SIX YEARS OF RAISING THE BAR IN LOCAL CONTENT DEVELOPMENT – WABOTE

HARSH ENVIRONMENT AS PANACEA FOR AIRCRAFT SURVIVAL

ONE YEAR AFTER, HOW HAS eNAIRA IMPACTED THE ECONOMY?

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HOW NIGERIA'S INCESSANT GRID COLLAPSES CAN BE SOLVED, BY MEMMCOL'S BOSS

MOMAS ELECTRICITY METERS MANUFACTURING COMPANY LIMITED

Smart City smart metering....

...technology concern

Momas Electricity Meters Manufacturing Company Limited (MEMMCOL) was incorporated in 2011 to manufacture energy meters, develop vending and management applications and perform support services. Having a production capacity of 50,000 meters monthly, MEMMCOL is the first of its kind in Sub-Saharan Africa. MEMMCOL is a subsidiary company of Momas Systems Nigeria Limited and inherits from 15 years of expertise in the power sector.

MEMMCOL has achieved antecedents and has the pedigree to upscale service delivery in the power sector, most especially in the metering subsector. With its product offerings, MEMMCOL's mission is to improve efficiencies in the power sector in the West African region and beyond through products and services using cutting edge

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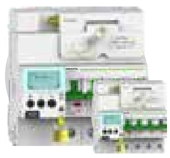
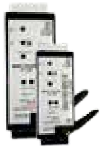

CIRCUIT BREAKER


SUBSTATION ENHANCEMENT PANEL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Editor's Note

DR. NJIDEKA KELLEY

Nigeria's power sector has been in doldrums over the years. When one thinks the sector is improving, it flops abysmally. For instance, it is on record that the national grid has collapsed 222 in 12 years between January 2010 and June 2022. Also, between January and September this year, it has collapsed seven times.

These collapses undoubtedly have terrible social and economic consequences on the economy – large, small and medium enterprises. It is against this backdrop that our editorial team sought the views of Engr. Kola Gbolasere Balogun, Chairman/ CEO of Momas Electricity Meters Manufacturing Company Limited (MEMMCOL). MEMMCOL is Nigeria's premier indigenous prepaid meter manufacturer.

As an outstanding player in Nigeria's electricity power industry, he x-rayed the cause of frequent grid collapses. He also gave insight into other issues in the power industry such as estimation billing system, energy theft, prepayment metering gap, huge debt in the industry and subsidy, among others, and proffered solutions to them.

He expressed optimism that with the right personnel and management in the right positions and operations, the power sector will attain the expected growth and drive the nation's industrialization aspiration.

In this edition, we highlighted what the Nigerian Content Development and Monitoring Board (NCDMB) has done in the last years under the leadership of Engr. Simbi Kesiye Wabote as the Executive Secretary/ CEO to improve the oil and gas industry, create and retain value in-country in the sector.

On assumption of office, having spent 26 years at Shell Petroleum Development Company (SPDC) Limited working in different capacities, both locally and internationally, people thought he would be on the side of the International Oil Companies (IOCs) whenever he is caught between national interest and IOCs interest. But in the last six years, he has proved to be a Nigerian first before working for an IOC.

His report card in the last six years shows he has truly reengineered the industry in terms of regulation, capacity development, domestication of skills, personnel empowerment through research and development, value retention and creation of partnerships for the growth of the industry.

A look at Africa's biggest economy shows it is witnessing a massive distortion, with economic analysts worried that the ugly trends continue without much effort from the government. As a result, economic indicators seem very disturbing, especially inflation, unemployment, debt, subsidy payment and poverty rate. The COVID-19 pandemic and the Russia-Ukraine war have been attributed to these challenges, with some analysts arguing that the global economy is facing a few challenges.

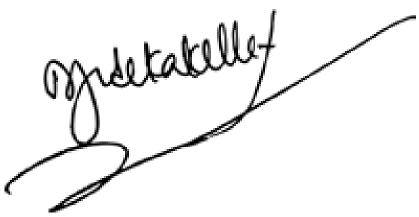
However, a careful look at statistics has shown that Nigeria's challenges are worse than the experience of other emerging economies. Poor handling and bad economic policies have contributed to Nigeria's unending economic woes even as external factors like the war in Ukraine and COVID-19 have added salt to the injury.

The National Bureau of Statistics, in its recent release, showed that inflation has soared to 17.1 per cent in Nigeria. An increase in the market price of goods and services is felt in all sectors of the economy. As a result, the value of the naira has reduced while the purchasing power and household income have drastically reduced. Inflation has made nonsense of income saving while consumption has diminished due to unchanged income levels.

Cheery news is that the growth of ICT is becoming impressive and analysts are of the view that the sector may soon take the place of oil and gas in the economy.

The Information Communications Technology (ICT) sector contributed over N18 trillion to the country's real Gross Domestic Product (GDP) in Q3, leading to a growing optimism that the sector may soon end oil revenue dominance should more digital infrastructures be put in place to sustain the growth rate.

These and other educative and informative articles will surely make your day.



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COVER

SEPTEMBER 2022

HOW NIGERIA'S INCESSANT GRID COLLAPSES CAN BE SOLVED, BY MEMMCOL'S BOSS

Nigeria's national grid has collapsed 222 in 12 years between January 2010 and June 2022. Between January and September this year, it has collapsed seven times. These collapses have dire social and economic consequences on the economy. It is against this backdrop that Engr. Kola Gbolasere Balogun, Chairman/CEO of Momas Electricity Meters Manufacturing Company Limited (MEMMCOL), in this interview with TBI Africa's Deputy Editor, ***YUSUF YUNUS****, speaks on how this malady can be sustainably addressed. As an outstanding player in Nigeria's electricity power industry, he x-rayed other issues in the industry such as estimation billing system, energy theft, prepayment metering gap, huge debt in the industry and subsidy, among others, and proffered solutions to them. He expressed optimism that with the right personnel and management in the right positions and operations, the power sector will attain the expected growth and drive the nation's industrialization aspiration.*

It is eight years since Nigeria's power sector was privatized, but some stakeholders have been clamoring for reversal of the privatization as it has allegedly failed to achieve its purpose. Do you hold the same view as these stakeholders?

I do not share the same view with them at all. This is because at the moment, there is no convincing structure in place to take over the failed administration of the power sector. You can only reverse this privatization process, when you have a great structure in place to manage the rot and complexities. A more realistic approach I would suggest is that we recalibrate the entire process by referring to the very beginning, acknowledge our mistakes and define a new Technocrat-Based Framework to effectively manage the Sector for optimum delivery of best services.

Lately there has been regular system collapses, as an industry expert, what is responsible for this, and how can it be stopped?

It is quite unfortunate that we will continue to experience the incessant system collapse as long as we keep putting the square pegs in the round hole. The Transmission system requires a very meticulous and competent personnel structure especially when it comes to Load distribution, as it entails putting certain calculative preventive measures in place. The issue here is the lack of competence of the entire leadership and Management of the transmission system.

Let's assume we do not have the adequate Infrastructure for Transmission, I can assure you that if we have competent hands that understand the entire architecture of maintaining a standardized frequency threshold, there would be minimal records of these collapses. Moreover, consequences are not meted out to officers for flaunting standard procedures and protocol to deter them from being negligent or reckless on duty. Impunity has encouraged insubordination and complacency.

This can be stopped by:

• Enforcing consequences for flaunting standard protocols and not doing what is right

• Appointing the most competent people to manage such sensitive Technical Company

• Ensuring that Investments on infrastructure continues, but with close monitoring and precise definition of the goals and accomplishments the investment seeks to validate because it is better to solve a problem.

There has been buck passing among the service providers in the power sector value chain – the generation companies (GenCos), the transmission company (TransCo) and the distribution companies (DisCos), about the particular link in the chain that is responsible for the power sector woes. To you, which of the link – GenCos, TransCo and DisCos contribute most to the power sector problems?

Neither the GenCos nor the DisCos or TransCo as it relates to the name is responsible for the power sector problems, but the persons behind these companies- The Human Elements of these companies are responsible for the identified problems of the power sector Because it is a Reflection of Nigeria. By and Large, the Human Factor is to be blamed, not the Names as it implies.

The debt overhang in the power industry is staggering; do you see this huge debt being paid?

It is quite unfortunate that there is nothing to show for this debt, but if we understudy the global trends of Power Sector deployments, it is obvious that it is a Profit inclined venture; and if a sector is profit oriented, there is tendency that whatever the overhead cost is can be settled off. However, this debt settlement must be under a revised condition which has a precise definition within the premises and roadmap of a profit driven business enterprise.

In other words, the future of the power sector I envisage must be profit driven, devoid of subsidy, incompetence and human sentiments.

Prepaid meter has become a golden option in Nigeria, how has your company helped in addressing the challenges of meter availability in Nigeria?

Often times, people tend to forget the events that led to my advocacy of prepayment meters as far back as 1995. My struggle for the encouragement of prepayment meters was inspired by the need to address the lacuna in revenue leakages at the downstream - which was the distribution company at that time.At that time, dysfunctionality grew full blown between the consumers and the then service providers -N.E.P.A, Marketers, among others. The defunct N.E.P.A staff usually disconnected consumers, and then request for reconnection fee from these same consumers. This seeming priority misplacement and less optimization of staff informed my advocacy for prepayment. We appreciate the nation's growth in terms of the prepayment concept ideology, which by the way is the only way we can guarantee cost recovery. However, the human factor is still drawing us backwards from getting the absolute benefits of prepayment, because when you're prepaying for a service, it means there must be liquidity for further investments, but because Nigeria's power sector is still bedeviled by issues of energy theft, insincerity In the deployment process, and Disunity between the various levels of the meter deployment cycle - Sellers or Manufacturers – Distributor - Installer of prepayment meters, to have a uniform agenda about taking responsibility of ensuring that revenue leakages are blocked totally. This is why we still have the short fall in meeting the metering gap.

Since technology has given us the opportunity to operate under a common platform which at the moment, the sector has refused to recognize. My advice to the sector players over the years is to reiterate to them that the most successful sectors like the Banking, Insurance and Telecoms today

are successful because partners and businesses within these industries are licensed and regulated to purpose their businesses within the confines of a standard regulatory framework.

This same Licensing structure can be adopted by the Power sector to ensure that every player within the Meter Deployment cycle is categorized by the services they provide, Licensed and accredited by the acknowledged agency legally empowered to accredit and regulate their activities in complying with best global practices, it should flow from the Manufacturer to the Installer-- which is the final stage of deployment. When this is done, it is easy for a consumer to approach any licensed Meter Seller or Manufacturer of their choice to purchase their meters, contact licensed installers to install their meters in their premises, and alert the DisCos for onward configuration almost immediately.

How do you rate government's patronage of indigenous electricity meter manufacturers?

As far as I am concerned, in recent times, there has been tremendous improvement in Government's patronage, but it shouldn't be a haphazard patronage. It should be a continuous support for the local industry with the mindset of backward integration and a mindset of providing employment at a very high rate in order to reduce unemployment to the barest minimum, while at the same time, bridge the technology knowledge gap.

Do indigenous meter manufacturers have the capacity to meet national demand for prepaid meters?

Yes... An emphatic Yes! There is sufficient capacity and capability to meet National demand, as long as there is an undertaking of the Government's assurance that Meters would be off-taken.

What is the total production capacity of the indigenous electricity meter manufacturers? Out the total, what is the production capacity of your company – MEMMCOL?

I won't be able to give you the precise production capacity of other Manufacturers, but I can give you the entire production capacity figures in my own case, under normal circumstances, we have the capacity to produce 500,000 meters annually.

Obsolete substations have contributed immensely against effective power supply in Nigeria, how has your company helped to mitigate this?

Thank you so much for this question. Yusuf, I can boldly say that the prime years of my life have been about electricity as I have worked with the power sector for the past 30 years. I owe every duty to advise the power sector on the way to go. With my level of experience and expertise, I must say that the entire effort of the Federal Government will not make any meaning, if we refuse to acknowledge the fact that our Distribution Substations at the moment are major obstacles hindering the stability of the Power station. My point exactly here is that the only interface we have today between the consumer and the DISCO is the distribution Substation, but they are in total state of dilapidation; An Eye-sore.

This is why I took it upon myself to introduce the "Substation enhancement concept" just the way I introduced the Prepayment Concept in 1995. The idea behind this noble Substation Enhancement Concept is to address practically, all the flaws defined in the Distribution Code – an Act that intended to supervise the state of the Distribution Substations. Unfortunately, most of the players are not adhering to this Code, and that is the reason I have

conducted the application of these new Substations Enhancement Concept across a few DisCos for the Nation to see that it is the way to go in order to have a stable and steady power supply as well as to guarantee cost recovery of our investment in the upstream (Generation and Transmission Companies). Kindly refer to My Brochure on the Substation Enhancement Concept. I have some pictures to buttress my points as submitted here

How do you think government can intervene to address power sector challenges in Nigeria?

As a stakeholder, I submit that if we are fearful to declare a state of emergency in our Power Sector, then we should be bold enough to appoint the right person who has the pedigree, the required expertise and is bold enough to take responsibility for his decisions, or resign if he fails on the task; Someone who is given utmost freedom and independence to operate; hire and fire where the situation calls for it, to lead the Power Sector.

Over the years, your company has trained substantial number of young graduates on meter installation and others, how has government tapped into this initiative?

Very well, what we did at that time is that we envisaged the deficiency of manpower in the installation of

electricity meters, which we identified would clearly impede and frustrate the efforts of the Government in sponsoring the deployment of the Meters because despite the fact the Federal Government has intervened in the payment of these meters to be deployed, installing of the meters Properly in each of the consumers' premises is another thing entirely.

This is why my Company undertook this as part of our Corporate Social Responsibility to train some youths across the country on meter installation professionally in order to complement the Federal Government's efforts, and this today has earned us an International recognition.

We are committed to continue doing it because it is a way of taking people from the streets and as the metering gap is still huge, then there is room to accommodate thousands of prospective installers in the power sector. On this note, I will implore the Government to encourage the empowerment of our youths through skill acquisition Programmes, as this is synonymous to Teaching them how to fish rather than giving them fish. As soon as you train a Nigerian citizen on Meter installation or to participate in any power sector deployment exercise which includes so many other trainings, outside meter installation, it means you have given them a means of livelihood which is far better than handing them stipends or leaving them wandering on the streets.

System collapses, estimated billings, power supply deficiency and energy leakages have been the order of the day, how can all of these be addressed?

I have said this over and over again, the incessant system collapse and other identified failures are as a result of lack of adequate infrastructure in the Power Sector and are attributed to human Elements. The most critical aspect of this challenge is that the system is short of competent hands to manage all these policies which were intended to make Nigeria a better place.

How can it be addressed? Appoint competent persons to manage the sector, It's as simple as that.

We learnt that the Federal Government engaged your expertise in the power sector, in which areas, do you apply this expertise?

Well, I am of the opinion that it is recognition of our efforts in the Power sector. We have been and are still involved in the development of Metering Codes. On several occasions, we have offered Practical ideas and concepts which served as road maps to review various acts in the power sector, one of which is Franchising - which I am still very much in its advocacy.

You are the Chairman of the foremost meter manufacturing company in Nigeria, tell us about your company and how it has impacted the power sector.

Thanks for that question.... That singular effort is the one that has defined the Road Map for Manufacturers today. You recall that as of today, MEMMCOL is the only Original Equipment Manufacturer (O.E.M). What this means is that we hold the ACE of DESIGNS of all kinds of Meters, and that is what has led to all the innovations we have incorporated into metering today, like: Dual Tariff, Billing Application, Introduction of Power Enhancement Panel, among others.
I must also say that there are endless possibilities within this industry that are yet untapped from our knowledge as a manufacturing company, because we are not just designed for Meter Manufacturing, we are designed to solve the Energy Crises that has befallen the

downstream level of the power sector value chain.

Give us an overview of the operations of your company?

We metamorphosed from Momas Systems Nigeria Limited to Momas Electricity Meters Manufacturing Company Limited (MEMMCOL). In other words, we started as a service provider to the Power sector, marketing another Company's Brand under our brand name. This is a major transition for us that reflects the development we have brought into the country's Power sector and the Nation at Large - The development of Software Application, a domesticated meter that addresses Peculiarity- Leaving our factory fit to compete and be comparable to other Global O.E.M status standards. This feat alone is more than enough to make a Nation proud. Also, our readiness and willingness to comply with global best practices is evident, as we are ISO Certified.

As the Chairman of the Momas Group, every Director reports to me. The Company's Organogram is structured to accommodate various levels such as administrative staff and Departments such as: The Research and Development (R&D), Production Department, Human Resources Department, among others.

It takes the commitment of these various Departments, working in synergy to actualize the Vision I had created, managed and supervised over the years to put us where we are today.

What are the challenges confronting the operations of MEMMCOL and other indigenous meter manufacturing companies in Nigeria?

Well, there must be continuous Government support in terms of funding and ensuring that we are beneficiaries of CBN's concessionary schemes for the availability of Foreign exchange, in complementing our efforts to outsource Raw Materials Overseas. Similarly, long term plans should be made by the Government to provide alternative means of domesticating these raw materials sought Overseas, to be available locally, so as to discourage the needs of relying on foreign countries and foreign Currencies, to thrive as a Nation. And the only way to achieve the domestication of the raw materials is for the Government to adopt and approve a single specification of the electricity meters rather than the so many meter types we have in the country today. If this is done, it will bring about the desired commercial value to the production of the raw materials, it will give direction to manufacturing and the anticipated growth and technological development of the power sector as well as other sectors will be achieved which in the long run will stimulate economic growth of our Nation.

Also, Government must do more to support Original Equipment Manufacturers (OEM) like us by putting additional incentives in place to encourage our ingenuity which will go a long way to encourage other existing and upcoming players to desire to be OEM manufacturers.

Finally, Government should ensure that all certified OEM manufacturers are recognized by all the relevant Government Agencies and they should be treated specially and rendered accelerated services at all times especially when it concerns their sourcing for foreign exchange (forex) through the official market to procure raw materials, importation, clearing and movement of their raw materials to mention a few.

Where do you see MEMMCOL in the next 10 years?

I see MEMMCOL in 10 years as a global brand, because we are not relenting in our quest to develop our electricity meters be at par with best global standards required by any other country just like any other World Class Meter Manufacturer.

What is your advice to DisCos, as the

arm in the value chain that deal with the customers directly, on best way to revamp the power sector?

1. The DisCos' Board of Directors structure should reflect the composition of ownership between the Private investor and the Government ownership, such that decisions are taken based on merit, competence, objectivity, efficiency and on an output-based template.

2. There should be an alternative of succour for breach of sub-management timeline meeting due to circumstances beyond their control.

3. Technological approaches should be adopted in the process of revenue collection so as to ensure transparency and discipline,

4. It is advised that DisCos should arrange for a third party Agency structure with the required expertise to undertake the management of the infrastructure that services the downstream Level so as to guarantee best services delivery to consumers, which would encourage more revenue. They must also ensure that these revenues generated would be sufficient to pay all service providers within the implementation and management process value chain.

5. The Nigeria Electricity Reform Power Sector is well structured to cater for all these developments, and these reform provisions should be adhered to, with every service provider playing its role.

Lastly, it is important that proper orientation is done for all the staff about the administration and inter- relationship between the company and consumers. With the submissions above, we would have better DisCos and a better Power sector ultimately.

As you grow towards 60, what lessons have life taught you over the years, the gains, the losses, which will teach others to be on the right track?

Life has taught me the possibilities of a seemingly impossible situation, as I have come this far today from a place of total hopelessness as a young child in a country of many resources and abundance.

Life taught me the strength in believing in oneself, the strength in believing that nothing is impossible, and the blessings that come with thinking hard and working hard in expressing your vision which only you can see at its very early stage.

Life also taught me these famous quotes of mine: "There are no two people who are the same;

Discover who you are;

Pick the best of those who have achieved;

Chart your own course;

But your goal must be beneficial to mankind."

Advice to us as a Nation - The love of our country must supersede any other interest. The dedication and drive to make an impact that will transform the coming generations should be the focal points of our individual sacrifices.

We must reduce sentiments as much as possible and play down on the politics of ownership while we encourage the politics of development. These are my advice to citizens of our dear Nation as we do not have any other place to call home but here - Nigeria, so that we do not become a wasted generation; and so our race does not go into extinction.

What is your advice to young engineers that may want to tread the path you chose?

Engineering is the foundation of Nation Building hence Engineers should believe in themselves. They should take engineering practice beyond the class exercise, they should be innovative, they should always think outside the box.

However, these Innovations should address certain peculiarities or challenges within the primary and secondary Geographical environment they find themselves. It is in the bid to provide those solutions that you become a unique individual in your line of thoughts as an engineer, not by embracing the theories of the books and classroom.

Remember, the book is only there to guide you, but you must be innovative as an Engineer.

Thank you sir.

'INDIGENOUS COMPANIES HAVE CAPACITY, TECHNOLOGY TO SOLVE NIGERIA'S POWER WOES'

Old power sub-station

By Adetayo Adegbemle

Nigeria's obsession for anything foreign has kept its power sector in doldrums over the years. When other countries of the world including the developed economies are busy promoting, encouraging and selling the products of their home-grown companies to the world, Nigeria is busy killing local innovations, technologies and companies by preferring substandard equipment and products labeled anything outside Africa.

It is no more news that Nigeria is in dire straits when it comes to power supplies, with poor regulatory environment, a fairly better Generation Companies (GenCos), a Transmission Company (Transco) that is in strait jacket, and Distribution Companies (DisCos) that have consumed all excuses available in the trick books to keep up with their overall poor service delivery.

The buck passing has continued endlessly with GenCos, TransCo and DisCos blaming one another over the very poor performance of the sector. Until recently, managers of the power sector don't believe that made in Nigeria prepaid meters can work let alone being durable.

Currently, Nigeria's premier meter manufacturing company - Momas Electric Meter Manufacturing Company (MEMMCOL) – came up with an innovative technology called "Substation Power Enhancement Panel (SPEP)." The technology gives stability to power substations but instead of the government embracing this technology wholly and see how it lifts up the drowning power sector, only very few DisCos have chosen to adopt it and are testifying to its marvelous benefits.

MEMMCOL's innovative engineering and durable equipment which meet international standards globally should be encouraged by the government for internal usage and for mass production for export to other African countries. That is how to lay foundation for industrialization, sustainable job creation and technological development yearned for globally.

Nigeria's power sector is gravely sick and on the verge of collapse despite having qualified doctors that can heal and put it on the part of sustainable wellbeing. But Nigeria living out the biblical saying that "Prophets are not honoured in their own lands," is busy wasting foreign exchange, value and job creation in purchase of substandard equipment produced abroad to the disadvantage of equipment produced in-country.

This year alone, as at September, there has been seven National Grid Collapses, with poor gas supply to GenCos and inability of DisCos to evacuate power from the grid, resulting in unstably high and/or low frequencies.

There is also no shortage of commentaries from every quarter in Nigeria. In fact, every Nigerian is now an advocate of sort when the discussions get to the power sector.

One of the recent of such wave-making narratives is a comment attributed to the Chairman of the Nigeria Electricity Regulatory Commission (NERC), where he was wrongly quoted to have said Nigerians should expect round the clock power supplies from July 1st, 2022.

What the Chairman, in fact, said was that contracts/arrangements were being put in place to a phased generation, evacuation and distribution of 5,000 megawatts (MW) and if any of the contractors doesn't meet up, he gets sanctioned.

Where this gets interesting, however, is that from all vesting interests in this value chain, the only established weak point remains the power distribution companies. Ask me how?

The entry point in this chain, the Gas Producers, with their capacity, do not have any issue with supplying gas for Nigeria to generate power.

GenCos, with continued ramped up capacity, are presently at an installed capacity of close to 20,000MW. With different hydropower plants and thermal plants at different stages of onboarding to the National Grid, there has been visible investment in power generation.

In a presentation made on behalf of the General Manager, Transmission Company of Nigeria, at the First Abuja Power Sector Conference and Exhibition, last year, it was

MEMMCOL Substation Power Enhancement Panel

stated that so many projects under the Transmission subsector are at different stages of completion and commissioning as well.

However, the same cannot be said of the Electricity Distribution subsector.

Keen observers and followers of the power sector are likely to be wondering if lack of capacity is our problem. This is far from the truth.

Many engineering organizations in Nigeria has exhibited their readiness, and introduced cutting edge technologies, to help in our search for solution.

One of such organizations, Momas Electric Meter Manufacturing Company (MEMMCOL), sometimes in 2019, debuted and piloted what is known as Substation Power Enhancement Panel (SPEP).

SPEP, as it is called in short, is "designed to meet the standardization, miniaturization, and outdoor requirements of small capacity low voltage distribution equipment."

According to the Company, the SPEP integrates distribution, metering, protection, gprs - remote controlled switching on/off, and capacitor reactive compensation, complete and full functions (short circuit, overload, phase loss, over-voltage, under-voltage, residual current, overcurrent, neutral line disconnection of power supply and lightning protection).

Other features of this SPEP include Wireless Dual Tariff Metering, ability to take power feed from both grid and off grid Power supplies, among others.

The organization has gone ahead to pilot SPEP in 4 of the electricity distribution companies for FREE. The four Distribution Companies are Kaduna Electric, Ibadan Electricity Distribution Company, Eko Electricity Distribution PLC, and Abuja Electricity Distribution Company.

Out of these four, only Ibadan Electricity Distribution Company has gone ahead to do some level of acceptance and awarded substation enhancement within the Ibadan Metropolis.

This brings us to the main question. Is our continued inability in Nigeria to solve the power sector challenges a capacity challenge, or just our sheer wickedness to ourselves?

How many more of these innovative local solutions have we discountenanced for imported technologies?

This also brings me to a presentation I made to the Ogun State chapter of the Nigerian Society of Engineers on the Entrepreneurship opportunities that our present predicament in the power sector offers, using the Metering of Consumers as example.

