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AVIATION SECTOR OVERDUE FOR DRASTIC REFORMS

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SHELL: POWERING NIGERIA'S ECONOMY IN SUSTAINABLE WAYS

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Editor's Note

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Operating environment for businesses in Nigeria is seriously challenging. Insecurity, unstable policies unstable currency value, poor power supply and lack of contract sanctity, among others, are compelling multinational oil companies in pharmaceuticals, automobile accessories, oil service companies and beverages to relocate to other neighbouring countries.

Many local companies have closed shops because of the aforementioned problems. In view of the foregoing, any company operating genuinely and transparently in Nigeria and is able to survive these odds, keeps its workforce, meet its statutory and regulatory obligations and still make profit, should be celebrated.

Shell Nigeria has been able to stand these headwinds, living up to its responsibilities. Shell has positively touched key sectors of the economy in sustainable ways, and despite all odds, has shown unwavering commitment to Nigeria. In this edition, we highlight how the oil giant has contributed to the economy of Nigeria and more.

Also, the oil and gas industry regulator, the Nigerian Content Development and Monitoring Board (NCDMB) has warned against allowing divestments and acquisitions of asset to negative impact compliance with (NOGICD) Act. NCDMB Executive Secretary, Engr. Simbi Kesiye Wabote, warned that the ongoing and planned divestments of onshore assets by some international operating oil and gas companies (IOCs) and subsequent acquisition by Nigerian operating companies must not be allowed to impact negatively on the level of compliance with the Nigerian Oil and Gas Industry Content Development (NOGICD) Act and remittance of tax revenues to the Federal Government.

Wabote noted that the planned sale of assets of Nigerian Agip Oil Company Limited to Oando Plc and Seplat Plc's planned acquisition of assets of Mobil Producing Unlimited (MPNU) would transform Oando and Seplat from midsized players into big-time oil and gas operating companies.

He corrected the impression that the international oil companies were exiting the country because of unfavourable operating conditions, hinting that the foreign firms were carrying out assets rationalization, whereby they leave the onshore and shallow waters and focus on deep offshore operations, where they retain a competitive advantage and contend with minimal human interferences.

The NCDMB boss said the ongoing and other planned divestments are big accomplishments for Nigerian Content development, describing them as "bold statements that Nigerian indigenous operating companies have come of age and acquired the technical, managerial, and financial capabilities to play in the big league."

"We are proud that we have moved from near zero participation in the oil and gas sector to the point that our indigenous operators such as Seplat Energy Plc, Aiteo E&P and others are now responsible for 15 per cent of our oil production and 60 per cent of our domestic gas supply." With this planned acquisition, the share of local firms in crude oil production could reach 30 percent or more in a short while."

Wabote, however, warned that the ongoing transactions and future divestments from international companies to local producing firms could pose serious challenges to the country in terms of declining Nigerian content compliance and reduction in tax payments to the Government from the new owners and operators.

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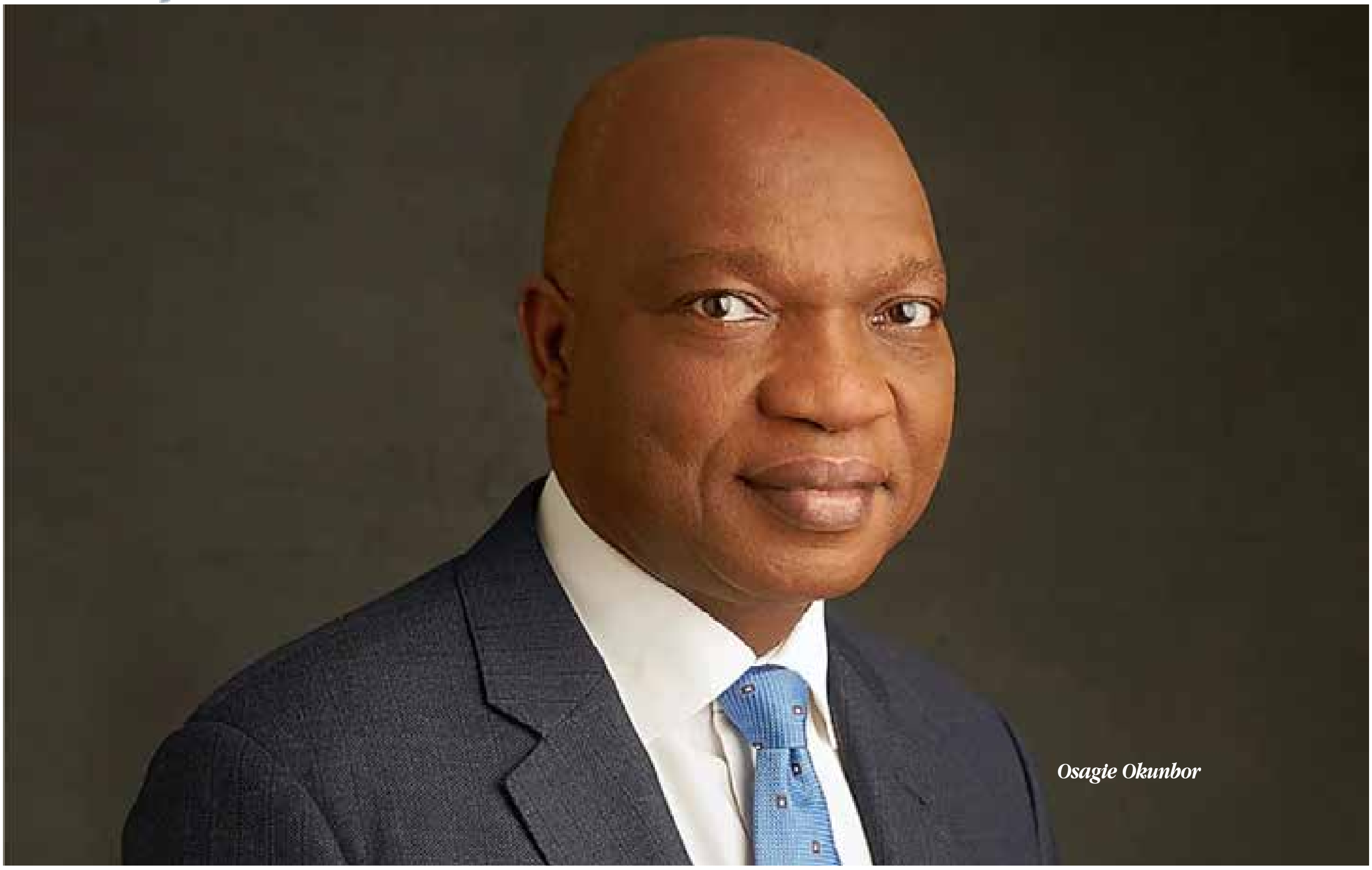
SHELL: POWERING NIGERIA'S ECONOMY IN SUSTAINABLE WAYS

Shell means different things to different Nigerians. To some, the oil giant is a messiah God sent to Nigeria to keep it from sinking, and yet to others, it is a company that takes the people's God-given wealth and leaves the environment devastated. Nevertheless, irrespective of the prism through which one sees Shell, it has been a dependable partner to Nigeria over the years. Shell has positively touched key sectors of the economy in sustainable ways, which gives it a pride of place in Nigeria and tops of its contemporaries in Africa's most populous country, ***EMEKA UGWUANY****I reports.*



In its over 60 years of oil exploration and production business in Nigeria, Shell has shown unwavering commitment to its host country – Nigeria, despite enormous challenges bordering on operating environment, insecurity and unsteady policies, especially in recent times.

Shell operates under three major companies in Nigeria known as Shell Companies in Nigeria (SCiN) - Shell Petroleum Development Company of Nigeria Limited (SPDC), Shell Nigeria Exploration and Production Company Limited (SNEPCo) and Shell Nigeria Gas Limited (SNG Ltd.)

The Shell Petroleum Development Company of Nigeria Limited (SPDC) is the pioneer and leader of the petroleum industry in Nigeria. SPDC is the operator of the NNPC/SPDC/Total Energies/NAOC Joint Venture and supplies onshore and shallow water oil and gas to domestic and export market from its operations in the Niger Delta.

Shell Nigeria Exploration and Production Company Limited (SNEPCo) pioneered deep-water oil and gas production from the Bonga field in the Gulf of Guinea in water depths of more than 1,000 metres. When Bonga began production in 2005, it increased Nigeria's oil production capacity by 10 per cent. Currently, substantial volume of crude oil production comes from the Bonga and Erha fields. Erha oil field in oil mining lease (OML) 133 is operated by Esso where Shell has 43.75 per cent interest.

As one of the world's leading oil majors, Shell was the first and only oil major that built a refinery in Nigeria, which is currently owned by the Federal Government. Ever since the refinery was handed over to the government, it has continued to decline due to lack of maintenance and presently doesn't refine

Shell Nigeria Gas Limited is a fully owned Shell company incorporated in 1998 for the downstream distribution of gas to industries in Nigeria. SNG is part of the Shell Energy business line in Nigeria which covers gas, power, renewables and energy solutions for industrial and commercial customers. SNG's mission is to provide its customers with a clean, reliable, low-cost alternative to liquid fuel, and to assist in building a stronger Nigerian economy. SNG currently operates a growing world class gas transmission and distribution network of over 138km across the country.

Of all the oil companies in Nigeria – majors and independents, Shell has demonstrated appreciable transparency, accountability and inclusiveness in its operations. It is the only company in Nigeria's petroleum industry that puts its transactions and payments to the government in the public space. This is aside its commitment to corporate social responsibilities.

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At the peak of gas flaring in Nigeria, Shell initiated and spearheaded the establishment of the Nigeria Liquefied Natural Gas Limited (NLNG). Today, NLNG is a huge success story and is currently working on its Train 7 construction. On completion, Train 7 will increase

Elobor Aiboni

production capacity of NLNG's plant on Bonny Island, Finima, Rivers State from 22 million metric tonnes to 30 million metric tonnes per annum and create over 12,000 direct jobs during construction phase.

The former Managing Director of Nigeria LNG, Mr. Tony Attah at the announcement of the execution of sales and purchase agreements for domestic supply of LNG in June 2021 in Abuja, stated that the gas company has paid about US$18 billion as dividends to the Federal Government of Nigeria.

"Nigeria LNG is respected internationally because of its solid reputation as a responsible, trusted and reliable supplier of LNG.

"At the home front, we are distinguished as a development partner with Nigeria's Government, with our six-train plant generating more than US$110 billion in revenue since it began operation in 1999.

"Nigeria LNG has paid about US$18 billion as dividends to the Federal Government of Nigeria, through the state-owned Nigerian National Petroleum Corporation (NNPC) 49% shareholding and equivalent amount as dividend to the other three shareholders in the same time period. We have also paid about US$15 billion

In the power sector, Shell Joint Venture built the Afam VI power plant in Rivers State. The combined cycle gas powered plant began operation in early 2008 with an initial 450 megawatts (MW) electricity supply

for feed gas purchases to the Federal Government of Nigeria through its shareholding in NNPC and about USD9 billion in taxes.

"In addition, Nigeria LNG remains a major influencer in the domestic LPG sector. Presently, we have dedicated 450ktpa of LPG to the market and our focus is to support the use of cleaner energy to protect our citizens and the environment from the hazards posed by other cooking fuels by encouraging the use of cooking gas in Nigeria."

Attah noted that under the execution of sales and purchase agreements, NLNG would supply 1.1 million tonnes per annum (MTPA) of LNG on delivered ex-ship (DES) basis to Asiko Power Limited, Bridport Energy Limited and Gas-Plus Synergy Limited. The SPAs will facilitate the project execution and development of infrastructure led by off-takers to aid LNG delivery into the domestic market, he added.

It would be recalled that a few years ago, dividends paid to the Federal Government by Nigeria LNG made headlines because the government then was at its worst lows in terms of revenue generation.

In the power sector, Shell Joint Venture built the Afam VI power plant in Rivers State. The combined cycle gas powered plant began operation in early 2008 with an initial 450 megawatts (MW) electricity supply. By 2018, the power plant was supplying 624MW. At a point, the 650MW installed capacity thermal power plant was supplying about 15 per cent of the total power generation wheeled into Nigeria's national grid. In addition, besides supplying light to communities in Rivers State, the power plant generated subcontract opportunities and employment for over 150 people from the 16 communities, and also

Ralph Gbogbo

provided hands-on and offshore training for 30 youths in electrical, mechanical and instrumentation engineering on combined cycle power plant operations and maintenance. The trainees are currently working in various capacities in different companies in Nigeria and overseas.

Afam VI uses combined cycle gas turbine technology that burns 40 percent less gas than plants using older open cycle technologies. This also contributes significantly to the reduction of greenhouse gas emissions.

In November 2017, the Nigeria Electricity Regulatory Commission (NERC) renewed SPDC JV's Afam VI power generation licence for another 10 years, and in December 2017, the company signed an interim multi-year agreement with General Electric to improve the power plant's availability, reliability and output for up to 200,000 Nigerian homes, while decreasing its operational costs.

The agreement covered planned maintenance for the four turbines and upgrade of the gas turbines to help increase the plant capacity by up to 30MW while increasing its efficiency and significantly saving fuel and reducing carbon dioxide (CO_2) emissions.

As a Clean Development Mechanism (CDM) project under the United Nations Executive Board for Climate Change, Afam VI Power Plant targets to eliminate over 500,000 tons of CO_2 emissions per year, while also maintaining excellent safety standards.

Afam VI power plant derived its name from Afam village in Oyigbo Local Government Area where it is located. Th plant receives gas from SPDC JV's gas plant at neighbouring Okoloma village.

Shell pioneered deepwater oil production in Nigeria with Bonga field. The Bonga field was located in Licence block OPL 212 off the Nigerian coast, which was renamed OML 118 in February 2000. The field covers approximately 60 km2 in an average water depth of 1,000 metres (3,300 ft).

The field was discovered in 1996, with government approval for its development given in 2002. The field began first production in November 2005. The field is worked via a floating production, storage and offloading (FPSO) vessel. The field produces both petroleum and natural gas; the petroleum is offloaded to tankers while the gas is piped back to Nigeria where it is exported via an LNG plant. The field contains approximately 6,000 mm barrels of oil.

> ***Shell pioneered deepwater oil production in Nigeria with Bonga field. The Bonga field was located in Licence block OPL 212 off the Nigerian coast, which was renamed OML 118 in February 2000. The field covers approximately 60 km2 in an average water depth of 1,000 metres (3,300 ft)***

Located 120 kilometres (75 mi) southwest of the Niger Delta, the first discovery well was spudded in September 1995 after acquiring extensive information about the block via a 3D seismic survey in 1993/94.

A secondary field was discovered in the block in May 2001 known as Bonga SW/ Aparo, which encountered significant hydrocarbons. A third field was discovered later in 2004 which is known as Bonga North.

The field has been produced as a subsea tie back to a Floating Production Storage and Offloading vessel (FPSO). Currently there are 16 oil producing and water injection wells on the field. However, this will be increased to nearly 40 wells as the field is developed further. Due to the large size of the Bonga SW it is currently thought it will require separate production facility to adequately produce the field.

Oil produced from the field is stored on the FPSO for transport to markets via tankers while the gas is exported via a pipeline to the Nigerian Coast for LNG.

The FPSO was built by Samsung Heavy industries. It was then taken to Newcastle upon Tyne for installation of the process topsides. It contained a number of firsts for its type, the SURF (Subsea, Umbilical, Risers and Flowlines).

Social investments

SCiN undertakes two types of social investment activities – Direct social investment across Nigeria and Community-driven development programmes and initiatives in the Niger Delta. Direct social investment focuses on community and enterprise development, education, community health, access-to-energy, road safety and biodiversity, which was added in 2018. Community-driven development programmes and initiatives in the Niger Delta focus on various themes as determined by benefitting communities and delivered through a Global Memorandum of Understanding (GMoU).

Therefore, Shell Companies in Nigeria have identified social investment as key to sustainable development of the Niger Delta region and fast track the economic growth of the country. In line with its corporate social responsibility (CSR), the Group works with government, communities and civil society to implement programmes that have a lasting impact on lives in the Niger Delta and beyond.

To ensure that investments in social development are contracted in a seamless manner, the SPDC JV since 2006 has delivered the majority of its social investment projects through the Global Memorandum of Understanding, GMoU model. According to Shell, "This seeks to increase transparency and accountability around project delivery and give communities greater ownership of projects from their inception."

It further said: "Social investment activities are focused in particular on community and enterprise development, education and health," and have, therefore, outlined a number of programmes in this regard.

For instance, launched in Nigeria in 2003, the LiveWIRE is Shell's flagship youth enterprise development programme. It provides access to training, business development services and start-up capital. To date, the programme has trained more than 8,000 Niger Delta youths in enterprise development and management, of whom more than 3,000 have been provided with business start-up grants."

In 2014, the scheme was broadened to include a specific focus on people with physical impairments; over 200 disabled people had already benefited from training and grants by the end of the year."

LiveWIRE was also extended into Ogoniland in 2014, with the objective of raising living standards and reducing crude oil theft through the promotion of alternative livelihoods. The first trainees graduated in February 2015.

In addition, the Group has also initiated a 'Cradle to Career' programme through which it pays for children from rural communities in the Niger Delta to attend some of the country's top secondary schools. About 120 students received scholarships under the programme in 2014, bringing the total number of beneficiaries to 360 since the scheme was launched in 2010.

SCiN, also, focuses on building capacity in key technical skills, for example donating equipment to universities to develop capability in the production of drilling mud. Ten graduate scholarships are also awarded annually to students from Rivers, Bayelsa and Delta States to study engineering and geosciences at top universities overseas, building a talent pipeline within host communities.

In 2022, the SPDC JV, SNEPCo and SNG invested $5.6 million in education programmes. More than 3,000 secondary school grants, 3,500 university grants and 990 cradle-to-career scholarship grants have been awarded since 2016. Also, 17 health-care projects were supported by the SPDC JV and SNEPCo.

The SPDC JV, SNEPCo and SNG also contributed $34.29 million in direct social investment. Social investment was mainly in projects related to community, health, education, road safety and enterprise programmes. These projects are often implemented in partnership with local authorities.

> ***Shell delivered the final phase of the Oloibiri Health Programme (OHP), which incorporates a health campus and an access road, a hybrid solar-powered electrification system, a zonal drug distribution centre, community water supply, and an infant care programme***

Other social investments include the Health-in-Motion mobile community health outreach programme, which takes free medical services to where people live and work, has benefitted more than one million people since its launch in 2010. Funded by SPDC and SNEPCo, the programme assisted a further 12,755 people in 2022.

*In 2022, SNEPCo constructed and renovated two primary healthcare centres for Internally Displaced Persons (IDPs) in Borno and Yobe states in north-east Nigeria. These provide Water, Sanitation and Hygiene (WASH) facilities, medical infrastructure and training for 252 healthcare workers.

*The number of people enrolled in the Community Health Insurance Scheme (CHIS) increased by 7,149 in 2022.

*More than 92,000 people have benefitted from CHIS since its launch in 2010. The scheme, which covers primary and secondary care services, is a partnership between SPDC, the Rivers state government and local communities.

*The Obio Cottage Hospital is a specialist maternal and child health hospital. It has specialist pre- and post-natal wards, an operating theatre and provides other services. In 2022, 3,243 babies were safely delivered, making a total of more than 37,000 safe births at the hospital since 2010. The hospital is funded by the Community Health Insurance Scheme (CHIS).

*Shell delivered the final phase of the Oloibiri Health Programme (OHP), which incorporates a health campus and an access road, a hybrid solar-powered electrification system, a zonal drug distribution centre, community water supply, and an infant care programme.

The OHP is a Shell-funded local government initiative in the Ogbia area of Bayelsa state. Since its launch in January 2019, cumulatively more than 18,000 patients have been seen in the two OHP health facilities (Kolo General Hospital and Oloibiri campus). Also, SCiN have a long history of supporting education through scholarships and other initiatives. Since the 1950s, the Shell scholarship schemes have supported several thousands of

Tunu-gas-gathering project

students, many of whom have gone on to become Nigeria's business, political and social leaders.

*SNEPCo constructed, furnished and delivered a 100-seat ICT Centre, at the Federal University of Petroleum Resources Effurun (FUPRE), Delta state in 2022.

*SNEPCo continued the construction of two educational infrastructure projects valued at $15 million:

*A $10 million Geosciences Centre of Excellence for the University of Lagos, and

*A $5 million e-library project for the Niger Delta University, Bayelsa state.

Local content development

Shell actually pioneered local content in Nigeria. It has contributed greatly to the development of indigenous capacities in the oil and gas industry. The big indigenous oil service companies and independents in Nigeria's upstream petroleum industry attest to the fact that Shell was the first oil major to give them a chance to show their capacities and capabilities.

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

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

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

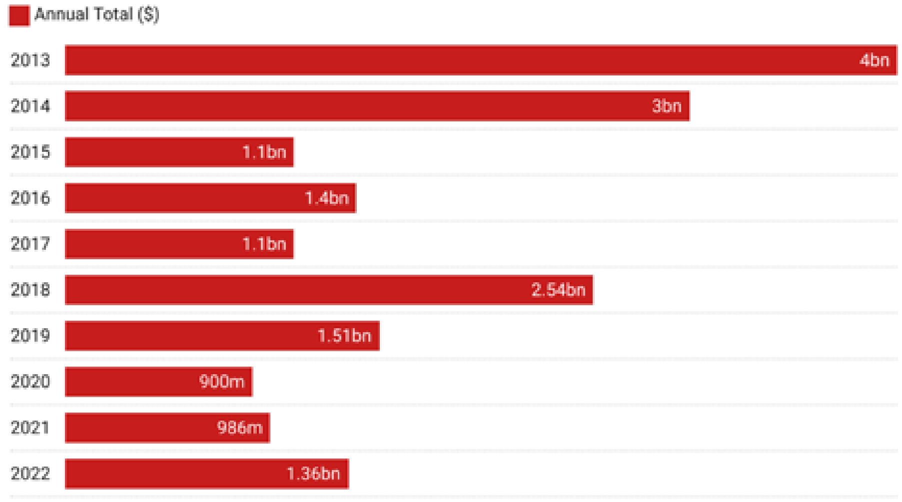
"If we look at the history of Shell, we must be grateful to them. Shell understood that it was time to give back. They were the first to start production in Nigeria in Oloibiri. They backed the first generation that started the growth of indigenous operators and service providers. They understood it was time to give Nigerians opportunity and that was when they started getting more Nigerian managers in Shell. That is a development we often underrate. The truth is that if you don't incorporate people that understand your problems anywhere you work, the problems persist. If you don't understand my problem you cannot solve it.

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

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

How much has Shell paid to the Nigerian government?

Taxes and royalties paid to the Nigerian Government by Shell between 2013 and 2022



Total for the period under Review = $17.894 billion

Created with Datawrapper

us handicapped but they didn't know we would remain competitive as their competitors.

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

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

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

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

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

Engr Okwuosa said he worked for Schlumberger worldwide, and returned to Nigeria in 1994. Having incorporated Oilserv Limited in 1992, the company began operation in 1995.

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

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

Shell divested its stakes in oil mining leases (OMLs) 4, 18, 24, 25, 29 38, and 41 - as well as a major pipeline, the Nembe Creek Trunk Line, which were all taken up by Nigerian companies. These divestments created the leading independents such as Seplat Energy Plc and Aiteo Exploration and Production, among others.

Shell contributions to Nigeria's economy

Shell Companies in Nigeria have contributed immensely to the growth and sustainability of the Nigerian economy. Findings by The Business Intelligence Africa (TBI Africa) magazine show that in the past nine years between 2014 and 2022, Shell Companies in Nigeria (SCiN) has paid the Nigerian government a total of US$39.718 billion as production entitlements, taxes, royalties and fees. A breakdown shows that in 2014, it paid $3.02 billion; 2015 ($4.95 billion); 2016 ($3.64 billion); 2017 ($4.32 billion); 2018 ($6.397 billion); 2019 ($5.63 billion); 2020 ($3.24 billion); 2021 ($4.00 billion) and in 2022 ($4.521 billion).

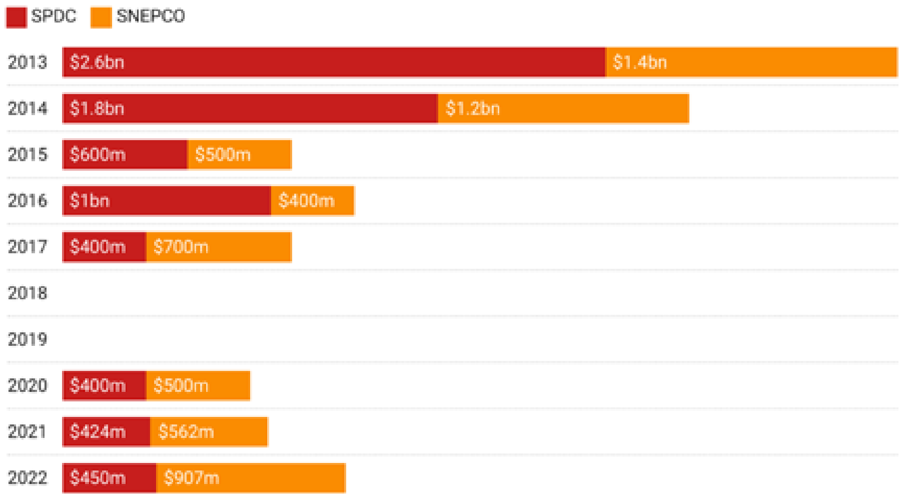
Also, taxes and royalties paid to Nigerian Government by Shell Petroleum Development Company Limited (SPDC) and Shell Nigeria Exploration and Production Company (SNEPCo) in the past 10 years between 2013 and 2022, according to TBI Africa research was a princely US$17.894 billion.

