



INDUSTRY DATA SHEET

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MARKETS WATCH
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OPEC VS. IEA FORECASTS AND THE FUTURE OF ENERGY MARKETS

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On April 11, 2024, the Organisation of Petroleum Exporting Countries (OPEC) released its monthly oil market report (MOMR), shedding light on global oil demand. Their assessment indicates that the forecast for global oil demand growth in 2024 remains stable at 2.2 million barrels per day (mb/d), with slight upward adjustments made to the first quarter of 2024 data.

In contrast, the International Energy Agency (IEA) presents a different perspective. They anticipate a slowdown in global oil demand growth, expecting it to ease to 1.2 million barrels per day (mb/d) in 2024 and further decline to 1.1 mb/d in 2025.

This deceleration is attributed to the normalization of growth post-COVID-19 pandemic and the global energy crisis triggered by Russia's invasion of Ukraine. The IEA's analysis shows that global oil demand growth is slowing down.

The first quarter of 2024 witnessed growth of 1.6 million barrels per day (mb/d), 120 thousand barrels per day (kb/d) lower than previously forecasted, mainly due to weaker deliveries in OECD countries.

As the post-COVID-19 rebound fades and factors like vehicle efficiencies and the increasing adoption of electric vehicles (EVs) continue to reduce oil demand, growth is expected to further slow down in 2024 and 2025, reaching 1.2 mb/d and 1.1 mb/d, respectively.



Despite this deceleration, the projected oil demand growth remains aligned with pre-COVID-19 trends. This stability persists despite muted expectations for global economic growth and increased adoption of clean energy technologies.

The IEA highlights regional variations in oil demand. Upward revisions were made for OECD Europe, reflecting better-than-expected performance in the first quarter. However, downward revisions were noted for the Middle East and Africa, with further downward revisions expected for the Middle East in the second and third quarters of 2024.

Regionally, oil demand in OECD countries is expected to grow by approximately 0.3 mb/d, driven by growth in OECD Americas, Europe, and Asia-Pacific. Non-OECD countries are anticipated to witness robust growth of 2.0 mb/d year-on-year, led by China and supported by Other Asia, the Middle East, India, and Latin America. Overall, world oil demand is forecasted to reach 104.5 mb/d in 2024, buoyed by strong air travel demand, road mobility, industrial activities, and agricultural activities in non-OECD countries. Capacity expansions and petrochemical margins in non-OECD countries, primarily in China and the Middle East, are expected to contribute to oil demand growth.

However, these projections are subject to various uncertainties, including global economic developments. In addition, the IEA's analysis of oil consumption in 2022 and 2023 shows significant increases, driven by economic recoveries from the COVID-19 shock, with

China playing a significant role. Nonetheless, the pace of growth is expected to slow in 2024, indicating a broader global deceleration in oil demand growth.

Despite this outlook, the IEA emphasizes the importance of crude oil for the world economy. Finding easy substitutes for its key applications remains challenging. Without more focused energy and climate policies and increased investments in clean energy technologies, oil demand will not decline quickly, keeping it at current levels for some time. However, as China's demand slows and clean energy technologies advance, the oil market is poised for a significant transformation.

Country sample on oil production decline
Regarding Nigeria's crude oil production, there was a decline in March 2024 to 1,438,129 barrels per day, compared to 1,539,609 barrels per day in February and 1,643,671 per day in January 2024, as reported by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC).

This decline could be attributed to various factors, including crude oil theft, which remains a major challenge. According to data from the Nigerian National Petroleum Company Limited (NNPCL), between March 30 and April 5, the country recorded 155 crude oil theft cases comprising pipeline vandalism acts, illegal refineries, illegal connections, oil spills, and more.

Figure 1
A petroleum refinery

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

THE CRUCIAL ROLE OF RISK MANAGEMENT IN NIGERIA'S DOWNSTREAM PETROLEUM INDUSTRY

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In Nigeria's downstream petroleum industry, the significance of risk assessment and management cannot be overstated. Picture this sector as a ship sailing through uncharted waters, with each wave carrying the potential for opportunity or disaster. In this dynamic environment, the ability to navigate risks effectively is essential for success.

