

Nigeria fuel protest

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AZUZ: Subsidies are designed to make products more affordable for people. The flip side is that if you remove a subsidy, the cost of the product will likely go up.□□

(BEGIN VIDEO CLIP)□□

AZUZ (voice-over): That's what's happening in the African nation of Nigeria, where the government stopped giving out fuel subsidies. The price of fuel shot way up, leading many Nigerians to protest against the decision and to hold a nationwide strike. □□Ralitsa Vassileva has more on what's going on in Nigeria.□□

RALITSA VASSILEVA, CNN REPORTER (voice-over): The streets of Africa's biggest oil producer exploded with anger Monday over the doubling of the price of gas following the removal of a popular subsidy. A nationwide strike brought the country to a standstill.□

VASSILEVA (voice-over): And many took to the streets, demanding the government restore the subsidy, leading to violent clashes between protesters and police with some reports of injuries and death. But President Goodluck Jonathan told Nigerians the government needs to invest the money saved to build up the country's crumbling infrastructure. Some international experts believe the measure will help Nigerian roads economy.□□

CHARLKIE ROBERTSON, CHIEF ECONOMIST, RENAISSANCE CAPITAL: If they've been prepared to try this petroleum subsidy removal, then perhaps they're going to push forward electricity reform, too. If they do that, Nigerian growth, instead of being 7 or 8 percent a year, it could be up at 10 or 11 percent.□□

VASSILEVA (voice-over): But for most Nigerians living on \$2 a day, the price of reform is unbearable. Since removing the gas subsidy on January the 1st, the price of petrol has doubled to about 80 cents a liter, driving up the cost of most basic goods and services. And most Nigerians believe the vanishing fuel subsidies will only end up lining the pockets of politicians, not securing their country's future –

Ralitsa Vassileva, CNN, Atlanta.