

Niger Delta: A new Investment frontier

Keynote address by Chief Ufot Ekaette, Hon Minister of Niger Delta Affairs

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I am delighted to address this gathering made up of very important players drawn principally from the public and private sectors in South Africa and Nigeria. I am particularly grateful to the organisers of this conference, the South Africa-Niger Delta Investment Council, for affording me the opportunity to meet with investors in South Africa, a major economic player in the African Continent in general and Nigeria in particular. The importance of South Africa to Nigeria's economic development is underscored by the presence of many of the country's companies in Nigeria. Some of them are operating wonderfully well in many parts of Nigeria and it is my belief that the spirit of cooperation between the two nations will be deepened with symbiotic programmes and projects.

For us as a new Ministry charged with the task of developing the Niger Delta, I am of the view that one of the countries we should turn to for partnership is South Africa because of her expertise in many areas that can help us in our drive to turn around the fortunes of the Niger Delta region. I am confident that at the end of this conference, we will enter a new phase of relationship with many business groups that can help us to reshape the Niger Delta.

Background of the Niger Delta

The region, which occupies a land mass of about 112,000 square kilo metres in the Southern part of Nigeria, is the world's third largest wetland with a population of about 31 million. It is made up of nine of Nigeria's 36 states and 185 Local Government Areas out of Nigeria's 774 LGAs. The Niger Delta has become the focus of international attention apparently because of its importance to the world oil market. It is the only part of Nigeria at the moment that produces oil and gas, making the country the fifth supplier of crude oil to the United States of America and the 13th oil producer among Oil Producing and Exporting Countries (OPEC). The Niger Delta people are heterogeneous, speaking over 250 dialects and spread in over 13,000 communities.

Niger Delta Challenges

The Niger Delta has one of the most difficult terrains in the world, with most of the land area crisscrossed with rivers, ocean, pipelines and mangroves. Although it produces all of Nigeria's oil wealth, the Niger Delta is gripped by unmitigated environmental degradation arising from oil exploration since 1956, youth unemployment, dearth of infrastructure and a dismal socio-economic outlook.

Arising from these, there has been mounting agitation by the people of the region for an improvement in all sectors of development so as to give them a sense of belonging in the oil and gas industry. The sector accounts for over 80 percent of Nigeria's earnings annually.

Unfortunately, innocuous agitation by well-meaning citizens of the Niger Delta for more development has however been taken over by militants under the guise of Niger Delta struggle. I need not bore you with the litany of atrocities which these elements have wreaked so far as they are already in the public domain. However, the unfortunate activities of these few elements have been blown out of proportion by the media, giving the erroneous impression that there has been a breakdown of law and order in the Niger Delta and that the area is unsafe for investment. I must admit that there have been both security and economic challenges in the Niger Delta region of

Nigeria but they are not insurmountable and that serious efforts are being made by the Federal and State Governments to address the situation.

Government's intervention in the Niger Delta region

The Nigerian Government has at various times taken steps to tackle the developmental challenges of the Niger Delta region although such efforts have not produced commensurate results for the people.

From the setting up of the Niger Delta Development Board in 1960 to the establishment of the Oil Mineral Producing Areas Development Commission in 1992 and the Niger Delta Development Commission by the Federal Government in 2000, it is clear that the Federal Government has never shied away from the development of the region. All these, it must be admitted, were done to give the oil producing communities the special attention that they deserve because of their contributions to the national economy.

The Ministry of Niger Delta Affairs and its approach to developing the region

In his determination to bring about lasting peace and development in the Niger Delta region, President Umaru Musa Yar'Adua made the Niger Delta issue one of the components of the Seven-Point Agenda of his Administration and also established the Ministry of Niger Delta Affairs to coordinate and fast-track the development of the area. In its coordination function, the Ministry of Niger Delta Affairs liaises with other Ministries, Departments and Agencies of the Federal Government and development partners as well as State and Local Governments in the transformation of the region.

As an interventionist agency of the Government of Nigeria, the Ministry is conscious of the need to take development to the people of the region as soon as possible. Accordingly, within the eight months of our existence as a Ministry, we have set up the necessary structures that will assist us in implementing our programmes as outlined in our budget. It is in the discharge of our mandate that we are here to solicit your support and active partnership with us in order to attract the much needed development to the Niger Delta region. We need the partnership of investors because the Nigerian Government cannot do all that is needed to transform the Niger Delta alone. For us to be able to act as a catalyst for the transformation of the Niger Delta, we have come to the conclusion that we must partner with strategic institutions in the public and private sectors to take the development of the area to another level. Having identified youth unemployment, inaccessibility due to difficult terrain, poverty and environmental degradation as the root causes of the present crisis in the Niger Delta, we have accordingly fashioned out necessary programmes that would enable us to address these challenges.

First, we have designed multi-faceted Skills Acquisition centres for the training of Niger Delta youths principally in the areas of oil and gas so as to qualify them to play active roles in the oil and gas industry. That way, they will begin to see themselves as co-owners of the industry instead of perceiving themselves as passive spectators in an industry that is located in their region. Already, we have identified service providers in the oil and gas sectors who are to train the youths and provide jobs for them after their training. We are also identifying service providers in the areas of artisanship, integrated Agriculture, Information and Communication Technology etc. We are happy with the response so far shown by the private sector in Nigeria towards the training of our youths and we warmly welcome the active support of their South African counterparts towards the successful implementation of our training programme, which involves no fewer than 11, 000 youths

One of the most ambitious projects which Mr. President has mandated my Ministry to embark on is the construction of the Niger Delta Coastal Road, which will be one of the longest roads in the country when completed. My Ministry is currently processing papers for the engagement of

consultants for the design of the 700-kilometre road, which will stretch from Calabar in Cross River State to Ilaje in Ondo State and is estimated to cost about \$6.4 billion. In addition to this road, we have increased the tempo of work on the 337-kilometre long East-West Road which started about three years ago. We have also engaged consultants to design about 40 local and regional roads in the Niger Delta.

