

Group Managing Director of the Nigerian National Petroleum Corporation, NNPC, Dr. Maikanti Baru, says Nigeria must diversify the portfolio of economic activities, reduce dependency on mono sector and take advantage of new opportunities advanced by technology in order to boost its economy.

Proffering guidelines to

Nigeria must diversify portfolio of economic activities - Baru

achieve the much-desired diversification of the nation's economic base from the vulnerability and fragility of oil and gas revenue, Baru regretted that the perennial complete dependence on oil as our main source of national income had remained a fundamental problem to the Nigerian

OSCARLINE ONWUEMENYI, Abuja economy.

He spoke at the 40th Pre-Convocation Lecture of the Ahmadu Bello University, in Zaria, in a lecture intitled: Oil & Gas Industry and the Nigerian State: Enduring Value, Promoting Economic Integration and Social Stability.

The NNPC boss, a first class Mechanical Engineering graduate of the university, listed the recipes to include investments in infrastructure which entails improving transportation network and access to power and other utilities which would reduce the cost of doing business and improving competitiveness;

promoting agricultural growth because agriculture is still the largest share of the labour force in most developing and transiting economies, including Nigeria.

"Improving agricultural productivity and commercialisation, and linking producers to markets are among some of the important

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A Review Of The Nigerian Energy Industry

WEEKLY

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NOV-17	60.94
NOV-17	60.29
NOV-10	61.66
NOV-03	58.72
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OCT-20	55.72
OCT-13	54.41
OCT-06	54.38
SEP-29	55.78
SEP-22	54.22
SEP-15	52.82
SEP-08	51.68
SEP-01	49.56

Daily | Weekly | Monthly | Yearly **61.64US\$**



Oil and gas facilities

NDDC to address compensation, right-of-way issues for projects

MKPOIKANA UDOMA, Port Harcourt

The Managing Director of the Niger Delta Development Commission, NDDC, Mr. Nsima Ekere, has pledged to address the issues of compensation for rights-of-way for its development projects in the Niger Delta region.

Ekere gave the assurance when a delegation from the Nigerian Institution of Estate Surveyors and Valuers, NIESV, paid him a courtesy visit at the commission's headquarters in Port Harcourt.

The NDDC Chief Executive Officer remarked that the issue of compensation had brought a lot of complaints from both communities and project consultants, blaming the problem on inadequate provisions in contracts for the payment of compensation.

"The fund is always a bit low so that by the time a consultant finishes evaluation and brings a report, you find out that what is in the contract is not adequate to pay compensation," he said.

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Oil sector generates N12bn VAT revenue in three months

OPEOLUWANI AKINTAYO

The Nigerian oil and gas sector generated N12.09 billion revenue through Value Added Tax, VAT, in the third quarter of this year, data from the Nigerian Bureau of Statistics, NBS, has shown.

The NBS disclosed this in its latest report on sectorial distribution of revenue from VAT for the third quarter 2017, saying the N12.09 billion from the oil and gas industry ranks it as the third highest sector in terms of VAT generation.

The manufacturing sector made the highest contribution of N28.98 billion during the quarter, covering the period, July to September, while the professional services sector came second with N22.73 billion.

The mining sector generated

the least revenue of the all the highlighted sectors with N33.70 million.

According to the NBS, local government councils and pharmaceuticals contributed a combined VAT revenue of N184 million while soap and toiletries raked in N193.78 million.

Overall, the NBS said, a total N250.56 billion was generated as VAT in the third quarter of the year as against N246.30 billion generated in second quarter of the year and N196.70 billion in the third quarter of 2016.

The third quarter 2017 VAT represented 1.73% increase

quarter-on-quarter and 27.39% increase year-on-year, the agency said in the report.

Out of the total amount generated in the third quarter of this year, N125.13 billion came in as non-Import VAT locally, while

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Road transportation to lead oil demand by 2040

Road transportation, petrochemicals and aviation will be the leading sectors that will drive demand for oil by 2040.

Secretary General of the Organisation of the Petroleum Exporting Countries, OPEC, Dr. Mohammed Barkindo, made the revelation at the 25th Lustrum Symposium in Delft, Netherlands at the weekend.

According to the OPEC chief, road transportation is expected to account for 5.4 million barrels per day, m b / d , by 2040 , petrochemicals, 3.9mb/d; and aviation, 2.9mb/d.

