



GHANA CHAMBER OF BULK OIL DISTRIBUTORS

1st Floor, Right Wing, C127/21 Saflo Link Abelemkpe, Accra

**OCTOBER
EDITION**

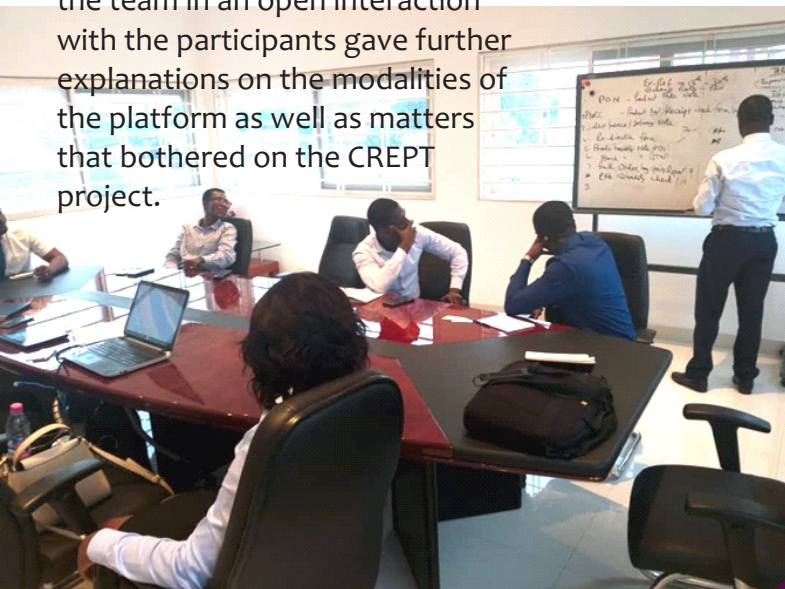
NEWSLETTER

CBOD, D&B TRAIN BDCS ON CREPT - Data Submission Input

The Ghana Chamber of Bulk Oil Distributors (CBOD) has collaborated with Dun & Bradstreet (D&B) to deepen the capacity of Bulk Distribution Companies (BDCs) on prompt data submission and input as part of efforts towards the establishment of the CREPT platform.

The Chamber together with D&B is paying an ongoing visit to all BDCs at their respective offices. The meeting started on Friday, 14th September with the aim of ensuring that data requested is submitted on time.

During the three-week training, the team in an open interaction with the participants gave further explanations on the modalities of the platform as well as matters that bothered on the CREPT project.



BOST MD MEETS BDCS TO DEEPEN TIES

The newly appointed Managing Director (MD) of the Bulk Oil Storage and Transportation (BOST), Mr. George Okley held a meeting with the Bulk Distribution Companies (BDCs) to chart a new cooperation for the transformation of the downstream petroleum sector. He assured the BDCs of his commitment and firm resolve to

bring change that will lead to a viable and sustainable trade by deepening ties between the two players.

Mr. Okley indicated his commitment to promote the existing relationship between the two players by organising quarterly meetings to chart new ways for a mutually beneficial

trade relation.

He has agreed to settle debt owed some BDCs (BOST Stock Losses) by his outfit after the claims have been validated.

CBOD TO PETITION ENERGY MINISTER, BOST FOR INDEPENDENT VALIDATION OF STOCK LOSSES

The Chamber of Bulk Oil Distributors (CBOD) is set to petition BOST and the Ministry of Energy to commission an independent auditor to validate the claim of product losses in the BOST system.

The Chamber following the assurances of the MD of BOST has collated volumes and values of product losses in the BOST system for settlement to the respective BDCs by end of this year.

CBOD EXPLAINS PETROLEUM DOWNSTREAM SECTOR BUSINESS TO LAWYERS

The CEO of CBOD, Mr. Senyo Hosi was invited to a lawyers' meeting organised by LithurBrew & Company to explain the dynamics in the industry to them for better appreciation and action.

supply chain and how lawyers can position themselves to assist clients in the industry to deal with the constraints.