As part of our drive to change the outlook of the Niger Delta, the Ministry is soon to begin the construction of houses in the nine states that make up the Niger Delta. The intention is to provide functional two and three bedroom buildings in the Niger Delta so as to make life more meaningful for the people of the Niger Delta region.

We are daily being faced with environmental problems arising from oil production, which have necessitated the adoption of appropriate technology to manage our environment. In this connection, we have begun the process of selecting consultants for identifying all oil-impacted and erosion-prone sites in the Niger Delta with a view to cleaning up and reclaiming the affected areas.

We believe that our efforts will eventually result in a cleaner, greener and better environment for food production and sustainable livelihood.

Investment priorities of the Ministry of Niger Delta

Our mandate entails the implementation of mega regional projects capable of providing jobs for the youths and significantly opening up the Niger Delta so as to stem the tide of violence and create an enabling environment for investments to thrive. For the Ministry to be able to do this, we will concentrate on the execution of mega regional projects and schemes that cut across the nine states of the Niger Delta and allow the Niger Delta Development Commission, State and Local Governments to embark on state-specific programmes that complement each other. The intention is to provide the needed synergy in our work and prevent waste and duplication of efforts. We have abundant investment opportunities that existing and potential South African investors can harness and become a part and parcel of the development of the Niger Delta. With a reserve of over 176 trillion standard cubic feet of gas and 40 billion barrels of crude oil, the Niger Delta is the ideal place for the establishment of refineries, gas plants and independent power stations and other oil and gas-related projects. The region, which is also blessed with abundant glass sand, clay, bitumen, limestone, granite, kaolin, exotic timber, rubber, aquatic and marine resources, is suitable for cement factories, fertilizer plants, petro-chemical plants, canning, pottery and wood factories.

Beyond these, vast opportunities exist for integrated Agricultural projects, ports development, roads and railways development. Key infrastructural projects can be operated on the basis of Build-Operate- and –Transfer while services can be run directly by interested investors or on Public/Private Partnership.

Investors and experts in the above areas are therefore welcome to partner with the Ministry and State Governments in designing and constructing critical infrastructure and other projects to help generate the needed impetus for economic development and create jobs for the teeming youths in the region. I am happy that the Executive Governor of Rivers State, Rt. Hon. Chubuikwe Rotimi Amaechi, is participating in this conference in person and will provide the State's perspective of investment potentials in the course of this event.

Peace and security in the Niger Delta

I do know that one thing that is of utmost concern to existing and potential investors in the Niger Delta is the issue of peace and security. They keep wondering whether they and their investments would be safe if they come to the region. I make bold to state here that there are several South African companies that are operating successfully in Nigeria without any form of molestation. In the

Niger Delta itself, there are international companies that have been there for over 60 years despite the occasional threats to security in the region. However, as a deliberate effort by the Federal Government of Nigeria to make the country in general and the Niger Delta in particular more conducive for investment, it has granted a general amnesty to individuals and groups that have been involved in violence in the Niger Delta in its determination to end the crisis in the region.

The amnesty programme

The amnesty programme, which President Umaru Musa Yar'Adua proclaimed on June 25, 2009, involves Disarmament, Demobilisation and Re-integration, DDR. While the security agencies are already handling the aspects of disarmament and demobilisation, the Ministry is saddled with the responsibility of reintegration and is working hard to ensure that the aspect succeeds.

The reintegration of an estimated 10, 000 ex-militants, involves reconciling them with their communities, training, rehabilitation and provision of employment for them.

The amnesty granted the militants by the Nigerian Government has no strings attached. It is unconditional, genuine and is on course. I am happy to observe that the response by the militants to the amnesty programme has been encouraging. On Friday, August 8, 2009 a group of militants formally renounced militancy before President Umaru Yar'Adua at the Presidential Villa Abuja while others have since been reporting at various arms collecting centres to turn in their arms and sign up for amnesty. Only on August 13, 2009 another set of militants surrendered their arms in Port Harcourt, the Rivers State capital and embraced the amnesty offered by the Government.

I am confident that with the amnesty programme in place, the issue of security threat which has always been the main concern of investors will soon become a thing of the past and a new dawn of peace and security established in the area.

Our assurance

I want to assure investors who are already doing business in Nigeria and those currently sitting on the sidelines that the amnesty package being implemented by the Nigerian Government will put an end to the crisis in the Niger Delta and open up new investment frontiers for them.

I want to urge them to avail themselves of the opportunities for investment in the Niger Delta and reap the enormous benefits that abound therein. I look forward to receiving the first set of investors on my return to Abuja and I can assure them that they would never regret joining hands with us to transform the Niger Delta.

Once again, I thank organisers of this event, particularly Dr.. Ono Abada, the Chief Executive Officer of the South Africa-Niger Delta Investment Council and Dianna Games, the Chairperson of South Africa-Nigerian Chambers of Commerce for giving me the opportunity to interact with you all.

Thank you for your attention