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Our Aspiration

Our National aspiration is to stimulate unprecedented economic growth through natural gas with specific focus on gas to power and gas based industrialization.

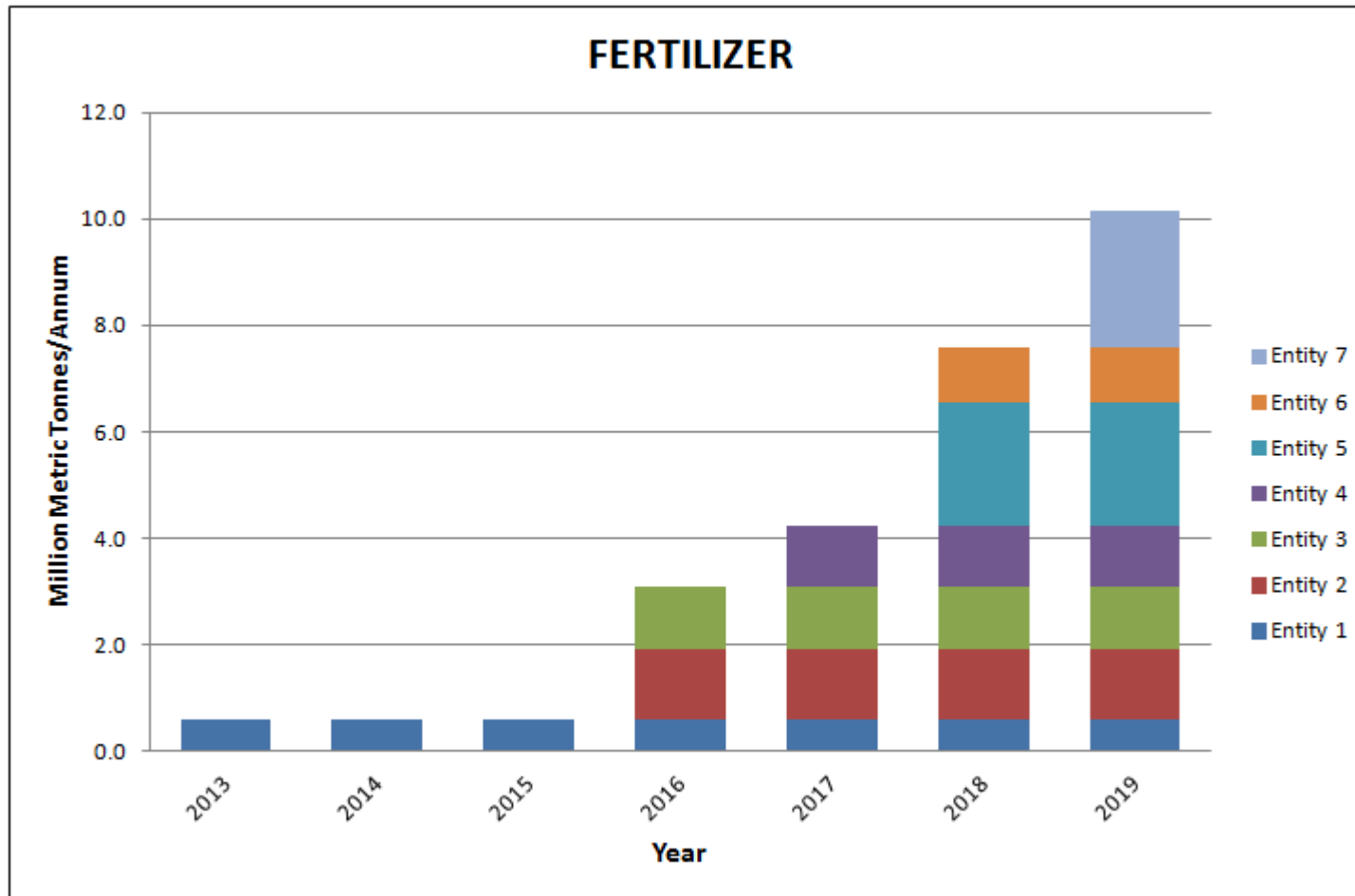
Gas based industrialization agenda is anchored primarily around the Fertilizer and Petrochemicals industry.

