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THE EFFECTS OF THE DIVISION OF THE MINISTRY OF PETROLEUM RESOURCES INTO OIL AND GAS BY THE TINUBU ADMINISTRATION.



On the 21st of August, 2023, His Excellency, President Bola Ahmed Tinubu divided the Ministry of Petroleum Resources into two with the appointment of His Excellency, Ekperikpe Ekpo as Minister of State, (Gas) Petroleum Resources, and His Excellency, Heineken Lokpobiri as Minister of State, (Oil) Petroleum Resources. This division would have a number of effects on the Nigerian Energy Industry as stated below:

- It would lead to greater focus and specialization. Each ministry would be responsible for a specific area of the oil and gas sector, and this could lead to greater focus and specialization. This would lead to more efficient and effective management of the sector.
- It would create more competition. With two separate ministries, there would be more competition for contracts and licenses. This would lead to lower prices and better services for consumers.





- It would make the oil and gas sector more transparent. With each ministry responsible for its own finances and operations, it would be easier for the public to track how the sector is performing. This would help to reduce corruption and mismanagement.
- It would be more expensive. It would require the creation of two new ministries and the hiring of new staff.
- It would lead to duplication of effort. There is a risk that the two ministries would overlap in their responsibilities, which would lead to waste and inefficiency.
- It would make it more difficult to coordinate the oil and gas sector. With two separate ministries involved, it would be more difficult to ensure that everyone is working towards the same goals.

Ultimately, the effects of the division of the Ministry of Petroleum Resources into two separate ministries would depend on how it is implemented. If it is done carefully and effectively, it would have a positive impact on the oil and gas sector. However, if it is done poorly, it would have negative consequences.

Here are some of the specific effects that the division of the Ministry of Petroleum Resources would have on the oil and gas sector:

■ **Oil:**

The Ministry of Oil would be responsible for the exploration, production, refining, and marketing of oil. This would lead to greater focus on increasing oil production and exports. It would also lead to more investment in oil exploration and production.

■ **Gas:**

The Ministry of Gas would be responsible for the development and utilization of natural gas. This would lead





to greater focus on using gas for power generation, transportation, and other purposes. It would also lead to more investment in gas infrastructure.

■ **Regulatory framework:**

The division of the ministry could lead to a more streamlined regulatory framework for the oil and gas sector. This would make it easier for businesses to operate in the sector and would attract more investment.

■ **Transparency:**

The division of the ministry would make the oil and gas sector more transparent. This would help to reduce corruption and mismanagement.

■ **Public participation:**

The division of the ministry would make it easier for the public to participate in the oil and gas sector. This would help to ensure that the sector is managed in the best interests of

the people.

Overall, the division of the Ministry of Petroleum Resources into two separate ministries would have a positive impact on the oil and gas sector if strategically implemented.





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