

Q4 2018

# Local **CONTENT** *Digest*

NCDMB stakeholder magazine

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# BUILDING A PIPELINE OF TALENT

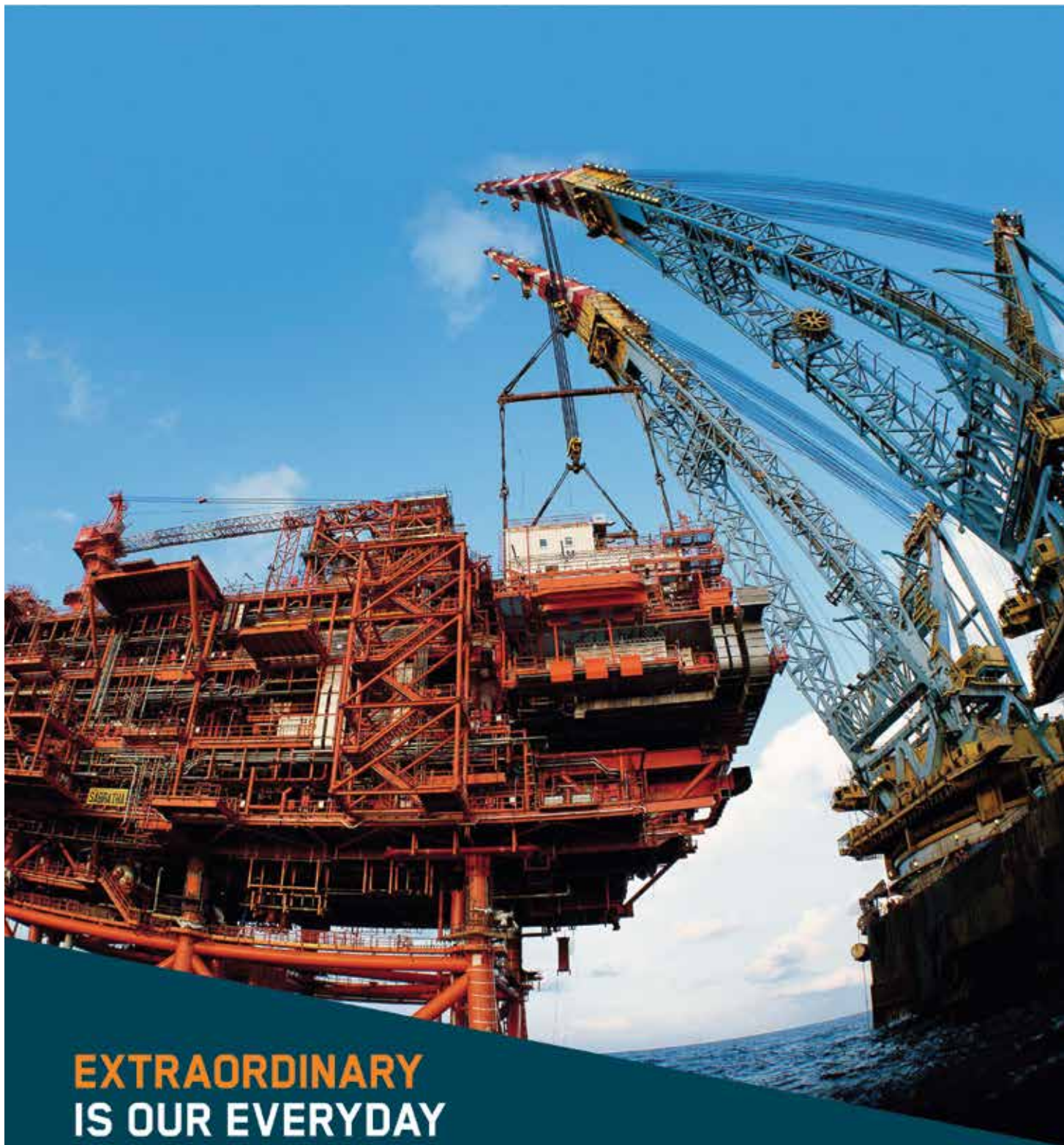
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# Practical Nigerian Content Workshop 2018



## For Nigerian Content implementation, it's forward ever

**Local content is a marathon, not a sprint. We are determined to grow Nigerian content to 70 percent within 10 years. The target includes generating 300,000 jobs, retain \$14 billion in-country from the industry's annual spend, engender manufacturing and increase oil and gas contribution to the nation's GDP.**

current in-country capacity is over 60,000 tonnage/per year. The fabrication and integration in-country of six modules of Egina FPSO as well as the OLT, which were built and delivered by a local company within time and budget, are testaments of our

current capacity in this area.

In engineering, we have successfully moved away from the era of doing Front-End Engineering Designs (FEED) and detailed engineering outside the country. Since the Act, all engineering is done in-country. This has to continue.

Gone are the days when Nigeria's hydrocarbon landscape was dominated by foreign companies. We have galvanised and created the enabling environment to generate confidence and incentive for Nigerians to invest in asset ownership. Prior to the Act, only three percent of marine vessels were owned by Nigerians despite

**V**igorous implementation of Nigerian content in the last eight years has manifestly changed the Oil and Gas business landscape. We have made impressive and rapid progress, leading to phenomenal upsurge in local content undertakings by indigenous service providers. Thus, the narrative has changed from shortage, to excess capacity in some areas, needing export to regional markets. Many more indigenous companies are making exploits in niche areas previously dominated by companies of foreign origin.

Before the enactment of the Nigerian Oil and Gas Industry Content Development Act, all fabrication, engineering, and procurement were done abroad, resulting in estimated capital flight of US\$380 billion and over two million jobs lost in 50 years of our hydrocarbon history. Our vigorous implementation of the Act has reversed the trend: from less than five percent in-country value retention in 2010 to 28 percent, marked by a seismic shift from negligible local content activity in earlier deepwater projects to over 60 percent domestication and domiciliation of work and services in Egina.

This is a quantum leap, considering that local content is a marathon, not a sprint. We are determined to grow Nigerian content to 70 percent within 10 years. The target includes generating 300,000 jobs, retain \$14 billion in-country from the industry's annual spend, engender manufacturing and increase oil and gas contribution to the nation's GDP.

Emerging trends are encouraging and inspire optimism that we can hit the bulls-eye. The capacity of our local supply chain is significantly enhanced. To spur further optimisation, we have earmarked \$200 million Nigerian Content Intervention (NCI) Fund, offering single interest loans, fixed for five years with one year moratorium. The torrent of applications for the fund indicates a huge appetite for the loan products and the criticality of this initiative.

In fabrication, Nigeria is doing great. Our



the fact that over 20,000 ships call on our waters yearly and the annual industry spend is over \$3 billion. Today, 36 percent of marine vessels are owned by Nigerians.

Local content implementation also provided the impetus for Nigerians to invest in acreage acquisition and marginal field development following divestments by the IOCs. This bold leap has resulted in significant increase in the market share of indigenous operators. Indigenous producers currently account for about 15 percent of crude oil production; some indigenous companies produce as much as 90,000 barrels per day.

These success stories run through the entire oil and gas value chain. There's a plethora of evidence to show increased domiciliation of manufacturing and other oil and gas activities in Nigeria since the Act. Take the case of pipe requirements in the industry. Vigorous implementation of the Act led to the establishment of two world-class pipe mills in Abuja and Lagos. Similarly, many pipe coating plants have sprouted in the last few years. The story is the same for pipe threading and OCTG plants. These activities have created over 30,000 direct jobs and six million training man-hours.

Thus, our combined in-country manufacturing capacity for HSAW pipes is about 670,000MTPA. With many top notch pipe coating plants in-country, there's no need for importation of coated pipes. This explains why we issued a directive last year banning the importation of coated pipes.

Talk about cables and paints. There is sufficient capacity in-country to manufacture all types of electrical cables required for oil and gas operation in Nigeria. In the case of paints, a Nigerian company manufactured the paints used on the hull and topsides of the Egina FPSO, which were exported to South Korea, where the FPSO was built.

Consistent with our vision of catalysing the industrialisation of Nigeria's oil and gas industry and linkage sectors, we have commenced the construction of world-class oil and gas parks in Cross River and Bayelsa states. The objective is to spur manufacturing and create more jobs for our people. Similar parks will be built in structured phases in Delta, Imo, Akwa Ibom and Edo states. Each park is expected to provide 2,000 jobs during full operation.

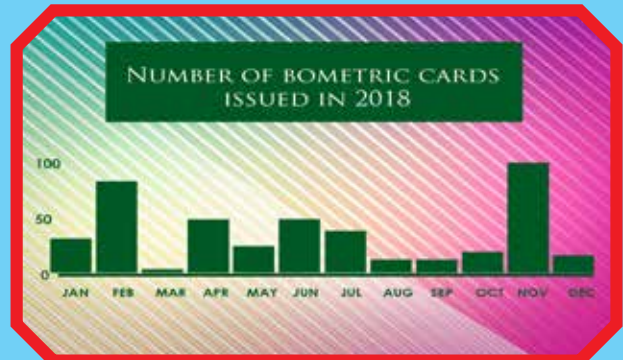
On resource utilisation for in-country value addition, we have issued guidelines for the capitalisation of modular refinery and LPG projects. Putting our money where our mouth is, we acquired 30 percent equity in Waltersmith 5,000bpd modular refinery. Site construction of the project has begun. We are also evaluating the bankability of several other proposals for modular refinery and LPG projects.

Within this same period, we started and accelerated the construction of a 17-storey building for the Board's corporate headquarters in Yenagoa. The project is scheduled for commissioning early 2019. This amazing skyline offers ultra-modern office spaces with 24/7 gas-fired independent power supply, conducive for business. It's also open for letting to oil and gas companies that want to move their base to a safe enclave with steady power supply and ultra-modern facilities in the Niger Delta.

These cheering records point to the conclusion that we have reached an irreversible stage. Accordingly, we'll continue to pursue our core mandate of capacity development and effective implementation and enforcement of the Act. We'll not allow anything to derail our strategic objective or reverse the gains that have been made.

We'll intensify our enforcement mechanisms and insist on full compliance with the Act in all future projects. The goal is to surpass the current local content attainments in future projects. For us, it's forward ever!

## SMART FACT



Source: Strategy and Policy Development Division

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## Editorial

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*Views expressed in this magazine are not necessarily those of the Nigerian Content Development and Monitoring Board, its management and staff.*

# Many things are possible

This is the verdict of stakeholders at the just concluded 2018 Practical Nigerian Content Conference. Eight years after the enabling Law, there's overwhelming evidence that many things can be done in-country. The way of success, they say, is always under construction. Nigerian content implementation is in constant motion.

An idea that started out like a ripple in 2010 has now taken a life of its own, courtesy of vigorous implementation by Nigerian Content Development and Monitoring Board. The torrent of testimonials and trophies to the leadership of the Board in 2018 validate the astonishing success recorded so far.

It's so amazing and heartwarming what has been achieved in Nigeria's oil and gas sector. It reads like the Cinderella story. This is why it forms the cover story in this edition of our *Local Content Digest*. It's a story told in a plain and coherent language with facts and figures showing jobs created, trend in value retention and the ample capacities dotting the landscape, just in eight years. It's a fascinating and informative report, fit to wind down an eventful year.

Besides the cover story, we bring you our regulars, starting with fitness tips, like how to inculcate the 10,000-step practice into a busy schedule, a smart and sure habit to reverse the effects of sedentary work-life and boost wellness. There's also a helpful advisory under *Money*, pointing to the values of investing in one's future as well as those of loved ones. *Travelogue* in this edition is a big bang. Readers might not crave to travel far for holidays again as

**Achievements in Nigeria's oil and gas industry form the cover story in this edition of our Local Content Digest. It's a story told in a plain and coherent language with facts and figures showing jobs created, trend in value retention and the ample capacities dotting the landscape, just in eight years. It's a fascinating and informative report, fit to wind down an eventful year.**

they're likely to discover more attractive alternative local tourist destinations.

It goes without saying that we couldn't have produced all four editions of the *Local Content Digest* in 2018 without the huge support of our partners and patrons. We are therefore grateful to all the companies that have consistently patronised us with advert placements. As we move into 2019, we call on companies that have been indifferent to come on board.

On behalf of the publisher, the Editorial Board, reporters and contributors, I wish you all a very merry Christmas and a happy New Year.

**Naboth Onyesoh**  
Editor-in-Chief

## Senate applauds NCDMB's HQ project

The Senate Committee on Local Content has hailed the Nigerian Content Development and Monitoring Board (NCDMB) on the construction of its 17-storey headquarters building in Yenagoa, Bayelsa State. The committee members were on an oversight visit to the Board in November and toured other Nigerian Content facilities in Bayelsa and Rivers States.

Senator Solomon Adeola, the chairman of the committee, said the building would meet the present and future needs of the NCDMB. "The project will also meet the expectations of Nigerians, especially those in the Oil and Gas industry," he added.

He praised the main contractor, Megastar Technical & Construction Company Limited, saying: "I am happy that we have a project of this magnitude being executed by a Nigerian company. The most interesting part is that it is local content-driven."

Senator Tayo Alasoadura, the chairman of the Senate Committee, Upstream Petroleum Resources, said the building would contribute to the development of Bayelsa State and the Oil and Gas industry. Senator Dino Melaye also stated that the project would save the economy huge costs in the future. "I commend NCDMB for projecting into the future. We need to develop similar projects in

many other sectors and locations," he added.

Engr. Simbi Wabote, the Executive Secretary, NCDMB assured the committee that the building would be completed in the first quarter of 2019 and be a source of pride to indigenes and other residents of the Niger Delta region. He said some oil and gas companies had indicated interest to rent some floors, adding that proceeds the lease would be used to maintain the edifice. The structure would utilise electricity generated from an independent power plant being developed by the Nigerian Agip Oil Company (NAOC) in Bayelsa State, he added.

## 7 firms selected for 3rd party NC monitoring

Seven companies have been selected by the Nigerian Content Development and Monitoring Board (NCDMB) to provide Third Party Monitoring (TPM) services. The deployment of the monitors will enhance compliance monitoring in the upstream, midstream and downstream sectors of the Oil and Gas industry.

Engr. Simbi Wabote, the Executive Secretary, stated that the service providers will complement the efforts of the Board's Monitoring and Evaluation Directorate to ensure effective monitoring of the 51 operating companies and close to 8,000 oil and gas service providers registered on the Board's NOGIC-JQS platform.

The NCDMB chief said the deployment of the third party monitors by the Board is in line with sections 64 and 65 of the Nigerian Content Act, which require all operators and contractors to grant access to the Board or its designated agent to their facilities and all records for the purposes of assessment and verification of Nigerian Content reported.

Wabote spelt out the code of conduct for the third party monitors, saying: "Adopt the highest level of professionalism and integrity in carrying out monitoring services. Be courteous but firm, forthcoming but circumspect, attentive but very practical to establish and verify the true facts as well as be guided by the Board's core values, which

are: professionalism, patriotism, passion, integrity, creativity and teamwork."

The monitors will provide legal, insurance and financial services monitoring, Nigerian Content performance reporting for upstream independent producers and Nigerian content review for gas and downstream monitoring.

Other services include procurement/material management, offshore assets and NCEC monitoring; Nigerian Content performance monitoring for upstream/IOCs/NOC; research and development and technology transfer monitoring and expatriate quota monitoring.



Engr. Simbi Wabote, Executive Secretary, NCDMB inaugurating Global Process & Pipeline Services Limited (GPPS) headquarter building in Port Harcourt, Rivers State.



## NCI Fund to support gas projects

Bankable investments that will deepen local content in the gas value chain will receive support from the Nigerian Content Intervention Fund (NCI Fund), Engr. Simbi Wabote, the Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), has said.

