

Abuja -- Nigeria earned N422.1 billion from the petroleum industry in October 2018, according to data released by the Central Bank of Nigeria, CBN.

The CBN, in its Economic Report for October 2018, disclosed that oil revenue in the month under review dipped by 11.5 per cent from N477.1 billion recorded in September 2018

Nigeria earns N422bn from oil, gas in one month

and a 6.3 per cent improvement compared to N398.1 billion in October 2017.

According to the report, oil receipts, at N422.13 billion or 61.9 per cent of total revenue, was below the monthly budget estimate of N640.21 billion by

34.1 per cent.

"The shortfall in oil revenue relative to the monthly budget estimate was attributed to the drop in the average price of crude oil and declining production arising from the shutdown of some pipelines,"

the CBN noted.

Giving a breakdown of the oil revenue component for October 2018, the report disclosed that the country earned N11.6 billion from crude oil and gas exports; N305 billion from Petroleum Profit Tax and Royalties; while domestic crude oil and gas sales fetched the country

N103.8 billion and N1.7 billion was recorded from other oil revenues.

In general, the report stated that gross federally-collected revenue at N682.06 billion in October 2018, was below the 2018 monthly budget estimate of N1.107 trillion and the N831.45 billion collected in the

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A Review Of The Nigerian Energy Industry

WEEKLY



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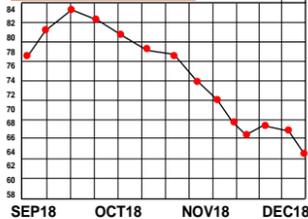
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UPDATES

WEEKLY BASKET PRICE

DEC21	59.84
DEC-14	58.05
DEC-07	59.95
NOV-30	58.80
NOV-23	62.83
NOV-16	66.52
NOV-09	70.51
NOV-02	74.16
OCT-26	76.37
OCT-19	78.85
OCT-12	81.43
OCT-05	83.17
SEP-28	80.64

Daily | Weekly | Monthly | Yearly **53.92U\$**



Foreign investment drops to \$7.7m, as investors shun Nigerian oil industry



● Oil rig

The report also revealed that the value of foreign investment inflow into the oil and gas industry in the third quarter 2018 was the lowest recorded since the first quarter of 2016.

Specifically, in the first, second, third and fourth quarters of 2016, \$20.83 million, \$200.39 million, \$171.63 million and \$327.30 million foreign capital flowed into the oil and gas industry respectively, while \$101.08 million, \$190.39 million, \$16.07 million and \$23.83 million flowed into the oil industry in the first, second, third and fourth quarters of 2017 respectively.

In 2018, first quarter foreign capital inflow was the highest with \$85.62 million, dropping by 70.98 per cent to \$24.85 million the second quarter of 2018; while it dropped further by 68.9 per cent to \$7.73 million in the third quarter of 2018.

The NBS disclosed that the total value of capital importation into Nigeria in the third quarter of 2018, stood at \$2.855 billion, dropping by 48.21 per cent compared to \$5.5 billion recorded in the second quarter of 2018 and a 31.12 per cent decrease compared \$4.14 billion recorded in the third quarter of

Navy to consolidate maritime patrol to flush out oil thieves -CNS

LUCKY OMAS

Warri, Delta State -- The Chief of Naval Staff, CNS, Vice Admiral Ibok-Ete Ibas, has said the Navy will consolidate on its maritime patrol to sustain its success against oil theft and related crimes on Nigeria's waterways.

Speaking through the Flag Officer Commanding, Central Naval Command, FOC, Rear Admiral Suleiman Garba, at the 2018 ceremonial sunset in Warri, Delta State, the CNS said the navy will continue to maintain greater presence on the maritime ways to crush illegalities on the waterways.

"In the last few months, we have reactivated our operations. We have maintained 100 per cent presence at sea. We have a permanent presence in our maritime domain. We have not

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IKE AMOS

Abuja -- Investors' apathy trailed the Nigerian petroleum industry in the third quarter of 2018, as foreign capital inflow in the industry dipped by 68.9 per cent to \$7.73 million, compared to \$24.85 million recorded in the second

quarter of the year.

According to data obtained from the National Bureau of Statistics, NBS', Foreign Trade Statistics for third quarter 2018, the value of foreign capital inflow into the petroleum industry in the third quarter of 2018 was 51.9 per cent lower

than the \$16.07 million in the third quarter of 2017.

