



Major Oil Marketers
Association of Nigeria

THE WEEKLY POST

Vol. 27 Issue 91 | 20 September 2022/ 20 septembre 2022

Not for sale

PETROLEUM DOWNSTREAM INSIGHTS

Inside this Issue:

- Legal Advisory
- Markets Watch
- Industry Watch

11PLC

11



Conoil



OVH
ENERGY





LEGAL ADVISORY

TACKLING CRUDE THEFT: NEW EXORCIST FOR AN OLD DEMON?

By Akabogu & Associates

Introduction

Nigeria's resource curse must have been put on her by wicked, workaholic witches who - 6 decades after the initial spells were cast - remain unrelenting in churning out the boosters that have plagued the country since Oloibiri. Catastrophic environmental degradation, armed banditry in the Niger Delta, recurrent fuel supply and subsidy crises; all these have over the years continually spewed from the dark, oily cauldron of this tireless coven. In 2022 however, the latest and most topical of their necromancy is the resurgent spate of crude oil theft; said to be of such magnitude that the nation's economy is - by some accounts- at the brink of jeopardy.

Estimates suggest that between January 2021 and February of 2022, Nigeria lost \$3.72 billion to oil theft. So far reaching and brazen are the incidents of this vice that some operators in a bid to curb it have resorted to deliberately shutting down oil facilities and pipelines, thereby worsening a situation of low oil output by Nigeria. The double whammy here is that this is happening at a time when the nation ought to have been deriving substantial returns from high oil prices occasioned by the Russian/Ukrainian armed conflict.

How Oil Theft Happens

Oil theft happens in Nigeria in three broad forms. The first and least significant involves the small-scale pilfering of condensate and petroleum products destined for the local market.

Far more critical however are the thefts that occur either as vandalism and siphoning of oil from oil installations and pipelines as well as the white-collar crime of undue or excess lifting of crude oil beyond the licensed amounts, using forged or irregular shipping documents. The last two are almost always perpetrated in collusion with regulatory authorities, security agents and international traders. They therefore require a clear and comprehensive policy framework to keep track of and deal with; not to mention the perennially elusive political will to squelch.



What the PIA Says

The Petroleum Industry Act 2021 (“the Act”) entrusts the Nigerian Upstream Regulatory Commission (“the Commission”) with several responsibilities which condescend to tackling crude oil theft in the country. The commission is saddled with the responsibility of deploying currently existing solutions and - if the need presents - innovating new ones towards tackling the menace.



LEGAL ADVISORY

In this regard therefore, the commission, which by section 6 of the Act has the general responsibility of technical, operational and commercial regulation of upstream activities is even more specifically tasked in section 7 with supervision and regulation of accurate calibration and certification of equipment used in metering upstream petroleum operations in addition to the power of issuance of certificates of quality and quantity to exporters of crude oil, natural gas and petroleum products from integrated operations and crude oil terminals. The commission additionally has the power under Section 10 of the Act to seal up any facility embarking on upstream activities in contravention of the law as well as set standards to promote adoption of new technology in upstream operations.

Special Powers of the NUPRC

The most critical of the Commission's powers relating to the tackling crude oil theft could be said to be the special powers granted by Section 26 pursuant to which the commission may inquire, inspect, examine, or investigate any business or activity relating to upstream petroleum operations under the Act, where it believes that illegal upstream petroleum operations are going on. The Commission may also conduct surveillance on crude oil and natural gas installations, premises and vessels where it believes that illegal upstream petroleum operations are going on in addition to entering at any reasonable time, premises containing any records or property required to be maintained under the Act for the purpose of inspecting those records. The Commission may also require any person engaged in upstream petroleum operations to answer any question that may be relevant to its inquiry, inspection, examination or investigation.

