

# Foreign investment inflow into oil industry rises to \$110m

IKE AMOS

**A**buja -- Foreign investment inflow into the Nigeria oil and gas industry appreciated by 176.9 per cent to \$110.47 million in the

first six months of 2018, according to data obtained from the National Bureau of Statistics, NBS.

The NBS, in its Nigerian Capital Importation Report for the second quarter of 2018, disclosed that foreign

investment inflow into the oil and gas industry in the first half of the year, represented an improvement of \$70.57 million compared with inflow of \$39.9 million recorded in the second half of 2017.

The report, however, stated

that foreign capital inflow into the oil and gas industry in the first half of 2018 was 62.1 per cent less than the inflow of \$291.47 million recorded in the first half of 2017.

In addition, the NBS noted that at \$110.47 million, the oil

and gas industry accounted for 0.93 per cent of total capital imported into the economy in the first half of 2018, compared to 0.49 per cent and 10.79 per

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A Review Of The Nigerian Energy Industry

WEEKLY



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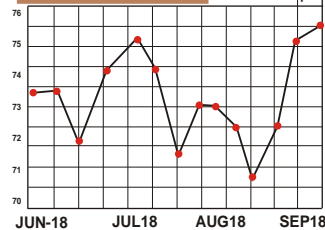
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### WEEKLY BASKET PRICE

SEP-07	75.45
AUG-31	74.96
AUG-24	72.09
AUG-17	70.36
AUG-10	71.88
AUG-03	72.53
JUL-27	72.81
JUL-20	70.95
JUL-13	74.05
JUL-06	75.13
JUN-29	73.05
JUN-22	71.66
JUN-15	73.61

Daily | Weekly | Monthly | Yearly **74.51US\$**



**25 NIMASA workers drag management to court over planned demotion**

VINCENT TORITSEJU & SAM IKEOTUONYE

**L**agos -- Twenty-five staff members of the Nigerian Maritime Administration and Safety Agency, NIMASA, have dragged the management of the organisation to court, challenging alleged moves to demote them through a right-sizing exercise.

NIMASA's Executive Directive Operations, Mr. Rotimi Fashakin, disclosed in an interview with this newspaper that the matter was discussed at the last management meeting of the agency and that it was decided that the issue is put on hold.

Fashakin also said that but for the legal action, the agency would have gone far in its right-sizing exercise.

"We cannot go on with the exercise because of the legal

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● Refinery

## Nigeria to propel refining capacity growth in Africa, Middle East

**L**agos -- Nigeria will be the growth engine of the refining industry in the Middle East and Africa between 2018 and 2022, adding the most planned refining capacity among all countries in the two regions during the forecast period, according to leading data and analytics company, GlobalData.

The company said in the report 'Refining Industry Outlook in the Middle East and Africa to 2022' that in 2018, the Middle East and Africa will account for 42.6% of the total global refining capacity. The total refining capacity in the region is expected to increase from

15.5 million barrels per day, mbd, in 2018 to 21.7mbd in 2022. The region is also expected to have an estimated new build capital expenditure or capex spending of US\$215.3

billion, of which roughly 25% will be spent by Nigeria during the outlook period.

Nigeria will lead in terms of refining capacity additions and new build capex spending by

2022.

According to GlobalData, the country has planned investment of around US\$54.8 billion for refining

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## Nigeria's power sector vulnerable to supply risk - Investigation ... 7 plants out of 22 produced 66% power in Q3 2017

OPEOLUWANI AKINTAYO

**L**agos -- Only seven out of the 22 power plants in the country generated 66 percent of the total power produced and consumed in the country in the third quarter of 2017, according to power generation statistics available to SweetcrudeReports.

It is an indication that the nation's power sector is vulnerable to risk of supply.

Findings revealed that seven power plants in operation during the quarter under review - Omotosho, Olorunsogo, Odukpani (Calabar), National Integrated Power Project, NIPP, power plants and Paras - had the

highest availability factor of 100% while Afam IV and V recorded the least availability factor of 8.6%.