In 2013 SPDC and SNEPCo paid $4bn in the ratio of (SPDC $2.6bn) and (SNEPCo $1.4bn), in 2014 $3bn (SPDC $1.8bn) and (SNEPCo $1.2bn), in 2015 $1.1bn (SPDC $0.6bn) and (SNEPCo $0.5bn), in 2016 $1.4bn (SPDC $1bn) and (SNEPCo $0.4bn), in 2017 $1.1bn (SPDC $0.4bn) and (SNEPCo $0.7bn), in 2018 2.539bn; in 2019 $1.509bn; in 2020 $0.9bn (SPDC $0.4bn) and (SNEPCo $0.5bn), in 2021 $0.986bn (SPDC $0.424bn) and (SNEPCo $0.562bn), in 2022 $1.36bn (SPDC $0.450bn) and (SNEPCo $0.907bn). Therefore, the total payments in taxes and royalties to Nigerian government in the past 10 years were US$17.894 billion.

In 2019, SPDC made significant progress with new gas production from two

How much has Shell paid to the Nigerian government?

Taxes and royalties paid to the Nigerian Government by Shell between 2013 and 2022, broken down by company



SPDC - Shell Petroleum Development Company of Nigeria; SNEPCO - Shell Nigeria Exploration and Production Company; Company breakdown was unavailable for the years 2018 and 2019

Created with Datawrapper

large projects: Southern Swamp and Forcados Yokri. Gas from the Southern Swamp is intended for export as LNG, providing revenue to the government and opportunities for expansion.

Gas from Forcados is expected to be sent to the domestic Nigerian market to provide clean reliable power for more than 100 industrial and commercial customers through Shell Nigeria Gas Limited. Customers include a large float glass manufacturer, a pharmaceutical factory as well as large commercial market zones and local and international consumer goods companies.

SPDC has taken big strides in building what is expected to be the largest gas facility in the country at the Assa North-Ohaji South project. When completed, the processed gas is expected to further boost gas supplies to industrial and commercial customers in Nigeria and boost economic prosperity for the growing population.

SPDC worked with around 286 Nigerian companies and about 3,000 Nigerians to deliver the Southern Swamp Associated Gas Solution project. The contracted companies provided services including building processing facilities, laying pipelines and providing commercial offshore divers.

Tackling plastic waste

In 2019, Shell Companies in Nigeria announced plans to reduce single-use plastic at facilities by at least 50% by 2020. They began by introducing alternatives such as water refill stations and reusable water bottles. Some sites made significant progress, including the Gbaran-Ubie facility that reduced single-use plastic by 90% in 2019, a drop from around 10,000 1.5 litre bottles a month to 1,000.

In 2020, Shell companies awarded contracts worth more than $0.8 billion to Nigerian-registered businesses and contributed $49.4 million in social investment projects, mainly in enterprise support, education, health care and road safety. $18.6 of this spend was made on COVID-19-related interventions.

Shell has interests in several companies in Nigeria that produce and distribute oil, gas and other energy products. This energy contributes to economic growth in the Niger Delta and across the country. The businesses in which Shell has interests employ 2,700 people directly and provide jobs for many others in supplier networks.

Shell companies in Nigeria also contribute to community health, education and enterprise programmes, supporting the development of Nigerians and indigenous companies. In 2020, Shell launched measures to help protect employees from the COVID-19 virus and made additional contributions to communities. This work included setting up food programmes at seven COVID-19 isolation sites and providing testing kits, medical equipment, sanitiser and personal protective equipment to nine states.

The Nigerian government aims to power economic growth by focusing on developing oil and gas resources, investments in infrastructure and expanding access to energy for Nigerians.

SPDC is also building facilities to gather gas that would otherwise be flared. Since 2002, SPDC's flaring in Nigeria has been reduced by 90%. Gas that was once flared is now captured and processed to supply domestic and international gas markets.

An example of this gas-gathering work is the Southern Swamp Associated Gas Solutions project, which was commissioned in 2020. SPDC is planning to reduce associated gas flaring further through its Forcados Yokri gas-gathering project, a significant part of which is expected to be completed in 2021.

2022 briefing notes

The 2022 Nigeria briefing notes gave insights into the activities of SCiN, the operational challenges, milestones achieved and future plans.

In his highlights of 2022 activities, the Managing Director of the Shell Petroleum Development Company and Country Chair of Shell Companies in Nigeria, Mr. Osagie Okunbor, said: "Despite production challenges in 2022, the tenacity, commitment and resilience of our people enabled us to deliver some significant achievements and continue to power progress in Nigeria.

"Each year, the Nigeria Briefing Notes reflect our pride in the work of Shell Companies in Nigeria, the progress that we have achieved and the contributions we have once again made to communities.

"For our businesses in Nigeria, 2022 was very much a year of two halves, with the first half proving especially difficult due to the production challenges outlined in these pages. Tragically, 2022 was also a year where our country experienced its worst flooding in recent history, with many lives lost and hundreds of thousands of people displaced from their homes.

"However, despite these headwinds, the tenacity, commitment and resilience of our people allowed us to turn a corner on several fronts, leading to optimism for the beginning of 2023.

Crude theft is a serious threat to our country

"Last year, we faced our biggest operational challenge in many years at SPDC, where a significant decline in crude receipts at the Bonny Oil and Gas Terminal resulted in our declaration of force majeure in March 2022. I am pleased to say that the force majeure on the Bonny export programme was lifted in March 2023.

"Unfortunately, along with other operators in Nigeria, SPDC continues to face the twin challenges of sabotage and crude oil theft, each of which not only deprives our country and our people of billions of dollars of tax revenue, but also endangers people's lives. Sadly, we were reminded of these dangers in March 2023 when a fire incident occurred at the site of an illegal connection used for crude theft on the Rumuekpe - Nkpoku trunk line in Rivers state. The line was not operational at the time of the fatal incident.

"Crude theft poses a serious environmental risk that impacts not just oil and gas operations but also our communities. Our teams continue to collaborate with the Nigerian government and other stakeholders with the aim of eradicating crude theft from our facilities. There is cause for optimism, as these collaborations are starting to yield results through changes in approach. Together, we have also made progress in developing security systems that allow us to better monitor our facilities, and therefore detect and deter some of these illegal actions."

Recall that Okunbor at a conference in Abuja said that Shell loses 44 per cent of oil it pumps into the Trans Niger Pipeline (TNP) before it gets to the terminal.

"I can tell you that our most important pipeline in the Delta – the Trans Niger Pipeline (TNP) and the reconciliation factor, which is the difference between what you put into the pipe and what arrives at the terminal, the reconciliation factor is around 56 per cent, which means 44 per cent of what goes into that pipeline disappears.

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

Okunbor noted that the SNEPCo team,

Shell delivered the final phase of the Oloibiri Health Programme (OHP), which incorporates a health campus and an access road, a hybrid solar-powered electrification system, a zonal drug distribution centre, community water supply, and an infant care programme

most of whom he was proud to say are Nigerians, delivered an outstanding milestone early in 2023. The Bonga FPSO, the country's first deep-water exploration and production vessel, exported its one billionth barrel of oil – a fantastic achievement.

"In 2022 our country was profoundly impacted by severe flooding, which affected businesses and communities in several states. Shell responded by committing $1 million to support the government's efforts to provide relief. Beyond that, our own staff raised more than 10 million Nigerian Naira for people most in need.

"Our commitment to Nigeria is not simply in response to such challenges, and in the factsheet of this report, you will find a summary of the revenue we generated for the government through taxes, the employment opportunities we created and the contributions we have made to developing local businesses.

"Between them, SPDC, SNEPCo and SNG spent $34.29 million in direct social investment during 2022. A further $56.13 million has been earmarked to be paid in 2023 by SPDC and SNEPCo as a statutory contribution to the Host Communities Development Trusts (HCDT) which will benefit our communities.

"While these HCDTs are one valuable outcome of the Petroleum Industry Act (PIA), we have always demonstrated resolute commitment to our communities, and we will continue to do so.

"In 2022, we worked on several projects including the completion of the final phase of our Oloibiri Health Programme in Bayelsa state which has helped over 18,000 patients since its launch. The integrated healthcare project, powered by a hybrid solar electrification system, provides access to a health campus, drug distribution centre and an infant care programme.

"I am similarly proud of the incredible work that we do to support entrepreneurship and education. SPDC, SNEPCo and SNG funded more than $5.6 million in academic scholarships in 2022, investments that are critical to the country's development. Many of these programmes' previous beneficiaries have gone on to become today's business and political leaders in Nigeria. In tandem, we continue to improve opportunities for young Nigerians to achieve their ambitions through the Shell LiveWIRE youth programme, providing training in enterprise development and management, as well as business start-up grants.

"All On – the impact investment company we established in 2016 – continues to go from strength to strength, backed by $200 million of seed funding provided by Shell. By the end of 2022, All On had committed a total of $23.6 million to a portfolio of 46 renewable energy companies. By doing so, it is increasing access to commercial renewable energy products and services for the under-served, and indeed the completely unserved off-grid energy markets, with a special focus on those in the Niger Delta.

"We are inspired by the possibilities that exist for developing new gas distribution solutions. SNG continues to provide gas to both business and domestic customers in Nigeria. Meanwhile, Shell's acquisition in December 2022 of Daystar Power, an integrated solar power provider in West Africa, is well aligned with our strategy of delivering more and cleaner energy.

"SPDC also took further actions on existing gas projects, such as drilling additional wells to restore supply capacity to meet its commitment to NLNG and build additional contingency margin. Additional projects are planned for 2023 to build further resilience in supply capacity.

"I am also pleased that once again Shell Companies in Nigeria and our staff have been recognised with a number of awards during 2022. To name just three, we have

Afam Plant

received accolades as Best International Company of the Year (Petroleum Technology Association of Nigeria), Upstream Company of the Year (Nigeria International Energy Summit) and Leading Tax Compliant Firm in Nigeria (Federal Inland Revenue Service).

"Shell Companies in Nigeria have significantly contributed to Nigeria's economy and its communities for over six decades. We believe strongly in the talents, capacity and culture of the Nigerian people. Going forward we will continue that collaboration, working together to power progress in Nigeria.

"Shell Companies in Nigeria (SCiN) contribute to economic growth in Nigeria by generating revenue for the government through taxes, creating employment opportunities and contributing to the development of local businesses.

*$1.36 billion[4] in corporate taxes and royalties paid to the Federal Government of Nigeria (SPDC $450 million and SNEPCo $907 million), compared with $986 million in 2021.

*SPDC, SNEPCo and SNG awarded $1.9 billion contracts to Nigerian-registered companies. Overall, there has been a 138% increase in SCiN's total value of contracts awarded in 2022 compared to 2021.

*SPDC, in compliance with statutory requirements, paid $59.04 million[4] in 2022 to the Niger Delta Development Commission (NDDC). SNEPCo and its partners in compliance with statutory requirements paid $20.73 million to NDDC in 2022.

*SCiN directly employed more than 2,500 people (of whom 97% are Nigerian nationals) with 10,000 contractors supporting operations.

Shell has invested in game-changing businesses in Nigeria for over 60 years and in 2022 we continued to power progress, impacting lives and unlocking opportunities.

*Combined production by SPDC and SNEPCo (Bonga) was 478,940 barrels of oil equivalent per day in 2022. This is a reduction compared with 493,000 barrels of oil equivalent per day in 2021. The decline was largely the result of a partial shutdown of production

for around six months due to an unprecedented increase in crude oil theft activities along the Trans Niger Pipeline (TNP).

*SPDC lifted the force majeure on its Bonny export programme with effect from March 15, 2023. The declaration of force majeure on March 3 2022, was on account of significantly lower deliveries of crude oil to the Bonny Terminal because of theft from illegal connections to pipelines.

*In February 2023, the Bonga FPSO, the country's first deep-water exploration and production vessel, exported its one billionth barrel of oil.

*SPDC successfully delivered first gas from the Enwhe East and KoloCreek to Soku Wells projects in 2022, adding about 350 mmscf/d of additional gas capacity.

*Following the expiration of OML 11 in 2019 and the subsequent non-renewal of the lease by the Federal Government of Nigeria, SPDC completed the handover of the lease and operatorship in 2022.

*SNG signed an agreement with the Oyo state government, in the south-west of Nigeria, to build a gas distribution infrastructure network with the intention of delivering gas to industries and other large-scale commercial businesses within the state and beyond.

*Shell acquired Daystar Power Group (Daystar Power), a provider of integrated solar power to commercial and industrial businesses across West Africa in December 2022. Daystar Power has around 250 projects across West Africa with approximately 40 megawatts of solar installation and plans to rapidly grow and expand into other markets.

*NLNG Train 7 offsite piping prefabrication work is in progress. In addition, construction activities on the workers' camps, marine scopes and brownfield tie-ins have ramped up.

*At the end of 2022, All On's total portfolio of renewable, energy access investee companies increased to 46, with a total of $23.6 million in investments committed to be paid. In addition, the All On Hub increased its supported businesses from 41 to 91 ventures. Since its inception in 2017, All On has delivered more than 75,000 energy connections[5] through its investee companies.

*In 2021, Shell plc announced its intention to reduce its involvement in onshore oil production in Nigeria while remaining in deep-water and its integrated gas position in country.

"We will continue to clean up oil spills, despite the challenges arising from the illegal actions of third parties, such as sabotage and crude oil theft. The clean-up and remediation in the Ogoniland community of Bodo is expected to be completed by the end of the third quarter of 2023, with around 87% of the area having been remediated during 2022 and close to 340,000 mangrove seedlings now planted. We remain committed to supporting the clean-up efforts led by the Nigerian government's Hydrocarbon Pollution and Remediation Project (HYPREP) which was established following the United Nations Environment Programme's 2011 report," Shell stated.

Commendations from external stakeholders

De-Rabacon Plastics is a Nigeria-based plastic recycling and waste management solution company that recycles end-consumer plastics into viable commercial products such as pavement blocks, buckets, cans and carpets. The company won the maiden Shell Top Ten Innovators Award's Outstanding Achievement Award in 2018.

"There is often a paper-thin line between success and failure in business, especially for a start-up. The training, support systems and valuable networks I have gained over the last 5 years, courtesy of Shell LiveWIRE, have gone a long way to ensure that my business start-up, De-Rabacon Plastics, is thriving.

"Shell's approach on supporting local enterprises to grow and excel is enabling us to scale up our business and focus on designing eco-friendly, energy-efficient and affordable products. Today my organisation employs 16 people and has recycled over 800,000 tonnes of plastic waste. We plan to achieve two million tonnes by the end of 2020," said Yolo Bakumor Smith, CEO, De-Rabacon Plastics.

"The collaboration between the Federal Road Safety Corps (FRSC) and SPDC is the key to achieving the goals of the United Nations Decade of Action for Road Safety in Nigeria. The National Community Post Crash Care Initiative (NCPCCI), has 27 centres in 13 states with 540 volunteers. These initiatives and the crash care efforts recorded have led to its adoption by the West African Road Safety Organisation to be replicated in other West African countries.

"SPDC has also helped the FRSC by supporting the use of speed radar devices, breathalysers and extricating equipment. The annual National Road Safety Quiz for senior secondary school students, the marathon race and support for crash victim remembrance day have also helped promote awareness of road safety. The FRSC appreciates the expansion of the NCPCCI to cover all the critical road corridors in Nigeria, in addition to sponsoring campaigns for safe tyres and the installation of speed-limiting devices," said Ojeme Ewhrudjakpor fdc, former Deputy Corps Marshal (Operations), Federal Road Safety

OIL ASSETS DIVESTMENTS: NCDMB WARNS AGAINST REDUCTION IN COMPLIANCE, TAX REVENUE

The ongoing and planned divestments of onshore assets by some international operating oil and gas companies (IOCs) and subsequent acquisition by Nigerian operating companies must not be allowed to impact negatively on the level of compliance with the Nigerian Oil and Gas Industry Content Development (NOGICD) Act and remittance of tax revenues to the Federal Government, the Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote, has admonished.

Speaking during the breakfast meeting he had with members of the Guild of Corporate Online Publishers (GOCOP) and editors of newspapers and directors of broadcast stations in Abuja on Tuesday and Wednesday respectively, the Executive Secretary enthused that the planned sale of assets of Nigerian Agip Oil Company Limited to Oando Plc and Seplat Plc's planned acquisition of assets of Mobil Producing Unlimited (MPNU) would transform Oando and Seplat from midsized players into big-time oil and gas operating companies.

He corrected the impression that the international oil companies were exiting the country because of unfavourable operating conditions, hinting that the foreign firms were carrying out assets rationalization, whereby they leave the onshore and shallow waters and focus on deep offshore operations, where they retain a competitive advantage and contend with minimal human interferences.

He said the ongoing and other planned divestments are big accomplishments for Nigerian Content development, describing them as "bold statements that Nigerian indigenous operating companies have come of age and acquired the technical, managerial, and financial capabilities to play in the big league."

He said: "We are proud that we have moved from near zero participation in the oil and gas sector to the point that our indigenous operators such as SEPLAT, AITEO, and others are now responsible for 15 per cent of our oil production and 60 per cent of our domestic gas supply." With this planned acquisition, the share of local firms in crude oil production could reach 30 percent or more in a short while."

The Local Content boss however warned that the ongoing transactions and future divestments from international companies to local producing firms could pose serious challenges to the country in terms of declining Nigerian content compliance and reduction in tax payments to the Government from the new owners and operators.

He based his position on the Board's experience and records which showed that indigenous firms, especially the indigenous operating companies are serial violators of the Nigerian Content Act and other laws. According to him, "many indigenous companies feel entitled and assume they can get away with non-compliance. Some indigenous firms have also argued that they should be excluded from the implementation of the NOGICD Act since their primary investors are Nigerians."

Comparing the attitude of the local firms to their international counterparts, the Executive Secretary stated that "in many instances, international operators try to comply with the Nigerian Content because it is in their DNA to obey laws or they have to show evidence of compliance to their home offices. The IOCs will do everything to comply with the provisions of the NOGICD Act. But the indigenous companies will do everything to circumvent the law."

He emphasized that the provisions of the Nigerian Content cover all entities and all activities connected to the Nigerian oil and gas industry and no firm is exempted from compliance. He explained that the Nigerian economy would not develop without encouraging local content in key industries, catalyzing local production of goods and services retaining spend in the country, and conserving foreign exchange."

On strategies that would compel the indigenous companies to comply, the Executive Secretary said the Board would continue to use existing regulations and guidelines as well as the provisions of the NOGICD Act to reign in non-compliant firms. The Board is also partnering with relevant agencies, including the Economic and Financial Crimes Commission (EFCC) and industry stakeholders to ensure that the increasing footprints and stakes of indigenous production companies do not cause a reduction in Nigerian content compliance and remittance of taxes to the Government.

He charged the media to advocate for Nigerian Content compliance by all stakeholders of the industry and to challenge indigenous oil and gas operating companies to comply with the laws of the land, including the payment of accurate taxes on their operations.

He stated that the Board organized the breakfast meeting to update the media stakeholders about the Board's programmes, build their competencies, enhance their professional effectiveness, and update them on the latest trends in their industry. He described the media as a reliable stakeholder and promised the Board's continuous support toward an enduring symbiotic relationship.

Wabote

NCDMB, WALTERSMITH REFINERY, PARTNER ON GRADUATE RETRAINING

A 12-month Nigerian Content NC-Remedial Training Programme for young university graduates kicked off on Friday in Port Harcourt, Rivers State, with 29 trainees expected to focus on general skill sets and specialised skill sets that would fit them for oil and gas industry operations.

Organised by the Nigerian Content Development and Monitoring Board (NCDMB), in conjunction with Waltersmith Refining and Petrochemical Company Limited, the programme would introduce the participants to Entrepreneurship, Health Safety at Work, Information and Communication Technology (ICT), and Engineering Materials, under the general skill sets. These are compulsory for all the trainees.

Specialised skill sets, where participants are required to concentrate on one or the other of the many competencies available, include Project Management, Scrum Master, Quality Management System ISO 9001:2015, Welding and Fabrication, Mobile Crane Operation, Plumbing and Pipe-fitting, and Mechanical Engineering Designs.

At the Kick-off Ceremony at Dexterous Applied Training Institute, Port Harcourt, the Director, Monitoring and Evaluation of NCDMB, Mr. Akintunde Adelana, said the programme is for human capital development which is central to the mandate of the Board, and also for the good of the trainees who need such vital skills to secure employment in the oil and gas industry and to become employers themselves.

"This is the beginning of a new phase in your lives," he explained to the trainees, noting that "The industry is in need of manpower, but manpower that is skilled." He urged them to make the best of the opportunity provided, while emphasising that the Board is "going to be tracking [their] progress" and also monitoring the quality of training imparted. He assured them that they would receive "globally recognised certification" at the end of the programme.

The Director who was represented by Mr. Jeff Tuatuagha, General Manager, Upstream and Monitoring of the NCDMB, commended Waltersmith Refinery for keying meaningfully into the capacity building programme of the NCDMB and for the sound organisation in putting together the current training programme. He was similarly impressed with Dexterous Applied Training Institute for successfully conducting the selection process based on personal data extracted from NCDMB's Nigerian Oil and Gas Industry Content Joint Qualification System (NOGIC JQS).

The Group Head, External Affairs and Government Relations of Waltersmith, Mrs. Eriye Onagoruwa, echoed the point made by the NCDMB Director on opportunities in the oil and gas industry, noting that "There is a mad hunt for manpower in different sectors of the economy. But you must have the required skills."

She said: "Discipline and consistency are vital" to achieve their goals, and that they must eschew entitlement mentality which inclines individuals to believe that they could secure employment simply because of where they come from. "No handovers anymore," she reiterated, adding that there are no short cuts either.

On the training scope for the programme, the Assistant Training Officer at Dexterous, Mr. Dumam Abila, said there are two broad categories, namely, professional and vocational. Under the professional category are Procurement and Supply Chain Management, Project Management, Safety Courses, Software Operations, Quality Management Systems, and Engineering.

Vocational courses include Welding and Fabrication, Building and Construction, Lifting and Rigging, Dry Plant Equipment, Maintenance and Operation, and Heavy Duty Equipment Operation.

The Institute's Chief Training Officer, Engr. O.C. Scott, told the participants that the programme is designed to bridge "the gap between academic training and industry practice," and encouraged them to approach trainers to discuss whatever challenges they experience at any point. In response to a question from a trainee, he said hands-on training for some of the courses would be held at operational sites in Port Harcourt and Warri, Delta State, and that accommodation would be provided when the programme takes them to Delta State.

Dexterous is an internationally accredited training provider and a leading member of the Oil and Gas Trainers Association of Nigeria (OGTAN). It is also a City and Guilds Qualification Certification Centre.

NNPC-SHELL JV AWARDS SCHOLARSHIP TO 35 TALENTED PUPILS IN NIGER DELTA

By Emeka Ugwuanyi

Thirty-five talented pupils from public primary schools of three states of the Niger Delta have become the latest beneficiaries of the NNPC-Shell Cradle-to-Career scholarship, for full six years of secondary school education fully funded by the NNPC/SPDC/TotalEnergies/NAOC joint venture.

According to a statement by the Media Relations Manager, Abimbola Essien-Nelson, the beneficiaries from Rivers, Delta and Bayelsa States, recently concluded a weeklong orientation programme with introductory courses in academics, character, and psychology to prepare them for a seamless integration into their new learning environment. They have been enrolled in three high-rated private schools – Brookstone Secondary School; Jephthah Comprehensive College and Bloombreed High School – all in Port Harcourt, Rivers State.

General Manager Corporate Relations, The Shell Petroleum Development Company of Nigeria Limited and operator of the joint venture, Mr. Igo Weli, described the beneficiaries as the "35 shining stars of the Niger Delta," having emerged through a competitive process including aptitude tests. Weli spoke at the induction closeout ceremony on Thursday.

The latest beneficiaries are the 14th since the launch of the scholarship in 2010 and they bring the total number of beneficiaries to 790."

Represented at the ceremony by the company's Manager, Social Performance and Social Investment, Emmanuel Anyim, he said "The Cradle-to-career programme is designed to bridge educational inequalities resulting from geographic and socio-economic differences as well as help enhance high literacy levels in the Niger Delta region and Nigeria in general. This endeavor contributes towards the actualisation of the UNESCO 'Education for All' goal. Our belief is that the scheme will also help develop a sound human resource base for Nigeria's development."

Speaking at the ceremony, Rivers State Commissioner for Education, Professor Kaniye Ebeku, commended the success of the programme and the rigorous process of identifying for the pupils from less-privileged background to help them acquire the best of education. "We also appreciate Shell for going out to help the states and the country with this programme."

OIL ASSETS DIVESTMENTS BY IOCS WILL BOOST PRODUCTION, EMPLOYMENT - WABOTE

The Nigerian oil and gas industry is poised for a boost in crude oil production, employment creation, and capital injection with the planned divestment of some assets by select international oil and gas companies and concomitant acquisition by Nigerian operating companies, the Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote said on Wednesday.

The Executive Secretary painted this picture while delivering the keynote address on Divestments in oil and gas: the challenges, the opportunities, and the implications to the industry in Nigeria at the 2023 Petroleum and Natural Gas Senior Staff Association (PENGASSAN) Energy and Labour Summit in Abuja.

