

DANGOTE REFINERY AND PETROLEUM PRICING VOODOO

In an ideal capitalist economy, the market forces of demand and supply determine the price of products – Azowue, O. E. (2024). The sudden increase in the price of petroleum few days to the commencement of supply of the product from Dangote refinery to Nigeria market is most unfortunate – Azowue, O. E. (2024). Increasing the price of petroleum at a time when most Nigerians are passing through economic difficulties shows how insensitive the government of the day can be – Azowue, O. E. (2024)

Most Nigerians were happy when the news broke out that Dangote refinery Ltd will now be distributing petroleum product to the Nigerian market. The happiness of Nigerians stems from the believe that with Dangote refinery Ltd supplying petroleum to Nigeria market, and being an indigenous company, naturally the price of petroleum will crash down as against importing the product as has been the case for many years now. Unfortunately, it appears that the expected blessings projected with the refining of petroleum product in Nigeria have suddenly become a curse rather than a blessing, with the high price of the product has been pegged.

We were told that Dangote refinery limited was built with \$20billion and has the capacity of producing 650,000 barrels of crude oil per day; the biggest oil refinery in Africa, and was built to compliment the effort of the Nigeria government in its quest to revamping its moribund four refineries that had been serviced in the last ten years with about \$25billion, an amount that was more than enough to build a new refinery for the country. This is not forgetting that the government employees in these moribund refineries have been



maintained and their salaries being paid all these period, even when the refineries are not functional.

Successive administrations have promised to revamp these refineries as to end the regime of importation of refined petroleum product into the country. Less we may have forgotten, Nigeria is the only oil producing country that has been refining its petroleum product outside the shore of its country. Also, among the oil producing countries in Africa, Nigeria is the only country that sells its petroleum product at exorbitant price to its citizens as against what is obtainable in other oil producing countries in the continent. This is indeed ridiculous and unacceptable!

Many Nigerians expected that with the commencement of operations of the Dangote refinery limited, it was going to

lead to the crash in the price of the product, unfortunately this administration has a different plan for Nigerians, as the price of petroleum has continued to go high even when the product is being extracted and refined in the country, and the many excuses of importation duties and other sundry charges are not there anymore. This is rather very unfortunate!

The political game being played by this administration was displayed when the management of Dangote refinery initially announced to Nigerians that the price of petroleum was going to be determined by market forces in accordance to the capitalist system of economy the country has claimed to be practicing. Ironically, Alike Dangote after some days told bewildered Nigerians that the government was going to be determining the price of the product, including that of Dangote refinery. Indeed, Nigeria is practicing a voodoo

model of capitalism that is only obtainable in a clime such as ours.

Regardless of what ever excuses the present administration may want to come up with, the operations of Dangote refinery should have naturally crashed the price of petroleum in the country, since the product is now being refined in the country, and not imported as was the case before now. Nigerians cannot be

convinced that the petroleum product that is being refined in the country is now higher in price than when it was being imported. Such mathematical madness cannot be accepted by an average Nigerian, as it does not make any commonsense. Until, the price of petroleum product is drastically crashed down for Nigeria consumers, the operations of Dangote refinery does not make any sense as it seems to have become a curse rather than a blessing to the average Nigerian. This is indeed, the wicked and heartless transformation agenda of this administration which has been displayed beyond every reasonable doubt not to have the interest of common Nigerians at heart.

Indeed, there was a country!

Azowue O. Emmanuel