Three of the power plants - AES, ASCO and Rivers IPP - were completely out of operation during the period under review and therefore,

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# World to attain 100mb/d oil consumption level by Q4 2018 —Barkindo

OPEOLUWANI AKINTAYO

**L**agos -- Secretary-General of the Organization of the Petroleum Exporting Countries, OPEC, has said the world will attain 100 million barrels per day crude oil consumption in the fourth quarter of this year.

The OPEC chief revealed this in Cape Town, South Africa, saying the attainment of the target would be sooner than projected and that, in doing this, stabilising forces which create conditions conducive to attracting investment were essential.

OPEC had forecast that in the period to 2040, the required global oil sector investment is estimated at \$10.5 trillion to

meet future world oil demand that is expected to surpass 111 mb/d by 2040. This represents an increase of 16 mb/d.

However, with a fast-forward 100 mb/d consumption level by fourth quarter 2018, it appears the group

and its partners have more work to do in terms of keeping the market wet with supplies.

OPEC member Iran is currently facing sanctions by the United States, meaning the country's quota could go missing in supply if the group did not take adequate steps to protect its market share.

Already, Saudi Arabia has been



● Barkindo

increasing supplies to make up for Iran's shortage. However, Iran has asked OPEC not to give its quota to other members of the organization.



Gas

## NBS says 272m litres of LPG imported in first half 2018



● Gas cylinders

**L**agos -- The National Bureau of Statistics, NBS, has reported that 272.84 million litres of Liquefied Petroleum Gas, LPG, also known as cooking gas, was imported

into the country in the first half of this year.

According to NBS, the country imported the highest volume of LPG in April with 59.89 million litres.

The figures are contained in the NBS' "Petroleum Products Importation and Consumption (Truck Out): LPG (Q2 2018)" report released in Abuja.

NBS said 50.45 million litres was imported into the country in June and 55.37 million litres in May.

The month of March saw imports at 39.47 million litres while 33.83 million litres were imported in January and February each.

Power



## 2,640 Rivers civil servants benefit from PHED energy efficiency programme

MKPOIKANA UDOMA

**P**ort Harcourt -- About 2,640 civil servants drawn from Ministries, Departments and Agencies of the Rivers State government have benefited from Port Harcourt Electricity Distribution Company's energy efficiency enlightenment programme.

PHED said it decided to take the enlightenment campaign to the civil servants on the advantages of using energy saving equipment, having

already educated over 500 communities, 300 Schools and 10,000 corps members in her franchise area within the last two years.

Declaring the programme open at the Rivers State Secretariat in Port Harcourt, the Head of Service, Rivers State Civil Service Commission, Mr. Rufus Godwin, expressed delight over the decision of PHED to educate the civil servants especially on how to manage energy efficiently.

Godwin urged all MDAs to avail themselves the opportunity offered by the programme, adding that energy efficiency management was the way



● Electricity engineers work on a power facility

to go as it is practiced globally while pledging to accord the company all the necessary support for the programme to achieve its aims.

## Nigeria to propel refining capacity growth in Africa, Middle East

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capacity additions of 1.93 million barrels per day by 2022. The country's oil refining capacity is expected to increase from 446,000 barrels per day in 2017 to 2.57mbd in 2022 at an average Annual Growth rate, AAGR, of 35%, it added.

Soorya Tejomoortula, oil and gas analyst at GlobalData, explains: "Nigeria is increasing its crude oil refining capacity as it aims to become a net exporter of petroleum products, instead of being a mere net exporter of crude oil. The increase in refining capacity will also help the country to meet growing domestic consumption of petroleum products."

GlobalData identifies Iran as the second highest in the Middle East and Africa in terms of refining capacity additions. The country will add around 1.232mbd of refining capacity by 2022, which will increase the country's total refining capacity to 3.545mbd. A planned investment of US\$15.9 billion is expected to be spent on the new build projects, during the outlook period.

Tejomoortula adds: "Iran

is planning to increase its crude oil refining capacity as its focuses to meet growing domestic fuel demand and reduce imports. The country is also aiming to become a significant exporter of petroleum products."

Iraq is the third highest contributor to the refinery capacity growth in the Middle East and Africa. The country's refining capacity will increase by 780,000 barrels per day, from 1.296mbd in 2018 to 2.076mbd in 2022. Iran is also the second highest capex spender in the Middle East and Africa with an estimated capex spending of US\$37.9 billion for refining capacity additions.