Quoting the AfricaReport magazine, he stated that about 26 oil mining licences have been divested or acquired by oil and gas companies in the Niger Delta Basin area of Nigeria in the past decade. Some of the divestments currently on the cards include the plan by Shell and ExxonMobil to sell oil and gas assets worth billions of dollars, in addition to Eni's announcement in September of an agreement with Oando PLC for the sale of NAOC interests in six onshore blocks and Okpai gas power plant in, Delta State.

He emphasized that divestments of oil assets are not necessarily negative, rather they present an avenue for the local capacities and capabilities that have been developed through local content implementation to be brought to bear in the upstream sector.

Wabote outlined several opportunities that would accrue from divestments, such as the injection of new capital, the rejuvenation of divested assets, and an increase in crude oil production through the investment in technologies by the acquiring firms.

Other direct benefits are the creation of direct and indirect employment opportunities by the indigenous companies and their service providers.

He reiterated that the divestments confirm that Nigerians and indigenous companies have come of age and have acquired the technical, managerial, and financial capabilities to play in the "big league". He added that "the involvement of our financial institutions on the transactions represents means of efficient capital deployment and capacity building on loans syndication on an international scale. This is also applicable to legal services, insurance, government relations, employee relations, community liaison, and others."

Aside from the opportunities, the NCDMB boss equally highlighted challenges encountered in the divestment exercises. These revolved around the time required to get necessary regulatory approvals as well as the substantial interests from various groups covering political, legal, communities, and labour.

NIGERIAN CONTENT KEY TO MEETING RENEWED HOPE AGENDA - PETROLEUM MINISTER

The Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri, has identified the effective implementation of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 as one of the key levers for actualizing the Renewed Hope Agenda of President Bola Tinubu's administration.

Speaking during his tour of NCDMB facilities and projects in Bayelsa State on Tuesday, the Minister revealed that the key mandates of the NCDMB, which are the promotion of in-country value addition in the oil and gas industry, incentivizing local manufacturing in the oil industry, development of human and material capacities and job creation are major pathways for meeting the key aspirations of the current administration.

He hailed the Executive Secretary and the management of the Board for a sterling performance, highlighting the creation of the Nigerian Content Intervention Fund (NCI Fund) as one of the Board's most impactful initiatives. He noted that lack of access to affordable finance is one of the biggest challenges facing emerging players in the oil and gas sector, hinting that the NCI Fund which is administered by the Bank of Industry (BOI) will assist qualified oil and gas companies to access the capital they need to grow, build capacities, and create jobs.

Commenting after he toured the Nigerian Oil and Gas Park Scheme (NOGaPS) at Emeyal 1, in Ogbia Local Government Area of Bayelsa State, the Minister described the park project as a game changer in the nation's drive to catalyze in-country manufacturing in the oil and gas and linkage sectors and job creation. He promised that the Federal Government would support the NCDMB in every possible way to achieve its core mandates.

According to him, "Mr. President will do whatever he can to ensure that we achieve a lot more than had been achieved in the past from Nigerian Content. We are happy that Nigerian Content has made very strategic investments geared towards creating jobs. We need to redouble the achievements of the Board. We hope that NCDMB will help Nigerians to play a lot more prominent role in the oil and gas industry."

Referencing the ongoing plans by some international oil companies to divest from onshore and shallow waters and move to deep and ultra-offshore operations, Senator Lokpobiri pointed out that indigenous companies have been able to step in and fill the openings courtesy of the systematic empowerment by the Board over the years. "Nigerian companies are doing very well today, courtesy of the capacity-building strategies that were institutionalized by the NCDMB in the past years," he asserted.

Lokpobiri further extolled the Board for constructing and maintaining the iconic 17-storey Nigerian Content Tower and the 1000-capacity NCDMB Conference Hall. He indicated that the aesthetics and ambiance of the facilities surpassed most locations across the world and called for the sustenance of the culture. He said: "I commend the Board for the maintenance culture it has on its facilities. I want to see the edifice having the same look down the line. The challenge of infrastructural development is the maintenance. I will give all the support I can, so we have the edifice maintained for the benefit of all Nigerians."

The Executive Secretary, NCDMB, Engr. Simbi Kesiye Wabote, gave the Minister a brief history of the Board, successive stages undergone, the strengths and accomplishments of the Board to date. On the NoGaPS project, the Executive Secretary mentioned that the Emeyal- 1 park would be commissioned in the first quarter of 2024. He attributed the slight delay in the execution schedule to the devastating flooding that hit several states in the second and third quarters of 2022.

Giving further updates on the project, Wabote announced that several manufacturing firms and other vendors had expressed interest in operating at the parks. He said the Board is currently screening the applicants to select serious firms for the Bayelsa and Cross River parks.

As part of the facility tour, the Minister and his entourage inspected the NCDMB Fire Station, Creche, the three-star NCDMB Conference Hotel under construction, the Nigeria Oil and Gas Park Scheme (NOGaPS) facility at Emeyal-1, the NCDMB gas power plant at Elebele, and the NCDMB Gas Hub at Polaku.

NIGERIAN OIL INDUSTRY ON STEADY GROWTH TREND, SAYS WABOTE

The Nigerian oil and gas industry is growing steadily across several fronts despite reduced investments due to the global quest for cleaner energy and divestments of some onshore and shallow assets by a few international oil companies, the Executive Secretary Nigerian Content Development and Monitoring Board, Engr. Simbi Kesiye Wabote has said.

He gave the assessment on Monday while delivering the keynote address at the 3rd Biennial International Conference on Hydrocarbon Science and Technology, organised by the Petroleum Training Institute (PTI) in Abuja, with the theme "The Future of the Oil and Gas Industry: Opportunities, Challenges, and Development."

He identified the industry's positive trends to include the growth of oil reserves, gas production, gas utilisation, local refining, and skills acquisition, noting that they "portend great opportunities for the future of the oil and gas industry in Nigeria."

He suggested that the manifestation of these trends and projections could lead to Nigeria achieving zero crude oil export and becoming a gas-powered economy, which translates to the socio-economic development of the nation.

According to him, achieving zero crude oil export would mean that Nigeria fully refines all the oil produced from our fields and exports excess refined products, noting that the impact on in-country value addition will be massive on our GDP.

He expressed optimism that Nigeria would meet the target in view of the various refining investments such as the 650,000 barrels per day Dangote refinery, the Bua group refinery project, Waltersmith modular refinery, Duport Midstream refinery, OPAC Refinery, Edo Refinery, Aradel Holdings refinery as well as the existing 445,000 barrels per day capacity from the Kaduna, Warri, and Port Harcourt refineries.

The realization of these projects would culminate in Nigeria achieving a combined refining capacity of approximately 1.5 million barrels per day by 2025, he added.

Dwelling on the growth trends in gas, the Executive Secretary stated that Nigeria's proven gas reserves stand at 208.83 TCF, although the nation's gas production had dropped from an average of 4.8 billion standard cubic feet per day in 2020 to 4.3bscf/day in 2022.

He stated that the renewed focus on gas production and utilization of gas within the declared Decade of Gas program, coupled with the various upstream and midstream gas development projects would turn the tide and lead to a 50% increase in the volume of gas that will be produced and utilized in-country. Some of the projects on the cards include H-block gas development projects, NLNG Train 7 project, UTM Offshore Limited's Floating LNG project, and other mini-LNG and CNG projects.

This envisioned outcome, he said, would lead to the nationwide adoption of gas for power generation, domestic cooking, Autogas, and utilization in methanol, fertilizer production, and other industrial applications, with Nigeria harnessing the vast potential of its natural gas reserves.

Delivering his remarks at the event, the Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri challenged participants at the conference to develop homegrown solutions to the challenges facing the Nigerian oil and gas industry, some of which are pipeline vandalism and low productivity. He mandated all the agencies in the Ministry of Petroleum Resources to collaborate closely to invent relevant technological solutions needed to address challenges in the industry. He reiterated that all efforts must be directed towards increasing Nigeria's crude oil production and enhancing revenue from crude oil sales.

Also making a presentation, the Secretary General of the African Petroleum Producers Organisation (APPO), Dr. Farouq Ibraham recognised that the energy landscape was evolving and emphasized the dual imperatives of sustainability and innovation. He articulated the pivotal role that the oil and gas industry must play in shaping a responsible, low-carbon energy future while navigating a dynamic world of opportunities and challenges.

The APPO scribe further underscored the significance of collaborative research and development among African oil-producing nations, with the goal of driving transformative solutions and ensuring safe, efficient, and environmentally conscientious hydrocarbon operations.

AFRICAN OIL PRODUCERS MEET IN ABUJA, CHART FUTURE FOR THE INDUSTRY

Amidst the threat of energy transition and dwindling funding of the hydrocarbon industry, 18 member countries of the African Petroleum Producers Organization (APPO) are attending the third edition of the Africa Local Content Roundtable to chart a pathway for the sustainable development of local content and the oil and gas industry in the continent.

The two-day event is hosted by the Nigerian Content Development and Monitoring Board (NCDMB) in Abuja on Wednesday and the theme is "Enhancing Local Content Development and Deployment in African Oil and Gas Industry".

In his keynote address at the event, the Executive Secretary, NCDMB, Engr. Simbi Kesiye Wabote, charged the delegates to come up with strategies that would enhance research and development within the continent and leverage additional funding sources to overcome the challenges bedeviling the oil and gas industry in the continent.

He harped on the need to take advantage of existing opportunities such as the Africa Continental Free Trade Agreement (AfCFTA) which has created a 1.3 billion people market and challenged the participants to come up with suggestions on how to optimally leverage cross-border partnerships towards developing and implementing local content as well as overcoming the funding challenge for member countries.

He noted that the APPO Roundtable had assembled key players, stakeholders, and experts in the African oil and gas sector to address pertinent issues and explore solutions that drive the growth and development of the industry, adding that they should equally use the forum to discuss how best to leverage the continent's vast natural resources for the benefit of her people.

While noting that the development of Regulatory Framework, Human Capacity Development, Research & Development; Manufacturing, Funding, and cross-border partnerships are pressing needs for immediate action, he encouraged participants to lead the way into a new era of local content development and implementation within the African oil and gas industry.

The NCDMB boss further remarked that "since its maiden edition in Yenagoa, Bayelsa State, Nigeria, the African Local Content Roundtable has continued to play an important role in advancing local content development across Africa by raising awareness of its importance, formulating supportive policies, and ultimately strengthening the capabilities of local players across the oil and gas value chain.

In his address, the Secretary General of APPO, HE Omar Farouk Ibrahim pressed that African oil producers must be allowed to use their hydrocarbon resources to get out of poverty. He underscored that energy is the biggest catalyst for the transformation of Africa and hydrocarbon resources must not be abandoned if Africa would achieve energy security.

Farouk identified funding, technological expertise, and access to the market as major challenges that APPO is developing strategies to overcome to make the continent self-reliant. "Essentially, Africa did not explore and produce oil and gas for Africans but for other regions that is why despite the incomes that our countries have made from the resources, we are still dependent on foreign investments to do oil and gas business in Africa." He highlighted APPO's commitment to changing the situation, adding that Africa must be allowed to use the readily available sources of energy to change the narrative and get to the level of the developed countries. "We must be allowed to use it and lift the living conditions of our people and get them out of poverty," he insisted.

He alerted that the individual efforts of African nations might not suffice, but collective action as a Continent, as exemplified by the roundtable, holds the key to success.

Delivering the ministerial address, the Minister of State for Petroleum Resources (Oil), Sen. Heineken Lokpobiri observed that APPO's collective duty revolves around the responsible management of the oil and gas sector, hinting that collaboration would engender sustainability.

Lokpobiri added that "the primary goal of this engagement is to enhance understanding of how to improve our future and the collaboration expected to yield significant economic benefits for our Continent. The overarching objective is to achieve tangible growth and ensure energy security within our oil and gas industry." The Minister requested that the insights and recommendations from the event be collated, to guide participating nations toward enhancing local content and driving socio-economic development. The yearly series of the roundtable was conceived and first hosted by the NCDMB at the Nigerian Content Tower in Yenagoa, Bayelsa State in June 2021 and was subsequently institutionalised as an APPO project following the huge success of the inaugural edition.

NIGERIA AT 63 - CHEVRON NIGERIA'S PARTNERSHIP WITH NIGERIA FOR SOCIO-ECONOMIC DEVELOPMENT

As Nigeria celebrates her 63rd independence anniversary, Chevron companies in Nigeria are proud of our partnership and contribution to the social and economic development of the country. In its six decades of operation in Nigeria, Chevron Nigeria has continued to make significant investments in the country that have helped generate socio-economic development in several communities across Nigeria.

The Chairman and Managing Director, Chevron Nigeria and Mid-Africa Business unit, Rick Kennedy explains the business perspective of Chevron Nigeria thus: "At Chevron Nigeria, we strive to build lasting relationships to help enable human progress now and into the future. Chevron has a long commitment to Nigeria. We have been making significant investments in Nigeria for over 60 years, contributing to the growth and development of the country."

According to Rick, "Chevron Nigeria has been successful in leading and investing in some major initiatives in the Nigerian oil and gas industry. These include the development of the Deep Water Agbami project which has produced over 1 billion barrels of oil, the development of the Escravos Gas Processing (EGP) facility to enable the reduction of flares and be the largest supplier of on-spec domestic gas in Nigeria, and the development of the Escravos Gas-to-Liquids (EGTL) facility to reduce gas flaring and produce high quality diesel. Also, in partnership with the Economic Community of West African State (ECOWAS), Chevron Nigeria led the development of the ~700km West African Gas Pipeline (WAGP) project through which Nigeria supplies gas to Benin, Togo, and Ghana, helping to boost economic development in the region."

Chevron Nigeria has had a long history of commitment to Nigerian Content development. Chevron companies in Nigeria had developed and imbibed the Local/Nigerian Content development philosophy well before the enactment of the Nigeran Oil and Gas Industry Content Development Act ("NOGICD Act") in April 2010. Chevron has helped in building the capacities of several Nigerian businesses by providing training, contracts, and procurement opportunities to Nigerians on all projects in our operations. For the last 10 years, one of the Chevron Nigeria companies, Chevron Nigeria Limited ("CNL")has spent an estimated annual average of $1 billion on Nigerian suppliers and service providers. CNL's Chairman/Managing emphasizes that "Chevron does all this, not because it is compelled to, but because it is the right thing to do."

Esimaje Brikinn, Chevron Nigeria's General Manager, Policy, Government and Public Affairs, highlighted Chevron Nigeria's focus on helping to engender the development of communities in the Niger Delta through the erstwhile Global Memorandum of Understanding (GMoU), a community-driven, participatory partnership model for community engagement pioneered by Chevron Nigeria in 2005. "Through the GMoU, we provided funds to execute hundreds of projects in the communities where we operate in the Niger Delta region. This has led to social investment projects benefitting over 600 communities in the Niger Delta area. We will be leveraging our experience with the GMoU in the implementation of the Host Community Development Trust (HCDT) provisions of the Petroleum Industry Act (PIA)", he stated. "In 2010, Chevron established the Partnership Initiatives in the Niger Delta (PIND), a non-profit organization working with partners to complement the GMoU, build peace and address the macro socio-economic issues in the Niger Delta region. Chevron has invested over $100 million in PIND and leveraged a corresponding amount from investors and partners. PIND's programmes have continued to create socio-economic impact in the Niger Delta region through the twin pillars of economic development and peace building, leading to increased productivity and incomes, jobs, and reduced conflict," Esimaje said.

Chevron Nigeria's social investment footprint extends beyond its areas of operation. Among other health initiatives, Chevron Nigeria built and donated a DNA Molecular laboratory to the University of Lagos Teaching Hospital, and the facility is very significant to medical research in Nigeria. In the heat of the coronavirus ("COVID-19") pandemic, Chevron Nigeria donated a Polymerase Chain Reaction (PCR) laboratory to Warri Central Hospital to support the Delta State government in the fight against the COVID-19 pandemic, in addition to other industry-collaborations. Chevron Nigeria has also implemented health initiatives such as the Roll Back

Malaria programmes, Prevention of Mother to-Child transmission of HIV/AIDS and awareness programmes on River blindness, etc.

In its Deep offshore operations, Chevron Nigeria has continued to implement projects and programmes in the areas of health, education, and economic development across Nigeria. For instance, Star Deepwater Petroleum Company Limited (a Chevron company) and its parties in the Agbami field - Famfa Oil Limited, Nigerian National Petroleum Corporation (NNPC), Equinor Nigeria Energy Company Limited, and Prime 127 Nigeria Limited - have been investing in fighting Tuberculosis (TB) with the construction and equipment of chest clinics in Nigeria to support the treatment and care of tuberculosis patients in Nigeria. Currently 28 such chest clinics fully equipped with standard X-Ray machines, male and female wards, treatment rooms, laboratories and Gene Xpert Machines have been completed across the country to support Nigerian health system. The Agbami parties have also donated nine (9) mother-and-child health care centers and one medical diagnostics laboratory in some States in Nigeria. Some of the donated chest clinics and mother and childcare centers became useful for COVID-19 response in some states during the heat of the pandemic.

Chevron Nigeria continues to support development of education in the Niger Delta region and across the country through development of education infrastructure, capacity building and scholarships. The scholarships include: the Nigerian National Petroleum Company Limited/Chevron Nigeria Limited Joint Venture's national university scholarship and the community scholarship program which caters for students in both secondary and tertiary institutions from communities in Chevron Nigeria's areas of operations. Additionally, Chevron Nigeria awards scholarships to visually impaired students to enhance their access to quality education. Over 23,000 people have benefitted from the company's scholarship programs which include scholarship for community postgraduates' scholars in Nigeria and foreign universities.

Since inception of the Agbami Medical and Engineering Professional Scholarship programme in 2009, over 16,500 students from all the states of Nigeria have benefitted from the scholarship, out of which 715 students have graduated with first class degrees. Chevron Nigeria and its Deepwater parties have continued to invest in education infrastructure. The parties have executed 39 Science laboratory complexes and 25 conventional and hybrid libraries across the country. Also, Chevron and its partners take a wide-ranging activity to encourage students to develop interest in key subjects of Science, Technology, Engineering, and Mathematics (STEM) and, ultimately pursue STEM courses and career.

Chevron Corporation has also sponsored certain global health and environmental-related initiatives that have an impact in Nigeria. These efforts include the contribution to Global Fund against HIV/AIDS, malaria, and TB which has benefitted Nigeria in the areas of providing access to lifesaving antiretroviral therapy for people living with HIV, provision of long-lasting insecticide-treated mosquito nets and detection of tuberculosis cases. Also, as part of its efforts in environmental conservation, Chevron Nigeria with the support of Chevron Corporation, built and donated the Lekki Conservation Centre (LCC) to the Nigerian Conservation Foundation (NCF) in 1992. The 78-hectare facility has become a center of excellence in environmental research and education, reserved as a sanctuary for the rich flora and fauna of the Lekki Peninsula, Lagos. CNL also sponsors the Junior Tennis tournament, the National Arts competition, and other activities by various organizations.

Chevron Nigeria is optimistic about the future of the oil and gas business in Nigeria. As the Chairman/Managing Director emphasized: "Chevron takes a long-term view of Nigeria. The company has been making significant investments in the country for 60 years and it believes that with the right policies, laws and regulations, the enormous potential of Nigeria's oil and gas sector can yield even greater benefits for all."

NLNG ADVOCATES FOR URGENT ACTION TO SECURE GAINS FROM GAS

Nigeria must be deliberate in its desire to take opportunities offered by the energy transition, the recognition of gas as a transition fuel and the quest for clean energy to increase its gas investment and harvest the gains from gas, the Managing Director and Chief Executive Officer of Nigeria LNG Limited (NLNG), Dr. Philip Mshelbila, has said.

According to a statement by the Acting Manager, Corporate Communications and Public Affairs, Yemi Adeyemi, Mshelbila said this during the visit of the Minister of State for Petroleum Resources (Gas), Rt. Hon. Ekperikpe Ekpo, to the NLNG plant on Bonny Island, Rivers State.

The Minister was received by Dr. Mshelbila; Nnamdi Anowi, General Manager, Production; Andy Odeh, General Manager, External Relations and Sustainable Development and other management staff.

Briefing the Minister on NLNG's operations and business, Dr. Mshelbila stressed the need to overcome the challenges within Nigeria's energy sector. He stated that failure to address the root causes of these issues would perpetuate the country's struggle with energy poverty and result in a significant loss of revenue from the monetisation of valuable resources.. He stated further that a pivotal starting point for remedying these industry challenges lies in a concentrated effort on the gas sector.

"As we embark on the journey to complete Train 7, we are on the precipice of achieving a remarkable milestone - a capacity of 30 Million Tonnes Per Annum (MTPA). This accomplishment will not only position us as one of the largest single-site operations globally but potentially among the top three worldwide in terms of such capacity at a single site. It is an achievement that elevates Nigeria's standing, placing us among the top six nations in this crucial industry.

"However, the world is evolving at an unprecedented pace, and recent events, such as the Russian/Ukraine conflict, have ushered in a wave of new developments in the LNG sector. This surge in activity underscores the robust demand for liquefied natural gas, a demand recognized by nations worldwide as integral to the global energy transition. Considering these dynamic changes, our position in the rankings is likely to shift rapidly, as other countries make substantial investments in LNG production. This is why we believe it is important for us to conclude Train 7 and begin to look beyond that for further expansion.

"Today, the biggest challenge we have, one that poses a threat not only to our existing operations but also to our expansion plans, is feed gas supply. Trains 1 to 6 currently operate at roughly half their potential capacity, a situation that has persisted for some time. The main issue behind the challenge is crude oil theft which affects associated gas supply. The plant is half-full, not because we don't have the capacity but because the feed gas is not there. We have aspiration for Train 8 but we cannot progress that work because we have no line of sight as to where that gas will come from. We believe that the gas can only come from deep water gas but the terms for that must be addressed. At present, the Production Sharing Contracts (PSCs) that govern deep-water exploration do not offer commercially viable terms for producers.

"Our commitment to harnessing the immense potential of natural gas will not only restore Nigeria's reputation as a major energy powerhouse but also propel us towards a cleaner, greener future. With innovation, collaboration by a wide array of stakeholders, including the government, and unwavering determination, we can shape the energy landscape of tomorrow, driving economic prosperity, creating jobs, and mitigating environmental challenges through gas," he said.," he said.

Responding to the briefing, Rt. Hon. Ekpo, said the Federal Government will continue to encourage engagements amongst stakeholders to resolve gas supply and security issues and restore plans to compete with peers in the world. He stated that NLNG stand as a leading light to the Nigeria's quest to become an energy-efficient country where clean energy, including gas, utilised.

He stated further that all hands must be on deck to stop the loss of revenue in the sector and missed opportunities, adding that the Federal Government is engaging with investors to tap into the huge gas reserves in Nigeria.

"The development of gas is something we should pursue vigorously. The present administration will do everything possible to address the issues. I am glad that the stakeholders in the sector, like NLNG, are not laid back. They are constantly seeking ways out of this issue. NLNG needs all the necessary encouragement to expand. It is for the good of this country. We must be quick to make these gains in development for the benefit of our future generations," he stated.

During the visit, the Minister took a tour of the Central Control Room (CCR), the plant complex and the Train 7 construction site.

NLNG is owned by four Shareholders, namely, the Nigerian National Petroleum Company Limited (49%), Shell Gas B.V. (25.6%), TotalEnergies Gaz & Electricite Holdings (15%), and Eni International N.A. N. V. S.àr.l (10.4%).

OANDO PARTNERS GOVERNMENT FOR SUSTAINABLE TRANSPORT INITIATIVE IN NIGERIA'S MOST POPULOUS CITY

With over 20 million residents, Lagos is the most populous city in Africa and among the fastest-growing megacities in the world. Over the last decade, the number of vehicles on Lagos roads has quadrupled. On average, most of these vehicles are over 15 years old, using old emission technologies and fuel with high sulfur levels.

The upward trajectory in vehicle numbers poses a significant challenge as transportation has been identified as a key contributing sector globally to annual CO2 emissions, accounting for close to a third of emissions. This figure is significantly higher in Nigeria where transportation contributes approximately 60% in carbon emissions. The World Bank estimates that at least 30,000 people die annually in Lagos due to pollution.

Oando recognizes that one of the fastest routes to net zero will be to take transportation and associated pollution out of the equation. Against this backdrop and in support of accelerating Nigeria's race to achieve net zero by 2060 is the 'cleaning up' of the country's transport system through the deployment of sustainable transport solutions. Oando Clean Energy's (OCEL) agenda is to invest in climate-friendly and bankable energy solutions across the African continent, starting in its home country Nigeria.

Currently, Lagos State's mass transit system has over 1,000 internal combustion engine buses releasing an estimated 44,000kg of CO2 daily.

OCEL's strategic approach is to stimulate Electric Vehicle (EV) adoption in Nigeria and build the next downstream sector for mobility; one that will dispense electricity instead of petrol or diesel via transitioning the country's current combustion engine mass transport vehicles to EVs.

To this end OCEL signed a Memorandum of Understanding (MoU) with the Lagos Metropolitan Area Transport Authority (LAMATA), the Lagos State Government Agency tasked with planning, implementing, regulating, and franchising sustainable integrated public transport in Lagos.

The MoU establishes a partnership between OCEL and Lagos State in her journey to becoming a sustainable city via the rollout of electric mass transit buses, supporting charging infrastructure and service centers (EV Infrastructure Ecosystem).