The Government was advised to use the National Mass Metering Programme to encourage local manufacturing capacity by patronizing indigenous manufacturers that are willing to innovate based on local engineering capacity.

Industrialized nations have been observed to encourage local manufacturing capacities to their advantage. German Industries are kept alive with their governments actively patronizing their local companies, and promoting them internationally.

The ongoing case of the Siemens deal is an example. The German Government offered to loan Nigeria money for the power sector, if we are willing to patronize German company, Siemens.

Nothing is wrong if the Nigerian Government can encourage Nigerian Companies like Momas, especially with their displayed capacity in Engineering. This will also encourage similar companies to be able to innovate to solve the myriad of problems that face us in Nigeria.

This is also an appeal to the Chairman of Nigeria Electricity Regulatory Commission, Engr. Sanusi Garba, to include local Engineering Companies like Momas in the Distribution Network Enhancement. The innovative Substation Power Enhancement Panel can only get better from here.

The Central Bank of Nigeria, with its many interventions in the power sector, is also called to give organizations like Momas opportunity to grow. It will only further help our nation's economy, lessening the demands for Foreign Exchange. We can even export to other African countries and the world indeed.

I only imagine the kind of growth our engineering subsector if the funds given to Siemens is channeled into our local manufacturing capacity.

Adetayo Adegbemle is a public opinion commentator/analyst, researcher, and the convener of PowerUpNigeria, an Electric Power Consumer Right Advocacy Group, based in Lagos. (Twitter: @gbemle, @PowerUpNg).

SIX YEARS OF RAISING THE BAR IN LOCAL CONTENT DEVELOPMENT – WABOTE

By Emeka Ugwuanyi

"We are happy that we have lived up to the Board's vision...and we look forward to closer collaboration with industry stakeholders to deepen local content in our economy," says Simbi Kesiye Wabote, the Executive Secretary/CEO, Nigerian Content Development and Monitoring Board (NCDMB).

Six years ago, I was appointed Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB) by President Muhammadu Buhari, resuming full duties at the NCDMB's Headquarters in Yenagoa, Bayelsa State, eight weeks later with a determination to work hard with colleagues to take this critical federal government agency many notches higher.

But I must admit I also took up the job with a measure of trepidation. The new role in the public service seemed like a journey into uncharted territory because I had spent the previous 26 years at Shell Petroleum Development Company (SPDC) Limited working in different capacities, both locally and internationally. So, while I was quite familiar with the industry and the vital place of NCDMB in it, the public sector was a new experience.

It didn't help that my appointment came at a challenging period for the oil and gas industry which was going through one of its cyclical crashes of crude oil prices, reduced activities, and difficulties in funding new projects.

NCDMB's core mandate is holistic and multi-dimensional, with 16 components. Among other responsibilities, the agency is empowered to "make procedures, issue guidelines and set minimum local content level for projects and operations in the oil and industry"; carry out targeted capacity building interventions to fill identified human and infrastructure gaps in the Nigeria oil and gas industry and "collect and manage the Nigerian Content Development fund for the growth and advancement of indigenous capability in the oil and gas industry". The mandate of the agency, in summary, is to ensure that Nigeria can salvage substantial and sustainable value from the oil and gas industry at a time that the world is transiting from fossil fuels to cleaner renewable energy sources.

Happily, the journey has produced many positive fruits for the sector and the nation. Six years on, I can say with confidence that, despite the many challenges involved in navigating a system very different from the one in which I spent most of my working life, the organization, thanks to hardworking staff, cooperative local and international partners, and supportive bosses, has delivered in many important respects. As a result of our efforts, the depth and breadth of the Nigerian footprint in the oil and gas sector has deepened significantly. By boosting the manpower and technological capacity of Nigerians and Nigerian-owned businesses in the sector, we are helping to change the story of Nigeria's oil and gas sector from well-known negatives to self-reliance and progress.

Simbi Kesiye Wabote (middle) visit to Aker Solutions Subsea Learning Centre in Bayelsa

My immediate priority upon taking office was to lead NCDMB in discovering new opportunities in the challenging circumstances, identify what could be done differently to break new grounds within the context of the organisation's mandate. Fortunately, we had a strong foundation to build on. My predecessors deserve credit for building an institution that had performed creditably and earned the respect of the oil and gas industry as an effective regulator of local content in the industry and a model in Africa. But like most agencies of government, the organisation had become blunted and needed a new direction.

According to iconic painter Pablo Picasso, "Our goals can only be reached through the vehicle of a plan in which we must fervently believe and upon which we must vigorously act. There is no other route to success." With this focus in mind, one of my first assignments was to work with the staff of the Board and external consultants to develop the Nigerian Content 10-Year Strategic Roadmap to serve as the anchor and beacon for the Board under my watch. The Roadmap includes a baseline of local content accomplishments in the first six years of existence, measurable targets for the next 10 years and pathways to drive implementation going forward.

It has five pillars and four enablers. We mapped long, medium, and short-term activities and timelines for each pillar and enabler and pursued the implementation with dedication and vigour.

Based on the clearly defined milestones and deliverables contained in the Roadmap, we have made significant progress. Six years down the line, most stakeholders of the oil and gas industry and beyond have good reason to laud us for surpassing expectations. The latest accolade came a few weeks ago when NCDMB was adjudged the best among all Ministries, Departments and Agencies in the country in the latest Executive Order (EO1) performance ranking for Ease of Doing Business from January to June 2022 – a report compiled by the Presidential Enabling Business Environment Council (PEBEC), under the office of the Vice President. This honour is a good index of the progress we have made and the recognition that this has attracted.

But perhaps our biggest accomplishment is changing the mindset of the stakeholders we engage with during our operations and instilling faith in local content and local capabilities. We successfully got Nigerian entrepreneurs to dream bigger dreams, think big and make huge investments in the industry, acquiring assets, establishing facilities, and delivering work that no one ever believed were possible in Africa. One of such companies is Temile Development Company which in May this year signed agreement with Hyundai Mipo Dockyard (HMD) for the construction of a new 23,000 cubic meters Liquefied Petroleum Gas Carrier Vessel. The indigenous company also signed a separate agreement with Nigerian LNG Shipping and Maritime Limited (NSML) – an integrated maritime services subsidiary of Nigeria LNG Limited for the construction supervision of the vessel.

Job creation is an area in which we have also made substantial and measurable impact. Recently, we took stock of our efforts and we noted with delight that the implementation of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act over the past six years has enabled the creation of over new 50,000 jobs in the local economy. This included those that work directly in the operating and service companies and those employed in logistics, medical, and multiple layers of support services. The positive impact of this is felt in many individual lives as well as families and communities.

As a result of our efforts, alongside various partners, more than $8 billion out of the $20 billion annual oil industry budget – 47 per cent – is now spent in-country, within Nigeria. This is a significant improvement from 2010 when less than five per cent was retained in-country, and 26 per cent in 2016 when I resumed office. Such massive expenditure not only galvanizes the local economy but contributes to the country's gross domestic product. This is a major achievement considering that the local industry suffered capital flight of about US$380 billion and the loss of approximately two million jobs in the first 50 years of oil and gas operations in Nigeria.

The phenomenal growth of local content has only been possible because, in line with our mandate, we are enforcing domiciliation and domestication of industry operations and development of critical capacities and assets by local oil and gas service companies. This has resulted in the growth of Nigerian Content level from five percent in 2010 to 26 per cent in 2016 and to 47 per cent presently.

NCDMB has achieved many other notable and impactful milestones which space cannot permit us to capture here. But these are few of the landmark achievements we have recorded over the past six years:

1. Enabling 50% Domiciliation of $12bn NLNG Train 7 Project

We worked closely with the Nigeria LNG Limited to domicile 50 per cent of the $12 billion LNG Train 7 Project in-country. More than half of the project scope is being executed in the country by Nigerian vendors and is expected to create 12,000 jobs directly and indirectly and engender peace in the Niger Delta region. We facilitated the project by granting all necessary approvals within a record time of 15 months and saved the economy $2 billion on the Engineering, Procurement, and Construction (EPC) through the insistence on Local Content for the project.

2. Introduction of Service Level Agreements (SLAs)

As part our efforts to enable the business environment, we introduced the Service Level Agreements (SLAs) between the Board and critical oil and gas operating companies. This initiative not only shortened the protracted tendering cycle in the Oil and Gas Industry from 36 months to nine months, it also enhanced broad compliance with the requirements of the NOGICD Act, leading to significant reduction in the unit cost of oil production in Nigeria.

Wabote visit to Brentex Facility in Calabar

3. Creation of US$500m Intervention Fund

To address the challenge of funds in the industry, we created a US$350 million Nigerian Content Intervention Fund (NCIF) managed by the Bank of Industry and NEXIM Bank, to provide affordable credit for Nigerian oil and gas service companies and community contractors, with single digit interest rate. This contributed greatly in addressing the challenge of affordable capital which hampers the growth of many indigenous service providers. Nearly sixty oil and gas companies have accessed credit from the Fund and they deployed it to grow capacity and employ more Nigerians. To catalyse manufacturing, we launched a US$50 million fund for NOGAPS Manufacturing Product Line, dedicated to companies that would operate in the Nigerian Oil and Gas Parks established by the Board and engage in the manufacturing of equipment and components used in the oil and gas industry and linkage sectors.

In further utilization of our fund scheme, we endowed $50 million Nigerian Content Research and Development Fund to support research findings that have practical utilisation and capability of being commercialised and applied to solve teething problems in the economy. We also championed the establishment of Research and Development (R&D) Centres of Excellence in five universities across the country, namely Federal Universities of Technology, Owerri, Minna and Akure; Niger Delta University, Amassoma Yenagoa; and Modibbo Adama University of Technology, Yola.

To support the women folk in the oil and gas industry, we partnered with the Nigerian Export-Import (NEXIM) Bank to introduce US$40 million Women in Oil and Gas Intervention Fund, to benefit oil and gas firms where women hold majority shares or manage the firms. We also introduced a US$30 million Working Capital Fund for oil and gas service companies to support the operations of oil companies against the adverse effects of the COVID-19 pandemic, loss of contracts due to low oil price and ensure the companies retain their personnel in employment.

4. Modular Refinery Initiative

One of our standout achievements is in the investment and partnership towards the completion of Waltermith's 5000 barrels per day (bpd) modular refinery in Imo State. We made other investments in modular refineries: Azikel Group12,000 bpd hydro-skimming modular refinery in Polaku, Bayelsa State; Atlantic International Refinery's 2000 barrels plant in Brass, Bayelsa State; and Duport Midstream's 2,500bpd modular refinery in Edo State. These practical steps created over 3000 jobs in the refining value chain and ensured value addition to Nigeria's crude oil. It also grew our domestic refining capacity, created jobs in-country and curbed pipeline vandalism.

5. Construction of Oil & Gas Parks Scheme

The development of two Oil and Gas Parks in Bayelsa and Cross River States is one

Wabote at the North East intervention programme

of the Board's legacy achievements. The projects are designed to spur the manufacturing of critical oil and gas equipment, tools, and spare parts in Nigeria. The parks are due for completion in Q1 2023 and would create over 2000 jobs each. We also commenced construction of Oil and Gas Parks in Onna, Akwa Ibom State and in Ilaje, Ondo State.

6. Introduction of Project 100 Initiative

We introduced Project 100 Initiative which identified 100 oil and gas start-ups and deployed special institutional interventions for their incubation, maturation, and growth into world class service companies. These special interventions for Project 100 companies include access to capacity building, funding, and access to market.

7. Upgrade of Vocational Colleges, Equipping of ICT Centres

Recently we donated the ultra-modern University of Ibadan Vocational School and renovated and equipped the Government Technical College Abak, Akwa Ibom and Technical College Amoli, Awgu Local Government Area, Enugu State as part of our strategies to develop critical manpower needed to support various sectors of the economy. We also donated over 35 ICT centres and science labouratories to secondary schools across the country to enhance the quality of Information, Communication Technology (ICT) and Science, Technology, Engineering and Mathematics (STEM) education.

8. Development of Gas based projects

One of the effective strategies we devised in our quest to increase Nigerian Content was to enter direct partnership with investors to catalyse critical projects in the oil and gas industry. Our major focus lately has been in the gas value-chain, in line with President Muhammadu Buhari's declaration of the year 2021 – 2030 as Nigeria's Decade of Gas. In the regard, we partnered with investors to set up LPG Composite cylinders, gas Processing Plant, Gas Gathering hub, LPG Storage and Loading Terminal Facilities. We are also partnering with investors to establish gas processing plants, Inland LPG terminal and Smart Gas/Smoke Detector Alarm devices and a Base Oil Production plant.

9. Construction and commissioning of NCDMB 17-Storey Headquarters with 1000-seater conference auditorium and multi-level car park in Yenagoa, Bayelsa State

The project was executed in five years, using an indigenous contractor, and was commissioned by President MuhammaduBuhari in August 2020. We partnered with Eni Companies in Nigeria to construct a 10 megawatts (MW) gas-fired power plant to provide electricity to the facility. The power plant currently supplies electricity to the Nigerian Content Tower and key offices of the Bayelsa State Government and will also supply power to the Nigerian Oil and Gas Industrial Park in Emeyal, Bayelsa State.

Overall, across Africa, we have positioned NCDMB as the preeminent regulator of local content and a great model to sister African nations, embodying Nigeria's position as the leading oil and gas producer in the continent.

We recorded these accomplishments thanks to the wholesome support of the Minister of State for Petroleum, Chief Timipre Sylva, who serves as the chairman of the Board's Governing Council and the overarching leadership of the President.

As the clamour for energy transition and migration to renewable energy sources increases in the developed world, NCDMB has prepared strategically by investing in several gas-themed projects. This is in line with the Federal Government's position that gas will be Nigeria's transition fuel. This informed our investments in gas projects, even though we are resolute in our belief that oil will remain a dominant force in the years to come because the new energy forms lack the characteristics to displace fossil fuels completely, rather they would only become part of the existing energy mix.

We are happy that we have lived up to the Board's vision, which is to be the catalyst for the industrialization of the Nigerian Oil and Gas Industry and its linkage sectors, and we look forward to closer collaboration with industry stakeholders to deepen local content in our economy.

As we move into NCDMB's 13th year of existence and the 7th year of its present management, I have distilled some lessons from my personal reflections on my tenure so far. One of them is that it takes a "village" of team members and partners to nurture the ideas and achieve the milestones we have within the period under reference. I'm grateful to my colleagues at different levels for their contributions. The second lesson is that public service rules have positive aspects, including clear timelines which are often ignored; with the right mindset and structures, they can become an asset rather than obstacles on the path of execution. Finally, like any other worthy cause, the ongoing transformation of NCDMB and the significant positive outcomes achieved have involved huge personal sacrifices for many of us in terms of less family time, travel and many hours working on projects, long after the official hours. It has taken a toll on my golf too. But given what we have been able to achieve and the positive prospects of achieving even more, it has been more than worth it.

SHELL PLC: WAEL SAWAN REPLACES BEN VAN BEURDEN AS CEO

Wael Sawan

By Emeka Ugwuanyi

Ben van Beurden will step down as Chief Executive Officer (CEO) of the global energy giant, Shell Plc, at the end of 2022, and that his successor will be Wael Sawan.

Wael's appointment is effective January 1, 2023, when he will also join Shell's Board of Directors. Ben van Beurden will continue working as adviser to the Board until June 30, 2023, after which he will leave the group, Shell said in a statement today.

Speaking on the change of guard, Shell's Chair, Sir Andrew Mackenzie said: "Wael Sawan is an exceptional leader, with all the qualities needed to drive Shell safely and profitably through its next phase of transition and growth. His track record of commercial, operational and transformational success reflects not only his broad, deep experience and understanding of Shell and the energy sector, but also his strategic clarity. He combines these qualities with a passion for people, which enables him to get the best from those around him. The outcome of the Board's managed succession process resulted both in the appointment of an outstanding CEO and proved the strength and depth of Shell's leadership talent. I look forward to working with Wael as we accelerate the delivery of our strategy."

Wael Sawan said: "It's been a privilege to work alongside Ben and I'm honoured to take over the leadership of this great company from him. I'm looking forward to channelling the pioneering spirit and passion of our incredible people to rise to the immense challenges, and grasp the opportunities presented by the energy transition. We will be disciplined and value focused, as we work with our customers and partners to deliver the reliable, affordable and cleaner energy the world needs."

Commenting on Ben van Beurden, Sir Andrew said: "Ben can look back with great pride on an extraordinary 39-year Shell career, culminating in nine years as an exceptional CEO. During the last decade, he has been in the vanguard for the transition of Shell to a net-zero emissions energy business by 2050 and has become a leading industry voice on some of the most important issues affecting society.

"He leaves a financially strong and profitable company with a robust balance sheet, very strong cash generation capability and a compelling set of options for growth. These were all enabled by bold moves he has led, including the 2016 acquisition of BG and the transformational $30 billion divestment of non-core assets that followed. He took firm, decisive action to marshal the company through the global pandemic, seizing the opportunity for a major reset to ensure we emerged fitter, stronger and equipped to succeed in the energy transition. Powering Progress, Shell's detailed strategy to accelerate our profitable transition to a net-zero emissions energy business by 2050, was unveiled in February 2021 and was quickly followed by moves to simplify both our organisational and share structures.
Ben's legacy will frame Shell's success for decades to come."

Ben van Beurden said: "It has been a privilege and an honour to have served Shell for nearly four decades and to lead the company for the past nine years. In my journey from LNG design engineer to CEO, I have been fortunate to work alongside so many talented people from diverse backgrounds – all committed to the company's goal of providing the world with the essential commodities of modern life. I am very proud of what we have achieved together. I have great confidence in Wael as my successor. He is a smart, principled and dynamic leader, who I know will continue to serve Shell with conviction and dedication. I wish him and his family all the best for the journey ahead."

About Wael Sawan

Wael is currently the Director Integrated Gas, Renewables and Energy Solutions, and was previously the Director Upstream. He is based in The Hague and has been a member of Shell's Executive Committee (EC) for three years. Prior to joining EC, he was the Executive Vice President Deepwater and a member of the Upstream Leadership Team, and Executive Vice President Qatar and a member of the Integrated Gas Leadership Team. He has worked in Europe, Africa, Asia and the Americas during his 25-year Shell career, and has also held roles in Downstream Retail, and in various commercial and New Business Development projects.

Wael was born in Beirut, Lebanon in 1974, and is a dual Lebanese-Canadian national. He grew up in Dubai and holds a Master's degree in Chemical Engineering from McGill University in Montreal and an MBA from Harvard Business School. He is married to Nicole and they have three sons.

Meanwhile, Shell Plc said the appointment is subject to approval by the Dutch Authority for the Financial Markets (AFM). This condition relates to Shell Asset Management Company B.V. (SAMCo), a subsidiary of Shell plc and the in-house asset manager for a number of pension funds; captive insurance companies; and a charity foundation, all related to the Shell Group. SAMCo is licensed and supervised by the AFM and, consequently, the prospective appointment of an executive director of Shell plc requires the AFM's approval.

HOW OPTS POSITIVELY IMPACTS NIGERIA'S ECONOMY, BY KENNEDY

By Emeka Ugwuanyi

The Chairman of Oil Producers Trade Section (OPTS), a sub-group of the Lagos Chamber of Commerce and Industry (LCCI), Mr. Rick Kennedy, has highlighted the positive contributions the group has made over the years to the growth of Nigeria's economy.

Kennedy, who is also the Chairman and Managing Director of Chevron Nigeria Limited, in his welcome address at the 60th anniversary celebration of the group in Lagos, said the OPTS has gone through thick and thin with Nigeria and has been the goose that lays the golden eggs for country in the past decades through oil and gas production, payment of taxes, royalties and other levies, and empowerment of local contractors, among others.

He said: "As Nigeria's needs have grown over time, so has the oil and gas industry, which has consistently responded positively. OPTS members have demonstrated resilience and commitment in the face of economic, security, environmental, and funding challenges. We have continued to make significant contributions to Nigeria's development. As a group, OPTS member companies account for about 90 per cent of Nigeria oil production and contributes significantly to the domestic and export gas production and supply.

"Over the last decade, OPTS member companies accounted for 40-60 per cent of government revenue and 85-95 per cent of export earnings. OPTS member companies are also proud to have paid tens of billions of dollars in taxes, levies, royalties, rents, and licence fees to the Nigerian government.

"Through direct and indirect employment of people, local contractors, and service providers, OPTS member companies have continued to provide significant livelihood to Nigerians. Our members have continued to invest in individual and group skill development to support exploration and production activities and strengthen the supply chain. This is in addition to a strong social investment programme that spans Nigeria, with a focus on our host communities."

Kennedy noted that despite the challenges confronting the industry, there are opportunities for improvement and growth. That is what we see in OPTS. Working with the governments at all levels, we have the responsibility and the commitment as a group to get the right policies for our people and for the country.

Mr. Rick Kennedy

He explained that OPTS has evolved over the years having begun modestly in 1962 with only three founding member companies (Chevron, ExxonMobil & Shell), and Mr. D. Fleming of then Shell BP as Chairman. He noted that the group was formed in response to the burgeoning oil and gas sector following the discovery of oil six years earlier in 1956.

The history of OPTS is thus the story of Nigerian oil and gas exploration and production, he stated, adding that over the last 60 years, "we have evolved as a group and have become partners with Nigeria in the development of a sector that is key to the nation's economic growth.

"OPTS has evolved from an organization initially dominated by international oil companies (IOCs) to an all-inclusive 29-member group, out of which 21 are indigenous and homegrown.

"Our strength is not solely numerical. OPTS is also a credible voice in Nigeria's upstream oil and gas industry. We use this voice responsibly to strengthen the long-term health of the industry, thus the Nigerian economy. Our long-term success has resulted from our partnership and collaboration with companies from across the industry, the government, and other stakeholders to address critical and common industry issues.

"Among other things, we are guided by the following principles: Observance of laws and regulations, Integrity in business, Health, safety, and the environment are all important considerations, and Social accountability.

"These principles explain why OPTS, as a group of responsible businesses that adhere to antitrust laws, does not share, discuss, or trade competitive information among its member companies."

Meanwhile, in his vote of thanks, the Executive Director, OPTS, Mr. Bunmi Toyobo, thanked all prominent guests that made time out to be present at the event and particularly the Vice President, Prof Yemi Osinbajo, SAN.

Toyobo said: "As part of a team that has helped run an organization that dates back to 1962, today's occasion is a great source of pride and joy, not just to the present crop of professionals at the Secretariat, but to everyone that has been part of this organization for the past 60 years.

"As we mark this anniversary, we are grateful to so many people and firms who have made this remarkable journey of OPTS possible- from the three initial founding members of the Section in 1962, to the past Chairmen, Executive Committee members, Executive Directors of the OPTS, past Staff of the Secretariat and everyone who has contributed to what OPTS has become today in the Nigerian Oil and Gas industry.

"To all the 29 member-firms of the OPTS today, I say thank you all for your total support for the group and your unwavering commitment to the achievement of our objectives as a group under the Lagos Chamber of Commerce and Industry.

"This celebration is to demonstrate our abiding faith in Nigeria as a group and belief in the boundless growth potentials of our country, given the enabling environment.

"Thank you for celebrating this historic occasion with us."

SNEPCO HARPS ON SAFETY AHEAD OF BONGA TURNAROUND MAINTENANCE

•PROVIDES FREE MEDICAL EYE CARE TO 2000 LAGOSIANS

By Emeka Ugwuanyi

Nigeria's premier deep-water oil and gas exploration and production company, Shell Nigeria Exploration, and production Company Limited (SNEPCo), says the scheduled turnaround maintenance of its offshore Bonga asset would be defined by safety as top priority.

SNEPCo's Managing Director, Elohor Aiboni, gave this charge recently at a session with the chief executive officers of contractor companies participating in the Bonga TAM scheduled for October.

"The Bonga TAM is important to revitalise this important critical national asset. But more important is carrying out the turnaround safely. That is what keeps me awake at night. It is our top priority as a company and we promote this by encouraging our staff and contractors to speak up and work only if it is safe," Aiboni said.

She challenged the CEOs to embrace the culture of encouraging their staff to speak up and stop work if safety is being compromised. "It is the only way your organisations can thrive as they work to ensure the safe delivery of services for Bonga's rebirth."

SNEPCo's Senior Asset Management Integration Lead, Jonathan Amakiri, described the session with the senior executives of the industry service companies as a deliberate strategy by SNEPCo to ensure alignment on safety, speed of execution, compliance, and excellence.

"It is important that we share learnings and demonstrate commitment to addressing the relevant health, safety and environment issues to keep our people safe and motivated," said Amakiri.

Responding to the SNEPCo charge, District Service Manager, Solar Turbines Services Nigeria Limited, Marcus Flynn, pledged the support and commitment of the CEOs to safe delivery of the TAM noting that the contractors would make safety a habit. "We will continue to make safety a way of life. That is the least we owe SNEPCo and ourselves."

SNEPCo pioneered Nigeria's deep-water oil and gas production at Bonga, a project that increased Nigeria's oil capacity by 10% when it began producing in 2005. Bonga is located 120km offshore and lies in water more than 1,000 metres deep across an area of 60 square kilometres. It has the capacity to produce more than 200,000 barrels of oil a day and 150 million standard cubic feet of gas a day.

Meanwhile no fewer than 2000 people benefitted from the just-concluded one-week Vision First initiative held in Lagos by SNEPCo in partnership with the Nigerian National Petroleum Corporation Limited (NNPC).

The initiative is a focused eye care programme aimed at providing free medical eye care to underprivileged people to help eliminate preventable and treatable blindness among Nigerians.

"This is just one of the ways to show care to people and help advance medical care among vulnerable Nigerians with little or no means to access quality medical eyecare," SNEPCo Managing Director, Aiboni said about the programme.

