

### 1. Nigerians will pay higher electricity tariffs, FG promises IMF

- Nigerians will pay much higher tariff for power in 2021, going by promises made by the Federal Government to the International Monetary Fund while seeking the \$3.4bn emergency financial assistance recently approved for Nigeria.
- The Executive Board of the IMF approved the Rapid Financing Instrument, which the Federal Government plans to use to address the economic impact of the COVID-19 pandemic in the country, on April 28.
- A Letter of Intent, jointly signed by the Finance Minister, Zainab Ahmed, and the Governor of Central Bank of Nigeria, Godwin Emefiele, and addressed to the IMF Managing Director, Kristalina Georgieva, indicated that the Federal Government made a number of promises to the fund in order to secure the financial assistance.
- One of the promises, or commitments, which the government made in a bid to assure the executive board of the IMF of its readiness to reposition the Nigerian economy after the pandemic, is that Nigerians would pay full cost-reflective tariff for power in 2021.
- The Federal Government also told the IMF it intends to cap electricity tariff shortfalls to N380bn in 2020.

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### 2. Petrol price reduction won't be immediate, says marketers

- The latest reduction in the ex-depot price of petrol to N108 per litre will not translate to an immediate drop in the pump price of the commodity at filling stations, oil marketers stated on Thursday.
- On Wednesday, the Nigerian National Petroleum Corporation announced a reduction in the ex-depot price of petrol from N113.28 per litre to N108 per litre.
- Reacting to the development, oil marketers told our correspondent that the reduction was welcomed but added that it would not immediately reflect on the current pump price of petrol.
- The Vice President, Independent Petroleum Marketers Association of Nigeria, Abubakar Maigandi, said marketers would have to sell their old stock at the current N125 per litre price before effecting any reduction.
- He also noted that the Petroleum Products Pricing Regulatory Agency had yet to make any statement on the cost of the commodity, adding that it was not the duty of marketers to announce a new price.

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### 3. BBOXX offers incentives to keep Africans with power during COVID 19 crisis

- BBOXX has initiated a number of programs in SSA to help citizens economically affected by the COVID-19 pandemic to keep the lights on.

51, Adeshiyan  
Street, Ilupeju,  
Lagos State,  
Nigeria.

73, Stoneville  
House,  
Yenuzie- Epie  
Road,  
Yenagoa,  
Bayelsa State,  
Nigeria.

Level 30,  
The Leadenhall  
Building  
122 Leadenhall  
Street,  
City of London,  
EC3V 4AB

+ (234)12954080,  
+(234)08022230802  
+44 7496 441404

[info@tonbofa.com](mailto:info@tonbofa.com)  
[www.tonbofa.com](http://www.tonbofa.com)

- “We exist to solve a major global injustice: energy poverty. Millions of people live without access to affordable or reliable energy. #Covid19 is a major threat to the progress made to date. Our teams around the world are working tirelessly to ensure we keep the lights on for our customers.”
- One initiative that the company has introduced in the Democratic Republic of Congo, Togo and Kenya is a crisis energy scheme. If customers pay for one-month energy up front, BBOXX gives them additional days of energy for free.
- “Continuity in access to energy is essential and initiatives like these mean customers will have certainty over their vital energy supply,” the company said in a social media post.

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#### **4. MIGA supports Djibouti’s first utility-scale wind project**

- The Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, has issued guarantees that will support the design, development, construction, operation, and maintenance of Djibouti’s first utility-scale wind project.
- The guarantees amount to \$100.81 Million and cover up to 90% of investments made and future earnings in the project for up to 20 years. The guarantees will provide protection against Currency Inconvertibility & Transfer Restriction, Expropriation, Breach of Contract and War & Civil Disturbance.
- The guarantees were issued to Djibouti Wind Company Ltd to benefit Africa Finance Corporation and Construction Equity Fund, a blended finance facility managed by Climate Fund Managers.

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#### **5. W. Africa Crude-Nigerian differentials edge up from historic low**

- Nigerian crude differentials showed signs of recovery on Tuesday, finding support from the prospect of big cuts in output as part of OPEC’s new supply reduction agreement.
- Qua Iboe was assessed at dated Brent minus \$4.00 a barrel, up 45 cents from Monday, which was an historic low brought about by a collapse in demand and excess supply due to the coronavirus crisis.
- The number of unsold May-loading cargoes is thought to be 13-19, suggesting a supply glut is easing. Traders say Nigeria is making sizeable cuts in output from May 1, when the new cut by OPEC and its allies took effect.
- “I think it will be big,” one trader said. “They can do a lot through tolerances and by deferring a few cargoes a few days from one month to the next. Differentials will collapse if they don’t.”

<https://af.reuters.com/>

#### **6. Geophysical contractors seek fiscal relief from African Governments**

- The International Association of Geophysical Contractors IAGC, is asking for financial relief from regulatory authorities and banking

institutions in hydrocarbon prospecting and producing countries in Africa.

- Such relief is being sought in order to mitigate the negative effects of the global crisis.
- In collaboration with the Johannesburg based African Energy Chamber, the contractors are making several demands on governments, including waiving taxes on service companies for six months; waiving withholding taxes, especially for non-resident companies, for six months.
- “These measures are intended to mitigate the expected loss of jobs and abandonment of erstwhile viable projects in the African oil and gas sector in the face of a global recession”, the IAGC says in a joint statement with the AEC.

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## **7. FG targets N103bn from gas flaring penalty**

- The Federal Government has said gas flare penalty payment by oil and gas companies in the country will increase to N103.51bn this year.
- The Director General, Budget Office of the Federation, Ben Akabueze, disclosed this in a presentation where he highlighted the revenue measures taken by the government to manage the resultant budgetary pressure from the coronavirus crisis and the oil price slump.
- Akabueze said the government would “tighten implementation of the 2018 revised gas flare penalty payment regime (resulting in upward revision of gas flare penalty for 2020 from N44.7bn to N103.51bn)”.
- According to the revised payment regime for gas flaring, oil firms producing 10,000 barrels of oil or more per day will pay \$2 per 1,000 standard cubic feet of gas, compared to N10 per 1,000 scf in the past.
- Firms producing less than 10,000 barrels of oil per day will pay a gas flare penalty of \$0.5 per 1,000 scf.

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## **8. Lukoil contacts Algerian authorities to invest in the country**

- On Monday, the Algerian public oil company and the Russian company Lukoil signed a memorandum of understanding for discussions on possible production and exploration partnerships in the OPEC member country. The deal will also lead to talks on joint overseas investments, Sonatrach said in a statement.
- It is the second time in less than a year that an agreement of this type has been signed by the public company. This is mainly the result of reforms that led to the adoption of a more flexible petroleum code for foreign investment, and welcomed by the industry as a whole.
- A similar agreement has been signed with other foreign companies, including Exxon Mobil, Chevron and Zarubezhneft, in recent weeks. The company is seeking to attract large investors in order to relaunch stagnant production for several years, in an environment of constantly increasing domestic demand.

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