At the meeting held at Alisa Hotel in September, he explained the processes and procedures by which fuel reaches the final consumer right from the point of importation and transportation of petroleum products to the local destination for marketing, distribution and consumption. Senyo Hosi further highlighted key risks associated with the



NEW PRICING MODEL FOR LPG IN THE OFFING

The pricing sub-committee of the LPG Implementation Committee has been tasked to develop a financial model for the policy. The sub-committee which is being headed by the Chief Executive Officer of the CBOD, has started work to determine the pricing of the various cylinder volumes for the main build-up. A meeting was held at the CBOD conference room in September to begin discussions for the computation of the pricing for LPG.

At the meeting, various stakeholders were invited to present their ideas and inputs on how to make the model effective and robust.



NPA CLEARS GLOBEX ENERGY OF TAX EVASION

The National Petroleum Authority (NPA) has cleared Globex Energy Limited of any wrongdoing on payment of taxes. Globex Energy Limited was suspended by NPA from doing business in all petroleum downstream activities for offences relating to tax evasion. According to a spokesperson for

Globex Energy, a letter dated 3 August, 2018, from NPA cleared the company to resume business in the petroleum downstream activities.

The clearance therefore confirms the position of the Ghana Chamber of Bulk Oil Distributors (CBOD) that Globex Energy

Limited had not been suspended for tax evasion but rather for under declaration of volumes of sales.

In a press statement, the CBOD emphasized that it was inaccurate and unintendedly misleading for the NPA to state that Globex Energy Limited was suspended for

tax evasion.

According to the Chamber, the Bulk Oil Distributors (BDCs) are not mandated to collect petroleum taxes in the petroleum tax administration

process, indicating that “this function is the sole preserve of OMCs. The taxes are to be paid by OMCs after reconciliation with the GRA, subject to agreed payment terms.”

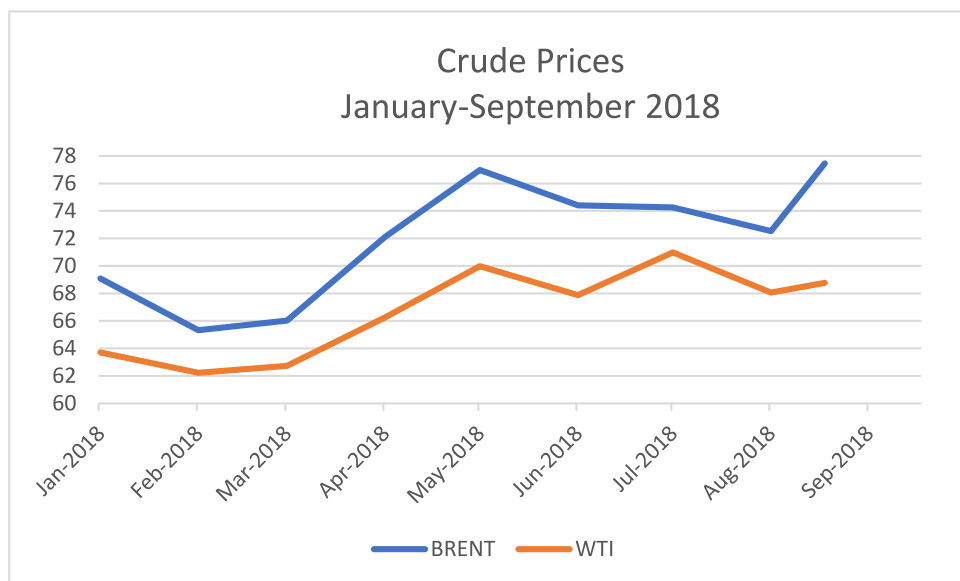
Globex Energy Limited has assured its stakeholders that it will continue to abide by the rules and regulations of the energy sector.

PRICING REVIEW

CRUDE OIL PRICE MOVEMENT

Brent crude price began September, 2018 at \$77.81/bbl, up \$11.16/bbl from the first day of the year 2018.

Average Brent crude price increased by approximately 2% to \$78.11/bbl in the second week of September, 2018, up \$24.23/bbl from the same time last year. It also represented a 15% increase from the first week of the year 2018. Average Brent crude price for September saw a month-on-month increase of 7%-the third highest in 2018 following January and April (the highest). Brent crude price saw a year-to-date increase of 12% and a year-on-year increase of 39%.



