

DANGOTE REFINERY WILL EXPOSE NIGERIA'S  
MIDSTREAM, DOWNSTREAM SECTORS TO  
INTERNATIONAL MARKETS -DANGOTE

MUOKA TAKES OVER AS  
NCC SPOKESMAN

HOW NCDMB IS DEEPENING NIGERIAN CONTENT  
THROUGH PARTNERSHIP, TRANSPARENT FUND  
MANAGEMENT

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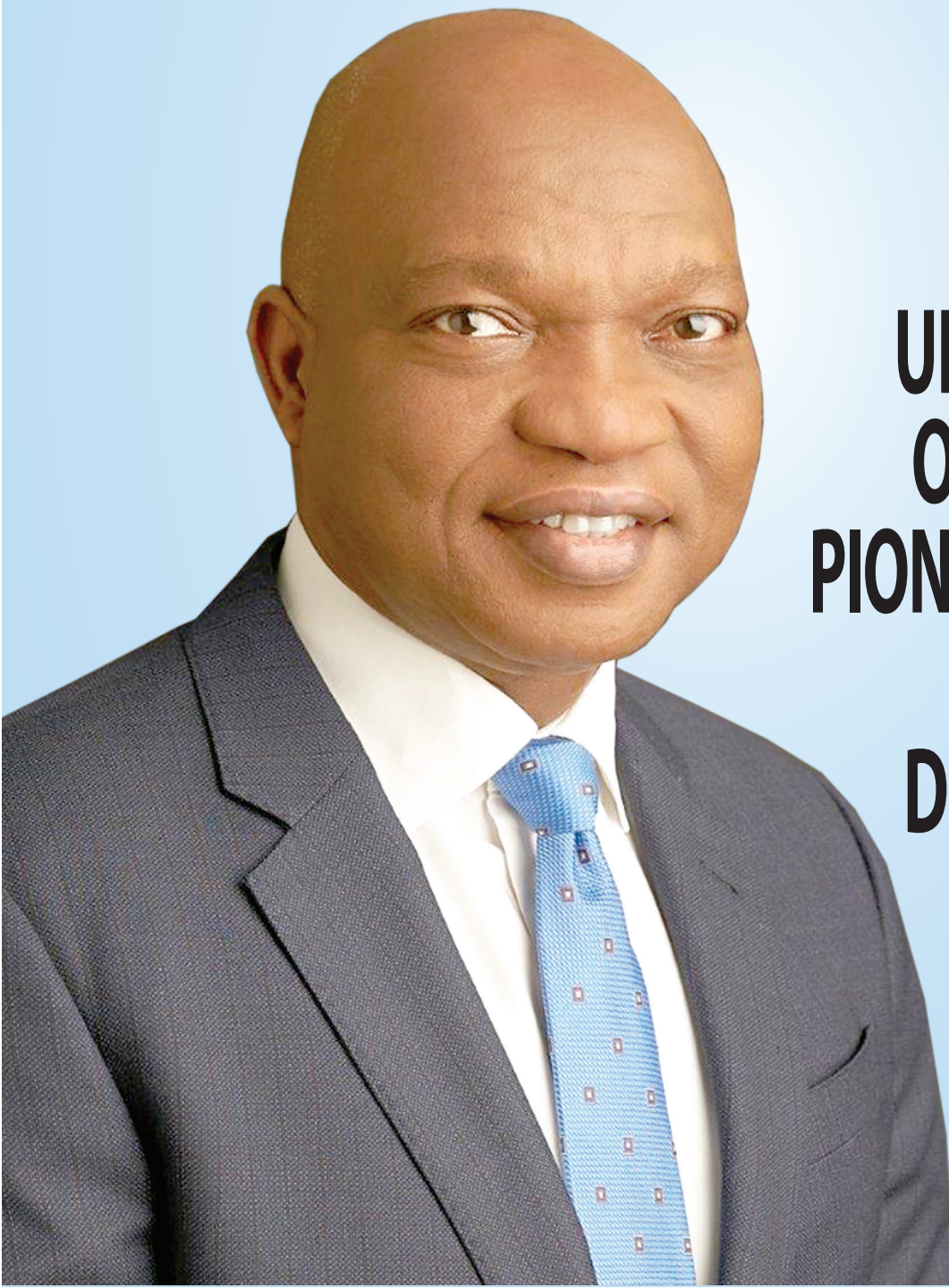
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**UNTOLD STORY  
OF HOW SHELL  
PIONEERED LOCAL  
CONTENT  
DEVELOPMENT  
IN NIGERIA**

# Our Global Outlook



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# Editor's Note



**DR. NJIDEKA KELLEY**

Undoubtedly, Shell has remained the biggest contributor to Nigeria's economy and indigenous capacity development. At a point in the life of the Nigerian nation, Shell can't be easily separated from Nigeria as it seemed as if there is no Shell, there is no Nigeria.

Aside financial contributions to the Nigerian economy through payments of taxes and royalties, Shell has contributed immensely to the development of indigenous capacities in the oil and gas industry. The big indigenous oil service companies and operator companies in the upstream are all products of Shell. But oftentimes the oil giant is in the news for negative reasons.

The first generation of indigenous oil service companies were encouraged and supported by Shell through award of contracts to them, training of Nigerians in knowledge-based skills.

Weafri Global Well Services Limited is one of the oldest and biggest oil service companies in Nigeria. Its Executive Director, Mr. Chris Onyekwere, spoke glowingly about how Shell began to empower Nigerian firms by giving them opportunity to do jobs for it. This, according to him, was when services to exploration and production (E&P) firms in Nigeria especially the international

oil companies (IOCs) was seen as exclusive preserve of the international oil service companies.

He said he will be eternally grateful to Shell because the oil giant took the risk to give indigenous oil service companies opportunity to work on its facilities. Presently, these companies have grown big with some of them as conglomerates.

Shell, he said, supported them (indigenous service firms) firmly at the onset of enactment of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act when their foreign counterparts wanted to frustrate them by poaching their supervisors. But Shell stood by them and was training Nigerians who replaced the poached personnel.

Also, Oilserv Group, which currently is Nigeria's leading oil service company, playing effectively and prominently in engineering, procurement, construction, installation and commissioning with testimonials from its numerous clients including IOCs and Independents for its competence.

Its Group Chief Executive Officer, Engr. Emeka Okwuosa, said the company began operation in 1995, it worked exclusively for Shell for the next five years, after which it started working for other International Oil Companies (IOCs) and the Nigerian Liquefied Natural Gas (N LNG) in maintaining their pipeline transmission systems.

Shell divested its stakes in oil mining leases (OMLs) 4, 18, 24, 25, 29 38, and 41 - as well as a major pipeline, the Nembe Creek Trunk Line, which were all taken up by Nigerian companies, helped produce the first generation of indigenous operators.

Meanwhile, the Nigerian Content Development and Monitoring

Board (NCDMB), as part of its core mandate to encourage and develop local capacity and capability in the oil and gas sector, has partnered with critical stakeholders in the industry including firms and professional organisations. The most recent being the National Insurance Commission (NAICOM) and the Nigerian women in oil and gas. While partnership with NAICOM is aimed at making Nigerian insurance companies underwrite oil and gas risks, Nigerian women in oil and gas is targeted at increased participation of the girl child in the oil and gas sector.

The Executive Secretary of NCDMB, Engr Simbi Wabote, told The Business Intelligence Africa (TBI Africa) at the recently held Nigerian women in oil and gas conference in Lagos why the Board enters into such partnerships and how it manages such partnerships to ensure the objectives are achieved.

Also, in this edition is the growing concern among Nigerians about the dollarisation of Nigeria's economy. Nigeria's currency - the naira, recently depreciated to about N613 to a dollar on the parallel foreign exchange (forex) market.

These among other interesting reports are packaged for your reading pleasure in this edition.

Thank you for making TBI Africa magazine your delight.

A handwritten signature in black ink, appearing to read 'Njideka Kelley', with a long, sweeping underline.

Dr. Njideka Kelley is also the owner and Principal Consultant of New Generation Consulting LLC, 10101 Fondren Road Suite 353, Houston Texas 77076

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# UNTOLD STORY OF HOW SHELL PIONEERED LOCAL CONTENT DEVELOPMENT IN NIGERIA

*Aside financial contributions to the Nigerian economy through payments of taxes and royalties, Shell has contributed immensely to the development of indigenous capacities in the oil and gas industry. The big indigenous oil service companies and operator companies in the upstream are all products of Shell. But oftentimes the oil giant is in the news for negative reasons. In this, **EMEKA UGWUANYI** delves into Shell pioneered local content development in Nigeria with testimonies from indigenous players.*



**Timipre Sylva**

Weafri Global Well Services Limited is one of the oldest and biggest oil service companies in Nigeria. In an encounter with our reporter in Texas, United States, the Executive Director of the company, Mr. Chris Onyekwere, laid bare how Shell began to empower Nigerian firms by giving them opportunity to do jobs for it. This, according to him, was when services to exploration and production (E&P) firms in Nigeria especially the international oil companies (IOCs) was seen as exclusive preserve of the international oil service companies.

To him, he will be eternally grateful to Shell because the oil giant took the risk to give indigenous oil service companies opportunity to work on its facilities.

Onyekwere said: "Our experience from 1988 to where we are today is largely credited to Shell. Shell was the company that first gave us opportunity to demonstrate we can do their cementing job and will not junk their well. They had that confidence in us. Another company is the NPDC. We don't forget such people. Although I have not been around in Nigeria for some time but I'm up to date on all the daily activities in Nigeria.

"If we look at the history of Shell, we must be grateful to them. Shell understood that it was time to give back. They were the first to start production in Nigeria in Oloibiri. They backed the first generation that started the growth of indigenous operators and service providers. They

understood it was time to give Nigerians opportunity and that was when they started getting more Nigerian managers in Shell. That is a development we often underrate. The truth is that if you don't incorporate people that understand your problems anywhere you work, the problems persist. If you don't understand my problem you cannot solve it.

"So when Shell started incorporating people that have been in that situation and understood the problems into their system as managers, they started giving indigenous players a trial. These indigenous players had experience where they worked in the past, they have done it in the past, they can do the job. They took that risk assessment and allowed the risk



and gave us that opportunity. I have to commend them.

"Secondly, when the Nigerian Oil and Gas Industry Content Development (NOGICD) Act was enacted and the pressure was on the IOCs (major oil service companies) that service the industry of losing their grip, they turned back to sabotage us by campaigning that we may not be able to deliver the jobs as our fellow competitors. As if that was not enough for them, in 2012 just two years after the enactment of local content law, what they did was clog into our system, poached all our supervisors just to cripple and render us handicapped but they didn't know we would remain competitive as their competitors.

"As they continued poaching, we continued training more personnel. So we had more than enough manpower to the point that if we didn't them in-country, we export them. We approached the IOCs and made a presentation as PETAN to them. We said we would do a practical training, let them sponsor for one year any candidate from the university and we do the training, so that we churn out more people. Shell accepted as we made that presentation. So, Weafri started the practical training with other companies participating but still under Shell. So Shell gave the candidates one year training while we gave them the practical training. That training has been ongoing but I don't know whether it is still sustainable as at this time.

"From there, the Nigerian Content Development Board (NCDMB) has started the same thing too. I'm giving you the genesis of this practical training. Presently, WEAfri is training for NCDMB, Agip and for Shell, that is the one year programme and I want that training to continue and we need to promote it. The media can help in this regard. We at WEAfri has not gotten anything as regards that training from Shell since last year to date.

Today, WEAfri has offices and operates in United States, Kuwait and South Korea.

Also, Oilserv Group, which currently is Nigeria's leading oil service company, playing effectively and prominently in engineering, procurement, construction, installation and commissioning with testimonials from its numerous clients including IOCs and Independents for its



**Osagie Okunbor**

competence.

Oilserv have handled major gas projects including the OB3 and the ongoing AKK project, among others. Oilserv Group Chief Executive Officer, Engr. Emeka Okwuosa, said the company was established in 1992, and has currently developed into a conglomerate with five subsidiaries - Frazimex Engineering Limited, FrazPower Limited, FrazOil Limited, Ekcel Farms Limited and Crown Energy Limited, strongly playing in various sectors of the economy, thus making the Company a unique integrated firm, a major player in the sector and a reference point for its contemporaries.

Engr Okwuosa said he worked for

Schlumberger worldwide, and returned to Nigeria in 1994. Having incorporated Oilserv Limited in 1992, the company began operation in 1995.

"On commencement of operations in 1995, the company worked exclusively for Shell for the next five years, after which it started working for other International Oil Companies (IOCs) and the Nigerian Liquefied Natural Gas (N LNG) in maintaining their pipeline transmission systems," he added.

In the upstream sector, divestment of Shell's onshore and shallow water fields gave rise to the current indigenous independents that have become names to reckon with – the likes of Seplat Energy



**Emeka Okwuosa**

Plc and Aiteo, among others.

Shell divested its stakes in oil mining leases (OMLs) 4, 18, 24, 25, 29 38, and 41 - as well as a major pipeline, the Nembe Creek Trunk Line, which were all taken up by Nigerian companies.

The oil giant is still planning to divest more but the Minister of Stated for Petroleum Resources, Timipre Sylva, said that the government feels that Shell should not hurriedly divest and to at least stay" onshore. To have a situation "where

Shell has completely divested from a sector is not good for us."

Shell companies in Nigeria directly employ around 2,700 people and more than 9,000 contractors in Nigeria, 97 percent of which are local Nigerians.

In 2020, 100 per cent of Shell companies in Nigeria contracts, worth \$800 million were awarded to Nigerian companies.

"Shell companies in Nigeria have also provided access to nearly \$1.5 billion in loans to 764 Nigerian vendors under

the Shell Contractor Support Fund since 2012. These loans help improve tendering opportunities," the company said in its briefing notes for 2020.

Local oil companies lack this kind of capacity. Some still owe banks for loans to acquire their assets and a forced merger was the only way to get the current marginal oil field bids off the ground.

Seplat Production Development Company and a few other local





Chris Onyekwere

companies have been successful in managing divested oil assets but many have failed. This is why the government is uneasy.

Shell has suffered humiliating losses at local and international courts compelling it to pay millions of dollars in fines for its onshore assets. While its actions were reprehensible in some, in many others, the host communities have victimised the company.

In 2020, more than 90 per cent of oil spills amounting to more than 100 kilograms from the SPDC JVs' facilities were due to third-party interference and other illegal activities, the company said.

Shell has been moving away from

Nigerian onshore oil, which is plagued by industrial scale oil theft, security problems and oil spills, the latter having become a growing legal liability for major oil companies.

The Managing Director, The Shell Petroleum Development Company of Nigeria Limited and Country Chair, Shell Companies in Nigeria, Mr. Osagie Okunbor, said Shell loses 44 per cent of oil it pumps into the Trans Niger Pipeline (TNP) before it gets to the terminal.

"I can tell you that our most important pipeline in the Delta – the Trans Niger Pipeline (TNP) and the reconciliation factor, which is the difference between what you put into the pipe and what arrives at the

terminal, the reconciliation factor is around 56 per cent, which means 44 per cent of what goes into that pipeline disappears.

"This is material not just for Shell but it is even more material for the country. As you know, 90 per cent or more of oil that is produced in JV goes back to this country either via taxes or royalties, among others. I'm talking about the net after cost, so this country bleeds a bit."

Politics have also played a role. The government is keen to put indigenous operators in charge of onshore oil extraction, leaving the international majors to manage more difficult and capital-intensive deep-water projects offshore.





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THE BUSINESS INTELLIGENCE

# ENERGY



JUNE 2022

## HOW NCDMB IS DEEPENING NIGERIAN CONTENT THROUGH PARTNERSHIP, TRANSPARENT FUND MANAGEMENT

*The Nigerian Content Development and Monitoring Board (NCDMB) as part of its mandate to develop capacity in-country, has entered into various partnerships with firms and organisations giving support in diverse ways to ensure such capacities and capabilities are attained in line with global industry standards. It recently took undertook the challenge in partnership with Diversity Sectorial Working Group of the Nigerian Content Consultative Forum (NCCF) to also see increased enrolment of the girl child in science subjects and to subsequently end up as professionals in the oil and gas industry. **EMEKA UGWUANYI** reports.*

**T**he Nigerian Content Development and Monitoring Board (NCDMB), as part of its core mandate to encourage and develop local capacity and capability in the oil and gas sector, has partnered with critical stakeholders in the industry including firms and profes-

sional organisations. The most recent being the National Insurance Commission (NAICOM) and the Nigerian women in oil and gas. While partnership with NAICOM is aimed at making Nigerian insurance companies underwrite oil and gas risks, Nigerian women in oil and gas is targeted

at increased participation of the girl child in the oil and gas sector.

The Executive Secretary of NCDMB, Engr Simbi Wabote, told The Business Intelligence Africa (TBI Africa) at the recently held Nigerian women in oil and



gas conference in Lagos why the Board enters into such partnerships and how it manages such partnerships to ensure the objectives are achieved.

He said: "We must encourage the girl child in Nigeria from primary to the tertiary institutions to have interest in and study science subjects as obtainable in other climes. In universities outside this country, you have a lot of females in sciences, which is not same here. He cited example of when he was in the university.

"I think it is only in Nigeria that we have a lot more men in sciences than females. When I went to school as an engineer, there was only one lady in my class and I think that has not changed. So what should we do to change the narrative? Will we wait until they (females) enter secondary school or we encourage STEM (science, technology, engineering and mathematics) education, and develop strategies with which the STEM education focusing on the girl child has to be encouraged from primary through secondary school before they make up their minds as to what they want to become? If we don't do that targeted and deliberate intervention, I don't think we will achieve the objective. Therefore, it's all

about trying to tap the knowledge of the professionals. All the women attending this conference are professionals. Tapping their knowledge and advice on how as NCDMB we can change the narrative and work with them to achieve their overall objective hence this conference."

On strategies to implement some of the policy and strategy options, the NCDMB boss said: "We are a strategy based organization. When we organize conferences and workshops, we normally have clear takeaways with which we discuss and we develop strategies on how to implement them be it our Practical Nigerian Content, Nigerian Oil and Gas Fair. If you attend those conferences, we give a report card of the things we promise to do and what we have done in that respect. It is the same thing with this conference. The Chairman of NCCF, Mr. Patrick Daziba Obah, who is also the Director, Planning Research and Statistics at NCDMB, will come up a communiqué that is clearly indicating the actions we agreed. Within the purview of our remits, we look at those actions that are required of us and develop a strategy to implement them."

For the Fund with NEXIM Bank, Wabo-

te said: "We are almost at the verge of disbursing to those who have met the criteria for that fund because I have seen a lot that have passed through me that I signed and people are putting documentations together.

"Recall when we started the Fund with Bank of Industry (BoI), it took us almost a year plus for people to start benefiting from it. Initially when the Fund was launched, people thought it was free money and as such they would walk in to apply for it but we made sure that everything was put in place for it not to be seen as government largesse for people to access. Today, after one and half years of putting things together, that Fund is almost 98 per cent in the hands of Nigerians and I make bold to say that it is one of the most successful funding schemes that I can imagine being an ex-banker myself sometime in my career. The pay back rate is quite transparent and everybody is meeting it so that others can benefit from it.

"Only two weeks ago, we launched the online platform for the ladies Fund with NEXIM Bank so that we limit the level of personal interface with people if you



want to apply. About two weeks ago we launched that online platform and everybody is aware of it. So I'm sure if not disbursed already, within the next couple of weeks it will be disbursed. But we make sure that everything is put in place so that people don't think it is free money. If you have to access it, you have to pay back so that others can benefit from it and we continue to grow the Fund in that respect.

"For NCIF, we have recovered almost \$150 million, which is beyond the \$100 million that we had through the forensic audit that we undertook. I think NCDMB is one of those organisations that if you ask how much money we have we can always tell you. Thank God for the Treasury Single Account (TSA), our money is in Central Bank of Nigeria (CBN), not in any commercial bank or elsewhere that people can easily access it. The compliance level has improved to a large extent because people saw that we are serious and we are prepared to take actions so I guess we will continue to support all the schemes that we belong to."

"On any policy of the Board the specifically targets recruitment of deserving females into the oil and gas industry, he said: "The process of making people understand the importance of whatever action we have to take to encourage women in the oil and gas sector is a gradual process. It will not happen overnight. But I know that there are some operators who have those policies clearly. I recall in those days in Shell, one of the policies was diversity and inclusiveness and that saw the first female executive director came about. She was promoted twice for her to be given that position. I don't think it would be different from other international oil companies (IOCs) that operate in Nigeria. I think the challenge for us is how do we inculcate that in the indigenous producers who are now moving to take positions in the assets that are being divested and I think with time, we will get to do that."

On partnerships, the NCDMB chief said: "What we do at the Board with regard to the partnerships that we create is if you read Act establishing NDCMB, part of our mandate is to build capacity and building capacity doesn't mean that you force the IOCs or service providers and say you must employ Nigerians. The question is



what are you doing to also help achieve that capacity. That is the essence we get involved in most of these partnerships. What I do is that within the Board itself, in all those partnerships that we create, we have entitlement to about two director positions within those boards and in any of it, I use my colleagues, my directors and my general managers. They are in those boards to ensure that the purpose for which that partnership was set up is implemented appropriately. Therefore my colleagues on the boards of those partnerships look after NCDMB interest as well as the overall interest for developing that business.

"It is a shared responsibility in which we are trying to ensure that we put in place in managing those businesses and we don't miss it because it is important that we do that. To a large extent we believe that most of them are very successful and we continue to push the boundaries in that regard.

"In terms of the strategy in ensuring increased female participation in the oil and gas sector, I think Chairman, Diversity Sectorial Working Group of the Nigerian Content Consultative Forum (NCCF), Mrs. Alero Onosode and her team have been

challenged to come up with the strategy with which we will excite the girl child participation in science subjects and it has to start from the secondary school up until when they again admission into university, that is the task and challenge we have given them. Also in that bucket is the Association of Women Engineers who visited us and hampered on the STEM education. They have a very concrete programme that they set up and are implementing. It is a question of getting the diversity working group to key in with them in order to enhance the implementation of those programmes, So, there is a lot of thinking going behind what they want to do. It is for them to come up with their ideas and we work with them to implement those ideas. It is important to note that these are people who have experiences and have been in the oil and gas industry either as operators or service providers and they will bring those experiences to bear in terms of how we pursue these strategies"

As a proof of presence of in-country capacity, the year 2020 was a challenging one for the entire countries of the world due to COVID-19 pandemic. Global economy was shutdown, movement of people, goods and services were highly restricted. It was a horrible period especially for the developing countries in terms of sustenance of the economy. Countries such as Nigeria that depend on oil and gas production were worst hit as oil prices were at all-time low, drastically reducing proceeds from oil sales.

However, local capacities developed through the implementation of Nigerian Content Act sustained the operations of the Nigerian oil and gas industry during and at the height of the COVID-19 pandemic.

Wabote said that operations of the sector continued without disruptions even after many expatriates had returned to their countries. This is because Nigerians had developed robust human and infrastructural capacities to operate the highly technical sector.

He listed some of the achievements recorded by the Board during the COVID-19 pandemic to include commissioning of the NCDMB new head office by President Muhammed Buhari, increase of the size of the Nigerian Content Intervention (NCI) Fund from US\$200million to US\$350mil-



lion and addition of new products to the NCI Fund, notably the Working Capital Loans and Women in Oil and Gas Loans.

Other accomplishments during the period include the approval of the US\$50million Nigerian Content Research and Development Fund by the NCDMB Governing Council, commissioning of the 5,000 barrels per day Waltersmith Modular Refinery at Ibigwe, Imo State in November and approval of additional partnerships in the Nigerian Content commercial ventures programme, especially in the gas value chain.

Wabote said the Board also partnered with Azikel Petroleum Limited at Obunagha, Gbarain, Bayelsa State on 12,000barrels per day Hydroskimming Modular refinery. He also stated that the Service Level Agreements (SLAs) NCDMB signed with the Nigeria LNG, International Operating Companies under the aegis of the Oil Producers Trade Section (OPTS) and Independent Petroleum Producers Group (IPPG) have helped to shorten the NCDMB interface on the tendering cycle in the oil and gas Industry from 36 months to 9 nine months. He added that "it has also enhanced broad compliance with the requirements of the Nigerian Content Act and led to significant reduction in the unit cost of oil production in Nigeria."

He said Nigeria moved from near zero participation in the oil and gas sector pre-NOGICD Act to the point that "our indigenous operators such as SEPLAT, AITEO, EROTON, and others are now responsible for 15 per cent of our oil production and 60 per cent of our domestic gas supply".

He added that the Board also progressed the implementation of the 10-year Strategic Roadmap, held the checkpoint review session for the roadmap, continued the construction of Oil and Gas Industrial Parks and secured the Final Investment Decision (FID) and Award of Contracts for the NLNG Train 7.

Wabote also confirmed that NCDMB had achieved 32 percent value retention from the annual spend in the Oil and Gas Industry. He noted that only five per cent was being retained when the Nigerian Content Act was enacted in 2010 and the percentage grew to 26 percent in 2017, after seven years of focused implemen-

***Nigeria moved from near zero participation in the oil and gas sector pre-NOGICD Act to the point that "our indigenous operators such as SEPLAT, AITEO, EROTON, and others are now responsible for 15 per cent of our oil production and 60 per cent of our domestic gas supply"***



tation.

He reiterated that the vision of the Nigerian Content 10-Year Strategic Roadmap is to achieve 70 per cent value retention by the year 2027. Other targets of the roadmap are to create 300,000 jobs, retain \$14billion out of \$20billion annual industry spend, build shipyards and manufacturing facilities.

Before now, the Nigerian oil and gas insurance was dominated by foreign operators. But with the establishment of the Nigerian Content Development and Monitoring Board in 2010 by the Nigerian Oil and Gas Industry Content Development (NOGICD) Act, more indigenous operators are now taking advantage of the opportunities that abound in the sector.

