

OSCARLINE ONWUEMENYI,
with agency reports

Rising oil prices a double-edged sword for Nigeria?

Nigeria, Africa's biggest oil producer and a member of the Organisation of Petroleum Exporting Countries, OPEC, has suffered fuel shortages over the past few weeks which has complicated transport and hurt economic activity and, in

the words of President Muhammadu Buhari, ensured that for many Nigerians the Christmas holidays were "anything but merry and happy."

Part of the problem is that, despite pumping 1.8 million barrels a day of crude, Nigeria has to import almost all its fuel because of the decrepit state of

its refineries. But in that, it isn't alone: Most countries in Africa lack refineries. A bigger problem is that Nigeria caps petrol prices, often at levels below retailers' costs.

The petrol price cap today is set at N145, or \$0.40, a litre, which would translate to \$1.52 per gallon. That makes Nigeria one of

the 10 cheapest places in the world to buy gasoline and compares to a global average of \$1.12 and a U.S. average of \$0.73 per litre, according to GlobalPetrolPrices.com.

Independent oil marketers could have broken even when the current cap of N145 per litre was set, in May 2016. Back then, Brent

crude traded at less than \$50 a barrel. It's since risen about 40 percent, to \$68, which has made it more expensive for retailers to buy refined fuel. Neither does it help that Nigeria bases the cap on its official exchange rate of 305

CONTINUES ON PAGE 02

Sweet Crude

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY



facebook.com/sweetcrudereports

January 17, 2018



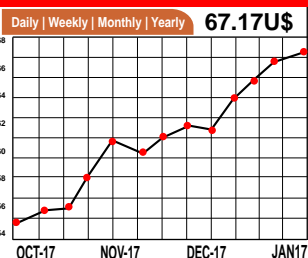
twitter.com/sweetcrudeRep

www.sweetcrudereports.com

UPDATES

WEEKLY BASKET PRICE

JAN-12	66.81
JAN-05	65.49
DEC-29	63.99
DEC-22	62.17
DEC-15	61.71
DEC-08	60.84
DEC-01	61.35
NOV-24	60.94
NOV-17	60.29
NOV-10	61.66
NOV-03	58.72
OCT-27	56.34
OCT-20	55.72



NDDC to train 5,000 women, youths under skill acquisition programme

MKPOIKANA UDOMA,
Port Harcourt

The Niger Delta Development Commission, NDDC, has said that 5,000 women and youths from the Niger Delta region would benefit from a skill acquisition programme billed to start this first quarter of the year in the nine states of the region.

To this end, the interventionist agency said it has finalised plans to set up training programmes that would ensure the creation of jobs for the women and youths.

Managing Director of the commission, Mr. Nsima Ekere, outlined the plans at the flag-off ceremony of the 6th Empowerment Support Initiative, ESI, and NDDC Skill Acquisition Training for Niger Delta youths in Owerri, Imo State.

Ekere recalled that the commission had last year

CONTINUES ON PAGE 02



● Electricity meter and other installations

● Fashola

"We plan to roll out meters, and we must," Fashola said, adding: "The core business of Discos is to transport energy; their business is not to supply meters".

"The government will address metering more vigorously this year with regulations which will open up business in metering to more investors," the minister also stated.

According to the minister, taking metering off the Discos will reduce the pressure on them, allowing them to focus on their core business of electricity distribution.

Fashola's statement confirms an earlier report by SweetCrudeReports that the government will revive the 2015 abandoned metering project introduced by ex-President Olusegun

Govt makes u-turn on electricity metering policy

..Says supply of meters no longer responsibility of Discos

OPEOLUWANI AKINTAYO

The Federal Government has made a u-turn on its earlier decision to leave metering in the hands of the 11 electricity distribution companies or Discos in the country.

The government's change on the matter is indicated in a statement by the Minister of Power, Works and Housing, Mr. Babatunde Fashola while inspecting the National Meter Test Station in Oshodi, Lagos, during which he said giving out meters was no longer the duty

of the Discos and that government had resolved to roll out electricity meters by itself during the year.

The exact arrangement the government will adopt in rolling out the meters is not clear as the minister did not explain.

abandoned it.

As planned by the Obasanjo administration, the Federal Government was to supply over 600,000 meters as at that time, and this was to be funded from sale of the National Integrated Power Plants, NIPP, being administered by the Niger Delta Power Holding Company Limited, NDPHC.

The plants, which construction commenced during the Obasanjo era, are yet to be sold till date.

