



Major Oil Marketers
Association of Nigeria

NEWSLETTER

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THE WEEKLY POST

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MOMAN is an acronym for Major Oil Marketers Association of Nigeria. It consists of 6 member companies.

PRIVATE SECTOR DOWNSTREAM POSITION PAPER ON THE PROPOSED REVIEW OF THE NIGERIAN LABOUR ACT

Adaeze Nwakoby; OVH Energy/Chairperson, MOMAN Legal & Government Policy Committee



Introduction

The House of Representatives is currently considering some amendments to the Nigerian Labour Act, Cap L1 LFN 2004 (“the amendment bill”). The amendment bill which has passed through the second reading at the House of Representatives largely seeks to abolish:

- a) Casualization of workers in Nigeria; and
- b) Labour outsourcing

Downstream businesses understand that the Ministry of Labour is currently reviewing all major Nigerian Labour Legislation including the Labour Act with the intent to repeal the current Labour Act and with a focus on prohibition of labour outsourcing.

Issues Arising

Downstream companies are very concerned about the far-reaching negative implication the amendment bill portends for the Oil and Gas sector including:

- Hardship on businesses who already ensure workplace benefits are in place for contract/outsourced staff, extended to them by labour contractors e.g. leave, HMO services, pensions etc., as similarly applicable to their permanent staff.
- Possible increased redundancy in the sector as companies will be forced to cut down on external labour engagements.
- Absence of regularization provisions in the amendment bill as opposed to immediate imposition of penalty upon default by an employer.

The downstream private sector seeks the non-passage of the amendment bill based on the subsisting provisions of the Federal Ministry of Labour Guidelines on Contract Staffing/Outsourcing in the Oil and Gas Industry and the position of the International Labour Organization on Labour outsourcing. Below is a summary of downstream businesses position on the amendment bill and proposed suggestions.

PRIVATE SECTOR DOWNSTREAM POSITION	SUGGESTIONS
<p>1. Existing Guidelines on Contract Staffing/Outsourcing in the Oil and Gas Industry</p> <p>The Federal Ministry of Labour Guidelines on Contract Staffing/Outsourcing in the Oil and Gas Industry (“the guidelines”) already contains minimum standards on labour outsourcing in the industry and measures to avoid unfair labour practice. These include:</p> <ul style="list-style-type: none"> a. Restriction on outsourcing to non-core business or short-term projects; b. All jobs in a company’s organogram (organizational chart) must be occupied by permanent employees; c. Priority consideration for contract staff in the event of recruitment; d. Protection of the right to collective bargaining and to be unionized. 	<ul style="list-style-type: none"> a. The guidelines are currently applicable in the oil and gas industry and adequately regulates the practice of labour outsourcing and dealings with contract staff in the oil and gas sector. b. The provisions of the guidelines on labour outsourcing should therefore be taken into consideration in any proposed amendments to the Labour Act. c. The guidelines may also be extended to other industries. d. To ensure more awareness and further compliance, the guidelines should be included/referenced in the Labour Act to give it an additional force of law.
<p>2. Labour outsourcing under the International Labour Organization (ILO).</p> <ul style="list-style-type: none"> a. The ILO does not outlaw labour outsourcing but recognizes it under the Private Employment Agencies Convention, 1997 (No. 181) and places emphasis on the laws of respective member States on labour outsourcing. b. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy also provides that commitments freely entered into, in conformity with the national law and accepted international obligations should be honoured. 	<ul style="list-style-type: none"> a. The focus of the Nigerian Government and the Ministry of Labour should be to improve existing laws for better protection of outsourced workers and not the prohibition or criminalization of labour outsourcing. b. Further to the above, the National Industrial Court currently implies a triangular employment relationship between an employee, a labour contractor and a user enterprise where certain factors are established. The amendment of the Labour Act should therefore codify these factors as done in many countries of the world with clear provisions on the liabilities of a user enterprise: <ul style="list-style-type: none"> - For reference, in Argentina, a user enterprise bears joint liability if it fails in its supervisory obligation to ensure that the labour contractor or subcontractor complies with labour and safety law in respect of its employees; - In South Africa, a person will be deemed to be an employee of a company upon consideration of certain factors including how much control a user enterprise has over the manner in which the person works or if the person is provided with tools of trade or work equipment by the user enterprise. c. The sanctity of employment contracts should be respected and the law should not imply the existence of a contract of employment with a user enterprise in an outsourcing arrangement when the facts do not reveal the existence of any.



