



Depot &
Petroleum
Products Marketers
Association

PRESS RELEASE

To Fellow Nigerians,

We, Petroleum Products Marketers do empathize with all Nigerians who are going through difficulties at this time, spending hours on fuel queues because of the current fuel scarcity due to no fault of yours.

Historically, DAPPMA members imported about 65% of the nation's total fuel consumption, Major Oil Marketers Association of Nigeria: MOMAN imports about 15% and PPMC/NNPC import the balance of 20% however this scenario changed drastically due to several challenges faced by marketers.

Sadly, some people have blamed marketers for hoarding fuel unfortunately this is so far from the truth. Hoarding fuel is regarded as economic sabotage and we assure all Nigerians that our members are not involved in such illicit acts.

While all kinds of allegations have been made in the media, it behooves on us to set the records straight, as Nigerians first, and as responsible business men and women who employ Nigerians.

As it stands today, NNPC has been the sole importer of PMS into the country since October 2017 due to the following reasons:

- i. We all know that we presently run a fixed price regime of ₦145 per litre for PMS or petrol without any recourse to subsidy claims however we also have no control on the international price of crude oil.
- ii. Current import price of petrol is about ₦170 / ltr, NNPC, which absorbs the attendant subsidy on behalf of the Federal Government, is the importer of last resort.



iii. We understand that NNPC meets this demand largely through its DSDP framework; **however due to price challenges on the DSDP platform, some participants in the scheme failed to meet their supply quota of refined petroleum product, especially PMS, to NNPC. This is the main reason for this scarcity.**

iv. The International price of PMS went up during the hurricane Katrina and has not dropped below USD\$600/MT.

v. Exchange rate of USD to the Naira is ₦306 for PMS imports and also interest rate our banks charge is above 25%.

vi. Landing cost of PMS in Nigeria, based on the scenario in 'ii' / 'iv' and 'v' is above ₦145/ltr which means any of our members that imports would have to resort to subsidy claims, a policy already jettisoned by the Federal Government.

vii. It is on record that any time NNPC assumes the role of sole importer, there are issues of distribution, because it is marketers who own 80% of the functional receptive facilities and retail outlets in Nigeria.

viii. While we cannot confirm or dispute NNPC's claim of having sufficient product stock, we can confirm that the products are not in our tanks and as such cannot be distributed. If the products are offshore, then surely, it cannot be considered to be available to Nigerians.

ix. NNPC imports and distributes through Depot and Petroleum Products Marketers Association: DAPPMA; Major Oil Marketers Association of Nigeria: MOMAN and Independent Petroleum Marketers Association of Nigeria: IPMAN. **Our members pay PPMC/NNPC in advance for petroleum products and fully paid up PMS orders that have neither been programmed nor loaded is in excess of 500,000MT (about 800,000,000 litres) as at today and enough to meet the nation's needs for 19 days at a daily estimated consumption of 35,000,000 litres!**

x. **Our members' depots are presently empty! However if PPMC/NNPC can provide us with PMS, we are ready to do 24 hours loading / truck-**

A handwritten signature in black ink, appearing to be 'A.M.S.', is written over the end of the text in block x.



out to alleviate the sufferings of Nigerians until these fuel queues are totally eliminated.

xi. Fuel marketers remain committed to the progress of the nation and its citizenry as therein lies our own profitability and fulfillment.

Signed:

Olufemi A. ADEWOLE
Executive Secretary,
DAPPMA
25th Dec. 2017.

DAPPMA