If all goes according to plan by the Buhari administration, local meter manufacturers such as Mojec, Moman and others, as listed in the 2015

CONTINUES ON PAGE 04

World Bank projects oil price at \$58

The World Bank has forecast oil price to average \$58 per barrel this year.

In its newly-released 2018 Global Economic Perspective report, the World Bank said the \$58 per barrel average price is a slight upward revision from June forecast. It said oil price will edge up to \$59 per barrel in 2019.

These projections reflected expectations of an increase in U.S. production due to continued efficiency gains in the shale oil industry, moderate non-Organisation for Economic Co-operation and Development, OECD, demand growth, and very limited OECD demand growth.

Downside risks for oil prices arise mainly from the resilience of

the U.S. shale industry and from weak compliance to the agreed production cuts.

Conversely, upside risks to prices include the possibility of supply disruptions among politically-stressed oil producers such as Iraq, Libya and Nigeria, as well as stronger demand growth, the report said.

Oil prices averaged \$53 per barrel in 2017, up 24 percent from 2016.



OGFZA to fund its operations from this year



● Okon Umana

OPEOLUWANI AKINTAYO

The Oil and Gas Free Zones Authority, OGFZA, has indicated interest to self-fund its operations starting from this year.

The managing director of OGFZA, Umana Okon Umana,

while addressing members of the Senate Committee on Trade and Investment during its 2018 budget defence session, said the agency had written to the Federal Ministry of Finance in December, to formally inform it of its capability to pay staff salaries and overheads from its

internally generated revenues, IGR.

According to Umana, the company already has a financial plan that would enable it carry out the plan.

"Federal Government should suspend the funding of the recurrent expenditure of OGFZA from treasury funds," he said, explaining that

the the move by the company was towards attaining financial independence.

"Financial independence that permits self-funding of our operations is one of the six goals that OGFZA set for itself under my

management in our three-year roadmap which became operation

al at the beginning of last year," Umana added.

According to him, as contained in the letters to the Minister of Finance, Kemi Adeosun, OGFZA will no longer rely on the federal treasury for funding to meet its recurrent expenditure requirements, including salaries and overheads with effect from the 2018 financial year.

"The recurrent expenditure of the authority will henceforth be funded with our IGR," Mr. Umana said.

Rising oil prices a double-edged sword for Nigeria?

CONTINUED FROM PAGE 01

naira per dollar, which few retailers can access, given that the market rate is almost 20 percent weaker at 360. Many have stopped importing, leaving that job almost entirely in the hands of the state oil

company, the Nigerian National Petroleum Corporation, NNPC, a task it is struggling with and was never designed to do on such a scale.

Fuel prices are a hugely sensitive issue in Nigeria. Given the poor state of schools and hospitals, many citizens feel that cheap fuel is about the only benefit they get from their government. When Goodluck Jonathan, Buhari's predecessor, tried to end subsidies and hike prices in 2012, nationwide protests crippled the country, forcing him to backtrack.

President Buhari, who won elections in 2015 by appealing to Nigeria's poor masses, increased prices the following year only after weeks of shortages forced his hand. He will be loathed to do it again, especially with elections coming up in early 2019 and his popularity already dented by a weak economy and rising unemployment.

Previous fuel crises were bad enough to hit gross domestic product. A bigger impact might be on inflation, given the resulting increase in transport prices. Buhari's team met with officials on Jan. 2 to figure out a long-term plan to prevent any future shortages, but he's unlikely to find solutions in the absence of allowing fuel prices to rise – at least until current efforts to revamp old refineries and investments in new ones start paying off.

Gas

Axxela to supply gas to Benin, Ghana, Togo

Axxela Limited has been qualified to supply gas through the West African Gas Pipeline across the West African region.

The company's qualification followed an extensive due diligence conducted by the West African Gas Pipeline Company, WAPCo, and approval by the West African Gas Pipeline Authority, WAGPA.

Axxela's new shipper status marks a significant milestone in the company's decade-plus business development activities within the region.

The WAGP is a 678 kilometre pipeline that connects the existing Escravos-Lagos Pipeline System,

ELPS, from Itoki, Nigeria, extending along the West African coast, and terminating in Takoradi, Ghana. The pipeline has gas delivery laterals from the main line extending into Benin, Togo, and Ghana.

With its newly acquired shipper status, Axxela will extend its gas advantage to identified customers in the neighbouring West African countries with a target to deliver over 100 million standard cubic feet per day via the pipeline to fuel power plants, commercial entities and residential homes.

