HEADLINE: STAKEHOLDERS CALL FOR SYNERGY ON CRUDE OIL PRICE
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Okonjo-Iweala, Okumagba, others chart roadmap for market growth

CHIOMA OBINAGWAM -LAGOS

THE stage is set for the Co-ordinating Minister of Economy(CME) and Minister of Finance, Dr Mrs Ngozi Okonjo-Iweala, the President of Chartered Institute of Stockbrokers (CIS), Mr Albert okumagba; Acting Director General(DG), Securities and Exchange Commission(SEC), Mallam Mounir Gwarzo and other key stakeholders to chart the roadmap for market growth.

This was stated in a statement issued by the CIS on Wednesday.

According to the statement, okumagba, who is also the chairman of the institute said that it would exploit the institute's Post Annual General Meeting(AGM) Luncheon slated for Thursday, April 30 to create a robust platform for accelerated development of the Nigerian Capital Market.

The meeting is expected to have the attendance of a cream of notable Nigerians in the financial market to discuss economic and stock market related issues that would move the Nigerian Capital Market forward.

The Co-ordinating Minister of Economy and Minister of Finance, Dr Mrs Ngozi Okonjo-Iweala would deliver the keynote address while the Minister of Agriculture, Dr Akinwumi Adesina would give an update on agenda for African Development Bank (AfDB). SEC's Chairman, Mallam Sulleyman Ndanusa, the President, Institute of Chartered Accountants of Nigeria (ICAN) Mr Chidi Ajaegbu and Chairman, CIS Board of Fellows , Sir Sammy olagbaju are already warming up to make remarks.

The luncheon, the statement indicated, will hold after the institute's AGM and major highlights is the election of some new members to the Council.

Thereafter, it disclosed, the luncheon would commence with the opening remarks by okumagba who will set the tone for roadmap towards a virile Nigerian Capital Market.

The Acting Director General, Securities and Exchange Commission, Mallam Mounir Gwarzo is expected to speak on the "Development Agenda for the Nigerian Capital Market"while the Chief Executive Officers of Nigerian Commodities Exchange (NCX Plc), NASD Plc, FMDQ OTC Plc, The Nigerian Stock Exchange(NSE) and AFEX Nigeria are already detailed to come up with agenda for market growth from the perspective of their respective organisations.

Other critical stakeholders including Justice George Oguntade, Muhammed Uba Kari,Dr Sarah Alade of the Central Bank of Nigeria (CBN) and Mrs Chinelo Anohu-Amazu of Nigerian Pension Commission will offer professional advice on the pathway to market growth and development.

From left: Executive Director, Market Operations and Technology, Nigerian Stock Exchange, Mr Ade Bajomo; Chairman, FCMB Group Plc, Mr Jonathan Long and Group Managing Director, First City Monument Bank Limited, Mr Ladi Balogun at FCMB Group Plc Facts behind the figure and unveiling the bank's new Corporate Identity held at the floor of the Nigerian Stock Exchange, on Wednesday, in Lagos. PHOTO: SYLVESTER OKORUWA

FCMB assures investors of improved returns in 2015

CHIOMA OBINAGWAM -LAGOS

FCMB group has pledged to deliver improved returns to investors in the face of harsh business financial environment anticipated in the current year of 2015.

Speaking at the company's facts behind the figures held in Lagos, Managing Director, FCMB Group Plc, Mr. Peter Obaseki, he said: "First Half(H1) of the 2015 is going to be tough due to naira depreciation, drop in oil prices, and other macro-economic variables. Second half (H2) We expect to be resilient due to the underlying results achieved so far and we hope to absorb the shocks help it ensure a robust figure during the current financial year," he said.

"In 20 years we have operated, we have seen economic cycle, the boom and the burst but we have demonstrated resilience which shows we can adapt to Nigerian financial environment," Obaseki added.

He noted that the group is well positioned for wealth management which is highly complementary to retail banking through cross sell opportunities and distribution synergies.

"FCMB is one of the only two financial institutions in the country permitted to have a pension fund administrator subsidiary by Central Bank of Nigeria (CBN). With 28 per cent in a PFA, we are uniquely positioned to tap into the huge PFA opportunity, currently growing at 14 per cent per annum, with total Asset Under Management(AUM) of N4.6 trillion. FCMB is also strategically investing in non PFA asset management," he said.

The group posted a 32 per cent increase in a profit before tax (PBT) for the full-year ended December 31, 2014.

Meanwhile, the companies full year result for the period ended December 2014 showed that the bank reported pre-tax profit of N23.9 up 32 per cent from N18.2 billion for the full-year ended December 31, 2013.