He made the pledge in Abuja, the nation's capital at the Nigerian Gas Association's 2018 International Conference in October. "Part of our 10-year strategic roadmap is to support credible proposals from local businesses that want to key into opportunities in the hydrocarbon value chain. Our recent deal to support

the construction of a 5,000 barrels per day modular refinery was done in less than six months," he said.

Inviting investors to take up opportunities in the industry, Wabote said: "If you are interested in manufacturing cylinders, clips, hoses, burners, regulators, lighters, or in the provision of other services in the gas value chain, please approach the Bank of Industry with your applications. A key requirement is that you must be a contributor to the Nigerian Content Development Fund."

Wabote said there had been sufficient discussions on missed opportunities of the past years and subsisting

potentials of gas to the Nigerian economy. It was time for stakeholders to walk the talk and pursue speedy implementation of existing policies as well as delivery of identified gas opportunities, he said.

Such investment, he noted, "does not have to be a gigantic, big-bang project that overwhelms everybody and does not get delivered at the end of the day. Let's take one or two aspects of the value chain and channel all energies on them so that in two years' time we are here to celebrate value addition to our hydrocarbon resources".

## Tolmann opens modular fire field centre

Tolmann Allied Services Limited, an indigenous oil and gas service company, opened a new modular fire field and emergency response training centre in Port Harcourt, Rivers State, in November.

The facility provides offshore safety trainings such as helideck emergency response team-member training, offshore emergency response team leader training, major emergency management initial response, control room operator training, confined space entry training and many more.

Mr. Emmanuel Onyekwena, the Managing Director of Tolmann, said the centre was "borne out of the desire to meet modern global approach of combatting emergency situations in daily life

operations offshore, which require capability, infrastructure and competence demonstration prior to deployment offshore."

Engr. Simbi Wabote, the Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), who inaugurated the facility, advised oil and gas servicing companies to continually evolve with the industry and improve their deliverables to remain in business. "Industry operations are continuously moving into the deeper waters and it is either we evolve to become relevant or we disappear. Tolmann is trying to copy the evolution," he said.

Wabote also urged industry operators to patronise

local facilities as part of their commitment to local content practice, capacity development of workers and safety of their operations. He hinted that NCDMB was considering a framework whereby the patronage of local service companies by operating companies and EPC contractors would be rewarded with a discount on the payment of the statutory one percent Nigerian Content Development Fund (NCDF).

Engr. Bank-Anthony Okoroafor, the chairman of the Petroleum Technology Association of Nigeria (PETAN) said Tolmann's feat embodied the mantra of PETAN, which are capacity building, capability, consolidation and consistency.

## LNG Train 7 targets high Local Content

The development of Train 7 project by the Nigeria Liquefied Natural Gas Company (NLNG) is expected to record high Nigerian Content accomplishments.

This expectation was raised at the Nigerian Content Workshops organised on the project in Abuja and Port Harcourt, the Rivers State capital in October and November. The workshops sensitised industry stakeholders on local content opportunities in Train 7 project and created platforms for the identification of local supply chain capacities and capabilities available in-country.

Engr. Tony Attah, the Managing Director, NLNG,

stated that the Train 7 project would increase the production output of the company's plant by 35 per cent, up from 22 million tonnes per annum (MTPA) to 30 MTPA and improve foreign direct investment (FDI) into Nigeria.

Senior officials of the company listed major scopes of the project to include engineering, procurement, construction, logistics and other services. The LNG officials also identified Nigerian Content opportunities that exist in each package, adding that the project would employ 100,000 personnel on site at the peak of construction.

Engr. Simbi Wabote, the Executive Secretary NCDMB, said: "The Train 7 project will bring about great opportunities for utilising local goods and services in addition to affording local companies the prospect to enhance their capacities and capabilities, thereby further stimulating the local supply chain."

The implementation of Nigerian Content in the past eight years, he said, led to the development of huge capacities and ensured that major industry projects are no longer executed overseas and shipped to Nigeria for installation.



(L-R): Mr. Akintunde Adelana, Director, Monitoring and Evaluation, NCDMB; Engr. Simbi Wabote, Executive Secretary, NCDMB; Engr. Tony Attah, Managing Director, Nigeria LNG and Engr. Paul Zuhumben, General Manager, Projects Certification and Authorisation at the Nigerian Content workshop on NLNG Train-7 project in Port Harcourt, Rivers State.

## Review of industry projects, opportunities begins

Efforts are underway to review existing data on upcoming oil and gas projects and their Nigerian Content opportunities.

The review seeks to update the Compendium of Nigerian Content Opportunities, highlight challenges faced by operators and service providers and proffer solutions that would increase in-country value creation and retention as well as fast-track the development of new projects.

The Nigerian Content Development and Monitoring Board (NCDMB) organised workshops in Lagos and Port Harcourt in October which featured sessions on upstream and downstream opportunities.

Mr. Daziba Patrick Obah, the Director, Planning Research and Statistics NCDMB, who delivered the opening remarks at the events, said the goal was to build on the compilation of opportunities generated in the maiden edition of the Nigerian Oil and Gas Opportunities Fair (NOGOF) held in 2017 in Uyo, the Akwa Ibom state capital.

Updating the compendium annually would enable the Board and other stakeholders to track the progress made in maximising Nigerian Content opportunities, he said.

Mr. Akintunde Adelana, the Director, Monitoring and Evaluation, NCDMB, announced that NOGOF 2019 will hold on April 4 and 5 at the new NCDMB headquarters in Yenagoa, the Bayelsa state capital.

Expected attendees include venture capitalists, investors and other players in the industry. The event will also serve as an avenue to identify gaps in local content, list investment opportunities and highlight value-addition and employment opportunities, he added.

Participants at the Lagos review workshop suggested that NOGOF 2019 should identify opportunities for synergy and foster collaboration between contractors. They also suggested a session that would discuss the progress made in reviewing schedules to the NOGICD Act as well as a session on technology.

## New framework to drive barite utilisation

A new framework that will promote optimal production and patronage of locally produced barites in oil and gas operations will be developed by the Nigerian Content Development and Monitoring Board (NCDMB) in conjunction with the Association of Miners and Processors of Barites (AMAPOB), within one year.

Engr. Simbi Wabote, the Executive Secretary of NCDMB directed the development of the roadmap at a recent workshop organised by the Board in Port Harcourt, the Rivers state capital. The event was attended by miners, representatives of international operating companies, service companies and other key stakeholders.

Wabote expressed displeasure that despite the enduring support provided by the Board to AMAPOB and donation of mechanised mining equipment and laboratory by Chevron Nigeria Limited, the miners had not made substantial investments nor instituted sound business models to guide their operations.

He urged serious players in the barites value chain to approach the Board with bankable proposals, which could be funded through the Nigerian Content Intervention Fund (NCI Fund). The Board is willing to build capacities and turn some serious players into world-class manufacturers of barites, he said.

Some barite miners clarified said they had not made the required investments because of low demand for their products. They added that unless existing producers were patronised, there would be little incentive for more investment.

Mr. Stephen Alao, President of AMAPOB, regretted that though the country has huge deposits of barites and other mineral resources but there is low patronage from operating and service companies. Mr. Mike Mku, the First Vice President of AMAPOB, insisted that barites produced in Nigeria met the grade demanded by the Oil and Gas sector and that there were enough to meet their demand.



Engr. Simbi Wabote, Executive Secretary, NCDMB, Senior Management of the Board with Governing Council members of the Nigerian Chamber of Shipping (NCS) after a courtesy visit to the Executive Secretary, at the Board's head office in Yenagoa, Bayelsa State.



## Kachikwu sets up Nigerian Content R&D Council

Dr. Emmanuel Ibe Kachikwu, the Minister of State for Petroleum Resources, has inaugurated the Nigerian Content Research and Development Council (NCRDC) in Abuja.

The Council would advise the Nigerian Content Development and Monitoring Board (NCDMB) on issues relating to research, development and innovation strategy for the Oil and Gas industry.

Kachikwu hailed NCDMB for accomplishing the commitment it made at the 2017 Research and Development Fair, that it would constitute the R&D Council. He described the Council as a timely innovation that would deepen the achievements recorded in Nigerian Content implementation.

Under the Board's research and development framework, all research topics or thematic areas must be based on industry challenges or needs. Engr. Simbi Wabote, the Executive Secretary of NCDMB affirmed that "the Board will be more involved in applied research to give room for product development and encourage prototype development of products".

He added: "The Board would be involved as well as encourage commercialisation of products or research endeavours. The Board would also ensure that every product that is commercialised at the back of oil and gas activities is accepted and utilised."

The R&D Council is chaired by the Executive Secretary. Members include Engr. Patrick Olimna, representing the Oil Producers Trade Section (OPTS); Mr. Uzochi Nwagwu, representing the Petroleum Contractors Trade Section (PCTS); Dr. S. B. Ramon Yusuf, from the National Universities Commission (NUC) and Mr. Isa Yusuf Maikanma, from the National Board for Technology Incubation (NBTI). Others are: Dr. John Erinne, representing the Petroleum Technology Association of Nigeria (PETAN); Mr. Dele Aikihonbare, representing Independent Petroleum Producers Group (IPPG) and Mr. Tandama Adamu Abu, from the National Office for Technology Acquisition and Promotion (NOTAP).

## Flood victims get succour from NCDMB

As part of its corporate social responsibilities (CSR) and support for host communities, the Nigerian Content Development and Monitoring Board (NCDMB), in October donated over 2,900 assorted materials to people displaced by flood in Bayelsa State.

The items included bags of rice, tins of vegetable oil, tinned tomatoes, treated mosquito nets, mattresses and bags of beans. Other materials were bags of garri, printed wrappers and noodles. There were also cartons of toothpaste, sanitary towels, evaporated milk, sacks of sugar, among others.

Engr. Simbi Wabote, the Executive Secretary of NCDMB, who presented the items, explained that the gesture was part of the Board's efforts to make positive impact on its immediate environment. He said the Board was responsive to the plight of the community where it operates and had been dismayed by the devastation the floods caused Bayelsa State.

He urged the community leaders and the State Emergency Management Authority (SEMA) to distribute the materials judiciously to the flood victims. Wabote also advised the state government to equip disaster centres where the residents

could be relocated easily during disasters.

Mr. Ebipatel Apaingolo, the Commissioner for Environment, thanked the Board for alleviating the plight of the displaced persons and communities. He said the state government lacked the capacity to cater for all the displaced persons and urged other corporate bodies and charitable individuals to emulate the Board's kind gesture.

The materials were distributed to flood victims in Amasoma, Tombia Ekpetiama, Igbogene, Okutukutu Communities and Opokuma Clan.



**Support for flood impacted communities:** Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB) presenting relief items to victims of flood disaster in Bayelsa State in October.

## NCDMB, Customs partner on Local Content implementation

The Nigerian Content Development and Monitoring Board (NCDMB) and the Nigerian Customs Service (NCS) are collaborating to prevent the importation of oil and gas goods which local firms have full capacity to manufacture. Such goods include cables, coated pipes, some OCTG tubulars, helical welded pipes and coveralls.

The agreement was reached in October when Engr. Simbi Wabote, Executive Secretary NCDMB, visited Col. Hameed Ibrahim Ali (retd), the Comptroller-General of Customs, in Abuja.

The agencies agreed to inaugurate a joint committee and integrate their electronic platforms-the Nigerian Oil and Gas Industry

Content Joint Qualification System (NOGIC JQS) and Nigerian Integrated Customs Information System (NICIS).

Wabote said: "We need the Customs to check the activities of some individuals and companies that flout the Nigerian Content Act and import oil and gas products that are available in-country, thereby creating unemployment and killing the dreams of local investors."

The NCDMB chief also sought the support of Customs to address difficulties in verifying Custom Duty payment documents presented by vessels vendors to the Board for evaluation and determination of status of Temporary Custom

Import Duty on vessel ownership.

The collaboration will ease authentic categorisation of vessels that operate in the Nigerian Oil and Gas industry. This will ensure that vessels with Nigerian ownership status with the requisite capacity and capability are given first consideration in contracts awards and execution of jobs.

The Comptroller-General of Customs assured Wabote that NCS would collaborate with the NCDMB. He said NCS had always wanted to partner key players and regulators in the Oil and Gas industry on tariff and trade.

## Chamber of Shipping commends implementation of NCI Fund

The Governing Council of Nigerian Chamber of Shipping (NCS) has praised the Nigerian Content Development and Monitoring Board (NCDMB) for its consistency and transparency in the implementation of the Nigerian Content Intervention Fund.

The leadership of the chamber gave the commendation during a visit to Engr. Simbi Wabote, Executive Secretary of NCDMB at the Board's office in Yenagoa, Bayelsa State.

Mr. Andy Isichei, President of NCS Governing Council, stated that the Council had observed

the phenomenal achievements of the NCDMB, particularly the transparent way the Board administered NCI Fund created to tackle the perennial funding challenge that impeded the efficiency and competitiveness of the local supply chain in the Nigerian Oil and Gas industry.

Mr. Isichei said the visit was motivated by the desire to advance the objectives of the chamber, part of which was to deepen international maritime commercial activities in Nigeria. "We want to collaborate with the Board in the area of training of cadets and other aspects of capacity building to optimise the gains of local content in

the maritime industry," he added.

The Executive Secretary thanked the chamber for the visit, saying the Board would support any organisation that offers cadets trainings, provided it is able to demonstrate that it can grant the trainees requisite international certifications and sea-time experience. He urged the NCS Governing Council to partner the Maritime University at Okerenkoko, Delta State, rather than seek foreign partnerships, to ensure that the various trainings it offers are domiciled in-country.

## 20 cadets begin sea time training

The mandatory sea-time training for 20 cadets sponsored by the Nigerian Content Development and Monitoring Board (NCDMB) has begun.

The programme is being coordinated by Charkins Maritime and Offshore Services Limited, Port Harcourt, Rivers State. It will address the deficit of trained cadets in the maritime and oil and gas industries as well as reduce the dependence on foreign personnel in marine operations.

Beneficiaries were selected from the Nigerian Oil and Gas Industry Content Joint Qualification System (NOGIC JQS).

The cadets will be trained by Bernard Schulte Group for 12 months on board a foreign vessel and will be internationally certified after their programme. They will also be awarded the Certificate of Competence (COC) recognised by the Nigerian Maritime Administration and Safety Agency (NIMASA).

Dr. Ama Ikuru, the General Manager, Capacity Building Division, NCDMB said the training was meant to increase the participation of Nigerians in the Oil and Gas industry, especially in shipping, an important aspect of the sector.

According to him, over 10,000 vessels berth at the

Nigerian Port each year but there was dearth of Nigerians to man the vessels. "Fifty-one candidates were selected for the test; 41 turned up and 20 were selected for the training," he said.

Sir Charles Kimikanwo Wami, the Chief Executive Officer, Charkins Maritime and Offshore Safety Centre, hailed the Board for its effective implementation of the Nigerian Content Act. He also praised the Board for collaborating with stakeholders and providing jobs.



**Support for flood impacted communities:** Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), inspecting flood impacted areas with Mr. Ehipatel Apaingolo, Commissioner for Environment, Bayelsa State in October.



## Dangote Refinery hosts workshop on Nigerian Content

A one-day sensitisation workshop on Nigerian Content Compliance was hosted in October by the Dangote Petroleum Refinery and Petrochemicals (DPRP), in partnership with the Nigerian Content Development and Monitoring Board (NCDMB).

Mr. Akintunde Adelana, the Director, Monitoring and Evaluation at NCDMB, said the workshop, which held in Lagos, was meant to create awareness for the Nigerian Oil and Gas Industry Content Development (NOGICD) Act, increase the participation of Nigerian companies and utilise local goods and services in the execution of the refinery project. He added that

the workshop was also aimed at enlightening the company's contractors on the regulations, policies and laws that apply in the Oil and Gas industry with a view to driving compliance.