The NBS report further stated that foreign capital inflow into the petroleum industry in the third quarter of 2018 accounted for 0.27 per cent of total foreign investment inflow into the Nigerian economy in the quarter under review.

NPDC achieved 165,000b/d production in 2018, says Baru

MICHAEL JAMES

Abuja -- The Nigerian Petroleum Development Company, NPDC - the Nigerian National Petroleum Corporation, NNPC, upstream arm - achieved 165,000 barrels per day, b/d, production in 2018, according to NNPC Group Managing Director, Dr. Maikanti Baru.

Baru, who disclosed this in a message to staff of the NNPC, explained that the average production from NPDC's operated assets alone grew from an average of 108,000 of oil per day in 2017 to 165,000b/d in 2018.

Describing the feat as the

strongest production growth within the oil industry in recent times, he added that it was worth being celebrated.

The NNPC boss said NPDC's equity production share which stands at 172,000b/d, representing about eight per cent of national daily production, was no less impressive.

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Deep petroleum industry reforms set Angola on growth path in 2019

Luanda, Angola -- Angola's deep oil and gas industry reforms are set to put the country on the path of growth this year.

The reforms span from changes in tax law to changes in concession contracts and the opening of marginal fields to African independents.

Key measures include the formation of upstream and downstream taskforces, the privatisation of some Sonangol subsidiaries, and the creation of a new regulator to manage concessions.

The measures are already attracting interest from investors and establishing confidence in the administration.

Angola's economy is set for

recovery in 2019, in large part due to a series of regulatory reforms opening the country to new investment.

Since entering office in 2017, President João Lourenço has focused on cleaning up corruption and implementing aggressive reforms to transform the oil and gas sector and the economy.

The reforms, which span from deep changes in tax law to changes in concession contracts and the opening of marginal fields to African independents, have hit the books just as the oil price is stabilising, and Angola is already attracting new interest from investors.



● Dr. Barkindo

● Oil rig



Gas

Shell targets 300mmscf of gas for domestic market

Lagos -- The Shell Petroleum Development Company of Nigeria Limited, SPDC, says its Assa North Gas Development Project will at peak production, churn out 300 million standard cubic feet of gas per day.

Shell recently announced Final Investment Decision, FID, on the project located in Imo State.

The company said the Assa North Gas Development Project is a major momentum to the domestic gas aspiration of the Nigerian government for increased power generation and industrialisation.

It stated that gas from the project would be treated at SPDC joint venture's gas processing facility and distributed through the Obiafu-Obrikom-Oben pipeline network.

The Managing Director of SPDC and Country Chair, Shell Companies in Nigeria, Mr. Osagie Okunbor, who disclosed this, noted that the project would be a major game-changer in Nigeria's quest for energy sufficiency and economic growth. "This is good news for the SPDC JV and Nigeria as we look to grow the domestic market and optimise our onshore footprints."

Okunbor said: "The project is key to driving the Federal Government of Nigeria's ambition of marching away from a mono-economy through diverse industrial growth. It is premier amongst the Seven Critical Gas Projects initiative led by the Ministry of Petroleum and the Nigerian National Petroleum Corporation (NNPC). Their integrated focus, support and drive were instrumental to this investment decision."

Okunbor added that the SPDC JV would continue to explore other areas of support for the expansion of domestic gas supply and continue to make investments under the right conditions.

SPDC's Director and General

Manager Projects, Mr. Toyin Olagunju, said the Assa North project would be a significant contribution to GDP growth in Imo State and across Nigeria, as

the gas produced will be utilised in-country across diverse industries while providing economic opportunities for local communities.

Power



Provision of steady electricity, not rocket science -Gov. Udom

MKPOIKANA UDOMA

Port Harcourt -- Akwa Ibom State governor, Udom Emmanuel, says the provision of steady electricity to the people is not rocket science, and can be achieved through strategic planning.

To this end, the governor has announced plans to launch an electricity-for-all initiative this new year, which would ensure power supply reaches every nook and cranny of the state.

Speaking at the 2018 Christmas Carol night in Uyo, Governor Udom said for three and half years since his administration came on board, the state has remained the most peaceful in the country, attracting foreign investors and becoming a tourist destination of choice.

He also stated that work was going on steadily on the Ibom Deep Seaport, in addition to numerous road projects across the state.

According to him, "Three and half years ago, when we

came in, Uyo and most of the rural communities were covered in darkness and we felt that was an unacceptable situation.

