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WHO ARE NIGERIA'S OIL THIEVES?

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Editor's Note

DR. NJIDEKA KELLEY

For over four decades Nigeria has been battling the menace of crude oil theft. However, it became an existential threat to Nigeria this year when oil received at the terminals for export declined to a worrisome level of less than a million barrels per day in August 2022 from over 2.2million per day in 2014. This development has plunged the nation into an all-time record debt of N44.06 trillion as at the end of third quarter of 2022 leaving many sectors and critical projects neglected. Between 2009 and 2020, 619.7 million barrels of crude oil worth $46.16 billion, equivalent of N16.25 trillion, has been lost to theft. Meanwhile, these thieves and their sponsors have remained invisible and invincible. The very few reportedly caught go unpunished after momentary detention.

To stakeholders in the industry, the undue release of oil thieves and pipeline vandals is not healthy. To them, the safety of pipelines would be guaranteed when offenders are brought to book. Pipeline vandalism, oil theft and associated crimes persist because perpetrators were prevented from facing the law.

Besides, oil theft and vandalism of pipelines don't portray Nigeria and the industry in good light. This is Nigeria presently is the only country in the Organisation of Petroleum Exporting Countries (OPEC) that is notorious for large-scale oil theft.

Revenues accruing to the Federal Government from the oil and gas sector have been declining continuously over the years making the government unable to meet its responsibilities in many critical sectors and infrastructures due to paucity of funds. This is despite presence of heavy security in the creeks of the oil rich Niger Delta.

The security was meant to guard the assets and pipelines but the personnel rather chose to collude with the criminals to corruptly enrich themselves. Some few oil thieves and pipelines vandals when caught by the local vigilantes and handed over to the security were released and allowed to go scot-free. This emboldens the thieves who always return to the creeks to continue their nefarious acts.

But with the coming on board of a new security arrangement, things have begun to change. The Nigerian National Petroleum Company Limited (NNPCL) in collaboration with oil companies' chiefs hired the services of ex-militant leader, Government Ekpemupolo (popularly called Tompolo) to police the oil assets and pipelines. Major breakthroughs have been recorded with the arrest of the thieves and the stolen cargos.

For a sustainable check on this crime, there is need for the industry to come together, team up and collaborate with the host communities, carry them along in everything it does and create cordial relationship with them.

Meanwhile, there is still hope for the turnaround of Nigeria's power sector. The Chairman of Momas Electricity Meters Manufacturing Company (MEMMCOL), Engr. Kola Balogun, has advised that if the sector has to meet the expected standard and attract more investment there is need for a roadmap to recalibrate it to overcome the challenges bedeviling it. He assured that indigenous manufacturers have the capacity to turnaround the sector if only the government should give them the necessary support and incentives.

In the financial sector, recent monetary policies churned out by the Central Bank of Nigeria have been causing ripples. The redesigning of naira notes redesign and daily withdrawal limits.

The announcement of redesigning naira notes came as a surprise to many Nigerians including the Finance Minister, Mrs Zainab Ahmed, who came close to calling it a 'coup' that would unsettle Nigeria's financial ecosystem.

But the Central Bank of Nigeria (CBN) quickly responded and explained that due process was followed, as all legal approvals, including President Muhammadu Buhari's nod approving the exercise, which was 12 years due.

As expected, there have been divergent experts' opinions on the rationale behind having new N200, N500 and N1,000 notes by December 15.

Nonetheless, the CBN Governor, Mr Godwin Emefiele, said the action draws legitimacy from Sections 2(b), section 18(a), and section 19, Subsections a and b of the CBN Act 2007 and has the best of intentions for the economy.

With so many reactions trailing the recent announcement of Ethiopian Airlines as core investor and partner to the national carrier, Nigeria Air, stakeholders are concerned about how the new airline with government stakes will impact on the aviation sector

The Minister of Aviation, Senator Hadi Sirika, confirmed that the federal government has selected Ethiopian Airlines as the core investor and technical partner of the new national carrier, Nigeria Air Limited. He noted that Ethiopian Airlines Consortium had a combined score (Technical and Financial Bid) of 86.7 per cent, saying that all preparations for the establishment of the national carrier, Nigeria Air had been concluded and the airline would kick off within six to eight weeks.

Meanwhile, the minister said "The money spent for the launch of Nigeria Air, (about N400 million) for all the requirements to establish an Air Operator Certificate (AOC) and be admitted starting an airline operation, is well within the five per cent capital investment of the Federal Government of Nigeria, that will be overall needed to establish the national carrier initially for the AOC approval and everything else required by stringent national aviation regulations, as prescribed in the FEC approved Outline Business Case (OBC).

"No further FGN funding will be provided above the five per cent share capital of the next national carrier of Nigeria, which was provided to launch Nigeria Air."

The minister also said the national carrier would be launched with three new Boeing 737-800, (not wet lease) with a configuration that is very suitable for the Nigerian market and they will grow to 30 and 40 within three and four years.

These and other interesting news and articles are assembled in this edition for your delight our esteemed readers.

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WHO ARE NIGERIA'S OIL THIEVES?

*For over four decades Nigeria has been battling the menace of crude oil theft. However, it became an existential threat to Nigeria this year when oil received at the terminals for export declined to a worrisome level of less than a million barrels per day in August 2022 from over 2.2million per day in 2014. This development has plunged the nation into an all-time record debt of N44.06 trillion as at the end of third quarter of 2022 leaving many sectors and critical projects neglected. Between 2009 and 2020, 619.7 million barrels of crude oil worth $46.16 billion, equivalent of N16.25 trillion, has been lost to theft. Meanwhile, these thieves and their sponsors have remained invisible and invincible. The very few reportedly caught go unpunished after momentary detention. Therefore, who are Nigeria's oil thieves asks **EMEKA UGWUANYI** in this report.*

Navy Destroys Illegal Crude Refining Site In Rivers State

When oil theft started in the early 1980s, none envisaged it would develop into a dangerous monster. But from the early 2000s, what was considered mere thievery started developing into an organised crime involving people who are experts in the workings and operation of oil and gas business. By 2010, foreigners had joined forces with the locals to steal substantial quantities of crude daily. This is how Nigeria became the only country in the Organisation of Petroleum Exporting Countries (OPEC) that has notoriety for large-scale oil theft.

Ever since, things have not been the same in Nigeria's oil and gas industry. At a point, the military, government officials and some personnel of international oil companies (IOCs) were accused of being complicit in the crime. The Federal Government was as worried and helpless as the operators of the industry. The volume of stolen crude continued to increase every year. It got to its climax this year, when in August the volume of stolen crude surpassed the volume of crude oil due to the Federal Government having dropped below one million barrels per day.

Revenues accruing to the Federal Government from the oil and gas sector were declining continuously. Government was unable to meet its responsibilities due to dearth of funds. Many critical sectors and infrastructures were neglected and abandoned.

Operators of the oil industry – international and indigenous, on their part, have been grieving their losses, hundreds of millions of dollars borrowed from banks going down the drain.

Meetings upon meetings were constantly held. The sole aim was to find lasting solution to the menace that has been crippling the economy and impoverishing the nation state.

Oil and gas conferences, seminars and discourses are dominated by panel sessions on how to tackle oil theft. But to amazement of the industry stakeholders, the administration of General Muhammadu Buhari (retired) has not done much to show it is concerned about what the operators of the industry are going through. Until October this year, when the Nigerian National Petroleum Company Limited (NNPCL) in collaboration with oil companies' chiefs hired the services of ex-militant leader, Government Ekpemupolo (popularly called Tompolo) to police the oil assets and pipelines, the Federal had been indifferent about the high level thievery going on in the industry.

At the 2022 annual conference of the Nigerian Association of Petroleum Explorationists (NAPE) held in Lagos, the industry players didn't veil their concerns over the lacklustre attitude of Mr. President and his government about their plight. They said that Mr. President's silence over the menace was suspect.

They raised some salient posers – "As it is currently, is oil theft international or national crime? Does it mean the government is not aware of what is happening in the industry? Does the government see it as a problem of players in the industry? Is government comfortable with declining revenue accruing to the federation account?"

The panel noted that the level of theft being recorded in recent time is not a small boy's play. "The people who are stealing this crude are not minors who go with 50-litre kegs looking for people

YEAR	VOL OF LOSSES	VAUE OF LOSSES ($)	VALUE OF LOSSES (N)
2009	69.49 Million Barrels	4.31 Billion	1.552 Trillion
2010	28.31 Million Barrels	2.29 Billion	824.64 Trillion
2011	38.61 Million Barrels	4.39 Billion	1.581 Trillion
2012	51.58 Million Barrels	5.82 Billion	2.095 Trillion
2013	78.30 Million Barrels	8.55 Billion	3.078 Trillion
2014	40.17 Million Barrels	4.14 Billion	1.492 Trillion
2015	27.12 Million Barrels	1.43 Billion	514.09 Trillion
2016	101.05 Million Barrels	4.42 Billion	1.591 Trillion
2017	36.46 Million Barrels	1.99 Billion	717.65 Trillion
2018	53.281 Million Barrels	3.387 Billion	1.172 Trillion
2019	42.248 Million Barrels	2.772 Billion	849.4 Trillion
2020	53.056 Million Barrels	2.21 Billion	787.7 Trillion
TOTAL	**619.7 Million Barrels**	**$46.16 Billion**	**N16.25 Trillion**

to buy. These are experienced people in the oil and gas business. The level of theft presently involves a lot of logistics planning and execution to be able to take that kind of volume of crude from source to a place where it would be sold."

One of the panelists said his company discovered in early November that one of its non-producing fields was reentered, completed on six wells and they have been producing. "We don't know who has done it. To reenter an abandoned well with assemblage of sophisticated tools that we don't have as a company, plan the logistics of taking those tools there, carrying out the operation and making the necessary connections, these are not small boys planning.

"Until somebody makes a statement that this is not a state sponsored crime, it would be assumed so. It takes substantial resources to reenter an abandoned field. Perhaps government sees the industry's problems as ours and not theirs and nothing concerns them."

Another panelist said: "It is not about the government making a statement because that wouldn't achieve results. What we want is arrests and prosecutions. Shell's asset was attacked offshore and up until now, no arrest was made, after sometime Shell had to help itself and resume operation."

He asked the panelists as explorationists if they know how many barrels of crude Nigeria produces and how many barrels it exports. Nobody knows, he answered, adding that even with the few technologies we deploy, nobody knows. "I don't think even if the National Petroleum Investment Management Services (NAPIMS) knows. The truth is that there is issue of trust. We should be honest with ourselves and fish out the thieves among us.

"We cannot arrest this situation if we are not honest with ourselves. Saudi Arabia despite the huge quantity of crude it produces knows single drop that is being explored, produced and exported. Even in the control room, they can give you the figures, why can't we do the same here in Nigeria. It is because people know if we do that in Nigeria, it will expose them."

Another panelist said in the past, the host communities related cordially with us (oil workers) because we carried them along

Alison-Madueke

in what we were doing. Some workers even married the daughters of some communities' chiefs. About 21 years ago we were not hearing this kind of shameful act. Let's team up as an industry and find the solution.

"The industry shouldn't wait for the government because if it waits for government nothing will happen. Government has its hands full with many things. But who is government, is not the army, navy, police that patrol the oil producing zone? They are busy enriching themselves there. We don't have to wait for government because government stays eight years and go but the business remains. The industry should come together, team up and collaborate with the host communities, carry them along in everything it does and tackle the problem head-on. We need to stop this mess because it is not good for the image of Nigeria and oil and gas industry."

Meanwhile, the panelists dimensioned the crude thievery into two categories, and noted that they have entirely different solutions. To them, oil theft is destruction of our commonwealth which is as a result of the ecosystem collapse. They said there are two levels of crude thieves – the host communities or associated thieves, which could be associated to mere agitation for attention majorly driven by poverty to expression of dissatisfaction that oil is mined from their soil without commensurate reward and benefits and the current institutional theft, which involves large scale of stealing.

"About 20-30 years ago, there were feelings of inclusiveness and some oil workers married the chiefs' daughters. Also, that time the IOCs were in charge. They had operating system that was superlative to Nigeria's regulatory threshold because they were forced to operate to international standards. There was also governance in the country and what the defunct Department of Petroleum Resources (DPR) said was final. Then, it wasn't the case of anyone going to Aso Rock or anybody for anything. There wasn't this kind of institutional stealing, otherwise, we could have included use of armoured vehicles and all manner of weapons and ammunitions in the Petroleum Industry Act (PIA). Then, there was a beat of fear by those who want to steal unlike now.

When oil theft got beyond government's containment

By 2010, the Federal Government noticed that oil theft has gone beyond and was significantly depleting accruable revenues to the nation's coffer. This situation

The first JTF was set up in but despite that the crime was still ongoing and growing. The quantity of crude stolen daily continued to increase.

On May 21, 2012, the former Minister of Petroleum Resources, Mrs. Diezani Alison-Madueke, had a roundtable on Nigerian oil and gas industry in Lagos with oil and gas industry stakeholders including international and indigenous oil companies' chief executives, military service chiefs and police chief. The sole aim of the meeting was to proffer ways to tackle oil theft.

After the roundtable, Alison-Madueke announced the inauguration of a new Joint Task Force (JTF), which was a collaboration of the armed forces personnel and oil industry operators, among others.

The operators of the oil industry, armed forces chiefs and the police chief agreed there was need for collaboration between the Federal Government and the industry to stem the rising incidence of crude oil theft and pipeline vandalism in Nigeria as that would salvage the situation and protect the nation's oil assets.

The former Chief of Defence Staff, Air Chief Marshall Oluseyi Petirin, commended the collaboration, saying the new JTF would help to monitor enforcement of all the actions discussed and decided at the meeting, and also done at the right time in order to get to the root of the menace and get the criminals to book. He, however, stated that the new JTF wouldn't be parallel to the already existing JTF but to strengthen it. He also absolved the military of complicity in oil theft as suspected by many Nigerians.

Petirin said: "This is a committee so to say, of very senior personnel both in the oil industry, military and other security services to monitor all the decisions we have made and decisions we have reached, and to make sure we are following them to a logical conclusion and that things are done properly."

On allegations of collusion by the military and other armed forces who were constantly accused of providing security to the oil thieves, Petirin said they were unfounded. He challenged the accusers to produce evidence of their claims, saying: "Don't listen to people who talk without any fact. If you say people are colluding with the thieves, bring them forward, point at them; let them be investigated, but nobody has pointed any finger at any anyone."

Meanwhile, as at the time of the meeting, Mrs. Diezani Alison-Madueke said the spate of oil theft had reached a worrisome point, noting that Nigeria was losing about $7billion yearly to the crime, which called for expedited action to stem the huge economic losses.

Alison-Madueke stated that the taskforce was particularly expedient then more than ever before, in view of foreign crude thieves who had cashed in on the situation in the last six months to steal Nigeria's crude.

With regard to delays in the prosecution of oil thieves caught in the act previously, the minister said that the new JTF is being set up "to ensure that the arraignment and prosecution are done promptly and

Petirin

properly documented."

The then Managing Director, Shell Petroleum Development Company Limited and Country Chair, Shell Companies in Nigeria, Mr. Mutiu Sunmonu, commended the new cooperation. Shell has always been the worst victim of crude oil theft and pipelines vandalism. Sunmonu who was excited about the new arrangement, said: "For the first time in the industry, we are coming out with a list of smart actions; we are coming out with a framework that will allow us monitor and track how this actions are being undertaken.

"That, for me, is a clear departure from what we have seen in the past and am really pleased about what we have done today and of course we have to follow through. We have to make sure that every action we agreed upon is actually being followed up and that for me is the next challenge we are going to have."

Similarly, the then Managing Director, ExxonMobil Companies in Nigeria, Mr. Mark Ward, said with the new collaboration, the criminality would be significantly reduced. "The presence of the Chief of Defence Staff and the service chiefs give a significant amount of support to the initiative. So, I'm encouraged and cautiously optimistic that we will see an improvement."

Also, on June 20, 2013, seeing that oil theft had refused to abate, former President Goodluck Jonathan held a crucial meeting with military chiefs, governors and oil companies' chiefs at the Presidential Villa, Abuja. The focus of the meeting was on the worsening oil theft.

The meeting had in attendance former Vice President Namadi Sambo and then governors of Akwa Ibom and Delta States, Godswill Akpabio and Emmanuel Uduaghan respectively, the then Minister of State for Finance, Yerima Ngama, and the former Attorney General of the Federation and Minister of Justice, Mohammed Adoke. Also at the meeting were former Minister of Petroleum Resources, Mrs. Diezani Alison-Madueke, CEOs of international and indigenous oil companies, among others.

Jonathan charged the governors in oil producing states, service chiefs, and multinational companies to work out an aggressive approach to tackling crude oil theft.

Diezani Alison-Madueke who addressed the press after the meeting said: "We are continuing with what has been done but we are becoming much more aggressive. We met with a number of multinationals earlier; we have come up with various pointers which must be addressed in an in-depth manner over the next 10 days. Technical team is going to meet across all the stakeholders; they will break into various committees because as I said, it is many pronged and must be addressed with a multi-pronged approach.

"Over the next 10 days we will form the relative committees, they will meet and we will move to implement very aggressively. The last few months had become quite critical to the point that it is affecting our excess crude and revenue accruing to the federation account from the proceeds of our output.

"It is in view of this that Mr. President called governors of affected states, all the multinationals and their chiefs, all the service chiefs as well as the Nigerian Petroleum Development Company (NPDC), NNPC and other ministers who are related stakeholders."

Alison-Madueke expressed dismay at the alarming rate of oil theft, which she said, had negative effect on the nation's resources. She said the meeting was called with all relevant stakeholders to mainly address crude oil theft.

At the annual conference of the National Association of Energy Correspondents in August, 2014, oil theft dominated the panels' discussions. The then Special Adviser to the President on Niger Delta and Chairman Presidential Amnesty Programme, Kingsley Kuku, stated that Nigeria was losing over 100,000 barrels per day to oil theft and pipeline vandalism, adding that the figure could go up if the menace was tackled.

He said in some communities in Niger Delta, oil theft has outstripped fishing and farming and was damaging and supplanting legitimate economic activities.

Also, the former Commander of the Joint Task Force (JTF) codenamed Operation Pulo Shield, Major-General Emmanuel Atuwe, who was a speaker at the conference, painted a gory picture of what oil theft was doing to the oil and gas sector and oil producing communities. According to him, the Federal Government set up the task force to ensure 24-hour patrol of oil installations, to check pipeline vandalism, crude oil theft and other criminalities in the industry. But Atuwe noted that cases abound where vandals were arrested, remanded, and released on bail and they reappear in the creeks to continue their criminal activities.

Atuwe said: "The undue release of these vandals must be stopped if the country would achieve meaningful progress in the fight against pipeline vandalism and oil theft.

"The safety of pipelines would be guaranteed when offenders were being brought to book. Pipeline vandalism, oil theft and associated crimes persist because perpetrators were prevented from facing the law. The JTF and the Ministry of Justice were meeting to ensure that pipeline vandals and oil thieves serve jail terms. The meeting, he said, became imperative to ensure speedy trial of suspected vandals.

"Cases abound where people were released on bail for offences that deserve punishment under the criminal code. The need to ensure that justice prevails, informed the meeting with the Ministry of Justice."

Atuwe said the despite the zero tolerance

Sunmonu

policy declared on pipeline vandalism, there was still surge in the criminal activities. "When I resumed office as the Commander, Joint Task Force, Operation Pulo Shield in January 2014, I declared zero tolerance against pipeline vandalism to stop the activities of the perpetrators. We policed the creeks and other areas where there are pipelines. We work throughout the night."

He cited an instance where the JTF arrested a vessel that was used to steal oil and at the end of the day nothing was heard about the incident. "As a nation, we should get angry with the depletion of oil by thieves, protect the industry and the economy. Pipeline destruction is an offence that I think the perpetrators should not be allowed to go scot free. Anybody caught breaking oil pipes deserves a jail term, hence the need to meet Justice Ministry so they can help us in that regard," he added.

It is imperative to look at the terminals through which oil is being exported illegally. This will help in solving the problem as well as putting in place processes that would lead to speedy trial of oil thieves to enhance growth of the oil industry.

In 2018, communities that situate along the Nembe Creek Trunk Line (NCTL), through a coalition of civil society groups, staged a protest in Abuja claiming that oil thieves were stealing crude through the river channels of the Niger Delta region to ship away large cache of oil.

They noted that 24 new illegal bunkering points were discovered along the creeks of Bonny, Nembe, Kula and Bille communities in Bayelsa and Rivers States.

They also stated that coordinates from a global positioning system (GPS) of the illegal bunkering in the region were generated and sent to the JTF in support of their security works, but the JTF allegedly ignored the coordinates.

After staging the protest in Abuja, they called for the immediate withdrawal of the commander in charge of the JTF Operation Delta Safe, Rear Admiral, Suleiman Apochi. The communities told former Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, they suspected the JTF was aiding the renewed oil theft in the region.

"I discovered a lot of illegal refineries, bunkering points, loading points all over the area of my jurisdiction. I see some vessel come in to load and go back and there is security everywhere, said Chief Noman Atonkere, who said he was the chairman of oil and gas Nembe kingdom, as well as the coordinator of the community security team employed by Spyer Nigeria, which has an existing security and maintenance contract on NCTL with Aiteo Group.

Expressing the communities' frustration with the situation especially with regards to his claims against the military taskforce, Atonkere explained the military never responded to their alerts whenever oil thieves got in to work. "We, who are civilian security cannot do anything because we don't have arms and when we call there is no response. That is why we called on the federal government to assist us to fight this," he added.

To again arrest the situation, Kachikwu stated during his visit to the creek that he will submit a report on his findings on renewed large-scale oil theft and haulage going on in the region despite the presence of the military taskforce to Buhari. The minister who decried the practice despite the region's waterways being heavily militarised, stated it was troubling.

Apparently gobsmacked that large crude carrying vessels could easily pass through existing security corridors in the region's waterways undisturbed, he said he would take back to Buhari what he found out for a quick proactive action to be taken, adding that the security chiefs and National Security Adviser (NSA), Babagana Monguno, would be briefed on this with an intention to find lasting solution to it.

Buttressing high level oil theft and involvement of military personnel, government officials and foreigners in the criminal act, a report entitled "Nigeria's Criminal Crude: International Options to Combat the Export of Stolen Oil" published in 2013 by Christina Katsouris and Aaron Sayn, made some revelations.

The report said: "Illegal bunkering of Nigerian crude oil probably started in the late 1970s or early 1980s, when the country was under military rule. In most versions of the story, some top army and navy officers began stealing oil – or allowing others to steal it – to enrich themselves and maintain political stability. Some say that oil theft also allowed Nigeria to bust tight OPEC quotas. It seems that local and foreign intermediaries did much of the legwork; Lebanese and Greek actors were most often suspected. "While no data exist, the stolen oil trade was probably small at this time, perhaps a few thousand barrels per day. Lower global oil prices and Nigerian output, combined with the relatively closed group of actors involved, helped contain the business. Public claims that the Nigerian security forces were involved in stealing oil grew after military rule ended in 1999.

"The return to democracy also gave civilian officials and political 'godfathers' more access to the illegal oil trade. Nigeria's oil sector and political culture opened up dramatically in the 2000s. Rising prices and production allowed more oil to vanish, as did the local 'resource control' agitation. The larger profits and cast of characters in play made the 'rights' to steal oil more hotly contested. In the Niger Delta, oil theft became a source of stability as well as conflict as its ties to political violence, corruption and organized crime deepened.

"Buyer–seller relationships in the stolen oil trade can vary a lot. Some apparently are quite insular, with operatives in Nigeria shipping oil to a single refinery on pre-agreed terms. In other cases the stolen oil

Atuwe

trades in the same markets as legal tanker-loads of crude. Thieves use various means to launder stolen oil into the licit market, all of which can blur the lines between legal and illegal supply. As such, pursuing stolen parcels requires an understanding of how legitimate Nigerian oil sales work.

"Each year, most often in the spring or summer, NNPC's Crude Oil Marketing Department (COMD) awards one-year term contracts to lift the government's share of oil production – typically 22 to 27 tanker-loads per month in recent months. These contracts go to a variety of customers, mostly private oil-trading firms. Fifty such contracts were awarded in 2012

"NNPC also allocates around 400,000 barrels per day (bpd) of the government's oil to its four refineries. Because the refineries generally run at only around 20 per cent capacity, much of this oil is sold for export. Some of it is stolen from the pipelines that run from onshore export terminals en route to the refineries. In addition to NNPC's regular export cargoes, the international oil companies (IOCs) ship and sell up to 30 more cargoes each month.

