

Nigeria fuel crisis could shut down mobile phones, operator warns

Nigeria's biggest mobile phone operator MTN has warned that its network faces shutdown due to fuel shortages that have crippled the nation.

The company, the biggest subsidiary of the South Africa-based MTN Group, said it needed a "significant quantity of diesel in the very near future to prevent a shutdown of services across Nigeria".

"If diesel supplies are not received within the next 24 hours the network will be seriously degraded and customers will feel the impact," it added on its Twitter account @MTNNG on Saturday evening.

Nigeria - Africa's biggest economy and most populous nation - has been increasingly hit by fuel shortages in recent weeks because of a long-running row over controversial subsidy payments. Despite being Africa's biggest oil producer, Nigeria lacks domestic refineries, forcing crude to be exported and products such as petrol and diesel to be imported.



©Paul Vasarhelyi via [123RF](#)

To keep costs to consumers low, the government sets prices below the market rate and pays the difference to importers. But the global slump in oil prices has hit Nigeria's economy hard, squeezing government revenues and devaluing the local naira currency against the US dollar, and oil marketers claim they have not been paid in full.

Fuel depots have closed pending payment of the arrears, with the situation worsening after oil and gas union workers walked out over the sale of two oil blocks. The crisis comes just days before President Goodluck Jonathan leaves office, handing over power to Muhammadu Buhari on 29 May.

Many petrol stations have now run out of fuel, both for vehicles and the generators on which most people and businesses rely because of the woeful public electricity supply.

On Friday, the Ministry of Power said electricity production was at an all-time low of 1,327 megawatts, according to local media reports. Diesel generators power most of MTN's base stations and switches across the country but fuel supplies are running low, said the company's corporate services executive Akinwale Goodluck.

The Lagos Chamber of Commerce and Industry earlier this week warned the crisis could force firms to lay off staff.

The warning from MTN, which has more than 55 million subscribers, is a sign that businesses are now being hit. Some domestic flights have been cancelled while international airlines have re-routed services in and out of Nigeria to pick up aviation fuel.

Virgin Atlantic flights from Lagos to London Heathrow have diverted to Ghana's capital Accra and Majorca off southern Spain, while Air France services from Paris have stopped in Dakar, passengers said.

At least three Nigerian radio stations announced on Twitter they would be going off the air to ration fuel that powers its generators. On Twitter, one user said on Sunday his local church had merged its Yoruba-language and English services because of the fuel shortage.

"Don't bother to bring your charger to church, we have disconnected all the plugs," read the note, which was signed: "Yours in Christ."

Elsewhere Nigerians were facing up to the shortages with customary good humour.

"Boko haram attacked Nigerian Army Base but instead of fleeing in their vans, they surrendered peacefully cos #AintNobodyGotFuelForThat," one Twitter user wrote.

But many blamed Jonathan for doing nothing to alleviate the crisis, which began before the 28 March election that Buhari won. Oil importers and marketers claim they were owed 200 billion naira (\$1bn, 910 million euros) in outstanding subsidies.

Last month, outgoing Finance Minister Ngozi Okonjo-Iweala, who has said the subsidy scheme is open to corruption, said fuel importers were paid 156 billion naira. She accused them of engineering the crisis to make money out of blackmarket fuel sales.

Source: AFP

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