

Fuel price hikes: NNPC's antic to sabotage Dangote, Nigerians,

By Ehichioya Ezomon

Nigerians have lost count of the number of times that the Nigerian National Petroleum Company Limited (NNPCL) has increased the price of petrol (premium motor spirit, PMS) since on May 29, 2023, when President Bola Tinubu, during his inauguration, took the nation by surprise and declared that, “fuel subsidy is gone.” Coupled with subsequent floating of the Naira, to find its “true value” within the vagaries of market forces, and other crunchy policies that his administration has introduced, such as the hike in electricity tariffs – all subject to removal of subsidies – Nigerians' social and economic lives have changed for the

worse from the day of the Tinubu seismic inaugural speech at the Eagle Square in Abuja, Nigeria's capital city. Prices of goods and services have not only skyrocketed, but manufacturers have embarked on shrinkflation (reduction in size or quantity) and skimpflation (reduction in quality) of their products, even as prices keep increasing amid a hyperinflation and low or none purchasing

power that's caused unprecedented hunger and anger across the country. Exacerbating Nigerians' dire straits is the propensity of the NNPC for incessant increases of the price of petrol, which the so-called state-owned enterprise raised from N184 to N577 per litre moments after Tinubu announced the removal of the fuel subsidy in May 2023 and to N617 and then N897, sparking nationwide outrage, and protest. The case has always been that each new fuel price increase comes at an inauspicious time when Nigerians are settling down, and coming to terms with the previous hike, with the latest on October 29 jerking up the prevailing price from N998 to N1, 025 per litre in Lagos, and from N1, 030 to N1, 060 per litre in Abuja.

Between September and October 2024, the pump price has increased from N897 to N998, and to N1, 025 per litre at the NNPC mega filling stations in Lagos. It now sells in Port Harcourt, Rivers State, at N1, 040 per litre,

between N1,020 and N1,030 in Lagos, N1,060 in Abuja, and up to N1,350 in far-flung northern States. And it continues to climb, with industry watchers predicting that it could hit N1, 500 per litre by Christmas 2024. Meanwhile, the NNPC, which often surreptitiously introduces new fuel prices, has undisguisedly dabble in the affairs of the privately-funded and owned Dangote Petroleum Refinery, which Nigerians have long expected would bring succor and free them from the stranglehold of the NNPC that's never served their interest even under the alleged corruption-laden fuel subsidy regime dominated by frequent hikes in pump price, and induced



scarcity of the product, especially during festive seasons. From deliberate dithering to supply crude to the multibillion dollar Dangote Refinery, to fighting to be its sole PMS off-taker, and to continue to import fuel on the pretext that the refinery isn't meeting its daily requirements, the NNPC has retained its power to fix prices in a deregulated oil sector that's

supposedly open to willing sellers and willing buyers. Lately, the monopolistic tendency of the NNPC has constrained it to withhold a princely N40bn that members of the Independent Petroleum Marketers Association of Nigeria (IPMAN) have reportedly paid through the company (NNPC), to enable them lift fuel from the Dangote Refinery. Reacting to the claim by the refinery's owner and Chairman of the Dangote Group, Mr Aliko Dangote – that marketers were avoiding his refinery in favour of imported petrol – IPMAN's President, Abubakar Garima, revealed on Channels Television's 'Sunrise Daily' on October 30 that the IPMAN members were eager to purchase fuel from the refinery if allowed to do so directly. “We have over ₦40bn in outstanding debt with the NNPC. I was surprised when Dangote said he has over 500m litres of PMS. We are ready to buy the product from Dangote if he is ready to sell it to us directly,” Garima said, adding that his members weren't importing petrol, contrary to Dangote's suggestion, and urged the refinery to register independent marketers



directly, and bypass the NNPC, to allow for easier loading. “If he (Dangote) can sell the product directly to us, we can buy because we pay upfront before loading. Currently, we have ₦40bn with the NNPC, yet we can't access the product. Recently, some marketers were sent to load at the Dangote Refinery but were unable to load even after waiting four days with their trucks,” Garima said. Noting that IPMAN represents over 20,000 marketers, Garima suggested that, “if the Dangote Refinery allows independent marketers to lift petrol directly, similar to the NNPC arrangement, Nigerians will likely a reduction in pump prices.”