"Under the NNPC term contract system, most legitimate cargoes change hands at least twice: first from NNPC to a trader, and then from the trader to another buyer, most often a refinery. Moreover, of the fifty-term customers for 2012, perhaps only a dozen to twenty have the capacity or will to finance, ship and sell their own cargoes directly to refiners with all the market and price risks involved. Most of the remaining ones are so-called 'briefcase companies' – small entities which sell their allocations of crude to the main traders for a margin, most often at the higher end of $0.25–0.40 per barrel in 2013. This adds a third layer of sales transactions.

"The system attracts many shadowy middlemen and 'politically exposed persons'. This, in turn, creates a crowded, confusing, high-risk marketplace. A typical briefcase company is owned by one or more private individuals acting as a 'front' for top political office-holders and power-brokers. Traders and refiners say they receive regular calls from little-known Nigerians offering oil, often on suspect terms. A growing number appear to be businessmen and elites from the Niger Delta. Seasoned buyers spot most such offers as '419', the work of advance fee fraudsters. But at least some of the middlemen have real oil to sell."

According to the report, Nigeria's oil sector is one of the world's least transparent when it comes to sales, associated revenues and physical oil flows.

"The resulting shadows and disorder could easily be exploited by organized criminal interests. Adding to the general bustle and opacity, the traders who hold NNPC term contracts sell their cargoes in the physical spot market – a vast, mostly unregulated space. Organized criminal pursuits such as export oil theft generally thrive in open markets.

"In Nigeria and other countries, relatively recent moves towards economic liberalization, integration with global trade and privatization of state resources, whatever their benefits, also help criminal elements access capital, technical expertise and global crime networks. In such an environment – where many parcels of oil change hands many times to travel in different directions under often opaque conditions – stolen crude can mix in the legitimate market with relative ease.

"Research for this report found no hard evidence that any particular NNPC term customers stole oil. A few Nigerian indigenous traders have been investigated at home for suspected crude theft and fraud, but there were no definitive findings of guilt. Some in the West African crude trading market claim bribery is basic to how the business works, but scandals have been rare. Some international trading houses have been investigated for other offences around the world, from sanctions-busting to manipulation of benchmark prices and environmental damage. More recently, foreign anti-corruption police and NGOs are taking more notice of commodities trading. But if some traders do join forces with criminal networks to move stolen Nigerian oil, the exact mechanics of this remain unclear."

"Following the money trail is a key step towards controlling oil theft. Profits drive the business, and lax law enforcement allows funds to move freely around sub-Saharan Africa and beyond. The most promising initiatives here are as follows," the report read.

"Money-laundering cases and asset forfeitures Convicting oil thieves of laundering money and seizing their assets should be a part of almost any cross-border strategy. Building strong cases would not be easy, and ideally, Nigerian anti-corruption police would help other governments trace the money. But Nigerian paralysis should not excuse other jurisdictions from acting in cases where they have good financial intelligence.

"Anti-bribery laws could offer outsiders another tool for catching oil thieves. Further analysis would be needed to see whether oil theft could meet all the requirements of bribery statutes.

"Donor support for the Extractive Industries Transparency Initiative or other pro-transparency lobbies cannot do much to address oil theft. The types of information such programmes provide would not help most outsiders track stolen oil, and civil society might also find engaging too risky.

"New financial-sector regulations – for example, to force disclosure of beneficial ownership, or place limits on use of shell companies – could have more value. There are no easy fixes for Nigeria's crude oil theft problem. But there are options to help reduce the problem, which could, if managed well, have positive effects on tackling and reducing other forms of transnational organized crime. It is hoped that this report will inform more nuanced views of the problem – and act as a spur to

Kuku

some meaningful action."

Proffered solutions

To the former Commander of the Joint Task Force (JTF), Operation Pulo Shield, Major-General Emmanuel Atuwe, there was need for more collaboration among security agencies, even as the host communities should be hired to monitor every kilometre of the pipeline network. He urged the oil companies to honour their Memoranda of Understanding (MoUs) and noted the importance of building refineries and filling stations in oil communities in the riverine areas to give them sense of belonging.

He urged the government to establish modern refineries in the Niger Delta to reduce unemployment, noting that the relationship between the oil companies and the communities has become soured in recent times.

"The relationship between oil companies and the communities was symbiotic before. There was trust between the two groups. The oil companies were meeting their obligations to the communities. At a point, trust was lost. Added to this is the impoverished nature of the communities. Poor infrastructure and unemployment in the oil producing communities are some of the factors that made the inhabitants to break pipelines," he said.

The former Managing Director/Chief Executive Officer of Energia Limited, Mr. Felix Amieyeofori, stated that there were about 6000km of flowlines and pipelines in the Niger Delta; and that about 100,000 to 400,000 barrels of oil per day (bopd) were stolen, adding that between 2009 and 2011, about $10 billion to $12 billion was lost to crude theft.

Amieyeofori said about 100,000 to 400,000 bopd worth about $7 billion was lost yearly. Nigeria, according to him, came after Mexico, Iraq, Russia and Indonesia on the top five countries plagued by oil theft, adding that about 75 per cent of the stolen oil is being exported with the rest being refined in illegal or artisanal refineries.

On who were responsible for oil theft, he said it some unscrupulous Nigerians and Niger Delta indigenes that collaborate with foreigners. "The theft takes place at oil terminals, pipelines and wellheads at night. and the people who buy it include illegal artisan refineries in the mangroves.

The stolen crude goes through the creeks at night with the aid of vessels that transfer into internationally registered vessels, sold to international buyers and illegal artisan refiners in the mangroves.

Quoting Reuters, Amieyeofori said products from illegal refineries are sold locally at very low prices. "Stolen Nigerian oil worth billions of dollars is sold every year on international markets and much of the proceeds are laundered in world financial centres like Britain and United States.

"In the study done by Chatham House, it was found that the countries with the most imported stolen oil from Nigeria include the United States, several West African countries, Brazil, China, Singapore, Thailand, Indonesia, and the Balkans. The thieves are able to import the oil through the roles of commodity traders that work in the industry."

Former President Goodluck Jonathan even went as far as asking the international community to recognise and label stolen crude from Nigeria as what they are, when all his efforts including the deployment of a joint military taskforce (JTF) to secure and put out the illegal practice failed.

Through his then oil minister, Mrs. Diezani Alison-Madueke, the Jonathan government initiated efforts to place some sort of identification markers on oil produced from Nigerian oil fields so that when they are stolen, international buyers could recognise it and perhaps act against the sellers. That plan, however, didn't materialise before Jonathan left government.

The game changer

In August 2022, the Federal Government through the NNPCL and other stakeholders in the Nigerian oil and gas industry sealed pipeline and other oil assets surveillance deal with ex-militant leader, Government Ekpemupolo (popularly called Tompolo) for N48 billion.

Former President Goodluck Jonathan had earlier awarded such contract to Tompolo but Buhari's government on assumption of office in 2015 cancelled the contract only to make a detour in 2022.

However, shortly after being hired to police the pipelines and check oil theft, operative of Tantita Security Services Limited (TSSL), owned Tompolo, ambushed and arrested eight members of a suspected crude oil syndicate while they were pumping crude oil from a Chevron Nigeria Limited's (CNL) pipeline in Delta State, into an improvised 87-metre long ocean-going vessel, MT Deino.

At the time Tantita operatives and Nigerian security officials swooped on the captain of the vessel, Captain Temple Manasseh, from Bayelsa State and seven other suspects, they had pumped 605 cubic metres of crude oil into the vessel with 12 compartments from an illegal connection attached to a CNL crude pipeline, between Abiteye community and Escravos in Warri South Local Government Area.

The vessel bore an International Maritime Organisation, IMO number, 7210526, at the time it was apprehended in the Escravos River. Sources in the know of the incident said the vessel arrested for illegal oil bunkering in September 2021, but released, probably after greasing some palms, had been frequenting Niger Delta and illegally loading crude oil from Nigeria to Ghana for many years.

Owners of the vessel have not come out openly, but reportedly they offered to give an official of Tantita a kickback of N25 million in dollars to release the vessel, which he rejected.

Kachukwu

Amieyeofori

The eight suspects, including the captain, have been handed over to the Joint Task Force, in Niger Delta and are cooling their heels at the 3 Battalion, Nigerian Army, Effurun, near Warri.

The captain of the ship, Temple Manasseh, told journalists that the seven others hijacked him and forced him to the location to load the vessel for them. "I am not the one that loaded the vessel; seven boys hijacked me and loaded the vessel. I was in Escravos anchorage before they hijacked me and loaded crude. I do not know where the boys are, when Tompolo boys came, they ran away.

"It happened on October 6 and the operation was for about two and half hours, they loaded the vessel after a Chevron facility," he said.

However, Marine Intelligence Consultant to Tantita Security Services Limited, Captain Warren Enisuoh, who shed light on the operation, said: "The vessel is 87 metres long with 12 cargo compartments. It is not an ocean-going vessel, it is a river vessel, but somehow, they converted it into an ocean vessel.

"The crew is very smart, no doubt about that, but they are not smarter than the Nigerian National Petroleum Corporation Limited and the country.

"It is among the list of vessels being monitored constantly and it has been evading the authorities for some time. It is frequenting the Niger Delta and carrying crude illegally to Ghana, precisely the Port of Tema.

"Therefore, Tantita laid ambush for this vessel and it fell into it on October 6, 2022. It came in to load; they brought the ship from Escravos, and went alongside into the creeks where they did not know we were waiting.

"We allowed them to connect their hoses from the Escravos-Abiteye pipeline and from there they started pumping crude into the vessel. Then, we took them by surprise. The pipeline they were pumping from is actually a major line that goes to the Chevron Terminal.

"Five compartments had oil, the total crude we found is 650 cubic metres of crude oil separated into several compartments because they could not finish the operation before Tantita swooped on them.

"They did not go to the Chevron Terminal to load, they went illegally into the creek (bush) where they criminally connected their hoses to the major line and started pumping the crude from the pipeline into the vessel.

Ward

Commodore Olukayode Ayo-Vaughan

"In this very operation, we have arrested seven persons and they are all Nigerians by their names. They were taking the crude to Tema Port in Ghana."

On Captain Manasseh's claim that some hijackers abducted him to load crude onto his vessel, the Tantita consultant, Captain Enisuoh, said: "That is his claim but the documents prove otherwise.

"He (Manasseh) said he joined the ship as captain, about two and a half months ago, but records show that the authorities detained the ship here in Nigeria, back in September 2021, but later released.

"And the documents also show that he was the captain on board at the time and he said this was the first time he was on the ship.

"If it is the first time, as he said and they arrested the ship in September 2021 and released it, then he was the captain then and has, therefore, been on the vessel for more than a year.

"The vessel has been coming in to load crude oil and discharge in the Port of Tema in Ghana and somehow, somewhere, on October 6, it came in to carry out its nefarious activities.

"We knew about it, we did not want to stop them. They came in at about 6.00 pm on that day, and then they started operation slowly from a line that Chevron operates, which runs between Abiteye and Escravos.

"They kept pumping before Tantita moved in to apprehend them and the vessel. Tantita handed over the vessel to the JTF.

The Operational Head of Tantita, Epibade Kari, who led the team that intercepted the vessel, said: "We got a tipoff that a ship was loading at the Escravos axis. The Tantita security personnel went to the place and got the ship arrested."

Kari, who is the chief security officer to Tompolo, added: "I insisted we will take the crew to Oporoza in Gbaramatu Kingdom where Tantita operational office is located. Their boss begged me through the captain of the ship to offer me a bribe of N25 million, which he promised to deliver in dollars so that I can let the ship go. But I turned down the offer."

It would be also recalled that in August this year, Equatorial Guinea authorities handed a vessel, MT Heroic Idun and its 26 foreign crew members involved in oil theft to Nigerian Navy for further investigations.

The Nigerian Navy factsheet released by the Director Information Naval Headquarters, Commodore Adedotun Olukayode Ayo-Vaughan, said the ship had paid sizable fine to Equatorial Guinea authorities for sailing without hoisting its official flag.

The vessel which evaded arrest in Nigeria on 8 August 2022, and raised false alarm of piracy attack in Nigeria waters was brought back to Nigeria to clear any misconceptions about its involvement in oil theft.

According to the document, the vessel entered Nigerian waters, specifically the Akpo Oilfield, deep offshore Bonny, a joint venture operated by Total Energies Exploration and Production, to load crude oil at about midnight on 7th August 2022.

However, the vessel was accosted by a Nigerian Navy (NN) ship on patrol on 8th August 2022 (shortly after midnight) for not having due NNPC approval and naval clearance.

"It must be pointed out that at the time it was accosted, it had not lifted any crude oil from the oilfield, and it also subsequently did not lift any Nigerian oil. It, however, stands accused of breaking the laws of Nigeria in other ways," he said.

A network of illegal oil pipelines being unearthed in the Niger Delta region has underscored the extent of oil theft in the country, astounding even the most cynical about Nigeria's obscure but hugely lucrative oil industry, said a BBC News report.

The report noted that In Delta State, thieves built their own 4km- (2.5 mile) long pipeline through the heavily guarded creeks to the Atlantic Ocean. There, barges and vessels blatantly loaded the stolen oil from a 24-foot rig visible from miles on the open waters.

Commenting on that, the Group Chief Executive Office of the Nigerian National Petroleum Company Limited (NNPCL), Mallam Mele Kolo Kyari said: "It was a professional job wading through the swamps as he retraced the slick path during a televised visit to the scene.

Crude oil production, Nigeria's main export and revenue earner, has been dwindling for years because of thieves. Oil production fell from 2.5 million barrels per day in 2011 to just over a million in July 2022, according to the oil industry regulator. The Federal Government said more than $3.3billion (£2.9billionn) has been lost to crude oil theft since 2021. This is at a time when other oil producers are having a

petrodollars splurge, Nigeria couldn't even meet its production quota. And it is not that the country can afford to lose money to thieves, it is gripped by widespread poverty and heavily indebted.

Many said the recent discovery of the illegal pipelines confirms long-held suspicions of massive corruption in the sector where there is little transparency.

Nigeria's oil industry has a documented history of corruption, from an unending fuel subsidy scheme where no-one actually knows how much is imported, to the shadowy allotment of oil exploration blocks.

The fact that the heist was discovered by a private security firm and not the authority's heavy security presence in the Niger Delta creek, also added to the anger.

But Government Ekpemupolo, popularly called Tompolo, is no ordinary private security contractor. Tompolo wields enormous influence in the Niger Delta region. The 51-year-old chief from Gbaramatu kingdom in oil-rich Delta State was in the past involved in blowing up the very oil pipelines he now guards after a controversial N48billion ($110million; £98million) contract from the government at the end of August.

He is arguably Nigeria's richest ex oil-militant, was once the country's most wanted man, and at one point even sold the country a fleet of warships. He also knows the geography of the Niger Delta, the oil wells and official pipelines, so many believe his comments about the identity of the thieves.

"Many of the security people are involved because there is no way you can load a vessel without settling (bribing) the security people in that region," he told Channels TV.

He also suggested that much of the oil was stolen from precisely those areas where there were army and navy checkpoints. The military has not responded to these allegations, but it is unlikely they will openly contradict a man they have gone into partnership with to crack down on oil theft.

Nigeria's Army Chief of Defence Staff, Mr. Lucky Irabor, who was part of the retinue that toured the oily trail of the thieves, escorted by Tompolo's men, said it was an "eye-opener" and promised an investigation.

But it is not the first time Nigeria's security agencies, especially the top brass of the army and navy, are being fingered over oil theft. In January, Chief Nyesom Wike, the Governor of Rivers State, said a police superintendent was involved in oil theft in the Emuoha area of the state and wanted him kicked out.

In 2019, Mr Wike also accused a high-ranking army commander of engaging in massive oil theft in the state, which was denied.

Tompolo's private security contractors led Nigeria's security personnel to the scene of the huge oil theft. That corruption on this scale happened directly under President Muhammadu Buhari, who also doubles as Nigeria's Petroleum Minister, has undermined his stance on fighting corruption, said Salaudeen Hashim of CLEEN Foundation, an anti-corruption non-governmental organization (NGO).

Buhari was elected on a promise of fighting corruption in 2015, but many question how effective his administration has been. "The extent of the ongoing oil theft might not even be fully known until this administration leaves office in May next year," one analyst told the BBC.

Since independence in 1960, Nigeria has been ruled intermittently by military officers who seize power through coups, leaving behind a lot of corruption financed through the vast oil and gas industry in the Niger Delta.

Postings to the region, to protect oil installations, are considered lucrative by both senior security personnel and the rank and file, who lobby and pay bribes to get them posted there, said Mr Hashim. "Once there, it is a race to the bottom to accumulate illegal wealth," he added.

The recent burning of a vessel seized on allegations of carrying 650,000 litres of stolen crude oil in Delta state has also raised eyebrows. Many questioned why security operatives were so swift to destroy the evidence - part of Tompolo's recent success - but Nigeria's Defence chief said as the seized ship was smuggling stolen oil, no investigation was needed.

Tompolo's motivation for the crackdown on crude-oil theft has left many bewildered. He is getting paid for it, and has spoken glowingly of his love for Nigeria and the Niger Delta environment, but this is the same Tompolo, many say, who blew up oil pipelines in the past.

As one expert pointed out, the illegal oil pipelines being unearthed by Tompolo have so far been in Delta State, where he wields enormous power. It is unlikely that anyone would have peacefully operated such facilities in his territory for years without his knowledge, they said.

In the past there have been deadly clashes between security forces and armed militants operating in the region but things have been relatively calm for years, and many say underneath that is an agreement by both sides not to interfere with the other's "business".

The only losers, it would seem, are law-abiding Nigerians, and perhaps, the oil firms. Not that they will get much sympathy in the country.

Momas Electrical Meters Manufacturing Company Ltd. (MEMMCOL) Group and the North East Development Commission (NEDC) empowers 150 youths in the North-Eastern part of the country to address the nation's metering gap also signed MoU with Southwest Minnesota State University Marshall .








HOW POWER SECTOR ROADMAP CAN BE RECALIBRATED – BALOGUN

For the country's power sector to meet the expected standard and attract more investment there is need for the roadmap to be recalibrated to overcome the challenges bedevilling the industry. This is the position of the Chairman, Momas Electricity Meters Manufacturing Company (MEMMCOL), Engr. Kola Balogun, in an exclusive interview with ***YUNUS YUSUF*** *on way forward for the power sector.*

It would be recalled that President Muhammadu Buhari recently acknowledged dissatisfaction with the sector's performance almost nine years after it was privatised.

According to Balogun, it is sad to note that Nigeria's power generation capacity is still below 5,000 megawatts (MW), which is condemnable considering the importance of stable electricity supply to the socio-economic development of any country.

Balogun said: "I think there is a need for us to review the entire power sector journey. The entire roadmap that set up the privatisation needs to be recalibrated.

"In reviewing the sector, we have to take the recalibration in phases. There must be a renewed perception, a renewed strategy to ensure that we create a synergy that will make us to have a good reference point.

"The office of the Minister of Power needs to call for a stakeholders meeting to see how to define a new roadmap and strategy that would make the promise of having 24-hour power supply manifest in the country."

He noted that part of the strategy should be to tackle the challenges in phases instead of attempting to solve them instantly.

“The good reference point should start from metering. Let us choose one state, one local government that we can say that particular location is hundred per cent metered.

“That location will have a direct link to one of the generation companies and there is a transmission line connected to it and it is having 24/7 power.

“That is the new calibration. If we have that as a reference point, then we can be saying that we are moving forward and we have solved one out of one million.

“A situation where we want to solve one million problems at the same time will end up not solving the problem. The decay in infrastructure is so much that we cannot address it at the same time.

“We don’t have the finance to address the entire infrastructural deficit and as such we cannot address all the problems at the same time.

“Even the Siemens intervention that is coming should be channelled towards a segmented section so that we can see the effects immediately,” Balogun said.

He also called for the decentralisation of the national power grid to curb the frequency of system collapse.

Balogun said: The grid system has failed us. Every time we have system collapse because of decayed infrastructure. We need a lot of replacement.

“We need substation enhancement - distribution substations, injection substations, transmission substations and network expansion of the transmission substations.

“These are issues that have been there and have compounded the problems of the sector.”

The MEMMCOL Chairman urged Federal Government to enhance the promotion of indigenous meter manufacturers in Nigeria to promote local content driven market in Nigeria.

He said: "We are bold to emphatically say that we at MEMMCOL, have the local capability to bridge the metering gap if the right policy is put in place.

"This can be by way of financial intervention by the Government whereby certain agreed percentage of the cost of meter supply would be advanced to us like the importers do with the Chinese and upon completion of installation balance payment would be made to us.

"We do not even mind to furnish a bank guarantee as our own commitment in such deal."

According to him, the right thing that would have been done by the government is to identify challenges facing local manufacturers and find a way to proffer solutions.

"For instance there is high tariff rates payable to import raw materials that are not readily available in the country, the duty payable on our raw materials ranges from five per cent to 40 per cent plus other port charges.”

The chairman said these charges are the major reason most of the industries in the country had closed down. Also, high production cost is there, which makes manufacturing not to be viable and encouraging.

Balogun, therefore, suggested that the way forward was backward integration whereby government would categorise the key local players in the sector and other sectors of our economy, according to their production processes by separating assemblers from manufacturers and issue certificates accordingly.

The MEMMCOL boss said all the raw materials necessary to manufacture would be made to attract zero per cent import

Momas Electricity Meters Manufacturing Company Ltd (MEMMCOL) in Lagos.

tariff rate for OBM/OEM manufacturers while the relevant government offices would monitor the use of the gains from the import tariff policy to ensure that they plough it back into their investment.

This, he added, would develop the sector and the economy at large as well as encourage the manufacturers of the raw materials to come and set up their factories in the country.

According to him, there will be no reasons for the country to import anymore. "We wish to use this medium to advise the Federal Government to send its delegate to verify our capability and replicate this across all our various sectors so as to be well informed before taking industrial decisions," Balogun said.

TRAINING

In taking our teeming youths out of the street and building sustainable human capacity development, MOMAS Electricity Meters Manufacturing Company (MEMMCOL) has trained over 1000 unemployed youths on effective electricity metering programme to promote manpower skills in the country.

Balogun said the ideas behind the initiative were to extend the company's Corporate Social Responsibility to some States of the country to develop manpower capability among unemployed youths in Nigeria.

He said that this will enable unemployed youths to benefit from the other value addition of the Federal Government initiative to roll out some meters to consumers.

He said that beside the facts that the initiative will enhance manufacturing arm of the power sector, the meter factories. The extension is to develop manpower skills to be able to install the meter.

He said the free metering installation training programme for unemployed youths is selected from the six geo-political zones of the country, which the first phase will take two weeks with offer to give certificate to all trained youths.

According to Balogun, in view of the recent efforts and commitment of the Federal Government at ensuring that Nigerians are metered which culminated into an intervention by way of a Presidential approval of six million electricity meters to be deployed to accelerate revenue generation of the Nigerian Electricity Supply Industry

Engr. Kola Balogun

(NASI) as well as eradicate estimated billings to customers, MOMAS as a key stakeholder in the downstream of the power sector, we see the initiative as a viable way to create employment opportunities for our youths and timing is unprecedented given the fact that one of the complaints by the aggrieved youths doing the recent #EndSARS# protest is unemployment.

"MOMAS also identified that there is urgent need to train more Nigerians on electricity meter installation to compliment the Presidential directive," he said.

Balogun said: "This is our own way of contributing our quota at ensuring that the initiative is successful. We have decided to train selected number of graduates across all the six geo-political zones in the country on metering technology through our MOMAS metering school for free.

"In addition to the training, we shall provide the trainees with kits, this will contain all the relevant tools for electricity meter installation, considering quantity of the approved meters.

"There will be enough jobs for the youths to do and we would also engage them in the execution of some of our projects."

The MOMAS boss said there is need for government to consider manpower skills in the installation of the meters as this will also go a long way to develop the youth and create job opportunities for them.