Tracking Stolen Oil

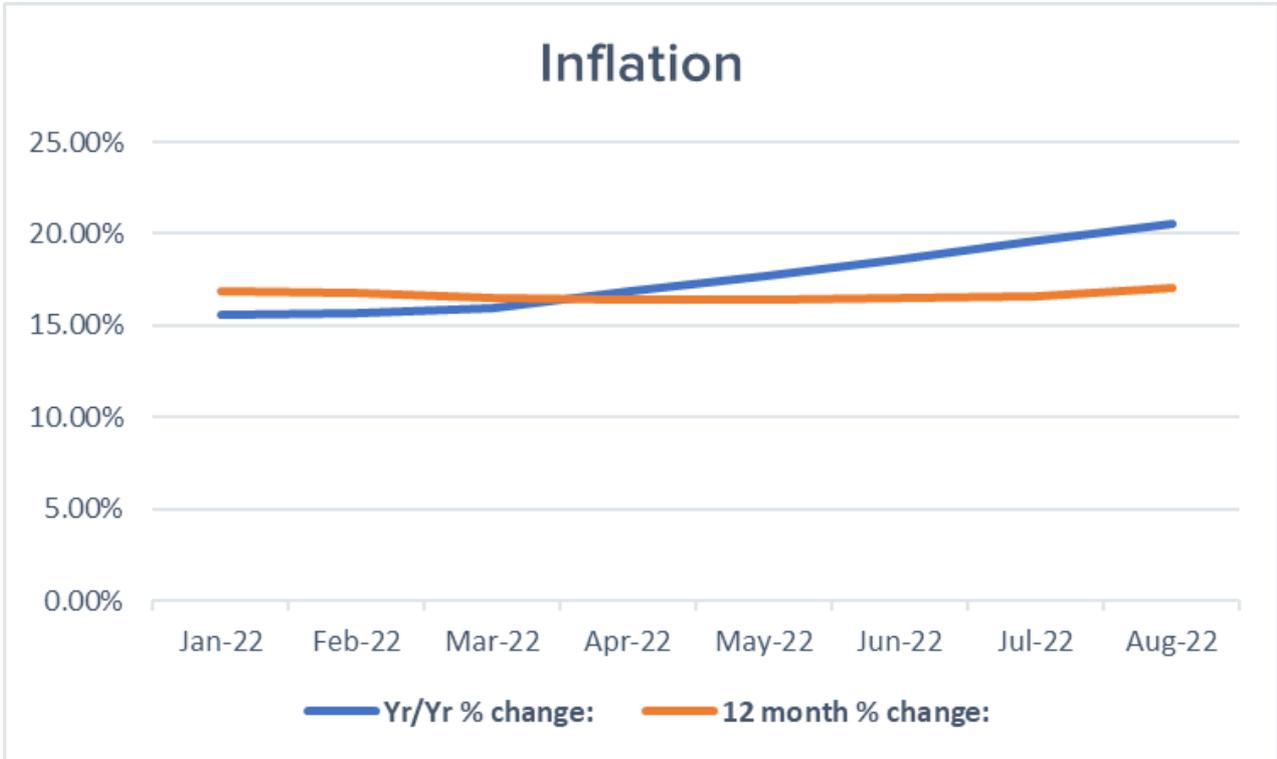
In the early 2000s, Nigeria's government under the administration of President Obasanjo made concerted efforts at dealing with crude oil theft by deployment of more military presence in the Niger Delta region - where most of the incidents still occur - coupled with attempts at forging international corporation in closing the market for transborder trade in stolen Nigerian oil. The latter strategy involved a certification system for legally traded oil - much like the Kimberley Process in use in the diamond trade - which was heavily reliant on the cooperation of Nigeria's neighbors and trading partners banded together under a Gulf of Guinea energy Security Strategy (GGeSS). Not much has been heard of the strategy in recent times and the magnitude of theft being reported suggests that it has probably collapsed.