Recently, the NCDMB, as part of its mandate to address frontally loopholes in implementations of NOGIC Act particularly Sections 49 and 50, which deals with insurance of oil and gas activities and the National Insurance Commission (NAICOM) signed an insurance services guideline which will oblige the oil and gas industry to patronise the local insurance sector.

Stakeholders and operators have since commended this initiative, saying it will bolster activities by indigenous operators and help in preventing capital flight. The Executive Secretary, NCDMB, Simbi Wabote, an engineer and the Commissioner for Insurance, Sunday Thomas, signed the guidelines recently on behalf of their organisations in Yenagoa, capital of Bayelsa State.

Wabote explained that the provisions of Sections 49 and 50 of the NOGICD Act require all operators engaged in any form of activity or project in the oil and gas industry to insure all insurable risks related to

its oil and gas business with an insurance company, through an insurance broker registered in Nigeria.

He stressed further that the Act provides that where an operator seeks to place an insurable risk offshore, a written approval of NAICOM must first be sought and obtained and that NAICOM before the issuance of the approval, must ascertain that local capacity has been fully exhausted.

Wabote reiterated that the insurance guideline will strengthen the Board's local content drive and ensure that a greater portion of the spend in the insurance industry as it relates to oil and gas activities in Nigeria is retained in-country.

He said: "The insurance guideline being launched today was developed by the two regulatory bodies to ensure that government's intention of promoting insurance services within the country is achieved so as to capture significant financial spend under oil and gas insurance services in country."

The NCDMB boss said the collaboration between Board and NAICOM will further ensure the successful implementation of the insurance guidelines and every other activity that will lead to the attainment of the objectives of the NOGICD Act, 2010 as well as 70 per cent Nigerian Content by 2027 under the Board's 10-Year Strategic Roadmap. Wabote further said that finer details of the guidelines will be released at the Nigerian Content Seminar at the 2022 Nigerian Oil and Gas Conference scheduled for July 2022.

The Commissioner for Insurance, NAICOM, Sunday Thomas, charged all stakeholders engaged in any form of business, operations or contract in the sector to ensure compliance with the relevant laws and compliance with the insurance guidelines.

Thomas expressed optimism that the partnership between the Board and NAICOM will realise the benefits of increased local content, in-country value retention, job creation and employment generation and GDP growth amongst other.

While appreciating the efforts of the Board, the NAICOM boss pledged his agency's commitment to create an enabling environment that will consistently enhance increased capacity of the insurance institutions both financially and technically.

# QUALITY PETROLEUM EDUCATION WILL SOLVE ENERGY TRANSITION CHALLENGES, BOOM IN GAS SECTOR —WABOTE



By Emeka Ugwuanyi

There is an urgent need for the Federal Government and other stakeholders of the oil and gas industry to intensify efforts in the promotion of quality petroleum education and development of competent manpower who would help Nigeria meet the challenges of the ongoing energy transition and expected boom in the gas sector.

This was the key recommendation by the Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote in the convocation lecture he delivered on Friday at the Federal University of Petroleum Resources (FUPRE) Effurun, Delta State, entitled “Defining the Value of Local Content in Petroleum Education.”

He canvassed that as western nations shift their attention from oil and gas and focus on the provision of funding, manufacturing of equipment, and development of supply chain to support their renewable energy sources, it is imperative that Nigeria and other hydrocarbon-rich countries develop the requisite capacity and capability to produce and utilize their fossil fuel resources.

According to him, the ongoing debate and the deadlines being set in respect of energy transition underscored the need to develop home-grown skill sets to develop and manage the nation’s natural resources. He stressed that “the narrative around

energy transition has further revealed the need to ensure that there is a direct link between our petroleum education and the development and utilization of our hydrocarbon resources, so we are able to deal with any outcome of the transition.”

Commenting on the recent enactment of the Petroleum Industry Act 2021 and the Decade of Gas initiative, Wabote pointed out that those developments would not only engender investments and utilization of the nation’s estimated 600 trillion cubic feet of gas reserves but also lead to a boom in the gas sector, which would benefit discerning institutions, investors, operators, and service providers.

He added that “these scenarios require a robust petroleum education sector to ensure that our in-country skill sets are available and sufficient to support the exploration, development, production, and processing of hydrocarbon resources.”

The Executive Secretary charged educational institutions in Nigeria to prepare for the opportunities and challenges of energy transition and gas revolution by preparing robust curriculum in petroleum education with the mindset of enabling Nigerians develop and utilize our hydrocarbon resources using our home-grown technology. The institutions should put require greater focus on development of top-notch graduates to enable the development of Nigerian hydrocarbon resources – especially gas, he canvassed.

This he further explained “will ensure that we are not forced out from the development of hydrocarbon resources due to lack of technical capability as was the case with coal development in Enugu.”

He maintained that FUPRE is an institution devoted to petroleum education and should be at the forefront of preparing our manpower needs for any outcome or impact of Energy Transition.

He agreed on the need to add renewables to the global energy mix to ensure energy security, but criticised attempts by the western world to demonize or de-marketing other energy sources as well as extracting commitments and setting unrealistic deadlines for countries to abandon fossil fuels.

He advised all nations to jealously guard their locally available sources of energy and ensure they remain in their energy mix for the benefit of their people.

He also highlighted two implications that have emerged from the rush to move the world away from fossil fuels and they include Divestment, whereby western countries shift funding away from the development of hydrocarbons towards renewable energy and Energy Shortage, which is the decline in the supply of hydrocarbons due to lack of investments and the fast pace of the shift to renewable energies.

He posited that Divestment has resulted in the emergence of indigenous companies playing major roles in exploration and production activities “such that companies like AITEO, FIRST E&P, EROTON, and others have acquired assets and are now responsible for producing about 15 per cent of Nigeria’s oil and more than 60% of domestic gas.”

He however regretted that the divestment of the international oil companies and their reluctance to make further investments in oil and gas have resulted in the repatriation of capital out of Nigeria. “This stifles the nation’s economy of the much-needed foreign exchange with funds used as loans to acquire oil and gas assets instead of being used to develop new production assets,” he noted.



# MCKINSEY PROJECTS MASSIVE GROWTH FOR SEPLAT ENERGY, OTHERS AS AFRICA'S ENERGY DEMAND SOARS

By Yunus Yusuf

Seplat Energy Plc, leading Nigerian independent energy company listed on both the Nigerian Exchange Limited and the London Stock Exchange, as well as other energy producers in Africa, are projected to grow more given the rising demand for energy in Africa. Africa's energy demand is also expected to see increased growth over the decade amidst current realities.

Global management consulting firm, McKinsey & Company disclosed this at the Seplat Industry Lecture and Dr. ABC Orjiako send forth event held in Lagos at the weekend.

"There will be rising demand for fossil fuels in Africa driven by industrialization and population growth. Energy demand growth will be led by Nigeria, and this will create tailwinds for energy suppliers like Seplat Energy," Oliver Onyekweli, Associate Partner and Co-Lead of West Africa Oil and Gas Practice, McKinsey & Company, said whilst making a presentation on the theme of the Lecture dubbed "The Future of African Oil & Gas: Positioning for the Energy Transition".

"Africa's growing energy demand also creates opportunities for Seplat to explore renewable energy solutions (e.g. solar, blue hydrogen)," he added.

Decarbonizing production and cost leadership, McKinsey explained, will be key



*Chairman, Seplat Energy, Mr. Basil Omiyi*

going forward as capital providers continue to reduce exposure to oil and gas, with customers preferring lower carbon shipments. Decarbonization of assets to greatest possible extent, it added, will be needed to maintain "license to operate" and maintain access to capital at attractive rates. "As global oil demand peaks, maintaining cost leadership (\$/bbl) will be increasingly vital."

Indigenous producers will define the future of African oil and gas, as IOCs will continue to face pressure to reduce carbon-intensive operations and lower cost of production, according to McKinsey, which also maintained that divestment is likely to continue.

"Companies like Seplat Energy are well positioned to pick up producing assets going forward, provided they can maintain operational excellence. Ensuring continued access to talent will be key," it added.

McKinsey further explained that, "African energy infrastructure is a compelling opportunity. As the energy transition accelerates, gas will become more prominent as a "transition fuel", especially in Nigeria. Significant domestic gas demand is a positive tailwind for Seplat Energy's ANOH project and gas' cleaner carbon profile (relative to diesel) should make gas projects easier to finance (can be paired with LPG). Investing in gas export infrastructure (e.g. FLNG) could create an opportunity to access high value international spot market."

Dr. ABC Orjiako, the Pioneer and immediate past Chairman of Seplat Energy, lauded all the company's stakeholders for the huge successes recorded so far in the company since inception, saying they were products of hard-work, sleepless nights and resilience.

Commending all stakeholders of Seplat Energy for the great achievements recorded so far, the Chairman, Seplat Energy, Mr. Basil Omiyi, said year 2022 marks a major turning point for Seplat Energy as Dr. Orjiako retires from the Board after leading the Company to achieving monumental milestones over the last 13 years, including 9 years as a listed entity.

Notable amongst the achievements he listed were, the IPO vision, the listing, production growth, reserve addition, corporate governance, landmark acquisitions, funding strategy, setting the stage for corporate transformation, amongst others.

## SEPLAT ENERGY APPOINTS BASIL OMIYI AS NEW CHAIRMAN

By Yunus Yusuf

Seplat Energy Plc has announced the appointment of Mr Basil Omiyi as the new Independent Non-Executive Chairman of the oil and gas firm with immediate effect.

His appointment follows a thorough assessment of internal and external candidates and then approval after a unanimous vote by all directors of Seplat in compliance of with the Companies and Allied Matters Act in Nigeria.

Also appointed to the board is Mr Charles Okeahalam as the new Senior Independent Non-Executive Director to replace Basil Omiyi.

This disclosure is contained in a notification sent to the Nigeria Exchange Limited (NGX) on May 19, 2022, and signed by the company's Director, Legal and Company Secretary, Mrs Edith Onwuchekwa.

Their appointments also followed the stepping down of the founders of Seplat Energy, Mr ABC Orjiako and Mr Austin Avuru, from the board.

Mr Omiyi has been a member of Seplat Energy's Board of Directors since March 2013 and as Senior Independent Non-Executive Director from February 1, 2021. During this period, he sat on the company's Remuneration, Nominations & Governance, Energy Transition, and Risk Management & HSSE committees.

His experience in the energy industry is extensive, with more than 40 years at Royal Dutch Shell, during which time he held senior roles in Nigeria and Europe, including becoming Managing Director of Shell Petroleum Development Company of Nigeria in 2004 and in addition, Country Chairman of Shell Compa-

nies, Nigeria, until his retirement in 2009.

Mr Omiyi has held several leadership positions in the Nigerian oil and gas industry, including Chairman, Upstream Industry Group (Oil Producers Trade Section, Lagos Chambers of Commerce & Industry) from 2007-2010; Chairman of the Energy Sector of NEPAD Business Group, Nigeria, and Board Member NEPAD Business Group, Nigeria from 2005-2010; Chairman, of the Oil & Gas Commission of the Nigerian Economic Summit Group from 2005-2010; and Board Member, Nigerian Extractive Industry Transparency Initiative (NEITI) 2007-2010. Mr Omiyi is also the Independent Non-Executive Chairman of Stanbic IBTC Holdings, a subsidiary of Standard Bank Group, a post he has held since 2015.

# NCDMB BOSS LAYS FOUNDATION STONE OF FUTURE CONCERNS' PPE FACTORY



From left: General Manager, Projects Certification and Authorization Division (PCAD), Engr. Paul Zubumben; Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote; Group Managing Director, Future Concerns Group, Engr. Tony Oguike and Director Monitoring and Evaluation, NCDMB, Mr. Akitunde Adelana at the foundation stone ceremony for Future Concerns Group's PPE factory in Lekki, Lagos.

By Emeka Ugwuanyi

The Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote has laid the foundation stone of personal protective equipment (PPE) factory being developed by Future Concerns Group in Lekki, Lagos. The factory would manufacture products under the trademark of Red Wings, one of the world's leading producers of top-range PPEs.

The construction of the factory is already underway, and it is expected to be opened in December 2022, starting with the manufacturing of coveralls, before expanding to safety shoes, hard

hats, and safety goggles.

In his remarks after touring the company's facilities and the factory under construction, the Executive Secretary commended the management of Future Concerns Group for their decision to domicile the PPE manufacturing facility, rather than perpetually serving as the distributor of imported Red Wings products. He expressed hope that the factory will start manufacturing coveralls by December 2022 as scheduled and grow systematically to produce other Red Wings PPE products in the country. He regretted that operators of the Nigerian oil and gas industry prefer to import several equipment components and items

that could easily be manufactured in the country, expressing hope that the trend would be corrected with the efforts of committed investors like the founder of Future Concerns Group.

Wabote highlighted the remarkable difference between PPEs used in the oil and gas industry and the ones used in other sectors, hinting that PPEs meant for the oil industry must be fire-resistant as well as meet other specific ISO standards.

While emphasizing that manufacturing facilities provide opportunities to create jobs for Nigerians, he charged other representatives of original equipment manufacturers (OEMs) to emulate Future Concerns Group by developing clear plans to domicile the manufacturing of the items they currently import. He emphasized that Future Concerns' personal protective equipment factory will go beyond the oil and gas industry and serve other sectors that require PPE, like the construction and power industries.

Group Managing Director of Future Concerns Group, Engr. Tony Oguike credited the Executive Secretary and the NCDMB for motivating Nigerian service companies to invest in strategic facilities in the oil and gas industry and ensuring that they get patronized by operators in the industry.

According to him, "This factory is going to be internationally certified and hopefully, NCDMB will be proud of it and future chief executives and manufacturers will look to it and improve their investments and strategies."

The Future Concerns Group has diversified operations and operates Future Oilfield Services Limited, Future Concerns Safety Centre, MSA Service Centre, and Future Automations, which offer calibration technical services.

Some of the services offered by the group include Fixed Gas Portable Gas, Fall Protection, Engineered System, Emergency Response, Lock Out and Tag Out, Safety Signages, Risk Assessment for sites, Environmental Management, and Pollution Management and Control.



# NCDMB SET TO DISBURSE \$40M WOMEN FUND, UNVEILS PLANS FOR MINIMUM FEMALE INCLUSIVENESS

By Emeka Ugwuanyi

**T**he Nigerian Content Development and Monitoring Board (NCDMB) has begun moves to set a minimum percentage of females that must be included in any human capacity development programme or initiative it will approve for the Nigerian oil and gas industry.

The Executive Secretary of NCDMB, Engr. Simbi Kesiye Wabote, stated this on at the second Nigerian Women in Oil and Gas Conference held in Lagos on Tuesday. He said the Board would work on the policy and communicate it to the industry as soon as possible.

The conference was organised by the NCDMB in partnership with the Diversity Sectorial Working Group of the Nigerian Content Consultative Forum (NCCF), which was set up by the NCDMB to advise it on policy directions.

Speaking on the \$40million Women in Energy Fund which the NCDMB set up in partnership with the Nigerian Export-Import Bank (NEXIM Bank), the Executive Secretary indicated that 15 applications have been received and three have been approved and disbursement of funds would soon start.

He added that the online portal for the fund was launched two weeks ago, and this would speed up and reduce human interface in the application and processing.

He commended the performance of women in various roles in the oil and gas industry and canvassed for their inclusion in the administration of the various Trusts and Funds that were established by the Petroleum Industry Act (PIA) 2021, notably the Host Community Development Trust, Host Community Development Trust Fund and Environmental Remediation Fund.

Speaking further, the NCDMB boss confirmed that the Oil and Gas Industrial Parks in Bayelsa State and Cross River State are getting ready for completion and will commence operations next year. He noted that the Board had started inviting applicants for allocation of plots to set up manufacturing outfits in the park and encouraged women-owned businesses with workable proposals to apply as they will be given



*Women in Oil and Gas*

special consideration as part of the Board's commitment to mainstream women into the oil and gas industry.

Providing an update on the administration of the Women in Energy Fund, the Managing Director of NEXIM Bank, Mr. Abba Bello, explained that applicants would need to meet set criteria before they can access the fund. "It is a loan and not a grant and applicants have to meet the conditions, so we can achieve the intended purpose," he said.

Represented by the Head Specialised Products at the Bank, Mr. Mohammed Aumiz, the NEXIM Bank boss explained that it takes only 22 days for an application to be processed and an offer letter issued if the company met the criteria.

Earlier in his remarks, the Minister of State for Petroleum Resources, Chief Timipre Sylva, commended the NCDMB for inaugurating the Diversity Sectorial Working Group under the NCCF as provided in Section 58 of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act. He noted that women make up 48 per cent of the global labour force but they only account for 22 per cent of the labour force in the oil and gas sector.

Quoting a recent study by Global Energy Talent Index, the Minister said women occupy about 50 per cent of non-technical positions at entry-level compared to only 15 per cent of technical and field role positions, hinting that gender diversity and inclusion decreases with seniority, with only a tiny proportion of women

in executive positions. "The percentage of women in the industry drops from 36 per cent to 24 per cent between the middle and executive level," he noted.

He confirmed that the Nigerian government has been deliberate in introducing gender-friendly policies aimed at increasing access to funding, award of contracts and support for research and development in the interest of women operators in the Nigerian oil and gas industry.

The Minister harped on the need to be deliberate in getting more girls into Science, Technology Engineering and Mathematics (STEM), which is a pathway to careers in the oil and gas industry.

He also advised women in the Nigerian Oil and Gas industry to work together towards increasing participation of fellow women in the industry by engendering growth, building capacities and capabilities, identifying opportunities, mentoring and coaching.

In her goodwill message, the Chairperson NNPC Board, Senator Margery Chuba-Okadigbo challenged the NCDMB to institute a development programme like the Project 100 for oil and gas firms owned by women. She said the implementation of the Petroleum Industry Act (PIA) provides a good opportunity to mainstream more women in oil and gas activities. She also recommended formal mentorship and role modelling for younger women coming up in the oil and gas industry.

# DANGOTE REFINERY WILL EXPOSE NIGERIA'S MIDSTREAM, DOWNSTREAM SECTORS TO INTERNATIONAL MARKETS –DANGOTE



**A**lhaji Aliko Dangote, President, Dangote Group, has said the coming on stream of the Dangote Petroleum Refinery would expose Nigeria's midstream and downstream sectors to the international markets.

Dangote said the refinery being constructed in Ibeju-Lekki, Lagos would

guarantee availability of high quality environmentally compliant products in Nigeria, regional markets in West Africa, Southern Africa and inter-continental markets.

A statement issued by Mr Tony Chiejina, Director, Corporate Communications Department, Dangote Group on Sunday, said he spoke at the 2022 Nigerian Content Midstream and Downstream Oil and Gas Summit which held recently in Lagos.

The statement said Dangote was represented by Mr Babajide Soyode,

Technical Consultant, Dangote Industries Ltd.

He said the 650,000bpd refinery would promote competition of local refining in Africa by encouraging existing large refineries to upscale, which would result in surplus products for exports.

"Dangote Petroleum Refinery will guarantee adequate fuels production for domestic consumption and availability of excess products for export which will help to stabilise our domestic currency.

"It will lead to upgrading and expansion of Nigerian National Petroleum Company Ltd. refineries and promotion of prospects of Nigeria's transformation to a regional refining

hub," Dangote said.

He emphasised the need for the Federal Government to invest more on quality infrastructure to reduce importation of refinery equipment that would ordinarily be sourced in Nigeria.

Dangote noted that the development of specific, sustainable equipment manufacturing and services should be the focus of the Nigerian Content Development and Monitoring Board and the Federal Government.

"Funding of a project should be to ensure that substantial part of the product plant must be of Nigerian origin; the same applies to goods and services.

"Government should ensure a single digit tax regime to encourage investment in the

downstream sector," he added.

Also, the Executive Secretary, NCDMB, Mr Simbi Wabote, reiterated the government's target to increase domestic refining capacity to 1.4 million barrels per day in the next five years.

Wabote said this was being done by rehabilitating the existing four national refineries and providing strategic support for setting up private-owned Greenfield and modular refineries in the country.

"Combined refining capacity of more than 1.4mbpd is expected from these focus areas within the next five years.

"About 400,000bpd is expected from the rehabilitation of NNPC refineries in Port Harcourt, Warri, and Kaduna using target performance of not less than 90 per cent of nameplate capacity.

"The greenfield element of the roadmap covers the 650,000bpd Dangote Refinery in Lagos and the 200,000bpd BUA Refinery in Akwa Ibom," said Wabote.

On his part, the Chief Executive Officer, Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), Mr Farouk Ahmed, said there were huge opportunities in the oil and gas value chain.

Ahmed, represented by Mr Francis Ogaree, Executive Director, Hydrocarbon Processing Plants, Installations and Transportation Infrastructure, NMDPRA, said the authority would continue to enable business in the sector.

He said the enactment of the Petroleum Industry Act (PIA) had introduced a governance framework for the industry with clear delineation of roles between regulation and profit-centric business units.

Ahmed noted that the Act contained fiscal incentives to attract investment in gas development and local refining.

## NIGERIA REMAINS IN DARKNESS DESPITE N77BN PAID GENCOS BY NBET

By Yunus Yusuf

**D**espite the N38 billion paid power generating companies, GENCOs, by the Nigerian Bulk Electricity Trading Plc, NBET, for December cycle and another N39 billion for January, the power supply situation in the country has not improved, as generation remains at low 2,054.70MW.

Checks on the national grid performance by Vanguard showed that as at 3pm yesterday, only 13 of the nation's 32 power plants were generating 2,054.70 megawatts, with Azura-Edo plant highest at 399MW and Geregu (gas) at 394MW.

The implication of this is that power supply is yet to improve as the country is still in darkness. In a note to Vanguard, weekend, NBET said GenCos would be paid another N9 billion from the Power Sector Reform Programme, PRSP, soon.

The company noted that the amount was paid despite the electricity distribution companies' remitting only 51 per cent of their invoice during the same period.

It said: "NBET paid N39 billion to GENCOs in first tranche of payments towards the settlement of January 2022 Payment Cycle. DisCos performance for same period is 51 per cent.



# NLNG REITERATES COMMITMENT TO 100% LPG PRODUCTION TO DOMESTIC MARKET

By Yunus Yusuf

The Nigerian LNG Limited has reiterated its commitment to ensuring 100 per cent Liquefied Petroleum Gas (LPG) production to the domestic market to support the growth of LPG utilisation in the country.

The NLNG said it would also help to reduce the health, safety and environmental risks associated with the use of other domestic fuel sources.

Mr Olalekan Ogunleye, the Deputy Managing Director, NLNG, made this known at the Second West Africa LPG Expo and Nigeria Liquefied Petroleum Gas Association (NLP-GA) Summit, on Thursday in Lagos.

The summit had as its theme: "Energising the Future: LPG as a sustainable fuel in African Economies."

Ogunleye said NLNG remained committed to collaborating with regulators, partners, and industry players to grow the domestic LPG (cooking gas) market and bring cleaner energy to Nigerians.

He added that through the supply of LPG, NLNG prioritised the supply of clean energy in Nigeria while working collaboratively with the government to grow LPG consumption in Nigeria as part of the national journey to a clean energy future.

Ogunleye said LPG domestic consumption in the country had increased by 300 per cent, from about 60,000 metric tonnes in 2007 to over one million metric tonnes in 2020.

He said further that the increase indicated that the domestic market was one of the fastest-growing LPG markets in the world.

Ogunleye said a significant stimulus to the domestic LPG was the declaration by the Federal Government of the "Decade of Gas" and the support of regulators and industry stakeholders.

He stated that the declaration had created an enabling environment for investment and deliberate actions designed to ensure that Nigeria takes advantage of the global energy transition while monetising the country's extensive gas reserves.



Mr Olalekan Ogunleye

Ogunleye said: "Since the start of the Domestic LPG Supply Scheme in 2007, NLNG has consistently increased both its reserved volumes for the domestic market and actual LPG volumes supplied.

"NLNG intends to maintain this steady growth and supply contribution to the domestic market, consistent with its vision of helping to build a better Nigeria.

"Deliveries continue to be made through NLNG's chartered LPG Vessel, entirely dedicated to delivering the product to Nigeria to

underpin the scheme and ensure a steady supply of products without disruption."

According to him, NLNG will continue to invest in supply logistics, infrastructure and security to ensure product supply.

He said the company had made financial contributions towards refurbishing LPG receiving terminals in Lagos.

Ogunleye said: "By so doing, it has made a significant economic impact on business development and the creation of employment opportunities.

"NLNG's shareholders, through its board, have shown a strong commitment to the growth of the DLP scheme through the consistent increase in reserved LPG volumes for the domestic market."

He said that with the support, NLNG had increased its LPG footprint through the start of domestic propane delivery in September 2021, charting a path for future deliveries.

Earlier, Mr Nuhu Yakubu, President, NLP-GA, commended the efforts of the Federal Government to safe handling of LPG and deepening its domestic utilisation.

Yakubu also lauded the NLNG for the DLP scheme which had made the most significant impact on domestic LPG supply.

## DANGOTE REFINERY CAN SOLVE NIGERIA'S FUEL SUBSIDY AND SCARCITY CRISES —REPORT

The Dangote Refinery which is slated to begin operations in late 2023, is a formidable solution to Nigeria's core petroleum crises caused by fuel subsidies and the country's persistent fuel scarcity.

This was disclosed by Chapel Hill Denham in a report titled "Dangote Refinery can provide the needed breather for Nigeria's public finances"

According to the study, when completed, the Dangote refinery will be the largest in Africa, surpassing the Skikda refinery in Algeria (366kb/d capacity) and Nigeria's current largest refinery, the Port Harcourt Refinery (210kb/d capacity).

The Dangote refinery, according to the report, offers a ray of hope amid the recent instances of fuel crises, which have been made worse by the FGN's failure to refine even a drop of crude oil locally.