This landmark initiative and a first for Lagos State demonstrates Oando's dedication to the Ten Principles of the United Nations Global Compact, which the company has participated in since 2009. It also reflects their commitment to the Sustainable Development Goals (SDGs), particularly SDG 7 - Affordable and Clean Energy, SDG 11 - Sustainable Cities and Communities, and Goal 13 - Climate Action.

President of OCEL, Dr. Ainojie 'Alex' Irune acknowledges that the initiative is in recognition of the urgent need for electric vehicles to address transportation's circa 60% contribution to Nigeria's GHG emissions.

"This is an opportunity for us to revolutionize mobility in our country as well as build local capacity for the renewable and clean energy ecosystem. Whilst today these buses have come from across the world, in the very near future they will be produced here in Nigeria. In the very near future, we will have a multitude of locally trained engineers who are capable of operating, maintaining, and servicing these buses and other renewable energy assets. We see these buses as a first step.

This PoC facilitates the collection of the first sets of data points to support the development and deployment of EV for municipal and public transport on the continent. Our ambition together with Lagos State, is to set our sights on the future and chart a path for others to follow" he noted.

The Sustainable Transport Initiative will see OCEL introducing electric buses to LAMA-

TA's current fleet of buses. The initiative aims to support the transformation of the State's public transport system through the development and deployment of a pathway to a carbon free mobility ecosystem within the State.

Speaking on the launch of the PoC phase the Honorable Commissioner for Transportation, Dr. Frederic Oladeinde, noted;

"Climate change refers to a long-term shift in temperature and weather patterns and it's something we have been experiencing in Lagos and Nigeria recently. Such shifts can be due to natural causes such as changes in the activities of the sun or large volcanic eruptions, or they can be caused by human activities. Today, there is abundant evidence that shows that human activities have been the main drivers of climate change primarily due to the burning of fossil fuels like coal, oil and gas".

"This situation has given rise to affirmative actions by world leaders and environmentalists to act fast to save our world. Lagos is the only state in Nigeria that has prepared and initiated the execution of a climate action plan. The plan outlines 26 efforts covering adaptation and mitigation actions to build a sustainable low carbon economy in the pursuit of achieving net zero emissions by 2050, 10 years ahead of the Federal Government's target of 2060" he said.

"The UNGC has provided Oando with an amazing platform, supported by invaluable resources and a network of like-minded private sector companies and peers to which we can align and benchmark our sustainability vision and practices. We are particularly grateful for the opportunity to show sustainability leadership through our involvement in the UNGC local network and global action platforms and collective action initiatives." noted Ayotola Jagun, Chief Compliance Officer & Company Secretary, Oando PLC

The roll-out of the electric buses kicked off with a three-month Proof-Of-Concept (PoC) phase in May 2023 and is geared at assessing the viability of electric buses for mass transportation in Lagos State. This will be followed by a Pilot phase with an expanded fleet and bus routes, and the eventual countrywide deployment of 12,000 buses creating employment for over 30,000 Nigerians.

By day 50 of the PoC phase, the electric mass transit buses had transported 41,678

passengers, travelled a total of 22,129km, and mitigated over 29 tonnes (29,875kg) in CO2 emissions. Also, OCEL has trained 44 drivers and technicians (both male and female) during this phase.

The launch of electric mass transit buses in partnership with the Lagos State Government sets a precedent for other States and industry stakeholders and signifies a milestone in the pursuit of sustainable urban mobility. E-mobility has the potential to reduce greenhouse gas emissions, improve air quality, and contribute to the mitigation of climate change.

The Honorable Commissioner for Energy & Mineral Resources, Engr. Olalere Odusote, noted the positive impact the project will have on the health of the citizens and productivity of the city.

"Lagos sits on less than 0.4% of Nigeria's landmass but plays host to 12% of Nigerians; that should tell you that this is indeed a crowded city, it is also the smallest state in Nigeria, yet the most populous. Research shows that a large majority of the presentations to hospitals across the State are for respiratory illnesses, meaning they are breathing significant amounts of polluted air with direct and indirect losses to the State because of missed worked days, lost earnings, hospital bills to name a few. This is yet another step we're taking as a government to ensure we clean up the environment, and in addition to the other positive steps being taken in the electricity sector" he said.

The Managing Director LAMATA Engr. Abimbola Akinoja also noted "This initiative is a major aspect of our vision for transportation in Lagos State, we are desirous of having a clean and efficient transportation system. I am elated that in just over a year that Oando Clean Energy came to us to discuss the possibility of working with us in the deployment of electric buses we have signed an MoU with a key deliverable being the implementation of a PoC that would allow us finally include electric buses in our ecosystem".

Oando's Sustainable Transport Initiative, which aims to reduce greenhouse gas emissions, enhance energy efficiency, and promote cleaner and more sustainable transportation, will contribute to global climate goals and Nigeria's sustainable development. It is anticipated that the success of the initiative in Lagos State will lead to its replication in other States across the country and serve as a blueprint for sustainable urban mobility across Africa.

"We are delighted to recognize Oando PLC for their efforts and exemplary leadership in driving clean and efficient transportation solutions" says Executive Director of the UN Global Compact Network Nigeria, Naomi Nwokolo.

OB3 GAS PIPELINE PROJECT: EKPO TASKS CONTRACTORS ON DECEMBER DEADLINE

Minister of State Petroleum Resources (Gas), Mr. Ekperikpe Ekpo, has urged contractors handling the Obrikom, Obiafo and Oben (OB3) gas pipeline project to ensure its completion by December this year.

He stated this during a tour of the 48 × 1.8km gas pipeline project designed to run across the River Niger conveying gas from the South-South and South-East to the South West and the Ajaokuta, Kano and Kaduna (AKK) project, among others.

In a statement by the Special Adviser on Media and Communications, Louis Ibah, Ekpo was accompanied on the tour by the Minister of State Petroleum Resources (Oil), Senator Heineken Lokpobiri, Group CEO of the NNPCL, Mr. Mele Kyari, and other top officials of the Ministry of Petroleum Resources, NNPCL and regulatory agencies.

The minister told officials of Enikkom and HDD Thailand, who are the joint venture contractors handling the project that meeting the December 2023 deadline would greatly assist the Federal Government's aspiration of making gas available to all nooks and crannies of the country as well as addressing some of the challenges associated with the removal of fuel subsidy.

He said: "Nigerians are waiting for this project. Mr. President (His Excellency Bola Tinubu) is passionate about gasifying Nigeria, and this is also my mission as a minister. The withdrawal of fuel subsidy has been causing problems in the country, but if we get this project right the pressure will come down." When that is done it will go a long way in easing doing business in Nigeria and forex will come into the country. So I implore you all to be intentional, committed and passionate about this project completion deadline."

Lokpobiri commended the contractors and those involved in the project. He described the project as a game changer saying its inauguration will boost the quest to provide enough gas for domestic use.

Kyari who spoke earlier had assured that the project would be completed by the end of the year as most of the initial challenges had been identified and surmounted by the contractors.

EKPO WOOS INVESTORS INTO GAS SECTOR AT ADIPEC 2023 WITH PROMISE OF FAVOURABLE FISCAL, OPERATION ENVIRONMENT

Minister of State Petroleum Resources (Gas), Mr. Ekperikpe Ekpo, has reiterated the commitment of the Federal Government in creating an enabling operational and fiscal environment to support investments in the upstream, midstream and downstream gas sectors.

According to a statement by the spokesperson for the Minister of State Petroleum Resources (Gas), Louis Ibah, Ekpo stated this while on a panel tagged "Energy Talk" at the ongoing ADIPEC 2023 conference and exhibition in Abu Dhabi, United Arab Emirates (UAE).

He said the administration of President Bola Ahmed Tinubu is poised to promote business around Nigeria's abundant natural gas resources.

"This is evident in the actions of Mr. President when he split the Ministry of Petroleum Resources into Oil & Gas respectively. This singular action is a testament to President Tinubu's resolve to promote gas commercialization in Nigeria for export and domestic utilization," Ekpo said.

The minister, who is the head of the Nigerian delegation to the event, listed several initiatives relating to government's action to promote and support gas based industrialisation and decarbonisation agenda with the corporation and support of the organized private sector.

Top amongst these initiatives are: Decade of Gas (Upstream, Midstream and Downstream); getting cooking gas to every home and CNG for vehicles; gas flare commercialisation programme and gas to petrochemicals.

"Our ministry is working with the organized private sector to roll out over two million CNG conversions kits for free within the next nine months to push the utilization of CNG as main fuel for vehicles nationwide. This initiative is aimed at converting 10 million vehicles from PMS to CNG in the next 36 months," he said.

Ekpo said key benefits of the initiative include, creating over 100000 jobs for Nigerians, increasing government's savings from reduced subsidy payout for the importation of PMS, reducing carbon emission following the utilization of clean gas to drive internal combustion engines.

The minister informed the audience about specific policy changes targeted at gas pricing regime, non-associated gas (NAG) acreage development, and review of the terms of the production sharing contracts (PSC).

NCDMB COMMENDS ABIA STATE GOVERNOR ON INDUSTRIAL PARK, HIGHLIGHTS CRITICAL REQUIREMENTS FOR LOW-COST MANUFACTURING

The Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Simbi Kesiye Wabote, has commended Abia State Governor Dr. Alex Otti for the decision of his Administration to establish the Abia Industrial Innovation Park (AIIP), Owaza, in Ukwa West Local Government Area of the State.

In a Goodwill Message at the groundbreaking ceremony on Saturday, Engr. Wabote said the Park would spur industrial production and "position Abia State as a competitive player in the global market as it will attract national and international investors which will then contribute significantly to the State and nation's economy."

According to him, "A virile manufacturing sector will not only create much-needed employment opportunities, but it will also have a multiplier effect on the economy especially if the right policies and mechanisms are put in place to stimulate both forward and backward integration for the products and materials that will be manufactured." Such policies and mechanisms should be geared toward reduced production costs.

Citing the local content philosophy of the Federal Government and its emphasis on domestication and domiciliation of high value-adding activities, which have necessitated the establishment of the Nigerian Oil and Gas Park Scheme (NOGaPS), the NCDMB boss said, "Based on the realization that high production cost is a major challenge for local manufacturers, we adopted a shared-services strategy where we provide infrastructure such as power supply and utilities such as road network, water, waste treatment, and so on for businesses that will be located on the site."

Such a strategy, he noted, would "enable manufacturers to focus on their core business of manufacturing rather than adding the role of power generation, road construction, etc." to their operations. While assuring the Abia State Government of the preparedness of the NCDMB "to share our experience with you to ensure this Park becomes a success story," he disclosed that the pilot phases of NOGaPS at Emeyal 1 in Bayelsa State and at Odukpani in Cross River State are "at the final stages of completion, and both will come on stream soon."

Engr. Wabote implored the people of Abia State to give their full cooperation to the State Governor to make the project a success.

In his own address, Governor Alex Oti said, "Our vision is clear and our goal direct: we want to responsibly harness the abundant oil and gas reserves within Ukwa for the economic development of the communities within the State and the regions connected to this project location." He assured the people of the determination of his Administration to actualise that vision, while soliciting their support.

FED GOVT LOSES N847BN TO GAS FLARING – NOSDRA

The Federal Government lost about N843bn to gas flaring between January 2022 and August 2023, data obtained from the National Oil Spill Detection and Response Agency has shown.

NOSDRA, in its latest gas flare report, disclosed that oil and gas companies operating in the country, between January and August 2022, flared 147.1 billion SCF of gas, valued at $514.9m, about N390bn (using Central Bank of Nigeria's current exchange rate of N757.5 to a dollar).

Again, the firms, between January and August 2023, flared 171.1 billion standard cubic feet of gas valued at about $599m (N453bn).

This gives a total of about N847bn lost between January and August last year and the same period this year.

According to the report, the volume of gas flared in the eight-month period this year was 16.28 per cent higher compared with the same period in 2022.

It added that the gas flared in the first eight months of this year had the potential of generating 17,100 gigawatts/hour of electricity; while it emitted 9.1 million tons of carbon dioxide into the atmosphere.

In addition, it noted that the offending companies were liable for penalties of $342m, about N251bn, adding, however, that a large chunk of the penalties was never collected by the Federal Government.

In comparison, the oil spill remediation agency stated that between January and August 2022, the oil firms were liable for penalties of about $294m (N223bn) and that the gas lost had a power generation potential of 14,700 GWh of electricity, while it was equivalent to carbon dioxide emissions of 7,800 tonnes.

Some of the offending companies, according to NOSDRA include Shell Petroleum, Development Company, Nigerian Petroleum Development Company, Chevron Nigeria, Mobil Oil, Elf Petroleum Nigeria, Nigeria Agip Oil Company, Addax Petroleum, Texaco Overseas (Nigeria), Cromwell and South Atlantic Petroleum, among others.

These companies flared gas from Oil Mining Leases 04, 05, 11, 13, 14, 17, 18, 22, 28, 23, 24, 38, 40, 42, 43, 72, 49, 54, 90, 95, 67, 70, 104, 59, 99, 100, 101, 102 and Oil Prospecting Licenses 222, 316 and 306, among others.

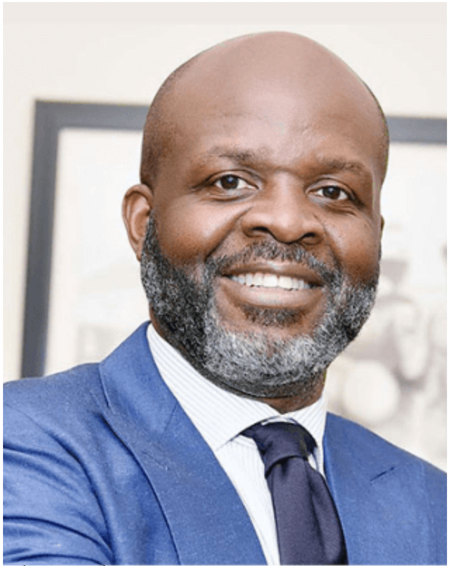
The report comes on the heels of FG's pledge to the United Nations in 2020, to attain zero gas flare by 2060, ten years after the UN's 2050 target.

OVER 40% OF OUR EXECUTIVE LEADERSHIP TEAM ARE WOMEN, SAYS HEOSL'S CEO

These are indeed the best of times for women Petrotechs and allied professions Ado Oseragbaje, the Chief Executive Officer of Heritage Energy Operational Services Limited (HEOSL), has revealed that women constitute over 40 per cent of his top leadership team. This is a laudable achievement in an industry which vaunts itself on its "manliness."

The CEO, who was represented by Sola Adebawo, General Manager, Government, Joint Venture and External Relations made the revelation at a panel session during the 2023 annual strategic international conference of the Association of Energy Correspondents of Nigeria (NAEC) at the grand ballroom, Eko Hotel & Suites, Victoria Island Lagos on Thursday, October 5, 2023.

Sola, further expatiated by saying the company is an inclusive organisation. "We are a non-discriminatory Company that provides career opportunities and an inclusive environment for competent and committed individuals of both sexes to be and give their best," he said. He added that HEOSL is the operator of OML 30 Joint Venture between the NNPC Exploration and Production Limited (NEPL) and Shoreline Natural Resources Limited (SNRL), a prolific asset with huge potentials for contributing to the nation's daily oil and gas output.



Ado Oseragbaje

In response to the topic of discourse which was; Nigeria's Energy Transition: Enhancing Investment Opportunities & addressing challenges in Energy Sector, Sola pledged his Company's commitment to support Nigerian Government's efforts to improve investments in the gas value chain. According to him; "In keeping with the global energy transition and the need for cleaner sources of energy, HEOSL views gas as an important immediate transition fuel to lower the Nation's carbon emission footprint in line with our climate change commitment, and is working with OML 30 JV partners to sanction a gas monetization project."

The well attended one-day Conference exhaustively discussed how best to overcome the headwinds confronting investors in Nigeria's Energy Transition and necessary steps to motivation foreign Direct investment into the Oil and gas industry.

Also speaking were experienced industry value chain stakeholders from regulators to operators as well as off takers. Notable among them were: Austin Avuru, Executive Chairman, AA Holdings; Akachi Nwokedi, President, Nigerian Gas Association; Prof Omowumi O. Iledare, Professor of Petroleum Economics and Policy Research and the Director of Energy Information Division of the Centre for Energy Studies; Mrs. Audrey Ezeigbo, MD/CEO Falcon Group; Abel Nsa, Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and others.

It would be observed that Heritage Energy Operational Services Limited (HEOSL) is an affiliate of Heritage Oil Limited, an equity owner in Shoreline Natural Resources Limited's OML 30.

NNPC LTD DENIES AWARDING PIPELINE CONTRACTS TO 'NORTHERN OIL CABAL'

The Nigerian National Petroleum Company Limited (NNPCL) has denied reports that contracts for the rehabilitation of pipelines across the country were awarded to a "northern oil cabal".

NNPC in a statement said the selection was not conducted solely by NNPCL as the Bureau of Public Procurement (BPP), Infrastructure Concession Regulatory Commission (ICRC) and the Nigeria Extractive Industries Transparency Initiative (NEITI) were involved.

"To re-emphasise our commitment to transparency, NNPC subjected the selection process to a competitive tender guided by Bureau of Public Procurement (BPP) standards, Infrastructure Concession Regulatory Commission expertise, and the active involvement of a Transaction Advisor," a statement signed by the NNPCL management said.

"We also had representations from NEITI and the Ministry of Justice in the project development team and the evaluation exercise," he added.

NNPC said the report was fallacious and designed to bring the name of the firm into disrepute as the national oil firm said the process was transparent.

"NNPC Limited is deeply committed to adhering to the highest standards of transparency and global best practices in all our activities, and this includes our contracting process. These contracts, which were advertised, were awarded based on rigorous evaluation criteria and in line with industry norms," the statement reads.

According to the NNPC, 17 oil firms were awarded the pipeline rehabilitation contracts.

The company said the list of the awardees that form a consortium shows that lot one was awarded to Oilserve Limited, Chu Kong Steel Pipe Group Company Limited, and Saudi Crown Oilserve.

Lot two, NNPC said, went to MacReady Oil and Gas Services, COBRA Instalicios S.A, Control Y Montajes Industriales & Internacional De Pipelines, Iron Products Industries Limited, Batelitwin Global Services Limited, Bauen Empresa Constructora SAU, Sanderton Energy Limited, and The Spanish National Association of Manufacturers.

Also, lot three was allocated to AA Rano, Zakhem Construction Nigeria, Bablinks Resources Limited, VAE Controls S.R.O, while lot four was awarded to MRS Oil and Gas, CPPE Nigeria Limited, according to the statement.

While the contract agreement was based on building, operating and transferring, NNPCL said the agreement does not entail the transfer of control of the assets to the companies.

FG EYES PROCUREMENT OF 1.25MILLION METERS WITH $500MILLION WORLD BANK FUND

The federal government is set to distribute 1.25 smart meters to electricity consumers under the Phase 2 of the National Mass Metering Programme (NMMP).

The special adviser to President Bola Tinubu on Energy, Olu A. Verheijen, who made this known yesterday, said the procurement process for the phase involving 1.25 million pre-paid meters, is beginning this month.

Verheijen reiterated the federal government's commitment to delivering reliable and cleaner electricity to the Nigerian people and businesses.

"In the first step to fulfilling our campaign promise to end estimated billing, we are launching Phase Two of the ambitious National Mass Metering Programme to end estimated billing which Nigerians have complained about for decades and ensuring cost reflective tariff.

"We are embarking on reforms that will improve the performance of Distribution Companies as we continue our trajectory to cost reflective tariffs," she said.

Recall that the NMMP was launched in August 2020, in line with a presidential directive to ensure that all Nigerians receiving electricity from the national grid are metered.

The project was expected to deploy six million meters nationwide in three Phases 0, 1 and 2 by the end of 2023, to reduce the number of unmetered electricity consumers in Nigeria, the federal government said.

However, the project was derailed as paucity of funds stalled the execution of Phase 1, which planned to distribute four million meters. Under Phase Zero of the metering project, only about 900,000 meters were deployed.

Speaking further, the project manager for the World Bank under the Transmission Company of Nigeria (TCN), Engr. Tukur Musa Bamalli, said the bid process for the procurement of the 1.25 meters ended at 12 noon, yesterday with a total 47 bidders comprising 38 physical and nine online submissions.

According to him, the project is funded under a $500 million World Bank loan comprising $155 million for the procurement and supply of smart meters and $345 million as loan to the 11 distribution companies for the upgrade of the distribution network in the country.

Bamalli, also an assistant general manager at TCN, who spoke at the Closing of Bids Submission and Opening Ceremony, held in Abuja yesterday, said the timeline for completion of the project is 18 months.

According to him, the bid process was completely internationally competitive and open to both local meter manufacturers and foreign companies.

He said the target is that by the first quarter of 2025, the meters would have been supplied. "We expect the meters to start coming in from June 2024."

On the level of involvement of local meter manufacturers, Bamalli said there is a 15 per cent preference level of local meter manufacturers above the foreign suppliers.

"We have a 15 per cent preference for local companies. That means that if a local manufacturers' bid is higher by 15 per cent than the foreign bidder, the local bidder will be preferred above the foreign bidder."

Recall that the local meter manufacturers had taken the federal government to court seeking the suspension of the programme and the ban on foreign companies from participating in the bidding process, saying they were not being fairly represented.

However, the court case was withdrawn on Tuesday, following the intervention of the minister of Power, Adebayo Adelabu at a stakeholder meeting held at the Federal Ministry of Power.

On pricing, Engr Bamalli said the price of the meters will be determined after the evaluation of the bids. "The bids have just been submitted and are being opened, so the price will be determined based on the submission of the bidders. We are hoping that the cost of the meters will come down so that the discos can supply meters to Nigerians at lower prices," he said.

He explained that the four million meters under Phase 1 was not provided because the Central Bank of Nigeria (CBN) did not provide the N200 billion funding required to execute the phase. He however assured that the Presidency is currently making efforts to resuscitate phase 2 of the project.

"We have just closed the submission and opening ceremony for supply and installation of smart meters. We have just received the bids.

"We are procuring 1.25 million meters funded by the World Bank to be supplied to the 11 distribution companies.

"This programme is Phase 2, we started in february 2021 and it now became effective in february 2023. Very soon the contract will be signed to procure the meters for onward distribution.

"The supply and installation of the smart meters is expected to be concluded in 18 months from the signing of the contract"

SAHARA GROUP PROFFERS SOLUTIONS TO ENERGY TRANSACTION COSTS IN AFRICA

"Building in-house capacity can help energy companies in Africa lower transaction costs arising from legal fees", Tolulope Fadipe, Assistant General Manager, Legal, Sahara Group, has said.

Fadipe who spoke at the Afreximbank Trade Finance Seminar (ATFS2023) in Lagos last week, said bespoke training and stretch programmes with reputable law firms can facilitate knowledge acquisition and enhance technical abilities required for complex transactions in the continent and beyond.

He noted that having in-house lawyers and personnel with a full grasp of the legal dimensions of transaction complexities remained the "best shot" for helping companies reduce legal costs.

"Full participation of company lawyers in strategy development and execution of transactions has to be the way forward when you are looking to reduce legal costs. Energy firms and companies need to be intentional about growing wide and varied, across-the-board capacity for various energy projects and transactions," he said.

According to him, in-house transaction strategy review and negotiations, leveraging technology and deploying virtual transaction processes can also help reduce legal costs incurred by organizations in executing projects.

"At Sahara Group, we continue to give our people platforms to grow capacity to support our upstream, midstream, downstream, power, and technology business operations across Africa, Asia, Europe and the Middle East. This has resulted in significant cost savings and overall value addition to our operations," he said.

Fadipe said some of the major drivers of legal costs in finance transactions in international jurisdictions include regulated solicitors' charges in the jurisdiction of the transaction, travel costs incurred by external counsel in carrying out Due Diligence and other aspects of the transaction, complexity/value of the transaction, availability of competent legal counsel in the jurisdiction of the transaction, and bilingual services, among others.

"Right from the point of hiring, it is essential for energy firms to be intentional about talent acquisition into the in-house legal team and also adopt a robust capacity building strategy to support regional and international transactions," he added.

'NIGERIA REQUIRES $25BN ANNUAL INVESTMENT TO ACHIEVE ITS OIL AND GAS PRODUCTION ASPIRATIONS'

The Nigerian Government in the past 10 years has been aspiring to achieve daily production of four million barrels of oil per day (mbopd) and at least three billion standard cubic feet per day (bscf/d) of gas for domestic usage.

This aspiration has remained a mirage over the years, and currently production has declined from over 2.2 million bopd in 2015 to less than 1.5 million bopd owing to insecurity, pipeline vandalism and massive oil theft. At a point, daily production fell below one million bopd

However, one of Nigeria's renowned oil and gas expert and player, who currently is the Executive Chairman of AA Holdings, Mr. Austin Avuru, assured that Nigeria can still achieve those output aspirations. To achieve such daily production of oil and gas, Nigeria should require an annual investment of $25 billion in the next 10 years.

Avuru who made this disclosure a panel session at the just concluded Annual International Strategic Conference of Association of Energy Correspondents of Nigeria (NAEC) held in Lagos, said: "Nigeria will need about $25 billion of annual investment in the next 10 years if it is committed to achieving crude oil output of four million barrels per day and three billion standard cubic cubic feet per day of gas for domestic consumption.

Speaking on the conference theme: "Nigeria's Energy Transition: Enhancing Investment Opportunities & Addressing Challenges in the Energy Sector," Avuru said Nigeria should focus more on energy security and optimizing the value of its oil and gas resources before committing to its energy transition agenda.