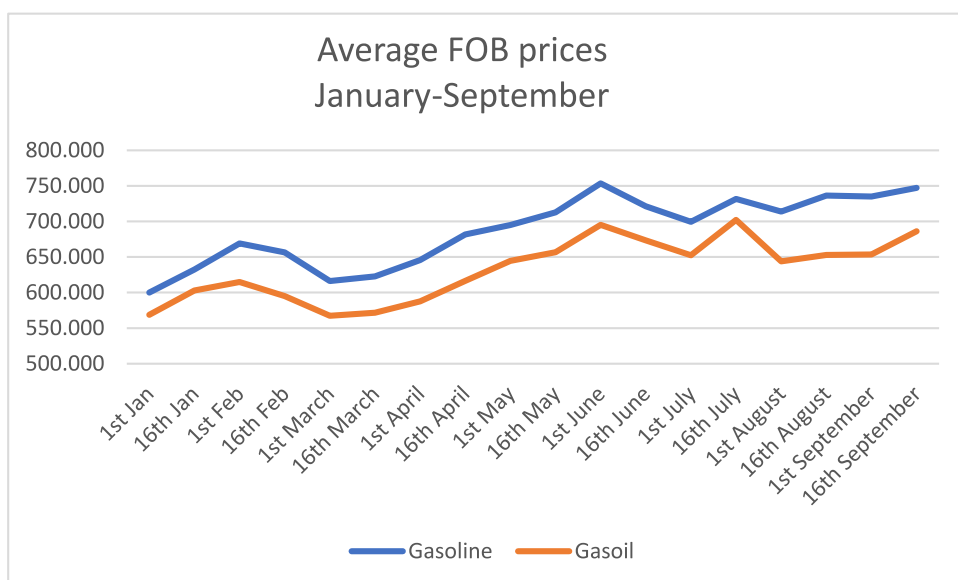
The average WTI crude price decreased by \$1.15/bbl in the first week of September, 2018 to \$68.51/bbl which remained virtually unchanged in the second

week at \$68.96/bbl. The average WTI price increased by 1% to \$68.77/bbl in the month of September.

INTERNATIONAL MARKET PRICE (IMP) REVIEW

The year-to-date average prices of gasoline and gasoil stood at \$687.30/mt and \$632.56/mt respectively representing a 26% and 37% increase in both gasoline and gasoil prices relative to same period last year. The International Market Price (IMP) began the first window of 2018 at \$600.11/mt and \$568.72/mt for gasoline and gasoil, respectively.

Average international market prices for the second window of



September hit a 3-year high of \$747.27/mt. The international market price of gasoline and gasoil increased by 2% and 5% respectively to the previous window. Increases in the IMP in September was a pass through effect of

global crude oil price hikes resulting from US sanctions imposed on Iranian crude exports in August, reducing Iranian exports by up to 500,000b/d. Although attempts were made by other OPEC producing countries (including Iraq, Saudi Arabia and