Chapel Hill Denham stated that Nigeria is still largely dependent on imported fuel despite having four refineries with a combined capacity of 445 kb/d. The Dangote refinery is expected to generate up to 66 million litres of PMS, ATK, AGO, HHK, slurry, and other petroleum products with a capability to refine 650 kb/d of crude.

"We believe change is imminent, with the Dangote Refinery looking set to begin operation towards the twilight of 2023. If fully utilised, we believe the refinery can redefine Nigeria's domestic production of white products (petrol, Automotive Gasoline Oil, AGO and Dual Purpose Kerosene, DPK), and potentially turn the country into a net exporter. That said, in this report, we present what we learnt during our last visit to the Dangote Refinery," the report added.

# LONDON STOCK EXCHANGE EXTOLS ORJIAKO'S ACHIEVEMENT AT SEPLAT ENERGY



*From left: Mr. Basil Omiyi, Chairman, Seplat Energy; Suneel Bakhshi, Chairman, LSEG's Africa Advisory Group; Dr. ABC Orjiako, pioneer and immediate past Chairman, Seplat Energy Plc; Julia Hoggett, Chief Executive Officer, London Stock Exchange (LSE) Plc; and Roger Brown, CEO, Seplat Energy, during the opening bell ringing ceremony organized by the LSE in honour of Dr. Orjiako in London, June 8, for his many achievements at Seplat Energy.*

By Emeka Ugwuanyi

The London Stock Exchange (LSE) yesterday celebrated the achievements of Dr Bryant A.C. Orjiako, the pioneer chairman of Seplat Energy Plc, one of Nigeria's leading energy companies.

Seplat Energy Plc which is listed on both the Nigerian Exchange Limited (NGX) and London Stock Exchange is driving the country's energy transition towards cleaner, more reliable energy. Orjiako retired last month after 13 years as the Board Chairman of Seplat Energy Plc.

Orjiako in his reaction at the event in London, said: "It is the magnanimity of the LSE (London Stock Exchange) and LSEG's Africa Advisory Group (LAAG) that made it possible for us to be here today. It is not an easy thing to ring the opening bell of the LSE; and for me to use this to mark my exit as the chairman of Seplat brings very old memories to me starting from 2014 when we first rang the bell to list our security in this market.

"One of the things that gladdens my heart is the fact that everything on the board turned green as we rang the bell; this is very important for us in Seplat. Colour green not only signifies good performance in the market but remains a very important symbol in Seplat. It symbolises life, it symbolises what this company represents particularly sustainability and business."

Orjiako further said: "I want to thank you for this great opportunity. I am the last of the founders of Seplat to leave. For Seplat, it is a promise kept. It is a very strong and apt statement to say that Seplat believes in enduring strong and robust corporate gov-

ernance practices. We made up our minds from the beginning that this company will fly and grow if we maintain very good corporate governance. So, when we started, we made a promise that the chairmanship of this company would be handed to an independent non-executive chairman".

Julia Hoggett, chief executive officer, London Stock Exchange Plc said: "I have had the opportunity occasionally to meet members in person, but this is really the first opportunity. Not all of us, but a lot of us have managed to come for this important occasion and to acknowledge the many achievements that you (ABC Orjiako) have had in your career."

Speaking further at the event, she said: "I know this isn't the end. We need to make sure that this doesn't feel like an Eulogy but a transitioning from one remarkable stage in life to the next. And we are also thoroughly delighted that we get to keep you with LAAG, because it has been such an important part. Your contributions are such an important part. It is fair to say that there have been many African successes in London since the outset of the advisory group. But Seplat Energy for me, when I was working through this with the team, actually feels like an exemplar of so much of what LAAG is about, but also what we are seeking to achieve for the future as well. And the trailblazing that you have done as chairman, I think is an illustration of that."

"Seplat Energy was also the first Nigerian company to list ordinary shares simultaneously on the London Stock Exchange and the NGX and \$535million was successfully raised during that initial public offering (IPO), which was both oversubscribed and

the largest IPO in subject," Hoggett noted.

"It says a lot about the people at the London Stock Exchange that one of the things that they wanted me to make sure I equally reference, apart from the IPO, was the financial innovation that took place following the listing in terms of the cross border settlement mechanism. It is a really an important point. It is also that innovation that enabled the seamless transverse shares between the UK and Nigerian share registers. This mechanism has paved the way for other issuers to use the "Seplat Model" to dual list in London and the UK.

Innovations paved the way for massive effect and I think that is part of the history of the organization as well. So Seplat, apart from being an energy company, has become a financial platform for investors following the IPO. All these with you at the helm, made Seplat the first".

Also speaking at the event, Basil Omiyi, Chairman, Seplat Energy Plc said: "I am delighted to speak on behalf of the Board and management of Seplat Energy on this special occasion organized by the LSE and LAAG in honour of Dr ABC Orjiako, the Pioneer Chairman of Seplat Energy in recognition of his accomplishments with the Exchange and to mark his retirement from the board of Seplat Energy."

"We appreciate the kind gesture by the Exchange and London Stock Exchange Africa Advisory Group (LAAG) to honour him. Our Pioneer Chairman, Dr. ABC Orjiako, who is very well known to you, has led our company to build and nurture a very rewarding relationship with the Exchange since its listing."

"We are happy to be seen as an example for others to follow and thank the Exchange for the role it has played in enabling Seplat become the Nigerian Champion it has grown to be," he added.

Also speaking, Suneel Bakhshi, chairman of LSEG's Africa Advisory Group said: "It is a pleasure to say there is a natural respect from all LAAG members for ABC. I have seen that over the years, when we had some meetings in London, Nairobi, Abuja and hopefully many more to come. I feel that ABC symbolises the spirit of LAAG in so many ways and obviously your confidence with what you achieved in Seplat supports that. You are the reason far beyond the successes of Seplat. We look forward to many more years ABC."



# NOG22: MICCOM CHIEF TO SPEAK ON FUNDING NIGERIA'S ENERGY MIX



*Bukola Adubi*

The 2022 edition of the Nigeria Oil and Gas Strategic Conference scheduled for 4 - 7 July would be focusing on strategies to be employed by the Federal Government and private sector leaders in navigating the ever-evolving business environment, and defining the country's energy agenda.

This year's conference themed "Funding the Nigerian Energy Mix for Sustainable

Economic Growth," will have on one of its panels the Chief Operating Officer of MicCom Cables & Wires, Olubukola Adubi, who will be speaking on the topic "Developing the Power Sector for an Emerging Economy." An experienced professional and expert in the Nigerian power sector, Adubi is regularly featured in the dailies airing her opinions on problems faced in the industry and proffering solutions.

Some of the issues to be discussed at the conference include challenges with attracting the right investments into the power sector; the potential impact of the proposed power sector bill on power generation and distribution; the roadmap to achieving the Presidential Power Initiative; solutions to Aggregated Technical Commercial and Collection Losses; and steps to closing the metering gap in the country.

Recently, Adubi was quoted as saying by Vanguard during a dialogue session between representatives of the Cable Manufacturers Association of Nigeria (CAMAN) and the leadership of the Standards Organisation of Nigeria (SON) at the commission's headquarters that the cable manufacturers would no longer tolerate fake and substandard cables. Adubi who also doubles as CAMAN's president lamented the actions of unscrupulous importers who either slapped their member's logos on their imported products or sellers who reduced cable sizes. She encouraged SON to keep up the good work and also commended the recent partnership announcement between SON and the Lagos State Consumer Protection Agency (LASCOPA). This will go a long way in providing additional comfort to the general citizenry.

She warned illegal actors that things could get devastating if they did not deter from their actions. "The people manufacturing and providing the fake and adulterated cables should be wary to know that people are coming after them. So it's either they sit up and shape up or ship out. We're not going to allow it any longer. Our legacies will not allow it to stand. I'm happy we have the support of SON and the support of the DG particularly. Give another six months, I'm sure the story will be different," she was quoted as saying.

Other speakers on the NOG22 panel alongside Adubi are Senator Gabriel Suswam, Abdulkadir Ahmed of the Nigeria National Petroleum Company, Dr Nnaemeka Ewelukwa of the Nigerian Bulk Electricity Trading Company, Sanusi Garba of Nigerian Electricity Regulatory Commission and others.

# WAPCO CELEBRATES 10 YEARS OF COMMERCIAL OPERATIONS

By Emeka Ugwuanyi

The West African Gas Pipeline Company Limited (WAPCo) has held a major event in Nigeria to mark the 10th anniversary of the start of its commercial operations. The event is also aimed at appreciating our diverse stakeholders in Nigeria who have supported us through the years to make this ECOWAS vision a reality, the company's management said.

In a statement signed by the General Manager, Corporate Affairs, Isaac Adjei Doku (Dr.), WAPCo started Commercial Operation in March 2011 and has overcome a challenging decade to become an efficient and dependable transporter of natural gas to customers in Togo, Benin, and Ghana, promoting safe, clean, long-term, and secure power generation from gas supply sources, in both Nigeria and Ghana.

"WAPCo will be the first to admit as we celebrate 10 years of commercial operations that the first decade was not easy. Thanks to the determination of our talented workforce and collaborative efforts of our key stakeholders, we see marked improvement in the new decade and a clear path to being a world-class pipeline company in a unique region of the world," says WAPCo's Managing Director, Greg Germani,

We congratulate our OneWAPCo family members in Nigeria, for their dedication and hard work in the achievement of this milestone. Without the dedication and dili-



Dr. Isaac Doku

gence of a world class workforce that works together as a team across four countries, this feat would not have been attainable.

WAPCo is extremely grateful to the Federal Government of Nigeria, the Ministry of Petroleum Resources, the Nigerian National Petroleum Corporation, its shareholders, customers, partners, regulators, the traditional leaders, and community stakeholders for their invaluable support over the period.

"The strong collaborative support we get from governments across the four countries and our customers is setting us on a path to achieve success in the first phase of the ECOWAS vision for cleaner and more efficient energy across the West Africa region," says Greg Germani.

This support resulted in some major achievements that have placed WAPCo in an excel-

lent position to fulfill the company's mission to transport natural gas from producers in Nigeria and Ghana to consumers in Benin, Togo, and Ghana in a safe, responsible, and reliable manner.

Notable among these achievements are the significant improvement in reliable gas supply from Nigeria, the implementation of an Operational Excellence Management System, the completion of the Takoradi to Tema Interconnection Project in Ghana that allowed the addition of gas supply from oil & gas fields in Western Ghana to the WAGP in 2019.

WAPCo's key business partner, the Nigerian Gas Company Limited (NGC), was able to mitigate issues on their Escravos to Lagos Pipeline System (ELPS) allowing them to lift a prolonged force majeure on the ELPS, which had been affecting gas supply to the WAGP from the east. Due to this development, WAGP is now in a better position to transport record volumes of gas to customers.

With the improvement in gas supply from Nigeria, the completion of Takoradi to Tema Interconnection Project in Ghana and the growing demand for use of gas in power supply in Ghana, Togo and Benin, the WAGP was able to set a new record on monthly average gas deliveries to customers across the pipeline of over 215 million standard cubic feet per day (MMscfd) in March 2022.

WAPCo's continued focus on Operational Excellence and a strong safety culture allowed it to achieve zero recordable incidents for the past 8 years and 9 million workforce hours without a recordable incident, helping to protect our workforce and the communities we operate in.

## OPEC QUOTA: UPSTREAM REGULATOR MOVES TO REVIVE 3,000 SHUT-IN OIL STRINGS

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has inaugurated the Project Committee on Reactivation of shut-in strings (inactive oil wells) in Nigeria to spur production.

Analysis by the commission showed that the country had over 3,000 shut-in strings in the country with huge potential to boost production in the short-term (six months), mid-term (one year) and long-term (over a year).

Currently, production has gone down to 1.2 as a result of pipeline activities and shutting of many oil wells because of lack of evacuation, investment and other reasons.

Komolafe said the nation has suffered significant losses in crude oil production especially in land and swamp terrains due

to economic sabotage popularly known as "crude oil theft".

The CCE said the major consequence of this nefarious activity, was the declaration of force majeure at Bonny Oil and Gas Terminal (BOGT).

He added the shut-in of wells from fields evacuating through the Nembe Creek Trunk Line (NCTL) and the Trans Niger Pipeline (TNP) as another consequence.

"A consequential effect of this menace is that the nation only achieved about 60 per cent compliance with Technical Allowable Rate (TAR) and 72 per cent of its assigned OPEC quota.

"On the other hand, the socio-economic

impact of production and associated revenue losses to both government and investors is a deep cause for concern for all stakeholders.

"The challenges that stem from this issue include threat to national and energy security, erosion of global competitiveness and ease of doing business and rise in unemployment across the industry.

"Others are increase in conflicts due to proliferation of arms and widespread HSE and community concerns," he said.

In the light of these issues and government's production target of three million barrels of oil per day in three years, he said the NUPRC developed regulatory initiatives and optimisation to tackle the menace.



# ENAGEED RESOURCE INITIATES FREE HEALTHCARE, ICT TRAINING, CAPACITY BUILDING FOR HOST COMMUNITIES

By Emeka Ugwuanyi

**E**nageed Resource Limited, a Sahara Group Company, has initiated free healthcare, ICT training and Capacity Building programmes for residents of Ajoki, in Ikpoba-Okha Local Government Area of Edo State to bolster sustainable development in the community.

No fewer than 600 Ajoki residents and their dependents are expected to benefit from the project which reinforces Enageed's commitment to seamless host community relations that promotes economic development, health and safety, and environmental sustainability.

The project flagged off with sessions aimed at giving residents foundational knowledge on how to improve their various skill sets, pursue self-development goals, personal financing, and business registration.

Speaking during the capacity development initiative, Henry Menkiti, Chief Operating Officer of the company, said, Enageed, a sister company of Asharami Energy, had invested in the sustainability of its processes and operations to ensure the safety of residents and facilities in keeping with global standards.

Menkiti said this has been instrumental to cordial relations and economic growth in Ajoki and its environs.

He said: "Enageed developed the new initiative to improve the capacity of local community contractors and set their businesses on a steady growth and expansion pedestal. We are proud of our collaboration with our host communities across all our locations where Enageed is deeply rooted as a proud member and stakeholder."

Menkiti explained that the theme "Connecting our Communities to Endless Opportunities" reaffirms Enageed's position that building human and social capital is a never-ending act and is integral to strategic community investments.

"Enageed is aware that millions of people around the country have challenges with accessing basic amenities, employment, health care, and education, we are deliberate about the development of our communities. Enageed has assembled seasoned facilitators



Henry Menkiti

to provide key lessons on fundamental 21st-century skills and how to leverage Information and Communication Technology (ICT) which continues to change the way we live, work and do business.

"To ensure our community contractors have the right skills for an increasingly digital and globalized world, the ICT session which is one of the key components of this training would bridge this gap.

"Another key component is the session on financial literacy that is designed to help beneficiaries effectively manage and plot the growth of their businesses. This session would ensure our contractors are more knowledgeable about finance, how to access finance and how to keep their books in a way that is relevant to their business."

Frank Emeruwa, Head of Supply Chain Management, further noted that the company's commitment to promoting healthy communities is driving the free medical screening sessions for members of the community.

"Enageed is unwavering in its commitment to the safety and health of its employees and host communities. We are hopeful that this session will enlighten the community on how to stay healthy and provide relief for people requiring eye care interventions and other basic health challenges.

"We stand ready to ensure continuous devel-

opment in the communities we operate in, and believe the skills learned and knowledge gained will better equip community contractors to improve the efficiency of their operations and grow their business. We therefore look forward to the future outcome of this training to foster innovation and economic development in the Ajoki Community," he added.

In his goodwill message, the Secretary General of Ajoki Community, Scott Omesan, commended Enageed for the laudable initiative, which he noted would continue to facilitate cordial relations between the community and Enageed.

Omesan promised that as a Community, "We shall do everything possible to protect the company's facilities in our domain."

He also added: "We also expect continuous cooperation with the company in the spirit of the local content policy. Today's programme has giving our youths the opportunity to learn more about ICT. Also, the medical outreach has afforded a lot of our people to opportunity to know their health status in the area of eye challenges and others. With such initiatives I believe the relationship between us and the company will continue to be cordial."

Esther Koma, the community woman leader, was extremely grateful to the company for the the medical outreach particularly for the elderly. She asserted that the treatment she received was very beneficial to her and would enable her carry out her daily duties with ease. Similarly, Michael Ukuyon, the community Youth Leader and entrepreneur confessed that the event significantly improved his computer skills and would help him transact his business in line with global standards.

In delivering his remarks, Babatomiwa Adesida, the Community and Stakeholder Relations Manager for Enageed, thanked the community for their unwavering support towards ensuring the organizations peaceful operations in their area. He reiterated Enageed's commitment to continually empowering the community and enjoined the youth to remain dedicated to developing their skill sets which is a key element to promoting financial independence.

# COOKING GAS: EXPERTS URGE FG TO HALT INCREASE, LEVERAGE DOMESTIC POTENTIAL

By Yunus Yusuf

Some Oil and Gas experts have advised the Federal Government to fully leverage on our domestic potential to end the incessant hike in price of Liquefied Petroleum Gas (LPG).

The experts also called for a better storage capacity of LPG, otherwise known as cooking gas to save the country from the repercussions of international market price dwindling.

The experts spoke in an interview in Abuja, while reacting to the continuous increase in the price of cooking gas.

Many LPG stakeholders, including consumers and retailers had complained bitterly of the constant rise in the price and suspected quality reduction which had impacted negatively on users.

Dr Olanrewaju Aladeitan, an Oil and Gas expert said gas was traded as an international commodity and was therefore, subjected to global vulnerabilities and shock.

According to him, the current situation is worsened by the ongoing Russian and Ukraine war.

"The situation remains the same. Our best bet is to leverage on our domestic potential to the fullest, otherwise, we would continue to experience rising cost of gas," he advised.

Also speaking, an economic expert, Mr Yushau Aliyu, said the perspective was that enough domestic investment had not been made in the industry in view of the high price

of LPG staggering between 800 and 900 Naira per kilogramme.

Aliyu, while decrying that the country depended a lot on importation of LPG, said it was not good because when prices changed in the international market as a result of many factors, definitely it would bounce back to the consumers.

"The consumers' income is going to be eroded and when consumers' incomes continue to be eroded, it will have a multiplier effect on the economy and that is what is causing so much uneven distribution of resources.

"However, one important aspect is that we cannot disassociate the situation from the Russian-Ukraine disturbances.

"We have to understand that Russia is trying to maximise its benefits by supplying less and taking more. Russian is trying to punish European countries by distorting supply function.

"In this scenario, the Russian government will continue to reduce the amount of supply, capitalising that the west must remove certain economic sanctions against Russian economy," he said.

According to Aliyu, if the strain continues, this can portend bigger problems because people will run back to deforestation.

This, he said implied that more people would opt for charcoal and if that continued, all efforts geared toward afforestation would have a negative effect on our environment and our health.

"The health hazard is going to be disastrous for the economy as anyone who fails to spend for LPG will have to spend in the hospital to take care of the challenges coming from the domestic use of coal.

"These are the consequences," he said.

Aliyu, while appealing for a better LPG storage capacity, said the country produced only 40 per cent of gas for consumption which was not enough and caused the importation of 60 per cent.

In order to get rid of such challenges, the economist said the government must boost domestic investment in LPG.

"For example, project like the NNPC AKK Gas Pipeline, if successful will promote supply capacity but storage capacity is also a challenge and we need to take care of longer periods when there is distortion of price.

"Also, most economists in the world are looking up to gas subsidies for the less privileged.

"As they cannot enjoy when the price is N900 per kilogramme which means a lot to a poor household. Definitely there must be a check in price of what must be consumed in the economy," he said.

Mr Promise Ajujumbu, an LPG retailer who confirmed that the current price triggered in May urged government to spur local production of gas so that events at the international market would not distort price because of lack of sustenance.

"The price is currently at N11,000 for 12.5kg, most dealers are selling at the rate of N900 per kg.

"As at April 2021, we bought one Tonne of LPG at the rate of N580,000, now it is being sold at N715,000 for a tonne.

"The cause of the increase is not exclusive to Nigeria. It is a global problem due to the Ukraine and Russian war, as most of their oil is bound by Europe and U.S sanctions.

"So, we cannot patronise them. The pressure now heavily rest on the remaining oil producing countries in the international market, hence the cost of gas skyrocketed," the gas dealer said.

According to him, the high cost of transportation of the product, due to high price of Automotive Gas Oil (AGO), known as diesel used by petroleum distributors (tanker drivers) also affected the cost of gas.

"Government should put measures in place to intervene because once there is scarcity, adulteration becomes an issue," advised.





# NIGERIA MUST LEVERAGE TECHNOLOGY TO FACILITATE ENERGY ACCESS, TRANSITION - KYARI

By Yunus Yusuf

Nigeria and other African countries must leverage technology and innovation to facilitate energy access and transition, the Group Managing Director/Chief Executive Officer of the Nigerian National Petroleum Company Limited, Mele Kyari, has said.

Mr Kyari said this in a lecture titled "Energy transition and energy accessibility-The new paradigm" which he delivered at the 30th convocation ceremony of the Federal University of Technology, Minna, Niger State.

He said the need to leverage technology and innovation had become compelling so as to support energy sufficiency, industrialization, job creation and economic growth.

The NNPC GMD argued that while findings have shown that global transition to renewable energy will definitely continue to gain momentum, the pace may not be fast enough to offset the impacts of worldwide economic expansion and population growth.

Specifically, Mr Kyari said rising global population especially in Asia and Africa where young people account for almost a half of the population will significantly push energy demand upward where renewable energy sources cannot meet by 2050.

He explained that the efforts to transit energy systems would involve changes, not only to energy technologies and prices, but also to the broader social-economic assemblages that are built around energy production and consumption.

As global energy consumption grows from the 2018 levels to about 50 per cent by 2050, the NNPC Boss said it is apparent that oil and gas will continue to be a crucial component of the world's future energy.

Mr Kyari stated that as a National Oil Company, the NNPC is determined to achieve carbon neutrality, using Nigeria's abundant natural gas resources as a low carbon alternative that will help improve access to energy to power the Nigerian economy.

He told his audience that the Company is currently building on the convergence of new technologies and innovative business models that would guarantee access to energy for the future.



He said, "To achieve seamless transition to cleaner energy, global players must promote diversification of energy sources to improve global access to energy and reduce absolute number of people without access to energy especially in Africa.

"As Africa's largest National Oil Company, we are building on the convergence of new technologies and innovative business models to guarantee access to energy for today and tomorrow.

"NNPC has set the necessary machineries to lead Africa in transition to low-carbon energy and renewables. We are deepening natural gas utilization under the National Gas Expansion Programme.

"NNPC is currently extending natural gas infrastructure backbone from Ajaokuta in Kogi state to Kano through Abuja and Kaduna under the AKK Gas Pipeline Project.

"This mega pipeline will be fed by both Escravos-Lagos Pipeline System (ELPS) and Obiafu-Obrikom-Oben (OB3) gas pipelines through Oben node in Edo state and deliver 2bscf of natural gas to power plants and industrial off-takers along Abuja, Kaduna and Kano.

"As a National Oil Company and a global player, NNPC is ready to take a front seat in the global shift to renewable energy.

"We are taking firm position in this transition

by institutionalizing the necessary enablers for success. NNPC has established a Renewable Energy Division and has completely transformed the NNPC R&D Division to NNPC Research, Technology and Innovation as part of our key initiatives to transit to Energy Company of Global Excellence."

Kyari said the NNPC will continue its collaboration with the education sector, adding that the Company welcomes beneficial relationship with the Academia and Industry Experts who demonstrate capacity for productive research and innovation in the energy sector.

The GMD predicted that oil will remain very relevant in the global energy mix of today and the future, but added that as transition to cleaner energy gains momentum, especially across the developed countries, oil companies must continuously improve operational efficiency and reduce their costs to remain on the playground.

He added that inclusive policy actions have become the necessary ingredients required to achieve net zero carbon economy as well as Sustainable Development Goals 7, which seeks to address energy poverty especially amongst the least developed countries.

In his address at the event, the Vice Chancellor of FUT Minna, Abdullahi Bala, said that the transition from fossil fuel to renewable has reinforced the need for Nigeria to start thinking of a future without oil.

He said before now, oil constitutes a bulk of the country's Gross Domestic Product but added that the narrative is beginning to change as other developed countries adapt to climate change.

The VC said, "We all know that oil constitutes a higher percentage of foreign exchange for Nigeria and until recently, it also constitutes a larger portion of Nigeria's GDP.

"We are also being told that by the year 2050, oil will no longer be the precious commodity that it is now and so it is of interest for Nigeria to look at the way forward. What are we are going to do beyond the economy of oil.

"But there are already moves by developed countries in the name of climate change and environment to reform investments and areas that rely on fossil fuels.

"So for us, the existential threats do not lie in 2050 but it begins now. And so we should be interested in energy transition that will help the Nigerian economy or at least provide a road map for Nigeria to continue to have a robust economy now and in the future."

By Emeka Ugwuanyi

To prevent their post-harvest losses, the Nigerian Energy Forum (NEF) with funding from United Nations Development Programme (UNDP) and SGF has identified two fishing communities in Lagos where it will provide cold room and dryer which will be powered by solar.

Explaining what the project is all about to our correspondent, the Business Coordinator for Nigeria Energy Forum, Mr. Adebayo Adegoke, said the project is aimed at helping coastal communities improve their fishing activities. Research, he said, has shown that there is high level of post-harvest waste whereby fishermen go into the wild to get fish but by the time they get back there is this high level of waste, so this project is aimed at helping them preserve their fish or catch to enable them maximise their profit because nobody will buy spoilt fish or seafood from them. The project is targeted at helping them maximise their catch so they don't have so much losses.

