



Major Oil Marketers
Association of Nigeria

THE WEEKLY POST

Vol. 1 Issue 4 | 31 January 2023/ 31 janvier 2023

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INDUSTRY DATA SHEET

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EDITORIAL

TRANSITIONING TO A PRICE-DEREGULATED DOWNSTREAM PETROLEUM INDUSTRY

By Olise' Wakwe



The Nigerian downstream petroleum industry is currently facing several challenges, including a lack of supply diversification, an over-reliance on subsidies, and a lack of transparency and efficiency in pricing and distribution. To address these issues and create a more sustainable and competitive industry, a transition to a price-deregulated system is necessary.

This article aims to provide recommendations from industry experts and other schools of thought for a phased transition plan that will allow the industry to move away from the current subsidy regime and towards a more liberalized, market-driven system. The plan includes recommendations for the repeal of existing charges and the implementation of new administrative and infrastructure funding, as well as a gradual increase in prices to ultimately reach market-determined pricing.

Firstly, many industry experts would recommend that the payment of Petroleum Equalization Fund

(PEF) and Petroleum Products Pricing Regulatory Agency (PPPRA) charges be stopped, as they are no longer legal under the Petroleum Industry Act 2021. Industry experts mostly recommend that this be done at the beginning of a phased transition period. They also recommend an administrative and infrastructure funding to be implemented after industry consultation and engagement.

Secondly, these industry experts recommend supply diversification and liberalization be executed, monitored, and supervised by The Authority over a six-month period. This period shall be used to retire the Direct Supply, Direct Purchase (DSDP) program, creating a level playing field for qualifying marketers to access FOREX for importation. Some school of thought would also recommend an Authority-led committee, with industry representation for transparency, to be set up to manage access to the FOREX proceeds from the sale of 445,000

EDITORIAL



barrels/day of crude dedicated to local refining. The procedure for access to FOREX by parties interested in PMS importation shall be worked out between the Central Bank of Nigeria, The Authority, and the industry, taking into cognizance section 317 (8-11) of the Petroleum Industry Act 2021.

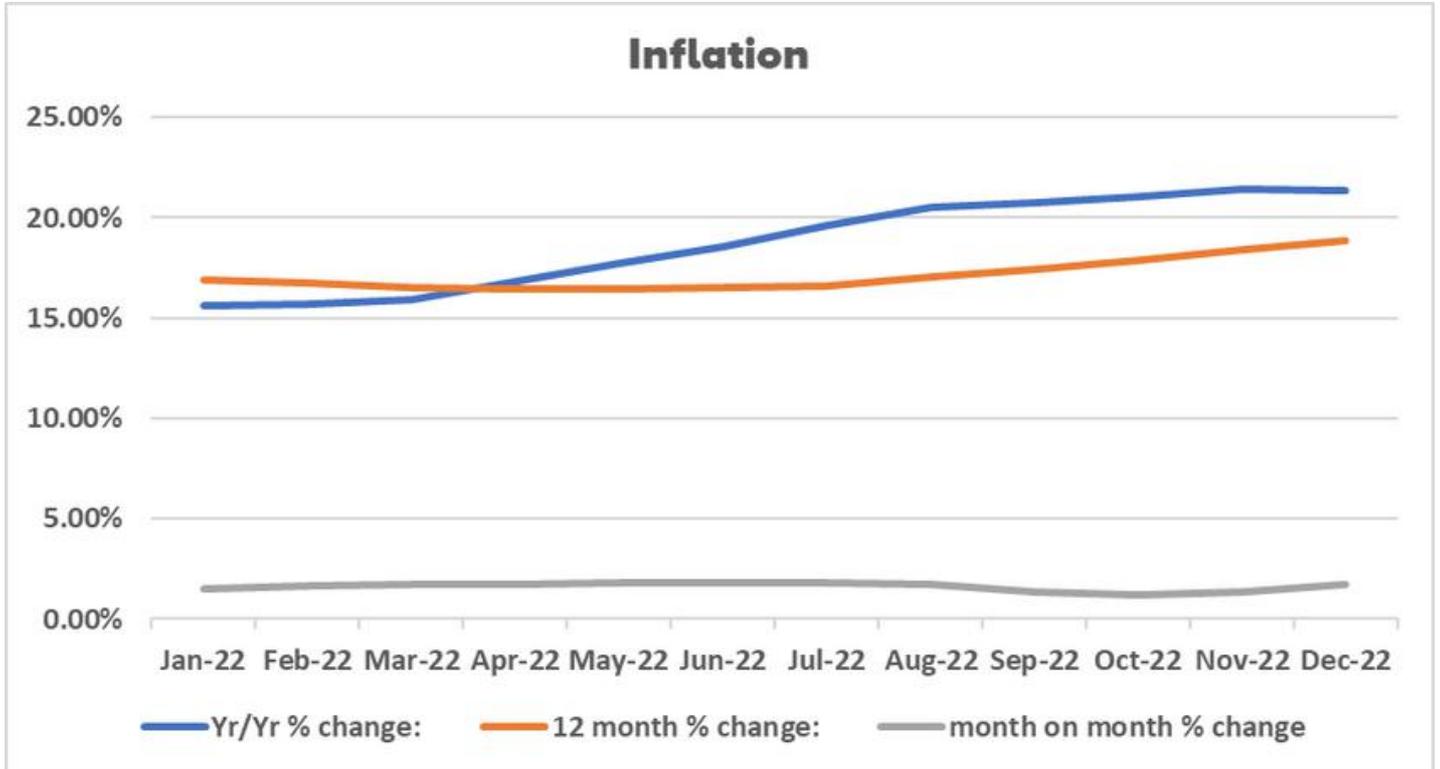
Thirdly, it is recommended that prices of PMS be gradually increased over time, culminating in market-determined pricing. This can be achieved through the management of the exchange rate at which the product is imported, which shall be governed and supervised by The Authority. This approach will help eliminate subsidies, allow for cost recovery, and reduce pricing uncertainty while minimizing the price shock to consumers.

