

MICHAEL JAMES

The Nigerian Ports Authority, NPA, says it might prevent Egina FPSO, which is due to arrive Nigeria this month from accessing the Nigerian waters.

The agency stated this as it announced the suspension of service boat operations in all its pilotage districts until the full settlement of debts accruing

NPA may restrict Egina FPSO's access to Nigerian waters

from unpaid pilotage dues by international oil companies, IOCs, and other beneficiaries of the services.

It said in a statement signed by Abdullahi Goje, the General Manager, Corporate and Strategic Communications that the Egina FPSO, which main component is currently sailing

from South Korea for the integration of its topsides at LADOL Free Trade Zone, Tarkwa Bay, Lagos, might be disallowed entry into the Nigerian waters because of the non-involvement of the NPA in the process of entry of the vessel.

The statement explained that the refusal of the parties involved in

the project to request for towage and pilotage service from the NPA, (being the only organisation empowered to provide same in the country) is contrary to the laws of the country and would be resisted.

It explained that notice has already been given to owners of the FPSO to the effect that the

vessel would not be granted access to Nigerian waters and that the NPA would pursue legal remedies in its determination to ensure that no organisation impedes on its mandate as specified in Part II of the Port Act.

The promoters of the Egina FPSO, it was gathered, have already contracted the pilotage

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A Review Of The Nigerian Energy Industry

WEEKLY

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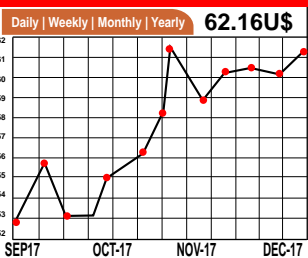
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UPDATES

WEEKLY BASKET PRICE

DEC-22	61.84
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
OCT-13	54.41
OCT-06	54.38
SEP-29	55.78



Group demands less talk, improved power generation in Nigeria

OPEOLUWANI AKINTAYO

The Independent Energy Watch Initiative of Nigeria, IWIN, has called on the Federal Government to de-emphasise rhetorics and instead focus on improved power generation in the country.

In a report, titled "Nigeria's Power Sector in a Glance#lessTalkMorePower", the group said government ought to close the gap between available generation capacity and what is delivered as well as close the gap between power transmission capability and that which is generated.

"The gap between installed available generation capacity and delivered generation capacity is ever widening (currently an average of 2,600MW). The gap between transmission capability and available generation capacity has remained unassailable.

"The emphasis now should

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Nigeria earns N7.8tr from crude oil export in 9 months



● Offshore oil rig

IKE AMOS, Abuja

Nigeria exported crude oil valued at N7.774 trillion between January and September, 2017, showing 70.07 per cent increase from crude oil export of N4.571 trillion recorded in the first nine months of 2016.

This is according to data obtained from the National Bureau of Statistics, NBS.

The NBS, in its Foreign Trade Statistics for the Third Quarter of 2017, stated that crude oil export accounted for 80.3 per cent of the country's total export in the period under

review.

In particular, the report noted that in the first, second and third quarters, the value of crude oil export stood at N2.377 trillion, N2.425 trillion and N2.972 trillion respectively, compared to N1.128 trillion, N1.485 trillion and N1.958 trillion in the first,

second and third quarters of 2016 respectively.

Specifically, the NBS noted that the country's total exports in the third quarter of 2017 stood at N3.573 trillion, representing a 15.19 per cent growth compared to the second quarter of the same year and a 53.85 per cent growth compared to the third quarter in 2016.

It also noted that total imports in the reviewing quarter, in contrast, decreased to N2.349 trillion, representing a decline of 9.41 per cent quarter on quarter and 4.47 per cent on a year on year basis.

It said, "Trade balance of Nigeria in third quarter 2017 amounted N1.225 trillion, due to a continued value increase in exports and a decline in imports. This figure in the third quarter more than doubled the value in the previous quarter and it is the first time that trade balance exceeds N1 trillion since the last quarter of 2014."

