



Major Oil Marketers
Association of Nigeria

THE WEEKLY POST

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Not for sale

INDUSTRY DATA SHEET

A pair of black binoculars is positioned horizontally, resting on a dark, rectangular wooden block. The background is a soft-focus, warm-toned scene, possibly a sunset or sunrise, with a bright orange sun visible on the left side. The binoculars' lenses are in focus, showing a reflection of the surrounding environment.

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Conoil



NNPC



DEREGULATION: THE PANACEA TO THE MYRIAD OF PROBLEMS PLAGUING THE PETROLEUM DOWNSTREAM SECTOR IN NIGERIA

By Olise' Wakwe

The petroleum downstream sector has long been a source of contention in Nigeria, with the issue of subsidies at the forefront of the debate.

On one hand, most citizens would prefer to pay less for fuel and other forms of energy, and on the other hand, the country's political leaders must make decisions that will serve the long-term benefit of the entire population.

One of the primary arguments against subsidies in the petroleum sector is their unproductive use of scarce resources. Subsidy spending in this sector amounts to a disproportionately high percentage of the country's budget, and funds that could be better invested in areas such as education, health services, and agriculture are instead being used to subsidize petroleum products. This leads to an opportunity cost, where the government is unable to achieve human development and empower citizens to reach their full potential. Additionally, the savings made from eliminating subsidies could be used to address the current labor demands for wage increases at all levels.

Another issue with subsidies in the petroleum sector is the underdevelopment of the downstream industry. Fuel subsidies in Nigeria have led to poor maintenance and inadequate investment in facilities, infrastructure, human resources, transportation, and existing refineries. This has also led to poorer implementation of health, safety, environment, and quality matters.



The administration of fuel subsidies in Nigeria has also resulted in inefficiency in the downstream sector. The socialist and government-like approach to distribution, rather than a business-like approach based solely on numbers, has led to priorities, practices, and investments that do not improve refining capacity, logistics efficiency, or customer services.

Furthermore, the subsidy process is opaque and the selection to participate in the Direct Sale Direct Purchase (DSDP) program is not competitive. The opacity of the process makes it difficult to achieve proper accountability.

The lack of resources for social investment is another major concern. Experience has shown that subsidy removal must come with palliatives to be accepted by the public. The opportunity to address several outstanding issues such as paucity in the funding of education, failure of the health system, borrowing to build and fix roads, and low wages has presented itself. The funds from the removal of this subsidy can be applied to these key national issues in a transparent and accountable manner.