He, however, lauded government for encouraging local capacity and local content development in Nigeria, adding that also informed MOMAS to take it upon itself to develop manpower capability among unemployed youths.

"MOMAS is offering the training for free of charge without paying a dime, while subsequent phases will attract payment. This is just to encourage the youths and also showcase the opportunity that is available."

Balogun urged state governments and legislators to support the initiative in building local capacity and manpower skills among youths than spending money on irrelevant projects, adding they (governments) should add this in their budgets

to aid human skills capacity development initiative.

Balogun said that over 15 state governors had indicated interest to send youths to MOMAS factory to benefit from the company's free gesture to train selected dedicated individuals from their states.

It would be recalled that the National Mass Metering Programme (NMMP) has commenced distribution of free electricity meters to Nigerians with simultaneous launch events of the scheme in Kano, Kaduna, Eko and Ikeja distribution franchise areas.

The programme was initiated by President Muhammadu Buhari to ensure mass metering with the hope of putting an end to the problem of estimated billing in the electricity sector.

Corporate Social Responsibility

As part of its Corporate Social Responsibility (CSR) in giving back to the society, MEMMCOL had donated series of ultramodern classrooms to local communities one of such is the four classrooms to Orimerunmu Primary School, Obafemi Owode Local Government, Ogun State to ease learning process for pupils in the community.

The Ogun State Government commended the Meter Manufacturing Company's investment in public schools in the community and charged the management to take full advantage of the facility to "upscale the pupils' academic performance and competitive exploits".

The state said that this singular act of MOMAS depicts the company's fulfillment of its social responsibility for the development of its host communities and is worthy of emulation by others.

"This private individual company, Momas deserves commendation for its laudable initiative and contribution to educational development in Ogun State. This is commendable effort from MOMAS as part of its corporate social responsibility in contributing to the development of their host community," he said.

The state government, however, said the security and protection of the facility will be done with the support of the community in ensuring the newly built classrooms are protected jeaslously.

He said that the State government will look into the illegal encroachment into the school land by some individuals in the community, while assuring the community that government is going to reclaim the encroached part of the land.

The state government urged other corporate organisations to emulate what MOMAS has done in this community and also support government under the adoption of school programmes initiative.

In his remark, Engr Kola Balogun, said the official commissioning of the project was part of the company's 25th year anniversary celebration. He said the project was part of their social investment plan aimed at improving education amongst primary school students as well as other ongoing projects that cut across various sectors of the nation's economy.

"We have adopted the primary school on our own, this is not the first time we have supported the school. We have supported the school with modern toilets building and borehole while today, we built these modern classrooms for the growth and benefits of the pupils, he said.

He however, assured of adequate maintenance of the facility, adding that the company will also impact positively in other socioeconomic development of its host community.

Mr Theophilus Oluwasanya, the Chairman, Parent Teacher's Association (PTA), commended MOMAS for the laudable project to the community and Ogun State in general. Oluwasanya said the project is a welcome development, adding that MOMAS has been supportive to the community. He said that the company had donated morden toilets and borehole to the school.

The PTA Chairman thanked MOMAS on behalf of the school and appealed to the state government to continue to support the school and create the enabling environment for other companies to support education in the state.

The head teacher, Mrs Victoria Kusimo, commended MOMAS for investing in the development of the educational sector. According to Kusimo," today, we are commissioning a story building of four classrooms, four toilets, one office and a store. The journey to the construction of this block to the school is furtherance to the modernisation of Orimerunmu Primary school in Obafemi Owode local government as part of the CSR the management of MOMAS who had previously donated and constructed school toilets facility, sank borehole with washing hands basin stands for pupils, hand cleanser, among others.

"I pray that God in his infinity mercy will be with MOMAS, strengthen them more for their impact towards the success of the school. God will enrich your purse and enlarge your coast," she added.

NCDMB HOSTS R&D ROUNDTABLE, GETS BACKING FROM INDUSTRY OPERATORS

Participants at the roundtable said it is imperative for synergy among agencies of government that promote research and development in the country.

Research and development efforts in the Nigerian oil and gas industry have been given a huge boost as key operators under the aegis of Petroleum Contractors Trade Section (PCTS) have offered to provide an array of support that would facilitate demand-driven and sustainable R&D solutions for the industry.

Chairman of PCTS, Mr. Tayo Akinkunmi spoke at the 2nd Nigerian oil and gas industry research and development roundtable convened last week in Abuja by the Nigerian Content Development and Monitoring Board (NCDMB).

He announced that the group, renowned as the custodians of technology in the oil and gas industry, would be willing to create a window for researchers and innovators to meet with subject matter experts, who would help them to better understand the oil and gas sector as well as define research problems and priorities, to guide their R&D efforts.

He added that PCTS would also provide researchers with the acceptance criteria definition for R&D efforts, testing plans and validation methodologies, and access to testing and qualification facilities.

Member companies of the PCTS include Baker Hughes, Schlumberger, Halliburton, Bristow, Julius Berger, NigerStar7, TechnipFMC and Tenaris.

The group's chairman added that the companies would also be willing to provide advisory on go-to-market strategies and targeted funding.

Mr Akinkunmi further harped on the importance of sustainable R&D, emphasising that R&D needs to be viable to drive itself. He also stated that R&D leads to global dominance, provides a response to unpredictable and turbulent times, aside from the immediate economic reward.

The two-day event drew attendance from operating oil companies, international and indigenous service firms, senior academics, and researchers, including the five research centres of excellence (CoEs) being established in universities by the NCDMB.

Key suggestions

Some other key suggestions from participants included the imperative for synergy among agencies of government that promote research and development in the country.

The experts frowned against the duplication of efforts by agencies, including the establishment of research centres of excellence in several universities, without any alignment.

Discussions also centered around the need for collaboration among researchers, considering the interdisciplinary nature of R&D and the need for research proposals and reports seeking financial support to highlight their economic value, without being filled with technical details of the project.

Providing the background for the R&D roundtable, the Director, Planning, Research and Statistics (PRS), NCDMB, Mr. Patrick Daziba Obah explained that the event was organised to assess the level of the Board's R&D activities, analyse current energy trends, and identify what could be done to improve the landscape.

He gave an insight into the discussions at the programme, noting that: "we looked at funding, how well we are doing, the challenges and steps we need to take to mitigate them.

A key outcome of the roundtable, according to the Director, was the need for researchers to develop competencies in writing viable R&D proposals.

He said: "the researcher should be able to sell his or her idea in such a manner that any evaluator would understand the basics of the research proposal."

He affirmed the Board's willingness to partner other organisations to promote research and development, adding that the Board is currently collaborating with several ministries, departments and agencies (MDAs) and even private sector groups, emphasising that those partnerships were contributory to the impressive strides recorded in Nigerian content development.

In his presentation, the General Manager, Research, Statistics and Development, Mr. Abdulmalik Halilu, gave details of the Board's sponsored centres of excellence (CoE).

He stated that the Federal University of Technology, Minna (FUT Minna) is researching on Technology Development Studies, while Federal University of Technology Akure (FUTA) is working on Geological & Geophysical Studies.

Other CoEs are Niger Delta University, Bayelsa State, with interests in Engineering Services Studies, Federal University of Technology Owerri, with a focus on Local Raw Material Substitution Studies and lastly Modibbo Adama University of Technology, with focus on Safety & Environment Studies.

SHELL BEGINS DISTRIBUTION OF $1M RELIEF MATERIALS TO SUPPORT FLOOD VICTIMS IN NIGER DELTA

LEADING energy company and key stakeholder in the Niger Delta, Shell, has called on other players in the region to join in the efforts to provide relief materials for people impacted by the recent flood disaster and work together towards helping these victims restore their lives to normal. This is as Shell commenced distribution of relief materials to some impacted communities in Rivers, Bayelsa, Delta and Imo states.

According to a statement by the Media Relations Manager, Abimbola Essien-Nelson, Country Chairman, Shell Companies in Nigeria and Managing Director, The Shell Petroleum Development Company of Nigeria Limited (SPDC), Mr. Osagie Okunbor, said this recently in Ahoada, Rivers State, as Shell handed over food and non-food relief materials, as well as medical supplies to impacted communities and people housed in the camps for internally displaced people.

Okunbor said: "Shell is providing these relief materials because we do not want you to go through this sad experience alone as government and concerned institutions continue to work to make life go back to normal.

"This must be a most horrifying period for you, not being able to go about your normal lives and being exposed to all manners of health and livelihood challenges." He urged the affected people "to, please, utilise the services of our medical outreach. They are very experienced and have been providing similar services across the Niger Delta to hundreds of thousands of people via our programmes."

Represented by SPDC Corporate Lands Manager, Mr. Trevor Akpomughe, he said: "This flood disaster affects many communities across Nigeria. For us, at Shell, we are providing support to people who are in communities where we have Shell operations and in IDP camps. You are our immediate neighbours and, as we have always shown, what affects you, affects us. So, these relief materials and medical outreach programme that we are providing to you, we are also providing them to other affected communities in Rivers, Bayelsa, Delta and Imo States."

Earlier, Shell had announced that it would be spending one million US Dollars ($1million), exclusive of its joint venture partners in Nigeria, to support government's efforts to provide relief to people impacted by the current flood disaster. This programme has started in Ahoada, Rivers State where the Chairman of Ahoada East Local Government Area (LGA), Benjamin Eke, and representatives of the paramount ruler, Eze Kelvin Anugwo, were on hand to receive the materials.

The LGA Chairman, Eke, said: "My sincere appreciation to SPDC for this timely intervention. By this gesture the company should be seen as one that shows it cares for the people in this area. I want to personally thank SPDC for the robust medical attention and it is our hope that this gesture will ameliorate the hardships faced by the victims of the flooding in our communities."

"We wish to re-assure you of our commitment to partner with our key stakeholders in bringing the desired development to our host communities. Thank you for your understanding and we hope to see the situation return to normalcy soon. We assure you that there will be peace here and you will have a very smooth operation."

At the ceremony in Ahoada, Shell provided medical items that included pain-relieving creams and lotions, anti-diarrhea tablets, multivitamins, eye ointment, disposable face masks, antivenom for snake bites, vaccines against tetanus and mosquito repellant creams. The company also provided bags of rice, iodized salt, garri, beans, beverages, infant supplements, sachet water, cartons of noodles, vegetable and palm oil; toothpaste, sanitary pads, towels, antiseptic soaps, diapers, washing soap; mattresses, blankets, mosquito nets, plates and cups, buckets etc.

Similar to 2012 and 2018, when flood also displaced people in the region, members of staff of Shell companies in Nigeria are supporting the company's donation by contributing towards a voluntary fund for the purchase of additional relief materials for impacted people.

FLOOD: NCDMB MOVES PRACTICAL NIGERIAN CONTENT CONFERENCE TO UYO, AKWA IBOM STATE

The management of the Nigerian Content Development and Monitoring Board (NCDMB) has announced the movement of her flagship annual Practical Nigerian Content conference to Uyo, Akwa-Ibom State.

The Executive Secretary, NCDMB, Engr. Simbi Kesiye Wabote, made the announcement in an email to staff and other stakeholders to confirm that the event would still be held on the scheduled dates, which are 5th – 8th December 2022, and would attract major stakeholders in the oil and gas industry from across Nigeria.

Wabote explained that the change in venue for the conference was due to the unprecedented flood situation that has ravaged 31 states in the country and its impact on the scheduled conference.

He said: "We are saddened to come to the realization that the event is now threatened due to the unprecedented flooding that affected 31 states in the country, including Bayelsa State with most parts of the state seriously affected, including Yenagoa, the state capital and host city for the event.

"While we acknowledge that the flood has begun to recede, it is doubtful that significant recoveries would be made from now to the date of the event, which is about six (6) weeks away."

The NCDMB boss further noted that the East-West Road, which is one of the major arteries to the state has been badly impacted making it difficult for human and vehicular movements. He pointed out that facilities on the ground in Yenagoa for the hosting of the PNC 2022 have also been heavily impacted. These include hotels, eateries, small businesses/service providers to our partners, logistics support, etc.

He added that "most of our operational vehicles that would provide logistic support to the PNC team are also stuck either in Port Harcourt, Rivers State or Warri, Delta State due to the state of the East-West Road."

"In view of the foregoing, I am constrained to write to inform all staff of the movement of the venue of the PNC 2022 from Yenagoa to Uyo, Akwa Ibom State to hold on the same date." Wabote said.

He assured that the PNC 2022 Planning Committee would still deliver a top-notch event at Uyo, with the Board's partners, DMG Nigeria Events.

The Executive Secretary pointed that the movement of the venue is only for the Year 2022, as the Nigerian Content Tower, Yenagoa remains the preferred destination for this NCDMB flagship event. According to him the next edition in 2023 will return to Yenagoa bigger and better to celebrate the resilience of the city.

He expressed shock at the devastating impact of the flooding on livelihoods, businesses, and government activities in Bayelsa State and as well as other states in the country and sympathized with Nigerians on the impact in their homes, including, separation from their loved ones.

The Practical Nigerian Content Forum is a flagship event of the Board which attracts major stakeholders in the oil and gas industry from across Nigeria. The event serves as an opportunity to showcase the practical investment opportunities and achievements by NCDMB in the Nigerian oil and gas industry and its linkage sectors. It also hosts senior government officials, heads of International and Indigenous Oil Companies, and exhibitions of industry products and services in the upcoming event.

FUEL SCARCITY: BLEAK YULETIDE SEASON FOR NIGERIANS

If the prolonged nationwide petrol scarcity is not reined in soon, Nigerians may face even harder times as the yuletide festivities approach.

Before now, if there was anything the Muhammadu Buhari administration prided itself in, especially in the first five years of the administration; it was the fact that it had been able to reduce disruptions in the supply of petrol to an almost negligible level nationwide. But those bragging rights have now been eroded with the perennial fuel scarcity and skyrocketing prices, particularly in areas where the Nigerian Midstream and Downstream Regulatory Authority (NMDPRA), the industry police, does not seem to have a footprint. While supply in other states had been relatively stable before now even though retailers sold far above the controlled government prices, in Abuja, the situation has been almost chaotic since around February when the adulterated fuel episode happened.

With just intermittence of reprieve since then, spanning a few weeks or even days, residents of Abuja have had one of the most riotous years in recent times, in terms of the supply of the product.

But recently, fuel scarcity has also become an issue in several other states, spreading across Lagos, Ogun states, Warri, Edo and other parts of the country as some filling stations now sell the commodity for as much as N250 per litre.

In Abuja, although NNPC mega stations have had to work extra hours, selling at N179 per litre, getting fuel from the facilities is almost as difficult as trying to get water out of a rock, with some queues stretching kilometres and causing heavy traffic.

A chaotic impact

As expected, the basic principle remains that when supply of a product, especially an essential one like petrol, is constrained, all kinds of black market activities spring up to fill the vacuum. In Abuja, consumers are now compelled to tip fuel pump attendants before they can be attended to while product racketeers are having a field day selling a 10-litre gallon for as much as N4,000, meaning that a litre now costs as much as N400. The traffic snarls across the country caused by the long queues have caused untold hardship to Nigerians as transporters have hiked their fares and workers as well as businessmen spend valuable man-hours in the long lines and the traffic jams. It's the same story in Lagos and other parts of Nigeria where commercial buses have taken advantage of the development to increase their fares, leaving commuters stranded in various parts of the states.

Like in other parts of the country, in the south-east states, prices of the product have soared with its attendant impact on prices of goods and services.

In the north, there has been no reprieve for residents of the Federal Capital Territory (Abuja) and environs including Nasarawa and Niger as the biting petrol scarcity continues.

While many fuel stations remained shut for lack of the product, the NNPC stations which have been selling the product, have witnessed queues stretching over two kilometres at every point. At the outskirts, the few filling stations which are open sell at exorbitant amount

Scenes at Conoil, Total filling stations as well as even NNPC mega stations located at the Central Business District of Abuja have been hellish as motorists try to gain entrance to the stations without having to stay on the queues. Several filling stations, including the NNPC mega station in zone 1, Conoil and Total, opposite the headquarters of the NNPC, these days form long queues, causing traffic jams in the capital city and in the blazing sun to boot. The most hit have been those living far from the city centre as for instance, fares from Dutse Alhaji to Area 1 which was hitherto N300, is currently N600 while Dei-Dei to Berger and Wuse 2 which used to be N300 and N400 is now from N500 and above.

What are government authorities doing?

Since this year, mostly in Abuja, the Nigerian National Petroleum Company Limited (NNPC) and the NMDPRA have enunciated several reasons for the disruptions to supply. From the adulterated fuel to Muslim holidays to the floods that cut off some roads, among others, the excuses have been multifarious as to why there is scarcity. Surprisingly, after the shortages caused by the bad fuel, and the festivities and the recent floods, which have now receded, the scarcity has continued.

"The Authority (NMDPRA) wishes to state that the fuel queues are caused by unprecedented flooding in Lokoja, Kogi State, which has submerged a greater part of the city and grounded all vehicular movements.

"This unfortunately has affected the distribution of petroleum products to the Federal Capital Territory, Abuja and environs," stated a statement from the agency earlier, in trying to explain the situation.

As part of measures to mitigate the situation, the NMDPRA said that trucking via alternative routes was ongoing, assuring the public that there are sufficient petroleum products inland.

Furthermore, the inclement situation is continuing despite the disclosure by the NNPC weeks ago that 146 tankers (since then, more have arrived) of the product had arrived the FCT and environs.

Executive Director, Downstream of the NNPC, Mr Adeyemi Adetunji, explained that the water which had subsumed the link road between the south and the north in Kogi had started receding.

"We are pleased to inform the general public that more petroleum products trucks have started arriving in Abuja and other destinations as the flood which had earlier restricted the movement of trucks along Lokoja has receded.

"In addition, the federal ministry of works and housing has also intervened with the rehabilitation of 19 sections of the damaged Bida road in Niger state.

"Trucks have continued to arrive Suleja depot for onward dispatch even as of today. Delivery to other parts of the country is also continuing with vehicular movement northwards," he stated at the time. But despite assurances, the challenge won't just go away.

Acting State Coordinator, NMDPRA, in Katsina, Abdullahi Musa-Mohammed, also argued that the fuel scarcity started as a result of flooding that destroyed some roads linking Southern Nigeria, from where the products are transported to other parts of the country.

"Everyone is aware of the situation, and the queues at filling stations all started as a result of flooding. The trucks spend about a week to get to their destinations.

"You know petrol supply chain is something that once there is a delay in the chain of supply, even if it is one, two or three days, it shows. The impact of that will be felt for sometimes, that is why we are still battling with that situation.

"Our duty as federal government is to ensure that the products allocated to filling stations from depots get to the stations in time. We get manifest from the depots on daily basis and we monitor the manifest to ensure that the petroleum products are not diverted.

"We also follow the trucks to ensure that the

products are discharged according to the allocated quantity," he said.

Musa-Mohammed revealed that once a case of diversion is established, they seal the station and ask them to pay a fine of N500 per litre of the petrol diverted.

"Sometimes they complain that the truck developed mechanical fault on the way. In such situations, we first of all give them what we call demand for explanation, they give their explanations, but we know that not all the explanations are true," he said.

He further revealed that if they query some of the marketers about the disparity in the price, they start telling stories, blaming it on expenses they incurred in the process of transporting the fuel," he said.

According to him, they have been making efforts to see that these queues disappear completely, and would continue trying their best by monitoring the products up to filling stations.

Products shortage

But spokesman of the Independent Petroleum Marketers Association (IPMAN), Mr Chinedu Ukadike, blamed it on the delay in the arrival of product vessels, explaining that this has led to a drop in the stock sufficiency level of the NNPC.

"We normally buy our products from NNPC, private depots, and private tank farm owners and some of them are located in Lagos, Warri and Port Harcourt, knowing full well that we import petroleum products in this country and most of these products are vessel driven depots and they collect products from ships.

"I think there is a shortfall in the sufficiency they have in stock because some of the mother vessels they are expecting are just arriving. There was a little delay and some of the logistics in handling charges in the depots, so these are the issues that have truncated the chain of supply," he said.

According to him, even if the Lokoja flood has subsided, some of the trucks are still in the depots waiting to be loaded.

Ukadike explained that most inland depots were without the product, saying it was taking longer days for trucks to move from the south to the northern parts of the country.

Immediate-past Chairman of the Major Marketers Association of Nigeria (MOMAN) and Managing Director of 11Plc, Mr. Adetunji Oyebanji, also told THISDAY days ago that it seemed there was not enough petrol supply in the system.

He said he was only able to get a little supply from NNPC at the time, adding that if that was the case for other marketers, it meant there was insufficient product in the system.

Oyebanji said: "I had little quantity in my tanks and heard others waiting NNPC to deliver. So I was only able to get some (weeks ago). So if that's the case with other people, that means the product is not enough in the system.

"There is a certain number of cargoes you need in a week to come into Apapa. If they haven't achieved that level, maybe that has contributed to it, but I can't say for sure.

"NNPC will tell you they have sufficient stock, but sometimes, the stock may be on the high seas and not in our tanks. If you say you have enough stock and it's on the high seas, we need it to be in our tanks for us to be able to distribute it. May be that is what causing the problem."

FUEL CRISIS: $90M DEBT THREATENS SUPPLY AS NIGERIANS FACE BLEAK YULETIDE

Sylva

Nigerians may celebrate the Christmas and New Year in acute fuel crisis as shipowners are threatening to stop rendering services to the Nigeria National Petroleum Corporation Limited over the non-payment of $90m owed for their chartered services and which has accumulated in the past nine months.

The ship owners said that if nothing was done quickly to settle the indebtedness, they would be forced to terminate the arrangement they had with the NNPC.

A former President of the Nigerian Indigenous Shipowners Association, Aminu Umar, said if the issue was not satisfactorily addressed in the coming weeks, the current petrol supply hitches might be compounded as the members would not be able to fulfill their obligations.

Umar added that if the workers decided to stop because they were not being paid, it would affect the movement of cargoes and that would increase the already existing scarcity.

He said, "There are so many members whose funds have not been paid, so the President is speaking on behalf of SOAN members, who have done business with the NNPC Limited and moved some cargoes and payments are not made. The total amount is almost $90m or over and it is affecting the operations of those companies.

"This may cause more fuel crisis. It is not like the ship owners have stopped lifting for now, but as it is going, they may end up not lifting fuel. Because if someone is not being paid, how will he be able to discharge his duties?

"Remember they too have salaries to pay; they also have to maintain the ships and also pay the banks that fund them. So, all of them are facing problems because of their unpaid funds. In the coming weeks if nothing is done, there may be more fuel crisis because at the end of the day, they will not be able to fulfil their obligations. And if their workers decide to stop because they are not being paid, then it will affect the movement of cargoes and that will compound the already existing scarcity."

The President, SOAN, MkGeorge Onyung, urged the NNPC Limited to try and pay up the ship owners to enable them to go back to work.

He said, "The NNPC Limited has yet to pay for standard operations. The fact is this, the NNPC contacted ship owners to provide it with Nigerian ships that will do coastal shipping. And we went through the whole processes of negotiations to arrive at the contract of time charter off the vessels for our coastal trade. Granted that the NNPC has metamorphosed into NNPC Limited and the process of transmission may be bureaucratic and of course time consuming.

"We are now almost in the ninth month of working for NNPC Limited and we are still waiting to be paid; that is the fact. Different companies have different contracts and rates. What I am trying to say is yes it is a huge amount of money because some of our members have outstanding with them that are owed before March this year, that is why the amount could reach $90m. The NNPC keeps saying that ship owners should bring evidence; that is not how it works; let them pay the money."

It was also learnt that some of the affected ship owners were contemplating taking legal actions against the NNPC Limited.

The ship owners, who spoke on condition of anonymity because of the sensitive nature of the matter, said the decision to seek legal counsel was based on the consideration that the NNPC was now a limited liability company that could be sued and also sue.

One of them explained, "The NNPC is now a limited liability company that can sue and be sued. Some of us are already considering seeking legal action, because the NNPC is a chronic debtor. The debt owed indigenous ship owners are just too much and the NNPC is not showing any sign of clearing it.

"If the NNPC owes foreign shipping companies the way it owes indigenous shipping firms, we wouldn't be this bothered. But it seems it is only the indigenous operators that the NNPC toys with. We are not leaving any option out. Part of what some of us are considering is taking legal action, because we are already having issues with our banks. The debt is killing our businesses and the earlier the NNPC pays up, the better for us as business men."

