



Major Oil Marketers
Association of Nigeria

NEWSLETTER

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THE WEEKLY POST

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MOMAN

Update



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REVOCATION OF LICENSES UNDER THE PETROLEUM INDUSTRY ACT

By Akabogu & Associates (info@akabogulaw.com)

Introduction

The Petroleum Industry Act ("PIA") establishes an elaborate licensing regime for downstream gas and petroleum liquid operations. Activities such as bulk storage, transportation as well as sale of petroleum liquids and natural gas can only be validly conducted within the terms of the specific licenses issued in respect of each of these operations. Such licenses are only issued to corporate entities. A failure to abide by the terms of the license or the provisions of the law under which such license was issued may result in its revocation by the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("the Authority"). The revocation of a license portends significant adverse consequences for the affected licensee in that it deprives the licensee of the rights, benefits and value accruable to it by virtue of the license. For this reason, the PIA clearly prescribes the grounds upon which the Authority may exercise its power of revocation.

Grounds for Revocation

A license to engage in any downstream oil and gas operation will be revoked where a licensee fails either to commence activity within the timeframe prescribed in the license or to comply with the applicable laws and regulations governing the terms and conditions of its license. The same applies to a licensee who transfers any interest in its license without obtaining the prior consent of the Authority or who fails to comply with its environmental obligations as required by law or the terms of the license. Bankruptcy, insolvency and dissolution of a licensee also constitute viable grounds for the revocation of a license. In the absence of a force majeure event or any other acceptable justification, a licensee who interrupts its downstream petroleum operations for a period of more than 180 consecutive days is liable to have its license revoked. Where a licensee acquires a license by false representation or in violation of corrupt practices and money laundering laws; or fails to abide by any expert determination, arbitration award or judgment resulting from the dispute resolution provisions in its license or the PIA, its license may be revoked. Furthermore, the PIA proscribes abuse of power by public officials in relation to the issuance of licenses. In this regard, where a licensee is owned wholly or in part, directly or indirectly or is controlled by a former or serving public official or member of the Government, who obtained his interest in the applicable license other than as permitted by applicable law, the said license may be revoked; provided the license was acquired while the public official was in office or was a member of the Government.

Conclusion

It is important to note that none of the aforementioned grounds for revocation entitle the Authority to unilaterally annul licenses without further recourse to relevant provisions of the PIA. While the grounds establish a basis for revocation, they do not automatically result in a revocation. The PIA sets out an important mechanism which the Authority must strictly comply with in order to validly and finally terminate the license of an offending licensee. This mechanism will be discussed in next week's edition of this newsletter.

This opinion is prepared by Akabogu & Associates, a specialist law firm for petroleum, maritime and international trade law in Nigeria. For further information contact Dr. Emeka Akabogu (emeka@akabogulaw.com).



Industry WATCH

MACROECONOMIC INDICES

☒ INFLATION

| | JAN 2021 | FEB 2021 | MAR 2021 | APR 2021 | MAY 2021 | JUN 2021 |
|-------------------------|----------|----------|----------|----------|----------|----------|
| Year on Year % Change | 16.47% | 17.33% | 18.17% | 18.12% | 17.93% | 17.75% |
| 12 Month % Change | 13.62% | 14.05% | 14.55% | 15.04% | 15.50% | 15.93% |
| Month on Month % Change | 1.49% | 1.54% | 1.55% | 0.97% | 0.01% | 1.06% |

| | JUL 2021 | AUG 2021 | SEP 2021 | OCT 2021 | NOV 2021 | DEC 2021 |
|-------------------------|----------|----------|----------|----------|----------|----------|
| Year on Year % Change | 17.38% | 17.01% | 16.63% | 15.99% | 15.40% | 15.63% |
| 12 Month % Change | 16.30% | 16.60% | 16.81% | 16.96% | 16.98% | 16.95% |
| Month on Month % Change | 0.93% | 0.93% | 1.15% | 0.98% | 1.08% | 1.82% |