Chief Executive Officer of Axxela, Bolaji Osunsanya, said: "This is a significant



● Gas pipeline

achievement in the vista of our operations and speaks to our position as pioneers in the industry.

"As WAGP shippers, we expect to monetise gas resources in the West African region, increase the throughput on the WAGP, and thereby reduce the applicable unit transportation tariff.

"Axxela is committed to providing cleaner and cost-effective fuel for power generation to spur industrial growth and economic empowerment across the sub-region."

NDDC to train 5,000 women, youths under skill acquisition programme

CONTINUED FROM PAGE 01

signed a memorandum of understanding, MOU, with the Small and Medium Enterprises Development Agency of Nigeria, SMEDAN, and Builders Hub Impact Investment Programme, BHIP, for the establishment of Nigeria's first enterprise innovation and growth hub.

The NDDC chief executive officer promised that the enterprise hub would be up and running in the shortest possible time, noting that it would help to create more jobs and fight unemployment to ensure that militancy was eradicated in the Niger Delta.

He listed the skill areas for the programme as POP ceiling installation; wall screeding and painting; plumbing; electrical wiring; specialised carpentry such as wardrobes and kitchen cabinets, as well as interior decoration.

On home finishing skills training, he explained that it would cover key specialisations such as welding and fabrication; modern printing technology; solar power technology; maritime technology; entrepreneurship development; food processing, catering and confectioneries; creative arts and entertainment, as well as fashion design and tailoring.

Ekere noted that the four-week training in partnership with ESI, a non-governmental organisation, was a significant development, not just for the construction industry in the Niger Delta region but in Nigeria.

Power



How Enugu Electric emerged tops in safety ranking among Discos



● Electricity workers

The Nigerian Electricity Management Services Agency, NEMSA, last week announced Enugu Electricity Distribution Company, EEDC, as tops in its safety ranking for

2017.

It topped the ranking for its consistency during the year regarding safety, said NEMSA, the governmental agency responsible for ensuring safety of lives and property in the

Nigerian Electricity Supply Industry, NESI.

Enugu Electric beat 10 other power distribution companies or Discos in the country to emerge tops in the ranking.

MEMSA said: "It is worthy of note that in the year under review, EEDC consistently maintained first position in eight out of twelve months. This underscores the passion and conscious effort put in by management of the company in ensuring that safety rules are strictly adhered to, and safe environment are consistently

maintained".

According to NEMSA in its Electricity Distribution Companies and Transmission Company of Nigeria Ranking Trend for the year 2017, EEDC leapt from fifth position in 2016 to the first position in the year under review.

CONTINUES ON
PAGE 04



CAPMI deadline: NERC urges unmetered public to report erring Discos

OPEOLUWANI AKINTAYO

The Nigerian Electricity Regulatory Commission, NERC, has urged electricity consumers who have paid for meters under the Advanced Payment for Metering Implementation, CAPMI, scheme but are yet to be metered, to report their cases to its office.

As part of the strategy of fast-tracking the roll out of end-user meters, NERC had in the year 2013, introduced the CAPMI scheme.

However, following the

recurring customer complaints about non-delivery of meters by the electricity distribution companies or Discos despite full payment by customers, the initiative was wound down with effect from November 1, 2016.

In a recent statement, NERC said reports available to it indicated that many customers who had paid for meters under CAPMI, have to date, remained unmetered "without any satisfactory justification by the distribution companies".

In view of the complaints, the commission had directed all participating electricity distribution companies to bring such transactions to a close by installing the procured meters at customer premises no later than December 31, 2017, adding that customers who had paid but were yet to get their meters should report the erring Discos.

"Any of such customers that is not provided with a meter after that date should send to



● Electricity meters

the commission copies of the payments made and any other relevant documentation by email to capmi@nerc.gov.ng or by post to: Nigerian Electricity

Regulatory Commission, Plot 1099, First Avenue, Adamawa Plaza, Central Business District, Abuja," NERC said in the statement.



Finance



● Fuel dispenser

The Department of Petroleum Resources, DPR, got the sum of N3.65 billion from the Federation Account Allocation Committee, FAAC, last month.

This is according to statistics from the Nigerian Bureau of Statistics, NBS, on how N609.96

billion that accrued to the Federation Account in November 2017 was disbursed across the three tiers of government. The amount shared comprised of N529.53 billion from the Statutory Account and N80.43 billion from Valued Added Tax, VAT.