These two industries have the potential to transform our Nations' s GDP considering that:

- ❖ Agriculture is Nigeria's largest contributor to GDP. With increased availability and enhanced affordability through local production of fertilizer, agricultural yield will be boosted significantly, creating jobs and growing GDP.
- ❖ Over 60% of everyday product is made out of petrochemicals. In essence, the petrochemical industry will stimulate numerous secondary industries from plastics, through to packaging, advanced materials etc. Empirical data show that for every tonne of petrochemical capacity, about 5 jobs can be created across the value chain. In essence, a 1 million tonne per annum plant can create as much as 5 million jobs



Fertilizer Market Opportunity



Current Demand: 3.4MMT/Yr
Supply: 0.8MMT/Yr
Market Opportunity: 2.6MMT/Yr



Policy Interventions

To realize the full potential of both fertilizer and petrochemical industries, targeted policy interventions have been put in place in the Nigerian Gas Master-plan:

- A domestic supply obligation which sets aside about 500 - 750 mmcf/d of gas by 2017/18 specifically for Fertilizer, Methanol and Petrochemical industries
- A competitive gas pricing policy that is aimed at attracting investments to Nigeria amidst global competition. Our pricing policy was benchmarked against competing countries in the Atlantic Basin such as Trinidad and Tobago, Egypt etc.
- Establishment of a Gas Aggregator Company of Nigeria to serve as a one-stop shop for potential investors, thereby simplifying access to feedstock and conclusion of commercial agreements.
- Deployment of concept of gas industrial parks which leverage synergies in utilities, port facilities etc. to support the competitive establishment industries in Nigeria.
- A concerted and coordinated effort across ministries - Petroleum, Transport, Trade and Industry, to maximize the success of the industrialization initiative and overall competitiveness of Nigeria in attracting investors.



Outcome of Policy Interventions

The policy interventions are yielding results as there are presently several Fertilizer and Petrochemical investments under evaluation:

- In the fertilizer sector, over 8MTPA (million Tonnes Per annum) fertilizer capacity is now proposed by various investors. The first 1.3MTPA capacity by Indorama is currently in the construction phase. A few others (Nagarjuna, Dangote, Brass) are in advanced stage of attaining financial closure and award of EPC contract. Many of these are targeted for start of operations between 2017-19.
- With the above capacity outlay, Nigeria is now well positioned to supply almost 10% of the world's global tradable fertilizer by 2017, making it the undisputed regional hub - a sizeable portion of this capacity will be deployed for domestic consumption.
- A 1.4million tonne per annum petrochemical plant (largest in subsaharan Africa) is also proposed to be built in Nigeria.



Outcome of Policy Interventions Contd...

- The 2,750 Hectares Ogidigben industrial Park located in the coastal area of Delta state is planned to host the fertilizer and petrochemical industries. The park is presently under construction with commencement of work on basic site data acquisition. Full site preparation work is expected to commence afterwards.
- Over 2000 jobs are expected to be created by the end of 2013 when site clearing activities for the Industrial Park commence, growing exponentially to over 150,000 during the peak of construction activities by 2015. In the long run, more than 5 million direct and indirect jobs will be created from the spin-off secondary industries that will arise from this initiative.



Maximizing Impact - enablers

- Support world scale capacities to assure long run sustainability - globally, the industry is moving to bigger and more efficient plants, hence all policies and infrastructure plans must align to support such plants
- Create awareness amongst local entrepreneurs to grow small and medium scale secondary industries from the primary petrochemical industries - this will create geographically dispersed wealth
- Consolidate effort in the power sector reform to enable dispersed growth of the numerous secondary industries that will result
- Continue to anchor the initiatives around private sector investments whilst FGN provides enabling environment



THANK YOU