☒ CRUDE OIL PRICES

| | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 |
|-----------------------|--------|--------|--------|--------|--------|
| Brent Crude (USD/bbl) | 86.48 | 87.51 | 88.44 | 88.38 | 87.89 |
| WTI Crude (USD/bbl) | - | 85.43 | 86.96 | 86.90 | 85.14 |

☒ EQUITIES MARKET UPDATE

| SECTOR | JAN 14 | JAN 21 | WEEKLY CHANGE | WTD | MTD | QTD | YTD |
|----------------|----------|----------|---------------|-------|--------|--------|--------|
| NSE 30 | 1,735.17 | 1,772.92 | 37.75 | 2.18 | 2.94% | 2.94% | 2.94% |
| Consumer Goods | 558.72 | 564.47 | 5.75 | 1.03 | -4.21% | -4.21% | -4.21% |
| Oil & Gas | 360.41 | 379.17 | 18.76 | 5.21 | 9.90% | 9.90% | 9.90% |
| Banking | 412.30 | 419.14 | 6.84 | 1.66 | 3.22% | 3.22% | 3.22% |
| Industrial | 2,086.99 | 2,178.09 | 91.10 | 4.37 | 8.45% | 8.45% | 8.45% |
| Insurance | 193.23 | 192.71 | -0.52 | -0.27 | -2.73% | -2.73% | -2.73% |



Industry WATCH



FOREX RATES - INTERBANK I & E MARKET

| =N= | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 |
|---|---------------|---------------|---------------|---------------|---------------|
| USD | 409.00-415.00 | 412.00-416.00 | 412.00-416.00 | 412.00-416.00 | 412.00-416.00 |
| INTERBANK OFFICIAL CLOSING FX RATE (\$/=N=) | 416.00 | 414.50 | 416.00 | 415.00 | 413.50 |



CLOSING USD / NGN FX RATES

| INTERBANK (CLOSING IND) | BID | OFFER | MARKET CLOSING FX RATE (\$/NGN) |
|----------------------------|--------|--------|------------------------------------|
| JAN 17 | 414.00 | 415.00 | 411.75 |
| JAN 18 | 414.00 | 415.00 | 415.00 |
| JAN 19 | 414.00 | 415.00 | 415.00 |
| JAN 20 | 414.00 | 415.00 | 415.00 |
| JAN 21 | 414.00 | 415.00 | 415.00 |

Source: CBN
*Year - 2022



FOREX RATES - PARALLEL MARKET

| =N= | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 |
|------|--------|--------|--------|--------|--------|
| USD | - | - | - | - | - |
| GBP | - | - | - | - | - |
| EURO | - | - | - | - | - |

Source: ABOKIFX.COM
*Year - 2022



Industry WATCH

WEST AFRICA FOCUS

GDP PER CAPITA (\$)



