

Sahara Power Group backs AfCFTA to transform Africa's power sector

Sahara Power's Managing Director Kola Adesina has said the African Continental Free Trade Agreement has the potential to transform the continent's power sector

LAGOS, NIGERIA, July 9, 2019 /EINPresswire.com/ -- Sahara Power Group's Managing Director Kola Adesina has said the African Continental Free Trade Agreement (AfCFTA) has the potential to transform the continent's power sector through alignment of policies, tariffs, cross border manpower collaboration and fresh injection of capital.

AfCFTA received a significant boost recently after Nigeria's President Muhammad Buhari signed the continent's largest economy on to AfCFTA which is the world's largest free trade zone covering a market of more than 1.2 billion people with a combined gross domestic product of \$3.4 trillion.



Kola Adesina- Group Managing Director, Sahara Power Group

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Signed in March 2018, AfCFTA is a free trade area agreement now in its operational phase among 54 of the 55 African Union nations. It is estimated that implementing AfCFTA will yield a 60 per cent increase in intra-African trade by 2022.

Commending President Buhari for signing the deal, Adesina said AfCFTA has the potential to inspire a new wave of intra-African trade, investment and cooperation that will “propel governments and the private sector to take strategic steps towards repositioning the power industry across the continent.”

“The energy sector has several components along the value chain that require interconnectivity of all stakeholders to make uninterrupted power available. With AfCFTA, Africa now has a platform to critically reconsider harmonized major infrastructure developments as well as the aggregate contribution and enabling legislation, policies and tariffs required to shore up power supply across the continent,” he said.

Adesina however highlighted the need for the continent's political leadership to approach the implementation of AfCFTA “with one voice and a vision that is not driven by nationalistic considerations,” adding that the civil society should play a “balancing role” to ensure the agreement serves the interest of all Africans.”

Noting that the dearth of inter-linked infrastructure continues to stifle economic growth in Africa, Adesina said the new trade deal should pursue avenues for harnessing the strengths of all parties while maintaining the principle of equity and justice.

“Nigeria has an abundance of gas deposits. With a power plant located in Nigeria we can develop transmission infrastructure that covers West Africa and achieve electrification of the entire region with the gas fired plants from Nigeria. These are some of the conversations and partnerships that I believe AfCFTA will trigger across the continent,” he stated.



Adesina said Sahara Power was already implementing and exploring several projects that will boost power supply in emerging and key markets in Africa.

Among other benefits, experts predict that the tariff-free access to a huge and unified market will encourage manufacturers and service providers to leverage economies of scale; an increase in demand will instigate an increase in production, which in turn will lower unit costs. AfCFTA should serve as the impetus to drive nations to ensure the enabling environment to support the market is developed with urgency. It is also expected that consumers will pay less for products and services as businesses expand operations and hire additional employees. However, concerns have been raised on how “a level playing field” will be defined as the deal goes into full swing.

Sahara Power Group is the largest privately owned vertically integrated power company in Sub-Saharan Africa (SSA). The Group includes Egbin Power Plc (the largest private thermal power plant in SSA), Ikeja Electric (one of the largest privately run power distribution companies in SSA) and First Independent Limited (comprised of four power plants in the gas rich Rivers State in Nigeria).

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