
S&P Global

Commodity Insights

Nigeria

Supply and Demand

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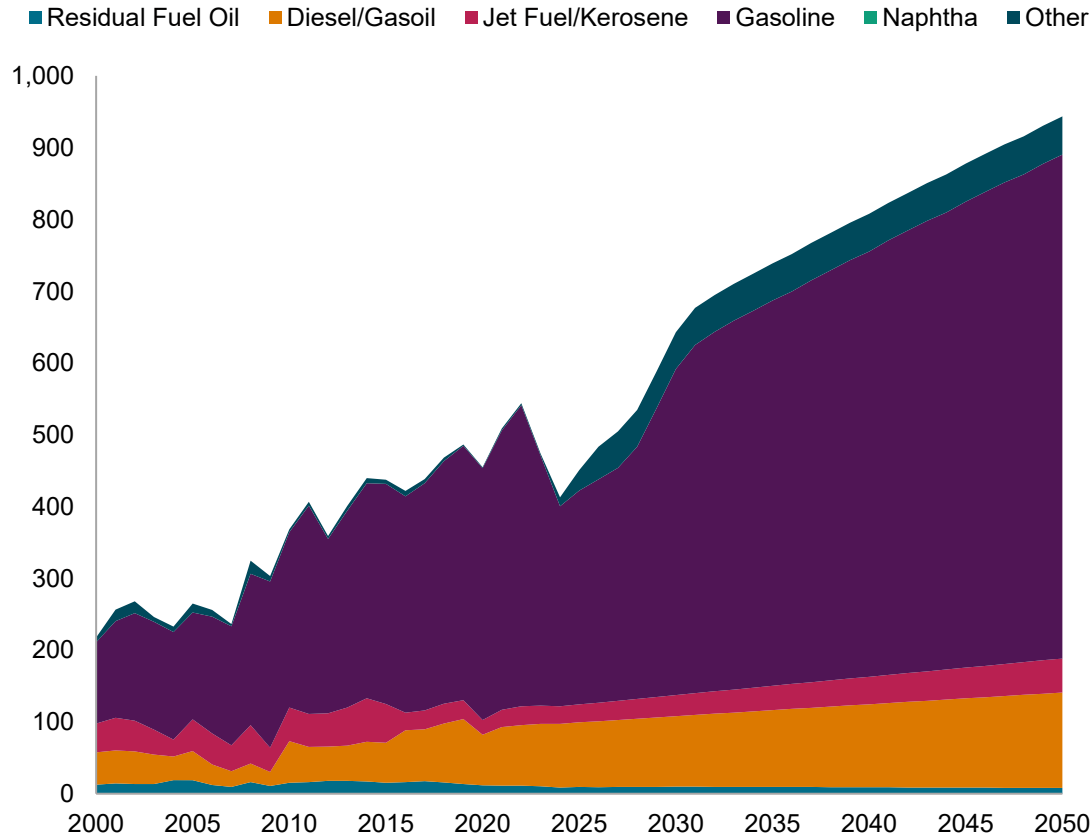
FUELS AND REFINING / DOWNSTREAM MARKET PROFILE



Refined product demand overview

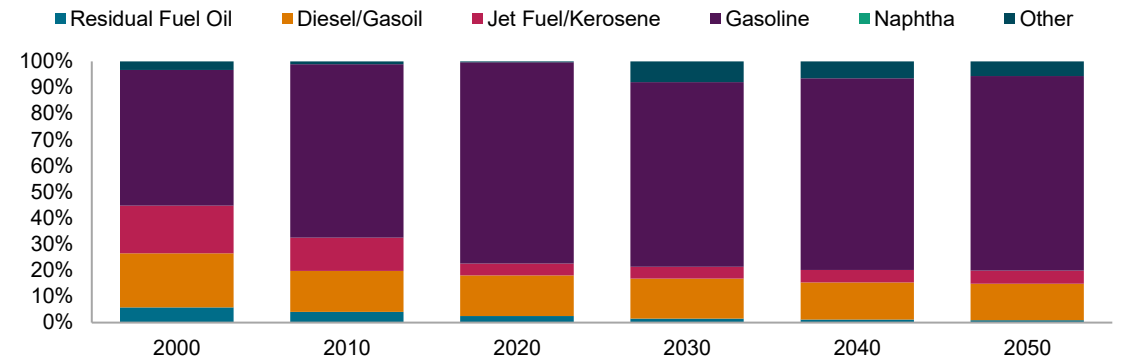
Nigeria will become Africa's largest market for refined products from the 2040s onwards

Nigeria refined product demand (1,000 b/d)



- Due to a combination of demographics and the size of its economy, Nigeria has consistently ranked among the three largest refined product markets in Africa, behind South Africa and Egypt.
- In 2024, total refined product demand stood at about 413,000 b/d, marking the second consecutive year of contraction. Demand contraction over the past two years is linked to the government's decision to remove the fuel subsidy in 2023, as well as a challenging economic backdrop characterized by historically high inflation and the devaluation of the local currency, the naira.
- Despite short-term difficulties, the long-term outlook for refined product demand remains largely positive, with demand expected to more than double from current levels by 2050, reaching just under 950,000 b/d. Along the way, Nigeria is projected to surpass Egypt and become Africa's largest consumer of refined products by the 2040s.