Aiboni, who was represented at the opening and closing events for the medical outreach by SNEPCo's Business Opportunity Manager, Ibiyemi Asaolu, described the large turnout of people for the free eye care as a pointer to the huge number of Nigerians battling with preventable blindness and who, with little help from public spirited individuals and corporations could regain their vision.

The Lagos State Commissioner for Health, Prof. Akin Abayomi, who was represented at the outreach by the Director for Administrative Training, Ministry of Health, Dr Olufunmilayo Shokunbi, described the programme as critical intervention, asking other corporate organisations to follow in the footstep of NNPC and SNEPCo to support the health ambition of the state.

The Vision First Initiative according the SNEPCo's Regional Community Health Manager, Dr Akin Fajola, was launched in 2019 and has since taking medical eyecare to various parts of the country as part of the social investment portfolio of SNEPCo and its partners.

NNPCL ACQUIRES OVH ENERGY'S DOWNSTREAM ASSETS WITH MILLIONS OF DOLLARS

By Emeka Ugwuanyi

The Nigerian National Petroleum Company Limited (NNPCL) has acquired all 380 Oando retail outlets, aviation and gas brands nationwide from OVH Energy.

Speaking at the unveiling of one of the new NNPC Limited stations formerly Oando in Abuja on Saturday, the Group Chief Executive Officer NNPC Limited, Mallam Mele Kyari, said: "The acquisition will bring over 380 additional filling stations under NNPC Retail brand in Nigeria and Togo, on our journey to attaining 1,500 stations. We will be the largest petroleum product retail network in Africa."

Kyari also noted that the acquisition was to strengthen the downstream business portfolio to enhance profitability and guarantee National Energy Security.

"NNPC has under an Accelerated Network Expansion (ANEX) Initiative completed the acquisition of OVH downstream assets including reception jetty (ASPM) with 240,000 metric tons monthly capacity, eight Liquefied Petroleum Gas (LPG) plants, three lubes blending plants, three aviation depots, and 12 warehouses," he said.

He commended the board for the acquisition just as he lauded President Muhammadu Buhari who is also the Minister of

Kyari

Petroleum for laying the foundation for improving energy access.

"It is absolutely not about assets, we are building relationships. At this moment, we are the largest downstream company in Nigeria and by this merger, we are also likely going to be the largest downstream company in Africa."

He also assured the 200 million shareholders and Nigerians that the firm will prudently manage the business noting that, "We will make money for NNPC because this is a very profitable business."

Chairman of the NNPC Ltd Board, Sen. Margery Chuba-Okadigbo, lauded the acquisition deal, saying, "NNPC retail station is now in Togo and we are on our journey to attain 1,500 retail stations. OVH, you have given us so much and we promise that we will look after the investments."

The Managing Director and CEO of OVH Energy, Huub Stokman, said the acquisition comes at a time when NNPC Limited was accelerating energy transition in line with the Petroleum Industry Act 2021 (PIA).

He said: "With a combined entity, NNPC is well positioned to take the opportunities in a way that it will positively impact the Nigerian oil and gas downstream sector. As a company, OVH Energy always focuses on delivering value to customers.

"With this acquisition as a combined entity, we will get innovative offerings and infrastructure to transform the downstream energy sector not just in Nigeria but also in West Africa.

"The outlets would be rebranded NNPC and a full integration is expected by the end of 2023."

NNPC, which became a commercial entity in July, already owns more than 500 fuel stations across Nigeria and said it would be ready for an initial public offering by mid next year.

SHELL'S BONGA BEST IN CLASS –NAPIMS

By Emeka Ugwuanyi

The National Petroleum Investment Management Services (NAPIMS) has described the deep-water operations of Shell Nigeria Exploration and Production Company Limited (SNEPCo) as best in class.

The Group General Manager of NAPIMS, the investment arm of the Nigerian National Petroleum Corporation Limited (NNPC), Mr. Bala Wunti, gave this commendation when he led his leadership team on an inspection of the SNEPCo-operated Bonga Floating, Production, Storage and Offloading (FPSO) vessel.

"One of the best companies on planet earth is called Shell," Wunti said, adding that NAPIMS would support the enhancement of accommodation provision for SNEPCo's offshore personnel to reduce the time for the planned Turn Around Maintenance of the 225,000 barrels per day capacity vessel. This, he said, would reduce the production shutdown period.

Wunti observed that "across the industry in Nigeria, there is a challenge of persons on board on FPSOs which impacts speed of execution."

According to Wunti, there was a commendable alignment between Bonga operations and NNPC's key values of safety, speed of execution, compliance and excellence. "Since there is alignment on these values, it should be easy at the leadership level to align quickly on the 'What' and 'Why' even if there may be differences of opinion on the 'How'."

He encouraged SNEPCo to remain open to technical suggestions from NNPC for greater collaboration and improved performance. "When these suggestions come, SNEPCo should take it, test it and if it doesn't work, thrash it afterwards."

Impressed with the very low flare in Bonga operations, Wunti advised further improvement in operations to achieve zero flare, noting that NNPC placed top priority on ISO certification, equipment inspections, disciplined execution and cost excellence.

BOOSTING GAS SUPPLY TO IMPROVE POWER GENERATION

As the world gravitates towards clean energy, the importance of gas in the Nigerian economy cannot be overemphasized as gas is a potent source of electricity generation that will sustain the much-needed power for national development. Therefore, there is need to improve gas supply to improve power generation in Nigeria.

The challenges of Nigeria's power sector are well documented. Despite significant government investments, power generation, transmission and distribution are still sub-par, leading to inadequate supply. The unstable power supply in the country affects economic growth and development. It has stifled economic activities, including private investments and job creation.

Between February and July 2022, the national electricity grid, which is managed by the Transmission Company of Nigeria (TCN), recorded four total collapses and one partial collapse, most of which occurred on 20 July.

Nigeria has an unenviable history of grid collapses, which is often due to insufficient gas supply to the thermal power generation plants, combined with weakened transmission and distribution infrastructures.

When the country experienced a nationwide power outage in March 2022, President Muhammadu Buhari was reported to have apologised to Nigerians and attributed it to disruption in gas supply to some of the country's thermal power plants.

Gas is a major feedstock for electricity generation in Nigeria. About 80 per cent of Nigeria's grid electricity is generated from gas-fired thermal power plants. Gas is preferred as a source of energy because of its efficiency in energy generation, relatively low per unit cost and low carbon emissions.

Nigeria, despite being a major global producer of gas and endowed with one of the largest gas reserves in the world, has struggled to deliver sufficient gas to the domestic market amid growing demand.

According to a recent Stears Business report on "Why is Nigeria's National Grid Always Collapsing?", 16 June 2022), Nigeria currently needs about 50 billion cubic metres (bcm) of gas, which includes 25bcm for thermal electricity generation. Currently Nigeria only produces 14 bcm, out of which 50 per cent (7 bcm) is allocated for thermal electricity generation.

According to the Stears Business report, the volume of gas currently supplied for thermal electricity generation is significantly below the 25 bcm required.

The Nigerian gas market is hampered by several issues such as the vandalism of pipeline infrastructure, government regulated pricing for gas-to-power, unpaid gas supply invoices, an unstable foreign exchange market and low remittance within the electricity value chain, among others.

Notwithstanding these challenges, companies like Savannah Energy have continued to support the Nigerian domestic gas market. The British independent energy company focused on the delivery of Projects that Matter in Africa has, through Accugas Limited, its 80 per cent indirectly owned subsidiary, made significant inroads particularly in the south-east and south-south parts of the country.

Since it commenced operations in Nigeria, Accugas has invested approximately US$1.6 billion in developing its gas processing and distribution infrastructure in the south-east, including over US$700million exclusively to enable the supply of gas to the Calabar thermal power station, which ranks as one of the largest thermal power plants in the country.

In addition, Accugas' reliability as a supplier of non-associated gas, has meant that it has been rapidly adding more thermal power plants to its customer base. This year alone, Accugas has commenced gas supplies to First Independent Power Limited's (FIPL) Trans Amadi and Eleme power plants in Port-Harcourt, following the execution of an addendum to its gas sales agreement with FIPL. This allowed FIPL to almost double its gas purchases to up to 65 MMscfpd (from 35 MMscfpd) to supply both its Trans Amadi and Eleme power plants, in addition to its FIPL Afam power plant under the original contract. The FIPL Trans Amadi power plant has a power generation capacity of 136 MW but, prior to the contract with Accugas, its generation capacity had been severely limited due to gas availability issues from its original supplier of associated gas. In addition, Savannah commenced gas supply to the TransAfam power plant in June this year, which has allowed for the immediate resumption of its power generation and supply to the national grid.

Accugas also commenced gas sales to the Central Horizon Gas Company Limited (CHGC) this year, a subsidiary of Axxela Limited and a major gas distribution company situated in the south-south of the country.

CHGC operates a 17km gas pipeline infrastructure network with a throughput capacity of 50 MMscfpd, providing natural gas to industrial and commercial customers in the Trans Amadi Industrial Area of Port Harcourt and the Greater Port Harcourt Area.

In nearby Cross River State, Accugas gas powers the Calabar power plant owned by the Niger Delta Power Holding Company (NDPHC), which accounted for approximately 9.48 per cent of thermal power generation in Nigeria as at June 2022, and the Ibom Power Company (IPC), owned by the Akwa Ibom State Government. Savannah also supplies gas to power large industrial plants, like the Lafarge cement plant in Calabar, as well as to multiple manufacturing and industrial companies in the Port-Harcourt area via CHGC.

The quantum of Accugas' contribution to the Nigerian economy is significant and this continues to grow. For example, Accugas is currently responsible for around 19 per cent of Nigeria's grid power generation, with capacity to increase this to 24 per cent. In addition, the gas supplied by Accugas currently enables about 10 per cent of the cement produced in the country. Overall, it is estimated that Savannah contributes approximately 0.5 per cent to Nigeria's GDP.

Against a backdrop of declining gas production in Nigeria, resulting in multiple grid collapses, Accugas has significantly increased its gas supply to accommodate stranded plants. This has helped to alleviate the country's power crisis.

If Nigeria is to resolve its perennial power cuts and achieve its grid-based power generation target, then more attention needs to be paid to the constraints which bedevil gas supply in the country.

The Federal Government of Nigeria has an important role to play by way of policy – allowing pricing to be determined by the economic principles of demand and supply (willing buyer/willing seller"), protecting pipeline infrastructure, resolving the historical issue of payments owed to gas suppliers and addressing the challenge of access to foreign exchange (forex) at the official market rate to ensure that funds can be repatriated to foreign direct investors. These will be important steps by way of policies to allow companies such as Accugas and others, who are already contributing significantly, to make further improvements to gas-to-power supply in the Nigerian market.

'MISMANAGEMENT OF OIL WEALTH FUELLING NIGERIA'S INEQUALITY'

Stakeholders in Abuja have raised serious concerns over the growing rate of inequality in Nigeria, insisting the mismanagement of natural resource wealth is fuelling the development.

They stated that the development is more worrisome as over $20 trillion has been looted from the nation's treasury between 1960 and 2005.

According to the Nigeria Extractive Industries Transparency Initiative (NEITI), Nigeria earned $418.544 billion in oil and gas revenue from 2010 to 2019.

Speaking at a pre-conference on a West African high-level policy conference on inequalities and natural resource management, decried the depleting rate of the country's Excess Crude Account, which has crumbled to less than $400,000.

The major contention for the expert is that while the wealth held by individuals as of 2017 in Nigeria, exceeded $250 billion as that of Ghana, exceeds $60billion, the large part of the wealth was derived from natural resources.

Insisting that the development remained a critical hindrance to the attainment of the Sustainable Development Goals (SDGs), they noted that the inequities in the distribution of nation's wealth are stark.

The stakeholders, including Nigeria Extractive Industries Transparency Initiative (NEITI), Global Rights, Natural Resource Governance Institute (NGRI), Centre for Transparency Advocacy (CTA) and others from the West African region were worried that current political, economic and social challenges in Nigeria may worsen.

Country Director at Global Rights Nigeria, Abiodun Baiyewu, who noted that widening income and wealth gaps drive poverty upwards, violate human rights and undermine the ability of governments to fulfill their obligations to citizens, said Nigeria's social cohesion, economic growth, violence and crime and low levels of trust in the society may worsen if necessary actions are not taking to tackle the problem.

"The inequality is at such a height that the combined wealth of five richest Nigerians is up at $30bn while no less than about five million Nigerians today are way below the poverty line.

"Now, the amount of money the richest man in Nigeria earns yearly is sufficient to lift as many as two million people out of poverty while 91 per cent of our population are poor, extremely poor," she stated.

Director of CTA, Faith Nwadishi, who stated that the impacts of inequality were more on women, stated that the growing level of the depletion of the excess crude account is unacceptable.

She stated that while the government noted that the fund, meant for future generations, is being spent on insecurity, the level of insecurity in the country is worsening.

Nwadishi, who also raised concerns over the falling rate of the naira said: "Yesterday, we had over $1 billion taken away from our excess crude account to support the fight against descending security. So who's benefiting?"

A Senior Officer at NGRI, Tengi George-Ikoli also raised concerns over the country's debt profile, warning that the energy transition may foist more challenges for the country.

According to her, while there's no visible progress on economic diversification, Nigeria and Africa in general, needs to collectively try to find ways to position itself to engage these emerging issues.

George-Ikoli noted that the issues around inequality are not negotiable, stressing that Nigeria and other African countries must seek urgent leeway to avert looming challenges.

NIGERIA AT 62: CHEVRON'S COMMITMENT TO ENABLING LOCAL CAPACITY

By Victor Chimaobi Anyaegbudike

As the nation celebrates her 62nd independence, Chevron companies in Nigeria are proud of our partnership and contributions to the social and economic development of the country. We have learnt through decades of operating in Nigeria that our business success in providing affordable, reliable, ever-cleaner energy is directly tied to the progress and prosperity of the people we work with and the communities where we operate. It is for this reason that we have continued to demonstrate our commitment to building mutually beneficial partnerships and supporting the Federal Government's Nigerian Content Development (NCD) policy aimed at building indigenous capacity in the nation's oil and gas industry.

Chevron companies in Nigeria are at the forefront of promoting Nigeria's ideals of Nigerian Content Development. The overall objective of Chevron's Nigerian Content (NC) Strategy is to encourage the participation of Nigerian companies in the oil and gas industry through the deliberate creation of business opportunities for Nigerian service providers and suppliers. Our policy is driven by the vision to be recognized as the energy company that works best to foster competence and competitiveness among Nigerian indigenous contractors and suppliers, by adopting the participatory-partnership model.

Over the years, Chevron companies have implemented strategies for training, capacity building, and employment of Nigerians, as well as the provision of contracts and procurement opportunities to Nigerians on all projects in our operations. We consistently demonstrate our commitment to empowering community contractors, service providers, and suppliers through developing human and institutional capacity, creating local jobs, developing, and sourcing from local suppliers, employing local workforce, promoting local patronage, and reserving work scopes to benefit local community contractors.

Rick Kennedy, Chairman/Managing Director of Chevron Nigeria, and Mid-Africa Business Unit said Chevron companies have continued to demonstrate their commitment to the socio-economic development of Nigeria through promoting mutually beneficial partnerships and supporting the policies of government on Nigerian Content Development. "We have helped in building the capacities of several Nigerian businesses by providing contracts and procurement opportunities to Nigerians on all projects in our operations. Chevron is also helping to grow the Nigerian economy by contributing to the development of communities in the areas of our operation. We do all this, not just because it is required by law, but because it is the right thing to do."

In the last 10 years, for instance, Chevron Nigeria Limited (CNL) has spent an estimated annual average of $1 billion on Nigerian suppliers and service providers. Chevron provides technical support, support for asset acquisition, and facilitates collaboration on research and development for local community contractors. Our contributions to improved participation of local contractors in the Nigerian oil and gas industry include the following:

Chevron facilitated the first assembled-in-Nigeria Subsea Horizontal Christmas Tree and the fabrication in Nigeria of Agbami production manifolds for the Agbami Phase 3 Project by FMC Technologies Limited /Aveon Offshore Nigeria Limited.

Chevron ensured the safe, timely and successful installation of subsea equipment like flexible flowlines, umbilicals, and jumpers by Marine Platforms Limited, a Nigerian contractor –. Chevron sponsored four Nigerian engineers for subsea engineering training in France, in partnership with NCDMB and Technip Offshore Nigeria Limited

Chevron trained six young Nigerian Engineers in subsea engineering at the FMC facility, Federal Ocean Terminal (FOT) Onne, Rivers State. In addition, five Nigerian Engineering graduates sponsored by Chevron, completed subsea training at Marine Platforms Limited in Port Harcourt.

Chevron recently facilitated the fabrication and assembly of two complicated Single-Point Mooring ("SPM") buoys structures weighing ~300 tons each by Fenog Nigeria Limited ("Fenog"), an indigenous independent engineering company. The SPM buoys, are critical components of the Escravos Export System Project ("EESP") scope, required to improve reliability of current JV offshore crude oil export facilities.

Chevron facilitated the fabrication and load out of offshore platform topsides and bridge connection for the Sonam Non-Associated Gas Well Platform ("NWP") by Nigerdock Plc.; the fabrication and load-out of the Okan Pig Receiving Platform (PRP) topsides; bridge, fabrication of Okan PRP jacket by Globestar Company Limited, in partnership with Idmon Engineering and Construction Co. Limited; installation of 32km 24" Sonam to Okan NWP pipeline by West African Ventures Limited; and the coating of the pipes used for the Sonam Development Project and EESP by Pipe Coaters Nigeria Limited.

The Okan GGCP Debottlenecking project completed final heavy lifts and achieved 1,000,000 Manhours with zero serious injuries or fatality in collaboration with a Nigerian company, Prime Sources Limited (PSL), and its subcontractor, Ariosh Limited

In pursuance of its low carbon reduction and sustainable zero waste goals, CNL partnered with Lafarge Cement PLC to conduct laboratory tests locally on the suitability of cement kiln co-processing technology for our stream of stored wastes as well as to determine the health and safety risks, if any. Based on the success of the tests, CNL awarded a short-term contract to Lafarge to manage stored secondary waste generated from CNL incinerators as additional raw material in cement kiln processing.

NCDMB PARTNERS SHELL, TOTAL TO UPGRADE GTC PH TO CENTRE OF EXCELLENCE

By Emeka Ugwuanyi

The Nigerian Content Development and Monitoring Board (NCDMB) is collaborating with Shell Petroleum Development Company (SPDC) and Total Energies Limited to transform Government Technical College (GTC), Port Harcourt, Rivers State into a centre of excellence for the training of craftsmen who will support activities in the oil and gas industry and the wider economy.

The projects to be executed by SPDC at the school include the construction of 4-units of world-class technical workshops and an information and communication centre and they are in fulfillment of SPDC's commitment to the NCDMB's human capital development programmes.

A few weeks ago, Total Energies started the construction of a 25–classroom block, 200–bed students' hostel and another technical workshop within the school. In addition, the Board has commenced the upgrade of the Teachers' Quarters and the Principal's Official Quarters in the school.

Speaking in Port Harcourt, when he performed the groundbreaking for the upgrade projects being executed by SPDC, the Executive Secretary of NCDMB, Engr. Simbi Kesiye Wabote, hinted that the construction works will bring back the glorious days of the institution and its students, and hopefully the trainees will lead the charge for the creation of employment for youths and wealth generation for the Nigerian economy.

He explained that the Board places high premium on technical, vocational education and training institutions (TVETs) as they are important in the development of skilled craftsmen urgently required for the delivery of projects in the oil and gas industry and other key sectors of the economy. He added that the availability of skilled and qualified Nigerian craftsmen will reduce the dependence on foreign artisans and further deepen the practice of Nigerian Content.

The NCDMB boss further explained that the Board initiated a pilot study in 2018 across Akwa Ibom, Bayelsa and Rivers State, to examine the state of technical, vocational education and training and unravel the cause of the shortage of qualified Nigerian artisans needed for the execution of projects in the oil and gas industry.

He noted that the study found that infrastructure and facilities in over 100 schools were in a dilapidated state, the teachers and students poorly trained and motivated, hence a recommendation for immediate upgrade of facilities in vocational schools across the country and retraining of technical teachers.

He noted that "to date, the Board has successfully completed the upgrade of Government Technical College, Amoli in Enugu State, Government Technical College, Abak in Akwa Ibom State, Government Craft Development Centre in Bassambiri, Bayelsa State, the University of Ibadan Vocational Centre, and work is ongoing in many other vocational schools and ICT Centers across the country."

He added that the Board is also carrying out upgrade projects in the Nigerian Maritime University, Okerenkoko, Delta State, the University of Port Harcourt, the Rivers State University and others.

He explained that the Board had included integrated Institutional Strengthening and Upgrade into its Human Capacity Development (HCD) guidelines in view of the demand for an extensive upgrade of technical schools across the country and in keeping with the Nigerian Content Mandate and the Federal Government's agenda to lift 100 million Nigerians out of poverty.

He added that "The guideline sets aside 60 percent of the HCD commitment of major projects in the oil and gas industry for the upgrade and provision of facilities in institutions that train the workforce for the oil and gas industry.

He commended SPDC for investing in the project, noting that the foremost oil and gas firm remains a consistent and dependable company in the area of Human Capacity Development.

He enjoined SPDC to ensure that all the projects at GTC Port Harcourt are completed in record time and to insist that world-class industrial equipment are installed in the school, so the students can acquire the requisite skills that will make them ready for field operations. He also charged the company to ensure that there is a sustainability and maintenance plan in place to support the workshop, including the provision of vital spare parts for the machines to guarantee that the teachers and instructors are trained to use any equipment that will be installed in the school.

In his remarks, the General Manager, Projects & Engineering, SPDC, Mr. Benno Touw assured that SPDC would continue to support Government's aspirations to increase Nigerian Content and the participation of Nigerian businesses in the oil and gas industry in line with the Local Content Act.

Also, the Commissioner for Education, Prof. Prince Chinedu Mmom represented by the Director, Secondary Education, Ministry of Education, River State, Mrs. Amadi-nwaso Nkechinyere lauded NCDMB and SPDC for the project and assured that the State Government will continue to provide enabling environment to ensure the projects are completed in time.

ENDING OIL THEFT DEBACLE

Nigeria is unable to meet its Organisation of Petroleum Exporting Countries (OPEC) monthly oil production quota in over five years, no thanks to oil theft, which continues to thrive in the country. And with a daily loss to this nefarious act estimated at 400, 000 barrels, fears are rife that if left unchecked, Nigeria may sink further into revenue insolvency.

An August 7, MV HEROIC IDUN, a super tanker with International Maritime Organisation (IMO) number 9858058 and Maritime Mobile Service Identity (MMSI) number 538008422, with 26 crew members comprising 16 Indians, eight Srilankans, a Polish and one Filipino, was spotted around the AKPO Deep offshore oil field operated by a multinational oil firm, at midnight. The vessel has the capacity to lift about three million barrels of crude oil.

Akpo field is located in Block OML 130, 200 kilometres offshore Nigeria in 1400 metres water depth.

At plateau production, Akpo produces 175,000 barrels per day (bbls/d) of condensate and exports 320 million Standard Cubic Feet per Day (mmscfd) of gas to Bonny NLNG plant. Akpo reservoirs contain 620 million barrels recoverable reserves of a critical fluid made of very light oil up to 53° API and classified as condensate, with wellhead shut-in pressures up to 400 bars, wellhead temperatures up to 116 °C and very high Gas Liquid Ratio (GLR). AKPO is not only a giant condensate field, but also a gas field with one trillion cubic feet (Tcf) planned gas export.

Although it is not strange to find such tankers around offshore areas given the nature of the business around such facility, MV HEROIC IDUN's mission on that fateful day was suspect. The vessel, built on July 1, 2020, was seen through the NN's Maritime Domain Awareness (MDA) facility, prompting NNS GONGOLA to establish communication and interrogate the vessel.

The interrogation revealed that the vessel, alleged to have entered the Nigerian waters to load crude oil products, neither had the Nigerian National Petroleum Company Limited's (NNPC) loading permit, nor valid documents to be in the country's waters. Consequently, the vessel, registered under the flag of Marshall Island, was directed to proceed to Bonny Fairway in Rivers State for further interrogation and Vessel Boarding Search and Seizure (VBSS) by the Nigerian Navy.

Rather than comply, the vessel increased its speed and changed its direction facing Sao Tome and Principe to escape. However, five days later, the vessel and its crew met their waterloo in Equatorial Guinea, as they were arrested by the Equatorial Guinea's Navy, following an intelligence report supplied to the country by the Nigerian Navy (NN).

For decades, oil theft has been a source of concern to many. Crude oil, the mainstay of the economy, accounting for over 90 per cent of her revenue earnings, has been under siege of saboteurs for decades.

The menace reached a crescendo last week following a disclosure that an estimated 400, 000 barrels of crude oil worth over $40 million is stolen daily. The continued theft of this product has left the country losing out from benefitting from the high global prices of oil, whose effect has led to fiscal pressure on the economy as a result of declining revenues and soaring public debt.

The Minister of State for Petroleum Resources, Dr. Timipre Sylva, described the development as a "national emergency," adding that this has led to the nation falling short of OPEC daily quota of 1.8 million barrels to 1.4 million barrels.

He warned that such huge economic loss was capable of crippling the nation's economy, if not given the seriousness it deserved, regretting that the situation has persisted despite the efforts by the Federal and state governments to arrest it.

So worrisome has the situation become that eggheads at the Nigeria Economic Summit Group (NESG) and stakeholders at the Annual General Meeting (AGM) of Oando Plc, urged the government and other stakeholders to take more decisive actions to tackle the problem of oil theft, even as they rued its negative impact on the country.

In similar vein, shareholders of Oando Plc at the end of the Annual General Meeting in Lagos urged the government and other stakeholders to take more decisive actions to tackle the problem of oil theft, bemoaning the negative impact of oil theft and insecurity and calling for cohesive actions to tackle the menace.

