

A PAPER PRESENTED ON 'EVALUATING THE PLACE OF GAS AS A PRIORITISED ENABLER OF NIGERIA'S ECONOMIC DIVERSIFICATION AGENDA' PRESENTED AT THE NIGERIAN GAS ASSOCIATION 2019 BUSINESS FORUM BY ALHAJI KABIRU RABIU, GROUP EXECUTIVE DIRECTOR, BUA GROUP ON APRIL 16, 2019 AT THE CIVIC CENTRE, OZUMBA MBADIWE ROAD, VICTORIA ISLAND, LAGOS.

Please allow me to stand on all existing protocols.

1. I am more delighted and honored to be part of this year's Nigerian Gas Association Business Forum. I wish to express my sincere appreciation to the Forum for giving me the opportunity to present a paper on the economic benefits of natural gas to Nigeria.
2. I commend the organizers of today's event as it will give the stakeholders in the natural gas industry the opportunity to interact and exchange ideas among one another.
3. Nigeria is the most populous country in Africa with over 180,000,000 people. It is the 13th largest producer of crude oil in the world and also has the largest natural gas reserves in Africa and the ninth largest in the world with an estimated reserve of about 187 trillion standard cubic feet.
4. With this enormous gas reserve Nigeria is infact more of a gas rich than an oil rich.
5. It is heartwarming that more attention is now being focused on the utilization of gas for both domestic and industrial purposes and thereby reduce and eventually stop the flaring of gas during production of crude oil. Gas is a cleaner fuel than liquid petroleum products. In the quest to diversify the Nigerian economy natural gas stands as a credible enabler in the actualization of this objective.
6. Agriculture has been in the front burner of this economic diversification. The use of fertilizer is necessary to improve the yield of farm products per hectare of land. Natural gas is a major raw material for the production of fertilizer and so we can increase the volume of natural gas utilization by using it for production of fertilizer.

7. Another area of diversification of our economy is INDUSTRIALIZATION. There can be no thriving industrial base without reliable power supply. Our abundant Natural gas reserves can be used to increase the capacity of our power generating plants thereby making more power available to industry. We need about 30 megawatts of electricity for our domestic and industrial use in Nigeria as against 4 to 7,000 megawatts we are getting for now.
8. In our Organization (BUA GROUP) we fire our cement kilns and captive power plant in OBU, Okpella in Edo State with natural gas although we have a backup of LPFO in the not so frequent event of disruption of gas supply. Gas is more convenient to handle, clearer and occupies much less space than LPFO. It is our wish that use gas to operate our other cement plant in Sokoto but there is no gas pipeline close by for us to tap from.
9. Talking once again about industrialization, we cannot have a thriving industrial and manufacturing base without a functional steel industry. We do not have any at the moment. All we have now are rolling mills using imported billets to produce long products. There are also a few mini mills using auto body scrap to produce liquid steel in electric arc furnaces or induction furnaces and then produce rebar with the steel. We need to have integrated steelmaking facilities that can produce flat hot rolled coils which can be cold rolled to various thickness for industrial manufacturing.
10. High tonnage steel production is by the so called traditional Blast furnace/basic oxygen furnace (BF/BOF) or the more recent direct reduction/electric arc furnace (DR/EAF) production route. An integrated steel plant OF 1 MILLION TONNES PER ANNUM CAPACITY based on the natural gas DR/EAF production route will require about 110,000 normal cubic meter of natural gas per hour to heat the various production units of the steel plant. A heavy industry like the steel industry will therefore create a huge demand for natural gas.
11. There is sufficient natural gas reserve to support the establishment of another LNG plant in addition to the existing one and this will further boost the utilization of the nation's gas deposit. LNG is currently a major gas consumer.

12. In view of the huge demand for natural gas in Nigeria it is obvious that the investment opportunities in the industry are enormous and it will be prudent to invite credible investors on board.
13. The regulatory Authorities must ensure that the flaring of gas is stopped or erring operators are heavily sanctioned as a deterrent.
14. Gas flaring in Nigeria is about 700 million standard cubic feet of gas per day and we lose over N868million to it daily. Our natural resource should not be wasted that way.
15. Experience has taught us that it is not safe to rely on just a single revenue earner. We must therefore diligently pursue our economic diversification programme. Our natural gas can serve as one of the options available for such diversification.

THANK YOU