He lauded the level of work going on at the refinery project, saying Mr. Giuseppe Surace, the Chief Operations Officer (COO) of DPRP, has a deep knowledge of Nigerian Content practice, having worked previously with Saipem Nigeria.

Adelana noted that the Board's target under its Nigerian Content 10-year strategic roadmap is to achieve 70 percent in-country value retention by

2027. To achieve the target, there is need for greater indigenous participation and domiciliation of industry activities.

The NCDMB top official noted that Nigerian Content is not about promoting indigenisation of industry activities but about focusing on domestication and domiciliation of operations.

Surace promised that the refinery project would engage Nigerian vendors and utilise local capacities in the execution of the project in line with the provisions of the Nigerian Content Act.



Officials of NCDMB, Total E&P and Schlumberger with trainees on Egina Human Capacity Development (HCD) programme after their close-out ceremony in Lagos.

## Wabote bags global award, engineering fellowship

Engr. Simbi Kesiye Wabote, the Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB), has received a global award of excellence for outstanding contributions to sustainable local content development in Nigeria and across Africa. Organisers of African Oil Week (AOW) gave him the award at an event marking AOW's 25th anniversary celebrations in Cape Town, South Africa.

Also, Wabote has been inducted as fellow of the Institute of Petroleum Studies (IPS), University of Port Harcourt (UNIPORT). The award was part of the

institute's 15th induction ceremony/exhibition.

Giving reasons for his selection, Mr. Paul Sinclair, Conference Director, Africa Oil Week, listed Wabote's sterling contributions to localisation of industry knowledge and expertise, capacity development programmes in Nigeria with cross-border impact and advocacy of the imperatives of local content practice and benefits. He said Wabote demonstrated smart regulations and rare leadership capacity to balance dialogue between international commercial ventures and national interests.

Officials at the IPS also said Wabote was nominated for his exceptional accomplishments in engineering, strategic management and local content leadership in the Oil and Gas industry.

In his acceptance speech, Wabote said the award was significant, as "it communicates AOW's acknowledgment of the Board's programmes and strategies for localising industry knowledge and capacity development".

## Niger Delta University gets new Economics Lab from NCDMB

The Nigerian Content Development and Monitoring Board (NCDMB) has donated an ultramodern Econometrics Laboratory to the Department of Economics, Niger Delta University, Bayelsa State, in furtherance of its corporate social responsibility (CSR) and capacity building mandate.

The laboratory is equipped with state-of-the-art computers, current economics software, projectors, printers, photocopiers and is powered

by a 30 KVA power generating set with a backup 10 KVA inverter to ensure stable and constant power supply.

Mr. Timbiri Augustine, a Supervisor in the Capacity Building Division of NCDMB, handed over the laboratory to the university. He said the donation was part of NCDMB's efforts to close existing gaps in the Nigerian educational system and enhance the quality of teaching and learning.

He urged the university to ensure effective use of the laboratory and assured that the Board would continue to collaborate with higher institutions across the country.

Prof. Samuel G. Edoumiekumo, the Vice Chancellor of the university, hailed the Board for donating the laboratory. He urged the NCDMB to establish a Research and Development Centre of Excellence in the Engineering Faculty to give young Nigerians skills required in the Oil and Gas sector.

Contributors: Naboth Onyesoh, Obinna Ezeobi, Nyoki Ita, Teleola Oyeleke, Ifeanyi Nwokemodo, Chinonso Nworgu

# Nigerian Content Maximising the gains of continuity

*Nigerian Content implementation has been widely acclaimed for changing the dynamics of the Oil and Gas industry. Stakeholders met recently, commending the stability in policies and commitment to the implementation of the Act as the main factors which contributed to the remarkable successes.*

“This year’s Practical Nigerian Content (PNC) workshop witnessed the highest number of participants. It means the narrative about the Niger Delta region is changing.” This was how Engr. Simbi Kesiye Wabote, the Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB) prefaced his closing remarks at the PNC held in the first week of December 2018 at the Diepreye Alamieyeseigha Banquet Hall, Yenagoa, the Bayelsa State capital.

The sense of satisfaction was still on the faces of delegates as they departed for site visits to NCDMB’s 17-storey headquarters building project at Swali, Yenagoa, and Nestoil’s facilities in Port Harcourt, Rivers State, on December 6. Records from CWC, managers of the event, put the number of participants at nearly 600 persons. Ms. Wemimo Oyelana, the Vice President Production, CWC, recalled that the previous record was 450, since the PNC started eight years ago. Likewise, the number of companies that exhibited at the 2018 edition rose to 30, from 20 firms in previous editions.

The roll call of dignitaries was equally impressive: Dr. Maikanti Kacalla Baru, Group Managing Director (GMD), Nigerian National Petroleum Corporation (NNPC); Dr. Folashade Yemi-Esan, Permanent Secretary, Ministry of Petroleum Resources; Mr. Jeffery Ewing, Managing Director, Chevron Nigeria Limited; Mr. Yonghong Chen, Managing Director, Addax Nigeria; Ahmadu Musa-Kida, Deputy Managing Director, Total Upstream Nigeria (TUPNI) and a host of others. Obviously impressed,





Seriake Dickson, Governor of Bayelsa State, promised to provide the required support to ensure the workshop is held in Yenagoa every year. He urged delegates to taste the ambience of the city. The governor insisted that Bayelsa remained the oil and gas capital of Nigeria and indeed Africa, as he retold the story of the first oil discovery in Nigeria, at Oloibiri, a community in the state.

### **Fast tempo of Nigerian Content implementation anchored on stability**

What was responsible for the upswing in PNC participation? Could it be the recovery in crude oil prices and renewed activities in the industry? Is it a manifestation of the industry's support for the reinvigorated tempo of Nigerian Content implementation? Could it also be growing confidence in the leadership of NCDMB?

It has been two years since President Muhammadu Buhari appointed Wabote to the NCDMB top job. Industry watchers agree he has led the agency to introduce key policies that have accelerated Nigerian Content implementation, while catering for delicate commercial interests of businesses. Mr. Paul Sinclair, the Conference Director, Africa Oil Week, said this much in November, in Cape Town, South Africa, while conferring Wabote with a global award of excellence for outstanding contributions to sustainable local content development in Nigeria and across Africa's oil and gas Industry.

Dr. Ibe Kachikwu, the Minister of State for Petroleum Resources, acknowledged the giant strides the NCDMB had made in the past two years. The most significant, in his view, is the Board's transition from being merely a policy maker and regulator to a project promoter.



(L-R): Mr. Bank-Anthony Okoroafor, Chairman, Petroleum Technology Association of Nigeria; Mr. Francois Le Cocq, Deputy Managing Director, Total E&P, Port Harcourt District; Engr. Simbi Wabote, Executive Secretary, NCDMB; Sir. Emmanuel Onyekwena, Managing Director, Tolmann Allied Services Company Limited and Mr. Akintunde Adelana, Director, Monitoring and Evaluation, NCDMB, at the inauguration of Modular Fire field and Emergency Response Training Centre at the Tolmann office in Port Harcourt, Rivers State.



*Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board (second from right) after receiving a Global Award of Excellence for Outstanding Contributions to Local Content Development in Nigeria and across Africa's oil and gas industry at the 2018 African Oil Week (AOW), in Cape Town, South Africa. With him are Dr. Emmanuel Ibe Kachikwu, Minister of State for Petroleum Resources (right); Dr. ABC Orjiako, Chairman, Seplat Petroleum Development Company (left) and Mr. Austin Avuru, Managing Director, Seplat Petroleum Development Company (2nd left).*

He stated this while inaugurating the Nigerian Content Research and Development Council in October. The minister hailed the Board for investing in the Waltersmith Modular refinery, developing pilot oil and gas parks in Bayelsa and Cross River states as well as catalysing the partial integration of the Total Egina FPSO. "The new NCDMB is more dynamic and focused, to a point where the National Assembly is now considering if Local Content should be implemented across sectors because of the success we have brought to the Oil and Gas industry. Even the world, especially African countries, have taken notice," said Dr Kachikwu.

Dr. Ernest Nwapa, the pioneer Executive Secretary of NCDMB, noted that the stability and recent progress recorded in the implementation process were only possible because his successors, Arch Denzil Kentebe and Wabote, were industry professionals and not politicians.

Engr. Bank-Anthony Okoroafor, the Chairman, Petroleum Technology Association of Nigeria (PETAN) corroborates this view, saying the kind of continuity witnessed in Nigerian Content implementation was not common in this clime.

For Wabote, the continuity of policies was deliberate. "We ensured that we continued and improved on most of the projects started by Ernest Nwapa. It's a plus for the organisation. We are lucky to have the right professionals. I hope this continues in the next four years," he said.

***"When USAN deepwater project was done, in-country training was 150,000 man-hours. With Egina, it was 450,000 man-hours. In Engineering, Usan recorded 40,000 man-hours but Egina had 1.167 million man-hours and we saw collaborations between Nigerian companies - NETCO, IESL and DeltaAfrik."***

***-Engr. Bank-Anthony Okoroafor, Chairman, Petroleum Technology Association of Nigeria (PETAN).***

Indeed, a number of the Board's flagship projects and achievements, including the Park Scheme, NOGIC JQS, Nigerian Content Development Fund (NCDF), vessel categorisation, Egina deep water project and the headquarters building, were conceptualised during Nwapa's term and continued apace when Kentebe took the mantle of office.

To guarantee the attained stability in the future, Dr Mayowa Afe, President of the Oil and Gas Trainers Association of Nigeria (OGTAN), stressed that it is important to appoint only sound oil and gas professionals

as Executive Secretary of NCDMB and allow them to serve for an appreciable number of years. He argued that NCDMB's role is critical to the growth of the Nigerian oil and gas industry, hence the need for the position of the chief executive and the succession planning to be devoid of politics.



The consensus among participants at the PNC workshop was that the Nigerian Content Act has had a revolutionary impact on the local oil and gas industry. Nwapa said: "The Nigerian Content Act has already delivered the goods." While moderating a session, he also said: "Many people here, historically, were just aspiring in the international operating companies and in the PETAN group. Today, I see them operating with confidence, employing other Nigerians and talking confidently with international partners. I also see the partners feeling confident about giving work to Nigerian companies and I see the government more confident in taking risks."

Okoroafor buttressed this point with statistics: "Before the Nigerian Content Act we had 27 service companies operating in Nigeria. At the last count there were 287 service companies operating in Nigeria," he said. He alluded to the marked growth in the number of goods sourced in-country and the increase in the training of Nigerians on the back of major oil and gas projects.

"When USAN deepwater project was done, in-country training was 150,000 man-hours. With Egina, it was 450,000 man-hours. In Engineering, Usan recorded

40,000 man-hours but Egina had 1.167 million man-hours and we saw collaborations between Nigerian companies - NETCO, IESL and DeltaAfrik," he said.

#### Deeper commitments from stakeholders

The Minister of Petroleum and the GMD NNPC were unequivocal in their endorsements and support for policies that will increase in-country value addition.

Kachikwu, who was represented at the PNC by the Permanent Secretary in the Ministry, restated the commitment of the Federal Government to promoting robust private sector participation in the Oil and Gas sector and ease of doing business. On his part, Baru expressed NNPC's delight at the achievements of local content in various sectors of the Nigerian economy. He assured participants that the national oil company would comply with the provisions of the Nigerian Content Act, adding: "NNPC is fully committed to NCDMB's agenda for the next 10 years, to increase Nigerian Content in the Nigerian oil and gas industry to 70 percent by 2027."

***"The Nigerian Content Act has accelerated asset ownership, not just in offshore assets. I see a lot of Nigerians investing in rigs, helicopter services and, in some cases, acquiring oil mining licences, enabled partly by knowledge transfer and assets divested by some of the international operating companies."***

*-Osagie Okunbor, Country Chair, Shell Nigeria*



Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board with Mr. Ademola Adeyemi-Bero, Chairman, Indigenous Petroleum Producers Group after signing the Service Level Agreement (SLA) in Lagos.

The operating companies also conveyed their positive impressions. Musa-Kida, Total's DMD, said: "Since its establishment, NCDMB has created the push and motivation for business continuity in-country. It has also recorded some very impressive and continuous improvements in all facets of oil and gas business, including its operations." He listed the steady growth of in-country man hours worked on the company's deep water projects: Akpo recorded 44 percent, Usan clocked 60 percent and Egina achieved 77 percent. He recalled the bold decision to integrate key components of the Egina FPSO in Nigeria, saying: "This had a significant effect and impact on the development of local competencies. The arrival of the 330 metre-long FPSO in Lagos for the integration of six topside modules at the SHI-MCI yard early this year has changed the game as far as the execution of deep offshore oil and gas projects in Nigeria is concerned."

Osagie Okunbor, the Country Chair, Shell Companies in Nigeria,

also acknowledged the strides the Board had made in furthering Nigerian Content delivery. Represented by Toyin Olagunji, the General Manager, Conventional Oil and Gas Projects, Okunbor said:

***"By 2019, we intend to deepen and widen the roll-out of third party monitoring service providers for effective monitoring of the 51 operating companies and close to 8,000 oil and gas service providers registered on our NOGIC-JQS. We will further expand our compliance and enforcement framework to cover marginal field operators, midstream and downstream sectors."***

***-Engr. Simbi Wabote, Executive Secretary, NCDMB***

"The Nigerian Content Act has accelerated asset ownership, not just in offshore assets. I see a lot of Nigerians investing in rigs, helicopter services and, in some cases, acquiring oil mining licences, enabled partly by knowledge transfer and assets divested by some of the international operating companies."

The representative of the Indigenous Petroleum Producers Group (IPPG), Engr. Victor Sodje, also lauded the enforcement of Nigerian Content in the operations side, especially in the award of marginal oil blocks and divestment of operating assets by some international operators. Sodje, the Managing Director, Newcross Petroleum Limited, noted that the developments gave

## **'Nigerian Content has been instrumental to growth of Desicon'**

*Mr. Akanimo Udofia is the Managing Director of Desicon Engineering Limited.*



Mr. Akanimo Udofia

### **Beginning of Saidel**

Desicon Engineering Limited started in 1973. Eight years ago, we set up Saidel to play in the swamp and offshore space. Saidel was conceived from the question: "what is the next step to our growth?" We are thankful to the Nigerian Content Act that granted exclusivity to indigenous companies for on-shore work. Desicon is an engineering procurement construction and installation company. We have achieved a lot through various partnerships with reputable international companies, including Saipem. Saidel was conceived to bridge the gap between technical expertise and capital required for shallow water/offshore and the available capacity in-country while retaining the standards and quality that the industry demanded.



indigenous producers the opportunity to grow capacity.

### A model for other sectors

The ongoing amendment of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act by the National Assembly generated a lot of interest at the PNC workshop. The Executive Secretary welcomed the proposition to extend the Act to other critical sectors, like Construction, Information Technology and Power, because of the prospects to boost the economy and create jobs. The amendment will also give legal backing to the Executive Orders 003 and 005 issued by the President on Local Content and dedicate an agency to implement the provisions and drive compliance. EO 003 mandates support for local content in public procurement by organs of the Federal Government, while EO 005 promotes Nigerian Content in sciences, engineering and technology.

Wabote recommended that government should empower one agency, possibly NCDMB, to supervise local content in all relevant sectors, adding that creating regulators for each industry would breed confusion.

### With successes assured, loftier targets ahead

As 2019 beckons, NCDMB has set sights on new, lofty targets. Some of them include: develop and launch investment policy; launch R&D roadmap for implementation and support the establishment of at least one more modular refinery as well as catalyse development in the LPG value chain. Some other plans include the finalisation of the review of Offshore Rig Acquisition Strategy and posting of 20

trained marine personnel being trained by the Board, for their one-year international sea time in fulfilment of the requirement for the Certificate of Competency (CoC).