In 2016, OPEC in its World Oil Outlook, WOO, revised long-term oil demand slightly downwards by 0.4mb/d with total demand at over 109 mb/d by 2040.

It said developing countries will

continue to lead demand growth, increasing by close to 25mb/d, to reach over 66 mb/d by that year.

"Long-term demand growth comes mainly from road transportation (6.2mb/d), petrochemical (3.4mb/d) and aviation (2.8mb/d) sectors", according to the 2016 WOO.

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Nigeria still has significant opportunities in Niger Delta - Chevron boss

OPEOLUWANI AKINTAYO

Chairman and Managing Director, Chevron Nigeria Limited, Jeffery Ewing, says Nigeria still has significant opportunities to find new oil and gas resources in the Niger Delta region as he urged the Federal Government to invest in new oil exploration activities in the area.

Ewing stated this in his keynote address at the 35th Annual International Conference and Exhibitions of the Nigerian Association of Petroleum Engineers, NAPE, in Lagos.

According to him, there is need for rejuvenating old frontier basin exploration, to discover impact resource additions for strategic reserves replacement and growth.

These, Ewing said, could be achieved through regional geological assessment of the

Niger Delta basin, new thinking and technology in seismic acquisition and seismic processing, deep drilling and prospecting, as well as cost-efficient future development.

"It is evident that there is significant unpenetrated and undiscovered hydrocarbon resources and reserves just below existing infrastructure", he said.

Average drill depth below mud line in the Niger Delta is approximately 10, 000 to 12, 000 feet.

"We therefore need to build a robust inventory of drill ready prospect portfolio in readiness for more favourable oil price and globally competitive fiscal policy," he added.

The Chevron Nigeria boss called on NAPE to encourage industry-academia collaboration



● Mr. Ewing

for local research and development, and provide a platform for the articulation of ideas that will help advance the oil and gas industry and the nation's economy.

Oil sector generates N12bn VAT revenue in three months

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N72.10 billion was generated as non-Import VAT foreign.

The balance of N53.33 billion was generated as Nigeria Custom Service, NCS-import VAT.

VAT is a tax levied on goods and services consumed - an indirect tax wherein the burden of the payment is borne by the final consumer of the goods and services.

Collected only by Federal Inland Revenue Service, FIRS, the structure under which it plays allows the Federal Government to get 15 percent of revenue from tax, while states and local governments receive 50 percent.

Two weeks ago, Minister of Finance, Mrs Kemi Adeosun, had said the federal government was committed to growing the tax revenue base for the nation's economic growth.

She pointed out that aside taxes generated from the energy sector, other sectors had not measured up to expectation.

"Revenue mobilisation is key to national growth and critical to the success of Nigeria's economic reform agenda. We have an unacceptable low level of non-oil revenue and much of that is driven by failure to collect tax revenue", she said.

Road transportation to lead oil demand by 2040

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On supply, Barkindo said non-OPEC liquids supply is forecast to increase from 57mb/d in 2016 to 62mb/d in 2022.

The share of OPEC's liquids in the total global liquids supply is forecast to rise to 46 percent by 2040 up from 40 percent in 2016, he added.



● Gas flow station

'NNPC has connected all thermal power stations with gas pipelines'

IKE AMOS, Abuja

The Nigerian National Petroleum Corporation, NNPC, says it has so far connected all the available

thermal power plants in the country with permanent gas supply pipelines.

Group Managing Director of the NNPC, Dr. Maikanti Baru, stated

this in Abuja as disclosed that the NNPC has completed, commissioned and delivered 500 kilometres of gas pipelines between 2010 to date as part of an

aggressive expansion of gas pipeline infrastructure across the country.

According to a statement by the NNPC in Abuja, Baru said the accelerated expansion of the gas pipeline system was sequel to the directive of the then President Olusegun Obasanjo who mandated the oil companies operating in-country to support the power generation effort.

He listed the gas pipelines so far delivered by the NNPC to include the 196km Oben Gas Plant to Geregu Power Plant pipeline; 110km Escravos-Warri-Oben gas pipeline; 128km Ukanafun-Calabar pipeline; 50km Emuren-Itoki pipeline; 31km Itoki-Olorunshogo pipeline and 24km Imo River-Alaoji gas pipeline.

Baru added that with NNPC

driving the realisation of Federal Government's aspiration to expand the gas pipeline network to all parts of the Country, about 2,700 megawatts (MW) of thermal electricity was expected to be added to the National Grid in the near future, to exponentially generate more power for new industrial revolution with a view to achieving sustainable economic growth.

