

Nigerian gas sector could fix the country's economy

Despite its position as the world's ninth-largest gas reservoir, Nigeria is burdened by widespread gas shortages, and geopolitical challenges, insufficient infrastructure and the lack of a suitable fiscal and regulatory framework combine to make the gas sector challenging for participants, Nigerian Gas Association (NGA) president, Bolaji Osunsanya, told [This Day](#)



Bolaji Osunsanya

Requires huge investment

The continued government focus on gas is generating a lot of excitement and creates a unique opportunity to capitalise on the gas monetisation agenda to propel the economic growth of the country. He, however, highlighted that turning natural gas into a profit-making venture would require huge investments in infrastructure that address the five component areas of gas availability, affordability, deliverability, funding, legal and regulatory framework.

The demand for gas in Nigeria is estimated at about 6,6bn standard cubic feet per day (bscf/d). This number includes about 3bscf/d for domestic utilisation (gas-to-power, industrial and commercial consumers), and about 3,6bscf/d for export to international markets as liquefied natural gas (LNG) and to the West African region via the West African Gas Pipeline.

Total supply into the market has been about 4,3bscf/d with most of this going to meet the export demand, particularly LNG. This has meant that the domestic market only receives about 1,3bscf/d leaving a supply gap of 1,7bscf/d. This supply situation has been further worsened by the supply disruptions caused by the recurring acts of sabotage on the gas pipeline infrastructure, he said.

Gas could displace coal

In another report in [The Daily Trust](#), Osunsanya stated that there would be wider environmental benefits for Nigeria if increased gas use displaced some elements of coal-fired energy generation.

"With 1,000MW of independent power plant (IPP) capacity idle due to lack of gas delivery, indigenous players are making significant strategic investments in gas and virtual pipelines to power IPPs and industrial customers," he said.

Osunsanya continued: "Also, the gradual movement of the market towards the concept of willing buyer, willing seller, and the government's willingness to ensure an investment-friendly environment, bode well for Nigeria's long-term gas development."

He maintained that Nigeria's gas reserves could hit 16,8trn cubic metres compared to the current proven level of 5,2trn cubic metres, if deliberate measures were taken to explore for gas as opposed to coincidental discovery during oil exploration.

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