“By 2019, we intend to deepen and widen the roll-out of third party monitoring service providers for effective monitoring of the 51 operating companies and close to 8,000 oil and gas service providers registered on our NOGIC-JQS. We will further expand our compliance and enforcement framework to cover marginal field operators, midstream and downstream sectors,” the Executive Secretary said. The actualisation of these plans in 2019 is expected to unlock a substantial part of the 300,000 jobs to be created by the implementation of the 10-year strategic roadmap.

From every indication, 2019 will be another busy year for the Board, especially as some of the ongoing initiatives begin to mature. It is expected that NCDMB will continue to build on the strong foundation that was set in its eight years of existence and close collaboration with industry stakeholders. The Board’s outlook is perhaps best captured in the closing comment by the PETAN Chairman, who said: “A lot has been achieved in Nigerian Content and a lot more still needs to be done.”



**Obinna Ezeobi**, is with the Corporate Communication/Zonal Coordination Division.

### Use of local manpower

Saidel started off in 2010 with few procurement jobs. In 2015, there was a change in ownership dynamics, which vested 100 percent ownership of the company in Desicon Engineering. Desicon is 100 percent indigenous. We decided to invest heavily in local manpower and personnel with sound experience in shallow water projects while seeking an investor that would balance us out technically.

We recognised at that time that as Nigerians, we couldn’t be passive while we watched the international space to send technology and services to us. We decided to step up our game and focus on offshore construction. Saidel’s focus was ownership of assets that would drive its businesses. We considered that some fabrication would be required but it was not our core purpose. We (therefore) set up a fit-for-purpose fabrication yard, in partnership with EA Temile in Warri (in Delta State). This yard can manage minor fabrication required to complement our construction. For major fabrication, Saidel partners other reputable yards like Aveon and Saipem.

### Projects we have handled

Saidel has been growing its competence and it is currently in the completion stages of a 32-kilometre pipeline - 16 kilometres on-shore and 16 kilometres offshore. It was a huge learning curve; mistakes were made, but we were able to turn it around in record time. The client was Shell. I am sure that behind us they are cel-

ebrating our tremendous efforts. In the history of the industry, this is the first time an indigenous company would do what we have done in the time it was done and at the cost it was done.

### Role of Nigerian Content in our growth

Nigerian Content has been very instrumental to the growth and development of Saidel. The directives from the Board made it clear for new entrants as to what to do and where they can play. In the recent NLNG workshop, one of the highlights was the verdict that there is nothing we cannot fabricate in this country. Our goal is to have the same testament for offshore construction with the help of the NCDMB. We know that this is possible. We already have the enabling environment with NOGIC JQS vessel categorisation. It is for this reason that Saidel took a bold step towards investing in a pipe lay barge.

### Our assets

We have Sabora S900, which is a pipe lay vessel and we have a swamp lay barge. We also have an anchor handling tug that will be in-country in the second quarter of 2019. It can work in water depths of four meters and it has deck space that can handle the rollers for the S900. We have the bigger HT coming in the first quarter of 2019, also to support the work of the main pipe lay barge.

*Udofia is the Managing Director of Desicon Engineering Limited.*



# SAMSUNG -Partnering with Nigeria in building in-country capacities and competencies

It is a well established fact that the Nigerian economy is mainly driven by the oil and gas industry. The bulk of her foreign exchange earnings are from the sale of crude oil and gas.

However, prior to 2010, activities associated with exploration, production and allied services in this all important industry were mainly executed by foreign firms. This consequentially led to a massive flight of capital from Nigeria.

The foregoing led to the enactment of the Nigerian Oil and Gas Industry Development (NOGICD) Act of 22 April 2010. The objective of the Act was primarily to increase the quantum of composite value added or created in the Nigerian economy through a systematic development of capacity and capabilities by a deliberate utilization of Nigerian human and material resources as well as services in the Nigerian oil and gas industry.

While many foreign firms considered this an indigenization of the oil and gas industry; subsequently scaling down their involvement in Nigerian oil and gas projects, SAMSUNG HEAVY INDUSTRIES (SHI) held a contrary view. SHI keyed into the vision of the NOGICD Act.

The opportunity to demonstrate her commitment to partnering with Nigeria to achieve the targets and objectives of the Act came via the choice of both Total Upstream Nigeria Limited (TUPNI) and Bonny Gas Transportation Limited (BGTL) giving SHI the responsibility to execute two major projects post the NOGICD Act era. TUPNI awarded to SHI the EPC contract for the Egina FPSO project while BGTL contracted the construction of four NLNG Carriers to her.

## New competencies, capacities and value additions on the back of the Egina FPSO project

### Detailed Engineering Design

The NOGICD Act provides that the minimum man-hours to be expended on FEED and Detailed engineering for deep offshore facilities – hull and topside modules must be in-country and 80% of the total project value.

In compliance with the foregoing, SHI contracted a consortium of Nigerian engineering firms made up of National Engineering and Technical Company Limited (NETCO), Delta Afrik Engineering Limited (DA) and International Energy Services Limited (IESL) to provide Detailed Engineering Design (DED) services for the topsides of the Egina FPSO project.

Prior to this time, these services had never been rendered by any Nigerian engineering firm. The scope of work included, but not limited, to completion to AFC status

engineering deliverables for the topside modules. Nigerian engineers were for the first time directly involved in the provision of these services. Several competencies and capacities were developed that will stand the country in good stead in future projects of similar scope. In addition to the foregoing, thirty three (33) engineering trainees were recruited to participate in a structured 15 month-training programme across nine engineering disciplines, namely mechanical, process, structural, piping, electrical, quality assurance, project controls, interface and instrumentation.

Popham Walter Odusote Ltd, a Nigerian structural architectural firm provided the structural drawings for the living quarters. On the back of this work, their personnel received training from specialist SHI personnel in LQ Engineering. Seven personnel were sent to Korea for an on-hands training on this aspect of engineering.

In addition to the development of the foregoing engineering competencies and capacities, the huge foreign capital that would have otherwise been spent by executing these works outside the country was retained within the Nigerian economy.

## Development of new infrastructural capacities

Prior to the award of the execution of the EPC contract for the Egina FPSO by TUPNI to SHI, many other similar deep offshore projects that involved the deployment of FPSOs had been executed in the oil and gas industry in Nigeria. However, in all these projects, the FPSO units were designed and constructed outside the shores of Nigeria and subsequently towed directly to the offshore locations for mooring, hook-up and commissioning.

A unique feature of the Egina FPSO project was SHI's commitment to fabricate six topside modules in-country and the integration of same into the FPSO on its arrival from SHI's Korean shipyard. This was in addition to the fabrication of other Living Quarters elements and Hull Appurtenances within Nigeria.

In order to actualize the above commitment, SHI set out to develop the very first Fabrication and Integration facility in Africa located in Lagos. The cost of this facility is in excess of \$300million.

For the very first time in Nigeria, topside modules were fabricated in-country and integrated into an FPSO with other Hull Appurtenances in the state-of-the art facility developed by SHI, in collaboration with a local partner.

Going forward, the huge capital flight from Nigeria associated with this scope of work will cease. The development of this facility has also guaranteed capital inflow into the Nigerian economy now that the country has become the hub for the execution of allied works in the West African sub-region.



State-of-the-art fabrication and integration facility developed by SHI-MCI in Lagos.



# creating

## Competencies and capacities developed by Nigerian fabrication yards and vendors

On the back of the Egina FPSO project, fabrication yards in Nigeria, including but not limited to Nigerdock, EWT, Dorman Long and Ponticelli, among others, were engaged by SHI in the fabrication of Living Quarters elements, Hull Appurtenances, Pressure Vessels etc. New capacities and competencies were developed since this was a pioneering effort by most of these yards. Nigerian personnel were used to execute these works resulting in the acquisition of new skills and the enhancement of existing competencies. Capital was also retained within the economy by reason of these activities being executed in-country.

Paints, Sacrificial Anodes, Low Voltage Cables and Manual Ball Valves were some of the items procured from Nigerian vendors on the back of the two projects executed by SHI post the NOGICD Act era.

As a result, some of the vendors embarked upon an expansion and modernization of their facilities to meet the project specifications and delivery timelines. PCMN, SIGMAKALON, NEXANKABELMETAL, METEC, BERGER PAINTS AND HY-LOK NIGERIA were some of the vendors who have been positively empowered by the applicable procurement activities.

Pioneering services by Nigerian firms were provided in the areas of module weighing by Welmann and FPSO towage by ADMIL

## Human Capacity Development for various cadres of Nigerian personnel

In addition to the skills and competencies acquired by Nigerian personnel as outlined during the Detailed Engineering Design phase of the Egina FPSO Project, SHI has striven towards the development of a ready pool of in-country expertise in various disciplines associated with projects in the oil and gas industry. SHI has not only been involved in aggressively developing human capacity through various training activities, she has also invested heavily in the development of infrastructural training facilities.

## Welding Training and Qualification Center, Lagos

In order to support the high level of welding expertise needed in fabrication activities for offshore projects, SHI invested in the development of a Welding Training and Qualification Center (WTQC) situated within its state-of-the-art fabrication and integration facility at Tarkwa Bay, Lagos. The Center offers welding training with international certifications in both conventional and advanced welding processes.



Welder Training Qualification Center (WTQC) embedded in Fabrication and Integration facility at SHI-MCI, Lagos.

On the back of the Egina Project, approximately 344 Nigerian Welders were trained, certified and deployed for the project execution from this Center.

As part of SHI's human capacity development initiative, another batch of 105 Nigerians were trained as welders in this facility. Welding processes included FCAW (Flux Cored Arc Welding) and GTAW (Gas Tungsten Arc Welding) with certifications by the International Institute of Welding (IIW).

## Bonny Vocational Training Center

On the back of the BGTL project, SHI developed a vocational training centre in Bonny

welding skills to 3G level. One hundred and twenty other Nigerians were sent to Korea for training: 40 were trained in advanced welding processes, 20 in erection procedures, 20 in electrical/electronic installations, 20 in painting techniques and 20 in computer aided design (CAD).



## Ogun State Technical Institute.

SHI in collaboration with the Ogun State government constructed a technical institute in Ogun state. This was in further pursuit of SHI providing in-country human capacity development and a ready pool of expertise for projects within Nigeria. A pioneering intake of 46 Nigerians was trained in the institute. Fourteen were trained in marine welding to qualification levels of 5G and 6G, 13 in electrical/electronic installations, nine in painting techniques and 10 technical instructors.



Trainees at Ogun State Technical Institute – Human Capacity Development Initiative by SHI.

## Human capacity development on the back of the Egina FPSO Project.

In support of one of the Board's core mandates of building capacity in skill acquisition and enhancement of existing competencies, SHI, also on the back of the Egina FPSO project, trained 97 Nigerians. Forty-eight of them were of the HND/BSc cadre; they received a 15-month training in various disciplines related to construction activities in the oil and gas industry, including, but not limited to project engineering, post weld heat treatment (PWHT), welding engineering, welding inspection, contract administration, cost control, material control, HSE, Lifting Operations, Procurement and ICT. The trainees sat for examinations and subsequently received international certifications at the end of the training. Artisanal/Vocational training was given to 49 Nigerians who had graduated from high school in the areas of welding, fitting and machining. The training also spanned 15 months.

## Healthcare for the Nigerian workforce

It is SHI's belief that a healthy workforce is a productive one. As part of its Corporate Social Responsibility (CSR), SHI has sought to improve the health of the Nigerian citizenry through sponsoring periodic health outreach programs.

In October 2018, SHI sponsored a medical outreach that paid for eye surgery for over 102 Nigerians living in Lagos who were at the risk of blindness by virtue of cataract growth in their eyes. The outreach was via its CSR programme, "Vision Care 2018 Eye Campaign". Surgeries were carried out in LASUTH. Two Hundred and Fifty Nigerians had benefited in previous campaigns.



Vision Care Campaign 2018 sponsored by SHI – Healthcare for the Nigerian workforce





## LOTAS

### SPECIAL RECIPE FOR ALL SEASONS



Lota Chukwu, actress, yoga fitness enthusiast and blogger, is also a food aficionado. Originally known for her roles in popular TV series *Jenifa's Dairy*, *The Royal Hibiscus Hotel*, *Falling*, *Fine Girl*, *The Arbitration*, *Dognapped* and *Africa Magic's Ajoche* where she plays the villain 'oofune', the amiable actress has transitioned into one of the better known and respected foodies in Nigeria. Her love for food is expressed via *Lota Takes* (a food and lifestyle blog) and *Lotus Chow Files*.

The graduate of Agricultural Economics and Extension from the University of Benin and Royal Arts Academy in Lagos, Nigeria, was a contestant in the 2011 edition of Most Beautiful Girl in Nigeria pageant.

*Here's Lota's guide on preparing coconut rice and gizzado for special occasions.*

#### Coconut rice ingredients

- Coconut milk
- Rice
- Pepper
- Seasoning
- Salt
- Garlic
- Ginger
- Onions
- Meat of choice

#### Stir-fry

- Multicoloured bell peppers
- Spring onions
- Prawn/chicken breast
- Carrots
- Coconut oil
- Green peas
- Soy sauce
- Lemon

#### Preparation

##### Coconut rice

- Wash rice in warm water, and add to fire.
- Add coconut milk and meat stock.
- Allow to cook until almost done.

#### Stir fry

- Slice vegetables and set aside.
- Pour coconut oil in a pan, allow minimal heat.
- Add chopped onions, garlic and ginger and allow to simmer.
- Add prawns or chicken breast and stir.
- Sprinkle some salt and seasoning and stir until cooked.
- Pour in your vegetables and stir. Add soy sauce and more coconut oil.
- Squeeze in some lemon juice to retain the colour of the vegetables.
- Turn off heat before it gets soft to retain crunchiness.

#### Coconut stir-fry rice

- Open up the middle of your pot of coconut rice, pour in your stir fry and stir until evenly distributed.
- Add some seasoning or salt, if needed.

#### Gizzado ingredients

- Spices of choice
- Gizzard
- Salt
- Seasoning
- Onions
- Plantain
- Pepper
- Multicolored bell peppers

#### Preparation of gizzard

- Chop gizzard into sizable pieces
- Add seasoning, salt and spices
- Add a little water and cook in low heat until soft
- Heat up oil and fry the gizzard

#### Preparation of dodo

- Cut peeled plantain in cubes and salt.
- Add to oil and fry until even.

#### Preparation of gizzado

- Blend onion (optional), tomato and peppers (I like to use different types of pepper for a blast of taste)
- I prefer to reuse my gizzard oil for added flavor
- Reheat, add diced onions, ginger and allow to fry.
- Pour blended tomato mix and allow to fry
- Add spices, seasoning and salt
- When your mix is dry, add your gizzard and dodo and bell peppers.
- Allow to cook for about a minute and bring down.

Your gizzado is ready.



# Outdoors

## The 10,000 steps challenge How to inculcate it into your busy schedule

*Walking is a daily routine that has long-term benefits for overall wellbeing.*

**W**hat is the 10,000 steps challenge, you wonder. It is a fitness and weight loss routine that requires an individual to take 10,000 steps a day to burn between 250 and 600 calories daily. The concept of 10,000 steps daily for fitness became a trend first in Japan before it became widespread worldwide. That figure was considered a magical number that should trigger the burning of that extra layer of fat around your waistline and other parts of your body.

A study has shown that individuals who walk more daily weighed less on average than those who walk less and boasted lower body mass indices. In effect, walking is an exercise routine that is highly beneficial to your health and fitness levels. According to Canadian trained fitness and nutrition expert, Bunmi George, "Walking is one of the best activities to start with, if you've been sedentary for a long time. Walking is generally considered a perfect aerobic activity. It doesn't require any particular skills or talents."