Nigeria refined product demand

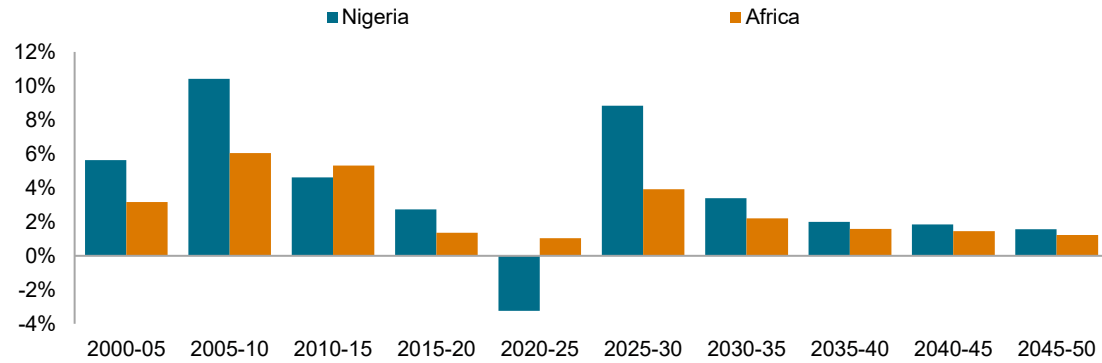


Data compiled July 2025.
Source: S&P Global Commodity Insights.

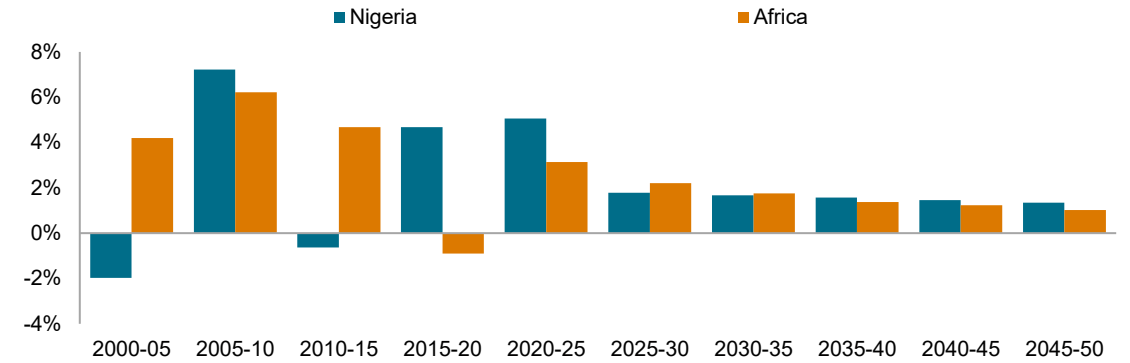
Refined product demand growth outlook

Contrary to other large African markets, demand growth in Nigeria will remain strong over the long term

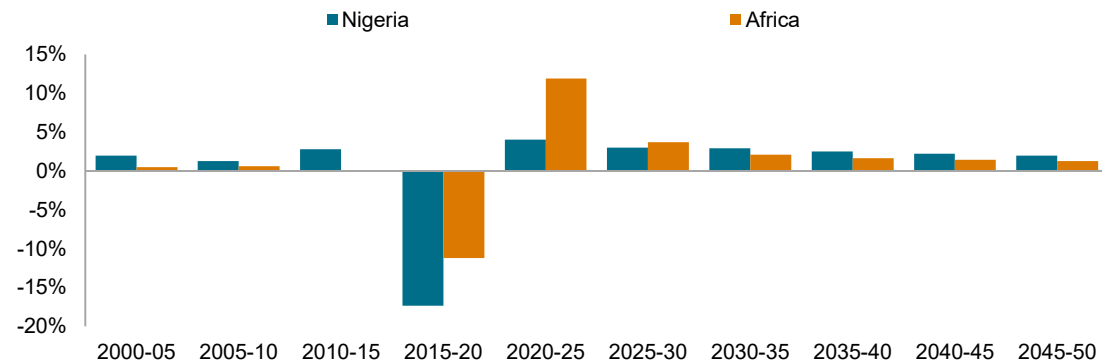
Gasoline demand growth (compound annual growth rate)



