

Nigeria's local content adoption in oil & gas soars to 28 per cent in seven years

London, August 7, 2018 (AltAfrica)-Following the signing of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act in 2010, indigenous participation and domiciliation of oil and gas activities, among other endeavours, has appreciated by 460 percentage increase.

Findings by The Guardian showed from five per cent as of the operation of the NOGICD Act in 2010, Nigerian Content level has advanced to 28 per cent, given the latest data released by the Nigerian Content Development and Monitoring Board, which terminated in 2017.

Even with the current retained spending being put at 28 per cent, the NCDMB is projecting 70 per cent local retention by 2027.

Other propellers were: Linking of oil and gas sector to other sectors of the economy to add to the growth of the Gross Domestic Product and well-being of Nigerians; and fostering of institutional collaborations/integrations.

Prior to the NOGICD Act, there was un-bridled importation of goods and services with attendant capital flight, dearth of in-country capacity, and un-employment. The narratives then was that nothing can be done in-country

Commenting, the Director, Planning Research and Statistics, NCDMB, Patrick Obah, said: "The NOGICD Act (2010) established NCDMB as the sole agency for local content implementation in the oil and gas industry. The Act has set minimum targets in 278 services across oil and gas value chain.

"We have recorded tremendous success in fabrication, training, vessels acquisition, manufacturing, pipe coating, among others.

"Our 10-year vision is to achieve 70 per cent in-country value retention. We have put in place strategies to achieve this and look forward to the support of all in making this a reality."

Recently, stakeholders in Nigeria's business environment called for an aggressive active participation of Nigerian companies to actively use the Local Content Act, as a tool to develop the country's huge natural resources for economic development, while also dispersing wealth generated for inclusive growth.

They said the policy has been identified as a strategy to increase the participation of local firms in the value-chain of various sectors; improve inbound logistics and also create more employment opportunities for the indigenous workforce.

The Executive Secretary, NCDMB, Simbi Wabote, had said the local content policy is still faced with challenges ranging from weak sectoral linkages, weak infrastructural base, policy inconsistency, skill gap, and the economic factor.