

THE WHITE COLLAR

IDOWU OLOFINMOYIN

idowu.olofinmoyin@norfolk-partners.com



Beyond Oil: The 44-Year Countdown

In less than 50 years Nigeria will have depleted its crude oil reserves. With proven reserves of about 37 billion barrels, and a current rate of production of between 2.5-2.7million barrels per day, we will have 40-44years of Oil left. So come 2059 we'll be looking for another source of 'national wealth'. In 2015 Petroleum revenue accounts for 70% of all Government revenue and 10.2% of national GDP, and so in 2059 at today's Public Expenditure and Government performance rates there will be 70% less funding. Therefore little or no Civil Service- the largest single employer of labour in Nigeria will be a shadow of what it is today, an underfunded Police Force, acutely underfunded Courts, underfunded Military, acutely underfunded Infrastructure, and basically a non-existent Government... Yes, it is a startling picture, but with the single commodity based Government revenue stream we operate, it is the future of our children. While we content ourselves that the end of the Oil surplus is a lifetime away, we are not planning for a Nigeria without it, which ultimately, is inevitable.

It is interesting to note that in many months of campaigning we heard little or nothing about refocusing National Revenue streams from the single commodity based model to a more realistic and sustainable mix-economy basket. Why? Well Government Administrations are transient, and prone to focus 4 years at a time. The kind of definitive and planned structuring of a future Nigerian economy that takes decades to plan and purposefully execute is what we need. What we have unfortunately is still only short-term plans on how to share what is there, not produce more.

Global Power and Energy Security

In 2008 the United States changed its policy on the Energy Resources. The influence of the availability of Natural Resources on National Security and other national interests became apparent, America stopped exporting Oil and gradually began to reduce Oil imports. 'Energy Security' - the policy of securing a stable supply of energy resources became a core national security consideration necessitating



a conscious restructuring of reduction in Oil imports, increased exploitation of local Oil reserves and a diversification of the country's energy mix from Fossil Fuel reliance to a significant introduction of Renewable Energy. Jump forward to 2015 America's stealth "war" against Russia for interfering with Ukraine, Saudi Arabia's endless reserves of Oil flooding the international market, the possibility of Iran adding their quota to countries like Libya and Iraq's own 4million barrels per day supply sent Oil prices crashing, and Nigerian depleted foreign reserves shortly did the same for the devalued Naira. This global market is different, it is volatile and interconnected; today a war in Ukraine has significance on the price of Ofada rice!

It is no longer sufficient to 'guesstimate' our way to a budget, by checking variable historical data, testing the 'geopolitical winds' and crossing our fingers hoping for the best with high Oil prices. It is almost ludicrous in this day and age to remain reactive, waiting for something to happen before adequate national plans for expenditure are formed.

Kodak's Lesson

Kodak is a globally recognised brand in

Photography and film production. At the height of their prowess in the 90's they had a near monopoly of all market share on photographic film, paper and chemical materials, trailed by their closest rivals at 20%. The single-product strategy was simple and effective, but it would not last forever. Along came new technology- the Digital Camera and the old analogue camera and printing materials became history. Kodak failed to adapt quickly enough to take advantage of shifting tides in the market. The same is true for any ordinary producer of a single-commodity based product, adapt or risk a more commercially viable substitute to your product.

Nigeria with the world's 10th largest proven Oil reserves is among the best placed to determine the future of energy resources through strategic investments in Researching and Developing the new most commercially viable source of energy. The advantage of being a producer is the ability to re-invest returns to create greater yields, an economic lesson that rings through today as when it was first understood.

China, the world's 2nd greatest consumer of Oil is also the world's greatest investor in developing renewable energy at \$54billion.

Followed closely by the world's greatest consumer of Oil, the United States, who invest \$36.7billion in renewable energy. Third highest investor in renewable energy is, yes we can guess, also the world's third greatest consumer of Oil, Japan, investing \$28.6billion in developing the energy for the future. What is the pattern here? The big energy consumers are also the big energy producers, but more importantly they are investing to continue to secure their strengths in the future.

It therefore begs the question- what are our leaders doing to secure our strength in Africa and globally in the future? How much are we investing in renewable and non-fossil fuel energy resources?

What Are Our Options?

It is clear that there are two dimensions to this issue- Energy Security but more pertinent to Nigeria than perhaps any other major Oil producer is the issue of Public Revenue sources. A cursory look at the breakdown of the Nigerian economy from 1960 till date will show that the significant sectors have remained, in varying degrees, constant i.e. Agriculture, Mining and Industry, Building and Construction, Financial Services etc. The Nigerian Private Sector is dynamic and these sectors are what contribute to its growth. The Public sector is charged with different responsibilities, the Government's role is not to become a business entity but to administer the State to enable the citizenry thrive. However it is also the Government's responsibility to derive the necessary revenue to do this. In Nigeria we do this almost solely through the proceeds of the sale of Crude Oil, but in nations with a dynamic Public Sector they build mechanisms into the thriving Private sector enabled by the Government, through which Government derives its revenue. Mechanisms such as a healthy Personal Income and Corporate Taxation regime, Product and Service Sales Taxation, Supply of Agricultural Produce to other nations and Tourism. Government is ready to work to create this revenue stream, which then enables them to carry out their policy projects for the state.

