



Federal Ministry of Petroleum Resources

Establishing the Framework for globalizing our local Economy

Keynote Address

By

Dr Emmanuel Ibe Kachikwu

Honourable Minister of State – Petroleum Resources

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Protocol

1. Distinguished Ladies and gentlemen, it is a great pleasure being in this conference to deliver a keynote address.
2. Since 2012, when the novel idea of Sustainability in the Extractive Industry (SITEI) conference was conceived, the annual gathering has been a platform for stimulating meaningful exchange of ideas and best practices in the industry.
3. I commend Messrs CSR –IN-ACTION, NEITI, the Ministry of Petroleum resources and other partners for their relentless collaborative effort to making sure this epoch event come to fruition.
4. The focus of my address to this forum is centred on **“Establishing the Framework for globalizing our Local Economy”**.
5. The theme of this Conference is apt, in that it holistically looks at the dynamics of our evolving operating environment for our local economy which prior to the inception of the enactment of the Nigerian Content Act 2010 was deplorable.
6. This great forum, I believe will provide opportunity for participants to look into critical burning issues affecting the Nigerian local economy and how we can build a framework towards globalizing it.
7. In an emerging economy such as ours, and with our size as a nation, there is no gainsaying that the domestic industries has what it takes to contribute immensely to economic growth and nation’s development and therefore have a great potential effect on the global community.
8. A cursory look however, at the state of development in our local economy indicates that there has been shortfall and much progress needs to be made towards building local capacity and uplifting the conditions of the people to enjoy the benefits of the Oil wealth, which is critical to long term sustainable development.
9. In order to bridge that gap, the government felt it was necessary to pass through some legislations to bring the implementation of the local content policies into sharper focus.



10. This can be said to be the driving force for the Nigeria local content we have now.
11. However, we still need to do more to trap money into our local economy and reduce capital flight.
12. Globalizing our local economy thus goes beyond value retention and trade – offs. Rather, strong government demand for local content investment through creation of infrastructural facilities and insisting work be done in Nigeria should be of paramount importance.
13. Once we can do this, there will be more fabrication yards in the country which will boost our industrial sector and reduce the cost of production, and thus maximizing government revenue.
14. Nigeria's perception as a high – risk investment destination in some quarters is partly because the process of structuring a project financing deal with financing institutions is usually complicated and daunting; hence policies must be consistently directed at improving confidence in the investment environment.
15. Nigeria as an emerging economy needs an effective local capital market that is properly regulated and supervised to bridge the huge infrastructure gap that exists in the oil and gas infrastructure sector.
16. As we contend with financial challenges in revamping our economy, Capital market is very crucial to facilitating infrastructure financing and proper repositioning of the economy.
17. In the last few years, we have witnessed the emergence of a new group of local investors, pushing local content development from upstream down to retailing
18. Such investments are of boomeranging potentials that would inevitably result in the globalization of our local economy.
19. In the 7 Big Wins, we have exerted efforts in ensuring a safe space for the utilization of such investments, either through Local Refining, Gas revolution or our Infrastructural rebirth initiatives.



20. Such initiatives are to be combined with the actions of our agency, NCDMB, to ensure that local content is improved and envied by the developed nations.
21. The establishment of the 5 Oil and Gas parks in addition to the Gas revolution park has currently started, with progress being monitored on a regular basis.
22. Of course, such parks are to yield revenues of copious quantities, while adroitly ensuring companies involved in achieving our aims train local content to be utilised globally.
23. Our costs of production is also a key focus. Nigeria, with our vast resources, can get to draw in more revenues if our cost of production is considerably reduced to the neighbourhood of \$15/ barrel. This will be achieved through our cost reduction initiatives in conjunction with implementation of the New National Fiscal policy.
24. **Work need to be done to bridge gap between our local industry and international players through communicating and branding our local content in fostering investment and making the foreign investors see it as an opportunity rather than an obligation.**
25. We are in a phase of development where the issue of infrastructural framework has become critical. Our downstream infrastructure deficit alone requires us to invest around 10 billion dollars in the next three decades.
26. Strengthening liquidity in the capital market is very crucial as doing more to increase capitalisation will bring more activity into the capital market with a multiplier effect on our local economy.
27. Nigeria can never be an economic power house without a vibrant local economy and defined industrial base. A nation without a solid manufacturing base, is a sure way to maintaining dependency and waste of resources
28. The need to ensure a conducive business atmosphere devoid of infrastructure gaps is paramount to ensuring stability and high productivity and a better framework for globalizing our local economy.



29. Ladies and gentlemen, these are the key elixir that would transform our local economy into this global warrior we desire.
30. It is my hope that the outcome of this Workshop will continue to reverberate in boardrooms and investment fora nationwide and across the globe as businesses position and re-position to be part of the enormous opportunities in Nigeria.
31. Thank you very much.