When contacted to speak on the issue of indebtedness to the indigenous ship owners, the NNPC refused to comment despite the massive queues at the Conoil and Total filling stations located directly opposite the headquarters of the company in Abuja.

Its spokesperson, Garba-Deen Muhammad, promised to revert when contacted between Wednesday and Friday about the claims by the ship owners. He, however, did not revert, neither did he respond to text and WhatsApp messages sent to his mobile telephone number on the matter.

Marketers, experts react

Reacting to the development, oil marketers and petroleum experts told one of our correspondents that Nigerians should brace for nationwide scarcity of petrol if the ship owners carried out the threat to withdraw their services to the NNPC.

This, they said, would eventually lead to an economic crisis, as the transportation sector would grind to a halt if the supply of petrol ceased.

The President, Petroleum Retail Outlet Owners Association of Nigeria, Billy Gillis-Harry, stated, "I think these are owners of daughter vessels that shuttle products and if they are threatening to withdraw their service, then it is going to be a disaster if their threat is implemented.

"If the daughter ships are not bringing products, then no depot will have product. When depots lack products, there's no way the retail outlets will have products to sell to the final consumers. So, that is the disaster.

"This is why we keep insisting that the solution is not in imports but in local production of petroleum products through our refineries. So, my advice to the NNPC is that it should not let this group of ship owners withdraw their service."

Gillis-Harry said the PETROAN team had to move round the country on a fact-finding mission to ascertain the cause of fuel queues

NNPC GMD Mele Kyari

prevalent in many states currently.

He added "The reality is that there are no products and what you just asked me as regards the concerns of ship owners could be one of the underlining factors.

"There are no products to lift in many states and once there are no products to lift, then you'll have scarcity. So the NNPC should not for any reason allow ship owners to withdraw their service."

On his part, a petroleum expert and Technical Director at Template Design Limited, Bala Zaka, explained that the concern raised by the ship owners was due to the lack of inter-agency collaboration in Nigeria.

He said the threat by the ship owners must not be allowed to manifest to avoid further economic shock on the nation's struggling economy.

Zaka stated, "If the ship owners withdraw service to the NNPC, then the major mode of transport logistics in Nigeria will collapse and this will by extension lead to a halt in the movement of virtually everything.

"So, we pray that they (ship owners and the NNPC) will reach an understanding and a congruency. But if this comes to the fore, then honestly people will again begin to question where all the money made by the NNPC is spent.

"Where does the money go to? We've not been seeing enough drilling rigs; our refineries are not fixed; and if those debts are also there, the question will be, where is the money going?

"So, moving into 2023, we need to make sure that every aspect of the government is adequately audited to ensure transparency and accountability in the administration of activities and services."

On his part, the Executive Secretary, Major Oil Marketers Association of Nigeria, Clement Isong, said the body would not want to further cause panic among consumers.

He expressed the hope that the NNPC would resolve its issues with the shipowners, but stated that he was not aware of the concerns raised by the vessel operators.

Isong said, "Let me start by saying I have no idea of this fact that you just told me, but I also believe that people should be paid what they are owed.

"However, I am confident that whatever problem they have with the NNPC will be resolved in the interest of the country. I am confident that the NNPC won't allow it get to that point of implementation of the threat."

He added, "I don't want to cause panic. It is more important to make sure that people have fuel to buy at filling stations. This is why we keep saying the government should deregulate (the downstream sector) and make life easier for everybody.

"It is not that simple to get petrol to customers on the street. It is difficult and people don't know and may not appreciate this.

However, like I said earlier, I'm confident that the problem will be resolved in the interest of the country."

Scarcity persists

Oil marketers further stated that the current challenges of poor distribution and supply shortage of petrol might lead to widespread queues for PMS during the festive period in December.

Petrol queues failed to clear in Abuja and neighbouring Nasarawa and Niger states on Friday and Saturday as marketers stated that the situation was currently spreading to other northern states.

Retailers under the aegis of the Independent Petroleum Marketers Association of Nigeria told Sunday PUNCH that if the government failed to quickly address the identified hiccups in the downstream oil sector, Nigerians should brace for queues during the festivities.

"Our worry as marketers is that the festive month is at hand and if nothing is done quickly to address the current concerns around supply, I am afraid that it will escalate during the festivities, because it has started," the Secretary, Abuja-Suleja IPMAN, Mohammed Shuaibu, stated.

Shuaibu described the situation as very precarious, stressing that it was the government that had capacity to address it through the NNPC Limited.

He said, "We are in a very precarious situation and we pray it does not escalate beyond this. But then the government has to wake up to its duties, because as you know, none of the four refineries is productive. They are more or less obsolete.

"We also have 21 depots across the country, nine in the North and 12 in the South. But these depots, which are supposed to be storage facilities, all of them are not productive, because the pipelines that supply products to them are old or vandalised.

"So, the only way to get petroleum products into Nigeria today is through imports. That is only done by the NNPC and when it imports the products, it dumps them in private depots, which now take charge of the products."

Shuaibu added, "But right now, the private depots have raised the price of petrol to as high as N178 per litre and some sell above N180. This is making everyone apprehensive. Those, who have paid at the government approved price, will wake up to find out that they can no longer buy products.

NCDMB LAUDS CRESTECH FOR CAPACITY BUILDING, EMPLOYMENT CREATION

Crestech Engineering Limited has been applauded by the Nigerian Content Development and Monitoring Board (NCDMB) for its full support towards the capacity building and job creation objectives of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act.

Mr. Akintunde Adelana, Director, Monitoring and Evaluation, NCDMB, conveyed the commendation when he visited the firm in Lagos in company with some staff of the Board.

He stated that Crestech Engineering partnered with the Board to sustain the Nigerian Content Drive in Human Capacity Development by selecting four graduates from the NOGICJQS portal in September 2021 to undergo 12 months of training in Process Engineering Design, Electrical Engineering Design, and Civil/Structural Engineering. He added that upon the completion of the training in September 2022, three out of the four trainees were absorbed into the employment of the company. He stated that the commendable action of Crestech Engineering fulfilled the objectives of the on-the-job training programme of the Board and contributes to meeting the targets of the Nigerian Content 10-year strategic roadmap.

He charged other local and international service companies to emulate Crestech Engineering and support the NCDMB in developing critical capacities and creating employment opportunities in the oil and gas industry.

In its remarks, Mr. Olugbolahan Sobande, Managing Director of Crestech Engineering lauded the Board for the several achievements it had recorded and for the opportunity to contribute its quota towards developing Nigeran Content in the oil and gas industry.

SNEPCO'S BONGA FPSO COMPLETES 2022 TURNAROUND MAINTENANCE

Shell Nigeria Exploration and Production Company Limited (SNEPCo) has announced that the 2022 Turnaround Maintenance (TAM) of the Bonga floating production storage and offloading vessel (FPSO) has been completed.

The 225,000 barrels of oil per day (bopd) capacity FPSO was shut down on October 18, 2022 to carry out statutory inspections, recertifications and other critical asset integrity restoration activities.

The 2022 TAM which was originally planned for 30 days was completed in 22 days on November 9, 2022 thanks to excellent front-end planning and flawless execution.

Commissioning and start-up activities are in progress and will culminate in ramp up of oil and gas production in the coming days.

NIGERIA'S POWER SECTOR AND THE WAY FORWARD

Aliyu

The decades of appalling performance of the Nigerian Electricity Supply Industry, NESI, have left many Nigerians wondering if NESI could ever be remedied given that its role in Nigeria's economy cannot be overemphasized.

From the several households scattered across Nigeria, through the Small and Medium Enterprises to the large electricity consumer in the manufacturing sector, a turnaround of NESI will in no small measure positively impact the very fabric of Nigeria. This is because virtually all businesses need electricity to thrive.

It is worthy of note that despite the plethora of interventions from several quarters – national and even international, there has yet to yield many benefits as the sector is clearly enmeshed in avoidable chaos.

One would have expected that the advent of the Electric Power Sector Reform Act 2005 ,ESPR, and the laudable innovations would usher in respite to Nigerians, but their hope has been dashed as the desired changes and impact have yet to materialize over the last 16 years.

It is however clear that beyond the mysticism that has characterized the possibility for an effective NESI, a cursory look at the Power Sector in other nations of the world reveals that there are huge learnings to glean from them and more importantly, that a vibrant and efficient NESI is possible if only ALL hands are on deck to achieve same.

It is pertinent to state at this juncture that whilst the value chain NESI comprises of Generation Companies (GenCos), Nigerian Bulk Trader (NBET), Transmission Company of Nigeria (TCN), and the Distribution Companies (DisCos). The DisCos are central to the effectiveness of the NESI being the bridge between the customers and the value chain.

Some of the initiatives that could change the forlorn trajectory about the NESI include: Need for urgent revaluation of the capital base of the electricity Distribution Company, DisCos, Investors, and possible increase in the capital base.

Over the years, DisCos have continuously lamented over paucity of funds. This is however at variance with the commitment of the DisCos to invest in the DisCos infrastructures most of which were weak and obsolete, overdue for an overhaul and upgrade. Despite the intervention by Government and International Organizations, the state of DisCos infrastructure remains a far cry from the expected. There is, therefore, an urgent need to revalue the capital base of DisCos and increase the same to achieve meaningful investment in their network. This will largely address the sector liquidity issues. Further unbundling of the current distribution sub-sector to one Investor per state: It has been canvassed severally that the coverage areas for the DisCos are too large and would not make for effectiveness of the DisCos hence, the need to further unbundle the distribution sub-sector of the value chain comprised of 11 DisCos into 36 DisCos. This will ensure effectiveness of DisCos as well as monitoring. It is clear that most of the 11 DisCos are biting more than they could chew.

Development and Monitoring of Implementation of Performance Improvement Plan (PIP):

Seeing that DisCos are critical to the achievement of the desired improved electricity supply to Nigerians, they should be mandated to carry out infrastructural improvement by constructing a minimum of 5 kilometers of new lines (every month) complete with both TCN interface projects. TCN should also be required to periodically upgrade the equipment and infrastructure.

DisCos should be mandated to set up and operate electric pole manufacturing companies within their franchise area to meet their pole requirement and support the PIP. This is practiced in China and other countries of the world, and this has enhanced DisCo's performance in such climes.

Interestingly, it costs only $2,000,000.00 to set up a standard concrete pole company with capacity to produce a minimum of 2km worth of poles daily. This will bridge the deficit in their pole needs and eliminate cases of substandard poles provided International Standards for pole manufacturing are complied with.

Operationalization of the Eligible Customer Regulation (ECR) to take care of the stranded 2000MW:

Whilst DisCos reject energy under the guise of contracted capacity, there is about 2000MW stranded energy wasted as result. This trend has continued and there seems to be no end in insight because the operationalization of the ECR under which customers whose power requirement is over 2 Megawatts could purchase this stranded energy from willing GenCo suppliers have been frustrated by some stakeholders in the value chain as well as the regulators.

It is almost four years after the ECR came into effect yet, none of the several applications has been approved by NERC due to bottlenecks. There is need for the regulators and more particularly NERC to urgently simplify the ECR and its processes to make it operational. One of the benefits of doing so is a robust and effective power sector.

Need For Regulatory and Policy Consistency and Clarity:

Regulatory and Policy inconsistency creates uncertainties in NESI which negatively impacts investors' willingness to invest in NESI hence the need for consistency. No Investor will invest where there are uncertainties. For instance, the regulatory inconsistencies on the Eligible Customer Regulation 2017 and its regime, has had a devastating impact on investment opportunity in Nigeria's power sector.

NIGERIA'S OIL AND GAS INDUSTRY – SETTING A NEW AGENDA

By Tony Attah

Nigeria has had a very long history with "oil" starting from the very agrarian era of the 19th century, when palm oil was the main "oil" of the economy even though we have now lost our edge on this front to other nations like Malaysia, and Indonesia who have been more deliberate in deploying technology to scale up the integration of the entire palm oil chain for optimal value.

I chose to open with this analogy hoping that we can draw some parallels with our crude oil and gas industry to see if there are any lessons, we can learn therefrom hoping that we will not lose our edge in Deja-vu, as we have seen in the case of Palm oil industry.

While the 1950s/60s were characterised by the palm oil trade, the 1970s to date have been largely about crude oil and more recently gas.

I do not need to repeat the history of Nigeria's oil and gas industry, but you will all remember the journey from Oloibiri and the emergence of the IOCs onshore and Nigeria becoming a member of OPEC nations in 1971 through to the recent foray into deep offshore and the growth of Nigeria as a recognised Oil Nation to now becoming, as some would say a Gas Nation with some oil.

It is however important to put a few things in perspective in respect of the enablers that underpinned the growth we enjoyed largely between the mid-80s and early 2000s – from the Petroleum Act 1969 (as amended) through the IOC partnerships that underpinned the likes of the 1986 MoU and the 2000 MoU; without which it may have been difficult to realise the kind of growth that Nigeria experienced in that period.

All through the '80s and '90s the global focus was on oil as the major source of energy and a key component of the energy mix and indeed revenue earner for producer nations.

This energy mix was underpinned by the demand from western economies, predominantly for transportation, residential and commercial heating as well as support for massive industrialisation, and a key source of competitiveness for western economies. Indeed, Oil and Gas guaranteed the Energy security for western economies over the last century and more.

Nigeria's case is no different, but even more so that oil became the country's major revenue and foreign exchange earner to date.

Nigeria's oil activities were always underpinned by the partnerships with western IOCs and more recently, the independent and indigenous producers, heralding the era of the joint ventures which largely was dominated, and still is, by the federal government with an average of about 57 per cent of the entire onshore JV equity and strong holder-ship of most of the concessions offshore which are modelled as Production Sharing Contracts (PSCs).

The JVs by their nature are designed such that you contribute and distribute

earnings according to equity holding, which essentially means government by implication is required to contribute about 57% of the entire cost of running the onshore JV business as well as entitled to take commensurate value in return.

As you may recall, the industry over time struggled with government cash calls for funding its share which subsisted till very recently when creative solutions were developed by NNPC leadership working with the IOCs to resolve the cash call arrears to enable the industry move forward and ensure that government continues to play in the game.

Since then we have seen the advent of some creative options like the "Outright Carry arrangements, Modified Carry Agreements, Strategic alliances and more recently the Financial and Technical Services Agreements (FTSA).

It is pertinent to note that the industry is highly capital intensive and as such the creativities of the 1990s and early 2000s largely addressed the issues of funding and incentivising the IOCs; but also facilitated the emergence of smaller indigenous players to diversify the game, noting the importance of the industry to Nigeria as a key contributor to both GDP at about 10 per cent and over 80 per cent Forex and more than 75 per cent of government's revenue. This perhaps is why the industry was referred to as the goose that lays the golden eggs.

While the 90s and 2000s were characterised by the issues of funding, cash calls, and trust deficit between partners, today's industry in Nigeria is facing more local challenges and globally interwoven issues of higher complexities and dimensions requiring more collaborations and broader creativity if Nigeria is to remain in reckoning globally – thus giving eloquence to the need for a new agenda that is robust and consistent with current realities. Permit me to dimension the current issues broadly as internal and external; but first, let's start with the external.

Most of the external issues are largely around the global interconnectivities of the world and the integration of energy systems beyond geographical boundaries giving credence to the analogy of a butterfly flapping its wings in Australia and floods happening in New York, Hurricane in Florida, Tsunami in Japan and earth quakes in Africa in the chaos theory and butterfly effect also known as the Edward Lorenz, theory of deterministic chaos.

Global energy integration has become intertwined with geopolitical power to the extent of becoming an instrument of economic and political weaponization, as we are currently experiencing in Europe.

The global consequences of climate change and the need for cleaner energy has also served to raise more consciousness on the need for decarbonisation of the energy systems resulting in energy transition with a fast-changing energy mix. Even though the world needs more energy as a result of global population growth from the current 8 billion to 10 billion people by 2050 (Nigeria expected to double; 400million). The world no longer needs energy at all costs, thus instigating the current dilemma on energy. Yes, the world needs more energy, but it, also needs it cleaner, cheaper and in abundant supply. The requirements for "cleaner" and advancement in technology have led to the quantum growth in renewables which remain the cleanest but unfortunately is still costly and constrained by intermittency in most cases and unable to meet the full energy demand growth thus making gas, the next best option of a global transition fuel to power the world. In all of these, the key considerations of Availability, Affordability and Accessibility must be maintained to guarantee sustainability, which gives gas a crucial edge in the energy mix, even though Hydrogen is fast gaining ground on the back of improvements in technology. As the demand for energy prioritises electrons over hydrocarbons to meet the projected 30% demand growth, suppliers need to prioritize which hydrocarbons will bridge that transition before Hydrogen takes centre stage. On balance, Gas meets that standard and checks most of the boxes today.

Energy transition is also exacerbating the issue of how we secure funds for new projects development including new exploration scope, especially for gas and being able to produce at capacity consistent with our massive oil and gas reserves. Securing funding remains a key challenge for the industry with the international banks, Export Credit agencies and Multilateral Institutions no longer keen on financing fossils/oil and gas projects that are either outside of their territories or perceived as contributing to further CO2 emissions. This in addition to the introduction of carbon taxation portends very grave impediments to oil and gas projects' viability going forward, even though the ongoing Russia and Ukraine crisis is slowing down the overall pace of the energy transition in Europe.

Let me touch on the internal dimensions. The internal dimension of course follows the need to respond to the global issues of Climate change, Energy transition with the attendant consequence of reduced funding for the development of oil and gas infrastructure projects across the world and the emergence of new global energy powers with the shale revolution in the US and new major discoveries around Africa in places like Mozambique, Senegal, Namibia, Tanzania and Ghana creating more competition for Nigeria and a massive challenge to our market share.

Beyond the response to the external dimensions highlighted, the local above-ground risks and issues are perhaps the biggest for our industry today; issues like crude oil theft, Pipeline Vandalism, Insecurity, Community development and agitations, Infrastructure deficit, and value attacks due to multiple agencies/ministries with cross functions making the ease of doing business in the industry more cumbersome compared to the new frontiers in Africa.

That said, it is commendable to see the progress made to approve the PIA; at least we now have a clear basis to go forward on the fiscals to attract new investments into the industry. There however, has been some critique on how long it took to pass PIB to PIA; some believe it's come rather late and may not have taken full cognisance of global dynamics in the world of energy where the energy mix is fast changing, and the energy system balance is shifting both in joule terms and the extremes of political power. Moreso, they argue, asserting that the PIA fiscals may not be inspirational enough to lure back investors and attract the requisite level of investments needed to unleash the potential of the industry again.

Irrespective of our thoughts, the fact remains that the PIA indeed took so long and while waiting, Nigeria lost quite some grounds and opportunities noting that, of the over $70bln investments that came into Africa between 2015 and 2020, only about 5% made it into Nigeria, 5%! ($4bln)! Essentially the rest of the world continued to move on while we were vacillating on the passage of the PIB over the last 20 years.

That said, I personally think the PIA is a welcome development which will go down in history as one of the key legacies of the President Muhammadu Buhari's administration even though the real value addition will be tested by how well we are able to operationalise and make it effective to attract new investments while protecting the existing ones through preserving the sanctity of contracts and agreements.

Operationalising the PIA and being able to sort out the now near cancerous issue of crude oil theft and its attendant impact on the industry, environment and indeed the nation's economy, will have to form the key pillar of whatever new agenda will be developed in order to have a fighting chance of regaining our position as industry leader and a force to reckon with in Africa.

The industry in Nigeria continues to be plagued by massive and industrial scale crude theft which is now becoming endemic and on the brink of completely getting out of hand if extraordinary steps are not taken to stem this ugly situation. It is estimated that a sizeable amount of crude oil (100-400kbbls) is allegedly stolen every day, amounting to about $1billion consequential loss to Nigeria on a monthly basis; this translates to a monstrous loss of over $10bln per annum, which is almost 25% of Nigeria's national budget! Beyond these incredible financial losses to the nation, this menace also has huge potential to snowball into a full-blown crisis akin to the Mexican and Colombian drug cartels with its attendant complexity

and challenges from the standpoint of security, economy and even regional stability. Most of the economic and social issues of today are being linked to this menace as potential root cause of why the nation is unable to meet both its OPEC production quota or balance its budget in the face of dwindling national revenues with knock on effect on the economy as a whole.

While it is debatable whether the recent exits of the IOCs from the onshore plays in Nigeria is linked to this issue of chronic crude oil theft, the resulting divestments could portend a hint of opportunity to deepen and grow more local content participation and capacity building with more independent and indigenous players emerging as part of the new agenda. Essentially, we are beginning to see the advent of indigenous companies' consolidation on the back of IOCs divestments which could also mop up some of the recent marginal fields in whatever guise of partnerships, merger or outright takeover for scale. I see a future where there will be mainly 3-5 major independent producers in Nigeria with capacity to manage the onshore scope against all odds while also playing a crucial role across the African sub region alongside the now commercial NNPC Limited.

The future of Nigeria's oil and gas industry will not be complete without ensuring the consolidation of the independent and indigenous players. It is instructive to note that the indigenous producers have grown tremendously over the last decade to be accountable for about 30 per cent of national production (from just about two per cent in 2010) with capital and development investment of over $20billion within the same time frame. The role of the indigenous players has got to be a critical element of the new agenda.

Against the backdrop of the foregoing, permit me to put some stakes in the ground in respect of what should be the main building blocks of the new agenda for Nigeria's oil and gas industry going forward:

Let me start with the PIA as an opportunity:

The opportunities offered by the approval of the PIA which is designed to deliver effectiveness, efficiency, accountability, competitiveness, and safety are immense if the Act is conscientiously and diligently applied as the new foundational basis for a reset of the Nigerian oil and gas industry; it could become a key enabler to win back investor confidence and restore Nigeria's hitherto vantage position in Africa. This should inspire the unbundling of the full industry value chain, thus creating an improved enabling environment for Nigeria to become the investment destination of choice once again.

While we are at it, it is very heart-warming to see NNPC Limited emerge as a key product of the PIA, repositioning it as a commercial entity under CAMA regime, consistent with the realities of other private entities in the industry. This can only serve to increase the much-needed transparency to boost investor confidence in the overall governance of the oil and gas industry in Nigeria. I congratulate Mr President and Minister of Petroleum, the Honourable Minister of State for Petroleum, the National Assembly and the NNPC, IOC leadership, and other well-meaning stakeholders who made this happen.

Another critical component of the new agenda linking to the PIA must be the focus on Energy transition, the fast-changing energy mix and the new global direction with respect to Energy systems. Even though the ongoing geopolitical situation in Ukraine seems to have slowed down the initial momentum of the transition, this is seen in some quarters, as just a temporary but necessary desperate measure to focus on the survival of Europe which needs to manage its over dependence on Russia while working to create new avenues to guarantee security of supply to wean itself from Russian oil and gas. There is however, another school of thought which suggests that Energy transition will switch to overdrive mode once the dark cloud over the uncertainty around Russia lifts giving clarity to policy makers in the EU. Hence, we need to brace to respond to an even steeper trajectory in the energy transition journey but note the tempered refinements including accepting Gas as the credible transition fuel as against the blanket castigation of all fossil fuels as dirty and harmful to the planet. This may also catalyse the acceleration of further state backed investments in renewables which holistically could accelerate the pace of transition but either way, gas remains a credible partner to renewables and hydrogen as the transition fuel of choice.

Let me touch on the Role of Gas in this new agenda.

The new thinking of gas as a global transition fuel has got to be a second opportunity for Nigeria to reposition and take advantage of the new demand and supply gaps to deploy our gas reserves as the catalyst for development and industrialisation while taking centre stage as a leading gas nation supplying most of Africa, Europe, and rest of the world. Nigeria currently has over 206Tcf of proven gas reserves with massive potential to become top five in the league of Qatar, USA and Russia as a gas superpower. We must crank the engine on gas to bring about massive developments deploying and taking advantage of the PIA but also being very deliberate about the focus on gas with thoughts around exclusive moratorium to create more gas development incentives and waivers to inspire new investments in the gas value chain. We must take advantage of the ongoing work on the declared "Decade of Gas" programme which is meant to form the bedrock of how we transition Nigeria into a full-fledged gas economy as a national priority and a key element of the new national agenda for the oil and gas industry.