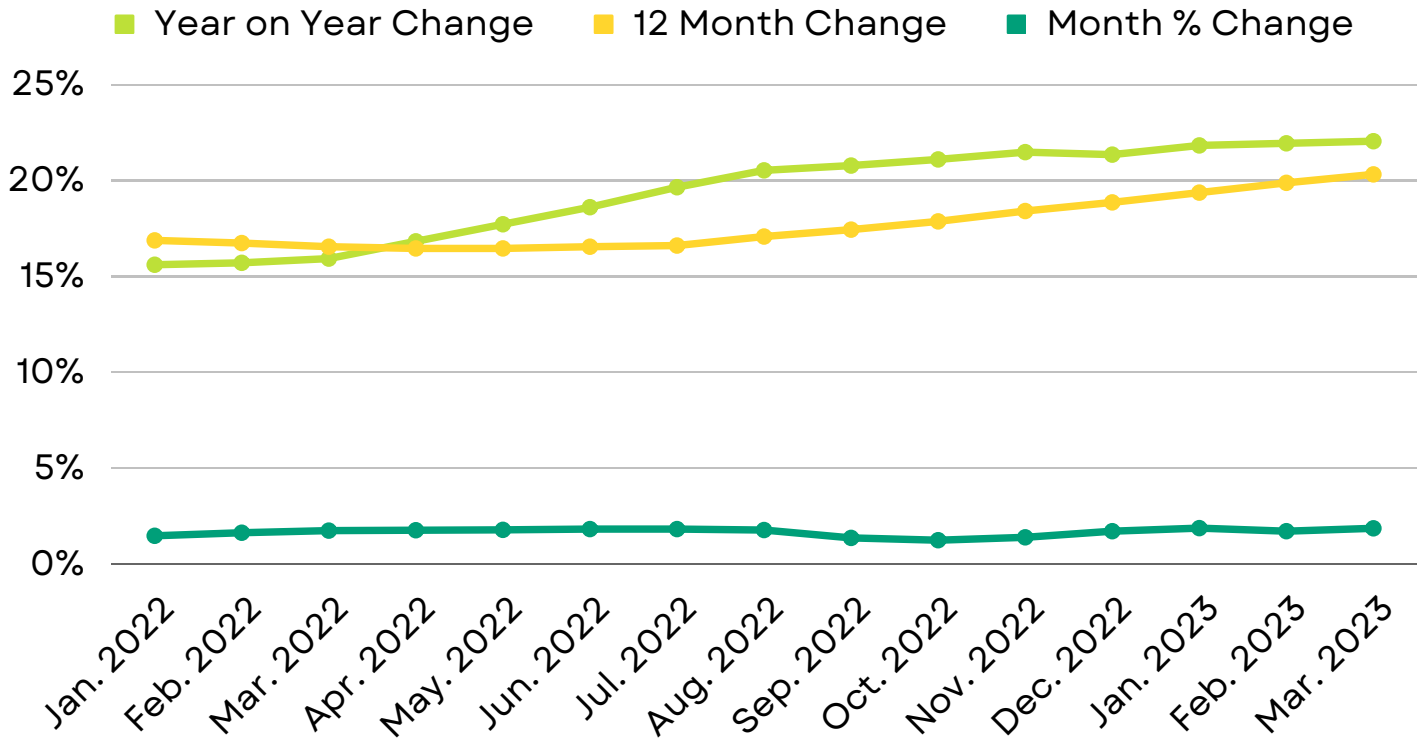
Eliminating oil subsidies would address these issues by promoting economic growth and diversification, creating jobs, and increasing revenue for the government. It would also reduce unemployment through the provision of more jobs and improved opportunities for self-employment. Additionally, it would address the infrastructure deficit and improve access to education, healthcare, and transport services. It would also help remove illegal trade practices in the economy and decrease consumer prices, increasing consumer purchasing power.

In conclusion, the continued existence of subsidies in the petroleum industry is not in the interest of Nigeria. It is unsustainable and detrimental to the economy, and the benefits of eliminating them far outweigh the short-term discomfort that may be caused. The government must take bold and visionary steps to remove these subsidies and use the savings to address the key national issues that are of concern to citizens. It is in the interest of all Nigerians to eliminate the petroleum subsidy and move towards a more efficient and sustainable energy sector.

MARKETS WATCH



INFLATION



EQUITIES MARKET UPDATE

SECTOR	May. 5	May. 12	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	1884.85	1882.51	-2.34	-0.12	-0.44%	-2.63%	2.17%
Consumer Goods	736.31	742.89	6.58	0.89	0.92%	5.71%	26.14%
Oil & Gas	527.76	555.22	27.46	5.20	10.55%	8.69%	20.05%
Banking	460.96	456.40	-4.56	-0.99	4.18%	0.76%	9.32%
Industrial	2449.39	2367.13	-82.26	-3.36	-3.27%	-3.64%	-1.50%
Insurance	190.06	192.35	2.29	1.20	4.32%	8.36%	10.32%



MARKETS WATCH



FOREX RATES - INTERBANK I & E MARKET

NGN	May. 8	May. 9	May. 10	May. 11	May. 12
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))	461.00	461.00	461.00	463.00	461.50

CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	Bid	Offer	Market Closing FX Rate (\$/NGN)
May. 8	460.00	462.00	460.00
May. 9	460.00	462.00	460.00
May. 10	460.00	462.00	460.00
May. 11	460.00	462.00	460.00
May. 12	460.00	462.00	460.00