At the heart of the downstream petroleum industry lie numerous risks, ranging from operational hazards to market volatility. Operational risks, such as pipeline vandalism and refinery malfunctions, pose constant threats to the smooth functioning of the industry. Regulatory changes and market fluctuations further compound these challenges, creating an environment of uncertainty.

In such a landscape, proactive risk assessment and management are imperative. By identifying potential risks and implementing strategies to mitigate them, companies can safeguard their operations and protect their bottom line. This involves analyzing historical data, staying abreast of regulatory developments, and leveraging risk management tools to anticipate and address emerging threats.

Moreover, effective risk management fosters a culture of resilience and adaptability within organizations. By empowering employees to identify and respond to risks in real-time, companies can enhance their ability to weather storms and capitalize on opportunities. This proactive approach not only minimizes potential losses but also enables companies to seize strategic advantages in a competitive market.

In conclusion, in Nigeria's downstream petroleum industry, where uncertainty is the only constant, the importance of risk assessment and management cannot be overstated. By embracing risk as an inherent part of the business landscape and implementing robust risk management practices, companies can navigate the challenges ahead with confidence and chart a course towards sustainable growth.



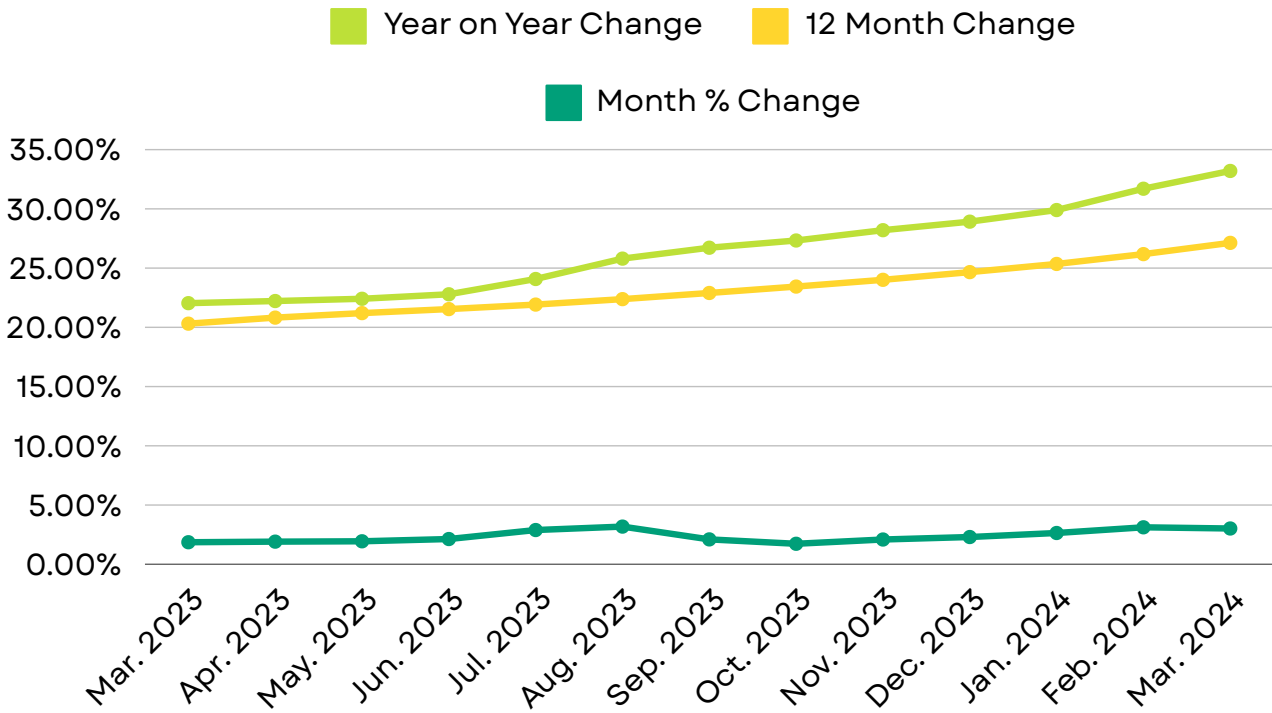
Figure 2
A blank puzzle with a risk piece