The report noted that the nation's exports in the third quarter was oil-dependent, as oil exports recorded N2.972 trillion, accounting for 83.17 per cent of total exports in the quarter.

Apart from crude oil export, the NBS report noted that Nigeria earned N396.028 billion from the export of Liquefied Natural Gas, LNG; N30.83 billion from other petroleum gases and N19.113 billion from liquefied propane.

The country also exported naphthalene, liquefied butanes and liquefied petroleum gas (cooking gas) valued at N14.7 billion, N13.71 billion and N7.2 billion respectively.

2018: NIMASA to provide guide to maritime investors, stakeholders

VINCENT TORITSEJU

The Nigerian Maritime Administration and Safety Agency, NIMASA, says it would provide a guide to maritime sector investors and stakeholders through an industry forecast it will release this

quarter.

It said the guide will forecast the outlook for the industry in Nigeria as well as highlight developments on the international scene that would affect the industry in Nigeria,

NIMASA's Director General, Dr. Dakuku Peterside,

disclosed this in Lagos, noting that the forecast would be holistic in order to ensure investors and stakeholders are acquainted with areas of advantage that will be of benefit to them, both locally and

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China issues crude oil import quotas for 2018

China has issued crude oil import quotas to 44 companies in its first batch of import contracts for the year.

The import quotas, totalling 121.32 million tonnes, were issued to state-owned ChemChina, which has the largest quota at 16.67 million tonnes, followed by North Huajin Chemical Industries Group with 7.47 million tonnes, documents reviewed by Reuters showed.

China's imports are expected to hit another record in 2018 as new refining capacity is brought online and Beijing allows more independent refiners to import crude, with their robust demand growth helping to support global oil prices.

The total allocated volume of the first batch of quotas equates to 2.43 million barrels per day.

The Ministry of Commerce in November said it had raised the 2018 crude oil import quota for "non-state trade" to 142.42 million tonnes.

The ministry said then that the quotas would be issued in

batches, with the first lot based on companies' actual purchases during the January to October period 2017.

China has surpassed the United States this year to become the world's biggest importer of crude oil.



● A general view of a crude oil importing port in Qingdao, Shandong Province, China

NPA may restrict Egina FPSO's access to Nigerian waters

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service of the vessel to another company, a move the NPA management is vehemently opposed to.

A source at Samsung Heavy Industries in Nigeria said that the NPA does not have the capacity to handle a vessel of such magnitude.

It was also learnt that the NPA refused to attend a simulation exercise of the vessel in the United Kingdom despite the fact that it was invited.

2018: NIMASA to provide guide to maritime investors, stakeholders

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internationally.

He said: "On the positive side, it will look at where the opportunities will be in the year 2018 and 2019", adding that it will provide answers as to whether greater investment in oil and gas will translate to more demand for offshore support vessels while highlighting what the government and its agencies should do to attract more investment in the industry, amongst other issues.

The agency boss noted that the maritime industry forecast will also look at whether there will be improvement in maritime security especially in the Niger Delta and the impact this will have on shipping.

The expected impact of NIMASA's partnership with the Nigerian Content Development Monitoring Board, NCDMB, on Cabotage implementation and international shipping will be another area the forecast will focus on, he said.

According to him, it will also analyse the projected impact of a shift to digital shipping in Nigeria and the attendant effect on Nigerian shippers.

Dr. Peterside also noted that the maritime forecast to be released by NIMASA will look at the impact of a global emphasis on blue economy and how Nigerians can benefit from it.

In the area of capacity building, director-general noted that two new specialised universities - the Nigerian Maritime University, Okerenkoko, and the Admiralty University - are expected to begin academic activities this year, in addition to an already repositioned Maritime Academy of Nigeria in Oron, Akwa Ibom State.

Gas



US gas production leaps to new record

previous record set in April 2015, when the nation produced 91.96 bcf/d.

For the lower 48 states, the 83.97 bcf/d produced also stands as a record, surpassing the previous record set a month earlier.