The Petroleum Industry Bill

The Petroleum Industry Bill, the most significant piece of legislation in the Oil Industry since possibly the discovery of Oil in Nigeria, plans to establish a number regulatory bodies to take on some of the functions of Nigerian NNPC as it exists currently. NNPC is to become an incorporated limited liability company with the ability to raise capital through alternatives means other than public approved budget, and the mandate to be the state's representative in existing joint ventures and PSCs.

The hope is that the National Petroleum Research Centre taking over the NNPC's research and development capabilities will do more to advance the future Energy Mix and Security by investing significantly in developing renewable energy resources, in the manner that other major Oil producing nations are now.

The Future

The current Oil wealth we enjoy prevents us from truly perceiving the deficiency in state and national productivity are since when we are in doubt we simply fall on the revenue from the Petroleum Industry. But the countdown is on, the inevitable end to that wealth draws near each day we produce millions of barrels, and so we need a significant repositioning both in mind and in policies that encourage optimisation and efficiency. We need a shift in Government revenue streams that perhaps mirrors the industry and versatility of the pre-Oil boom years. We need all this and more, if not for our sake, for our children's sake. Time will run out for Oil, but they remain, so the question is what will we have left them with?

NBA'S STAMP FOR LAWYERS: FINEST MOMENT OF THE BAR CONTINUED FROM PAGE 5

the Stamp Policy to address any issues that may arise in the weeks, months and years ahead, as the welfare of the NBA member is always of critical importance." He later read out the Probono Declaration jointly endorsed by him and the General Secretary, Maxi Afam Osigwe.

Other policies of his administration are: the issuance of an Annual Practice License; the introduction of an Insurance Policy with Leadway Assurance Plc and the establishment of the NBA National Pro Bono Centre.

Joining others to congratulate Alegeh's led administration on this innovation, Justice Bello noted that "In this bid to eliminate this level of quackery from our profession I will join voices with the NBA to urge all lawyers and institutions which deal in legal documents to insist that henceforth all documents drafted by lawyers for any purpose must bear this stamp which is today being launched. I am told that each stamp is specifically engraved with certain security features which will include the name and enrolment number of each lawyer and others making it impossible to duplicate. It is gratifying that from now on, we will be able to trace the origin of documents. Additional to eliminating charlatans from our midst the use of stamps will further ensure that lawyers abide by the Rules of Professional Conduct by not rendering services which they are statutorily prohibited from rendering".

"As always, you have the assurance of the FCT Judiciary that we will partner with the

NBA as it has shown a wholesome desire to separate the wheat from the chaff. Let me assure you of our full support and that the necessary directives shall be issued to our registry and process staff to ensure that all pleadings and other documents presented for filing by lawyers must meet any requirements which the NBA shall fix and communicate to us subsequently."

"Beyond this, I will seize this opportunity this forum affords me to encourage the Bar and its leadership to do more to further continuing education among lawyers. This call stems from the declining standard we have sadly noticed in the quality of legal practice. All lawyers must be exposed to the dynamics of a global evolving legal landscape and the only way to keep up to date is to continuously update knowledge. The NBA should encourage fora at which participants not only learn from instructors but from one another. Such fora equally provide opportunities for veteran lawyers to guide younger ones in choosing their career path in the wide horizon of the law" Justice Bello advised.

Finally he noted, "...let me once more offer my warmest and most sincere congratulations to the leadership of the Bar and all who have played one role or the other in making the launching and subsequent use of these stamps a reality. This day will be remembered as one of the finest days of the BAR in Nigeria".

Formal presentations were made by the following: Managing Director of Leadway

Assurance Company; Oye Hassan - Odukade MFR; Microsoft Supreme Court by Justice Zanna; and elaboration of pro bono procedure by the Managing Partner Legal Resources Consortium, Olawale Fapohunda.

Justice Zanna who is also the Chairman of the National Judicial Council's Committee on Information Technology Policy received a standing ovation when he presented the Nigerian Judiciary Information Technology Policy Document.

The historic event was witnessed by stakeholders in the Judiciary which included but were not limited to, the Chief Judge Nassarawa State Hon. Justice C.S Dikko, Justice Alima Abdulmalik represented the Chief Judge of Niger State Hon. Justice Fati Abubakar CON, Director General Nigerian Law School Dr. Olarenwaju Onadoko, Attorney-General Enugu State Anthony Ani SAN, his Ekiti counterpart Owoseni Ajayi, former General Secretaries of NBA Hon. Adewale Obafemi and Pastor Dele Adesina (SAN), Chief J.K. Gadzama (SAN), Solomon Akuma (SAN), J.S Okutepe (SAN) and Akinolu Kehinde (SAN).

While adopting the submission of Justice Bello that the launch of the NBA's stamp "will be remembered as one of the finest moments of the Bar in Nigeria" he said it was another promise pledged and kept by Alegeh from his August 9 2014 inaugural speech in Owerri, Imo State, a continuation of a new face of NBA.

Gbadamosi is the National Publicity Secretary of NBA.