He explained that the energy transition agenda is a lot more serious than an issue that has to do with carbon emissions in the country.

He said: "Carbon emissions reduction has been the key factor that all the energy transition argument has been hinged on.

"Most countries have focused on addressing energy security and optimizing the available resources while driving the transition. Every country will address these two things before coming to what some people think is the residual matter of reduction of carbon emission.

He emphasized that Nigeria should prioritize energy security for both now and in the future and optimize the value of the numerous energy resources that it has today, while still pushing the energy transition agenda.

NNPC/SEPLAT JV OFFERS FREE EYE TESTS, GLASSES IN IMO COMMUNITIES

The NNPC/Seplat Energy Joint Venture kicked-off the 2023 edition of the Eye Can See Programme (Eastern Asset) on 5th October, 2023 in Owerri, Imo State.

The initiative is the signature Corporate Social Responsibility healthcare programme of the NNPC/Seplat Energy JV, designed to provide quality eye care for people in its host communities.

The programme which is targeted at men, women and children with eye problems aims to ensure the provision of free eye care, visual aid and surgical treatment for Cataract within NNPC/Seplat Energy operational communities. This is in line with Sustainable Development Goal (SDG) 3, purposed to deliver Good Health and Well Being, to ensure healthy lives and promote wellbeing of all at all ages.

In her welcome address, the Managing Director, Seplat East Onshore Limited, Mrs. Ibi-Ada Itotoi, noted that the Eye Can See initiative is part of the projects executed by the joint venture partners every year, assuring that the programme will be back next year, with improvements from feedbacks.

"This outreach is a way of saying 'Thank You', for allowing us to operate in your communities, for cooperating with us and for having your representatives at the various fora, because without your cooperation, there is no way we can operate and we sincerely appreciate that. There is no greater joy for any human being than to see that, because of what you are doing, someone's life is being improved," she added.

The Chief Upstream Investment Officer (CUIO), NNPC Upstream Investment Management Services (NUIMS), Bala M. Wunti, represented by Mrs. Halimat Wilson of the agency, noted that, "This (Eye Can See programme) is a significant moment in our annual calendar year, as history is always made, not only for the NNPC Limited/ Seplat Energy but for the entire beneficiaries, host communities and the nation at large."

He further expressed gratitude to the men, women, youths, community leaders, traditional rulers, Imo State Government and other stakeholders who have supported the NNPC/Seplat JV operation all these years.

In his speech, the Commissioner for Niger Delta Affairs, Imo State, Dr. Henry Okafor, noted that, "There are multifarious oil companies operating in Imo State and the state government is watching keenly, on how each of these companies perform. And I must tell you that Seplat is one company that has been very consistent and doing very well in Imo State. So, on behalf of the people and government of Imo State, particularly the hydrocarbon areas in Imo State, we want to thank Seplat for keeping your promise."

He also advised the company to keep the state government abreast of its other CRS activities in the state, as the government is keeping records. "Our Governor is happy with you and whatever you need to make your operations go smoothly will be assisted, because we also need the 13% derivation accruable to the state government from your production."

Other objectives of the Eye Can See initiative include to provide free optical treatment at all levels to members of the communities, reduce cases of permanent loss of vision, provide free reading glasses and treat other related eye problems, educate patients on ways to care for the eyes and how to detect Glaucoma and also educate patients on lifestyle changes required to reduce the rates of hypertension and diabetes.

The initiative which commenced 12 years ago has delivered 96,411 eye treatments, dispensed 45,074 reading glasses and performed 4,218 surgeries. In the JV's Eastern Asset, where the programme was introduced in 2017, 16,546 persons have been screened, 7,737 Eye glasses dispensed and 577 surgeries performed.

The ongoing programme is planned to screen 3,000 persons, perform 150 cataract surgeries and provide 2000 reading glasses.

MASSIVE INVESTMENT WILL BRIDGE NIGERIA'S 195,400MW ENERGY DEFICITS –MOJEC BOSS

For Nigerians to enjoy constant electricity supply, there should be massive investments in the power sector to enable the country generate 200,000 megawatts (MW) electricity.

Nigeria needs additional 195,400MW to meet its electricity needs. Currently Nigeria generates an average of 4,600MW for a population of over 200 million people.

The Group Managing Director, Mojec International Limited, Chantelle Abdul, disclosed this at the annual strategic international conference of the Association of Energy Correspondents of Nigeria (NAEC), in Lagos. She said that low energy generation is responsible for frequent blackouts being experienced in the country.

Abdul, in a paper she delivered at the conference, said: "Based on international standards of 1GW (1000MW) to one million people, the country is expected to at least generate 200GW (200,000MW) to give the population better access to electricity."

Chantelle Abdul,

According to her: "Nigeria has the capacity to generate 12.5GW (12,000MW) of electricity, but owing to different reasons, the 29 generation companies (GenCos) are only able to generate, transmit and distribute between 3GW to 5GW (3,000MW to 5,000MW)".

She said that Nigeria, which is Africa's most populous country with over 200 million people, faces surging electricity demand owing to rapid urbanisation and industrialisation.

She said before 2023, there were 26 gas-powered plants and three hydro plants, but the approval of 11 new GenCos in 2023 has taken the country's electricity generating plants to 40.

According to her, the current transmission wheeling capacity is about 8.1GW (8,100MW). She expressed hope that the new electricity act would pave way for more investment into the sector, thereby, allowing states to generate, transmit and distribute own electricity.

Currently, Egbin has the highest capacity as a gas plant to produce 1.39GW (1,390MW), and Kainji Jebba Power Plc has the highest capacity as a Hydro plant to produce 1.33GW (1, 330MW). Abdul said that solar plants could be introduced to the state governments to serve as a means to generate electricity for their various regions.

GOOD REGULATORY, LEGAL FRAMEWORKS WILL ATTRACT QUALITY INVESTMENT IN ENERGY SECTOR - HEOSL CEO

Worried about the dearth of quality investment in the nation's oil and gas sector and the need to attract more investments, the Chief Executive Officer of Heritage Energy Operational Services Limited (HEOSL), Ado Oseragbaje has reiterated that good regulatory framework, peaceful atmosphere, sustainable and protected legal environments will surely attract quality investment in the nation's energy sector.

He stated this while speaking at a panel session during the 2023 annual strategic international conference of the Association of Energy Correspondents of Nigeria (NAEC) held at Eko Hotel & Suites, Victoria Island, Lagos, with the theme, Nigeria's Energy Transition: Enhancing Investment Opportunities & addressing challenges in Energy Sector.

The CEO, who was represented by by General Manager, Government, Joint Venture, and External Relations of the company, Sola Adebawo, stated that capital is always attracted to places where it is welcomed, emphasizing that difficult investment, regulatory, and unprotected legal environments would drive investment away.

He suggested that the government should strengthen the ease of doing business and provide a legal and policy framework that provides predictability in terms of the investment cycle to attract investors.

Adebawo also mentioned that the fiscal regime is a major policy issue that has been addressed in the Petroleum Industry Act (PIA) but called for more clarity and the government's commitment to proper implementation.

He noted that the PIA is giving attractive tax regimes that are likely to enhance and invite investment but stated that the policy must protect investors in such a way that would ensure that investment funds are recoverable.

He also stressed the need to make business entry attractive and reducing the bottleneck of business registration in Nigeria would help attract investors into the country.

"We need to intentionally position Nigeria's investment landscape in such a way that it is attractive to foreign capital," Adebawo said.

Responding to women's inclusion in the company, he noted that 'these are indeed the best of times for women Petrotechs and allied professions in their organization , affirming that women constitute over forty percent of his top Leadership Team. This is a laudable achievement in an industry that vaunts itself on its "manliness."

Sola further expatiated by saying the company is an inclusive organisation. "We are a non-discriminatory Company that provides career opportunities and an inclusive environment for competent and committed individuals of both sexes to be and give their best," he said. He added that HEOSL is the operator of OML 30 Joint Venture between the NNPC Exploration and Production Limited (NEPL) and Shoreline Natural Resources Limited (SNRL), a prolific asset with huge potentials for contributing to the nation's daily oil and gas output.

FG HASN'T REINTRODUCED FUEL SUBSIDY, NNPCL CHIEF KYARI MAINTAINS

The group chief executive officer of the Nigerian National Petroleum Company Limited (NNPCL), Mele Kyari, has emphatically stated that there was no more subsidy on petrol in Nigeria.

He disclosed this to State House correspondents on Monday after a meeting with President Bola Tinubu at the Presidential Villa, Abuja.

Recall that the National President of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), Festus Osifo, had on Friday claimed that the government had restored subsidy on petrol, despite the official government policy of ending the subsidy regime since May.

However, Kyari explained that the occasional queues and lower fuel prices observed in some states were not indicative of a return to fuel subsidy regime.

He said the government was recovering its full costs from the imported products.

He said: "No subsidy whatsoever. We are recovering our full cost from the products that we import. We sell to the market, we understand why the marketers are unable to import.

"We hope that they do it very quick and this are some of the interventions government is doing, there is no subsidy."

On fuel queues in some parts of the country, Kyari said the challenges were caused by blockades on roads connecting southern depots to the northern regions of the country, leading to delayed deliveries and temporary supply gaps.

He highlighted that full deregulation of the sector had led to healthy competition among marketers, resulting in reduced fuel prices at some stations.

He said this price competition had led to some customers flocking to stations with lower prices, potentially causing panic among those unaware of the market dynamics.

Kyari reassured the public that there was an ample supply of fuel, with over 1.4 billion litres of products available, both on land and in marine storage.

He also emphasised that there were no issues with the delivery of products.

Regarding foreign exchange issues, Kyari mentioned that the government was actively working to ensure a stable foreign exchange market.

He acknowledged that the current exchange rate of around N770 to the US Dollar was part of the transition towards a more stable market, aligning prices of petroleum products with other commodities.

He said: "We have seen in very few states pockets of very low queues. Not unconnected with the road situation that we're seeing the number of blockades on our roads crossing products from the southern depots into the northern part of the country and it takes them a much longer time than they do now.

"They have to reroute the trucks around many, many locations for them to be able to reach (their destinations) and that created delays and some supply gaps.

"But that has been filled, and we do not see any of such problems again. And secondly, because of the full deregulation that we have in this sector, marketers are now competing amongst themselves.

"So you must have noticed some fuel stations will reduced price by two Naira and three Naira, so customers will naturally run to the places where you have that reduction in prices.

"And that creates panic, because for those who don't know why they are doing it, they will think that there's something wrong happening, or there's an ominous sign of scarcity or people start queuing up in the fuel stations.

"Otherwise, there is no challenge. Supply is robust. We have over 1.4 billion litres of product in our hands both marine and land. Also there are no issues around delivery of those products into the land.

"So there is no fear, nothing to bother about. But we are also happy that the market forces are now playing out and marketers are competing and of course there are a few issues we're engaging them to resolve alongside other agencies of government and critical issues around access to foreign exchange.

"And as you all know, government is doing so much to ensure supply of forex into the market.

"We know that this FX markets will stabilise. Current I&E window is around N770. And we know that those inputs that's already happening, the inputs of government today will crystallise and also they will come to an equilibrium position in the FX market and this is a dream of this country.

"So they will have a stable FX market, stable product market where the prices of product will also speak to prices of other commodities.

"And this is already manifesting and we think this is the economic revolution that this country needs," Kyari stated.

LOCAL REFINERY OWNERS SEEK FG'S INTERVENTION TO BOOST PRODUCTS OUTPUT

As Nigeria grapples with the low supply of premium motor spirit (PMS), also called petrol, into the country due to scarcity of foreign exchange to boost importation, modular refinery owners are seeking government intervention to expand their refining capacity thereby improving supply.

The refinery owners, under the aegis of Crude Oil Refinery-owners Association of Nigeria (CORAN) who met with the minister of state, Petroleum Resources (Oil), Senator Heineken Lokpobiri, in Abuja, yesterday advocated the establishment of a kicked called for the establishment of a Refinery Intervention Fund to assist local refineries expand their capacity from the current 27,000 barrels per day to about 400,000 barrels per day.

Chairman of CORAN, Momoh Jimah Oyarekhua, who made their request known during a courtesy visit to the minister in Abuja, also sought the minister's intervention to boost crude oil supply to members of the association and also help them reduce the fees they pay to the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) for every litre of product they refine in-country.

Oyarekhua said that the modular refineries that are currently producing are starved of crude and even when the crude is available, the local producers want them to pay for it in US dollars.

"We have met with the NUPRC, on the issue, because the matter is captured under the domestic crude oil supply obligation which is clearly stipulated in the PIA, we have intimated them with the production capacity of local refiners and also sought their commitment on domestic crude obligation to all modular refiners. "We have recently written to them again to ask for another meeting to know where they are on the issue," he said.

Oyarekhua, who is also the chairman of OPAC Modular Refinery, asked the minister to help them facilitate access to crude oil under the domestic crude obligation as stipulated by the PIA to serve as feedstock for their refineries.

He said that the lack of crude guarantees have held back investors who are considering financing the operations of modular refineries. "Investors see this as a disadvantage and are unwilling to invest," he said.

"Having one gigantic refinery is not a solution today. Creating modular refineries in areas where we have our crude trap today is the solution that Nigeria requires even with the pipeline vandalisation, with crude theft and all of that.

In such clusters, if you have modular refineries that could produce this crude into the local market it would be a good way to help the country to be self-sufficient in the refined products.

He said provisions should be made to see the number of modular refineries increase to 40 in the region, with refining capacity of 10,000 barrels per day so that a minimum of about 400, 000 barrels of crude can be refined in the Niger Delta.

Speaking on high fees, Oyarekhua said, "As at today, for every litre of AGO or DPK we send into the market, we pay cumulative fees of up to N9.80 which invariably increases the price of that product to the market.

"As refiners, our first interest is to serve the market, however, it is not to make the price of the products unaffordable to Nigerians.

"But when you add these fees to the product, it means that the retail price is further increased for the consumers.

"The PIA did not say that the local crude refinery owners should be the ones to pay those fees, but we have been receiving letters from the NMDPRA, asking that we remit those fees.

He, therefore, urged the minister to intervene to resolve this challenge.

Responding, the minister of state, Petroleum Resources (Oil), Senator Heineken Lokpobiri promised to look into the various issues raised and find ways to resolve their challenges.

According to him, the government has the responsibility of providing conducive environment for businesses to thrive and that it would ensure that it is done.

The minister, while encouraging the refinery owners to seek financial support from development finance institutions like the Bank of Industry, Afrexim Bank among others, also promised to engage with relevant agencies concerning the issues.

"We will engage with the relevant stakeholders to ensure more access to crude to the local refineries so that they can refine petroleum products to contribute towards meeting the local demand. We will do whatever we can do as a ministry to resolve these issues, he said.

NIGERIAN BANKS' FOREX GAINS SUPPORT SOLVENCY POST-DEVALUATION – FITCH

Nigerian banks' balance-sheet structures have helped to ensure continued compliance with minimum capital requirements despite the devaluation of the Nigerian naira by about 40% since June 2023, Fitch Ratings says. The risks to capital from further currency devaluation and loan quality pressures should not affect ratings for most banks. However, the Rating Watch Negatives (RWNs) on the three banks most at risk of breaching minimum total capital adequacy ratio (CAR) requirements remain in place given these risks.

The sharp devaluation of the official exchange rate led to large FX revaluation gains in 1H23 due to banks' long net open positions in foreign currency (FC). FC risk-weighted asset inflation was limited by small FC loan books and low risk-weights on non-loan FC assets, helping banks to remain compliant with CAR requirements. Loan impairment charges increased significantly in 1H23 due to the weaker macroeconomic setting and the increased provisions needed for FC loans, but they were comfortably absorbed by the FX revaluation gains.

Banks with foreign subsidiaries, in particular United Bank for Africa (B-/Stable), also experienced large FC translation gains through other comprehensive income, while the CARs of banks with FC-denominated capital-qualifying debt instruments, notably Access Bank (B-/Stable), benefitted from these instruments inflating in naira terms. Several banks have had their interim financials audited so that they can incorporate their interim profits into regulatory capital. FBN Holdings, Fidelity Bank, Wema Bank and Jaiz Bank (all rated 'B-'/Stable) plan to raise core capital to strengthen buffers over CAR requirements.

There has been a renewed divergence between the parallel market and official exchange rates since August due to limited supply of FC, reversing some of the narrowing at June's devaluation. This highlights the challenges in sustaining exchange-rate liberalisation and raises the possibility of a further devaluation.

The Central Bank of Nigeria recently provided some light regulatory forbearance for breaches of single-obligor and net open position limits. It has not signalled any forbearance for minimum capital requirements, which may suggest it believes banks will largely remain compliant. However, it has instructed banks to retain their large FX gains rather than to distribute them as dividends, which will provide a cushion to absorb further currency devaluation and loan quality risks.

The banks on RWN are Coronation Merchant Bank (CMB), Ecobank Nigeria (ENG) and First City Monument Bank (FCMB), all rated 'B-'. ENG and FCMB have narrowly remained compliant with CAR requirements since the devaluation. Fitch estimates that CMB has breached its CAR requirement, but that the bank's rights issue, expected to conclude this month, will restore compliance. All other Nigerian bank ratings have Stable Outlooks reflecting that the risks from a potential further currency devaluation are captured in the existing ratings.

LAGOS STATE INTERNAL REVENUE SERVICE SHUTS 34 COMPANIES OVER TAX DEBTS

The Lagos State Internal Revenue Service (LIRS) on Monday shut 34 corporate organisations for failing to remit Personal Income Taxes (PIT) of their employees and for non-remittance of consumption taxes by operators in the hospitality sector to the Lagos State Government.

A statement by the LIRS listed some of these companies including NTS Nigeria Ltd., Med-In Hospital & Pharma Services Ltd., Danvic Petroleum Int'l Ltd., Business Intelligence Technology, Avaya Nigeria Ltd., Gladstone Tech Ltd., Courier Plus Services Ltd., Kurioucity Ltd., Medilag Ventures Ltd., Future Oilfields, and Seven Six & Ten Limited.

During the same operation, 23 hotels, restaurants, and event facilities were also closed for failure to deduct and remit Consumption taxes.

These businesses include Blitz Suites & Hotel, Offshoroomz Hotel, God's Grace Hotel, De Orange Place Ltd., De Santos Hotel, Kentade Hotel Limited, Chamcee, Chelsea Suites, Falode Hotels, High Climax Hotel, Chez Moi Apartment, Excellence Hotel, Bereans Venture (Tantalizer Ebute Metta), La Avril Hotel & Suites, De Orange Place Ltd., Milaco Guest House, New World Inn, Model Motels Ltd, Rely Maritime Ltd, 4 Seasons Hotel, Dream Land Hotel, 343 North Restaurant and Lounge, and Jade Palace Chinese Restaurant

Seyi Alade, the director of Legal Services at LIRS, made this announcement while addressing a state-wide tax law enforcement exercise conducted by the Service in Lagos on Monday. Mr Alade reported that the tax liabilities of these companies and hotels amounted to more than N356 million. He said their actions have caused the state government loss of revenue.

He explained that the agency had previously reduced its enforcement activities to promote voluntary compliance by taxpayers. However, certain companies and hotels chose to engage in tax evasion.

Therefore, the renewed enforcement activities of the service are targeted at such companies, restaurants, hotels, and event centres. He emphasized that the primary goal is to secure compliance with the remittance of Consumption and Personal Income taxes, enabling the Lagos State Government to carry out projects intended for the well-being of the vast populace resident in Lagos State.

Mr Alade further reiterated that "these companies deduct Personal Income taxes from their employees' salaries at the end of each month, and charge consumption taxes on goods and services purchased by customers.

Unfortunately, some unpatriotic firms choose to withhold these payments, illegally converting the funds for their own use."

He issued a warning that failing to file tax returns or engaging in tax evasion are considered criminal offences that may result in financial penalties and, in some cases, custodial sentences upon conviction.

The agency is currently prosecuting some high-net-worth individuals and companies that failed to file their Returns, he said courts have issued Bench Warrants for some taxpayers in this category and three arrests have been made pursuant to these Warrants, they are Platinum Apartments & Suites, The Moonlight Place Enterprises and Jezreel Nursery and Primary School.

He warned that the enforcement exercise shall be a continuous one and it shall be visited on all erring companies, hotels, restaurants, and individuals in the state if they refuse to regularise their tax positions immediately or if they fail to comply with all extant tax laws operational in Lagos State.

BORROWING WITHOUT DUE PROCESS

By Eze Onyekpere

Mrs Oniha

According to the Debt Management Office, Nigeria's total public debt portfolio as of June 30, 2023, stood at N87.479trillion which in United States dollar terms amounts to $113.4billion. This includes federal and subnational government local and foreign debts. The great challenge arising out of this humungous figure is the sustainability of the debt in terms of our ability to service and repay the debt while discharging our other obligations. At the federal level, the scenario is one of servicing debts with the entire retained revenue meaning that the entire personnel, overheads, statutory transfers as well as capital expenditure for the year 2022 were from borrowed funds. At the state level, many states are servicing debts with more than 60 per cent of their retained revenue consisting of internally generated revenue and federation account allocations.

This discourse reviews the legal provisions on borrowing in the Fiscal Responsibility Act and how they have been subverted by governments at all tiers. It is pertinent to recall that former President Olusegun Obasanjo's administration placed Nigeria at the most sustainable level by paying off Nigeria's foreign debts and stabilising local debts. The administration was also responsible for the enactment of the FRA. At the end of the Obasanjo administration, he left not less than $70bn between the reserves and excess crude account. Thereafter, succeeding administrations started borrowing for projects that were not viable and contributed nothing to national development; culminating in the borrowing binge of the former President Muhammadu Buhari administration. The Obasanjo government did not experience high crude oil prices.

The postulation of the DMO stating Nigeria's debts at N87.479tn is deliberately misleading. The DMO and every reasonable Nigerian who has read the FRA understand that definition of debt and borrowing as provided in the interpretative section of the FRA. "Borrowing" has been defined in the interpretative section of the FRA to mean any financial obligation arising from – any loan including principal, interest, fees and penalties related to such loan; the deferred payment for property, goods and services; bonds, debentures, notes or similar instruments; letters of credit and reimbursement obligations with respect thereto; trade or banker's acceptances; capitalised amount of pecuniary obligations under leases entered into primarily as a method of raising finances or of financing the acquisition of the asset leased; agreements providing for swaps, ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to the payment of interest or the convertibility of currency and a conditional sale agreement, capital lease or other title retention agreement.

From the above definition and DMO's practice, the debt figures do not include most of the other defined terms apart from direct sovereign and commercial debts. Contractor arrears and other deferred payments for property, goods and services including the billions the Central Bank of Nigeria is owing businesses, vendors and service providers such as airlines and dividends that cannot be repatriated out of the country, have not been included. Neither did it quantify crystallising contingent liabilities that are due. In essence, when these other debt figures at the federal, state and local government levels, are computed, Nigeria may be owing double the N87.479tn stated by the DMO.

By S.41 of the FRA, the framework for debt management is based on the following rules. The first is that the government at all tiers shall only borrow for capital expenditure and human development, provided that such borrowing shall be on concessional terms with low interest rate and with a reasonably long amortisation period subject to the approval of the appropriate legislative body where necessary. This provision was later amended in one of the Finance Acts to include the nebulous term, "national interest" as one of the grounds and justification for borrowing. The second is that the government shall ensure that the level of public debt as a proportion of national income is held at a sustainable level as prescribed by the National Assembly from time to time on the advice of the minister.

It is clear that using the entire retained revenue to service debts while borrowing for the entire yearly expenditure cannot by any stretch of the imagination be described as sustainable. It is also clear that borrowing to pay salaries and overheads cannot be borrowing for capital expenditure or human development. These are clearly in violation of the law. The idea of borrowing on concessional terms with low interest rate has also been severely violated. This is defined in the interpretative section of the FRA to mean that the terms of the loan must be at an interest rate not exceeding three per cent. From available information, with the exception of facilities from international development agencies like the World Bank which do not stricto sensu have interest rates but service charges, no Nigerian bank loan, bond or any other facility can come at three per cent interest rate. Essentially, this provision bars the governments from borrowing from Nigerian banks.

Furthermore, by S.44 of the FRA, any government in the federation or its agencies and corporations desirous of borrowing shall specify the purpose for which the borrowing is intended and present a cost-benefit analysis, detailing the economic and social benefits of the purpose to which the intended borrowing is to be applied. The borrowing shall comply with the following conditions-(a) the existence of prior authorisation in the Appropriation or other Act or Law for the purpose for which the borrowing is to be utilised; and the proceeds of such borrowing shall solely be applied towards long-term capital expenditures. However, the borrowing shall not be in excess of the limits set out in section 42 of this Act. Also, S.44 empowers the Fiscal Responsibility Commission to verify on a quarterly basis, compliance with the limits and conditions for borrowing by each government in the federation. It mandates the DMO to maintain a comprehensive, reliable and current electronic database of internal and external public debts, guaranteeing public access to the information.

Specificity of purpose is a requirement for borrowing as detailed above. But this is also severely violated by the bonds and papers floated by the DMO which are not tied to any purpose but tied to the bottomless pit from where money is spent not in accordance with the rules. Also, borrowing is to be backed by a cost-benefit analysis. A cost-benefit analysis is defined in the interpretative section to mean a detailed and comprehensive analysis and comparison of the cost of the project or programme with benefits that Nigerians will likely derive from the project or programme. Costs and benefits here transcend financial calculations but will include issues related to human development indicators such as education, health, access to water, environment, gender, disability, and vulnerability challenges, etc. But who has seen the cost-benefit analysis of any project funded by the federal or state governments? None is available for the review of Nigerians.