Meanwhile, natural gas futures hit near four-week highs Friday and were poised for their best weekly gain since July last year on higher demand expectations.

US crude oil production also leapt to a new record in October, reaching the highest in more than 46 years.

The production increases in

October compared to a year ago come on the heels of higher energy prices, with U.S. crude futures recently touching \$60 a barrel for the first time since mid 2015.

October crude production rose 167,000 barrels per day to 9.64 million bpd, according to the EIA's monthly production report. If the figure is not revised next month, it would be the highest monthly level since May 1971.

Production was expected to continue rising through 2017 and into 2018, analysts and traders said, driven by rising exports and growing oil demand.



● Gas pipeline

US natural gas production leapt to a new record in October, U.S. Energy Information Administration data showed.

Total gas production rose to 93.10 billion cubic feet per day, bcf/d, up from 91.85 bcf/d, according to the EIA, which

tracks data back to 2006.

The record jump was driven by a 2.4 percent monthly increase from Texas, the nation's largest natural gas producer, to 22.39 bcf/d, and Alaska, where production rose by 7.3 percent from a month earlier. The overall figure surpasses the

Power



Disco urges consumers to check billing history before renting

Electricity consumers have been advised to investigate the payment history of any building before moving into them as tenants.

A statement by the Port Harcourt Electricity Distribution Company, PHED, said it was important for consumers to make such enquiries to guard against inheriting accumulated bills.

"Always endeavour to find out the payment history of any building you are moving into. This would reduce the chances of accumulating any

unnecessary debt, the company tweeted through its official Twitter handle, @OfficialPHED.

The Port Harcourt Electricity Distribution Company, is one of the companies that emerged from the 2013 sale of the assets of the defunct state-owned Power Holding Company of Nigeria, PHCN.

It is a private electric distributor that provides power for people in four states of Nigeria - Rivers, Cross River, Akwa Ibom and Bayelsa - and is owned by 4 Power Consortium Ltd.



● Electricity meter



● Solar panels

PRINCEWILL DEMIAN, Abuja

Plans by the government to provide an alternate source of electricity supply for federal universities and hospitals across the country might not materialise after all, going by indications from the Rural Electrification Agency, REA.

At the budget hearing recently, the Managing Director of the agency, Mrs. Damilola Ogunbiyi, made it known that most federal universities and hospital are located in the hearts of major cosmopolitan towns and do not pass to be described as "rural".

"Also, a vast majority of rural

communities as against the percentage of urban cities do not have access to electricity supply which has crippled economic activities in such communities hence led to a poor standard of living for inhabitants of such communities.

"On a comparative, it is cheaper for Federal Universities to afford their present source of electricity supply as most varsities are on dedicated lines running close to 24 hours supply as against the anticipated supply they would be getting at a more expensive cost amidst others," she noted.

She added that, unfortunately, the plan for an

alternate source of electricity supply for federal universities and hospitals is coming at a time the power sector is facing critical and strangulating financial challenges in building the capacity for the sustainable electricity supply that will drive the growth of the nation's economy.

"This constraint signifies that the sector is being deprived of adequate funding. In this view many Nigerians would have anticipated that such huge funding is used in expanding the national grid, increasing transmission capacity, sanitizing distribution networks, rather than being channeled only to

federal varsities and hospitals.

"In the same light, it would seem as if the agency (REA), is going outside of its mandate, endangering the hopes of rural dwellers for electricity that will improve their lives and creates an opportunity for wastage of funds that are desperately needed for priority projects in the sector.

"In this era of 'Change' as a mantra or common refrain, we must move away from politicised and ill-thought-out policies to that which holds the greatest good for greatest number of our citizens," she added.



DPR gets N3bn allocation in November

OPEOLUWANI AKINTAYO

The Department of Petroleum Resources, DPR, received N3 billion allocation for the month of November 2017 from the Federation Account Allocation, according to figures obtained from the Nigerian Bureau of Statistics, NBS.