Conclusion

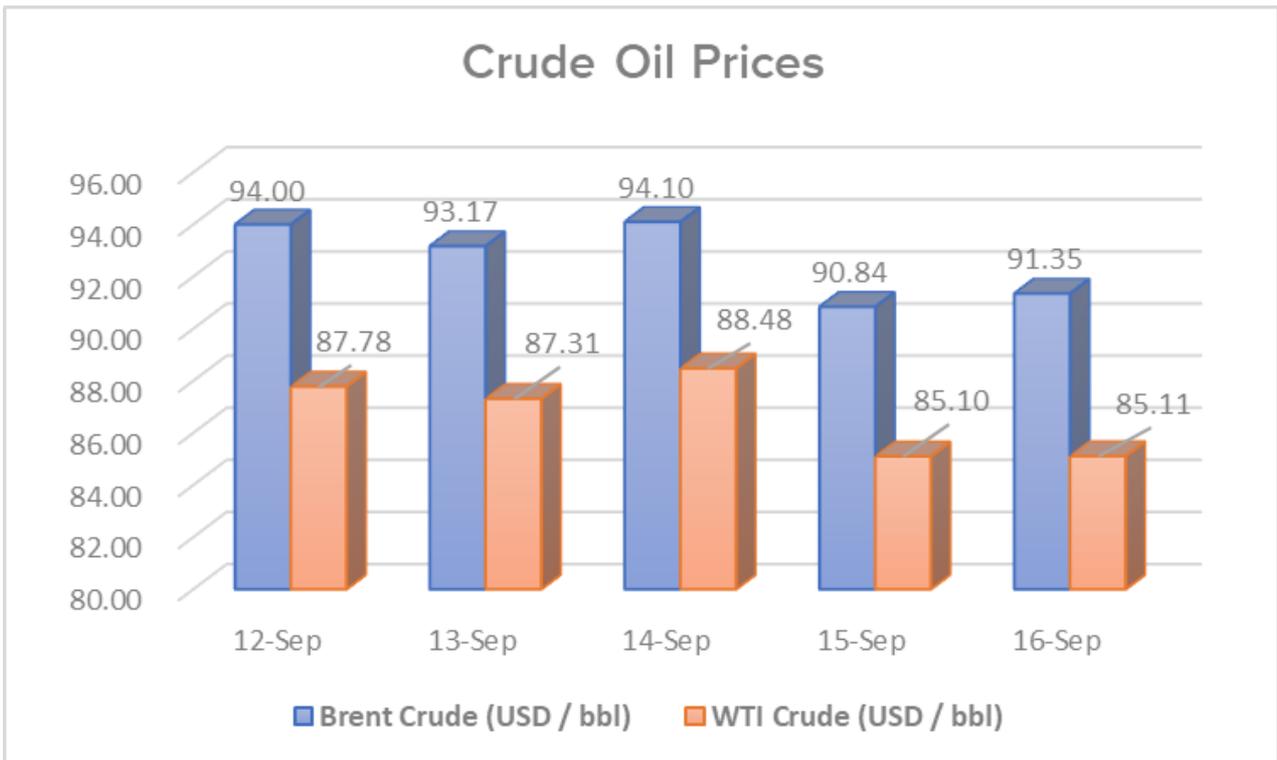
The above highlighted powers of the Commission show that it is most eminently qualified to resuscitate, improve upon and even evolve new methods for tackling crude oil theft in Nigeria. New technologies such as blockchain are said to be very well suited for these matters. What remains now is apparently the will to adopt, implement and sustain them. We waited 20 years for our all-important oil industry law. Implementing it - as we say in these Lagos streets - is "importanter".

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).

MARKETS WATCH



Annual inflation has been rising steadily since the beginning of 2022. The annual inflation rate in Nigeria accelerated to 20.52% in August 2022 from 19.64% in the previous month, and above market expectations of 20.25%. This remains the highest since September 2005.



MARKETS WATCH



EQUITIES MARKET UPDATE

SECTOR	9-Sep-22	16-Sep-22	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	1,772.48	1,763.67	-8.81	-0.50	-0.74%	-6.57%	2.40%
Consumer Goods	607.70	606.05	-1.65	-0.27	0.91%	-2.88%	2.85%
Oil & Gas	533.01	532.15	-0.86	-0.16	0.00%	-2.42%	54.24%
Banking	386.88	374.09	-12.79	-3.31	-3.44%	-5.96%	-7.88%
Industrial	1,794.45	1,791.53	-2.92	-0.16	0.81%	-16.76%	-10.79%
Insurance	182.67	177.96	-4.71	-2.58	-1.26%	-0.21%	-10.17%