Where is the comprehensive, reliable and current electronic database of internal and external public debts that should be available to Nigerians? Merely having the aggregate federal and state government debts on a portal cannot be the same as a comprehensive database. A comprehensive database should include detailed information about each debt vis, date procured, amount, purpose, utilisation and activities so far, whether due process was followed in its procurement and the documents evidencing this due process, results achieved, etc.

Eze Onyekpere is the Executive Director, Centre for Social Justice

Nigeria borrowed $1.21bn, investors shun 28 states -NBS

Nigeria relied on foreign borrowing ($1.21bn) to boost its capital importation in the first six months of 2023.

This is as 28 states failed to attract any foreign investments in the time under review, according to report from the National Bureau of Statistics on Nigeria Capital Importation. In 2023, total capital importation dropped by 30.42 per cent year-on-year in the first half of 2023 to $2.16bn from $3.11bn, from the corresponding period of 2022.

As issues such as insecurity and difficult business environment continue to impact foreign direct investments into Nigeria, the country has become increasingly reliant on foreign loans to boost capital importation.

Foreign investments in forms of loans grew by 17.43 per cent to $1.21bn in the first half of 2023 from $1.03bn as of the corresponding period of 2022.

Commenting on the composition of foreign investments into the country, the NBS said, "In Q2 2023, other investments top accounting for 81.28 per cent ($837.34m) of total capital importation in Q2 2023, followed by Portfolio Investment with 10.37 per cent ($106.85m) and Foreign Direct Investment with 8.35 per cent ($86.03m).

"The production sector recorded the highest inflow with $605.04m, representing 58.73 per cent of total capital imported in Q2 2023, followed by the banking sector, valued at $194.58m (18.89 per cent), and Shares with $68.63m (6.66 per cent)."

Only Lagos, Abuja, Adamawa, Akwa Ibom, Anambra, Ekiti, Niger, Ogun, and Ondo attracted foreign investors to the country.

Recently, the World Bank stated that foreign direct investment into Nigeria has fallen because of limited forex availability, security concerns, and other structural challenges.

A professor of economics at the University of Uyo, Akpan Ekpo, recently stated that foreign investors is crisis-shy and stated that the insecurity crisis in certain regions of the country had waned investors' confidence.

Ekpo said, "The states didn't attract any investments for obvious reasons. With the insecurity, there is no way you will attract foreign investment when your place is not secure. They will not come."

EXTERNAL RESERVES FALL BY $841M IN THREE MONTHS

Nigeria's external reserves fell by $841.75m between July and September, figures obtained from the Central Bank of Nigeria revealed.

The CBN revealed in its report on the movement of external reserves that the reserves, which stood at $34.07bn as of July 7, 2023, fell to $33.23bn as of October 5, 2023.

External reserves fell by $2.85bn in the first half of 2023 due to external debt finance among other challenges, figures obtained from the CBN showed.

The CBN had earlier revealed that the reserves which commenced January 3, 2023, at $37.07bn fell to $34.22bn as of the end of June 26, 2023.

According to personal statements released by the CBN by Monetary Policy Committee members, as of July, accretion to external reserves remained weak while foreign exchange demand pressures persisted.

Former acting Governor, CBN, Folashodun Shonubi, had stated that, "Eventual stability of the foreign exchange market over the medium-term, will further help to achieve price stability.

"Besides, the recent removal of subsidy could have a favourable effect on price stability as increased crude oil receipts by the government will bolster reserves, engender exchange rate stability, and help to moderate inflation."

ENAIRA IS NO THREAT TO FINANCIAL STABILITY, SAYS CBN

By Emeka Ugwuanyi

The Central Bank of Nigeria (CBN) has clarified that its digital currency, the eNaira, will not be a threat to financial stability in any way contrary to reports.

The apex bank in a statement by its Director, Corporate Communications, Dr Isa AbdulMumin, said: "The attention of the Central Bank of Nigeria (CBN) has been drawn to news items on some media platforms – traditional and social – suggesting that the country's Central Bank Digital Currency (CBDC), the eNaira, is a threat to the nation's financial stability.

"After reviewing the reports, which appear to have been syndicated, there seems to be a lack of understanding of portions of the Foreword, and some articles, in the bank's recently released Economics of Digital Currencies: A Book of Readings.

"A recurring theme in the book is the interest of regulators, such as the CBN, in the role of cryptocurrencies as speculative investments, and the potential threat they harbour for financial stability. Pursuant to that, the articles in the book provide an in-depth understanding of CBDCs generally and the workings of the eNaira in particular, highlighting issues and challenges in implementation and adoption.

"One of the media reports speaks of "concerns about Nigeria's central bank digital currency, eNaira, indicating potential risks to financial stability despite its success in narrowing the country's financial inclusion gap." The nexus implied is unconvincing. In the ordinary course of things, the CBN does not join issues on news commentary; however, we are constrained to clarify the reports to ensure that misunderstandings are not fostered.

The eNaira structure continues to evolve and undergo modifications targeted at improving the user experience across all interfaces. We encourage Nigerians to embrace the technology for, amongst other things, greater financial inclusion.

IMF to Nigeria: Lower inflation to protect poor citizens

The International Monetary Fund has commended the Nigerian government for removing the fuel subsidy but noted that efforts must be made to protect poor citizens from the high cost of living crisis.

Specifically, the Washington-based lender said the Federal Government must complement the fuel subsidy removal with a set of policies that could help lower inflation and protect the most vulnerable citizens.

Assistant Director, Fiscal Affairs Department, IMF, Era Dabla-Norris, said this on Tuesday at the ongoing World Bank/IMF Annual Meetings in Marrakesh, Morocco.

She spoke shortly after a press briefing on a session titled, 'Fiscal Monitor.'

She said, "The first is to protect the most vulnerable from the (high) cost of living, and there's a number of targeted programmes that can be ramped up and the poor, the really vulnerable populations, are protected.

"A set of other policies, macroeconomic policies are needed to durably bring inflation down. In the case of Nigeria, the revenue-to-GDP ratio is quite low relative to other emerging markets and developing countries. So efforts will need to be made to increase revenue collection in an efficient manner. Our research shows that countries like Nigeria have large untapped tax potential."

The IMF official said subsidy removal was an important policy that would yield growth in the future.

She, however, added that this must be complemented with smart policies.

The IMF assistant director said the country's budget must include policies on education, health, and other sectors aimed at protecting the poor.

He stated, "I think that fuel subsidy reform was an important reform Nigeria undertook, the cost to the budget of having these broad base removal of fuel subsidies is quite significant. By reducing fuel subsidies, the government has freed up space for other types of spending. The important thing is to be able to protect the most vulnerable group from higher energy prices."

She added, "So, from that perspective, this policy creates space, a portion of the

revenues. It can be unpopular, it can be a challenging policy, and I think it was the right one, it was the right decision to make at that time. Now the key is to be able to target better because most of these policies (fuel subsidies) don't benefit low-income groups. Across the world, we've seen that fuel subsidies tend to benefit middle or higher-income groups. So the key thing is to prioritise this towards the most vulnerable."

The Minister of Finance and Coordinating Minister of the Economy, Wale Edun, had on Monday said the Federal Government was planning major tax reforms that would be announced soon.

He spoke about plans to collect tax revenue more efficiently, while also noting that the government had no intention to borrow more funds.

However, the IMF director, Dabla-Norris said some of the policies listed by the Fund could not be achieved on a short-term basis.

She said, "This is not something that can be done magically overnight, but definitely over the medium term. Expanding tax bases, reducing exemptions in value-added tax, reducing tax expenditures, rationalising other types of taxes, and strengthening the quality of your tax institutions, are all steps that can be taken to effectively mobilise revenues in a progressive manner, and then channel that for priority spending, having appropriate monetary policies in place; doing away with any kind of central bank financing of the budget and ensuring that policies are working in the same direction to bring inflation down. That is really the issue."

On the high debt burden Nigeria is battling with, the IMF official advised Nigeria to ramp up revenue collection.

She said, "The most important thing would be durable revenue collections because revenue collections are very low in Nigeria relative to other peer countries. And this is widely recognised by the government. So that's one thing. The second important component would be to rationalise expenditures, to see what are the priority spending, can spending be cut or reprioritized, this would be another very important thing to do. And finally, invigorating growth; Nigeria has tremendous growth potential. It is one of the largest economies in Africa. It has tremendous potential for growth. So the kind of structural reforms that are needed, governance, business climate reforms that are needed to catalyze private investment and to durably grow, that would be another important way of bringing debt down."

Blanket debt forgiveness

Meanwhile, the IMF has dismissed the possibility of total debt cancellation for Nigeria, Ghana, and other African economies.

The IMF African Department Director, Abebe Selassie, who said 50 percent of total debts in Sub-Saharan African countries are domestic, declared it would be difficult to cancel their debts.

The Debt Management Office data showed that Nigeria has a total debt stock of $113.4b as of June 30, 2023.

The director, however, said that debt cancellation, If any, would have to be done on a country-by-country basis.

He spoke on the theme: "In Pursuit of Stronger Growth and Resilience",

According to Selassie, there is a rise in private investment, and consumption is expected to lift growth in many parts of the region by 2024.

He said growth in the region, was greatly subdued adding that inflation is gradually dropping.

He also noted that the IMF has loaned about $80bn to Sub-Saharan African economies for emergency funding and Special Drawing Rights allocations since March 2020.

AFCFTA: OPPORTUNITY TO BOLSTER MANUFACTURING

Olusegun Aganga

The African Continental Free Trade Agreement (AfCFTA), which came into effect on January 1, 2021, has created the largest free trade area in the world, covering 54 African countries and a combined population of over 1.2 billion people including Nigeria, which happens to be the largest economy in the continent. CHARLES OKONJI reports on how the continental trade would positively boost the manufacturing sector and the economy of Nigeria.

According to Dr. Olusegun Aganga, former Minister of Industry, Trade and Investment, the trade agreement opens up a plethora of opportunities for intra-African trade and economic collaboration.

Aganga pointed out that AfCFTA is situated within the context of Africa Agenda 2063, which also is known as "The Africa We Want."

"Africa Agenda 2063 is a strategic framework developed by the African Union (AU) to guide the continent's development over the next five decades from 2013 to 2063. Manufacturing plays a central role in the realisation of this Agenda. It is seen as a key driver of economic transformation and industrialisation, capable of generating employment, fostering intra-African trade, technological advancement and the reduction of poverty. The emphasis on manufacturing in both the AfCFTA and Agenda 2063 is not surprising given that the manufacturing sector accounts for about 70 per cent of global trade and about 30–55 per cent of service jobs, which are related to the manufacturing sector. It presents a unique chance for Nigeria as the largest economy in Africa to bolster its manufacturing sector and become a manufacturing hub for Africa."

How can industries succeed?

Pulling the first trigger, Dr. Olusegun Aganga stated that industrial development is not luck, but a nation's choice, adding that with the continued globalization of the world's economy, the convergence of consumer tastes, and the worldwide dispersal of industrial technology, the manufacturing sector has never been as competitive as it is today.

"Companies are no longer concerned about firms within their geographic jurisdiction but with every competitor all over the world. Low international freight costs, technology and unprecedented levels of information available over the internet have truly transformed the world into a single accessible market. In today's world, the fierce global competition has reduced the likelihood of the spontaneous development of new Industry.

"Countries must, therefore, have an intentional, precise, and intense approach to nurturing and expanding industrial activities. This is even more paramount for a country like Nigeria, starting from a relatively low manufacturing base. Industries only succeed when they are competitive.

"Nigeria has the potential to become a top 10 global producer and exporter in strategic sectors. We have a great opportunity to become the manufacturing hub in Africa. And with this comes all the benefits of non-oil export such as foreign income and employment which Nigeria desperately needs to move the forward.

"Nigeria has the capacity for growth and diversification of the economy, generate revenue, attract investments into the economy, to significantly increase the percentage of components produced locally for assembled consumer products, expand low technology, labour-intensive and resources-based industries, create millions of jobs, and reduce the level of poverty and unemployment and produce for domestic consumer market. This will lead to a reduction in the demand for foreign exchange to buy foreign products which will contribute to a more stable local currency."

Lending his voice, Otunba Francis Meshioye, President, Manufacturers Association of Nigeria (MAN), stated that the country needs to develop the right strategies and concerted efforts to position the Nigerian economy as the number one manufacturing hub of the African economy.

According to him, "Evidences from several parts of the world, including China, the United States, Japan, Germany, and South Korea, have shown the importance of the manufacturing sector in building a resilient economy. As an example, in 2021, average manufacturing output accounted for as high as 35 percent of Ireland's GDP growth; 27.44 percent in the case of China, and 48 percent of Puerto Rico's economy. In the United States, it accounted for more than 60 percent of the total

Otumba Francis Meshioye

exports and about 35 percent of the US economy's total productivity growth. In Nigeria, the contribution of the manufacturing sector to the total output is not higher than 10 percent, with an average growth rate of approximately 2.3 percent over the last five quarters. Manufacturing sector development is key to industrialization.

"Sadly, the growth of industrialization in Nigeria remains at a very low ebb. Based on the African Development Bank's (AFDB's) industrialization index, Nigeria is yet to perform impressively. The United Nations Industrial Development Organisation's (UNIDO's) industrial competitive performance index has equally shown that Nigeria's industrial sector has a low competitive capacity. There is no better time than now to confront the challenge of low competitiveness and abysmal performance of this important sector."

Nigeria's strength for competitiveness in AfCFTA

Dr. Aganga declared that the country's abundant raw materials, large market, and a fast-growing middle class, was a huge advantage, among others.

He outlined the following as a very strong point for Nigeria's competitiveness in the continental trade: predominant young population with demand for products, Nigeria has one of the most developed industrial sectors in Africa, low labour costs on dollar terms, and largest economy in Africa.

Challenges to Nigeria's competitiveness

Lack of strategic vision to drive set goals for industrialization has been identified as major factors militating against industrial development, Aganga said.

The former Minister explained that absence of a formal government business forum like the Competitiveness Council, where issues of competitiveness are addressed and action taken was a big problem.

"Relatively high cost of production, sub-optimal productivity, high prices of products due to reliance on imported inputs, high cost of electricity/energy, transportation, overregulation, multiple taxation and levies are some of the challenges. A Global Competitiveness Index issued by the World Economic Forum (WEF) a few years ago ranked Nigeria 132 out of 137 countries in terms of the overall state of infrastructure, 136 out of 137 for quality of electricity; for quality of roads, 127 out of 137 countries; for air transportation, 125 out of 137 countries; and for mobile telephone subscriptions, 117 out of 137 countries. Some of these rankings improved only slightly in more recent reports.

"Grossly insufficient and unaffordable finance; difficult, uncertain, and very weak macroeconomic environment are additional problems. Inflation in August was at a record high of 25.8 percent, Lagos was 29.17 percent, and food inflation was 36.04 percent. The Naira has weakened significantly and the dollar supply has decreased relative to the previous situation in 2015. The exchange rate to convert Naira to dollar has plunged from about 380 even as recent as 2019 to above N1,000 and rising.

"Difficult regulatory and business environment with insecurity is another challenge. According to the WEF's GCI, Nigeria ranked 133 out of 137 countries surveyed in business cost of terrorism and kidnapping, among others. Devaluation of the Naira has not led to significant growth in non-oil exports. There are few competitively produced goods to export. Inconsistency and poor implementation of government policies and migration of skilled workers which has become a deluge called 'japa' are part of the challenges.

"Other challenges include poor local patronage - preference of Government and Nigerians for imported products, small capital goods industry and reliance on imported intermediate raw materials, equipment and machinery and absence of medium and higher technology industries as a result of the absence of an industrial technology support system, as well as weak human resources with skills relevant for the economy. The WEF identified poor work ethics in the national labour force and inadequately educated workforce as major concerns for Nigeria's competitiveness.

"Corporate indebtedness and the drying up of local and foreign investments flow into manufacturing, shrinking of consumer groups due to high levels of unemployment, poverty, lower disposable income to buy goods and inability to empower the middle class financially are also part of the challenge. Weak or no institutions to drive industrialization and educational system, which does not produce anything close to enough number of graduates with STEM – Science, Technology, Engineering and Mathematics competencies pose a key challenge. Also, weak or no linkages between industry and innovation/ research institutes, inadequate metrology and standards, inability to reverse-engineer and adapt foreign technology to domestic markets, products and scale of production and non-payment of Export Expansion Grant (EEG), are some of Nigeria's challenge for competitiveness in AfCFTA."

Q2 REPORT: TEXTILE, GAS OTHERS STILL IN RECESSION – CPPE

By Charles Okonji

Centre for the Promotion of Private Enterprise (CPPE) in its analysis of the second quarter (Q2) economic performance, expressed that the textile, livestock, crude petroleum and gas sectors are yet to exit recession reflecting the current economic realities of Nigeria.

According to Dr. Muda Yusuf, Director/CEO, CPPE, these sectors contracted in the first two quarters of 2023, adding that they are the sectors that have been stumbling as a result of macroeconomic, structural or policy issues.

"Oil refining contracted by 35.6 percent; Livestock, 2.3 percent; crude petroleum and gas, 13.4 percent; textile, 4.4 percent. Growth in these sectors continued to be subdued by heightened inflationary pressures, exchange rate volatility, spiking energy cost, insecurity and the political economy of the oil and gas sector." Dr. Yusuf stated.

He noted that ICT, air transport, crop production, wood and wood products, paper and publishing as well as water transport recorded positive but lower growth than in the previous quarter.

He outlined the growth of the following sectors as follows: "These sectors include ICT, 9.7 percent; Air transport, 4.3 percent; Crop production, 1.8 percent; Wood and wood products, 2.4 percent; Paper and publishing, 1.4 percent; Water transport, 5.4 percent."

Commenting on the Gross Domestic Product (GDP) growth, the economic analyst noted that in real terms, the GDP improved marginally by 20 bases points from 2.31 percent in the first quarter (Q1) of 2023 to 2.51 percent in the second quarter (Q2).

"However, it slowed when compared to Q2 of 2022 which was 3.54 percent. The economy slowed amid shocks from current economic reforms, which impacted energy prices and the naira exchange rate. The adverse impacts of the reforms were disproportionately higher than expected.

"A rebound of the economy is expected in the medium to long term as current distortions in the economy are corrected. Meanwhile, there is an immediate positive outcome which is the marked improvement in the fiscal space of governments at all levels.

Muda Yusuf

"Meanwhile, the dominance of the non-oil sector was underscored by the report. The non-oil sector contributed 94.7 percent to GDP while the oil sector contributed 5.3 percent. The service sector continued to maintain its dominant role in the economy with a contribution of 58.4 percent to GDP. The structure of the economy continued to reflect its vulnerabilities, especially the challenges of productivity and competitiveness of the real economy.

"The Q2 GDP growth fell short of the sub-Saharan projected average of 3.1 percent for 2023; but better than projections for the Euro Zone of one percent and the United States of 1.8 percent."

The CPPE boss pointed out that the Nigerian economy is still going through corrective reforms to remove some fundamental distortions to restore the economy back to the path of recovery and growth, adding that implementing the reforms is an arduous task.

"The tradeoffs are profound and the social impact has been devastating, given the inevitability of the reforms. The implementation calls for a delicate balancing act, and strategic sequencing to ensure an inclusive economic transition.

"Dealing with the issues of insecurity, spending priorities, corruption, productivity and competitiveness, regulatory environment and macroeconomic stability are paramount to rebuilding the momentum of economic growth and development," he stressed.

GOVT TO SOLVE NATIONAL CHALLENGES THROUGH BIOTECH – NNAJI

By Charles Okonji

As part of plans to achieving the Renewed Hope agenda of the Federal Government of Nigeria, the Minister of Science and Technology, Chief Uche Geoffrey Nnaji, stated that the country will leverage the power of biotechnology to address crucial national challenges confronting the country, starting from agricultural productivity to healthcare and opening industries for global competitiveness.

Nnaji who dropped this hint during the facility tour of the National Biotechnology Development Agency (NABDA) recently in Abuja, noted that the Agency is an indispensable driver of innovation, economic development and sustainability in Nigeria.

The Minister pointed out that the mission of the Agency was crucial to driving food security in the country, thereby impacting the nation's ability to produce and provide sufficient, safe and nutritious food for the teeming population.

According to Nnaji, "The nation through the National Biotechnology Development Agency, (NABDA) has advanced in genet-

Chief Uche Geoffrey Nnaji

ic technology adoption, being the first country in the world to release Pod Borer Resistant Beans (cow pea) and the second in Africa to deregulate TELA maize. TELA Maize, therefore, he added, is a maize that has drought tolerance and insect resistant, which also provides protection against stem borers.

"The Agency has also introduced new unique equipment to assess the bio-methane potentials of biomass which will enable the country move closer to five percent biomass target. This will help provide employment for our youths and women especially in rural areas.

"This giant stride made in biotechnology cotton commercialization will reshape the country's cotton industry by enhancing quality and cost-effective pest management."

In his remarks, the Director-General of the National Biotechnology Development Agency (NABDA), Professor Abdullahi Mustapha, said the mission of the Agency is to promote biotechnology activities and respond positively to the national aspirations on food security, job and wealth creation, affordable healthcare deliveries and sustainable environment for socio-economic development of the country.

He alluded that the Agency is working tirelessly and strategically to drive progress, create jobs, and improve the lives of countless citizens through the wonders of biotechnology.

HOW GOVERNMENT POLICIES FURTHER COMPOUNDED MANUFACTURING WOES

By Charles Okonji

The naira redesign and the new cash withdrawal limits policy by the Central Bank of Nigeria (CBN) which was introduced in the second half of 2022 may have come and gone, but the effect on the manufacturing sector still lingers.

Most manufacturers are yet to recover, while some other have shut down production and some other like the SKG have exited the scene.

According to the Manufacturers CEOs Confidence Index (MCCI) of the Manufacturers Association of Nigeria (MAN), the scarcity of both old and new naira notes across all banks and electronic payment channels in the country meted severe hardship on manufacturers.

The MCCI revealed that prolonged crisis nearly crippled manufacturing companies with about 20 percent and 30 percent decrease in sales for consumer goods and cement respectively.

"The crisis impacted negatively on the manufacturers by directly limiting their working capital, thus halting their daily business operations. In addition, the naira scarcity crushed the consumer patronage of manufacturing firms and resultantly escalated their volume of inventories, especially for retail goods. By exposing the highly cash-based distributive trade sector to great risk, the economic crisis had severe consequences on the manufacturing value chain and cost of logistics.

"The substantial reduction in money velocity left opportunity for speculation and ignited the creation of a naira black market that compounded the woes of manufacturers already plagued by insufficient forex. The naira scarcity clearly wiped out numerous small and medium manufacturing businesses whose transactions were cash-based, especially those within the agro-allied industries who regularly deal with local farmers in remote towns where no formal banking is in sight," the MCCI reads.

The MAN CEOs Conference Index further shows that the exorbitant PoS charges on cash during the period under review constrained the operations of resilient manufacturing SMEs and worsened their cost of doing business.

The MCCI, however, explains that the country's transition to a cashless economy requires no urgency or policy aggressiveness considering that a lot of progress has already been made.

"A comparative analysis of the country's cashless status has shown that while the ratio of cash to GDP in Europe, U.S. and South Africa are respectively about 10 percent, 6 percent and 3.5 percent, Nigeria's ratio is impressively below 1.5 percent. Therefore, achieving a full cashless economy should not be the pressing issue when there are tougher challenges of insecurity, exchange rate volatility, skyrocketing inflation, energy disruption, over bloated fiscal debt, dwindling foreign reserves, business collapses and daily divestments."

The MCCI pointed out that the Aggregate Index Score (AIS) of MCCI declined to 52.7 points in the second quarter of 2023 from 54.1 points recorded in the first quarter of 2023.

"Among the standard Diffusion Factors, Current Business Condition and Business Condition for the next three months stood at 48.9 and 58 points respectively. Current Employment Condition (Rate of Employment) declined to 50.2 points from 50.7 points recorded in the first quarter of 2023 but remained marginally above the 50-point benchmark.

51ST AGM: MAN, UNIDO ADVOCATE MADE-IN-NIGERIA PATRONAGE

By Charles Okonji

The Manufacturers Association of Nigeria (MAN) and the United Nations Industrial Development Organization (UNIDO) have jointly called on Nigerians to increase the patronage of made-in-Nigeria goods as this is the right way to revitalize the ailing economy.

This call was made at opening ceremony of the 51st Annual General Meeting (AGM) of the Association recently in Lagos.

The President of MAN, Otunba Frances Meshioye, noted that MAN has consistently organized this exhibition for the past five years with the primary purpose of showcasing the strength of manufacturing in Nigeria and canvassing for the patronage of Made-in-Nigeria products.

According the MAN President, the MAN EXPO 2023, scheduled to November 21, 2023, aligns with one of MAN's core objectives, which is to actively encourage the widespread patronage of Made-in-Nigeria products by consumers both within and outside the country.

Meshioye said: "In encouraging the patronage of Made-in-Nigeria product, we acknowledge the contribution of some government policies aimed at improving local content development and patronage, including Executive Orders 003 and 005.

"Undeniably, these are clear signals of government's appreciation of the need to promote local production and encourage patronage of locally manufactured products. We are expectant that the policy direction of the new administration will focus on deepening domestic production and patronage of made-in-Nigeria products.