According to the statistics on the disbursement of the total sum of N532.76 billion to the three tiers of government, DPR got N3.08 billion for revenue collection.

The total N532.76 billion disbursed for the month was

from revenue generated in October. Of this amount, N412.10 billion came from the Statutory Account and N89.71 billion from Valued Added Tax.

The Federal Government received a total of N218.62 billion; states, N147.39 billion; and local governments, N110.58 billion.

Other revenue generating agencies aside DPR such as Nigeria Customs Service, NCS, and Federal Inland Revenue Service, FIRS, also received N4.56 billion and N5.68 billion respectively as

the cost of revenue collection.

A further breakdown of the amount that went to the Federal Government showed that N185.65 billion was disbursed to the consolidated revenue account while N3.90 billion was shared as derivation and ecology, N1.95 billion as stabilisation fund and N6.56 billion for the development of natural resources.

N4.73 billion went to the Federal Capital Territory, FCT, and N40.85 billion was shared among the oil-producing states as 13% derivation fund.



● Bundles of Naira notes



Fuel scarcity, reflection of corporate governance crisis in oil sector - NLC



● Fuel queue

The Nigeria Labour Congress, NLC, has said the protracted fuel crisis in the country was a reflection of "crisis of

corporate governance in the petroleum sector."

A National Executive Council, NEC, member of the congress, Comrade Issa

Aremu, made the assertion stating also that the bane of the downstream sector was "abysmal absence of accountability, transparency

and openness in the administration of the petroleum resources of Nigeria."

"There is a deep-seated conflict of interest in the downstream sector; regulators are operators, regulators are importers, importers are products hoarders, regulators are also saboteurs, definitely we have a sector capture in our hands, Nigeria and Nigerians need liberation," he remarked.

The labour leader who disclosed that, "NNPC is the only public corporation that annually awards its directors long service incentives for no service at all, for non-functioning refineries" called for a "total ban on importation

to reinvent domestic refineries and beneficiation to crude oil."

Mr. Aremu however said if the intervention of the legislature fails to put an end to product shortages, labour may compel all Nigerians to return to street protests like in the past "to force the ruling elite to face up to the challenges of governance of the most populous promising but badly governed country in the continent."

"The one-month long fuel shortage has further worsened poverty, put productivity on hold. We dare not enter 2018, new year with this recurring old mess," he noted.



Miners lament non-involvement in gold purchase scheme

The Miners Association of Nigeria, MAN, has criticised the plan by the Federal Government to commence the gold purchase scheme, noting that although the scheme appeared laudable, it might not last if critical stakeholders like the association were not carried along.

MAN's President, Alhaji Sani Shehu, disclosed this while briefing journalists on the state of mining in Nigeria at the association's end of year 2017 press conference in Abuja.

Shehu, who lamented that stakeholders were not carried along in the formulation of the scheme, said: "We feel that the gold purchase scheme was structured in secrecy as stakeholders were not carried along during its formation."

"The scheme, therefore, may not last long if critical stakeholders such as MAN were sidelined given the closeness of MAN to ASMs".

The miners president maintained that the establishment of the National

Council on Mining and Mineral Resources Development was a step in the right direction especially as will carry along the state governments on the happenings in the sector through periodic briefings by the ministry.

This is even as he lamented that, unlike other ministries, the stakeholders for the Council on Mining and Mineral Resources Development were not clearly defined.

He noted that apart from commissioners in charge of mining-related ministries in the states, other stakeholders should be clearly defined.

He also expressed pleasure on the ASM Loan Intervention saying: "We consider the N5 billion loan facility given by the ministry to BoI for management as a welcome development. We believe it will serve as a catalyst to solving the funding challenges of the ASM."

"However, about five months after the presentation of a



● Gold bars

dummy cheque and advert made, no single miner has been able to access the loan as conditionalities are largely commercial, which contradicts the social concern attached to the objective of the loan.

"The government should, therefore, be interested at the level of disbursement over a given period to ensure that the philosophy behind such intervention is not derailed".

