

Nigeria spends N254bn on fuel import in three months

IKE AMOS, Abuja

Nigeria spent N254.16 billion on importation of Premium Motor Spirit, PMS, also known as petrol, in the fourth quarter of 2017, according to data obtained from the National Bureau of Statistics, NBS.

The NBS stated that petrol

import accounted for 12.03 per cent of total import in the period under review.

In addition, the report disclosed that Nigeria spent N82.26 billion on the importation of gas oil, while the importation of lubricating oil gulped N21.36 billion.

As a result, total petroleum

products imported into the country in the fourth quarter of 2017 stood at N357.8 billion.

In addition, the report stated that Nigeria recorded crude oil and petroleum products export of N3.738 trillion in the period under review.

The report added that petroleum products export

accounted for 95.58 per cent of Nigeria's total export in the period under review.

In its analysis of petroleum export, the report disclosed that crude oil export accounted for N3.25 trillion, representing 83.22 per cent of the sector's total export; Liquefied Natural Gas, LNG, export brought in N416.58

billion; while other petroleum gases export stood at N28.42 billion.

According to the report, other medium petrol oil accounted for total export of N12.32 billion; liquefied butanes valued at N12.304 billion was exported in the period under review; while liquefied propane and

CONTINUES ON PAGE 02

SweetCrude REPORTS

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY

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| | |
|--------|-------|
| APR-06 | 65.11 |
| MAR-30 | 66.55 |
| MAR-23 | 65.08 |
| MAR-16 | 62.33 |
| MAR-09 | 62.52 |
| MAR-02 | 63.58 |
| FEB-23 | 63.09 |
| FEB-16 | 61.34 |
| FEB-09 | 63.86 |
| FEB-02 | 66.89 |
| JAN-26 | 67.64 |
| JAN-19 | 67.21 |
| JAN-12 | 66.81 |

Daily | Weekly | Monthly | Yearly **64.82U\$**



● Deepwater oil rig, Dan Etete inset.

Nigeria: Oil sector grows by 8.38%

Nigeria recorded 8.3 percent real growth of the oil sector in the fourth quarter, 2017, figures from the Nigerian Bureau of Statistics, NBS, has shown.

According to NBS, the 8.38 percent represents a drop of 26.08 percent relative to the growth recorded in the corresponding quarter of 2016.

The growth in the sector for the fourth quarter showed a reduction by 17.50% compared to that of the third quarter 2017 which was 25.89 percent.

Growth in the global oil sector contributed to pulling

CONTINUES ON PAGE 03

JP Morgan says UK govt authorised \$875m payment to Dan Etete

OPEOLUWANI AKINTAYO

A fresh court suit revelation has quoted JP Morgan Chase Bank as saying the UK's Serious Organised Crime Agency gave it permission to pay \$875 million to former Nigerian Petroleum Minister, Dan Etete, for the Nigerian oil asset, Oil Prospecting License, OPL, 245.

The revelation, published by Finance Uncovered - a media outfit dedicated to coverage of

global financial flows, with particular focus on tax abuse, corruption and money laundering - is the latest development in a 2011 disputed oilfield deal more popularly known as the Malabu oil scandal.

The deal involves international oil companies Shell and Italy's Eni as well as former Nigerian Petroleum Minister, Dan Etete, Nigeria's ex-president Goodluck Jonathan and his then Petroleum Minister, Dieziani Alison-Madueke.

The Nigerian government had in 2017 sued JP Morgan for \$875 million, accusing it of negligence in transferring funds from the disputed oilfield deal to a company controlled by the country's former Petroleum Minister, Mr. Etete.

It alleged, in the suit filed in the High Court of Justice Business and Property Courts of England and Wales Commercial Court, that JP Morgan did not act "with the reasonable care and skill to be expected of a bank in compliance

with the laws of England and Wales" when it authorised enormous payments resulting from the scandalous 2011 oil deal.

There was an "abuse of the banking system", the Nigerian government's claim said, adding that JP Morgan "could and should" have done enough reasonable due diligence to discover the deal involved the "misappropriation" of up to \$1.1 billion from state coffers. It, therefore, demanded that the

CONTINUES ON PAGE 02

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OPEC oil production drops by 170,000pbd in March

...Group working on 'very long-term' deal, says Barkindo

OPEOLUWANI AKINTAYO

Crude oil production by member countries of the Organisation of the Petroleum Exporting Countries, OPEC, dropped by 170,000 barrels per day in March, a new survey by Bloomberg has shown.