He said the NEF team has been to various communities but identified two that need solution most, that is, Langbasa and Sagbokoji. "The reason we deal with these two communities is because Sagbokoji is peculiar for the fact that it is an island community where there is no power supply and there is no form of electricity where one may hopefully feel they will have freezers and dryers that will help them preserve their products but they don't have all of these. It is an island in Apapa axis, just away from Liverpool.

"We also chose Langbasa because it is an open community with fishing history behind it. But being a pilot project, we still intend to reach other communities even outside Lagos State but we will have where to start from, so we picked these two communities to start the project."

"The solution we are providing there is cold room and dryer. It will be powered by solar. We will use solar panels to power the cold room and the dryer. We know they don't have access to the national grid so it makes it easier to look for a solution that can be used off the national grid which is solely driven by solar.

"We have been on this project from April last year identifying the communities first. We have been able to scout round. This is not solely done by us, we had partnership from the National Institute of Fishery. They have more access to all of these communities so we went to them and were able to identify some of these coast communities that have this challenge of post-harvest

## NEF, UNDP PROVIDE SOLAR POWER, STORAGE FACILITIES TO FISHING COMMUNITIES IN LAGOS



Mrs Solanke and Mr Adegoke

losses. Part of the thing we have done is we had an onsite assessment of the communities, gone to their schools to see the situation of things because part of what we supposed to do on this programme is to encourage the young ones go into fishing. We have done some trainings onsite. We have been able to sign a memorandum of understanding (MoU) between ourselves and the communities because we cannot do it alone so we have gone into partnership with the communities.

"One of the things we have been able to do is make them realize this is a project they have to take responsibility for, they have to own it. It will be counter-productive to come up with solution and they don't use the solution probably because of their personal beliefs or they aren't just inclined to improvements. We have seen that happen several times where innovations are taken to communities and they abandon it because they feel it is too complex. But we have tried to make this as simple as possible and that is the reason we are training community members on how to install and maintain the solution because that is the only way the project can be sustaining."

"So those are part of the engagements we

had with them and today we had a documentary entitled "The Catch" on trying to understand what the problems are, which is what led to the documentary. The documentary has identified the problems they have, and we have been able to put all of that together and that is why we are the screening today for them to see that we are not just in the community to play but we really mean business to make this work. With all of that being done, we are moving to the next phase of implementing the project and that is why we had a community engagement to tell them this is how far we have gone with the design and this is the solution we are bringing."

To make the solution cost-effective and encourage the fishing commu-

nities, Adegoke said: "We had a survey which we did one-on-one with them on if they will be willing to pay to use this solution because it is important to know the solution will be maintained. One of the ways to maintain and sustain it is for them to pay a little fee or amount to making the running of this project sustainable. Yes, we got funding from the UNDP, but as much as possible, we can't go back to them for the maintenance. The communities must take responsibility for maintaining it which is why we had to go into MoU with them. We had an understanding where we told them that this is a project that is coming to you and you have to take responsibility. Armed with that understanding, what is left for us to do is to train them while these conditions are done so that they will be able to work on the solutions when they develop issues. Therefore, they aren't paying for the equipment and installation because it is meant for them but they pay for the maintenance. To use it, they will have to pay a token to be able to maintain it.

"Also, on the one-on-one survey we had with them, we compared the cost of preserving their catch the traditional way and paying a token to use this technology



to do so. We asked them how much they would be willing to pay to use the services. That formed some of the decisions we took to making it work. On the average what they are willing to pay is between N1,000 and N2,000 for usage. At that point, it gives us an idea of what the turnover will be at the end of the month. If there are issues, the solution will be maintained. We will also employ community people to man it because it is better they do. So, they are responsible for the sustenance of the project. Even in terms of finance, the community heads need to know exactly how it is done for them to be able to maximise whatever comes in, so the person in whose custody the collected token is kept is not accused of embezzlement. We also have the responsibility to check on them at intervals at least for a year or two before completely handing it over to them."

On whether the programme is to help the fishermen to mass produce and get healthy fishes that can pass export test, Adegoke said: "Basically, for us it is about helping them to produce fishes and aquatic products that are hygienic. Apart from the fact that it will be good enough for export, we are also first consumers of these products. Therefore, we need to start teaching ourselves why some of these smoked fishes are failing us. Before now, we don't use to have a whole lot of some of these illnesses but it is out of their ignorance of not knowing what the fumes from the woods they buy produce, they just buy woods. Even sometimes they buy treated woods and all of these treated wood come with chemicals. But they just buy wood thinking wood is wood and they use it to preserve their catch, so there is no way such aquatic products will get to the laboratory and not fail. So we are trying to encourage them to start looking at more conventional ways of getting things done properly.

For Mrs Abiodun Solanke, a lecturer at the Federal College of Fishery and Marine Technology, Victoria Island, Lagos, the importance of the programme to the fishermen and consumers of their fish is for health and safety.

She said: "Our problem in Nigeria is not production. We produce so much but what happens is that when there are no storage facilities, many of the fishes they produce are wasted. Therefore, the importance of this initiative to fishermen is that if they adopt this technology, it will help them to store their fish product, extend the shelf life of the fish product because the shelf life of fish product if you don't do anything to it within hours like about 1-2 hours after

harvest, deterioration sets in. So the whole idea is to provide them with storage facility so that the product can have extended shelf life.

"Another benefit of this initiative to consumers is that diseases like cancer, among others are becoming rampant in our society and the truth of the matter is that many of these diseases have so many things to do with our nutrition. For seafood, many of these processors use firewood to smoke and some of these firewood especially the soft wood has a particular carcinogenic substance known as polycyclic aromatic hydrocarbons (PAHs). So if you consume fish or seafood product that have high concentration of this PAHs, it has a way of affecting the body negatively.

"So the idea is not that we are condemning what they are doing but we are trying to limit the exposure time that this fish product use in their facility so that they can complete the drying process using a climate smart technology dryer which is powered by solar energy.

"If they are able to do their fish in a hygienic manner, you discover that this fish can pass for export. Not export alone, as we speak the demand and supply for fish is

in the negative, there is still a gap even in Nigeria. So it is not even export alone, even for them to sell their product in Nigeria, they need to do it hygienically so everyone of us can consume this product and are not exposed to any health or safety issue."

Chief Adesanya Olironise of Lamgbasa, the Odofin of Lamgbasa and Divisional Chairman of Fishermen Cooperative for Lagos Island, Mainland and Etiosa, said: "The programme is for our progress and I'm very happy. Since the programme started last year, I have been expecting them to come. When they came, they told us they want to give us cold room and a dryer. They talked to our fishermen and fisherwomen. We held meetings several times with them, went to the sea together. We even went to our Kabiyesi's palace together. Two weeks ago, Mr. Adebayo invited us to come here. We would have been more than this number but he said he wanted three men and three women as representatives. We appreciate because we have been expecting what we saw today. With the documentary we watched today, we are expecting them to bring the cold room and dryer. Presently, we have not been trained on how to install and maintain the equipment until the equipment arrives."



# WHY THERE IS FUEL SCARCITY, BY MAJOR OIL MARKETERS

By Emeka Ugwuanyi

The Major Oil Marketers Association of Nigeria (MOMAN) has attributed the current fuel scarcity that has grounded economic activities to supply inadequacy in the last few weeks and distribution challenges created by the unavailability and continuous surge in international prices of Automotive Gas Oil (diesel).

The Association in a statement signed by its Chairman, Olumide Adeosun and CEO/ Executive Secretary, Clement Isong, said it empathizes with its customers as we all continue to grapple with recurrent scarcity of Premium Motor Spirit (petrol) in various parts of the country.

The current scarcity of petrol is occasioned by two main reasons: supply inadequacy in the last few weeks and distribution challenges created by the unavailability and continuous surge in international prices of Automotive Gas Oil (diesel).

"MOMAN members are working with the Authority, NNPC/PPMC, NARTO and other industry stakeholders to make the product (petrol) available at the pumps and eliminate the queues as quickly as possible.

"MOMAN, as an Association, fears that the current supply framework cannot guarantee steady and consistent supplies to the country



given the current state of government finances and unpredictable international supply shortages. We, therefore, recommend a gradual price deregulation with targeted palliatives (eg. transport and agricultural subsidies) to the public to ease implementation.

"However, in the interim, MOMAN recommends: • the current single supplier strategy be reviewed.

- The Federal Ministry of Petroleum Resources, in collaboration with the Ministry of finance and other relevant MDAs, should set up a taskforce to immediately focus on increasing diesel supply through accelerated initiatives to increase local modular refining capacity. This move will tackle the supply and distribution challenges.

- Phased rehabilitation of existing NNPC refineries to hasten supply of middle distillates

(AGO & ATK). MOMAN recognizes and closely associates with the need to ease challenges with respect to high energy and transportation costs occasioned by extraneous circumstances.

"MOMAN shall continually do its best to distribute petrol to its customers across the country and keep exploring opportunities to partner with industry stakeholders, the Authority, and the Government to ensure the sustainability and institutionalization of a viable petroleum downstream sector in Nigeria.

"The full deregulation of the petroleum downstream sector and full implementation of the Petroleum Industry Act (PIA) 2021 clearly remains the most viable long-term solution to the country's supply and distribution challenges."

## SAHARA POWER PROMOTES ENVIRONMENTAL SUSTAINABILITY WITH GREE'N'LECTRIC

By Emeka Ugwuanyi

The launch of gree'n'lectric, a wholly digital publication dedicated to promoting environmental sustainability in the power sector will bolster Sahara Power Group's resolve to seeking environmentally relevant options and solutions in its operations, Ejiro Gray, Director, Governance and Sustainability, Sahara Group has said.

Speaking at the launch of the publication at Egbin Power Plant, Gray said Sahara Power, a Sahara Group company which connects over 30 million homes to power in the nation, considers access to clean, safe, and reliable energy as critical goals of the organization.

According to Gray, "Gree'n'lectric is one of the vehicles of sharing our journey to green, as we articulate our efforts and plans towards addressing global sustainability concerns. Our business daily impacts and is impacted by natural, social, and human

capital interests on which the sustainability of our people and the planet depend. We believe that these interests must be tackled head-on with unwavering accountability and responsibility to provide assurance for a better tomorrow."

She said Sahara Power's commitment to protecting the integrity of the environment remained unwavering and generational through the involvement of young students and entrepreneurs in sustainability conversations and interventions. Israel Anyanwu, a student at Powerfields Group of Schools, Egbin said young Nigerians are increasingly becoming aware of the need to be part of the process of safeguarding the environment. "We are studying hard to contribute our quota while observing basic practices that helps to protect the environment," he said.

Gray said Sahara Power was exploring and investing in several renewable energy solutions to boost power generation and

distribution mix, in a bid to ensure the company continues to "bring energy to life responsibly".

She noted that Sahara Power entities, including, Egbin Power Plc, Ikeja Electric and First Independent Power Limited (FIPL) hinge their operations on emission reduction, resource efficiency, business ethics, health and safety, as well as inclusion and diversity.

"With the deployment of electric buggies and scooters, bicycles, and a robust walk-to-work initiative, Egbin Power has reduced the use of fossil fuel vehicles in the facility, cutting off the emission of 670,000kg of CO2 annually. We have also planted over 1000 trees, cut paper consumption, saved 105KWH from reduced printing and continue to digitalise our operations to secure the environment. Ikeja Electric pioneered the first e-billing initiative in the power sector and has safety certifications that reinforce our commitment to sustainability," she said.



# NCDMB, NAICOM UNVEIL INSURANCE SERVICES GUIDELINES

By Emeka Ugwuanyi

The Nigerian Content Development and Monitoring Board (NCDMB) and the National Insurance Commission (NAICOM) have signed insurance services guideline which will oblige the oil and gas industry to patronize the local insurance sector, thereby retain spend in the economy.

The guidelines will also address loopholes that have been identified while implementing the provisions of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act, particularly sections 49 and 50, which deals with insurance of oil and gas activities.

The Executive Secretary, NCDMB, Engr. Simbi Kesiye Wabote, and the Commissioner for Insurance, Mr. Sunday Thomas, signed the guidelines recently on behalf of their organisations in Yenagoa, Bayelsa State.

In his remarks, the Executive Secretary stated that the provisions of sections 49 and 50 of the NOGICD Act require all operators engaged in any form of activity or project in the oil and gas industry to insure all insurable risks related to its oil and gas business with an insurance company, through an insurance broker registered in Nigeria.

He stressed further that the Act provides



that where an operator seeks to place an insurable risk offshore, a written approval of NAICOM must first be sought and obtained and that NAICOM before the issuance of the approval must ascertain that local capacity has been fully exhausted.

Wabote reiterated that the insurance guideline will strengthen the Board's local content drive and ensure that a greater portion of the spend in the Insurance industry as it relates to oil and gas activities in Nigeria is retained in-country.

He said: "The insurance guideline being launched today was developed by the two regulatory bodies to ensure that government's intention of promoting insurance services within the country is achieved so as

to capture significant financial spend under oil and gas insurance services in country."

The NCDMB chief said the collaboration between the Board and NAICOM will further ensure the successful implementation of the insurance guidelines and every other activity that will lead to the attainment of the objectives of the NOGICD Act, 2010 as well as 70 per cent Nigerian Content by 2027 under the Board's 10-Year Strategic Roadmap.

He added that finer details of the guidelines will be released at the Nigerian Content Seminar at the 2022 Nigerian Oil and Gas Conference scheduled for July 2022.

In his comments, the Commissioner for Insurance, NAICOM, Mr. Sunday Thomas, charged all stakeholders engaged in any form of business, operations or contract in the Nigerian oil and gas industry to ensure compliance with the relevant laws and compliance with the insurance guidelines.

Thomas expressed optimism that the partnership between the Board and NAICOM will realize the benefits of increased local content, in-country value retention, job creation and employment generation and GDP growth amongst other.

While appreciating the efforts of the Board, the NAICOM boss pledged his agency's commitment to create an enabling environment that will consistently enhance increased capacity of the insurance institutions both financially and technically.

## SAHARA GROUP'S TRAINEE PROGRAMME PROMOTES DOWNSTREAM EXPERTISE IN GHANA

By Emeka Ugwuanyi

Leading energy and infrastructure conglomerate, Sahara Group, has commenced a Graduate Management Trainee (GMT) programme in Ghana to give young graduates in the nation an opportunity to make a difference in the oil and gas sector.

With focus on Sahara's downstream operations in Ghana, the GMT programme will offer successful applicants an opportunity to "upgrade their unique skills and ensure exposure to top-level responsibility early in their careers," said Yvette Selormey, Managing Director, Sahara Downstream in Ghana.

"Sahara Group is renowned for transforming young talent into global icons in the energy sector and this is a platform specially designed for every young graduate in Ghana seeking to learn and grow within a work culture that encourages and rewards excellence," she said.

Ghana's downstream sector continues to experience significant growth as a result of the government's strategic reforms, policies and investments. There are also increasing efforts by the government to boost the adoption of Liquefied Petroleum Gas (LPG) as a cleaner fuel compared to biomass and kerosene.

LPG consumption in Ghana for Q1 2022 stood at 101,362 MT and this is projected to quadruple by end of the year. Sahara Group is expected to contribute significantly to the nation's energy transition drive through continuing investments and the operations of LPG vessels, storage and distribution facilities associated with the energy conglomerate in Africa.

Selormey said the programme would give individuals with good first degrees in applicable disciplines a secure shot at kick-starting their careers with world-class training modules, mentorship, and self-driven goals.

"Details of the application process which will run from June 20th to 3rd of July 2022 are available on all Sahara Group's social media channels. We invite youths in Ghana to start their journey to making a difference by applying today," she added.

According to Selormey, Sahara Group has operated as a foremost business in Ghana's oil and gas sector for over 20 years, facilitating access to energy and contributing to economic growth and development.

She said: "So Energy, a Sahara Group downstream company in Ghana continues to raise the bar in the sector, leveraging innovativeness, top-notch quality and safety policies, good corporate citizenship, and a unique service experience. The So Energy brand is renowned for integrity, reliability, efficiency, and implementing sustainable interventions in health, education and capacity building."

# WORLD ENVIRONMENT DAY 2022: CHEVRON NIGERIA COMMITTED TO SUSTAINABLE FUTURE

By Olayiwola Adeniji

Every year on June 5, the world commemorates World Environment Day (WED) to celebrate and promote environmental awareness and sustainability across the globe. Led by the United Nations Environment Programme (UNEP), and held annually since 1974, each edition focuses on raising awareness and mobilizing the world to take positive action to protect nature and our planet.

The theme for this year is "Only One Earth" with focus on "Living Sustainably in Harmony with Nature." It beams a spotlight on climate action, nature action and pollution action while encouraging everyone, everywhere to live sustainably. Chevron Nigeria Limited (CNL), operator of the joint venture between the Nigerian National Petroleum Company Limited (NNPC) and CNL (NNPC/CNL JV), identifies with this global action to save the planet as it aligns with our commitment to protecting the environment while providing affordable, reliable, and ever-cleaner energy.

CNL, not only conducts its business in a socially and environmentally sustainable manner, but also in compliance with applicable regulatory requirements, stakeholder expectation and best industry practices, and has made Environmental stewardship part of its social investment programmes.

Rick Kennedy, CNL Chairman and Managing Director, explains that CNL's approach to sustainability is highlighted by its commitment to protecting the environment, empowering its people, and always getting results the right way. "Chevron is proud to be part of the solution to global environmental issues wherever we operate. Our environmental and energy transition efforts focus on lowering the carbon intensity of our operations, building lower carbon businesses, supporting well-designed climate policy, responsible water management, and biodiversity, while using our Operational Excellence Management System (OEMS) to manage risks."

According to him, the company's OEMS delivers industry-leading performance in process safety, personal safety and health, environment, reliability, and efficiency. "Our Environmental philosophy and processes lay the foundation for sound environmental management. The company protects the environment through the entire lifecycle



from responsible design, development, operations, and asset retirement," he stated.

CNL recognizes the importance of minimizing its environmental footprints and promoting ecosystem restoration. The company continually aims to achieve world class environmental excellence through implementation of its Environment Risk Assessment and Management (ERAM) procedure to identify, assess, mitigate, and manage environmental risks, environmentally related community health risks, and environmentally related social risks. CNL is committed to ecosystem sustainability, including ecosystem restoration interventions where required.

The restoration programmes provide positive environmental impacts and opportunities for raising the awareness of the community members to the impacts of degradation and benefits of restoration.

CNL is advancing its lower carbon strategy focusing on lowering the carbon intensity in its operations and taking proactive approaches to managing its methane detection and reduction capabilities. CNL utilizes high tech Optical Gas Imaging (OGI) cameras for detecting minute fugitive emissions. CNL has reduced routine gas flaring by over 95 per cent in its operations in the past 10 years.

Chevron recognizes the importance of protecting and conserving a region's biodiversity, and we have a long history of working in collaboration with communities, industry groups, regulators, and conservation

groups to identify and protect biodiversity in parts of the world where we operate. CNL, in partnership with the Nigerian Conservation Foundation (NCF), established in 1992 the Lekki Conservation Centre (LCC). This 78-hectare facility, a center of excellence in environmental research and education, is reserved as a sanctuary for the rich flora and fauna of the Lekki Peninsula.

In 2005, CNL began supporting a yearly postgraduate research scholarship for PhD students in environment and conservation, instituted by the NCF. Additionally, the company hosts the annual S.L. Edu Memorial Lecture to promote environmental management awareness and partners with the Lagos State Government and NCF to sponsor an annual environmental awareness programme, tagged, Walk for Nature, an event held to create awareness and promote nature conservation and sustainable environmental management.

Esimaje Brikin, CNL's General Manager, Policy, Government and Public Affairs notes that for over 60 years, CNL has remained an active agent of sustainable development and strong advocate of partnerships in support of the environment. "We will continue to partner with stakeholders in raising public awareness to create the transformative environmental change we need to advance to a more sustainable future of our Only One Earth," he said.

Olayiwola Adeniji is the Coordinator, External Communications, Chevron Nigeria Limited



# RISING INFLATION, COST OF FUNDS, RUSSIAN/UKRAINE WAR, OTHERS HOLD BACK INVESTMENT IN OIL & GAS – IEF

By Emeka Ugwuanyi

The International Energy Forum (IEF) has warned that rising inflation, borrowing costs, Russia's invasion of Ukraine, supply chain problems and policy confusion are holding back new investment in upstream oil and gas and at a time when the world needs it most.

The Secretary-General of the International Energy Forum, Mr. Joseph Monagle, made the revelation when he provided a mid-year assessment of the investment crisis following the publication of the IEF's Oil and Gas Investment Outlook with IHS Markit last December, which found that investment in 2020 and 2021 was about 25 per cent below pre-pandemic levels.

"A growing storm of new factors is worsening the underinvestment problem and creating a red alert for energy markets," Monagle said. "At a time when the global energy crisis calls for more supply, underinvestment in hydrocarbons will be the main reason for supply shortages, higher prices and volatility for the foreseeable future."

Monagle said 2022 was on track to mark a third consecutive year of spending shortfalls compared to 2019.

"Energy markets were already tight before the Russian invasion of Ukraine due to the investment crisis and rising demand as the world unlocked from the pandemic. Based on current data, we see more trouble ahead in the second half of 2022. Commercial and strategic inventories are low, spare production capacity is dwindling, and China and other parts of Asia are expected to end travel restrictions, boosting demand," Monagle added.

He emphasized that new investment in upstream oil and gas was not in contradiction with efforts to eliminate carbon dioxide emissions, but badly needed to maintain economic stability as policy makers manage a long-term transition to net zero. He also encouraged governments to invest in decarbonization technologies such as carbon capture and hydrogen.

"We must continue to advance the energy transition while investing in hydrocarbons to power the global economy. But I am concerned that we will lose public support for energy transitions if the public associates higher energy prices and climate policies.



We must manage the transition carefully, because we cannot afford a setback in climate progress," he added.

One key finding of the December report was that oil and gas upstream investment would have to increase to and be sustained at pre-COVID levels of \$525 billion through 2030 to ensure market balance.

However, the Secretary General pointed to recent events such as Russia's invasion of Ukraine, inflation, supply chain disruptions, and labor shortages as increasing the likelihood that the shortfall would persist. Since December, the hurdles for meeting investment targets and securing future supply have only moved higher and become more difficult to reach.

The IEF updated assessments of the new factors exacerbating the investment crisis are explained below:

## Inflation

In December 2021, when the Report was released, the World Economy Weighted Inflation index was approximately 5.5 per cent year-on-year, in May 2022 it was over 8.5 per cent. The continued and increasing surge in inflation is both a shock to the global economy and to the oil and gas sector.

Continued above-normal inflation means future capex must increase at a similar rate year-on-year at least to keep pace.

Projects which had previously received a final investment decision at some point last two years now face rapidly increasing costs, and projects which had been on the verge of a final investment decision will likely be re-evaluated.

## Rising borrowing costs

The December Report highlighted the rising cost of capital from elevated long-

term regulatory risk as a major hurdle to investment. In the battle against inflation, monetary tightening is compounding the already rising cost of capital.

The oil and gas sector has historically relied heavily on debt to help finance Capex. Oil and gas projects are front-heavy with costs, while revenue comes later. Higher interest rates will increase the overall cost of a project financed from debt and could cause delays or deter investment in new projects.

## Russia

Of the \$525 billion of estimated required investment, Russia and the Caspian region represented 8.5 per cent or \$45 billion in 2030.

Multiple major oil and gas companies have announced complete withdrawals from Russia, and some have announced no new investment in Russian oil and gas production going forward. Without continued investment, decline rates on oil and gas fields will accelerate.

This places more emphasis on the need to increase oil and gas investment outside Russia, to both compensate for the lack of production growth that was expected from Russia, as well as to offset increasing decline rates in Russian production.

## Supply Chains

Global supply chains are still experiencing long delays, due to lingering effects of the COVID pandemic, lockdowns, and a resurgent global economy.

Oil and natural gas projects source materials and parts from around the globe, from steel to microchips. Continued delays in global supply chains translate into delayed projects and completions as well as adding to the overall cost of a project – all of which result in the need for increase investment.

# NIGERIA GENERATES N200BN, \$7M FROM MARGINAL FIELDS' SALE

The federal government said it has generated about N200 billion and \$7million from the 2020 marginal fields bid round which it concluded with the award of oil petroleum prospecting licenses (PPLs) to winners in Abuja.

Chief executive officer of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Gbenga Komolafe, made this known at the official unveiling of Host Communities Development Prospecting Licences and presentation of PPLs to 2020 Marginal Field Awardees in Abuja.

The commission also officially unveiled the Host Communities Development Regulations and model Petroleum Prospecting Licences (PPLs).

Komolafe disclosed that the PPLs were awarded to 37 marginal fields awardees who had fulfilled all the criteria for the award of the licences.

LEADERSHIP's checks revealed that the 37 successful fields were won by a total 161 successful 2020 marginal fields award winners.

Among the successful companies are Ardova Plc, Matrix Energy Ltd., Sun Trust Oil Company Limited, Deep Offshore Integrated Service Ltd., Island Energy Ltd. and Sigmund Oil Field Ltd.

Others are Shafa Exploration and Production Company Ltd., Emadeb Energy Ltd., Zigma Ltd., Inland Basin Ltd. and Petraco Oil Ltd., among others.

Minister of state for Petroleum Resources, Timipre Sylva, speaking during the event, said the maiden presentation of the PPL was part of the implementation of Petroleum Industry Act (PIA), 2021.

Sylva urged the 57 marginal field investors to quickly develop their assets and enjoy the full benefits in the Petroleum Industry Act (PIA), which seeks to, among others, increase crude oil production, grow reserves and reduce cost of production.

Sylva urged the award winners to take advantage of the current attractive oil prices to bring the fields into full production within a short period in line with President Muhammadu Buhari's aspiration.

He assured the investors that the industry regulator, NUPRC, will support any



aspiration for upstream development with midstream facilities integration towards maximizing the value chain.