Therefore, the other key components of the new agenda must be hinged on gas development, specifically on deliberate gas exploration to rebase our gas reserves, and consideration for more attractive fiscals to incentivise further gas developments, infrastructure investments and cost reflective pricing for the domestic and export gas supplies. Essentially government needs to do everything including granting additional and far-reaching fiscal incentives focused on gas development as the main pillar on which our industrialisation will be built and also for global exports as a key forex revenue earner for the nation. The potential 5bcf/d local market for gas is huge and we must domesticate a significant part of our gas development to drive our national economy. This focus on gas should also result in a structural improvement of the current ministerial portfolios to create a critical position solely to focus on gas development – the "Minister for Gas" should be tasked with doing every and anything possible and necessary to ensure all the gas policies and guidelines cum initiatives are brought to fruition as part of the call to declare emergency on gas and power development in Nigeria.

This story will not be complete without addressing the issue of Crude theft

Against the backdrop our current reality, whatever agenda we design will be inconsequential if it cannot resolve the issue of the massive industrial scale crude oil theft and illegal artisanal refineries plus pipeline vandalization currently going on. This is of major concern both locally and internationally to the extent that there does not seem to be any quick fix solution in sight without government rising up to its responsibilities of securing lives and livelihoods. I have followed active debates on the subject and note some of the proffered solutions including the socio-political ones and deployment of technology which largely are about detection of the criminality rather than very robust response and deterrence to ensure full consequences for these illegal activities. Government at all levels and across all arms need to, in unison,

declare a state of emergency on crude oil theft and deploy technology to fight the crises and deal more decisively and transparently too as a deterrent to those involved in the nefarious activities and economic sabotage. This singular issue threatens our economic and energy security and so must be dealt with as a consequential security emergency.

In summary we need to press the reset button as part of the new agenda to galvanise the oil and gas industry in a post PIA world. The basic components of the new agenda can be encapsulated in the following suggestions:

1. First and foremost, we need to take back control and secure our oil and gas production territories to create a more enabling environment by declaring a security state of emergency on crude oil theft and illegal artisanal refining activities in the Niger Delta.

2. While it is encouraging to read about government's recent push towards tackling the crude oil theft menace, this needs to be sustained and underpinned by fresh thinking including deployment of geo referencing and geo-spatial tracking technology and diplomatic cooperation across the Gulf of Guinea. This new drive should include active Gulf of Guinea regional and international cooperation and partnerships especially with the EU, USA, and the Britain to help proffer and implement sustainable solutions including fingerprinting our crude oil, following both the molecules and the money in order to tackle crude theft once and for all.

3. Fully operationalise the PIA by deploying all the enabling fiscal incentives therein to boost investor confidence and attract new investments to stay relevant in Africa and globally.

4. Focus on gas as a strategic imperative to drive the ongoing Decade of Gas declaration to cause the implementation of very deliberate moratorium and gas focused incentives cum waivers to instigate massive exploration and development of our gas reserves for both domestic and export markets.

5. As part of the strategic imperative on gas, create a focused position for the "Minister for Gas" to ensure laser pointed focus on gas matters including actionable policies, fiscals and investments to reposition gas as the bedrock of Nigeria's industrialisation

6. Take advantage of the ongoing global demand and supply imbalance to partner with the EU, towards unlocking the requisite funding and technology needed to develop our gas reserves within this decade of gas agenda.

7. Encourage government to bite the bullet on the petroleum subsidy issue by enabling more modular refineries to scale up alongside the much-anticipated Dangote Refinery and the rehabilitated NNPC refineries to supply the domestic market and the sub region as a net exporter of petroleum product thus eliminating smuggling.

8. Deliberately focus on more human capacity development and skills acquisition to international standards to make Nigeria a net exporter of skilled engineers and technicians across emerging oil and gas markets in Africa. Our over 60 years of operating a functional oil and gas industry has got to count for something to restore our dignity as the giant of Africa one more time!

======== ***Tony Attah, an independent energy consultant has also been the Managing Director of Nigerian Liquefied Natural Gas Company, NLNG*** ========

From left: Managing Director/Chief Executive Officer , Nigeria LNG Limited, Philip Mshelbila; General Manager, Business Relations, Shell Companies in Nigeria, Bashir Bello; Managing Director, Shell Nigeria Exploration and Production Company Limited, Elohor Aiboni; Managing Director, The Shell Petroleum Development Company of Nigeria (SPDC) Limited and Country Chair, Shell Companies in Nigeria, Osagie Okunbor, receiving Chairman, Nigeria Economic Summit Group, Asue Ighodalo ; Kaduna State, Governor Nasir El-Rufai and the Vice President, Prof. 'Yemi Osinbajo at the Shell exhibition stand during the opening of the 28th Nigeria Economic Summit in Abuja.

The Seplat Energy Plc team flanks winners of the 2022 Seplat JV PEARL's Quiz competition held in Benin City, Edo State.

Participants at the Nigerian Content Research & Development Roundtable held in Abuja.

From left: Mr. Osten Olorunsola, Mr. Mrs. Tunbosun Afolayan, Dr. 'Layi Fatona, Dr. James Edet, Mrs. Adedoja Ojelabi, Mr. Ajibola Oyebamiji, Mr. Kanu K.Kanu and Mr. Elliot Ibie at the 2022 NAPE conference.

From left: Mr. Victor Ogunmola; Mr. Abel Nsa; Mr Elliot Ibie; Mrs. Ibiyemi Asaolu; Adokiye Tombomieye; Dr. James Edet and Mr Roger Brown at the 2022 NAPE conference and exhibition.

Mr. Akintunde Adelana, Director, Monitoring and Evaluation, NCDMB (sixth from right), and Mr. Olugbolahan Sobande, Managing Director of Crestech Engineering with senior personnel of NCDMB, after a working visit of the NCDMB officials to the company.

13 young engineers trained and inducted into First Independent Power Limited (FIPL), a Sahara Power Group Company that is into power generation.

From left: Director-General, Nigerian Maritime Administration and Safety Agency (NIMASA), Dr. Bashir Jamoh; Minister of Transportation, Mu'azu Jaji Sambo; Secretary-General, International Maritime Organisation(IMO), Kitack Lim; and Permanent Secretary, Federal Ministry of Transportation, Dr. Magdalene Ajani at the Marine Pollution Laboratory section of the Nigerian Maritime Resource Development Centre, Lagos.

UNDERSTANDING CBN'S CURRENCY REDESIGNING PROGRAMME

Many did not see naira notes redesign announcement coming; not even the Finance Minister, Mrs Zainab Ahmed, who came close to calling it a 'coup' that would unsettle Nigeria's financial ecosystem.

But the Central Bank of Nigeria (CBN) quickly responded and explained that due process was followed, as all legal approvals, including President Muhammadu Buhari's nod approving the exercise, which was 12 years due.

As expected, there have been divergent experts' opinions on the rationale behind having new N200, N500 and N1,000 notes by December 15.

Nonetheless, the CBN Governor, Mr. Godwin Emefiele, said the action draws legitimacy from Sections 2(b), section 18(a), and section 19, Subsections a and b of the CBN Act 2007 and has the best of intentions for the economy.

Emefiele advised depositors to hit the banks to exchange their old currencies for the new ones before the January 31, 2023 deadline, when the old notes would cease to become legal tender.

For a nation battling deep-rooted insurgency, the CBN is convinced that the incidents of terrorism and kidnapping would be minimised as access to the large volume of money outside the banking system used as source of funds for ransom payments will begin to dry up.

More so, with the 2023 general elections on the horizon, where moneybags plan to use stashed cash to influence outcomes via vote buying and thuggery sponsorship, the new development is expected to fracture such structures as humongous funds would no longer be available.

According to Emefiele, as at the end of September 2022, available data shows that N2.73 trillion out of the N3.23 trillion in circulation was outside the vaults of commercial banks across the country; and supposedly held by the public.

"Evidently, currency in circulation has more than doubled since 2015; rising fromN1.46 trillion in December 2015 to N3.23 trillion in September 2022. This is a worrisome trend that cannot be allowed to continue", he said.

Statistically, over 85 per cent of currency in circulation is outside the vaults of commercial banks, a worrisome development experts said should not be condoned as currency hoarders can easily

gang up against constituted authorities and vandalise the levers of governance.

In recent years, the CBN said it has recorded significantly higher rates of counterfeiting especially the N500 and N1,000 banknotes. While global best practice is for central banks to redesign, produce and circulate new local legal tender every five to eight years, existing naira notes have not been redesigned in the last 20 years.

To ensure a seamless transition, Emefiele ordered the immediate stoppage of bank charges on deposit, just as he directed banks to keep open their currency processing centers from Monday to Saturday to accommodate all cash that will be returned by their customers.

He added that currency management has faced several daunting challenges that have continued to escalate in scale and sophistication with attendant and unintended consequences for the integrity of both the CBN and the country.

However, experts who interrogated the issue applauded the apex bank as the redesign of the currency will help deepen the drive to entrench cashless economy as it will be complemented by increased minting of the eNaira.

This will further rein in the currency outside the banking system into the banking system thereby making monetary policy more efficacious.

To ensure it's not bark and no bite, analysts have asked the CBN and Economic and Financial Crimes Commission (EFCC) to synergise to ensure the success of the planned currency reissue.

They asked the EFCC operatives to mount surveillance in banks to apprehend those who make huge and suspicious lodgements.

The Executive Chairman of the EFCC, Abdulrasheed Bawa described the move by the apex bank as "a well-considered and timely response" to the challenges of currency management which has negatively impacted the country's monetary policy and security imperatives.

Bawa, however, warned that EFCC will monitor the process to ensure that unscrupulous players and currency speculators and their cohorts among the BDCs do not undermine the exercise. He also charged banks to be alive to their reporting obligations and not assist unscrupulous customers in laundering suspected proceeds of crimes through their system.

"The EFCC, the CBN and some other regulators in the financial sector have worked closely in the recent past to determine how best to stabilize the country's monetary policy environment. It is heart-warming that the CBN has demonstrated courage in taking this bold decision which I believe will bring sanity to the currency management situation in Nigeria," he said.

He called on operators in the Nigerian financial services sector, especially deposit money banks and bureau de change operators to work within the guidelines provided by the Central Bank of Nigeria to ensure seamless withdrawal of the old currency.

More so, a former Deputy Governor of the Central Bank of Nigeria (CBN), Kingsley Moghalu, has thrown his weight behind CBN's plans to redesign naira notes.

He noted that while the move may not stem inflation, it remains a necessary step.

"I fully support the Central Bank's redesign of the Naira. If 80 percent of bank notes in circulation are outside the banks, that's troubling. The CBN obviously wants to force all those notes back into the banking system. Those with the notes must surrender to get new ones or else it becomes illegal tender after January 31 2023.

"This is also a way to withdraw currency from circulation, an unorthodox way of tightening the money supply since the country is battling high inflation.

"The flip side is that people who are holding huge amounts of cash outside the banking system for nefarious reasons will go to the parallel forex market to buy hard currency, putting further downward pressure on the value of the Naira as too much Naira will be chasing too few dollars.

"I doubt it will solve inflation because there also are other major reasons for inflation such as the forex crisis, which this new move could exacerbate, as well the impact of the security crisis on food price inflation.

"But overall it is a necessary step. I just think the time window for its implementation is rather short. This will put a lot of operational pressure on commercial banks and the financial system in general. A 90 day window would have been better, but one can understand the need to avoid interfering with the elections."

However, the Director General, Centre for

Promotion of Private Enterprises (CPPE), Dr Muda Yusuf, described the planned currency redesign as a rude shock as there are more important issues bugging the economy. He noted that recently, Nigeria was downgraded by Moody's from B2-B3 on account of a messy and weak financial system locally and internationally.

"We also know there are issues around foreign exchange. We know what is happening to the manufacturers, investors and foreign airlines. There is also the issue of high inflation that imposes huge cost on the economy and all that?

"How can you navigate the complex rural areas? That's an issue around connectivity. What of areas without banks? It'll cause panic and we should retrace our steps", he advised.

Nigeria's first professor of the capital markets, Prof Uche Uwaleke, told Daily Sun that the decision to replace some naira denominations with new ones will be positive for the economy in the medium to long term.

"Although the measure does not amount to demonetisation of big currency notes often carried out by Central banks to curb black money and corruption, it will go a long way in ensuring that a lot of naira notes circulating outside the banks are crowded in. If it leads to large deposits in banks, it means the banks will have more money to lend which may reduce interest rates.

"I also think it may have the effect of reducing speculative attacks on the naira in the parallel market.

I expect that the Financial Intelligence Unit will be on the watch out for huge deposits as a way of monitoring illegitimate transactions. Despite the huge cost involved in changing currency notes, I think it's time to sanitize the system especially now that electioneering activities have kicked off.

"However, I think the deadline of Jan 31 2023 is short in view of the number of naira denominations involved, from 100 to 1000. The CBN may consider extending it with time", he said.

A Trade and Investment Expert, Ikenna Nwosu, in his view, said the decision of the Central Bank of Nigeria (CBN) to redesign some naira notes will increase the dollarisation of the Nigerian economy.

WORLD BANK REDUCES AFRICAN ECONOMIC GROWTH TO 3.3%

The World Bank has reviewed African economy to be on the negative slop as global and local headwinds slow the continent's economic growth as countries contend with rising inflation, hindering progress on poverty reduction.

The Bank also harped on the need for governments in the continent to take urgent actions to ensure macroeconomic stability and support the poorest amidst rising prices, as inflation soared to above 20.5 per cent in Nigeria and double digits in major economies in Africa.

According to the World Bank's latest Africa's Pulse, a biannual analysis of the near-term regional macroeconomic outlook, economic growth in Sub-Saharan Africa (SSA) is set to decelerate from 4.1 per cent in 2021 to 3.3 per cent in 2022.

That is a downward revision of 0.3 percentage points since April's Pulse forecast, mainly as a result of a slowdown in global growth, including flagging demand from China for commodities produced in Africa.

The war in Ukraine is exacerbating already high inflation and weighing on economic activity by depressing both business investments and household consumption. As of July 2022, 29 of 33 countries in SSA with available information had inflation rates over 5 percent while 17 countries had double-digit inflation.

World Bank said the impact of high food prices on people struggling to feed their families, threatening long-term human development is most worrisome. "This calls for urgent action from policymakers to restore macro-economic stability and support the poorest households while reorienting their food and agriculture spending to achieve future resilience," the bank said in the report that was published yesterday.

Elevated food prices are causing hardships with severe consequences in one of the world's most food-insecure regions. Hunger has sharply increased in SSA in recent years driven by economic shocks, violence and conflict, and extreme weather.

More than one in five people in Africa suffer from hunger and an estimated 140 million people faced acute food insecurity in 2022, up from 120 million people in 2021, according to the Global Report on Food Crises 2022 mid-year update.

The risk of stagflation comes at a time when high interest rates and debt are forcing African governments to make difficult choices as they try to protect people's jobs, purchasing power and development gains.

The interconnected crises come at a time when the fiscal space required to mount effective government responses is all but gone. In many countries, public savings have been depleted by earlier programs to counter the economic fallout of the COVID-19 pandemic, though resource-rich countries in some cases have benefited from high commodity prices and managed to improve their balance sheet.

CBN targets 100% cashless economy

The Central Bank of Nigeria (CBN) has said it will be taking decisive steps to ensure that the country operates on a 100 per cent cashless economy as the enaira records over N8 billion in transactions in its first year of operation.

Speaking at the first-year anniversary of the enaira, the country's Central Bank Digital Currency (CBDC) in Lagos yesterday, the Governor of the CBN, Godwin Emefiele said the goal of the apex bank is to make Nigeria 100 per cent cashless.

He noted that all infrastructures that are needed to ensure this such as the CBDC, online banking, Payment System Banks (PSBs), point of sale terminals (POS) agent banking, mobile banking and ATMs have since been deployed to ensure the smooth operations of a cashless economy.

To this effect, Emefiele said the CBN will from today, Wednesday October 26, 2022 begin to issue pronouncements that is directed at ensuring a 100 per cent cashless economy. "The destination as far as I am concerned is to achieve 100 per cent cashless economy in Nigeria. I know that those who doubt us will say that 100 per cent cashless is unattainable. Yes it is true, but Nigeria must move from being a predominantly cash economy to a predominantly cashless economy.

"At this time, I can say from what I have read from online banking to POS to ATM, mobile banking working and collaborating with the I want to say we have provided the entire needed infrastructure that will enable us make cashless a nationwide journey. It is not something that some of us will like but we would in the coming weeks and months make pronouncements that must make cashless go nationwide.

"I believe part of those pronouncements will begin soon and there will be some breaking news. Even the bankers committee will hold a special bankers committee meeting tomorrow to deliberate on this, so let us expect the news."

Meanwhile, he stated that in the one year since the enaira was launched, 33 banks in the country are fully integrated and live on the platform. Also, he revealed that N3.00 billion has been successfully minted by the CBN with N2.10 billion issued to financial institutions.

Asides this he said about 919,000 customers have been onboarded, while over 3,305 merchants have successfully registered on the eNaira platform across the country including Shoprite, Sahad Stores, A.A. Rano fuelling stations, Fraser Suites, November Cubes, among others.

Emefiele also revealed that over 700,000 transactions amounting to about N8.00 billion have been recorded on the platform, while over 2.5 million daily visits to the eNaira website. "As we celebrate the successes achieved so far by the CBN and all Nigerians, it must be acknowledged that the journey is iterative and today is just another step and not the destination.

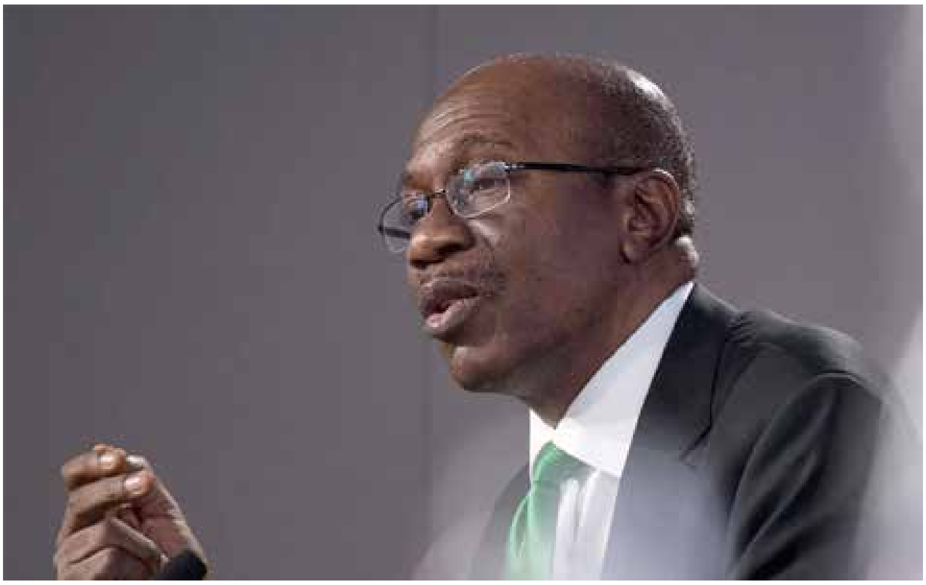
"Therefore, the team continues to work fastidiously to bring enhanced features and improved user experience to the eNaira. To this end, the coverage of collaboration was enlarged in a bid to further drive adoption.

"Specifically, the Bank engaged Partner agents, which are corporate entities to sensitize users, promote the eNaira and facilitate the onboarding of large number of new eNaira users, in collaboration with the project team."

He furthered that the CBN would continue to refine, fine-tune and upgrade the enaira saying "Nigerians should expect to see additional functionalities in the coming months, including onboarding of revenue collection agencies to increase and simplify collections.

"Nigerians should also expect collaboration with the Ministry of Humanitarian Affairs through the creation of sector-specific tokens to support the Federal Government's social programmes and distribution of targeted welfare schemes in a bid to lift millions out of poverty by 2025."

FEW MONTHS TO 2023 ELECTIONS. . . CBN MOVES TO MOP UP N3.23TRN FROM CIRCULATION



In an effort to rein in inflation and take control of money supply in the country, the Central Bank of Nigeria (CBN) has announced plans to redesign and reissue the N200, N500 and N1000 currency denominations.

With four months to the 2023 general election, if this policy is well implemented, it would help the election management body, INEC, to monitor campaign funding and restrict the incidence of vote buying which has become a menace to Nigeria's electoral system.

The CBN, which has been battling inflation, noted that with more than N2.73 trillion out on the streets from the N3.23 trillion outside the CBN vaults, it aims to take control of money supply by mopping up all cash from the economy, both within the vaults of banks and in the hands of citizens.

Accordingly, the apex said it will begin a mop up of the current naira notes in the country, and gave Nigerians about 46 days to exchange the current naira notes with the new notes.

The redesigned N200, N500 and N1000 notes are expected to be in circulation on December 15, 2022 while the current naira notes will no longer be legal tender from January 31, 2023 according to the CBN Governor Godwin Emefiele.

Emefiele, however, noted that individuals with cash at hand can begin depositing their monies into their bank accounts from October 27, 2022, at no cost ahead of the disbursement of the new notes, giving them 100 days to swap old notes for the redesigned notes.

The CBN governor, speaking at the press briefing, noted that the apex bank had been facing challenges in the management of the current series of banknotes and currency in circulation, particularly those outside the banking system in Nigeria.

"Currency management is a key function of the Central Bank of Nigeria, as enshrined in Section 2 (b) of the CBN Act 2007. Indeed, the integrity of a local legal tender, the efficiency of its supply, as well as its efficacy in the conduct of monetary policy are some of the hallmarks of a great Central Bank.

"In recent times, however, currency management has faced several daunting challenges that have continued to grow in scale and sophistication with attendant and unintended consequences for the integrity of both the CBN and the country. These challenges primarily include significant hoarding of banknotes by members of the public, with statistics showing that over 80 percent of currency in circulation are outside the vaults of commercial banks."

He furthered there has also been a worsening shortage of clean and fit banknotes with attendant negative perception of the CBN and increased risk to financial stability, and an increasing ease and risk of counterfeiting evidenced by several security reports.

"Indeed, recent development in photographic technology and advancements in printing devices have made counterfeiting relatively easier. In recent years, the CBN has recorded significantly higher rates of counterfeiting especially at the higher denominations of N500 and N1,000 banknotes.

"Although global best practice is for central banks to redesign, produce and circulate new local legal tender every five to eight years, the Naira has not been redesigned in the last 20 years. On the basis of these trends, problems, and facts, and in line with Sections 19, Subsections a and b of the CBN Act 2007, the management of the CBN sought and obtained the approval of President Muhammadu Buhari to redesign, produce, and circulate new series of banknotes at N100, N200, N500, and N1,000 levels."

In line with this approval, the new currency to begin circulation from December 15, 2022 while the new and existing currencies shall remain legal tender and circulate together until January 31, 2023 when the existing currencies shall seize to be legal tender.

Accordingly, all Deposit Money Banks currently holding the existing denominations of the currency are to start returning these notes to the CBN immediately.

He went on: "Customers of banks are enjoined to begin paying into their bank accounts the existing currency to enable them withdraw the new banknotes once circulation begins in mid-December 2022. All banks are therefore expected to keep open their currency processing centres from Monday to Saturday so as to accommodate all cash that will be returned by their customers.

"For the purpose of this transition from existing to new notes, bank charges for cash deposits are hereby suspended with immediate effect. Therefore, DMBs are to note that no bank customer shall bear any charges for cash returned/paid into their accounts."

He added that the present notes remain legal tender and should not be rejected as a means of exchange for purchase of goods and services."

However, analysts have expressed mixed reactions on the CBN's decision to phase out the three currency denominations.

The chief executive officer, Centre for the Promotion of Private Enterprise (CPPE), Dr. Muda Yusuf, said it is difficult to see any compelling value proposition of this currency redesign idea, explaining the cost of such an action would be outrageous and disproportionate compared to the expected benefits advanced by the CBN.

Yusuf noted that "at a time when the government is grappling with high fiscal deficit, debt crisis, severe revenue crisis and underfunding of many government projects and programmes, it is most inappropriate to embark on such a profligate exercise.

"Currency as a percentage of money supply is less than seven percent. The exercise therefore has no monetary policy significance."

According to him, besides, it will come with huge logistics costs, and avoidable dislocations to small businesses, most of whom are in the informal sector.