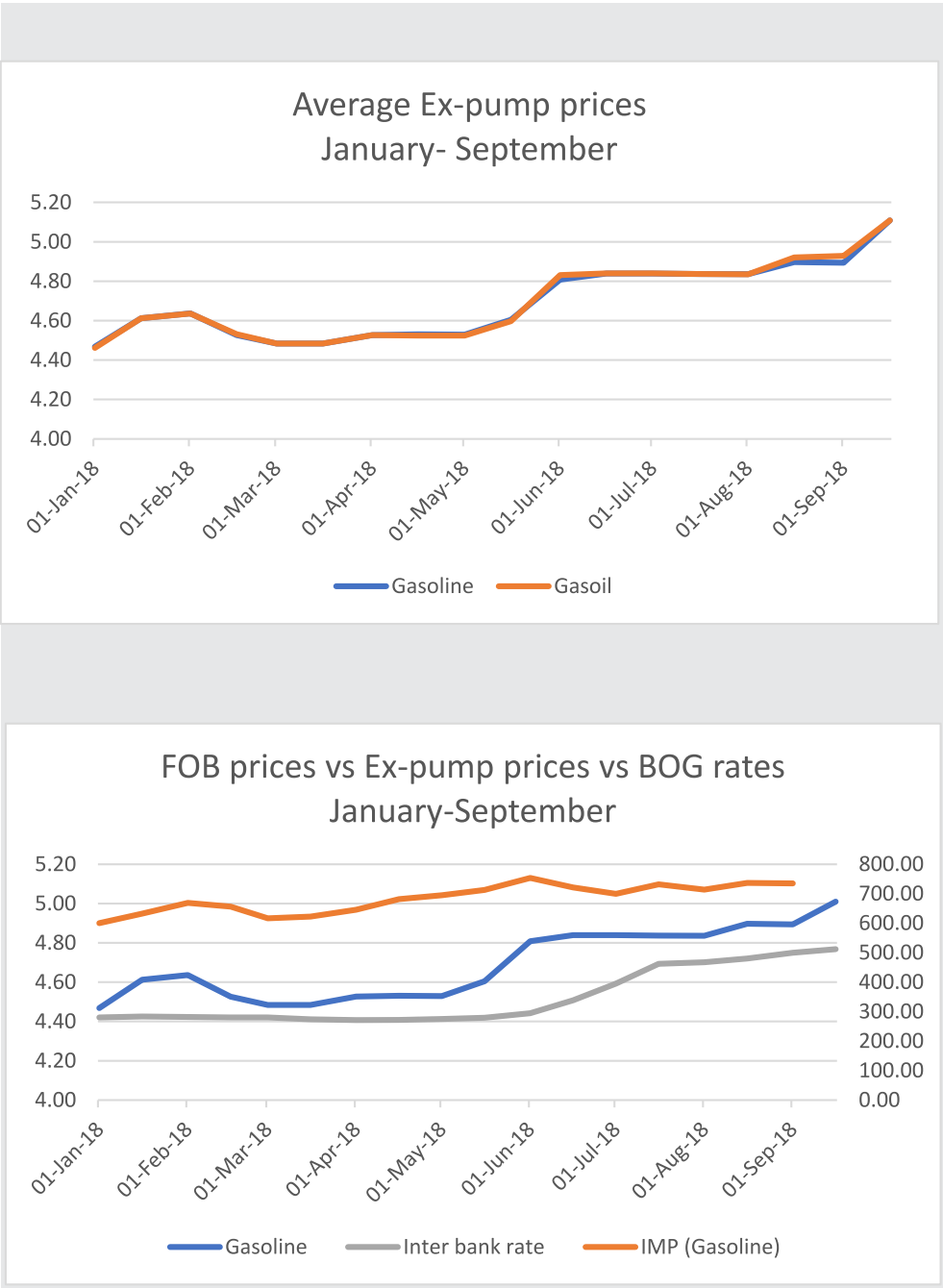
Libya) to shore up supply, this was not adequate to offset the drop in Iranian, Venezuelan and Angolan exports.

AVERAGE EX-PUMP PRICES REVIEW

Average ex-pump prices reached the GHS5/ltr mark in the second window of September with gasoline and gasoil prices selling at GHS5.11/ltr. This was 4% and 3.5% higher than prices observed in the previous window. Average ex-pump prices of gasoline and gasoil have increased by 14.34% and 14.50% year-to-date, compared to the 7% and 6% increase observed same period last year.

A combination of factors, including a depreciation of the cedi against the dollar and an increase in the international market prices of petroleum products in August and September, pushed ex-pump prices up in September.

The year-to-date depreciation of the cedi (BOG selling rate) stood at 8% while the cedi depreciated by 0.39% window-on-window basis in September. The international market price of gasoline and gasoil increased by 2% and 5% respectively in second window of September relative to the previous window . As can be seen from the graph below, increases in IMP of gasoline and gasoil accounted for a greater proportion of the increases witnessed pump prices relative to the depreciation of the cedi.



OMC PERFORMANCE

Of the top 10 OMCs used for analysis, Vivo Energy Shell, GOIL and Total displayed the highest prices at their pumps. For the

period of January to September 2018, the top three highest selling OMCs sold gasoline and gasoil at an average price GHS5.120/ltr.

The least price displayed at the pump for both gasoline and gasoil, was GHS5.100/ltr.

Average top 10 Pump Prices January -September

OMCs	Gasoline	Gasoil
Radiance	5.100	5.100
Frimps Oil	5.100	5.100
Star Oil	5.100	5.100
Puma Energy	5.100	5.100
Allied Oil	5.100	5.110
Petrosol	5.110	5.110
Glory Oil	5.118	5.18
Goil	5.120	5.120
Vivo Energy Shell	5.120	5.120
Total	5.120	5.120



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*For further information and assistance, kindly reach us on cbod@cbodghana.com
or call + (233) 30 279 7871.*

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