

Lighting up Nigeria, a crucial challenge for new president

LAGOS - Ileowo Kikiowo owns a small media company in Nigeria's frenetic, financial hub of Lagos and like any business around the world, it depends on electricity to stay afloat...

But keeping the lights on and computers running is a constant headache for the 28-year-old, as Nigeria produces just 1.5 percent of the electricity it needs for its 173 million people.

"Over 70 percent of my costs goes on electricity," said Kikiowo, who like many others relies almost exclusively on expensive, fuel-hungry generators to run his business.

At the same time, he still has to foot a monthly bill for power that rarely makes an appearance. Sometimes, even fuel for the generator runs out.

Corruption, conflicting interests, mismanagement and labour unrest have for years plagued Nigeria's power sector, making it one of new President Muhammadu Buhari's main challenges.



Image via [123RF](#)

The 2013 privatisation of much of the state-run Power Holding Company of Nigeria (PHCN) -- dubbed "Please Hold Candle Nearby" by exasperated Nigerians -- did nothing to alleviate the dire electricity shortage.

Billions of dollars were poured into the process, which saw 17 private generation and distribution firms created.

But the end result so far is that Nigeria -- Africa's biggest economy and leading oil producer -- generates less electricity than it did before the reform.

Nigerians fed up with waiting for the state to resolve the problem have come to depend on generators, whose ongoing, loud hums set the rhythm of the nights and days of cities and towns across the country.

In Lagos, the nauseating fumes of generators that need to be serviced fill the air in a teeming megacity of 20 million people already burdened with snaking traffic jams.

Aside from health concerns, power shortages can -- and have -- destroyed livelihoods.

Kola Balogun, for instance, was forced to close his small welding business in Lagos due to lack of power and instead drive motorbike taxis to make ends meet.

"I had to close the shop because of debts. I was collecting money from customers to do their jobs, but electricity was not available," he was quoted as saying in a report by urban developer Lookman Oshodi.

"I resorted to renting generators to complete the job but unfortunately, the money paid by the customers was not enough to cover the cost of generator rental."

Nigeria's manufacturers' association estimates that up to 40 percent of production costs in the country goes towards electricity supply. In developed countries, the figure is 10 percent or less.

Lack of public lighting in some parts of the country has also created a fertile breeding ground for crime, pushing some citizens to take matters into their own hands.

In Lagos's run-down district of Oshodi, a man straddles a ladder next to a car wash, fixing a lamp onto a street post as motorcycles rush by and children living in a cramped house look on.

He is a volunteer for a charity founded by Bode Edun, who grew up in the area, which sets up street lamps in the darkest corners of the neighbourhood and hooks them onto generators belonging to consenting churches, mosques or residents.

"Where there is light and brightness, there will be more security and less issues of rape and armed robbery," says Edun.

Buhari has made sorting out the crippled power sector one of the many priorities of his four-year term but he faces a tough challenge.

Part of the problem is that most plants are powered by gas, which is in short supply, says Oshodi, who believes a marked shift into renewable energy would help solve the issue.

"Many of the power plants are shut down because there is no gas to power them," he added.

"If we have renewable energy and a commitment to that sector, we will not be tied down to one particular product. That is where President Buhari can come in."

Added to this, the electricity sector is broke despite the billions poured in at the time of privatisation.

A "stabilisation fund" worth more than 200bn naira (\$1bn, 890m euros) is being doled out to players in the sector to try to kickstart investment in power plants and in the gas sector.

But there are concerns the money may disappear into a black hole. "There is need for critical monitoring of that funding structure so that it will not go the ways of others," Oshodi says.

In the meantime, though, Nigerians will continue to cope with power shortages as best they can.

"The way we survive in chaos is quite fascinating," says Kikiowo, smiling.

Source: AFP

For more, visit: <https://www.bizcommunity.com>