He noted that the earlier government's initiative in this regard populated the seeds for the growth of Nigeria's gas-fired power plants, which gradually scaled up thermal power contribution to more than 70% of total power generated in the country.

Power



PwC to host 8th Power and Utilities Roundtable

Professional services firm, PwC Nigeria, has announced plans to host the 8th edition of its Annual Power and Utilities Roundtable.

The event, which is part of the firm's contribution to the on-going reforms in the Nigerian power sector, is slated to hold on Thursday, 30th November 2017 in Lagos.

The theme of this year's

roundtable, according to a statement released by the firm, is "The Pathway to Recovery". The roundtable will bring together key stakeholders in the power sector to discuss the issues prevalent in the sector with the aim of proffering solutions and charting a pathway forward, especially as the country recovers from recession.

Speaking on the event, Partner

and Power Sector leader, PwC Nigeria, Pedro Omontuemhen, said reliable power supply has remained a mirage years after the privatisation of government-owned power assets.

"The challenges include gas supply disruptions, weak transmission infrastructure, inappropriate pricing, power theft, slow grid extension and access to foreign exchange



● Geregu power station

among others.

"For us as a firm, we are committed to helping to solve this important national problem and this informs our hosting of this forum for eight years running. The

aim is to bring together stakeholders in the sector, to brainstorm on the issues and come up with viable solutions," he said.



Gas



Port Harcourt residents count losses from lack of power supply

MKPOIKANA UDOMA, Port Harcourt

Residents of Woji in Port Harcourt metropolis of Rivers State have in the last two months spent over N1 billion in running generators, due to the failure of the Port Harcourt Electricity Distribution Company, PHEDC, to provide power supply to the area in the last two months.

The power outage, SweetcrudeReports gathered, affects Federal Housing Estate, Nvugwe, Alcon, Gbalajam and YKC areas of Woji, all in

Obio/Akpor Local Government Area.

Speaking to our correspondent, a Youth Leader in Woji, Mr. Elvis Chisa, explained that residents in the area which is dominated by small-scale businesses and residential homes, have spent so much money in buying petrol and diesel to run their generators.

Akpana lamented that many shops have shut down due to the power outage as owners cannot afford running generators day and night in order to stay in

business.

"Since September till now, we have not had power supply. I can't even remember the last time we had power supply. We have spent more than N1 billion in the last two months to fuel our generators to keep our businesses alive.

"We don't know what is the problem, last month we heard some youths in Federal Housing Estate went on a protest at their (PHEDC) office, but they were told power will be restored soon, but up till now we have not seen anything," the youth leader said.

When contacted, the



● Port Harcourt city

spokesperson of the Port Harcourt Disco, Mr. John Onyi, said the power outage in the area was as a result of failure of its 33KV feeder supplying power to the area.

He said the dualisation of the Trans-Woji road by Reynolds Construction Company, RCC, has inhibited PHEDC's technical crew

from gaining entrance to replace the faulty transformer.

Onyi, speaking to SweetcrudeReports in Port Harcourt, explained that the company was making efforts to resolve the problem, saying that the situation was giving the company a bad image.



● NNPC's Ejigbo depot

OPEOLUWANI AKINTAYO

The Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, has called on the Nigerian National Petroleum Corporation, NNPC, to intensify ongoing rehabilitation of the nation's downstream facilities, especially the depots, pipelines, tank farms, and jetties to further ensure seamless supply of products across the

country.

PENGASSAN commended the NNPC Group Managing Director, Dr. Maikanti Baru, for collaborating with other government agencies and critical stakeholders to bring about efficiency in the petroleum industry, adding that his efforts have led to improved products supply being enjoyed in the country.

National President of the association, Francis Johnson,

said PENGASSAN was in support of the NNPC and its plan to rehabilitate the national refineries.

"PENGASSAN will support any effective, efficient and sustainable model that can make the refineries viable," Comrade Johnson said.

Speaking on NNPC's exploration activities in the inland basins, the union commended the Corporation for spearheading the projects.



Labour

PENGASSAN tasks NNPC on rehabilitation of fuel depots, tank farms

Johnson described the project as a "yeoman job", adding that it would benefit the nation ultimately.

According to him, the union's fervent prayer was for a breakthrough to be achieved in the Corporation's exploratory efforts in the basins.