In addition, it is suggested that the Autogas program be implemented to provide a viable alternative to PMS, moderating the impact of PMS price cap removal. Federal and State Governments need to stimulate demand by converting most of their vehicular PMS demand to gas (LPG or CNG) during the first phase of the transition period.

Lastly, it is crucial that stakeholder engagement, adequate communication, and collaboration be prioritized for the success of the transition plan. Critical stakeholders such as the public, unions, industry operators, and trade groups need to be extensively engaged. Specific public sensitization and enlightenment campaigns about individual and collective energy conservation, alternative energy sources, domestic gas utilization, safe energy use, and care for the environment strategies are needed to re-condition public perception and ensure better uptake and adoption.

It is important to note that there may be challenges in implementing this plan, especially the risk of hoarding products close to month-end if prices predictably change at the same time monthly. However, it is believed that a concerted, collaborative plan would be able to mitigate such risks. Additionally, there are opportunities for industry reform via enhanced policy, regulation, and compliance in addressing issues around standards and service quality. ■

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.



EQUITIES MARKET UPDATE

SECTOR	Jan. 20	Jan. 27	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	1898.91	1897.57	-1.34	-0.07	2.99%	2.99%	2.99%
Consumer Goods	628.57	621.70	-6.87	-1.09	5.56%	5.56%	5.56%
Oil & Gas	479.20	487.51	8.31	1.73	5.41%	5.41%	5.41%
Banking	438.79	446.03	7.24	1.65	6.83%	6.83%	6.83%
Industrial	2443.05	2452.00	8.95	0.37	2.03%	2.03%	2.03%
Insurance	179.24	180.62	1.38	0.77	3.59%	3.59%	3.59%



MARKETS WATCH



FOREX RATES - INTERBANK I & E MARKET

NGN	Jan. 23	Jan. 24	Jan. 25	Jan. 26	Jan. 27
Minimum	460.00	460.00	460.00	460.00	460.00
Maximum	462.00	462.00	462.00	462.00	462.00
Interbank Official Closing (FX Rate (\$/N))	460.00	461.50	461.50	461.00	461.00

CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	Bid	Offer	Market Closing FX Rate (\$/NGN)
Jan. 23	460.00	462.00	460.00
Jan. 24	460.00	462.00	460.00
Jan. 25	460.00	462.00	460.00
Jan. 26	460.00	462.00	460.00
Jan. 27	460.00	462.00	460.00



FOREX RATES - PARALLEL MARKET

NGN	Jan. 23	Jan. 24	Jan. 25	Jan. 26	Jan. 27
USD					
GBP					
EURO					

abokiFX

INDUSTRY WATCH

AVERAGE EX-DEPOT PRICES (NAIRA/LITRE)

24 JANUARY - 27 JANUARY 2023

24-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	285.00	N/A	256.60	255.25	256.50
AGO	770.00	N/A	775.00	739.80	735.00	740.60
DPK	N/A	N/A	N/A	750.00	750.00	750.00

26-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	310.00	N/A	256.20	259.00	259.50
AGO	770.00	N/A	770.00	737.40	732.00	737.00
DPK	N/A	N/A	N/A	750.00	745.00	750.00

27-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	N/A	N/A	306.00	305.00	295.00
AGO	770.00	N/A	773.00	735.00	729.60	740.60
DPK	740.00	N/A	N/A	752.00	745.00	757.00

INDUSTRY WATCH



AVERAGE WEEKLY PRICES

 Available on the [Argus Publications App](#)

Combined Description	Gasoline Eurobob Delivered West Africa \$/t	Jet/Kerosine Delivered West Africa \$/t	Gasoil Diesel 1000ppm Delivered West Africa \$/t
Week 01 2023	792.58	985.69	895.38
Week 02 2023	817.31	1,016.40	928.35
Week 03 2023	880.23	1,088.50	974.55
Week 04 2023	908.37	1,117.70	984.15