"Through our investments by way of upgrading of the substations, today, electricity has improved significantly across the State and by the New Year, we hope to launch our 'electricity for all initiative'".

"I have always maintained that the provision of steady electricity is not rocket science, all it takes is strategic planning, and this, we have done and we intend to do more in the years to come."

The governor further disclosed that the central plank of his administration is industrialisation and he was determined to make the State an industrial hub within the region.

He further announced that his administration is planning to launch a state-owned airline, Ibom Air, to lessen the problems currently being encountered by numerous air travellers to the state.

Foreign investment drops to \$7.7m, as investors shun Nigerian oil industry

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2017.

The report said: "The largest amount of capital importation by type was received through Portfolio investment, which accounted for 60.5 per cent (\$1.723 billion) of total capital importation, followed by Other Investment, which accounted for 21.07 per cent (\$601.53 million) of total capital, and then Foreign Direct Investment, which accounted for 18.58 per cent (\$530.63 million) of total capital imported in the third quarter.

"By sector, capital importation as shares, which is closely related to equity investment (FDI and Portfolio Investment) dominated the third quarter of 2018 reaching \$1.67 billion of the total capital importation in the quarter."

Minister of State for Petroleum Resources, Mr. Ibe Kachikwu, had during the presentation of the petroleum industry scorecard from 2016 to 2018, noted that investments were lacking in the petroleum industry.

According to him, the Federal Government had been working on rebuilding the country's four refineries that are owned by the NNPC, adding that the NNPC had struggled to find the financiers, now financiers have finally been found, but to agree on the terms had been difficult.

Nigeria earns N422bn from oil, gas in one month

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preceding month by 38.4 per cent and 18.0 per cent, respectively.

It attributed the shortfall, relative to the monthly budget estimate, to lower revenue from both oil and non-oil sources.

The report further put Nigeria's crude oil production, including condensates and natural gas liquids, at 1.88 million barrels per day or 58.3 million barrels, mb, in the month under review.

According to the report, this indicated a decrease of 0.03 million barrels per day, mbd, or 1.6 per cent, compared with 1.85 mbd or 57.4 million barrels produced in the preceding month.

The report stated that crude oil export was estimated at 1.43 mbd or 44.3 mb, representing an increase of 2.1 per cent, compared with 1.40 million barrels per day recorded in the preceding month.

The CBN attributed the increase in crude oil export to the gains from sustained partnership between government and stakeholders in the oil producing region and security measures put in place to forestall production disruptions and losses through pipelines vandalism.



● Electricity pylons



● -Gov. Udom



Kaduna Electric pledges uninterrupted power in 2019

Kaduna -- The Kaduna Electricity Distribution Company has assured its customers of uninterrupted power supply in the new year.

The company made the pledge in a statement thanking the customers for their continued support and co-operation.

"As we usher in the new year 2019, the board, management and staff of Kaduna Electric wishes its esteemed customers a prosperous and rewarding

year.

"We would like to use this auspicious occasion to thank all our loyal customers for their steadfastness in settling their electricity bills promptly which has helped us in no small measure in enhancing our operations and efficient service delivery efforts.

"We reiterate our commitment to redouble our efforts in the new year to ensure that we maintain the steady power supply being currently enjoyed in various neighbourhoods in our

franchise states," the statement read.

While counting on the unwavering support of the customers, the company called on them to settle their outstanding debts and avoid indulging in energy theft and meter bypass.

It said they should stop the acts of sabotage and work with it to deliver uninterrupted power supply to all. "It is not rocket science. Working together, we believe we can do it," the company stated.



● Kaduna electricity



Finance

Tax revenue up 22 percent since 2017 - JTB

Lagos -- About 22 percent growth in tax revenue has been recorded in both state revenue services and the Federal Inland Revenue Service, FIRS, when compared to 2017, Mr Oseni Elamah, Executive Secretary, Joint Tax Board, JTB, has revealed.

Mr. Elamah stated this as he also disclosed that the ongoing database consolidation of the Joint Tax Board has seen Nigeria's data base of tax payers expanding from 20 million to 35 million.

He said in Abuja that database consolidation of JTB was an initiative being executed in

collaboration with the Nigeria Inter Bank Settlement System, NIBSS.

According to him, the figure of the taxpayers comprised both individuals and corporate bodies, and would mean quite a lot when translated to actual taxes that were collected in naira and kobo.

"At the moment, we are trying to break them into classes of taxpayers and various jurisdictions where they reside, state by state.