According to the survey, the output drop brings the group's production to 32.04 million barrels per day, bpd - the lowest daily production rate since April 2017, when it pumped 31.9 million bpd.

OPEC and its partners had agreed to cut production by 1.8 million bpd since January 2017.

The agreement called Declaration of Co-operation, DoC, as at February, had recorded a 138 percent compliance among the group and its allies in the deal led by Russia.

The drop was boosted by fall in Venezuela's production. Venezuela pumped 1.51 million bpd, versus its OPEC quota of 1.97 million bpd.

Another country which contributed to the fall was Algeria. Its output dropped by 40,000 bpd to 1 million bpd as



● OPEC, headquarters, Vienna, Austria

field maintenance season kicked in.

Libya's production also went down on field outages while Saudi Arabia continued to pump less than it had pledged to, with the daily average falling by 10,000 bpd last month to 9.87 million bpd.

In comparison, Russia's production hit the highest in 11 months in March, at 10.97 million

bpd, still almost in line with its pledge to OPEC, which was for a cut of 300,000 bpd from its November 2016 average daily of 11.247 million bpd.

Meanwhile, OPEC Secretary General, Dr. Mohammad Barkindo, has said the group was working on a "very long-term" deal in trying to extend its alliance with other oil producers.



Gas



● Total workers

Total, partners produce first gas from Timimoun field in Algeria

France's Total said first gas has been produced from the Timimoun field in southwestern Algeria, LNG World News reports.

The production complex has a capacity of around 5 million cubic meters of natural gas per day at plateau, or about 30,000 barrels of oil equivalent per day, boe/d.

The project is jointly operated by

Sonatrach (51 percent), Total (37.75 percent) and Cepsa (11.25 percent).

Timimoun's gas will be produced with 37 wells connected to a gas processing facility that ties into the GR5 pipeline used to transport gas from fields in southwestern Algeria to Hassi R'mel.

The field will add to Total's production capacity in Algeria which, in 2017, averaged 15,000 boe/d, all from the in Fouyé Tabankort (TFT) gas and condensate field located 300 kilometres west of the Libyan border. Total holds a 35 percent interest in TFT.

Power



Ikeja Electric takes safety message to higher institutions

The Ikeja Electric Plc has taken its safety campaign to tertiary institutions as part of design to promote electrical safety on campus and in communities across Lagos State.

Ikeja Electric recently paid a visit to two frontline institutions in Lagos: the University of Lagos and the Federal College of Education (Technical), both situated in Akoka, where her proprietary board game, PowerPlay, was presented to the leadership of both institutions.

Speaking on behalf of his management team, the Vice Chancellor of the University of Lagos, Prof. Oluwatoyin

Ogundipe, praised Ikeja Electric for demonstrating practically its commitment to safety, noting that the message of the board game was crucial in view of the frequent occurrence of electrical accidents in domestic spaces.

Prof. Ogundipe lauded the game and directed the Dean, Student Affairs, to encourage hall residents to engage the games judiciously.

In a similar development, the Provost of the Federal College of Education (Technical), Akoka, Dr. Sijibomi Olusanya, in his remarks, commended Ikeja Electric for her innovative approach to safety, noting that it was not only timely but very

necessary to avoid needless loss of life and property.

In his remarks, the company's Head, Corporate Communications, Felix Ofulue, noted that the risks and hazards of the electricity sector needed to be communicated in a creative way, such that consumers could embrace safety as a way of life, learning while enjoying a relaxed atmosphere with friends.

"There are literally thousands of young people spread across our campuses in Lagos and as such, any safety campaign that does not attempt to reach them has missed a huge portion of would-be advocates. They are not only adventurous, they are also brilliant and as such eager



● Electricity workers

to embrace this message if presented creatively.

"This is why we have brought our board game to these campuses. In the next few

weeks, we will visit other campuses with our message and our sincere hope is that we will make a difference and save a life," Ofulue said.

JP Morgan says UK govt authorised \$875m payment to Dan Etete

CONTINUED FROM PAGE 01

bank repay \$875 million it paid out to the money launderer, plus interest, and to account for the rest.