Alhaji Shehu also commended the government for clamping down on illegal mining activities in different parts of the country, especially in Zurak, Plateau State, and Majo Sina in Taraba State.

Group demands less talk, improved power generation in Nigeria

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shift from the media razzmatazz of new project commissioning to utilising available capacities," the report said.

It blamed "appointments of round pegs to fill square holes" as the cause of failure in the power sector.

"Medical technocrats manage the health sector, financial technocrats manage the finance industry, legal technocrats manage the legal profession/industry, etc. For the engineering sector, the power sector, it is an all comers' affair: a linguist once managed the power sector. Lawyers have particularly made it a point to target the power sector; one wonders what the attraction is for

lawyers in the power sector," the report asserted.

It highlighted that in 2006, Nigeria was able to achieve 3,500 megawatts.

However, after 12 years, and after commissioning more than 500 distribution, transmission and generation projects; after more than 1,500 workshops and seminars, Nigeria is still at 3,500MW.

"3500MW is the capacity of a generating plant for a large industry in the developed world: usually managed by one chief engineer and a few engineers/technicians."

"With generation at 3500MW, what is available for use by customers is less than 2,500MW. When we juxtapose the technical losses within the transmission and distribution networks, we will need a minimum of 5,000MW of generation to ensure at least 3,500MW for use by the customers," the report lamented.



● Oil tanker

2018, transition period for tanker market - Report

The tanker market is geared for a transition period in 2018, as tonnage oversupply and oil price fluctuations are bound to keep adding pressure at freight rates.

In a recent note, shipbroker Intermodal said that over the course of 2017, market fundamentals cast a shadow of uncertainty over 2018's performance.

Intermodal noted: "In a rather unconventional development, despite the fact that earnings for

the sector have continued to move lower this year (2017), tanker newbuilding orders have actually increased year to date by 17%, compared to 2016.

"The most logical explanation for this has been the admittedly attractive newbuilding prices that still continue to tempt a number of owners into ordering despite a rather challenging freight market."

"When it comes to SnP activity, things have been rather steady; we are counting around 340 SnP tanker transactions so far,

compared to the 333 transactions we have on record for the same period in 2016"

According to the shipbroker, tanker asset prices declined in 2017 with tonnage older than ten years naturally seeing the biggest declines in value.

"Taking into account the scheduled deliveries next year and the fairly young average age of the tanker fleet that sets a rather low ceiling to the number of potential demo candidates, we wouldn't be surprised to see way more attractive second-hand prices next year (2018) and a consequent spike in SnP interest/activity," the company added.

Community



HYPREP reassures on capacity to handle Ogoni cleanup

MKPOIKANA UDOMA, Port Harcourt

The Hydrocarbon Pollution Remediation Project, HYPREP, has re-assured on its capacity to handle the much-expected cleanup of Ogoniland "HYPREP has the capacity to implement the project and the Federal Government is truly committed to the cleanup," the Project Coordinator of HYPREP, Dr. Marvin Dekil, said as the agency began the implementation of the preliminary stage of the Health Impact Assessment in the area ahead of the commencement of the actual cleanup.

Dekil said the Health Impact Assessment project which has

commenced in Bori, Khana Local Government Area of Rivers State, is in partnership with Medical Women's Association of Nigerian, MWAN.

The project coordinator disclosed that the health outreach was in line with the recommendations of the United Nations in its report on Ogoni.

He explained that the preliminary phase was carried out with the use of local manpower, adding that the full implementation, which he said, would commence soon would be monitored by the World Health Organisation, WHO.

According to him: "We are here today to commence the preliminary stage of the Health Impact Assessment in Ogoni land. We are starting in Khana today and we will replicate same in all the four LGAs of Ogoni."

"We are carrying out the audit and taking note of all the cases today. We are doing screening for various ailments. The report would be used to do a health record for Ogoni".



● Oil spill cleanup in Bodo Community, Ogoniland

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