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INDUSTRY WATCH

PLATTS

	23-Jan-23	24-Jan-23	25-Jan-23	26-Jan-23	27-Jan-23
PMS					
FOB Rotterdam	942.50	926.75	917.25	939.75	924.25
FOB MED	913.00	891.50	878.50	886.00	874.50
CIF NWE	1,011.00	995.25	985.25	995.00	979.50
GASOIL					
CIF NWE	985.50	958.75	930.75	936.50	907.75
ATK					
CIF NWE	1,142.25	1,107.50	1,074.75	1,096.50	1,062.75
ICE Gasoil					
USD / MT	1,011.00	984.00	958.00	971.00	934.00

S&P Global
Platts

PLATTS MONTHLY AVERAGE

	DEC. 2022 AVERAGE	NOV. 2022 AVERAGE	OCT. 2022 AVERAGE	SEP. 2022 AVERAGE	AUG. 2022 AVERAGE	JUL. 2022 AVERAGE	JUN. 2022 AVERAGE	MAY. 2022 AVERAGE	APR. 2022 AVERAGE	MAR. 2022 AVERAGE	FEB. 2022 AVERAGE	JAN. 2022 AVERAGE
PMS												
FOB Rotterdam	743.55	885.94	977.10	844.14	955.93	1,156.94	1,379.51	1,249.64	1,053.95	1,084.55	907.51	816.13
FOB MED	739.45	921.09	889.68	820.60	919.41	1,124.98	1,360.78	1,227.46	1,047.29	1,065.54	900.16	802.00
CIF NWE	814.35	937.74	1,021.45	917.73	1,031.66	1,212.44	1,473.09	1,328.50	1,078.78	1,114.26	925.08	826.73
GASOIL												
CIF NWE	833.86	935.84	1,059.76	995.92	1,064.01	1,092.98	1,324.20	1,109.49	1,088.20	1,091.32	822.71	746.79
ATK												
CIF NWE	954.96	1,064.65	1,082.92	1,054.96	1,126.09	1,161.10	1,398.05	1,265.46	1,211.62	1,153.00	872.03	808.83

WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460 NGN)	Naira/Litre (Blended rate of 1USD = 709.90 NGN)
Nigeria	0.45	204.70	315.91 (635.60 [^])
Cameroon	1.04	480.24	741.14
Benin	1.07	493.12	761.01
Sierra Leone	1.02	467.36	721.26
Togo	1.15	530.84	819.22
Burkina Faso	1.24	569.02	878.15
Ivory Coast	1.28	587.88	907.25
Ghana	1.07	490.82	757.46
Guinea	1.37	628.36	969.72
Mali	1.45	668.38	1,031.48
Senegal	1.63	750.72	1,158.56
Liberia	1.18	543.26	838.39

AGO			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460 NGN)	Naira/Litre (Blended rate of 1USD = 709.90 NGN)
Nigeria	1.14 [*]	523.94	808.87
Cameroon	0.95	438.38	676.53
Benin	1.15	530.84	819.22
Sierra Leone	1.02	467.36	721.26
Togo	1.40	644.46	994.57
Burkina Faso	1.11	511.98	790.12
Ivory Coast	1.08	496.80	766.69
Ghana	1.27	586.04	904.41
Guinea	1.37	628.36	969.72
Mali	1.45	666.54	1,028.65
Senegal	1.25	572.70	883.83
Liberia	1.23	565.80	873.18

Note:

**The blended rate is the rate at which most private sector operators import products. This blended rate of 709.90 NGN per USD was calculated by MOMAN using the rate of 15% of the CBN rate (460 NGN per USD) + 85% of the parallel market rate (754 NGN per USD) advised by The NMDPRA.*

PMS Pump Prices

- All USD per litre prices are sourced from Globalpetrolprices.com.
- Naira per litre price using CBN rate of 460 NGN per USD was calculated by MOMAN.
- Naira per litre price using the blended rate of 709.90 NGN per USD was calculated by MOMAN.
- [^]Pump price, taking into consideration the PLATTS and FOREX adjustment: 635.60 NGN per litre. (There was an 8% increase in the International Platts prices within the week as well as a slight devaluation of the Naira in the parallel market)

AGO Pump Prices

- All USD per litre prices sourced from Globalpetrolprices.com **EXCEPT for Nigeria.**
- Nigeria's USD per litre price was calculated by dividing the pump price of 808.87 NGN by the blended rate of 709.90 NGN per USD. This calculation was done by MOMAN.
- Naira per litre price using CBN rate of 460 NGN per USD was calculated by MOMAN.
- Naira per litre using the blended rate of 709.90 NGN per USD was calculated by MOMAN.

ARDA-MOMAN WORKSHOP 2023

DEREGULATION OF THE NIGERIAN DOWNSTREAM SECTOR: THE DAY AFTER



🕒 10:00 AM WAT



Thursday, 9 February 2023



ARDA
Panelist



MOMAN Chairman
Facilitator



NMDPRA
Panelist



NPA Ghana
Panelist



MOMAN
Panelist



CITAC
Panelist

SAVE THE DATE

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