



**COMMUNIQUE ON THE 8<sup>TH</sup> OIL  
TRADING AND LOGISTICS  
(OTL) AFRICA DOWNSTREAM  
EXPO. ON 28-30 OCTOBER,  
2014 AT LAGOS ORIENTAL  
HOTEL, NIGERIA.**

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## INTRODUCTION:

The annual OTL Africa Downstream Expo is the Continent's leading business forum for unique insights on markets and emerging opportunities in addition to knowledge development, products showcase and recognition of excellence in the downstream petroleum value-chain. It features a strategic conference and dedicated industry exhibition.

Organised in collaboration with key partners in government and the industry, the conference is rightly described as Africa's Downstream Destination.

Oil Trading and Logistics (Africa Downstream) is a Pan-African initiative dedicated to promotion of business, policy, and stakeholder relationships in downstream petroleum markets across the Continent. It achieves its goals through strategic government and business liaison, research and advocacy with a focus on effective industry solutions.



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## ***WHEREAS:***

- The significance of the OTL African Downstream expo is highlighted by the fact that it provides a forum for industry stakeholders in the Downstream petroleum value-chain across the Continent and key partners in Government to come together to compare notes and exchange ideas on how to drive the industry forward;
- OTL Africa Downstream affords a most convenient forum in which stakeholders in the petroleum and gas industries can discuss issues and engage in cross - fertilization of ideas with a view to imbibing best practices prevailing in the industry;



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***WHEREAS:***

- To foster more participation of indigenous businesses in the petroleum and gas industry and ensure job creation and diversification of investment, the theme for this year's conference is: **THE FUTURE OF PETROLEUM PRODUCTS SUPPLY;**
- Papers were presented by erudite speakers on the following topics:

- 1. THE FUTURE OF PETROLEUM PRODUCTS SUPPLY.**
- 2. GLOBAL OUTLOOK FOR PETROLEUM PRODUCTS TRADING (with focus on African Markets, supply/demand dynamics, pricing, regulation and policy)**



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- 3. REFINING THE BARREL: PROSPECTS, COSTS AND FINANCING**  
(with focus on: risk management, margins, feedstock and financing)
- 4. THE GAS GAUNTLET: Comparative Review Of LNG, LPG and CNG, as Alternative Energy Options**
- 5. IMPACT OF MAJORS AND INDEPENDENTS IN PETROLEUM PRODUCTS SUPPLY** (with focus on: new innovations, customer value and corporate social responsibility)
- 6. BRANDS AND THE BOTTOMLINE: TRANSFORMATION THROUGH PETROLEUM MARKETING AND RETAIL** (with focus on: Creating wealth, diversifying investments)
- 7. TANK FARMS, TANKER VESSELS AND REGULATORY COMPLIANCE IN PETROLEUM PRODUCTS SUPPLY** (with focus on: measures, metering, inspection and environment)
- 8. SAFETY AND SECURITY IN WEST AFRICAN PETROLEUM PRODUCTS SUPPLY** (with focus on: Armed robbery at sea, piracy, terrorism and oil theft)



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After an interactive session with questions and answers, the following resolutions were derived:

## **RESOLUTIONS:**

- (1) That there is a need for African pricing benchmarking for crude oil and petroleum products as a basis for increased value and wealth creation from oil products.
- (2) That while strong African demand for petroleum products is a good incentive for increased refineries on the continent, it is important to ensure equal access to export opportunities to Europe, Asia and the Americas for African refined products.
- (3) That there is a need for increased infrastructure investment at our seaports and inland depots, particularly in respect of LPG storage and evacuation, in addition to road, rail and coastal transportation.





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- (4) That it is imperative to maintain and improve skilled workforces for the future of petroleum products supply.
- (5) That mismatches between pricing regimes should be discouraged in order to prevent informal markets and cross border fuel smuggling.
- (6) That African economic growth must eschew stagnancy in our Refineries and reliance on expensive long haul imports in order to reduce demand-driven scarcity of petroleum products
- (7) That there is need to put in place steady and efficient electricity supply for stronger growth in the regional oil sector.
- (8) That Government Regulations need to be implemented in order to maximise efficiency in petroleum markets and create employment for Africans in the downstream oil and gas sector.
- (9) That Modular Refineries should be encouraged for the growth of our GDP and creation of jobs for Nigerians.



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- (10) That it is necessary to liberalise the market space beyond the present state to encourage more investments and increased efficiency; as a result, the current regime of petrol subsidies is no longer sustainable and should be scrapped totally for full deregulation.
- (11) That industry changing innovations, if carefully followed through, would contribute greatly to ensure a smooth flow in petroleum products supply.
- (12) That it has become imperative to decentralise the activities in Lagos ports in order to reduce congestion and increase efficiency; as a result government is encouraged to sustain its efforts to open up the Lekki Free Trade Zone corridor.
- (13) That modular storage facilities should be actively deployed as a means of increasing availability of petroleum products while boosting job creation.





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- (14) That an enabling environment needs to be put in place by government to help in harnessing the huge investment opportunities available from oil and gas thus facilitating wealth creation and diversification of investments.
- (15) That there should be no compromise with respect to compliance with safety and security measures, particularly in relation to synergy of all relevant stakeholders, and standardisation of safety benchmarks.
- (16) That there is an urgent need for national and international collaboration to enhance the capacity of the Nigerian Navy and other relevant agencies in the Gulf of Guinea region in order to curb armed robbery at sea and piracy.
- (17) That it is imperative for the executive and legislature to speed up the passage of the Petroleum Industry Bill (PIB) to create an enabling environment for increased competitiveness, efficiency and investment in the industry
- (18) That there is need to improve law enforcement by implementing the relevant laws and legal regimes within Nigeria and the Gulf of Guinea, to combat maritime terrorism and oil theft.



**THANK YOU ALL!**