



CENTRAL BANK OF NIGERIA

GOODWILL REMARKS

BY

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**AT THE COMMISSIONING OF THE DANGOTE
REFINERY AND PETROCHEMICALS COMPLEX,
LEKKI,
LAGOS**

22 MAY 2023



Central Bank of Nigeria

Gov. Godwin Emefiele, *CON*

Goodwill Remarks at the Commissioning of the
Dangote Refinery and Petrochemicals
Complex, Lekki, Lagos
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[Protocol]

Opening Pleasantries — Good morning to you all. I am immensely delighted to be here today to witness this historic occasion, which heralds a significant accomplishment for Nigeria's foremost industrialist, Alhaji Aliko Dangote, the Dangote Group, as well as our beloved nation, Nigeria, and indeed, the entire continent of Africa. Today, our history is being rewritten and Nigeria's trajectory for greater growth and



prosperity is enhanced as we inaugurate Africa's largest refinery, the Dangote Refinery alongside its Petrochemical plant. I congratulate Alhaji Aliko Dangote and his team for their uncommon tenacity and unwavering commitment in completing this project notwithstanding various challenges and constraints they encountered along the way. More importantly, I congratulate and thank President Muhammadu Buhari (GCFR) for his unrivalled leadership, vision, and support in ensuring that this significant project, which exemplifies his effort towards building a more productive economy, was completed during his tenure as President. Mr. President Sir, it is on record that, when the NNPC was created in 1977, you were the corporation's First Chairman and shepherd them into the behemoth



they are today. As Federal Commissioner of Petroleum, you completed and commissioned Nigeria's wholly owned refinery in Warri in 1978; whilst significantly improving the readiness of the Kaduna Refinery which was commissioned in 1980. As President, you have not only superintended over the Ministry of Petroleum Resources, you led the efforts towards the finalization and enactment of the Petroleum Industry Act; a law that had eluded many Presidents before you. Your excellency sir, over the last eight years, your far-reaching vision and deep knowledge has also been instrumental in the tremendous growth of the construction phase of this Dangote refinery for which we are gathered here today. Mr. President, today, your name goes into our annals of history as you, yet



again, commission the biggest single train refinery in the world in Nigeria.

2. Your Excellencies, as you are all aware, this complex comprises a refinery, petrochemical plant, a urea/fertilizer plant, and a subsea pipeline project. The petrochemical facility has a capacity to produce 900,000 metric tons of polypropylene per annum while the urea fertilizer plant will be able to produce three million metric tons of urea annually.
3. Its flagship project, the Dangote refinery which has the capacity to process 650,000 barrels of crude oil per day, is the largest single-train refinery in the world. Given its processing capacity, the refinery is more than able to meet all of Nigeria's domestic fuel consumption; whilst



the excess production will be available for export. This will not only aid our domestic petrol needs, but also help in generating export revenues for our country. The refinery is designed to process not only the Bonny Light grade of crude oil, but also process a wide variety of other crude streams including many from Africa, some Middle Eastern streams, and the US Light Tight oil. More importantly, the refinery can deliver all types of liquid products including gasoline, diesel, kerosene, and aviation jet fuel.

4. In September 2013, when Alhaji Aliko Dangote announced his plans for the refinery, it was estimated to cost just about US\$9 billion. By 2017 when the Dangote Group commenced



building, the project cost had escalated and due to an array of factors, the project was eventually completed at a total cost of US\$18.5 billion with contribution of 50 percent equity investment by Dangote and 50 percent debt finance by the banks. I am delighted to announce that the commercial loan component of the project was financed majorly by our domestic banks with the balance sourced from foreign banks. The Central Bank of Nigeria also partnered, as always, with the Dangote Group in ensuring the successful completion of the project by providing about N125 billion, to cover domestic currency requirements for the venture; while also ensuring the availability of FX to pay for the importation of some of the plants and Machinery being commissioned today.



5. Your Excellencies, we have it on good authority that the Dangote Group has paid down some portion of the commercial loans even before the commissioning of this facility. As at today, total outstanding stands at \$2.7 Billion. This reflects the astute credit worthiness and commercial capability of the Group and its Chairman, Alhaji Aliko Dangote. Your excellencies, please permit me at this juncture to appreciate all the participating local Nigerian banks, who did not only partner with the project through effective financing but were keenly aware of the importance of the project to our nation. They provided immense support and exceptional understanding, even when interest payments and principal repayment had fallen due.