Exercising to keep fit and healthy can never be overemphasised, considering the modern world's increasingly sedentary work-life and harmful lifestyle. Exercising has been shown to boost the functioning of our systems, reducing the risks of stroke, heart problems, among many other debilitating diseases, thereby reducing the risk of premature death. A study in the United States followed more than 123,000 men and women for 14 years. It was then discovered that "those who exercised more had a lower risk of death than those who exercised less".

Unfortunately, the average executive's busy schedule makes it sometimes difficult to

**If you drive yourself, you may want to consider taking public transportation some days of the week just so you can walk home when you close from work. If you can, seek opportunities for field work, which should give you the chance to walk. When you answer calls on your mobile phone, walk around. When you have to walk to an office or a place, do not seek the shortest route to the destination; rather, look for the longer route. Google map should help you with this. Just look for every opportunity to walk.**

maintain an exercise or fitness schedule, which is where walking comes in handy. No matter how sedentary our work schedule is, we still need to walk around from time to time. We walk around in our homes to the kitchen, toilet, our study, living room, etc. In the office, we go to the gents/ladies, cafeteria, boardroom, etc. In these daily activity movements, studies have shown, an individual takes about 3,000 steps. You are then left to find 7,000 more steps for the day, which is calculated to be about 5.6 kilometres.

To achieve the 7,000 steps outstanding, you may want to consider using the stairs rather than the lifts in your office or other offices you visit. You may also want to consider walking home after work, if your home is not

too far from the office, rather than driving. And if your home is some distance away from your office, you may want to walk part of the way. If you drive yourself, you may want to consider taking public transportation some days of the week just so you can walk home when you close from work. If you can, seek opportunities for field work, which should give you the chance to walk. When you answer calls on your mobile phone, walk around. When you have to walk to an office or a place, do not seek the shortest route to the destination; rather, look for the longer route. Google map should help you with this. Just look for every opportunity to walk.

Like most exercise routines, studies have shown that walking is highly beneficial to an individual's overall wellbeing, which includes helping to burn stubborn fats, "lower blood pressure, improving sleep and relieving depression as well as lowering mental decline". A study by California State University "showed that mood lifted in correlation with increased numbers of daily steps". A Harvard School of Public Health research discovered that "30 minutes of walking each day, cut stroke risk by a minimum of 20 percent". George says: "It sounds too simple to be effective, but science doesn't stretch the truth."

And how do you determine you have hit the 10,000 mark daily? Technology. Many electronic wearables can track every aspect of your system and daily routines, from your heart beat, your pulse, breathing, to the number of steps you take per time or daily. There are smartwatches, pedometers (portable devices that measure a person's physical activity level throughout the day) as well as mobile apps that you can download to your phone.



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1. Inauguration of R&D Council: (L-R): Engr. Patrick Olimna, Representative of Oil Producers Trade Section (OPTS); Mr. Uzochi Nwagwu, Representative, Petroleum Contractors Trade Section (PCTS); Dr. S.B Ramon Yusuf, Representative, National Universities Commission (NUC), Dr. Emmanuel Ibe Kachikwu, Minister of State for Petroleum Resources; Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB); Mr. Isa Yusuf Maikanma, Rep, National Board for Technology Incubation (NBTI); Dr. John Erinne, Rep, Petroleum Technology Association of Nigeria (PETAN); Mr. Dele Aikihonbare, Rep, Independent Petroleum Producers Group (IPPG) and Mr. Tandama Adamu Abu of the National Office for Technology Acquisition and Promotion (NOTAP), in a group photograph after the inauguration of the Nigerian Content R&D Council (NCRDC) by the Minister in Abuja.
2. Engr. Simbi Wabote, Executive Secretary, Nigerian Content Development and Monitoring Board (NCDMB) receiving an award of recognition from Mrs. Audrey Joe-Ezigbo, President, Nigerian Gas Association (NGA) and Engr. Dada Thomas, immediate past President NGA at the association's 2018 International Conference.
3. Ministry of Petroleum Resources Awards for best staff of MDAs: Mr. Olubisi Okunola, Supervisor, Strategy & Transformation (NCDMB first prize winner); Mr. Terhemba Emmanuel Makeri, General Manager, Human Resources; Ms. Doris Opuwari, Manager, Human Resources (2nd place); Engr. Basil Aleibiri, Officer, Capacity Building (3rd place).
4. Top management of Nigerian Content Development and Monitoring Board (NCDMB) with officials of Nigerian Customs Service (NCS) after a courtesy visit to the NCS headquarters in Abuja.
5. Engr. Simbi Wabote, Executive Secretary, NCDMB receiving an award at the 2018 PETAN Dinner and Award ceremony held in Port Harcourt, Rivers State.
6. NCDMB personnel, Management staff of Charkins Maritime and Offshore Services Limited and cadets at the kick-off ceremony of NCDMB-sponsored seafarer training programme, in Port Harcourt, Rivers State.



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## Photospeak



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7. Legislative endorsement: Members of the Senate Committee on Local Content with top management of the NCDMB and officials of Megastar, after a tour of the NCDMB 17-floor head office building site as part of the committee's oversight visit in Yenagoa, Bayelsa State in November.
8. Conferment of Award: Engr. Simbi Wabote, Executive Secretary, NCDMB receiving an award for support to the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), during the 40th anniversary celebration by the union in Abuja.
9. Legislative endorsement: Members of the Senate Committee on Local Content with senior management of the NCDMB during their recent oversight visit to the Board's headquarters in Yenagoa, Bayelsa State.
10. Dr. Ginah O. Ginah, General Manager, Corporate Communication and Zonal Coordination, NCDMB with 10 finalists of the NCDMB-sponsored Annual National Oil and Gas essay competition for undergraduates.
11. Staff of the Nigerian Content Development and Monitoring Board (NCDMB) with senior officials of the Bayelsa State Government and the 249 teachers trained through the NCDMB Teachers Development programme held at the University of Africa, Bolou-Orua, Sagbama LGA, Bayelsa State.
12. Expatriate Quota Management (EQM): NCDMB officials, representatives of the Federal Ministry of Interior (FMI) and the Nigerian Immigration Service (NIS) after the inauguration of a joint committee on EQ supervision.



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# LPG policy will put gas in the homes of women in our rural areas, says Kachikwu

*Dr. Emmanuel Ibe Kachikwu, Minister of State for Petroleum Resources, gives a scorecard of his stewardship.*

## **Battling major challenges from the onset**

We started in a very laborious way. The price of petrol was ₦98 per liter but fuel queues were all over the place. When I started, a week later, the fuel queues hit me. It was like baptism by fire. But we got through it; lots of quick policies, quick steps, trying to understand the system and deal with the issues. But one of the mandates I was given then was transparency. We needed to walk away from the past, issues of corruption that were looming had to disappear, no favouritism in terms of contracts, transparency in terms of decisions and need to be very firm. Two weeks later, we took the first bold step of letting go the entire top executive of NNPC (Nigerian National Petroleum Company). After that, actions were moving with military alacrity - week by week - just to stabilise the system. We had to think as we ran, just to make the system survive.

The national reserves were absolutely down to about US\$15-16 billion. We needed to grow it. We were not sure we could pay salaries and meet government recurrent expenditures. Everyone was looking at the Ministry of Petroleum to try and deliver results. I thank Mr. President that in those very difficult first months, he had absolute confidence to let me make some major policy decisions. I will continue to be very grateful for the opportunity.

I am probably the first person that had, at some point in 2015/2016 the singular privilege of serving as GMD of the NNPC; Minister of State, Petroleum; President of OPEC; President of African Petroleum Producers Organisation, President of GCF; all at the same time. Those would never have been possible but for the opportunity Mr. President gave me to serve. That meant that I was carrying both national responsibilities and very challenging global responsibilities at the same time.

## **Achievements in the upstream sector**

We have grown reserves by over 600 million barrels, rising from 36.18 million to 37.2 million barrels in two and a half years. On the gas side, we have grown reserves from 192 trillion cubic feet to 199.09 trillion cubic feet in two years. We have been able to discover so many new fields. Owowo is one of the very big fields that have come up, with reserves in excess of 1.5 billion barrels. We have been able to grow rigs activity. As of 2017, we had about 21 rigs in operations, up from about 15 rigs in operation in 2016. We expect to see more rig activity in Nigeria.

## **Crude oil production sustained at high levels**

When we started, production was about 800 barrels and we have grown it to about 2 million barrels. We should be doing more but for the cyclical difficulties in terms of pipeline disruptions, occasional closures for maintenance. We are averaging about 2 million and about 300,000 of that is condensate. The Egina FPSO sailed off and hopes to be inaugurated on December 31. If that happens, that's additional 150,000-200,000 barrels.





By the end of January 2019, we should have grown daily production back to the 2.2m barrels that had always been our signpost. That would be a big feat, given the difficulties we have had. In addition, there are about 30 other field works that have been approved by the Department of Petroleum Resources, which have the capacity to add 900,000 barrels per day. If you add that, we expect that all things being equal and if we are working as hard as we should, by the end of 2019, we should be averaging about 2.5 million barrels per day production. That would be the first time in the history of this country.

We have a couple of potential Final Investment Decisions (FIDs) still working the ropes. Bonga South West is a big one. We are hoping that FID would come in early in Quarter 1 of 2019. We have Zabazaba; still a few things to be dealt with, but if we succeed in completing all the processes that we need to, then that's another FID. Those two have the potential of throwing in close to 700,000 barrels of production into this country. If we work hard enough, by the end of 2019/2020, we ought to see Nigerian production rise from the cyclical 1.8 million to 2 million, up to 2.5 million and 3 million barrels. That is the target I set in 2015 when I was appointed.

#### Success in the gas sector

This is one area we have done tremendous work. We always say that Nigeria is a gas territory but nobody does anything. Gas production has risen by 1 billion cubic feet per day, rising from 7.16 billion to 8.3 billion. And the effect of that is a 16 percent increase in terms of gas to power supply. We launched the gas policy; it's a comprehensive policy that sets out how we meet our local needs, what sort of infrastructure are required, various segments of business opportunities that exist in those. It was approved by the Federal Executive Council. We are hoping that relying on that, we will be able to drive investments into fertiliser, petrochemical, methanol and LPG sectors.

#### Driving penetration of LPG (cooking gas)

LPG is another area we have done some very good work. We have seen some 600 percent increase in LPG growth over the last two years. Consumption is about 420,000 metric tonnes. However, we are still on the outskirts of gas to home delivery development. One of the things we are doing is to launch LPG Penetration Programme. The idea is to create whatever is required to drive and triple the level of LPG consumption in this country over the next one to two years. We are engaging those who manufacture gas cylinders, working with them through the NCDMB, to try and provide the necessary financing to provide these cylinders. We are looking at gas distributors and looking at LPG penetration through other sources than tankages. It's an area we need to drive because it touches the average village woman very quickly and requires minimal investment.

I continue to say that developing gas infrastructure has been the bane. The OB3 East-West Interconnection pipeline has been awarded by the NNPC. Work is going on there. The doubling of the Escravos to Lagos pipeline; the Western axis is also continuing. The most strategic investment is the AKK pipeline. This 614-kilometre pipeline will take gas from the South all the way to the North to Ajaokuta in Kogi State and Kaduna. We have ensured that it is private sector-driven and this is almost a \$3 billion investment. When completed, it will improve gas supply to these areas by 3,600MW. It is such a key infrastructure project we must pay attention to.

#### Ending gas flare

Because of the President's concern for environmental issues, we worked very hard to bring down gas flaring. You remember that in 2016 I made a commitment that we would try to zero out gas flare by 2020, 10 years ahead of United Nations set goal of 2030. We are doing wonderful because flare from crude oil production has reduced from 26 percent to about nine percent. We expect to achieve zero by 2020. As part of this, we have launched the Gas Flare Commercialisation programme, which will allow third parties to get into production facilities and capture gas flare and turn them into beneficial commodities. This is the first time it is being done. This has energised oil companies, which hitherto had been laid back about this to begin their own commercialisation programme.

#### Challenges in the midstream and downstream

I would love to see a day where there is no fuel scarcity in this country. For that to happen, there are certain realities. The liberalisation of the sector is going to be a panacea. As long as we continue to subsidise products, create market

**We are engaging those who manufacture gas cylinders, working with them through the NCDMB, to try and provide the necessary financing to provide these cylinders. We are looking at gas distributors and looking at LPG penetration through other sources than tankages. It's an area we need to drive because it touches the average village woman very quickly and requires minimal investment.**

unfriendly environment, we would continue to struggle. We need to find a way to provide products sufficiency for the populace and at the same free the sector to grow. Investments are lacking in this sector. We have been working to rebuild the four refineries owned by the NNPC. We got approval from Mr. President in January 2016. The NNPC has struggled to find financiers. They have now been found, but it's been difficult to agree the terms. I am hoping that by end of Q1 2019, we would have completed the commercial aspects of this undertaking, which is in excess of \$2 billion. That would finally allow the private sector to collaborate with the NNPC, repair these refineries and bring back these 450,000 barrels refineries back into shape.

The President approved that we will repair the refineries without government money. Because every Turn-Around Maintenance of the refineries we have done in the past had always come up with stories - wrong contracting model, wrong delivery, wrong work and we do not want to go with that model. Let the private refiners work with us and co-manage the refineries and let's get it to work. That is one of the first solutions to solving the fuel queue crisis.

We are not going to solve our fuel crisis by importing sufficiency and by expanding reserves of imported petroleum products, which cost the federation a lot of money. The solution is to get the refineries working. And that is why we are working very hard with Dangote Refinery as if it is government-owned.

If it delivers in year 2020, as projected, it would bring in 600,000 barrels capacity into this country. Add that to the 400,000 from the NNPC, then we would be processing about 1m barrels, away from the 80,000 capacity we are doing today. Then we would become a net exporter of refined petroleum products. We need to go to that model; that's the model every OPEC country is shooting for. We are also working with Niger Republic to do a refinery in Katsina. That is still going through the diplomatic processes; it will be private-sector-funded. We are also working with Agip to look at a refinery in Bayelsa State. Refineries must come to Nigeria and become prevalent. We need to process a lot more of the crude we produce here. I have served notice to the oil companies that a time will come soon when domestic obligations would exist for them to supply crude, albeit at international pricing to these refineries. We cannot ship out crude when there are refineries that need them here for survival. There are certain fundamental policy dislocations that must come in place for this to happen.



## Investment decisions you must take before 50. Or now!

*There is no better time to invest in your future than now. If you have crossed, haste is the byword.*

**F**or many of us, we work hard to build careers, provide for our loved ones and live a comfortable life, which is the right and responsible path to toe, no doubt. But then, we tend to be so focused on these activities that many forget an important fact of life – getting old. Like clockwork, old age inexorably creeps on all humans, and that stage of life has its challenges that if not well planned for, could undo your life's efforts. One of the challenges is that your strength begins to wane and you are unable to perform at the same physical and or mental level as you once could or would like to.

Age 50 is generally considered the beginning of that journey to oldness. In Nigeria, for instance, where the retirement age is 65/70, that is roughly 20 years more of physical exertion before retirement. At that stage of life, with its challenges, it would be suicidal to add financial anxiety to that list. Old age is a period of life that should be filled with relaxation, reminiscences on fond memories and a period of total bonding with loved ones.

Indeed, you need to be financially secured to attain such blissful times. And to achieve such security, you need to have set clear achievable financial goals, which is why this article has examined three key investment decisions you must address before the onset of old age. "We can actually determine our own future if we dare to set clear objectives," says Toyin Sanni, an investment banker and asset management expert who, until recently, was the CEO of United Capital Group Plc, an investment and asset management company quoted on the Nigerian Stock

Exchange (NSE).