Conclusion

In conclusion, the position is that the focus of the law makers should not be to criminalize but to improve on the already existing and globally recognized concept of labour outsourcing to strengthen the Nigerian workforce. This will take into consideration the interests of both user enterprises, labour agencies and workers. Particularly, we recommend the following in summary:

- Any amendments to the Labour Act should spell out the specific circumstances wherein a “user enterprise” will be deemed as a co-employer under the Nigerian legislature.
- The already existing measures put in place in the Guidelines on Contract Staffing/Outsourcing in the Oil and Gas Industry should be considered and incorporated in any amendments to the Labour Act to give it the force of a primary Legislation rather than a guideline under the Act. This can also be extended to other industries.
- Lastly, the penalty provisions in the amendment bill should include a regularization window as opposed to immediate imposition of penalty upon default by an employer.



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Industry WATCH

MACROECONOMIC INDICES

INFLATION

	FEB	MAR	APR	MAY	JUNE
Year on Year % Change	12.20%	12.26%	12.34%	12.40%	12.56%
12 Month % Change	11.54%	11.62%	11.71%	11.79%	11.90%
Month on Month % Change	0.79%	0.84%	1.02%	1.17%	1.21%

CRUDE OIL PRICES

\$/bbl	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16
Brent Crude	43.24	42.72	42.90	43.79	43.37
WTI Crude	40.55	40.10	40.29	41.20	40.75

EQUITIES MARKET UPDATE

SECTOR	JUL 10	JUL 17	WEEKLY CHANGE	WTD	MTD	YTD
NSE 30	1,042.02	1,032.74	-9.28	-0.89%	-1.84%	-12.32%
Consumer Goods	413.75	405.78	-7.97	-1.93%	-8.13%	-31.55%
Oil & Gas	194.89	191.12	-3.77	-1.93%	-2.72%	-27.20%
Banking	283.19	272.10	-11.09	-3.92%	-3.50%	23.75%
Industrial	1,094.31	1,099.97	5.66	0.52%	-0.35%	2.27%
Insurance	125.69	123.33	-2.36	-1.88%	-4.93%	-1.98%



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PPPRA GUIDING PRICE FOR PMS

	FEB - MAR 18	MAR 19 - 31	APR	MAY	JUN	JUL
=N=/Litre	135.00 - 145.00	125.00	123.50 - 125.00	123.50 - 125.00	121.50 - 123.50	140.80 - 143.80

Source: PPPRA
*Year - 2020



FOREX RATES - CBN I/E WINDOW

=N=	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16
USD	384.00-389.00	384.00-389.00	385.00-389.00	385.00-389.00	385.00-389.00

Source: CBN
*Year - 2020



FOREX RATES - CBN INTERBANK RATE

=N=	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16
USD	380.50 / 381.00	380.50 / 381.00	380.50 / 381.00	380.50 / 381.00	380.50 / 381.00

Source: CBN
*Year - 2020



FOREX RATES - PARALLEL MARKET

=N=	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16
USD	460 / 465	460 / 465	460 / 465	460 / 470	461 / 470
GBP	555 / 565	560 / 565	560 / 568	560 / 570	565 / 576
EURO	500 / 506	500 / 510	500 / 510	505 / 515	509 / 515

