



Major Oil Marketers  
Association of Nigeria

# THE WEEKLY POST

Vol. 9 Issue 37 | 19 September 2023/ 19 septembre 2023

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# INDUSTRY DATA SHEET

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# COST AND LOGISTICS OPTIMIZATION IN NIGERIA'S MIDSTREAM AND DOWNSTREAM OPERATIONS

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igeria's midstream and downstream sectors are vital components of the petroleum value chain, responsible for the transportation, storage, and distribution of petroleum products.

In this article, we will explore the key issues affecting Nigeria's midstream and downstream operations and delve into strategies to optimize costs and logistics.

## Challenges in Nigeria's Midstream and Downstream Operations

- **Infrastructure Deficiency:** One of the most significant challenges facing Nigeria's petroleum industry is the inadequate infrastructure for transportation, storage, and distribution of petroleum products. Aging pipelines, truck fleets, depots, and storage facilities result in product losses, delays, and increased operational costs.
- **Inefficient Logistics:** Poorly coordinated logistics and supply chain management contribute to inefficiencies in product movement. This includes problems with scheduling, tracking, and inventory management, leading to higher costs and longer delivery times.
- **Security Concerns:** Nigeria's petroleum industry is plagued by security issues such as pipeline vandalism, theft, and illegal bunkering. These not only lead to losses but also pose safety risks to workers and the environment.
- **Policy Inconsistencies:** The sector is also weighed down by regulatory challenges, including pricing regulations, subsidy issues, and policy inconsistencies, which can create uncertainties and hinder investment.

## Strategies for Cost and Logistics Optimization

- **Infrastructure Upgrades:** To address the infrastructure deficiencies, the Nigerian government and private sector stakeholders should invest in upgrading pipelines, depots, truck fleets, and storage facilities. Modernization efforts should prioritize safety, environmental sustainability, and efficiency.
- **Technology Integration:** Embracing advanced technologies like real-time data analytics, surveillance and blockchain can revolutionize logistics and supply chain management. These tools can enhance transparency, accuracy, and efficiency in tracking products and managing inventory.

- **Security Measures:** Collaboration between the government, security agencies, and industry stakeholders is crucial for addressing security concerns. Surveillance systems, increased patrolling, and community engagement programs can help mitigate the risks associated with pipeline vandalism and illegal activities.
- **Stable Policies:** The downstream sector has now been deregulated, allowing market forces to determine prices. Whilst there are a few challenges following the deregulation pronouncement, the government should work on the teething issues and not consider going back to subsidies. A liberalized downstream sector will attract private investments and reduce the burden on the government. This will create a more competitive environment, encouraging cost optimization and efficiency improvements.
- **Public-Private Partnerships (PPPs):** Encouraging PPPs can effectively bridge the funding gap for infrastructure projects. The government should collaborate with private investors to develop, upgrade, and maintain critical petroleum infrastructure.
- **Capacity Building and Training:** Human resources are critical to optimization efforts. Training programs should be put in place to equip industry professionals with the necessary skills and knowledge to enhance operational efficiency.
- **Environmental Responsibility:** Sustainability should be at the forefront of optimization efforts. Implementing eco-friendly practices and adhering to environmental regulations can reduce operational costs and enhance the industry's image.

Nigeria's midstream and downstream sectors have the potential to play a more significant role in the country's economic development, but they must overcome the challenges of cost and logistics optimization. Nigeria can unlock the full potential of its petroleum industry by investing in infrastructure, embracing technology, enhancing security measures, and promoting deregulation and sustainability.

Collaborative efforts between the government, private sector, and other stakeholders are essential to achieving these goals and ensuring a prosperous future for the nation's midstream and downstream operations.