Among the upcoming refineries in the region, Lagos I in Nigeria has the highest refining capacity of 650,000 barrels per day in 2022. Al-Zour in Kuwait and Siraf in Iran follow with capacities of 615,000 barrels per day and 480,000 barrels per day, respectively.

In terms of capex, Yanbu IV in Saudi Arabia leads with capex of US\$15 billion during the period 2018 to 2022, followed by Tabi in Angola and Mthombo in South Africa with capex of US\$10.5 billion and US\$10 billion, respectively.

## Foreign investment inflow into oil industry rises to \$110m

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cent it recorded in the second half and first half of 2017 respectively.

Giving a breakdown of foreign capital inflow in the first half of 2018, the NBS report noted that \$22.12 million, \$4.05 million and \$59.45 million were recorded in January, February and March 2018 respectively, accounting for 8.48 per cent, 2.47 per cent and 28.9 per cent of \$2.61 billion, \$1.64 billion and \$2.06 billion total capital imported into the economy in January, February and March 2018 respectively.

In April, May and June

2018, \$19.64 million, \$4.13 million and \$1.08 million capital were imported into the industry respectively, representing 9.1 per cent, 2.9 per cent and 0.56 per cent of \$2.16 billion, \$1.43 billion and \$1.92 billion total capital imported into the economy in April, May and June 2018 respectively.

The report further stated that the oil and gas industry accounted for 0.45 per cent of the \$5.514 billion total capital imported into the economy in the second quarter of 2018, compared to its contribution of 1.36 per cent to the \$6.3 billion total capital imported in the industry in the first quarter 2018.

Specifically, the NBS said, "The total value of capital importation into Nigeria stood at \$5.514 billion in the second quarter of 2018. This was a decrease of 12.53 per cent compared to first quarter 2018, but a 207.62 per cent increase compared to the second quarter of 2017."

The NBS attributed the decline recorded in the second quarter of 2018 to a drop in Portfolio and Other Investments, which declined by 9.76 per cent and 24.07 per cent respectively.



## Billing efficiency improved to 77% in Q3 2017 - NERC

OPEOLUWANI AKINTAYO

**L**agos -- Nigeria's power sector's billing efficiency improved marginally to 77% in the third quarter of 2017, statistics sourced from the Nigerian Electricity Regulatory Commission, NERC, has shown.

The billing system improved to 77% from 76% recorded in the second quarter of that year.

The level of billing efficiency during the third quarter indicated that for every 10kWh of energy received by a power distribution company or Disco from the transmission company, approximately 2.3kWh was lost due to technical constraint and illegal connections.

In other words, for every ₦10 worth of electricity received by the Discos, ₦2.30 is lost due to poor distribution infrastructure and energy theft.

As regards individual performances, Abuja Disco had the highest billing efficiency of 83% from 78% in second quarter having



● Electricity meters

received a total of 812GWh and billed 673GWh, while Kaduna Disco recorded the lowest billing efficiency of 66% from 76% in the previous quarter - it received 440GWh and billed 291GWh.

On a quarter-on-quarter basis, Ikeja Disco recorded a significant improvement in its billing efficiency, moving from 70% in the second quarter to 81% in the third quarter. The utility firm received a total of 807GWh and billed 654GWh.

## Nigeria's power sector vulnerable to supply risk - Investigation

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did not produce energy within the period.

Afam IV and V were out of operation for most of the period due to blade failure and burnt generator transformers.

Rivers IPP had been shut down since 2016 due to several issues, including high differential pressure at air inlet.

The availability factor, indicating the proportion of expected operational time that a plant actually operated, recorded a marginal increase of 3% in the third quarter 2017 from the 64% recorded in the second quarter. On average, generation plants were available 67% of the time during the third quarter.

This showed the vulnerable exposure of the grid to the

seven major plants that produced a bulk of power within the period under review, as any downtime in any of them could destabilise the system if there was no proactive measure, such as adequate spinning reserves.