6. Mr. President, I must thank you for your astute vision to ensure that Nigeria produces what we consume and that we consume what we produce. This refinery and petrochemical project is a testament to your vision for Nigeria. It shows that, regardless of what the world thinks, Nigeria can be self-sufficient in all products that we consume and at the same time export our excess output to the rest of the world. Your Excellencies, please permit me to recall the events leading to Nigeria's eviction from the JP Morgan index in 2017 following their pessimism on Nigeria's economic outlook and our ability to take charge of our fortunes. At that time, we had explained the ongoing efforts to diversify our economic base, through import substitution and export promotion strategies, to sustainably attain



self-sufficiency. They were very skeptical, saying that Nigeria typically crafts brilliant policies that could engender diversification but lacked the ability to fully implement them. Even when we insisted that, under the leadership of President Muhammadu Buhari, that the ongoing efforts will be actively implemented to diversify the economy and make the country globally competitive; they still doubted us.

7. Aside from enumerating our strategic efforts in agriculture and other critical sectors, a sterling project that we highlighted to our foreign investor community was this gigantic Dangote Refinery and Petrochemical project. Your Excellencies, they doubted our willpower to succeed with this project. In hindsight, I could appreciate their



skepticism because they do not understand how a single individual could build a refinery capable of serving an entire nation and continent. To them, projects of this magnitude are usually only undertaken by sovereigns not individuals. But like Nelson Mandela once famously said, “***it always seems impossible until it is done.***”

8. Today, Your Excellencies, it is with extreme delight that I say that President Mandela’s quote has come true for us. The impossible has today become possible. I am glad that we never doubted ourselves. Under President Muhammadu Buhari's leadership, this seemingly unattainable project has berthed and, correspondingly, under the incoming administration of President Bola Ahmed Tinubu,



Nigeria will cease importing petroleum products, fertilizer and petrochemical that drained over US\$26 billion in FOREX in 2022. The self-sufficiency in refined petroleum, urea, and polypropylene, which Nigeria has attained with this project is a strong testament to how leadership, dedication, focus, commitment, and resilience has helped Nigeria in its drive towards import substitution and export orientation.

9. Distinguished ladies and gentlemen, the take-off of this refinery comes with numerous economic benefits to Nigeria. In the first instance, it will generate thousands of direct jobs and millions of indirect jobs, with over 135,000 permanent jobs. I am also proud to state that the project will generate up to 12,000MW of electricity.



10. More importantly, this project avails Nigeria with significant savings both in terms of foreign exchange and in easing the fiscal burden on the Federal Government. Available data at the Central Bank of Nigeria as of 2014, shows that at least 30 percent of the foreign exchange required to meet Nigeria's import needs went into the importation of refined petroleum products. It is instructive to note, distinguished guests, that according to the balance of payments statistics, the cost (including freight) of petroleum products imports into Nigeria doubled over a five-year period from about US\$8.4 billion in 2017 to US\$16.2 billion (indicating an annual average of US\$11.1 billion), before rising further to US\$23.3 billion by end-2022. At this rate, the average annual cost of petroleum products



imports to Nigeria could reach US\$30 billion by 2027 if we continued to rely on petroleum imports. These figures suggest that the refinery could engender foreign exchange savings to the country, of between US\$25 billion and US\$30 billion annually.

11. Aside from the nearly US\$30 billion foreign exchange savings from the reduction in petroleum imports, the economy is projected to benefit an extra US\$10 billion of foreign exchange inflow annually through the export of refined petroleum products, which will further boost our official reserves and enhance exchange rate stability.

12. This project will equally provide support to the fiscal operations of the government as it could



help ease budget constraints of funding the petroleum subsidy and engender fiscal savings. Your Excellencies, the Dangote Refinery is a blessing to Nigeria and Africa as a whole; given that favorable spillovers from this project are also expected to spread from Nigeria to other West African countries and eventually to all countries of the African continent. The recent endeavors of Alhaji Aliko Dangote confirm that Africans have the capacity to drive the continent's economic integration, growth, and development, rather than depend almost entirely on foreign investors.

13. It is in this regard, Your Excellencies, and consistent with the Federal Government's drive to diversify the economy, that the Central Bank of Nigeria, through its various development



finance interventions, has continued to support critical sectors of the Nigerian economy to promote a homegrown rebalancing of our economy and foster self-sufficiency. For instance , in the last 7 years , the CBN has injected over N8 trillion to intervene in different sectors such as Agriculture , manufacturing health and education and these have helped in sustaining the current growth trajectory in the Nigerian economy.

14. In conclusion, and on behalf of the Central bank of Nigeria, I want to specially applaud everyone at the Dangote Group for today's feat. The completion of this project truly highlights the innate can-do spirit of Nigerians, our single-mindedness, determination, and the strength of



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our resilience even in the face of supposedly insurmountable challenges. Most importantly, I congratulate, my brother and a true Nigerian Patriot, Alhaji Aliko Dangote, for this wonderful accomplishment for making Nigeria proud.

15. I thank you all for your attention.

GODWIN I. EMEFIELE, CON
Governor, Central Bank of Nigeria

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