Source: globalpetrolprices.com

*Year - 2022

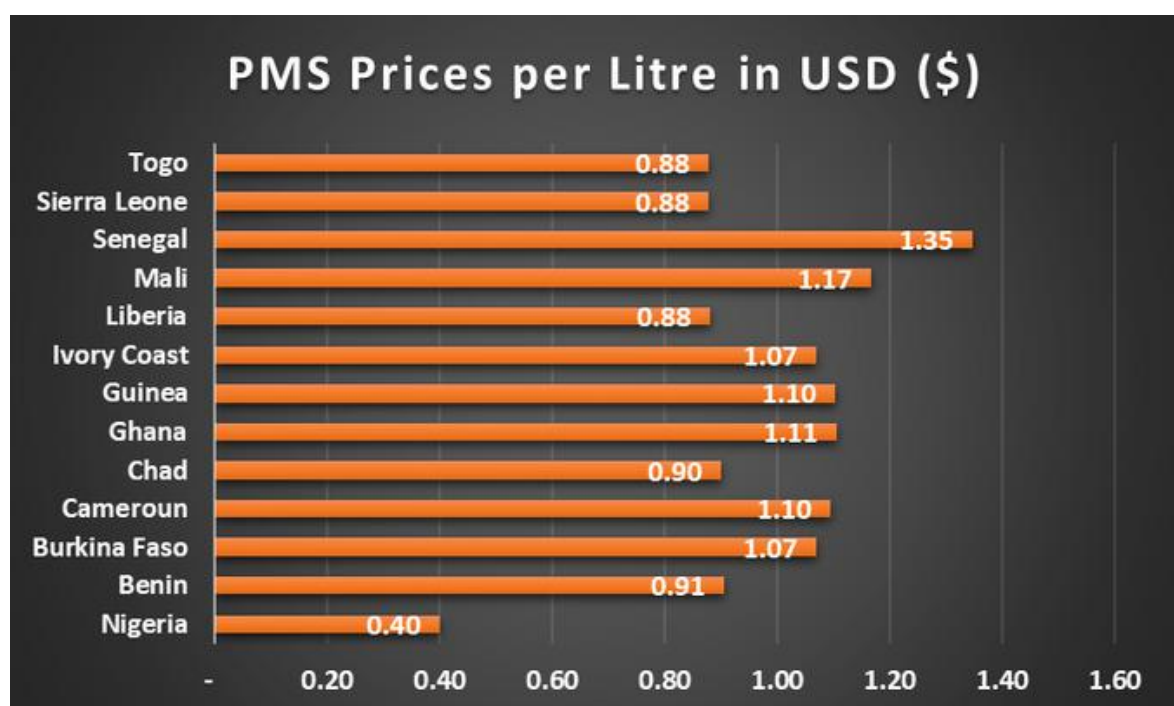
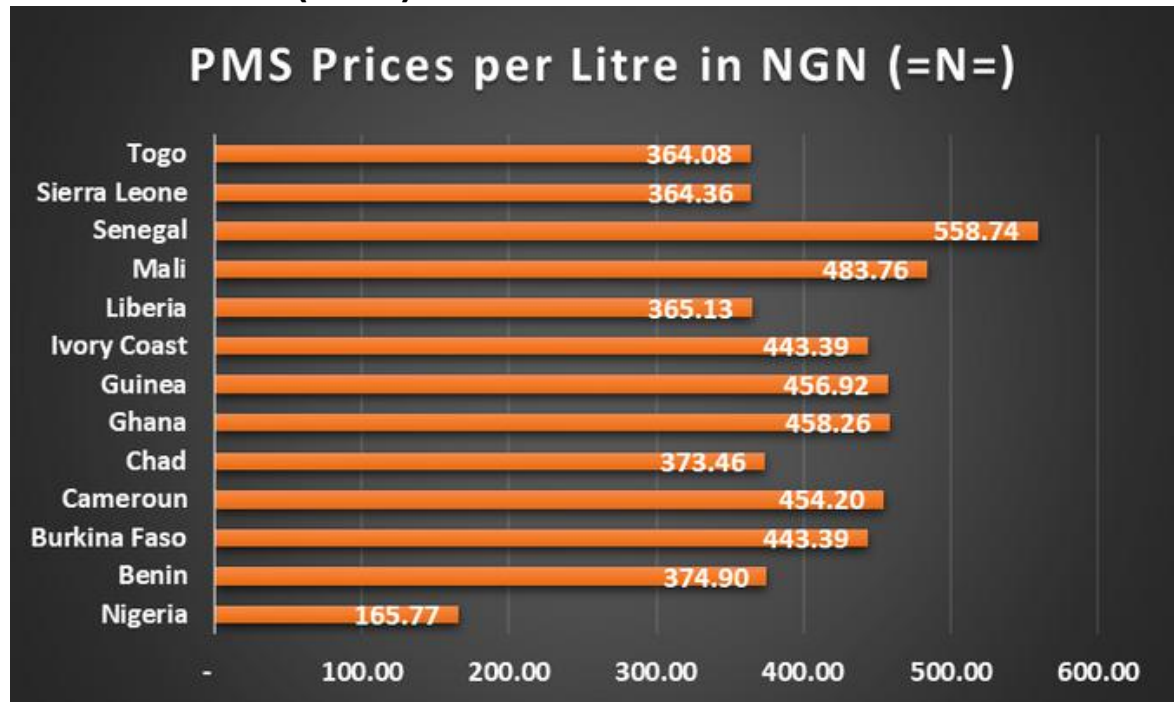