Falling production

The country's oil production output has been on the decline due to theft, shut-ins, among others. In its Commodity Markets Outlook report for March, this year, the World Bank said Nigeria has the largest shortfall among oil-producing countries during the first quarter, a development it attributed to sabotage within the oil production system and other factors. The global finance body put the shortfall then at 500,000 barrels per day, coming ahead of Angola and Russia both with a shortfall of 300,000 barrels per day.

Yet, reports by the Organisation of Petroleum Exporting Countries (OPEC) show that the country lost about N1.22 trillion to crude oil deficit in the first quarter of the year. According to OPEC, the country lost about 22.658 million barrels of crude oil within between January and April. The reports released in the last four months showed that Nigeria did not meet its OPEC oil production quotas in January, February and March.

The reports indicated that OPEC approved 1.683 million barrels per day as the country's crude oil production quota in January, while the organisation approved 1.701mb/d and 1.718mb/d for the country in February and March, this year.

In its April Monthly Oil Market Report, OPEC observed that Nigeria's oil production from secondary sources in January was 1.413mb/d, which dropped to 1.378mb/d in February and declined further in March to 1.354mb/d.

Analysis of the figures showed that the country fell short of the OPEC approved quota in January by 270,000 barrels daily, indicating inability to produce 8.370 million barrels to meet its approved target for the month.

Similarly, in February, Nigeria's daily crude oil production loss viz-a-viz OPEC approved quota was 323,000 barrels, which amounted to 9.044 million barrels for the month. Likewise in March, the daily oil production of Nigeria was 364,000 barrels below OPEC approved quota. This, therefore, means that Nigeria's crude oil production in March was 11.284 million barrels lower than its expected production quantities. The implication of the deficit was that in the first quarter of the year under review, Nigeria failed to produce 28.658 million barrels of crude oil to meet its production quota as approved by OPEC.

Still, OPEC noted that the country's crude oil production fell by 744,000 barrels in March 2021, while in August of same year, the country managed a paltry 1.23mbpd, which was a major drop from the 1.32mbpd it produced a month earlier, while it produced 1.246mbpd in September and 1.227mb/d in October. This was at a time when the country's had 1.6mbpd as its production output target.

Which way to go?

An economic analyst and Chief Executive Officer, Centre for the Promotion of Private Enterprise (CPPE), Muda Yusuf, submitted that oil theft had been thriving because of the failure of the state (government) and its institutions, adding that oil theft is a process that demands enormous logistics, planning and execution.

According to him, while other oil producing countries are celebrating the oil price windfalls, Nigeria's economy is inching closer to the brink as it grapples with serious fiscal crisis, weakening foreign reserves, growing debt and depreciating exchange rate.

Describing the situation as "pathetic", Yusuf emphasised that "this scale of criminality cannot happen if the institutions of state were not compromised".

He regretted that several investors had exited the country because of the crass impunity of oil theft and vandalism of oil installations.

This, he further said, had made it difficult to attract major investors to the upstream segment of the industry given that the risk of investing here is very high when compared to other oil producing countries.

"How else can one explain the level of impunity that this phenomenon represents? It takes hours, if not days, to load the vessels with this stolen crude. Yet, we have no framework to curb it. This is a product of a grand conspiracy and economic sabotage," Yusuf said

Efforts

Yusuf, however, noted that the government had belatedly taken some steps to address the problem, praying that the efforts would be sustained.

Determined to tackle the oil theft embarrassment, the Nigerian National Petroleum Company Limited (NNPC) launched what it called 'Crude Theft Monitoring Applications on the sidelines of the signing of renewed Production Sharing Contracts (PSCs) agreements between NNPC and its partners in oil mining leases.

The portal, with the address 'stopcrudetheft.com,' has application options for reporting incidences, with prompt follow up and responses and another one for crude sales documents validation.

The Group Chief Executive Officer (GCEO), NNPC Limited, Malam Mele Kyari, noted that "vandals" actions on pipelines had become a difficult to deal with, a reason it engaged partners to assist it.

Kyari said international refineries where the stolen crude could be taken to have obligations to ensure they bought Nigerian crude from credible sources which could be validated. He said if such refineries refused to do that, they would be held responsible as part of the culprits involved, urging that in the international arena, companies must report suspicious sale.

He said every product that left the country must have a unique registration number by the NNPC and validated by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC).

The Publisher, Africa Oil+Gas Report, Mr. Toyin Akinosho, is, however, said political will was also needed to check the menace of crude oil theft and pipeline vandalism.

"It's very important that the state hydrocarbon company itself is announcing this. However, it is not just a question about tracking; it is actually how you deliver on ensuring that those incidents don't happen again," he said, adding: "There has to be the will power to deliver."

RALLYING NIGERIA'S ENERGY TRANSITION AGENDA

Energy transition has taken the centre stage in the global energy space. Blessed with huge hydrocarbon deposit, Nigeria is in a position to earn good revenue, if the right steps are taken ahead of full transition.

The race to key into the global energy transition is on. This is why globally there is a gradual shift from policies that have supported oil and gas production to policies that instead are starting to disincentivise fossil fuels, including carbon pricing and the European Union's Emission Trading Scheme (EUETS). In addition to disincentives, many governments are encouraging the use of substitute technology and fuel, especially renewable energy.

To clear doubts about its intent, the Federal Government recently launched the Energy Transition Plan as a roadmap to tackle the dual crises of energy poverty and climate change.

"For Africa, the problem of energy poverty is as important as our climate ambitions. Energy use is crucial for almost every conceivable aspect of development. Wealth, health, nutrition, water, infrastructure, education, and life expectancy are significantly related to the consumption of energy per capita," the Vice President, Yemi Osinbajo noted at the launch. He estimated that the country would to spend $410 billion above business-as-usual spending to deliver its Energy Transition Plan by 2060; translating to about $10 billion per year.

The government's determination to key into the global direction was further accentuated last Wednesday as Osinbajo led the Nigerian Energy Transition Implementation Working Group (ETWG) to the United States to seek global partnerships and support for the initiative.

"The plan recognises the role of natural gas in the short term to facilitate the establishment of this low energy capacity and address the nation's clean cooking deficit in the form of LPG. It also envisions vibrant industries powered by low carbon technologies, streets lined with electric vehicles, and livelihoods enabled by sufficient and clean energy," he said.

According to Sustainable Energy for All, the energy transition plan includes ensuring access to affordable, reliable, sustainable and modern energy for all of its 200 million people by 2030 and achieving net-zero by 2060 through massive investments in oil, gas, solar and other modern energy technologies such as hydrogen and electric vehicles.

With the strategy anticipated to create around 340,000 jobs by 2030 and 840,000 jobs by 2060, the role of Nigeria's energy sector in driving socioeconomic developments continues to expand.

To address the investment gap and ensure the targets set by the country are realised, an inter-ministerial energy transition implementation working group has been formed and is working towards raising an initial $10 billion support package for the rollout of the plan. The World Bank said it will commit $1.5 billion in investments for renewables deployment and power sector reforms while utility-scale solar project developer and off-grid solution provider Sun Africa confirmed that it is finalising a $1.5-billion package with the US Exim Bank.

But, for some stakeholders in the industry, achieving a viable energy sector would require that players in the sector needs to be technologically focused, get the right policies and enabling environment, as well as achieving a decentralised system, if issues of power inefficiency is to be a thing of the past in the country.

"Nigeria had not started on energy. Whatever we have now let us start and build from there. Nigeria needs about 20,000 MW to serve the nation. We need to get it right. There is no effective communication across board in the power sector. Electricity takes 60 per cent of businesses' overhead. About 80 million Nigerians operate on generators with the national grid as backup. The moment we treat electricity right, the better for all," Exhibition Manager, Informa markets, Energy-Middle East and Africa, Ade Yesufu, said on the heels of this year's Nigeria Energy Conference scheduled to hold from September 20-22, in Lagos.

Experts and other stakeholders in the sector are convinced that the public launch of the Energy Transition Plan will showcase the country's pathway to achieving net-zero emissions by 2060 and its leadership role in enabling a just and equitable climate future for Africa, with the ultimate objective of mobilising the finance required to jumpstart implementation of the Plan.

Specifically, this global launch will achieve the following objectives: portray the country's commitment and ambition in achieving carbon neutrality while also ending energy poverty, which will lift 100 million people out of poverty, drive economic growth, and bring modern energy services to the entire population; create awareness to drive demand in other African countries by emphasising the need for data-driven country-level energy transition plans in order to achieve a just, inclusive and equitable energy transition for all ahead of the 'African COP' hosted by Egypt; mobilise new partners by showcasing existing support for data-driven energy transition planning from international partners, including Sustainable Energy for All, The World Bank, The Rockefeller Foundation, and the Global Energy Alliance for People and Planet; mobilise investors and the private sector by showcasing concrete projects to deliver the transition goals while creating significant market opportunities and announce new opportunities for solar energy companies to obtain results-based finance from the Universal Energy Facility as part of a new financing window focused on supporting Stand-Alone Solar for Productive Use, among others.

But long before the launch of this plan, critical stakeholders in the sector had predicted that Nigeria is well positioned to benefit from the energy transition regime given the abundance of natural fossil fuels and renewable solar energy available in the country.

At the 51st Founders' Day Lecture of the University of Benin, last year, the Country Chair of Shell Companies in Nigeria, Mr. Osagie Okunbor, called for an urgent optimisation of the country's energy resources, which he reckoned was in a pole position to facilitate a speedy economic and industrial development of the country. He advised the country to adopt a two-pronged strategy for its energy transition programme in response to global call to reduce exploitation of fossil fuels and production of greenhouse gases.

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

Furthermore, he said an intentional growth of the off-grid power and renewables industry, taking advantage of foreign financial support and technology transfer, is another avenue that can be explored for if the country hoped to have a successful energy transition.

"The ongoing energy transition is here with us. As with other transitions, it is a journey that will involve multiple approaches, collective action and undoubtedly present new challenges and opportunities. Nigeria is well positioned to ride the wave of the current energy transition with its abundance of natural fossil fuels and renewable solar energy. We need to move with a greater sense of urgency and a clear sense of direction. As a country with abundant natural fossil fuel resources, we cannot afford for international and multilateral agencies to stop funding the development of fossil fuels, particularly gas projects," he had declared.

STAKEHOLDERS REACT OVER CBN'S ROLES IN POWER, TAKE-OVER OF DISCOS

Stakeholders have said the interventions of the Central Bank of Nigeria (CBN) in the takeover of the distribution companies remain crucial to the survival of Deposit Money Banks (DMBs) as well as over N2.9 trillion government interventions in the sector.

Backed by the apex bank, DMBs had taken over five DisCos amidst poor performance and inability to pay back loans, a development which is already putting some banks on the edge of collapse.

With indications that the government's intervention funds to the power sector now hover around N2.9 trillion since the sector was privatized in 2013, stakeholders insisted that the total collapse of the power sector would have had serious implications, not only for the banks but the entire economy.

In what has been described as poor financial performance, Abuja DisCo, Ibadan DisCo, Kano DisCo, Kaduna DisCo and the Benin Electricity Distribution Companies (BEDC) have been at loggerheads with the banks in a move backed by the CBN, Nigerian Electricity Regulatory Commission (NERC) and Bureau of Public Enterprises (BPE).

Coming amidst a fresh $500 million loan by CBN to improve the capacity of the distribution companies, the development is happening at a time of global energy crisis where diesel is now hovering around N850 per litre, as the government spends heavily to subsidise Premium Motor Spirit (PMS).

A report by CSL Stockbrokers Limited, (CSLS) titled: "The continued rise of bank loans to power sector", had last week, stated that the power sector owed N836.08 billion to Deposit Money Banks (DMBs).

The payback loans notwithstanding, the DisCos are indebted heavily despite huge stimuli from the Federal Government and interventions from the Central Bank of Nigeria (CBN).

Prior to takeover, CBN had directed the Deposit Money Banks to take charge of the collection of electricity bill payments as a circular signed by Hassan Bello, director of banking supervision, had linked the move to the recommendation of the Power Sector Coordination Working Group to improve payment discipline in the Nigerian Electricity Supply Industry (NESI).

BPE had disclosed last week that it was working with CBN to ensure that banks, which took over the DisCos exit in six months, as the Director-General of the BPE, Alex Okoh, said the banks were not expected to hold the shares.

"In fact, in conjunction with the CBN, we have given them a deadline of six months within which to sell those shares to credible operators approved by the BPE and NERC and should they not be able to meet that deadline, they can be given a maximum extension of another six months. So in one year, they should be out of the DisCos."

Recall that the Distribution Companies (DisCos) are responsible for the sector's revenue collection. While there was clamour for an increase in tariff, the sector's inability to improve on the collection and reduce losses, a basic part of DisCos' Key Performance Indicators, as well as inability to make remittance to the Bulk Electricity Trading Company remained serious concern for the sector.

A power sector analyst, Adetayo Adegbemle noted that the CBN's role in protecting the collapse of the banks from power sector loan remained sacrosanct, adding that the indebtedness of the power sector to the banks would have led to their collapse.

"I love the fact that CBN came into the power sector, not just to save the power sector, even though they have roles to play in the sector, they came in to save their own banking sector.

"The loans that the power sector took from the banks have become bad and if you do not do anything, it is going to be on the books of the banks. So CBN backing the banks to take-over the shares is a good thing for CBN," he said.

President of the Nigerian Consumer Protection Network, Kunle Olubiyo said the takeover has helped in averting massive job losses and prevented imminent collapse of the banking industry due to toxic loans.

STRIKING A BALANCE ON NIGERIA'S PMS CONSUMPTION, SMUGGLING

Over the years, Nigeria has been battling with inadequate data. The prevailing development in the oil and gas sector, especially on the consumption pattern of Premium Motor Spirit (PMS) shows that the country has more work to do in the area of planning and in the terms of trust, transparency and accountability.

Recently, the Nigerian National Petroleum Company Limited (NNPC Ltd), following criticism from the Nigeria Custom Service (NCS) stated that between January and August 2022, the total volume of Premium Motor Spirit (PMS) imported into the country was 16.46 billion litres, which translates to an average supply of 68 million litres per day. Similarly, import in the year 2021 was 22.35 billion litres, which translated to an average supply of 61 million litres per day.

The NNPC Limited insisted further that the average daily evacuation (depot truck out) from January to August 2022 was 67 million litres per day. The company buttressed its point with reference to the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), adding that the daily evacuation (depot loadouts) records of the NMDPRA carry daily oscillation ranging from as low as four million litres to as high as 100 million litres per day.

Before the state oil company released the data, the NCS had questioned the claim that the country consumes 60 million litres of petrol daily as the Customs' comptroller-general, Hameed Ali, at a session with the House of Representatives' Committee on Finance alleged that as much as 98 million litres of the products were being lifted daily.

"I remember that last year we spoke about this. Unfortunately, this year, we are talking about subsidies again. The over N11 trillion we are going to take as debt, more than half of it is going for subsidy. The issue is not about the smuggling of petroleum products. I have always argued this with NNPC.

"If we are consuming 60 million litres of PMS per day, by their own computation, why would you allow the release of 98 million litres per day? If you know this is our consumption, why would you allow that release?" he asked.

Nigeria has been in a game of wit over the issue of smuggling of the petroleum product and the actual data on the consumption of the product. Different government agencies involved in the value chain of the product have never had accurate and uniform data and this is often not different from the development across most agencies of government. Sometimes, citizens rely on data from international organisations on the events that happen locally.

The fact that the country did not know the actual PMS consumption raises dust and in fact pegs question marks on the much-trumpeted commitment of Nigeria to transparency and accountability in the extractive sector but the solution to it is neither in the hand of the operator nor the NCS. It is more of a regulatory concern because the NCS would like to clear its name as a weak agency when it comes to smuggling while NNPC would justify the reasons the daily consumption is rising.

In the few months that Nigeria tried deregulating the petroleum market, daily consumption of PMS went down drastically to about 45 million barrels per litre. In the month of June last year, a few months after subsidy returned, Group Managing Director (GMD), NNPC, Mele Kyari said smuggling across the borders increased the daily consumption to over 103 million litres per day in the previous month. By implication, about 58 million litres were being smuggled, meaning that the smugglers and other West Africans benefited even more from the PMS subsidy than the citizens of Nigeria.

Recall that NNPC had been the sole importer of PMS as rising crude oil prices and PMS supply costs above PPPRA (now NMDPRA) cap had forced oil marketing companies' (OMCs) withdrawal from PMS import since the fourth quarter of 2017. The average 2022 international market determined landing cost for PMS was put at $1,283/MT and the approved marketing and distribution cost of N46/litre, according to NNPC.

The company had similarly noted that the combination of these cost elements translates to retail pump price of N462/litre and an average subsidy of N297/litre and an annual estimate of N6.5 trillion on the assumption of 60 million litres daily PMS supply. This will continuously be adjusted by market and demand realities.

"NNPC Limited shall continue to ensure compliance with existing governance framework that requires participation of relevant government agencies in all PMS discharge operations, including Nigerian Ports Authority, Nigerian Midstream and Downstream Petroleum Regulatory Authority, Nigerian Navy, NCS, NIMASA and all others.

"NNPC Ltd recognises the impact of maritime and cross border smuggling of PMS on the overall supply framework. NNPC also acknowledges the possibilities of other criminal activities in the PMS supply and distribution value chain. As a responsible business entity, NNPC will continue to engage and work with relevant agencies of the Government to curtail smuggling of PMS and contain any other criminal activities," Kyari had stated.

In 2018, the NNPC said it was discussing with the World Bank to determine the actual daily PMS consumption of Nigeria. The defunct Petroleum Equalisation Fund, which has been collapsed into NMDRA was also working in that direction but the development had remained elusive.

The Minister of State for Petroleum, Timipre Sylva had earlier noted that there had been efforts at controlling some of the smuggling and rising figure of PMS consumption but that the sustainable solution is to remove subsidies and deregulate the market.

Sylva, while speaking on NTA, said: "When we had the deregulation discussions, and the price moved up to N162 from N145 where I met it, we realised that the consumption dropped to less than 50 million litres or to 40 million.

"So, later on, once the exchange rate also moved up a little bit and swallowed the gains we made from the N162 move, the figures increased again.

And sometimes, the figures you hear are crazy. I mean, when they tell you 90 million litres a day, I mean, they're crazy figures. So, for me what is the sum total of all this? We've been interrogating these numbers for 20 years.

"We continue to interrogate these figures because we all know that there is a problem here, it's opaque. The opportunity, the premium is not coming to the government and it is not going to the poor people. It is going to select people who are feeding fat on these things.

"So why don't we just get rid of this thing? Okay, we should interrogate this thing, but I mean, to me that is not the solution. Why don't we just get rid of this whole subsidy so that we know that this problem is over once and for all."

It is important to note that Nigeria does not only subsidise products for its citizens. It does for other neighbouring West African countries.

Last year, the NCS said PMS was being smuggled out of Nigeria in large quantities after it has been subsidised by the Federal Government, adding that the petroleum product is being diverted to as far as Mali.

Then Ali, had blamed the defunct Department of Petroleum Resources for approving the establishment of filling stations along the land borders.

National President of Petroleum Products Retail Outlets Owners Association of Nigeria (PETROAN), Prince Billy Gillis-Harry, noted that the government would need to carry along the players in the sector to avoid a flip-flop, adding that the market must be fair to all.

Admitting to the stability in the market since the sector was deregulated, stakeholders believe that addressing foreign exchange challenges would enable the marketers to import products instead of allowing the national oil company to play the dominant role of importation of petroleum products.

Gillis-Harry said that smuggling, product diversion and the financial implications are worrisome.

His main solution, however, is for the government to adopt a solution developed by his association to monitor products from depot to destination.

Gillis-Harry insisted that his members are not involved in smuggling and diversion, however only 1,000 of the 11, 000 marketers in the association have adopted the technology, meaning that about 90 per cent of the marketers are not tracked.

"I'm not going to vouch for anybody. One thing I know is that if you are our member, you cannot easily bend the law and do what you want because we have monitors and checks and balances where our petroleum products pass through. We are encouraging the Federal Government to completely stop the proliferation of petroleum products and check smuggling.

"You cannot take products out of this country unless you want to blow up the whole of your tanker. We track and see the products in our control rooms," he said.

Gillis-Harry said there have been leakages in the sector and that the leakages could only be mitigated by the deployment of technology.

A report, conducted by Chapel Hill Denham, estimates that 15.64 million litres of petrol are smuggled out of Nigerian daily as Nigerian petroleum products retail on average 3.7 times cheaper than those of its neighbours, which has given smugglers unfair possibilities for arbitrage.

The report sees removal of subsidy as the way out from the development, stressing that although there could be negative impacts, the removal remained Nigeria's best option.

PUSHBACK OVER PROPOSED SALE OF FIVE INDEPENDENT POWER PLANTS

Electricity consumers have described as miscalculation, a move to sell about five independent power plants in the country.

This is coming ahead of a meeting by the Special House of Representatives Joint Committees to commence an inquiry into the proposed sale of the five plants by the Bureau of Public Enterprises (BPE).

The National Integrated Power Project (NIPP), which was conceived in 2004 under the Olusegun Obasanjo government, has been marred by a series of controversies even as Nigeria continues to face serious electricity shortage.

BPE had, last year, moved to sell five of the NIPPs. The plants are Benin Generation Company Limited at Ihovba, Edo State; Calabar Generation Company Limited, Cross River State; Geregu Generation Company Limited, Kogi State; Olorunsogo Generation Company Limited, Ogun State and Omotosho Generation Company Limited, Ondo State.

Director-General of the BPE, Alex Okoh, had then said the move was in line with the bureau's 2021 work plan as approved by the National Council on Privatisation (NCP) and would be strictly adhered to.

In July this year, BPE released names of 16 pre-qualified bidders for sale of the assets to include Mota-Engil Nig, Amperion Power, Sifax Energy, Pacific Energy Company Ltd and Globeleq Africa Limited. The rest were: Geoplex Drillteq Limited, Asfaliza Acquisition Ltd, Lauderhill PJB, Lauderhill Tata, Unicorn Power Genco Ltd, Connaught Energy Services Ltd, ENL Consortium Ltd, Ardova Plc, Central Electric and Utilities Ltd, North South Power Consortium and Quantum Megawatt Consortium.

Days after the announcement, the House of Representatives asked the BPE to halt the sale of the power plants.

The Nigeria Consumer Protection Network (NCPN) in a release described the proposed sale as a national security risk, insisting that such action is self-serving and at very best, a chronic form of national assets stripping.

NCPN accused some of the bidders for the Geregu, Omotosho, Olorunsogo, Calabar and Benin-Ihovbor NIPP plants, of lacking

Alex Okoh

the capacity and experience in the business of power generation.

President, Nigeria Consumer Protection Network, Kunle Kola Olubiyo said: "For instance, during the COVID-19 pandemic when the private investors of other Generation Companies (GenCos) ramped down electricity generation due to low revenue returns, the NIPPs being public assets, provided Nigeria with the much-needed energy security and its attendant socio-economic stability as it had to ramp up power supply to avoid economic and administrative shut down in the country.

"The private firms in the power sector so far, have not fared better than the NDPHC GenCos, which have their gas obligations, gas pipeline assets, contributed to both transmission and distribution networks nationwide.

"Very recently, the gas producers have allegedly made claims of a legacy debt of about $1 billion. These legacy gas debts were accumulated over a long period of time and if at any point they stop supplying gas to the GenCos, Nigeria could be plunged into darkness if the NIPP GenCos are sold off and the entire power sector upstream is left at the whims and caprices of wholly private sector investors."

Olubiyo noted that even when some of the NIPP/NDPHC GenCos have not been put to optimal use, the country is still seeing their impact on the national grid while serving as the nation's energy security backups.

He urged BPE and any designated agency of government to rather think of how to optimise the NIPP/NDPHC GenCos so that Nigerians could make the best use of the sector intervention, as that was what they were designed for.

Olubiyo further stated that the NIPP interventions which cut across the power sector value chain and implemented by NDPHC require that the Nigerian Electricity Regulatory Commission (NERC) would have evaluated them and determined their real value.

"However, for over nine years, NERC has been endlessly doing evaluation of these investment values without result. Without this evaluation to determine the Capital Expenditure (CAPEX) in the NIPP power sector intervention projects, NDPHC has been continually short-changed of revolving funds that should be re-invested into other power interventions in line with Nigeria's energy access for all targets of 2030.

"The consumer network (NCPN) at the moment opposes any move to sell off five of the NIPP GenCos for now. We are not saying that the plants would not be sold at the appropriate prices and time in the future but not now, when Nigeria is seriously battling challenges of deliberate load rejection by the Distribution Companies (DisCos), deliberate low energy dispatch by the Transmission Company of Nigeria (TCN) load dispatch managers from the various energy load dispatch centres and the National Control Centre in Osogbo, Osun state.

"It is already election time and we believe that even if the five NIPP GenCos are sold, the proceeds may not be useful for the country and may just go into the hands of political cronies at the three tiers of government rather than a re-investment in NIPP/NDPHC revolving funds that could help in upscaling the investment milestones and expansion of the original ideals of the NIPP project's conceptualisation," he said.

The consumers stressed that selling off the five NIPP plants may not guarantee optimal performance as the new investors would have to begin a fresh journey of having some levels of Power Purchase Agreements (PPAs) and Vesting Contracts with the Nigerian Bulk Electricity Trading PLC (NBET).

NIGERIA'S ECONOMY IS IN DISARRAY

By Alikor Victor

Africa's biggest economy is witnessing a massive distortion, with economic analysts worried that the ugly trends continue without much effort from the government. As a result, economic indicators seem very disturbing, especially inflation, unemployment, debt, subsidy payment and poverty rate. The COVID-19 pandemic and the Russia-Ukraine war have been attributed to these challenges, with some analysts arguing that the global economy is facing a few challenges.