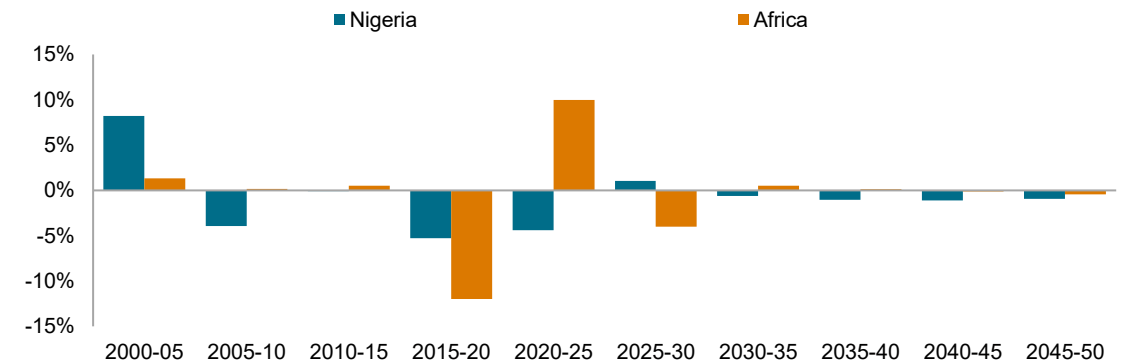
Diesel/gasoil demand growth (compound annual growth rate)



Jet fuel/kerosene demand growth (compound annual growth rate)



Residual fuel oil demand growth (compound annual growth rate)

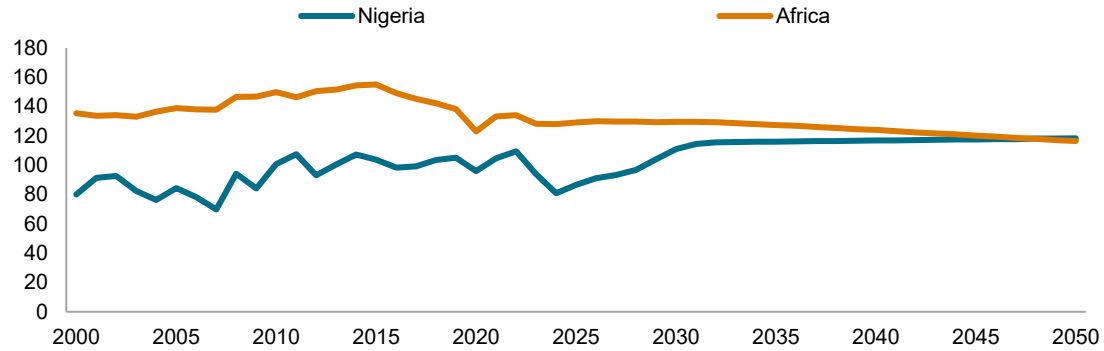


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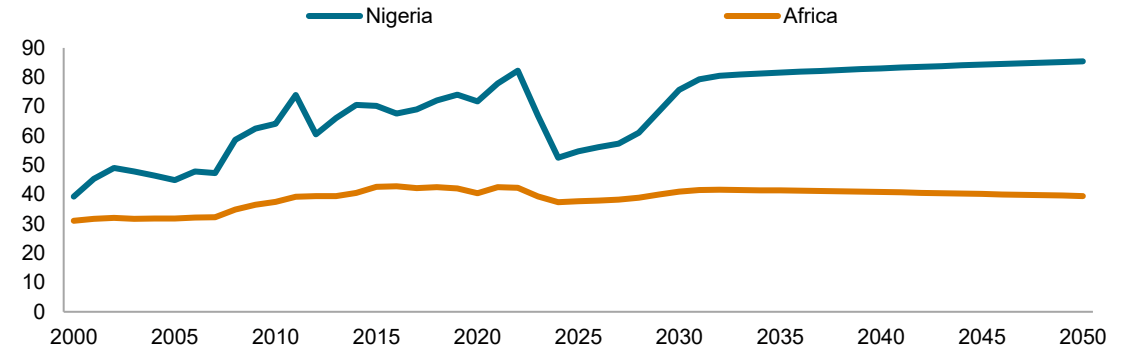
Per capita refined product demand

Nigeria's gasoline-heavy demand mix makes it one of Africa's top per capita consumers of gasoline

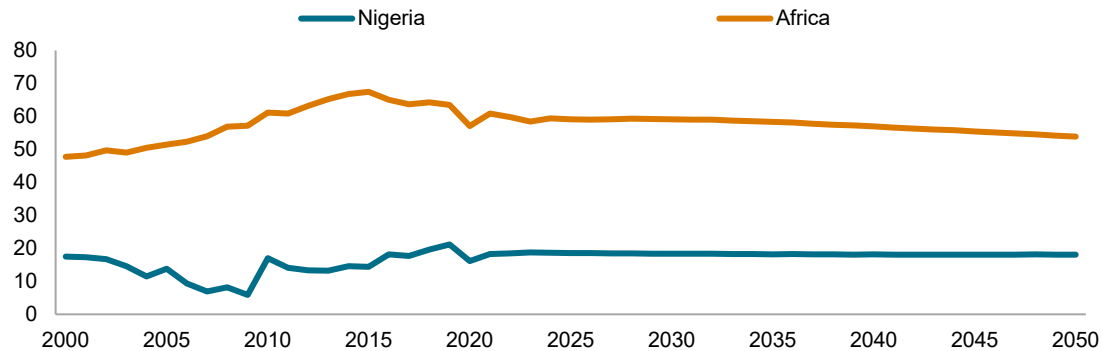
Per capita refined product demand (kilograms per year)