"It is envisaged that robust collaboration between the awardees and the Commission will lead to better understanding of the challenges being encountered. Therefore, I encourage you to promptly reach out to the Commission for guidance and support including mediations when challenges arise.

"The onboarding of new oil and gas players in the petroleum sector is part of this government's policy to encourage more indigenous participation in our petroleum operations. Indeed, this will boost activities in the oil and gas sector, add to our production output, and create additional employment opportunities for Nigerians", the minister stated.

Earlier in his remarks, the chief executive of NUPRC, Gbenga Komolafe, recalled that the marginal fields award initiative began in 1999, adding that 30 fields had been awarded, with 17 currently producing.

According to NUPRC, 57 fields presented in the 2020 bid round met the criteria and were subsequently offered for bidding.

Out of the 665 entities that expressed interest in the exercise, 161 emerged as potential award winners, while out of the 57 fields, 41 were fully paid for.

Also, 37 fields were issued with the PPLs after they satisfied all conditions for the award.

The minister commended the manage-

ment and staff of the NUPRC for ensuring the successful completion of the process, which began in 2020.

He described it as a giant milestone for the administration.

"The implementation of the PIA 2021 is in top gear. Consequently, the new awardees should note that their assets will be fully governed by the provisions of the PIA 2021.

"As you develop your assets with the special purpose vehicles (SPVs), ensure that good oilfield practice is employed, and that environmental considerations and community stakeholders' management are not neglected.

"It is my strong belief that the awardees would take advantage of the current attractive oil prices to bring these fields into full production within a short period to increase production, grow reserves and reduce cost of production," he said.

Sylva said the development would boost activities in the oil and gas sector.

He added that it would boost production output and create additional employment opportunities for Nigerians.

NUPRC CEO Gbenga Komolafe recalled that one of the major tasks inherited by the commission, upon its inauguration in 2021, was the need to conclude the 2020 Marginal Field Bid Round.

He said the exercise was faced with several constraints which included the COVID-19 interruption, partial payment of Signature Bonuses by some award recipients, and the unwillingness of co-awardees to work together in forming SPVs for field development.

He said the marginal field's award initiative began in 1999 and was borne out of the need to entrench the indigenisation policy of government in the upstream sector and build local content capacity.

He recalled that since its inception, a total of 30 fields had been awarded with 17 currently producing.

He said that the 2020 Marginal Field Bid Round exercise in respect of which PPLs were being issued had attracted government revenue of about N200 million and seven million dollars, respectively.



## ENDING THE DOLLARISATION OF NIGERIA'S ECONOMY

**T**he recent depreciation of the naira to about N613 to a dollar on the parallel foreign exchange (forex) market has remained a source of concern to a lot of Nigerians.

Whereas the present high crude oil environment ought to have resulted to exchange rate stability and improved forex inflows for the country, the reverse has been the case, which presages challenges in the economy. More worrisome is the dollarisation of the Nigerian economy which has seen some property owners, delegates at some political parties' recent primaries allegedly being bribed in dollars, airlines and school owners among others, demanding payments in dollars.

All these contribute to the weakness of the naira exchange rate and distort

monetary policy transmission despite increased efforts by the Central Bank of Nigeria (CBN) to strengthen the naira through its intervention in the forex as well as its development finance initiatives.

Dollarisation which is the use of foreign currencies as a medium of exchange, store of value, or unit of account has emerged as a key factor explaining vulnerabilities and currency crises. The CBN had threatened to prosecute anyone found transacting business in the country with foreign currencies as medium of payment.

Provisions of the CBN Act of 2007 state inter-alia that "the currency notes issued by the Bank shall be legal tender in Nigeria...for the payment of any amount."

Furthermore, the Act stipulates that any person(s) who contravenes this provision

is guilty of an offence and shall be liable on conviction to a prescribed fine or six months imprisonment.

To the International Monetary Fund (IMF), dollarisation can pose important challenges to policymakers. It also constrains the capacity of monetary authorities to act as a lender of last resort; hampers banks' liquidity management; and weakens the stability of the financial sector, as it may amplify the impact of exchange rate movements on banks' balance sheets, thereby increasing the risk of contractionary effects and bank failures.

"A better understanding of dollarisation in Africa may thus help to assess potential vulnerabilities and the case for the implementation of policies in order to mitigate the risks that may result from it," the Fund added.





The CBN Governor, Mr. Godwin Emefiele had declared that the currency for transacting business in the country remains the naira and had warned that it is illegal to carry out transactions using the US dollar.

He had said: "We will be looking at areas where people are making demands for foreign currency; people who are landlords who are asking for rent in dollars; schools that are asking for school fees in dollars or transacting business in dollars."

He stressed that it was illegal in Nigeria to transact business in foreign currency and advised those involved in the practice to desist from doing so, because the CBN would soon come after them.

Beyond the dollarisation of the economy, experts have stressed the need for the country to increase its productivity and change consumption patterns to shore up the value of naira. This was among the consensus reached by experts at a one-day roundtable on national issues at a recent forum organised in Abuja.

To the convener and member of THISDAY Editorial Board, Dr. Okey Ikechukwu, the CBN had made several policy interventions to improve the value of the national currency, including via the Anchor Borrowers Programme, which was created and enhance farmers' access to loans.

"This initiative alone has created millions of jobs, taken many youths off the crime path and rescued many local economies. Only economy-reflating and socially impactful efforts, as seen in such initiatives, in addition to consuming what we produce and producing what we consume, will give us the prospect of bringing up the value of the National Currency and keeping it up," he said.

Clearly, for Nigeria whose currency is not convertible or serve as international currency, she must earn foreign exchange through high productivity and export of goods and services, receipt of monetary gifts or receipt of foreign loans and investments in order to import needed goods and services aimed at the development of the economy and enhancing the welfare of the citizens.

Indeed, high levels of forex earnings and external reserves are the backbone of the naira exchange rate. They ensure stability of the rate while low levels weaken the naira. But then, it must be noted that the CBN does not produce forex; it is what is earned by the country that the Bank strives to manage and use to stabilise the exchange rate.

To Prof. Mike Obadan, the CBN has strived to carry out its mandate by using supply and demand management strategies, particularly, forex conservation and control measures as well as measures

to ensure adequate supply of foreign exchange. This is particularly so because forex is a scarce resource that needs to be efficiently managed if the country is to achieve macroeconomic stability, and avoid chronic balance of payments and external reserve problems.

The Professor of Economics and Chairman, Goldmark Education Academy, noted that for some time now, there have been issues about forex in the country, which predates the present administration, stating that over the years, genuine efforts of the federal government to achieve a headway on these have tended to be undermined by exogenous shocks in the past five years which pushed the economy into recession in 2016 and 2020.

According to Obadan, the first recession from the first quarter (Q1) of 2017, was triggered by the collapse of crude oil prices in the global market. The price of Nigeria's Bonny Light crude oil then declined continuously from \$62.22 in Q2 2015 to \$34.39 per barrel in Q1 2016.

Owing to this, as at the second quarter, 2017, when the country exited recession, crude oil price per barrel stood at just \$50.21 per barrel.

"Due to the heavy dependence of the Nigerian economy on the oil sector, the impact of the oil market crash was severe on export earnings, foreign exchange





reserves, government revenue and other macroeconomic aggregates including economic growth.

"External reserves declined from \$28.28.33 billion in Q2, 2015 to \$23.8 in Q3, 2016. The other external sector indicators similarly deteriorated: balance of goods and services, balance of current account, financial account, overall balance of payments, and external debt stock and debt servicing.

"The net forex inflow became negative, implying that the country paid out more forex to the rest of the world for importation of goods and services than it received. This implied that the demand for forex was higher than receipt of forex and the pressure on forex and the naira exchange rate was very high. This accounted for the devaluation/depreciation of the naira in relation to the US dollar at that time.

"Secondly, the Covid-19 pandemic-induced economic crisis in 2020 resulted in recession in the third and fourth quarters of last year. The pandemic containment measures in the form of economic lockdowns and restrictions on international travels and business resulted in recessions for countries in various degrees."

The former Director-General, National Centre for Economic Management & Administration, Ibadan, however, pointed out that the parallel market rate

is determined mostly by speculators and rent seekers in a shallow and illegal market, which he argued constitutes a very tiny proportion of the forex market in Nigeria.

"Because the quantity of forex available in that market is very small in relation to the demand of the desperate economic agents that want to buy forex at any cost, the exchange rate is necessarily high. It cannot serve as reference for the naira exchange rate.

"If it is so, then it is the case of the tail wagging the dog! The parallel forex market needs to be avoided by decent economic agents. It will continue to exist as long as the naira is not convertible, the productivity of the economy remains low and the country does not earn enough forex from export of goods and services and capital inflows," Obadan stressed.

Therefore, in order to stabilise the forex market and reduce the pressure on the naira exchange rate, Obadan said there was the strong need to move away from the country's flawed pattern of economic management of the past.

He, therefore, called for a revival and rebuilding of the productive sectors of the economy to achieve higher capacity utilisation and productivity, and competitive manufactured exports; strong government encouragement of local refining of petroleum products

for both domestic consumption and exports; as well as strong and effective surveillance of the forex market by the monetary authority to check round-tripping of forex from the deposit money banks to the parallel market.

In addition, Obadan advised the government to ensure that during oil booms, it saves forex and build fiscal buffers; increases sourcing of local raw materials and revival of the capital goods industry; promote fiscal and monetary discipline and harmony; create an enabling environment for productive capital inflows, especially foreign direct investment; and actively promote restoration of confidence in the economy to check capital flight.

"A good handle on the current insecurity challenges along with macroeconomic stability will be very helpful in this regard; rationalise imports structure to manage demand for forex; as may be permitted by supply considerations, use external reserves stock to support the exchange rate through increased funding of the foreign exchange market; and use moral suasion to encourage Nigerians to patronise home-made goods and reduce their high propensity for disruptive trade and commerce," he added.

Former Deputy Governor of the CBN, Prof. Kingsley Moghalu, had stressed the importance of export diversification. Moghalu pointed out that there was need for the country to have education, industrial and trade policies that are in alignment to support the growth of the economy.

He also said there was need to focus on productive knowledge in Nigeria, saying many people go through schools, but only a few have the kind of skills that can drive an industrially powered economy.

Therefore, while taking steps to put an end to the seeming dollarisation of the economy, improving the country's forex earnings and stabilising the exchange rate require developed domestic production structures, a diversified economy and export orientation that is supported by an effective trade policy as well as a conducive macroeconomic environment.

===== THISDAY =====

# ASSESSMENT REPORT OF PMB AT 7, BY MIKE OLUSEGUN

**F**our times governor of New York, vice president for two years under Gerald Ford and presidential aspirant, Nelson Rockefeller, once observed that “If you don’t have good education and good health, then I feel society has let you down.

If any objective examiner were to rate President Muhammadu Buhari’s Administration on Rockefeller’s one-liner about two very crucial aspects of life, the very foundation on which nations depend for exponential growth/ development, he would be certain to give Mr. President an above average score.

From his election in 2015 till date, PMB has not let Nigerians down as far as those sectors are concerned. More than any other Nigerian president in recent times, Buhari has recognised the importance of having “a sound mind in a sound body,” to borrow the inspiring motto of King’s College Lagos.

It is not a coincidence that KC has produced more than an ample number of captains of industry and scholars more than any other such institution in the country. It is no coincidence, also, that higher rates of life expectancy and quality education are found in advanced countries, Scandinavian countries, for instance.

This is why PMB has committed so much to those two in his seven years as president. From 2015 to now, Buhari has dispensed over “2 trillion Naira of capital intervention to Nigeria’s tertiary institutions, through various means, including TETFund – with the universities taking the lion’s share of the total amount.”

Also, the Federal Government has disbursed more than 240 billion Naira in UBE Matching Grants to states and the FCT since 2015, and 24 billion Naira from the Teachers Professional Development Fund to states and the FCT.

What about places of learning built since Buhari’s assumption of office, specialized institutions such as Aerospace University in FCT, Nigerian Army University in Borno State, University of Transportation in Katsina State and Federal Maritime University in Delta State?

And then, there are the regular polytechnics, universities and colleges of education of which six new Federal Colleges of Education have been added to the existing ones in the six geopolitical zones: Odugbo in Benue, Isu in Ebonyi,



Ekiadolor in Edo, Gidan Madi in Sokoto, Jama’re in Bauchi and Iwo in Osun.

For polytechnics, PMB’s Administration built some more – all of them federal institutions – eight of which now stand as solid structures in Kaltungo, Gombe, Ayede, Oyo, Daura, Katsina, Shendam, Plateau, Ohodo, Enugu and Ugep, Cross River not to mention Monguno and Wannue in Borno and Benue respectively.

Equally, half a dozen more Federal Universities of Science and Technology were established following the phased implementation of National Youth Policy in 2020. The six FSTC’s are located in Ogugu in Kogi, Hadeija in Jigawa and Umuaka in Imo. The other FSTC’s are Igangan in Oyo, Ganduje in Kano and Amuzu in Ebonyi. Five more will be located in Bauchi, Plateau, Sokoto, Enugu and Cross River states.

To promote education further, the Federal Government under PMB launched the Alternate School Programme (ASP) to ensure “that every out-of-school child in Nigeria gains access to quality basic education irrespective of social, cultural or economic circumstance.” ASP is in sync with the aspirations of Sustainable Development Goal 4 (SDG-4).

Added to that is birthing of At-Risk Children Project (ARC-P) meant to facilitate programmes that will ensure the integration of at-risk (i.e. lacking basic education and social protection) children and young adults to “create opportunities for

lifelong skills and empowerment.”

As to be expected, students are not the only ones provided for in the several presidential intervention measures. Their minders have benefitted as well. Thus, there’s a new extended retirement age and length of service for Nigerian teachers – 65 years as against 60 before and 40 in place of 35 years for length of service. There is also the new Special Teachers Salary Scale and a new Special Teachers Pension Scheme. All these became effective from January 2021.

Also commendable is the Federal Government’s collaboration with the World Bank through the Innovation, Development and Effectiveness in Acquisition of Skills (IDEAS) Project. Approved in 2020, US\$200m is being invested in six participating states – Abia, Benue, Edo, Ekiti, Gombe and Kano – as well as in 20 FSTC’s across Nigeria.

Equally important is PMB’s attention paid to reducing the number of out-of-school children. Achieved through another World Bank-financed project ‘Better Education Service Delivery for All’ (BESDA) with the Federal Government, it has reached an inspiring total of 3,247,590 as of 31st December, 2020. Out of that number, 1.79 million are from formal schools while 1.4 million are through non-formal interventions such as Almajiri, Girl-Child, Nomadic/Migrant and IDPs education.

PMB has shown a corresponding concern in addressing the health needs of Nigerians since his government came on board seven years ago. So far, the Federal Government has disbursed “at least \$2.5 million to the 36 states and the FCT, under the Saving One Million Lives (SOML) initiative to improve health outcomes.”

As most Nigerians know, the National Health Care Act was passed in 2014. But it was not until four years later that PMB started off a Basic Health Care Provision Fund (BHCPF) including the 1% minimum portion of the Consolidated Revenue Fund – amounting to 55 billion Naira – to fund BHCPF.

“The Fund,” say sources in the know, “is designed to deliver a guaranteed set health services to all Nigerians, through the national network of Primary Health Care Centers.”

The most credit to give PMB’s Administration regarding health care is the



prompt response of government to COVID-19 pandemic two years ago. Set up in 2011, the Nigerian Centre for Disease Control (NCDC) faced a new kind of health challenge like never before in 2020. Tackling a treatable disease like polio, for instance, is different from containing a virus decimating thousands of lives all over the world by the hour. Anyone can imagine the tragic dimensions it would have reached had the Federal Government not responded swiftly to the scourge.

It is on record President Buhari approved a grant of 5 billion Naira for the NCDC in March 2020 "as part of the response to the Coronavirus pandemic." This was under the Economic Sustainability Plan chaired by Vice President Yemi Osinbajo, "to develop a comprehensive economic plan to respond to the disruptions and dislocations caused by the COVID-19 pandemic."

The ESC produced an Economic Sustainability Plan (ESP) that is being implemented and has been credited with helping Nigeria exit the Covid-induced recession faster than expected.

It must be said that PMB's boots-on-the-ground approach helped immensely in seeing Nigeria through COVID-19. There was a Presidential Task Force on Covid-19 chaired by Boss Mustapha Secretary to the Government of the Federation, to coordinate Nigeria's multi-sectoral inter-governmental approach to COVID-19. The PTF has since April 2021 transitioned into a Presidential Steering Committee (PSC) on Covid-19.

President Buhari also approved the following, in 2020: Establishment of a 500 billion Naira COVID-19 Crisis Intervention Fund, for the upgrading of health facilities nationwide, finance a national Special Public Works Programme, as well as any other interventions that may be approved in the future.

In the wake of COVID-19, countries around the world offered different packages to assist their citizens. Nigeria did, as well. Thus was the Export Expansion Facility Programme launched "to ameliorate the impact of the pandemic on export-based businesses." Individuals and private businesses like the Aviation industry got relief packages, up to 2.48 billion Naira shared by seven scheduled operators and 949 million naira for 20 non-scheduled operators. Also reimbursed were the Ground Handling Companies, the National Association of Nigerian Travel Agencies, Airport Car Hire



Association of Nigeria, In-flight Catering Services Operators, and Aviation Fuel Operators.

Ten billion naira and 5 billion were released to Lagos State Government and NCDC, respectively, to facilitate the Covid-19 Response not to mention the three-month repayment moratorium for all Social Investment Programme micro-credit loans (TraderMoni, MarketMoni and FarmerMoni, three-month moratorium for all Federal Government funded loans issued by the Bank of Industry, Bank of Agriculture, and the Nigeria Export Import Bank and PMB's approval for the Expansion of National Social Register (official database for implementation of the Conditional Cash Transfer programme) by 1 million additional households.

By the time the pandemic surprised everyone, President Buhari approved a N49 billion Covid-19 Intervention Fund, for deployment to 52 federal health institutions in the country. The Fund is being used to develop healthcare infrastructure and finance equipment upgrades.

As a result, and despite its large population, Nigeria had far less casualties from the virus than some other African countries, thanks to the prompt bailout fund by the Federal Government under Buhari.

Still on health, some key federal hospitals and schools across the country are being upgraded under the Tertiary Healthcare Upgrade Programme "to effectively manage cancer and other major health challenges." Already, Cancer Radiotherapy machines and other equipment have been provided to these hospitals. To cite an example: The National Hospital in Abuja has two LINAC (cancer treatment) machines.

Before then, through the Nigeria Sovereign Investment Authority (NSIA), US\$10m was invested in March 2018 "to establish a world-class Cancer Treatment Center at the Lagos University Teaching Hospital (LUTH), and US\$5m each in the Aminu Kano University Teaching Hospital and the Federal Medical Centre, Umuahia, to establish modern Diagnostic Centres. These Centres have all been completed and are now operational."

Add to that the establishment of the National Emergency Medical System and Emergency Ambulance Scheme (NEMSAS) and you see how comprehensive PMB's policies and rejigging of Nigeria's health system have been since 2015. NEMSAS's mission is to provide "pre-hospital care in the form of ambulance services, to promptly transport persons with acute illness or injury to hospitals and emergency medical treatment services for immediate initial care, without such hindrances as police reports or payment before service" – at no immediate cost to the patient at the point of care. The national pilot of NEMSAS will commence this year.

Any nation that cannot be self-reliant in food production, economists like to say, is doomed to snail-paced development or none at all. The reasoning is that if you have to depend on others for a necessity as food, if you have to worry about obtaining a loaf of bread, then you might not even consider going to space or carrying out any such high-profile technological feat.

In that light, PMB's Administration has also scored big in agriculture since inception in 2015. First among the various intervention measures embarked on by Mr. President, is Anchor Borrowers Programme (ABP) of the Central Bank of Nigeria, which he launched in November 2015 – barely five months after taking oath of office in May of the same year. The Presidency has disbursed over 800 billion Naira to more than 4 million smallholder farmers of 23 different commodities including Rice, Wheat, Maize, Cotton, Cassava, Poultry, Soybeans, Groundnut, Fish cultivated in over 5 million hectares of farmland.

To boost the farmer's morale, PMB also launched the Presidential Fertilizer Initiative (PFI) in a government-to-government partnership between the Nigerian and Moroccan governments. Soon after its launch in December 2016, PFI produced 30 million 50kg bags of NPK 20:10:10 equivalent in 2020, bringing the total production since inception to over

60 million 50kg bags equivalent. Also, the number of participating blending plants increased to 62 from the four that were operational in Nigeria at the inception of the initiative.

Special-Agro Industrial Processing Zones have also been established under PMB with half-a-billion partnership between the FGN, AfDB Group, IsDB, and IFAD. Like its equivalent EPZs, in the export trade, Agro-processing centres under SAPZ will be established across seven states and the FCT. The aim is to provide basic infrastructure such as water, electricity, roads as well as facilities for skills training. The seven states selected for the pilot test due to commence in 2022 are Cross River, Imo, Kaduna, Kano, Kwara, Ogun and Oyo.

Not least of PMB's achievement in agriculture is the National Agricultural Development Authority (NALDA) to establish Integrated Farm Estates of which three have been commissioned in Katsina, Imo and Yobe states with a special presidential instruction to NALDA to commence the process of siting such farm estates in each of the 109 Senatorial Districts in Nigeria.

It must be said, however, that NALDA was established in 1992 but had been dormant since 1999. PMB only recently revived it last year with an all-purpose view of revolutionizing crop cultivation and animal husbandry designed, especially, "to fit the particular context of its host community i.e. cultivate crops and/or livestock peculiar to the community."

There are countless intervention processes by the president to ensure that the Nigerian citizenry do not depend on other countries for food and to also create jobs. Consider, for example, the Nigerian Young Farmers Scheme. So far, over 1, 000 youths have been engaged in mechanized agriculture in the 774 local government areas in the country. More than 200 of them from each of the 36 states have been sent to Israel and Morocco "for training in greenhouse farming and animal husbandry. The beneficiaries will, upon completion of their training and return to Nigeria, be tasked with the training of other young people, on NALDA's Integrated Farm Estates in their various areas."

Or the Agriculture for Food and Jobs Programme (AFAJ) through which the Federal Government trained and deployed 34, 000 young graduates in all of the 774 local government areas as part of the Economic Sustainability Plan in response to the COVID-19 pandemic. Moreover,



each of the graduates were given a locally developed app on smartphones and e-Tablet, to digitally register farmers and map out their farm GIS coordinates.

Or the National Livestock Transformation Programme (NLTP) an initiative of the Nigerian Government under PMB "designed to modernise pastoral agriculture and livestock production in Nigeria, through the establishment of ranches, and to deliver a lasting solution to recurring clashes between pastoralists and crop farmers."

NLTP is also meant to address the resource (land, water and pasture) constraints at the heart of the conflicts through which the Federal Government expects "to see a situation where both livestock pastoralists and crop farmers contribute amicably to the country's agriculture sector."

Like some other programmes in the agriculture sector initiated by the FGN, NLTP will "create jobs, expand domestic technical capacity, increase agricultural output (milk and meat yields of local cattle breeds) and, very importantly, engender peace and security across the country."

Already, three pilot phases of NLTP have been established in Adamawa, Nasarawa and Plateau states "where the deployment of requisite infrastructure (grazing areas, pasture production, milk collection, admin area, water sources) and the training of pastoralist and crop farmer households will take place."

Also set up by the Federal Government under PMB is the Green Imperative – a Nigeria-Brazil Agricultural Mechani-

sation Programme aimed at boosting agricultural production in Nigeria. As of today, there is a €995 million, 5-year project, funded by the Import/Export Bank of Brazil (BDES), with support from Deutsche Bank, Islamic Development Bank and other partners. The objective is to deliver agriculture technology transfer from Brazilian Original Equipment Manufacturers (OEMs), Research and Training Institutes to Nigeria's entrepreneurs, Research Institutes and businesses.

Both legislative arms of the National Assembly have approved the loans for the financing of the programme, which will involve the development of 632 privately-operated primary production (Mechanisation) Service Centres and 142 Agro processing (value-addition) Service Centres across the 774 LGAs, and the reactivation of six privately owned partially-operational or moribund tractor assembly plants nationwide. It will also train 100,000 new extension workers.

On election in 2015, Buhari let it be known to Nigerians and the rest of the world his aversion and zero tolerance for corruption. To that end, his administration has consistently battled corruption right from the get go. He is still tackling it head on to ensure transparency in government.

PMB not only set TSA and IPPIS to plug loopholes in government institutions and ministries, he has gone on to expand them for wider coverage.

Only three months into his presidency, Buhari issued a directive on August 7 to all Ministries, Departments and Agencies (MDAs) to close their accounts with Deposit Money Banks (DMBs) and transfer their balances to the Central Bank of Nigeria on or before 15th September 2015.

Though launched in 2012, TSA became functional after Buhari's executive order in August 2015 and is now operational in more than 90 percent of all Federal MDAs. Treasury Single Account is exactly what it stands for: to enable government manage its finances (revenues and payments) using a single/unified account, or series of linked accounts domiciled at the Central Bank of Nigeria. It has saved the Federal Government a monthly average of N4billion as bank charges previously paid to DMBs spread across 17, 000 banks in the country.

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# REAL SECTOR

JUNE 2022

## FINANCIAL INCLUSION POLICY: PROSPECTS, CHALLENGES

*It is a common knowledge that most Nigerian adults don't have bank account, and do not engage in financial transaction through banking institutions nor by other forms of electronic monetary transaction. Owing to this fact amongst others, the Central Bank of Nigeria (CBN) in 2012 launched financial inclusion with the hope that by the year 2020, a higher percentage of Nigerian adults would have been financially included. Probing why the policy has not recorded much success, STANMEG Communications, the publisher of Oriental News, assembled experts to review the policy. A decade after the policy was launched, experts say the journey is still very far way. **Charles Okonji** reports.*

**D**rawing inference from the United States of America, more than 90 per cent of the adult population is financially included. Also, in the European countries the figure is almost closed to what is obtained in the US, as most of their adult population has bank's account, one form of insurance policy or the other.