DPR gets N3bn allocation in December ...Oil-producing states get N42bn

The federal government received a total of N259.81 billion from the N609.96 billion shared. States received a total of N164.51 billion and Local governments received N124.09 billion. The sum of N43.21 billion was shared among the oil producing states as 13% derivation fund.

Three federal government revenue generating agencies - Nigeria Customs Service, NCS; Federal Inland Revenue Service, FIRS; and DPR - received N4.74 billion, N7.95 billion, and N3.65 billion respectively as cost of revenue collection.

Also, the sum of N223.56

billion was disbursed to the Federal Government of Nigeria's consolidated revenue account; N4.71 billion shared as portion of derivation and ecology; N2.36 billion as stabilisation fund; N7.92 billion for the development of natural resources; and N5.45 billion to the Federal Capital Territory, FCT, Abuja.

In November, DPR had received N3.08 billion allocation from FAAC.

The N532.76 billion total sum disbursed for that month was from revenue generated in October 2017. The amount shared comprised of N412.10 billion from the Statutory

Account and N89.71 billion from VAT.

The sum of N40.85 billion was shared among oil-producing states as 13% derivation fund.

Same November, additional N30 billion from the Nigerian National Petroleum Corporation, NNPC, and N944 billion being excess bank charges on the federation account was also shared.

While the Federal Government received a total of N218.62 billion from the N532.76 billion shared in the month, states received a total of N147.39 billion and local governments, N110.58 billion.

Solid Minerals



Share of coal in global energy mix to decline to 26%

OPEOLUWANI AKINTAYO

The share of coal in the global energy mix is forecast to decline to 26% in 2022, from 27% in 2016, the International Energy Agency, IEA, has said.

In its latest annual coal market report forecast, the agency said the fall will come as a result of sluggish demand compared with other fuels.

"The energy system is evolving at a rapid pace all around us, with a more diversifying fuel mix, and the cost of technologies going down," said Keisuke

Sadamori, the International Energy Agency's director for energy markets and security.

"But while everything else is changing, global coal demand remains the same."

The report also forecasts that global demand for coal should remain nearly flat between 2017 and 2022, resulting in a decade of stagnation for coal consumption.

Global coal consumption fell 1.9% to 5.357 million tonnes of coal equivalent (Mtce) in 2016, the second year of decline, because of lower gas

prices, a surge in renewables and improvements in energy efficiency, according to Coal 2017.

Coal demand is down 4.2% over the last two years, nearly matching the two-year decline in the early 1990s, which remains the biggest recorded drop since the IEA started compiling statistics more than 40 years ago.

The IEA also said that by 2022, global coal demand is expected to reach 5.530Mtce, the same as the average of the last five-year period, and meaning that coal use will



● Coal miners

have had a decade-long period of stagnation.

Coal demand dropped in China, the United States, and the European Union in 2016, but increased in India and across many parts of Southeast Asia, and shows no signs of slowing down.

For instance, despite the rapid growth in renewables, Indian coal-fired power generation is expected to grow

almost 4% a year through 2022.

While India will be increasingly important to global coal markets, China will remain the key driver.

The potential for coal demand growth in China is limited, but the country's supply-side reforms will be critical factors for coal prices in the coming years.



Maersk, others in collaborative trial of 3D printing on vessels, drilling platforms



● Maersk Line ship

Maersk is part of an industry consortium piloting a project that will test the potential for using 3D printing as an alternative to housing spare parts on ships and offshore facilities.

The collaborative project that includes Maersk Line and Maersk Tankers will deliver secured, built-to-order 3D printers, training tools and videos to ships and drilling stations, LNG World

Shipping reports.

Besides Maersk Line and Maersk Tankers, other members of the Green Ship of the Future consortium are J Lauritzen, Maersk Drilling, MAN Diesel & Turbo, DNV GL and Copenhagen Business School. They are partnering with 3D printing technology specialists, Create it Real, in the pilot programme. The project is financed by the Danish Maritime Fund.

The consortium intends for

crews to “learn the whole process independently” in order to become “self-sufficient” in the 3D printing process, according to a statement from the consortium.

J Lauritzen’s head of performance management, Sverre Patursson Vange, said: “3D printing technology is developing rapidly, and we believe it is ready for utilisation in the maritime industry. However, the harsh

environment and the top priority to safety calls for precautions.”