Stakeholders call for synergy on crude oil price

OLATUNDEDODONDAWA-LAGOS

FOLLOWING the decline in international crude price and the non-availability of infrastructure for oil production locally in Sub-Saharan African oil-producing countries, experts and professionals in the industry have renewed the call for partnership for the purpose of improving best practices in the oil and gas sector.

The call was made at the recently concluded maiden edition of the Sub-Saharan Upstream Oil and Gas Summit and Exhibition in Accra, Ghana, on the theme, 'Unlocking Potential in sub-Sahara Africa Upstream Oil & Gas.'

Attendees at the summit included key industry players across Africa and beyond, exploration & production companies, marginal field companies, state governments, government agencies, legal & financial services providers, production & processing technology manufacturers, as well as production & processing service companies.

Speaking at the event, the Chief Executive Officer of the Sub-Saharan Africa Upstream Oil and Gas Summit, Dapo Ayoola, stated that: "Oil and gas companies in the region can benefit from each other when individual experiences are shared for the sole benefit of stakeholders and end users."

He encouraged IOCs to promote local content in areas where their organisations are resident, noting that by providing support for higher education and on the job training for employees, companies support local skills development which will, in turn, aid in adequate return on investments for the organisations when the skills are applied for daily production of raw crude products into refined petroleum products for human and organisational use.

Addressing participants at the summit, the former Group Executive Director (Exploration and Production), Nigeria National Petroleum Corporation (NNPC), Mr Philip Chukwu, disclosed that over the past 20 years, several world-class oil and gas field had been discovered in the deep offshore off Nigeria and Ghana and that should engender a refocus for deep water play from Mauritania and Nigeria if collaborative efforts were made.

BOI to invest in technology innovations, products

GBEMI SOLAJA - LAGOS

THE Managing Director, Bank of Industry, Mr Rasheed Olaoluwa, has said that adequate and meaningful support would be provided for the development of technological innovations and products across the country, this time, relying on a partnership with the engineering body in the country to facilitate local and lasting technological breakthroughs.

To this end, the bank met with the Nigerian Academy of Engineering in Lagos, on Monday to roll out and discuss possible plans that could accelerate various technological innovations across the country.

The bank boss, who stressed that there was an obvious correlation between technology and development promised that the group was highly passionate about technology and as such gets committed in any effort that would stamp the country as a technology-driven economy.

"The more technology a country has, the more rapid its development. We have discussed areas of collaboration in terms of possibility of linking industries with centres of innovation and especially areas like Research and Development.

"I must say that the rest of the world is moving really rapidly in terms of technology, there are a lot of things happening in robotics, DNA, customising, medicine, artificial intelligence, micro chips, and even lighting, these are all developments in terms of technology; they bring about more efficiency and help in reducing cost. They help in generally making life better and we think that as a nation, we really need to rethink our strategy for development.

"We have been pursuing technology transfer for far too long. It is not giving us sufficient result. No country will willingly give you their technology; you need to build your own crop of scientist and engineers who will be well supported and funded to ensure that they can also come up with their own bright ideas.

Groups may sue NIMASA over missing $60.5bn funds

INDICATIONS are rife that the current management of the Nigerian Maritime Administration and Safety Agency (NIMASA) is having sleepless nights over legal threat by two separate groups, Ships&Ports Limited and Borderless Limited that the agency furnish them with details of what has happened to the over $60 billion Cabotage Vessel Financing Fund (CVFF), and the $140 milion Nigeria Liquefied Natural Gas Limited (NLNG) paid to the apex maritime regulator in 2013. Both groups are threatening legal action under the Freedom of Information (FOI) Act should NIMASA fail to provide details of how the funds was spent.

According to the Managing Director of Ships & Ports, Mr. Bolaji Akinola, the body is interested in how NIMASA spent the $140m Dollars paid to it by the NLNG in 2013 as overdue statutory levie.

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AFRICA

Deep water projects should pay royalty – analysts

FRANK UZUEGBUNAM

Deep water projects which attract zero percent royalty should be made to pay royalties even if it is 1 percent according to analysts who spoke to BusinessDay on the sidelines of Sub-Saharan Africa Upstream Oil and Gas summit which held in Accra recently. According to analysts, Nigeria can earn enough from royalty tax on deep water projects to ameliorate the effects of the dwindling oil prices on the country's revenue.

"The government can expunge the hydrocarbon tax from the Petroleum Industry Bill (PIB) and pass it immediately so that the country can reap the benefits of deep water royalty. The more contentious aspect of the PIB can wait" said Victor Eromosele, chief executive of Mentor Energy.

