessel's deliveries to these terminals are occasionally hampered by challenges at the terminal, including storage capacity, terminal access, draft restrictions and prioritisation of other products over LPG.

"NLNG's domestic LPG pricing is most competitive compared to all other alternatives (imported and domestic supply). However, it is important to note that several factors such as Value Added Vat (VAT), Foreign Exchange (Forex), among others, impact the pricing of the product which is indexed to the international pricing model.

"NLNG's drive towards deepening the domestic LPG market is pivotal in line with NLNG's vision of helping to build a better Nigeria. The Company is optimistic that the eventual completion of its Train 7 Project will further will provide deepening the

Mr. Oladapo Olatunbosun
National President, NALPGAM

domestic LPG market.

Civil Society Organisation's position

A civil society group - Coalition of South East Youth Leaders, COSEYL, has warned that the high cost of cooking gas was pushing most Nigerian families back to the use of firewood and charcoal.

The group said the return to the use of firewood for cooking would affect the ecosystem as indiscriminate felling of trees for firewood has begun in most communities.

A statement signed by the group's President, Mr Goodluck Ibem, urged President Muhammadu Buhari to urgently wade into the high cost of cooking gas.

"We are displeased with the federal government over the escalated price of cooking gas from N350 to N800 per kilogramme which is above the reach of the common man.

"The federal government has no justifiable reason or reasons to inflict such level of hardship and suffering on Nigerian citizens who depend on this commodity to cook, eat and make a living.

"It amounts to negligence and lack of proper planning on the part of the federal government to allow such essential commodity to rise above the reach of the common man. This blatant negligence by the federal government must be speedily addressed forthwith to avoid catastrophic consequences against our ecosystem."

"Before now, Nigerians were using the local means of cooking, which is firewood or charcoal, but when cooking gas came on board, Nigerians quickly switched over to it which really helped in reforestation.

"About 70 percent of Nigerians who were using gas for cooking are moving back to the use of firewood and charcoal which has increased pressure on our forests as trees are felled every minute of the day to produce firewood for cooking.

"If something is not done immediately to reduce the price of cooking gas, there will be dire consequences on our forests and ecosystem.

"We as humans depend on green plants for our daily supply of oxygen while giving back carbon dioxide to the plants. If all the green trees are felled in an attempt to get firewood and charcoal, how will we survive without adequate oxygen in our blood system?

"We, therefore, call on President Muhammadu Buhari to immediately step in and address the outrageous increase in our cooking gas before things get out of hand."

Implications of high price of LPG

NALPGAM said the major concern of the association about the impact of rising cost of gas is that "People who have invested in this business now are suffering because of low patronage.

"People are abandoning gas to other alternatives. These alternatives are not healthy. You wlll agree with me that the solution at Glasgow, the just concluded summit, was that deforestation will stop by 2030.

"If we don't make gas available, Nigeria cannot comply with that because peopleare going into the bush and cutting down trees.

"They are using less gas now. Even the charcoal we call processed wood is a product of deforestation.

"So the money spent in campaigning for aforestatation will be lost in 5 years. Erosion will come in, and there will be devastation. Also, health issues come in as the charcoal or wood has effect on users' eyes and lungs".

As part of solutions he proffered, government needs to suspend charges on import gas pending the time the country is able to produce domestically and that he said, will take another 5 to 7 years because while population grows, refineries are not working.

"We still have abundant deposit but we need investors to come in; and we must create affordable market to attract investors.

"If gas is affordable, life will be more meaningful. Price may not come down to what it used to be but at least it will be better than what we have now.

"As at today, a 12.5kg is sold for 10,000 naira depending on the location and it's going up. 20 metric tonnes LPG now is sold for 11.6million as against 3.8 million which was the price in January".

Unfortunately, the price which has not stopped going up will be worst as December approaches and "If there is no intervention now, by December, January, Nigerians will find it difficult to live a good life because thewindow is closed; nobody is bringing gas to the country and what we produce here is not sufficient," NALPGAM said.

The World Health Organisation (WHO) stated that indoor smoke from solid fuel remained one of the leading causes of avoidable deaths and ill-health worldwide, with women mostly affected because they often cook for their families and spend a lot of time in smoky kitchens.

It noted that close to four million people die prematurely from illnesses attributable to household air pollution from inefficient cooking practices using polluting stoves paired with solid fuels and kerosene.

WHO further reveals that household air pollution causes non-communicable diseases that include stroke, ischemic heart disease, chronic obstructive pulmonary disease and lung cancer, adding that close to half of deaths due to pneumonia among children under five years of age are caused by particulate matter (soot) inhaled from household air pollution.

In June this year, the Federal Government expressed concern that over 900,000 people were negatively impacted annually from the use of kerosene, firewood and charcoal in cooking across Nigeria.

To curb this dangerous trend, action plans were rolled out through the National LPG Expansion Plan, to ensure that the use of LPG for cooking grew exponentially to 90 per cent in the next 10 years.

Vice-President Yemi Osinbajo said effective implementation of the expansion programme would move Nigerians away from using cooking fuel that were harmful to health and the environment to cleaner and more efficient energy. He noted that the government had put in place measures to ensure that cooking gas becomes affordable by providing five to 10 million gas cylinders in the next one year.

The National LPG Expansion Plan Programme Manager in the Office of the Vice-President, Mr Dayo Adeshina, admitted that the high cost of the product had adversely affected the expansion programme.

He, however, gave an assurance that it was a temporary development that would ease out once more volumes of the product come in.

He said currently, only 45 per cent domestic supplies of LPG were coming into the country and that the rest were from import.

As at today, a 12.5kg is sold for 10,000 naira depending on the location and it's going up. 20 metric tonnes LPG now is sold for 11.6million as against 3.8 million which was the price in January

"Because of the foreign exchange component to that, fluctuation is a big factor. Back in January, the product was about $250 or $260 per tonne. Today, it is about $650, which is a marked increase. We are trying to get more domestic sources. Obviously, the more volume we can bring in, that will also bring in competition," he stated.

Adesina revealed that there was not enough domestic production of LPG, adding, "If there is, there won't be the need for LPG importation. If there was gas everywhere, why would I need to import if it is produced and supplied? The truth is that we always have fragments here and there, and how much of it is being processed for LPG. These are the things we are working on to say people, who have gas reserves, should start to look at processing. It's a very expensive venture to process gas, but there's a market for it.

ILLEGAL MINING: FOREIGNERS STEAL NIGERIA'S WEALTH AMID DWINDLING REVENUE, MOUNTING DEBTS

Illegal gold mining has become routine in Nigeria and both compatriots and foreigners are neck-deep in stealing the country's highly valued mineral, yet Nigeria wallows in foreign debts, ***Olamilekan FAWAS*** *writes.*

The dark of the night was gradually yielding dominance to the first light of dawn when 75-year-old Yemi Oluwole, a pensioner, took a spot on his veranda.

He sat quietly on a sofa, watching forlornly as the youthful strangers, armed with hand diggers, shovels and buckets hung on their shoulders, stumped along the dusty road that snaked through his frontage to the sites they have forcefully taken and converted to gold mining fields in his Itagunmodi village in Osun State.

Oluwole's expansive farm is one of the hijacked sites, and according to him, the once quiet community has since lost its tranquility to the invasion by the armed artisanal miners, comprising persons from different parts of the country and foreigners alike, including Chinese, Malians and Nigerien nationals.

"Those boys have violated our land and it's so bad that our traditional ruler was kidnapped and beaten by the criminals before he could escape, yet the government folds its hands and watches them steal our assets," said Oluwole, who retired into farming about 15 years ago.

"When I retired as a civil servant in a ministry in Osogbo, I went into farming to feed my family because my meagre monthly pension is irregular, yet I have a family to feed. But everything has gone now; the

miners have turned our farms to mining fields," the distressed septuagenarian added in an interview with our correspondent.

Oluwole is not the only person affected by the illegal mining, many others in the community and similar ones have lost their land and livelihoods to the miners.

Meanwhile, the inability to pay pensioners promptly is one of the state's economic challenges, despite its enviable gold deposit. The state, like many others endowed with solid minerals, has been enmeshed in huge debts.

As of June 30, 2021, records from the Debt Management Office showed that the Osun State owed N133.36bn in domestic debt while in external debt, it owed $90.38m as of June 30, 2020.

About two months ago, the state governor, Adegboyega Oyetola, disclosed that the state had no money to finance infrastructure and his administration had to prioritise payment of salaries and pensions. Sadly, the latter has not even been paid up to date. Yet, migrants are stealing the state's treasure that, ordinarily, should potentially turn its fortune around.

Globally, gold is a treasured, high-priced mineral. In the international market, an ounce of gold, as of Thursday, was about $1,806. According to the 2016 Mining Growth Roadmap by the Ministry of Mines and Steel Development, Nigeria has an untapped 200 million ounces of gold, scattered across about 13 states, Osun inclusive. The Vice-President, Prof Yemi Osinbajo, affirmed this figure at a forum in June 2020.

Thus, gold alone could fetch Nigeria trillions in dollars, even when the cost of production is deducted.

But for years, government abandoned it and other solid minerals, making it an all-comers affair for illegal and artisanal miners who remit almost nothing to it, while the country battles incredibly low revenue, compelling it to unashamedly borrow nonstop, to the tune of N35tn at the moment with plans to borrow even more –about N6.2tn in 2o22 to finance the budget.

The International Monetary Fund, the Minister of Finance, Zainab Ahmed and the Chairman of Economic Advisory Council, Dr Doyin Salami, stressed at various times that Nigeria was facing revenue problems. Beyond the revenue loss, illegal mining has caused severe environmental degradation; farmers have been abruptly sent packing from their farms; their water, like the Osun River, polluted, and life made difficult for the dwellers.

Illegal mining, a national embarrassment

From Itagunmodi to Igun, Iyere, Igila and other poor, gold-bearing communities in Osun State and Kwali, Daki Takwas, Zugu, Wawan Icce, Yan Kaura and other gold-bearing communities in Zamfara State, and some other states, illegal mining is rife and appears to have come to stay.

The President, Major General Muhammadu Buhari (retd.), the Minister of Mines and Steel Development, Olamilekan Adegbite, Governors Oyetola of Osun State and Bello Matawalle of Zamfara State and others have condemned the prevalence it and the involvement of foreigners but nothing changed.

Illegal miners arrested by Amoteun operatives in Osun State

In addition to those who do it for survival and other economic considerations, some of the miners were believed to be working for top monarchs and government officials, while some security agents protect them on the mining fields. The Oluwo of Iwo in Osun State, Oba Abdulrosheed Akanbi, blamed politicians and traditional rulers as the sponsors of the miners.

To solve the problem, the President in October 2020 set up a mining police, comprising the Inspector-General of Police, Chief of Army Staff, National Security Adviser and others, but one year after, the illicit act continued unabated.

Even when the President banned mining activities in Zamfara State and declared the state as "no fly zone" due to worsening insecurity, the illegal miners simply relocated to Osun State to continue their illegal activity.

Instructively, after the ban, two Chinese were arrested for illegal mining. Adegbite later revealed that the miners were working for "Nigerians in high positions of authority" who were mounting pressure on the government to release them.

So far, hundreds of illegal gold miners have been arrested, including some Chinese nationals, but the activity festers like a bad sore.

On May 4, 2020 alone, 17 Chinese, 10 locals and one community leader were arrested in Ilesa and Ife areas by the Amotekun corps.

"The Chinese are the main culprits. Taking gold out of Nigeria illegally is economic sabotage because if you look at the quantum, the value is huge," he added.

With the huge revenue the country was losing, Minister of State in the Ministry of Mines and Steel Development, Uche Ogah, advocated capital punishment for the culprits. He lamented that private jet owners were aiding gold smuggling.

Sadly, despite the volume of activities on the mining fields and the increasing number of miners, the revenue from the sector has remained a paltry sum. Between January and August 2021, the finance minister revealed that Nigeria earned only N2.44bn as minerals and mining revenue, which is less than one per cent of the N754.16bn received as oil revenue within the same period.

Similarly, in 2019, the Nigeria Extractive Industries Transparency Initiative said in its report that royalties received from 39 minerals was N2.50bn, with limestone contributing 37.68 per cent, granite 31.31 per cent and gold 0.26 per cent, despite the volume of mining activities by illegal miners.

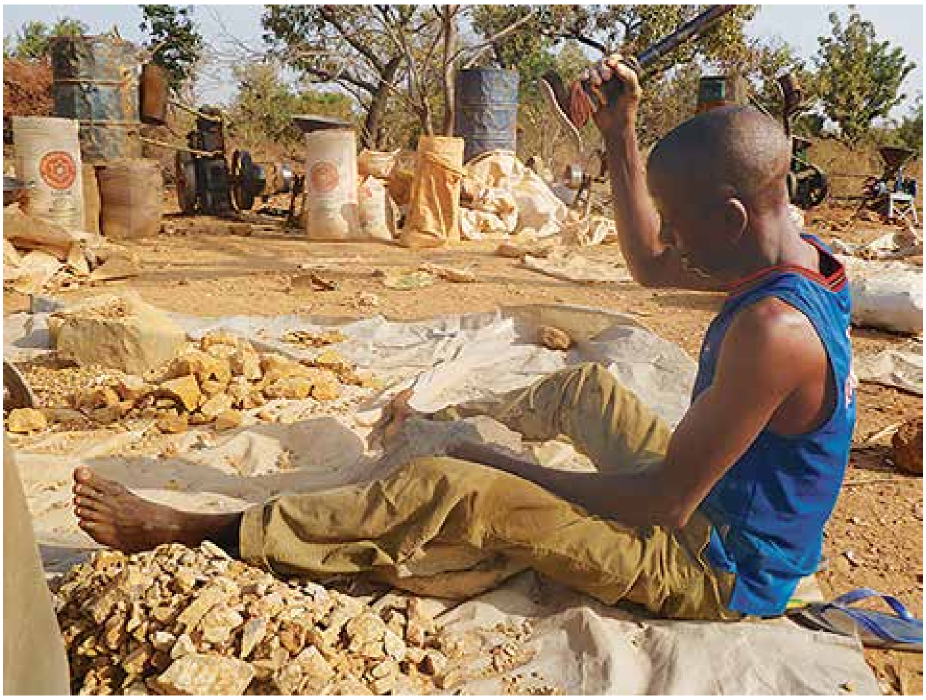
The Federal Government revealed that the country loses $9bn to illegal mining annually, with the little revenue in the sector coming from the three per cent royalty paid by the few licensed miners.

Why artisanal miners and not big investors dominate

Findings by our correspondent revealed that the dearth of licensed investors in the sector is largely due to the absence of a gold policy and lack of detailed geoscience data that could promote the country's resource potential, drive investment and help investors make informed decisions.

While many countries, including Ghana, South Africa, Botswana, Democratic Republic of Congo, Guinea Bissau and Asian countries like China and European countries like Russia, have attracted big investors to mine their gold and generating sizeable revenue from the value chain, Nigeria only begun the process of coming up with the all-important geoscience data few years ago.

The Director-General of the Nigerian Geological Survey Agency, the agency saddled with the responsibility of generating the geoscience data, Dr Abdulrazaq Garba, affirmed that the absence of the data had made the sector unattractive to big investors. He however pointed out that the National Integrated Mineral Exploration Project, anchored by the ministry and the agency, was among other things focusing on generating the data.



He told our correspondent in an interview, "You asked why investors are not coming? It is because we didn't generate our geoscience data in the acceptable format, which is why there is a proliferation of artisanal mining and not the big mining companies. If you don't have the data, you won't attract attention. That is essentially what NIMEP is working on providing and our people are on the field already.

"It is an expensive venture but President Buhari is committed to it. If we had started this 10 to 15 years ago, we would have passed this stage and in this time of scarce resources, revenue from that sector would have complemented our revenue, but we depended so much on oil. However, it's good we are doing it now.

"Saudi Arabia mines lead, gold and others today because they invested so much of their oil revenue in developing other mineral types. So, if other countries can do it, why can't Nigeria?"

Garba noted that the ongoing process had also helped to discover new minerals. "For example, somewhere close to the FCT, we were working on gold when we discovered that we have high concentration of wolframite which is used in toughening steel," he added. He said if the mineral was found in economic quantity, it would be helpful when Ajaokuta Steel Company starts operations and it could be exported.

In addition to the geoscience data, NEITI urged the government to expedite action on the proposed national gold policy to arrest further revenue loss and return sanity to the gold mining environment to make it attractive to world class investors.

Also, The Vice Chairman, Kian Smith Trade & Co., Ms Nere Teriba, stated that with its huge potential, Nigeria needed a gold policy, adding, "The policy for mining is there and it's fine. If there is any issue with it, maybe it's enforcement. The biggest focus for the government should first be the policy for gold."

Nigeria's enviable mineral occurrences

Nigeria is blessed with many minerals, in addition to limestone, crude and a few others that are already being exploited. Garba revealed that there are about 44 mineral types in 450 locations across the 774 local governments, adding that until their economic quantity was ascertained, they should be regarded as occurrences rather than deposits, even though they have potential for development.

Garba said Nigeria has "very vast" gold with occurrences in Niger, Osun, Kebbi, Kaduna, Kogi, Kwara, Zamfara, Katsina, Kano, Nasarawa and Bauchi states and the Federal Capital Territory, while Wolframite has occurrences in Kaduna, Kano, Bauchi,

Niger, Kwara, Zamfara and Nasarawa states same way Lithium has "vast" occurrences and could be found in Nasarawa, Kwara, Kaduna, Niger and Zamfara states.

In Ebonyi, Zamfara, Plateau states, some parts of Benue State and the FCT, there is silver, while Copper associated with minerals like lead could be found in Bauchi, Zamfara, FCT and parts of Nasarawa State.

He added, "We also have platinum group elements, cobalt and graphite and from our geophysical investigation, the quality of the graphite we have is good."

NEITI also added that minerals occurrences in Nigeria include granite aggregate, Laterite, Coal, Shale, Columbite, Tin Ore, Gypsum, Feldspar, Marble, Dolomite, Tantalite, Kaoline, Fluorite, QUARTZ, Basalt, Talc, Manganese, Barites, Zircon, and precious stones like Tourmaline, Topaz, Sapphire, Amethyst and Garnet.

Suffering amidst plenty

Meanwhile, despite being rich in these high-valued minerals, Nigeria has not only left them in the hands of illegal miners, it also spends its limited foreign exchange (forex) to import some of the minerals.

"That is the irony of Nigeria; it imports what it has in abundance and leaves its own resources untapped," said Dr Akinwumi Adesina, the President of the African Development Bank in his virtual address at the inauguration of Rotimi Akeredolu as governor of Ondo State in February 2021.

For example, Nigeria has huge bitumen deposit – the largest in Africa and one of the largest in the world, but the Minister of Works and Housing, Babatunde Fashola, revealed that government spends millions of dollars to import 500,000 metric tonnes of bitumen for road construction annually.

Adesina noted in the address, "The total value of bitumen reserves in Nigeria could be worth up to $1.5trillion, with an estimated 16 billion barrels in Ondo State. The potential state wealth from bitumen alone could be worth $657billion. The paradox however is that Nigeria spends over N300billion importing bitumen."

PricewaterhouseCoopers' Fiscal Policy Partner and Africa Tax Leader, Mr Taiwo Oyedele, also wondered why the country's fortunes dwindled despite being blessed with abundance of natural resources, including various solid minerals which remain largely untapped.

A professor of Applied Geology, Idowu Odeyemi, told our correspondent that Nigeria would only derive benefits from its solid minerals through regulation, honest leadership and proper handling of things.

Garba however told our correspondent that the current administration was working to develop the mineral "so we don't have to keep importing."

But for the neglect of the sector, the exploration of these minerals over the years would have helped the economy; increase government's revenue, save scarce forex, meet local demands for the minerals, generate employment for geologists, geophysicists and mining engineers the country produce en masse yearly, in addition to how the multiplier effect of the sector being active could have reduced the total dependency ratio and poverty levels.

NEITI admitted in its latest report that increased activities in gold mining in recent years did not reflect in production volumes or royalty payments, adding, "Gold has potential to attract foreign exchange for Nigeria. Unfortunately, the mineral has not received the attention it deserves in the form of investments. This has been left at artisanal operation and mostly smuggled out of the country."

While the Federal Government's debt stood at N35tn, the 36 states and the Federal Capital Territory that bear the 44 minerals are also enmeshed in debts. Their domestic debts alone was about N4tn as of March 2021, with a state like Zamfara – despite its gold reserve – having N101bn domestic debt as of June 30, 2021 and external debt of $29.64million as of June 30, 2020.

In spite of these, governments at all levels are on a borrowing spree to meet their obligations.

Adesina, at the Mid-Term Ministerial Performance Review Retreat organised by the President in October, stressed that the debt issue should be addressed, as he noted that Nigeria's debt service to revenue ratio was high at 73 per cent.

Nigerians paying for the cost of neglect

The country's forex earnings have largely been limited to oil revenue accounting for 75.4 per cent of export revenue and 50 per cent of government revenues, which could have been complemented by revenue from the solid minerals sector.

Consequently, the dollar scarcity has made naira volatile, pushing the exchange rate to N580 in September. This has however led to high cost of goods, and the impact is much for many given the unemployment rate at 27.1 per cent and minimum wage at N30,000 (about $72.9).

The Director-General, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, Ambassador Ayo Olukanni, said the shortage of forex, depreciation in exchange rate and huge import bill combined to produce the upward inflationary trend, which increased prices of goods and made life difficult for the people.

Also, a former deputy governor of the Central Bank of Nigeria, Kingsley Moghalu, noted that poor revenues, low forex supply and high demand contributed to the high exchange rate, with Nigerians having to bear the impact.

Meanwhile, Oyedele noted that the solid minerals sector, if developed, "would provide a source of revenue diversification for the country, including foreign exchange earnings to strengthen the naira in addition to economic development and massive job creation all of which would lead to more revenue for the government at all levels."

Illegal mining, a global challenge

Interestingly, illegal mining is not limited to Nigeria. From Ghana to South Africa, India and several other countries, it is a challenge, but due to regulation and the ability to attract major players to the sector, the other countries make substantial revenue from mining and it contributes significantly to their GDP.

In 2019, for example, the National Bureau of Statistics report showed that mining and quarrying contributed a meagre 0.26 per cent to Nigeria's GDP. In the same year, mining and quarrying contributed 12.6 per cent to Ghana's GDP; it contributed 8.2 per cent to South Africa's GDP and 15.1 per cent to Botswana's GDP.

The Global Mining Industry Development 2019 Report released by the China Geology Survey under the country's Ministry of Natural Resources showed that mining contributed over 20 per cent of GDP in over 20 countries, including African countries such as Angola, the Democratic Republic of Congo and Equatorial Guinea.

On how Nigeria's wealth is being siphoned through smuggling, Teriba, who spoke in an interview with CNBC, said government could discourage smuggling by making the royalty payable on gold to be commensurate with neighbouring countries, adding that this should be complemented by value addition to gold given the huge demand for products like jewelry by Nigerians.

She added, "If you have Benin Republic and Togo charging zero per cent royalty, Niger Republic one per cent and Nigeria three per cent, coupled with open border as a result of ECOWAS treaty, it is regular economics; the gold will go to where it is zero per cent."

Nigeria, a giant missing in action

Despite having a huge reserve, Nigeria,

the giant of Africa, is missing among the big players. Only Ghana, having been able to develop its solid minerals sector, was the only African country among the top 10 gold producers in the world.

The World Gold Council in its 2020 ranking released in June 2021 ranked China as the first, followed by Russia, Australia, United States, Canada, Ghana, Brazil, Uzbekistan, Mexico and Indonesia.

Interestingly, Nigeria had a remarkable history in mining, starting with ore mining in 1902, gold in 1914 and coal in 1916, all of which contributed greatly to its development and industrialisation. Specifically, it contributed to the construction of its first power plant, rail infrastructure as well as industrial complexes, until things slipped into inertia when the government took over mining from foreign companies.

At the moment, only about four refineries have been licensed in Nigeria, including Kian Smith Trade and Co., Segilola Gold Mining Company, which is listed on the stock exchange for gold mineralisation in Nigeria, and Dukia Gold.

In search of urgent, effective solutions

Economists and other stakeholders told our correspondent that the government needed to do more, including formulating the right policies and creating an investor-friendly environment if it hoped to generate revenue from the sector.

"Nobody eats potential," the AfDB president said, pointing out that the insecurity shrinking the investible space should be addressed and the structural bottlenecks limiting the productivity and the revenue earning potential of the huge non-oil sector removed. "Nigeria should significantly boost productivity and revenues from its non-oil sector," he added.

But according to a former Minister of Education, Prof. Tunde Adeniran, states should be allowed to tap their resources and pay taxes to the Federal Government. "The constitution that gives the federating units the right to tap their resources and pay taxes to the Federal Government is what we need. These minerals will be properly harnessed for development by the states," he added.

Speaking on this suggestion as previously canvassed by many other persons, Oyedele said this would help to address the neglect of the sector but that more should be done for a definitive impact. He added, "The biggest issue is with respect to ensuring that we have investors-friendly policies and legal framework as well as a safe and secured environment for private sector investors, both domestic and international, to come into the sector."

