SPECIAL ADDRESS BY THE EXECUTIVE SECRETARY OF NEITI, DR ORJI OGBONNAYA ORJI AT THE NAEC ANNUAL STRATEGIC INTERNATIONAL CONFERENCE 2024 HELD AT EKO HOTEL, VICTORIA ISLAND, LAGOS- 3RD SEPTEMBER, 2024.

Protocol.

Distinguished energy correspondents, partners, and stakeholders, it is a great honor to address this distinguished audience, assembled by our esteemed partners—the Energy Correspondents. I bring you warm greetings from the Executive Secretary of NEITI, Dr. Orji Ogbonnaya Orji, the Board, Management, and staff of the Nigeria Extractive Industries Transparency Initiative (NEITI). While Dr. Orji is currently away on national duty outside the country, he has asked me to convey his sincere apologies for not being here in person. As the South-West Zonal Representative on the NEITI Board, I am honored to deliver this important message on his behalf.

We gather today to discuss a subject that is critical to the future of Nigeria's energy sector: Accountability and Transparency as Key to Investment in the Energy Sector. NEITI, civil society, and the media are natural allies in the ongoing fight against corruption and the pursuit of good governance in Nigeria's extractive industries.

It is important to note that Nigeria to attract and retain the kind of long-term investment required to unlock its vast energy resources, transparency and accountability must be prioritized. Investors seek certainty—they need assurance that their capital will be deployed in an environment where corruption is addressed, where the rules are clear, the laws clear, the processes open, stable policies, stable environment availability of information and where governance is transparent and predictable. Without these pillars, no serious investor will commit significant capital to our sector. Openness in governance, especially in resource management and revenue collection, is essential to restoring investors trust and confidence.

At NEITI, our role is to ensure that the oil, gas, and solid minerals sectors operate transparently and that the revenues generated are managed for the benefit of all Nigerians. We accomplish this through our regular audits and industry reports. Today, I am pleased to share key insights from our recently released 2022/2023 Oil and Gas Industry Reports, which highlight both the challenges and opportunities within the sector.

Key Highlights of the 2022/2023 NEITI Oil & Gas Industry Reports.

As part of our efforts to fight corruption and build public trust, NEITI releases its independent industry reports on the oil and gas sectors. These reports, covering the period 2022 and 2023, were released in Abuja on the

26th of last month. Below are some of the critical findings from these reports:

1. Outstanding Collectible Revenues.

As of June 2024, the outstanding collectible revenues due to the Federal Government in the oil and gas industry stood at over $6.071 billion and N66.4 billion. A breakdown shows that $6.049 billion and N65.9 billion were unpaid royalties and gas flare penalties due to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). Additionally, there were $21.926 million and N492.8 million in outstanding petroleum profit taxes, company income taxes, withholding taxes, and VAT due to the Federal Inland Revenue Service (FIRS).

2. Fuel Importation and Subsidy Claims:

The 2022/2023 NEITI report revealed that 23.54 billion liters of Premium Motor Spirit (PMS) were imported into Nigeria in 2022, while 20.28 billion liters were imported in 2023—a 14% decline attributed to the removal of the subsidy. From 2006 to 2023, a total of N15.87 trillion was claimed as under-recovery/price differentials, with the highest amount of N4.714 trillion recorded in 2022.

3. Crude Production and Lifting

Fiscalized crude oil production in 2022 stood at 490.945 million barrels,an 11% decrease from 2021. However, 2023 saw an increase to 537.571 million barrels, reflecting a 9.5% rise. Similarly, total crude lifting in 2023 was 534.159 million barrels, representing an 11% increase from 2022.

4. Oil Theft and Crude Losses:

The report indicated a significant reduction in crude oil theft and losses, with 7.68 million barrels stolen or lost in 2023—a 79% drop from the 36.69 million barrels lost in 2022.

5. Revenue Generation

In 2022, material companies accounted for $15.549 billion (96%) of revenues generated in the oil and gas industry, while in 2023, this figure rose to $21.415 billion (95%). These revenues came from 17 identified streams, including taxes, oil and gas sales, NLNG dividends, royalty payments, and gas flare penalties.

We placed these information at the public domain, please use it and use it constructively to build knowledge and stewardship.

The Media and NEITI: A Natural Partnership

Ladies and gentlemen, I cannot overemphasize the critical role of the media in driving transparency and accountability in the extractive sector.

NEITI and the media share a common mandate—to inform, educate, and hold those in power accountable. Journalists play a crucial role in amplifying the findings of our reports and ensuring that the wider public understands the implications of corruption, mismanagement, and inefficiencies in the sector.

We need you as partners in this fight. By bringing NEITI's reports to the attention of Nigerians, you help ensure that the debate on transparency in the energy sector remains alive. Your stories and investigations have the power to expose corruption and influence reform, driving the narrative for a better-governed, more transparent energy sector that benefits all Nigerians.

Accountability and transparency are not mere buzzwords; they are the foundation upon which sustainable investment, economic stability, and social equity are built. The findings and recommendations from the 2022/2023 NEITI Oil & Gas Reports are now available on the NEITI website at www.neiti.gov.ng. I encourage you to delve deeper into the data and use it to inform public debate and promote the reforms necessary to ensure that Nigeria's energy sector is governed with integrity.

NEITI remains committed to working with all stakeholders, including the media, to ensure that Nigeria's energy sector becomes a beacon of transparency and accountability, and that the revenues and opportunities in the sector support our national development and poverty reduction goals.

While wishing you fruitful deliberations let me once again, thank you for inviting me and for your continued support of NEITI in furtherance of our cooperation and partnership.

Thank you.