However, a careful look at statistics has shown that Nigeria's challenges are worse than the experience of other emerging economies. Poor handling and bad economic policies have contributed to Nigeria's unending economic woes even as external factors like the war in Ukraine and COVID-19 have added salt to the injury.

The National Bureau of Statistics, in its recent release, showed that inflation has soared to 17.1 per cent in Nigeria. An increase in the market price of goods and services is felt in all sectors of the economy. As a result, the value of the naira has reduced while the purchasing power and household income have drastically reduced. Inflation has made nonsense of income saving while consumption has diminished due to unchanged income levels.

At a minimum wage rate of N30,000 monthly, it is difficult for Nigerians to survive the current inflation rate. This has several ripple effects on various sectors. The cost of production will increase, leading to businesses struggling to break even or profit. As a result, there would be business closure, job losses and fewer taxes for the government. Rising inflation could contract the economy and expose it to another economic recession.

Unemployment is currently pegged at 33.3 per cent, while youth employment is 42.5 per cent. The record rate of unemployment for an unproductive economy would have a more devastating effect. This unemployment is caused by lack of foreign investment in the economy, high cost of doing business, insecurity, unstable business environment and other reasons.

Persistent increase in unemployment is fuelling insecurity, youth restiveness, low output and slow economic growth and a reduction in the standard of living of Nigerians. Underemployment is also very high at 22.8 per cent, while youth underemployment is 21.0 per cent.

Unemployment and underemployment have contributed to the knowledge-flight of young Nigerians away from the country in search of greener pastures or high wage rates.

Nigeria's debt profile has continued to rise since 2015. According to available statistics, it has increased from N12.5 trillion in 2015 to N42 trillion in 2022. While borrowing may not be entirely wrong, borrowing should be geared towards financing infrastructure and boost real sectors of the economy. Instead, in Nigeria, debt and repatriated Abacha loots used for social investment programmes have been stolen and mismanaged by political office holders with no significant economic impact.

Borrowed funds have been used to pay salaries and furnish the high cost of governance that has characterised the Nigerian political space. Moreover, a vast per cent of our revenue from crude oil sales and tax has been used to service enormous foreign and local debt with minimal left for expenditure on infrastructure and vital policy programmes.

Subsidy payment for petroleum products in Nigeria is no longer sustainable. In addition, the lack of implementation of the Petroleum Industry Act has continued to stall the sector's growth. N4 trillion has already been budgeted for subsidy payment in Nigeria for 2022, with a possibility of the figures increasing. As a result, revenue from oil has reduced despite a rise in crude oil prices in the international market.

There is no economic sense to subsidise petroleum products in an unproductive economy with prolonged queues for petroleum products in nearly all cities in Nigeria. Furthermore, the government's inability to maintain the four government-owned refineries and the uncertain completion of the Dangote refinery would mean that Nigeria is losing a lot from foreign exchange used in payment for refining what could be refined in Nigeria elsewhere. Lack of government trust from the citizens in reinvesting the money from subsidy payment has made it challenging to stop the subsidy payment.

The World Bank's Nigeria's Development Update for June 2022 predicts an additional 7 million Nigerians to fall below the poverty line of $1.9 per day. This will add to the already existing 83 million impoverished Nigerians, bringing the total figure to 90 million misery-living, squalor-busted and economically hopeless citizens by the end of 2022. If these figures come by, they will represent over 45 per cent of the Nigerian population and create an economic atmosphere of crisis, hunger, starvation and potentially worsening existing insecurity.

Economic planners and drivers have lost touch with the economy. As a result, the economic compass of Nigeria is missing, and the country is regressing at a record speed. The government must expedite actions to salvage the economy from total collapse.

Alikor Victor is a development economist and policy analyst at the Nextier Group

ACCELERATING NIGERIA'S ECONOMIC DIVERSIFICATION THROUGH CBN'S "100-FOR-100" INITIATIVE

In recent decades, Nigeria's economy can best be described as mono-cultural as it is largely run from foreign exchange from the oil sector. However, this source of income has become unpredictable due to a number of reasons that disrupt the market.

Some of these factors include conflicts in oil producing countries, deliberate efforts by countries to preserve their oil reserves, foreign exchange, and smuggling. Due to climate change concerns, many countries have put in place, mechanisms to cut the use of fossil fuel and transit to cleaner energies.

As an oil producing country, these concerns have triggered efforts by the Federal Government to diversify the economy by boosting the productive and manufacturing sectors.

Unfortunately, in the past, Nigeria had a vibrant manufacturing sector, boasting of several textile companies in Kaduna, Kano, Lagos, among other cities, employing hundreds of thousands of Nigerians. Nigeria also had a range of automobile assembly plants that reduced dependence on imported vehicles, in addition to the local production of shoes, in Aba, Lagos, Onitsha, Kano, among others.

For instance, global automobile brands such as Volkswagen, Mercedes and Peugeot also had strong presence in the country's economy, maintaining functional assembly plants and employing thousands of Nigerians.

The agricultural sector was also vibrant, with Nigeria playing a major role in global cultivation and export of crops like groundnuts, cocoa, palm nuts among others.

The over dependence on foreign exchange earnings from crude oil which started from the early 1980s led to a gradual neglect of other aspects of the economy as `petrodollars' reigned supreme.

This gradually led to Nigerians depending on importation for essential goods and services, including those in which the country easily had comparative advantage. The consequence of this action is avoidable economic challenges, growing unemployment, heightening inflation and a weakened naira.

The Central Bank of Nigeria (CBN) has, in recent times, initiated interventionist policies and programmes geared towards reversing the trend by reviving the productive sector and diversifying the economy. As part of the push, in January, the apex bank floated the "100 for 100" Policy on Production and Productivity (PPP).

Under this policy, every 100 days, manufacturers in critical sectors that seek to engage in greenfield projects, or in expanding their existing facilities will have access to cheaper forms of credit at single digit rates as well as foreign exchange to procure plants and machinery.

The ultimate goal is to reverse the nation's reliance on imports by creating an economic system that targets and supports the right companies and projects.

The CBN Governor, Mr Godwin Emefiele, said the policy was designed to support Federal Government's drive towards boosting productivity and economic diversification.

Emefiele said that a maximum loan of five billion naira per obligor would be approved under the initiative, adding that any amount above five billion naira would require special approval of its management.

"The initiative will create the flow of finance and investments to enterprises with potential to kick-start sustainable economic growth trajectory, accelerate structural transformation, promote diversification, and improve productivity.

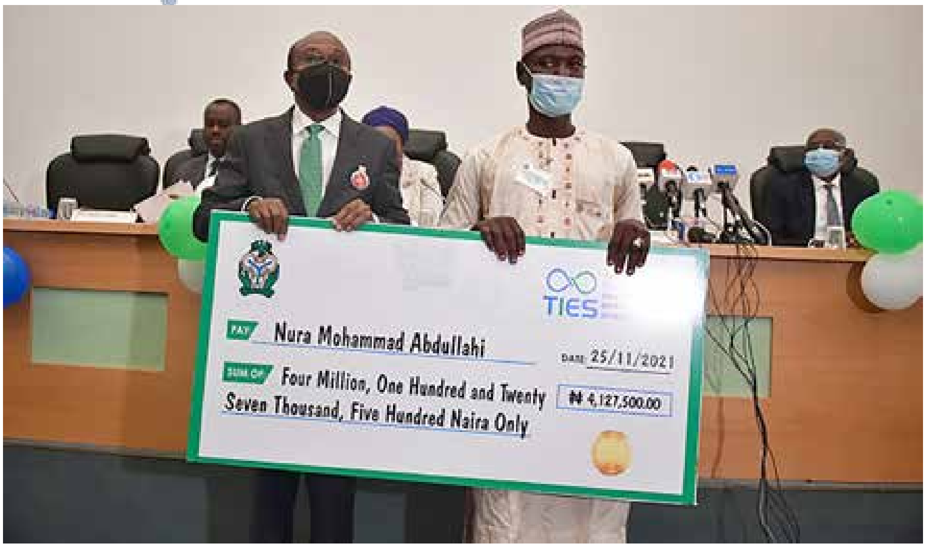
"It is a support to private sector companies with the aim of reducing certain imports, increasing non-oil exports and to improve the FX-generating capacity of the economy," he said.

Emefiele said that 100 eligible companies in priority sectors would be selected to receive funding from the apex bank every 100 days, adding that the initiative would stimulate productivity in agriculture, healthcare, manufacturing, logistics, services, trade-related infrastructure and renewable energy.

"The specific objectives include: catalyse import substitution of targeted commodities; increase local production and productivity; increase non-oil exports; and improve foreign exchange earning capacity of the economy," he said.

He explained that a comprehensive, regular monitoring of specific benchmarks and Key Performance Indicators (KPIs) under the initiative would be undertaken regularly.

"The KPIs shall include increase in



production output of financed companies; percentage increase in capacity utilisation and percentage increase in export volume and value," he said.

According to him, the projects will produce close to 125.8 billion dollars in foreign exchange and more than 20,000 direct and indirect jobs across all sectors of the economy. Already, CBN has given out N23.2 billion in loans to 28 beneficiaries, under "100 for 100" initiative.

The beneficiaries cut across sectors, including manufacturing, agribusiness and agro-processing and extractive industries, petro-chemicals and renewables, healthcare and pharmaceuticals, logistics services.

The apex bank said that 28 companies were found eligible and selected for funding in the first instance, with projects valued at N23.2 billion.

In supporting the initiative, the Minister of Labour and Productivity, Dr Chris Ngige, said recently it is a proof of the CBN's commitment to spearheading initiatives that would spur productivity and economic growth in Nigeria.

"Productivity forms the basis for everything we are doing. To come up with such an initiative that benefits all key sectors means that the CBN has keyed into the fact that we need to produce," he said.

The Secretary to the Government of the Federation, Mr Boss Mustapha, advanced that the policy has coming at the time that economic diversification and local production of finished goods and services is needed.

"Over the years, the CBN has shown the capacity in modeling and pushing through programmes and initiatives that will facilitate the realisation of its core mandates of ensuring financial system stability and promotion of economic policies and strategies," he said.

The initiative has also attracted support from a member of House of Representatives who has commended the apex bank for introducing the policy.

Rep. Chris Azubogu, while moving a motion in February, urged the CBN to sustain the policy, saying that it will improve Nigeria's capacity to produce goods for its population and the markets in Sub Saharan Africa.

According to him, the policy will support economic development and contribute to increase in economic activities by stimulating the production of goods and services and creating employment for the teeming population.

"The policy will improve the capacity of Nigeria to produce goods for its population and Sub Saharan Africa market especially, as well as protect the country from being a dumping ground for substandard products.

"The initiative, if well implemented, will contribute immensely to Industrialisation, increase capacity to create employment for the teeming youth.

"It will also improve revenues through exports and reduced importation of goods, thereby improving the economy of the country," he said.

A financial expert, Mr Okechukwu Unegbu, commended the apex bank for thinking outside the box in its efforts to fix the nation's economy and urged beneficiaries to ensure that the funds were judiciously utilized.

"The CBN has made commendable efforts to encourage the manufacturing sector and economic diversification in recent times and this policy is another one.

"The realisation by fiscal and monetary authorities, that it is imperative to move the country away from dependence on crude oil to the productive and manufacturing sector is encouraging.

"I urge beneficiaries of this policy to ensure that the funds are used for the purpose for which they were allocated, while the CBN should ensure strict oversight and monitoring to ensure compliance," he was recently quoted as saying.

Given the poor performance of similar interventions in the past, some experts called for caution in celebrating the latest move.

Mr Ibrahim Aliu, a chartered accountant, advised the apex bank to take stock of its previous economic policy decisions to determine with a view to improving on the execution of the present one.

According to Aliu, in a recent he said it is not just enough to introduce these policies, saying that their implementation of such policies must instill confidence and credibility in the system.

"The apex bank needs to take stock, do an appraisal, to determine the level of success of existing policies," he said.

An economist, Mr Joseph Adebayo, in another interview called for effective monitoring of beneficiaries of the policy to ensure that the funds were not diverted.

"Many Nigerians believe that government money is free money. I hope the CBN has adequate modalities to monitor the 28 enterprises that have so far benefited from this policy and their usage of the N23.2 billion loan," he said.

Though CBN is confident about the success of the policy amidst concerns about the implement it is obvious that the nation's economy can no longer afford to lean on crude oil exports. The new policy therefore deserves the support of all stakeholders.

LEVERAGING INVESTMENT POTENTIAL IN FEDERAL GOVERNMENT'S SECURITIES

As most Nigerians continue to decry the increasing public debt stock of Federal Government, others look at the lucrative investment opportunities in some of the debt instruments.

These debt instruments refer to the various Federal Government of Nigeria (FGN) Securities, which make up the local component of government debt.

FGN Securities refer to the FGN Bond, FGN Savings Bond, FGN Green Bond, the Sovereign Sukuk, the Eurobond and Treasury Bills.

In recent times, the Debt Management Office (DMO), the government department saddled with the responsibility of coordinating the management of the country's debt, has embarked on awareness drive, to educate retail investors about the benefits of investing in these debt instruments.

The awareness drive, which was inaugurated in Lagos in March, has also been taken to Enugu in the Southeast, Ibadan in the Southwest and Kano in the Northwest.

Patience Oniha, the Director-General of DMO, said the aim was to sell the various existing FGN Securities to the Nigerian public.

Oniha said the various FGN Securities, apart from raising funds to finance government projects, also offered attractive investment opportunities for Nigerians.

According to her, the Federal Government, through the DMO, issues the securities and makes periodic interest payments to the investors, while the principal is paid at the end of each tenor.

"The Federal Government has various investment platforms like the FGN Bond, FGN Savings Bond, Treasury Bills, the Green Bond, the Soveriegn Sukuk and Eurobond.

"One function of these FGN Securities is to raise capital to finance deficits in the budget, and also to raise funds to execute critical infrastructural projects. They are backed by full faith and credit of the Federal Government of Nigeria, and are default risk-free," she said in a recent media report.

She said the FGN Securities also contributed to the development of the domestic capital market, adding that they served as benchmark for other private institutions to issue their own securities.

"They enhance the savings and investment opportunities of the populace, thereby promoting financial inclusion.

"They also attract foreign investors

Patience Oniha

into the domestic financial market, to refinance maturing domestic debt and to diversify sources of funding for the Federal Government. You can use them as collateral to obtain loans from banks and other financial institutions, and they help in diversification of investment portfolio", the report further quoted her as saying.

Because of its potential to offer returns on investment, Mr Monday Usiade, the Director, Market Development Department of the DMO, urged Nigerians to embrace the various FGN Securities.

According to Usiade, it is more profitable for Nigerians to invest their monies in FGN Securities.

"Saving is a culture we must all imbibe, and the FGN Securities have come to help Nigerians save. The driving force is to encourage us to save in a secure environment. The Federal Government cannot default on a loan in its own currency," he said.

He said that the various FGN Securities were already competing with the Deposit Money Banks (DMBs), adding that there was the need to challenge the DMBs to improve on their service delivery.

According to him, the securities could also serve as means of diversifying investment as it could be too risky for an investor to put all his eggs in one basket.

"We can encourage Nigerians to invest in the various Federal Government Securities to diversify their investment portfolios and improve their earnings. But we cannot undermine the integral role of the DMBs in the financial system and in delivering our mandate. We also need the banks to execute our mandate," he said.

Financial experts caution that investors should be properly educated on the risks associated in investing in securities such as bonds which includes the influence of inflation on returns; what becomes of the investment in face of failure of corporate bond issuers inability to repay the debt.

However, some members of the stockbroking community say they are confident that the Federal Government's securities are worth giving a try.

According to a stockbroker, Mr Abiodun Fagbohun, with the FGN savings bond, you can earn between nine per cent and 10 per cent interest per annum, adding that it is a good opportunity which was not there for the retail investors before now.

According to Fagbohun, in the past, institutions like banks and pension funds administrators were the ones who took advantage of FGN Securities.

He said that the DMO, along with the stockbroking community, was trying to ensure that the general public can participate in the bond market.

"We created this window through the FGN Savings Bond, whereby retail investors with as low as N5,000 can also participate in the market.

"For example, if you put about N10, 000 in your savings account, you will earn like two per cent interest per annum", he said.

HOW NIGERIA CAN GROW FOREIGN RESERVES, FIX ECONOMY

The challenges and scarcity of foreign exchange (forex) is having on businesses in Nigeria. There is a template as to how nations grow their foreign reserves. The model may defer but the mechanisms are often similar.

Economists and policy experts agree that reserves are to nations what bank savings are to individual citizens. Without savings, individuals will go bankrupt and begging for crumbs at some point in the future.

Foreign reserves are "assets denominated in a foreign currency that are held by a nation's central bank," according to Investopedia, an online financial dictionary.

Some are held as foreign currencies (dollars, euros and pounds) while others are in the form of bonds, treasury bills, and other government securities.

Most reserves are held in US dollar because it is the most traded currency in the world and provides buffers in situations of market shocks or currency devaluations.

Economists point to Vietnam, a Southeast Asian country, as an example of how nations can grow their reserves and guard themselves against recurring global economic crises. It may well be reasonable to recommend studying the Vietnamese economic model to present and future Nigerian political office aspirants.

Like Nigeria, Vietnam is largely agrarian. Like Nigeria too, it fought a war, but theirs was longer. The 20-year-old war brought the country to its knees, and, according to the World Economic Forum's Peter Vanham, "per capita GDP was stuck between $200 and $300."

However, there was a determination to change the fortunes of the country after the introduction of 'Doi Moi" renewal campaign which transitioned the nation from a centrally planned economy to market socialism. The latter politico-economic philosophy combined central planning with free market incentives and opened a previously closed economy to international participation.

According to the International Monetary Fund's Working Paper entitled, "Vietnam's Development Success Story and the Unfinished SDG Agenda 1" and prepared by a researcher, Anja Baum, "Doi Moi dismantled the largely planned economy (beginning with agricultural reforms), opened a closed economy to international markets and trade, and initiated pro-business reforms. Doi Moi was accompanied by a wide-ranging social agenda, led by expansion of education and electricity, with a clear goal of 'leaving no one behind."

Based on the analyses by World Bank and Brookings Institute's economists, there were three decisions taken by Vietnam that made it a shining example for emerging markets.

Vanham of the World Economic Forum identified these three steps. "First, it has embraced trade liberalization with gusto. Second, it has complemented external liberalization with domestic reforms through deregulation and lowering the cost of doing business. Finally, Viet Nam has invested heavily in human and physical capital, predominantly through public investments."

The Doi Moi economic model opened up for foreign direct investment, providing incentives for companies willing to invest in the country. Raw materials were available, taxes were low, tariffs were designed to favour local investments and tax holidays were also provided. It was easier to get licenses and laws were made to punish official demanding bribes to provide basic infrastructures for investors. Also, basic infrastructures were provided and investors perceived the country as low-risk. More importantly, factories met skilled manpower as the citizens were also learned.

But the local manufacturing sector was not left out. Manufacturers were provided with incentives to produce and their target was basically the export market – to create jobs and earn the foreign exchange.

The policies paid off. The value of Vietnam's exports in 2021 was $336.31 billion, according to the country's Customs Department.

Nigeria earned $45.56 billion from crude and non- oil within the same period, according to the NBS' Foreign Trade Statistics. Crude oil made up over 76.22 per cent of this amount, while the non-oil was 23.78 per cent. Non-oil exports were around $10.836billion.

But Vietnam earned $58 billion (more than Nigeria's crude oil and non-oil) from export of phones and accessories by the end of 2021. The country's biggest export products were electronics, followed by coffee, textiles and rice.

In 2021, the Asian nation exported textiles and garments valued at $39 billion, representing a four per cent growth from 2022's figure.

It made almost $11.8 billion from exporting textiles and between January and April 2022, up 21.6 percent from the corresponding period in 2020, according to the country's Ministry of Industry and Trade.

The growth has also been inclusive. According to the IMF, the Southeast Asian country's growth model transitioned it from low-to middle-income country and lifted 40 million people out of poverty.

The foreign reserves benefitted from these economic changes, reaching $110 billion by the end of 2021, representing a 10-fold increase over the amount reported in 2010.

ONE YEAR AFTER, HOW HAS eNAIRA IMPACTED THE ECONOMY?

The Nigerian masses are yet to adopt the much hyped electronic currency sponsored by the Central Bank of Nigeria (CBN). The digital currency which came amid high expectations, considering the uncountable benefits enumerated by the apex bank which is yet to receive the needed acceptance as slow rate of adoption by the banks and other stakeholders becomes the order of the day. Moreover, one is poised to ask if the introduction of digital currency is one of the ways to revitalize the ailing economy with a very weak currency. ***CHARLES OKONJI*** *examines the issue.*

Recall that with the launch of eNaira, Nigeria became the first African country to introduce a digital currency, joining the League of Nations like Bahamas and the Eastern Caribbean Central Bank in being among the first jurisdictions in the world to roll out national digital currencies.

Sadly, one year after its inauguration, it seems the new legal tender has become one of the failed tools introduced by the nation's number one bank, which can easily be described as another government jamboree.

TBI Africa has it that the CBN Governor, Godwin Emefiele, during the unveiling, stated that the introduction of the eNaira came after four years of research conducted by the apex bank.

According to him, the eNaira is a digital currency denominated in naira and serves as both a medium of exchange and a store of value.

Emefiele posited that CBN integrated 33 banks into the eNaira platform with N500million successfully minted by the apex bank for the takeoff of the programme.

"N200millio had been issued to financial institutions while over 2,000 customers had also been on-boarded as of the time of the launch. The Central Bank Digital Currencies (CBDCs) speed wallet app and merchant wallet also became available for download after eNaira went live," said Emefiele.

By December 2021, the eNaira consumer wallet recorded over 583,000 downloads while the merchant wallet was downloaded 83,000 times, with downloads occurring in over 160 countries.

Also, CBN recorded over 34,000 transactions through the wallets amounting to over N188million, according to the apex bank's Controller, Enugu branch, Ch'Edozie Okonjo.

It is important to note that the CBN at the period of eNaira's launch; projected it would add $29 billion to the Nigerian gross domestic product (GDP) within 10 years.

"Transactions on the system have been superfast and remain free for now, by design." Emefiele stressed.

eNaira experiences rejection

In spite of the high potentials and publicity around the CBN's digital currency, the eNaira, most stakeholders did not see any reason for its introduction, while major retailers and vendors in the country are yet to adopt it after one year of its existence, which is a very negative signal to what apex bank made Nigerians to believe.

Dr Muda Yusuf, Founder/CEO of Centre for the Promotion of Private Enterprise, noted that the eNaira, which was introduced by the CBN is another innovation in the use of technology in our payment system and transaction system.

In his opinion, Dr. Yusuf said: "But for me, I have been struggling to see what real value eNaira is bringing to the table, because if you look at the data on NBS, how well we are doing in terms of Electronic Payment System (EPS), we are talking about trillions of Naira, which includes the use of POS, Electronic Transfer, ATM and some other EPS platforms. These things have gained tremendous patronage.

"I think it would have been better to stay with these ones for now and see how better we can improve on them, and to also improve on the credibility and on the trust level on these already existing

payment systems. You can see that people are embracing it. Look at POS all over the place. Not many people are carrying cash any more. So we have made significant progress in that level. So, I strongly think it would have been better to consolidate on already existing electronic payment systems available before introducing the eNaira.

"Right now, the issue of cybercrime is increasing, even abroad, and the advanced economies are struggling with this cybercrime which has not been tackled properly or totally nipped in the bud.

"I feel so much concerned that Nigeria is pushing so aggressively about this eNaira which should not be a major priority, because we have a whole lot of issues around the monetary policy state. We have issues with our foreign exchange (Forex), the issues with the level of trust in the EPS. For instance, when they steal people's phone, before you know it, they have withdrawn other people's money, and all of these things are even chasing people away from the use of some of these electronic payment system and the use of technology in our financial system. It is better to just consolidate on the success that have been recorded already and protect the system.

"We are doing very well, because if you look at other countries around the world, Nigeria is one of the most performing in terms of the use of technology in financial system transaction.

"Quite frankly, I have been struggling to see the value that eNaira is bringing to the state, but I can tell you that the effort exhibited on eNaira is disproportionate. For instance, it is better we consolidate on the existing platforms and make sure the penetration is higher."

A survey conducted by our correspondent across some chain stores and shopping outlets channels in some parts of the country showed that there is a slow adoption of the digital currency as a medium of exchange. Cashiers at retail shop (Spar) who spoke on condition of anonymity because they were not authorised to speak on the matter, said they weren't aware of the existence of the eNaira or how it functions.

Findings have also revealed that there was no provision for eNaira payment that has been made by the CBN to accommodate e-commerce platforms like Jumia and Konga, among others, which is a very big loop-hole in the four years research by the apex bank.

Level of involvement of commercial banks in eNaira

Disturbed by the slow adoption of the eNaira, the CBN condemned commercial banks across the country for not promoting the digital currency.

Aminu Muhammad, Head, Development Finance Department of the CBN, an assistant director, noted that financial institutions under the purview of the CBN were supposed to play these critical roles in growing our economy, adding that commercial banks were not effective in promoting the eNaira.

As part of strategies of selling eNira to the members of the public, the CBN in collaboration with the Bankers Committee recently conducted an eNaira road show at Balogun and Tejuosho markets in Lagos State.

The team, comprising CBN staff and representatives of some commercial banks, landed at Balogun market recently and Tejuosho market in Yaba all in Lagos.

In the road show, the team assisted downloads for market men and women, dance competition, eNaira branded gift items like power bank, cups, T-shirts and other electronic devices were given out.

The team of experts on hand commended the traders for the interest they showed by massively downloading the eNaira apps. Furthermore, they identified a mismatch in the date of birth used by some bank customers as one of the hitches experienced but was promptly attended to.

The highlight of the event was the arrival of Kunle Afolayan, a Nigerian actor, film producer and film director. Pointing out the usefulness of eNaira, Afolayan noted that it has the full backing of the CBN and represents everything the paper Naira represents, stressing the need for acceptability of eNaira.