VANGUARD reported on the story. On October 30, Aliko Dangote, along with the Minister of Finance, Wale Edun and NNPC's Group Chief Executive Officer, Mele Kyari, met with President Tinubu in Abuja, and announced that he had over 500m litres of petrol in storage at his refinery, but that marketers weren't using his facility – perhaps to remind the president that all his efforts to ensure that the refinery came on stream, and enough crude supplied to it daily in Naira equivalent, was falling through by no fault of the refinery. Debunking IPMAN's claim, Dangote Refinery's Group Chief Branding and Communications Officer, Anthony Chiejina, stated on October 30: “The Dangote Petroleum Refinery wishes to clarify that it has not received any payments from the Independent Petroleum Marketers Association of Nigeria (IPMAN) to purchase refined petroleum products. “Although discussions are ongoing with IPMAN, it is misleading to suggest that they (IPMAN members) are experiencing difficulties loading refined products from our Petroleum Refinery, as we currently have no direct business dealings with them. Consequently, we cannot be held responsible for any payments made to other entities. “The payment in mention has been made through the Nigerian National Petroleum Company Limited (NNPC), and not us. In the same vein, NNPC has neither approved, nor authorised us to release our Premium Motor Spirit (PMS) to IPMAN.” Emphasising that the refinery can meet Nigeria's demand for all petroleum products, including petrol, diesel, and aviation fuel, Chiejina said: “At present, we can load 2,900 trucks per day and we have also been evacuating petroleum products by sea. We advise IPMAN to register with us and make direct payment as we have more than enough petroleum products to satisfy the needs of their members.”

He appealed to “all stakeholders to refrain from making unfounded statements in the media, as that could undermine the economic re-engineering efforts of His Excellency, President Bola Ahmed Tinubu. Conducting business through public speculation is counterproductive and unpatriotic.” “In the interest of our country, we encourage all stakeholders to collaborate and heed the advice of President Tinubu, while promoting a unified

approach, rather than engaging in media conflicts and needless propaganda,” Chiejina said. The foregoing illustrates the fact that, if the IPMAN didn't cry out over its members' inability to lift fuel they'd paid for from the Dangote Refinery, and the later didn't rebut the IPMAN claim of its members paying the huge sum into its coffers, the NNPC would've withheld – if it's still not withholding – the ₦40bn, ostensibly to trade and earn illegal bountiful commission on the money, and retain both its sole off-taking of fuel from the Dangote Refinery, and the power to dictate its price in the Nigerian market.

The NNPC's antic is a “financial sleight of hand of the worst sort,” and a brazen act of corruption that embodied the subsidy regime that Tinubu's vowed to eliminate. But what Nigerians have seen over the past 18 months is that the more things change under the Tinubu administration, the more they remain the same! Which begs the question: Does Tinubu really wants to tame the octopod corruption in governance, and particularly in the oil sector managed and manipulated by the NNPC, or he's part of the system, and has ascended the presidency to protect it? As the Minister of Petroleum Resources, why is it difficult for Tinubu to combine that pedestal with the almighty powers of the presidency to conquer the “cabals” in the oil industry that the NNPC seems to be holding their forte?

The clock is ticking, and the time is running for the Tinubu presidency! The moment has come for him to declare that “enough is enough,” and use his political platform's “broom” to sweep the NNPC clean as the starting point of his government's much-hyped reforms in the oil sector. Whether Tinubu's involved or not in the shenanigans going on under his nose, and on his watch, he should realise that the deliberate stoking of the anger of Nigerians with incessant increases in the price of petrol won't bode well the next time Nigerians themselves declare that “enough is enough.” Indeed, as the Chairman, Centre for Accountability and Open Leadership, Debo Adeniran, noted, as reported by PUNCH on October 30, the decision of the government could “stoke the embers of discord and unleash the people's anger against the government.” Adeniran added: “What the government is doing is to stoke the embers of discord. Of course, the administration is losing support daily, and it will get to a stage whereby nobody will be able to stop the people's anger. And when the people's anger is unleashed on the government, we can't predict what will end it.” Patriotic, concerned and rifgt-thinking Nigerians hope and pray that the fuel situation, and its attendant ramifications won't get to that stage. But as the saying goes, “A stitch in time saves nine.” President Tinubu should act now!

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