Industry WATCH

✓ GASOLINE PRICES

***Average gasoline prices around the Africa: =N=510.80 or \$1.23 USD as at 17 JAN. 2022**

WEST AFRICA (PMS)



Source: globalpetrolprices.com

*Year - 2022



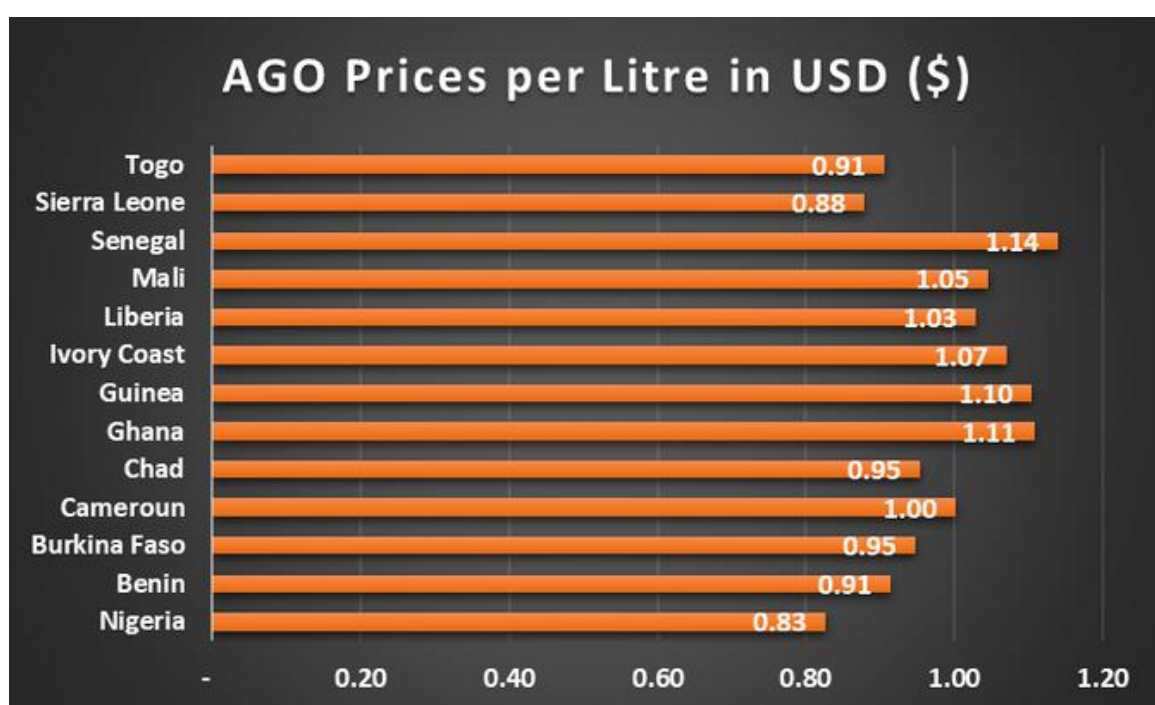
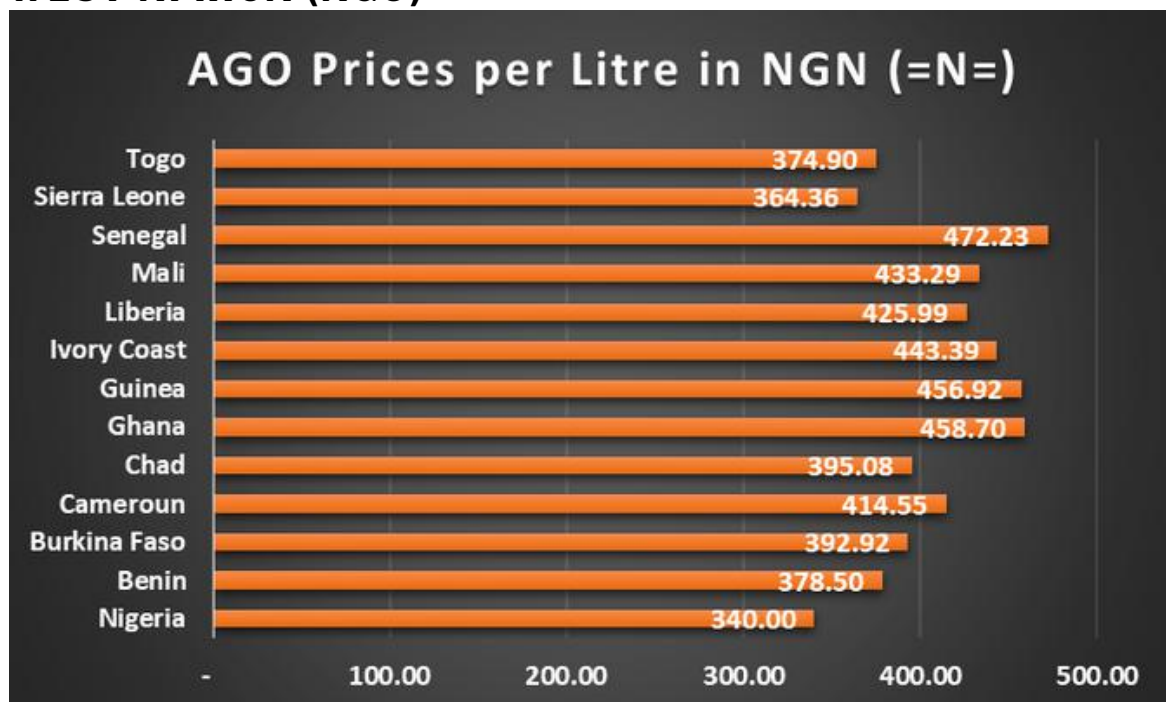
Industry WATCH