"The commission is determined to provide all regulatory intervention necessary to ensure that TCN procures sufficient spinning reserves. Thus, the commission is currently evaluating the adequacy of the already procured ancillary services (e.g., spinning reserves) by the transmission company in order to make sufficient provision during the next tariff review", NERC said in a **s t a t e m e n t** to SweetcrudeReports

## Finance

## FIRS says it has captured all taxpayers in database

**A**buja -- The Federal Inland Revenue Service, FIRS, says it has captured all taxpayers in the country in a database as it announced N3.5 trillion earnings from various taxes in the first eight months of the year.

Executive Chairman of FIRS, Mr. Babatunde Fowler, who disclosed this in Lagos, said the tax revenue is an increase of N1 trillion on the N2.5 trillion realised by the government in the same

period last year (2017).

"If you look at 2018 revenue till date, between January and August, we have done N3.5 trillion, which was N1 trillion higher than the amount realised over same period in 2017.

"You can clearly see that even at current prices, the oil revenue tax cannot fund our nation. The only way to have a high level of tax compliance is to focus on the non-oil," he said.

Speaking on efforts being

made by the government to capture taxpayers in the country, Fowler said: "I also want to announce that we now have a consolidated database of all taxpayers in Nigeria under the Joint Tax Board (JTB).

"We just concluded it and before the end of September, it will be made available to all state internal revenue services and other government agencies like Immigration and Customs. It will be available for tax

administration".

He also disclosed that tax laws that were not in the interest of the taxpayers were being reviewed as urged the support of taxpayers and stakeholders towards the development of the country.



● Mr. Fowler

## Labour



## PENGASSAN, NUPENG pledge collaboration with Nigerian Content Board

OPEOLUWANI AKINTAYO

**L**agos -- The joint national executive of the Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, and the Nigerian Union of Petroleum and Natural Gas Workers, NUPENG, has pledged to collaborate with the Nigerian Content Development and Monitoring Board, NCDMB, in monitoring and development of

local content in the Nigerian oil and gas industry.

The groups made this commitment when they paid a courtesy visit to the NCDMB headquarters in Yenagoa.

The national chairman, PENGASSAN, Comrade Francis Johnson, appreciated the board's effort towards the growth and development of the oil sector by encouraging indigenous participation.

He said: "This engagement with the board is quite revealing, we have learnt a lot about the laudable interventions of NCDMB. There is no better time to work with the board. We are committed to working with you."

Johnson encouraged the board to continue the good job it is doing and prevent portfolio companies from grabbing contracts which will help to build and deepen Nigerian content in the sector.

## Freight

## Ondo mulls deep seaport to link state with global community

VINCENT TORITSEJU

**L**agos -- Governor Oluwarotimi Akeredolu of Ondo State has announced that a deep-seaport being proposed by the state government would link the state to the international community.

Akeredolu stated this in Akure at the signing of the consultancy services agreement for the conduct and preparation of feasibility

study and conceptual master design for the port.

Mr. Paul Van Eulem, the Managing Director of Maritime and Transport Business Solutions, MTBS, signed for the consulting team while Akeredolu, who was represented by his deputy, Agboola Ajayi, signed for the state government.

The governor said thousands of jobs would be created through the project.



● Seaport

● Comrade Johnson



## Piracy: Boat operators wants security on Rivers waterways



● Sea pirates

MKPOIKANA UDOMA

Port Harcourt -- Following the rising spate of sea piracy along the waterways in Rivers State, marine operators have called on the government to deploy security agents on the waterways.

A group known as Bonny Marine Transporters

Association, BMTA, particularly called for the deployment of marine police and men of the Nigerian Navy for a routine water patrol to curb pirate attacks on boat drivers and sea travellers.

Safety officer of BMTA, Mr Donatus Kingsley, said most drivers and passengers are scared of plying Bonny route due to pirates activities, as

boats are attacked by pirates almost on a daily basis with passengers dispossessed of their valuables.

Donatus also called on the security agents to beef up security on water routes ahead of 2019 general election to enable eligible voters to travel and exercise their franchise.

He appealed to companies and residents of waterfronts in the state to desist from dumping their wastes into the river as such causes pollution, saying that most marine accident were caused by industrial and inorganic wastes dumped into the river.