### Investment in healthcare

We like to think of ourselves as super humans, indestructible, but then the wear and tear of our everyday activity begin to tell more on our bodies as we grow older. Medical science has shown that as we age, "all vital organs begin to lose some functions. Aging changes occur in all of the body's cells, tissues and organs and these changes affect the functioning of all body systems". This is why older people require more healthcare than young adults. Thus, you need to lock in your long-term healthcare needs by investing heavily in your healthcare as you approach 50.

You do not want to leave any aspect of your life to chance, especially your old age. So, before you hit that golden age, ensure you have invested in a comprehensive health insurance. There are several HMOs (health maintenance organisations) now in town that you can approach to help hold your hand through the process. Another reason why you should do it now is that getting health insurance for the elderly (60 years+) is a little problematic because they are considered a higher risk by insurers; and, the higher your risk profile, the more expensive your coverage. For instance, most HMOs have 60 years as their enrolment ceiling.

### Investment in assets and cut down on liabilities

As you approach 50 and retirement, the smart choice is to invest more in assets than in liabilities. Investopedia defines assets as anything you own "with the expectation that it will provide a future

benefit". The key words here are "future" and "benefit". A liability, on the other hand, drains your future benefits. Liabilities are generally defined as the "future sacrifices of economic benefits". The key words here are "future" and "sacrifices". Ensure you have invested well in things like real estate, equities, fixed income instruments, among others, that can generate cash for you well into your 60s, 70s, 80s and beyond as opposed to investing in things like vehicles, loans, deferred bills, etc. that will cost you future benefits due to the need to service them. You do not want to have financial anxieties in your old age.

### Investment in legacy

You have worked hard and for long to amass your wealth and give your loved ones and yourself a comfortable life. All that, however, could easily be lost if not properly preserved. If you ever wondered how families such as the Rockefellers, Nobels and Waltons, have managed to remain in wealth for generations, it is simply because the progenitors were smart enough to invest in Wills, Trusts, Foundations, or Estate Planning. It is important you start putting your affairs in proper order before age 50 by investing in estate planning to not only help protect your wealth/assets, but to also make it easy to transfer such assets to loved ones or to a noble cause.

The jury is out now. For your future wellbeing and those of your loved ones, you must act now. Personal finance experts at Rosabon Financial Services say investing not only "helps you achieve your financial goals but it also helps you prepare for unexpected emergencies that might raise their ugly heads".



# DRESSING FOR SAFETY AND SUCCESS

## What people are wearing now



**F**ashion is dynamic. It continues to evolve at a dizzying pace such that yesterday's fashion could so easily and sometimes does become today's 'Old Skool'. For the fashion conscious, it is sometimes pretty difficult to keep up with the pace. But for many of us fashion novices, we are quite comfortable following at a sedate pace. One thing, however, is incontrovertible, whether we are trend-conscious or not, we are defined by our attire and general look. Our outfits say more about our personalities than we care to believe, and they determine the calibre of people we attract and the experiences we have.

A research work published in *Scientific America*, the over 170-year-old journal that features unique insights about developments in science and technology, titled: *Dress for success: How clothes influence our performance*, stated, after a scientific study on dressing was conducted: "What you wear can influence your thinking and negotiating skills, and even hormone levels and heart rate." Other researchers have also arrived at almost similar conclusions. Yale, in 2014, conducted a research on dressing using 128 men, aged 18 to 32. The researchers had participants partake in mock negotiations of buying and selling. "Those dressed poorly (in sweatpants and plastic sandals) averaged a theoretical profit of ₦251million (US\$680,000), while the group dressed in suits amassed an average profit of ₦777million (\$2.1 million). The group dressed neutrally averaged a ₦584million (\$1.58 million) profit," the

study found.

In some workplaces though, the workers' dress code is sacrosanct and they have little wriggle room. Safety is prioritised over and above success in terms of dress code. For instance, in the oil and gas business, drillers and other categories of oil platform/rig workers are required to wear certain standard safety gears. But even then, some wear such gears better than others.

However, whether you are required to wear regulation-type outfit or you have the flexibility to choose what you wear, whether you are fashion-conscious or laid-back in your dress sense, it is important to ensure safety in your dressing. You do not want to wear, for instance, clothing that is too tight on you in the name of slim fit; clothing that could affect your blood circulation and give you dizzy spells. You do not want to dress in footwear that may block blood flow to your feet and eventually damage them. The secret, according to Tosin Alexandriah Sho-Silva, who holds a Master's degree in Fashion and Textile Design, is not to overdo things. Where you are confused, she says, stay in the middle lane, of fashion, that is.

So, what are people wearing now in terms of colour, fabric, design, and combinations?

**Simple tailored suit:** For both men and women, a business suit is the pièce de résistance of power dressing. Suit is timeless and will never be out of fashion even though details can quickly date it. It always gives that classic dapper/chic

look. Suits convey confidence, calmness, intelligence, and comfort. In terms of colour, avoid anything that is too bright. For women, avoid short or too sheer-looking skirt suits. Knee-length skirts are generally acceptable.

**Senator designs:** After the suit, the senator wears are perhaps the most loved outfit. Elegance is the hallmark of this native attire, also sometimes called Niger Delta. It is perfect for everyday wear: office, business meetings, 'owanbes', etc. It used to be mainly for men but now women also rock the outfit.

**Skirts:** Skirts have been and will always be a cornerstone in the apparel industry, the evolution of fashion notwithstanding. A skirt is highly flexible and provides you looks ranging from the most professional to the casual. Since skirts are available in a variety of styles and lengths, these have become one of the most popular items in any average wardrobe. If you choose the right skirt with the right style for your body type you can have a wide range of looks available to you.

**Blazers and vests:** These are light jackets and they can transform any outfit. It is worn to work, especially by the ladies, as casuals, etc. Blazers with African prints, *Ankara*, are trending this season.

As you look out for the next fashion trend, you may want to spice up your wardrobe and look for good fortune and fame.

## Innovative energy solutions from the ivory towers

# The unique projects of Bashir and Syl

In an era when many have lost faith in the quality of teaching and learning in public universities, it is inspiring to find Bashir Umar Shehu and Sylvester James Ogbokeshimi develop novel projects that are not only innovative in our clime but also have a high potential to reshape the way we work and play, thus restoring hope in the university system.

Bashir is a final year Petroleum Engineering student of Abubakar Tafawa Balewa University, Bauchi State, while Syl is a

Bashir and Syl were discovered at the Students Technical Symposium and Exhibition (STSE) organised by the Society of Petroleum Engineer (SPE) Nigerian Council, where students were given the opportunity to present solutions that would reshape the Nigerian energy sector. Their projects were adjudged to be among the top five.

The Nigerian Content Development and Monitoring Board (NCDMB) took an interest in the projects. The Board thereafter sponsored the production of the prototypes.

which I believe will affect my life and my career opportunities in a positive way," he says.

The young man has big dreams: "With available funding, I will like to construct a pilot plant with a capacity of 20litre/day of ethanol production to further demonstrate the feasibility of this project to stakeholders. This will aid the establishment of the standard ethanol production plant with a higher capacity. With the plans, laboratory and simulation results I was able to obtain,



**Bashir Umar Shehu**



**Prototype of Bashir's plant that processes sugar cane into fuel grade ethanol**



**Syl's invention - power generator that runs on water**



**Sylvester James Ogbokeshimi**

Petroleum Engineering graduate of Federal University of Petroleum Resources, Effurun, Delta State. Their projects address two perennial challenges of the energy sector - the inability to refine crude oil to meet demand for petroleum products and the huge gap between demand for electricity and supply.

Bashir's project processes sugarcane into ethanol of the fuel grade. The product can be an additive to fuel (as it is done in Brazil). When produced in sufficient quantity and added to fuel, it can potentially reduce the volume of refined petroleum products imported into the country, especially seeing how the refineries have perennially underperformed. The economy is consequently groaning under the weight of subsidy paid to bridge the gap between actual landing cost and pump price.

Syl's work is equally useful: It is a "hydro-pneumatic electric power generator", which produces electricity from a generator that runs on water.

The projects have been showcased at various oil and gas exhibitions, including the recent 8th Practical Nigerian Content Workshop, in Yenagoa, the Bayelsa State capital. The Board's intervention is in line with the Nigerian Content 10-Year Strategic Roadmap, which has four enablers, including funding, research and development.

The Board found a nexus with the students' works also because one of the pillars of the 10-Year Roadmap is sectorial linkages. It is also part of the Board's strategy to encourage research and development into other key sectors of the economy, bearing in mind that only a limited number of people can be employed in the Oil and Gas industry. The Board continuously seeks to catalyse growth in allied industries as these other sectors have huge potential to create jobs.

Bashir relishes his participation at the PNC, where he showcased his project to a wide range of stakeholders. "It was very educative. I had the opportunity to network with some decision-makers in the Oil and Gas industry,

I believe I am at the verge of a breakthrough that will reshape the energy industry in Nigeria."

Syl is also upbeat about his hydro-pneumatic electric power generation project. He says: "This system creates its own momentum once it gets started. It is designed to be a self-reliant fossil-free power generator, which serves as an alternative energy technology to power homes and offices. The system converts fluid to mechanical energy, which then passes through a shaft that is coupled to a smart drive alternator to generate electricity."

His aspiration is to etch his name in history as the creator of a device that will change the lives of millions of Nigerians and humanity in general. "The project still needs fine-tuning for the market and I hope to get a patent for it and get investors to invest in my dream," he adds.

**- Zuwairat Asekome**  
**Strategy & Transformation Division**





## ***Too Good To Die: Third Term and the Myth of the Indispensable man in Africa***

- Chidi Odinkalu and Ayisha Osori

The authors, Chidi Odinkalu and Ayisha Osori, are lawyers. *Too Good to Die: Third Term and the Myth of the Indispensable Man in Africa* is an explosive hair-raiser that challenges conventional notions and mores about one of Nigeria's most emblematic and charismatic national leaders, Olusegun Obasanjo, and an expose on contemporary Nigerian political leadership in the early years of Nigeria's return to democratic rule. Against the backdrop of Obasanjo's last tome, *My Watch*, a three-volume memoir, *Too Good to Die* reads like an astute compilation of hard facts and irrefutable evidence that provide the perfect counterbalance to the narrative in the ex-President's book.

A public analyst describes it as "a remarkable contribution to the critical excavation of Nigerian statehood and statecraft as it provides the reader with an unsparing, unbiased look at Olusegun Obasanjo's legacy, especially his third-term project", and utilises empirical research and fresh interviews to argue its thesis comprehensively.

Published by Prestige Publishing, *Too Good to Die* has made a very definitive contribution to political history narratives as it serves up a timely reminder that was first echoed by Spanish-American philosopher, George Santayana, who said those who disregard history are doomed to repeat it. This book lays it all bare, ensuring that we have the "other side of the story".



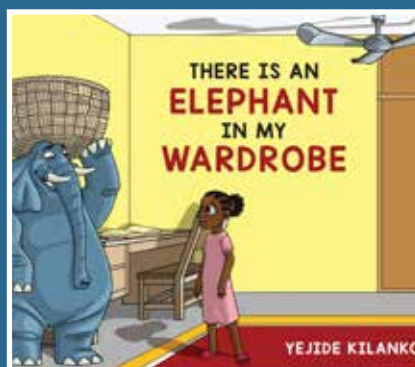
## ***There's an Elephant in My Wardrobe***

- Yejide Kilanko

There is an *Elephant in my Wardrobe* is an illustrative, colourful and child-friendly book by Yejide Kilanko, who is famous for her 2012 novel, *Daughters Who Walk This Path*. *There is an Elephant in my Wardrobe*, illustrated by Kayode Onimole, tells the story of young Adun who is bullied by an elephant, which is supposed to be her friend, and has made its home in her wardrobe. It is a heart-warming tale of courage, true friendship and self-worth that adults and children would find inspiring and therapeutic.

In stating why she wrote the book, Kilanko said: "I think it's crucial for us to talk to the children in our lives about their mental health. We're living in frightening times and children are not exempt from the fear and anxiety many adults experience on a daily basis. I also chose to write this story because I've struggled with anxiety for as long as I can remember. As a child, it would have made a world of difference if I had read about a little girl who was just like me."

Published under Kachifo's Tuuti imprint, *There is an Elephant in my Wardrobe* is beautifully well told with colourful illustrations to boot and it is a highly exciting read for children and those who love them.



## ***When Trouble Sleeps***

- Leye Adenle

Like his debut award-winning novel, *Easy motion tourist*, Leye Adenle borrows from one of Fela's greatest songs, Palava in titling this gripping sequel, *When trouble sleeps*. The novel is a thrilling plunge—with a complex, intriguing female character in Amaka—into a world of sex workers, greed, political intrigue, blackmail and murder, moving at a relentless pace full of twists.

The courageous, determined Amaka continues her one-woman crusade begun in *Easy Motion Tourist*—to protect sex workers and other vulnerable women while seeking ways to bring justice to abusers and corrupt politicians. Amaka is the only person standing between Chief Ojo and an election victory, and he sends hired goons after her. Caught in a game of survival, against a backdrop of corruption, violence, sex and sleaze, Amaka must find a way to outwit her bloodthirsty adversaries.

The book comes into sharper focus against the canvass of Nigeria's soon-to-be-held 2019 general elections, as it offers a foretaste of the drama, intrigue and unpleasantness that often characterise the process since the country's return to democratic rule in 1999.

The 336-page gritty and compelling thriller published by Cassava Republic Press pulls back the curtain on the seedy underbelly of Lagos, tells the story at a relentless pace and from a kaleidoscope of different points that make for an interesting read.







## Nigeria's tourism gems

*Nigeria's tourism potential is not in doubt. Across the country is one natural wonder to another - from the flat lands of the Savannah to the rich rainforest of the South. Some of these tourism destinations are well known while others are gems waiting to be discovered. We bring you a list of some of the little known destinations that will make you wonder about the riches of the country.*

### ◆ The Mambilla Plateau

Mountaineering and hiking are particularly suited to the Mambilla Plateau in Taraba State. The Chappal Waddi Mountain (literally: the mountain of death), Nigeria's highest peak at 2,419 metres, offers excellent opportunities for mountaineering while the Mambilla at 9,389 km<sup>2</sup> is perfect for hiking. This area is considered Nigeria's coldest region with temperatures sometimes falling to freezing point. Its tranquil, temperate environment hosts some of the most exotic animal species you can find anywhere in the world, with the plateau's lush green vegetation providing a great habitat. The green jungle is inhabited by leopards, buffalos, primates and many more. The best way to enjoy the exhilarating scenes of the Mambilla is to hike across its vast communities, a walk that will take you through watersheds, valleys, among others. A minimum of 10 days is required to get a sense of what makes Mambilla unique. And if you want to put your bravery to the test, the mountain of death beckons you to try it for size.

*Chappal Waddi Mountain, Mambilla Plateau* Courtesy [wikimedia.org](#)

### ◆ Gurara Waterfalls

Gurara Waterfalls is between Suleja and Minna in Niger State, about one-hour drive from Abuja. The waterfall spans 300 metres and drops 50 metres. The Gurara and its surrounding areas have outstanding natural beauty, a fantastic place for ornithology or watching birds for fun. Gurara Waterfalls is also great for sport fishing and watching wildlife. For the adventurous, down the river channel, they can see lots of crocodiles in their natural habitat. The waterfall is at its most impressive during the wet season when the water is a raging torrent. In the dry season, the water level falls and there are clear pools at the bottom of the fall, which are ideal for swimming. All year round, the Gurara Waterfalls is a welcoming natural habitat for tourists.

