



The era of Covid-19 and persistent energy insecurity has been an impediment which has forced Nigerian energy leaders to deal with critical uncertainty issues such as commodity prices, economic growth, investor environment, quality of energy access and affordability with higher impact. While renewable energies, demographic patterns, market design and regulation as well as decentralised systems continue to appear in the Action Priorities area. Hydrogen, along with electric storage innovation, appears to be of lesser impact uncertainty due to the ongoing global energy transition campaign.

**Commodity prices** are seen as having more impact and is classed as a critical uncertainty. Nigeria has witnessed increased prices of commodities in recent times due to unstable foreign exchange rates and Insecurity, as well as the recent problem of imported adulterated Premium Motor Spirits (PMS) which result in scarcity in the supply of petroleum products across the country.

**Economic growth** is another critical uncertainty for the country as Nigeria's Gross Domestic Product (GDP) expanded to 3.4% last year, after shrinking to 1.92% in 2020. Nigeria's economy grew faster than forecasted by the Central Bank and the Federal Government. This came from the expansion of agricultural and trading activities to offset the drop in oil production and its sale.

The impact of investment on the economic development of Nigeria is enormous. The issues of insecurity, power supply, forex, policies amongst others, surprisingly played a great role and have resulted in an uncertain **Investor Environment**. The estimated results showed that investment negatively and significantly affects economic growth in Nigeria both in the short- and long-term. In the short-run, a 1% change in investment led to a 0.986% decrease in the short-run and 1.3% decrease in the long-run.

**Quality of energy access** is perceived as having more impact and becomes a Critical Uncertainty. Nigeria has seen an improvement in per capita income but an estimated 40% of the population still lacks access to electricity. The installed generation capacity is more than 12000MW but due to the problems of inadequate gas supplies and conditions of some generating plants, the available electricity is about 5000MW, at best, resulting in massive load-shedding throughout the country.

**Affordability** is an area of concern for Nigeria this year as the economy of Nigeria is that of a middle-income, mixed and emerging market, with expanding agriculture, mining, manufacturing, services, information & communications technology and entertainment industries.

