OPENING SPEECH BY DR. ORJI OGBONNAYA ORJI, EXECUTIVE SECRETARY, NEITI
AT THE METHODOLOGY WORKSHOP ON THE STUDY OF THE IMPACTS OF ENERGY TRANSITION ON NIGERIA'S ECONOMY
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Distinguished Stakeholders, Esteemed Guests, Ladies and Gentlemen,

It is with great pleasure that I welcome you to this important methodology workshop on the study commissioned by the Nigeria Extractive Industries Transparency Initiative (NEITI) to assess the impacts of the energy transition on Nigeria's economy.

The world is moving rapidly towards clean energy, and while this transition presents opportunities, it also poses significant risks to resource-dependent economies like ours. Nigeria, as an oil-dependent nation, must act decisively to manage these risks while positioning itself strategically to harness the opportunities.

Energy transition seeks a global shift away from fossil fuels to renewable sources of energy. This global shift will require sustaining the ongoing reforms of the extractive industries which is at heart of the work of NEITI. We are therefore committed within the global extractive industries transparency initiative standards to expose our Country leaders and policymakers' oil to viable policy options that would help to minimize the numerous risks of energy transition, identify and maximize the opportunities for Nigeria as an oil revenues dependent country.

NEITI's specific responsibilities would be to position our country to respond to these rapid changes in demand with required credible information and data to drive forward-looking analysis, underpin dialogue, promote public debate to arrive at viable policy responses

4. NEITI as a member of the Global Extractive Industries Transparency Initiative (EITI) made of 57 resource rich countries drawn from all parts of the world involved energy transition and climate change has strong international affiliation that will help support this task. the work of the Council in areas comparative knowledge sharing, support and country-peer-learning.

The urgency of this study on the impacts of Energy Transition on Nigeria's economy is further reinforced by the findings of NEITI's recently released 2023 Oil and Gas Industry Report. Allow me to highlight a few key insights from the report that underscore why this project is critical

1. Revenue Decline and Economic Pressures: The report revealed a 15% decline in oil revenues between 2022 and 2023. This trend is a warning signal of the looming impact of global energy transition policies and reduced fossil fuel demand.

2. Declining Reserves and Production: Crude oil production dropped by 8% in 2023 compared to the previous year, and the Reserve-Replacement Ratio has been on a steady decline. If this trend continues, our oil reserves may not sustain us for long in an energy transition era.

3. Crude Losses from Oil Theft: The report disclosed a decline on oil theft and crude losses, a total of 7.68 million barrels of crude were either stolen or lost in 2023 representing a phenomenal drop by 79% or 29.02 million barrels) when compared to 36.69 million barrels either stolen or lost 2022. While NEITI hello, not only exacerbates revenue shortfalls but also undermines our efforts to ensure sustainable resource management amid the energy transition.

4. Gas Opportunities Amid Transition: Encouragingly, the report noted a decline in gas flaring from 2022 to 2023, Total gas flaring in 2023 amounted to 183.408 billion SCF, marking a decrease from the 188.483 billion SCF recorded in 2022. NEITI welcomes this positive development noting that this decline of 5.075 billion SCF (2.7%) can be attributed to several factors, including government interventions targeting gas flaring reduction, economic strategies promoting gas utilization in power generation, and international commitments related to climate change. attributed to government interventions and climate commitments. This underscores the potential role of natural gas as a transitional energy source for Nigeria.

5. These findings demand urgent action, and this study is part of NEITI's proactive response. Its objective is to provide evidence-based insights into how Nigeria can navigate the global shift from fossil fuels while ensuring economic stability, energy security, and social inclusion.

Ladies and Gentlemen,

The success of this study depends not just on the work of the consultants but also on the active engagement of stakeholders like you. This methodology workshop provides a unique opportunity for us to collectively interrogate the proposed research framework, methodology, and approach. Your contributions and diverse perspectives will help ensure that the study is robust, inclusive, and aligned with Nigeria's realities and priorities.

We count on your expertise to:

- Suggest additional data sources that could enrich the study;
- Identify areas where critical gaps may exist;
- Propose strategies to ensure the widest possible consultation with stakeholders.

This is not just NEITI's study; it is our collective project. Its findings will inform national policies, guide investment decisions, and shape Nigeria's future in a world transitioning to clean energy.

As we proceed, let me emphasize that:

- The consultant's role is to guide the process with professionalism and objectivity.
- Your ownership and active participation will provide the validation needed to ensure the study is credible and implementable.

In closing, I wish to reiterate NEITI's commitment to transparency, accountability, and collaboration in delivering this project. We look forward to working with all stakeholders to achieve an outcome that positions Nigeria to successfully navigate the energy transition and build a resilient, diversified economy Thank you for your presence and for your dedication to this shared mission. Together, we can chart a sustainable path forward for Nigeria.

I wish you fruitful deliberations.

Thank you.