

DEMYSTIFYING DOWNSTREAM

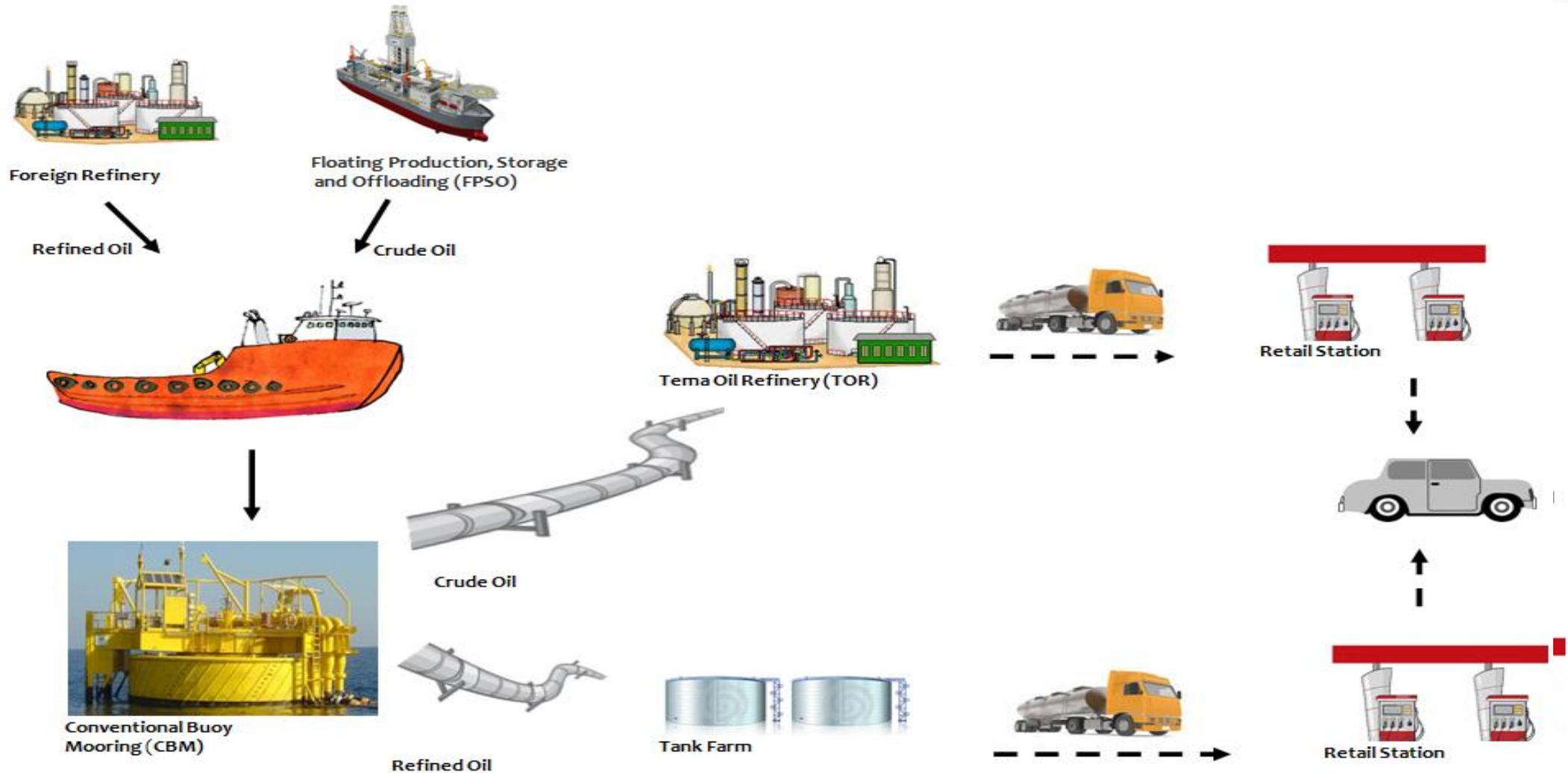
Episode 1

The Fuel That Brought You to Work

How
did I
get
my
fuel?



The Fuel Flow to Work



How it All Plays Out

The Regulator

- ACT 691 establishes the National Petroleum Authority (NPA) as the Regulator of the Petroleum Downstream Sector.
- **SET UP TO** regulate, oversee and monitor activities in the petroleum downstream industry and where applicable do so in pursuance of the prescribed petroleum pricing formula.
 - The NPA defines the operating framework for all Petroleum Services Providers (PSPs).

THE KEY PSPs

- **Refineries**

- Licensed to refine crude oil into white products for sale to the Bulk Distribution Companies (BDCs) or Oil Marketing Companies (OMCs) or export.
- There are currently 2 refineries in Ghana; Tema Oil Refinery (TOR) and Platon

- **Bulk Distribution Companies (BDCs)**

- Licensed to import refined products or offtake from local refineries to wholesale to Oil Marketing Companies (OMCs).
- There are 28 BDCs

The KEY PSPs

- **The Oil Trading Companies (OTCs)**
 - Licensed to import refined products for sale to Bulk Oil Storage & Transport Company Limited (BOST), BDCs and Exporters only.
 - 36 licensees. Mostly not operational.
- **The Oil Marketing Companies (OMCs)**
 - Licensed to retail refined petroleum products to consumers and institutional customers.
 - Operators of ‘filling stations’.
 - There are 86 OMCs with 2603 filling, kerosene, service and reseller stations.
- **Storage Companies**
 - Operators of Storage Depots. Warehouse BDC/OTC stocks in Storage Tanks AKA **Tank Farms** and deliver stocks as may be directed by the BDC/OTC through facilities known as **Gantries**.

The KEY PSPs

- **LPG Marketing Companies (LPGMCs)**
 - Licensed to retail Liquefied Petroleum Gas (LPG)
 - 41 licensees.
- **Bulk Oil Storage & Transport Company Limited (BOST)**
 - Set up by government to manage the national strategic stock
 - Coordinates inter depot transfer of products all over the country
 - Currently imports and trades like an Oil Trading Company
- **Transporters**
 - Haul petroleum products between Storage Depots and to Filings Stations.
 - Haulage may be by road using Bulk Road Vehicles (BRVs) aka Tankers or by Barges operated by the Volta Lake Transport Company (VLTC)
- **Mooring & Port Companies**
 - They provide berthing infrastructure to receive vessels for the discharge of petroleum products.
 - Kpone Marine Services and Ghana Ports & Harbour Authority (GPHA)

Other KEY Players

- **The International Oil Traders (IOTs)**

- They serve as primary suppliers of refined products to BDCs (eg. Glencore) or suppliers of crude to BDCs/OTCs or Refineries (eg. Sahara)

- **The Banks**

- Banks provide the funding instrument for purchases from IOTs eg. Letters of Credit (LCs)
- Banks provide financing for infrastructure required to facilitate operations (Tank Farms, Filling Stations etc)
- Banks also underwrite inter PSP credit to facilitate trade.

Source of Products

- **Crude**
 - Mainly from Nigeria
- **Finished Products**
 - ARA Region (Amsterdam, Rotterdam and Antwerp)
 - Diesel/Gasoil (AGO) is often moved in Long Range (LR) Vessels from Europe and transferred off-Cotonou into medium range vessels for delivery into Ghana. This is because cargoes on LRs are split between Ghana, Nigeria and neighbouring countries due to the similarities in specifications.
 - Petrol/Gasoline (PMS) is often shipped in medium range vessels directly to Ghana due to the unique specification for Ghana.

The PSP Chain