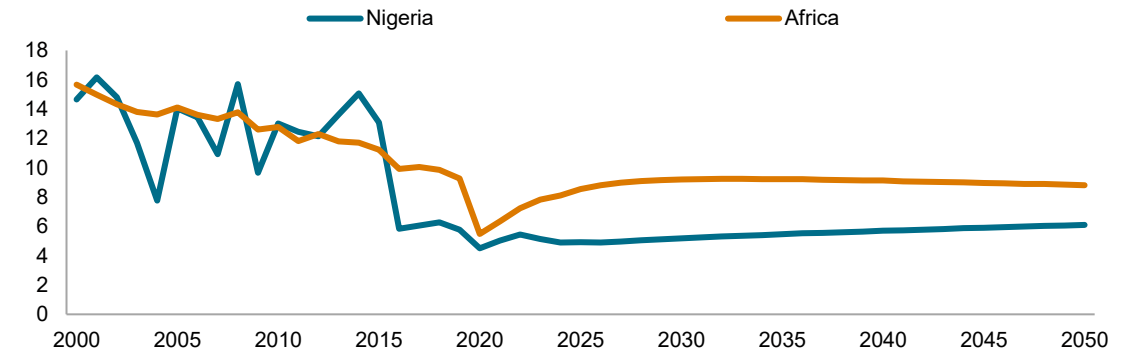
Per capita gasoline demand (kilograms per year)



Per capita diesel/gasoil demand (kilograms per year)



Per capita jet fuel/kerosene demand (kilograms per year)

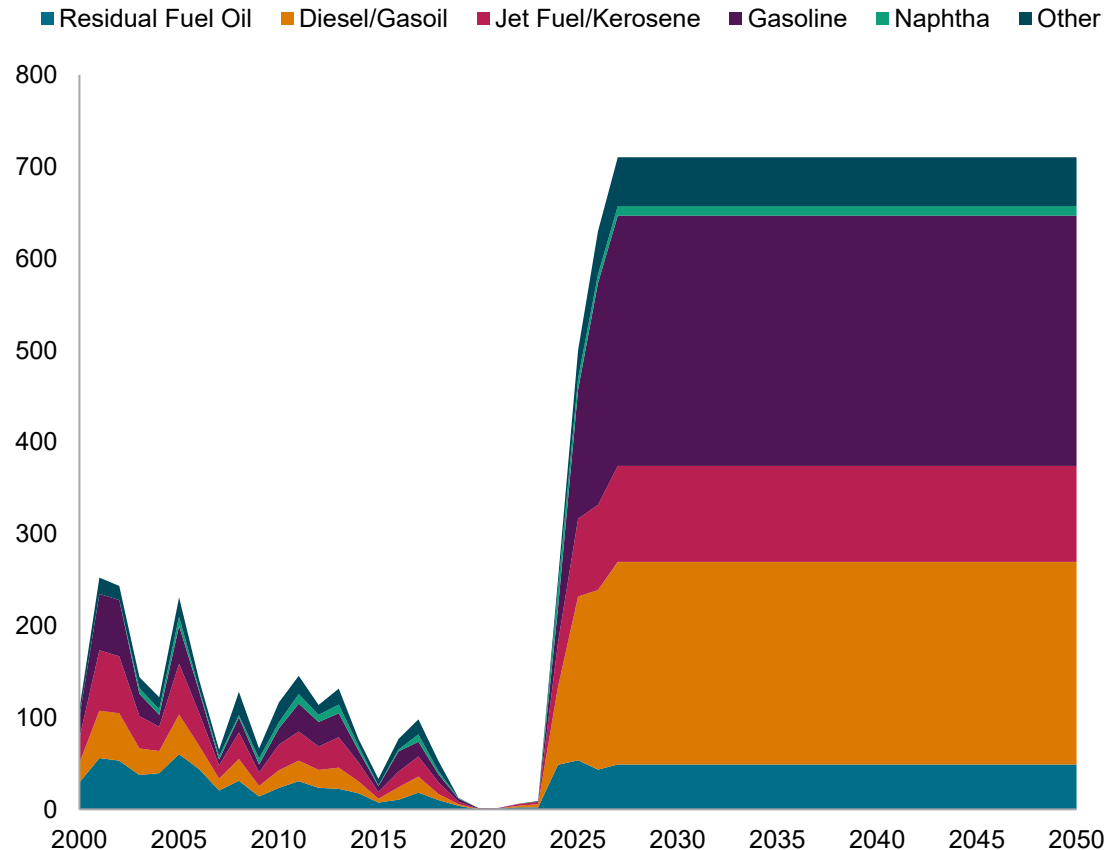


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Refinery production overview