FOREX RATES - PARALLEL MARKET

NGN	May. 8	May. 9	May. 10	May. 11	May. 12
USD					
GBP					
EURO					

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INDUSTRY WATCH

AVERAGE EX-DEPOT PRICES (NAIRA/LITRE)

8 - 12 MAY 2023

8-MAY-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	193.67	194.00	190.67	187.60	187.88	186.00
AGO	587.20	630.00	610.50	576.60	577.20	578.20
DPK	N/A	N/A	N/A	667.00	652.00	670.00

9-MAY-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	193.00	194.00	190.00	187.30	187.50	185.75
AGO	584.50	630.00	608.00	575.00	574.80	576.40
DPK	N/A	N/A	N/A	673.33	660.00	680.00

10-MAY-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	193.00	193.83	189.33	187.80	187.88	186.00
AGO	580.60	630.00	606.00	571.00	571.00	575.20
DPK	N/A	N/A	N/A	670.00	670.00	670.00

12-MAY-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	193.00	194.00	189.50	188.90	187.75	186.25
AGO	579.80	629.33	603.00	575.80	566.80	571.80
DPK	N/A	N/A	N/A	665.00	660.00	656.00

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 06 2023	851.03	933.70	841.65
Week 07 2023	873.30	941.10	865.05
Week 08 2023	843.61	896.65	824.00
Week 09 2023	840.50	920.65	856.05
Week 10 2023	847.54	885.45	838.00
Week 11 2023	795.46	843.10	808.55
Week 12 2023	807.15	845.35	813.90
Week 13 2023	896.24	855.80	808.70
Week 14 2023	949.36	876.13	822.19
Week 15 2023	958.65	869.38	813.19
Week 16 2023	946.19	846.00	797.50
Week 17 2023	851.67	782.00	726.70
Week 18 2023	815.27	734.75	674.50
Week 19 2023	836.49	753.81	694.25

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WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460.00 NGN)	Naira/Litre (Blended rate of 1USD = 700.55 NGN)
Nigeria	0.57	263.58	401.42 (631.55 [^])
Cameroon	1.23	565.80	861.68
Benin	1.09	502.78	765.70
Sierra Leone	1.09	500.94	762.90
Togo	1.18	541.42	824.55
Burkina Faso	1.43	657.80	1,001.79
Ivory Coast	1.37	630.66	960.45
Ghana	1.12	514.74	783.92
Guinea	1.39	638.02	971.66
Mali	1.46	670.22	1,020.70
Senegal	1.67	765.90	1,166.42
Liberia	1.03	472.88	720.17

AGO			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460.00 NGN)	Naira/Litre (Blended rate of 1USD = 700.55 NGN)
Nigeria	0.93	426.88	650.00
Cameroon	1.21	557.98	849.77
Benin	1.18	541.42	824.55
Sierra Leone	1.09	500.94	762.90
Togo	1.30	599.84	913.52
Burkina Faso	1.14	522.10	795.12
Ivory Coast	1.10	506.92	772.01
Ghana	1.13	521.18	793.72
Guinea	1.39	638.02	971.66
Mali	1.45	668.38	1,017.90
Senegal	1.27	584.20	889.70
Liberia	1.12	515.20	784.62

Note:

- *The blended rate is the rate at which most private sector operators import products. This blended rate of 700.55 NGN per USD was calculated by MOMAN using the rate of 15% of the CBN rate (460.00 NGN per USD) + 85% of the parallel market rate (743.00 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 460.00 NGN per USD was calculated by MOMAN.
- Naira per litre price using the blended rate of 700.55 NGN per USD was calculated by MOMAN.
- [^]Pump price, taking into consideration the PLATTS and FOREX adjustment: 631.55 NGN per litre.

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 650.00 NGN by the blended rate of 700.55 NGN per USD. This calculation was done by MOMAN.
- Naira per litre price using CBN rate of 460.00 NGN per USD was calculated by MOMAN.
- Naira per litre using the blended rate of 700.55 NGN per USD was calculated by MOMAN.