DIESEL PRICES

***Average diesel prices around the Africa: =N=469.36 or \$1.13 USD as at 17 JAN. 2022**

WEST AFRICA (AGO)



Source: globalpetrolprices.com

*Year - 2022



Industry WATCH

PLATTS

PMS

| \$ (USD) | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 | DEC. AVERAGE |
|------------------|---------|---------|---------|---------|---------|-----------------|
| FOB ROTTERDAM | 819.750 | 822.500 | 832.250 | 837.750 | 825.750 | 708.155 |
| FOB MED | 804.250 | 810.750 | 824.000 | 831.000 | 821.500 | 704.536 |
| CIFNWE | 826.000 | 830.250 | 840.000 | 848.500 | 839.500 | 722.988 |

AGO

| \$ (USD) | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 | DEC. AVERAGE |
|----------|---------|---------|---------|---------|---------|-----------------|
| CIFNWE | 756.500 | 762.750 | 770.500 | 768.000 | 762.500 | 643.631 |

ATK

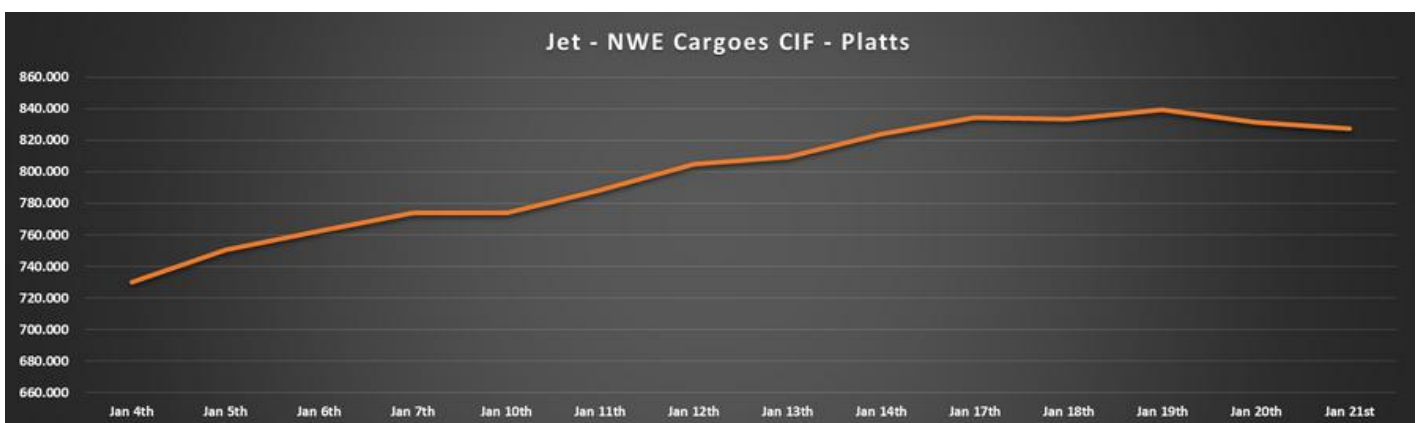
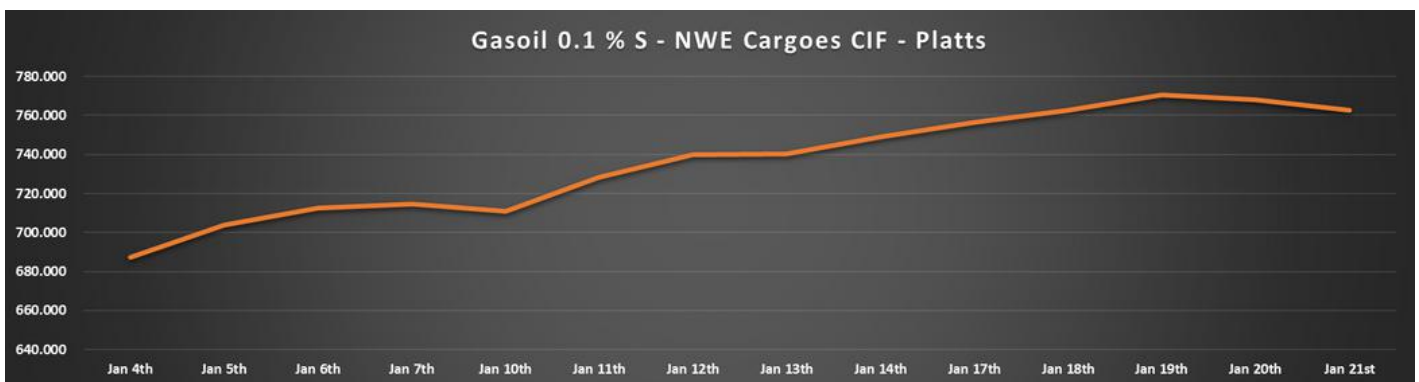
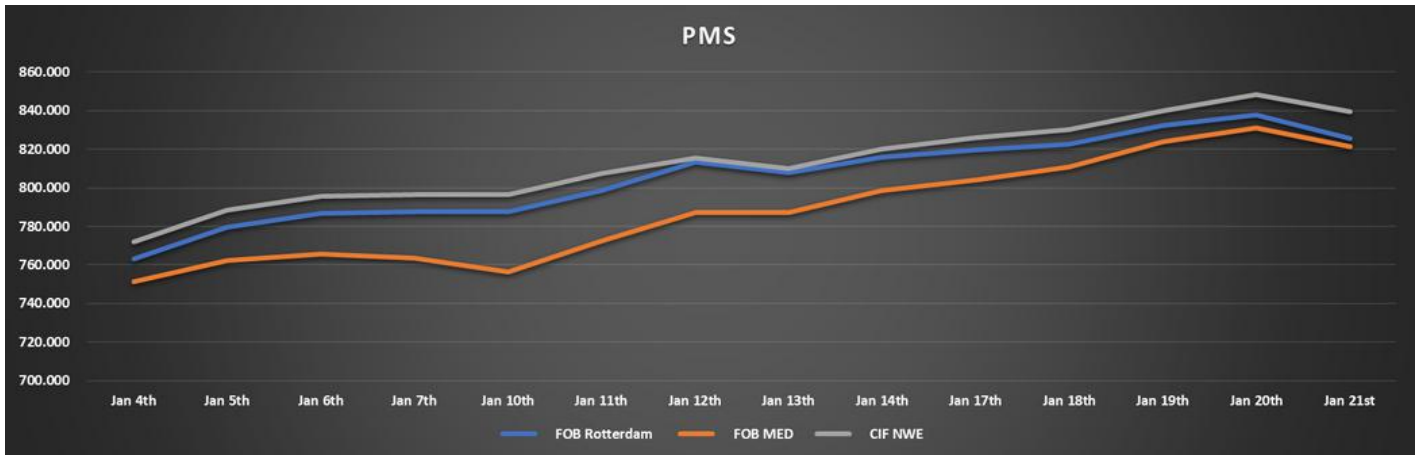
| \$ (USD) | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 | DEC. AVERAGE |
|----------|---------|---------|---------|---------|---------|-----------------|
| CIFNWE | 834.500 | 833.250 | 839.250 | 831.250 | 827.500 | 682.679 |