Majority also participate in their capital market in addition to pension arrangements in their various countries, as all these are carried out with the aid of a functional bank accounts.

However, in most countries in the African continent, over 50 per cent of their adult population is financially included, as their adult citizens have bank accounts or have one insurance policy or the other, as against Nigeria where majority of its adult population are not in any way involved in the country's financial sector.

TBI Africa recalls that in 2010, the CBN research showed about 39.2 million or 46.3 per cent of the then 84.7 million of Nigerian adult population were excluded from

the formal Nigerian financial system. That meant that 45.5 million or about 53.7 per cent of the 84.7 million were included in the country's financial system.

Probing into the performance of the policy, STANMEG Communications, recently gathered financial experts, artisans, traders and people with special needs and others to Sheraton hotel, Ikeja to examine the issues while the country has not much success in its determination to get more of its adults into the financial system.

Throwing the first punch, Dr. Uju Ogubunka, the Chief Executive Officer (CEO), of Bank Customers Association of Nigeria, stated that the financial inclusion of the federal government and the CBN is geared towards ensuring that no Nigerian is short changed in its financial intermediation policies and economic development plans.

Ogubunka revealed that the government is worried that a huge percentage of its



**CBN gov Godwin Emefiele**

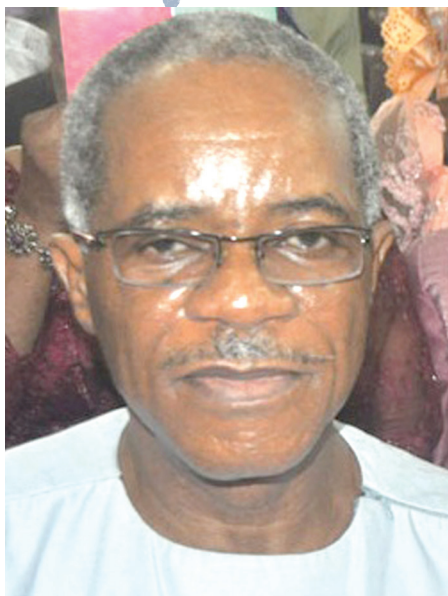
citizens were excluded, hence it's set Target to see the situation changed drastically in favour of more adults been engaged in financial system.

Ogubunka who was a onetime Registrar of Chartered Institute of Bankers of Nigeria (CIBN) and a one time of general manager of one of the new generation bank, lamented that a decade after the policy was launched the number of adults outside financial inclusion have increased.

"As at the launched of financial inclusion policy in 2012, the number of Nigerian adults were a little over 84 million. Sadly the number of the un-banked population has also increased remarkably. If such huge population is outside the financial system, the economy will not develop.

"Financial inclusion commences with




**Dr. Uju Ogubunka**

opening bank account with opening bank account which factors in the account holder towards benefiting from all forms of government's financial support as the account drives all other transactions of the account holder.

"To have insurance policy investment accounts in the capital market, pension account and all forms of life and business enabling transaction driven only by the nation's financial system, you need to be financially included," he expressed.

In his presentation, Mallam Garba Kurfi, the Managing Director of APT Securities and Funds Limited, who was represented by Rotimi Olubi noted that the financial inclusion policy of the government helps to ensure that funds that would have been outside the country's financial sector find its way to the formal sector.

He stressed that the huge numbers of the people outside the financial sector, their funds is kept in their homes instead for it to be in the country's financial sector.

According to him, "Some of the people outside the financial sector have thriving businesses, but because they don't bank accounts, can't access bank's financial credit facilities. If you don't have bank account, there is no way you can access bank's credit. If you keep your cash at home, there is no way your business can grow than the level it is.

"If we don't have our money in banks the economy will not grow. There are many financial products and services those not financially included can't benefits from" he stressed.

The APT Securities and Funds Limited boss opined that if all the huge funds in the informal sector could find their ways


**Mallam Garba Kurfi**

into the country's financial sector, the nation economy will grow in leaps and bounds.

On the reason, why despite federal government and CBN's efforts to drive the financial inclusion faster, not much result is been achieved, the Executive Director Center for Citizens with disability (CCD) Mr David Anyaele, said the apex bank and the local banks are to be blamed for the slow growth of the financial inclusion.

Anyaele pointed out that the country's banks makes it very difficult for people with disability to access the banking halls, adding that his members in wheelchairs can't get access to the banking hall, because the banks' entrance is very narrow.

He added that his members with sight impairment and walk with iron rods can't go through the bank's doors, adding that his members who managed to access the banking Halls are treated with contempt by some bank's officials.

"I lost my two arms to the Sierra Leone war. when I returned to Nigeria I struggled to find money to buy artificial arms, before I could do that I went to the bank to open a bank account, because I couldn't signed my signature I was denied the opportunity.

"I pleaded to thumb print, the bank refused. I went home very sad. I have to practice so many times and returned to the bank to open the account. Many of my members are daily subjected to one form of discrimination or the other.

"These obstacles put before us (physically challenged people have kept many of us out the banking halls," Anyaele stated.

The CCD boss also berated the CBN and the local banks for not been honest with


**Mrs Adeola Ekine**

person with disability, adding that when they hear that government has intervention funds for people with disability, whenever the approach banks to access it, the banks will say there is nothing like that.

Anyaele also added that many of his members no longer wants to save their money because of the high inflation adding that if you should save money in the bank by next month the money has lost huge values, adding that banks no longer pay interest on deposit, therefore there is no incentives for savings.

The CCD boss said that the building laws don't consider the physically challenge person in their bank's building or offices, adding in many countries of the world any building or offices that didn't make provision for easy entrance of people with disability are fined heavily.

"Our banks and other financial institutions don't consider us (physically challenged persons) in their design and building. Our situation is not our making, anyone can become one of us at anytime. Our laws are not friendly to people with disability," he postulated.

Lending her voice, the Chairperson of Nigeria Women Journalists ( NAWOJ) Mrs Adeola Ekine, who said women are marginalized hence many of them are excluded from financial services.

Ekine said many women in northern parts and some other areas in the country are denied education, as such don't have jobs or money to use to open accounts in the banks.

The NAWOJ boss added that many ladies who are privilege to be educated, on their graduation are asked to married and rear




**Mrs Yemisi Izuora**

children, before they could go out to hunt for jobs their males counterparts have gone far.

Ekine added that as long as many women are not empowered, will the issues of financial inclusion become a mirage in the country.

"A lady that is not educated how will she have money to save in the bank? Those lucky to be educated and their graduation go for marriage and child bearing, by the time they are through with that, the


**Mr David Anyaele**

employers will say they either don't have experience or are above the age they can employed, while their counterparts have risen very far.

"How will such ladies have money to be financially included, she asked. Rounding off the conference the host, who is the Editor of Oriental News Nigeria Mrs Yemisi Izuora, disclosed that that the conference was conceived by her organisation after a painstaking study on the progress and prospects of the financial inclusion.

Izuora disclosed that the planning for

the conference and all the groundwork began about two years, adding that the feedbacks generated from the grassroots segment of the country's society prompted her organisation to host the event.

"The conference is organised given that over the past couple of years, the federal government and stakeholders in financial sector have had to deal with expanding financial services to large community of underserved population. We strongly believe and convinced that this conference will help to advance inclusive financial systems for the identified groups which include community based people, artisan, low income groups, market men and women, special person (Disability group) that undertake various locations as well as displaced persons who are well represented here today," she noted.

On the issue that many banks instead for them to open branches in the rural areas to bring Nigerians in the rural areas are now closing their branches, the representative of Nigerian Communication Commission (NCC) said her organisation is spreading internet facility to all the nook and corner to enable Fintechs and Point of Sales (PoS) and bank's agents to continue to serve their customers and Nigerians alike.

## MAN, UNIDO, ADVOCATE ENERGY EFFICIENCY

By Charles Okonji

**A**s part of providing solution to ever increasing cost of production, the Manufacturers Association of Nigeria (MAN) in conjunction with United Nations Industrial Development Organisation, the Standards Organisation of Nigeria (SON) and other stakeholders gathered to preach energy efficiency, which will help manufacturers save production costs.

This was made known recently to journalists in a one day capacity building workshop on "Reporting techniques for Commerce and Industry, Energy and Environment Correspondents, on "Industrial Energy Efficiency (IEE), Energy Management System (EnMS), Energy System Optimization (ESO) and Resource Efficiency and Cleaner Production (RECP) Methodologies" in Nigeria.

The one day training drawn stakeholders from the country's manufacturing sector, experts from UNIDO, and other stakeholders in the country who are keen to see that the country embrace "Industrial Energy Efficiency (IEE) and Resource Efficiency and Cleaner Production (RECP) project.


**Dr Segun Ajayi-Kadir, MAN DG**

In his opening remarks, MAN Director General Dr Segun Ajayi-Kadir, who was represented by the organisation's Director Corporate Services Mr Ambrose Oruche noted that MAN is desirous that all his members embrace IEE and RECP in their production processes.

Ajayi-Kadir said, irrespective of the country's huge population, Nigeria currently generates about 4,000 megawatt

of electricity which is grossly inadequate.

He urged the local manufacturers to adopt IEE in their processes to reduce wastages, proper energy usage and cleaner production processes.

Commending UNIDO and other partners for the lofty project, he called on the journalists who were trained on the programme to educate the manufacturers and the publics correctly to enable the project to succeed.

In his presentation, the National Project Coordinator Oladipo Jacob, said the project was sponsored by UNIDO and International Energy Technology to enable the local manufacturers to utilise energy more efficiently and reduce their wastages.

Jacob noted that energy consumed a large chunk of the production costs, adding that the journalists assemble for training are expected to use their various medium to pass out correct messages to the manufacturing firms on energy cost measure, cost saving measures and cleaner and safer production processes to protect the people, environment they operate and the future.

# SON CALLS FOR SANITIZATION OF PHARMACEUTICAL INDUSTRY

By Charles Okonji

**W**orried by the influx of fake and substandard pharmaceutical products currently in circulation in the country, the Standards Organisation of Nigeria (SON) has tasked drug manufacturers in the country to strengthen the industry through the development, adoption and enforcement of standards.

Director-General, SON, Mallam Farouk Salim, made this call during a public lecture he delivered at Igbenedion University, Okada, Edo State with the theme: "The Impact of Standards on the Practice of the Pharmacy Profession" recently.

Salim noted that standards is very critical to the survival of the civil society, adding that standards was particularly more crucial in the pharmaceutical sector as pharmaceutical practice has zero tolerance for error.

"Standards enhances investment in trade and Africa healthcare industry as enshrined in the African Free Continental Trade Agreement (AfCFTA).

"SON has explored the existing international regional and national standards to meet up with the unique challenges facing the African trade including the pharmaceutical.

"SON as a member of African Organisation for Standardization (ARSO) is spearheading and actively involved in the harmonisation of a number of African pharmaceutical standards.

"This includes ARSO/TC 78 for medical devices and equipment, TC 80 on pharmaceutical and medical products and TC 82 on African Traditional Medicine.

"In line with the World Health Organization (WHO) Traditional Medicine Strategy 2014-2023 aimed at building the knowledge base and formulating national policies, SON in collaboration with the ARSO has developed over 10 standards on African Traditional Medicine for use in Nigeria," he said.

SON DG stated that the objective of the Nigeria Pharmaceutical Industry to provide 60 per cent of pharmaceutical products consumed by West African countries was largely dependent on regulatory requirements, required by their marketing authorisation.

"In order to effectively deliver on its



**Mallam Farouk Salim**

mandate and promote the required standards to ensure the safety of goods and services in the country and conformity with international requirements for trade, SON follows a well planned procedure for establishing standards.

"Standards are also applied in the pharmaceutical industry to ensure the strength of the active ingredient quality and purity of drugs and other pharmaceutical products.

"It ensures safe and effective products for patients and form basis for the regulatory requirements for industrial practice which ensures quality in the entire chain of drug production to its distribution," he said.

He promised that SON was always ready to support the pharmaceutical industry with relevant standards, information on international best practices aimed at overcoming technical barriers to trade.

Salim reaffirmed the agency's commitment to working with relevant authorities such as National Agency for Food, Drug, Administration and Control (NAFDAC) and others for the approval of more traditional medicine standards.

On his part, Prof Lawrence Ezemonye, Vice Chancellor, Igbenedion University, noted that pharmacy profession played

a vital role in delivering care and helping people maintain, improve their health, safety and wellbeing.

Ezemonye said that the profession could improve the quality of care they provide through adherence to standards for education and training, registration to practice, code of conduct, amongst others.

The VC disclosed that the university had recently received accreditation for Bachelor of Pharmacy degree programme by both Pharmacist Council of Nigeria and the National Universities Commission with the first set of admission in 2022/2023 session.

"It is instructive that this event signposts our commitment to scholastic engagement and community service aimed at strengthening our relationship with society through the mechanism of "Town and Gown".

"This is in tandem with the remit of Universities as centres of excellence for knowledge production. Recently, the college has taken giant strides towards maintaining high standards in teaching, research and development. We have continued to escalate our internationalization drive involving research and collaboration and organisation of conferences, workshop, with foreign institution and bodies. The results have been cheering with positive impacts on teaching, learning and research output while enhancing the university's visibility," he said.

According to Prof Ighodaro Igbe, Dean, College of Pharmacy, the idea of a public lecture became imperative, first as an integral part of the college's academic tradition to generate discourses around pertinent issues in Nigeria today.

"Secondly, it is an opportunity for universities to engage with government. Business and the public to inform and educate the community through leading open discussion of issues that confront our nation, our region and the world.

"It is against this backdrop that the topic for today's lecture was carefully crafted to capture the concerns of stakeholders.

"The Professional Practice Standards (PPS) is intended to provide guidance on the expected standards of professional behaviour of pharmacists towards individuals, the community and society," he stressed.



# HIGH COST OF DIESEL MAY FORCE MANUFACTURERS TO SHUT DOWN OPERATIONS

By Charles Okonji

In the wake of current realities of Nigeria's fragile economy, which has already been overburdened with hardship and poverty, the high cost of diesel as an alternative source of energy supply has further worsened the plight of manufacturers, who are crying that the situation is forcing them into shutting down operations.

Speaking to TBI Africa, an Industrialist, Igwe Dr. Chris Chidume lamented that for manufacturers to be buying diesel at over N800, it will force majority of them to shut down production, which will in turn, worsen the already existing unemployment situation hitting hard on the country.

He stated that if the government fails to arrest the situation urgently, this development will turn the country into a dumping ground with AfCFTA currently going on, adding that goods traded on the continental market will be cheaper than the ones manufactured in Nigeria which will spell doom for the country.

"The government should raise palliatives for manufacturers who are buying diesel. At most, the government should fund the diesel procurement of companies and charge them minimally according to their diesel consumption. We shouldn't celebrate diesel at N700 let alone N800. The government should engage manufacturers on how to subsidize diesel, because manufacturers are the ones creating job opportunities.

Why can't our refineries work? Where are those people that the government gave licenses over 10 year ago? Why can't they refine the product? What is the problem that more people are not investing in the sector? The government has the answer.

The chunk of money that the government and the politicians are using to pacify people should be converted into revamping the economy by putting them into more viable ventures, as it will help in boosting and revitalizing the economy.

According to Dr. Muda Yusuf, CEO, Centre for Promotion of Private Enterprise (CPPE), high and increasing cost of diesel is compounding an already difficult situation for many investors.

Yusuf stated, "Businesses are currently grappling with an escalation in



production and operating costs; mounting inflationary pressures, erosion of profit margins, and a risk to business continuity, especially for SMEs in the real sector. It has implications for poverty as well.

"Most firms still depend on diesel generators to power their operations in the face of epileptic electricity supply. High diesel cost would trigger higher transportation costs. Most haulage vehicles are powered by diesel. Increase in transport costs typically impacts on general price level. A major driver of inflation is high transportation costs."

In his reaction, the Director General of Manufacturers Association of Nigeria, MAN, Dr. Segun Ajayi-Kadir, stated that the rising price of Automotive Gas Fuel (AGO) is very worrisome and negatively impacting the productive sector of the economy.

Ajayi-Kadir who attributed the astronomical rise in price of diesel to the increase in price of crude oil in the international market, noted that diesel price has been deregulated, therefore not much could be done to arrest price modulation.

He pointed out that whenever the international price of crude oil goes up, price of AGO will equally skyrocket.

The MAN DG stressed; "The daunting question is, how long more can manufacturers withstand this increase and what implication lies ahead for the

nation's economy?

"What this has translated to is high cost of production, which also will translate to high cost of product in the market leading to cost push inflation. No wonder the manufacturing sector contribution to the Nation's Gross Domestic Products (GDP) has been low and will continue to drop if urgent action is not taking to arrest the situation."

He urged the Government to remove the 7.5 per cent VAT on the AGO in order to reduce its cost, explaining that it may not outrightly solve the problem but will help cushion the effect.

"Just as it is being done with Aviation fuel, which incidentally has also been deregulated, the Nigeria National Petroleum Company Plc should as a matter of urgency bring in the product through crude swap mechanism in order to reduce the landing cost. NNPC intervention is urgently needed in order to forestall total collapse of businesses that depends largely on alternative sources of energy.

"Government should use this opportunity to wholistically standardise energy supply for the productive sector to be a bit competitive. Fillers from our members equally indicate that, the capacity of production has been reduced because of the unsustainable cost for running daily production due to increasing cost of AGO and epileptically power supply from the national grid.

# TELECOMS

JUNE 2022

## MUOKA TAKES OVER AS NCC SPOKESMAN

**R**euben Muoka has resumed duties as the new Director of Public Affairs (DPA) of the Nigerian Communications Commission, NCC.

Muoka, an innovative journalist and public relations practitioner assumed his new position following his appointment as the new DPA by the Management of NCC recently.

A statement signed by Prof. Umar Danbatta, Executive Vice Chairman/Chief Executive Officer of the Commission, said Muoka takes over from Dr. Ikechukwu Adinde, who has assumed duties as the Director of Special Duties Department of the Commission.

The new NCC's spokesman was recently promoted a substantive director, alongside Ismail Adedigba, now Director of Research and Development (R&D); and Gwa-Tobi Mohammed, who has also assumed duties as Director/Secretary to the Board of the Commission.

Muoka was in 2021 appointed to head the Special Duties Department, which superintends the International Relations Unit; Emergency Communication Centres Unit; the Public Private Partnership Unit; and the Security Services Unit of the Commission. He was promoted as Director of the Department before his current



redeployment to lead the Public Affairs Department, the arm of the Commission mandated to manage the image and visibility of Nigeria's telecom regulator and a leading light of the Nigerian public service.

Muoka is expected to bring his rich and versatile experience in both specialized and traditional journalism, public relations, integrated marketing communications (IMC), corporate communication and people management, to bear on the Commission's vision to expand the frontiers of its public goodwill and the impact of its reputational assets.

A former Deputy Communications Editor of the Vanguard Newspapers, former Deputy

General Manager at MTS First Wireless (Nigeria's first mobile telephone operator), Muoka joined the NCC in 2007 as a Principal Manager, and was deployed to the Public Affairs Department where he headed the Media and Public Relations Unit. He later rose from the rank of Principal Manager to the position of an Assistant Director in 2010, and by 2015, as a Deputy Director, appointed to head the re-engineered Public Relations Unit of PAD. In 2017, he was redeployed to the Policy, Competition and Economic Analysis Department to head the Economic Analysis unit of department.

Muoka earned M.Sc. degree in Mass Communication from the University of Lagos, specialising in Public Relations and Advertising, where he had earlier successfully completed a Postgraduate Diploma (PGD) in the same field of Mass Communication. Much earlier, he had obtained a bachelor's degree in Performing Arts at the University of Ilorin.

As a mark of his distinctive journalism career, Muoka received a fellowship of the Egyptian Embassy in Nigeria to undertake a Pan-African training and tour of Egypt in 1999, leading to an award of a continental Diploma Certificate in Journalism at the instance of the Egyptian Ministry of Information, and the African Journalists Union (AJU) in Cairo, Egypt.

## ICAN PLANS REORIENTATION OF MEMBERS TO CURB FINANCIAL MISMANAGEMENT

By Uchendu Amuta

**W**orried by the mind bugging financial mismanagement and treasury looting current going on in the country, the Institute of Chartered Accountants of Nigeria (ICAN) will soon embark on a reorientation programme for members. The planned programme experts say is apt as ICAN members are the nation's financial gatekeepers in both private and public concerns.

Mallam Tijjani Musa Isa who let this out in his acceptance speech at the Investiture ceremony as the 58th ICAN president held recently in Lagos stressed that now more than ever, the Accountancy Profession needs men and women

of courage, goodwill and proven integrity to drive economic growth in the country.

"There is no doubt that, today, more than ever before, the Accountancy Profession, as a body of gatekeepers, needs men and women of courage, goodwill and proven integrity, to drive the renaissance of our value system and counter society's scathing criticisms.

"We must take on the gauntlet to redefine our values and defend the public interest. This is the surest way to redeem the profession's credibility, rebuild its image and chart a course that will guarantee the prosperity of the Nigerian nation and indeed, the human race" Tinjani stressed.

According to him, "as we strive to hold

leaders at all levels to account, we will also scrupulously enforce compliance to our Professional Code of Ethics and sanction all proven cases of misdemeanour by members without fear or favour. During the year, the Council will continue to give adequate publicity to the judgments of the Accountants' Disciplinary Tribunal in order to assure the public that appropriate actions are being taken by the Institute on unethical practices by its members that are brought to its notice. He pleaded With members and other stakeholders to report erring colleagues, adding that the task of ridding the profession of any bad egg, and preserving ICAN hard-earned image, is a collective responsibility.



# HOW TO WOO YOUTHS INTO CRAFTSMANSHIP

BY UCHENDU AMUTA

Figures from the National Bureau of Statistics (NBS) indicate that Nigeria's unemployment rate increased from 27.1 per cent to about 33.3 per cent. The projection is that the figure will continue to go up in the coming years if nothing significant is done to reverse the trend. For instance, it is projected that the figure will increase into 40% and 44% in 2023 and 2024 respectively. In a country like the United Kingdom, the figure is put at as low as 3.7 per cent as at Q1 of 2022, the government appears disturbed.

The more worrisome danger in Nigeria is that youth unemployment keeps rising and has gone as high as 53.4% half into 2022. This is happening in a country whose population is dominated by the youths, accounting for over 70 per cent.

The semi-skilled sector, particularly the craftsmen and artisans brought significant relief to unemployment pressure as many were in the past engaged in one form or the other. Such trade areas like plumbing, mason, tilling, vulcanizing, carpentry, electrician, welding and many others in the construction and fashion industry cushioned unemployment effects in the past.

But currently, operators of the different crafts and trade are deep worried about little or no intake of apprenticeship, leaving the sector into old hands who are gradually wearing out.

"I don't have any apprentice, so I work alone. The young ones are not ready to do our kind of work. They appear not to have



betting", says Yusuf, a car air conditioner technician based in Lagos.

This is always the response of artisans and technicians in other trades. But how long should this complain be allowed to go on? Some trade experts argue that now is the time to do something positive to encourage the youths to go into their choice trades before the looming scarcity of artisans becomes a painful reality.

"With the current trend, I foresee in the next ten years that artisans will disappear in the country. We will then be importing them and the few ones available will be paid handsomely far better than university graduates", posits Adams Adebayo

But Adebayo who is the Chairman, National Association Small and Medium Enterprises (NASME), Lagos chapter, has a way forward. According to him, one of the issues to be taken care of is the tenure of apprenticeship

if the younger generation must be attracted to their trade.

"Teenagers have refused to become apprentices because the operators of different crafts (who are the older generation) have refused to change with the changing trends. The only thing that can happen now is for the young people to come out and change the younger ones by themselves.

"There is nothing wrong in someone learning the plumbing work, the mechanic work or hair dressing, refrigeration and electrical work, but the problem is that they will ask you to come and sign for three years, four years or even six years in a job that you can learn under six months.

"So current operators are still living in the same errors that their own fathers and grandfathers committed. The ones that can be extended to one full year are such technical crafts like the mechanic. Otherwise why will someone sign six years apprenticeship and only to use the first two years as errand boy. That is why the youths are discouraged", he stressed adding that research has proven that learning such crafts should not go beyond duration of eight months.

Another reason he adduced is due to the impact of technology. According to him, most of the things the young ones will learn from their masters could actually be learnt online and therefore, they see no reason to be delayed for so long in the name of apprenticeship.

"Someone can actually learn tailoring from the YouTube. Technology has made it that easier."

## OVER 83M NIGERIANS CONNECTED TO BROADBAND SAYS NCC

The Nigerian Communications Commission (NCC) has said that the number of Nigerians connected to broadband (high-speed internet) increased to 83.3 million in May 2022.

Data released by the Commission shows that telecommunications operators in the country added a total of 1.6 million new broadband subscriptions in the month.

As of April, broadband subscriptions in the country stood at 81.6 million. The increase recorded in May brought the country's broadband penetration to 43.67%.

This shows that the country's efforts through the implementation of the National Broadband Plan (NBP 2020-2025) are yielding results. In the plan,

the government had set a target of 70% broadband penetration to be achieved by 2025.

The telcos are driving broadband penetration through the expansion of their 4G service across the country.

Recall that a World Bank report had established that every 10% increase in broadband penetration in any country would improve its GDP by at least 4.6%

Hence, the rapid rollout of broadband services is expected to address various socio-economic challenges the country faces, including the need to grow its economy, expand the tax base, and improve digital literacy and educational standards.

Amidst the implementation of the country's broadband plan, which started in 2020, subscriptions had declined steadily for months as a result of the government's policy on SIM cards.