Source: abokiFX
*Year - 2020



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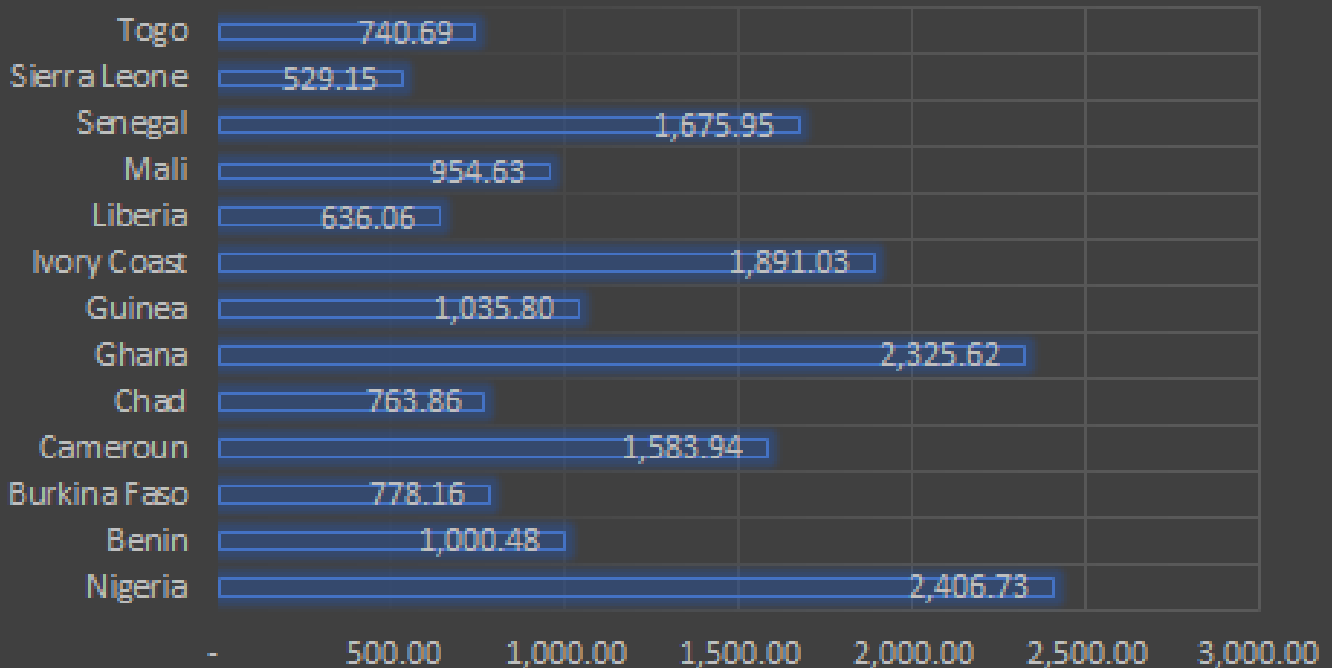
Industry WATCH



WEST AFRICA FOCUS



GDP PER CAPITA (\$)