According to the movie star, "eNaira is the way to go now, because a lot of people don't want to move around with cash. And it's a very good platform for customers and buyers as well. It is mainly for people that are into business because sometimes even when you order stuff and the money doesn't get delivered on time; eNaira will solve that problem by just a sharing of code between the buyer and the seller as well.

"All you need to do is just communicate with who you are transacting with. And like I said, it's a big world now. A lot of people are dealing in cryptocurrencies and all that. So this is our own version of it. It is safer. It is the best; very easy to operate. It is like a one speed dial and all

problems are solved," he stated.

He noted that the eNaira is real and risk-free. He said the CBN has made the app easy to download for active users and has improved on its website so as to make e-Naira digital wallet feasible and easy for the youths to use in building enduring livelihood that would transform into socio-economic development of the nation

IMF position on e-Naira

The IMF Managing Director, Kristalina Georgieva, noted that the central bank digital currencies (CBDCs) like eNaira are a better bet than cryptocurrencies.

Georgieva said: "In order to become familiar with the bits and bytes of digital money, central banks are getting to work.

"We don't yet know how far and how fast CBDCs will go, since they are still in their infancy. As a result, central banks are building up their ability to harness new technologies – so that they will be ready for whatever lies ahead."

There are about 100 or so countries that are exploring CBDCs with support from the IMF. The global creditor in an about-turn, however, admitted that the eNaira may cause money laundering and financing of terrorism.

In its staff country report entitled 'Nigeria: 2021 Article IV Consultation', IMF stated that new activities related to money laundering and terrorism financing will spring up should the CBN deploy eNaira for cross-border fund transfers and agency bank networks.

"Prospective expansion of eNaira use to cross-border fund transfers and agency bank networks may cause new money laundering/financing of terrorism (ML/FT) risks", the report stated.

IMF also asserted that operational risk, such as legal issues between wallet providers and CBDC holders, might trail the usage of eNaira, which is still struggling to appeal to person-to-merchant or merchant-to-person.

"Unforeseen legal issues, including for private law aspects of its operations (e.g., the exact nature of legal relationship between the wallet providers and CBDC holders), may subject eNaira to litigation and operational risks", IMF stated.

Dispelling fears of Nigerians over e-Naira

Explaining further on the benefits of the eNaira, Dr. Iwa Salami, Associate Professor in Law at the University of East London, who shared her candid thoughts with an online platform recently, said there is a need to educate Nigerians on the difference between the digital representation of cash deposits in bank accounts and the eNaira in digital wallets.

While a plausible explanation about a digital currency as a means of payment or money that exists in a purely electronic form, she said, central bank digital currencies are issued and regulated by the nation's monetary authority, or central bank, and backed by the government. "They are different from existing electronic central bank money, which is provided by central banks but can only be used by banks and selected financial institutions. When financial institutions pay each other, they pay in reserves from accounts held with a central bank."

According to her, "Before central bank digital currencies, the only way consumers could use money that is a direct liability of a central bank was with physical cash. Existing digital retail payment from customer deposits accounts in banks are based on money that is the liability of the institution providing the account, not a central bank. A central bank digital currency is a direct liability on the central bank and is available to all households and businesses giving them access to electronic central bank money."

Nigeria's digital currency will be the digital form of the Naira and will be used just like cash.

A central bank digital currency, she pointed out, "is not a cryptocurrency. Cryptocurrencies, such as Bitcoin, are not currencies in most countries since they are not a generally accepted form of payment. Although they are still widely referred to as cryptocurrencies, they are best described as digital assets, or crypto-assets."

Moreover, since the eNaira is non-interest bearing and the Central Bank can place transaction and balance limits on certain eNaira wallets, this risk is minimised.

"The second risk is operational. For example, if IT systems were to fail or if there were technological glitches, or cyber-attacks. These can compromise user privacy. The Central Bank will need robust technology and IT security systems. Closely linked is reputational risk to the Central Bank if the operational risks materialise. They are likely to have a huge impact on its credibility and reputation both domestically and globally.

"When the Central Bank takes on this new function – issuing the eNaira and maintaining a central ledger of all transactions – it might find it harder to perform its key function of ensuring a safe and sound financial system since its focus could be diverted towards managing the eNaira system in addition to carrying out its other functions in the domestic economy.

ENTREPRENEURIAL RESEARCH: £1.5 BILLION UP FOR INDUSTRY BASED RESEARCH

By Charles Okonji

As part efforts towards making research and development (R&D) results in Africa, especially in Nigeria to solve the industry needs, which will in turn lead to GDP growth, Prof. Kirk Semple, Director, Lancaster Environment Centre, Lancaster University, has 1.5 billion pounds earmarked as the Global Challenges Research Fund.

Semple who stated this at the Differentiate Nigeria High–level Stakeholders Meeting held in Lagos recently, said the fund will go a long way in transforming the African economy.

He pointed out that the project was to stimulate sustainable entrepreneurial thinking for scientists, adding that with this project researchers will become business inclined.

Semple said: "The overall aims and objectives are; share our learning of place-based entrepreneurship in African Universities, explore the barriers and opportunities place-based entrepreneurship in African Universities, and to showcase the Stimulating Entrepreneurial Thinking Tool Kits for Scientists and Students (SETSS).

"Lancaster University co-designed, co-developed and has co-delivered two multi-organizational projects with African partners: Recirculate (7 Million Pound Capacity Building Project with five African organizational partners from Nigeria, Ghana, Malawi, Kenya and Botswana. Actuate (700,000 Pound Waste to Energy Demonstrator Plant Development Project with over 10 organizational partners from Nigeria and Ghana). Launched in CSIR-FRI Ghana and delivered in partnership with African partners

"Then Lancaster University won a British Council funding under the Digital Universities Africa programme to develop SETSS further.

"In partnership with University of Benin and Igbinedion University Nigeria, Lancaster University Ghana, Kenyatta University Kenya and CSIR Ghana."

Earlier in his opening speech, the Vice Chancellor of Igbinedion University, Prof. Lawrence Ezemonye, has stated that the rout to industrial development is industry academia interface.

Ezemonye noted the industry is furnished with the R&D results from

Prof. Kirk Semple

Prof. Lawrence Ezemonye

research institutes, which are solutions that industry needs for growth and development, adding that it will lead to increased productivity, as it will enhance national GDP.

He said: "Industry/Academia interface is the beginning of growth. The industry has their demand and the academia has their philosophy. There is this issue that the graduates from the academia do not ordinarily meet the demand of the industry. For this reason, it became necessary to finding a way to bridge this gap; this gave birth to the partnership between the University of Benin and Lancaster University 10 years ago, propelled by Prof. Kirk Semple, Dr. Akanimo Odon CEO, Envirofly Consulting UK Limited and Myself.

"I can authoritatively say that industry academia interface is beginning to gain grounds, and it has spread to university of Lagos, Babcock University and others."

In his submissions, Dr. Akanimo Odon, CEO, Envirofly Consulting UK Limited, stated that the project became important as Nigeria and African universities have been bedeviled with research challenges.

Odon pointed out that the project is to make researchers entrepreneurial in their thinking, adding that this was to change researchers narrative of publish or perish to research for earning money.

According to him, "The British Council understands that for Africa to grow, Universities must be solidly robust, so we developed Innovation in African Universities Program called DIFFERENTIATE, which is why Lancaster University partners some of these African universities and applied for this loan.

"In 2013 Africa's gross expenditure on research and development was about 0.45 percent of GDP, compared with 2.71 percent in North America, 2.10 percent in Southeast Asia 1.75 per- cent in Europe, 1.62 percent in Asia, and 1.03 percent in Latin America and the Caribbean.

"Africa was home to just 2.4 percent of the world's researchers (1.1 percent for Sub-Saharan Africa and 1.4 percent in North Africa), compared with 42.8 percent in Asia, 31.0 percent in Europe, 18.5 per- cent for North America, and 3.6 percent for Latin America and the Caribbean. "The share of researchers in Germany (4.6 percent), the Republic of Korea (4.1 percent), and France (3.4 percent) is larger than that of the African continent as a whole."

On his part, a stakeholder, Dr. Chima Igwe who is a former Acting Director General and a Substantive Director of the Department of Chemical, Fibre and Environmental Technology, Federal Institute of Industrial Research, Oshodi (FIIRO) stated that what most scientists need in addition to their professional and technical competence in the field of scientific research for development are the twin areas of entrepreneurial and kinetic thinking.

Igwe noted that it enable the scientist create the much talked about wealth and generate employment using their various fields engagement.

FOOD SECURITY: FCA REAFFIRMS COMMITMENT, VOWS TO TACKLE UNEMPLOYMENT

Dr. (Mrs) Elizabeth Augustus

By Charles Okonji

In a concerted effort towards curtailing the current wave of acute food shortage blowing throughout the country with attendant high bill of food import receipt, compounded continuous rise in inflation rate, the leadership of Federal College of Agriculture (FCA), Ibadan led by the provost, Dr. (Mrs) Elizabeth Augustus, has reiterated the commitment of the school in ensuring food security, emphasizing the unwavering assurance of the institute in producing successful agricultural entrepreneurs.

Augustus, who gave this assurance in an interview with our correspondent recently at Ibadan, stressed that her leadership has keyed into food sufficiency agenda of the present administration, stating that the college is committed to practical training at the college that will produce graduate entrepreneurs.

According to the Provost; "I want to tell you that this college is working in tandem with the vision of the present administration in the area of agriculture and food security. Our focus remains making sure that our students are pragmatic students. That is, that they are practically oriented students that can be employers of labour rather than job seekers at graduation. As you know, the vision of the present administration is to ensure job creation, wealth creation and food security amongst others.

"Our mandate in the college is training. We train middle level man-power in the area of agriculture, and related disciplines. This is a college of over 100 years. As you know, the vision of the present administration is to ensure job creation, wealth creation and food security.

In line with this laudable objective, we recently invested in organic agriculture, and we are also a member of the international association of organic farmers, and we are still carrying out research on new areas. We are not resting but working harder at ensuring that there is food security and sufficiency in the country."

Speaking on the continuous rising unemployment situation of the country, pointed out that the college is determined to create jobs, wealth, to take jobless youths away from the streets and ultimately, ensure food security in the country despite current challenges facing the college.

"It has been challenging leading people and managing resources. But the major thing for a leader is to be focused. When a leader is focused, he (or she) is never deterred. As a leader of this highly demanding institute, I am focused and working hard in line with the mandate of the college."

Dr. Augustus lamented the paucity funds, stressing that funding remains a major challenge confronting the institution which has existed for over 100 years.

The Provost posited that raising funds for projects remains a challenge though the college is fully funded by the Federal Government through the Federal Ministry of Agriculture and Rural Development.

She is, however, optimistic that going into collaboration with relevant stakeholders will go a long way in bridging the financial gap, while stating that since the inception of present leadership in 2019, there has been judicious utilisation of funds either generated internally or allocated to the Institution, blocked financial loopholes and has focused on accelerated measures to reposition the school for improved academics, productivity and general impact on the society.

Established in1921, FCA prides itself as the first agricultural institution in Nigeria and West Africa, as a model Agricultural Institution saddled with the responsibilities of upholding the standards of agricultural training in Nigerian Colleges of Agriculture.

The college aims at contributing towards achieving the goal of boosting agricultural production and management in the country.

Amongst others, the college is into animal production, crop production, and equipment fabrication. It has over 200 acres of land which the school uses for cassava cultivation, while the Garri processing plant is expected to come on stream very soon, and the college is also into oil palm and honey-production.

The objectives of setting up the college include, producing well trained agricultural manpower at National Diploma (ND) and Higher National Diploma (HND) Certificate levels, strongly contribute and provide solutions to Nigeria's Agricultural challenges by providing excellent extension services and offer short courses and training programmes targeted at boosting the competencies of Nigeria's agricultural personnel.

IS ICT SET TO END OIL DOMINANCE?

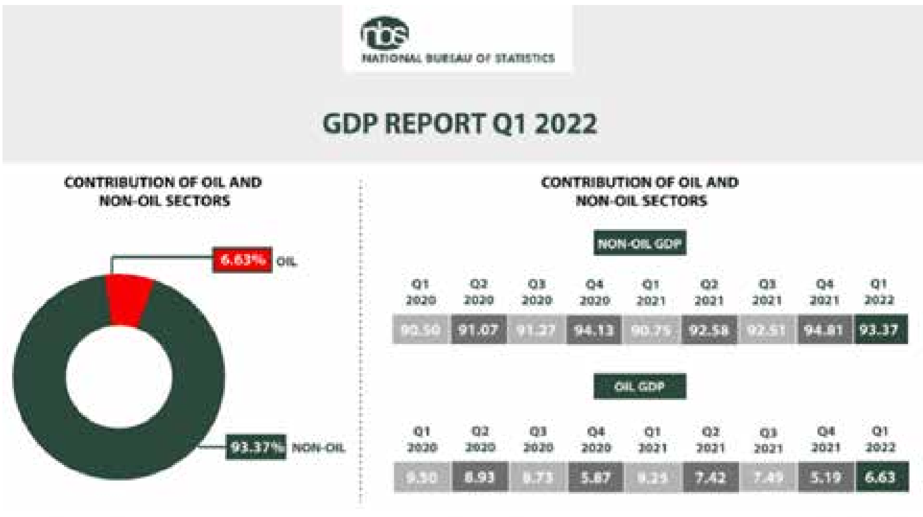
With the consistent growth rate being recorded by the Information Communications Technology (ICT) sector in recent times, which saw it making contribution of over N18 trillion to the country's real Gross Domestic Product (GDP) in Q3, there is a growing optimism that the sector may soon end oil revenue dominance should more digital infrastructures be put in place to sustain the growth rate, examines UCHENDU AMUTA.

Nigeria has for so long depended on revenue from crude oil as main capital for the annual budget and its developmental projects. While other contemporaries (in term of crude oil deposits and production) such as Saudi Arabia and Dubai have made good use of the huge revenue from oil to develop their economies and welfare of the citizenry, the case is regrettably different for Nigeria.

Over a trillion dollars earned from the sale of crude oil has been grossly mismanaged, squandered by the privileged few and the sector poorly developed to the extent that the fifth oil producing country in the world cannot boast of a functional refinery till date. The welfare of majority of Nigerians has become so poor to the extent that many now consider crude oil resource as a curse rather than a blessing.

The above reasons coupled with current global energy trend, searchlight is beamed towards the non-oil sectors to rescue the oil failing economy, and it appears there is a supremacy battle between the digital and oil economy in the country. Most Nigerians can only say, let the battle begin.

The recent performances of the non-oil sector, (particularly the Information Communication Technology, ICT) as per contribution to the country's Gross Domestic Product, GDP, is heartwarming and a pointer to the fact that the country and the economy can survive beyond crude oil, perhaps, if the country could get the art of governance right.



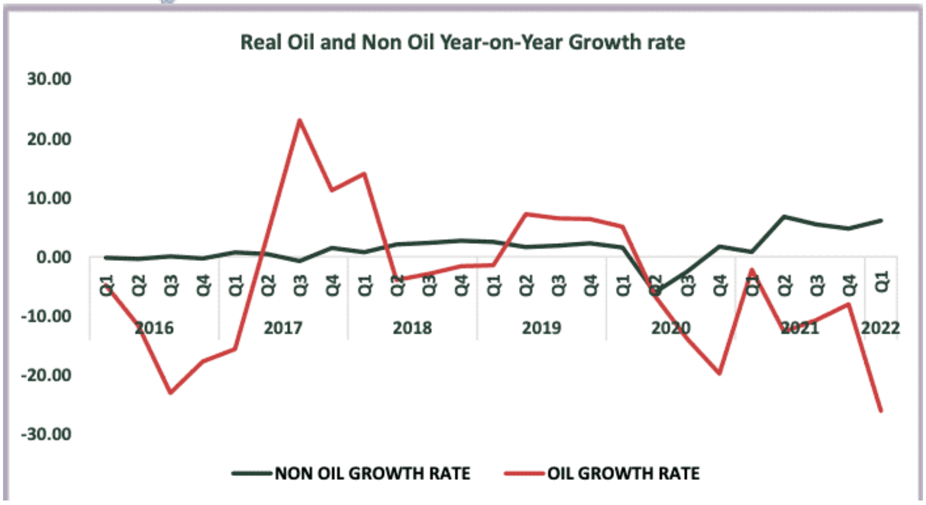
Data from the Nigerian Bureau of Statistics (NBS) reveal that the non-oil sector in real terms, posted a 93.37 per cent contribution to the nation's GDP in the first quarter of 2022. This represents a 2.62 points increase to the share recorded in the first quarter of 2021 which stood at 90.75 per cent.

Though this contribution, NBS said, is 1.44 points lower than the 94.81 per cent contribution recorded in the fourth quarter of 2021, and could be attributed to some factors the sector continues to push forward.

According to the NBS report, the non-oil sector grew by 6.08 per cent in real terms during the reference quarter (Q1 2022). This rate was higher by 5.28 per cent points compared to the rate recorded in the same quarter of 2021 and 1.34 per cent points higher than the fourth quarter of 2021.

However, the oil sector that has remained the mainstay of the economy added 7.42 per cent in the same quarter with a drop in the preceding quarter when it contributed only 9.25 per cent.

Also, the oil sector contributed 6.63 per cent to the total real GDP in Q1 2022, down from what it recorded in the corresponding period of 2021 and slightly up compared to the preceding quarter with the figures put at 9.25 per cent and 5.19 per cent respectively by NBS.



"It is important to note that the ICT sector posted a significant contribution of 16.20 per cent to the impact made by the non-oil sector in the Nigerian Gross Domestic Product Report Q1 2022," NBS stressed.

Though the report accounted that trade; financial and insurance (Financial Institutions), agriculture (particularly Crop Production), and manufacturing (Food, Beverage & Tobacco), contributed to the positive GDP growth, singling out ICT for commendation underscores the consistent growth recorded by the sector in recent times and hitting18.44 per cent in Q2.

This growth is said to have excited some government officials who in my opinion, contributed little or nothing to the growth figure. Rather, credit should go the way of private players and individual who despite harsh economic and business environment in the country remained resolute to forge ahead.

The 18.44 per cent contribution of the ICT to the total real GDP in Q2 2022 is said to be the highest so far, and It marked the third time that the sector has achieved an unprecedented contribution to country's GDP in recent times; Q1 2020, Q2 2021 and now Q2 2022.

In real terms, ICT's contribution to real GDP amounted to N8.13trillion as at September as shown by data from the National Bureau of Statistics (NBS). ICT sector in NBS rating comprises of the four activities of telecommunications and information services; publishing; motion picture, sound recording and music production; and broadcasting.

According to recent statistics from the Nigerian Communications Commission (NCC), total connected telephone lines in the country grew to 308, 748,590 (three hundred and eight million, seven hundred and forty-eight thousand, five hundred and ninety) as at July 2022 while teledensity stood at 109.47. Teledensity measures the number of telephone connections per 100 in a specified geographic area accessible.

Out of this number, GSM line accounted for 307,359,152 (approx.307.36million), with fixed (wire and wireless) lines and Voice over Internet Protocol (VoIP) recording 218, 684 (218.68 thousand) and 1, 170, 754 (1.17million) respectively.

The industry regulator further analyzed that active GSM lines stood at 208, 604, 996 (approx.208.60million), active fixed lines 101, 858 (101.86 thousand) and VoIP having 262, 591 (262.59 thousand) active lines bringing ground total of lines in use to 208, 969, 445 (two hundred and eight million, nine hundred and sixty nine thousand, four hundred and forty-five.

In Q1, the country's real GDP was put at N16.83trillion, with the ICT sector recording a growth rate of 6.47 per cent in real terms, year on year, and contributing 14.91 per cent to real GDP

The real GDP dropped to N16.69trillion in Q2, with the ICT sector recording a growth rate of 5.55 per cent in real terms and contributing 17.92 per cent to real GDP.

In Q3, the ICT recorded a growth rate of 9.66 per cent in real terms, year on year, and contributed 14.20 per cent to the real GDP (N18.54trillion).

The sector's contribution N2.63tn to nominal GDP in Q3, compared to N2.99trillion in Q2 and N2.51trillion in Q1. It contributed a total of N12.91trillion in the nine-month period.

In Q1, the total nominal GDP was N40.01trillion and the ICT sector contributed 9.91 per cent (N3.97trillion).

The total nominal GDP and the sector's contribution rose to N39.12trillion and 12.22 per cent (N4.78trillion) respectively in Q2. The total nominal GDP increased further to N45.11trillion in Q3. It is, however, believed that COVID-19 pandemic, the slow pace of the National Identity Number-Subscriber Identity Module data verification, and a telecommunication blackout in certain states of the federation might be responsible for the slow growth in the sector.

NBS general overview of the economy shows that GDP grew by 3.11 per cent (year-on-year) in real terms in the first quarter of 2022, showing a sustained positive growth for six consecutive quarters since the recession witnessed in 2020 when negative growth rates were recorded in quarter two and three of 2020.

The government agency says first quarter 2022 growth rate further represents an improvement in economic performance, while observed trend since Q4, 2020, is an indication of a gradual economic stability.

Also, the Q1 2022 growth rate was higher than the 0.51 per cent growth rate recorded in Q1 2021 by 2.60 per cent points and lower than 3.98 per cent recorded in Q4 2021 by 0.88 per cent points.

Nevertheless, quarter-on-quarter, real GDP grew at -14.66 per cent in Q1 2022 compared to Q4 2021, reflecting a lower economic activity than the preceding quarter. In the quarter under review, aggregate GDP stood at N45,317,823.33 million in nominal terms.

This performance is higher when compared to the first quarter of 2021 which recorded aggregate GDP of N40,014,482.74 million, indicating a year-on-year nominal growth rate of 13.25 per cnet. The nominal GDP growth rate in Q1 2022 was higher relative to the 12.25 per cent growth recorded in the first quarter of 2021 and higher compared to the 13.11 per cent growth recorded in the preceding quarter.

This notwithstanding, NBS says quarter-on-quarter, real GDP grew at -14.66 per cent in Q1 2022 compared to Q4 2021, reflecting a lower economic activity than the preceding quarter, while other services real GDP grew by 3.14 per cent (year-on-year) in Q1 2022.

Sustaining ICT growth momentum

While the growth in the sector is generally seen as a welcome development, experts argue that there is need for more digital infrastructures to sustain the current growth momentum.

Addressing participants at the annual Information Communication Technology and Telecommunication (ICTEL) Expo organized by the trade promotion board of the Lagos Chamber of Commerce and Industry (LCCI) recently, Dr. Michael Olawale-Cole expressed optimism that more investment in digital infrastructure will see the sector dominate revenue generation in the country.

Olawale-Cole who is the president of LCCI stated that the 2022 ICTEL conference & expo with the theme "Ensuring Efficient Digital Infrastructure in Nigeria" was held to create a platform for key players and stakeholders in the Nigerian information, communication & telecommunications industry to share perspectives on emerging issues and trends in the digital economy.

LCCI boss is elated by the Federal Government target of $40 billion private capital investment in digital infrastructure by 2025, besides facilitating about $1 billion in private equity. Equally of interest to players in the sector is the recent FG inauguration of the National Council on Infrastructure, with a plan of doubling Nigeria's infrastructure stock of the Gross Domestic Product (GDP) from the prevailing 35 per cent to about 70 per cent.

Olawwale-Cole like every other Nigerian is weary of government's political will to put plan to action stressing that, "The issue has always not been with good initiatives, but in their implementation. That remains a big concern to us as a Chamber"

This concern he posited, is one of the reasons and the desire to make a difference that the chamber hosted 2022 ICTEL EXPO.

"Digital economy is evolving and impacting more areas of life and business because of its multifaceted and dynamic nature and due to the transformational power of digital technologies. The digital economy or the internet economy enables and supports various business, social and government activities through electronic commerce, lifestyle apps, and e-government platforms, respectively. By this, the digital economy is

considered the single most important driver of innovation, competitiveness, and growth.

"The digital economy has continued to play a very critical role in building resilience against disruptions from risks, pandemics, and natural disasters. The ICT sector, for instance, remains one of the most resilient sectors that thrive even in economic recessions and disruptions", he stressed.

According to him, the recent NBS data indicating that the ICT sector in the second quarter of 2022 recorded a growth rate of 6.55 per cent in real terms, year-on-year, higher by 0.99 per cent over the corresponding quarter of 2021 is hear arming. Also, Quarter-on-Quarter, the sector exhibited a growth of 13.41 per cent in real terms, while of total real GDP, the sector contributed 18.44 per cent in Q2 of 2022, higher than in the same quarter of the previous year put at 17.92 per cent. The figure is equally higher than the preceding quarter in which it contributed 16.20 per cent.