"While it is reassuring to note the government's avowed commitment to curbing trade practices that have turned Nigeria into a dumping ground for imported products, it is important that government takes immediate action to ensure the effective implementation, monitoring and evaluation of adherence to government initiatives aimed at promoting the patronage of Made-in-Nigeria products

among all ministries, departments and agencies of government.

"This should also be cascaded to sub-nationals, including states and local governments. We envision and anticipate a future in Nigeria where the government will designate a special day on the national calendar as "Proudly Nigeria Day". On this special day, all individuals and government ministries, departments and agencies would be encouraged to dress in Made-in-Nigeria outfits and prioritize the purchase of products that are locally made.

Such initiatives would serve as catalysts to boost the production and consumption of Made-in-Nigeria goods, a crucial milestone in the path towards a virile and competitive manufacturing sector."

On his part, the Guest Speaker, Mr. Jean Bakole, UNIDO Regional Director for West and Central African regions, stated that the prevailing economic situation in the world, and the African region in particular, the time is apt for all Nigerians to start patronising goods and services produced locally in Nigeria to encourage local manufactures to support the economy's growth.

Bakole pointed out that Nigeria is a leading economy in Africa, adding that it is expected to make steady progress through accelerating inclusive and sustainable industrial development.

"In order to achieve this and promote economic growth and sustainable development, there is need to support local manufacturers/MSME and startups who are involved in producing made-in-Nigeria goods.

"Over the years, Nigeria has been growing other countries' economies through over-dependence on imported goods, especially those which have local substitutes. Yet, Nigeria can easily experience a breakthrough in the quest for local content development and a stable, strong and advanced economy if Nigerians would encourage the production and patronise made-in-Nigeria products.

"It is a well-known fact that the economy of any nation grows rapidly when locally made goods are promoted through patronage, first by its people then through export. Over-dependence on importation of goods weakens the currency, creates unemployment, and consistently reduces the GDP. On the other hand, local production will promote gainful employment for Nigerians and will reduce the dependence on the consumption of foreign products and reduce poverty," he stressed.

NINE MONTHS REPORT: DANGOTE CEMENT RECORDED 15% INCREASE BY VOLUMES IN 2023

By Charles Okonji

Despite the recent global economic downturn occasioned by the Russia/Ukraine war, the Pan-African Conglomerate, Dangote Cement, has in the nine months ended September 30, 2023 reported 15.2 percent increase in pan-African volumes.

According to analysis, the recorded positives rose from 7.4 metric tonnes (Mt) to 8.5Mt, compared to the corresponding period in 2022.

Pan-African volumes refer to the volume of sales by Dangote Cement plants situated outside Nigeria.

A review of the cement company's unaudited results released on the portals of the Nigerian Exchange (NGX), shows the volumes were driven by sales from Dangote Cement Plant, Senegal which posted 66.9 percent increase in sales and Dangote Cement Plant Congo which reported an increase of 60.5 percent in volumes.

Moreover, Dangote Cement Zambia recorded 18 percent increase, wbile Ghana posted 15.5 percent, South Africa 18.5 percent, Ethiopia, and Tanzania 6.5 percent respectively.

The cement company pointed out that its Profit before tax rose by 20.5 percent, from N335.9 billion to N404.89 billion while profit after tax rose from N213.10 billion to N277.55 billion indicating an increase of 30.2 percent.

Commenting on the results, Chief Executive Officer, Arvind Pathak, noted: "This positive nine months result is a combination of our strong value proposition, improved operational efficiency and a sustained drive to contain cost amidst an accelerating inflationary environment. We achieved double-digit growth in Group revenue at ₦1,514.6 billion, while EBITDA rose to an all-time high of ₦662.8 billion, up 28.5 percent."

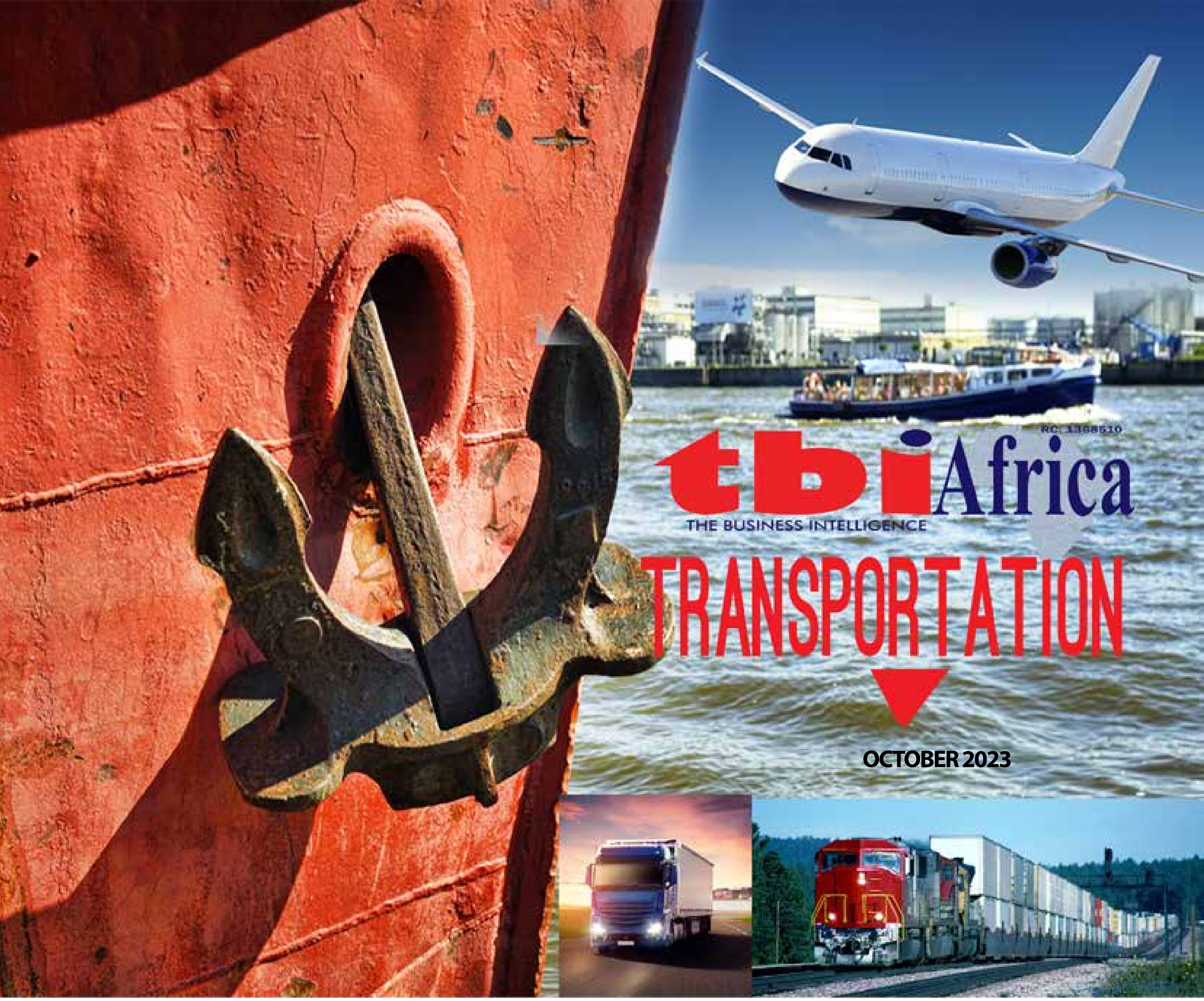
"Again, we continue to show the strength in the diversity of our operations. Our pan-African operations generated a record revenue and EBITDA growth of 103.9 percent and 255.4 percent, respectively, contributing 41.9 percent to Group volumes. This unprecedented growth was driven by sustained demand across our countries of operation. We will continue to explore emerging opportunities and export strategies around the region to further consolidate the Group performance, Pathak added.

Pathak concluded, "Looking ahead, we are at the final stage in the completion of our 1.5Mta grinding plant in Cote d'Ivoire, having commissioned our 0.45Mta Takoradi plant in the first half of the year. We are focused on improving our value proposition, anchored on our promise to deliver strong and superior cement to our unwavering customers. I am very pleased with the direction of our business and confident we will finish the year strong."

According to the Pan-African conglomerate, "Dangote Cement is Africa's leading cement producer with 52.0Mta capacity across Africa. A fully integrated quarry-to-customer producer, the company has a production capacity of 35.25Mta in its home market, Nigeria. Obajana plant in Kogi state, Nigeria, is the largest in Africa with 16.25Mta of capacity across five lines; Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta; Gboko plant in Benue state has 4Mta; and Okpella plant in Edo state has 3Mta.

"Through 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, Dangote Cement has operations in Cameroon (1.5Mta clinker grinding), Congo (1.5Mta), Ghana (2.0Mta import), Ethiopia (2.5Mta), Senegal (1.5Mta), Sierra Leone (0.5Mta import), South Africa (2.8Mta), Tanzania (3.0Mta), Zambia (1.5Mta)."



AVIATION SECTOR OVERDUE FOR DRASTIC REFORMS

THE Nigerian Civil Aviation Authority's recent amendment to its regulations mandating domestic airlines to expand their fleets to a minimum of six aircraft by January 2025 requires deeper scrutiny. Nigeria currently has 23 registered domestic carriers, says NCAA, but only a few are flying regularly. Most are struggling to remain aloft. Nigeria's aviation sector needs drastic reforms to tackle deep-rooted problems and stimulate a vibrant operating environment. Festus Keyamo, the Minister for Aviation, should vigorously drive that process.

The rule requires new entrants to start with at least six aircraft, and existing ones to raise their fleets to six, or merge with others to reach that number.

While the NCAA rule attempts to drive competition, improve capacity and efficiency, it merely scratches the surface. The problems besetting the sector are deeper, long-standing and daunting; they require extensive strategising, and root-and-branch reforms. President Bola Tinubu and Keyamo should initiate them.

A properly functioning market-led, private sector-dominated aviation sector does not need a regulator dictating fleet sizes for private businesses. Tinubu and Keyamo should single-mindedly pursue liberalisation, privatisation and concessions and unleash the sector's enormous potential.

Experts have identified lack of a coherent air transport policy, bad management, decrepit infrastructure, lax security, corruption and political interference among factors crippling Nigeria's aviation sector. Johannesburg-based Centurion Law Group identifies "institutional, structural and regulatory challenges" constraining it and discouraging investment.

Yet, the civil aviation industry is a critical player in the global economy. Among its uses, declared the Organisation for Economic Cooperation and Development (OECD), "it reduces the cost of trade, and facilitates tourism and the smooth operations of supply chains across continents." Invariably, being complementary and substitutable with other transportation modes, it promotes integration and rapid development domestically, and on a global scale.

The International Air Transport Organisation says that globally, the aviation industry transports one-third of the value of goods and services, generates $111 billion in tax revenues, contributes 4.1 per cent to GDP, and provides 87.7 million jobs.

Nigeria is missing out. The IATA estimates that aviation supports $63 billion in economic activity in Africa, and millions of jobs. South Africa accounts for over $12billion, 490,000 jobs and 3.5 per cent of the country's GDP. In Egypt, aviation produces $7 billion in gross value added, supports 602,000 jobs, and adds 2.1 per cent to GDP.

Against this, Nigeria's aviation industry's gross value contribution is just $1.7 billion, and supports 241,000 jobs. It contributes a mere 0.4 per cent to GDP.

But its potential is huge. The government neither has the resources to upgrade infrastructure nor the discipline to drive massive, modern infrastructure projects. It should therefore privatise the international airports transparently and urgently to reputable international operators as many countries have done and reaped immense benefits. The opaque one undertaken in the twilight of the Muhammadu Buhari administration should be reviewed.

Problems of multiple taxes and charges, and remittance of revenue by airlines should be resolved. The regulatory agencies should be reformed, imbued with efficiency, merit-based appointments and promotions, and cleansed of corruption.

Despite charges rated as one of the world's highest, Nigeria's airports are disgraceful, discouraging investors and tourists. They are poorly maintained, while corruption and disorderliness reign.

Airline operators struggle to access foreign exchange for their operations. They struggle to adequately maintain their aircraft due to unavailability of spare parts and hangars. Scarcity of aviation fuel adds to costs. High debt profiles, low patronage and poor customer services frustrate stakeholders.

Privatisation is the way to go. In the UK, Global Infrastructure Partners, led by Nigerian-born Adebayo Ogunlesi, acquired London Gatwick Airport, and Edinburgh Airport, and secured a long-term lease on Teesside Airport. Infrastructure revitalisation, improved passenger experience and increased efficiency resulted. Spain, Qatar, and Singapore among others have also privatised unprofitable airports.

Tinubu and Keyamo should follow suit or like their predecessors, also fail woefully to revive the aviation sector.

NIMASA ACT AMENDMENT BILL PASSES FIRST READING AT THE SENATE

By Emeka Ugwuanyi

The bill to amend the Nigerian Maritime Administration and Safety Agency (NIMASA) Act has passed the first reading on the floor of the Nigerian Senate.

Chairman Senate Committee on Marine Transport, Senator Wasiu Sanni Eshinlokun, who disclosed this during a working visit by the committee to NIMASA operational offices in Lagos, noted that the Senate of the tenth assembly is committed to formulating policies that will ensure Nigerians enjoy the benefits of the blue economy.

He averred that a constructive evaluation of the existing maritime legal framework was necessary to ascertain gaps for possible review, pledging that the Senate under the leadership of Senator Godswill Akpabio was committed to supporting the maritime sector in line with the vision of President Bola Ahmed Tinubu.

"Let me inform you that the bill seeking amendment of the NIMASA Act has passed first reading on the floor of the senate.

I have to say on behalf of my colleagues that we are with you on this journey, and we will not hesitate to support your vision, in as much as such is geared towards enhancing the potential of the maritime sector for national growth and development.

With the creation of the Marine and Blue Economy Ministry by Mr. President, a message has been passed to all stakeholders that the maritime industry has a huge role to play in our nation building. We must align with the vision of the President, and we must support the government to achieve a better country for all Nigerians", Sani said.


Senator Wasiu Sanni Eshinlokun

The Committee members unanimously acknowledged NIMASA's investment in acquisition and building of a strong safety and security architecture, reiterating that such effort was a confirmation that NIMASA was conscious of its mandate and strategic status as one of Nigeria's major contributors to the country's sustainable development.

A member of the Committee, Senator Abdul Ningi, commended NIMASA Management stating that much progress has been made over the years. I have visited this Agency over the years, and must note that much progress has been made over the years. You have done very well. He said.

In his welcome remarks, the Director-General of NIMASA, Dr. Bashir Jamoh, noted that the Agency is committed to both human capacity and infrastructural development to grow the Nigerian blue economy.

Jamoh stated that a well-developed marine and blue economy would be strong enough to service Nigeria's annual budget because it encompasses all economic activities associated with the oceans and seas.

According to Jamoh, "NIMASA is working tirelessly to secure our waters and by extension, the Gulf of Guinea. The time has come for us as a nation to build on the recent gains in the area of safety and security of our waterways. Rest assured that NIMASA is utilizing appropriated funds judiciously, evident in our investment in infrastructure. We will continue in the direction President Bola Ahmed Tinubu has pointed with the creation of the Marine and Blue Economy Ministry.

AVIATION SECTOR: THE WINS, WOES, WAY FORWARD

Over the past 63 years, Nigeria's aviation sector has witnessed significant challenges that mirror the country's ambition among its peers.

A breakdown of the country's aviation statistics according to the Nigerian Civil Aviation Authority, NCAA, shows that the country has 31 airports and 39 Air Operator Certificate, AOC, holders for flight operations, along with 28 foreign airlines.

Progress

The industry has seen growth overtime. Currently, Nigeria boasts of 2133 licensed pilots, 1659 aircraft maintenance engineers, 371 Air Traffic Controllers, and 2343 cabin crew licenses, among others.

The sector has indeed experienced notable growth, from the inception of Nigeria Airways to the development of key aviation hubs like Lagos' Murtala Muhammed International Airport and Abuja's Nnamdi Azikiwe International Airport.

Turbulence

However, this progress hasn't been without its share of turbulence. Despite these accomplishments, stakeholders have voiced concerns about ongoing challenges, including infrastructure deficiencies, safety issues, financial instability, and regulatory obstacles.

Security threats and high operational costs have also cast shadows over the industry's prospects, giving rise to calls for a more balanced approach.

Ministerial actions and financial concerns

It's noteworthy that the Minister of Aviation and Aerospace Development, Mr. Fetus Keyamo, suspended further actions on Nigeria Air and airport concession last month due to complaints from members of the public and government agencies.

Additionally, the International Air Transport Association, IATA, disclosed that international airlines' blocked funds in Nigeria have risen to $783 million as of August 2023.

Although President Bola Tinubu directed the Central Bank of Nigeria, CBN, to create a platform for quarterly reconciliatory meetings with foreign airlines to address the backlog of their funds, but this initiative has yet to commence.

Festus Keyamo

Furthermore, the sector's recent performance at the International Civil Aviation Organisation, ICAO, safety audit, scoring 70 percent, has sparked debate among stakeholders, with some insisting that it was a failure.

Lack of Professionals in the System — Capt. Ado Sanusi

In a reaction to the development across the sector, the Chief Executive, Aero Contractors, Capt. Ado Sanusi, told Aviation World in an exclusive interview that the sector lacks adequate professionals.

In his words: "There are some achievements made over the years and we can do better. We have moved towards what ICAO recommended, separating the service providers with the regulator, which was a big achievement, in that regards, the NCAA, Nigerian Airspace Management Agency, NAMA and Federal Airports Authority of Nigeria, FAAN, were created and given their own autonomy.

"We have had lots of challenges over the years, one of them is the lack of human capital training. Nigeria does not have adequate professionals in the system.

"Since Nigerian airways was liquidated, no airline has embarked on the type of training that Nigeria airways did, so that created a vacuum.

"Over the years we have been going with the vacuum which is the recycling of aviation professionals, as airlines spend little on training, which cannot accommodate what is needed. The NCAA is doing some training but is still not enough to close the gap on manpower shortage.

"Also, Nigerian College of Aviation Technology, NCAT is another achievement, I remember in the 90's it was difficult to graduate students out of the flying school, but now, they have acquired

Ado-Sanusi

new aircraft and they are making progress in training pilots and engineers but still that is not enough for the industry.

"The other aspect that we have not worked on at all is the creation of a national carrier. We have not made any headway yet. After 63 years we cannot boost of any airline that has 30 airplanes flying across the whole of Africa.

"That is not a good thing at all and I believe by now we should have a formidable carrier be it state, privately or public owned to service the Nigerian Market and we have not gotten it right yet we are thinking of going or not going for a national carrier.

"We have failed to encourage start-up airlines that showed some promising signs, to ensure that they don't quit, rather they are helped out in their business model and encouraged to go public.

"Arik air for instance at some time had close to 20 aircraft, those kind of business are businesses that usually stay outside the country, cushioned to survive better. Aero Contractor is another airline that should be assisted and not allowed to die.

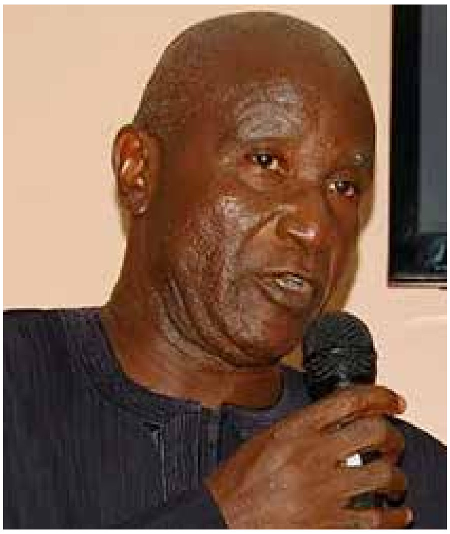
"On the Maintenance Repair and Overhaul, MRO, we have made progress on it but not on the level it should be. Like Aero Contractor, one of the MRO company that did the C-check on 737 classic, and it still servicing most of the 737 in the country.

"But have we gotten to the level we want? The answer is no. There is a lot of investment needed in that sector.

"There's lot of improvement if we compare from where we started but again we shouldn't give ourselves part in the back, our performance at the ICAO audit that sparked a lot of controversies.

"Some people think that it is not a good

Capt. Caulcrick



Capt Ojikutu

Olumide Obunayo

performance, while others think it is, but I think otherwise. If we had scored high in all areas then we can say let us improve.

"A chain is as strong as its weakest link so it is for safety, your safety indices are as strong as the weakest link of your safety. There is a lot of improvement that needs to be done in those areas.

"NCAT, Nigerian Meteorological Agency, NiMet and NAMA need to improve their services. This is more than a year NCAT acquired 737 NG aircraft and it is yet to be utilized, equipment worth more than $10 million.

"NAMA is also supposed to be looking at the upgrade of their surveillance system. NiMet should also look at ways of presenting a more accurate forecast system and automate it as it is done in some parts of the world and also good satellite imagery that the pilots can look at."

Sector struggling with management — Capt. Caulcrick

Also, a former Rector, Nigerian College of Aviation Technology, NCAT, Captain Samuel Caulcrick stated that the country has made tremendous strides in human capital development in aviation in its 63 years as a nation.

He said: "Nigerian aviators, on a global scale, could hold their own in all sectors and topped it with a Nigerian becoming the immediate past president of the ICAO.

"Nigeria has struggled with the management of the sector; it's not an isolated case, as we have not been able to separate efficiency from equity in the aviation subsectors that the government manages and the absence of corporate governance in the airlines owned by private individuals.

"The erosion of the buying power of most people in Nigeria has stunted the growth of the aviation sector. The sector has struggled to attract the majority of the people going to motor parks or who drive their vehicles on the road to the local airports for their travel plans.

"As a way forward, the majority of the people's buying power will only make an impact on aviation growth in Nigeria with low-cost carrier airlines. Volume is what the sector needs for sustainability. The legacy airline model seems to have reached a saturation point."

Only foreign airlines benefit from BASA routes — Capt Ojikutu

On his part, a former commandant of the MMIA, Lagos, Group Captain John Ojikutu, stated that based on the 2000 projection of 20m passengers traffic for 2020, it is sad that even three years beyond, we still cannot attain the projected figure in spite of the increase in the number of airports and number of the airlines aircraft compare to the numbers in the late 90s and early 20s.

"These are wastes of the scarce resources for the critical social development for the masses. The expected earnings on the BASA routes are beneficial to only the foreign airlines.

"After 20 years of the defunct Nigeria Airways, we are yet to take back our rights on the BASA Routes. We are yet to reestablish a National Carrier neither are we ready to designate any of the private or domestic carriers as flag carriers.

"Rather than doing any of these, those in the administration of our government and the management of the agencies thrive in institutional Corruption by continuously opening our domestic routes by way of multiple destinations to the foreign airlines invariably the Domestic Markets to the foreign airlines.

"As a way forward, the federal government must get itself out of the direct involvement in commercial aviation and face Aeronautical Safety and Security Services. Government must concession the MMIA two terminals without delay to help stop the institutional corruption going on with the so-called repairs of the old that have resulted in fire in the building.

"Remember that the Domestic terminal that gave birth to the MM2 was raised down completely by fire. This should be the selling points to the prospective investors and the political power that be in Abuja especially in Aso Rock.

We have highest attrition rate — Ohunayo

Also, an aviation Expert, Olumide Ohunayo, stated that Nigeria has the highest number of domestic airlines in Africa, not by number of aircraft but by registered airlines.

He said: "In the number of equipment, we are behind, we have the highest attrition rate. We have crossed the ICAO registration process, our airlines are IOSA certified.

"We have the highest attrition rates, as our airlines are not viable out there. Those operating are yet to obtain profit margin. We have been ascent on the international routes despite numerous BASA in place.

"We have increased the number of airports in the country over the years, although most of them are under used because of the limitation of sunset airport policies which has reduced usage.

NIGERIAN RAILWAYS TO BEGIN E-TICKETING

Mr Said Alkali, the Minister of Transportation, said the Nigerian Railways will commence e-ticketing.

Alkali made this known in Abuja during the flag-off of e-ticketing for Lagos-Ibadan and Itakpe–Warri routes.

According to him, the e-ticketing system will direct ticket sales revenue to the government's funds.

He added the e-ticketing platform would significantly reduce potential for corruption and revenue leakage.

"It will also help to ensure security of our passengers and avoid racketeering.

"It is the desire of this administration to have zero tolerance for corruption. All these are aimed to benefit our citizens," he said.

Contributing, the Permanent Secretary of the Ministry, Dr. Magdalene Ajani, said the Federal Government had really deepened efforts to ensure the dream of having e-ticketing platform come to reality.

Ajani explained that electronic ticketing for the standard gauge would comfortable curb racketeering that is capable of negatively affecting the economy.

Speaking, Mr Fidet Okhiria, the Managing Director, Nigerian Railway Corporation (NRC), said the e-ticketing system would improve integrity of operations in the sector.

Okhiria expressed optimism that the e-ticketing platform would increase revenue generation of the Federal Government.

According to him, the Federal Government had concessioned the Warri-Itakpe and Lagos–Ibadan routes to "Ticketing Solutions Limited" and "Global Software and Digital Solution" respectively for 10 years.

The two private firms said they would work effectively and efficiently fulfil mandates to operate the system.

...SUSPENDS WORKERS COLLECTING FARES FROM PASSENGERS WITHOUT TICKETS

The Nigeria Railway Corporation has suspended members of staff who were caught negotiating with passengers on the Lagos-Ibadan Train Service without obtaining tickets. A long…

The Nigeria Railway Corporation has suspended members of staff who were caught negotiating with passengers on the Lagos-Ibadan Train Service without obtaining tickets.

