

## **NIGERIA: \$19 Bn Dangote Refinery**

May 25, 2023

On Monday, 22<sup>nd</sup> May, **President Muhammadu Buhari** inaugurated the Dangote Refinery. He said, "The Refinery will catalyze the transformation of the energy sector of Nigeria." Industrialists of Africa and Presidents of African countries were present to witness the inauguration of the project, which was begun in 2013.

Speaking at the inauguration, the President said that the refinery has the capacity to process 650,000 barrels a day of crude which would enable "our country to achieve self-sufficiency in refined products, and even have some surplus for export".

"This clearly makes this event a notable milestone for our economy and a game-changer for the downstream petroleum products market, not only in Nigeria, but the entire African continent," the President said.

Discussing the policies of his government. President Buhari said, "Our government had taken the decision to focus attention on creating an enabling environment for the private sector to thrive and fill the enormous depth in investments not only in infrastructure, but also in all critical sectors."

Apart from international dignitaries, Presidents of Togo, Gnassingbé Eyadéma; Ghana, Nana Akufo-Addo; Senegal, Macky Sall; Niger Republic, Mohamed Bazoum; and Chad, Mahamat Déby were present at the inauguration. President Paul Kagame of Rwanda, who could not be physically present, sent his goodwill message virtually.

The refinery is located in the **Free Trade Zone in Ibeju-Lekki of Lagos**. This free trade area was initiated by **Bola Tinubu**, who is today's President-Elect. He was the governor of Lagos, in 2002, when the Free Trade Zone was set up.

President of Afreximbank, **Professor Benedict Oramah**, disclosed that the bank was the largest financier of the over \$19 billion Dangote Refinery, the world's biggest petroleum refining facility.

Godwin Emefiele, Governor of the Central Bank of Nigeria, expressed optimism that the refinery would ease the foreign exchange scarcity in the country, noting that with local refining, about 20 per cent cost of the total cost of importing petroleum

products could be saved, thereby reducing prices in the long run. He, however, said it was time to exit the fuel subsidy regime.



Governor, Central Bank of Nigeria (CBN):

**Godwin Emefiele**

Reference: <https://www.cbn.gov.ng/>

Dangote Refinery has pipeline infrastructure, which is said to be the largest in the world, with 1,100 kilometres and will handle 3 billion standard cubic feet of gas per day. Dangote Petroleum Refinery will create a market for \$21 Billion per annum of Nigerian Crude. It is designed to process Nigerian crude with the ability to also process other crudes.



*Alhaji Aliko Dangote*

The refinery has a 435MW-capacity power plant that is able to meet the total power requirement of Ibadan Electricity Distribution Company (IBEDC). The refinery has the capacity to meet 100 per cent of the Nigerian requirement of all refined petroleum products, such as petrol – 53 million litres per day; diesel – 34 million litres per day; kerosene – 10 million litres per day; and Aviation Jet, two million litres per day.

The company officials said, “65 Million Cubic Metres of sand dredged costing approximately Euros 300 million, using the world’s largest, the second largest and the tenth largest dredgers **to elevate the height by 1.5 metres**, to insure against any potential impact of increase in mean sea level due to global warming.”

Governor of Osun State, Senator Ademola Adeleke, praised Dangote’s ingenuity in the conception and implementation of the project. Adeleke said that he had become “a major propeller of the African Continental Free Trade Area (AFCTA).

\*\*\*\*\*