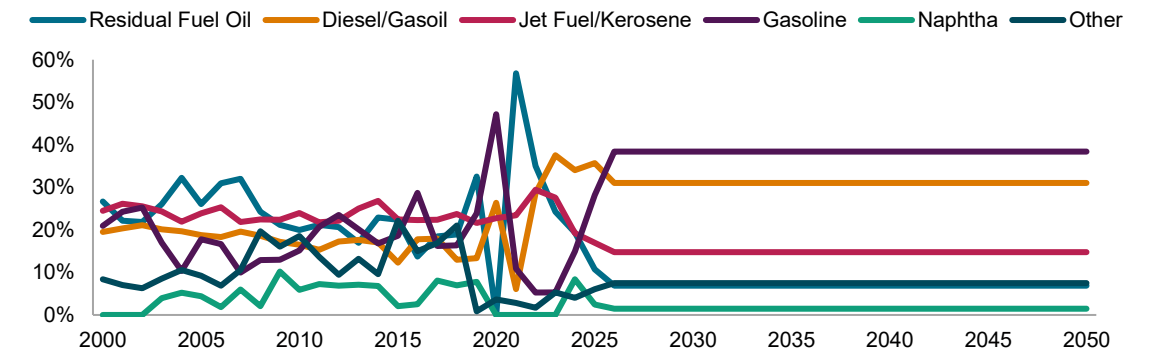
Nigeria is now one of Africa's main refining players thanks to the launch of the Dangote refinery

Nigeria refinery production (1,000 b/d)



- Nigeria's refining sector received a significant boost in 2024 with the start of the 618,000 b/d Dangote refinery, by far Africa's largest. Prior to the refinery's launch, refined product production had been largely deficient due to the poor performance of the country's four state-owned refineries.
- In addition to the Dangote refinery and the four state-owned refineries, a handful of small modular refineries complete Nigeria's refining landscape.
- In 2024, Nigeria produced roughly 250,000 b/d of refined products. Output is expected to stabilize around 700,000 b/d over the medium term as the Dangote refinery ramps up to full capacity. Additionally, the full ramp-up of the plant's residue fluid catalytic cracker (RFCC) will tilt refinery yields largely in favor of gasoline, while yields of comparatively lower-value products, such as residual fuel oil, will drop substantially.

Nigeria refinery yield

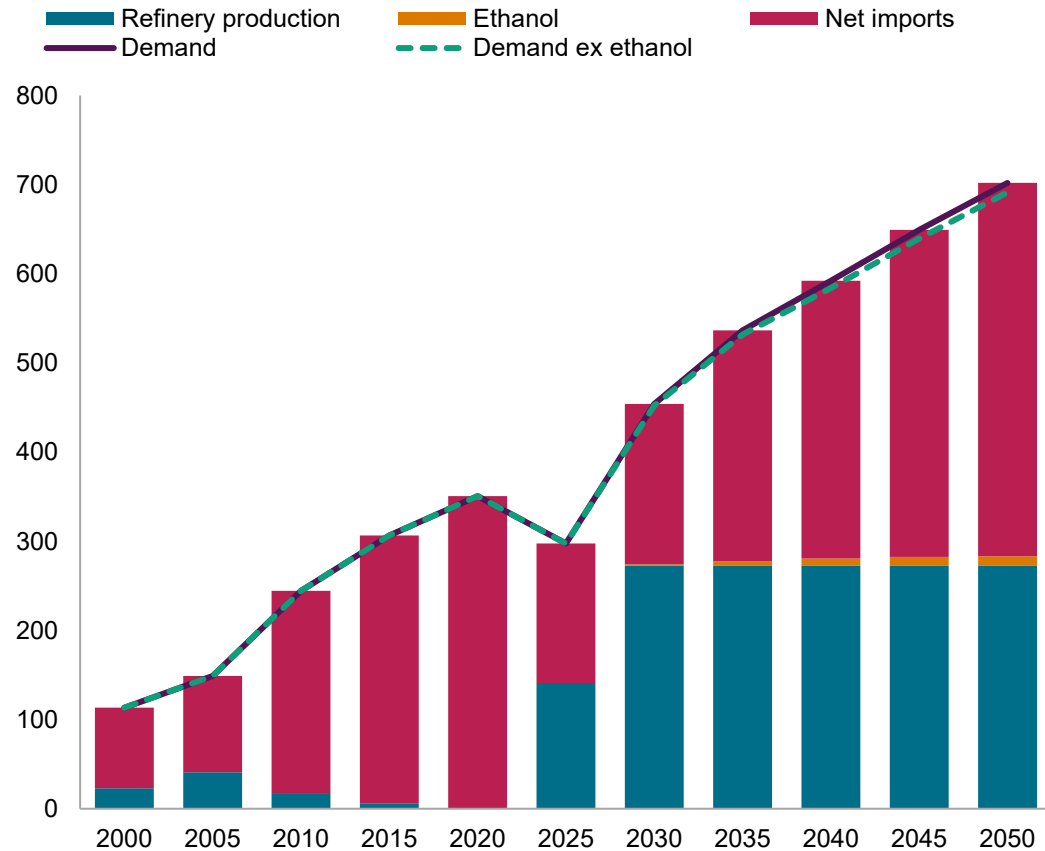


Data compiled July 2025.
Source: S&P Global Commodity Insights.

