



The 13th

**OIL TRADING AND LOGISTICS
(OTL) AFRICA DOWNSTREAM WEEK**

COMMUNIQUE

INTRODUCTION

The annual OTL Africa Downstream Week is the continent's leading business forum for downstream petroleum – held from 27th to 30th October the Lagos Oriental Hotel. It featured 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. Discussions were anchored around the following key topics –

1. Downstream Competitiveness through Growth, Innovation and Technology
2. Clean Fuels, Meters and Measures: The Quest for Low Sulphur and Full Tanks
3. Depots, Pipelines and Fleets – Policy and Operations for Sustainable Downstream Assets and Infrastructure
4. Automation, Digital Transformation and Retail Margins at the Last Mile: Status Report
5. Opportunities and Considerations for Expansion of LPG and Lubricants' Markets
6. Impact of the Dangote Refinery on the West African Petroleum Products Market
7. Ship to Shore and Efficiency of Shipping Petroleum and Crude Oil Cargo
8. Energy 2030: Technology, Capacity and the Skills of the Future for Downstream Oil and Gas Operations
9. Policy, Regulation, Pricing, Markets and the Future of Downstream Petroleum in Nigeria.

RESOLUTIONS

Narrowing in on the Nigerian interests, the following resolutions were reached:

1. **CONVINCED** about the salutary potentials of the Petroleum Industry Bill to catalyse development of the downstream petroleum sector, stakeholders call for its passage and enactment in order to increase industry efficiency, create value and unlock investments.
2. **TROUBLED** that the Nigerian National Petroleum Corporation has become the sole importer of premium motor spirit (gasoline) resulting in stagnation of investment in downstream petroleum, industry calls for a transition to a market driven environment to increase wholesome participation, improve efficiency and stem the current negative slide in the fortunes of Nigerian petroleum marketing and trading companies.

3. **CONFIRMING** that the downstream petroleum sector is responsible for over 50% of carbon emissions on the continent, operators call on West African governments to enforce compliance with the policy on clean fuels, emission limits and de-carbonization, in line with the Sustainable Development Goal (SDG) #7 on clean and affordable energy.
4. **CRITICAL** of the challenges occasioned by issues relating to custody and or transfer of petroleum cargoes at jetties in particular and the petroleum logistics value chain in general, industry advocates for the adoption of full automation at depots to eliminate quantity and quality losses in ship to shore and land distribution processes.
5. **CONSCIOUS** of the security risk posed by outsourcing the security of critical national oil and maritime assets and the fact that Private Maritime Security Companies may be sub-optimally regulated, industry resolved that the Nigerian Navy should be empowered through adequate funding to fully cover the high traffic lanes of the Nigerian maritime domain while third-party arrangements with private maritime security companies contractors to secure the nation's waterways should be discouraged.
6. **RECOGNIZING** the significance of safety in the petroleum products value chain, operators reiterate the need for increased HSEQ awareness and urge government and industry to prioritise regular training for personnel in this area.
7. **MINDFUL** of bottlenecks arising from numerous regulatory agencies, together with the need to optimize vessel and port interface at the ports, operators urge government to reduce the number of agencies involved in the petroleum products import and clearance process by the adoption of a Single Maritime Window to improve efficiency and time management.
8. **CONCERNED** about environmental hazards as well as security and safety of their vessels, shipping operators urge the Nigerian Navy and the Nigerian Ports Authority to facilitate the charting and 24-hour accessibility of all marine approaches to jetties and coastal storage facilities.
9. **WORRIED** by the challenges associated with sourcing finance for procurement of petroleum products, stakeholders have called on the Nigerian National Petroleum Corporation (NNPC) to shorten payment cycle for contractors from nine months to the statutory 45-day period.

10. **UNDERSTANDING** the role of disruptive technologies and critical thinkers to drive processes in the future of the downstream petroleum sector, industry calls for a review of the education curriculum to reflect the emerging impact of technology and automation in downstream petroleum processes.
11. **MINDFUL** that the emergence of the Dangote Oil Refinery will result in increased demand for shuttle vessels, government is urged, through the Federal Ministry of Transport and the Nigerian Maritime Administration and Safety Agency to facilitate the preparedness of Nigerian shipowners to take advantage by disbursing the Cabotage Vessel Financing Fund (CVFF).
12. **FOCUSED** on achieving optimal LPG penetration in the domestic market, industry calls for collaboration for the establishment of an LPG Fund to aid establishment of cylinder recertification plants and development of cylinder tracking devices.

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