According to him, "In a space of two months, July and August 2018, five separate attacks have taken place along Bonny waterways.

"The police and Navy should intensify security patrol along the routes because the lives of boat operators and passengers at the route are in danger."

## 25 NIMASA workers drag management to court over planned demotion

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suit instituted by 25 of the officers involved in the matter. The process has been stalled by legal issues and until these issues are resolved, we cannot do anything" he stated.

The issue of staff demotion at NIMASA was a source of controversy last year, with the Ijaw Youth Council, IYC, cautioning the management of the agency against "the continuous persecution, discrimination, as well as sack and demotion threats of employees of Niger Delta origin" at the agency.

The group noted then that since President Muhammadu Buhari assumed office, Niger Delta people who were recruited at NIMASA during President Goodluck Jonathan's administration and while Patrick Akpobolakaemi was Director General of the agency, have been under constant threat of sack and discriminatory

treatment.

It said, in a statement, that since the Niger Delta people were equally Nigerians, they should be given equal access of employment and decent work in national institutions like NIMASA.

The statement also disclosed that the NIMASA board was putting pressure on the Director General, Dakuku Peterside, to sack and demote in spite of a directive by the Senate Committee on maritime matters to stop the action.

It was unclear whether the current action is related to that of last year allegedly targeted at Niger Delta indigenes.

Attempts to reach the Head, Corporate Communications of NIMASA, Mr. Isichei Osangbi, to clarify this was unsuccessful as several calls to his telephone line was unanswered until out time of going to press.



## Community

## Total to spend N40m on soap factory in Akwa Ibom

Lagos -- Total Exploration and Production, Port Harcourt, will be spending N40 million in the establishment of a soap factory in Ekpene Ukim in Uruan Local Government Area of Akwa Ibom.

Deputy Managing Director of the company, Francois Le-Cocq, made this known at the inauguration of the project in Uruan, saying the project was part of its corporate social responsibility.

According to him, the project, which will 48 direct jobs and

100 indirect jobs on completion, is part of the company's contribution at boosting the industrial base of the state. It will boost the economy of the state and support the growth of entrepreneurs in the affected community, he added.

Le Cocq, who was represented by the Senior Adviser on Community Affairs, Marshal Ukoh, said: "This project is estimated to cost about N40 million and has the potential of creating 48 direct and 100 indirect jobs within the

communities," he said.

"We have done this because we believe that it will go a long way to engineer the further development of the local economy in a sustainable manner," he stated, advising the community to provide an enabling and conducive environment for the contractors handling the project.

He assured that Total "will continue to work towards the creation and support for small and medium sized self-sustaining business opportunities in our local communities, as they are the



● Soap factory

bedrock for the future growth," he said.

Manager, Business and Enterprise Development of the company, Philip Desrach,

said the soap plant was part of efforts by the company to empower people of the area.

## Chevron urged to recruit 151 of trainees in Egbema, Gbaramatu

LUCKY OMAS

Warri -- Chevron Nigeria Limited has been urged to recruit 151 trainees of its VTPS 5 and 6 from Egbema and

Gbaramatu areas of Warri North and Warri south local governments in Delta State.

Speaking during the inauguration of the new executive council for KOMBOT

Egbema and Gbaramatu Graduate Association in Warri, outgoing president of the body, Mr. Moses Yabrade, said the 151 trainees who graduated from their programme five years ago, were facing hardship.

He pleaded that the oil giant should engage them as staff, adding that the delay in doing that was already causing tension in the communities.

"Chevron should do the

needful. Convert the trainees since they have completed their training programmes. There is already tension, and the oil giant can douse the tension with the right step because nobody is happy," he said.

The new president of the body, Mr. Humphrey Joseph, said he would continue to champion the interest of members of the association.

Chairman of the event, Mr.

Jude Ebitimi, and the guest lecturer, Mr. Joel Ebikena, who spoke on 'Marginalisation: Hostility of government and oil prospecting companies to host communities in Egbema, Gbaramatu kingdoms', said the oil communities should always act within the law to resist the ugly trend.



● Engineering trainees

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