



The 12th

OTL AFRICA DOWNSTREAM WEEK

COMMUNIQUE

Introduction

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.

Its flagship platform, the annual OTL Africa Downstream Week is the continent's leading business forum for market insights, emerging opportunities, products' showcase and recognition of excellence in the African downstream petroleum value-chain. It features the participation of operators in the entire downstream oil and gas value chain including refining, trading, shipping, marketing, storage, retail, infrastructure, professional services, equipment supply and government.

The 12th edition held in Lagos Nigeria from 28 to 31 October 2018 at the Lagos Oriental Hotel. Industry stakeholders deliberated on the following topics:

SESSIONS TOPICS

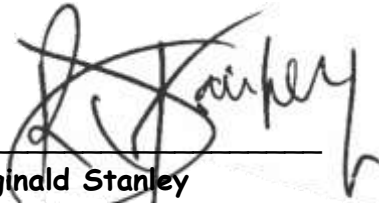
SESSION 1	Unlocking Value through Industry Synergy
SESSION 2	Optimizing Efficiency and Returns in Petroleum Retail- (With focus on automation, branding, pricing and forecourt innovation)
SESSION 3	Current Outlooks for Crude Oil and Petroleum Products Flows to African Markets
SESSION 4	Regional Cooperation for Sustainable Petroleum Infrastructure Projects
SESSION 5	Harnessing Opportunities in The West African Oil and Gas Shipping Cluster
SESSION 6	Takeovers and Markets: The Changing Roles of independents and Majors in Downstream Petroleum
SESSION 7	Promoting Efficiency and Clean Fuels in African Refining and Petrochemicals Markets
SESSION 8	Gas and the Future of Energy: Market Outlook and the Role of LPG, Lubricant and Renewables
SESSION 9	Energy 2030 – Technology, Capacity and the Skills of the Future
SESSION 10	Downstream Regulatory Compliance: Legal Issues and Role of In-House Counsel

After three days of deliberations, the industry collectively agreed as follows:

1. **DETERMINED** to achieve optimum efficiency from market potentials, industry stakeholders are advised to embrace synergy within and beyond national boundaries as a means of fully optimizing their operations across the downstream value chain.
2. **ACKNOWLEDGING** the recurring losses resulting from sub-optimal refining operations, stakeholders call on government to fully privatize the refineries to return them to profitability.
3. **CONVINCED** it can catalyse development of the downstream petroleum sector across the continent, industry urges African governments to fully deregulate the market from price caps and all forms of control.
4. **CONCERNED** about environmental hazards posed by fuels currently imported into the region, governments are advised to enforce policies on desulphurization of fuels imported into West African countries and direct that only petroleum products with 50PPM or less can be imported into their countries.
5. **WORRIED** that retention of the Petroleum Equalization Fund (PEF) in the Petroleum Industry Governance (PIG) Bill signals continued price regulation in the fuels market, operators call on the Legislature to expunge all provisions from the PIGB that constrain market freedom to ensure development of downstream petroleum in Nigeria.
6. **DESIROUS** of establishing a virile shipping cluster in the West African region, participants call on governments of member countries to consider the modalities of making the entire Gulf of Guinea (GoG) a Safe Anchorage Area (SAA), with a framework that allows cross border patrol and surveillance in the region.
7. **REALIZING** the value of regional trade cooperation, industry notes a need to review the ECOWAS Treaty in light of prevailing realities to ensure ease of cross-boundary cooperation in the development of petroleum infrastructure.
8. **FOCUSED** on achieving regional hub status, industry encourages Maritime Administrations in West Africa to benchmark their rates, tariffs and levies against those obtainable in other regions in order to improve competitiveness and attraction for maritime services.
9. **MINDFUL** of its benefits for industrial and domestic energy, operators are encouraged to explore increased deployment of propane gas in powering industrial and automotive machinery.

10. **CONVINCED** about the safety and efficiency of LPG, stakeholders urge governments and operators to increase efforts at grassroots sensitization and introduce more incentives to encourage the transition, penetration and utilization of LPG across the region.
11. **UNDERSTANDING** the challenges inherent in the acquisition of LPG cylinders, governments are encouraged to promote measures for the widespread deployment of LPG cylinders to all parts of the continent.
12. **REALIZING** the role technology has to play in the future of the downstream industry, industry calls for development of a regulatory framework for the integration of technological innovations into contemporary downstream petroleum operations.
13. **CONCERNED** about capacity deficit in digital and new technology awareness, industry calls on educational institutions to review existing curricular to ensure skill sets required to carry Africa's downstream sector into the future are developed.

Signed:



Reginald Stanley
Chair, Advisory Board,
OTL Africa Downstream Week



Emeka Akabogu, ESQ.
Chairman, OTL Africa
Downstream