FOREX RATES - INTERBANK I & E MARKET

NGN	12-Sep-22	13-Sep-22	14-Sep-22	15-Sep-22	16-Sep-22
Minimum	435.00	435.00	435.00	435.00	435.00
Maximum	437.00	437.00	437.00	437.00	437.00
Official Closing (FX Rate (\$/N))	436.00	436.00	436.00	436.00	436.00



CENTRAL BANK OF NIGERIA

MARKETS WATCH



CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	Bid	Offer	Market Closing FX Rate (\$/NGN)
12-Sep-22	435	437	436.00
13-Sep-22	435	437	436.00
14-Sep-22	435	437	436.00
15-Sep-22	435	437	436.00
16-Sep-22	435	437	436.00



CENTRAL BANK OF NIGERIA

FOREX RATES - PARALLEL MARKET

=N=	12-Sep-22	13-Sep-22	14-Sep-22	15-Sep-22	16-Sep-22
USD					
GBP					
EURO					

abokiFX

INDUSTRY WATCH

AVERAGE WEEKLY PRICES



Available on the [Argus Publications App](#)

Week	Gasoline Eurobob delivered West Africa \$/t	Gasoline Eurobob delivered West Africa NGN/litre	Jet/Kerosine delivered West Africa \$/t	Gasoil diesel 1000ppm delivered West Africa \$/t	Gasoil diesel 1000ppm delivered West Africa NGN/litre
12th Sep - 16th Sep 2022	882.29	284.06	1101	1050.15	380.08
5th Sep - 9th Sep 2022	859.96	275.47	1,179.70	1,115.05	402.45
29th Aug - 2nd Sep 2022	870.82	276.76	1,189.50	1,109.38	396.39
22nd Aug - 26th Aug 2022	953.18	302.06	1,265.70	1,173.35	418.06
15thAug - 19th Aug 2022	973.44	307.27	1,168.05	1,078.40	382.7
8th Aug - 12th Aug 2022	999.11	314.29	1118.35	1040.6	368.02