"This is one intervention we can do without. There are more urgent issues demanding the attention of the CBN. We have issues with liquidity in the foreign exchange market, the depreciating currency the recent Moody's downgrade of Nigeria, soaring inflation and many more.

"The CBN should save the citizens and the economy the trauma of this currency redesign. It is a distraction we can do without."

On the other hand, the Economic and Financial Crimes Commission (EFCC) has applauded the move by the CBN to redesign and reissue higher denominations of the Nigerian currency, the Naira.

Responding to the development, the executive chairman of the EFCC, Abdulrasheed Bawa, described the move by the apex bank as "a well-considered and timely response" to the challenges of currency management which has negatively impacted the country's monetary policy and security imperatives.

Bawa, in a statement signed by the EFCC chairman, Wilson Uwujaren, said "The EFCC, the CBN and some other regulators in the financial sector have worked closely in the recent past to determine how best to stabilize the country's monetary policy environment. It is heart-warming that the CBN has demonstrated courage in taking this bold decision which, I believe, will bring sanity to the currency management situation in Nigeria."

He called on operators in the Nigerian financial services sector, especially deposit money banks and bureau de change operators, to work within the guidelines provided by the CBN to ensure seamless withdrawal of the old currencies.

Bawa, however, warned that EFCC will monitor the process to ensure that unscrupulous players and currency speculators and their cohorts among the BDCs do not undermine the exercise.

He also charged banks to be alive to their reporting obligations and not assist unscrupulous customers in laundering suspected proceeds of crimes through their system.

Also, the Inter-party Advisory Council (IPAC) and Civil Society Organisations (CSOs) in the country have disagreed over the introduction of newly designed naira notes.

The chairman of IPAC, Yabagi Sani said the introduction of the newly designed notes will not affect the 2023 general elections.

"It's a normal thing. It is not in any way affecting the value of the currency. Normally, CBN can phase out the old notes.

"When they say they are changing the naira, it is about changing the colors and the features. That is not a problem. The old ones will be valid," Sani said while urging Nigerians not to panic.

But the CSOs have frowned at the CBN plans, adding that such a step will cause panic and affect the value of the naira more.

The CSOs who spoke to LEADERSHIP are Transparency International (TI), the Civil Society Legislative Advocacy Centre (CISLAC), and the Transition Monitoring Group (TMG).

Speaking through their leader, Awwal Musa Rafsanjani, the CSOs said the government must handle the naira issue with caution at a critical time like this.

"It is important that the government handle this issue in a manner that will not affect public interest. CBN had all the time to do it but waited until the last minute of the current tenure.

"They must tell us why at this time because we will spend a lot of money on this currency rebranding. This is a time when the country is crying that there is no money. How will they take such a decision without communicating with the National Assembly?

"We are against it because of the following reasons: The timing, the cost involved and the fact that it will cause panic," Rafsanjani said.

"The CBN new plan will cause panic because it is an issue that ought to have been discussed on time. We should do things in a timely and good manner. We need to know the cost implications because the current government has a few months to go.

"The introduction of newly designed notes is not going to help the collapse of the currency. As they are doing it without planning, we don't want our currency to collapse," the CSOs added.

On his part, author at 21st Century Chronicle, Mahmud Jega, said the timing of the currency change is not right.

According to him, a change of currency close to the elections is bad. "The biggest question is, why did CBN spring this trauma upon us in the middle of a general election campaign? Emefiele said the Federal Executive Council [FEC] approved it. Including the timing? Why not wait until after the election at least? The campaigns will be turned upside down in the next few weeks, right until election eve, as people abandon everything else and scramble to change their money.

DECLINE IN GDP: MAN, NACCIMA FINGER DEFECTIVE GOVT POLICIES

The recent decline of the country's Gross National Product (GDP) from 3.54 per cent to 2.25 per cent in the third quarter (Q3) of 2022 is giving the organized private sector (OPS) sleepless nights. The operators are not hesitant in pointing accusing fingers to the doorsteps of the government who are dishing out defective policies that hurt the economy. ***CHARLES OKONJI*** *reports.*

The nation's economy remains largely underdeveloped despite enormous human and material resources due to faulty government policies and programmes that have proved ineffective to correct the anomaly since independence. Regardless of the increased oil revenue recorded in the recent times, third quarter (Q3) report has shown that the Nigerian economy still recorded a decline in its Gross Domestic Product (GDP) 2.25 per cent in the third quarter of 2022 from 3.54 per cent recorded in the second quarter of 2022.

Recall that oil boom of early '70s and the Golf oil wind-fall in the '80s which were not properly managed, laid the faulty foundation of economic disaster. However, the members of the Organized Private Sector (OPS) and some economic analysts have given reasons.

Issues in details

Throwing the first punch, Professor Akpan Ekpo, a professor of Economics and Public Policy Analyst, noted that various policies, programmes and strategies meant to address economic development in the country have not yielded the desired result due to faulty design and lapses in implementation.

According to Ekpo, "The painful experience in Nigeria was the abandoning of comprehensive economic planning which would have accelerated growth and development by successive governments. Stakeholders such as government senior policy-makers, technocrats, private sector and the elites knowingly or otherwise conceptualized, formulated and implemented half-baked market capitalist ideas without success. The elites, overtime, have captured the state for their own self-interest.

"Even the experiment of democratic government has been a disaster. In sum, both military and civilian rule have not produced the desired results of making life better for millions of Nigerians. The irony is that the economy has earned large revenue and foreign exchange from the export of crude petroleum. I wonder why the huge revenue from oil has not been utilized to grow and develop the economy like other countries of the world have done.

"There is no doubt that government policy-makers and other stakeholders are aware of the danger of running a monoculture economy based on crude oil export hence the call for diversifying the economy. No responsible government would plan the long-term development of its economy based on one source of revenue. Nigeria has no control over oil prices as well as the quantity to be produced and exported."

Firing the second salvo, Dr. Muda Yusuf, Chief Executive Officer, Centre for the Promotion of Private Enterprise, (CPPE), stated that this growth decline reflects the diverse headwinds that have been bedeviling the Nigerian economy.

According to him; these headwinds include the macroeconomic instability, heightening inflationary pressures, currency depreciation, foreign exchange illiquidity, surging energy cost, weakening purchasing power, legacy structural constraints, lingering insecurity, and crippling trade facilitation issues.

Lending his voice, the Director-General of Manufacturers Association of Nigeria (MAN), Mr. Segun Ajayi-Kadiri, stated that in spite of the higher oil prices as well as the improvement in terms of trade, the expansion of the growth of the Nigerian economy remains sluggishly above the population growth rate.

Ajayi-Kadiri pointed out that Nigeria's path to economic growth, industrialization and sustainable development has been compromised by inadequate attention to the numerous pressing challenges of the manufacturers, who are meant to be the propellers of Nigeria's long-term economic agenda.

According to him, "The accompanying prospect of establishing a strong fiscal space and buoyant foreign reserve remain unutilized. Inflation is at a 17-year-high of 21.09 per cent and petroleum subsidy payment is not only draining the government's coffers but accelerating the path of the economy to a debt peonage. While fiscal indiscipline, heightening insecurity, slow COVID-19 recovery, oil theft and the war-induced energy crisis are the lingering factors driving the economic headwinds, recent environmental and climatic challenges are significantly leaving a negative mark.

"Recent report by the National Bureau of Statistics (NBS) revealed that year-on-year real GDP growth of the Nigerian economy stood at 2.25 per cent in the third quarter of 2022. At a real GDP value of N18.96 trillion, the latest performance signifies a shortfall of 1.78 per cent point from 4.03 per cent real GDP growth recorded in the third quarter of the previous year. It also indicates 1.29 per cent point decline from the value of economic activities recorded in the second quarter of 2022. The nominal GDP of N52.26 trillion recorded in the third quarter represented a year-on-year increase of 15.83 per cent from the value of N45.11 trillion recorded in the same quarter of the preceding year. The latest nominal growth rate exceeded the 15.03 per cent and 15.41 per cent respectively witnessed in the preceding quarter and the corresponding quarter of 2021."

Similarly, the Director-General of Nigerian Association of Chambers of Commerce Industry Mines and Agriculture (NACCIMA), Dr. Shola Obadimu, lamented that Naira is no longer a store of value, as it is weakened on the daily basis, hence compounding the woes of manufactures, thereby contributing to negative GDP growth.

"Insecurity is one of the contributing factors that made the manufacturing sector to record negative GDP growth. This is because if a company is sending goods to Taraba and the truck driver is being kidnapped on his way, where will the company get as much as ₦50million ransom for the driver. How much is the company's turnover. So, what is the essence of producing what you cannot take to the market? This is discouraging productivity and if you don't produce, you can't export, and you can't earn, so how do we get forex. The country's population grows every day while the aggregate productivity is expected to grow correspondingly, saying that when the population is growing and aggregate productivity is on the steady decline, it means negative productivity per capita."

Implications of negative GDP growth

Kadir

According to MAN DG, "The declining growth is an indication of lower production and lower employment. It is a setback on the Fight against Poverty: In an economy with an average population growth rate of 2.6 per cent, the recent real GDP growth of 2.25 per cent implies that real GDP per capita growth has depreciated by 0.35 per cent. This is a clear indication that more Nigerians have been thrown into the poverty trap and will also result in the country being downgraded from a middle-income to a low-income economy."

This further implies that the low-income earners in the country have been thrown into abject poverty and destitution, as negative GDP growth also depicts loss of employees that were part of production.

Sub-optimal revenue generating capacity

The skewness in the sectoral contribution in favour of the non-oil sector gives a clear indication that the Nigerian government has not been able to fully optimize the country's revenue potential especially for the fact that majority of the operators in the informal segment are in the service sector. Notwithstanding, the growth slowdown will result in higher unemployment that can diminish the taxable capacity of individuals and in turn worsen the debt-to-GDP and debt service-to-revenue ratios.

Low diversification drive

In spite of 94.34 per cent contribution of the non-oil sector, the Nigerian economy is still far from being diversified considering that the oil sector currently accounts for about 80 per cent of the country's export earnings which is less balanced in comparison with South Africa's top four export earners: mineral products 25per cent, precious metal 17 per cent, vehicles and aircraft vessels 12 per cent and steel products 12 per cent. The implication is that the Nigerian economy is still highly vulnerable to oil price shock. Also, in terms of inter-sectoral linkages, a lot of domestic companies still largely depend on imported raw materials to meet more than 50 percent of their production capacity.

Why further decline in growth occurred

The Nigerian economy is a mono-cultural economy that is overly dependent on the oil sector while other sectors continue to suffer from Dutch Disease. Surprisingly, the rise in oil price has contributed to several headwinds, such as increasing petroleum subsidies, increasing refining cost, limited investment in oil infrastructure and theft on the pipelines which have all retrogressed the oil sector. Hence, is projected that economic growth will decline further in subsequent quarters.

Slow development

Nigeria's credit rating will be further affected as high economic growth is one of the indictors of sustainable debt. In recent time, Moody's and Fitch had downgraded the country's credit rating. It is expected that the credit rating will further worsen and significantly limit the country's chanc-

Obadimu

es in sourcing for external development funds. This will inevitably slow down the pace of developmental projects.

Higher unemployment and worsened poverty

The GDP growth slowdown will most likely result in higher unemployment rate. It has also led to lower manufacturing turnover coupled with high inflation rate. The economy is likely to face higher misery index that worsens the poverty level and further shifts consumers away from elastic manufactured goods. This will eventually result in drastic reduction of patronage and lower sales turnover.

Escalated foreign exchange (forex) challenges

The slag in the diversification drive implies further dependence on imported raw material and machinery, hence, the forex crisis bedeviling the sector is not likely to be resolved anytime soon.

Slow infrastructural development & reduction in credit intervention

Knowing that the revenue generating capacity of the Nigerian government is hampered by high unemployment, low manufacturing below installed capacity,and limited funds will slow down the provision of infrastructure and credit facilities necessary to boost productivity of the manufacturing companies. Otherwise, the government will resort into more borrowings and put the country in debt peonage.

Decline in manufacturing investment

The negative growth of the sector's GDP sends a strong signal to potential investors in the sector. The impending result is negative investors' sentiments and pessimism against provision of critical raw materials, technology and technical know-how required to promote the industry.

Sectors with decelerated GDP growth

Dr. Yusuf noted that the following sectors recorded a slower pace of growth over the last quarter performance, but whose growth rates were still in positive territory. These sectors include: Cement 4.13 per cent, Wood and wood product 2.19 per cent, Road transportation 49.68 per cent, Air transport 14.58 per cent, Finance and insurance -12.7 per cent, Education 1.1 per cent, and Financial Institutions 12.03 per cent.

Sectors with negative GDP growth

The CEO of CPPE outlined the following as the sectors that posted negative GDP growth, which he said are also sectors that are victims of the diverse headwinds in the economy; Crude oil and gas which contracted by 22.67 per cent , Oil refining contracted 44.7 per cent, Coal mining – 43.5 per cent, Manufacturing sector – 1.91 per cent, Food and beverage sector which is one of the most shocking contracted by 4.05 per cent, Textiles contracted by 3.98 per cent, It is also worthy of note that the manufacturing sector as a whole contracted by 1.91 per cent, Electricity and Gas – 3.56 per cent, Plastics and Rubber Products – 3.92 per cent.

Dr. Yusuf explained that a striking feature of the GDP Q3 report was the contraction of the manufacturing sector which shrunk by 1.91 per cent. "This is the first quarterly contraction of the manufacturing sector since 2020 when the economy slipped into recession. Of greater concern was the slump in the food and beverage sector which contracted by 4.05 per cent. This is the first contraction of the sector since the recession of the second quarter of 2020.

'The food and beverage sector is the flagship of the Nigerian manufacturing sector. For several decades, it was the toast of investors in the stock market. The sector contributed N2.2 trillion to GDP in the third quarter of 2022. This development is a reflection of a major setback for the Nigerian manufacturing sector which calls for an emergency response by the government. The plunge in the manufacturing sector performance has profound implications for food inflation, food security and employment. The food processing sector has the biggest impact on jobs because of the strong backward integration content and high multiplier effect in the agriculture value chain."

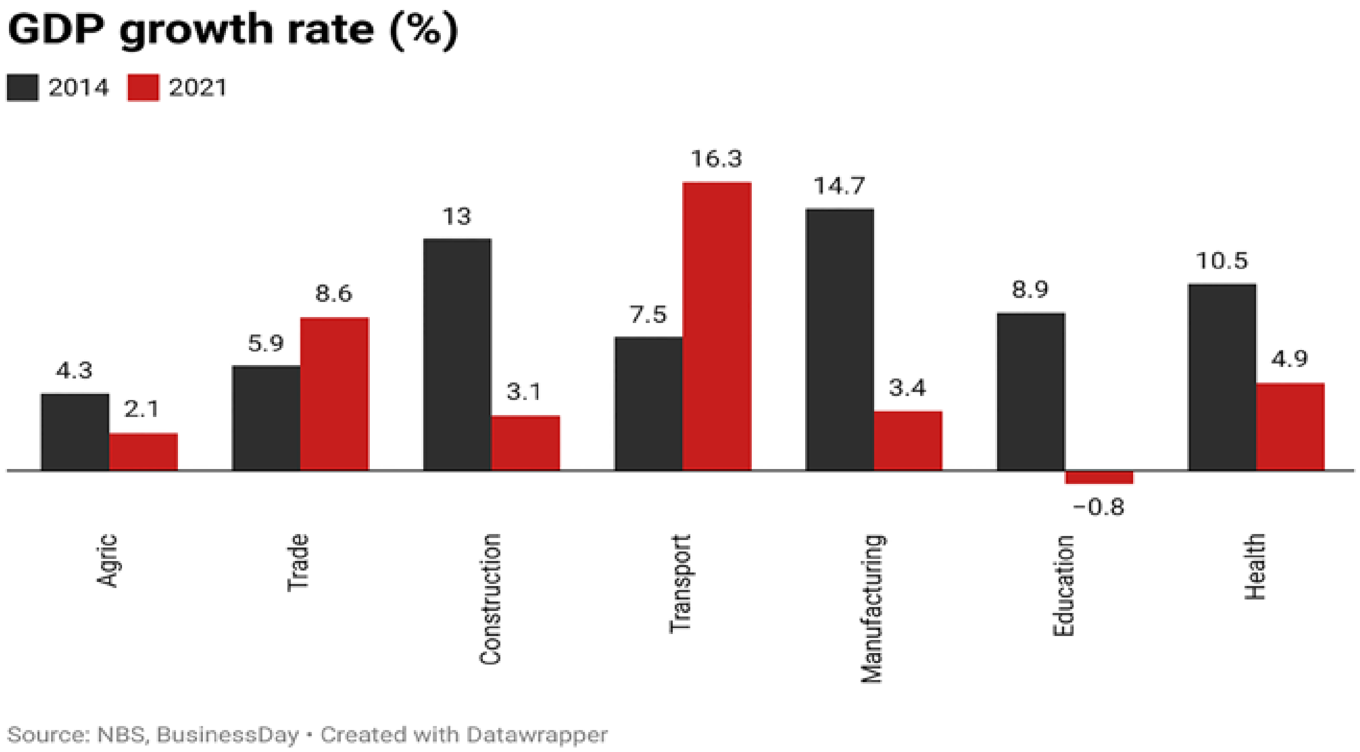
Sectors in recession

These are sectors that posted two consecutive quarters of negative GDP growth. They are segments of the economy that are experiencing much deeper crisis of recovery. They include: the crude oil and gas sector, oil refining, textiles and railways. These sectors are plagued by challenges of insecurity, wrong policy choices, structural impediments, and plunge in productivity and corruption.

Sectors that recorded accelerated GDP growth in Q3

The following sectors expanded in the third quarter of 2022; Agricultural sector which grew by 1.34 per cent, Chemical and pharmaceutical, 11.09 per cent, Iron and steel, 2.99 per cent, Electrical and Electronics – 2.56 per cent, Motor assembly -2.69 per cent, Construction -5.52 per cent, Trade -5.08 per cent, ICT -10.53 per cent, Metal ores -36.24 per cent, Nonmetallic products -4 per cent, Quarry/other minerals -39.6 per cent, Insurance -19.9 per cent, Real estate -4.56 per cent, and Motion pictures and music -22.4 per cent.

"It is noteworthy that motion pictures & music, insurance, chemical and pharmaceutical and ICT outperformed other



sectors in growth outcomes, compared to second quarter figures.

"Meanwhile, some of the sectors witnessed remarkable rebounds. Motor assembly sector rebounded from nonmetallic a contraction of six per cent in second quarter to a positive growth 22.4 per cent in the third quarter; metal ores rose form a negative growth of 25.5 per cent in the second quarter to a positive growth territory of 36 per cent in the third quarter. Other impressive sectoral rebounds are insurance sector from 7 percent growth in Q2 to 19 percent in Q3, Quarry from 22.2 per cent in Q2 to 39.6 per cent in Q3; motion pictures and music from a contraction of 6 per cent in Q2 to a positive growth of 22.4 per cent in Q3."

How do we fix the economy?

Ekpo advised that this is the right time for the country to diversify, knowing fully well that crude oil which is generally known to be a wasting asset and non-renewable, adding that revenue therefrom is subject to the whelms and caprices of the global market.

On his part, Yusuf outlined the correctional measures to include fixing the macroeconomic headwinds of high inflation and currency volatility, addressing the structural impediments to production and other economic activities, reforming the foreign exchange market to inspire investors' confidence, addressing the challenges of insecurity, addressing the challenges of logistics, taking urgent steps to tame inflation and boost purchasing power of the citizens, accelerate the implementation of the Petroleum Industry Act, reform the monetary policies to facilitate financial deepening in the economy, creative support for small businesses to promote economic inclusion, accelerating efforts to ensure domestic refining of petroleum products, and fiscal reforms which prioritize infrastructural development and transparency in the budgetary process.

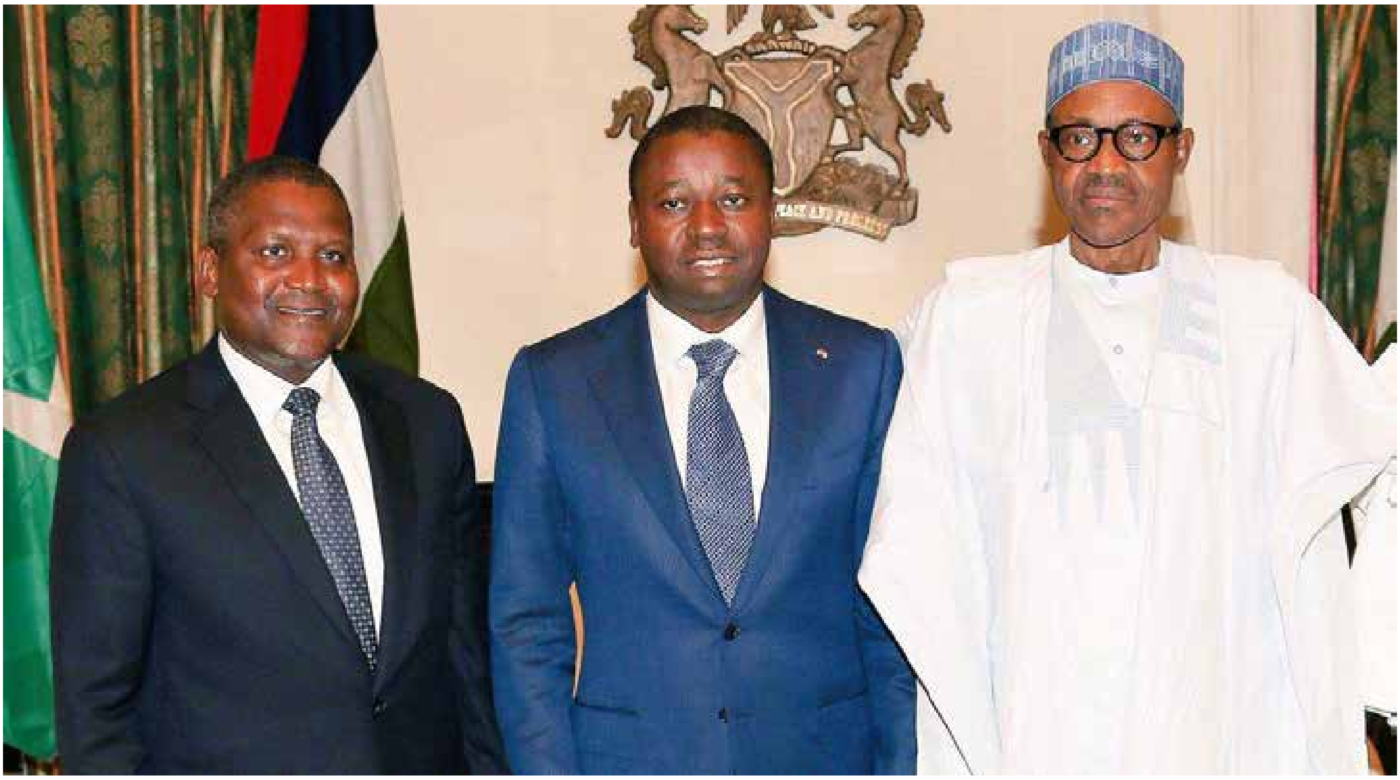
Ajayi-kadiri maintained that achieving a stable rapidly-growing economy would require taking head-on the daily bottlenecks confronted by business owners within the manufacturing sector, considering its active inter-linkages with other key sectoral drivers of the economy.

He urged the government to urgently address forex scarcity, multiple taxation, exorbitant interest rate, high-cost business operating environment, smuggling, insecurity, energy crisis and epileptic power supply are leading the pack.

"In order to restore the sector to an enviable position in the global business environment and in turn propel an inclusive growth of Nigerian economy, MAN hopes that the government will committedly facilitate the formal service sector to widen tax net and avoid multiple imposition of tax on the manufacturing companies. Tackle insecurity and smuggling by upscaling capacity building and providing adequate security equipment and technology for surveillance and intelligence gathering. Continue to involve all stakeholders to play a vital role in supporting security along the oil infrastructure while also ensuring they are beneficiaries of the awarded surveillance contract. Deploy means to reduce unemployment and boost productivity of the manufacturing by encouraging local sourcing of raw materials, improving infrastructural developments, resolving all credit and forex-related challenges, ensuring implementation of the Executive Order 003 and imposing cost-reflective electricity tariff and energy prices.