Also, an economist and former two-time Minister of Finance, Dr Kalu Idika Kalu, said the government should develop the right policies to curb the leakages, encourage people to develop the minerals and maximise the value chain.

He added, "We can't be so poor and people are coming to steal our gold while the government gets nothing. These minerals can be converted into secondary and tertiary products. I was surprised when I heard that some crucial parts of an aircraft are produced from minerals being exploited from all over the place. These are minerals many

Nigerians don't even know about."

Similarly, Teriba stressed the need for Nigeria to work on adding value to its gold to maximise revenue. "In Kano market, they have about 20,000 visitors from across West Africa, so the potential is huge," she said. "From our research, if you go to Italy, Dubai, India, they know Nigerians when talking about Africans who come to buy gold, so the demand is there."

A political economist, Prof Pat Utomi, shared a similar view. He said Nigeria should be talking about how to add value to its gold as it would generate more revenue and create jobs.

He explained a model he believed could work, "We can have an integrated produce and mining city, about 500-hectare estate, which would be focused on mineral beneficiation – value addition.

He stated, "Artisanal miners from several states would go there with their gold. We can locate one or two central processing beneficiation units and add value to them there. Those who want to use the products locally or export would buy from there.

"You tax the people working in this vast industry and you would generate revenue. That is what we have failed to do. We will make a lot of forex if we adopt this approach because we are adding value to our mineral."

He stressed that gold was more profitable when value had been added to it, noting that raw gold sold for N100,000 by a miner could be worth $20,000 once value had been added to it.

He added, "Chinese and others are taking away these minerals and making huge money from them outside the country, whereas we could have created hundreds of thousands of jobs from that value chain. Government would generate revenue from taxes on the products and on those jobs. That is a lot more than whatever you would get from the raw gold or the stones."

Meanwhile, the United States Agency for International Development warned that illegal and unregulated mining generate billions of dollars in illicit funds for crime, contribute to armed conflict, fund criminal networks, damage the environment and deprive the populace of the widespread prosperity they are entitled to. These might continue to be Nigeria's lot if it fails to quickly sanitise the sector.

ENERGY TRANSITION: NIGERIA SHOULD OPTIMISE ITS RESOURCES -SHELL MD

The Country Chair of Shell Companies in Nigeria, Mr. Osagie Okunbor, has advised that Nigeria should adopt a two-pronged strategy for its energy transition programme in response to global call to reduce exploitation of fossil fuels and production of Green House Gases (GHG).

Okunbor spoke while delivering the 51st Founders' Day Lecture of the University of Benin entitled "The Global Energy Transition and the Imperatives for Nigeria" where he called for an urgent optimisation of Nigeria's energy resources for a speedy economic and industrial development of the country.

"Nigeria has gas in abundance around 202 trillion cubic feet of proven gas reserves and about 600 trillion cubic feet of unproven reserves. Harnessing these vast gas resources, and on time too, is key in the next decade of Nigeria's existence," Okunbor said.

According to him, the second approach for Nigeria's successful energy transition would be an intentional growth of the off-grid power and renewables industry taking advantage of foreign financial support and technology transfer.

"The ongoing energy transition is here with us. As with other transitions, it is a journey that will involve multiple approaches, collective action and undoubtedly present new challenges and opportunities. Nigeria is well positioned to ride the wave of the current energy transition with its abundance of natural fossil fuels and renewable solar energy. We need to move with a greater sense of urgency and a clear sense of direction," he said.

Okunbor, who is also the Managing Director of The Shell Petroleum Development Company of Nigeria Limited (SPDC), said, "Nigeria, as a country with abundant natural fossil fuel resources, cannot afford for international and multilateral agencies to stop funding the development of fossil fuels, particularly gas projects."

"The transition is underway," Okunbor said, "but it will move at different paces and produce different outcomes in different countries depending on local factors. Society, as a whole, faces a dual challenge to transition to a low-carbon energy future, dealing with how to manage the risk of climate change, while also extending the benefits of energy to everyone on the planet. This is a challenge that requires changes in the way energy

Mr. Osagie Okunbor

is produced, used and made accessible to people."

Despite the efforts at decarbonisation, Okunbor said oil and gas would remain in the energy mix for some decades to come. "This is partly a consequence of the time needed for renewables to reach the necessary level of materiality. In part, it is also a consequence of the lack of substitution options in some parts of the economy. But the world will need to meet its energy needs at the same time as it tackles climate change."

He noted that to make the Federal Government's Decade of Gas agenda a success, the country would need to unlock the domestic gas-to-power value chain; accelerating infrastructure development; drive gas-based industrialisation; and deepen domestic liquefied petroleum gas penetration.

In addition, he said there was a need to build a stable regulatory environment anchored on a willing-buyer-willing-seller pricing regime; grow the export and regional gas market; and build local capacity and content for contractors and professionals in the gas sector.

He said: "A transformation of the global economy is required, especially in the power sector, transport, buildings, and industry – four main areas where energy is consumed and that produce a significant proportion of energy-related emissions of CO_2.

He also advocated a significant shift in the consumption of energy in power, transportation, buildings and industry as key areas that will determine the long-term energy mix. "To tackle climate change, power generation, for example, must evolve to use a combination of more renewable sources of energy, as well as natural gas – the cleanest-burning of the hydrocarbon fuels."

NCDMB TASKS PROJECT 100 COMPANIES ON JOB CREATION

By Abisola THOMPSON

The Nigerian Content Development and Monitoring Board (NCDMB) has tasked the beneficiaries of its Project 100 Companies on job creation and increasing the contribution of the oil and gas sector to Nigeria's Gross Domestic Product.

The Executive Secretary, NCDMB, Engr. Mr Simbi Wabote, gave the charge while speaking at the Project 100 Access to Market workshop in Lagos.

The workshop had as its theme: 'Facilitating Business Opportunities for Project 100 Companies.'

Wabote, represented by Mr Patrick Obah, Director, Planning, Research and Statistics, NCDMB, said Project 100 Companies was inaugurated in January 2019 to nurture 100 indigenous oil and gas service providers.

He said the beneficiaries were being supported through targeted financial and non-financial interventions in order to transform them into larger scale players that create high impact in the oil and gas space.

According to him, this is in line with the targets of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 and the Nigerian Content 10-Year Strategic Roadmap.

Wabote noted that Nigeria had over 36 million barrels of oil reserves and a proven 206TCF of gas reserves which create a huge opportunity for local Engineering Procurement and Construction (EPC) contractors.

He said the $350 million Nigerian Content Intervention Fund and the $40 million fund for Women in Oil and Gas were some of the strategic initiatives put in place to encourage indigenous companies in the sector.

Wabote said the Petroleum Industry Act had also created a clear fiscal framework for the industry, adding that the beneficiaries owed the government a duty to sustain its development plans.

He urged them to collaborate and bring in fresh ideas in their businesses in order for them to expand into regional and international players.

Also, Mr Abdulmalik Halilu, Project 100 Coordinator, said 60 of the companies had already been assessed by the board, while plans were underway to assess the remaining 40 beneficiaries.

Halilu said the board had also shortened the contract cycle in the oil and gas sector with

Wabote

the signing of the Service Level Agreement with stakeholders.

"As a government, our role is to support the private sector with very sound policies because it is important that we develop the private sector.

"We are targeting that local content in the oil and gas industry will be about 60 per cent by 2027.

"What we expect is a resilient local supply chain that will create jobs and contribute to expanding the tax pool of the Federal Government," he said.

Halilu added that the NCDMB would continue to partner with the National Petroleum Investment Management Services and other stakeholders to strengthen the capacity of indigenous companies.

Speaking on behalf of the beneficiaries, Mr Ose Ojemenkele, Managing Director, Adroit Investment Ltd., commended the NCDMB for the Project 100 Companies initiative.

He noted that the companies had made a lot of progress through mentoring, training, financial support and other interventions of the board, adding that they were ready for the task ahead.

OIL INDUSTRY KEY TO AFRICA FREE TRADE AGREEMENT –NCDMB BOSS

Technological advancements in the African oil and gas industry and proceeds from operations will play significant roles in industrializing the continent and actualizing the goals of the African Continental Free Trade Agreement (AFCFTA), the Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote has said.

He spoke in Lagos hinting that Africa's industrialization agenda is at the heart of AFCFTA and oil and gas remains a key part of the energy mix required for industrializing the continent and revenues obtained from selling the resources constitute key drivers of the economies of the African oil and gas producing countries.

The Executive Secretary's presentation was titled "Nigeria in the Unfolding Integration of African Market: The Oil and Gas Sector Perspective," and he explained that (AfCFTA) took effect from 1st of January 2021 and the agreement had turned Africa into the world's largest free trade area, connecting 1.3billion people with a combined GDP of about $3.4trillion. He added that AfCFTA was meant to address the low intra-regional trade in Africa estimated at 17 percent, compared to 69 percent obtainable in Europe and 59 percent obtainable in Asia.

Dwelling on the opportunities that could be realized by the Nigerian oil and gas industry against the AFCFTA agreement, he stated that the African oil and gas landscape provides huge opportunities for cross-border infrastructure to unlock development of stranded assets or bring energy closer to the people and such infrastructure also leads to lower unit development costs.

According to him, infrastructure like the West Africa Gas Pipeline (WAGP) and ongoing AKK gas transmission infrastructure can serve regional markets in West Africa and the Sahel region, while the SHI-MCI yard in Lagos can serve the wider African market being the only FPSO integration yard infrastructure in Africa.

Wabote also clarified that Local Content was not opposed to trade liberalization, stressing that no nation is blessed with the full list of natural resources, and can produce every product it requires. He added that "a country must be allowed to protect its areas of comparative advantage so that it can be utilized to trade for what it lacks. Discouraging local content laws and practice in the name of free trade is like fostering one-way trading which is not sustainable."

TCN PLANS FACELIFT TO ADDRESS INHERENT BOTTLENECKS

By Meletus EZE

The Acting Managing Director and Chief Executive Officer of Transmission Company of Nigeria (TCN), Dr. Sule Ahmed Abdulaziz has said the organisation is considering a facelift of its facilities across the country to address prevailing challenges.

Abdulaziz disclosed that efforts are being made to strategically transform TCN through the upgrade of facilities, prompt maintenance, rehabilitation, grid expansion, and manpower development.

Speaking during the commissioning of a new regional office in Port Harcourt, the MD said the company's move is in addition to focusing on the technical/ operational aspects of the company.

He revealed that the commissioned office project was part of efforts to upgrade TCN facilities in the region, adding that the move was initiated 11 years ago and passed through about four Managing Directors/CEOs before being finally fast- tracked in the last one year.

Dr Sule Ahmed

Abdulaziz said that the completion of the project within a short time is a demonstration of the commitment of the present management team towards ensuring that all TCN members of staff are given the support and enabling environment that they deserve. He tasked them to continue to work hard as a team.

According to him, the company's strategic plan includes paying attention to human capacity development even as TCN continues to implement its grid expansion program.

Also speaking at the event, the Executive Director, Transmission Service Provider (TSP) at TCN, Victor Adewumi stated that TCN is rehabilitating several substations and completing ongoing ones to improve grid capacity.

Within the Port Harcourt region, he said, TCN is rehabilitating about ten substations, most of which are being executed under the World Bank-financed projects.

Under the Siemens intervention project, he said, the Rumosi and Elemewon Substations will be rehabilitated, a GIS substation built, and several power transformers will be installed in different substations.

He said the region is sandwiched between eight power generating stations, saying that no other region in this country has such a high number of power stations.

He commended the ability of the region to efficiently evacuate power to the national grid despite the challenges they face as a result of the concentration of the power stations within the region.

FIRM REITERATES COMMITMENT TO DOWNSTREAM INVESTMENT

By Abisola THOMPSON

Quest Oil & Engineering Services Limited and owners of Ascon Oil Company has announced its reinvigorated strategy for the downstream sector.

Following the acquisition of Ascon Oil Company in 2019, the company has since embarked on a nationwide rebranding exercise to bring its brand assets under the Quest umbrella.

Capitalizing on its strategy to have a robust market presence, the indigenous energy provider has unveiled additional retail outlets in Lagos with the aim of providing value to its customers.

In addition, the firm is promoting a digitally friendly energy ecosystem through the deployment of Hi-Tech solutions across its service stations. The stations are strategically located at Ikota, Admiralty Way, Lekki Phase 1, Iju (Agege) and Isolo Road, all in Lagos metropolis.

Subsequent upon the signing into law of the Petroleum Industry Act by President Muhammadu Buhari, some analysts have expressed mixed reactions about plans by the Federal Government to fully deregulate the downstream sector.

According to the Chief Executive Officer of the company, Goke Dele, "our new expansion is aligned with the Federal Government's agenda to reposition the downstream sector, attract investment, increase efficiency and promote job creation and livelihood. Our retail stations are among the safest and most efficient in the country".

Furthermore, Goke said: "Every smart investor wants a partner with integrity and a long-term vision. This is the reason we have put extra measures to ensure product availability and cordial relationship with all our stakeholders. We are focused on providing excellent service by deepening digital penetration in the retail sector through our fully automated, fuel dispensing pumps and Point of Sale (POS) machines, which ensures high level of accuracy and efficiency," he said.

According to the Corporate Communications & Branding Manager, Gerald Moore, "our new brand identity signifies a renewed commitment to meet our customers' growing demand for value. However, beyond what Quest stands for which is excellence and trust, by expanding our service base, we have demonstrated capacity to scale and compete favourably".

NATIONS IN NEW $400B COMMITMENTS ON CLEAN ENERGY

New multi-billion-dollar commitments to increase renewables, access to electricity and clean cooking technologies were recently announced at a critical UN energy summit aimed at boosting efforts to reduce the ranks of nearly 800 million people living in energy poverty, while setting the world on a trajectory towards net-zero-emissions by 2050.

More than $400 billion in new finance and investment was committed by governments and the private sector during the UN High-level Dialogue on Energy, the first leader-level meeting on energy under the auspices of the UN General Assembly in 40 years.

Over 35 countries — ranging from Small Island Developing States to major emerging and industrialised economies — made significant new energy commitments in the form of energy compacts. Additionally, several new partnership initiatives were announced, aiming to provide and improve access to reliable electricity to over a billion people.

The new commitments would result in large increases in the installed capacity of renewable energy and significant improvements in energy efficiency around the world — leading to hundreds of new renewable energy facilities and the creation of millions of new green jobs.

For instance, Nigeria committed to electrifying 25 million people across five million homes by 2023 using solar technologies and creating 250,000 jobs, and also to giving 30 million homes access to clean cooking and energizing agriculture, textile production and cold storage using gas as a transition fuel.

President Muhammadu Buhari assured that Nigeria is continuing its transition to a low-carbon economy, consistent with achieving the Paris climate agreement and the SDGs.

“We intend to build a climate-resilient economy that effectively aligns with the SDGs and that has great potentials to unlocking the full opportunities in different sectors of the economy while protecting the resources for present and future generations,” he said.

The energy summit took place as world leaders grapple with the critical urgency to keep the 1.5 degrees temperature target of the Paris agreement within reach, and cut emissions by 45 per cent by 2030 while closing the energy access gap and providing more than one billion people who currently rely on harmful fuels with clean cooking solutions. The new commitments showcase the bold actions needed to meet the targets of Sustainable Development Goal 7 (SDG 7).

In addition to the announcements of commitments, the Dialogue will also produce a global roadmap for action and timelines needed through 2030 to meet the targets for clean, affordable energy for all set out in Sustainable Development Goal 7, towards net-zero emissions by 2050 in line with the Paris Agreement on Climate Change.

The roadmap, which will be presented in the summary of the Dialogue by the Secretary-General, called on governments, businesses and civil society organisations to close the energy access gap by 2030, and accelerate the clean energy transition by tripling investments in clean energy and energy efficiency by 2030.

It also called for phasing out coal by 2030 for OECD countries and 2040 for all others, and shifting fossil fuel subsidies to renewable energy investments, while creating new decent and healthy jobs and ensuring a just, inclusive transition.

The roadmap draws on inputs from expert working groups and was discussed at Ministerial-level forums in June.

Recent reports from the IPCC and UNFCCC have shown that countries are not moving fast enough on climate action to avert disastrous consequences and that even if countries met all their NDC commitments under the Paris Agreement, the collective impact would be only a fraction of what is needed to limit warming to 1.5 degrees Celsius.

In addition to mobilising voluntary commitments, the energy compacts can help by encouraging countries to outline the detailed set of energy actions that they have planned to meet their targets and providing an avenue to build partnerships and resources.

NIGERIA’S ELECTRICITY INVOICES AVERAGE N720B YEARLY, SAYS NBET

By Shile GIWA

Nigerian Bulk Electricity Trading (NBET) Plc has stated that it processes an average of N60 billion worth of electricity monthly from the national grid, translating to about N720 billion every year.

Managing Director of NBET, Dr Nnaemeka Eweluka, who disclosed this, noted that about N1.3trillion has been managed by the agency as funding by the Federal Government to support the sector.

Privatised in 2013, the nation’s power sector has been struggling to spark optimism as infrastructure challenges compound with technical capacity and other issues to cripple the performance of the sector.

Though President Muhammadu Buhari recently sacked the Minister of Power and replaced him with Abubakar Aliyu, most Nigerians, who currently struggle to pay for the increased electricity tariff, are tirelessly looking forward to improvement in electricity supply.

Eweluka, who had played host to the Minister of State for Power, Dr. Goddy Jeddy-Agba reassured the Minister of the agency’s readiness to continue to work in synergy with the ministry and other stakeholders to improve their services.

Dr Jedy-Agba said although the work done in the sector, especially by NBET is commendable, “Nigerians expect more because until the country achieves stable and sustainable power supply, we can’t rest.”

He insisted that expectations were high for results as there is a lot to do for Nigeria to achieve projected goals of the power.

While reiterating the importance of power supply to the country’s development, he noted that “you remain a key player in our industry and regardless of where you are, this administration’s objective is one as Mr. President wants to leave an indelible mark in every sector of the economy. We must work together to achieve this aim because the President and Nigerians will hold us all responsible if we fail.”

NBET’s General Manager, Corporate Services, Abba Aliyu, stated the agency parades the best brains in the commercial electricity value chain in the country

FG, NGX, OTHERS LAUD SEPLAT AWESOME WOMEN'S NETWORK INITIATIVE

By Meletus EZE

Seplat Energy Plc, a leading Nigerian independent energy company listed on both the Nigerian and London stock exchanges, has launched the Seplat Awesome Women's Network (SAWN) under its Seplat Gender Diversity programme.

The launch took place at the Company's head office in Lagos and was well attended by members of the Board, senior management and employees of the Company at a hybrid event.

The Vice President of the Federal Republic of Nigeria, Prof. Yemi Osinbajo, who was a special guest of honour at the event, congratulated Seplat Energy on the launch of the Sustainable Development Goal 5 (SDG5) initiative and other social impact initiatives in strategic communities' development projects.

The VP stated that SAWN is poised to drive policy discourse, positive corporate behavior, and will be an important contribution to improving action on gender equality. He advised that the fight for gender equality is not for women and girls alone, but for all those who take the pragmatic view that gender inequality is unaffordable for economic growth and development and advocated that men and women must have equal rights.

Earlier in his opening remarks, the Chief Executive Officer, Seplat Energy, Roger Brown, as the Sponsor of the Seplat Gender Diversity Programme, stated that the Seplat Awesome Women's Network (SAWN) has been created as part of the company's sustainable business approach and to spearhead its contribution towards the achievement of the SDG5 to achieve gender equality and empower all women and girls.

The CEO added that achieving gender equality requires intentional action and deliberate policies, and Seplat Energy is rolling up various policies and initiatives into a Diversity and Inclusion (D&I) Framework that is benchmarked globally and nationally. The Launch of SAWN, as a resource group for women, is the first of many initiatives of the D&I initiative which enjoys the support of the board of directors and management of Seplat Energy.

Seplat MD, Roger Brown

According to Edith Onwuchekwa, the Director Legal Services/Company Secretary, and the Gender Diversity Champion, SAWN is a gender equality vehicle to help Seplat Energy and its stakeholders to design, implement and develop programmes to mainstream gender in the company and the energy sector value chain. "With the actualization of SAWN's vision, Seplat Energy will be recognized as an employer of choice for engaging, retaining, and developing top female talent into various leadership positions across the Seplat value chain," she explained.

The Chairman, Dr. ABC Orjiako stated that as a leading oil, gas, and renewable energy company listed on the Nigerian and London stock exchanges, Seplat Energy is committed to the actualization of the UNDG and other initiatives to empower women to participate in all areas of the company.

Dr. Orjiako noted that Gender inclusion is a leading indicator of high-performing workplaces, adding that: "Where women are included, you will find better governance, equitable employment practices, flexibility that enhances productivity, greater innovation, more effective risk management, safer operations, and a better value proposition for all stakeholders in financial, social, and environmental terms."

Prof. Arunma Oteh, an Independent Non-Executive Director of the Company stated that the launch of the SAWN is a testament to Seplat Energy's commitment to achieve gender equality for the benefit of all stakeholders in the workplaces, meet its corporate responsibility and sustainability commitments, encourage economic and social conditions that provide opportunities for women and men, girls and boys; and foster sustainable development in the countries in which we operate.

Mr. Basil Omiyi, the Senior Independent Non-Executive Director of the Company stated that inclusion and gender diversity are powerful enablers of business performance, and companies that welcome diverse talents and perspectives are likely to emerge stronger, outperform industry peers on profitability, and creates a more productive, dynamic, and satisfied workforce.

The CEO of the Nigerian Exchange Group, Mr. Oscar Onyema, congratulated Seplat Energy on the launch of the SAWN. He stated that the initiative has the potential of being an economic game-changer, to lead to higher growth and increased economic stability. He encouraged the Company to continue implementing strategic measures targeted at preparing women to realize their potential and assume board and senior management roles.

The Launch of the Seplat Awesome Women's Network received widespread acceptance and encouragement by other attendees, Directors and employees of Seplat Energy present at the event. Lending their support, Mrs. HIC Orjiako (Managing Director Helko Nigeria Limited); Mr. Effiong Okon (Operations Director, Seplat Energy); Dr. Emma FitzGerald (Independent Non-Executive Director, Seplat Energy), Madame Natalie Dela Palme (Non-Executive Director, Seplat Energy) and Hajia Hauwa Umar (member, Seplat Audit Committee) congratulated the CEO and the Gender Diversity Champion, Mrs. Edith Onwuchekwa, on the launch of SAWN as a positive game-changer and pledged to support initiatives and programmes that will lead to the realization of in achieving the SDG 5 goals and objectives of SAWN.

NIGERIA'S PETROLEUM PRODUCTS DEMAND TO HIT 17.3 MILLION MT BY 2025 –NNPC

By Meletus EZE

The Nigerian National Petroleum Corporation (NNPC) says Nigeria's demand for petroleum products is expected to grow from 15.1 million metric tonnes in 2020 to 17.3 million metric tonnes by 2025.

Group Managing Director, NNPC, Malam Mele Kyari, made this known in a keynote address at the 15th Oil Trading and Logistics (OTL) Africa Petroleum Downstream Expo 2021 in Lagos.

The theme of the conference is 'Nigerian Downstream Oil and Gas Sector in Transition: Getting Set.'

Kyari, who was represented by Mr Adetunji Adeyemi, Group Executive Director, Downstream of the NNPC, said that Nigeria needed a refining capacity of about 1.52 million barrels per stream day (MBPSD) to meet its petrol requirement in the next four years.

The NNPC GMD noted the NNPC Refineries' 445,000 BPSD and Dangote Refinery's 650,000 BPSD running at 60 per cent and nameplate capacity respectively would supply 76 per cent of Nigeria's PMS requirement.

According to him, this will leave a shortfall of about 17 million litres of PMS daily.

He said: "NNPC is adding 215,000 BPSD of refining capacity through private sector driven co-location at the existing facilities in Port Harcourt Refinery and Warri Refinery respectively.

"Modular refineries are also adding capacities such as the 5,000 BPSD Waltersmith refinery which will be upgraded to 50,000 BPSD.

"Additional 250,000 BSPD is expected to come from the Condensate Refineries through the private sector partnership."

Kyari said the co-location and condensate refineries would close the PMS supply-demand gap and create positive returns to the investors.

He said about \$3.097 billion investment opportunities existed in condensate refineries while \$1.6 – \$2.7 billion was required by NNPC to improve the supply and distribution of petroleum of products.

The GMD said that it would also be used to revamp Liquefied Petroleum Gas infrastructure and build Compressed Natural Gas plants.

NNPC GMD, Mele Kyari

He said: "Key pipeline projects are on-going to assure delivery of the gas to the demand nodes.

"The Obiafu-Obrikon-Oben (OB3) project which brings gas from East to West is nearing completion. The 614km Ajaokuta, Kaduna, Kano (AKK) project, which was inaugurated by Mr President in June 2020, is progressing very well.

"These could add up to \$40 billion to annual Gross Domestic Product and create additional six million jobs."