However, in a counter-claim filed on March 29 in the same High Court of Justice Business and Property Courts of England and Wales Commercial Court, JP Morgan said it sought and got backing from the Serious Organised Crime Agency,

SOCA, to pay to Dan Etete.

According to the document, the bank claimed it got orders to pay money in two batches: one in 2011 and the other in 2013.

The counter-claim filed by JP Morgan and signed by its Executive Director and Assistant General Counsel, Rebecca Smith, has as many as 104 claims against the Federal Government of Nigeria.

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CONTINUED FROM PAGE 01

liquefied petroleum gas exports stood at N8.85 billion and N4.81 billion respectively.

The NBS stated that, "The value of the export trade continues its growth trend totalling N3.91 trillion in the fourth quarter 2017 representing an increase of 9.4 per cent over the value of N3.576 trillion recorded in the preceding quarter, and an increase of 31.3 per cent over the value of N2.979 trillion recorded in the fourth quarter of 2016".

It added: "The structure of the export trade is heavily dominated by crude oil, liquefied natural gas, and other petroleum gases, which contributed N3.699 trillion or 94.6 per cent to the value of

total domestic export trade in the fourth quarter of 2017.

"Crude oil alone contributed N3.254 trillion, representing 83.2 per cent of total exports during the period under review, while natural liquefied gas contributed N416.6 billion, representing 10.6 per cent of the total exports in fourth quarter 2017.

"Exports by section similarly show that Nigeria exported mainly mineral products, which accounted for N3.772 trillion or 96.5 per cent of the total export value for fourth quarter 2017.

"Other products exported by Nigeria includes prepared foodstuffs; beverages spirits and vinegar; tobacco at N36.7 billion or 0.9 per cent of total exports, and products of the chemical and allied industries at N25.5 billion or 0.7 per cent of total exports."



World Bank begins preparation for Nigeria's \$500m power distribution project

OSCARLINE ONWUEMENYI, Abuja

The World Bank has commenced preparations for the takeoff of the \$500 million Nigerian Electricity Distribution Improvement Project, NEDIP.

It was learnt that the bank has completed a fact-finding mission in the distribution sub-sector of the industry in order to ascertain how it could help boost service delivery by the power distributors.

Any time from now, disbursement of the fund for specific aspects of the project would commencement, it was learnt.

Documents on Nigeria's Power Sector Recovery Programme, PSRP, seen by SweetcrudeReports in Abuja, revealed that the global financial institution had met with officials of the Federal Ministry of Power, Works and Housing and other operators in the sector as regards the development.

The PSRP, which is domiciled at the headquarters of the

Nigerian Electricity Regulatory Commission, NERC, said: "The World Bank conducted a fact-finding mission that would foster project development for the distribution sub-sector support.

"World Bank representatives met with stakeholders from the Ministry of Power, Works and Housing, NERC, Ministry of Finance and Bureau of Public Enterprises (BPE), in addition to private sector operatives, Discos (Distribution companies) and commercial bank representatives. The NEDIP is expected to contribute



● Electricity transmission lines.

to the operationalisation of the distribution segment under the PSRP."

The PSRP also stated that the Nigeria Electricity Transmission Access Project, NETAP, recently got approval for \$486 million from the World Bank.

It said: "The World Bank has

approved a credit of \$486 million for Nigeria's electricity transmission substations' rehabilitation. This is a part of the financial support aimed at achieving a viable power sector through the PSRP implementation".

Operators complaining of multiple taxations - NNPC

IKE AMOS, Abuja

The Nigerian National Petroleum Corporation, NNPC, has decried multiple taxations on operators in the Nigerian petroleum industry, saying the development was stifling operators.

Group Managing Director of the NNPC, Dr. Maikanti Baru, raised the alarm as he stated that the various taxes and levies were causing complaints among the operators.

Baru, who was speaking at a consultative meeting with the consultants to the National Assembly on the Petroleum Industry Reform Bill, led by the lead consultant and former



● Dr. Maikanti Baru

Director of the Department of Petroleum Resources, DPR, Mr. Osteen Olorunsola, said the NNPC was interested in the segment of the Petroleum Industry Bill, PIB, relating to the fiscal terms and was ready to spend considerable time and efforts to ensure that the National Assembly got it right in the interest of the nation.

Baru said the major complaint by operators in the industry was that of multiple taxations which include statutory contributions to the Niger Delta Development Commission, NDDC, and Nigerian Content Development and Monitoring Board, NCDMB, as well as sundry expenses on security.