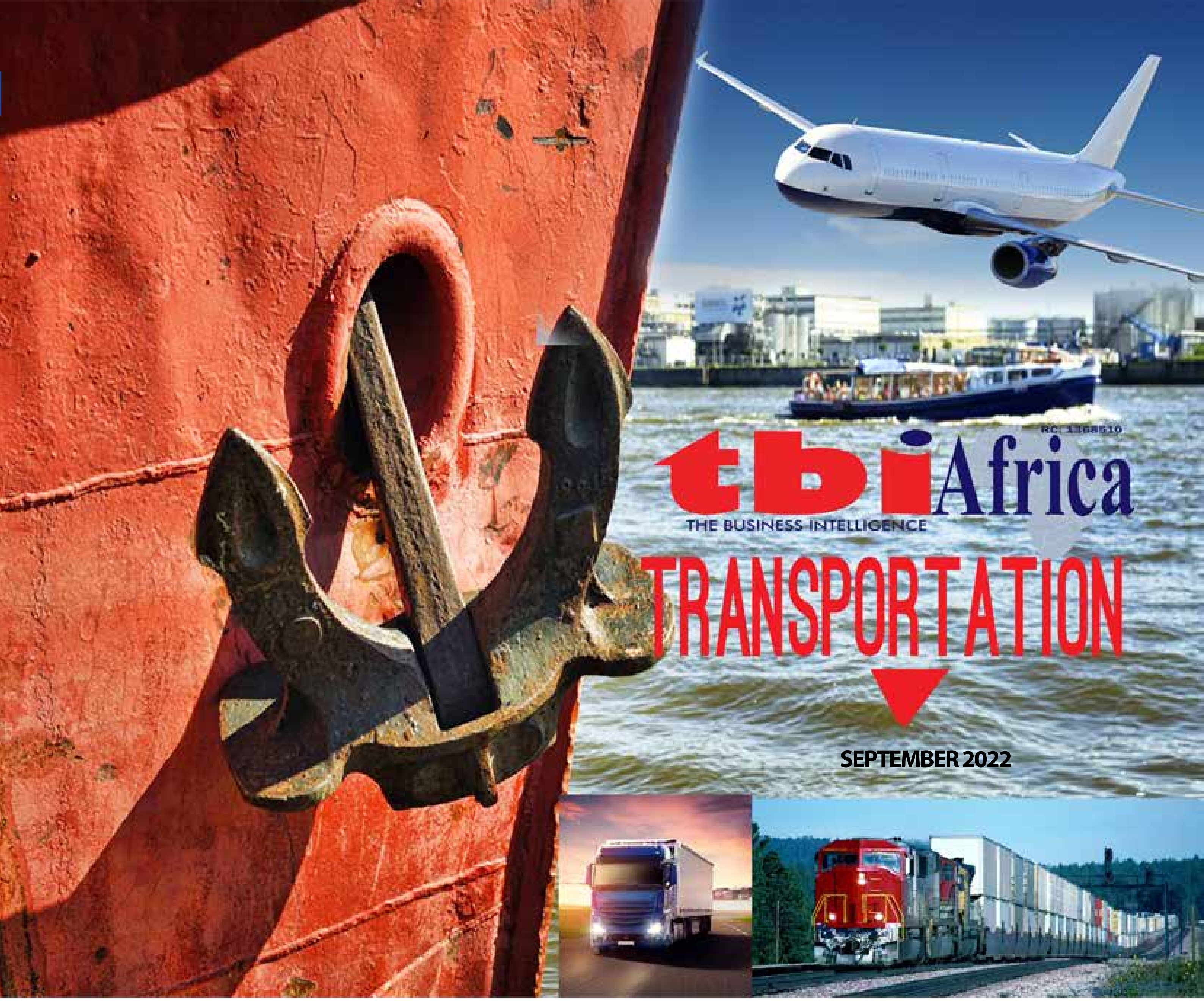
The non-oil sector grew by 4.77 per cent in real terms during the reference quarter (Q2 2022). This rate was lower by 1.97 per cent points compared to the rate recorded same quarter of 2021 and 1.31 per cnet points lower than the first quarter of 2022 and this sector was driven in the second quarter of 2022 mainly by ICT.

"By means of innovation, the ICT sector or the digital economy powers many sectors today, driving competitiveness, cost-efficiency, and resilience in supply chains. Innovative disruptions are emerging in agri-tech, health-tech, edu-tech, e-government, etc. The digital economy has become more relevant in many spheres of our lives.

"With sound regulations, policies and governance, the digital economy can create new possibilities and economic opportunities for businesses and investors. Governments and organizations must leverage technology for innovation, competitiveness, and resilience in the face of risks and uncertainties," LCCI boss advised.

Furthermore, the LCCI boss stated that as an advocacy pressure group and a lead promoter of Small and Medium Enterprises (SMEs), members of the chamber appreciate the significance of the ICT sector to business growth and sustainability and are ready to lend necessary support to the actualization of the goals set out by the Government to build and sustain a robust and supportive digital economy.

Experts and industry stakeholders are of common opinion that ICT will remain the country's top GDP earner if necessary measures are put in place in the right proportion and timely too.



HARSH ENVIRONMENT AS PANACEA FOR AIRCRAFT SURVIVAL

*The harsh aviation environment is forcing airlines to explore survival options. To reduce the cost of operations, given the soaring price of aviation fuel, airlines are navigating new bends to keep their operations afloat, reports **YUNUS YUSUF.***

The unfriendly business environment is pushing investors/operators to rejig their strategy.

This is coming on the heels of the increase in the price of aviation fuel otherwise known as Jet A1.

In Nigeria, the price of jet gas is hovering around N1,000 per litre depending on where the product is sourced.

With a big aircraft such as Boeing 737/MD 83 consuming between N50 million and N70 million fuel daily, operators are cutting flight frequencies to keep afloat.

Dubai Houses

To stave off the hammer of the regulator – Nigerian Civil Aviation Authority (NCAA) – which is looking into the books of indigenous carriers to ascertain their financial/technical health- operators are leasing aircraft.

The leasing option, which experts say could either be the dry/wet option, requires an operator to use the airplane of another carrier for its flight.

Investigations have revealed that Arik Air, Air Peace, United Nigeria Airlines and others have adopted this option in the last dozen months.

The oldest Nigerian carrier Aero Contractors Airlines opted for a joint venture with another indigenous carrier – UMZA Express Limited.

Aero Contractors Airlines, according to the deal, entered into the joint venture to utilise Dash 8 (Q-400) aircraft on the fleet of the partner to resume scheduled flights to be made public soon.

Experts have described the joint venture as equipment investment by UMZA Express Aviation Services in Aero Contractors.

The first of the Dash 8 Q-400 aircraft arrived at Abuja Airport last week. Other aircraft are expected in the coming weeks.

Aero has taken delivery of the first set of two Dash-8 (Q-400) aircraft at the Nnamdi Azikiwe International Airport, Abuja. The Nigerian registered aircraft owned by UMZA Air will be operated by Aero Contractors.

The Dash 8 is one of the most- fuel efficient and modern aircraft in the market and has a capacity for 74 seats.

Speaking after taking delivery of the aircraft, Aero Contractors Managing Director Captain Abdullahi Mahmoud said: "This is part of our recovery strategies since most of our aircraft are undergoing maintenance and we want to ensure that when we are coming back as we promised, we come back very strong."

He said Umza's investment is "a strategic business alliance" that we see both companies share in the profits the aircraft will make.

"If you look at the aircraft, it is not like a wet lease because it is a Nigerian registered aircraft, so it is our crew that are going to operate it. Our pilots, cabin crew are going to operate it. We have finished signing the agreement with them. There are five aircraft coming in and this is the first," he said.

"We are getting prepared to resume operation as soon as possible. I don't want to give the exact date that we are resuming but we are going to resume as soon as possible. So, we are working day in and day out because we don't want to rush coming back."

UMZA Express Aviation Services Chief Executive Officer Mahammed Abubakar described the decision to invest in Aero Contractors as strategic.

He said: "We are diversifying into aviation despite the troubling situation because some people have to take the risk."

He said the aircraft to be brought were Dash 8 Q-400. "I think it is the best because of the fuel efficiency," he added.

NCAA Director-General Captain Musa Nuhu said the situation in global aviation necessitated the need for airlines to rejig their strategy.

He said there was nothing wrong for carriers to adopt any partnership that would enable them keep their operations afloat.

In particular, he said, the rising price of jet gas calls for the right use of aircraft.

In a related development, the NCAA boss reaffirmed his commitment to ensuring the continued sustenance of safe and secure flight operations.

In an interview with reporters in Lagos, at the weekend, Nuhu said the regulatory agency would continue the implementation of its responsibilities of ensuring the confidence of the flying public.

Nuhu said investigations were ongoing into the operations of the suspended Dana Air. He said the carrier would remain grounded until the identified issues were resolved in compliance with the Nigerian Civil Aviation Regulations (Nig.CARs).

He said the NCAA had carried out audit of the airline, which outcome showed a weak financial position and violations of Nig.CARs that led to the suspension of the airline's Air Transport License (ATL) and Air Operators Certificate (AOC).

$464M: THE TRAPPED FUNDS OF FOREIGN AIRLINES

Chaotic scenes in Nigeria's air transport sector reached their feverish pitch recently when cash-strapped foreign airlines threatened to pull out over the inability to repatriate accumulated funds from tickets sold in naira.

It was bad enough that Nigeria's business partners had to threaten withdrawal to jolt the Central Bank of Nigeria (CBN) to statutory response to cash calls.

Worst is the ripple effects on air travellers and battery on the smeared image of the country – showing Nigeria as one wobbling in keeping commercial agreements and managing economic woes. Indeed, in times like this, adept economic and aviation managers should think less of excuses but strategic fixes and win-win reforms.

There is no denying the fact that the global economy is riding a seesaw and the humming aviation community is no exception to shocks. While still healing from the devastating bouts of the COVID-19 pandemic disruptions, an outbreak of the Russia-Ukrainian war and attendant economic sanctions have lured the global economy into a mess. Even in wealthy nations, the effect varies in degrees, not in kind.

The air transport sector which is the main anchor of the free movement of persons and freights, and the mainstay of economies, face uphill tasks. On one hand is the high cost of energy, operations and personnel shortages.

On the other is debt hangover from the pandemic disruptions amid slow market recovery. Put together, the sector and their parent economies cannot stomach blockages to critical cash flow.

Meeting at its yearly general meeting in June, the International Air Transport Association (IATA), which is the clearing house for over 280 airlines globally, raised the alarm on a steady rise in the number of unrepatriated funds in Nigeria and other countries.

Nigeria was estimated to have trapped about 25 per cent ($465 million as of July) of the total stock funds globally. Nigeria was on the same precipice in 2016 when the stuck fund reached $600 million and the airlines lost monies when the naira was devalued.

IATA warned that keeping airlines' funds longer in a volatile economy that has its naira on a free fall would only agitate operators to raise airfares, withdraw services in extreme cases and hurt both the air travellers and the local economy more. Apparently unyielding to warming bells, all the predictions have come to pass in the international segment of

Sirika

Nigerian aviation.

On the flip side, the arguments of the CBN that has delayed the release of dollar equivalent to tickets sold in naira are also compelling.

The country has been in a protracted foreign exchange liquidity crisis, with too many critical cash calls from the manufacturing sectors, and airlines (local and foreign operators) among others pending at the banks.

The dilemma is: shall we give priority to local or foreign partners, where both are critical to the economy? The alternative is for operators to buy from the obnoxious parallel market that almost doubles the official rate – which is not sustainable.

The quandary notwithstanding, Nigeria has an obligation to its creditors who are the foreign airlines that had sold tickets in the local currency.

By the Bilateral Air Service Agreements (BASAs) bond, "each designated airline shall have the right to convert and remit to its country on demand, local revenues in excess of sums locally disbursed.

Conversion and remittance shall be permitted without delay in accordance with the prevailing foreign exchange regulations." And until those agreements are revoked, the country should tow the path of honour to pay its debts or engage creditors more with words of assurances.

It is a welcome development that the Apex Bank has released for remittance $265 million out of the $464 million stuck in Nigeria.

Yet the embarrassing situation of being harangued by creditors deserves better attention and new strategies.

It is inexcusable that the aviation sector which generates $1.7 billion in 2020, and about half in foreign currencies paid for taxes and charges in Nigeria, still has difficulties paying dollar equivalence for tickets sold in naira.

The question is: what is happening to our forex earnings on commercial aviation, particularly those earned by the aviation services providers in the form of Passenger Service Charge (PSC) of $100/passenger, aircraft landing, parking and over-flight charges? What about the forex earnings by ground handling service companies and fuel marketers? Credible management of these remittances in a revolving system should considerably reduce the foreign airlines' trapped funds within the aviation cash flow.

Similarly, civil servants in the Ministry of Aviation should be compelled to make BASAs work more in the interest of the local economy than foreign airlines.

Bilateral agreements are naturally premised on the logic of reciprocity. It is only in Nigerian aviation that the likes of British Airways, Virgin Atlantic, Delta, Air France-KLM, United Airlines, Ethiopian Airlines and so on would each fly over 14 frequencies weekly without a Nigerian carrier flying in opposite directions.

Foreign airlines flying multiple destinations in Nigeria indeed bring in revenue. But such is a poor alternative to having Nigerian flag carriers reciprocate into those countries or mandating foreign airlines to have interlining arrangements with local carriers to redistribute international travellers beyond the port of entry and pay for those services in foreign currencies.

Above all, Nigeria needs a major foothold in managing its aviation potential and in defence of its consumers. Fallouts of this trapped fund scenario have again shown how little the foreign airlines think of Nigerian travellers or care about their customers.

Apparently, to push back on the trapped funds, there were accounts of airlines withdrawing all affordable airfare layers from the Nigerian market, therefore selling at a premium and at parallel market rates that pushed six-hour economy flight tickets above N2 million! Such a 200 to 300 per cent rise in airfares is obnoxious and should draw the ire of regulatory authorities.

AS LOCAL SHIP OWNERS AWAIT DISBURSEMENT OF VESSELS INTERVENTION FUND

The non-disbursement of the Cabotage Vessels Finance Fund (CVFF) by the federal government 19 years after enacting the law is still a source of concern to local Ship owners. Stakeholders react to the recent assurance of fund disbursement by the minister of Transportation, Engr Mu'azu Sambo.

Assurance by the newly appointed Minister of Transportation, Engr Mu'azu Sambo, that the federal government will disburse the Cabotage Vessels Finance Fund (CVFF), no longer excites indigenous ship owners. If it were before, the news of the disbursement would have elicited excitement, joy and applause but, recent ministers' promises and failures have reduced their hope in government getting the fund disbursed.

The minister had recently said in Port Harcourt that the CVFF is a low hanging fruit that would be disbursed in September to indigenous ship owners. According to him, the disbursement would help to increase capacity.

The minister said: "This is a fund that was established under the Cabotage Act in order to build domestic capacity. I want to say it here, that it is indeed a low hanging fruit. I will do anything within my power to make sure that fund is disbursed to Nigerians as quickly as possible so that Nigerian Ship owners can increase capacity as well as generate welfare instead of patronising foreign Ships and money from such business taken out of the hands of Nigerians rendering us jobless and so on and so forth."

He stated further, "if we get our acts right, the maritime industry can replace the revenue from the oil."

But, stakeholders' have said the recent promise was not the first time a serving minister would raise industry hope over disbursement of the fund.

According to them, the promise followed the same old and worn- out pattern of his predecessors whose assurances were made more out of political expediency than sincerity.

"It would be the seventh wonder of the world if the minister could cause the fund to be disbursed by December, this year. Enough of playing politics with the business fortunes of our hapless indigenous ship owners some of whose businesses have gone under," a stakeholder who craved anonymity had said.

Local Ship owners

They, however, went down the memory lane saying, no fewer than 90 per cent of shipping companies owned by Nigerians have either completely shut down their operations or barely struggling to survive.

Some of the indigenous shipping companies include: Equitorial Energy, Oceanic Energy, Morlap Shipping, Peacegate, Pokat Nigeria Limited, Al-Dawood Shipping, Potram Nigeria Limited, Joseph Sammy, Genesis Worldwide Shipping and Multi-trade Group all in Lagos; Niger-Delta Shipping in Warri, Delta State; and Starzs Investment Group in Port-Harcourt, Rivers State.

Of all the companies listed above, only two can be said to be operating viable businesses while others, representing 83 per cent of the companies are either completely dead or are in comatose condition.

It was further gathered that all the companies are also heavily indebted to banks and are mostly unable to service the loans they took to buy ships.

However, most of the ship owners have resorted to selling their landed properties to enable them service their bank loans, while others have lost prime properties to the banks.

However speaking exclusively to LEADERSHIP, the former President, Nigeria Shipowners Association (NISA), Aminu Umar, said the minister should be given a benefit of doubt, saying indigenous shipowners couldn't wait anymore for the disbursement of the fund.

According to him, the minister can get the disbursement done in six months since the guildelines have already been approved by the National Assembly.

He said, "We should give the new minister the benefit of doubt. That he's saying it means he is ready to do the needful though the process has not commenced and due to that from my own side, I can't say much but we are anxious and can't wait to see shipowners benefit from the contribution they have made over the years.

Umar, the Chief Executive Officer of SeaTrans port group said,"Already, there is a guidelines for the disbursement that was approved by the National Assembly, so I assumed he will work on the guidelines that was approved, and the moment they put in that, am sure it will be done in less than one month or two months and the process will commence."

He, however, called on the government to allow everyone that has contributed to the fund to benefit from it, saying whether the fund belong to everyone that contributed.

"I think is for everybody to benefit from it and the guidelines do not give restrictions on whether you are doing business now or you are not doing now, but what the guideline says is that whoever wants it should apply, and the Nigerian Marítime Administration and Safety Agency (NIMASA), will vet the credit together with the bank, so the PLI and NIMASA will make a recommendation for approval to be given.

"So unless they change the guideline, it does not make a restriction, so anybody that is in the industry now or before has a chance to be able to get it."

Speaking on how the fund, he said, "I think you should understand that the $350million is only 50 per cent. The bank is going to give 35peecent while the applicant will give 15percent, so what it means is that ultimately if you take $350million, it is $700million in total.

"$350million is NIMASA portion of 50 percent. The Primary Lending Institution (PLI) will give 35 per cent and the applicant will give 15 per cent, so the money NIMASA has is 50 per cent of what the credit will be.

However, with $700million, I think it should be able to buy a lot of ships that can be able to work and the fund is an ongoing thing not something that would stop. I think it is a good development and we wish the minister will be able to commence the process immediately," Umar said.

Also speaking to LEADERSHIP, a member of the steering committee, NISA, Capt. Taiwo Akinpelumi, also disclosed that he believed the minister will ensure the disbursement of the fund.

He said, "my candid opinion is that every leader has its strategy and if he says the fund will be disbursed, I have no reason to doubt his assertion because the truth is, if there is a political will for the disbursement then it will be done, so it's not rocket science as there is a law that established CVFF and there is also a guideline for the disbursement.

"So, everything is in place, so as they say it will be disbursed and I have no reason to doubt whatever the minister has said. They say they will disburse it and i hope and pray that God will give him that grace and the political will for him to disburse it."

"Don't forget that we always look at $350million and the $350milliin is NIMASA's 50 per cent contribution and that means when you look at the guidelines for the disbursement, NIMASA will put down 50 per cent, the bank which is the Primary Lending Institution (PLI) will put down 35 per cent and Ship owners will put down 15 per cent so that that means the $350million is 50 per cent of the money we are looking at, so if NIMASA releases that $350million, so the total amount we are looking at is at the range of $700million, that's when the fund should be disbursed and at least let the law be tested because it is better to get 10-20 people benefiting and the fund is revolving in such that almost everyone benefits than to say the money is not enough and wait, so it is better for someone to benefit than nobody to benefit at all.

ACTUALISING AIRLINES' SAFETY SYSTEM

*The call for the improvement of safety systems in air transportation is gaining more traction. As global carriers push for the implementation of safety measures, agitation is on the rise for Nigerian carriers to set up investigative units, reports **YUNUS YUSUF.***

They are consolidating measures to drive the implementation of safety management systems for airlines, ground handling firms and other players in the logistics value chain.

To achieve this, regulators in the industry are deepening measures, including stricter enforcement of standards, recommended safety practices and robust training for airworthiness safety personnel in airlines to up the stakes in passenger confidence in air travel.

Against this backdrop, more carriers are undergoing certification to improve safety.

The Commissioner and Chief Executive Officer of Accident Investigation Bureau, Nigeria (AIB-N), Akin Olateru, has called on airlines to establish an accident investigation unit to enhance air safety.

Olateru stated this while receiving an investigation team from Cameroon, which is probing the crash of the Havilland DHC -6-400 Twin Otter by Caverton Cameroon at the Bureau's headquarters in Abuja.

Olateru said this would help airlines to understand and take advantage of the benefits of accident investigation.

According to Olateru, big carriers, including American Airlines, have such units, which has benefited the carriers. He said it was the responsibility of operators to have an understanding of accident investigation.

He said the AIB-N training school in Abuja, when completed, would play a significant role in training airlines' personnel in accident investigation.

The Cameroonian delegation led by Mrs Leopoldine Essimi of the Ministry of Transport included Col. Brice Okomou, Capt. Raymond Ekenglo and Mrs. Mispa Samnick, said they were in Nigeria to seek AIB-N's expertise in the reading of the flight recorders, transcription of the Cockpit Voice Recorder (CVR), analysis of the Flight Data Recorder (FDR) and FDR animation.

The DHR-6-400 Twin Otter (registered TJ-TIM) was operating Yaoundé (Nsimalen) – Dompta – Yaoundé (Nsimalen) on May 11, this year, when it crashed, killing the passengers and crew members.

The aircraft was found crashed in a forest, not far from Nanga Eboko.

According to Olateru, Nigeria was part of the investigation in line with the International Civil Aviation Organisation (ICAO) Annex 13 since there were Nigerians onboard the ill-fated aircraft, adding, however, that Cameroon has not decided whether it would cede the investigation to Nigeria or not.

Olateru said Nigeria would be assisting Cameroon in the investigation with her Flight Safety Laboratory, which, according to him, is one of the best in the world.

The lab has an upgraded facility called Memory Access Retriever System (MARS), which will be deployed to retrieve information from the CVR, which was badly burnt and damaged.

He said: "As you are aware, we have one of the best safety laboratories in the world. We have the capability, which the United States NTSB (National Transportation Safety Board) has, which is getting information from burnt or damaged flight recorders. This aircraft crashed and a recorder badly burnt, but we will be able to retrieve the information. This is one of the best pieces of equipment you can find in the world."

NIGERIA AIR: GUIDING AGAINST THE PITFALLS OF NIGERIA AIRWAYS

*One of the concerns of President Muhammadu Buhari from the inception of his administration includes inquiries on the resting of the national carrier — Nigeria Airways Limited — and the process of reviving the once vibrant Nigerian airline, **YUNUS YUSUF** writes.*

For the benefits of the hindsight, Nigeria Airways was vibrant in the 1980s with its fleet comprising more than 30 aircraft before it was rested in 2003.

With a promising future for the airline then, the federal government moved from owning 51 per cent shareholding of the airline to 100 per cent shareholding in1961 to make the airline the country's flag carrier, serving both domestic and international destinations.

However, Nigeria Airways Ltd. ceased operations in 2003 with a huge debt of more than 700 million dollars, the development that has been given both stakeholders and government serious concern.

Concerned citizens have then been asking: What are the pitfalls in the management of the airline and what to do to avoid recurrence in the event of engaging similar venture.

Some experts in aviation industry observe that improper management, ranging from corruption to overstaffing, brought down the airline.

Former Flight Captain with Nigeria Airways Wale Otubanjo, who was a staff of Nigeria Airways from 1980-2003 before voluntary retirement, notes that the pitfall of the airline is mainly mismanagement.

"If anyone leases an aircraft on wet lease agreement such one will never ever make money.This has led to downfall of so many operators in the country including Nigeria Airways.

"In a wet lease situation, the lessor is providing both aircraft and crew, the lessor maintains operational control of all flights.

"But in a dry lease situation, the lessee provides its own crew and the lessee exercises operational control of its flights," he explains.

He says Nigeria Airways with its network points in Europe, North America and Saudi Arabia, was managed by a number of foreign companies, including British Airways, KLM and South African Airways on "wet" lease.

Otubanjo observes further that the airline operated a variety of aircraft such Vickers VC10, Airbus A310, Boeing 737 and 747 and McDonnell Douglas DC-10 by owing or leasing.

Similarly, retired Group Capt. John Ojikutu, a formal Commandant of the Murtala Muhammad Airport, Lagos, alleges that government officials and those in the management of the Nigeria Airways are responsible of resting the airline.

Ojikutu observes that the loss by the airline started from the attitude of the government officials by using air warrants to board flights without return payments.

"Later, government officials collected fares from sources for first and business classes and by some arrangements, economic tickets were issued but they would still be offered first or business class seats.

"There were many similar frauds that included both government and management of the airline which led to huge losses of government investment, huge losses of revenue and huge debts for the airline.

"Not many national governments are investing in commercial aviation today without substantial investments from credible investors and technical partners," he observes further.

According to him, no U.S. airline today is a national carrier rather they are all flag carriers with investments from the nationals but not government.

Ojikutu advises the federal government to ensure that proper steps are taken before undertaking new national carrier project.

He further advises the government to carefully consider effective suggestions from aviation experts to have a virile national carrier.

"On Nigeria Air, the suggestion to the Ministry of Aviation in 2019 which was approved was 35 per cent for foreign technical partners, 40 per cent for investors and 25 per cent for credible Nigerian investors.

"Others included 25 per cent for the Nigerian public and 10 per cent for the federal government and the 36 states.

"These were supported by the minister of Aviation in August 2019 but the genuineness sharing formula was dropped to five per cent for whatever reason. Since 2019, it has been one step forward and five steps backwards," Ojikutu explains.

Ojikutu recalls that N19.5 billion intervention funds have come in different forms, showing the readiness of the government to make the airline work.

Worried by the pitfalls of the Nigeria Airways, President Muhammadu Buhari has said that the establishment of Nigeria Air would be by the Public Private Partnership.

Nigeria Air was unveiled at the Farnborough Air Show in England on July 18, 2018 and the proposed airline was expected to cost 8.8 million dollars as preliminary cost and 300 million dollars as take-off cost.

Minister of Aviation Hadi Sirika said at the Federal Executive Council meeting that the federal government had approved the leasing of three aircraft for the commencement of operations of the Nigeria Air.

Sirika noted that the airline would begin with three aircraft made by Airbus and Boeing, running solely domestic routes.

The minister stated that the airline, which operations would be announced soonest, would expand into regional and intercontinental routes.

He said the whole process for the establishment of the national carrier and all the projects under the government's aviation roadmap had been guided by the principles of transparency and accountability.