Source: globalpetrolprices.com
*Year - 2020



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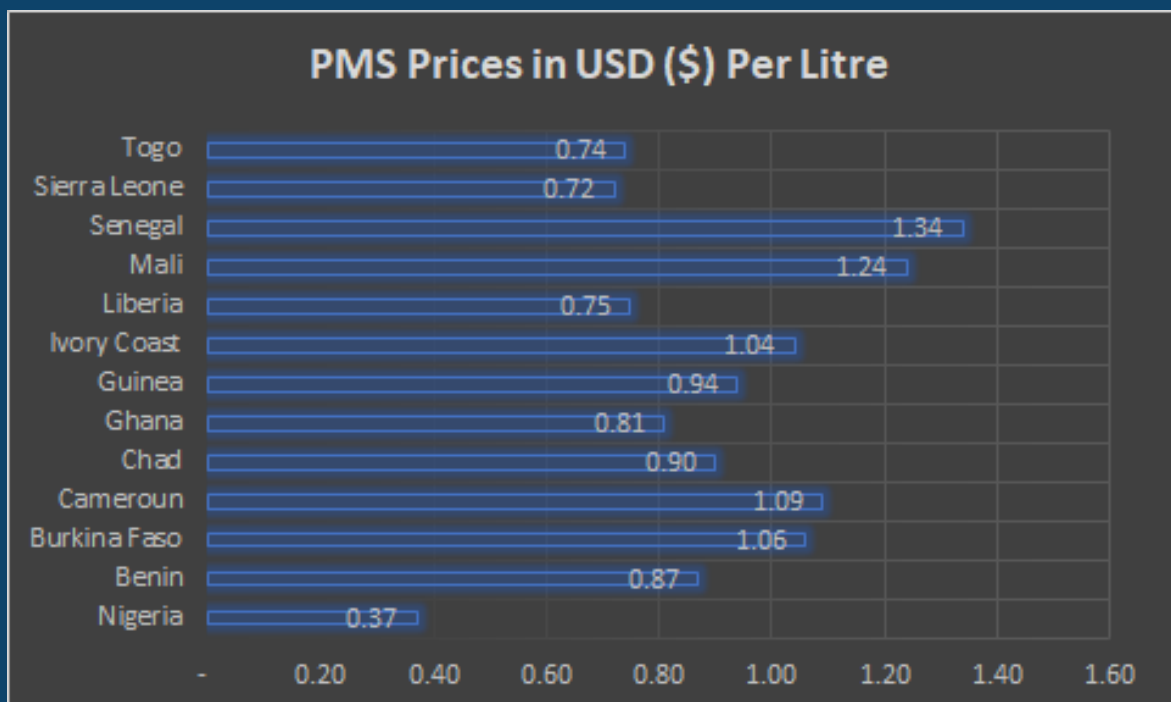
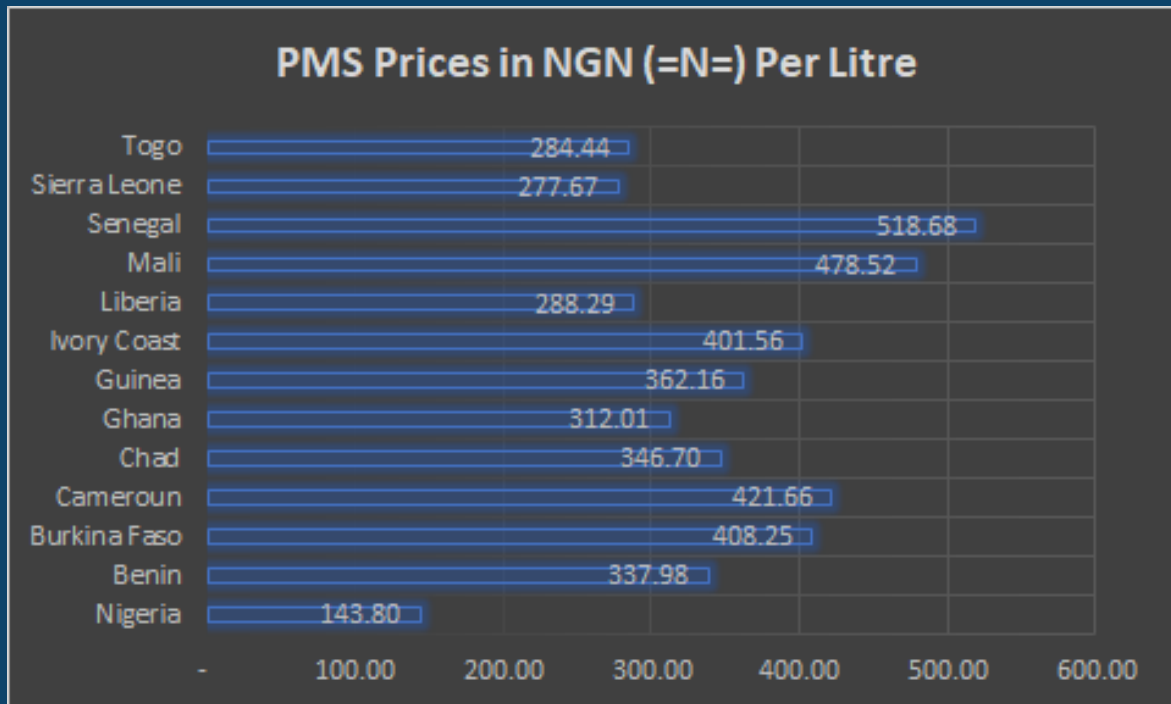
Industry WATCH