He said: "We have to be able to design a system that works. If

the 3%, 13% or any other statutory allocation for development is not working, then you should not be afraid to recommend a percentage that could work to replace the present system where operators pay multiple taxes and yet have to pay much more extra to secure their investments".

Vowing that the NNPC would work very closely with the consultants to arrive at models that can respond to future challenges in the industry, he challenged them to take a comprehensive look at the issues in the oil and gas sector and make bold recommendations that could engender enduring reforms.

Nigeria: Oil sector grows by 8.38%

CONTINUED FROM PAGE 01

Nigeria's economy out of recession earlier this year. Nigeria plunged into recession in 2015 as a result of the crash of oil

prices from \$100 to below \$30 per barrel.

Oil prices which rose to \$71 per barrel in January have since dropped to \$67.11 per barrel as at Friday, April 6.

When Nigeria exited recession, oil sector growth was 3.5% while the non-oil economy grew a puny 0.45%.

In the third quarter of 2017, the non-oil economy went back into contraction with negative -0.76% growth, but the overall economy was lifted by oil sector growth of 25.89%; and in the fourth quarter, the oil sector grew by 8.38%, while non-oil expanded by 1.45%.

Nigeria is the largest oil and gas producer in Africa with 37 billion barrels oil reserves and capable of producing over 2 million barrels of crude oil per day.

Going by February figures, Nigeria produced 1.732 million barrels per day, according to figures released by the Organisation of the Petroleum Exporting Countries, OPEC, in its Monthly Oil Market Report, MOMR, for March. OPEC put Nigeria's oil production in January at 1,641 million barrels per day.

Labour



Reps pledge speedy passage of bill against casualisation of workers

MKPOIKANA UDOMA, Port Harcourt

The Speaker, House of Representatives, Hon. Yakubu Dogara, has promised a speedy passage of the bill against casualisation and outsourcing of workers, which is before the House.

The speaker, who said it was a crime against humanity for employers to casualise Nigerian workers in any form, assured that the bill against casualisation and outsourcing would be given a speedy passage as soon as the House resumed sitting from the Easter break.

Dogara made this known at the fourth quadrennial delegates conference of the National Union of Petroleum and Natural Gas Workers, NUPENG, in Port Harcourt,

where he also assured of the House commitment to support organised labour in the country.

Represented at the event by the member representing Obio/Akpor Federal Constituency, Rivers State, in the House of Representatives, Mr. Kingsley Chindah, Dogara said NUPENG has been the most organised labour union in the country.

Speaking on the theme, "Impact of Technology (Industry 4.0) on Industrial Relations in the Workplace", the speaker commended NUPENG for being proactive in their concerns on the fourth industrial revolutions, which, he said, was centered on technological advancement as machines and robots take over the jobs of humans.

According to him, "The Bill against casualisation and



● Hon. Yakubu Dogara

outsourcing is also before the House. I have to inform you that we think it is a crime to casualise Nigerian workers. It is a crime against humanity.

"The speaker has assured that that Bill will receive speedy

passage as we go back after the Easter break."

The speaker called on government at all levels to wake up to the reality of the fourth industrial revolution and on the need to plan ahead of time.

Finance





Expert tasks govt on development of steel industry



● A blast furnace in a steel mill

One of Nigeria's foremost industrialists and chief executive officer of BUA Group, Mr. Abdulsamad Rabiu, has posited that Nigeria could save up to 3 billion US Dollars annually in foreign exchange on steel, if the government could tow the same line it went with the sugar and cement industries on steel.

He said Nigeria had all the basic ingredients for the steel industry to thrive, such as limestone, coal and gas, adding that all the country needed to do was invest the money it spent on steel importation towards producing its own steel.

Rabiu, who stated this during the Africa CEO Forum in Abidjan, Cote d'Ivoire, noted that Africa had the highest unemployment rate in the world despite having large populations and robust economies.

Rabiu called for a government-private sector partnership aimed at developing and transforming the continent through the

provision of more jobs and scaling up of human capital.

"Africa probably has the highest rate of unemployment in the world, so we need to do a lot more to create jobs; build human capital to develop the continent.

"I think there is need to have a concrete and solid partnership between Africa government and the private sector and in so doing we can be able to transform the continent.

