



THE PRESIDENCY

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PRESS RELEASE

The privatisation of the successor companies unbundled out of PHCN will be unique and different from previous privatisation programmes in the country in that it is driven by the need for efficiency and investment rather than optimisation of proceeds to the government, according to Ms. Bolanle Onagoruwa, the Director General of the Bureau of Public Enterprises (BPE.)

She made the remark on Monday, January 24, 2011 in Dubai at the Nigerian Electric Power Investors Forum which is being organized by the privatization agency of the Nigerian government. Onagoruwa informed that the BPE has labeled the privatization of the power utilities ‘Privatising for Efficiency.’

She assured the participants that that the transaction process will be transparent and the divestiture will be through international competitive bidding. To her, the transactions will be guided by the BPE’s cherished core values of due process and accountability. The BPE boss added that ‘only bidders’ technical ability and financial capability will influence the outcomes.’

She explained that the forum creates an opportunity for the ‘Bureau to speak directly to the investing public, update them on recent developments and bring clarity to the transaction and its processes. It will provide a platform for potential bidders who have some concerns in investing in the Nigerian power sector to have the opportunity of having those concerns addressed by the relevant government agencies and the transaction managers.’

Under the privatisation strategy for distribution companies, a private sector operator will acquire controlling equity interest in any of the distribution companies with a view to rapidly improving their operational efficiency. Investors are encouraged to go into strategic alliances that will best deliver the competencies being sought by the federal government. Onagoruwa emphasized that it is not only important that ‘we have competent operators of these utilities up for privatisation it is equally as important that they have access to investable funds to bring about massive infrastructural upgrades.’

The prospective investors/concessionaires in the generating companies will be responsible for operating the stations, improving the generation capacity and making the necessary investments to enhance the fortunes of the companies in line with the overall objectives of the Federal Government.

Onagoruwa pointed out that that the essence of the Investors’ Forum is for the Bureau to not merely lay out its agenda but also to receive quality feedback from the prospective bidders in order to make the process better and achieve the Federal Government’s overarching objectives. The Investment Forum began in Lagos which was held on January 18 and 19. The event in Dubai

are on January 24 and 25; London (January 27 and 28); New York (February 1 and 2); and Johannesburg (February 10 and 11.)

Recall that on 13th of December, 2010 the Bureau of Enterprises announced the commencement of the privatisation process with advertisements requesting for expressions of interest from reputable investors for successor generation and distribution companies of Power Holding Company of Nigeria. The companies on offer are the eleven distribution companies; four thermal stations; and two hydro stations.

In his remarks, the chairman of the Nigerian Electricity Regulatory Commission (NERC), Dr. Sam Amadi, affirmed the regulatory authority's profound interest in providing a level-playing field for all investors.

Amadi, who was represented by Dr. Abba A. Ibrahim, NERC's Commissioner in charge of government and consumer affairs, explained that power sector reform requires fair regulation.

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BPE Spokesman

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