GASOLINE PRICES

**Average gasoline prices around the world: =N=377.10 or \$0.97 USD as at 13 July 2020*

WEST AFRICA (PMS)



Source: globalpetrolprices.com
*Year - 2020



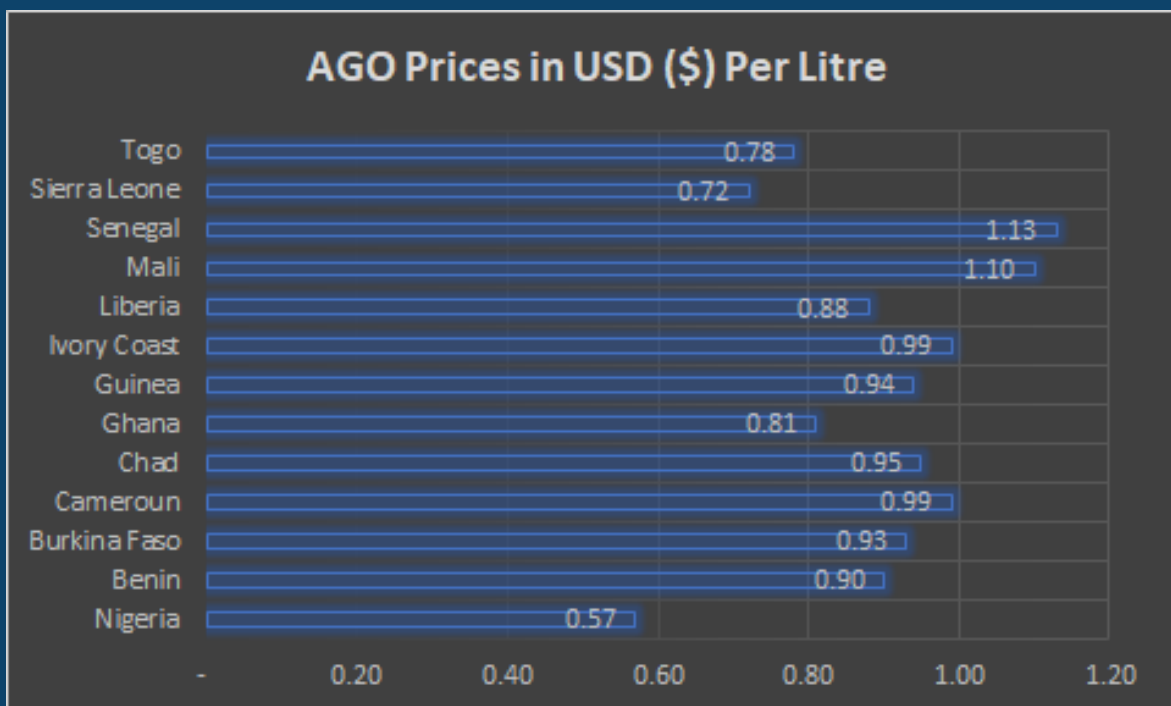
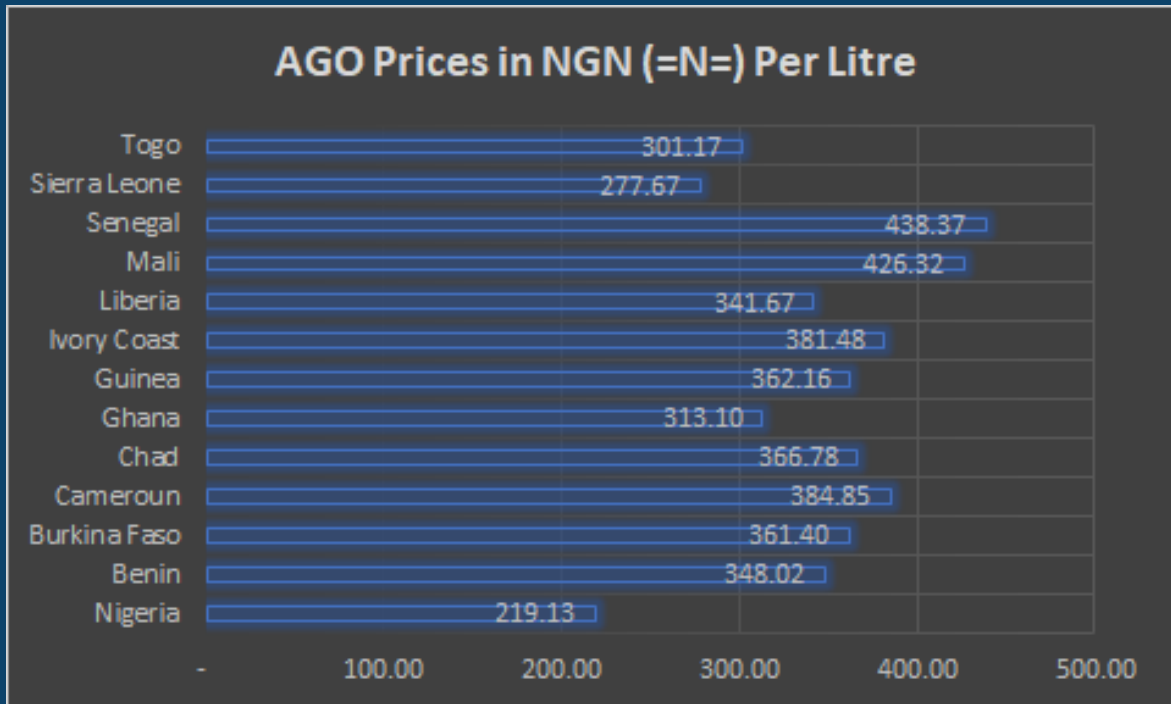
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Industry WATCH