Gasoline outlook

Despite recent contractions, the long-term outlook for gasoline demand remains robust

Nigeria gasoline balance (1,000 b/d)



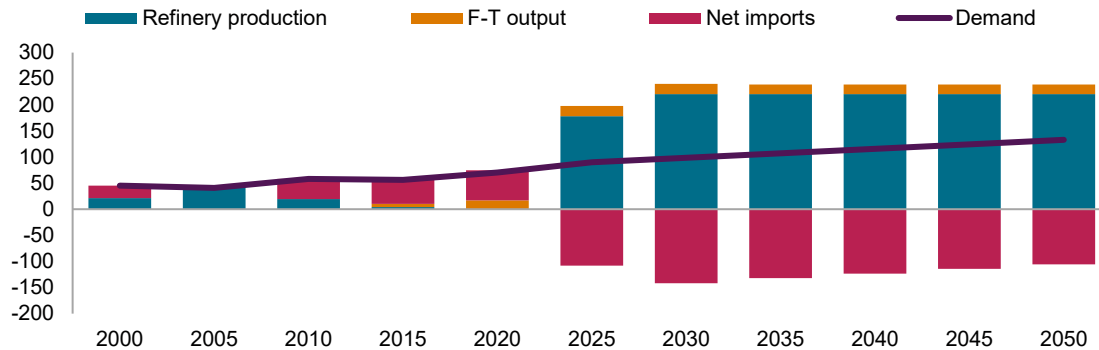
- Nigeria is Africa’s largest consumer of gasoline, comfortably ahead of second-placed Egypt and third-placed South Africa.
 - In 2024, Nigeria’s gasoline demand stood at 297,000 b/d, accounting for nearly a quarter of Africa’s total consumption, compared to 175,000 b/d for Egypt and 150,000 b/d for South Africa, respectively.
- Gasoline is by far the most widely consumed fuel in Nigeria, making up over two-thirds of total refined product consumption.
 - Gasoline demand is largely driven by the Nigeria’s transportation sector and benefits from the country’s continuously growing vehicle fleet and population.
 - Demand for gasoline in Nigeria had long been supported by subsidies, which kept prices for the fuel affordable and strongly incentivized the acquisition of gasoline-powered vehicles. However, in May 2023, gasoline subsidies were officially removed, resulting in a sharp rise in the product’s pump price.
- Largely due to higher pump prices—which have more than tripled since subsidies were removed—gasoline demand fell by close to 34% between 2022 and 2024.
- Despite present speed bumps, gasoline demand will experience strong growth over the long term, more than doubling from current levels by 2050, supported by population growth, economic development and the expansion of the middle class.

Data compiled July 2025.
 Domestic supply refers to refinery output and supply adjustments, encompassing stock movements, interproduct transfers and statistical differences.
 Source: S&P Global Commodity Insights.

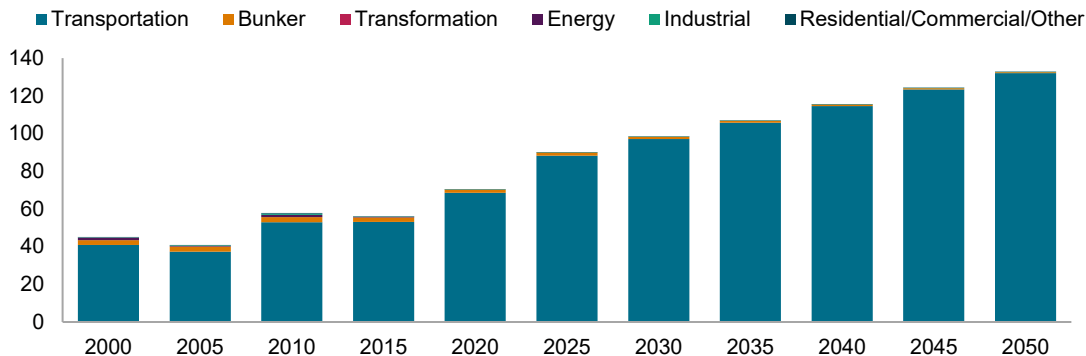
Diesel and gasoil outlook

Nigeria's gasoil consumption will climb to 70,000 b/d by 2050

Nigeria diesel/gasoil balance (1,000 b/d)



Nigeria diesel/gasoil demand by sector (1,000 b/d)



Data compiled July 2025.

F-T output refers to synthetic diesel produced at Nigeria's Escravos gas-to-liquids (GTL) plant using Fischer-Tropsch technology.