"Jettison the failing hard peg policy and establish a clear and transparent market framework to guide the interventions of the CBN in the forex market. Synergistically align monetary and fiscal policies while also curbing fiscal deficits by the gradual removal of fuel subsidy backed with appropriate palliatives for the poor. Tackle flood disaster adopting erosion control mechanisms, early warning and emergency services as well as flood risk assessment and ecological funds. Upscale electricity generation and build super grids that are regionalized to avoid continuous national system collapse and ensure a more robust transmission infrastructure. Further reduce the reliance of the country on imported products and raw materials by encouraging local sourcing through a comprehensive and integrated incentivized system since Nigeria is largely bearing the brunt of imported inflation."

DANGOTE IS A PARTNER IN ECONOMIC DEVELOPMENT, SAYS TOGOLESE GOVERNMENT



By Charles Okonji

The Togolese Government has described the African industrial giant, the Dangote Group, as a great partner in Africa's industrial and economic development.

Disclosing this at the ongoing 17th Lomé International Trade Fair, the Prime Minister of Togo, Victoire Tomegah-Dogbe who visited Dangote Cement Pavilion, noted that the cement company is welcome to increase its investment in the country.

According to Tomegah-Dogbe who toured the stand in the company of the Minister of Commerce, Industry and Local Consumption, Kodzo Adedze, commended the management of Dangote Cement for investing in Togo and helping to provide both direct and indirect jobs to the citizens.

In his remarks, Kodzo Adedze praised the peace and tranquility in the country adding that the economic revival would not be possible without an environment of peace and security.

He noted that it is the desire of the Togolese government to build a peaceful and model nation with an inclusive and sustainable economic growth.

According to him, the fair is; "The perfect opportunity to allow our small and medium-sized enterprises, which have just been given a new charter, to do good business at the end of the year."

Also speaking, the Nigerian Ambassador to Togo, Adedowale Adesina stated that Dangote Cement products are of high quality and well accepted in Togo.

He urged Dangote Group to increase its investment in the country by taking advantage of the phosphate in Togo to establish a fertilizer plant.

The Ambassador noted that the project if realised will foster employment, increase standard of living, and will further cement the good relationship existing between the two countries.

The officials were introduced to the four different products of Dangote Cement by representatives of the company. Dangote 3X is prevalent in the Togolese market while Blockmaster and Falcon are recently launched.

They used the occasion to enlighten the public officials on the different grades of cement and their various uses.

Officials of Dangote Cement explained that their main objective is to make sure that every Togolese has a roof over their head at a very affordable price.

Dangote Cement is Africa's leading cement producer with nearly 51.6Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 35.25Mta in our home market, Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 16.25Mta of capacity across five lines; our Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta; our Gboko plant in Benue state has 4Mta; and our Okpella plant in Edo state has 3Mta. Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into an exporter of cement serving neighbouring countries.

In addition, we have operations in Cameroon (1.5Mta clinker grinding), Congo (1.5Mta), Ghana (1.5Mta import), Ethiopia (2.5Mta), Senegal (1.5Mta), Sierra Leone (0.5Mta import), South Africa (2.8Mta), Tanzania (3.0Mta) and Zambia

NCC SETS $273.6M ASKING PRICE FOR 5G SPECTRUM

The Nigerian Communications Commission has set the reserve price for its new 5G spectrums at $273.60million.

This is as it revealed plans to issue two more 5G licences after announcing the auction for its remaining spectrum band.

It said: "The reserve price is the minimum price for one Lot of 100MHz TDD for a 10-year licence tenure fixed at $273.60m or its equivalent in Naira at the prevailing Central Bank of Nigeria rates at the time of the auction."

According to the NCC, it is offering the remaining lots of 2 x 100MHz in the 3.5GHz spectrum band to support 5G deployment in the nation. It disclosed this in its 'Information Memorandum on 3.5 GHz Spectrum Auction'.

It stated, "The Commission is offering the remaining 2 Lots of 100 MHz TDD Spectrum in the 3.5 GHz band ranging from 3400 – 3500 MHz and 3600 – 3700 MHz, totalling 200 MHz for auction. This will be awarded to winning bidders in the 100 MHz Lot."

Since the NCC awarded its 5G spectrum, MTN has launched a 5G network in selected locations while Mafab is yet to establish.

In its new IM, the NCC said it will hold a public consultation regarding the draft IM soon. It revealed, "The commission will hold a public consultation in respect of the draft IM on November 15, 2022.

"This is in line with the Commission's participatory rule-making process for the communications sector, to give stakeholders and interested parties an opportunity to review and comment on the draft IM before the final document is published."

The commission added that applicants for the spectrum do not have to be licensed network operators in the nation but will need a Unified Access Service Licence if their bid is successful.

This is coming after the NCC auctioned and awarded two slots of 100Mhz of the said spectrum to MTN Communications Nigeria Plc and Mafab Communications Limited in December 2021. Prior to the December auction, the commission had disclosed that it was in the process of unclogging more spectrum bands.

The two telcos paid $273.6 million each for their 5G spectrum licence. At the time, the reserve price was $197.4m. At the time, experts in the industry kicked against the reserve price. According to them, it was

TELECOM SUBSCRIBERS IN NIGERIA HIT 214.35 MILLION – NCC

According to fresh industry statistics from the Nigerian Communications Commission, the number of active telecommunications users in Nigeria reached 214.35 million in October.

This is the largest number of subscribers the country has seen since the total number peaked at 207.58 million in October 2020.

Telecom firms credit the development to the National Identity Number scheme with sim card registration.

According to the telcos, more consumers are buying new SIM cards to avoid limits on SIMs that are not linked to their National Identification Numbers.

In MTN's third quarter release, its Chief Executive Officer, Karl Toriola, said, "As a result, the average daily gross connection was 48.1 per cent above the pre-directive level, partly driven by the cohort of subscribers who were initially restricted and opted to register new SIMs.

"Combined with increased usage from the existing base, these have supported acceleration in the service revenue growth recovery and mitigated the impact of churn on the base."

The consistent growth witnessed in the number of telecoms subscribers in 2022 aligns with the Global System for Mobile Communications Association's (GSMA) growth prediction for the industry, according to findings.

The GSMA notes that Nigeria has a sizeable number of its population under the age of 18, indicating that its subscriber growth would remain strong for the foreseeable future as more young consumers crossed into adulthood and subscribed to mobile services. "In 2021, mobile technologies and services generated around eight per cent of GDP across Sub-Saharan Africa, a contribution that amounted to almost $140billion of economic value added.

"The mobile ecosystem also supported more than 3.2 million jobs (directly and indirectly) and made a substantial contribution to the funding of the public sector, with $16billion raised through taxes on the sector. By 2025, mobile's contribution will grow by $65billion (to almost $155billion), as the countries in the region increasingly benefit from the improvements in productivity and efficiency brought about by the increased take-up of mobile services."

According to the Federal Ministry of Communications and Digital Economy, over 31.6 million Nigerians still live in areas without telecoms coverage.

By 2025, the GSMA anticipates 18 million new Nigerians to become unique telecoms subscribers. Mobile connectivity is at the heart of connectivity in Nigeria, with the majority of online services being accessible via mobile channels.

AIRTEL NIGERIA'S BID FOR 5G NETWORK SUFFERS SETBACK AS NCC REJECTS FIRM'S $273.6M OFFER

The Nigerian Communications Commission (NCC) has rejected Airtel Africa's bid to buy 3.5GHz spectrums for 5G deployment without participating in an auction.

Airtel Africa had during a stakeholders' meeting on Tuesday in Abuja declared its readiness to pay $273.6 million for the 5G spectrum after losing the first auction to MTN Nigeria and Mafab Communications in December 2021.

MTN Nigeria and Mafab Communications won the 5G spectrum after raising the bid price to $273.6 million, above the reserved $197.4 million.

Airtel later pulled out of the auction.

After NCC announced that it would start accepting applications for two 5G spectrum licenses, Airtel refused to participate in the exercise, stating the price would not have risen to $273.6 million if it had not joined the previous auction.

In his address at the meeting, the Executive Vice Chairman of NCC, Umar Danbatta, said Airtel Africa's application would not be granted because of the existing process for obtaining the 5G network.

He said: "Following the successful auction of the initial two lots in December 2021, the Commission has received requests to administratively licence the available lots at the previous auction fee.

"However, the Commission, in line with its powers under the Nigerian Communications Act 2003, has decided to licence the available lots in the 3.5GHz band through the Auction Method which is a transparent and efficient approach that can open up opportunities for new entrants as well as deepen competition in the industry.

"The Commission has committed enormous resources to ensure that harmonized Spectrum is secured and released promptly for present and future rollout of services that will underpin the Fourth Industrial Revolution (4IR), including International Mobile Telecommunication (IMT-2020) services.

5G VITAL FOR AFRICA GROWTH, DEVELOPMENT -MTN

The Chief Executive Officer and President of MTN Group, Mr Ralph Mupita, says 5G is important for Africa's economic growth and development.

Mupita said this in a statement made available to the News Agency of Nigeria in Lagos.

"It is important that we emphasise how using 5G for business-to-business applications and margination would be the catalyst for Africa's growth.

"I think we will find in five years, maybe even sooner, that on the African continent, 5G is what would enable economies to accelerate their industrial development across the educational, agriculture, mining, or transportation industries.

"There has been quite a bit of investment into national 5G coverage where citizens and businesses of Nigeria are leading.

"If we get to 50 per cent population coverage by 2025, Nigeria will lead many nation-states in the developed markets through the extent of national coverage," Mupita said.

He added that 5G technology would be a critical infrastructure in the country, enabling Nigeria to meet its promise and capabilities.

Mupita said that the MTN Group remains committed to ensuring subscribers access and deploy cutting-edge technology that allows them to stay connected in a fast-changing world.

"The desire to provide more than 280 million customers access to a modern connected life drives the leading technology organisation to consistently provide diverse digital solutions that cut across telecommunications, financial technology and enterprise," he said.

GLO EYES SHARE IN NIGERIA'S MOBILE MONEY PIE

After securing a Payment Service Bank (PSB) license from the Central Bank of Nigeria (CBN) two years ago, Globacom (Glo) has announced the official launch of its MoneyMaster PSB in Nigeria.

The company joins rivals MTN's MoMo, and Airtel Nigeria's SmartCash which already operate payment banking units in the country.

Glo's MoneyMaster will facilitate payment and remittance services within the West African country, accepting deposits from individuals and small businesses as well as issuing debit and prepaid cards, the company said in a statement.

Glo's mobile money platform aims to offer financial services to help include over 79 million unbanked Nigerians.

Even though the platform will not be able to grant loans like commercial banks, it will operate electronic wallets and inbound remittances and carry out other services according to the CBN guidelines.

"To open an account, all the customer needs to do is dial *995# then follow the prompts from a Glo line or from any other telecommunications network as MoneyMaster PSB is network agnostic," the company said.

Regulatory pitfalls

The approval by the CBN, comes after a long battle by the region's biggest telcos to launch mobile money services in Nigeria.

Airtel Nigeria's SmartCash began operations in May this year and was followed by MTN MoMo who also began operations around the same month.

Glo received its approval back in August, 2020 and MTN and Airtel Nigeria received approval in principle from the CBN in November 2021.

Mobile money market growth

According to Nigeria Inter-Bank Settlement System (NIBSS) mobile payment services are growing rapidly in Nigeria.

NIBSS data show that the value of mobile money transactions grew 172.2 per cent to 4.9 trillion Nigerian naira (US$11 billion) in the first four months of 2022, compared to N1.8 trillion ($4 billion) over the same period in 2021.

APPRAISING THE EVOLUTION OF NIGERIA'S AVIATION INDUSTRY

By Yunus Yusuf

The desire by man to meet his needs necessitated his movement from one place to another.

Aircraft provide one of the fastest means to achieve that objective. In addition to the movement of people, the aviation industry also plays a major role in the movement of goods.

It promotes commerce and industry, two of the major determinants of the Gross Domestic Product. Aviation experts describe the industry as a catalyst for socio-economic development.

The aviation industry in Nigeria has witnessed various trajectories in its growth.

Capt. Rabiu Yadudu, the Managing Director, Federal Airport Authority of Nigeria (FAAN), recently said that from one terminal before independence in 1960 Nigeria now has no fewer than 30 airports.

Yadudu said the passenger traffic has also witnessed an exponential growth, increasing from around 1,000 passengers in 1960 to no fewer than 18 million passengers in 2022.

According to the managing director, the industry now has millions of stakeholders from employers to employees.

"After 62 years of independence, we have about 18 million passengers, over 30 airports, multiple airfields across Nigeria, and stakeholders raging from cleaners, handlers, caterers, among others employed in the industry.

"I think Nigerian aviation is doing great. Recently, it was announced to us by the Airports Council International (ACI) at ICAO conference that Nigeria is the second country that has recovered above pre-COVID-19 numbers in the whole world," he said.

According to him, Colombia came first. They have recovered over 120 per cent, which means that they are now 20 per cent above of their business pre-COVID-19 Nigeria is now 11 per cent above pre-COVID-19 number.

"If you are doing 10 Million before pre-COVID-19 came. You know everything dragged down to 2 to 3 per cent.

"But for now, we have already recovered our business to where it was before the pre-COVID-19. We have even grown beyond that by 11 per cent.

"So, in the whole world, Colombia is first and Nigeria is second in terms of recovery, I think that is a very remarkable achievement. It sums up all our efforts. We are very resilient," he said.

Similarly, the Minister of Aviation, Sen. Hadi Sirika, said there were lots of developments in aviation sector since independence.

According to him, the present administration of President Muhammadu Buhari is determined to create responsive conditions for Public-Private Partnership to advance nation`s airports.

"Since the coming of President Muhammed Buhari, we have quadrupled the passenger numbers, doubled the number of airports, doubled the number of airlines and increased catering and other business.

"This made aviation before COVID-19 to become the fastest growing sector of Nigerian economy.

"Our determination is to make Nigeria the most competitive hub of the African region, and make air travel the preferred mode of transportation.

"Also taking advantage of our population of over 215 million, 923,768 square kilo meter land mass, at the center of the continent with rising middle class and modest formal GDP of $450billion," he said.

The minister said the Nigerian government was making efforts to maintain a robust industry that is safe, secure, efficient, and environmentally friendly, with modern and adequate infrastructure.

Sirika also such move had been the focus of the Nigerian government and had been succeeding thus far.

According to him, Nigeria has continued to make significant investments in aviation infrastructure for a safe, secure, environmentally friendly, and sustainable economic development of international civil aviation.

Nevertheless, retired Group Capt. John Ojikutu, a former Commandant of the Murtala Muhammad Airport, Lagos, recently explained that there had been significant progress in aviation sector.

He said it is unfortunate that the developments had not been well sustained from the independence.

"Outside the safety regulations, they were more or less self-regulatory. There was no much emphasis on commercial regulations on these airlines as the then newly established FCAA (Federal Civil Aviation Authority) was mainly concerned with Safety and to limited extent, security.

"In those days, airlines were forced to have their operational base outside Lagos which somehow reduced the congestion in Lagos. For instance, Kabo had its base in Kano, Okada in Benin, ADC, in Calabar, among others.

"They would fly into Lagos in the morning from their operational bases about the time those in Lagos were taking off to various destinations.

"As more airlines came on board the enforcement of the regulations needed more skilled inspectors for the oversight and enforcement of regulations on the operators and the allied services," he said.

He reiterated that there had been significant progress but the developments had not been well sustaining in aviation sector.

"We have built many Federal Airports but less than 30 per cent of them can sustain themselves from their earnings.

"Over 30 airlines have come into operations but hardly had many of them lasted 10 years in operations; the average lifespan of most have been about five years.

"The oversight on the commercial activities of these airlines by the regulatory authority has been very inconsistent and ineffective.

"Can you imagine an airline coming into operations with about 20 fairly new aircraft and within five years had gone down with accumulated debts of over N200 billion.

"How could this have happened if the regulatory authority had complied with the standards required for oversight before and during operations," he asked.

According to him, most of the airlines recycle the business plans of previous operators ignoring some facts of differences in equipment costs, periodic maintenance costs and available passengers on routes, among others.

Ojikutu observed that there were more foreign airlines operating into the country now but for the present holdups on the repatriation on their earnings.

He, however, said with improved supervision, more strategic planning and given its large market, the future looks bright for Nigeria's aviation industry.

"The future is bright for us only if we can review the multiple destinations given to the foreign airlines.

"We can restrict the multiple frequencies to just two airports, Lagos or Abuja and one other airport in the alternative geographical area," he said.

According to him, the nation needs to go the way of concessions for all our airports as it is the way now worldwide.

He said Nigeria should concession only the non-aeronautical services include the terminal buildings, car parks, tollgates, land areas, but not the aeronautical services among others.

"However, if we must include the runways, aprons, taxiways, it must be at airports where the terminal is only one or where the multiple terminals are going into concession to only one company.

"Otherwise, these air traffic facilities, runways and taxiways, except the aprons should go to Nigerian Airspace Management Agency (NAMA), with FAAN becoming the Holding Company of all the airports planned for concessions" he said

BOOSTING FOREIGN CURRENCY REMITTANCE THROUGH U.S. EB-5 VISA POLICY

By Yunus Yusuf

On Oct. 20 the Abuja Chamber of Commerce and Industry (ACCI) in collaboration with Invest in USA (IIUSA) hosted an interactive session on EB-5 investment project for Nigerians wishing to migrate to the country for investment.

The event with the theme "Pathway to USA Permanent Residency for You and Your Family) provided a platform to enlighten Nigerians on the importance of investors getting the right information on EB-5 opportunities.

The EB-5 programme is a U.S government-authorised visa category created by the Congress in 1990. Its main focus is to inspire foreign investment in job-creating enterprises in exchange for a U.S. Green Card.

The event also provided the U.S. delegates the opportunity to further woo Nigerians on the need to invest in the U.S. economy and repatriate their money to Nigeria.

The interaction was huge and offered Nigerians the opportunity to reflect on the benefits of having the right information towards investing in USA using the EB-5 window.

Panelists at the event revealed that 80 per cent investors from Mainland China, South Korea, Taiwan and the U.K. have applied for the EB-5 programme.

They told the audience that a large number of applicants have also come from Vietnam, India, Brazil, Mexico.

Mr. Fife Banks the Project Manager, IIUSA/ACCI, urged the Nigerian government to take a cue from other developed nations in creating an attractive framework to drive the country's visa policy.

According to Banks, an investment in an EB-5 project is not just a financial investment but also an investment in a better future, safety, freedom and opportunities for families and loved ones.

He said that one of the main benefits of the EB5 program is the opportunity to access the U.S. education system for one's children and wards.

"Green Cards give EB-5 investors the option to enroll their children in U.S. public schools from elementary school through high school at no cost.

"Children who have experience in U.S. classrooms will already be familiar with U.S. educational.

"Such children will not have to go through as intense adjustment period as international students often do upon entering U.S. colleges." Banks said.

Banks also said that adult children could benefit from the EB5 Green Card programme, and encouraged parents to fund such wards' projects to make them eligible for the EB-5 Green Card.

"This is a good option for parents who do not want to immigrate to the U.S themselves but have children who are married or over 21 years old.

"There are health benefits also. It grants access to the U.S. healthcare system. The U.S is home to some of the world's best hospitals, top medical schools, and top medical research centers", Banks said.

On her part, the Director-General of ACCI, Ms Victoria Akai, said Nigeria's economy could benefit immensely from the policy.

GLOBAL AIR CARGO RECORD MARGINAL DIP AMID UNCERTAINTIES

The International Air Transport Association (IATA) has released August 2022 data for global air cargo markets, showing marginal loss despite industry's resilience in the face of economic uncertainties.

Global demand, measured in cargo tonne-kilometers (CTKs), fell 8.3 per cent compared to August 2021 (-9.3 per cent for international operations). This was, however, a slight improvement on the year-on-year decline of 9.7 per cent seen in July.

Capacity was 6.3 per cent above August 2021 (+6.1 per cent for international operations). This is a significant expansion over the 3.6 per cent year-on-year increase in July.

Several factors were blamed for the change in the operating environment. Global goods trade expanded slightly in August and the additional easing of COVID-19 restrictions in China will positively impact cargo markets. While maritime will be the main beneficiary, air cargo will also receive a boost from these developments.

Also, inflation levels in G7 countries slowed for the first time since November 2020. Oil prices stabilised in August and the jet fuel crack spread fell from a peak in June. New export orders, a leading indicator of cargo demand and world trade, decreased in leading economies in all regions except the US.

IATA's Director General, Willie Walsh, noted that air cargo continues to demonstrate resilience. "Cargo volumes, while tracking below the exceptional performance of 2021, have been relatively stable in the face of economic uncertainties and geopolitical conflicts. Market signals remain mixed.

"August presented several indicators with upside potential: oil prices stabilised, inflation slowed and there was a slight expansion in goods traded globally. But the decrease in new export orders in all markets except the U.S. tells us that developments in the months ahead will need to be watched carefully," Walsh said.

At the regional end, African airlines saw cargo volumes increase by 1.0 per cent in August 2022 compared to August 2021. This was a significant improvement on growth recorded the previous month (-3.5 per cent). Capacity was 1.4 per cent below August 2021 levels.

Asia-Pacific airlines saw their air cargo volumes decrease by 8.3 per cent in August 2022 compared to the same month in 2021. This was an improvement over the 9.0 per cent decline in July. Airlines in the region benefited from slightly increased levels of trade and manufacturing activity due to the easing of COVID-19 restrictions in China. Available capacity in the region increased 13.9 per cent compared to August 2021, a significant increase over the 2.7 per cent growth in July.

North American carriers posted a 3.4 per cent decrease in cargo volumes in August 2022 compared to the same month in 2021. This was an improvement over the 5.7 per cent decline in July. The lifting of restrictions in China improved demand and a further boost is expected in the coming months. Capacity was up 5.7 per cent compared to August 2021.

European carriers saw a 15.1 per cent decrease in cargo volumes in August 2022 compared to the same month in 2021. This was the worst performance of all regions for the fourth month in a row. This is attributable to the war in Ukraine. Labour shortages and high inflation levels, most notably in Turkey, also affected volumes. Capacity increased 0.4 per cent in August 2022 compared to August 2021.

TRANSFORMATIONS OF NIGERIA'S TRANSPORT SECTOR 62 YEARS INTO INDEPENDENCE

Transport infrastructure is imperative for the economic and social development of any nation. This is the reason why countries all over the world invest heavily on it.

Countries like China, United States of America, Japan, United Kingdom have invested massively to develop their road, air and water transport infrastructure.

Many governments in Nigeria since 1960 have made tremendous efforts towards ensuring growth in the transportation sector.

However, Nigeria's transport infrastructure has continued to yearn for expansion as the population and purchasing powers grow.

According to Statistic, a data bank, as at 2018, the Federal Government has built 36,000 kilometres of road crisscrossing the length and breadth of the nation. This is in addition to several thousand state government-constructed roads and those of local governments.

In the aviation sub-sector, Nigeria today has 32 airports with Malam Aminu Kano International Airport being built in 1922.

The Managing Director, Federal Airport Authority of Nigeria (FAAN), Capt. Rabiu Yadudu, said recently that airport passenger traffic grew by 6.5 million in 2021 alone.

Yadudu who spoke at the recently held Airlines Business Summit and Expo 2022, said that traffic figures improved significantly after the COVID-19 pandemic, growing from 9.3 million in 2020 to 15.8 million 2021.

Just like the other components of the transport sector, the water transport facilities have also improved significantly post-independence, with more seaport and water ways being opened to enhance trade and communication.

In spite of the progress, stakeholders contend that Nigeria's transport sector still faces lots of challenges, including poor maintenance culture, lack of increased investment and the need to open up more wharfs to decongest Lagos wharfs and accelerate international trade.

An investment and transportation consultant, Mr Segun Obayendo, said Nigeria's transport sector has the potential to contribute more to the economic growth of the nation.

"The Nigeria transportation sector, when professionally managed, is a vast sector for revenue generation.

"I always believe that a vibrant and efficient transport system will enhance Nigeria's economic, developmental and strategic roles in the global system/economy", he said in a recent media report.

Mr Reynold Shodeinde, Assistant Director of Administration of the Chartered Institute of Logistics and Transportation (CILT), called for a robust national transport policy that will place Nigeria among comity of nations.