Besides the dwindling oil prices, the current value of the naira further puts the Nigerian economy in a precarious state. At present, the naira value of the crude oil barrel is down by N7,000 which means that Nigeria loses about N7.6 billion per day which is clearly unsustainable.

The situation is further worsened by the fact that India and China who are the primary alternative markets for Nigerian crude are not reliable. For instance, 31 percent of Nigerian crude, an equivalent of 21 cargoes, produced in January for February delivery were stranded as the country could not find buyers for them.

However, Adeyemi Adeyemo, chief executive of EPC consult proposes that Nigeria should rather focus on the West African market "utilizing our crude in-country by aiming to refine at least two-thirds of our production output and export only one-third. That way there will be less shaking when crude oil prices fall".

Phillip Chukwu, chief executive of PhilChukwu Associates said that low oil price is an opportunity to build more refineries and supply the West African region with petroleum products. The best thing for African region is to "refine crude oil and utilize the by-products of the crude to raise standard of living instead exporting the crude. If we have to develop as a region, we should change from export of crude to utilization", Chukwu said.

Nigeria's oil output dropped by about 64,000 barrels per day (bpd) to 1.896 bpd in February 2015 from its January output of 1.96 million bpd going by the figures released by Organisation of Petroleum Exporting Countries (OPEC) based on secondary sources in its monthly oil market report. Year-on-year comparison to February 2014 output of 1.928 million bpd showed a drop of 32,000 bpd.

Despite the drop, Nigeria maintained its position as Africa's number one oil producer in February followed by Angola and Algeria with an output of 1.75 million bpd and 1.11 million bpd respectively.

GHANA

Oil refinery shut down

Ghana's main oil refinery, Tema Oil Refinery, has been shut down due to a mechanical fault and it will be closed for around a month, spokeswoman Aba Lokko said. The underlying cause of the breakdown is lack of maintenance linked to a lack of investment, coupled with unreliable power supply in a country facing a power crisis, she said.

"We were refining the (oil) residue and then a unit within that plant developed a fault so there was some serious issue with it and so we had to shut down the plant," she said, referring to the fault in the residue fluid catalytic cracking plant.

When it opened in 1963, Ghana's oil refinery symbolised pride and hope for the first African country to escape colonial rule. Now the plant stands idle in a sign of the economic shadow that has crept over one of the continent's brightest stars.

The discovery of oil in Ghana in 2007, added to its gold and cocoa wealth and its other major asset, stable democracy, gave it a chance to start catching up with oil giant Nigeria and regional West African economic powerhouse Ivory Coast. The year after oil began flowing in 2010 economic growth spiked to 14.8 percent, one of the highest rates in the world.

Now, however, the country faces high levels of public debt, a currency that has fallen sharply, a yawning budget deficit and inflation that recently rose as high as 17 percent. Chronic power shortages have led to lengthy rolling blackouts, angering voters and raising business costs.

Ghana produces around 100,000 barrels per day of crude oil at its offshore Jubilee field and it also imports oil for domestic consumption.

Most of Ghana's fuel needs these days are imported as finished product, not crude, and the refinery processes none of the roughly 100,000 barrels per day of oil produced by the Jubilee offshore field, operated by Britain's Tullow.

Last year, the refinery processed just 18 percent of Ghana's 3.7 million metric tonnes of fuel imports, according to Ghana Chamber of Bulk Oil Distributors figures.

President John Mahama said last year the government was seeking an external partner for the refinery amid talk of a deal with Saudi Arabia's Petro Saudi but no deal has been finalised.

TANZANIA

Technical setbacks stop gas pipeline from going online

A pipeline connecting offshore natural gas fields to Tanzania's commercial capital Dar es Salaam is complete, but technical setbacks will keep it from going online until November, officials said.

Tanzania estimates it has at least 53.28 trillion cubic feet (tcf) of recoverable natural gas reserves off its southern coastline. Discoveries offshore of Tanzania and Mozambique waters have led to predictions the region could become the world's third-largest exporter of natural gas.

The 532 km pipeline and gas processing plants, financed by a $1.225 billion Chinese loan, were initially expected to be completed last year.

"Construction of the pipeline is 100 percent complete," Badra Masoud, spokeswoman for the energy and minerals ministry, said. "There is some additional work that remains to be done as a result of pre-commissioning inspection tests on the pipeline.

Masoud said construction of two gas processing plants that are part of the pipeline's infrastructure was 96 percent complete.

Construction of the land and marine pipeline was expected to cost $875.7 million while the processing plants were being built at a cost of $349.6 million, according to Tanzania government figures.

Oil explorer Wentworth Resources said in a statement it was informed about completion delays by the state-run energy regulator Tanzania Petroleum Development Corporation (TPDC), but expected the gas pipeline to be fully operational within four months.