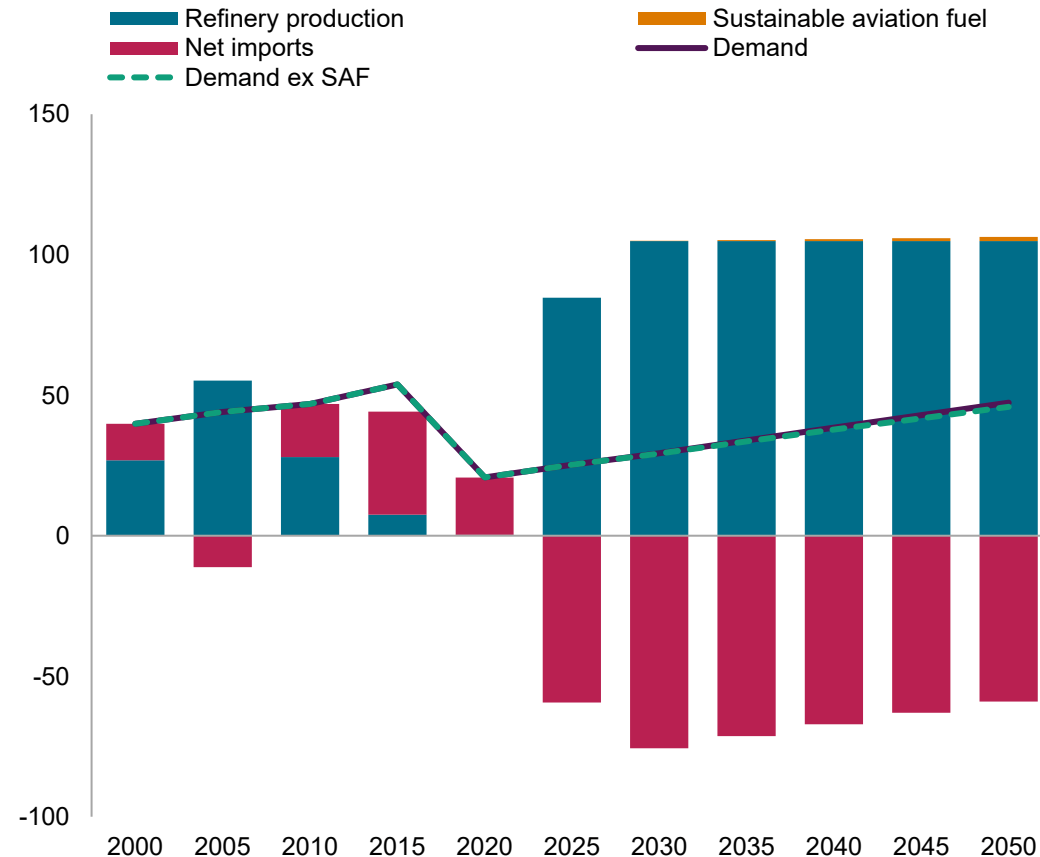
Source: S&P Global Commodity Insights.

- Gasoil demand lags far behind that of gasoline due to years of gasoline subsidies.
 - Gasoil accounts for 21% of Nigeria's total fuel consumption mix, compared to 68% for gasoline. This contrasts with other West African markets, such as Senegal and Côte d'Ivoire, where diesel is the preferred motor fuel, and countries like Guinea and Burkina Faso, where there is a more even split between the two fuels.
 - Before the removal of gasoline subsidies, diesel pump prices were typically two to four times higher than those of gasoline, a situation that strongly discouraged the widespread adoption of diesel passenger vehicles.
 - Although price differentials have drastically reduced since gasoline subsidies were removed in May 2023, consumer preference for gasoline vehicles will likely persist over the long term.
- Gasoil demand primarily comes from trucking and public transportation. Additionally, some volumes are consumed by diesel-powered generators, which are widely used by businesses and upper-income households due to frequent power blackouts.
- Demand for gasoil will grow significantly over the long term, reaching 70,000 b/d by 2050, compared to current levels of about 38,000 b/d.
- As domestic diesel production will far exceed local demand throughout the long term, Nigeria is poised to become a major diesel exporter and a key supplier to other diesel-heavy West African markets.

Jet fuel and kerosene outlook

Jet fuel demand is projected to double over the long term, on the back of growing air travel

Nigeria jet fuel/kerosene balance (1,000 b/d)



- Jet fuel demand recorded a 3% decrease in 2024, falling to about 24,500 b/d, largely due to a decline in domestic air travel.
 - According to the Nigeria Civil Aviation Authority (NCAA), the number of domestic air travel passengers fell to 11.55 million in 2024, down from 12.05 million in 2023, primarily due to higher ticket prices.
- Nigeria's jet fuel consumption is forecast to nearly double over the long term, exceeding 47,000 b/d by 2050, on the back of increasing air travel.
- Despite strong demand growth, domestic jet fuel production is expected to remain above local consumption throughout the long term, allowing for significant volumes to be sold to international markets.
 - Nigeria became a major jet fuel producer in 2024, following the startup of the Dangote refinery. So far, excess production has been exported to markets in Africa, Europe, and the Americas.
- Although the Nigerian government has expressed its desire to produce and introduce the use of sustainable aviation fuel (SAF) domestically, we expect its penetration to remain limited throughout the forecast period, slightly surpassing 1,000 b/d by 2050.

Data compiled July 2025.