"Nigeria does not even have a working document as a National Transport Policy. What we have is a draft, so where do we want to begin, how can transport landscape be organized", he said.

The Muhammadu Buahari administration said it is conscious of the dire need to improve the sector and place it among the global elite.

This view was canvassed recently by the Minister of Transportation, Alhaji Mu'azu Sambo, during a presentation on financing Nigeria's transport infrastructure at the Nigerian International Economic Partnership Forum in New York,

"We remain resolute in our ongoing efforts to use infrastructure to build an economy that leaves no one behind.

"Poor maintenance and insufficient investments have put an enormous strain on transport infrastructure and services. Yet, the demand for transport services has grown exponentially along with the increase in socio-economic activity," he said.

On maritime, the minister explained that the sub-sector hosts six major seaports that are engaged in international maritime trade with the rest of the world.

He acknowledged that port infrastructure had suffered dilapidation over the years and they now required massive capital investments for upgrade and rehabilitation.

On rail, the minister reiterated the achievements recorded in the sub-sector among which is revamping of some existing lines and inauguration of new ones.

They include the inauguration of and commercialisation of the Abuja- Kaduna; Warri – Itakpe – Ajaokuta and Lagos – Ibadan double track standard gauge rail lines.

President Muhammadu Buhari also acknowledges rail transportation as a potent economic driver.

Speaking at the ground breaking of the Kano-Maradi Rail line, said his administration recognised Buhari said railway infrastructure development had been accorded the greatest priority it deserved by his administration.

A transport and logistics expert, Ms Nnenna Akor, said Nigerians the post-independence Nigeria has seen Nigerians moving around in bicycles to driving exotic cars and improved boasts service delivery.

She called on the authorities to ensure that Nigerians benefited maximally from rail transportation, being one of the cheapest means of moving from one place the other.

A public Servant, Miss Agnes Audu, also reiterated the need for relevant stakeholders to focus on rehabilitation of Federal and State roads in the country.

IMPACT OF FLOODING ON AGRICULTURE

The last nine months have been challenging for Nigeria's agricultural sector given the flooding and growing insecurity. But there have been developments that portend hope for the economy.

The last nine months have witnessed greater impact of agriculture on the country's annual gross domestic product (GDP) growth rates much more than other sectors. Though the overall economic performance has not been impressive, the sector has recorded some marginal progress with volumes of output and exports.

In spite of this, the sector has been vulnerable to erratic rainfall and fluctuating commodity prices. The prices of fertiliser and bread skyrocketed in Kwara, Yobe, Lagos, and Kaduna states, according to an ActionAid report.

The soaring prices of foodstuffs across the country, according to ActionAid, make it difficult for Nigerians to buy food staples and other essential commodities for their wellbeing.

"In Nigeria, findings show that the prices of wheat bread have increased up to 59 per cent in Sanrab semi-urban community in Kwara State. In Yobe State urban community of Nasarawa, the prices of wheat bread have increased up to 67 per cent," the report stated.

Indeed, water scarcity and insecurity have become challenges to agricultural activity in many areas of the country, in addition to threats posed by climate change. Currently, around 30 per cent of Nigeria's agricultural land is irrigated, with the remainder not supported by irrigation systems.

Consequently, insufficient rainfall has a significant impact on output in the North where 40 per cent of agricultural production occurs.

Flooding

That flood is ravaging Nigeria is no news. The concerns, however, expressed by analysts were that major steps were not taken to address the extreme climate event as a routine work.

The biggest casualties are the huge number of rice farms that have been submerged. However, reports have not revealed whether the cultivation of varieties of paddy has been stressed in flood-prone areas.

Communities in Kogi, Benue and Bayelsa States suffered widespread crop losses while pastoralists will encounter challenges in search of food as they move their livestock.

The analysts maintained that enough measures were not taken to confront flooding that has badly affected agriculture, since warnings were issued that the Cameroon Dam would be emptied.

Speaking on this, the Deputy Vice President, Nigerian Association of Small and Medium Enterprises (NASME), Otunba Gbemi Oduntan, said agriculture had always faced the risk of natural disasters. The floods revealed inadequate responses that have left the sector brutally diminished.

The floods, according to her, severely damaged crops and farms owned by small-scale producers.

She said substantial public resources had not been mobilised to make the sector more competitive, as well as increase its value-addition through agro-industrial activities.

She noted that the sector and others lacked the support that would have aided a massive transformation in GDP growth, possible in a high SMEs-driven productive agriculture sector to the high-productive manufacturing and service sectors.

Lagos State interventions

Despite this and several other constraints, Lagos State Governor Babajide Sanwo-Olu said the agriculture sector had potential for growth.

Since the dependence of the sector's value hinges on weather patterns, Sanwo-Olu called for global action to make the sector more competitive and increase its resilience to threats posed by climate change.

He noted: "The entire globe must act now. The 2022 World Food Day campaign calls for global solidarity and action to restructure agric food systems in order to create inclusive economic growth, alleviate inequities, boost resilience, and achieve sustainable development. This must be met for us to have a certain and healthy tomorrow."

At the World Food Day celebration in Lagos, Sanwo-Olu said the state was committed to eradicating hunger, poverty and achieving the Sustainable Development Goals (SDGs) relating to agriculture.

Sanwo-Olu, who was represented by Secretary to the State Government, Folashade Jaji, said the state had implemented various projects/programmes to tackle hunger, malnutrition, unemployment/under-employment, and boosted food production and supply systems, in line with the Lagos State Agricultural and Food System Roadmap (2021-2025).

In line with these aspirations, efforts and actions undertaken by the governor to develop the agricultural sector were hinged on pillars of economic renewal, carriers of growth and wealth and guarantors of food security.

Since faster and more inclusive rural growth with job creation require greater agricultural diversification with more robust rural non-farm enterprise development, Sanwo-Olu said so much hadbeen done in Lagos to promote higher-value crops production. This will significantly reduce malnutrition, trigger rapid growth in incomes, and create more and better on-farm and non-farm jobs, especially for women and youth.

Lagos population is expected to increase from 20 million to 50 million by 2025, if the trend of migration from other places to the state continues.

To encourage investment, the state is offering considerable incentives to foreign investors and their local ones. In return, the government expects increased domestic crops production to reduce the need for food imports.

As the sector faces challenges, the Lagos State Commissioner for Agriculture, Ms. Abisola Olusanya, has sought the cooperation of the private sector in key development initiatives that can help alleviate poverty among farmers, address climate change impacts, increase rice production, and help Lagos achieve self-sufficiency in poultry and aquaculture.

Among the government's interventions to keep the food production chain going are farmers' and fisherfolk's access to credit and other financing schemes and technical support, provision and distribution of farm inputs, equipment, and machineries, and promotion of urban farming/gardening, among others.

According to her, farmers are the bedrock of any society and deserve to be respected, appreciated, rewarded and recognised.

To reduce food insecurity, many state governments have turned to new approaches to agriculture, including expanded irrigation schemes, popularising new crops, and harnessing the energy of recent graduates.

The strategies follow a period that focused on training of smallholder farmers, the introduction of mechanisation for large-scale production, and guaranteeing good prices to farmers as a means of ensuring a steady supply of produce.

Foreign investments

Morocco with its remarkable record of agricultural production is working to ensure sustainable food security in Nigeria and the rest of Africa.

Its OCP Group inaugurated a state-of-the-art fertiliser blending plant in Kaduna.

Occupying 10 hectares, the facility houses a blending unit with a production capacity of 120 tonnes per hour; a 25,000-tonne storage unit; a modern training centre dedicated to the various partners; a lab-

oratory equipped with the latest analysis technologies to ensure product quality control and soil analysis and characterisation; and a pilot farm for carrying out agronomic trials and training farmers.

The Director-General, OCP Africa, Mohamed Anouar Jamali, said "this installation is not only intended for the production of fertilisers, but also to have a profound impact on the agricultural value chain of the country. OCP Africa is committed to contributing to the transformation of the food system on the continent, and Nigeria represents a strategic hub for our group."

More than an industrial facility, the Kaduna blending unit is a centre of excellence and service delivery available to OCP partners and Nigerian farmers, to improve and increase soil yields to achieve food security. It is also a space for sharing experiences, knowledge and know-how between the OCP Group and stakeholders in the agricultural sector in Nigeria.

Vice-President, West Africa, and Managing Director of OCP Africa Nigeria, Mohamed Hettiti, said: "At OCP, we are convinced that the efficient use of customised fertilisers is one of the best ways to increase farmers' productivity."

Meanwhile, Deputy Managing Director, Programme Incubation, West Africa, Mr. Caleb Usoh, said Sokoto and Abeokuta plants which were scheduled to follow, would commence operations in January and May next year.

He has assured the Federal Government of the organisation's support to sustainably increase productivity of agri-food systems and help achieve the UN Sustainable Development Goals (SDGs).

Logistics enhancement

Currently, the sector's growth has been impaired by the lack of quality packaging capabilities, insufficient storage facilities, poor post-harvest handling practices, shortage of agricultural credit, and high freight costs, among others. Reports said the impact of post-harvest losses, plaguing the international agriculture sector as food is transported from field to plate, are estimated at 1.3 billion tonnes, or 1/3 of the total food production.

Given the unprecedented storage challenges, experts believe innovative solutions are required at large scale. For this reason, investors are taking a longer-term view and looking to invest in lasting solutions that build on sectoral capacity.

Investments aimed at benefitting farmers, private and public sectors as well as creating more jobs are ongoing.

The immediate strategy is expansion and availability of storage capacity at harvest time, for producers of grain and oilseeds, to sustain food supplies.

FG PLANS TO STOP SMUGGLING OF FOOD OUT OF NIGERIA, SAYS MINISTER

The Minister of Agriculture and Rural Development, Dr Mohammad Abubakar, says the Federal Government is working with the Nigeria Customs Service and other agencies to stop the smuggling of food out of Nigeria.

Abubakar made this known during a working visit to the National Horticultural Research Institute (NIHORT), Ibadan in Oyo State.

According to him, the country has food security, hence, the need to curtail the smuggling of food out of the country.

"One of the things we are doing is dry season farming, which is beginning next month, and we will intensify that.

"We also make sure that all the agencies that we are working with, the customs, for example, do not allow smuggling of food out of this country.

"This is because what we don't want to have a food shortage. We have no shortage of food right now. I am telling you categorically," Abubakar said.

He added that so much had been done by President Muhammadu Buhari-led administration in rejigging the agricultural sector, saying that now it is contributing significantly to Nigeria's GDP.

Expressing delight in the activities of NIHORT on its mandate, Abubakar said: "Agriculture today is all about research, innovation and science.

"In agriculture, as a whole, we are talking about practising smart agriculture, technology-based digital agriculture.

"All research institutes have so much to offer, especially NIHORT. I am impressed with the array of products that I am seeing that this institute is producing.

"Just now, I saw an orange tree that will produce three different oranges on one tree, this is amazing, incredible. I am happy that I come here."

He assured Nigerians that Federal Government would continue to increase the capacity of the research institutes.

"We just got a waiver to employ more researchers, developers and people of science origin, that would help to boost research and development," the minister said.

Earlier, Dr Muhammed Attanda, the Director and Chief Executive Officer, NIHORT, appreciated the minister for his unprecedented support.

Attanda said the minister's kind considerations had enabled the institute to run smoothly and make faster progress.

He, however, highlighted some of the notable feats recorded to include: approval granted for the provision of a dedicated electricity line to the institute.

"Over the years, inadequate supply of electricity has affected our operations adversely.

"For instance, we recorded losses of large amounts of genetic materials that were vital to our research activities during the days of erratic power supply.

"Your efforts led to the facilitation of the Presidential waiver, which made it possible for the institute to recruit essential personnel to boost its manpower.

"We particularly appreciate this because the institute has not been able to do this in the last seven years.

"We are also grateful for the opportunity provided for the institute to attend the genetic capacity building and management of gene bank," he said.

DEALING WITH FAILED AGRICULTURAL PROJECTS

The list of failed agricultural projects has continued to grow amid others that have not seen the light of the day after huge spending. This is a growing concern to federal and state governments.

Nigeria accounts for a huge chunk of the West African food market, with its population expected to grow to about 250 million by 2030. Expenditure on food is expected to increase, driven by the population growth, changing consumer demands, and rising affluence.

However, and in recent years, many issues, such as climate change, access to finance, reduction in crop yields and lowering productivity, and increasing number of failed projects in the agricultural sector, have exacerbated and hampered expansion of the stretched food system.

There have also been cases of fraud in contracts awarded for certain agric projects. In some cases, huge amounts were paid to execute projects that have been abandoned by the contractors. According to analysts, the scope and magnitude of corruption in executing agricultural projects is immense.

Corruption, they noted, negates international development assistance provided for the government and communities to carry out projects.

The World Bank's Operations Evaluation Department found that the failure rate of agricultural projects in Africa was between 70 and 80 per cent compared with 40 per cent elsewhere in the world.

Analysts said the increasing spate of failed and abandoned projects in the agric sector has occasioned a significant fall in productivity in the project areas. They said the collapse of the Agricultural Development Programme (ADP) is one project that has led to the dwindling fortunes of the sector.

ADP was launched in 1972, to raise the productivity, income and standard of living of rural farmers in Nigeria. The main objectives of the ADP were to increase food production for rural dwellers and raise the income level of small-scale farmers by making provisions for improved seeds, fertiliser, pesticides, credit facilities and infrastructural facilities.

Other objectives included improving farmers' access to and use of agricultural knowledge, technologies, marketing systems and infrastructure, for the purpose of contributing to higher productivity and profitability.

One of the analysts, Prof. Abel Ogunwale, believes that not so much has been done to ensure the projects makes a significant impact on rural infrastructure, adoption of improved technologies and farm sizes.

Generally, World Bank projects across the country have the twin goals of reducing extreme poverty and increasing shared prosperity.

Since the government set the ambitious goals of doubling crop productivity and incomes for small-scale farming households, the sector has seen a surge in funding to help local food producers grow more food. Most of the projects that received enormous funding from the government, World Bank, and partner funding institutions, have failed to significantly improve the lives of the farmers, who complained that despite huge investment, only few of them benefited from such projects.

Findings have not shown improved productivity in agriculture that led to a high impact on poverty reduction relative to the huge investment.

The below-par accomplishments of the projects, the analysts believe, were caused by the failure of the implementers to identify the sector's gaps and vulnerabilities as well as insisting on key success variables. For them, project implementation has eluded agric ministries, where millions of public funds are lost due to failure to deliver projects on time.

The Nation learnt that many donor-funded projects have failed in their primary goal of contributing to economic diversification, reduction of rural poverty, food security and improved livelihoods of rural communities. Most of the projects face challenges due to slow technologies adoption rate, limited resources to roll out activities fully at the local government levels.

Some experts shared their thoughts on the reasons for failed projects in the sector. One of them is the Team Leader, International and Rural Development, Livelihoods Support and Development Centre, Nigeria, Prof. Kola Adebayo, who noted that there were so many failed agricultural projects in Nigeria because some pre-conditions for the successful delivery of the projects were missing.

His words: "The first is the absence of infrastructural support to help such projects succeed. Many investors in the agriculture sector don't quite appreciate the gap in infrastructural requirements until they actually get into it. Such gaps include poor rural roàds, too many stops when you are trying to transport commodities, from one part of the country to another; each of which you pay one toll or the other, absence of electricity in rural areas and internet connectivity. The availability of all the above that would have made rural life conducive for young people are not there. So even when you start an agricultural project and you require a number of young persons to reside in the rural environment, the infrastructure that is required to live comfortably in such areas is not there. Young people would stay there and you're always short of labour on your farm and that becomes a major challenge."

Foreign investors in agriculture

The enormous number of failed agric projects delineates the need for investment in policies and initiatives to support

food production by local communities, not opening the doors to agribusiness. At times investors lose their land when the government cancels or severely scales back a permit or concession. In others, investors pull out because they are losing money or facing other challenges.

Other cases can be classed as failures because there is so much grassroots opposition to them.

In 2011, the then Minister of Agriculture and Rural Development, Dr. Akinwumi Adesina, announced the intention of Dominion Farms Limited, a company registered in Kenya, with headquarters in Oklahoma, United States, to invest in Nigeria with the development of a 30,000 hectares of rice farm in Taraba State.

The project has generated a lot of controversy. Till now, nothing has been heard on the state of the project that involved a $40 million investment to grow and process rice, a rice mill and the training of youths at Dominion's Kenyan operations. Then, farmers in Taraba State raised the alarm over the project, faulting the handling of the process.

Despite the evidence that large-scale agribusiness has led to shared benefits for local communities, the President, Young Rice Farmers Association of Nigeria (YORFAN), Rotimi Williams, noted that it was challenging to initiate rural projects without confronting locals who believe they must make money from every project that comes to an area.

He cited the Dominion rice project which was supposed to have taken off in Taraba State. The project offers an important insight into the recent failure of some agric projects. The idea was to promote big commercial-oriented farm operations. But it has been challenging moving agribusiness forward, without success in internalising peace-building with communities who have been living on the land for generations and who are reluctant to cede their lands to agribusiness.

Williams noted that the growing number of failed agricultural projects was because the host communities were opposed to them. He added that local groups can cause such deals to stall, fail or be revamped.

Though the Dominion Farms project in Taraba has raised serious concerns, Williams was of the opinion that revenue from the project would have benefited the local population and helped provide for their needs. Right now, the project remains stalled and risks further deterioration with equipment brought in by the operators wasting away.

Corruption

Each year, investors show interest in establishing multi-billion projects in the agric sector. They end up leaving without committing a dime for no fault of theirs. For Adebayo, corruption is one of the biggest factors causing the failure of many agricultural projects.

He observed: "Even if you need to engage with the government and other parties in agricultural business, you discover that the interaction cost is just too high in Nigeria. There are also cases where somebody takes your produce, say egg if it is a poultry farm, with the promise that he would pay after a week or two. After the agreed period, he refuses to pay. When you try to enforce the law of contract to get the person to pay, all kinds of sentiments would come into play. The legal apparatus to enforce your rights is either too slow or too unreliable. Agricultural investors cannot rely on them to enforce such contracts. These factors are against the success of agricultural projects."

Williams said Nigeria's economic growth would continue to rely on local and foreign investments in agric projects, nothing that it was difficult for foreign investors to do business in the sector because of their inability to cope with the high-level of rot in the Nigerian system.

ADVERT RATES

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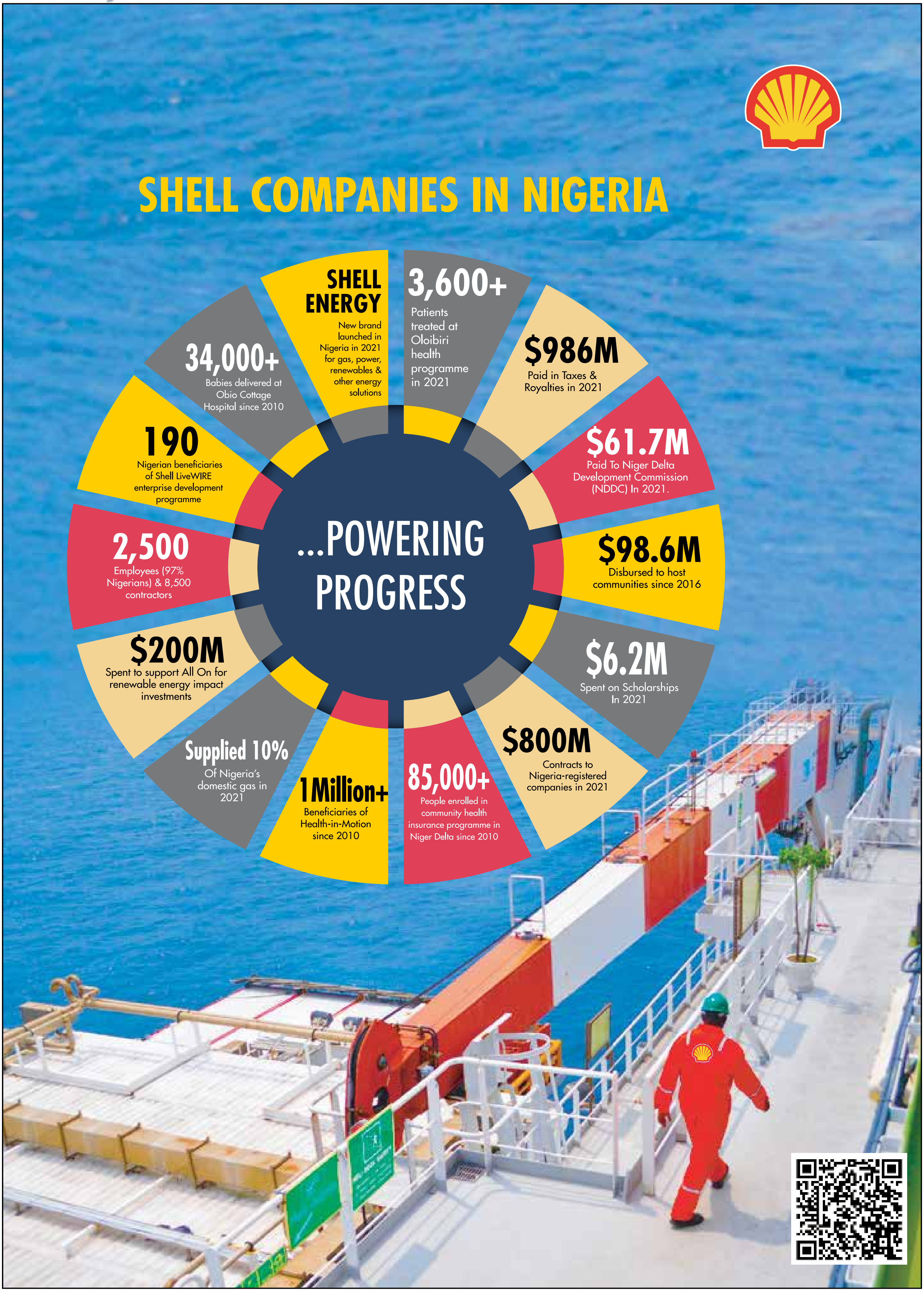
RATE	N=	K
Inside Front Cover	580,000	00
Back Cover	610,100	00
Inside Back Cover	551,850	70
Half Page Front Cover	320,175	50
Half Page Back Cover	300,750	00
Quarter Page Front Cover	175,950	85
Quarter Page Back Cover	160,800	65
Full Page	515,700	50
Half Page	265,000	90
Quarter Page	143,250	75
Centre Spread	1,450,270	00
WRAP AROUND Full Wrap Full Front Page Half Page Front	 10,000,000 6,000,000 4,500,000	 00 00 00

ONLINE

ADVERT BANNER SIZE/LOCATION	1 Month	3 Months	6 Months
Leader board: Top.Header Banner - (728x90px)	N650,000	N950,000	N1,500,000
Bottom Banner - (728x90px) (Home page)	N600,000	N850,000	N1,000,000
Sidebar Ad - (500x250px)	N800,000	N900,000	N1,700,000
Article Top Ad - (468x60px) Ads on every article)	N150,000	N450,000	N500,000
Article Inline Ad - Banner - (468x60px)	N150,000	N350,000	N400,000
Article Bottom Banner - (468x60px) (Ads on every article)	N150,000	N350,000	N450,000


SHELL COMPANIES IN NIGERIA
...POWERING PROGRESS
SHELL ENERGY New brand launched in Nigeria in 2021 for gas, power, renewables & other energy solutions
3,600+ Patients treated at Oloibiri health programme in 2021
$986M Paid in Taxes & Royalties in 2021
$61.7M Paid To Niger Delta Development Commission (NDDC) In 2021.
$98.6M Disbursed to host communities since 2016
$6.2M Spent on Scholarships In 2021
$800M Contracts to Nigeria-registered companies in 2021
85,000+ People enrolled in community health insurance programme in Niger Delta since 2010
1 Million+ Beneficiaries of Health-in-Motion since 2010
Supplied 10% Of Nigeria's domestic gas in 2021
$200M Spent to support All On for renewable energy impact investments
2,500 Employees (97% Nigerians) & 8,500 contractors
190 Nigerian beneficiaries of Shell LiveWIRE enterprise development programme
34,000+ Babies delivered at Obio Cottage Hospital since 2010