



## RESPONSE TO DAPPMAN'S MISLEADING PRESS STATEMENT

Recent events and statements made it abundantly clear that the actions and threats issued by certain groups within Nigeria's oil and gas industry, are not borne out of legitimate concerns about unionisation. Rather, they constitute a calculated campaign of economic sabotage, orchestrated by vested interests who perceived progress as a threat to their entrenched positions.

From the outset, it has been evident that certain actors are intent on undermining the operations of the Dangote Petroleum Refinery, particularly the planned deployment of Compressed Natural Gas (CNG)-powered trucks for the distribution of fuel. This innovation has been widely recognised as a transformative step towards Nigeria's long-sought goal of energy self-sufficiency.

We are not surprised by the disingenuous intervention of the Depot and Petroleum Products Marketers Association of Nigeria (DAPPMAN), which appears to be a face-saving attempt to distract from the real issues at hand. In time, Nigerians will come to see clearly the individuals and interests behind this concerted effort to derail a project of national importance.

DAPPMAN's claims regarding the quality of its imported petroleum products are contradicted by established facts. In January 2022, the Nigerian National Petroleum Company (NNPC) reported that one of DAPPMAN's members had supplied petrol containing over 15% methanol, well above acceptable limits (Methanol is not standard in refinery practice, but some blenders use it to artificially raise octane levels beyond the anti-knock threshold, a questionable and unsafe approach). The result was widespread engine damage for thousands of end users. Yet, no transparent government inquiry or independent investigation was ever conducted to determine the source, intent, or full impact of the adulterated fuel.

It is easier for DAPPMAN and its affiliates to make such claims knowing that the regulatory authority lacks a single, verifiable, government-owned laboratory in Nigeria capable of testing fuel to international standards. This regulatory gap continues to undermine enforcement of Section 317(11) of the Petroleum Industry Act (PIA), which mandates a sulphur content limit of 50 parts per million for all petrol consumed in line with ECOWAS standards. We are fully aware of the numerous conspiracies surrounding the certification of petroleum products imported into Nigeria. The so-called certificates of quality, if subjected to an independent forensic audit, would not match up to industry standard which forms the basis for actual pricing template of the products.

DAPPMAN also contends that the Dangote Refinery supplies only 35% of national demand. Unfortunately, the regulators have failed to publish transparent or independent audited daily consumptions data, or to implement equalisation levies per litre. Without accurate figures, effective planning and fair quota allocation as required under Sections 317(7) and (8) of the PIA remain elusive. An independent forensic audit is urgently required.

Before the advent of higher-quality domestic fuels from the Dangote Refinery, Nigerians endured scarcity, product adulteration (a major cause of cancer ravaging many families today), and lasting engine damage, often without accountability. This latest narrative around unionisation is merely a cheap ploy, an act of desperation by a group resisting reform. The reality is clear, DAPPMAN should adapt to the new energy landscape or mobilise capital, build a refinery and compete.

It is incorrect to claim that the price of petrol in Togo is lower than in Nigeria. A straightforward check reveals that the average pump price in Lomé stands at approximately 680 CFA francs per litre, equivalent to N1,826. This figure reflects the very scenario that DAPPMAN and its affiliates appear to advocate for in Nigeria. The Dangote Refinery has positioned Nigeria as a primary source of affordable petrol feedstock for West Africa, despite the refinery importing over 60% of the crude oil it processes.

It is increasingly evident that DAPPMAN and some of its members are disproportionately focused on the importation of refined products even admitting to round-tripping, whereby petrol produced by the Dangote Refinery is re-imported from Togo into Nigeria at a markup. Another hole in their narrative of being the major supplier of petrol in the country. What, then, is the business rationale behind this practice, especially when considering the substantial additional cost of transporting petroleum products from Lomé to Lagos - costs that run into billions of Naira?

If their true intention is to serve the Nigerian domestic market, why not join the growing list of local partners of the Dangote Refinery? These partners, in addition to receiving high-quality products, benefit from volume-based discounts, credit facilities and logistics support, all designed to enhance local availability and affordability of petroleum products for the Nigerian people, at a recommended rate by all parties.

It is important to distinguish between the pricing at the Single Point Mooring (SPM) and the Gantry. While smuggling products through the SPM is relatively easier, transporting them via land borders is far riskier and more complex.

The reality is that for some operators, the business has never truly been about delivering petroleum products to Nigerian consumers. Instead, it revolves around arbitrage opportunities, where they can easily triple the value of the products by diverting them to more lucrative markets in the sub-region.

These inflated volumes were factored into the justification for subsidy claims. At one point, Nigeria's daily consumption was reported to be as high as 93 million litres, a figure grossly overstated, as the actual consumption is less than half that amount. A figure that was kept high in the heat of COVID-19 when there was hardly movement.