The management of NNPC under the leadership of Maikanti Baru has in recent time embarked on aggressive exploratory operations in the nation's frontier basins - Chad Basin and Benue Trough - in line with the aspiration of the administration of President Muhammadu Buhari to increase

the reserves base of the country.

Baru, since assumption of office last year, has drummed up support for the exploration activities with critical stakeholders in Bauchi, Borno, Sokoto and Nassarawa State.

In Nassarawa State recently, he disclosed that NNPC's Frontier Exploration Services, FES, a services company of the Corporation, had mobilised the Integrated Data Services Ltd, an upstream arm of the NNPC, to acquire seismic data in the Benue Trough commencing from the Keana area.

Solid Minerals



Nigeria produces 39.27m tons of solid minerals

IKE AMOS, Abuja

Nigeria produced 39.27 million tons of solid minerals in 2015, the Nigeria Extractive Industries Transparency Initiative, NEITI, has said.

According to NEITI, this represented a reduction of 17% from the 47.1 million tons produced in 2014.

In a statement in Abuja, NEITI said the drop in 2015's production was due to insecurity in parts of the country and more stringent approval process for explosives used in mining.

It noted that while mineral production reduced,

government revenues went up in the same year.

It said the country earned N69.2 billion from solid minerals sector in 2015 and \$9.733 billion from the export of solid minerals.

NEITI said earnings from export was 1.45 percent of non-oil exports for the year, while earnings from the sector increased by 24 percent on the N55.8 billion earned from the sector in 2014.

It said: "This increase in revenue was due to the growth in taxes collected from the sector and review of royalty rates paid by companies which came into effect within the year

under review."

NEITI said this was contained in its latest independent audit report released recently following the approval of the report by the National Stakeholders Working Group, which is the board of NEITI.

The report disclosed that the total production of solid minerals in the country stood at 39.27 million tons, representing a reduction of 17% from the 47.1 million tons produced in 2014.

Lead and zinc, it said, topped the chart with 79% valued at \$7.7 million, while 175 ounces of gold valued at only \$122,000 were exported during the period.

NDDC to address compensation, right-of-way issues for projects

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He stated that the Public Procurement Act made it very cumbersome for review of contract sums and "that is one of the problems we have had in payment of compensations and settling of fees to consultants."

Ekere assured that outstanding payments to estate surveyors and valuers would be addressed holistically through a joint committee of the NDDC and NIESV, to be headed by the commission's executive director in charge of projects.

Earlier, the chairman, Rivers State Branch of the Nigerian Institution of Estate Surveyors and Valuers, Mr. Elliot Orupabo, lamented that some members of the NIESV, who were consultants to the commission, faced difficulties while performing jobs awarded to them.

Orupabo decried the absence of a valuation unit to handle right-of-way acquisition and compensation matters, stating: "the absence of this unit is a major lacuna which the engineers in the Project Management Department has capitalised upon to vet and tamper with compensation valuation reports prepared by registered estate surveyors and valuers without recourse to the consultant."

He highlighted the provisions of the Estate Surveyors and Valuers Registration Act Cap E13 LFN, which states: "Only a Registered Estate Surveyors and Valuer shall value and determine the value of property in Nigeria." He urged the NDDC to create a valuation unit to be headed by a registered estate surveyor and valuer, to handle all issues of valuation and compensation.



Perm-Sec urges cooperation between directors, MIST to boost mining

The Permanent Secretary, Ministry of Mines and Steel Development, Alhaji Mohammed Abbas, has sought synergy between directors in the ministry and the Mining Implementation Strategy Team, MIST, charged with the responsibility of full implementation of the Nigerian mining roadmap.

Abbas said in Abuja that cooperation between the directors and MIST was necessary to move the sector

forward.

"It is compulsory for all the directors in the ministry to collaborate with the team; your contribution will help the team to achieve smooth and successful implementation of the roadmap," the Permanent Secretary said at a two-day sensitisation and retreat for the Directorate level of the ministry in Abuja.

The 27-member team, consisting of civil servants, academia and miners, was

inaugurated in 2016 with the mandate to ensure that the recommendations in the roadmap were well implemented.

Abbas said the responsibility of MIST was to help in guiding the ministry to implement and achieve the objectives of the roadmap. He charged the tip management to read and acquaint themselves with the relevant provisions of the roadmap as it defined their relationship with the MIST.

He stated that the ministry would provide the team with logistics, especially an office that would serve as Secretariat, adding that the team would be supported with fund to kick start



● Mining site

its activities.