*Gurara Falls*  
-Courtesy [commons.wikimedia.org](#)





**Elephants are a common sight at Kamuku National Park**  
Courtesy myguidenigeria.com

### Kamuku National Park

For lovers of nature in its undisturbed state, the Kamuku National Park in the western part of Kaduna State beckons. Adjacent to Kwiambana Game Reserve to the northwest of the state, Kamuku is one of the biggest game reserves in the country and perhaps the only one that preserves its Sudanian Savannah ecology. The terrain is flat with a rich biodiversity, which supports flora and fauna. Here you will find the gravely endangered African elephant, including buffalo, bubal hartebeest, anubis baboon, tantalus monkey, lion, leopard, hippopotamus, roan antelope, kob and warthog, various species of reptiles, birds and fish. For birdwatchers, Kamuku has over 177 documented bird species and rarely seen animals, such as the duiker. Spread over 1,120km<sup>2</sup>, Kamuku Park is a gem for hardy outdoor types. It is open to visitors all year.

### Obudu Plateau

The popularity of the Obudu Mountain Resort has dwarfed the fact that the resort is nestled in the Obudu Plateau, an area that is 100km<sup>2</sup> wide and standing at 1,584 metres above sea level. The plateau is suited for hiking and biking, evidenced by the Obudu Ranch International Mountain Race, one of the most gruelling bike challenges globally. Investments in building the resort also made a cable car available. It provides tourists the opportunity to have a bird's-eye view of the rich fauna underneath.

It is a breath-taking sight. A walk or drive to the resort allows visitors to see the Gorilla Camp where primates live in their natural habitat. You could add hiking on the Obudu Plateau to a list of 'to-do' whenever you visit Cross River State for the annual Calabar Carnival.



**Obudu Plateau**  
Courtesy deskgram.net

### Okomu National Park

This is one of the smallest and least known of Nigeria's national parks. What it lacks in size and popularity, the reserve makes up in the richness of the variety of its flora and fauna. The park, which is about 50km west of Benin City, the Edo State capital, is a forest block within the 1,082km<sup>2</sup> Okomu Forest Reserve. The park holds a small fragment of the rich forest that once covered the region, and sadly, is the last habitat for many endangered animal species. The Okomu National Park is about 200km<sup>2</sup> of wildlife sanctuary and rainforest ecosystem. Okomu is a home to red river hogs, elephants, chimpanzees, buffaloes, leopards, bush baby, putty-nosed guenon, porcupine, pangolins, duikers, antelopes and the extremely rare white-throated monkey. It is also home to varieties of butterflies and birds. If you are into natural medicine, you will be fascinated by the 60 species of plants, comprising of 50 leafy plants and 10 mushrooms, which have been discovered to be effective in health care.



**White throated monkey at Okomu National Park**  
Courtesy cometonigeria.com

### The New Afrika Shrine

When France President Emmanuel Macron visited The New Afrika Shrine early this year with the attendant media attention, it belied the popularity of the place. The Afrika Shrine is especially popular among lovers of Afrobeat, the genre of music made popular by the late Fela Anikulapo-Kuti. They come from all over the world to enjoy the music, a fare common at the open entertainment centre located in Ikeja, the Lagos State capital, and also visit the Kalakuta Museum, which houses Fela's paraphernalia and luxury suites. The annual Felabration, which holds at The New Afrika Shrine, is a music festival and a custodian of the African culture, history, entertainment and education. The event is reported to attract well over a million audience across the globe. The Afrika Shrine was first started by Fela but it was burnt down by arsonists. His children have done a fantastic job to keep the memory of Africa's greatest music icon alive with The New Afrika Shrine.



**Afrika Shrine**

# The Nigerian Content Intervention Fund

## What is the NCI Fund?

The Nigerian Content Intervention (NCI) Fund is a pool of funds made available by the Nigerian Content Development and Monitoring Board (NCDMB) to be managed by the Bank of Industry (BoI) to meet the funding needs of indigenous manufacturers, service providers and other key players in the Nigerian Oil and Gas Industry. It is sourced from the Nigerian Content Development Fund (NCDF) created by Section 104 of the Nigerian Oil and Gas Content Development Act (NOGICD) Act.

## 2. Why the NCI Fund?

This fund was motivated by the desire to re-engineer the operations of the NCDF, increase access to funding and grow indigenous participation in the Oil and Gas industry.

- To increase access to NCDF.
- To provide single-digit interest loan.
- To enhance competitiveness of indigenous companies servicing the Oil and Gas industry.

## 3. What is the purpose of the NCI Fund?

- Re-engineer the operations of the NCDF, increase access to funding and grow indigenous participation in the oil and gas industry.
- Increase indigenous participation in the Oil and Gas industry, build local capacity and competencies.
- Promote the growth and development of Nigerian Content in activities connected with sectors of the Nigerian Oil and Gas industry.
- Deepen the creation of linkages to other sectors of the national economy and boost industry contributions to the growth of Nigeria's National Gross Domestic Product.
- Address persistent funding challenges that have hindered capacity and growth of local service providers in oil and gas.
- Facilitate the growth of community-based companies in the upstream oil and gas sector.
- Spur productivity and job creation in the Oil and Gas industry.
- Attract investment capital into the sector and boost contribution of the sector to Nigeria's economic growth.

## 4. Who is eligible to access the Nigerian Content Intervention (NCI) Fund?

- The funds will be accessible to contributors to the NCDF as well as community contractors of any of the oil producing communities.

## 5. How will the NCI Fund boost local content participation in the Oil and Gas Industry?

- Promote the production and utilisation of locally manufactured goods and services in the Nigerian Oil and Gas industry.
- Address persistent funding challenges that have hindered capacity and growth of local service providers in oil and gas industry.
- Spur productivity and job creation in the Oil and Gas industry.

## 6. What are the available types of funding under the NCI Fund?

- Manufacturing loan
- Asset acquisition
- Contract financing
- Community contractor finance scheme
- Loan re-financing

## 7. What are the facility types that can be accessed under the NCI Fund?

Term loans, working capital, invoice discounting and leasing facility.

## 8. What is the maximum amount an applicant can access (i.e. the single obligor limit) under each loan type?

The single obligor limit for the available types of funding are detailed below:

- Manufacturing loan - US\$10 million.
- Asset acquisition loan - US\$10 million.
- Contract finance loan - US\$5 million
- Community contractor finance scheme - ₦20 million.
- Loan re-financing - US\$10 million.

## 9. Can an applicant access more than one facility type?

Applicants cannot have two different loans running simultaneously.

## 10. What is the tenor of the available loan types under the NCI Fund?

The maximum tenor of all loan types is 5 years.

## 11. What is the interest rate applicable for the available loan types under the NCI Fund?

Interest rate for the available types of funding are detailed below:

- Manufacturing loan - 8%
- Asset acquisition loan - 8%
- Contract finance loan - 8%
- Community contractor finance scheme - 5%
- Loan Re-financing - 8%

## 12. Where can a prospective applicant apply for the NCI Fund?

The applicant can apply via the BOI/ NCIF portal [www.boi.ng/ncifund](http://www.boi.ng/ncifund).

## 13. Can an applicant route the application through a bank?

No.

## 14. Is this a share of the national cake or a grant?

No. It is a loan and MUST be paid back so that others can benefit from it.

## 15. How long will it take to access the loan upon submission of application?

Forty-five (45) working days (from the date of submission of complete documentation) subject to fulfilment of all terms and conditions and contract confirmation from an International Oil Company (IOC), where applicable.

## 16. Who qualifies as a community contractor?

A community contractor is a company operating in the upstream/ midstream sector of the Oil and Gas industry, which has a valid contract with an IOC for a job in any of the oil and gas communities and whose chief promoter is also an indigene of an oil and gas producing community.

## 17. What is contract financing?

This is the provision of loan facilities to oil and gas companies that are contributors to the Nigerian Content Development Fund (NCDF) and intend to finance contracts from IOCs (indigenous companies in the case of community contractors).

## 18. What type of assets can be acquired with NCI Fund?

Plants, facilities, rigs, marine vessels and other ancillary equipment, excluding landed assets.

## 19. What type of facilities can be re-financed under the NCI Fund?

The loan types that are available for refinancing include working capital loans, term loans and leasing facilities. However, the facility must be performing, viable and well-secured.

## 20. Do I need to provide any equity contribution? If so, how much?

Equity contribution will only be required for manufacturing and asset acquisition facility. An applicant will be required to provide a minimum of 10 percent equity contribution.





# Harnessing local content potentials in the oil and gas industry

"Local content is a right of a nation and her people." These are famous words of Mr. Lennox Sirjuesingh, president of the Trinidad and Tobago local content chamber. The central idea from this statement has been the fundamental drive for local content policies globally. In every case of local content laws enacted, the narrative has always been the same: to mitigate capital flight, increase local participation in terms of manpower and local business participation and, ultimately, the domiciliation of technology and technical expertise within the country.

Nigeria too has been pursuing a very robust local content policy across several sectors with the petroleum industry being the epicentre and central focus of these efforts. An Act for the establishment of the Nigerian Content Development and Monitoring Board (NCDMB) was enacted, as well as other laws, one of them being the Nigerian Oil and Gas Industry Content Development Act (NOGICD) Act in 2010. Eight years after, the highlights of the NOGICD Act have been the EGINA FPSO of which over 60,000 tonnes of equipment were fabricated here in Nigeria and about US\$1 billion of funds flowed to local firms in contracts.

Another is the full integration and rating of Lagos Deep Offshore Logistics Base (LADOL) as an energy hub within West Africa. Also, there is the planned establishment of five oil and gas parks across the Niger Delta region with two currently in the construction phase in Cross River and Bayelsa states. And finally the launch of the \$200 million Nigerian Content Intervention Fund, which will provide low cost funding to local contractors and operators in the Oil and Gas sector.

However, we have achieved up to 40 percent local participation across the value chain of the Oil and Gas industry. It is reported that most skilled, semi-skilled and unskilled jobs are still handed to foreigners, few Nigerians occupy key management, supervisory and technical roles in the industry and Nigerian firms are still struggling to achieve industry status and recognition with only a few exceptions. The question of interest now is: how do we harness the plethora of untapped, under-utilised and latent local content potential in the Nigerian oil and gas industry

to achieve economic growth?

## Harnessing local content for economic growth

The concept of local content is compulsory for non-industrially developed countries, like Nigeria. However, for the policy objectives to be fully realised, there should be in situ a fully integrated and systematically structured approach. The NOGICD Act has provided a solid framework, but the challenges in the industry have been a real bottleneck. Now, how do we surmount these challenges?

1. There ought to be a seamless realtime integration in communication, information management and synergy between departments in the Ministry of Petroleum Resources, NCDMB, NNPC and multinational companies operating in the Oil and Gas sector. This can be achieved by employing an AI-powered cloud-based ERP system. With this system in place, it becomes easier to track and monitor the whole value chain of the Oil and Gas industry as regards local content compliance.

2. Next is to promote competitiveness by improving the capacity of Nigerian firms in the Oil and Gas industry to deliver projects, no matter the complexity. To do this, we must promote and pursue a radical approach towards scientific research/development and technology transfer by employing **reverse engineering**. With this conscious effort towards technological advancement, indigenous companies will grow the technological capacity and innovative technical expertise required to handle changing industry needs, in accordance with best practice and industry standards.

3. One major challenge working against the Nigerian content initiative has been the non-availability of funds to local contractors and operators. To tackle this challenge, the NCDMB launched the \$200 million intervention fund. However, a more practical approach will be to encourage local firms to practise resource pooling through joint ventures and cooperative enterprises with special government backing and incentives. This will reduce the difficulty experienced by such firms when sourcing for funds to execute

capital intensive projects.

4. Monitoring units and institutions directly and indirectly involved in the industry, as regards local content compliance, must be strengthened to be independent, thus working without undue influence.

5. Finally, the government must stop paying lip service to Nigerian content issues and begin to sanction defaulting groups, no matter the interests.

In conclusion, on the current projects, like the Zabazaba deepwater project being promoted by AGIP in partnership with Shell and the Bonga South West Aparo (BSWA) deepwater project, as well as NLNG's planned expansion, we should be readying ourselves for a robust future. More investments in our technological capacity and expertise are required. We must begin now, as a matter of urgency, to strengthen research and development institutions across the country to champion innovative thinking as well as proffer solutions to the industry's needs. If we get this right, every sector will be positively impacted. We could then replicate this model in other sectors of the economy.



Mr. Ubon James, a first year Electronics and Computer Technology student at the University of Calabar, Cross River State, is winner of the 2nd edition of NCDMB Annual National Oil and Gas Essay competition.



### King of Boys – Kemi Adetiba

After her record breaking, wave-making, *Wedding Party 1*, many movie goers have been on the look-out for Kemi's next film project. *King of Boys*, a political thriller, follows the story of Alhaja Eniola Salami, a businesswoman and philanthropist with a chequered past and a promising political future. She is a pillar of society — loved by many, feared by most, and truly known by a select few.

The buzzing film features screen oldies like Sola Sobowale, who plays the lead role; Lanre Hassan (Iya Ahero), Jide Kosoko, as well as music acts, like Reminisce, who delivers a highly believable debut performance in his role as an underboss — Makanaki; Toni Tones, Ill Bliss, and Adesua Etomi also put up goof performances. Kemi, who does a fantastic job in this non-comedic film, is sure to set the cinema on fire with this offering.



### Chief Daddy – Niyi Akinmolayan

With chart-topping movies, such as *The Wedding Party (TWP) 1&2*, *The Royal Hibiscus Hotel*, EbonyLife Films in its usual tradition offers movie lovers an end-of-year eye candy in *Chief Daddy*.

Written by Bode Asinyanbi and directed by Niyi Akinmolayan who directed *TWP2*, this comedic film parades a galaxy of stars, like Richard Mofe-Damijo, Nkem Owoh, Patience Ozokwor, Joke Silva, Ayo Lijadu, Rachel Oniga, Taiwo Obileye, Kate Henshaw, Ini Edo, Shaffy Bello, Dakore Egbuson-Akande, Funke Akindele, Bisola Aiyeola, Chioma 'Chigul' Omeruah, Jude 'MI' Abaga and two-time AMVCA winner, Folarin 'Falz' Falana.

*Chief Daddy* tells the story of billionaire industrialist, Chief Beecroft, an extravagant, exuberant and larger-than-life but extremely benevolent benefactor to everyone who suddenly passes away and all sorts of characters come out of the works to lay a claim to his legacy.



### Mokalik - Kunle Afolayan

The poster boy of new Nollywood cranks up the camera to pay homage to his father, Ade Love's legacy with *Mokalik* or the Mechanic.

The one-location shoot, which serves up an acting debut for sultry songster, Simi, tells the story of 11-year-old Jaiye who spends the day as an apprentice at a mechanic workshop in order to view life from the other side of the tracks. The story, which will be told in a time frame of 12 hours, is replete with all the drama that is typical at a mechanic garage.

Written by Tunde Babalola, Kunle's go-to screen-writer and directed by Kunle Afolayan, the film has cast prominent industry screen gems like Femi Adebayo, Ayo Adesanya, Faithia Williams, Lateef Oladimeji and comic actors like Wale Akorede (Okunu), Ayo Ogunshina (Papa Lolo) and Dayo Akinpelu (Alabi Yellow) to serve up a Yoruba language film.



### Wetin we gain – Victor AD

Victor Adere (aka Victor AD) delivers a prayer song that has become self-fulfilling as *Wetin we gain* has become a popular anthem at parties, clubs and bars. The lyricist says the jam is a motivational song for hustlers who have been working for a long time but are yet to make it big, with claims that it was also based on a personal experience.

