

Major Economic Sectors

Petroleum

Significant oil production began in Nigeria in the 1960s but it was not until the major price rises of 1973 that it became the dominant source of government revenue. Since that time, the Nigerian petroleum industry has developed the capacity to produce in excess of two million barrels per day and has attained that figure in all years except 1975, 1978, 1981 and 1982. Reserves are estimated at approximately 20 billion barrels, which would assure production at current levels for about two decades. While additional new reserves are thought to exist, there has been limited new exploration due to the reluctance of major oil firms to accept Nigerian government terms.

In addition to oil, Nigeria has significant unexploited gas reserves which it hopes to use as the basis for industrial, petrochemical and liquid natural gas (LNG) projects. A direct reduction steel mill is already in operation at Warri and a contract has been signed for a fertilizer plant. Proposals for a LNG plant have been delayed due to difficulties in obtaining the necessary financing but both this project and a major petrochemicals project will likely be started within the next three years.

The Nigerian National Petroleum Corporation (NNPC), is the government agency which handles Nigerian participation in the production, refining and export of crude oil as well as the domestic distribution of refined products, in collaboration with major international producers such as Shell, Gulf, Mobil, Agip, Texaco, and Elf.

Good sales opportunities for Canadian exporters exist in the provision of services and equipment to the NNPC as this organization increases its direct participation in the fields of oil and gas exploration, production and processing.

Agriculture

Nigeria is traditionally an agricultural country. This sector absorbs more than 60 per cent of the working population and contributes 20 per cent of the gross national product.