Mr Henry Davies, Director, Planning, Research and Statistics department of the ministry, said since the inauguration of MIST and the launching of the roadmap, the ministry made giant steps to actualise initiatives as laid out in

the roadmap.

Davies, who is also the coordinator of the team, said those initiatives had been worked on through a collaborative effort from various departments, agencies, inter ministerial efforts and the private sector.



● Pirates in the Gulf of Guinea

Piracy attack in Gulf of Guinea has reduced 'tremendously', say Peterside

Director-General of the Nigerian Maritime Administration and Safety Agency, NIMASA, Dr. Dakuku Peterside, has disclosed that piracy attack in the Gulf of Guinea has reduced tremendously.

According to him, current statistics also show that attacks on oil and gas installations onshore and offshore reduced

from 36 in the first half of this year.

Peterside made the disclosure at the G7 high-level meeting on maritime security in Rome, Italy, where he spoke of the maritime security architecture in the region.

The NIMASA boss, who is also the chairman of the Association of African Maritime Administration, AAMA, stated

that the maritime security architecture in the Gulf of Guinea had political, strategic, regional, multinational and national components which are aimed at enhancing security in the region.

The strategic operational offices to coordinate the implementation of the maritime security architecture in the region are located in Abuja,

Community



Total commences implementation of new MoU with Egiland

MKPOIKANA UDOMA, Port Harcourt

The Managing Director and Chief Executive Officer of Total Exploration and Production Nigeria Limited, TEPNG, Mr. Nicolas Terraz, has disclosed that he company has commenced the implementation of the new Memorandum of Understanding, MoU, it entered with Egiland.

He made the disclosure during a courtesy call on the traditional ruler of Egiland, His Royal Majesty, Prof. Anele Nwokoma, the Eze Ogba Ukwu of Ogbaland. Terraz assured the host community of the company's readiness to drive development in the area.

He explained that the company was proud to identify with the

people of Egiland, adding that Total would continue to sustain the existing working relationship in order to usher in meaningful capacity building.

According to him, "Over time, we have worked together to deploy our sustainable development strategy in Egiland, using partnerships, capacity building, community based institutions and community driven developments as vehicles for our relationship.

"Sadly, we experienced a glitch in terms of development with the spate of youth unrest which plagued our common destiny.

"However, I feel very happy today for the improvement and gradual return of peace in Egi

Kingdom because without peace development will remain an illusion."

The helmsman of Total also commended the King of Egiland and the host communities for successfully entering into another MoU with the firm, stating that the company has already commenced its implementation.

"May I therefore, use this opportunity to once again congratulate you and indeed all Egi people on the recent signing of the

Memoranda of Understandings with the Egi clan and the Egi Oil and Gas Producing Families and Communities.

"These instrument have been the vehicle through which we have launched our development initiatives.

Today we have three main MoUs running between Total and the Egi people and I am happy to confirm that implementation has begun," he added.

Freight

Nigeria; Libreville in Gabon, Luanda, Angola; Pointe Noire, Congo and Yaoundé, Cameroun.

Peterside used the opportunity of the meeting to urge leaders of countries in the Gulf of Guinea to effectively communicate developments in the region to international partners and also begin to put in place measures that translate to visible results.

He said some of the efforts being put in place by the NIMASA to curb piracy activities in Nigeria includes sponsoring Anti-Piracy Bill in the Nigerian National Assembly to enhance the legal framework to fight piracy, establishment of a NIMASA-Navy Maritime Guard Command Unit to enhance implementation of some of the provisions of UNCLOS Law, capacity building programme to enhance human and infrastructural capacity, amongst others.

Nigeria must diversify portfolio of economic activities - Baru

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measures required in this regard. Examples of Countries such as Chile and Malaysia confirmed the proposition that a healthy rural economy is necessary for industrialisation because the linkages between the two are obvious," the GMD said.

He also professed that economic diversification that embraced various sectors such as Agriculture, Mining, and Manufacturing could rescue the nation from the current economic doldrums.

He said it was this strategy that had the potential of creating jobs for the teeming unemployed population of the youths as well as boosting the foreign exchange earnings of Nigeria.

Other options for diversification listed by the GMD included: Encouraging entrepreneurship and innovation through improved access to information, communication technology, finance and research and development; Promoting private investment in non-extractive sectors through improving the business and regulatory environment, providing better access to finance, and supporting entrepreneurship and skills development.

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