"Hopefully, by first week of January 2019, this information will be communicated to all the states and then we will ask

them to file their reports for tax assessment and it is then, we will tell Nigerians, how many are teachers, artisans, entertainers among others," he said.

He stated that with the advent of the Tax Identification Number, TIN, and Bank Verification Number, BVN, the tax authorities were currently tackling incomes of taxpayers and ensuring they paid their taxes as at when due.

He assured that the board would create more awareness in increase in voluntary compliance and also enhance the capacity of workers to be tax professionals.

Labour



Buhari commends NUPENG over uninterrupted fuel supply

Lagos -- President Muhammadu Buhari has commended the leadership of the National Union of Petroleum and Natural Gas Workers, NUPENG, for ensuring uninterrupted flow of petroleum products in all parts of the country.

President Buhari made the commendation while receiving NUPENG's national president, Mr Williams Apkoreha, and his team at the Presidential Villa, Abuja.

"No doubt, your support has contributed to the continued uninterrupted supply of products to consumers across the country in the last three years.

"May I, therefore, use this opportunity to request that you continue on this patriotic path while assuring you of government's support to the course of the Nigerian workers at all times," he told the NUPENG team.

President Buhari also used the opportunity to express his belief that the petroleum

industry should be reformed, saying this should be done in the best interest of Nigeria and Nigerians.

But, he maintained that such reforms should not be rushed.

"I fully agree with you that reforming the Petroleum Industry will unlock numerous untapped potentials for the nation. However, these reforms must be well thought out and must have the best interest of Nigeria

NPDC achieved 165,000b/d production in 2018, says Baru

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He said the NPDC performance was the outcomes of initiatives put in place by his management team, which, according to him, included the Asset Management Team, AMT, structure; Strategic Financing, Units Autonomy, and security architecture framework.

Baru promised that NNPC would stick to the repayment agreement with its joint venture, JV, partners while transitioning to self-funding IJV modes with the partners.

He stated that tiding up cash call issues have led to increased commitment and enthusiasm to invest in the Nigerian oil and gas industry even as it has also boosted NNPC's credit profile internationally.

Baru listed other milestones achieved by his team in the upstream sector to include reduction in contracting cycle for upstream operations to nine months from an average of 24, even as the corporation targets a six months cycle; lowering of production cost from \$27/barrel to \$22/barrel; and improving on the security situation in the Niger Delta through constructive engagement and dialogue with relevant stakeholders.

Navy to consolidate maritime patrol to flush out oil thieves - CNS

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left room for crude oil thieves. They say "Control is patrol and patrol is control. So we will ensure our consistent patrol to enable control of the maritime domain", he said.

"The command has ensured the improved use of marine domain awareness facilities in monitoring illegal activities as well as a sustained presence at sea, creeks, and waterways.

We have sustained anti crude oil operations which have led to the destruction of countless illegal refineries as well as the arrest of persons and vessels of interests. In addition, the Command has sustained the Chokepoints regime which serves as a force multiplier in support of our operation", he added.

The naval chief explained that the ceremonial sunset is an annual programme of the Royal Navy to celebrate its success and activities for the year.



● Fuel tankers at NNPC depot

and Nigerians as its core objective.

"Such reforms cannot and must not be rushed, if we must get it right," he said.

The president added: We are still suffering from the effects of

many legacy policies that were rushed and passed without fully appreciating the consequences the provisions embedded in them.



Mining sector generates least VAT in H1 2018

OPEOLUWANI AKINTAYO

Lagos -- The National Bureau of Statistics, NBS, has indicated that the Nigerian mining sector generated the lowest amount of Value Added Tax, VAT, among the various sectors of the economy in the first half of last year.

According to data from the bureau, mining generated N52.70 million as VAT during the period, and was closely followed by the pharmaceutical, soaps and toiletries sector.

The textile and automobiles

and assemblies sectors accounted for N177.34 million and N265.35 million, respectively.

The NBS figures also indicated that a total N273.50 billion was generated as VAT by the nation in third quarter of the year as against N266.73 billion generated in the second quarter and N269.79 billion that came in, in the first quarter.

The third quarter earnings represented 2.54 percent increase quarter-on-quarter and 9.16 percent increase year-on-

year.

Other manufacturing generated the highest amount of VAT with N31.48 billion, closely followed by professional services and commercial and trading, which generated N25.57 billion and N15.99 billion, respectively.