DIESEL PRICES

***Average diesel prices around the world: =N=339.80 or \$0.88 USD as at 13 July 2020
WEST AFRICA (AGO)**



Source: globalpetrolprices.com
*Year - 2020



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Industry WATCH

PLATTS

PMS

\$ (USD)	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16	WEEK AVERAGE	JUNE AVERAGE	MAY AVERAGE
FOB ROTTERDAM	401.750	402.500	394.250	400.000	395.500	398.800	358.580	270.590
FOB MED	395.500	397.250	387.000	394.750	390.000	392.900	359.860	260.550
CIF NWE	423.500	413.250	403.250	408.250	403.750	410.400	373.760	275.130

AGO

\$ (USD)	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16	WEEK AVERAGE	JUNE AVERAGE	MAY AVERAGE
CIF NWE	364.500	363.750	360.250	365.250	361.250	363.000	335.050	260.250

ATK

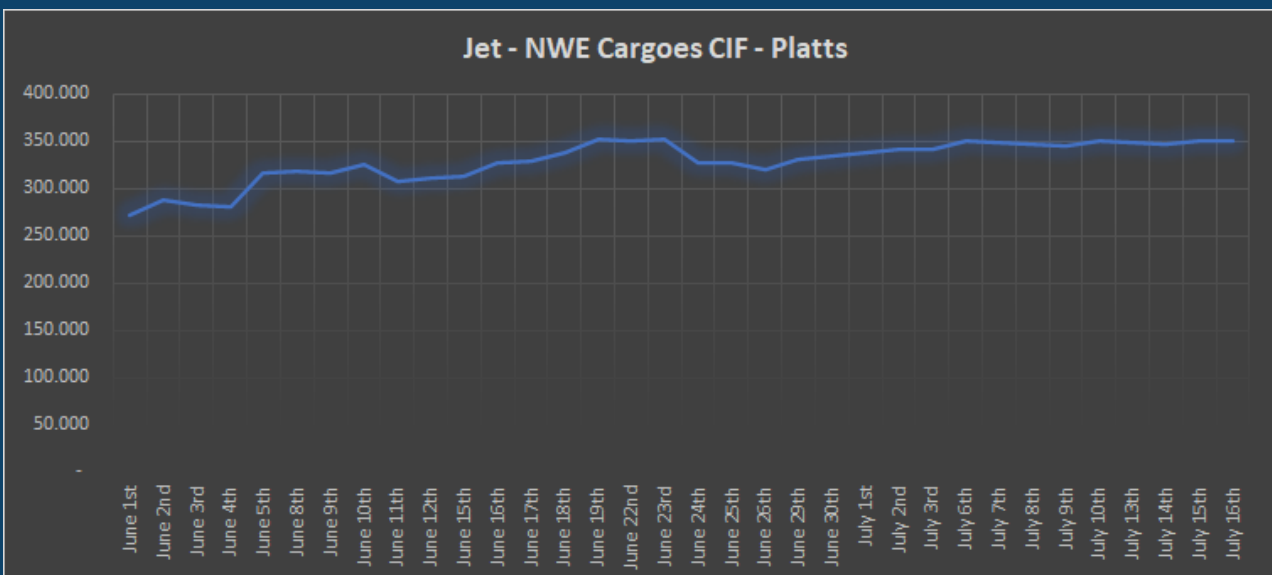
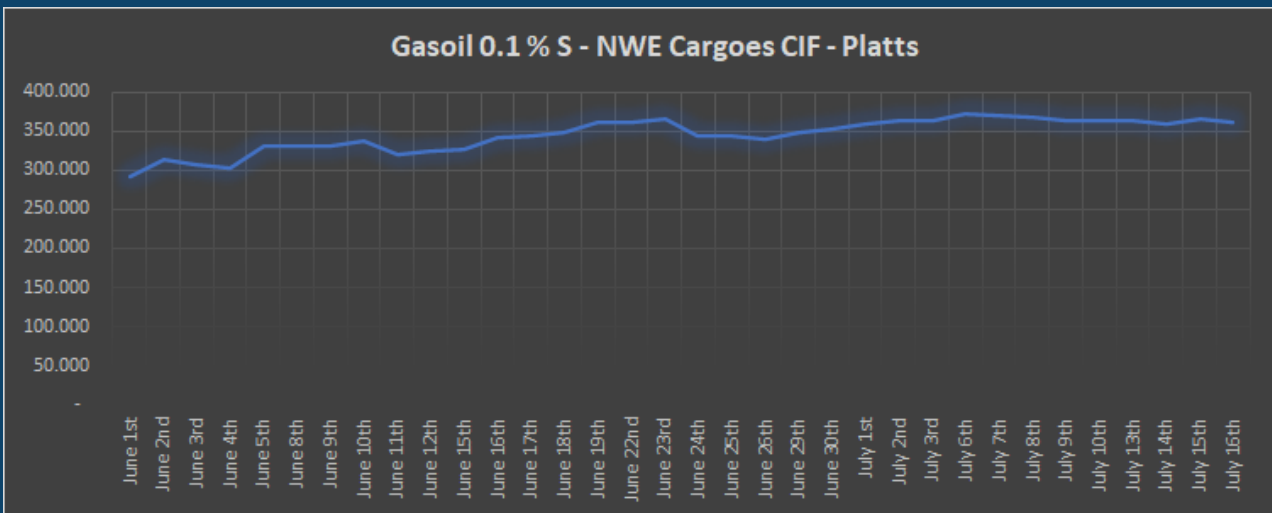
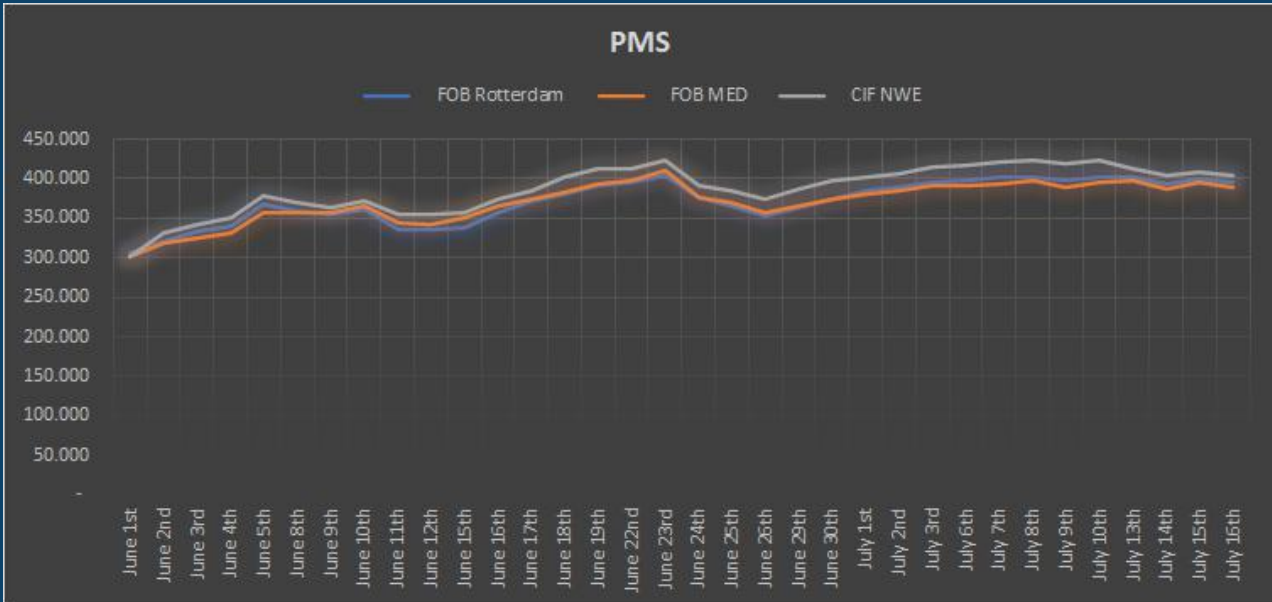
\$ (USD)	JUL 10	JUL 13	JUL 14	JUL 15	JUL 16	WEEK AVERAGE	JUNE AVERAGE	MAY AVERAGE
CIF NWE	349.750	348.250	345.750	350.000	349.750	348.700	318.840	221.030