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MARKETS WATCH



INFLATION



EQUITY INDEX MOVEMENTS

SECTOR	Apr. 12	Apr. 19	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	3,796.05	3,688.15	-107.90	-2.84%	-4.96%	-4.96%	32.18%
Consumer Goods	1,604.36	1,588.95	-15.41	-0.96%	-1.36%	-1.36%	41.71%
Oil & Gas	1,290.74	1,290.74	0.00	0.00	-0.28	-0.28	23.75%
Banking	891.02	788.92	-102.10	-11.46%	-23.38%	-23.38%	-12.07%
Industrial	4,816.96	4,686.48	-130.48	-2.71%	-3.20%	-3.20%	72.79%
Insurance	392.62	381.62	-11.00	-2.80%	-5.99%	-5.99%	18.64%



MARKETS WATCH



FOREX RATES – INTERBANK I & E MARKET

NGN	Apr. 15	Apr. 16	Apr. 17	Apr. 18	Apr. 19
Minimum	-	1,000.00	-	981.00	1,040
Maximum	-	1,225.00	-	1,205.00	1,299.49
Interbank Official Closing (FX Rate (\$/N))	-	1,142.95	-	1,138.82	1,173.72



CENTRAL BANK OF NIGERIA



FOREX RATES – PARALLEL MARKET

NGN	Apr. 15	Apr. 16	Apr. 17	Apr. 18	Apr. 19
USD					
GBP					
EURO					

abokiFX

INDUSTRY WATCH



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AVERAGE WEEKLY PRICES

Combined Description	Gasoil Diesel 1000ppm Delivered West Africa \$/t	Gasoline Eurobob Delivered West Africa \$/t	Jet/Kerosine Delivered West Africa \$/t
Week 10 2024	822.55	876.11	893.05
Week 11 2024	836.80	876.56	903.80
Week 12 2024	846.50	913.63	908.06
Week 13 2024	835.00	947.91	882.81
Week 14 2024	877.00	971.73	925.38
Week 15 2024	849.85	970.56	902.80
Week 16 2024	815.85	976.27	876.25



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INDUSTRY WATCH

WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS

Country	USD/Litre	Naira/Litre Exchange rate of 1 USD = 1,360 NGN)
Nigeria	0.45	606.00
Cameroon	1.37	1,863.20
Benin	1.11	1,509.60
Sierra Leone	1.52	2,072.64
Togo	1.14	1,550.40
Burkina Faso	1.38	1,876.80
Ivory Coast	1.42	1,931.20
Ghana	1.05	1,428.00
Guinea	1.40	1,899.92
Mali	1.41	1,917.60
Senegal	1.61	2,189.60
Liberia	0.97	1,319.20

AGO

Country	USD/Litre	Naira/Litre Exchange rate of 1 USD = 1,360 NGN)
Nigeria	0.96	1,300.00
Cameroon	1.35	1,836.00
Benin	1.14	1,550.40
Sierra Leone	1.52	2,072.64
Togo	1.38	1,876.80
Burkina Faso	1.10	1,493.28
Ivory Coast	1.16	1,577.60
Ghana	1.10	1,494.64
Guinea	1.40	1,898.56
Mali	1.30	1,768.00
Senegal	1.23	1,672.80
Liberia	1.09	1,486.48

Note:

PMS and 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 MEMAN using exchange rate 1 USD = 1,360 NGN. Exchange rate sourced from [Naira Rates](#)