Also speaking, Gov. Babajide Sanwo-Olu of Lagos State said Nigeria needs to reposition its oil and gas sector due to the global energy transition.

Sanwo-Olu, who was represented by Mr Olalere Odusote, the State Commissioner for Energy and Mineral Resources, emphasised the need for more collaboration among stakeholders.

He said: "The Lagos State Government is ready to drive the institutional framework that will provide a conducive, investor friendly environment to encourage and support private sector investments.

"Lagos State plays a pivotal role in the Nigerian economy as the Nation's commercial nerve centre and remains the focal point of the country's economic activity.

"The state government is fully committed to supporting private sector innovations targeted towards driving sustainable economic growth and making the state become a 21st century, low carbon economy."

In his address, Dr Emeka Akabogu, Chairman, OTL Africa Downstream, said that the COVID-19 pandemic and global energy transition have changed the dynamics of the petroleum sector.

TOTALENERGIES MOVES TO SUPPORT YOUNG ENTREPRENEURS

By Aliyu DANLADI

TotalEnergies Nigeria has announced the commencement of the third edition of its Startupper of the Year Challenge, designed to support young entrepreneurs in Nigeria and the African continent.

Mrs Olubunmi Popoola-Mordi, Executive General Manager, TotalEnergies Country Services, made the announcement during a virtual news conference in Lagos.

Popoola-Mordi said the Startupper Challenge was designed to support and reward young entrepreneurs between the ages of 18 and 35 who had created a company in the past two years.

She said the projects would be assessed based on their innovative character, feasibility and development potential as well as how they relate to the Sustainable Development Goals as defined by the United Nations.

According to her, the 2021 Startupper Challenge will take place in 33 African countries and is a reaffirmation of TotalEnergies commitment to the socio-economic development of the continent.

Popoola-Mordi said: "For Nigeria and in other countries, there will be winners in three categories.

"Best Business Creation Project, Best Startup under three years old and Best Female Entrepreneur.

"Each winner will be given N5 million financial support, personalised coaching and mentoring , networking opportunities as well media visibility."

She said the winners for Nigeria would thereafter compete with their peers from other African countries for the three grand prizes of Grand Winner, Best Business Creation, Grand Winner, Best Startup Under three years old and Grand Winner, Best Female Entrepreneur.

GAS: PRICE GALLOPING OUT OF HAND

*Despite last month's impressive production and importation figures for Liquefied Petroleum Gas, the cost of the commodity is defying all odds, rising almost weekly. The situation has aggravated public concerns and fear that the price of the commodity may get out of hand, **Abisola THOMPSON** reports.*

All things being equal, the disclosure by the Petroleum Products Pricing Regulatory Agency (PPPRA) that of the 76,578.986 metric tonnes (mt) of the Liquefied Petroleum Gas (LPG) supplied across the country last month, only 49,453.081mt was locally produced and 27, 125.905MT was imported.

In a statement, PPPRA's General Manager, Corporate Services, Mr. Kimchi Apollo, said Nigeria produces most of its LPG needs, praising the Federal Government's policies, including the National Gas Policy (NGP), Nigeria Gas Flare Commercialisation Programme (NGFCP), National Gas Expansion Programme (NGEP) and Decade of Gas Declaration as being responsible for the progress in the sector.

"It is worthy to note that the quantity of LPG sourced locally rose from 38,040.457MT in August to 49,453.081MT in September, while importation reduced from 47,224.346MT to 27,125.905MT," he said.

While Apollo's submission may be right given that the figures bandied showed that over 66.58 per cent of domestic gas supplied and consumed in September, was produced locally, the almost0weekly rising cost of the commodity may have affected the achievement.

Since April, the cost of LPG has been on the rise, from as low as N2,800, it reach an unprecedented high of N7,500 for 12.5kg. The cost of filling a 12.5kg cylinder of gas increased from an average of N6,200 in July, to N7,000 as of September, rising to N7,500 as at end of last week.

Market undersupplied

Hopes of a quick price recovery of cooking gas may be a tall order for now. The Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mele Kyari, warned that the price surge might linger until the volume supplied to the domestic market was increased.

Kyari, who gave reasons for the price surge during a visit to the Department of Petroleum Resources (DPR) headquarters in Abuja, assured Nigerians that the corporation was working with relevant agencies to ensure that the supply increased to bring

down the price of the product.

"Today, this country is undersupplied with gas; we can tell you that we are having difficulty filling our network across the country with gas. So that means that once supply is weak, it will affect pricing. Today, the supply mechanism of LPG is very weak. So, we are collaborating extensively to ensure that we are able to extract LPG from our gas resources so that it can be made available to the market.

"To make price more affordable, we are working towards providing more volume of gas into the domestic market. By doing this, we make it very close to home and extend the networks, once supply is high, it will definitely bring down the prices," he added.

VAT reintroduction

Several factors may have led to the rising gas price, including inadequate in-country supply, inflation, foreign exchange scarcity/naira devaluation and arbitrary charges by government agencies. Specifically, the reintroduction of Value Added Tax (VAT) on imported LPG after the Federal Government, in 2019, gazetted the removal of VAT on cooking gas to increase its domestic utilisation, is also said to be a major cause of the rising cost of the commodity.

However, in a turnaround, the DPR argued that the VAT had to be re-imposed on imported LPG to attract investments to gas production. This reintroduction of the 7.5 per cent VAT on imported cooking gas has placed the DPR and oil marketers at loggerheads.

According to Major Oil Marketers Association of Nigeria (MOMAN), the spike in the global price of LPG, which is largely imported and the inclusion of VAT to the already high price negate the government's policy on the adoption of LPG by Nigerians.

MOMAN, a key stakeholder in the downstream sector of the industry, appealed to the Federal Government to remove the 7.5 per cent VAT on the product, warning that the ta would hamper the adoption of gas and create a barrier to the objectives of the 'Decade of Gas' agenda of the government.

"I think one of the big discussions that is going is how that can be eliminated because the tax creates a barrier to the objectives of the Decade of Gas, which is to increase the penetration and adoption of LPG, among other things, as an alternative to biomass. So, we are hoping that there will be some headway in that direction," MOMAN Chairman, Mr. Olumide Adeosun, said, adding: "Unfortunately, we still don't produce sufficient domestic LPG; so we have to do a lot of imports and we are seeing a spike globally in the price of LPG. Domestically, what can we do? I think there have been discussions around the VAT that has been levied on the product."

Fears

Yet, the progressive hike in the price of cooking gas has led marketers of LPG to warn that if the trend continues, a 12.5kg gas may sell for as much as N10, 000 by year end. The marketers rued the supply shortage rocking the sector, which they blamed for the seemingly uncontrollable increases in the price of the commodity.

NCDMB COMMENDS TOTALENERGIES' LOCAL CONTENT ACHIEVEMENTS ON IKIKE PROJECT

From left: Director, Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Mr. Hassan Gambo; Chief Executive Officer TotalEnergies Nigeria, Mr. Mike Sangster; Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote and General Manager, Joint Venture Operations, National Petroleum Investment Management Services (NAPIMS), Mrs. Martina Atuchi cutting the tape for the load-out of the topsides of TotalEnergies Ikike Development Project at the Saipem Yard in Port Harcourt, Rivers State recently.

TotalEnergies has been described as the only international operating company in Nigeria that has been taking key financial investment decisions (FIDs) on major projects in the last ten years and kept faith with Nigeria's oil and gas industry. Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote gave the commendation at the load-out ceremony of the topsides of the Ikike Development Project at the Saipem Yard in Port Harcourt recently.

He said NCDMB is also delighted with TotalEnergies' commitment to sustained investment in the gas sector, with due considerations for renewable energy. "It is no surprise that within the last six months, President Muhammadu Buhari has twice given audience to the global chief executive of the company, Mr. Patrick Pouyanne, and Nigeria is keen to have strategic partners like TotalEnergies to enable us realize our targets especially in consideration of the enactment of the Petroleum Industry Act (PIA", he added.

He reiterated the Board's confidence in Total to keep its project funnel active through a robust portfolio of projects required to sustain utilization of established capacities and grow Nigerian Content as well as working collaboratively to earmark high local content commitments and targets. "As this Topsides sail to location for further work scope completions, you can be assured that NCDMB has also set out local content targets that must be met to sustain the job creation drive of the Federal Government", he stated.

The Executive Secretary confirmed that the signed Nigerian Content Compliance Certificate provided that the hook-up engineering and tie-in services, inspections and integrity works, pre-commissioning and commissioning, and marine services would be executed with over 95 percent Nigerian personnel with locally owned equipment and assets.

He commended Saipem Contracting Nigeria Limited (SCNL) and its sub-contractors for delivering the scope on schedule regardless of challenges brought about by the COVID-19 pandemic. He also hailed the technical and non-technical staff that worked on the project and ensured its delivery within a fabrication yard in-country. "Our mandate is to ensure that this is the case across all the various projects including NLNG Train-7", the Nigerian Content chieftain mentioned. He reassured industry stakeholders that the Board shall continue to remain its foremost partner in the development and industrialization of Nigeria.

In his speech, the Managing Director and Chief Executive Officer of TotalEnergies Nigeria, Mr. Mike Sangster declared that the Ikike Field Development Project is a further commitment of TotalEnergies to Nigeria and the growth of the oil and gas sector, after the Egina Project. He stated that aside from meeting the incremental 32,000 barrels per day, the project also aims to capitalize on lessons learnt from previous projects such as the OFON 2, OML 58 Upgrade to assure a development with strategic fit for context, maximize local content at sustainable cost, simplified design, economic, and consistent progress towards first oil.

He asserted that Ikike is a testament of cooperation and teamwork of all parties, and regulators namely Nigerian Upstream Petroleum Regulatory Commission, National Petroleum Investment Services and NCDMB. He added that the project has contributed immensely to the Nigerian Content development initiatives of the company through the construction of jacket modules, topsides, and risers in Nigerian yards, offshore campaign with vessels domiciled in Nigeria, and drilling with Nigerian companies which boosted local employment with about 3,000 direct and indirect jobs hence increasing local capacity and technical skills acquisition.

Speaking earlier, the Managing Director of SCNL, Mr. Walter Peviani, thanked TotalEnergies for entrusting the project in their capacity to deliver on time without Lost Time Injury (LTI) or incident amidst industry challenges and uncertainties including COVID-19. He said that the Topsides fabricated by Sapiem in collaboration with local companies and other sub-contractors was an in-country platform designed to be fully unmanned and remotely operated, heralding the extension of innovation and technology towards the new normal in the Nigerian oil and gas industry, having remarkable opportunities in technology transfer.

Present at the ceremony were the Director and Chief Executive of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Mr. Gbenga Komolafe represented by Mr. Hassan Gambo, a Director in the Commission and the Group General Manager, National Petroleum Investment Management Services (NAPIMS), Mr. Bala Wunti, who was represented by the General Manager, Joint Venture Operations, Mrs. Martina Atuchi.

The regulators both commended TotalEnergies for achieving the project one hundred percent in-country.

PIA WILL STIMULATE INVESTMENT IN THE OIL AND GAS INDUSTRY - WABOTE

The Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Wabote has stated that the Petroleum Industry Act (PIA) 2021 will enable the development of host communities, reduce funding pressure on Government, boost capacity development in identified skills gaps, and stimulate investment in the oil and gas industry in Nigeria. The Executive Secretary made the assertion at the Association of Energy Correspondents of Nigeria (NAEC) 2021 Strategic International Annual Conference held recently in Lagos`

Speaking through the Director, Monitoring and Evaluation, Mr. Tunde Adelana, he said the PIA will foster the development of critical infrastructure and enhance the utilization of Gas resources for national development. Engr. Wabote stated that the PIA provides legal governance, regulatory and fiscal framework for the oil and gas industry in Nigeria, and development of Host Communities. The Act, he further said, contains 5 Chapters, 319 Sections, and 8 Schedules dealing with Rights of Pre-emption; Incorporated Joint Ventures; Domestic Best Price, and Pricing Framework.

According to him, the PIA will bring about the formation of NNPC Limited, its Functions; Gas Flare and Gas Infrastructure; Midstream Operations; Fiscals, Taxes, and Royalties; and Host Community Development with a bid to engage the business of renewables. Engr. Wabote noted that the PIA Petroleum Profits Tax (PPT) replaces the National Hydrocarbon Tax, alongside royalties reduced for onshore areas, shallow water, deep offshore and frontier basins, and natural gas.

Speaking on other aspects of the oil and gas value chain, the Executive Secretary indicated that the midstream activities behoove operators within the sector to ensure the National Strategic Stock, enhance the decommissioning and abandonment fund and eliminate government's regulation on pricing of petroleum products. He also added that the Act will ensure gas flaring penalties, establishment of Midstream Gas Infrastructure, and special regulation for Midstream and Downstream Gas Operations as well as Natural Gas Prices for strategic sectors. In summary, he maintained that the Act will boost Local Content implementation in the oil and gas industry.

In a presentation on "Boosting the Nation's Economy through Gas Utilization", the Managing Director and Chief Executive Officer of Nigeria LNG Limited, Dr. Philip

Mshelbila discussed the context of energy transition in the light of cleaner, cheaper and sustainable energy. The Chief Executive who was represented by the Manager, Corporate Communication and Public Affairs, Mrs. Sophia Horsfall, stated that giant technological advancements have been made in the area of renewable energy and battery storage. However, renewables alone cannot meet the energy demand in a sustainable manner and natural gas is the next cheapest option. "It is the smart option to renewables", Dr. Mshelbila asserted.

Speaking earlier, the Conference Chairman and Chief Executive of Degeconeck Nigeria Limited, Mr. Biodun Adesanya set the tone for the international conference with the theme, "PIA: Energy Transition and the Future of Nigeria's Oil and Gas" where he stressed the need for participants to embrace the significance of the occasion and chart the way forward to effectively communicate rather than inform the public on government's policy on the gas revolution and energy transition.

In the same vein, the NAEC Chairman, Mr. Olu Phillips, commended the initiative of the Federal Government for its swift response to economic shocks the dwindling price of oil brought during the heightened state of the corona virus pandemic within the last quarter of 2019 and mid-2020. Mr. Phillips in his welcome address, indicated that the decisions of government brought about outcomes which formed the fulcrum of this year's international conference.

He hinted that from the Year of Gas declared in 2020 and aggressively elevated to a Decade of Gas in the first quarter of this year, Nigeria seemed to have found its path to restoration and a possible growth trajectory. A consensus, which he mentioned, arose from practical decisions amongst stakeholders to offer clean energy solutions in a sustainable manner.

NIGERIA AT 61: PENGASSAN SEEKS IMPROVEMENT IN OIL SECTOR

By Abisola THOMPSON

Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) has advised the Federal Government to make strategic improvements in the oil sector.

The Port Harcourt Zonal Chairman of PENGASSAN, Comrade Peter Onita, who stated this to newsmen at the new PENGASSAN Secretariat, in Port Harcourt, regretted that the oil sector has been the backbone of the nation's economy, but said it was not given due attention.

Onita said that there is nothing to celebrate Nigeria at 61, while expressing optimism that the Oil and Gas industry will improve with the signing into law the Petroleum Industry Act, PIA.

He said: "Nigerian at 61 years, when you look at the indices, whether economic angle, security, it is obvious that we still have a long way to go.

"As a nation I think we are crawling instead of walking in these 61 years. But the good news is that there is still hope if Nigerians will come together to be able to forge a common front for the good of all of us.

"We are alive is something to celebrate. For us we are celebrating life, with the optimism that we will have the opportunity to make Nigeria better than it is today.

"The oil industry has been the backbone of Nigeria sustainability in terms of finance to support the economy.

"Over the years the oil industry has been able to contribute their fair share. Are we where we are supposed to be, the answer obviously is no, but the good news is that the signing to law the PIA by the President is going to be a template for continuous and sustained activities in the industry, which will be good for us."

NIGERIANS CRY OUT TO BUHARI OVER HIGH COST OF COOKING GAS

Nigerians have cried out to President Muhammadu Buhari over the high cost of Liquefied Petroleum Gas (LPG), otherwise called cooking gas, in the country, urging him to take drastic measures to crash the price of the product in the interest of the masses.

From Lagos to Kano, Kebbi, Bayelsa, Cross River, Port Harcourt and Benue, many households lamented that the cost of the product has risen beyond their reach, urging the President, who doubles as the Minister of Petroleum Resources, to take urgent steps to make it as affordable as it once were if he loves poor Nigerians as he claims.

Recall that earlier on October, marketers of LPG expressed concerns over the supply shortage and persistent increase in the price of cooking gas and cylinders in Nigeria.

The marketers had warned that the 12.5kg cylinder of cooking gas, which then sold at between N7,500 and N8,000 could rise to N10,000 by December if the government fails to address the crisis.

Executive secretary of the National Association of LPG Marketers, Mr. Bassey Essien, who gave the warning, blamed the hike in the price of the product on the recently introduced import charges and Value Added Tax (VAT) by the Federal Government, saying, "the price of cooking gas may as well reach N10,000 for a 12.5kg cylinder."

In Kebbi State, a National Youth Service Corps (NYSC) member serving in Jega, Francis Oluwayomi, said the product has become a luxury in the area.

"Here, it is 700 per kilogramme (kg) and the marketers are threatening that that the prices would still go up. In the past, I used to fill the gas up, but now, I just go there and tell them to sell N3,000 worth of gas, because I can't kill myself. A lot of people have retired their cylinders and started using coal to cook but that one is even becoming expensive. I am fed up."

A resident of Port Harcourt, Seyi Abidoye, said a 12.5kg cylinder retails for between N8,500 and N9, 000, saying the situation was unbearable.

"Rent, food, school fees are all going up every day. The cost of living is getting out of hand. I bought it at N7, 500 just last month and it has gone up by N1, 000 in less than a month. The dealers are adding money every other day. This is not sustainable for us. Early this year, this same cylinder was less

than N4, 000; today it is more than double the price. Only God knows how much we would buy it towards Christmas when gas is usually scarce here," he said.

According to Nancy Adenike, who resides in Ipaja area of Lagos State, "two weeks ago, I bought my 12.5kg for N7,200; the same day by evening it had become N7,500."

Oluseun Olofin, a resident in Ayobo area of the state, said: "It is really sad, which way is the country going? The cost of practically everything you need for survival is on the increase. The country is becoming unbearable for the masses."

Adebusola Ishola, a resident in Ikotun area of Lagos, also said: "A kilogramme of gas, which used to cost N300, now goes for N700. This is getting unbearable for us. I wonder what would happen as we approach the festive season.

"I just bought gas yesterday at N8, 200 for 12.5kg," he added.

Investigations shows that in Kano State showed that a sizable number of residents have resorted to using firewood and charcoal as an alternative to cooking gas due to the new price regime.

A resident, Alhaji Kabir Muhammad of Tudun Wada quarters, Kano metropolis, said the hike in the price of the product has taken a heavy toll on his life as an average income earner.

Muhammad said he had been using the product for over a decade now due to its affordability and accessibility but could no longer afford it now.

Another resident, Labaran Habib of Jaen Quarters in Gwale local council area, said it has practically become impossible for him to fill his 12.5kg since the price shot up. He explained that a 12.5kg cylinder sold at N3,500 in the state six months ago as against the current price of N8,000.

Residents of Calabar, the Cross River State capital, also decried the continuous rise in the price of cooking gas, stating that it has never been this bad in the history of Nigeria.

A resident, who identified herself simply as Mrs. Affiong, lamented the constant increase, saying she filled her 7kg cylinder last week for N5,600 at the rate of N800 per kg.

"In the past three months, I have been spending more than usual on filling my cylinder. Every time you go to gas station, they give you a new price. It is frustrating and my gas only last for one month. How do we cope with this in this country," she asked.

A spinster, Anabel Ojong said: "I can no longer fill my 3kg cylinder since the price of gas increased to N700 per kilogramme and now N850. Most times, I only fill a kilogramme that would last me for one week. And it's not just gas. The price of foodstuff is increasing on a daily basis; the masses are suffering. I wonder why the government derives pleasure in punishing the citizens." She lamented.

One Mr. Benedict Ekpenyong claimed that because of the increase in the price of gas, his family cooks once a day.

"I have told my wife to cook just once a day. We no longer warm our food; we eat our lunch and dinner cold. I cannot afford to be filling 12.5 kilogrammes at N800 and sometimes N850 and that will not even last for one month. To tell you the truth, in the past three months, I could only afford to fill four kilogrammes. It has never been this bad," he lamented.

It was the same tales of lamentation in Benue State, where a woman, Josephine Tsueka, told The Guardian that due to the daily rise in the price of cooking, she has resorted to the use of firewood and charcoal to cook.

SEPLAT GETS GOVT SUPPORT IN QUEST TOWARDS ENERGY TRANSITION FOR COUNTRY'S GROWTH

By Olamilekan FAWAS

SEPLAT Energy Plc has disclosed its readiness to champion the quest to improve Africa's energy access by repurposing its operations with a focus on cleaner energy.

This came from the decision to make sure that Seplat is committed to carbon neutrality upon the realisation that something must be done by everyone concerning decarbonization. This, as Nigeria's government said to achieve its energy transition plan – universal access to energy by 2030; zero carbon emission by 2050; and industrialisation to alleviate poverty and drive economic growth – it will partner with Seplat Energy.

Vice president, Prof. Yemi Osinbajo, at the second Seplat Energy Summit, held at the Transcorp Hilton, Abuja, where the company transitioned from an oil and gas company to an energy company with renewables and cleaner energy the priority, said the transition is laudable as the company has put the right leg forward and the company, with others, will assist the country to meet its net-zero emissions plans by 2050 through the COP26 Energy Transition Council process.

Represented by the Minister of State for Environment, Sharon Ikeazor, Prof. Osinbajo said Nigeria's energy transition cannot be limited to incremental steps but transformational steps, adding: "Nigeria needs a broader set of policies that must align with energy security, which must foster a smooth energy transition across various levels of energy demands, and gas will continue to play a critical role in Nigeria's energy transition which will create lots of opportunities in Nigeria's energy value chain. Over the next decade, every energy segment in Nigeria will be affected by this shift in energy supply and demands."

Seplat Energy Plc Chairman, Ambrose Orjiako, said to achieve the cleaner energy provision goal, they plan, with associates, to replace all of the wood people use in homes with the use of Liquified Petroleum Gas, LPG, which is cleaner energy. The transitioning to an energy company aligns with global trends in energy transition where there is proactive planning for a world where fossil fuels will start to decline in the global energy mix and aligns with the company's renewed focus on the entire energy value chain with an emphasis on cleaner and more sustainable forms of energy to power Nigeria.

Orjiako said the company believes that gas is the transition fuel, and "Seplat today delivers 50 percent of gas needs in the country. We are very aligned with the Federal Government's initiative in this regard and we can only see this increasing. Replacing diesel generators with cleaner renewable energy will solve Nigeria's power deficit."


Vice President Osinbajo

He stated that one of the ways the company is focused on making sure the environment is well protected, aside from launching its 'Tree for Life' project to plant trees that would create jobs and improve the environment from the first quarter of 2022, is its determined commitment towards ending gas flaring in all of its operations by 2024, six years ahead of government targets.

Energy transition

Minister of State Petroleum Resources, Timipre Sylva, said the ministry endorsed Seplat Energy as the flagship company to drive Nigeria's energy transition, while he calls for multiple pathways to energy transition to ensure that no country is left in the process of achieving net-zero emission by 2050.

Sylva said it was important to ensure massive efforts towards increasing energy efficiency and productivity by facilitating changes in consumption patterns and lifestyle choices which will expand renewable energy for power supply and directions within and across the country, stressing: "we believe that renewable energy offers favourable prospects for localised entities, because of the complexities of technology transfer, and the intensity of the slow, and medium-scale for segments."

One of the keynote speakers, Pulitzer Prize-winning author, and energy commentator, Daniel Yergin, who spoke on the need for the global shift from fossil fuel to other energy forms, called for more diversity in the energy mix to improve energy access.

He said: "The more diversity you have in your energy mix, the more energy security you have." Yergin took the audience on an enthralling ride on the base of his book, "New Map -Energy, Climate Change and the Clash of Nations," and provided enlightenment on the various issues of geopolitics and energy in the era of rising political turbulence fueled by the call for transitioning and why some countries are skeptical to transition.

Ms. Damilola Ogunbiyi, the CEO and Special Representative of the UN Secretary-General for Sustainable Energy for All in her presentation on "Balancing Sustainability Revolution with Energy Poverty – Lessons from around the World", said African countries must realise the opportunities inherent in transitioning to cleaner energy to improve energy access for the continent's growth.

The Group Managing Director of Nigerian National Petroleum Corporation, NNPC, Mele Kyari, said gas resources would help Nigeria to close the gap in the transition to clean energy. The summit had in attendance ministers, governors, members of the National Assembly, royal fathers of Seplat Energy's host communities, leaders of public and private institutions, investors, and heads of shareholders groups. Seplat leveraged the energy summit to unveil its new logo.