Out of the total amount generated in the third quarter 2018, N128.62 billion came in as non-import VAT locally, while N58.84 billion was generated as non-import VAT for foreign.



● Mining site

Customs' Federal Operations Unit generates N5.1bn from prohibited items



● Customs

VINCENT TORITSEJU

Lagos -- The Federal Operations Unit, FOU, Zone A of the Nigeria Customs Service, NCS, has evaluated its four-

month performance, revealing that it realised a total of N5.1 billion from prohibited items seized within the four-month period.

Comptroller of the zone,

Mohammed Aliyu, recently at a media briefing, said the performance was a result of aggressive enforcement of the Federal Government policy across the border commands.

Comptroller Aliyu restated that his unit expected total compliance with all clearance procedures and extant laws from stakeholders and that many who chose to abuse these procedures would always fall victims to the FOU sanctions.

Records from August 17 to December 10, 2018, showed that 24 units of vehicles and 34 exotic vehicles were seized within this period.

AMATO decries poor effort to solve Apapa traffic gridlock

Lagos -- The Association of Maritime Truck Owners, AMATO, has disclosed that no amount of regulation will solve the current traffic gridlock in Apapa and its environs.

Its president, Chief Remi Ogungbemi, stated this on the sidelines of the press conference by the Nigeria Customs Services in Lagos, maintaining that it was only an automated system of truck call that could bring about a final solution to the perennial traffic problem.

The president said the present call system was not working because of human interference, stressing: "No amount of regulation can bring sanity to Apapa, even if the necessary infrastructures are in place.

"Automation is the answer to the Apapa gridlock. 25 percent of trucks operating in Lagos have their park, but, they do not know when to come to the port.

"Automation will regulate the movement of trucks. The present call-up system is not working because of human interference."

MOSOP says oil firms behind Ogoni leadership crisis

MKPOIKANA UDOMA

Port Harcourt -- The Movement for the Survival of Ogoni People, MOSOP, has said oil firms with interest in the resumption of oil exploration in the Oil Mining Lease, OML, 11 in Ogoniland were responsible for the leadership tussle rocking the

main Ogoni group.

President of MOSOP, Mr Legborsi Pyagbara, stated this while briefing newsmen on the 27th anniversary of Ogoni Day in Port Harcourt.

Although Pyagbara did not mention the said oil firms, companies with renewed interest in OML11 include

Belemaoil Producing Limited, RoboMichael Limited, Nigerian Petroleum Development Company, NPDC, and the Shell Petroleum Development Company of Nigeria, SPDC.

The MOSOP leader explained that apart from the issue of oil resumption

activities in Ogoniland, the commencement of Ogoni clean-up exercise was also a factor in the crises tearing the Ogoni group apart.

He said: "Yes, it is true that the some companies with interest in Ogoni oil and resumption of oil exploration in Ogoniland are behind the crisis in MOSOP.

"Our position is that before crude

oil exploration resumes in Ogoniland, three cardinal conditions must be met in line with global best practices, as it is obtainable in other countries of the world where crude oil exploration is taking place.

"These conditions are, community participation in the oil extractive sector, community

benefit/equity sharing agreement with the operating companies, and environmental management plan for Ogoni communities, because oil and gas production compromises the air quality, water quality and soil integrity.

Hostcon offers to secure oil facilities in Niger Delta

LUCKY OMAS

Warri, Delta State -- Host communities of Nigeria's oil and gas exploration and production, HOSTCON, has offered to assist in securing oil facilities in the Niger Delta, appealing to President Muhammadu Buhari to consider its security company in the proposed community pipeline policing programme.

National Director, Media and Publicity of HOSTCON, Chief Monday Whiskey, said at the end

of a meeting of the body in Warri, Delta State, that they also wanted President Buhari to prevail on the Ministry of Petroleum Resources to release the levy for gas flare penalties to oil-bearing communities.

"The meeting resolved and appealed fervently to President Muhammadu Buhari to ensure that HOSTCON security company is given adequate recognition in the proposed community pipeline policing initiative, as HOSTCON promised

to use her goodwill and grassroots contact to ensure adequate and effective policing of the vast pipelines within our communities," he said.

Whiskey stated that the meeting resolved that President Muhammadu

Buhari's intention to ensure that 13% derivation fund for oil producing areas "be made available to the people of the oil and gas bearing constituents is one of the most outstanding decisions that this government has taken as its affect the social economic and infrastructural.

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Freight

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