Further to this, Capt. Musa Nuhu, the Director-General, Nigerian Civil Aviation Authority (NCAA), has presented an Air Transport License (ATL) to the interim management of Nigeria Air.

Nuhu said that ATL was a prerequisite for the airline to acquire Air Operation Certificate (AOC) to start operating.

According to him, the NCAA works and supports all operators currently existing and aspiring in the industry to get necessary documents after meeting all the requirements.

"This ATL has gone through all the processes. So, at this point in time, I would like to do the presentation. We look forward to the fulfillment of the AOC process so that we can hand over the AOC certificate to you.

"As the regulator, we work with operators. That is a goal to promote the growth of the industry. It is important to have strong airlines in Nigeria in view of the Single African Transport Market," he said.

Nuhu said that Nigeria stood to get the best from the African Union Agenda 2063 Air programme, being one of the largest markets in Africa.

He said that participating in Single Africa Air Transport Market as a nation would increase the Gross Domestic Product.

The Acting Chief Executive Nigeria Air, Mr Dapo Olumide, thanked the NCAA for the good job executed leading to the presentation of ATL to Nigeria Air.

Olumide said that the team would definitely double efforts to fulfil all necessary processes to receive AOC certificate from NCAA to start flying.

"We already have aircraft identified because that is one of the requirements for the NCAA. We are waiting for the terms of agreement with the Provider of Original Equipment Manufacturer (OEM).

"What we need now is to go through stages to get an AOC certificate from the NCAA. No magic in the process. It is not something that can be issued because they like your face.

"When you have an AOC and ATL, you can commence commercial scheduled operations. The date to start operation is largely based on the process one is following to get the AOC certificate," he said.

According to him, 49 per cent of the Nigeria Air project will be owned by equity partners and 46 per cent by Nigerians while the federal government will own five per cent of the shares.

"The ATL certificate signed by Director-General of the NCAA Musa Nuhu will run for a period of five years (from June 3 to June 2, 2027).

"It is one of the certifications that must be acquired by airlines before they can commence operation while they await all-important Air Operator Certificate (AOC).

GRIDLOCK: LASTMA APPREHENDS 19 VEHICLES FOR CONTRAVENTION IN LAGOS

The Lagos State Traffic Management Authority (LASTMA) said it had apprehended 19 vehicles over indiscriminate and illegal parking at garages and parks in Lagos Island.

The General Manager of LASTMA, Mr Bolaji Oreagba, said this in a statement through the Director, Public Affairs Unit LASTMA, Mr Adebayo Taofiq, in Lagos.

Oreagba said that the agency apprehended the vehicle due to the continuous perennial traffic gridlock being experienced around Apongbon inwards and outwards Lagos Island, caused by indiscriminate illegal parking of vehicles.

The LASTMA had apprehended 20 vehicles on August 28, along Apogbon and Ikorodu roundabout, as a result of indiscriminate packing.

He disclosed that the on-going clampdown exercise embarked upon by the authority on August 28 was to ease off traffic flow to motorists while approaching 'Ember Months' across the state.

Oreagba disclosed further that a study conducted revealed that perennial traffic gridlock being experienced by motorists was caused by recalcitrant drivers who had refused to comply with the State Traffic Laws and Regulations.

He said that the ongoing total enforcement exercise which was expected to cover major identified spots was being coordinated by the Core Operations Commands (COC) from LASTMA Headquarters at Oshodi.

"I must implore law abiding citizens of Lagos State, especially motorists, to adhere strictly to the traffic law of the State in order not to run afoul of the law which has consequences.

"We must all have a positive attitude towards obeying the law of the State which is made to ensure orderliness and fast-paced socio-economic improvement of individuals, corporate entities and generality of the people," Oreagba said.

He assured members of the public of the authority's commitment in ensuring free flow of traffic on all our roads.

INNOVATING THE PROFITABILITY OF AGRICULTURE IN NIGERIA

With agriculture sustaining 70 per cent of the nation's livelihoods, analysts believe developing agro-tech solutions to enable data-driven, precise and connected farming will help farmers optimize yields, boost productivity and increase their profitability. There are moves to drive innovation in the food system and explore strategies for production to build a vibrant agri-food hub. The purpose is to catalyze sustainable food production.

Recently, food producers, agribusiness owners, entrepreneurs, investors, research institutions and policymakers met in Lagos to chart the way forward for Nigeria's agriculture.

At the event, organized by Heifer International, participants observed that there was a need for renewed focus on innovative solutions to bolster food security.

Heifer's Country Director, Rufus Idris, identified many shortfalls in food security.

As Nigeria has awoken to the reality of the importance of agriculture, Idris said, the sector should be insulated from digital disruption in the drive to increase farming.

Given the challenges, Idris noted that governments and the private sector should play more roles in powering relevant conversations to make the agri-food tech ecosystem active.

According to him, Nigeria is facing pressing food security challenges, which require deploying agri-tech to improve productivity, decision-making and access to markets.

With technology, he said a lot of solutions could emerge to change the face of farming, including using smart tools and platforms for precision farming, predicting weather patterns, maximizing the use of scarce water resources.

For this reason, he said, Heifer International has taken up the gauntlet to highlight some key issues in the industry, and to provide a platform for agri-food tech startups to develop innovations that can solve producers' problems.

He said the organization has launched a challenge for agro startups. Heifer International's AYuTe Africa Challenge, according to him, is a new contest to boost agriculture across Africa.

According to him, the competition would identify the best small and medium-sized enterprises (SMEs) who can transform food systems.

He said the competition would offer young entrepreneurs the opportunity to pitch for investment in their aggrotech solutions to boost the incomes and productivity of Africa's smallholder farmers.

Idris said: "The national competition in Nigeria has been initiated as an enterprise development programme to further identify, nurture and support innovative, relevant and technology-driven agriccentric enterprises to grow, scale and thrive.

"We are excited to announce and kick-start the AYuTe Africa Challenge Nigeria with a grant of $20,000 to the most promising young agritech innovator in Nigeria. This is in line with Heifer's strategic goal of unleashing the hidden agricultural treasures among African youths."

He added: "Through this challenge, we hope to further inspire the youth population to continue to embrace agriculture as a career option of choice while promoting creative professionals that are using technology to re-imagine farming and food production across the country. The winner will also be the Nigerian champion (flag-bearer) for the AYuTe Africa Challenge."

He called on startups to participate in it as winners would gain access to financial support, research, and development opportunities.

Other benefits include a collaboration that ensures commercially viable and investable solutions and partnerships between agritech startups.

A combination of forward-thinking farmers and a fast-growing entrepreneurial community, Lagos Commissioner for Agriculture, Ms Abisola Olusanya, noted, is good for agritech entrepreneurs looking to develop technologies for the economy.

Also, to tackle the problems of those with small farming land, coupled with that of the recent COVID-19 pandemic, Ms Olusanya said the government had set up some programmes and incentives for food production and innovation.

She restated the readiness of the state government support development, commercialization and adoption of agrifood tech innovation and to assist more farmers to be more productive and efficient.

She said Lagos was proving the pathway for startups to generate agritech innovation. According to her, providing high quality startups was vital to building the agri-food tech ecosystem in the country.

Ms Olusanya commended Heifer International for the initiative of assisting to drive growth and development in agriculture across Africa, particularly in Nigeria, by encouraging innovation and supporting programmes geared towards accelerating agritech startups, youth-owned agribusinesses, and other business stakeholders along the agriculture value chain.

She expressed optimism that the initiative would serve as a catalyst for development and secures a greater future for the nation.

Senior Vice President, Africa Programmes, Heifer International, Adesuwa Ifedi said: "This competition provides an opportunity for young innovators in Nigeria to secure the funding and visibility they need to scale up their agritech solutions to reach millions of farmers across Africa.

"There is huge potential for economic growth and employment in agriculture across Africa, but new ideas and technologies are urgently needed. It's time for Africa's tech-savvy youth to use their innovation skills to transform the sector."

For co-founder, Corporate Farmers International, Mr. Akin Alabi, the boom in agriculture technology, is helping farmers make better decisions with information about their soil, water, crop and climatic conditions.

Locally, he said, his organisations were working with smallholder farmers to get their yield up, to meet rising demand. In line with this, Corporate Farmers International, unveiled three initiatives —Agricultural e-learning Academy, Eko School Agric and Farm Support Service – to uplift agriculture and close major gaps within the sector.

Alabi explained that the agric e-learning academy platform was designed to close the gap in agric education through digitization, by educating Nigerians on innovative agro-practices.

He said the firm specializes in farmer-driven research and extension that delivers on-the-ground benefits to farmers.

According to him, it was important to work with farmers to understand what they need, and to support startups and innovators to drive collaborative change. Efforts to support Nigeria's agriculture have also come from Alliance for a Green Revolution in Africa (AGRA). CropIn and AGRA have partnered in a programme that seeks to increase the access to extension services by farmers in Africa.

In the new partnership, CropIn and AGRA will select and train 10,626 entrepreneurial VBAs to reach three million farmers in Ghana, Nigeria, Burkina Faso, Mali, Tanzania and Mozambique. The VBAs will facilitate the training of farmers through 'mother and baby' demonstrations – where 'mother' is a demonstration site and 'baby' is the farmer's plot. Regular performance comparisons of the both plots will be made to assess the quality of training received by farmers.

CropIn, AI-led Software as a Service (SaaS)-based agritech organisation, offers a centralised digitalisation platform that will be accessed by AGRA, its implementation partners and VBAs for a review of farmer engagements.

SaaS is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted.

The platform will generate farmer scores based on the performance of their plots and other socio-economic factors, enabling CropIn and AGRA to make appropriate

adjustments in their support.

Also, the digitalisation of VBA activity will enhance their linkages with other service providers to increase their capacity for the last-mile delivery of agricultural inputs and services.

CropIn's Chief Revenue Officer, Jitesh Shah, said: "In these unprecedented times, VBAs have restricted movement, and are unable to train farmers in gatherings of more than two-10 people. There is, therefore, a critical need to improve on a digital extension to ensure that farmers continue to gain access to information, and the input they need to sustainably increase productivity and income. Knowledge dissemination and advisory services to farmers via VBAs will be provided through the digital platform by the remotely-placed agronomists. Advisories provided will be on sustainable farming practices, pest and disease outbreak, weather forecast, and more. We expect to see significant growth in this sector once our solutions are implemented."

AGRA's Vice President, Strategic Partnerships, Vanessa Adams, added: "There has not been a time when extension and related agbiz services have been needed more than now. Amid new challenges from the COVID-19 pandemic related market volatility, locust attacks, and the growing effects of climate change, farmers in Africa need all the support available to build resilient and highly productive agricultural systems. Thankfully, we are now able to scale up digital technologies to work around some of the accessibility limitations to sustain impactful interactions linking farmers to agro-dealers and markets across the continent. We see this partnership with CropIn as one of many critical COVID responses to strengthen the VBAs and their farmer services support towards improved livelihoods.This is a learning initiative as well, where the data generated will be critical in informing future plans for last mile development." To support digital transformation in Africa's agribusiness sector, modernise supply chains and boost farmers' productivity and incomes, Microsoft, through its 4Afrika initiative, and International Finance Corporation (IFC), last year partnered to make digital tools and training resources more accessible to small-scale farmers, and agriculture-linked small businesses. The deal leverage Microsoft 4Afrika's unique digital platforms and IFC's Agribusiness Leadership Programme to help small-scale farmers, their cooperatives, and "last mile retailers" access information and digital tools to strengthen farming practices, build business professionalism and improve food security and traceability throughout the supply chain.

A mobile platform is being piloted among farmers, including those in Kenya, Nigeria, Cote d'Ivoire, and Uganda. The first pilot's aim is to support 50,000 farmers and 50 cooperatives.

====The Nation ======

GROOMING BIO-SCIENTISTS FOR AGRIC CHALLENGES

Africa's growth requires increased investments in skills and capacity for sustainable development in agriculture. This report examines how innovative research and capacity building could help Africa respond to the challenges of food security and climate change.

The Food and Agricultural Organisation (FAO) has forecast that global food production will need to be increased by 70 per cent to meet the growing population expected to hit 9.1 billion by 2050.

Executive Director, the Forum for Agricultural Research in Africa (FARA), Dr. Yemi Akinbamijo, based in Ghana, is one of those pushing for greater deployment of bio-scientists to address food security to ensure that Nigeria and other parts of sub-Saharan Africa grew enough to feed future generations. He has been pushing this with bio-scientists working in crop and livestock industries.

The Alliance for Green Revolution in Africa (AGRA), in partnership with West Africa Centre for Crop Improvement (WACCI), has canvassed the need for crop improvement and seed sector development in Africa to increase productivity.

To provide enough food for Africa, with very limited natural resources, AGRA wants research institutions to breed crops that can help farmers get the highest yield of production. This has led also to the development of crops that are pest and disease resistant as well as drought-tolerant.

When agro and food firms want to produce

top-grade cereals, an Imo State University-based crop expert, Prof Martins Onuh, urged that they should join hands with researchers.

Such partnerships, according to him, would deliver new varieties with higher yields.

Top agro firms seeking higher yields from cassava turn to the international Institute of Tropical Agriculture (IITA) for support and collaboration.

This year, Nigeria Agribusiness Group, NABG, and IITA resolved to partner on research solutions and technology to boost agribusiness.

NABG President Emmanuel Ijewere, who confirmed this, said: "The essence of the partnership is whatever is good should not be kept in the drawer or in secret. It must be brought out to people to improve their lives, and IITA has been in Nigeria for many years and has done many research that have improved the agricultural space and have so many potential, but, unfortunately, those who are supposed to benefit from it, don't know so much about it because the more you the more you ask.

"NABG, being a private sector organisation, we ran to our brothers in IITA, saying, 'those things you have discovered over the years, 'tell us about them let us see how we can make money from it'. Working with them closely, we intend to translate what the research has produced."

Institutions such as IITA provide professionals with diverse backgrounds and expertise in food production, such as bio-scientists, who work with farmers, academics and experts to find more opportunities in the food production system.

Bio-sciences describe several biology-related disciplines such as agriculture, biochemistry, biotechnology, medicine and genomics engaged in real scientific advancement.

More farmers have benefited from IITA's works, thanks to its significant investment in bio-sciences research. Its experts have earned international recognition for their roles in developing new technologies, used around the world.

MAKING FORTUNE FROM SUGARCANE FARMING

Sugarcane with scientific name, Saccharum officinarum is a very sweet perennial grass which is primarily cultivated for its juice from which sugar is processed.

Sugarcane can be grown well in most soil types as long as they are well-draining but the plant's favourite type of soil is with a pH between 5.0 and 8.0 and if you don't live in a region that receives a lot of rainfall, it will need a good amount of additional irrigation to grow well.

Overall, sugarcane is best suited for subtropical and tropical regions of high temperature of 26 to 33oC and can be grown well in most states in Nigeria with Kwara, Kano, Niger, Jigawa, Taraba, Katsina, Sokoto and Kaduna states taking the lead in the production today.

Planting Process

One you clear the bush, get your freshly harvested cane stem ready and start the planting of sugarcane by cuttings of either the stem or some sections of the stalk. This process called setts. Another way is to plant settlings which are sections of the cane with the roots or shoots.

The sugarcane setts or settlings should be planted horizontally into furrows or trenches of about 4 inch deep and you can hire labourers to plant the cuttings in a spacing of 1.4 m + 0.4 m, 0.15 m.

After planting, it is important you take care of your crop and start weeding after two weeks or use herbicides such as Atrazine at five litres per hectares so that you can get the best economic quality and yield of the plant and you can still improve your yield by harvesting early before the cane start drying.

On the average it takes approximately 12-16 months for sugarcane to mature and you can harvest four times from a single planting.

Minimum Capital

You can start a sugarcane farming with as little as a capital of N200,000 on a semi-large scale of 1 hectare or less depending on how large you want the farm to be. In some areas you can rent an acre of land for as low as N50,000.

Profitability

Sugarcane can generate huge income for farmers and traders. Apart from it being eating directly, it can also be grown for biofuel production and the canes can be used directly to produce ethyl alcohol, that is ethanol.

The by-products from cane sugar processing which is straw can be bought by herders to feed their livestock. It can be used to make sugar or even consumed directly in confectionery, used to sweeten beverages, as a preservative in jams and conserves and as a decorative finish for cakes.

AGRIBUSINESS FIRM TO RAISE N30B TO BOOST AGRICULTURE

An indigenous agribusiness firm, Johnvents Industries Limited, plans to raise N30 billion to expand its operations and boost agricultural businesses in Nigeria.

Johnvents Industries plans to issue commercial papers (CPs) up to the value of N30 billion. As part of arrangements for the issuance, Johnvents Industries has registered the N30 billion CP issuance programme at the FMDQ Securities Exchange.

The registration of the CP programme provides Johnvents Industries the opportunity to raise short-term finance from the Nigerian debt markets within the programme limit.

Johnvents Industries Group engages in provision of modern information and communication tools, macro-loans, and farm inputs, such as seedlings and fertilisers, to support farmers and finance their businesses in Nigeria. The group includes three subsidiaries – Johnvents Procurements, Johnvents Cocoa Factory and Johnvents AgriTrade.

FMDQ Securities Exchange confirmed the registration noting that access to capital remains a top priority for corporates as capital is required to fund business expenditure, expansion aspirations and meet debt obligations.

FMDQ pointed out that the debt markets fulfil critical funding requirements by availing competitive financing to corporates and governments.

"As Nigeria's largest securities exchange by market turnover, FMDQ Exchange will continue to provide a liquid, transparent and efficient market geared towards supporting the aspirations of corporates, such as Johnvents Industries, to unlock the required capital to bridge the funding gap in Nigeria's agriculture sector" FMDQ stated.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FUNDING THE NIGERIAN ENERGY MIX FOR SUSTAINABLE ECONOMIC GROWTH


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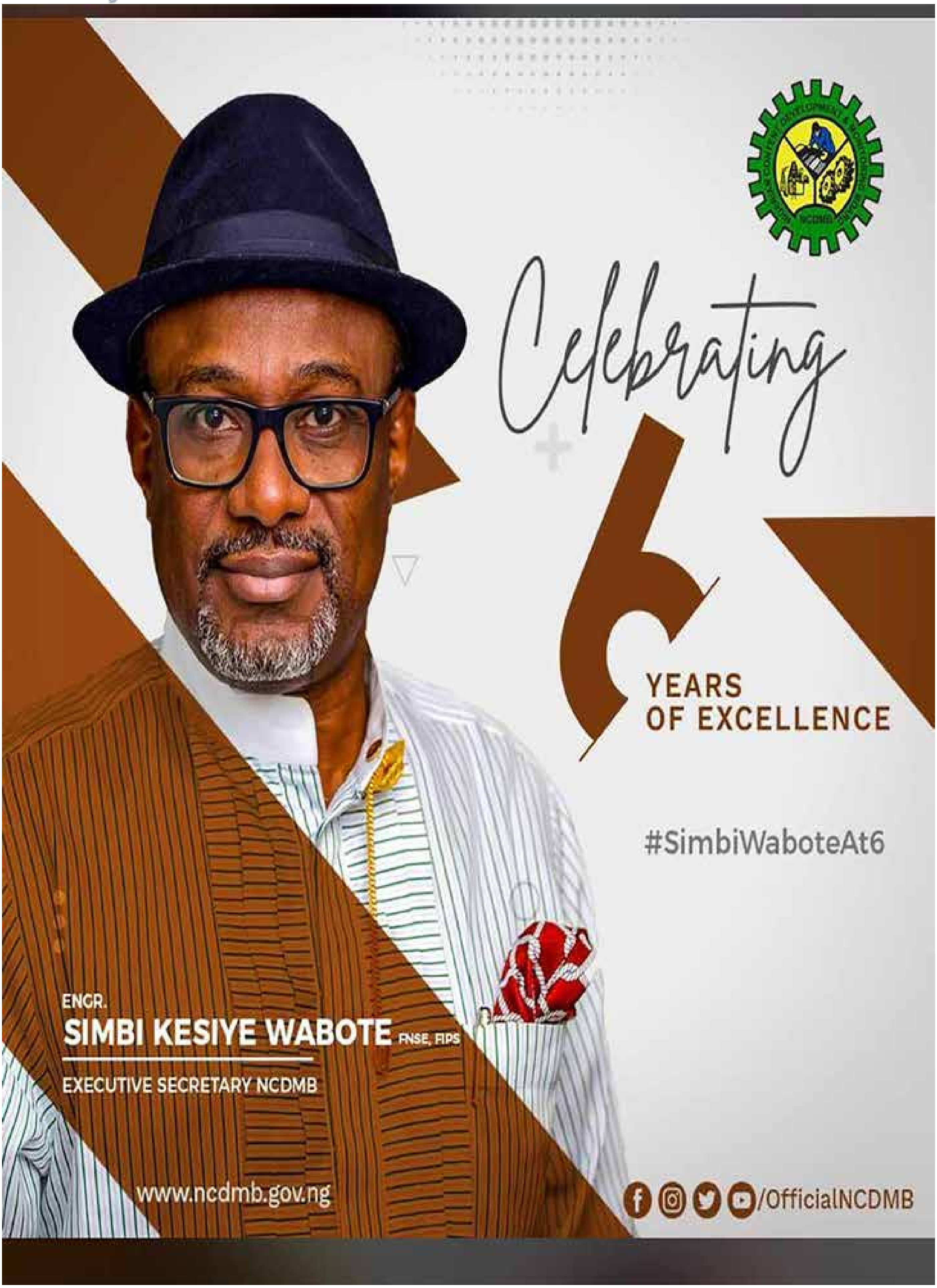
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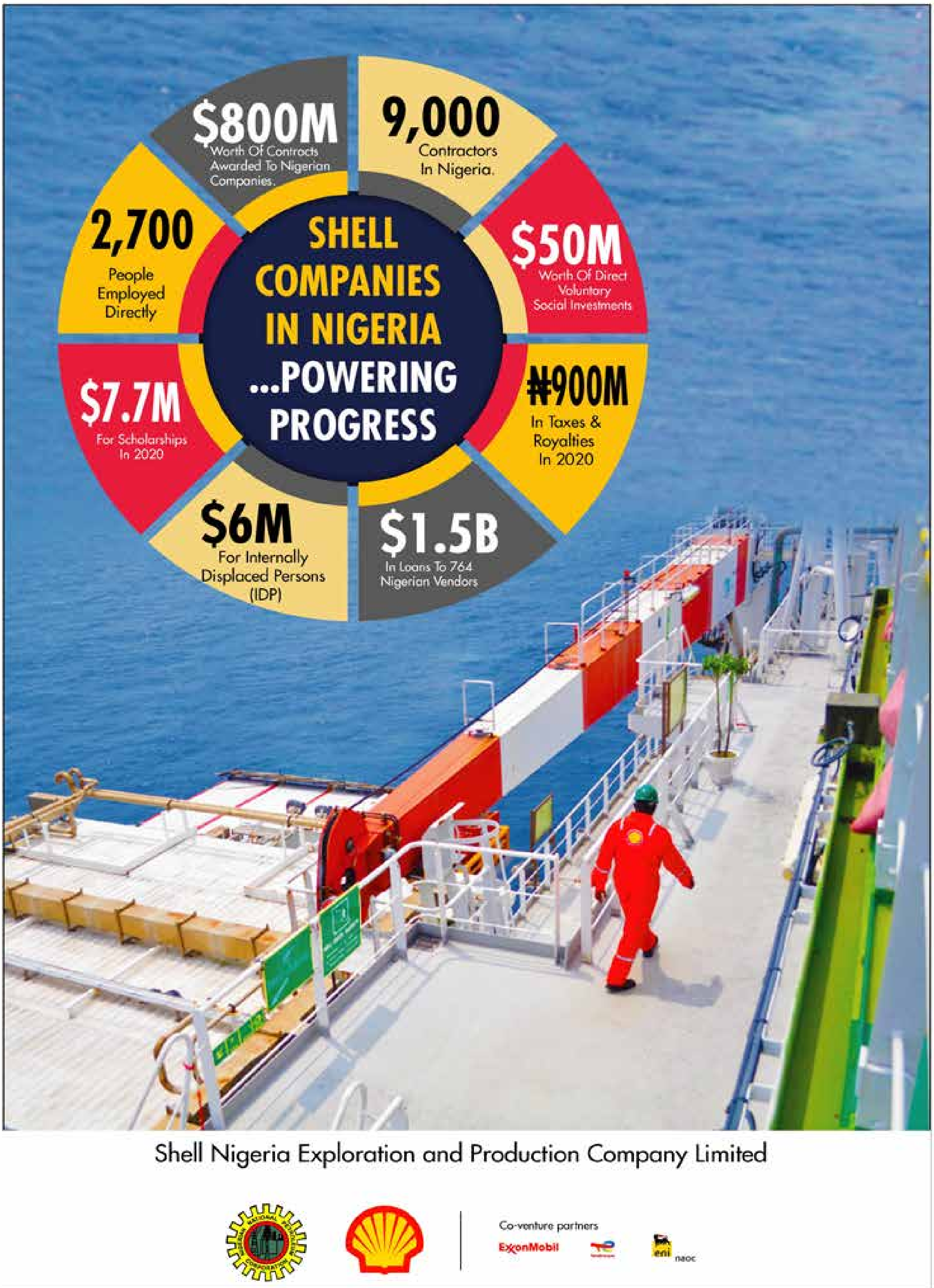
$800M
Worth Of Contracts Awarded To Nigerian Companies.
9,000
Contractors In Nigeria.
2,700
People Employed Directly
SHELL COMPANIES IN NIGERIA ...POWERING PROGRESS
$50M
Worth Of Direct Voluntary Social Investments
$7.7M
For Scholarships In 2020
₦900M
In Taxes & Royalties In 2020
$6M
For Internally Displaced Persons (IDP)
$1.5B
In Loans To 764 Nigerian Vendors
Shell Nigeria Exploration and Production Company Limited
Co-venture partners
ExxonMobil
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