Roger Brown, Seplat Energy CEO said the name change reflects the company's belief that the greatest opportunity ahead is to supply the right mix of energy for Nigeria's young and rapidly growing population. The summit examined how to tackle Africa's electricity deficit against the background of the challenge of climate change and stakeholders at the summit say Nigeria, Africa's largest economy, must play a crucial role in leading the continent's energy transition as improving access to energy is essential to the country's economic growth.

At the first panel session during the summit, Mike Sangster, the CEO of Total Energies Nigeria raised concern about the capital cost of renewable energy which he claimed is much higher than the capital cost of traditional energy although the recurrent cost of renewable energy is cheaper. Sangster said, "Financing is one of the major issues that need to be addressed," as he noted that most of Nigeria's renewable energy projects need power purchase agreements that are bankable. "Africa needs more energy which must be clean and net-zero fossils not zero fossils," Sangster said.

PIA WILL BOOST NIGERIA'S OIL PRODUCTION BY 317%, SAYS FG

By Abisola THOMPSON

The Federal Government has said that the implementation of the newly enacted Petroleum Industry Act (PIA) will boost the oil production capacity of Nigeria by about 317 per cent to four million barrels per day (bpd) from the current level of 1.2 million bpd.

Disclosing this in his keynote speech at the 2021 Seplat Energy Summit in Abuja, Minister of State for Petroleum Resources, Chief Timipre Sylva, stated that this would enable the oil and gas sector contribute more to the economy.

Sylva also said that government has rejected a single pathway concept to energy transition and net zero carbon, explaining that energy transition is a process, not an instant destination.

He stated: "The PIA 2021 will undoubtedly assist in harnessing Nigeria's potential to achieve its plan of increasing oil production to 4mb/d and oil reserves from 37bbls to 40bbls, while also drawing on the country's estimated 600TCF of natural gas reserves to provide clean and efficient energy.

Timipre Sylva

"These resources will be crucial in supplying world markets with a broad portfolio of energy options, as well as supporting the global endeavour to alleviate energy poverty as envisioned in the United Nations' Sustainable Development Goal 7".

According to the minister, Nigeria will continue to explore and invest in the development of hydrocarbon resources while pushing for the use of gas as transition fuel. He explained that gas would be central to Nigeria's plan for energy transition.

"First is the focus on gas. For us, this is at the heart of the energy transition and represents the first step in the journey to renewables, away from oil. Already, we have declared that gas is our transition fuel, and also represents a destination fuel, as we envisage that it will be part of our energy mix by 2050, given the vast resources that can be commercialised and utilized," he added.

Meanwhile, the chairman of Seplat Energy Plc, Dr. ABC Orjiako, said the company has set 2024 as the target to end gas flaring in all of its operations.

He stated: "Seplat Energy delivers over 50 percent of gas supply in Nigeria. Seplat is to remove gas flares by 2024. Our plan is to replace all of the wood we use in homes with the use of Liquefied Petroleum Gas which is a cleaner energy."

ASSET OWNERSHIP KEY TO NIGERIAN CONTENT DEVELOPMENT - WABOTE

Indigenous service companies in the Nigerian Oil and Gas Industry have been advised to invest in asset ownership because it is a major yardstick used by the Nigerian Oil and Gas Industry Content Development (NOGICD) Act to define Nigerian companies and confer advantages on them.

The Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote gave the advice on Friday in Port Harcourt, Rivers State while commissioning PIMO Services Ltd's new facilities and equipment.

He explained that the acquisition of important assets defined genuine Nigerian businesses who are not middlemen or commission agents but are positioned to offer top-notch services in-country.

He added that investment in assets also proves that Nigerian businesses are taking up the challenge to grow their outfits and contribute to in-country capacities and capabilities.

Assets commissioned by the Executive Secretary included Operational Bases I & II of PIMO Services and their newly acquired equipment, which included Hydro Hammer with the capacity of 200 kilo Joules, Internal Lifting Tools with the capacity of 250 tons, up to 42-inch diameter Conductors and Casing Running Tools, and many other state of the art tools to service the oil and gas industry.

He expressed delight that the acquisition of the modern tools and equipment afforded the company's engineers and technicians the opportunity to develop requisite skills and competence to handle various jobs thereby enhancing engineering capabilities within the country.

While commending the management of the company for investing and contributing significantly to the growth of the Nigerian Oil and Gas sector, Wabote added that the investments also supported the Board's 10-year strategic roadmap aimed at increasing the level of Nigerian Content in the Oil and Gas sector to 70 percent by 2027.

He noted that PIMO Services was the second facility he was commissioning in Port Harcourt since the outbreak of COVID-19 pandemic in March 2020, describing it as signs that better days were gradually returning to the oil and gas industry.

He called on other oil and gas service providers to emulate PIMO Services in their focus and dedication, adding that growth of oil and gas facilities needs to be worked on steadily till full rewards are realized.

In his remarks, the Managing Director of PIMO Services, Mr. Pius Uwhubetiyi stated that some of the equipment and tools it acquired were the only ones in Nigeria. He noted that the company's investment in Hydro Hammer would save project promoters about 90 days that are normally spent importing and exporting the equipment for projects, while another major equipment saved Total Energies about US$600,000 when it was deployed on Ikike Field Development Project.

He added that the company was working to become the first firm to produce casing accessories in Nigeria, adding that it had the capacity, competence, and character to deliver on areas of expertise.

DUPORT MODULAR REFINERY SET FOR COMPLETION DECEMBER –NCDMB

Chief Executive Officer, Duport Midstream Company Limited, Dr. Akintoye Akindele (right), explaining the status of the project to Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Wabote (middle) and Engr. Kashim Ali, member of the NCDMB Governing Council (left) during a recent inspection visit to Duport Energy Park at Egbokor in Edo State.

The Executive Secretary of the Nigerian Content Development and Monitoring Board, Mr Simbi Wabote, has said the Duport Modular Refinery in Edo State is on track to be completed before the end of December 2021.

Wabote said this during an inspection visit to Duport Energy Park situated at Egbokor in Edo, according to a statement.

"The project is being developed with equity contribution from the NCDMB in line with the Federal Government's policy of catalysing modular refining, which is geared towards increasing in-country refining of petroleum products, adding value to crude oil resources, and creating jobs from oil and gas operations," it said.

Wabote indicated that the installations and civil works at the plant as well as all mechanical works would be concluded before December 23, 2021, adding that the gas gathering facility would also be completed by the first quarter of 2022.

According to him, the local content opportunities on the project are numerous, with 100 per cent of the total workforce being Nigerians, from the clearing of the site to the civil works.

He said all the contracting and sub-contracting phase of the project went through local businesses.

"I am impressed. It is part of what we try to do at NCDMB when we take up any project, we follow it through end to end to see that it is delivered, and we are very optimistic this will also be delivered at the right time with the right quality," Wabote said while giving his impression over the progress of work done at the project site.

MARKETERS TO LEVERAGE TECHNOLOGY FOR PRODUCTS' MONITORING, STANDARDISATION

By Shile GIWA

Industry players, under the Petroleum Products Retail Outlet Owners Association of Nigeria (PETROAN) are seeking to improve quality assurance in the downstream segment of the nation's petroleum industry through technology.

Inaugurating a Quality Assurance and Quality Control (PQAQC) compliance team for national, regional and state levels operations, the marketers said the move is backed with an application called 3P.

Also known as Petroleum Product Passport, the technology is expected to enable marketers to monitor quality and quantity of petroleum products sold at various outlets nationwide.

Speaking at the launch of the programme in Owerri, President of PETROAN, Dr Prince Billy Harry, said the idea behind the introduction of the 3P is "to ensure clean and accurate supply of petroleum product supplies for Nigeria, from all retail outlets nationwide."

He said the PQAQC team would have to monitor the outlets to ensure that the project is not compromised.

"The 3P app will enable our network, and even the stakeholders in the industry to standardize activities in the chain across the regions and states," Harry said.

Harry stated that the success of the initiative rests on the retail outlets, adding that "All retail outlets are required to retail only quality petroleum products approved and supplied by the authorities."

According to him, products by the members must be accurate as approved by authorities, as the association would enforce compliance to ensure that the projected objectives become realistic.

Harry noted that the application would ensure uniform petroleum products quality and quantity.

"PETROAN is the touch point with the end consumer. This makes us the most important functional point in the entire petroleum product supply chain," he said.

Harry disclosed that the application would run on the heavy network of over 35,000 retail outlets, and more than 15,000 licensed DPR petroleum storage facilities (fuel dumps) scattered nationwide.

The outlets, Harry stressed, would ensure optimal distribution of petroleum products all over the nation, and also ensure that all impediments confronting her members in the course of transactions are nipped at the bud to pave way for the public to enjoy seamless and equitable service delivery

He stated that PETROAN has unified all marketing associations as well as outlet owners in the petroleum products,' downstream sector in Nigeria, "and has restored hope and future to real licensed petroleum gas outlets owners by reducing excessive charges, intimidation and molestation by touts who disguise themselves as government officials."

FG EXPLORES RENEWABLE ENERGY TO ACHIEVE 30GW GRID CAPACITY BY 2030

By Abisola THOMPSON

The Federal Government has announced plans to deploy 30 per cent of renewable energy technology to grid power capacity by 2030.

The Minister of Industry, Trade and Investment, Niyi Adebayo, explained that the move is in line with the federal government's plan to increase the current capacity of 5GW to 30GW in the next nine years.

The Minister, who was represented by the Deputy Director, Industrial Development, John Opaluwa, at the second edition of Sustainable Use of Natural Resources and Energy Finance (SUNREF) Nigeria Programme investor conference, assured that the ministry had been making efforts to attract investors into the country to boost industrial activities and achieve economic growth.

"We will bring renewable energy efficiency innovators to interface with potential investors and financiers into the sector. We are encouraging organisations and companies to adopt and invest in technological innovations to meet global best practices," he said.

He added that the benefits of investing in renewable energy and energy efficiency cannot be overemphasised, stating the need to give the sector serious consideration.

According to him, renewable energy provides access to alternative sources of energy that are more sustainable and reduce dependence on fossil fuels, saying that rapid population growth and increase in industrial activities have led to a significant increase in energy consumption resulting in increase in environmental pollution and economic difficulties.

He stated the need for economic managers to prioritize substantial investment into the implementation of the renewable energy solutions and energy efficiency measures.

Also speaking, the Team Member, Project and Structured Finance, sub-Saharan Africa, Access Bank, Chukwudumije Igwe, said the SUNREF would sponsor projects that are innovative, meets technical eligibility, energy efficient and renewable.

In his words: "SUNREF is a fund that has been made available by Agence Française de Développement (AFD) to back renewable and energy efficient projects. Access bank is one of the disbursing banks and we are looking forward to reviewing and accessing projects that meet eligibility and also the risk criteria.

Niyi Adebayo

"The total size of the fund is $70 million and has been shared between Access Bank and UBA. We are also looking for eligible projects to disburse this fund to."

We know that a lot of the SUNREF projects are power and renewable projects and we know how critical infrastructure is to Nigeria and we know the federal government cannot do it alone.

"The private sector is key and we also know that bridging this gap would involve private sector and development finance institutions. This is why this is very critical and we hope that the fund would bridge a whole lot of the nation's infrastructure gap." Also speaking, the Team Lead, SUNREF Nigeria, Javier Betancourt, said the renewable sector has so far remained forgotten by financiers but becoming a more important subject matter, saying that this is why banks are becoming more involved in the sector.

"The $70 million is largely not enough but a start. What Nigeria needs is in the billions because over 80 million people in Nigeria are completely out of electricity while the remaining 100 million are somewhat electrified. The investment needed is enormous. $70 million does not even begin to cover it, but it does help start things," he said.

He said access to finance to fund renewable energy projects requires long term financing that is not available in the country.

"This fund we are bringing in will be longer terms with a minimum of five years and these are concessional lending rates which would help to finance these projects. It is difficult to give an exact approximation on the amount needed by the renewable sector to bridge the nation's energy needs, but just because Nigeria needs another 14GW of energy, the investment required would be about $10 billion in total.

"It is a drop in the ocean, but it is an important drop because it will help move this sector to get the appropriate finance," he added.

FG SEEKS EARLY COMPLETION OF PROJECT, ADMITS CHALLENGES ON SUPPLY

By Meletus EZE

The Federal Government has admitted that grid-related challenges impede the dispatch of the nation's 13, 000 megawatts electricity.

This comes as the Minister of Power, Abubakar Aliyu, asked contractors to complete the Zungeru power plant, where the nation is expecting about 700 megawatts of electricity.

Aliyu had told African Development Bank (AfDB) during a visit that the majority of the nation's generated electricity remained underused, adding that the development made it difficult to harness investment opportunities.

Aliyu, who had appreciated AfDB for intervention in certain areas of the Power sector, stated that more intervention was needed.

He also noted that plans were on to provide renewable energy by the engagement of independent power producers, which would ultimately increase the energy supply to the National grid.

While receiving consultants and contractors in charge of consortium for the Engineering, Procurement and Construction (EPC) of 700MW Zungeru Hydroelectric Power Project, Aliyu also noted that the Federal Government would address the challenges faced by the contractors in the discharge of their duties which borders on Security, COVID 19, cost adjustment owing to the extra work outside the contracted sum and the delay in release of fund by China Exim Bank.

77 FIRMS OWE GOVT $6.48B, SAYS NEITI

By Abisola THOMPSON

The Executive Secretary, Nigeria Extractive Industries Transparency Initiative (NEITI), Dr Orji Ogbonnaya Orji, has said 77 oil and gas firms are owing the country $6.48 billion in unpaid taxes and royalties.

Orji, at a media parley on the status of EITI implementation and the agency's mid-year scorecard in the past seven months, maintained that the debts skyrocketed due to the non-remittance of petroleum profit tax, company income tax, education tax, value added tax, withholding tax, royalty and concession on rentals by the defaulting oil and gas firms.

A breakdown of the figures shows that a total of $143.99million is owed as petroleum profit taxes (PPT), $1.089billion as company income taxes (CIT) and $201.69 million as education tax. Others include $18.46million and £972,000 as Value Added Tax (VAT), $23.91million and £997,000 as Withholding Tax, $4.357billion as royalty oil, $292.44million as royalty gas, while

Orji Ogbonnaya

$270.187million and $41.86million were unremitted gas flare penalties and concession rentals.

The NEITI boss noted that N2.659 trillion could have covered the entire capital budget of the Federal Government last year or even used to service the Federal Government's debt of $2.68billion in 2020. He explained that the disclosure is important and timely in view of the government's search for revenue to provide infrastructure. He added that the amount, which is even higher than the entire projected oil revenue for the year, if recovered, could fund about 46 per cent of the country's 2021 budget deficit of N5.6trillion.

"This is why NEITI is set to work with the government to provide relevant information and data to support efforts at recovering this money," Orji stated.

He further listed achievements recorded since his appointment in February to include re-constitution of the NEITI Board; commencement of process to review NEITI Act; timely publication of audit reports and securing permanent office accommodation for the agency after 17 years of renting.

Others include the appointment of NEITI into the implementation of the PIA committee; commencement of the development of a five-year NEITI Strategic Plan (2022-2026); NEITI Audit Automation Project; NEITI's appointment to lead the global EITI Contract Transparency Network; Designing of a new Interactive website and reconstitution of the civil society and communication sub-committee.

SHELL POISED TO MAKE NIGERIA GAS HUB WITHIN GULF OF GUINEA

The Shell Petroleum Development Company of Nigeria Limited has said it is well-positioned to transform Nigeria into a gas hub within the Gulf of Guinea as energy transition initiatives headline global activities.

Country Head, Corporate Relations, SPDC, Igo Weli, stated this in his remarks during the 7th annual public lecture of the Federated Correspondents' Chapel of the Nigeria Union of Journalists, Bayelsa State Council, in Yenagoa.

Weli represented by the SPDC Government Relations Adviser for Bayelsa, Owei Bubo, also said that the oil company was already a major player in the nation's Natural Gas Expansion Program introduced in the year 2020 and targeted at making the country utilise its vast gas resources effectively.

He said Shell companies in Nigeria were also working with the Federal Government of Nigeria to build a network of gas plants and pipelines to help bring power to the country's growing industrial and commercial sectors.

Weli said, "This infrastructure will also increase the export of liquefied natural gas (LNG) to meet global demands for power and heating.

"In Bayelsa State, Shell Nigeria Gas signed an agreement with the Nigerian Content Development and Monitoring Board, (NCDMB) to provide gas infrastructure to the NCDMB industrial gas park in Polaku. NCDMB estimates the park could generate over 30,000 local employment opportunities.

"As the only wholly owned Nigerian subsidiary of an international oil company in domestic gas distribution, (Shell Nigeria Gas), SNG, is a symbol of Royal Dutch Shell's commitment to clean, sustainable energy access and security in Nigeria and across the globe."

Weli stressed that the Assa North/Ohaji South Gas Development Project in Imo State expected to be one of the largest gas facilities in Nigeria, as well as others located at Lagos, Oyo, Ogun, Abia and Rivers States, are examples of Shell's long term commitment to Nigeria.

He called on traders and businesses that had traditionally used petrol and diesel generators to power their light and equipment, to now have Shell Nigeria Gas Limited supply natural gas to Independent Power Project (IPP) consortium that provides electricity to the areas.

Weli equally used the occasion to challenge journalists to justify the trust reposed in them by the public by religiously sticking to the ethical standards of the journalism profession in their reportage.

He further said, "If reportage does not realise these responsibilities and continues to propagate only coverage that emphasises and provides fodder for insecurity, picketing of premises of corporate citizens and generally make the environment rougher for business operations, with no respect for rule of law, then we should not be surprised when government is unable to provide the infrastructure for better life.

"We- community people, corporate citizens and the public – are all looking to you, the Media, to continue to overcome the challenges that we recognise you face and deliver these services right all the time; helping us to shape up for a future that stares at all of us."

UPSTREAM COMMISSION BOSS ASSURES OF INCREASED INVESTMENTS IN OIL SECTOR

By Abisola THOMPSON

The Nigerian Upstream Regulatory Commission (NURC) says the Federal Government is committed to shoring up the nation's oil production quota and boosting investments in the upstream segment of the oil and gas industry.

NURC's Chief Executive Officer, Mr Gbenga Komolafe, said this in a podcast address to staff of the commission in Abuja.

He urged them to work together with the board and executive management to spur economic growth in the sector.

The new commission which replaced the defunct Department of Petroleum Resources (DPR) is tasked with the responsibility of regulating the technical and commercial activities of the upstream sector of Nigeria's petroleum industry.

Komolafe called for joint effort to build a strong organisation with capacity to positively change the narrative in the upstream sector of the economy.

He said NURC's establishment would translate to landmark transformation.

The CEO said this was expected to usher

Ggbenga Komolafe

in massive investment for enhanced revenue to fund Nigeria's social budget, as upstream activities were critical to the Nigerian economy.

"Oil and gas sector is at a critical and significant moment in the life of the industry whereby energy transition from fossil fuels to cleaner energy is competing with the need to raise the bar of crude oil and gas production from the current level of 1.4 mbbls/d to 2.4 mbbls/d.

"We are not unmindful that the expectations are high, but we are quite determined to surmount the tasks ahead and hit the ground running," he said.

Komolafe noted that the executive management team planned to get the buy-in of all the staff members in achieving the expected results.

He said that his leadership approach would be anchored on inclusive management.

Komolafe said that with the passage of the Petroleum Industry Act (PIA), the industry was in a significant era where the local and international communities were eagerly awaiting their performance.

According to him, they are determined to deliver a 21st century upstream petroleum regulator anchored on the principles of effective and efficient services, transparency, professionalism and cost consciousness.

He applauded President Muhammadu Buhari and the National Assembly for the passage and assent to the PIA.

Komolafe said the team was committed to laying a solid regulatory foundation that future generations would build upon, especially with the clarity provided by the PIA which defined the boundaries of the job.

"Our focus is to build a completely brand-new organisation with a new vision, mission, culture and ethos in line with international best practices.

"And this will entail our handshake across the border and frontier of Nigeria with similar international regulatory agencies," he said.

He reassured staff and management of the agency of the security of their jobs, adding that he would do all in his capacity to address issues of workers' welfare and give priority to good industrial relations.

"Human capital capacity development will be stringently pursued to ensure high standard of professionalism at all times.

"In our drive to ensure best practices for a 21st century regulator, we shall equally focus on digitalisation of our activities at all levels," he said

TOTALENERGIES TO SET UP AUTOGAS STATIONS IN ABUJA, LAGOS

By Aliyu DANLADI

TotalEnergies Nigeria PLC says it is setting up two Compressed Natural Gas (CNG) stations in Abuja and Lagos, which will be operational in the first half of 2022.

It's Managing Director, Dr Samba Seye, made the announcement while speaking at the 15th Oil Trading and Logistics (OTL) Africa Petroleum Downstream Expo 2021 in Lagos.

The conference has at its theme, 'Nigerian Downstream Oil and Gas Sector in Transition: Getting Set.'

Represented by his Advisor, Mr Charles Atiomo, Seye said the move was part of TotalEnergies commitment to global transition with a target of net-zero carbon emissions by 2050.

He said the company's production and sales mix would change significantly by 2030.

"It will be 50 per cent gas; 35 per cent oil and liquid biofuels; 15 per cent electricity, mostly renewable.

"By 2050, the mix would be 40 per cent renewable power, 40 per cent gas and 20 per cent liquid products.

Seye said it was also in support of the autogas scheme of the Federal Government, which was inaugurated to convert vehicle engines in the country from petrol and diesel to CNG.

He said the company was optimistic that more CNG stations would be set up if the government continued to initiate policies to deepen gas utilisation and profitablity.

Seye, however, noted that there was need to reduce the cost of conversion kits and other sources of renewable energy in order to encourage more Nigerians to embrace the switch.

Also, Group Managing Director, Nigerian National Petroleum Corporation (NNPC), Mallam Mele Kyari, said the Petroleum Industry Act was an enabler of midstream and downstream gas development.

ENERGY TRANSITION: WHAT COMPANIES, INVESTORS CAN DO TO STAY AHEAD –ABC ORJIAKO

By Abisola THOMPSON

In recognition that one of the biggest challenges in Energy Transition is the continuous discordant tunes that are being sung across the world, Dr. ABC Orjiako, Chairman, Seplat Energy Plc believes that the best of this new journey can only be achieved in a collaborative manner leveraging technology and innovation.

He spoke on October 19 at the 2021 Milken Institute Global Conference themed "Charting a New Course".

The Milken Institute Global Conference is an annual convening of global leaders in government, finance, health, academia, industry and philanthropy. The Milken Institute, an independent economic think tank publishes research and hosts conferences that apply market-based principles and financial innovations to social issues in the US and internationally.

At the global conference, Orjiako's panel focused on "Energy and Commodity Markets: Structural Bull or Earthbound?" His words: "We must develop a coordinated and coherent approach to energy transition with the specific needs of several geographies in consideration".

Orjiako's panel provided insights on how few markets have seen more fundamental changes than energy and commodities. The experts at the panel responded to issues such as – How accelerated demand for microchips has led to rising metal prices, decarbonization and how electric vehicles are disrupting the energy market, and top companies supporting initiatives such as the broad deployment of hydrogen.

His panel also looked at what energy and commodity firms and investors can do to stay ahead of the game; and how they are supporting policy or developing effective programmes; as well as what incentives can help accelerate decarbonization and a more sustainable approach in the face of a growing climate crisis.

While responding to Seplat Energy's timeline for Energy transition and how he sees this happening, Orjiako said: "I think one of the biggest challenges in Energy Transition is the continuous discordant tunes that are being sung across the world. The recent bull market experienced in the commodities market particularly with oil and gas is due in part to the uncoordinated planning of the

pace of Energy Transition. The real message is that net zero emissions does not equate to zero fossil fuels."

He further told the teaming audience that massive withdrawal of funding for fossil fuel projects has led to a market imbalance where with every slight rise in demand comes a sharp increase in commodity prices "as seen in the recent uptick in the price of coal."

"Energy transition must be done in a collaborative manner where there must be a balance between net-zero /carbon neutrality and energy poverty in Africa and much of the developing world. To put this in context, Nigeria for example with a population of over 200 million people has installed grid capacity of 12,500MW, availability of grid power to the population is only 3,000 – 4,000MW. 25,000MW off-grid power is supplied by diesel generators", Orjiako noted.

"Over 60percent of the population has no access to electricity and rely heavily on biomass and kerosene for cooking. The challenge remains: how do we prioritize a transition to renewables overnight without addressing the energy poverty that exists with the available fossil fuel. Nigeria cannot afford to not utilize its over 200Tcf of gas reserves in the bid to address the UN SDG7 as it pertains to universal energy access. This gas reserves will leapfrog the transition", he said.

On whether it is possible for oil price to go towards $100 per barrel (/bbl) given the recent demand surge and the example scenario where coal plants cannot sustain demand in China for instance, he said: "It is a possibility that oil price will go beyond $100/bbl in the near term".

"The bull market is not isolated and oil prices will experience volatility in the long term. The phenomenon of Energy transition has been around for a while – e.g. the transition from coal to oil and then to gas. Energy transition in the past typically took about 100 years and keeps evolving over time. The current energy transition push is mainly driven by climate change and the urgency of now; however, it will not happen overnight," Orjiako further said.