| \$/BBL | JAN 17 | JAN 18 | JAN 19 | JAN 20 | JAN 21 |
|------------------------|---------|---------|---------|---------|---------|
| ICE GASOIL (USD/MT) | 762.500 | 776.500 | 765.250 | 759.500 | 767.000 |



Industry WATCH

PLATTS





Industry WATCH

LAGOS, NIGERIA

| =N=/Litre | JAN 21 |
|-----------|-----------------|
| PMS | 151.50 - 154.00 |
| AGO | 337.00 - 345.00 |

*Year - 2022

PORT-HARCOURT, NIGERIA

| =N=/Litre | JAN 21 |
|-----------|--------|
| PMS | 154.00 |
| AGO | 331.00 |

*Year - 2022



EX-DEPOT PRICES

DELTA, NIGERIA

| =N=/Litre | JAN 21 |
|-----------|-----------------|
| PMS | 154.00 - 155.00 |
| AGO | 348.00 - 350.00 |

*Year - 2022

CALABAR, NIGERIA

| =N=/Litre | JAN 21 |
|-----------|-----------------|
| PMS | 155.40 |
| AGO | 322.00 - 325.00 |

*Year - 2022



COVID-19 CASE UPDATE

241 NEW CASES CONFIRMED

24th January, 2022

TOTAL CONFIRMED 252,428

DISCHARGED 227,004

DEATHS 3,126

NCDC Toll-free Number: **Dial 6232**

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

How to Wash Your Hands



24-01-2022

#TakeResponsibility
#COVID19Nigeria

| S/N | STATE | Number of Cases |
|--------------|-------------|-----------------|
| 1 | Lagos | 98,138 |
| 2 | FCT | 28,119 |
| 3 | Rivers | 16,380 |
| 4 | Kaduna | 11,155 |
| 5 | Plateau | 10,225 |
| 6 | Oyo | 10,185 |
| 7 | Edo | 7,655 |
| 8 | Ogun | 5,794 |
| 9 | Delta | 5,305 |
| 10 | Ondo | 5,117 |
| 11 | Kano | 4,913 |
| 12 | Akwa Ibom | 4,625 |
| 13 | Kwara | 4,541 |
| 14 | Osun | 3,253 |
| 15 | Gombe | 3,208 |
| 16 | Enugu | 2,952 |
| 17 | Anambra | 2,743 |
| 18 | Nasarawa | 2,697 |
| 19 | Imo | 2,426 |
| 20 | Katsina | 2,399 |
| 21 | Abia | 2,152 |
| 22 | Benue | 2,129 |
| 23 | Ebonyi | 2,064 |
| 24 | Ekiti | 1,978 |
| 25 | Bauchi | 1,932 |
| 26 | Borno | 1,612 |
| 27 | Taraba | 1,469 |
| 28 | Bayelsa | 1,305 |
| 29 | Adamawa | 1,203 |
| 30 | Niger | 1,142 |
| 31 | Sokoto | 811 |
| 32 | Cross River | 778 |
| 33 | Jigawa | 661 |
| 34 | Yobe | 502 |
| 35 | Kebbi | 480 |
| 36 | Zamfara | 375 |
| 37 | Kogi | 5 |
| TOTAL | | 252,428 |

@NCDCgov
COVID19.NCDC.GOV.NG



Source: NCDC

Better together

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