Starting with this line, *Oluwa magbagbe mi, I want all this money...*, *Wetin we gain*, as with many other songs in its mould, could also be said to be a hedonistic attraction to make money at all cost. Whichever side of the line you stay on, you are sure to move your feet and probably lift your hands in prayer.



### Fever – Wizkid

With buzzing international collaborations to boot, Wizkid, the Starboy released his first single, *Fever*, to celebrate Nigeria's Independence in October. The song set dance floors on fire. The reason for this jam's wave-making entry isn't farfetched as Wizkid features Mavin queen, Tiwa Savage, as a video vixen in this Blaq Jerzee produced song.

*Fever*, one of the songs on his yet to be released album, *Made in Lagos*, is a laid-back tune that celebrates a love interest heavily laced with afrobeats and with inaudible lyrics at times. *Aww, yeah, yeah, Stayboy dey for you; Ooh, Starboy dey for you...* is the refrain that you are likely to remember.



### Case – Teni

Teni Apata popularly known as Teni is a bundle of talent as seen in her songwriting skills, authentic vocals and free spirit. Having won Rookie of the Year Award at the Headies earlier this year, the *Askamaya* and *Fargin* crooner delivers a banger single, *Case* as part of her third double singles release this year.

*Case* is a mid-tempo jam, a love tale where Teni affirms her willingness to do anything for her love interest. The song at first listen is pure delight and one that will find its way to your everyday playlist. Teni leaves the audience with an interesting riff: *Cause my papa no be Dangote or Adeleke but we go dey ok yea...*



## RETIREMENT



**Engr. Ikpomosa O. Oviasu**, immediate past General Manager, Capacity Building Division (CB) has retired. He holds a Mechanical Engineering degree from Sheffield University and Masters Degree from University of Manchester, Institute of Science & Technology. He was part of the team that coordinated the activities of the Nigerian Content Division of NNPC from 2005 to 2010. Upon the enactment of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act in 2010, Engr. Oviasu was deployed alongside some other officials to join the pioneer NCDMB team at the Board's headquarters in Yenagoa, Bayelsa State on secondment. He later piloted the CB Division as General Manager between 2012 and early 2018.

## AWARD

**Mr. Olubisi Okunola**, Supervisor in the Strategy and Transformation Division, was recognised as the NCDMB best staff of the year at an awards ceremony organised by the Ministry of Petroleum Resources for its agencies, in December in Abuja. Bisi holds a degree in Urban and Regional Planning from the Obafemi Awolowo University, Ile Ife and several relevant certifications. He joined the NCDMB in 2014 from Accenture. His experiences span the financial, telecommunication and oil and gas sectors.



## WEDDINGS

**Mr. Basil Aleibiri**, an officer in the Capacity Building Division of NCDMB, walked down the aisle with former Miss Rosemary Temple on 13th October, 2018 at Royal House of Grace Church, Green Land Parish, Yenagoa, Bayelsa State. We wish them a blissful married life.



**Mr. Uchechukwu Christopher Oganuzor**, an officer in the Capacity Building Division of NCDMB, married his partner, former Miss Ngozi Beatrice Monday on 3rd November, 2018 at Cathedral Church of St. Mary Magdalene, Oguta, Abia State. We pray God to continue to bless their home.

## Megastar donates town hall to Swali community

Megastar Technical and Construction Company Limited, the contractor handling the 17-storey headquarters building of the Nigerian Content Development and Monitoring Board (NCDMB), has donated a community hall to Swali Community in Yenagoa, Bayelsa State, in fulfilment of its Corporate Social Responsibility (CSR) promise to the community.

Architect Harcourt Adukeh, the Managing Director of the company, said community contractors are engaged in the procurement activities for the NCDMB head office project. He said the company

also partnered the Industrial Training Fund (ITF) to train 75 youths from the community in various building construction trades and the best among them were employed to work on the project.

Megastar exceeded the stipulation in the Memorandum of Understanding (MoU) signed with the community for 25 percent of skilled, semi-skilled and unskilled workforce, said Adukeh, adding: "We have achieved 97 percent Nigerians, 60 percent Bayelsans and 43 percent persons from Swali town."

Engr. Simbi Kesiye Wabote, the Executive Secretary of NCDMB, inaugurated the hall. He hailed members of the community for their peaceful disposition to the building project.

He assured them that the community will attract bigger projects, if residents continue to maintain a peaceful atmosphere even after the headquarters building is completed and put to use. Wabote also advised the community to put the town hall to sustainable use and make it generate income that would be used for its regular maintenance.



**Engr. Simbi Kesiye Wabote, Executive Secretary, NCDMB inaugurating the community hall built and donated by Megastar Technical and Construction Company Limited to the Swali Community in Yenagoa, Bayelsa State.**

## GPPS opens office complex in Port Harcourt

Global Process and Pipeline Services Limited, an oil and gas service company has opened its new multi-million naira office in Port Harcourt, the Rivers State capital. Since GPPS was established in 2010, it has built capacity in pressure pumping, nitrogen pumping, fluid pump support, lube oil flushing and high pressure water jetting as well as blasting services.

Engr. Obi Uzu, the Managing Director of the company, said the firm owns the largest pumping

and pipeline service equipment fleet in the country. The new office complex will enhance the company's operational efficiency for superior service delivery with highest industry standards, he added.

Engr. Simbi Wabote, the Executive Secretary of Nigerian Content Development and Monitoring Board (NCDMB), who inaugurated the building, hailed GPPS for providing world-class services to the Oil and Gas sector without compromising standards and safety.

Such investments by service companies support the attainment of the Nigerian Content 10-year strategic roadmap aimed at increasing the level of Nigerian Content in the Oil and Gas sector to 70 percent by 2027, Wabote said.

The Executive Secretary also hailed international oil companies for supporting the implementation of Nigerian Content. He urged the companies to continue to believe in the ability of indigenous companies to deliver on projects.

## Edo, NCDMB to partner in Enterprise Park

The Nigerian Content Development and Monitoring Board (NCDMB) will partner the Edo State Government in the development of the Benin Enterprise Park BEP.

Engr. Simbi Wabote, the Executive Secretary of NCDMB, said the Board was committed to the BEP when Mr. Godwin Obaseki, Governor of Edo State, visited the Board's Abuja liaison office in December.

The Benin Enterprise Park is being sponsored by the Edo State Government and Amaya Capital - a principal Energy investment firm as a private sector-led industrial park. BEP aims to provide efficient and competitive infrastructure to

international and local companies. The project will be developed in phases over a 900-hectare location on the Benin-Sapele highway and would have a designated area for oil and gas service companies.

The project is expected to benefit from a dedicated gas pipeline with direct interconnection to natural gas trunk line and a direct gas sales agreement with reliable gas suppliers.

According to Governor Obaseki, the BEP will take advantage of "significant gas reserves within the state, being on the route of the core Escravos to Lagos gas trunk line with capacity of approximately two billion cubic feet of gas per day".

The Executive Secretary lauded the concept of the (BEP), adding that NCDMB made a budgetary provision for the Edo Oil and Gas and Park in the 2018 budget, particularly for land acquisition.

He said the Board will also be willing to collaborate with the Government to catalyse other sectors of the economy provided there is potential for return on such investments. "There is a lot we can do in the gas corridor in Edo. We have to diversify from crude oil in order to change the thinking in the Niger Delta," added the NCDMB chief executive officer.



# Growth of indigenous technology in Nigeria's petroleum sector

By Prof Chijioke Nwaozuzu

**T**echnology can have a substantial impact on an industry's performance. Technological progress in the next 10 years is predicted to be several times bigger than what has been experienced in the past 10 years; much of it will be spurred by the need to find solutions to our environmental problems.

A modern advocate of the importance of innovation, D'Aveni, argues that due to technological progress and information technology, the sources of competitive advantages are being eroded at a high rate. The answer is to disrupt existing sources of advantage in the industry and create new ones. In the context of 'hyper-competition', the best a firm can do is to seek to achieve a sequence of temporary advantages that keep it ahead of the rest of the industry. If this is true, then an awareness of research and innovation is central to companies' success. As it is with the private sector, so it is with nations!

Organisations are faced with a dilemma when attempting to decide how much to spend on research. It is well established that the returns on research expenditure are potentially high in many industries. A large scale research project carried out in the United States back-tracked innovations, and found that the rate of return on research expenditure was of the order of 30 percent.

However, the task of leadership in research and innovations is not strictly one for the private sector. Government has a significant role to play in creating and funding research institutes, granting research loans to individuals and other related institutes and creating government agencies to facilitate and fund technological research and research-based learning.

In Nigeria, we have several relatively new agencies tasked with some of these functions, such as Petroleum Technology Development Fund (PTDF), Tertiary Education Trust Fund (TETFUND) and the National Content Development and Monitoring Board (NCDMB). It may be premature to measure the degree of functionality of these agencies and their output. However, if the top positions in these relevant agencies are constantly filled based on political considerations rather than candidates with the requisite credentials and experience, then the result is a foregone conclusion. There are strong indications that the National Content Board is progressing according to set goals and objectives of the agency.

A firm's technology processes and specially developed formulas are among its most valuable assets and confer a sustainable competitive advantage. One of the most serious issues such a firm encounters when making a

direct foreign investment is controlling the use and dissemination of such information-based assets.

On the other hand, some developing countries have viewed agreements for technology transfer as presenting issues of foreign legal and economic domination as were raised by the concession system in oil and gas production. Officials of those developing countries may have perceived Western foreign oil companies (FOCs) as using their advanced technology and superior bargaining positions to extract profits from host countries in the form of royalties and licensing fees.

They also argue that such licensing agreements impose extensive and durable restraints on the use of the technology, such that the benefits to the host country and its citizens are minimal. Historically, such assessments have usually led to legal prohibitions or limitations on contractual provisions that are perceived as disadvantageous or unfair to the host country or its citizen-licencees.

However, one of the hallmarks of the industrial property rights created by patents, designs, trademarks, among others, is the right of the owner of the relevant rights to sell them, through assignment of rights. The assignee (purchaser) acquires the rights of the vendor (assignor) to the relevant piece of industrial property, usually conditional on the payment of a lump sum.

In the case of the petroleum sector (where there are often joint-venture operations between the host government and FOCs) the principal alternative way in which industrial property rights can be obtained is through the licensing arrangement. In this case, the lump sum payment is replaced by the periodic payment of royalties over the productive life of the relevant technology. The choice of outright purchase over licensing arrangements may depend on the technological experience of the acquiring entity.

Other commentators view licensing as the most common way of acquiring and exploiting technology. It involves a grant by the proprietor of technology know-how the permission to use all or some of those rights and information.

Based on the issues raised so far, it seems clear that non-producers of technology will always have a weaker bargaining power relative to owners of industrial proprietary rights. This is equally applicable to individual firms and nations. The question then is how a country can encourage the development of these proprietary rights among its citizens through funding R&D processes. The answer seems



**Organisations are faced with a dilemma when attempting to decide how much to spend on research. It is well established that the returns on research expenditure are potentially high in many industries. A large scale research project carried out in the United States back-tracked innovations, and found that the rate of return on research expenditure was of the order of 30 percent.**

straightforward, but the doing is not quite that simple, particularly in developing countries, where sometimes uneconomic and parochial criteria are applied to decision-making and implementation processes.

From the simple to the complex, government can empower specialised research institutions already in existence and charge them to do more; further empower existing and related government agencies in discharging their objectives; encourage more productivity in relevant faculties in federal and state universities; empower first-class science graduates by making them beneficiaries of the Overseas Post-Graduate Programme scholarships and harnessing their knowledge afterwards; provide special funding for specialised Industrial institutes and Centres of Excellence in Energy and Petroleum as well as adjunct institutes and centre's and the creation of a National Energy Bank.

*Prof Chijioke Nwaozuzu is a former British Chevening Scholar and PTDF PhD Scholar, and Deputy Director at Emerald Energy Institute (for Energy & Petroleum Economics, Policy, & Strategic Studies), University of Port Harcourt.*



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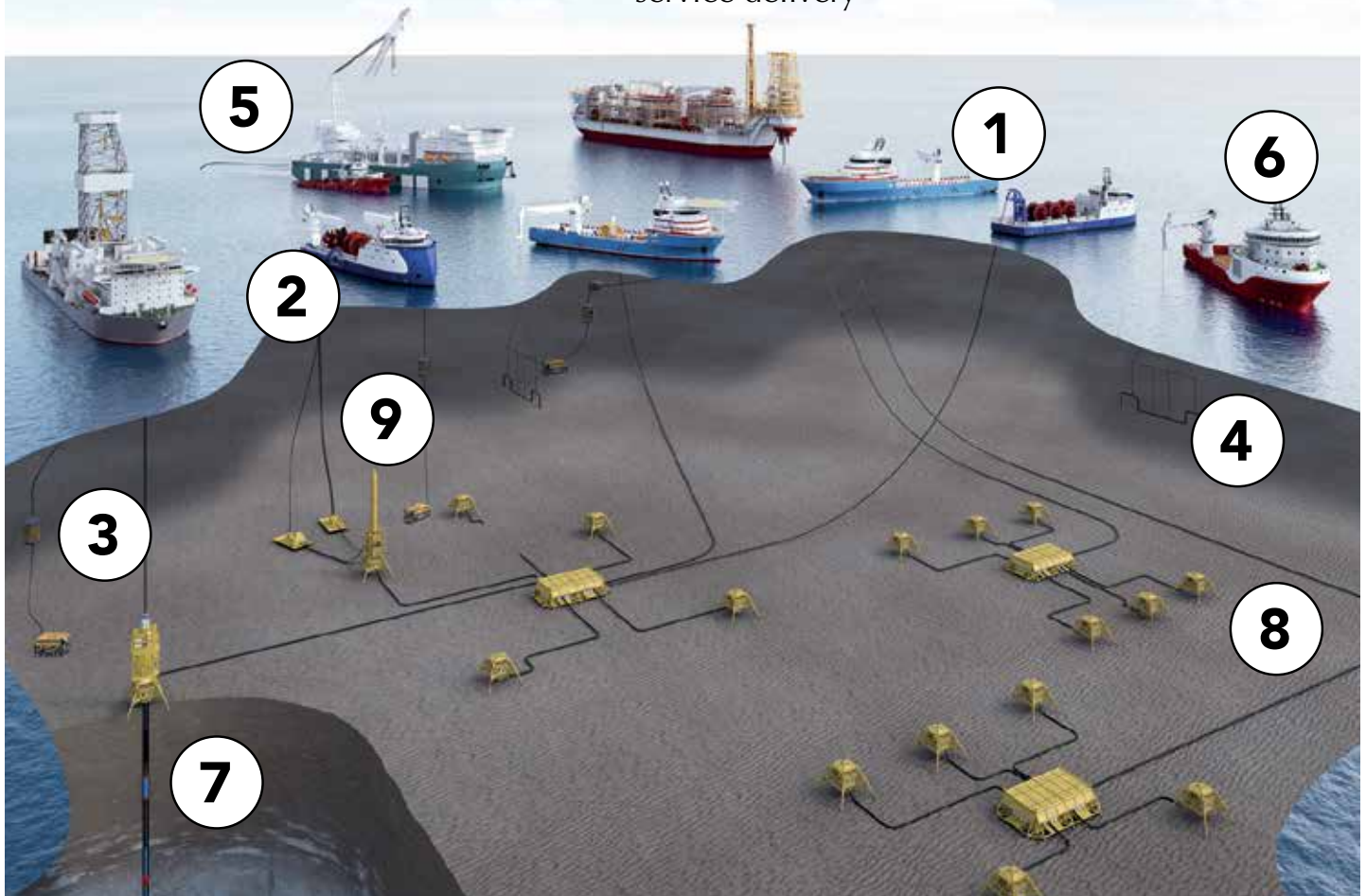
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