According to him, the current energy transition is also driven by politics, climate activism and policies whereas in my view the energy transition should be driven by technology and innovation in a coordinated manner by all players. "The recent call by the UN Secretary General for a complete stop to funding fossil fuel projects I consider as policy activism and contradicts the UN SDG7 aspiration as the current requirements cannot be met by renewable energy sources alone".

A more pragmatic approach in Orjiako's opinion will be to invest in the technologies that will drive net zero aspirations as well as engage policies and incentives to encourage carbon capture and sequestration.

"In Seplat Energy for example, we are implementing a flares out programme to be delivered in 2024 (2.8MT of carbon emissions), six years ahead of the Federal Government's target year of 2030.

"We also see opportunities in Gas monetization as an added benefit of our flares-out programme. We have also launched our Seplat Tree for Life campaign as a way to naturally capture carbon through tree-planting. This campaign will also address the "S" in ESG with social impact, providing jobs and mobilizing youth participation in the programme. This demonstrates and further underscores the need for a sustainable approach to the solving the problem rather than defunding fossil fuel projects," he noted.

"At Seplat we have changed our name to Seplat Energy to repurpose our organization to lead Nigeria's Energy Transition. It is a mix; we continue to leverage our upstream business focusing on applying technologies to reduce carbon intensity in our operations. Midstream business where we maximize the opportunities in Gas and the New energy business where we focus on renewables in off-grid and solar", the chairman told the audience.

Over the past 5 decades or more, the global energy and commodity markets have been ruled by a combination of factors, ranging from geopolitics, scramble for market control by producers and consumer nations, global economic influences, and policies of the global economic superpowers, versus the economics of poverty amongst the developing economies.

Currently, the impacts of the COVID-19 Pandemic and climate change action have added a new dimension and complexities to the supply-demand fundamentals. The global energy and commodities market will continue to witness continued swing between the bulls and the earthbound phenomena, which will lead to long term volatility in energy prices.

The current bull's market is driven by an uncoordinated energy transition programmes by different economies while energy poverty prevails in Africa and other developing economies.

While responding to question on whether there should be Carbon Tax, Orjiako noted that "the right pricing for carbon emissions offset credits as opposed to a carbon tax is actually an incentive that will be quite useful in driving Energy Transition". To him, there needs to be a universal, standardized acceptable way for measuring emissions, offsets, and credits across board.

"Flares out programme may not translate to carbon credits for and oil and gas company however, investments over and above in for example: GHG capture programmes should translate to carbon credits for the company", he added.

"We are also looking at the area of deforestation and health hazards in homes brought on by domestic use of biomass for cooking in Nigeria. To address this, we have identified LPG penetration. The benefits of this are preservation of the forests and promote health of our people.

"Another way to leapfrog to renewables is through the proliferation of solar energy. The Federal Government of Nigeria instituted the "Solar Naija" Programme to deliver solar power to 5 million homes. This is commendable however when compared to the massive energy gap we will still require support from our enormous fossil fuel resources to achieve our universal energy access aspirations", Orjiako said.

Speaking further on where the Energy for the future will come from amid population growth (about 2 billion people by 2100) which shows that there will be more demand for power, chairman of Seplat Energy said: "The balance is in the mix. As people migrate both geographically and socially to higher income status, the demand for energy will grow rapidly. This demand cannot be met by just one energy source. Ultimately the percentage contribution of fossil fuels will taper off as that of renewables in the mix grows over the coming years. However, the absolute contribution of fossil fuels to the energy mix will remain about the same."

He noted that the current global demand for oil is about 100million barrels per day and projections show that in 2050 even with natural decline, "oil will still contribute about 40percent to the energy mix as against current contribution of 55percent today, but total demand will still be at about 100million barrels or more because of the increased demand brought on by population growth."

"We will need to revisit the Paris Climate agreement and provide adequate investments in technology and investment as well as promote the right policy framework to keep temperature rise below pre-industrial levels rather than a focus on defunding fossil fuels," he added.

NCDMB TASKS PROJECT 100 COMPANIES ON JOB CREATION

By Abisola THOMPSON

The Nigerian Content Development and Monitoring Board (NCDMB) has tasked the beneficiaries of its Project 100 Companies on job creation and increasing the contribution of the oil and gas sector to Nigeria's Gross Domestic Product.

The Executive Secretary, NCDMB, Engr. Mr Simbi Wabote, gave the charge while speaking at the Project 100 Access to Market workshop in Lagos.

The workshop had as its theme: 'Facilitating Business Opportunities for Project 100 Companies.'

Wabote, represented by Mr Patrick Obah, Director, Planning, Research and Statistics, NCDMB, said Project 100 Companies was inaugurated in January 2019 to nurture 100 indigenous oil and gas service providers.

He said the beneficiaries were being supported through targeted financial and non-financial interventions in order to transform them into larger scale players that create high impact in the oil and gas space.

According to him, this is in line with the targets of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 and the Nigerian Content 10-Year Strategic Roadmap.

Wabote noted that Nigeria had over 36 million barrels of oil reserves and a proven 206TCF of gas reserves which create a huge opportunity for local Engineering Procurement and Construction (EPC) contractors.

He said the $350 million Nigerian Content Intervention Fund and the $40 million fund for Women in Oil and Gas were some of the strategic initiatives put in place to encourage indigenous companies in the sector.

Wabote said the Petroleum Industry Act had also created a clear fiscal framework for the industry, adding that the beneficiaries owed the government a duty to sustain its development plans.

He urged them to collaborate and bring in fresh ideas in their businesses in order for them to expand into regional and international players.

Also, Mr Abdulmalik Halilu, Project 100 Coordinator, said 60 of the companies had already been assessed by the board, while plans were underway to assess the remaining 40 beneficiaries.

Halilu said the board had also shortened the contract cycle in the oil and gas sector with the signing of the Service Level Agreement with stakeholders.

"As a government, our role is to support the private sector with very sound policies because it is important that we develop the private sector.

"We are targeting that local content in the oil and gas industry will be about 60 per cent by 2027.

"What we expect is a resilient local supply chain that will create jobs and contribute to expanding the tax pool of the Federal Government," he said.

Halilu added that the NCDMB would continue to partner with the National Petroleum Investment Management Services and other stakeholders to strengthen the capacity of indigenous companies.

WHY THE NAIRA IS ON FREE-FALL

The persistent free-fall of the naira is an indication that none of the interventions being applied by the monetary authorities has worked.

Otherwise, there would have been some respite for the beleaguered currency, even minimally.

The way things are going, the naira's predicament is like an ailment that wants to kill the victim because, sadly enough, the root of the problem is overlooked while wrong interventions are being applied. Wrong diagnosis leads to wrong treatment with possible death of the victim.

In the 80s, while in the university, we did a course – The Structure of Nigerian Economy. From independence in 1960, Nigeria's economy had structure. After the civil war in 1970, the economy was revamped as agriculture and industrial production boomed.

The most dramatic intervention on the naira was the recent shutting out of Bureau de Change operators from accessing foreign exchange from the Central Bank of Nigeria (CBN), a practice that has been going for years and apparently only in Nigeria.

Added to that is the existence of several exchange rates that are applicable to different people and situations in addition to the parallel and official exchange rates. The other day, the CBN Governor, Godwin Emefiele, stated that the only exchange rate he recognises is the Investors and Exporters (I&E) rate, stressing that he does not recognise any other rates in the market.

In the same vein, some people were calling for the resignation of Mr. Emiefiele, as if he is responsible for the ugly fate of the naira. The naira's depreciation dates back to the mid-80s during the Gen. Ibrahim Babangida military regimes' Structural Adjustment Programme (SAP). Mr. Emiefele is cracking a hard nut that whosoever takes that mantle, under the prevailing circumstances in Nigeria, would face the same ordeal. There is no magic about it.

At the last count, the naira exchanged for N571/$1. The CBN allowed the naira to float against the US dollar and other major currencies. It is like staging a fight between the tortoise and the elephant, the result would be tragic. The elephant will crush the tortoise under its huge legs and the blame will go to those who staged the fight in the first place.

The CBN's decision left the naira in disarray. Now, the government is in a dilemma over what to do. It is easy to

start a bush fire but most difficult to stop it. The naira is floating, indeed, tumbling freely with nothing to hold or support it. There is apprehension that except the economy is rejuvenated for productivity, rather than the current consumptive regime, the naira might plummet to N1000/$1 or more.

An economic analyst, Chukwuemeka Iheonunekwu, Founder/Head of Probusiness Consults, recently expressed that anxiety. He said the free fall of the naira is a hydra-headed monster that requires diverse and intensive intervention. Nigerians are anxious, especially over the mounting hardship triggered by the naira collapse.

It is worthwhile to ask if there is a red line in the free fall of the naira. What is the target? Or is the float limitless? Except there are limits set, which are being closely monitored by the CBN, the naira, under the present circumstances, could fall to an unthinkable level. The snowballing effect of the floating naira exchange rate has become the worst nightmare. The entire economy is bleeding; ordinary Nigerians are suffering untold hardship.

How did the country come to this sordid pass? Nigeria was a net producer and exporter of industrial and agricultural goods from which she derived foreign exchange. Unfortunately, the long military interregnum that followed destroyed the economic structure leaving the country with oil diseconomy.

Today, the economy has no structure. Agriculture is no longer reckoned with. The oil industry is grossly mismanaged. The naira has nothing to support it. All the interventions are ad-hoc and knee-jerk with no profound impact on the economy. The CBN alone cannot prop up the value of the naira by fiat.

Unfortunately, the country is confronted with a blood-sucking insurgency and banditry that have created a devastating insecurity that will allow neither agriculture nor industrial production to take place. The situation is akin to war. There is no normalcy in the economy. That is the root of the forex crisis. And not until the situation is over would there be respite for the naira and the economy.

My greatest worry borders on the shutting down of companies/industrial firms and the resulting job losses at a time when millions of young graduates are idle with no jobs. The depreciation of the naira has triggered the worst economic downturn since the end of the Nigerian Civil War. Companies are shutting down due to their inability to withstand the shock.

The foreign exchange crisis caused millions of dollars earned by international airlines to be trapped in the country. The Federal Government had introduced a fiscal policy through the CBN that restricted access to foreign exchange and transfer of funds out of the country. After government cancelled the special exchange rate used by the airlines, some billions airlines' funds reportedly stuck in the country.

Besides, the bloated foreign exchange rate has pushed the cost of travelling to an astronomical level, thereby drastically reducing the number of air passengers. The exit of the associated service companies could lead to the job losses. In the shipping industry, the story is the same. Reports had it that no fewer than 20 shipping companies have shut their operations in Nigeria due to unfavourable government policies thereby threatening the jobs of thousands of dock workers. The Nigerian Ports Authority (NPA) may also sack some dock workers as there are no jobs to do.

Furthermore, the Manufacturers Association of Nigeria (MAN) had lamented that some 272 firms have shut down due to the restriction placed on 41 items by the CBN. The items were delisted from the official foreign exchange window, leaving the companies that make use of the items to source foreign exchange from the parallel market. MAN also disclosed that the scarcity of forex has forced many small-scale businesses to close shop with as many as 180,000 job losses. To date, millions of people have been laid off their jobs. The catalogue of woes besieging the country as a result of the new forex regime is unending. The question is how much longer would the situation worsen before something is done about it?

Before the naira was devalued, there was too much debate for and against the move. While the antagonists contended that devaluing the naira without productive base would compound our problems by way of hyperinflation, the supporters argued that devaluation was necessary as a means of attracting foreign investors. President Buhari initially resisted the move but later succumbed, which is strange. Before the devaluation, Nigerians were in a better position to judge who, among the protagonists and opponents was right. Starting from the supporters club, it is pertinent to ask, to what extent has devaluation attracted investors? Rather than new investors rushing to Nigeria, those already in the economy are exiting. What signs are there that the present gloomy economic situation would turn out good without a return to agriculture and industrial productivity?

On the other hand, all the fears expressed by the opponents to devaluation are manifesting beyond imagination. This particular devaluation has triggered the worst inflation in Nigeria since independence, with a paint bucket of garri, Nigeria's main staple food, costing N1000 from N80 in 2000; and a bag of 50kg rice selling for over N35,000 from N8000. The price of every consumable in the market is beyond reach. The result is untold suffering, malnutrition, kwashiorkor, sickness, pain and death.

Nigeria is an import dependent economy, which requires foreign exchange availability to function. While there is nothing wrong in trying to retune the economy to be inward-looking, the feat cannot be accomplished overnight by executive fiat. A strategic return to agricultural and industrial productivity is the only solution to the naira mess. The naira should be supported with foreign exchange earned through export of industrial and agricultural goods. The current import dependent economy is suicidal.

LOW-INCOME COUNTRIES' DEBT RISES TO $850BN IN 2020 – WORLD BANK REPORT

By Shile GIWA

Low-income countries' debt rose by 12 per cent to 860 billion dollars in 2020, the International Debt Statistics (IDS) report of the World Bank says.

The report was released at the World Bank/International Monetary Fund (IMF) Annual Meetings in Washington.

The report said that governments around the world responded to the COVID-19 pandemic with massive fiscal, monetary and financial stimulus packages.

It added that the stimulus packages were aimed at addressing health emergency, cushioning the impact of the pandemic on the poor and vulnerable and putting countries on a path to recovery.

According to it, even prior to the pandemic, many low- and middle-income countries were in a vulnerable position, with slowing economic growth and public and external debt at elevated levels.

"External debt stocks of low- and middle-income countries combined rose 5.3 per cent in 2020 to 8.7 trillion dollars."

The report said that an encompassing approach to managing debt was needed to help low- and middle-income countries assess and curtail risks and achieve sustainable debt levels.

It said the deterioration in debt indicators was widespread and impacted countries in all regions, adding that across all low- and middle-income countries, the rise in external indebtedness outpaced Gross National Income (GNI) and export growth.

"Low- and middle-income countries' external debt-to-GNI ratio (excluding China) rose to 42 per cent in 2020 from 37 per cent in 2019 while their debt-to-export ratio increased to 154 per cent in 2020 from 126 per cent in 2019.

"In response to the unprecedented challenges posed by the pandemic and at the urging of the World Bank Group and the IMF, in April 2020, the G20 launched the Debt Service Suspension Initiative (DSSI) to provide temporary liquidity support for low-income countries.

"The G-20 countries agreed to extend the deferral period through the end of 2021.

"In November 2020, the G20 agreed on a Common Framework for Debt Treatments beyond the DSSI, an initiative to restructure unsustainable debt situations and protracted financing gaps in DSSI-eligible countries."

It, however, said that overall, in 2020, net inflows from multilateral creditors to low- and middle-income countries rose to 117 billion dollars, the highest level in a decade.

Also, that net debt inflows of external public debt to low-income countries rose by 25 per cent to 71 billion dollars, also the highest level in a decade.

It said that multilateral creditors, including the IMF, provided 42 billion dollars in net inflows while bilateral creditors accounted for an additional 10 billion dollars.

David Malpass, World Bank Group President, said there was need for a comprehensive approach to the debt problem, including debt reduction, swifter restructuring and improved transparency.

He also said that sustainable debt levels were vital for economic recovery and poverty reduction.

Carmen Reinhart, Senior Vice President and Chief Economist of the World Bank said economies across the globe face a daunting challenge posed by high and rapidly rising debt levels.

"Policymakers need to prepare for the possibility of debt distress when financial market conditions turn less benign, particularly in emerging market and developing economies."

The IDS is a longstanding annual publication of the World Bank featuring external debt statistics and analysis for the 123 low- and middle-income countries that report to the World Bank Debt Reporting System (DRS).

The report also supports policymakers and analysts by monitoring aggregate and country-specific trends in external debt in low- and middle-income countries.

It provides a comprehensive picture of external borrowing and sources of lending by type of borrower and creditor with information on data availability and comparability

NIGERIA'S DEBT CRISIS: HOW FOREIGN LOAN UNDER BUHARI TRIPLES PAST GOVTS' COMBINED FIGURE

A Premium Times examination shows the current administration has taken by far more loans than any other government since 1999, contradicting a claim by the Senate finance committee.

Nigeria's public debt has risen the most under the Buhari administration when compared to previous governments since 1999, and foreign debt has grown three times more than the combined figure recorded by the past three administrations, a PREMIUM TIMES analysis of the government's domestic and foreign debts has shown.

While the Obasanjo government met $28 billion as foreign debt in 1999, it left $2.11 billion in 2007 after successfully securing a write-off by the London and Paris clubs of foreign creditors.

The Yar'adua/Jonathan government added $1.39 billion to what they met, and the Jonathan government incurred additional $3.8 billion, taking the country's total foreign debt to $7.3 billion when that administration came to an end in 2015.

Nigeria's external loan reached $28.57 billion by December 2020, meaning an extra $21.27 billion had been accumulated under the Buhari administration — three times the combined amount by past governments since 1999.

For domestic debt, considered relatively less harmful to the value of Naira than foreign debt, the figure rose from N795 billion in 1999 when the Obasanjo government came to power, to N8.8 trillion in 2015 when the Buhari administration assumed office. By December 2020, Nigeria's domestic debt stood at N16.02 trillion — twice as much the combined amount taken by the past three governments.

The domestic and foreign debt figures are higher now as the government has borrowed more in 2021.

"More than three-quarter"

The figures contradict a claim by the chairman of the Senate Committee on Finance, Solomon Adeola, that "three-quarter" of Nigeria's total debt profile estimated at N33 trillion was incurred by past administrations dating back to the military era.

Speaking at a Senate hearing on September 22, Mr Adeola in a response to a request by the Senate president, Ahmad

Lawan, to clarify concerns over the nation's piling debt, said, "The borrowing you are saying is accumulated borrowing. It is not a borrowing of this administration alone, it is a borrowing that stems from the days of the military to the days when the Democratic dispensation started.

"It is an accumulated loan, it is not a loan that says that it is the current administration of President Buhari that has borrowed.

"It is a loan that has been borrowed by the previous administration – the Obasanjo, the Jonathan, the Yar'Adua of this world.

Debt status under Yar'adua's administration

"And since the business of government is a continuum, the president of the day has no choice but to continue to pay back all these loans that have been borrowed by the previous administrations.

"More than three-quarter of these loans you're seeing were borrowed from the previous administrations, and we are paying back – we are doing what is supposed to be done, the way it is supposed to be done.

"So, when my colleague said that for every sixty-seven naira of any loan that was borrowed, we are using to pay, he should know that more than sixty naira of it are loans borrowed by previous administration. And that is where we are."

Government figures obtained and analysed do not support Mr Adeola's "three-quarter" claim. While previous administrations borrowed as shown above, it is the present government that has taken the bulk of the domestic and foreign loans.

Debt forgiveness

In 2006, Nigeria became the first African country to settle its public debt under a scheme devised to help the world's poorest and indebted states. The country under former President Olusegun Obasanjo paid off $18 billion to secure forgiveness of the balance of its nearly $30 billion debts to the London and Paris clubs of foreign creditors.

Debt status under Obasanjo's administration

But 15 years later in 2021, Nigeria's public debt is high again, putting pressure on the government's revenue and performance.

A report by the World Bank placed Nigeria among the top 10 countries with the highest debt risk exposure. Nigeria is fifth with $11.7 billion debt exposure, behind India ($22 billion), Bangladesh ($18.1 billion), Pakistan ($16.4 billion), and Vietnam ($14.1 billion).

In recent periods, there has been a furore over Nigeria's borrowing plans and debt profile. The Debt Management Office (DMO) said as of March 31, Nigeria's total public debt stood at N33.1 trillion ($87.24 billion) — accumulated between 1999 and 2021.

The overall public debt, DMO said, is the total public debt stock which includes the external and domestic debts of the federal and state governments and the Federal Capital Territory.

The federal government's share of the public debt jumped from N3.55 trillion in 1999 to N26.91 trillion in March 2021. This means the nation's debt stock has risen by over 650 per cent in 21 years.

Contributions by past governments

Records show that Nigeria's external debt stood at $28.04 billion in 1999 when Mr Obasanjo came into office. Following the debt forgiveness, it was $2.11 billion at the time Mr Obasanjo left office in 2007.

However, while external debts declined under Mr Obasanjo, domestic debts increased from N795 billion to N2.17 trillion between 1999 and 2007.

The country's currency exchange rate was between N98.02 and N116.8 to a dollar within the period, according to the central bank.

At the beginning of the Umaru Yar'Adua/Goodluck Jonathan administration, Nigeria's domestic debt stood at N2.17 trillion but jumped to N5.62 trillion at the end of their administration in 2011. External debt also moved from $2.11 billion to $3.5 billion within the period under review.

Debt Status under Jonathan's administration

In effect, the debt stock moved from N2.42 trillion to N6.17 trillion in four years, representing an average of N930 billion borrowing per year. The nation's exchange rate also fell from N116.8/$1 to N156.7/$1 during the period, according to CBN.

It is important to note that Mr Jonathan completed the tenure from May 2010 to May 2011 after the death of Mr Yar'Adua. The 12 month period saw an increase in the federal government's debt from N4.94 trillion to N6.17 trillion.

By May 2011 when Mr Jonathan was elected to serve a fresh term in office, Nigeria's foreign debt was $3.5 billion but went up to $7.35 billion when he left in 2015.

In the same vein, the country's domestic debt climbed from N5.62 trillion to N8.8 billion.

Nigeria's combined debt figure under Mr Jonathan administration went from N6.17 trillion in 2011 to N9.8 trillion in 2015. This represents a N3.63 trillion increase or an average of N900 billion loan in a year.

The country's official exchange rate also stood at N197/$1 during the period under review.

Incumbent President Muhammadu Buhari inherited an N8.8 trillion federal government's domestic debt in 2015. However, the figure rose to N16.02 trillion as of December 2020.

Likewise, the nation's exchange rate fell from N197 to a dollar in 2015 to N381 at the end of December 2020.

Up from $7.35 billion in 2015, Nigeria's external borrowings stood at $28.57 billion as of December 2020. This means that the administration incurred $21.27 billion in foreign loans.

But putting together external and domestic borrowing, Mr Buhari had borrowed N17.06 trillion as of March 2021, using the N381 exchange rate. This represents an average of N2.83 trillion per year since 2015.

Debt status under Buhari's administration

Likewise, the nation's exchange rate moved from N197 to a dollar in 2015 to N381 at the end of December 2020.

Debt service taking huge toll on yearly budget

Debt service obligations gulped 97 per cent of the Nigerian government's total revenue in 2020, according to Budgit, a civic-tech non-profit organisation. Of the N3.42 trillion generated as revenue, Nigeria spent N3.34 trillion in debt servicing, Budgit said in a July report.

Also, N3.3 trillion was set aside for debt servicing in the assented 2021 budget, about a quarter (24.3 per cent) of the entire N13.6 trillion total expenditure.

This trend has been in place since 2016.

In 2016, the country spent almost a quarter (about 24 per cent) of its budget to service debts. Of the N6.6 trillion budgeted for 2016, the government earmarked N1.5 trillion for debt financing.

The sum of N1.6 trillion was proposed for servicing debts out of the total (N7.3 trillion) budgeted for 2017.

In 2018, the figure rose as N2.2 trillion or 24.17 per cent was pegged for debt servicing in the N9.1 trillion budget.

In 2019, the government proposed to spend 24 per cent (N2.14 trillion) of the N8.9 trillion expenditure on debt service.

In mid-September, Buhari sought the approval of the Senate to borrow $4 billion (4,054,476,863) and €710 million loan from bilateral and multilateral organisations to fund the deficit in the 2021 budget.

The president said the loan request is an addendum to the 2018-2020 borrowing plan and that the new borrowing is to meet "emerging needs" for some "critical projects."

In July, the National Assembly had approved Buhari's request to borrow $8.3 billion and €490 million loans contained in the initial 2018-2020 borrowing plan.

"Bad times ahead"

Economic analyst, Tope Fasua, said Nigeria's loan is already unsustainable because it is taking 95 to 97 per cent of revenue generated. "That ratio is not sustainable," he said.

The huge amount the Nigerian government is borrowing mostly is "to cater for a lot of failures and they just borrow to keep some activities going," the economist said. "How the loans are going to be paid is not in question for them and that's very unfortunate.

"The loan is unsustainable from the perspective of revenue, from the perspective of corruption and value for money and from the perspective of project implementation."

"Only 30 per cent value for money is what we get especially on these loans, some of what we are taking are for very frivolous issues," he said.

"In my opinion, we should take loans only for projects that have the ability to pay themselves back. If a project is not generating cash flow, it shouldn't be taken.

"If we are taking loans for local roads and schools, who is going to pay? These are projects that should be funded from internally generated revenue."

He also attributed the currency challenges to Nigeria's debt portfolio.

"We have a challenge with the naira presently, and one of the key things that throws your currency off is debt unsustainability.

"And mind you, most of the loans we are taking in recent times have not fallen due for payment, what we are doing is only paying the interest. Many of them have moratoriums on interest payments.

"These guys have actually booked for us a bad time and a lot of trouble upfront," he said.