Involving representatives from the “majority of the supply chain” in the pilot programme represents one precaution, according to the group. Intellectual property rights and secure transmission of files present other challenges, which 3D printing technology specialists, Create it Real, have addressed through end-to-end

encryption of files.

Utilising 3D printers in the shipping and offshore industry would reduce the space needed for spare parts storage and save on both cost and CO2 emissions when spare parts would otherwise be delivered by launch boats or helicopters. The solution could also potentially offer real-time access to updated designs for ship systems.

Govt makes u-turn on electricity metering policy

CONTINUED FROM PAGE 01

contract seen by SweetcrudeReports, will likely get the deal for supply of the meters.

Indeed, Fashola revealed this much in his announcement during the visit to the National Meter Test Station in Oshodi, Lagos of Federal Government’s plan to

open up the metering business with new regulations that will support indigenous meter manufacturers and involve more Nigerians in meter manufacturing and supply.

“We will open up the business to other people who want to play in the sector once the meter regulations are completed this year,” he said.

How Enugu Electric emerged tops in safety ranking among Discos

CONTINUED FROM PAGE 02

NEMSA said criteria used for the ranking ranged from fatalities (that is the number of

deaths within the network), major injuries, network sanitation and safety operations.

The acting Managing Director/CEO of EEDC, Mr. Paul Okeke, attributed the company’s feat to the commitment and conscious effort made by the management in ensuring strict adherence to safety rules and regulations; and the consistent public safety awareness campaign it embarked on via interactive radio shows across the South-East states, as well as town hall meetings held in various local government councils to educate and sensitise the general public on the need to be safety conscious.

In his own reaction, the Head, Health, Safety and Environment, EEDC, Engr. Francis Iwu, attributed this achievement to the seriousness the organisation has been giving to safety, and the continuous investment in qualified safety personnel and equipment.

He appealed to members of the public to be safety conscious and desist from engaging in acts that would put their lives and that of their loved ones at risk..

Community

Ecologist tasks govt on speedy clean-up of Ogoni oil spill

PRINCEWILL DEMIAN, Abuja

An ecologist and the Executive Director of Climate Change Mitigation and Adaptation Initiative, CCMAI, Mr. Dennis Ugwuja, has appealed to the Federal Government to fast-track the clean-up of oil spill in Ogoni land, Rivers State.

Ugwuja, who made the appeal in an interview in Abuja, said the Federal Government should accelerate the implementation of the Report on Environmental Assessment of Ogoni land.

The ecologist said that the report, which was inaugurated in 2011 by the United Nations Environmental Programme, UNEP, was also handed over to the Federal Government for implementation.

Ugwuja recalled that the report recommended, among other things, that the Federal Government should commence immediate clean-up of oil spill in Ogoni land.

He said: “Having carefully studied the oil spill and clean-

up projects of Gulf of Mexico and the Exxon Valdez Oil spill, it didn’t take ages to clean up the whole thousands of miles that were affected.

“Ogoni communities have never enjoyed the natural resources deposited in their land as a result of impacts of oil activities on their land, especially the oil spill on their economic land.”

According to him, it is high time for the Federal Government to address the clean-up of Ogoni oil spill project it inaugurated in 2017.

Ugwuja said that his organisation was yet to see the hand work of the Hydrocarbon Pollution Remediation Project (HYPREP) saddled with the responsibility of facilitating the implementation of the clean-up in Ogoni land.

“It is only in the third world country like Nigeria that serious issues affecting the lives of oil producers and their economic farm land are politicised.

“Government should make undiluted effort to ensure



● Clean-up of Bodo community in Ogoniland

speedy clean-up of Ogoni land. The Ogoni people can no longer be deceived by mere promises,” he said.

He called on well

meaningful environmentalists to form synergy and remain steadfast in the fight against oil pollution in the Niger Delta.

EDITOR
Chuks ISIWU

WEBSITE:
www.sweetcrudereports.com

ENQUIRIES: +234 8023000019, email: chuks@sweetcrudereports.com
Sweetcrude Limited, Plot 2191 Osiefa Crescent,
GRA, Amuwo Odofin, Lagos.

For details of all stories, contact the Editor or visit www.sweetcrudereports.com
For Advert booking and placement please contact: Nkem IGBIKKIOWUBO +234 8060249746,
e-mail: tukur70@sweetcrudereports.com or Mr. Elijah AJAYI, +234 8033033055, e-mail: elijah.ajayi@yahoo.co.uk