

NEWS AGENCY OF NIGERIA · OIL & GAS (NIGERIA) · NIGERIA · LNG

Nigeria targets 1m CNG vehicles to slash transport costs

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Nigeria's Federal Government has set a target of one million CNG-powered vehicles as part of a drive to promote Compressed Natural Gas as a cheaper alternative transport fuel and reduce the cost burden on Nigerian commuters and freight operators. The initiative, reported by the News Agency of Nigeria, marks an intensification of existing government efforts to accelerate CNG adoption across the country's transport sector.

The push to roll out CNG as a transport fuel reflects Nigeria's broader ambition to monetise its substantial natural gas reserves domestically, reducing dependence on imported refined petroleum products that have long strained household and business budgets. CNG is typically significantly cheaper than petrol or diesel at the pump, making it an attractive proposition in a market still absorbing the effects of fuel subsidy removal. By targeting one million vehicles, the Federal Government is signalling a commitment to scale that would require meaningful investment in both vehicle conversion infrastructure and a national refuelling network.

For the programme to reach its stated scale, Nigeria will need to develop a substantial network of CNG compression and dispensing stations, supply gas from existing pipeline infrastructure or dedicated feed lines, and support either local manufacturing or importation of CNG-compatible vehicles and conversion kits. The government's role in incentivising private sector participation — through financing mechanisms, regulatory frameworks, or direct procurement — will be central to whether the one-million-vehicle target translates from policy aspiration into

operational reality. No timeline, financing structure, or lead agency has been specified in the available reporting.

At this stage, the initiative remains a policy target rather than a contracted programme. No tenders, concessions, or engineering contracts have been announced. The instrument here is a government declaration of intent — an important signal of direction, but not yet an actionable procurement opportunity. Norwegian and international service companies with relevant capabilities should treat this as an early-stage market signal, monitor for the regulatory and infrastructure frameworks that will follow, and use this window to engage Nigerian energy stakeholders and position for future opportunities.

Why this matters to partners and clients of Saga

This is a government policy target at an early stage — no contracts, tenders, or financing instruments have been announced. Norwegian companies active in gas processing, compression technology, or midstream infrastructure should monitor Nigerian regulatory and procurement developments closely and use this period to build relationships with the Presidential CNG Initiative and relevant Nigerian gas distributors. Outreach to procurement is premature; the focus should be on market positioning and stakeholder mapping.

PARTNER ANGLES

- **LNG/Gas Processing:** Compression technology suppliers can begin mapping Nigeria's existing gas pipeline infrastructure to identify viable CNG station feed points and position early for future supply agreements.
- **Pipeline:** Pipeline service companies should monitor plans to extend gas distribution networks to fuelling corridors, as a national CNG rollout will require dedicated spur lines and metering infrastructure.
- **Service:** Engineering and project management firms with CNG station design and commissioning experience can engage Nigerian energy agencies now to shape technical standards before formal tenders emerge.

- **Subsea/FPSO:** Indirect opportunity only — increased domestic gas demand from a CNG programme could support the case for accelerated upstream gas development, sustaining long-term field activity.

[Original source: News Agency of Nigeria - Oil & Gas \(Nigeria\) →](#)

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