Samuel Bamidele, Head of Research and Intelligence at Phillips Consulting Limited, said although Nigeria's debt remained within the IMF recommended range with respect to GDP, the country faces a challenge when its debt stock is compared to its revenue. He also worried about how the government was using the borrowed funds.

"Nigeria's debt stock at 33 per cent of GDP is sustainable at that level, but the issue is more around servicing the debt," he said. "When your debt stock is above 40 per cent, according to the IMF Debt Sustainability Framework (DSF), it means that it's no longer sustainable," Mr Bamidele said.

"So you can say that Nigeria's debt profile is sustainable at the current level but the problem is the revenue. Because when your revenue is low you will need more money in terms of borrowing to finance both capital and recurrent projects.

"At a point in time in 2020, our debt service was 99 per cent. What this means is that for every N1 earned, we are using 99 kobo to service debt.

"Conversation around our debt should be more geared towards how we are channeling the debt we are borrowing in terms of efficiency and proper allocation. The danger here is we are not sufficiently channeling what we are borrowing on productive capacity and infrastructure, instead we borrow to finance more of recurrent spending."

CBN SUPPORTS HEALTHCARE SECTOR WITH N200BN TO DRIVE ECONOMIC RECOVERY

By Shile GIWA

Governor, Central Bank of Nigeria (CBN), Mr Godwin Emefiele, has said the apex bank had earmarked N200 billion to support the healthcare sector to drive the recovery of Nigeria's economy.

Emefiele said this at the inauguration of Duchess International Hospital, the newly built 100-suits state-of-the-art health facility in Ikeja, Lagos.

"To further drive the recovery of our economy, the monetary policy recognised that while the interventions in our manufacturing sector are essential; it is also essential that we continue to support the medical sector.

"When we started COVID, CBN set aside N100 billion to support the healthcare sector.

"But upon rise in demand, we have disbursed N107.7 billion, supporting 114 healthcare projects which include medical diagnostics, pharmaceuticals, dental services, eye clinics both private and public hospital just to mention a few.

"We had taken up N100 billion to support healthcare but the monetary policy has said we should move it further up to N200 billion.

"We would continue to do whatever can be done to support healthcare," he said.

The CBN governor expressed the bank's commitment to continually support Nigerians in their businesses, calling on those abroad to come back home.

He said, "the monetary policy recognises that Nigeria parades some of the best in the world; we need to encourage everybody to come back home.

"We will continue to do the little we can to give you the support to grow your business."

He called on more private sector operators to invest in medical facilities that would help reverse medical tourism as that would make the country not to spend dollars abroad but create more dollars.

According to him, medical tourism put a huge strain on the country's foreign reserves.

He said more importantly, for every one billion dollars allocated to medical treatment abroad, there was less than one billion dollars that could be available to other critical sectors of the economy.

CBN gov, Godwin Emefiele

Emefiele, therefore, urged banks to lend to Nigerians and members of the private sector community to invest, stressing that they did not need to be medical doctors to own a medical facility.

The Vice- President of Nigeria, Prof. Yemi Osinbajo, said the facility had all it needed to be the place of choice for medical tourists from other countries.

"It is one of those days when the belief is affirmed that this is a country of world class talents, world class ideas and world class execution.

"We are at Duchess, which by standards and personnel is comparable to anywhere in the world," said Osinbajo.

According to him, the facility will reverse medical tourism by delivering high standards of care using the most advanced technology.

"The opening celebrates the fact that they have all that it takes to be the place of choice for even medical tourists from other countries.

"With investments like this seeking high quality medical personnel, we can even reverse the trend of doctors leaving the country.

"The reasons for their leaving are obvious; better remuneration, better facilities," Osinbajo said.

He said only serious private sector investments in high quality healthcare services offering top compensation for its personnel could possibly create an attractive proposition to reverse the trend.

"So the only way that we can ensure that people stay, obviously is to reward thier services and I think that this is a good way to start. If we can believe enough in our economy," Osinbajo said.

Earlier, Dr Adeyemi Onabowale, Chairman, Reddington Hospital Group, urged the apex bank to benchmark healthcare funding against a stable currency.

He noted that the true cost of healthcare anywhere in the world was phenomenal, coupled with the depreciating currency.

Other dignitaries who spoke at the event are: Governor Babajide Sanwo-Olu of Lagos State, Governor Dapo Abiodun of Ogun, among others.

CBN SAYS BANKS REMAIN STABLE, RESILIENT DESPITE PANDEMIC

By Shile GIWA

The Central Bank of Nigeria (CBN) says banks in the country have remained stable, robust and resilient in spite of the COVID-19 pandemic.

The Director, Banking Supervision of CBN, Mr Haruna Mustafa, said this at a workshop in Ibadan.

Mustapha, represented by Mr Adekunle Adeniji, the Assistant Director, Banking Supervision, CBN, said the Capital Adequacy Ratio (CAR) rose to 15.21 per cent as at August, Liquidity Ratio (LR) rose to 42.23 per cent.

He said non-performing loan ratio improved from 6.58 per cent to 5.9 per cent as at August 2021, while banking system credit to the economy increased to 10.99 per cent between January and August.

Mustafa noted that the regulatory measures taken by CBN contributed to the growth.

He listed some interventions by the apex bank to lessen the impact of the pandemic to include reduction in interest rates to five per cent.

Others are: 50 billion naira target credit facility for households and Small and Medium Enterprises (SMEs) and re-enactment of Banks and Other Financial Institutions Act (BOFIA 2020) to strengthen the regulatory and resolution architecture for banks and other financial institutions.

The director said CBN would continue to develop additional counter cyclical policy options that could be utilised in periods of stress.

Mustafa explained that macro-prudential regulation and supervision was more critical now than ever.

50 YEARS OF TORTUOUS JOURNEY TO LOCAL MANUFACTURING

*In May 1971, a group of visionary Nigerians thought it wise to pool resources together (financial and intellectual) to uphold the course of ensuring that Nigeria produces the goods it consumes. The result of that effort is what is known today as the Manufactures Association of Nigeria (MAN). **Charles Okonji** examines the journey so far.*

These Nigerians foresaw the inherent dangers of the country abandoning domestic industrial production after the discovery of oil and the attendant huge dependence on imported goods and services.

The ability of Nigerians to produce what they consume locally is not called to question, and most of the nation's leaders know this fact and very well too. But they (Nigeria leaders) have failed woefully over the years to initiate policies and programmes to stimulate and bring to fruition this latent industrial capacity of the average Nigerian.

In the words of the current minister of industry, trade and investment, Otunba Niyi Adebayo, "Nigerians are intelligent and resourceful and I see no reason that we cannot utilize our resources to be the biggest manufacturing hub in not just Africa but the whole world."

This is like reminding Nigerians what they already know and have severally heard such compliments from the nation's leaders in the past with little or nothing done to make the citizenry prevail.

The minister who spoke at the made in Nigeria exhibition of MAN to celebrate its 50th anniversary held recently in Abuja, went further to allude that though this may sound like a lofty ambition, "but as our population grows and technology develops, it is within our reach"

It is a well-known fact the intellectual capacity and strength to produce and process with the growing population can consume but again, can sincerity be found on the part of the leadership of the country for this to be realized.

The pioneer president of MAN, Chief Odutola in 1971 called for some reforms to boost local manufacturing but it is disheartening to note that most of the factors identified then as bedeviling local manufacturing industry are still solidly with us today, five decades after. The collapse of public utilities, lack of encouragement to manufacturers through a review of the mechanism of the foreign exchange, assistance for manufacturers with infrastructural facilities, and many others that promote uncertainty in the sector are still solidly visible.

Export of raw materials with little or no value addition, high cost of funds/high interest rates, policy inconsistencies/ policy summersault, obsolete trade policies, unavailability of forex to manufacturers, high cost of electricity/power generation, multiple taxation, poor road network/dearth of accessible road, port congestion, corruption at all levels, poor enforcement of law by relevant agencies of the government, insecurity, tribalism and nepotism, lopsided appointment into government agencies, high cost of running government at all levels amongst others are impediments to the nation's industrialization processes till date.

With all these still in place, taking advantage of the emerging opportunities presented by the African Continental Free Trade Area (AfCFTA) which the country has subscribed to, remains a mirage.

But let Nigerians continue to hope that our leaders will sooner than later, get their priorities right and use their positions to genuinely seek measures to develop the country rather than fleecing the resources abroad.

"I always say, Made-in-Nigeria products can only drive Nigeria's prosperity if we can demonstrate that Nigerian products and services have preference, here, in their home market. I commend the Manufacturers Association of Nigeria for championing this and promoting our entrepreneurs whose resilience is being showcased today through their hard work and innovation.

"I supervise the implementation committee overseeing Nigeria's participation in the Africa Continental Free Trade Area and the need to increase Nigerian

production capacity, particularly in the secondary and tertiary phases of production are extremely important. This is paramount in ensuring competitiveness in our quest to robustly participate in the African market with Made-in-Nigeria products", Adebayo stressed.

This is a step in the right direction and I wish the leaders work-their-talk. Nigerian would be glad to see their rice prepared with other locally produced condiments served in Aso Rock with locality manufactured table water, and at the government houses of the 36 states in the country.

Consumption of locally made fabrics automobiles, utensils and other household items manufactured locally (amongst others), by the political leaders at all levels will go a long way in growing and sustaining the manufacturing sector.

For Engr. Mansur Ahmed, the current president of MAN, at the 3-day exhibition to mark 50 years of MAN is aimed at demonstrating the capacity of the Nigeria manufacturing sector to make Nigeria a self-reliant economy.

"To realize this aspiration, the manufacturing sector must be supported and encouraged by a conscious effort on the part of all stakeholders to consume made-in-Nigeria goods and services. The procurement of goods and services by the government and its agencies is highly critical in this regard.

"In this regard, I wish to draw attention to the recent inauguration of the Presidential Committee on the Monitoring of the Implementation of Executive Order 005. The decision of the Federal Government to inaugurate this Committee which is chaired by the President and anchored by the Federal Ministry of Science and Technology signals the commitment of the President Buhari-led Administration to the urgent need to focus attention on domestic production.

"President Buhari has since the beginning of his administration has left no one in doubt of his determination to ensure that Nigerians "consume what they produce and produce what they consume", he stressed," Ahmed stated.

The an President assured that MAN and the sector as a whole will rise to the occasion, builds on the existing capacities and continue to improve on the quality and competiveness of its goods and services.

"Indeed, given the size of the Nigerian market achieving this self-reliance will not only strengthen and deepen our economy but will also position us to play a dormant role in just established African continental market.

"I must also urge our members and other operators in the manufacturing sector to cease the opportunities that this Administrations policies and emerging continental market by expanding their investment, improving their manufacturing operations and competitiveness of the goods and service they supply", he opined.

To Dr. Akinwumi Adesina President, African Development Bank Group, there is the need to grow Nigeria's economy in a transformational way.

Adesina said; "There is a compelling need to move away from a primary dependence on "managing demand for forex" to "expanding the supply and availability of forex" through greater export-oriented manufacturing. This will extricate Nigeria from relying only on the export of crude oil for access to forex and the instability that arises from the shocks to global oil prices."

According to him, Nigeria, needs greater export earning diversification to boost its supply of forex to support its industries.

"It also needs to focus on domestic manufacturing of a larger share of the imports of manufacturers, expand local content, by rapidly moving into processing of raw materials, manufacturing of equipment and machinery, which form 50% of the imports.

"To boost manufacturing, access to affordable finance is critical, especially long term financing that matches the investment gestation of companies. PWC (Nigeria) estimates that Medium, Small, and Micro-Enterprises (MSMEs) account for 50% of Nigeria's GDP. Yet, they receive only 1% of the total credit from financial institutions. They estimated the financing gap for MSMEs to be 617 billion Naira." Adesina stressed.

Enumerating the nations that have expanded their industrial manufacturing competitiveness Adesina said, they have been those which provide incentives for their companies, especially low-interest rate financing. Just think of the following: interest rates are negative in Japan (-0.1%), 3.9% in USA, 0.25% in China, and 4% in India. But manufacturers in Nigeria face extremely high interest rates at over 15%.

He advised that the Bank of Industry, the Nigerian Import and Export Bank, and the Bank of Agriculture, should be significantly capitalized to provide loans at affordable interest rates to manufacturers, especially for small and medium sized enterprises.

"The deepening of the domestic capital markets will further allow companies to access equity financing they need to grow their businesses. The African Development Bank's SME financing facility supports small and medium sized enterprises. By assuring financing to large, medium and small businesses, Nigeria will ensure integration of its supply chains for regional and global markets. The African Development Bank has so far provided $1.73 billion in low interest rate lines of credit to support many financial institutions in Nigeria."

To drive greater investments into Africa, the African Development Bank and its partners launched the Africa Investment Forum in 2018, as a fully transactional platform to develop bankable projects, close deals and fast track financial closure on projects. The Forum attracted $38.1 billion in investor interests in 2018, in less than 72 hours; which was repeated in 2019, when it also attracted $40.1 billion in investment interests, in less than 72 hours as well.

Some of the investments include the $200 million Infracredit project in Nigeria and the $24 billion liquified natural gas project in Mozambique. The 2021 edition of the Africa Investment Forum will be held in Abidjan from 1-3 December, in a hybrid-virtual mode. You are all invited to attend and showcase your investments for expanding industrial manufacturing in Nigeria, for intra-regional trade.

To revamp industrial manufacturing in Nigeria

With the right policies, investment frameworks, infrastructure, logistics and financing framework, and powered by a highly trained, dynamic and youthful workforce, Nigeria must fully unleash the power of manufacturing.

As Chief Odutola said "oil will finish, industries will not".

Mansur Ahmed, MAN President

Akinwunmi Adesina, President, AfDB

Industrial manufacturing can earn Nigeria ten times what it earns from reliance on oil.

Let's change our perspective away from simply import substitution, to high-valued export-oriented manufacturing.

The source of Nigeria's greater wealth will come from having strong manufacturing capacity for competitiveness in regional trade and integration into global value chains.

It is time to change from being inward looking to outward looking. For outside lies incredible opportunities, yet to be tapped by Nigeria, let us be bold, let us rise with greater ambition. Let us from the inside prepare for this great future for Nigeria!

How then can Nigeria competitive?

The only way Nigeria can be competitive is to catalyze all the manufacturing by bridging the massive gap that exist in infrastructure, especially, the revitalization of road and energy sector.

"Unless Nigeria decisively tackles its energy deficiency and reliability, its industries will remain uncompetitive. There should be massive investments in variable energy mixes, including gas, hydropower resources and large scale solar systems to ensure stable base-load power for industries, , to direct power preferentially to industries, and to support industrial mini-grids to concentrate power in industrial zones.

"In addition, we should develop more efficient utilities, reducing technical and non-technical losses in power generation, transmission and distribution systems.

The African Development Bank invests massively in the power sector in Nigeria to support the implementation of the Power Sector Recovery Program. The Bank provided $200 million for the Nigeria Electrification Project, designed to fill the electricity access gap in Nigeria. We have also invested $210 million in the Nigeria Transmission project, to strengthen the grid power evacuation and regional interconnection.

"The Bank has launched the Desert to Power initiative, a $20 billion initiative to provide electricity for 250 million people across 11 countries of the Sahel, including Northern Nigeria. Desert to Power will create the world's largest solar zone. This initiative will draw lessons from successful projects already financed by the Bank, including the Noor Ouarzazate solar PV power project in Morocco and the Ben Ban solar project in Egypt.

"Industrial development is constrained by the poor state of transport, ports and logistic infrastructure. It costs $35,000 to export 100 tons of produce from Nigeria compared to just $4,000 in Ghana. About 90% of passenger and freight movements in Nigeria rely on roads but only 18% of the roads are paved. Meanwhile, our seaports are gridlocked.

"Recently the Financial Times reported that the congestion at the port in Lagos has become so bad that it could cost more than $4,000 to truck a container 20 kilometers inland – almost as much as it costs to ship it 12,000 nautical miles from China." Adesina maitained.

DANGOTE REAFFIRMS COMMENT TO EMPLOYMENT GENERATION

By Charles Okonji

Concerned about Nigeria's ever increasing unemployment, Dangote Industries Limited has assured, it will continue to contribute relentlessly towards employment generation.

Dangote group stated this at the Dangote Special Day, at the just concluded 2021 Lagos International Trade Fair.

Group Executive Director, Commercial Operations, Hajiya Halima Aliko-Dangote who stated this noted that the group aims at achieving the targeted employment generation of through its various investment projects spread across the country.

Rabiu Umar, Group Chief Commercial Officer, Dangote Industries Limited who represented Halima Dangote, said "The Group is committed to ameliorating the sufferings in the society, especially in the reduction of unemployment, hence the huge sums being invested in various projects across Nigeria.

"The Group's interest is beyond profit making but to supporting government in job creation, reducing poverty, and engaging in unprecedented philanthropy. Outside of government, Dangote Group is the biggest employer of labour in Nigeria.

He noted that farmers were excited over the new fertiliser product, saying that it is already in the market, both locally and internationally.

On the Group's participation at the Trade Fair, he said "Our participation at all major trade fairs across the country is a means

of demonstrating our firm belief that Chambers of Commerce and Industry occupy a unique position in driving economic development through their activities.

"The essence of Lagos International Trade Fair 2021 is woven around the caption, 'Connecting businesses, creating value,' is consistent with our drive for innovation and value creation across Africa. This informed our belief that participating in this Trade Fair helps us connect to our customers who may not have had the opportunity to visit our offices.

"Our expectation is that through this Trade Fair, we will be able to further expand awareness for our innovative products, generate sales, get prospective buyers, improve the image of our brands and open up new markets that will further translate to job creation and overall economic development."

He urged participants to visit Dangote Stand, adding that the group's participating companies, Dangote Cement, Dangote Fertiliser, Dangote Sugar Refinery and NASCON are sharing the stand, creating a one-stop shop for people wishing to make enquiries on our products.

He pointed out that early this year, Dangote emerged as Africa's Best Brand in a competitive selection process by Brand Africa 100.

"The Africa's Best Brand Award was in recognition of our customer-friendly products. The recognition has gingered us to do more. We have won the most valuable brand award in Nigeria for the fourth consecutive year." He stressed.

Commending the Group's participation at the Fair, the President of Lagos Chamber of Commerce and Industry (LCCI), Mrs Toki Mabogunje said, "The Dangote Group has been part of the LITF as an exhibitor, sponsor, and partner over the years. The Group's products and services have touched the lives of millions of people across the African continent and beyond.

"We are proud to be associated with the Dangote Group in all its endeavours to cater to the needs of the rich and the poor in several climes."

She maintained that the home-grown Nigerian company has become a household name across the African continent having a presence in many countries in Africa.

SKILLS ACQUISITION, WAY OUT OF POVERTY –ONU

By Charles Okonji

As part of efforts geared towards reducing the rate of unemployment ravaging the country, the Minister of Science, Technology and Innovation, Dr. Ogbonnaya Onu has stated that the surest way to move Nigerians out of poverty is to provide people with skills that will last them a life-time.

Onu disclosed this as he received in a working visit, the Ambassador of Switzerland to Nigeria, Georg Steiner, recently in Abuja.

He pointed out that the skills to be imparted to Nigerians will enable them be more productive and make Nigeria have a higher global competitiveness in ranking.

He disclosed the government's unrelenting effort to diversifying the economy, which is evident as Nigeria's earnings from non-oil sources exceeds that of crude oil.

The Minister noted that the Ministry has been given a further mandate to supervise innovations around the country, adding that Nigeria is going to attain self-reliance in many areas of socio-economic life.

On his part, the Swiss ambassador to Nigeria, his Excellency, Georg Steiner said their visit was to form a mutual beneficial strong bond in STI development.

He invited the Minister to the "Swiss-Nigerian Innovation Forum 2021-2022; Technology for a Green Future", which he described a strong platform to accelerate STI relationships with both countries.

ITF DG HARPS ON PROMPT TRAINING FUND REMITTANCE BY PARTNERS

By Charles Okonji

A passionate appeal has gone to industrial training partner organizations in the country that are hesitant in fulfilling their financial obligations to have a change of heart.

Sir, Joseph Ari, the Director General of Industrial Training Fund (ITF), who made the appeal in a welcome address he delivered during the 12th stakeholders interactive forum held Tuesday in Lagos, expressed worry that such delays is hampering the training programmes of the agency in the country.

The one-day interactive forum with the theme; "Workplace stress and mental health: Issues and Concerns for Human Resources Managers", is the 12th in series and coincided with the 50th year anniversary of ITF in the country.

Commending some partners who have consistently contributed to the fund, the ITF DG, who was represented

Josep Ari

by Mrs Adeshola Taiwo, Director, Field Services, ITF, who happens to be the Zonal Director, Ikeja Zonal office noted that make their training contributions promptly and unfailingly over the years.

Ari stated that such stakeholders efforts has helped immensely in building capacity for the nation's industrial sector.

"This interactive section is another platform that offers us the opportunity to relate with our stakeholders or partners who interact with us on daily basis to deliberate on emerging issues and developments in the industry. However this is important in the ever changing phase of all organisations whether public or private.

"We thank all organization for your consistent positive support. We enjoyed your cooperation in the past and we asking for at a time like this. Over the years you made your remittances to ITF promptly as most organisations pay their training contributions as at when due. We are grateful to you for that.

"We however would want to say that there are some organisations that are not responsive as expected. Some delay in making their contributions which affects us. If payment is not done at the stipulated time it means it will affect the implementation of our mandate as the Act which established ITF stipulated time for payment. Some of the organisations as we have observed doctor their document in order to short pay ITF. We request that you should please do the right thing," the DG stressed.

On his part, Victor Awoniyi, Area Manager, Ikeja Area Offer, ITF, noted that the training on Stress Management was necessitated by the COVID-19 pandemic, which imposed a lot of mental challenges on people, organisations and countries in the world over.

Awoniyi stressed that the increase in the number of suicide recorded in the recent time was one of the reasons that propelled the training, adding that the program was also to create awareness.

He said, "If the people that are in sporting events have such health challenges, it means that those who do not engage in sporting activities are at more risk of stress at work place.

In his presentation, Emotional Intelligence Expert, Okhae Enahoro noted that the training was necessary to enhance productivity, adding that failure to proffer solution solution will not only affect productivity, but will make work place unattractive.

Enahoro maintained that creation of awareness was of utmost importance as it will improve the mental health of both the employees and the employers alike.

IDL INTRODUCES SLEEK GLASS CONFAM BITTERS BOTTLES

by Charles Okonji

Intercontinental Distillers Limited (IDL), the No.1 player in the Wines and Spirit Industry in Nigeria, the makers of Chelsea Dry Gin announced the rebirth of Confam Bitters in a sleek bottle design in an irresistible sleek 37.5cl and 75cl glass bottles.

The Head of Marketing IDL, Mr. Bolaji Alalade said "after four years of Confam Bitters entry in to the market, it is witnessing a rebirth, as Confam Bitters has been repackaged and refreshed with an exciting, contemporary, trendy, sleek bottle design which gives it gives it a fresh new look, an alluring label, a unique cap with an aim of giving lovers of the Bran a variety to choose from in all leisure destinations inclusive of hotels, restaurants and café."

According to Mr. Alalade, Confam Bitters has carved its own special niche in the Nigerian market enjoying robust popularity amongst its Consumers because it delivers on expectation as a truly herbal drink made from a perfect mix of quality herbal extracts and the irresistible sleek 37.5cl and 75cl glass bottles is an addition to the 5cl, 10cl and 37.5cl sizes.

In addition to the rebirth of Confam Bitters, a new marketing campaign was also introduced for the Brand titled "Mr. Capable". The campaign underscores the Brand's unique proposition as a true herbal drink made with 100% herbs and zero sugar.

Mr Alalade explained that "whether Confam Bitters is taken for pleasure, or for its detoxifying ability or even perhaps to help in the other room, Confam Bitter is able and capable to go over and beyond.

RUSSIAN COMPANIES SET TO INVEST IN NIGERIA

Participants at Russia, Nigeria business forum in Abuja recently.

By Charles Okonji

Federal Government's efforts at wooing foreign investors appear to be yielding positive results as some Russian companies express willingness to do business in the country.

This was let out yesterday in Abuja when a 16-man delegation from Russia, representing different companies during a Nigerian-Russian business meeting at the instance of Abuja Chamber of Commerce and Industry (ACCI) in collaboration with NACCIMA, Nigerians in Diaspora Organisation Russia (NIDO) and the Nigerian Embassy in Russia.

Mr Ivan Klevtsov, leader of the delegation and Chief Executive Officer (CEO) of Metalwork, a Russian based production and engineering company, who spoke on behalf of his colleagues, said they were interested in exploring the demand of Nigeria market and developing the market enterprise.

Arears of interest by the companies include oil and gas, mineral development, security and financing technology.

According to him, the plan is to create a service centre for Russian manufacturers.

"People can easily maintain products made by Russian companies and Nigerian companies producing similar products.

" We have plan to open station for technical support for production in Nigeria and this will cut down the importation of equipment parts," he said

Earlier, Nigerian Ambassador to the Russian Republic, Prof. Abdullahi Shehu, said that Russia had a lot of potential for Africa.