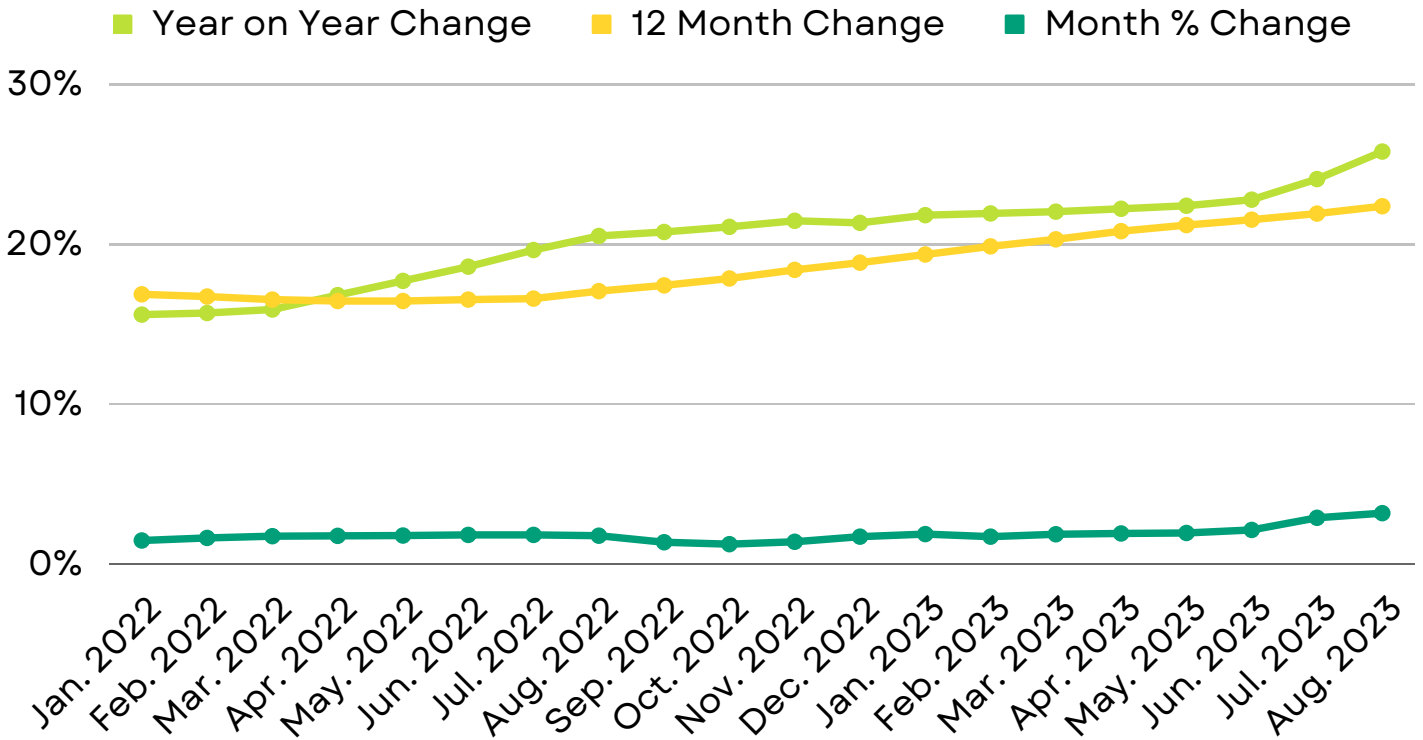
OPINIONS

*Disclaimer: The views and opinions expressed in this article are those of the author.*

# MARKETS WATCH



## INFLATION



## EQUITIES MARKET UPDATE

SECTOR	Sep. 8	Sep. 15	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	2509.10	2481.80	-27.29	-1.09	1.39%	12.75%	34.70%
Consumer Goods	1102.72	1082.42	-20.30	-1.84	1.83%	20.97%	83.79%
Oil & Gas	939.35	920.36	-18.99	-2.02	-2.08%	18.63%	99.01%
Banking	714.16	691.02	-23.14	-3.24	6.92%	7.07%	65.51%
Industrial	2892.88	2884.92	-7.96	-0.28	0.86%	15.80%	20.04%
Insurance	265.24	266.46	1.22	0.46	-0.86%	-3.83%	52.82%



# MARKETS WATCH



## FOREX RATES - INTERBANK I & E MARKET

NGN	Sep. 11	Sep. 12	Sep. 13	Sep. 14	Sep. 15
Minimum	739.00	738.00	744.00	773.00	768.00
Maximum	785.00	771.00	785.00	776.00	785.00
Interbank Official Closing (FX Rate (\$/N))	754.10	773.04	769.10	772.23	774.63



CENTRAL BANK OF NIGERIA



## FOREX RATES - PARALLEL MARKET

NGN	Sep. 11	Sep. 12	Sep. 13	Sep. 14	Sep. 15
USD					
GBP					
EURO					

abokiFX

# INDUSTRY WATCH

## AVERAGE EX-DEPOT PRICES (NAIRA/LITRE)

**11-SEP-23**

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	573.63	574.75	574.50	577.70	577.00	576.00
AGO	890.00	900.00	740.00	895.00	896.00	898.00
DPK	840.00	N/A	N/A	870.00	855.00	870.00

**14-SEP-23**

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	572.67	575.13	574.00	576.40	575.00	576.00
AGO	910.00	920.00	920.00	916.60	915.20	911.00
DPK	840.00	N/A	N/A	890.00	880.00	890.00

**15-SEP-23**

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	573.00	576.25	574.00	576.40	574.50	575.88
AGO	925.50	980.00	930.00	968.00	958.00	966.00
DPK	840.00	N/A	N/A	890.00	860.00	890.00

# 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 30 2023	981.29	930.95	867.65
Week 31 2023	995.01	986.50	915.20
Week 32 2023	1,001.17	1,018.10	937.30
Week 33 2023	1,027.99	1,006.80	926.75
Week 34 2023	1,030.11	1,036.60	952.85
Week 35 2023	993.57	1,045.75	965.00
Week 36 2023	992.20	1,042.35	971.85
Week 37 2023	1,030.44	1,097.00	1,033.40

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# INDUSTRY WATCH

## WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS		
Country	USD/Litre	Naira/Litre Exchange rate of 1USD = 957.00 NGN)
Nigeria	0.59	568.00
Cameroon	1.19	1139.79
Benin	1.11	1060.36
Sierra Leone	1.52	1458.47
Togo	1.14	1091.94
Burkina Faso	1.39	1325.45
Ivory Coast	1.33	1270.90
Ghana	1.18	1130.22
Guinea	1.39	1326.40
Mali	1.41	1351.28
Senegal	1.61	1544.60
Liberia	0.94	897.67

AGO		
Country	USD/Litre	Naira/Litre (Exchange rate of 1USD = 957.00 NGN)
Nigeria	0.94	900.00
Cameroon	1.17	1123.52
Benin	1.14	1091.94
Sierra Leone	1.52	1458.47
Togo	1.26	1208.69
Burkina Faso	1.10	1052.70
Ivory Coast	1.07	1022.08
Ghana	1.21	1158.93
Guinea	1.39	1326.40
Mali	1.41	1347.46
Senegal	1.23	1178.07
Liberia	0.99	942.65

### Note:

#### PMS Pump Prices

- All USD per litre prices are sourced from Globalpetrolprices.com EXCEPT for Nigeria.
- Naira per litre price for ALL was calculated by MOMAN using exchange rate 1 USD = 957NGN.

#### AGO Pump Prices

- All USD per litre prices are sourced from Globalpetrolprices.com EXCEPT for Nigeria.
- Naira per litre price for ALL was calculated by MOMAN using exchange rate 1 USD = 957NGN.