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Industry WATCH

Source: S & P Global Platts
*Year - 2020





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Industry WATCH

EX-DEPOT PRICES

LAGOS, NIGERIA

=N=/Litre	JUL 3	JUL 10	JUL 17
PMS	130.00-134.00	130.00-133.50	129.00-133.50
AGO	149.00-161.00	157.00-165.00	155.00-162.00

*Year - 2020

PORT-HARCOURT, NIGERIA

=N=/Litre	JUL 3	JUL 10	JUL 17
PMS	133.72	133.50	133.75
AGO	152.00-157.00	158.00	152.00-158.00

*Year - 2020



DELTA, NIGERIA

=N=/Litre	JUL 3	JUL 10	JUL 17
PMS	130.50-133.28	133.00	132.70-134.00
AGO	151.00	160.00-163.00	153.00-159.00

*Year - 2020

CALABAR, NIGERIA

=N=/Litre	JUL 3	JUL 10	JUL 17
PMS	129.50-133.28	132.70-133.50	131.50-132.00
AGO	151.00-153.00	151.00-158.00	151.00-158.00

*Year - 2020



COVID-19 CASE UPDATE

600 NEW CASES CONFIRMED

17th July, 2020

TOTAL CONFIRMED

35454

DISCHARGED

14633

DEATHS

772

NCDC Toll-free Number: 080097000010

Twitter/Facebook: @NCDCgov/ COVID19.NCDC.GOV.NG

Source: NCDC.GOV.NG
July 17, 2020

#StopTheSpread

Better together

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