"The challenges therefore is for Russia to understand Africa, to open up and be ready to do business with Africa.

He encouraged the private sector to be actively engaged in businesses and establish networks with the business community, adding that it would enhance the trade volume.

"I don't want to sound as if we are not satisfied with the trade volume because two years ago, it was less than $300 million and for us to reach $ 600 million despite the impact of COVID-19, it is a significant progress.

"We commend ourselves, but there is room for improvement and that is why we are holding this meeting here today," Shehu said.

Mr Jani Ibrahim, 2nd Deputy President of Nigerian Association of Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA) said that the meeting would further deepen the bilateral relations of both countries for inclusive economic growth.

According to Ibrahim, NACCIMA assures you that the private sector of Nigeria is committed to partnering the private sector of Russia which is targeted at increasing our trade volumes.

"NACCIMA recommends that Nigeria and Russia needs to move their bilateral relations to a new level, a functional cooperation, a key and strategic economic samples, so as to increase both quantity and the quality of trade and investments," Ibrahim said.

In his address at the occasion, Dr Al-Mujtaba Abubakar, President of ACCI, stressed that Nigeria needed Russian technology to boost industrialization in the country..

Represented by Victoria Akai, Director General of ACCI, Abubakar said that Russia also needs Nigeria as a market for its industrial products and military equipment.

"There is weak indication that the two countries have sufficient and adequate perception of each other. This, in part, is responsible for the lack of the political will to implement the existing bilateral agreements," Abubakar said.

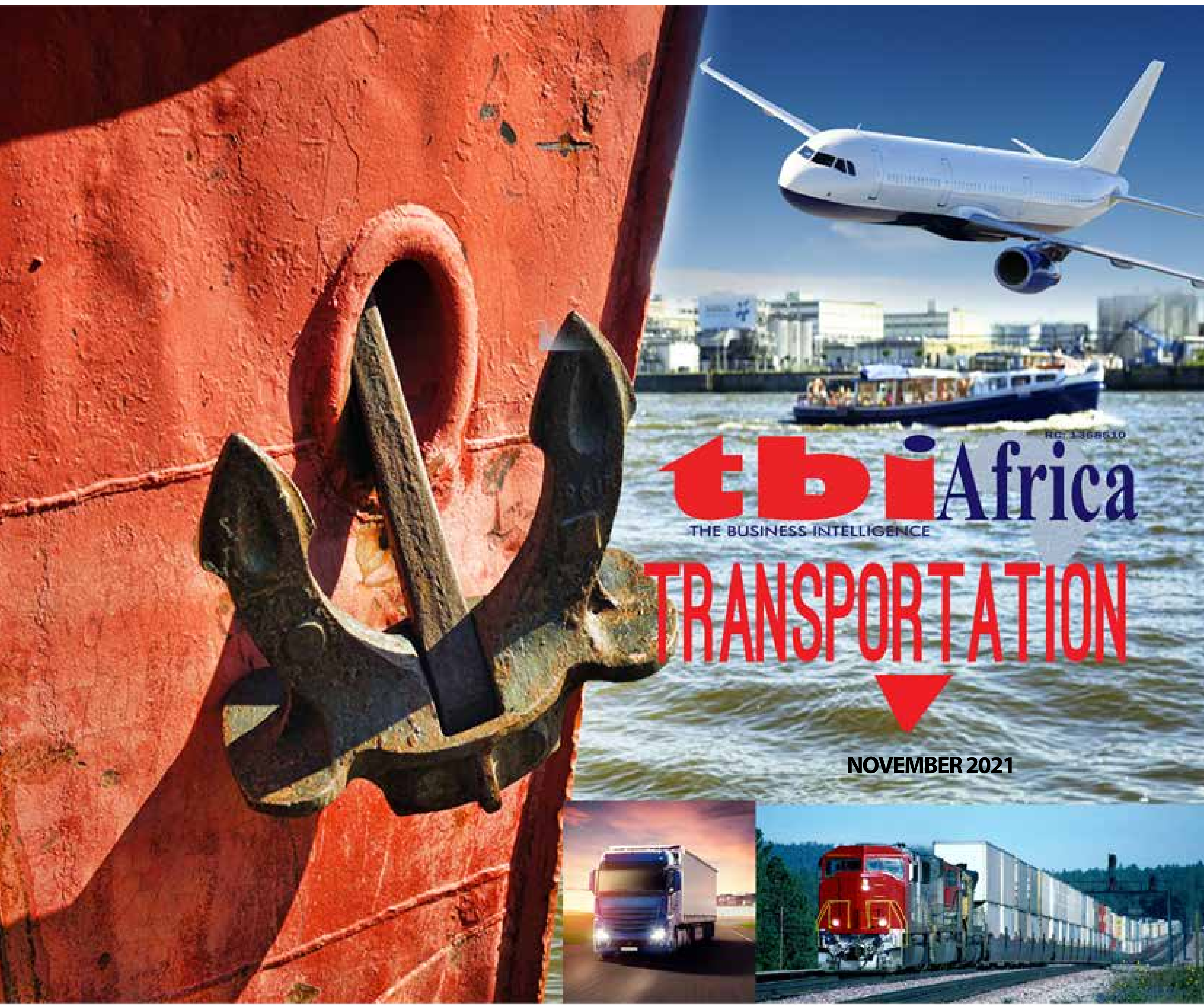
He emphasised that the commitment by both countries to deepen bilateral trade would boost the trade volume significantly.

"Although, the trade volume between Nigeria and Russia is still low, about less a billion dollars, but as both countries have reaffirmed commitment to boosting the trade volume significantly, it is an opportunity to expand our trade volumes.

"Nigeria is an economic powerhouse in the West African region and one of Africa's fastest growing economies and the country with the largest population as estimated by the World Trade Organisation.

"Nigeria has an estimated current total export of over 53 billion USD and imports of over 47 billion USD with an average GDP of USD 448 billion as estimated in the first quarter of 2021," he said.

Mr Uwem Samson, Chairman NIDO-Russia, said that the business meeting would enable the delegation know Nigeria more, adding that they would expose their findings to the larger business community in Russia.



ASSESSING EFFORTS TOWARDS ESTABLISHING NATIONAL CARRIER

By Olamilekan FAWAS

Minister of Aviation, Hadi Sirika, while defending the ministry's 2020 budget at the Senate said that a new national carrier would start operation in 2021.

He stated that all the required agreements and arrangements with other partners for the inauguration had been worked out.

The minister said the national carrier would be private-sector driven, with the government holding not more than five per cent shares.

He further said the private sector consortium would comprise reputable international airlines, leasing companies, aircraft manufacturers, financial and institutional investors, among others.

He said the Federal Government would provide the required support by creating the enabling environment to sustain the airline.

According to him, the Infrastructure Concession Regulatory Commission (ICRC) has also completed a feasibility study of the proposed airline.

"Project Development Phase was completed with the development of the outline by ICRC.

"The next phase is the placement of Request for Qualification (RFQ) in local and international media as part of the procurement exercise," he said.

Sirika, who was represented by Mr Muhammad Shehu, Director of Planning, Research and Statistics in the ministry, at the 7th edition of the aviation workers' week, reiterated Federal Government`s plan to establish a national carrier.

The Theme of the event is "Contributions of a National Carrier to the Socio-economic Development of Nigeria."

According to him, the actualisation of the national carrier will create jobs to boost Gross Domestic Products (GDPs) of the nation.

"Our focus to fly national carrier is still on course, in spite what we read on the media."

Contributing, Mr Hector Nnadi, Chairman of Joint Consultative and Negotiating Council, said the objective of the programme was to examine management-labour relationship and map out way forward for industrial harmony at the workplace environment.

"Over the time, we had to move beyond the fast-fading concept of union and management interactions to more relevant and impactful themes, generally viewed as more contemporary in the aviation industry.

"Motivated by the need for systematic examination and cross fertilisation of ideas, opinions and views with respect to cherished national ideal by aviation professionals, the annual seventh edition theme actually emerged.

"The concept is anchored on the desirability or otherwise of a national carrier's contributions to the socio-economic growth of our fatherland," he said.

On his part, Capt. Abdulsalami Mohammed, former Rector, Nigerian College of Aviation Technology (NCAT), in an interview said that the future of the aviation industry in Nigeria was very bright as government was talking about establishing a national carrier.

"When it comes on board, there is going to be a huge demand for skilled manpower.

"That is where NCAT is hoping to play a big role, and it is also an opportunity for some of our unemployed professionals, currently out of job to get employed.

"It is also in line with Mr President's vision or plan to provide jobs for our many youths. Aviation remains the safest form of transportation," he said.

According to him, Nigeria has a very high score in safety assessment by the International Civil Aviation Organisation(ICAO), following the effective measures government has put in place.

In the same vein, Mr James Odaudu, the Director of Public Affairs, Ministry of Aviation, said in a recent interview that the proposed Maintenance, Repair and Overhaul (MRO) facility in the aviation ministry`s roadmap would serve the national carrier when established.

According to him, the proposed independent MRO facility in Nigeria will

address the maintenance demands of airlines in West and Central Africa, while also providing maintenance services for the national carrier and the Africa Leasing Company.

Odaudu, who further said that the MRO would be structured on a Build, Operate and Transfer (BOT) model, with the government acting as both the guarantor of the concession and project facilitator, stressed that the move would also improve national revenue. He stated that the private sector consortium would be responsible for designing, building, financing, operating and maintaining the proposed facility for an agreed concession period.

"The consortium is expected to comprise an independent MRO company, a real estate development company, construction company, finance and institutional investor.

"The proposed facility will have the capacity to serve both narrow body and wide body aircraft maintenance requirements and will be located in Abuja, "he said.

Capt. John Ojikutu (rtd), General- Secretary, Aviation Safety Round Table Initiative (ASRTI), on his part, advised the Federal Government to give priority to the establishment of a national carrier in order to improve Nigeria's integrity among comity of nations.

He said the move would help the nation to secure international confidence from foreign countries.

He further advised the Federal Government to reinforce and enforce existing regulations in the aviation sector.

According to him, such international confidence will give indigenous airlines opportunity to collaborate better with other foreign airlines.

Ojikutu further advised the airport operators in the country to ensure corporate governance.

The ASRTI general-secretary called on Nigerian Civil Aviation Authority (NCAA) to be diligent in the enforcement of regulations.

According to him, compliant to the Nigerian Civil Aviation Regulations (Nig. CARs), especially the Economic Regulations by all operators, must be authentic, genuine and sustained.

He observed that not many foreign countries had confidence in Nigeria due to her operational level in the aviation sector.

"What confidence have we built in foreign airlines and other countries about our airlines when we had seven reciprocating frequencies that we built up to 14 for them because we have no airline to reciprocate?

"British Airways/Virgin Airline from London together have 21 frequencies weekly to Nigeria; Ethiopian Airline makes 21 or more frequencies weekly with Emirates, Lufthansa, KLM/Air France, among others.

"All these are in different alliances and are known by even countries that have no flights to Nigeria. We have projected no airline as national or flag carrier.

"More work needs to be done by the government and the airlines," he said.

NIGERIA: GOVT REITERATES COMMITMENT TO STRATEGIC MARITIME CAPACITY DEVELOPMENT PROGRAMME

The Federal Government through the Nigerian Maritime Administration and Safety Agency (NIMASA) has renewed its commitment to the nation's maritime capacity development programme to bridge the skill gaps in the sector.

As part of the effort towards the policy, the NIMASA' third phase of the Nigerian Seafarers Development Programme (NSDP) has sent over 200 youths overseas for international maritime training.

Performing the flag-off for the NSDP programme in Lagos, the Minister of Transportation, Rotimi Amaechi, charged the selected youth to be good ambassadors of the country as they departs the country.

Amaechi, who also expressed his delight on the programme as part of the government's effort to increase capacity development, urged NIMASA to consider some maritime training institutions in the country subsequently.

Specifically, he said, "Everything that needs to be said has been said, in fact the gentleman from Port Harcourt read my address; that is exactly what I wanted to say. He even added what I want to say that as you proceed in your assignment as NIMASA always remember that there are training institutions in the country.

Like he said, you should send some people to him, the Maritime Academy of Nigeria, and some overseas to see how it goes.

"For you the young women and men that is graduating congratulations, I pray you get jobs, because we are still battling with some that have graduated that have not gotten sea time and I hope you have been given sea time, and if not I hope the DG NIMASA will arrange for sea time for those who have not gotten sea time."

"For those who are leaving, I will give an experience I have. We send about 150 students to China; about four of them are back to the country, why? They were caught with drugs, please do not embarrass the country as you are now ambassadors of Nigeria and not just NIMASA," he noted.

Speaking at the ceremony, the Director General, NIMASA, Dr. Bashir Jamoh, stressed that the programme is part of the FG's initiative to bridge the capacity gap in the maritime sector across the six geopolitical zones.

"Seafarers have the potential to add to our national economy. Today it becomes more important that the 200 youths standing before us today now bear the major burden on their shoulders.

"Government is making this huge investment in all ramifications for you in order to position our country for the blue economy. The training you will receive and the certification you will achieve will put you into the global shipping market place and enable you to ultimately contribute your prospective quota to the expansion and diversification of the national economy," he said.

Reiterating the Minister's view on Sea time training, the NIMASA DG, said it would be part of the programme "so that there is no waiting time , students will learn for a period determined for the institution to embark on voyages ranging from three to six months and go back to school. This is against the standard in the past where cadets complete training and wait for allotment and call-up onboard; this is the kind of change that will be introduced in the NSDP third phase."

Earlier, the Founder, Charkin Maritime Academy, Dr. Charles Wami, urged the regulatory agency to consider local Training centers in the programme.

"We have international training institutions in the country that can help the nation meet its target in the maritime sector. So, please in the future consider these training centers in the country. For the private sector the programme would be successful if there is continuous collaboration between the agency and the various stakeholders in the sector in the areas of sea-time and certificate of competency (CoC), "he said.

Commenting on the programme, the Managing Director, NLNG Ship Management Limited, Mr. Abdulkadir Ahmed, noted that since inception NSDP has trained over 2000 cadets that are working in different sector of the global maritime industry.

Represented by the Head Business Development and Strategy, Oladipo Egbeyemi, he urged the cadets to embrace professionalism, "we believe working with NIMASA can sustainably increase the number of qualified Nigerian in the global maritime industry," he said.

DOMESTIC AIRLINES EXPLORE SURVIVAL STRATEGIES

Equipment acquisition is gaining traction among indigenous carriers as they strategise for market dominance in the projected surge in year-end passenger traffic. Besides outwitting one another in the choice of aircraft type – narrow body versus wide body planes – operators are adopting the wet lease option to drive operational profitability, **Abisola THOMPSON** *reports*

Nigerian carriers are adopting several options to drive down the cost of their operations to achieve profitability.

The new move is part of the learning curve the COVID -19 pandemic has triggered in the industry where airlines' managers are thinking out of the box to reduce costs to enable their business remain afloat.

Though passengers are returning to the skies following an increase in the number of vaccinated persons and measures put in place to spike confidence in air travel, competition is seeping into the strategic sector.

The choice of equipment and the method of acquisition are being deployed as a strategy to win passengers over the airlines.

While some carriers are acquiring brand new regional jets from some manufacturers in Southern America, other operators are consolidating on the wet leasing option for fleet growth and modernisation.

In the last few months, Air Peace, Cally Air, Green Africa Airways, United Nigeria Airlines, Arik Air and fledging carrier NG Eagle Airlines have acquired aircraft to boost their operations.

Recently, Aero Contractors, Nigeria's oldest aviation company, took delivery of two Airbus 320 from Heston airline based in Lithuania.

The two aircraft, which arrived Abuja, were received at the Nnamdi Azikiwe International Airport, Abuja by the Managing Director of the airline, Capt. Abdullahi Mahmood, alongside other senior executives of the airlineand former Director-General of Nigeria Civil Aviation Authority (NCAA), Dr Harold Demuren and the helmsman, Capt Musa Nuhu.

The two aircraft leased by House of Five A's, according to Capt Mahmood, would boost the fleet of the airline and provide the much needed capacity to serve the local market. The aircraft, the pilot turned chief executive said, is the first of its kind in the market.

He said: "We are pleased to secure these two aircraft through House of Five A's which will boost our fleet and give us the needed capacity in the Nigerian market, while making us more efficient and offer more comfort to our customers.

"These new generation aircraft are suitable for our operations in this market. We have established an excellent relationship with the lessors and the financier and we are looking forward to a stronger relationship between both parties."

Mahmmod said the carrier was not only embracing the rave in the industry of leveraging aircraft acquisition as a strategy to expand fleet, he described it as another measure designed to expand capacity and improve on time performance, a strategy many carriers consider the game changer.

He said: "This was part of the reason we recently wetleased two Airbus 320 to drive our operations. We want to build the capacity of our fleet and give more comfort to our passengers with the ambience of freshly looking cabins. With these additions, we have grown our fleet to six airplanes from four."

Fleet growth, Mahmood said, is gaining traction among airlines affirming that the new move by Aero Contractors was a step in the right direction.

He said: "Absolutely, the increase in fleet size will help boost our market share in addition to helping us serve more destinations while giving our customers more seats. With these two aircraft our fleet size has increased to six airplanes."

In the last few months, many passengers have been complaining about flight delays and cancellation due to insufficient aircraft by airlines.

Confirming the development, Mahmood said the additional aircraft would assist to resolve operational challenges related to small fleets.

He said: "The additional aircraft will surely help us as a company to address this issue. This has been a challenge for us but, we are confident that out on time performance will receive a boost from now. It will give us an opportunity to add capacity."

Demuren said Nigerian carriers were getting it right by acquiring the suitable equipment for domestic operations.

He said equipment choice and route planning as well as on-time performance were key determinants in the growth trajectory of any carrier.

Capt Nuhu said Nigerian carriers were coming to terms with the reality by using suitable equipment that would boost their profitability.

He praised Nigerian airlines for not only acquiring new aircraft but getting the right aircraft type for flight operations.

He described the aircraft types being acquired by the airlines as environmentally friendly with low maintenance and operational cost, saying the development gladdened his heart.

NIGERIA GETS $70M GRANT FOR RENEWABLE ENERGY DEVELOPMENT

By Meletus EZE

To bridge the nation's power needs and reduce environmental pollution, the Agence Francaise de Developpement (AFD) has staked about $70million to fund renewable energy and efficient energy projects in the country.

This fund, according to its promoters, would guarantee electricity supply to over 80 million Nigerians who are currently without power supply.

Member, Project and Structured Finance, Sub Sahara Africa, Access Bank, Chukwudumije Igwe, said this at the second edition of Sustainable Use of Natural Resources and Energy Finance (SUNREF) Nigeria Programme Investors' Conference in Lagos.

The $70million was to be jointly disbursed by the Access Bank Plc, and the United Bank for Africa (UBA).

Igwe stated that SUNREF was committed to sponsoring projects that were innovative, technically eligible, energy efficient and renewable.

"SUNREF is a fund that has been made available by the AFD to back renewable and energy efficient projects.

Otunba Adeniyi Adebayo, Minister of Industry, Trade and Investment

"Access Bank is one of the disbursing banks and we are looking forward to reviewing and accessing projects that meet eligibility and the risk criteria.

"The total size of the fund is $70million and it has been shared between Access Bank and UBA. And we are looking for eligible projects to disburse this fund to," he said.

Team Lead, SUNREF Nigeria, Javier Betancourt, said access to finance to fund renewable energy projects required long-term financing was not available in the country.

He, however, pointed out that the sector had become a more important subject one hence the involvement of banks in the matter.

"The $70million is largely not enough, but good for a start because what Nigeria needs is in billions because over 80 million people in Nigeria are without electricity, while the remaining 100 million are somewhat electrified.

The Minister of Industry, Trade and Investment, Otunba Adeniyi Adebayo, who was represented by the Deputy Director, Industrial Development, John Opaluwa, reaffirmed the ministry's commitment to attracting investors into the country to boost industrial activities and economic growth.

The President, Manufacturers Association of Nigeria (MAN), Mansur Ahmed, said that the poor state of energy service over the years had constrained the manufacturing sector, leading to its low level of competitiveness globally.

Ahmed, while welcoming the initiative, said it would reduce the cost of doing business in the country, and urged manufacturers to take advantage of the funding facility.

SENATE BACKTRACKS ON ORDER TO WITHHOLD NG EAGLE'S OPERATING CERTIFICATE

By Aliyu DANLADI

The Senate Committee on Aviation, yesterday, made a U-turn on its directive ordering the Nigeria Civil Aviation Authority (NCAA) to suspend the process of awarding Air Operating Certificate (AOC) to NG Eagle airline.

The committee, at the opening of the 50th yearly general meeting (AGM) of the Nigerian Air Traffic Controllers Association (NATCA), in Abuja, said the committee was misinformed, adding that the lawmakers frown at political interference in the affairs of the NCAA.

The committee had in a letter signed by its Chairman, Senator Smart Adeyemi, ordered the withdrawal to enable lawmakers to investigate issues surrounding the controversial carrier.

The Senate's intervention, which has been described as "meddling in regulatory affairs of aviation", was not unconnected with the protest by a section of the unions that had kicked against the move to set up a new airline from the assets of Arik Air.

Member of the Senate Committee on Aviation, Ibn Na'Allah, said the committee was misled on the controversial issue of NG Eagle's AOC and apologised to Nigerians.

Na'Allah urged the NCAA to go ahead with its duties and perform its statutory functions, as the regulator, without interference.

"The Senate does not wish to interfere in the statutory functions of the NCAA," he said.

Managing Director of the Nigerian Airspace Management Agency (NAMA), Capt. Fola Akinkuotu, however, pledged that the aeronautical allowances of workers of the agency would be enhanced to reflect the economic situation in the country.

Akinkoutu also expressed worry over the death rate among Air Traffic Controllers (ATCs) in the last few years, saying the management was alive to its responsibility in areas of workers welfare.

Besides, the Managing Director of Federal Airports Authority of Nigeria (FAAN), Capt. Rabiu Yadudu, in his goodwill message, acknowledged the contributions of ATCs to air safety in the country and urged them to continue to put in their best.

Ahmad Lawan, Senate President

PORT INFRASTRUCTURE: NPA UPGRADES CONTROL TOWER

By Meletus EZE

The management of the Nigerian Ports Authority (NPA) is poised to ensure optimal utilisation of its facilities across the nation's seaports, according to the Acting Managing Director, Mr Mohammed Bello-Koko.

He made this known in a statement in Lagos, saying that this was with a view to position the ports on a competitive edge in the West and Central African sub region.

The statement was signed by Mr Olaseni Alakija, General Manager, Corporate and Strategic Communications, NPA.

Bello-Koko, according to the statement, spoke while on a facility tour of the newly rehabilitated Control Tower located at the Lagos Ports Complex (LPC), Apapa.

The acting managing director said it had become expedient for port facilities to be upgraded so as to impact positively on port operational efficiency.

He said that effective communication was an important variable for efficient performance of the seaports.

"We aspire to be competitors in the sub region. One of the ways to achieve this is by ensuring our facilities such as the Control Towers are up to date and upgraded to work with modern communication and radar systems.

"This will improve communication, reduce ship waiting time and further reduce the cost of doing business at our ports, he said.

On the welfare of the pilots, he said the NPA placed premium on the comfort of "this very valued category of staff of the Authority".

"We are committed to the welfare of the pilots, matters concerning the pilots' accommodation, medical care and recreational facilities at the rehabilitated nine-storey Control Towers are world- class.

"This comes with the provision of facilities such as sleeping quarters, gym, canteens, kitchens and meeting/ conference rooms for the pilots and other harbours staff," he said.

Bello-Koko said that a second control tower at Tincan was also being upgraded to provide communication with ships using the VHF frequency.

He said the rehabilitated control towers would also have updated radar and communication equipment that would enable communication between the ports in Lagos and Lekki deep sea port and Dangote refinery jetty.

Bello-koko said NPA would deploy more marine equipment like pilot cutters and security patrol boats at various port locations in order to improve port efficiency and security around the ports.

"We will ensure that we engage you for optimal performance," he stressed.

In a related development, Bello-Koko had allayed the fear of stakeholders over insinuations that the activities of hoodlums at the TinCan Island Port might negatively affect the progress already recorded by the truck electronic call-up system Eto.

The acting managing director, who visited the affected site where vandals attempted destroying 'Eto' infrastructure but were promptly apprehended by vigilant NPA security operatives, assured that rehabilitation work had already commenced.

He said the incident had not in any way affected operations.

Bello-Koko appreciated stakeholders, especially the Lagos State Government, for the collaboration at enforcing Standard Operating Procedures (SOPs) in the use of Eto which had remained a continuum.

He used the opportunity of the visit to declare zero tolerance to vandalism at the nation's seaports.

The acting MD called on all and sundry to partner the Authority in the auspicious task of hoisting the nation's flag amongst the comity of nations with efficient ports in the world.

CUSTOMS TEAM REPELS SMUGGLERS' ATTACK

By Shile EZE

The Nigeria Customs Service (NCS) says its patrol team from Federal Operations Unit Zone A, Lagos, was attacked by smugglers during an operation along Shagamu Inter-change in Ogun State.