From a peak point of 45.93% in October 2020, broadband penetration in Nigeria slipped to 39.79% in July 2021.

Between November 2020 and October 2021, the service providers had lost a total of 9.9 million broadband subscriptions.

Before the ban on new SIM in 2020, the country had been recording a 1% increase each month, as the mobile network operators continued to push for the deployment of 4G service across the country.





## BUHARI, SIRIKA'S ABIDING OBSESSION WITH NIGERIA AIR

**P**resident, Major General Muhammadu Buhari (retired), and his Minister of Aviation, Hadi Sirika, are stubbornly pressing ahead with their plan to establish another potentially profligate enterprise – Nigeria Air. To this effect, the reality of a state-backed national carrier got closer on June 6 when the ministry received an Air Transport Licence from the regulator. While Sirika and his allies celebrated, many stakeholders however expressed strong doubts on the viability of the proposed airline in the dynamic global aviation industry.

For Sirika and Buhari, establishing a national carrier has been an obsession. The minister launched the branding and livery for Nigeria Air

during an elaborate road show at the Farnborough Air Show in London in July 2018. He pledged then that the airline would commence operations by the end of 2018. Four years after, that plan has not materialised even after an 'interim management committee' was empanelled.

Though its details remain hazy, a new take-off date has been scheduled for later this year, after Nigeria Air Limited must have secured an Air Operating Certificate. The AOC takes 18 months to grant, according to industry regulations. But being government-supported, the regulators may be tempted to fast-track it. If granted without due process, this will instantly create an image problem for the project. Although Sirika says the

government will own only 5.0 per cent equity, leaving 95 per cent for private investors, the partners and other details are shrouded in secrecy.

Sirika and his principal are enamoured of the project simply for "national pride," not economics. The newly appointed CEO of Nigeria Air, Dapo Olumide, says "the objective of this national airline and the reason (President) Buhari insisted on us having such a thing was because we need to restore pride to Nigeria outside the country. When you have a national airline, you have the ability to deploy capacity to different routes and it's not about revenue but it's about exposure." In today's world, this is sheer fantasy and a waste of public resources.





To be fair, Sirika says Nigeria Air is aimed at maximising the economic benefits of 80 Bilateral Air Services Agreements. But this argument falls flat. It is far better to further liberalise the aviation sector and promote private airlines to utilise the benefits of BASA. Experience around the world has proved that enabling private airlines' growth is better than pouring public funds into commercial enterprises. The role of the government is to create an enabling competitive environment for private investment.

At best, Nigeria Air is a vainglorious attempt to whitewash the stained image of the regime, serving just a few influential people for travel in the absence of standard road infrastructure.

There are deeper problems in the sector. One is the absence of domestic hangars to undertake the maintenance of aircraft. As such, aircraft are routinely flown abroad for servicing. This costs the economy N1.04 trillion annually, says the Federal Airports Authority of Nigeria. The Airline Operators of Nigeria says that 70 airlines have collapsed in the past few years and three more are on the verge of extinction due to high operating costs, especially the cost of aviation fuel. Operations at the Kaduna International Airport have been in limbo since March when terrorists attacked it.

The strongest case against Nigeria Air is that Nigeria has performed very poorly with state-owned enterprises. Joint ventures by the government with investors have equally failed.

Grand corruption, mismanagement, and cronyism ignited their collapse. Its four public refineries are comatose, provoking imports and petrol subsidies valued at N4 trillion in 2022. Public utilities suffer from the same dysfunction.

Until the Olusegun Obasanjo administration liberalised the telecommunications industry to bring in private ownership in 2001, the sole national telecoms carrier, NITEL, had just 720,000 lines for Nigeria's then 125 million people. Today, there are 199.2 million GSM lines, says the Nigerian Communications Commission.

Before liberalisation, the numbers were awful. As against the 1:100 teledensity recommended by the International Telecommunications Union, Nigeria recorded 1:280 up to year 2000. Between 1966 and 2000, the sector averaged a paltry 0.3 per cent contribution to GDP. In comparison, telecoms services contributed a high of 14.3 per cent to GDP in second quarter 2020, ending 2021 at 12.61 per cent to GDP.

Nigeria Airways – the precursor of Nigeria Air – collapsed in 2003, more than 50 years after the government raised its stake to 100 per cent. By the time it went under, it had lost 27 of its 30 aircraft and had debts of \$528 million. In March, its ex-workers staged a protest to demand N33 billion in pension arrears. In that period, many private airlines have come and gone.

Therefore, Sirika and Buhari have no

compelling reasons to plunge headlong into the Nigeria Air venture. Apart from being ill-advised, the project is shrouded in opacity. Till now, the shareholding structure and the names of the investors are unstated. That is bad for investor confidence.

In the past 40 years, the global best practice is for government to privatise rather than establish airlines. The United Kingdom led in 1987 by privatising the iconic British Airways. Since then, Lufthansa (2004), Iberia (2001), Air Canada (1989), Air France (2004), Air India (2001), Cape Verde Airlines (2018), Aëromexico (2007), Japan Airlines (2001) and South African Airways (2022), have all been privatised by the governments that owned them. Air France, which merged with KLM in 2004, carried 87.3 million passengers in 2014. Today, Etihad of UAE owns 49 per cent stake in Air Serbia; 33.3 per cent in the Swiss carrier, Darwin Airline (rebranded as Etihad Regional Airlines); 29 per cent stake in airberlin; and 49 per cent stake in Alitalia.

The National Assembly should stop Sirika and Buhari from deploying state resources into the Nigeria Air project. Privatisation has been undertaken with great success by several European countries. Pivoting away from their doomed venture, Buhari should speed up the plan to concession 21 airports run by FAAN and review civil aviation regulations to draw in investors through a transparent process.

===== PUNCH =====

# WHERE IS NIGERIA AIR, NIGERIANS ASK

**N**igerian Air - the new carrier was supposed to take off in April amidst doubt from stakeholders.

Nigerians on Twitter have attacked President Muhammadu Buhari and the Minister of Aviation, Hadi Sirika over what they described as the government's failure to deliver the much-advertised national carrier, Nigeria Air.

This was confirmed from several tweets shared on Twitter by several Nigerians.

Sirika had promised that the new carrier would take off in April amidst doubt from stakeholders who are not convinced on the sincerity of the Federal Government in following through the normal processes and procedures in establishing the national carrier. Where is Nigeria Air?

David Odediran tweeted, "Nigeria Air launching postponed until the first Quarter of 2022 or indefinitely as things go in Nigeria!"

Babatunde said "Finally, after so much procrastination, Air Nigeria is back in the air (twitter space). Thanks to our ever vibrant Senator, Shehu Sani.

"At least, this is one of the legacies of Buhari especially with millions of naira invested into the white elephant project."

Adamu Sabaru said, "Thank you Buhari for letting Air Nigeria vanish into the air."

Ayo Gbadebo said, "The only update I have on Air Nigeria is that, in June 2018, the Nigerian government wasted our time and



resources in Bahrain to design the logo of a national carrier that will never lift a single soul."

What you should know

The national carrier is one of the programmes under the aviation development master plan of the present administration. It has missed several targets and timelines since 2018 when the name and logo were unveiled at an air show in Farnborough, the United Kingdom.

According to the aviation minister, the proposed national carrier is a wholly private sector airline with the federal government having a five percent stake

He had disclosed that the federal government would hold 5%, 46% goes to Nigerian entrepreneurs while the remaining 49% would be reserved for strategic equity partners including foreign investors.

He had said, "This airline, if started, and within the first few years will generate about

70,000 jobs. These 70,000 jobs are higher than the total number of civil servants that we have in the country."

Taraba, Kogi and Kebbi States recorded the highest air transport charges for specified routes single journey in April 2022. This was disclosed by the National Bureau of Statistics (NBS) in its Transport Fare Watch (April 2022).

According to the report, Taraba recorded the highest air transport charges with N65,000.00, followed by Kogi with N64,258.91 and Kebbi with N60,850. States with the lowest average prices are Kano, Bauchi and Edo with N50,000 each.

Highlights of the report showed that the North-Central recorded the highest airfare in April, 2022 with N57,552.54, followed by the North-East with N56,800.16, while the South-East had the least with N53,402.58. The average airfare paid by passengers on specified routes for a single journey has increased by 52 per cent in the past 12

## WRECK REMOVAL: NIMASA TO CONDUCT POST IMPACT ASSESSMENT ON BADAGRY CREEK

By Emeka Ugwuanyi

**T**he Nigerian Maritime Administration and Safety Agency (NIMASA) has commenced preparatory works to deploy high-resolution magnetometer to validate the ongoing wreck removal exercise of all identified wrecks listed for removal along the Badagry Creek in Lagos.

According to a statement by NIMASA Assistant Director, Public Relations, Osagie Edward, the Agency's Director-General, Dr Bashir Jamoh, who disclosed this during a review session of the ongoing wreck removal exercise by the Agency also stated that the impact of the entire exercise on the marine environment is being assessed by the Agency.

"We shall also conduct a full bottom sweeping operation by deploying sonar imagery system with a view to establishing

any existing natural or artificial obstacles lying on the seabed within the area of survey for this phase of the wreck removal exercise. NIMASA is also taking into consideration the impact of the entire operations on the marine environment with a view to ensuring safety of marine lives. We are monitoring the entire exercise closely to guarantee total removal of all identified wrecks," he said.

Amongst those already removed include a completely submerged barge which was lying over 10 meters deep along the Badagry channel on coordinates 711006.1 Easting and 535294.9 Northing. The Agency has also successfully removed two other completely submerged barges beneath the water at 530924.9 Northing and 710608.3 Easting.

Another completely submerged Barge which has been lying dangerously along

the channels on 711617.5 Easting and 533601.6 Northing has also been successfully removed and taken to the dumpsite located in Kirikiri Lagos. These are amongst the identified wrecks removed along the creek from Tin-Can Island to Navy Town.

NIMASA had worked with the Hydrography Department of the Nigerian Navy to identify these wrecks as critical. "We worked closely with the Hydrography Unit of the Nigerian Navy in charting the waters and establishing these wrecks as critical for immediate removal. Some are completely submerged while others are partially submerged. This Badagry creek is a commercial route with passenger vessels plying and we place a premium on safety of lives and properties. We are confident that on completion, operations of the Navy in patrolling our waters will also be enhanced as the routes will be free of wrecks," he said.



# FAAN IN 365-DAY PERSPECTIVE: THE SCORES, THE PROSPECTS

This is an attempt to create a virtual scorecard about the performance of Nigerian Aviation in full perspectives of the background history, the vision and policies of the present government, the expectations of the flying public and international standards of facilities, safety, security and efficiencies of operation.

The choice of FAAN (Federal Airports Authority of Nigeria) as the prism of this review is due to its significance as the business leg of the tripartite principal agencies that constitute the backbone of Nigeria's Aviation.

At the inception of this regime, the challenges were very daunting, but the enthusiasm of the obviously well prepared helmsman, Captain Yadudu was infectious. It was obvious that the Minister for Aviation, Hadi Sirika and his team had made a good choice in the incumbent. His sparkling curriculum vitae were even more intimidating than the challenges. My only fears then laid in the mythically inglorious 'Nigerian Factor', which seemed like an ogre that swallows all things and a Pandora's box capable of yielding the worst misery. Obviously, the stage was set for a battle royale of the WWE repute.

At the onset, a tripod focus of performance was agreed with the Honorable Minister for Aviation, Hadi Sirika, who made clear his expectations in the three areas of Staff Development; Infrastructure Upgrade and Expansion as well as Equipment Modernization. Today, we can clearly showcase the milestones and future deliverables with boldness and a great sense of achievement.

My first deep analytical review of this industry was summarised in my published article titled NEW ERA IN NIGERIAN AVIATION BECKONS: FAAN Helmsman, Poised to Consolidate on Industry's Milestones. In that piece, I was able to survey the sector using the tripod tool of Human Capital; Infrastructure; and Protocol (that is, Policies, Processes & Procedures). At that time, I was able to obtain the clear plans and purposes of the new administration.

In view of the interests generated by the first, I was naturally drawn into penning a follow-up at about the end of the second year of the life of that administration. The results were amazing enough to make me title that piece, Metamorphosis of FAAN two years under Captain Rabi'u Yadudu. I seized that opportunity to give praise where it was obviously due and as well compared results and the status to what was obtainable abroad. I interacted with the FAAN Management to chart a path into the near future.



**Capt. Yadudu**

Having come this far, I am obliged to follow through this third installment of the chronicles of Nigerian Aviation industry, through the radar of the Federal Airports Authority of Nigeria. It is my sincere hope that this piece will be very useful to the flying public, prospective investors and international traders.

We all know that in Aviation, Safety and Security are sine qua non. Without any doubt, there has been great improvement in terms of the overall Security Architecture and most of the aviation facilities nationwide. Notable improvements observed here are the Automated Luggage Scanners and the Corp of Specialist Aviation Security Agents, AVSEC. The Training facility for this set is ICAO Certified and can serve both the local personnel and international trainees! The protocols deployed around the services are also aligned to international best practice, with the ideals of customer-centrism as the focal point.

## **Giant strides in human resource development**

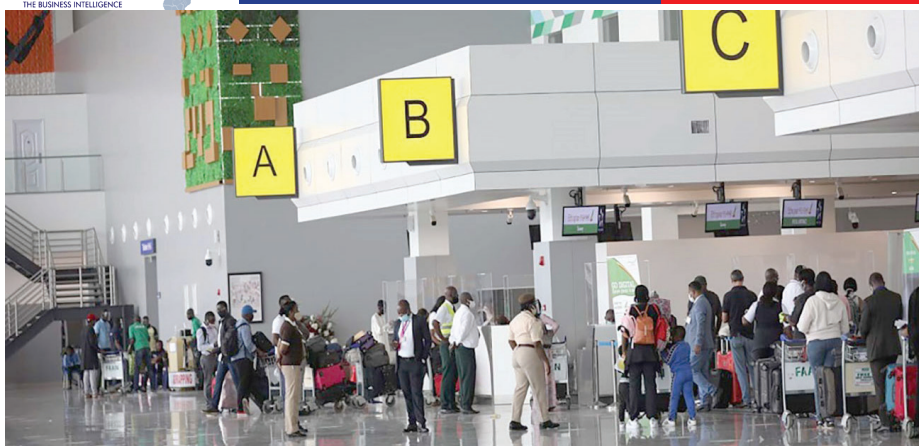
Within the last 365-day period under review, FAAN has trained and certified one hundred and twenty-one AVSEC Personnel at the newly accredited local training facility. In fact, the Graduation of sixty-seven FAAN Aviation Security Officers, after training on ICAO standard STP-123 Basic and Refresher Course to improve level of security at Airports, is very significant in terms of foreign exchange conservation, prestige for the domestic industry and the opportunity to grow this cadre of specialized personnel at will.

An unprecedented number of 4,500 personnel, constituting at least 50 per cent of the workforce underwent various degrees of training within last year. The diverse fields range from Safety to Security to Fire and even pure engineering. Beyond this, a select number are actually being developed as professional instructors under the auspices of ICAO and the Airport Council International certifications. This idea is to ensure that world-class training is cascaded down to the entire workforce on a continuous and sustainable cost in the first instance. Secondly, it is aimed at ensuring that Nigeria becomes the Expert Resource base for the Africa Aviation Region for ICAO and the Airport Council International Certifications.

Another audacious development relating to human resource improvement is the open-door approach to Training Needs Analysis. The entire staff is encouraged to expose their knowledge and skill deficiencies in comparison to world best practices to enable cogent development. In fact, questionnaires have been developed and administered to reveal knowledge and skills gaps, which have helped fashion the appropriate training courses required to bridge the gaps. The immediate result has been the harvest of about seven international awards and recognitions within the last twelve months. For instance, Abuja Airport now ranks among the top three in Airport Service Quality in Africa, as well as ACI recognition in Safety and the Human Resource Award for Diversity with the largest percentage of Women Staffers.

The attention being paid to Human Capital Development in terms of Staff Motivation and general well being has started yielding better results. For example, the FAAN Football team, won the Gold at the Federation of Public Service Games (FEPSCG) 2021. FAAN also won the Lateef Lawal Award for Airport Manager of the Year at the 25th LAAC Conference. During the same period, four of the Airports successfully underwent the Airports Council International (ACI) Airport Health Accreditation Programme.

The FAAN MD considers the Open-Door Policy as a catalyst for Systemic Development to be his most important and significant achievement. A new level of noticeably higher level of transparency and accountability has been ushered into FAAN human resource system. The hitherto centralized medical supplies system has been decentralized, resulting in greater responsiveness and elimination of wastages in terms of expired or redundant drugs. Today, each Airport has its own team of elected staff Welfare Com-



mittee, chosen without segregation among the different cadres. These Committees ensure transparency in medical supplies distribution, safety, security and environment. The organization has now ensured that the entire workforce is tuned to competing with the world on technical know-how, rather than just being local champions!

Another extended aspect of staff welfare is the establishment of scholarship scheme to sponsor the university education of the best five scholars in each of the four aviation administrative regions in the country. As such, we now have twenty new FAAN Scholars every year!

On the aspect of human resource assurance and safety, FAAN is now partnering with Global Safety Network to develop a robust and comprehensive self-sufficient system for engaging and managing all risks associated with personnel recruitment and availability across all functional areas. The arrangement covers training of FAAN internal personnel for deploying and managing the entire system knowledge base that is recognized as global standard.

### **Major developments in facilities and infrastructure**

On the side of physical infrastructure, the present regime has made no pretensions on its intentions to return the nation to its glorious days. Adequate attention has been paid to transportation in general –roads, rails, water and air. The investments have been huge. So has been the result.

Existing infrastructure such as Terminals, Runways, Hangars, Fences and equipment have all received the required attention. Some have required redesign; others additions and many fresh locations are springing up. In fact, it is clear that Nigerian Aviation is witnessing its greatest boom period since its inception.

Among the plethora of physical improvements and additions which occurred in the last 365 days alone, I will draw attention to the Automation of Murtala Muhammed Airport's Hajj/Cargo Terminal Access Gate;

Commissioning of the Birds and Wildlife Management Equipment; New fleet of VIP airside buses for Nnamdi Azikiwe International Airport, Abuja; Upgrade from SITA to Airlington/ RESA Checking System; Seven Units of 100-Passenger capacity Co-Buses for Nnamdi Azikiwe International Airport, Abuja; Construction of Cargo Terminal at the Port Harcourt International Airport, Omagwa, Rivers State; Completion and commissioning of the second international terminal at MMIA, Lagos; Rehabilitations of restrooms at Nnamdi's Azikiwe International Airport Abuja; Completion and Commissioning of Airline Offices, School Building, Fully-equipped Library, Computer Room, Staff Quarters Borehole at the Margret Ekpo International Airport, Calabar.

In addition, the on-going construction of Perimeter Road for security/operation inspections and runway markings are also at advanced stages of completion. Under this second pillar, the major challenge include over aged facilities, outdated designs and handling capacities in addition to limited spread /inclusiveness. The need for expansions, remodeling and outrightly fresh developments spread across the six geo-political regions. A total facility assessment has been conducted pursuant to developing a playbook that identifies immediate and future needs for bringing the nation's aviation facilities up to world-class standards.

Many outsiders and the general public are not so aware of the magnitude of newly completed and on-going developments. Among the completed projects are the new international terminal in Lagos (MMIA2), Apron expansions in Lagos, Kaduna, Abuja, Owerri, Maiduguri, Port Harcourt and Ibadan; Runways reconstruction in Enugu and Abuja have also been completed. The Taxiway BRAVO is also at advanced stages of completion (about 85 per cent).

In addition to these upgrades listed above, a number of novelties are also lined up and in various stages of development. For instance, proposals for three additional terminals to ease the current and anticipated congestions

in Lagos have been developed. There is also the ongoing partnership with Lagos State Government for a new twelve-kilometer access linkage road from the Abeokuta expressway through the Lagos Airport to Apapa. This project comes with huge potential for improved airport security, revenue generation, traffic decongestion, employment generation and trade facilitation benefits for the entire citizenry.

### **Equipment upgrade and modernization**

Under this third leg of the tripod, the challenges emanate from the fact that a large proportion of airport components and equipment have aged considerably. Many were commissioned as far back as 1979 and the technology in the industry has completely rendered them obsolete.

Among the critical needs include new passenger boarding bridges (AVIO), Modern Baggage Handling Systems (BHS); Total replacement of the Central Air-conditioning Systems (HVAC); Disabled Aircraft Recovery Equipment; Air Rescue and Fire Fighting Trucks and Accessories; etc. For each and every one of these, the exact quantities, specs and schedules have been articulated and the specialized OEMs have been selected and procurement contracts awarded and fully mobilized. Only delivery, installation and commissioning remain to be done.

At present, total replacement of Airfield Lighting Installations project abandoned for over nine years has been revived and soon to be completed in July this year 2022. Also, the 18 left lighting installation project is about 20 per cent completed. Upon completion, aircraft will no longer need to taxi from the international runways to the local at night, thereby saving time and fuel costs.

Another major component already initiated is the Automated Long-Range Daylight Thermal and Infrared Surveillance System, primarily for Lagos and Abuja airports. It is also complimented with a number of motorized units capable of rapid deployment to other locations based on perceived or anticipated threat assessments.

To cap these exciting developments, a major soft asset is also undergoing development. A collaboration between NCAA and ICAO has started with a view to producing a FAAN Operations and Management Manual in a single comprehensive publication that will guide all Airport Personnel in the diligent discharge of their duties and functions.

In my opinion, the Nigerian Aviation Industry has finally emerged as the aviation hub in the West African region and beyond. Apart for the sheer volume of passenger and cargo traffic, it is gradually becoming the go-to place for training and human capital develop-



ment for the entire industry.

While acknowledging the role played by the vision for massive infrastructural development of the current administration and the conducive atmosphere provided by the Minister for Aviation, the management team at FAAN, under the leadership of Captain Yadudu has made full meal of the opportunities! The cooperation and coordination with the other MDAs in the sector have also been very apparent.

While the aviation industry worldwide suffered recession and contraction from the COVID-19 Response protocols, the opposite seems to be the case in Nigeria. Many private sector investors and State Governments are expanding their capacities for passenger and cargo carriage. New Airports and Airstrips are popping up to take advantage of the emerging opportunities and Aviation related businesses. Nigerian airline operators today are finding their voices and flexing their muscles to exploit existing BASA Agreements to win international routes for better patronage.

While FAAN has taken the bull by the horn,

it is time for capable investors to take charge of the opportunities. The pervasive insecurity harassing other routes and means of transportation is ironically a great impetus for the aviation sector to aggressively woo patronage. Rather than the threat of arbitrarily increasing ticket prices, the airline operators must develop ingenious solutions to tackling the deplorable flights scheduling situation and other issues bedeviling the industry. A situation whereby a road trip promises to get you to your destination more predictably than a flight is a serious worry. Without patronage, all the infrastructure being invested in and the new airport facilities springing up across the six geo-political zones will soon become unsustainable.

The idea to concession some airports may be also be great, considering that a Nigerian, Adebayo Ogunlesi is reputed to 'own' about five of the airports in the United Kingdom (the famous London Gatwick inclusive). This will free government resources to be channeled to developing other facilities, and as well, promote sustainability. It will create a buffer that

separates the regulatory MDAs from the Operators for better governance. But the programme must be well thought out and transparently implemented so as to avoid a repeat of the mistakes with the Electricity Sector. The decision regarding which Airports to throw into the deal is critical. Should it be the currently 'made' ones as being proposed or the under-developed ones? Should one from each section be bundled for concession? The program requires thorough analysis.

I must, at this point, submit that Nigeria Aviation is on its way to resuming its pride of place among the eagles. The current efforts must be carefully penned down in a document that will serve as reference to both current and prospective investors. The National Career must be inaugurated before the end of this administration and the plan for sustainability must be carefully delivered in a succession plan for future administrations.

===== The Guardian =====

## MINISTER OF STATE FOR TRANSPORTATION, SARAHI, TOURS NIMASA FACILITIES

By Emeka Ugwuanyi

The Minister of State for Transportation, Senator Gbemisola Ruqayyah Saraki, has embarked on a tour of facilities and assets of the Nigerian Maritime Administration and Safety Agency (NIMASA). Assets inspected included the NIMASA Command, Control and Computer Centre (C4i), the NIMASA Modular Floating Dockyard, the NIMASA E-library and Vessels belonging to the Agency undergoing dry docking at the Naval Dockyard Victoria Island.

The Minister expressed delight at the equipment and assets of NIMASA stating that it underscores the importance the Federal Government attaches to combating maritime crimes and ensuring zero tolerance for illegal activities on the nation's territorial waters.

While commending the synergy and collaboration amongst agencies of government in the maritime sector, Saraki expressed delight at the fact that Nigeria has witnessed piracy free waters since 2022.

She said: "For over 28 years, we have been in the press for the wrong reasons, over the piracy issues at the Gulf of Guinea (GoG). We were there when Mr. President commissioned the Deep Blue Project last year and within that short frame of time, we have broken the jinx, and for the last five months



zero attacks, so I think that says it all for my assessment of NIMASA."

Furthermore, Senator Saraki noted the need to sustain the momentum to ensure Nigeria remains attractive to investors adding that the Ministry is delighted at the steps NIMASA is taking to address the issue of War Risk Insurance premium on Nigerian Bound Cargoes.

"The most important thing now is that we don't rest on our oars. The Free Trade Agreement and how it affects Nigeria is our focus. We hope to create an enabling environment to be very attractive and highly competitive when compared to neighboring countries and collaboration amongst all maritime Agencies of Government in terms

of information gathering and sharing is key in achieving this". She said.

On his part, the Director General of NIMASA, Dr Bashir Jamoh, disclosed that the focus of the Agency is sustaining the achievements in recent times, adding that the plans are in three categories of short medium and long term.