A long viral post had trended on the social media showing the yet-to-be-identified staff collecting money from passengers who did not obtain tickets prior to the take-off of the train.

A post by one Daramola E. Adenike @ Dara4Enjoyment on X (formerly Twitter) had trended for days on the microblogging site and WhatsApp where the user narrated how several passengers in one of the coaches did not obtain tickets but the NRC officials collected cash from them.

The post read: "On my way to Lagos from Ibadan today, some NRC employees lured us to board the train without tickets. Initially, they acted like they were taking us to the ticket counter only for them to lead us to the railway without official ticket.

"They collected cash on transit. On 2nd October 2023, my friends and I were going back to Lagos after a weekend getaway in Ibadan.

"We arrived at the Train Station around 03:40pm. While we were walking to the entrance of Obafemi Awolowo Train Station Ibadan, a uniformed NRC official approached us.

"He asked if we had the tickets and I told him we were on our way to get tickets. He then asked how many we are and I told him that we are five (5).

"He told us to follow him. We were confident we could trust him because he was wearing a uniform and identified as a staff.

"My friends and I followed him thinking he was leading us to the ticket counter only for us to pass through screening and head towards the railway.

"I immediately told him that we do not have tickets to board the train but he said I shouldn't worry that it would be sorted.

"He handed me over to another uniformed staff who led us to Coach 7. I told the lady the same thing that we do not have tickets and she said she was aware and it would be sorted.

"While pacing and looking for a staff, I saw new people come into the train and I approached one of them. I asked him if he has a ticket and he said yes. I asked him when he got the ticket and he replied, 'just now'

"This ruled out my assumption that we were too late. I saw the uniformed staff that led us into the train and asked him about the tickets. His response was that we are a group of 5 so if we go to the counter to purchase the tickets we would not be able to sit together.

"I was shocked. He couldn't even make something believable up. I went back to my seat. I still had my money with me so I would wait and see what happens next.

"Few minutes after the train started moving, they started collecting cash from people on Coach 7. I paid N18,000 cash for 5 persons. Over 60 persons paid N3,600 each without tickets."

Our correspondent reports that the practice has been rampant with the staff collecting cash from some passengers who arrive a little late to the train station.

Meanwhile, the NRC has suspended the officials involved pending an investigation into the case.

Spokesman of NRC, Mahmood Yakub in a statement said the NRC frowned at the act of the staff and said an in-depth investigation had commenced.

He said: "The public is invited to note that the Nigerian Railway Corporation (NRC) seriously condemns such act of misconduct which is a flagrant disobedience to laid down rules and utter betrayal of the confidence reposed on such workers, especially at this time that the Federal Government is making all efforts at revitalising and modernising the Corporation.

AGRIC MINISTER UNVEILS STRATEGIC PLANS TO BOOST FOOD SECURITY, AGRIC ACTIVITIES

With current high food prices across Nigeria, the Minister of Agriculture and Food Security, Senator Abubakar Kyari, has raised the hope of over 200 million Nigerians by unveiling strategic plans, policies, projects, and programmes to boost food security and agricultural activities.

Sen Kyari disclosed this during a press conference tagged 'On the Way Forward for Nigerian Agriculture Towards Delivering on the Renewed Hope Agenda of President Bola Ahmed Tinubu'.

He said: "It gives me a great sense of duty to brief Nigerians today and our friends and partners in the Agriculture and Food Security sector on our way forward towards delivering on the Renewed Hope Agenda of President Bola Ahmed Tinubu, and our strategies of operations over the next four years.

My colleague, the Minister of State, and I are totally committed to providing the desired leadership direction to steer the agriculture and food security sector towards the attainment of the key priorities of the President's 8-point Agenda.

"The immediate priority actions – ongoing to the end of 2023: The most pressing actions we are currently handling is preparation for the next dry-season farming beginning from November 2023.

"To this end, some preparatory activities have been carried out, and many others are at the advanced stage, viz: Certification of available planting materials for some food security crops in readiness for dry-season farming.

"Aggressive promotion and preparations for dry season farming, which commences from November this year.

"Implementation of the dry season wheat production starting in November 2023 as part of the National Agricultural Growth Scheme and Agro Pocket (NAGS-AP) projects funded by the African Development Bank.

"Under this scheme, the target is to: produce wheat over 70, 000 hectares across the wheat production zone of the country with an expected yield of 875,000 metric tonnes for our food reserve; blending of appropriate fertilizers to support this year's dry season farming while making provisions for next year's farming season well in advance.

"Providing Train-the-Trainer for extension agents involved in dry season farming in collaboration with wheat-producing states and other partners such as flour mills.

"Furthermore, arrangements are also at an advanced stage for dry season farming of rice, maize, and other horticultural crops; Hold the National Agriculture and Food Security Summit in November 2023 to bring all stakeholders together for the development of National Action Plan for Food Security with an implementation and sustainability strategy.

"Hold the National Council for Agriculture and Food Security (NCAFS) meeting in Cross River State in November 2023 to develop a strategic operational plan for Federal-State-Local Government joint implementation plans and strategies.

"Review the mechanisms and processes for delivering fertilizers and agro-pesticide input to farmers under a transparent and accountable regime.

"This will be part of the main agenda at both the Summit and the NCAFS meetings in November this year: distribute pasture seeds and cuttings for dry-season pasture and fodder development for livestock productivity beginning November 2023.

"Short-term priority actions (2023–2024) Agriculture and Food Security Stakeholders' analysis and mapping; Make a significant investment in animals feed-crop, fodder, and pasture production as an antidote to the farmers and herders clashes by focusing on the development of paddocks, foliage, and fodder estates equipped with necessary facilities for all-year-round production.

"Strengthen agriculture and food security institutions, repositioning them for the tasks ahead; reform the National Agricultural Research System to serve as the engine of growth for innovative solutions to strategic value chains; increase productivity and yields of our food security; and export crops, livestock, and fisheries.

"Establish two new national gene bank facilities, each for crop and animal, respectively, to conserve our fast-eroding genetic resources for food security.

"Fast-track the take-off and operations of the National Agricultural Development Fund; develop a national framework for proper coordination and alignment of all ongoing and future development partners' projects to our national priorities.

"Develop innovative communication, monitoring, evaluation, learning, and accountability platforms that guarantee continuous interface among all the critical stakeholders to ensure 24/7 engagements and field reporting.

"ICT tools will be deployed to support these platforms for the facilitation of e-extension services at scale. Develop a stakeholder engagement and communication strategy for agriculture and food security.

"Develop a new strategy for strengthening agricultural infrastructure and providing support to our new farm types (which shall be unveiled before the end of the year).

"Prepare a Joint Action Plan with the Federal Ministry of Water Resources to unlock the huge irrigation potentials of the River Basins Development Authorities and other flood plains in the country to guarantee year-round food production.

"It is very important to note the directives of Mr. President when he declared the national state of emergency on food security, thus: "There must be an urgent synergy between the Ministry of Agriculture and the Ministry of Water Resources to ensure adequate irrigation of farmlands and to guarantee that food is produced all year round."

He also assured that "the Ministry shall make strategic investment in renewable irrigation solutions like solar-powered irrigation pumps for small-holder farmers.

"Conduct a comprehensive review of all existing agricultural laws and legislation to fast-track necessary amendments and enactments to support farmers' welfare and private sector participation in agriculture and food security; develop a standard framework and guide for 'Ease of Doing Agriculture and Food Security (EDAFS)' operations/projects/business in Nigeria.

"Identify all available vacant farmlands in various Federal Government Institutions (Universities, Polytechnics, Colleges of Education, Unity Schools, and federally owned regimented areas like the military, police, and paramilitary allocated vacant arable lands) to bring them into food production to enhance our food security indices.

"Collaborate and partner with states to revive secondary school farms to enhance food security and agri-business enterprises; promote urban agriculture that is technology-enabled and especially driven by innovations and the passions of our teeming youths; and enhance the implementation of the National Livestock Transformation Plan for increased productivity and job creation.

"Deepen engagement between farmers, herders, traditional institutions, and communities to promote peaceful coexistence and conflict resolution.

"Develop and promote a performance-based agricultural extension system; promote the establishment of agricultural marketing incubation centres (Agribusiness Development Centres) for youth and women across the six geo-political zones.

"Capacity building to strengthen the farm inputs regulatory functions to enable them to play their regulatory role to checkmate the infiltration of adulterated farm inputs, i.e., fertilizers, pesticides, herbicides, etc;

Institutionalization in the Ministry; and consolidation of Nigerian Food System Dashboard for informed quality planning, policy decisions, and information dissemination on the state of food and nutrition in the country.

"Ensure the development of a robust and sustainable innovation ecosystem, a call for application for agronnovation enterprise and venture development competition targeting Nigerian youths is being developed.

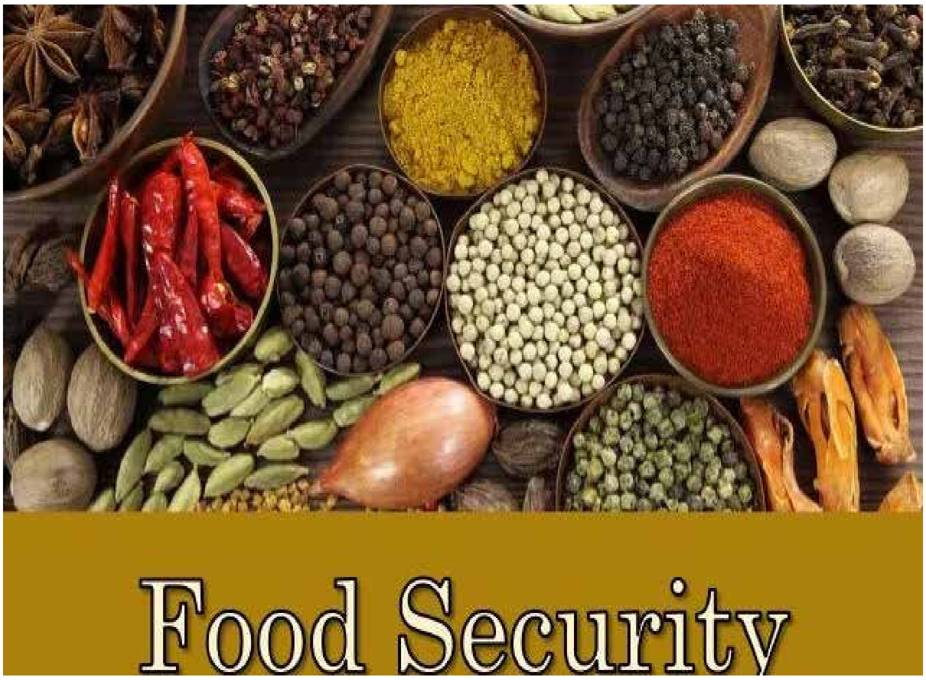
"Medium-term actions – 2024-2026 Development of a digital/ICT Mobile-based Agro-industry System and E-extension platforms to support farmers through the establishment of the national centres in the six agro-ecological zones of Nigeria, while the command and control office will be here in Abuja; Meat, dairy, eggs, fish, and other protein from animal sources will receive our special intervention to increase productivity target of an annual growth rate of 10 percent year on year.

"Our interventions will accelerate the uptake of Minimum Viable Products from our institutions and agencies in agricultural mechanization and implement production space in Nigeria for full commercialization by the private sector investment. Development of comprehensive soil fertility mapping and soil information system for food security.

"Development and implementation of the National Farmers Soil Health Card Scheme to increase productivity; up-scaling and out-scaling of various agricultural value chain projects in crops, livestock, fisheries, and support services under the annual appropriation and special interventions; using Fintech solutions, wallets shall be created for all financial disbursements to deliver directly to the targeted end users.

"Priority shall be given to the use of digital and DEFI solutions to reform Bank of Agriculture and the Nigerian Agricultural Insurance Corporation, among others; Conduct standard feasibility and viability studies for commodity board operations in Nigeria; set up world-class accredited laboratories in our Research Institutes that will receive and be governed by international standard organization -ISO certification and other regional, continental and international permits to validate the quality of our exports and certification before shipment.

"Develop a new intergovernmental partnership framework for the implementation of mutually beneficial agricultural projects between Federal, State, and Local governments; strengthen the commodity exchange for agriculture in collaboration



with the Federal Ministry of Industry, Trade, and Investment.

"Revive and promote home economics and food and nutrition knowledge transfers and practices at the state and local government levels under the watch of the First Lady of the Federal Republic and First Ladies at state levels for food and nutrition security; development and promotion of cooperative models for impactful agricultural development across the various agriculture value chains; promotion and strengthening of Agro-Rangers to include other paramilitary to assist in solving the problems of civil insecurity at the farm level.

"Long-term actions 2024–2027: Development of a national agricultural database for the planning and implementation of agriculture and food security programs and initiatives.

"We are committed to working with relevant MDAs, private sector and international development partners to co-create a functional digital transformation platforms that will facilitate data driven precision farming, climate resilience and smart agricultural practices including e-extension services; Carryout technology/ICT enabled farms and farmers enumeration and mapping in collaboration with states, local governments and development partners; Repositioning the Universities of Agriculture, Veterinary Medicines and Faculties of Agriculture and Veterinary Medicines to play key roles in our agricultural transformation through the development of practical approaches for production and mechanization.

"We are set to unlock the job creation potential of cold chain systems by encouraging private sector participation in community cold chain enterprises.

"The target is to incentivize the establishment of new food storage ventures across the country with direct and indirect new job creation. Reform and remodel the Federal Colleges of Agriculture (FCAs) and the Agricultural and Rural Management Training Institute (ARMTI) to focus on vocational skills development and management training for agriculture and food security issues.

"Development of a critical mass of agricultural breeders (crops, livestock, and fisheries) and other emerging knowledge areas in ICT for agriculture (smart agriculture) to position our agricultural production system for the challenges of feeding an increasing population under scarce and challenged resource base.

"Provide support for acquiring advanced laboratories equipment to drive a new One health approach for veterinary practices while ensuring collaboration with human health practitioners and researchers to achieve Nigeria's One Health.

"Establishment of new agrotourism hubs where our farms and national agricultural heritage can be made to create new wealth and jobs.

"Our target is to strengthen existing investments and encourage the youth and the practitioners and investors in the hospitality industry to establish new agro tourist centres across the country."

HOW TO SOLVE DECLINING AGRICULTURAL PRODUCTION AND WATER RESOURCE SCARCITY

Nigeria, particularly the North, could face severe water stress in the coming months. Also, severe droughts coupled with dilapidated dams have created food insecurity with lower crop yields due to irrigation problems. Stakeholders are worried that reduced water flows will impact the economies of the region, driving up prices and causing increased hunger. They are calling for immediate rehabilitation of several dams and implementation of climate-friendly innovative irrigation solutions to address drought and improve water use efficiency.

States in the North are facing a climate change challenge and increasing pressure on water resources for agriculture. This has had a direct impact on food production with a growing need for irrigated crop production.

While initial concerns focused mostly on lack of irrigation water, there is the impact of the flooding.

Indeed, the breakdown of dams and the drying up of the irrigation canals have led to additional concerns over agricultural production and export shortages.

Co-founder/Chief Executive, Farmer First Technologies, Gyena Iliya noted that dams play a major role in ensuring food security.

According to him, while food systems have been an important driver of future dam construction, maintaining it has so far been overlooked. He highlighted the need for adequate water supply to support irrigation, adding that better management of reservoirs has become a priority.

Iliya has been associated with farmers in the North who have had to confront regular forecast of long-term drought, warning of high temperatures, crop damage and water supply shortages. While rains have been below average across the region, the strain on water reserves has been exacerbated by increased domestic demand.

He said: "Farmers within the Northwest and Northeast region experience lack of water supply and it affects productive in agriculture, especially crops production. Because of this, Sokoto, Zamfara, Kano, Yobe and Borno are working with farmers' network from other states.

According to reports, the federal system of dams' accounts for the bulk of the water farmers uses to irrigate more than 600,000 acres. As part of efforts towards proper harnessing of surface and groundwater, the Federal Government, through the Ministry of Water Resources, has over the years constructed 260 dams and impounded 34 billion centimetres of bulk water in dam reservoirs for multi-purpose use, including water supply, sanitation, irrigation and power generation.

However, receiving less of the water has been troublesome in the North as overall water use has gone down even as the number of farmers has risen.

With pressure on water resources a major challenge in the North, initiatives to reduce water loss through agricultural irrigation is seen as key in addressing water scarcity, according to the co-founder, Corporate Farmers International, Akinwale Alabi, who is seeking innovations in irrigation that would have a positive impact on the future of sustainable agriculture.

In an interview with The Nation, he explained that broken dams and depleted reservoirs have leave critical production areas in the North without a key water supply.

His words: "First, the responsibility for the maintenance of the banks rest on the state governments. I am going to take Jigawa as an example. If you look at what the governor is doing by ensuring that dams that are accessed by farmers in the state have right of way. He is constructing a very big dam to assist their small holder farmers. When dams broke down, cultivation of crops such rice, onion and grains are affected. Once an administration identifies specific dams that are damaged, they should put in place measures to repair them. This is to ensure it does not affect other farmers.

"Secondly, the Federal Government also has a role to play. There is a department in the Federal Ministry of Agriculture and Rural Development, which monitors specific dams and irrigation projects round the country. This helps for dry season farming. Once they have red alert on a specific dam, they should move to action. The ministry has to buckle up to ensure that dams that can be used for dry season farming are in good condition. The government should work on dams that are broken or damaged. We have to give kudos to the Jigawa State government that is doing a lot in proper dam maintenance.

"What happened in Niger State last year was excessive rainfall and dam damage. Dam damage is a major risk. States such as Niger, and Nasarawa with issues on dam access have to buckle up. This is the rainy season and we might experience concurrent rain that might led to excessive floods and crop destruction. They have to ensure they water control to avoid loss of farm produce."

Alabi said Jigawa State has done a lot to improve water supply for farmers through irrigation.

He is worried about the future of the farms as climate change threatens the viability of rice farming.

Lead Strategist, FutuX Agri-consult Limited, Olarewaju Babatunde is among stakeholders calling for a mega irrigation to protect the region from drought.

He observed that rice farmers are threatened by the number of dams breaking down. This has had a severe impact on food security.

An agronomist with the Flour Milling Association of Nigeria (FMAN), Ahamed Tijani, has seen situation where farmers struggled to irrigate their crops because the dams have broken down, thereby affecting the flow of water to their fields. Though several dams have been rehabilitated and improved across

the region, he called for increased government's action to support construction of small multi-purpose dams.

He recalled the hardship farmers in some parts of the North had been facing, as a result of lack of water for irrigation.

With collapsed dams, Tijani explained that farmers would be unable to engage in dry season farming and fishing.

According to him, a lot of communities depend on dams for survival during the dry season – for farming and fishing.

Tijani expressed concern that the non-functionality of some dams could aid the expected harsh dry season to spoil some highly water- consuming crops.

Farmers in some parts of Kaduna State have seen enough rains, particularly in the past few years, amid climate change that is exacerbating extreme weather patterns.

Tijani has seen farmers trying to grow water-hungry cucumbers and peppers on land but the available water wasn't sufficient for traditional irrigation. There were cases where a few farmers tried a drip irrigation system, supported by a government initiative. The system delivered small amounts of water, where seasonal rains are no longer a reliable source of water.

His concern is that not much has been done to help small-scale farmers adopt water-efficient irrigation.

Except for states such as Sokoto and Kano, according to him, there have not been remarkable plans to help farmers enjoy an abundance of water.

He said there were situations where farmers either did not get rain when they needed it or got too much rain when their crops needed dry conditions.

Unless mitigating measures to address the water supply problem are implemented, Tijani sees it affecting food production.

He said the occurrence of the drought or prolonged dry spell and the delay in the implementation of irrigation systems are among the reasons water supply for agriculture keeps on decreasing.

Deputy Managing Director, Incubation, OCP Africa, Caleb Usoh said the government must also invest in the construction of more dams, not only for irrigation but also as a reserve reservoir for water supply of urban areas during droughts.

Despite the Federal Government's renewed commitment to revolutionalise the agricultural.

The signing ceremony took place at the Cuban Ministry of Agriculture in the presence of officials from both countries.

sector, 96 per cent of the dams are dysfunctional, experts said. The purpose of the construction of dams was to boost water supply, provide reservoirs for flood control, irrigation farming and hydroelectricity.

According to analysts, water is hardly reaching the farms, as most of the dams have been neglected by governments.

Recently, the President, Nigeria Agribusiness Group (NABG) Emmanuel Ijewere lamented that of the 264 dams in the country, only five are functional.

He stressed that getting the dams to work would boost productivity and attain self-sufficiency in crop production.

The country has irrigation land potential of about 3.1 million hectares, out of which only 150,000 hectares have been developed, according to the Federal Ministry of Water Resources.

National President, All Farmers Association of Nigeria (AFAN), Ibrahim Kabiru, said: "Most of our dams are underutilised and some are just abandoned, especially those built by various local governments.

"Farmers must start farming all-year round to meet the rising demand for food and it is only through irrigation we can do this."

The NABG vice president noted that this depended on the functionality of the dams.

He noted that without the revitalisation of dams, the government would not achieve its goal of diversification through agriculture.

The major challenge is that some of the dams were not built for irrigation, experts said.

Last year, the Federal Government announced the completion of 10 dams and four irrigation projects across 10 states. It said six irrigation projects were ongoing in five states, adding that the facilities were being developed to boost agriculture and support the nation's quest for food security.

According to the ministry, Nigeria has a total of 250 medium and large-sized dams with a combined storage capacity of about 30 billion cubic meters.

"The total storage capacity of these dams is more than the projected future demand of Nigeria by 2030," the ministry added.

The completed dams, according to the ministry, include Kashimbila Multipurpose Dam, 500,000 cubic metres, in Taraba; Ogwashi-Uku Multipurpose Dam, 4mcm, in Delta; and Adada Dam, 1.4mcm, in Enugu. Others are Sulma Earth Dam, 4mcm; Gimi Earth Dam, 4.5mcm; Kampe Omi Dam, 250mcm; and Amla-Otukpo Dam, 1.5mcm; located in Katsina; Kaduna; Kogi and Benue states.

Others are Amauzari Earth Dam, 25mcm, in Imo; Ibiono-Ibom Earth Dam, 0.3mcm, in Akwa-Ibom; and Kargo Dam, 2.3mcm, in Kaduna. On irrigation projects, the report said four of them had been completed, while six others were ongoing. It said irrigation projects in Ejule-Ejebe, 50 hectares, Kogi; Azara-Jere, 1,880ha, Kaduna; Sabke, 879ha, Katsina; and Sepeteri, 280ha, Oyo.

The ongoing irrigation schemes include Bakalori, 13,557ha, Zamfara; Hadeja Valley, 6,000ha, Jigawa; and Kano River, 15,000ha, Kano, Dadin Kowa, 2,000ha; Middle Rima, 4,333ha; and Gari, 2,114ha irrigation schemes situated in Gombe; Sokoto and Kano/Jigawa states.

ADVERT RATES

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RATE	N=	K
Inside Front Cover	580,000	00
Back Cover	610,100	00
Inside Back Cover	551,850	70
Half Page Front Cover	320,175	50
Half Page Back Cover	300,750	00
Quarter Page Front Cover	175,950	85
Quarter Page Back Cover	160,800	65
Full Page	515,700	50
Half Page	265,000	90
Quarter Page	143,250	75
Centre Spread	1,450,270	00
WRAP AROUND		
Full Wrap	10,000,000	00
Full Front Page	6,000,000	00
Half Page Front	4,500,000	00

ONLINE

ADVERT BANNER SIZE/LOCATION	1 Month	3 Months	6 Months
Leader board: Top.Header Banner - (728x90px)	N650,000	N950,000	N1,500,000
Bottom Banner - (728x90px) (Home page)	N600,000	N850,000	N1,000,000
Sidebar Ad - (500x250px)	N800,000	N900,000	N1,700,000
Article Top Ad - (468x60px) Ads on every article)	N150,000	N450,000	N500,000
Article Inline Ad - Banner - (468x60px)	N150,000	N350,000	N400,000
Article Bottom Banner - (468x60px) (Ads on every article)	N150,000	N350,000	N450,000

We are Shell

$1.36B.
In corporate taxes and royalties paid by SPDC and SNEPCo to the Federal Government of Nigeria in 2022.

220
Nigerian beneficiaries of Shell LiveWire entrepreneurship programme.

3,500
University grants and 990 cradle- to-career scholarship grants awarded by SPDC JV, SNEPCo and SNG since 2016.

$34.29M.
Direct social investment made by SPDC JV, SNEPCo and SNG in 2022.

$79.77M.
Paid by SPDC and SNEPCo to the Niger Delta Development Commission (NDDC) in 2022.

$1.9B.
Contracts awarded to Nigerian-registered companies by Shell Companies in Nigeria in 2022.

$200M.
Committed to support All On for renewable energy impact investments.

$1M.
Donated by Shell for relief to people impacted by the flood disaster in 2022.

2,500
Employees (97% are Nigerian nationals) & 10,000 contractors supporting operations.

$106.3M.
Disbursed by SPDC JV to communities through GMOUs since 2017.

92,000+
People benefited from CHIS (Community Health Insurance Scheme) since 2010

$15M.
Educational infrastructure projects in Lagos and Bayelsa states.

$23.6M.
In investment committed to be paid to All On's renewable energy company.

$15M.
Funding for All On for the expansion on DART programme.

Powering Progress in Nigeria