The Acting Controller of the Unit, Hussein Ejibunu disclosed this in a statement signed by Mr Theophilus Duniya, Public Relations Officer of the Federal Operations Unit.

Ejibunu noted that the patrol team had intercepted 12 vehicles of different kinds, laden with bags of foreign parboiled rice.

He said the customs men were on their way to the government warehouse before smugglers mobilised themselves with the support of others and attacked the team with dangerous weapons.

"During the exchange of gunfire, two of the attackers lost their lives and one suspect was arrested.

"Out of 12 vehicles in the convoy of the smugglers, our operatives were able to leave with four of them laden with smuggled foreign parboiled rice.

"The arrested suspect and the seizure have been brought to the Unit Headquarters, Ikeja," he said.

JAMOH RALLIES SUPPORT FOR NIGERIA'S IMO CATEGORY C REINSTATEMENT

By Aliyu DANLADI

The Nigerian Maritime Administration and Safety Agency (NIMASA) has urged the international maritime community to support Nigeria's bid for reinstatement into Category C of the International Maritime Organisation' s (IMO) council election.

The Director General of NIMASA, Dr Bashir Jamoh, made the call in a statement signed by Mr Edward Osagie, Assistant Director Public Relations of NIMASA, in Lagos

Speaking at the third seminar of the Atlantic Centre in Lisbon, Portugal, on Tuesday, Jamoh sought the support of Nigeria's friends to vote for the country into the council of the IMO in the election billed for December, 2021.

"We ask for your vote and count on your continued confidence in the efforts of Nigeria to work in partnership with other nation states in the Gulf of Guinea.

"This will enable us to continue keeping our corridor of the Atlantic Ocean a safe passage for seafarers, their vessels and the vital supplies they transport for our common sustenance," he said.

The DG also requested the removal of

Dr Bashir Jamoh

Nigeria, by the global shipping community, from being designated as a war risk zone which causes increased insurance premium.

He also explained recent efforts by the Federal Government to make the country's waters safer for crew members, vessels and cargoes.

Jamoh added that deployment of security vessels on waters adjoining the Atlantic Ocean should be in line with international laws, without undermining the national sovereignty of countries within West and Central Africa.

"In 2018, Nigeria initiated a project known as Integrated National Security and Waterways Protection Infrastructure (Deep Blue Project), as a robust tool to combat piracy, armed robbery and other maritime crimes within Nigeria's territorial waters and by extension the Gulf of Guinea (GoG).

"To further bolster Nigeria's efforts at fighting crimes at sea, the government signed into law the Suppression of Piracy and Other Maritime Offences Act, (SPOMO) 2019.

"This piece of legislation gave effect in Nigeria to the provisions of the UN Convention on the Law of the Sea (UNCLOS) 1982, on piracy and the International Convention on the Suppression of Unlawful Acts against Safety of Navigation (SUA), 1998, and its protocol.

"Since the law came into effect, convictions of at least 20 pirates have been secured under the Act with offenders currently serving various jail terms," he said.

He noted that at the regional level, Nigeria joined other heads of States and governments to sign the Yaoundé Declaration on June 25, 2013, to collaborate in the fight against piracy and other crimes in their Atlantic oceans.

Jamoh pointed out that this followed the United Nations Security Council resolutions of 2011 and 2012 calling on the countries in the ECOWAS, ECCAS, and the GoG to work together on a strategy to fight piracy, armed robbery, and other illegal activities at sea in the Gulf of Guinea,

"This decoration known as the 'Yaoundé declaration' led to the establishment of the Inter-regional Coordination Centre (ICC Yaoundé).

"Further to this, Nigeria, together with the ICC Yaoundé, is engaged with the major international shipping industry and commodities groups, INTERTANKO, INTERCARGO, ICS, OCIMF, BIMCO, to develop a framework known as the Gulf of Guinea, Maritime Collaboration Forum on Shared Awareness and Deconfliction i.e. GoG-MCF/SHADE.

"The framework is a multilateral initiative involving industry stakeholders and member countries in West and Central Africa and the Gulf of Guinea, on Information sharing and incident reporting, cooperation at Sea, and Air de-confliction."

AVIATION SECTOR RECORDS INCREASE IN PASSENGER TRAFFIC IN Q2

By Meletus EZE

The nation's aviation sector is recovering from the shock of COVID-19 pandemic as passenger traffic has been on the rise.

Drawing on data provided by the Federal Aviation Authority of Nigeria (FAAN), the National Bureau of Statistics (NBS) has released its latest report on air passenger traffic.

The report, which estimated total traffic in Q2 2021 at 3.2 million passengers, represented an increase of 9 per cent quarter-by-quarter and 72 per cent year-on-year in passenger traffic.

However, the report argued that despite the year-on-year increase in passenger traffic, the aviation sector was still recovering from the effects of the COVID-19 pandemic as overall passenger traffic is still below pre-pandemic levels.

Based on the national accounts, Nigeria's air transport segment grew by 4.9 per cent y/y in Q2'21 compared with a contraction of -11.8 per cent recorded in the previous quarter. The reopening of airports and the reinstatement of flights, following the ease in movement restrictions and positive base effects contributed to the uptick in the segment's growth rate.

For quarter two 2021, passenger traffic on departures accounted for 50 per cent of total domestic air travel and 51 per cent of total international air travel. According to the report, 86 per cent of total air passengers in Q2 2021 were domestic travellers, pointing to a 9 per cent quarter on quarter (q/q) increase.

Passenger traffic in the Lagos domestic airport increased by 13 per cent q/q to 861,320 passengers. As for Abuja, there was a 9 per cent q/q increase to one million passengers in Q2 '21.

The Abuja airport accounted for the largest share (37%) of total domestic passengers during the quarter under review. While Lagos and Port Harcourt accounted for 31 per cent and 7 per cent of total passenger traffic (domestic) respectively.

NIGERIA'S AGRIC SPENDING PLAN HIGHEST IN FOUR YEARS BUT STILL FAR BELOW AU BENCHMARK

*The Nigerian government is proposing just 1.8 per cent of the 2022 budget for agriculture, significantly short of the Maputo Declaration benchmark, **Meletus EZE** examines the significance.*

Nigeria will once again spend a significantly small portion of its budget on agriculture, short of a continental benchmark set 18 years ago to encourage African countries open their economies more to farming as one of several ways of guaranteeing food security and boosting economic growth.

The now famous Maputo Declaration came into effect in 2003 and Nigeria ratified the agreement the next year, agreeing with other African countries to set aside at least 10 per cent of its yearly budgets to agriculture. Nigeria has perpetually failed to abide by the treaty.

Under the Buhari administration, budgetary allocation for agriculture rose from 1.70 per cent in 2017 to 2.00 per cent in 2018, fell to 1.56 per cent in 2019, and 1.34 per cent in 2020, before recording a slight increase (1.37 per cent) in 2021.

In the proposed budget for 2022 presented by President Muhammadu Buhari to the National Assembly last week, agriculture has just 1.8 per cent of the budget — the highest in four years.

Analysts have chided governments over the years for not doing enough to expand a sector that has the potential to rapidly become the pillar of national economic growth, despite professing their commitments to do otherwise.

"When I looked at the 2022 proposed budget for the agricultural sector, I felt so bad. This is the first time the budget went so high and I was expecting to see the agricultural percentage going high too," said an agricultural communication expert, Obinna Chukwuezie.

"One of President Muhammadu Buhari's objectives of the agricultural policy which ended last year is that the country is going to diversify. Is it 1.8 per cent that will diversify the economy?"

More than any other year in recent history, 2021 has shown how dire the consequences of mismanaging or failing to be to the sensitive to the dynamics of the agricultural sector can be, with food inflation reaching the highest levels in over a decade and thousands of smallholder farmers quitting as a result of rising insecurity and cost of supplies.

Since the return of democracy in 1999,

the agricultural sector received its best funding ratio in 2008 and 2009 during the Yar'adua administration.

Mr Yar'adua assigned 5.41 per cent of the 2008 total budget to agriculture, and in 2009, he allocated 5.38 per cent.

Under Mr Buhari, the sector has remained underfunded despite the president's repeated promise to revive it.

Ironically, Nigeria has recorded its highest annual spending in history under Mr Buhari. The 2022 budget has a total of N16.39 trillion — far above the less than N3 trillion the Yar ádua government spent in 2008.

In the 2022 budget, only N291.4 billion (1.8 per cent) is for the agricultural sector. This includes N71.8 billion for personnel cost, N 3.7 billion for overhead and N215.8 billion for capital expenditure.

Maputo Declaration

The Maputo Declaration came during the second ordinary assembly of the African Union in July 2003 in Maputo, Mozambique, when African heads of state and government met.

Through the declaration, the African Union (AU) enclosed several important decisions regarding agriculture, but the crucial among them was the commitment to the allocation of at least 10 per cent of its annual national budget to agriculture and ensure the growth of the agricultural output of at least six per cent annually.

Eighteen years down the line, Nigeria is yet to meet up in terms of commitment of resources to the agricultural sector, as indicated in the 2022 proposed budget.

Mr Chukwuezie said the country's growing population makes it even more pressing for the government to pay attention to growing the agricultural sector.

"Currently, the population of the country stands at 200 million and observers say by 2030 we will be up to 250 million. This means that there is a need to produce more food and this is where the budget has a bigger role to play in achieving food security. So, if the government is not budgeting more for agriculture, more people will go hungry," he said.

He urged the National Assembly to carefully consider the proposals submitted by the president and make necessary amendments to revive the agricultural sector.

RELEVANCE OF VALUE-ADDED AGRICULTURE TO DEVELOPMENT GOALS

By Abiodun Egbetokun

In his paper, Technological Abundance for Global Agriculture: The Role of Biotechnology, Calestous Juma wrote,"…the ability to add value to agricultural production via the application of scientific knowledge to entrepreneurial activities stands out as one of the most important lessons of economic history.

The Green Revolution played a critical role in helping to overcome chronic food shortages in Latin America and Asia." Although that paper itself is generally about biotechnology and specifically genetically modified (GM) crops, Juma implicitly struck on a point that resonates with me: value-added agriculture is crucial to overcoming poverty in Africa. In fact, I do not see how the SDG goals of no poverty, zero hunger as well as good health and well-being by 2030 can be achieved without a proper focus on value-added agriculture in Africa.

According to the World Bank, 1.136 billion people (that is 14 percent of the world's 7.753 billion people) lived in sub-Saharan Africa in 2020. Two out of every five of these live in extreme poverty, that is, they are only able to afford $1.9 per day on consumption including food.

Projections indicate that Nigeria will be home to the largest number of the world's poorest people at least until 2030 – a trend that began in 2018. In other words, since 2018 most Nigerians have been unable to feed well and will remain so until 2030 at least. This seems surprising because according to World Bank data, Nigeria's nominal GDP was the 26th largest (out of 211 countries and territories). How come she appears to be so poor? My argument, based on the statistics, is that a country is defined as rich or poor, not on the basis of the sheer amount of money it makes or spends but by the welfare of its people. The most basic indicator of this fact is GDP per capita – that is, economic output per person. Research suggests that higher GDP per capita is associated with an increased ability of individuals to pay for inputs that lead to better welfare. But in the comity of nations in 2020, Nigeria's GDP per capita was in the the162nd position. Between 2018 and 2020, Nigeria's GDP per capita barely increased from $2,028 to $2,097.

As far as I can tell, most of the indices of poverty that are currently used, including the ones I just cited above, are related to what people do and eat. That is why I believe strongly that if Nigeria was constrained to make only one, choice of where to direct her science, technology and innovation (STI) efforts, it should not hesitate to select agriculture. Although being constrained to make only one choice of focus area is rather far-fetched, the need to prioritize is not. Thus, if Nigeria would prioritize her STI efforts appropriately, agriculture must not be far from the top of the list – in fact, I think it

HOW FARMERS IN ABUJA COMMUNITY USE 'AGROFORESTRY MODELS' TO FIGHT

By intentionally growing crops among trees in a way that each crop does not inhibit the growth of the other, farmers in the Nigerian capital promote sustainable ecosystems that support efficient biodiversity, **Abisola THOMPSON** *writes.*

In 2019 when Samuel Kwasari introduced agroforestry practice to smallholder farmers in Dama-kusa village, the farmers said it was a waste of time and energy, believing that crops planted would die off in a couple of days.

Two years later, local farmers in the village and surrounding communities were amazed by the profound level of transformation and vegetation restoration that had occurred in the bare land area they had known, which now harboured over a hundred different species of essential staple crops and exotic plant species.

"The farmers thought this (agroforestry) will not be possible in this area because they are only used to mono-cropping systems of farming which has destroyed the existing vegetation in this area," Mr Kwasari, the founder of Be the Help Foundation (BHF), said.

Without applying any form of inorganic fertiliser, herbicides or pesticides, Mr Kwasari said the agroforestry models have created an all-year round atmosphere for healthy food production and green vegetation that exhibits rich biodiversity.

"This system has helped reduce the negative impacts of climate change, boost healthy food production and has improved the soil microorganisms availability on the farm and surrounding environment," he added.

Dama–kusa village is a small farming settlement in Yangoji, an agrarian community in Kwali area council tucked along the Abuja-Lokoja road of the Federal Capital Territory.

Subsistence farming is the major occupation of the Dama-Kusa people. The crops grown majorly by farmers of this settlement are maize, groundnut and sorghum, on a small scale. However, the agroforestry model being practiced within the community still remains strange to many, while some are already developing interest, Mr Kwasari said.

"Uniqueness of agroforestry"

Agroforestry is one of several climate smart models of farming being practised by some Nigerian farmers in Abuja in order to mitigate the devastating impacts of climate change on food production and biodiversity.

According to the United Nations Food and Agricultural Organisation (FAO), agroforestry is a dynamic, ecologically based and natural resource management system that, through the integration of trees on farms and in the agricultural landscape, diversifies and sustains production for increased social, economic and environmental benefits for land users at all levels.

The food organisation said that agroforestry systems are multifunctional systems that are crucial to smallholder farmers and other rural people because they can enhance a wide range of economic, sociocultural and environmental benefits.

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should be at the top. Like my people would say, when hunger is no longer a concern, the problem of poverty is virtually solved.

Why do I think agriculture is so important? The answer lies in three inter-related structural characteristics of the Nigerian economy. One, the Nigerian society is fundamentally agrarian. Some estimates suggest that over 70 percent of all Nigerian households are engaged in subsistence agriculture. Over 40 percent are also said to own or raise livestock. Two, agricultural activities account for very large shares of national employment and GDP. Data from the International Labour Organisation shows that over a third of all workers in Nigeria was in agriculture in 2013. In 2020, agriculture contributed 24 percent of the country's GDP, almost as much as industry. Three, despite the vast arable land and a large agricultural labour force, Nigeria is a net importer of food. In 2019, the country imported four times as much food as it exported.

Achieving any form of STI-driven growth and development in a context like Nigeria's requires a deliberate attempt at initiating and sustaining structural change. This change will ensure that resources are shifted around within the economy in a near-optimal, if not optimal, manner. This kind of structural change is not what a country achieves by disproportionately spending on technologies such as satellites and ICTs. Rather, it is achievable through sensible targeted STI that focuses on priority areas.

Strictly speaking of agriculture, one can think of very many things that can be done. Let us abstract for now from the problems of physical infrastructure and agricultural financing that create loads of problems. Supposing that farmers had pervasive access to high-yielding, disease-resistant and resilient seeds and seedlings; supposing that when crops are harvested they are such that it takes twice the usual duration before the onset of decay; supposing that instead of expensive tractors there were some devices that worked just as well but much less bulky and costly; supposing that instead of human cartage in the remote agrarian clusters (what we like to call rural areas though they now supply most of the food we eat in the cities) there were some cheap cartage mechanisms; supposing that imported machinery was replaced with domestic alternatives; supposing that imported materials were substituted with locally sourced materials everywhere applicable.

One could keep on 'supposing' because the possibilities of simple innovations that will have huge productivity effects in agriculture are almost limitless. The question is whether anyone will see them and seize them. There are pockets of progress here and there but the current rate of progress is too slow to drive structural change. Poverty reduction, economic growth and development have absolutely nothing to do with national ego or pride; it's more a matter of knowing what to do and actually doing it. If Nigeria had to choose only one application of STI, I would strongly recommend one that focuses on agriculture.

Egbetokun is of Science Policy and Innovation Studies National Centre for Technology Management, Ile-Ife.

CLIMATE CHANGE

It is a sustainable system of farming whereby farmers intentionally grow several crops among trees in such a way that each crop does not inhibit the growth of the other, thus promoting healthy food production and sustainable ecosystems that supports efficient and effective carbon sequestration and biodiversity.

Some farmers under the BHF initiative explained that the switch from the common traditional system of farming to agroforestry systems has significantly improved not only their livelihood,but also the species richness of the environment.

Mr Kwasari said they had adopted two major agroforestry systems so far— the Brazilian system which they referred to as Modern Brazilian System(MBS) and the Indian system which they also referred to as the Vetri system (named after the partner from India that helped set it up).

The farm manager said both models entail a land use management system in which trees, shrubs and herbs are grown among crops and pastureland.

He noted that the concept is to practise agriculture with trees as the basis, and that the Brazilians are the ones famously known for agroforestry but that they practise the alley farming.

"In the Brazilian system, the target is to get the rural or smallholder farmers to practise the system of agroforestry without disrupting their traditional ways of farming," he said.

He said smallholder farmers can easily grow their crops in the alley, while tree lines are situated 4.8 meters apart. He said trees are grown in a straight line and that trees need minimal care once they are planted and have been established.

"We have about 23 varieties here; guava, bitter kola, mahogany, cashew, eucalyptus, shea butter tree," Mr Kwasari said, "We had about 10 thousand seedlings in this farm, we have planted over 4000, currently raising some more. Last year we raised about 50,000 trees. We made use of about one third of it on the farm then we sold some out. Now we are getting rid of all the old seedlings to raise another 60,000," he added.

On each hectare of land, he said they have a minimum of 2,500 trees planted and that currently, they have nursed and planted 75,000— 100,000 trees so far on nine hectares of land.

In the MBS model, he said crops that do not require much water are usually planted alongside trees with similar characteristics in

a definite pattern, while the Indian system is irrigated and it bears crops that are mostly vegetables, spices and herbs all year round.

Mr Kwasari said fast growing food crops— bananas, pawpaw, chili peppers, turmeric, castor plants, rice, beans, hibiscus and trees (Eucalyptus, moringa etc), among many others — were deliberately planted because they wanted a situation whereby once a farmer sets up a farm, after 60 days the farmer would be harvesting food crops for the rest of their lives.

"In this system, for 12 months for sure, you will have one or two crops that are produced every month. It is not like the traditional system of farming where you grow crops for five months, after harvesting, the farmers will now sit at home for another six months, while they keep selling what they have harvested instead of having multiple streams of income," he added.

The farmer said: "Now, we are telling them(farmers) that , look, there is a better way of doing this thing, and that when you plant once, all through 12 months in a year you are still harvesting and making more money."

Joyce Brown, an Abuja-based environmentalist with Health of Mother Earth Foundation (HOMEF), said agroforestry is an important agroecological practice that should be supported and encouraged in the Nigerian farming system.

She said it plays a key role in climate change resilience and that agroforestry reduces atmospheric carbon, improves soil structure, reduces soil erosion as well as pest and diseases

"Agroforestry helps to boost nutritional diversity and also diversify income for the farmers," she added.

"Forest model"

The forest is one of the several subdivisions of the MBS system being practiced by the farmers. It encourages the planting of trees alongside staple crops like maize, pepper, sunflowers among others.

Abang Pius, one of the farmers who embraced the agroforestry model of farming two years ago, said the system of farming has significantly improved his standards of living these past years.

"Before I was a boy, but now I can satisfactorily call myself a man. To be candid, it has really impacted my livelihood in a positive way because I was not doing well before, but now I am better," he added.

Abang Pius, Agroforestry farmer who heads the Forest model.

Mr Pius, who heads the unit in the agroforestry system called the Forests, said the main reason for the model is to reduce desert encroachment.

He said he decided to plant trees artificially (man-made forest) that he specifically planted six different types of trees—Gmelina, Mahogany, Teak, Eucalyptus, Neem and Gliricidia on a hectare of over nine hectares of land currently being cultivated by the farmers.

After a year, the graduate of agriculture said the forest trees had developed to form shape (canopy), after which he decided to plant crops in between the furrows

"The yield was perfectly good and we have harvested some crops this year, then we still have our pepper and sunflower perfectly alright," he said.

Asked about the difference between the forest model and the traditional system of farming, he said in the latter, farmers make use of chemical inputs while the former is strictly organic farming.

"We don't use chemicals here," he reiterated.

He said one of the main challenges they faced in the course of setting up the model was erosion and shade from trees grown which prevented other sun loving crops from sprouting well.

"I had a challenge in water, that is erosion and where the tree canopies are much, crops around the area may not do well," the farmer said.

More farmers speak

Mustapha Yusuf, who heads the nursery at the farm, said the agroforestry system of farming has clearly shown that with a farmer's little capital he or she can effectively and efficiently grow as many crops as they deem fit.

"As I am now, with my little capital, I can raise a nursery, organise my farm and plan my future," he said.

Mustapha Yusuf, agroforestry farmer (Head of Nursery). He said two years ago, he started with 40,000 seedlings, but that this year he has raised 60,000 seedlings of 25 different species of plants.

Peter Ikwu, another agroforestry farmer at Damakusa village, said he is currently practising an agroforestry model called MBS II that enables him to grow tree crops and assorted vegetables simultaneously, and that it has turned his life around significantly.

"This is an organic farm and in this farm we do not use inorganic chemicals. We weed off grasses, then make use of the weeds and banana leaves to cover the soil (mulching) which on decay adds more nutrients to soil," he said.

Iwan Barnabas, who heads the Vetri system unit, said the model has clearly shown that farmers can grow significant numbers of plants on a hectare of land.

Iwan Barnabas, agroforestry farmer (Head of Vetri system I). He said the system has helped improve his thinking on plant combinations, because he now knows plants that can be grown beside each other that will not suppress the growth of the other.

With this model a farmer can improve the soil texture and nutrients by planting other leguminous crops, thereby saving cost of manure," he added.

"Blooming pastureland"

While the devastating impacts of climate change has been linked to be one of the root causes of the perennial farmer-herder clashes in Nigeria due to the imminent scarcity of pastureland, Nathan Abel, another agroforestry farmer, decided to use agroforestry models to grow varieties of nutritious grasses for livestock.

Mr Nathan Abel, agroforestry farmer growing drought resistant grasses. He said he is using the MBS III model to grow over 16 varieties of pasture grasses and trees mainly for feeding animals.

He said the pastures are situated on a hectare of land, and that on the hectare, in between every 4.8 meters marked out for planting of grasses, 1.2 meters are used for planting fruit trees and timbers in a row simultaneously.

"On one hectare, we have sixteen 4.8 meters – portions where different grasses are grown and 17 tree lines (1.2 meters) where we planted 16 different grasses," he added.

He said they have successfully planted nutritious livestock grasses like Napier grass, Ruzi grass, Gamba grasses among others, and that the main challenge is how farmers will get the source of the grasses before propagating them.

"Even me, I got to know these grasses when I started working here, " he said.

He said by growing these grasses, it has helped him improve his livelihood and sources of income, and that an interesting part of the grasses is that they are all drought tolerant, thus they remain evergreen during the dry season. Napier grasses for cows

Key challenges

Mr Kwasari said the main challenge they are facing is the lack of unity and awareness amongst farmers, and that most farmers do not know how to propagate or store seeds for subsequent farming seasons which they are already trying to resolve.

"We have set up a demo plot solely for this community in order to show them how Agroforestry works, and they are beginning to see that with a small plot of land, a farmer can grow enough crops that will sustain him or her for life," he said.

Mr Yusuf said another challenge they are faced with is the difficulty in acquiring some tree seedlings due to insecurity in the country.

He said it will take a farmer over two months to get some seedlings because they usually travel into the forest to acquire some seedlings then try to propagate these seedlings effectively.

"Now everyone is afraid of going into the Forests because of kidnappers, especially in Kaduna and Niger states. It is difficult for us to enter the forests there to find seedlings, except we use the local hunters there," he added.

Roland Frutig, a Swiss agroforestry consultant at the farm said the farmers under their supervision as well as other community members can all see that they are having much more yields than the existing traditional system of farming in the community.

"Smallholder farmers can secure their future with this system of farming, because it helps them to benefit from the different crops planted all year round non-stop," the Sexagenarian said during a visit to the farm.

Roland Frutig, a Swiss agroforestry consultant. Mr Frutig explained that agroforestry systems are multifunctional systems that can provide a huge range of economic and sociocultural benefits to not only the livelihood of smallholder farmers but also to the environment.

"Nigeria can feed other West African countries with this because they have the potential," he said.

The agroforestry expert explained that trees like Gliricidia commonly referred to as "quick stick or mother of Cocoa" are very easy to multiply once it grows up, and that it helps to enrich the soil with all the necessary Nitrogen required for plant growth.

ADVERT RATES

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