Copyright © 2022 Argus Media group

INDUSTRY WATCH

PLATTS

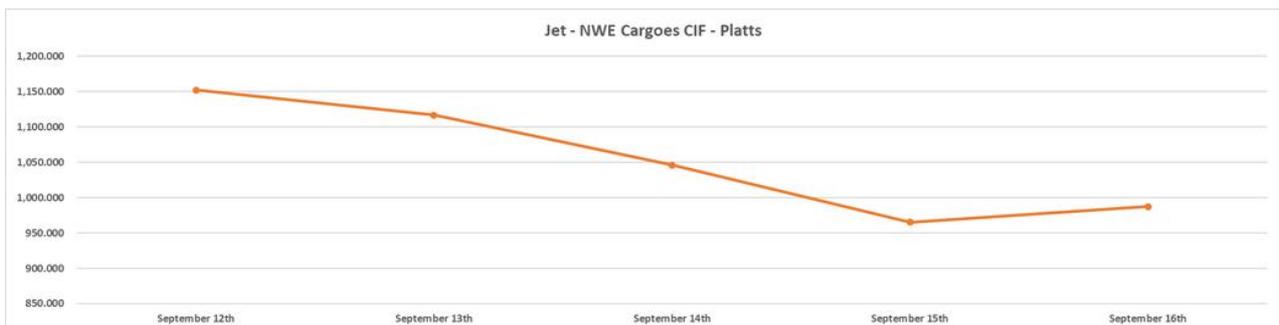
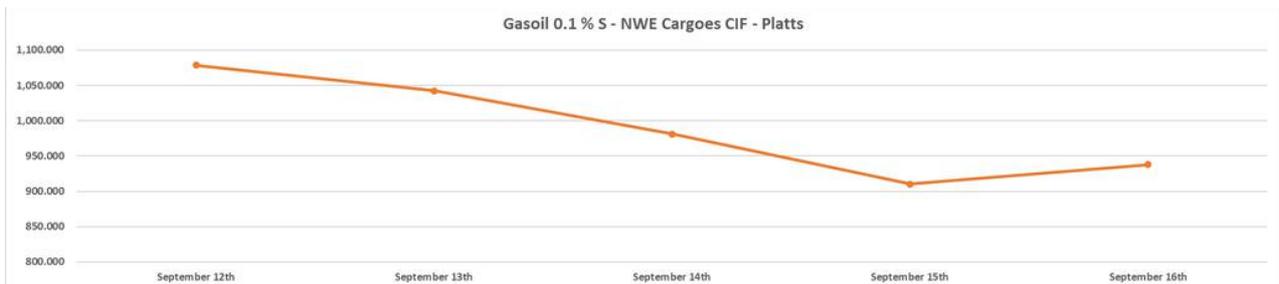
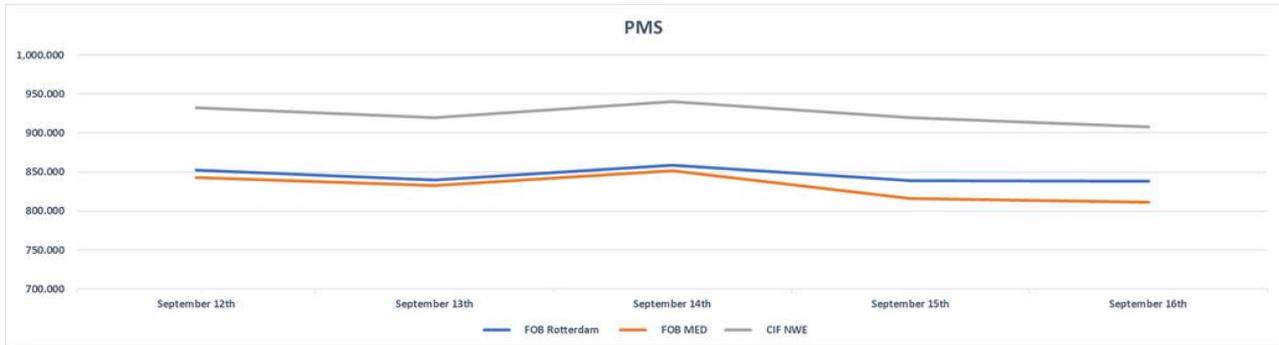
	12-Sep-22	13-Sep-22	14-Sep-22	15-Sep-22	16-Sep-22
PMS					
FOB Rotterdam	852.500	839.750	858.500	838.750	838.500
FOB MED	843.250	833.000	852.000	816.000	811.250
CIF NWE	932.250	919.750	940.500	919.500	907.750
AGO					
CIF NWE	1,078.750	1,042.500	981.250	910.500	937.750
ATK					
CIF NWE - JET	1,152.000	1,116.750	1,046.000	965.500	987.500
ICE Gasoil					
(USD/ MT)	1,093.000	1,058.000	990.000	943.000	953.000

S&P Global
Platts

PLATTS MONTHLY AVERAGE

	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22
PMS								
FOB Rotterdam	955.932	1,156.938	1,379.513	1,249.643	1,053.947	1,084.554	907.513	816.125
FOB MED	919.409	1,124.975	1,360.775	1,227.464	1,047.289	1,065.543	900.163	802.000
CIF NWE	1,031.659	1,212.438	1,473.088	1,328.500	1,078.776	1,114.261	925.079	826.725
AGO								
CIF NWE	1,064.011	1,092.975	1,324.200	1,109.488	1,088.197	1,091.315	822.713	746.788
ATK								
CIF NWE - JET	1,126.091	1,161.100	1,398.050	1,265.464	1,211.618	1,153.000	872.025	808.825

PLATTS



INDUSTRY WATCH

EX-DEPOT PRICES

16-Sep-22	
NGN /Litre	Lagos
PMS	162.00 - 163.00
AGO	717.00 - 740.00

16-Sep-22	
NGN /Litre	PHC
PMS	172.00
AGO	730.00

16-Sep-22	
NGN /Litre	Delta
PMS	162.50 - 163.00
AGO	730.00

16-Sep-22	
NGN /Litre	Calabar
PMS	165.00
AGO	725.00

INDUSTRY WATCH



24th – 26th October, 2022
Lagos Oriental Hotel



[Learn More >>](#)

[Exhibit](#)

[Sponsor](#)

[Register](#)



MAJOR OIL MARKETERS
ASSOCIATION OF NIGERIA

Better Together!