"Nigeria now has the capacity for over 40 million tonnes of cement and we are saving the country over USD\$4 billion and we are creating hundred thousands of jobs," Rabiu added.

Freight

Port security officers propose regional forum for maritime safety

VINCENT TORITSEJU

The Lagos Maritime Security zone of the Port Facility Security Officers, PFSO, Forum has proposed a regional maritime security forum in the Economic Community of West African States, ECOWAS, to tackle security in the West African sub-region from a common front.

Chairman of the Forum, Dr. Ignatius Uche, made the proposal at the monthly meeting of the group, maintaining that since the region had a common maritime security challenge, the move to tackle such issue through a regional front would not be out of place.

Uche said the proposal has

been communicated to the Nigerian Maritime Administration and Safety Agency, NIMASA, being the Designated Authority, DA, to implement the International Ship and Port Security, ISPS, code - a maritime convention by the International Maritime Organisation, IMO.

"The PFSO Forum is evolving, we started with the Lagos Maritime Security zone of the PFSO and grew to have the National Maritime Security zone, comprising of both the Lagos and Niger Delta maritime security zones which gave birth to the PFSO Forum of Nigeria.

"We now looked at how we can synergise with other countries in the sub-region with a view to combating piracy and

sea-robbery from a common security front since we have a common maritime security challenge.

"More so, this is in line with the objective of regional integration in the area of maritime security," he said.

He disclosed that members of the group were expected to buy into the initiative and added that NIMASA, being the DA, was also expected to buy into the move and push it to the appropriate authorities as much as possible.

He disclosed that since NIMASA had been intimated on the matter, the Forum was awaiting the approval of the proposal by the government.

Also speaking, the representative of the DA, Mr. Lakopsam Dashed, who is an officer of the ISPS Unit in



● Lagos port

NIMASA, told the gathering that the message would be passed to the management of NIMASA for necessary action.

Dashed commended the Forum for thinking out of the box to bring about a regional PFSO Forum.

Community



Prioritise Petroleum Host Community Fund Bill, IYC charges NASS

MKPOIKANA UDOMA, Port Harcourt

The Ijaw Youth Council, IYC, has called for expeditious passage of the remaining components of the Petroleum Industry Bill, PIB, particularly, the Petroleum Host Community Fund Bill by the National Assembly.

Recall that the PIB, after sitting in the National Assembly

since the 2008, was broken into four components, namely the Petroleum Industry Institution Framework Governance Bill, PIGB; Petroleum Industry Administration Bill, the Petroleum Host Community Fund Bill and the Petroleum Industry Fiscal Bill, by the current 8th National Assembly for easy passage.

The Senate and House of Representatives recently passed the harmonised version of the PIGB, centring on restructuring and reformation of the nation's oil and gas industry.

Speaking to our correspondent on telephone, the President of IYC, Mr. Eric Omare, said the Niger Delta region was unsatisfied with the delay in the passage of the Host Community Fund Bill aspect of the PIB.

Omare charged members of the National Assembly to make the Petroleum Host Community Fund Bill its next priority, as it was the only panacea for peace in the Niger Delta region.

He added that the people of the Niger Delta region were disappointed that the National Assembly prioritised the governance aspect of the PIB over the host community aspect.

"The area that is of interest to us in that Bill is the Host Community Fund, but the one that was passed is just that of governance (PIGB), so we are not satisfied.

"We feel that the one relating to host communities should have been prioritised over the governance aspect of the PIB".



● Niger Delta community

Wike blames FG for lingering soot in Rivers

Rivers State governor, Chief Nyesom Wike, has exonerated his administration of any blame on the lingering hydrocarbon soot being experienced in the state.

Since the inception of the hash tag #stopthesoot campaign, the state government had been criticised for not doing enough to salvage the situation.

But, Governor Wike, while playing host to civil society organisations in the state, said every effort by his administration

to address the air pollution has been hindered by the non-cooperation of the Federal Government.

According to the governor, "The issue of soot in Rivers State, I have said it before, when I hear people say the state government is doing nothing, I laugh because it is a lie. It is unfortunate that the Federal Government does not want to support the state.

"What is the cause of the soot? It is because of the crude way of destroying most of the crude oil

confiscated from oil thieves. We have been asking the Federal Government that the security agencies must find a cleaner way of destroying this crude. The people cannot continue to suffer."

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