Our focus now is to sustain the tempo he said. "We are very optimistic that the clamor for the removal of war risk insurance premium on Nigerian bound cargos will soon yield positive results. The international community desires sustainability of the war on piracy and maritime crimes in Nigeria. The good thing is that they are part and parcel of our processes and procedures.

We have the Nigeria Join Industry Working Group where all stakeholders including the INTERTANKO, the largest owners of tankers in the world, the INTERCARGO, the largest owners of Cargos in the world and the major oil marketing companies meeting regularly discussing developments in the Nigerian Maritime industry. We have also strengthened our collaboration with the Nigerian Navy. The SHADE Gulf of Guinea is another platform where inter regional organisations such as the ICC and the European Union foster collaboration to secure the Gulf of Guinea.

# AMAECHI'S TENURE AS TRANSPORTATION MINISTER: PROMISES, SUCCESSES, FAILURES

**O**n May the substantive minister of Transportation, Rotimi Amaechi, handed over to the minister of state for Transportation, Senator Gbemi Saraki, to pursue his presidential ambition. Here are his many promises, achievements and failures as Transportation Minister.

The appointment of the immediate past minister of Transportation, Rotimi Amaechi, by President Muhammadu Buhari in November 2015 and his re-appointment in 2019, to head the nation's Transportation ministry generated mixed-reactions and drew bad blood among maritime stakeholders who have been calling for appointment of technocrats as minister.

The fear was that an outsider may not be able to harness the over N7 trillion potentials in the maritime sector. Also they fear abandonment of the sector and the minister leaving little or no impact like his predecessors were nursed at the beginning by stakeholders and this eventually came to pass as the minister personally agreed to have abandoned the sector by focusing solely on railway sub-sector.

However, before he left the ministry, the maritime sector experienced some level of development such as the deep blue project to fight piracy on the nation's coastal water and the Gulf of Guinea (GoG), connecting the Lagos seaports by rail to ease the transportation bottlenecks and the electronic Call-up system, but majority of the policies that will help put the nation on the global maritime map were not implemented and abandoned.

During his over six years as transportation minister, Nigeria failed bid to be on the International Maritime Organisation Category C council twice and this was due to some maritime policies and programmes that were missing.

For instance despite his assurance of setting up single window, port automation, Nigeria Ports still lack this basic automation kits that will enable ease of doing business at the nation's seaports and at the long run increase vessels turnaround time, the Port and Harbour bill, National Transport Commission bill, connecting the nation's inland waterways, poor oversight of the National Inland Waterways Authority (NIWA) that led to incessant boat accidents that claimed several lives, among others.



Also, the issue of a lack of capacity for indigenous shipowners with almost every one of them going bankrupt. However, despite his stay as minister, the Cabotage Vessels Finance Fund (CVFF), an intervention funds was still not approved for disbursement making the woes of the shipowners moving from bad that it were in 2015 when he was appointed to worse by the time he was leaving.

## Achievements

### Reduction in piracy due to launch of Deep Blue project

Top of the achievements of Rotimi Amaechi, as minister, was the restoration of sanity on the nation's waterways through the launch of the Integrated National Security and Waterways Protection Infrastructure, also known as the Deep Blue Project.

Prior to the launch of the Deep Blue project under the Nigerian Maritime Administration and Safety Agency (NIMASA) in June of 2021, the nation's waters were the scenes of many piracy attacks on container ships.

By the third quarter of 2021, five months after the launch of the Deep Blue assets, the International Maritime Bureau (IMB) reported in its third-quarter report that Nigeria had achieved a 77 per cent decrease in piracy attacks compared to the same period of 2020.

According to the IMB, "Nigeria reported four incidents in the first nine months of 2021, in comparison to 17 in 2020 and 41 in 2018. This represents a 77 per cent decrease in incidents between 2021 and 2020, and a 95 per cent reduction from 2018."

## Ending Apapa traffic through e-call up system

Another scorecard for Amaechi as minister was the deployment of the Eto E-Call-Up system at the ports. The E-Call-Up system, also known as, Eto was introduced to checkmate the influx of articulated vehicles along the nation's ports' access roads.

With Eto, the access roads leading to Apapa port became free of long queues of articulated vehicles, although not much success was recorded at the Apapa-Oshodi end of the Tin-Can port access road and this was due to the ongoing road construction on the corridor.

## Linking Apapa Port to Standard Gauge

Also, as minister of Transportation, Amaechi succeeded in linking the nation's busiest ports to the standard gauge rail which stretched from Lagos to Ibadan. The idea of the connection of the ports to the standard gauge line was to introduce an intermodal means of cargo clearance at the nation's ports. The huge reliance on road haulage of cargoes had led to chaotic traffic situation on the port road and that had also affected life span of the nation's road especially Trunk A roads.

The rail linkage, however, helped decongest an already congested port access road and reduced cargo dwell time that affected turnaround time of vessels especially at Apapa and Tin-Can Island port.

## Failures

### Inability to disburse CVFF

A major low point for the immediate past minister of Transportation was his inability to increase indigenous capacity amongst the nation's indigenous ship owners. This was due to the lack of disbursement of the Cabotage Vessel Financing Fund (CVFF), which he initially promised to disburse in his first four years as minister, but failed to disburse. With many indigenous shipowners running bankrupt due to a lack of support from the government, foreign vessels continued to plunder the nation's cabotage domain, thereby leading to a huge capital



flight for the economy.

### **Lack of National Single Window Platform**

Another low point for Amaechi's almost seven years tenure as minister of Transportation was the inability of the federal government to implement automation through a National Single Window Platform (NSWP), at the nation's ports.

Without a Single Window for cargo clearance processes, agencies of government continued to work at cross purposes with cargo owners. The implication of a lack of a Single Window at the nation's ports meant that cargoes were stopped and searched at will by different agencies of government on the roads even when such cargoes had been duly inspected and exited from the ports.

Thus, the proliferation of human to human contact during cargo clearance processes promoted corruption at the nation's ports as cargo owners continued to pay through their noses to evacuate their consignments.

### **Inability to win IMO Council seat**

Despite huge finance expended on this mission for Nigeria to secure the Category C Council seat of the International Maritime Organisation (IMO), Nigeria under Rotimi Amaechi, twice lost the council seat. The country was unable to secure other African countries and allies.

The Council is the executive organ of IMO and is responsible, under the Assembly, for supervising the work of the Organisation. Between sessions of the Assembly, the Council performs the functions of the Assembly, except that of making recommendations to governments on maritime safety and pollution prevention.

Nigeria last got elected to the IMO Council in 2007, when Temisan Omatseye was serving as director-general of the Nigerian Maritime Administration and Safety Agency (NIMASA). With repeated IMO Category C losses under Rotimi Amaechi, Nigeria never regained her place among the committee of leading maritime nations at the IMO.

### **Failure to refloat National Shipping Line**

The minister's failed effort to ensure re-floating of the defunct national shipping line was another low for him. This was after he vowed in 2015 to ensure that the nation has a functional national carrier before the end of 2019.

To achieve this, in 2016, the minister sent a delegation led by the former executive secretary of the Nigerian Shippers Council

(NSC), Alhaji Hassan Bello, to Singapore to negotiate a deal with the Singaporean shipping firm, Pacific International Lines (PIL), over the possibility of establishing a national shipping line for Nigeria.

A Memorandum of Understanding (MoU), was signed between Nigeria and the PIL ceding 60 per cent equity to Nigeria while PIL was to own 40 per cent. The 60 per cent stake for Nigeria was expected to be offloaded to private sector investors when the project comes on stream.

The then Shippers' Council's boss, Bello had said that the national carrier would

come complete with other add-on like the ship repair yards and training capability for which the federal government was willing to provide the enabling environment to operate.

However, till the minister left office in May 2022, the dream of Nigeria having her national shipping line since the demise of the Nigerian National Shipping Line (NNSL) never materialised as PIL pulled out of the deal at some point and the minister never talked about a national shipping line again.

===== Leadership =====

## RAILWAY CORPORATION GENERATES N5.70BN FROM PASSENGERS IN 2021



**T**he Nigerian Railway Corporation generated N5.70bn revenue from passengers in 2021, the National Bureau of Statistics (NBS) says.

This is contained in the NBS Rail Transportation Data for 2021 released in Abuja on Wednesday. The report revealed that the total revenue generated from passengers in 2020 was N1.75 billion.

The 2021 revenue, the NBS said, represents a 226.44 per cent increase.

The report revealed that the total revenue generated in 2020, amounting to a 226.44 per cent increase.

The bureau said that over 2.7 million

passengers travelled by train in 2021 compared to 1 million recorded in 2020, representing a 166.03 per cent increase.

Similarly, the report showed a total of 168,301 tonnes of goods were transported in 2021 as against 87,440 recorded in 2020, showing a growth rate of 92.48 per cent.

In addition, the report showed the revenue generated from goods in 2021 amounted to N317.57 million, higher by 12.87 per cent compared to N281.35 million in 2020.

"Other income receipts in 2021 stood at N66.80 million, higher than the N5.19 million recorded in the preceding year."





# BOOSTING NIGERIA'S FOOD PRODUCTION CAPACITY VIA BIOTECHNOLOGY, GENOMICS

By Yunus Yusuf

Statistics from World Population Review shows that Nigeria population is growing at the rate of 2.57 per cent. It projected that the overall population of Nigeria will reach about 401.31 million by 2050, Yunus Yusuf writes

This projected increase in the Nigerian population necessitated the move to increase food production in order to meet the demands of both man and livestock via biotechnology and genomics.

Agricultural biotechnology includes a range of tools that scientists deploy to understand and manipulate the genetic make-up of organisms for use in the production or processing of agricultural products, while genomics is the study of an organism's genome, its genetic material and how that information is applied.

John Komen, in his presentation at African Biennial Bioscience Communication (ABBC 2021) on "Global and Africa Policy and Regulatory Perspectives of Genome Editing,"

outlined the power of modern agricultural biotechnology and genomics in transforming African food systems.

Komen said that the ability of agricultural biotechnology and genomics in transforming African food systems into a force of economic growth, create wealth in the rural space and beyond, feed an African population expected to reach 2.2 billion people by 2050 could not be ignored.

He said that biotechnology, including improved breeds and varieties, was not widely embraced across Africa, and was inadequately addressed in food production policy frameworks.

Factors influencing agribiotech adoption and development in Sub-Saharan Africa

An article on Nature Genetics from nature.com entitled, "Genomics and our future food security," explicitly stated that genomics has a part to play in ensuring that agricultural production meets the goal of feeding the world with continual human population growth and increasingly severe effects from

climate change.

The article said genomics' role was in the area of maximising the utility, diversity and yield of resources, as well as in contributing to sustained food security in the future.

It further noted that agricultural genomics is a rich field that has been contributing to advances in crop development for decades.

"From sequencing reference genomes to genotyping for genome-wide association studies to genomic prediction, advances in technology and applications have led to breakthroughs in crop improvement," the article read.

Scientists have argued that one potential way for genomics to lend itself to crop improvement and food security was through the collection-wide sequencing and classification of established seed banks or gene banks.

They said that through this process, it would be possible for important agricultural species to be stored and maintained in large collections, organised by classification and origin.

Similarly, Nigerian scientists and agricultural biotechnology experts have affirmed that agricultural genomics uses technology to study the genes of plants in order to develop new and specific varieties of crops.



These new crops, they say, can help address various food problems in Nigeria and Africa by helping to improve the productivity and sustainability of many plant varieties and livestock productions.

They also confirm that genomics can reduce the trials and failures involved in scientific research to a certain extent, which could improve the quality and quantity of crop yields in agriculture.

Dr Rose Gidado, Deputy Director at the National Biotechnology Development Agency (NABDA) and other experts have consistently spoken on the benefits of genome editing, also known as gene editing and the need for adoption of appropriate technologies to boost food production.

These indigenous experts listed some of these benefits to include among others: increased crop yields, reduced costs for food or drug production, reduced need for pesticides and enhanced nutrient composition.

Awareness and utilization of genetically modified foods in Nigeria

According to Science Direct, the establishment of the National Biotechnology Development Agency (NABDA) and its recent 2022 Act showed that the Nigerian government had taken a big leap in demonstrating willingness to improve food production and drive towards transforming the country's food systems via application of modern agricultural biotechnology and genomics.

Unarguably, the Nigerian government believes that safe modern biotechnology application can proffer solutions and offer great potential in the agricultural and other sectors of the economy.

The National Biosafety Management Agency

Act, 2015 (as amended) was set up to entrench legal, regulatory, and administrative mechanisms in the safe application of modern biotechnology and the use of its products, genetically modified organisms (GMOs).

Dr Rufus Ebegba, Director-General of the National Biosafety Management Agency (NBMA), who spoke at a sensitisation workshop on modern biotechnology and biosafety regulations organised by OFAB for Board Members of the NABDA, hinted on the need for safety concerns.

He said biosafety was a means of addressing potential adverse impacts of modern technology and GMOs, particularly in the areas of gene flow, invasiveness, non-target effect, allergenicity, toxicity and socio-economic concerns.

Nigeria has embraced genetic modification and engineering, as the country is among the six African countries leading in adoption of genetically modified crops.

Prof. Abdullahi Mustapha, Director General of the NABDA, who recently spoke on pod borer resistant, highlighted the gains recorded through the application of modern agricultural biotechnology.

"Biotechnology has proven its potential to help us overcome agricultural productivity challenges leading to more yield, for example, 2.9 tonnes per hectare of Bt cowpea from 350kg of non-Bt cowpea and addressing various breeding limitations that conventional breeding method cannot address.

"The PBR Cowpea is a classic example of how the technology can provide solutions to one of the major challenges confronting cowpea farming," he said.

Mustapha disclosed that with the commercialisation, adoption and use of the new variety of cowpea modified to be resistant to insect maruca vitrata, Nigeria was beginning to revolutionise food production through tremendous yield, quick bumper harvest and good cooking characteristics.

Listing the economic benefits, he noted that a 20 per cent increase per hectare translated to N48 billion annually at N120,000.0 per tonne.

Dr Rose Gidado, who is also the Country Coordinator of Open Forum on Agricultural Biotechnology (OFAB), outlined reasons at a recent sensitisation workshop on modern agribiotech, why Nigeria and Africa must hasten up the adoption of modern agricultural biotechnology tools.

Gidado said major promises of biotech crops were abundance of healthy foods, less dependence on pesticides, decreased production risks for farmers, more agricultural yield per land mass to feed the people.

Comparing Africa's progress in modern agricultural biotechnology to other developed and food secured nations, she said that with all the benefits of the technology, Africa was behind the rest of the world in application of genetic engineering in agriculture.

The OFAB country coordinator said Africa's backwardness was largely due to restrictive and unpredictable policy environments, poorly functioning institutional mechanisms for biosafety oversight and lack of political will for GM technology.

However, she assured that NABDA remained committed to transforming Nigeria's food systems and recovery of the economy through application of biotechnology.



# ACHIEVING FOOD SECURITY THROUGH STRATEGIC PARTNERSHIP WITH WOMEN

**U**narguably, women cannot be ignored in the quest to ensure food security, especially in sub-Saharan Africa.

According to the United Nations, women represent 50 per cent of agricultural labour force in Sub-Saharan Africa.

It was as a result of this undeniable fact, that the Nigeria's First Lady, Aisha Buhari and President Africa First Ladies Peace Mission (AFLPM), has sustained her commitment to support women in agriculture.

Recently, Aisha Buhari sent a delegation to the Republic of Kazakhstan to participate in a high-level forum on Food Security, organised by the Islamic Organisation for Food Security (IOFS) and Kazakhstan National Agrarian Research University.

Participants were drawn from different member-states of the Organisation of Islamic Countries (OIC), including ministers, opinion leaders and experts in agro-industrial sector.

The Nigeria's delegation was led by the Senior Special Assistant to the President on Public Affairs and Strategy, Office of First Lady, Mr Sani Zorro.

In his presentation, Zorro enumerated the achievements of the Aisha Buhari Foundation (ABF), in supporting women and children, especially in the areas of health, education and nutritional needs of malnourished communities in Nigeria.

Zorro also listed ABF's interventions in addressing cases associated with gender-based violence, promotion of adolescence health and nutrition needs, girl-child education, among others.

He explained that the interventions were executed through strategic collaboration between the ABF and other development partners.

While in Kazakhstan, the Nigerian delegation held strategic meetings with the Islamic Organisation for Food Security (IOFS), Ombudsman for Children's Rights in Kazakhstan, Institute of World Economics and Politics (IWEP), Nur-Sultan Foundation.

Others were Hassad Food Qatar, Attyab International Services, Arab Authority as well as GIS Space Services, among others.



The organisers of the high-level forum, the Islamic Organisation for Food Security (IOFS) had earlier, indicated interest to partner the first lady's foundation to provide technical support for women in Agriculture, especially rural women.

The IOFS Director-General, Prof. Yerlan Baidaulet, said that the partnership would require building technical capacities of rural women for a more productive engagement in agriculture.

The D-G said that the IOFS had a lot in common with the ABF in terms of operational convergence for rural farming.

"The two organisations have a lot in common, especially in the areas of developing technical capacity for female farmers and rural farming.

"I am sure there are big opportunities in this kind of project, especially in the rural areas for developing technical capacity for rural farmers, especially female farmers, so, I think we have a lot of things to do by cooperating with the first lady's foundation.

"We have to work because today, we are witnessing a lot of inequalities, a lot of social problems, I think those who are giving this kind of opportunity to partner the first lady's foundation will join efforts and do something tangible for the good of the people," he said.

Baidaulet, commended the ABF for its commitment to tackle social problems, support humanity and make the society a better place.

On his part, the representative of the first lady, Mr Zorro, expressed optimism that the partnership would be mutually beneficial.

He said that the ABF had been visibly proactive in providing healthcare, education and economic empowerment services to the vulnerable in the society.

"The foundation is willing to collaborate with reputable organisations around the world to deepen its support for humanity," he said.

During one of the sessions, the first lady, advocated for increased stakeholders engagements in promoting peace-building among farming communities to ensure sustainable food security in the African continent.

The first lady emphasised the need to join forces to address the devastating impact of climate change, especially as it affects women and children as well as food production.

She said concerted effort must be made by relevant authorities to stem the conflicts between farming communities and herdsmen.

According to her, the situation threatens food production in most farming communities. She said government of Nigeria had invested huge resources to curtail the situation and to guarantee safety to the farming communities.

"Efforts are being made to address the situation in most affected areas of Africa,



especially from humanitarian organisation.

"Efforts from my office and my foundation, the Aisha Buhari Foundation have continued to support women, youths and children who are mostly affected by the challenges affecting our environment.

"I am excited by the efforts aimed at partnering the Islamic Organisation for Food Security in our commitment to achieving food security, especially through food security and nutrition.

"As President of AFLPM, sometime last month, I have the opportunity to address the General Assembly Summit of African Union Heads of States and Government as a reliable partner in promoting peace in the continent.

"We are committed to using the network of AFLPM to influence the teachings of peace and security education in primary, secondary and territory schools in the continent," she said.

Aisha Buhari also informed the gathering that her foundation had partnered the Federal Ministry of Health to promote traditional medicinal herbs through the utilisation of genetic plants.

"This is a segment of our agriculture which large number of our local population depends on for the treatment of their ailments, food supplements and cosmetics.

According to her, out of 10,000 species of medicinal plants in Nigeria, only 20 per cent are utilised.

In addition, my office has resolved to work with the Nigerian parliament to accelerate the passage of the Traditional, Complementary and Alternative Medicine (TCAM) Council Bill into law.

She reiterated her determination to support women and children, especially women in agriculture for sustainable food security in the continent.

Undoubtedly, the high-level forum which had representatives from over 20-member countries of IOC, formed a dynamic stand for multi-stakeholders' dialogue to explore ways of ensuring food security, boost innovations and sharing of challenges associated with food security and nutrition across the globe.

===== INDEPENDENT =====

## NIGERIA LOSES \$100M YEARLY GRANT IN AGRICULTURE RESEARCH –ARMTI

The Agriculture and Rural Management Training Institute (ARMTI), Ilorin, Kwara State, has said the country's agriculture research sector loses approximately \$100m yearly due to its failure to attract grants from local and foreign organizations.

Speaking at the opening of weeklong training workshop on grantsmanship for agricultural research officers by the Institute in Ilorin, its Executive Director, Dr. Olufemi Oladunni, said Nigeria needs agric research to improve food production and reduce shortages.

According to the ARMTI boss, "Nigeria is not losing anything below a 100 million dollars grant every year due to inability to attract both local and foreign grants.

"We can only imagine what that can do in the research system only in agriculture. When you extend this and look at value chain for research, there are lots to gain by research scientists among other actors along the research value chain that are losing this opportunity.

"For instance, in soya beans production, the highest you can have as output per hectare today is 1.3 tonnes as against 10 tonnes per hectare in some other climes.

"You can see the enormity of what we're saying. We need to improve the tonnes of food

we produce in this country to reduce food shortages, poverty and increase employment within the system.

"It's only when you have right varieties of commodities cutting across livestock, fisheries and crop production that you can get some of these things done," he noted.

He said "Grantsmanship; getting fund is not what government alone can do. There are some foundations all over, even outside Nigeria who are ready to give out fund to get these things done but we are not getting it because we don't have fund-able research proposals around."

He said the essence of having research institutes and faculties of agriculture in tertiary institutions is beyond agric research alone, adding that every participant must get involved.

50 participants drawn from across research institutes in the country are participating in the programme.

Speaking on behalf of the participants, Dr. Ishaku Leo Elisha from Vom, Plateau State, said they would collaborate through networking among themselves to spread the knowledge garnered during the programme towards making the training worthwhile.

## OGUN STATE GOVERNOR, ABIODUN, PROMISES COMMITMENT TO ODU'A INVESTMENT'S GROWTH

Ogun State Governor, Dapo Abiodun, has said his administration was deeply committed to the realisation of the objectives of the founding fathers of Odu'a Investment Company Limited.

The governor, who stated this during the 40th yearly general meeting of the company in Lagos State, said his administration would ensure that both the economic and financial objectives of Odu'a are realised.

Chairman of the South-West Governors' Forum and Governor of Ondo State, Rotimi Akeredolu, who commended the management for the strategies put in place for the growth of the company, said that the strategies would definitely ensure future growth, relevance and excellence to further restructure the company.

He said that the choice of the board members was a deliberate attempt to change the fortune of the company.

IN another development, Abiodun has urged investors to take advantage of the conducive business environment to establish their businesses in the state.

Abiodun, who spoke while inaugurating the Fanmilk Danone Model Dairy Farm located in Odeda Farm Institute, also reiterated the commitment of his administration to increase investment in agriculture as a means of creating more jobs for the people of the state.

The governor said the commissioning of the dairy farm would complement the efforts of the government in developing the agriculture sector.

Meanwhile, the French Ambassador to Nigeria, Emmanuelle Blatmann, said the project was a perfect commitment to a passion for Public-Private Partnership, lauding the governor for his strong involvement to ensure that the project became a reality.

# OVER 10M NIGERIANS ENGAGED IN FISHERIES OPERATIONS – FG



**T**he Federal Government says over 10 million Nigerians are actively engaged in primary and secondary fisheries operations in the subsector of the economy.

The Minister of Agriculture and Rural Development, Dr Mohammad Abubakar, made this known at the close of the Internal Coordination Meeting of Implementation of Fisheries Governance Project Phase 2 (FisheriesGov 2), in Abuja.

Abubakar said government would support them to boost local production in order to reduce imports, as it is currently encouraging backward integration through commercial aquaculture production.

"The Fisheries and Aquaculture subsector is very significant to the Nigerian economy in terms of employment creation, income generation, poverty alleviation, foreign exchange earnings and provision of raw materials for the animal feed industry.

"It is estimated that over 10 million Nigerians are actively engaged in primary and secondary Fisheries operations, thus creating wealth for our people and we will be happy if they can benefit from this project.

"Nigeria's total demand for Fish is 3.6 Million Tons annually while we are producing 1.1 million tons from all sources (Artisanal, Aquaculture, and Industrial sectors).

"Leaving a deficit of about 2.5 million tons

that my ministry is working hard in collaboration with the private sector to supplement by way of import reduction through backward integration.

"To boost local production in order to reduce imports, Government is encouraging backward integration through commercial aquaculture production (pond and cage culture) for local consumption and export and this is yielding positive results," he said.

The minister said that Federal Government had also put in place measures to boost the fisheries subsector.

"It is gratifying to bring to your notice measures the Federal Government has introduced to enabled the Fisheries subsector gain the desired prominence.

"These measures include: establishment of Vessel Monitoring System (VMS) in Lagos and Abuja to monitor and control Illegal, Unreported and Unregulated Fishing along Nigeria Continental Shelf.

"Also Fish Storage, Processing and Marketing Project to increase shelf life/ keeping quality and curtail post-harvest losses of Fish and Fishery Products.

"As well as Fish Farm Clusters to increase Fish production and engage the teeming youths and women and Lake Enhancement Project to increase Fish Production and make for sustainable livelihood for the

Fisher folks.

"All these programs are tailored towards job and wealth creation, poverty reduction, arrest and prevention of youth restiveness and food nutrition security," he said.

He said that recommendations from the workshop would be used to improve Nigeria's governance mechanism for maximum productivity in her fisheries subsector.

Abubakar tasked stakeholders at the meeting on subjecting every item on the agenda to scrutiny and come up with sustainable and practicable governance strategies for implementation to boost fish production in Africa.

Earlier, Dr Nick Nwankpa, Acting Director, The African Union InterAfrican Bureau for Animal Resources (AU-IBAR), said the project recognised the importance of institutional collaboration for the sustainable exploitation and management of fisheries, aquaculture and other blue economy resources.

He said the fisheries governance would also take cognisance of functions of the various African Union Commission (AUC) departments, when well-coordinated.

He said this could contribute significantly to the integrated development of the sector and the socio-economic advancement of the continent.



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