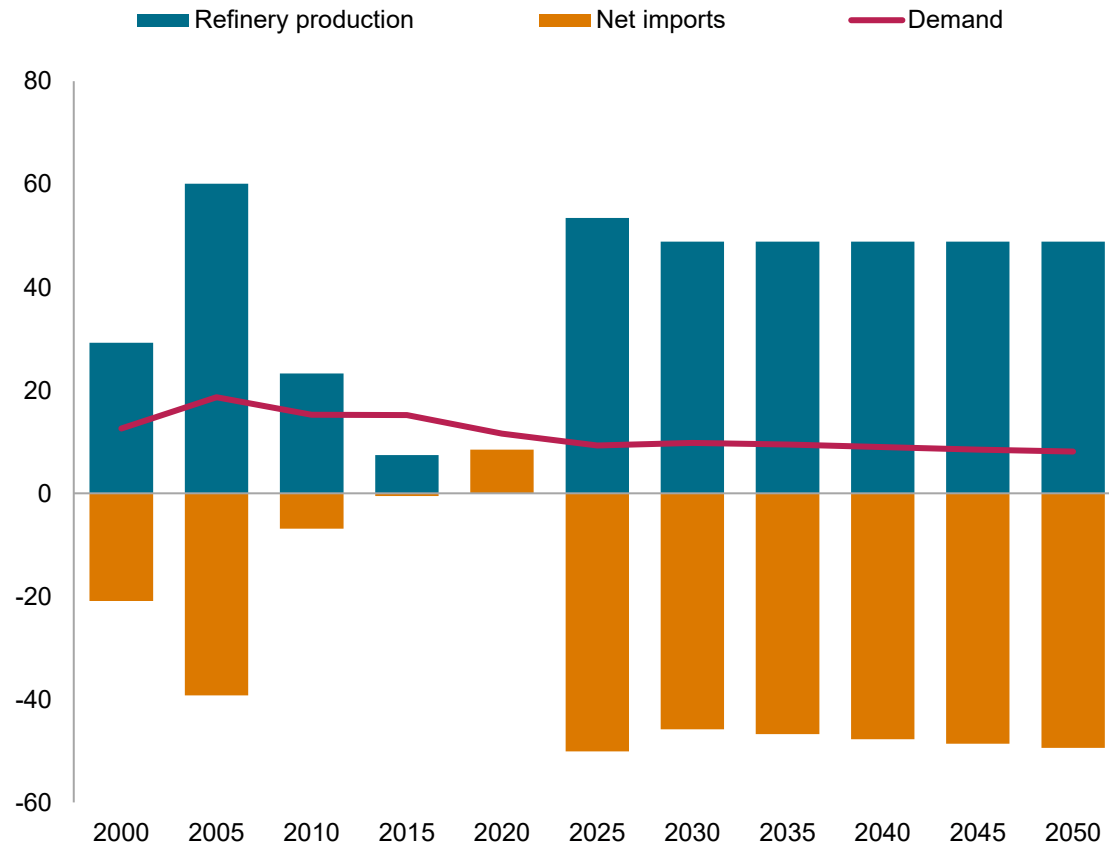
Domestic supply refers to refinery output and supply adjustments, encompassing stock movements, interproduct transfers and statistical differences.

Source: S&P Global Commodity Insights.

Residual fuel oil outlook

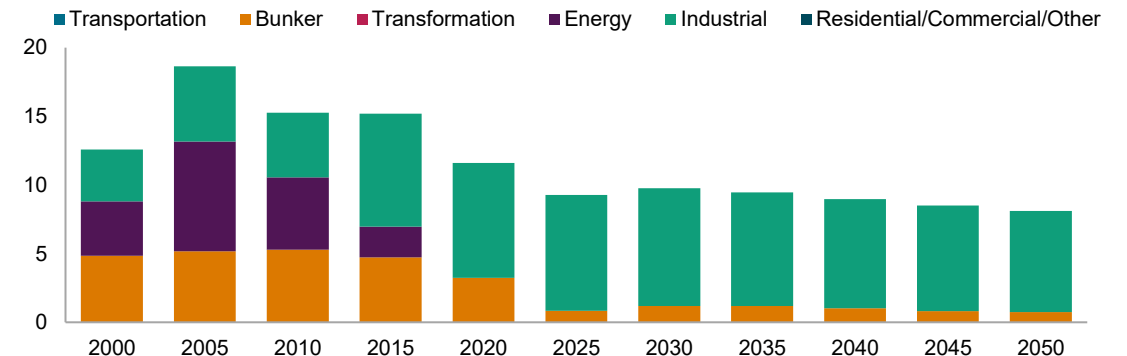
Nigeria's RFCO consumption is expected to remain muted over the long term

Nigeria residual fuel oil balance (1,000 b/d)



- RFOs' share in Nigeria's overall fuel demand mix is negligible, accounting for just over 2% of total demand.
- The bulk of RFO demand is derived from the industrial sector. Unlike in some other markets, the use of RFO for power generation in Nigeria is minimal, as most of the country's grid power is generated from natural gas and hydropower.
- In 2024, Nigeria consumed just under 9,000 b/d of RFO, significantly below domestic production levels, which reached 48,000 b/d, largely due to output from the Dangote refinery.
- Demand for residual fuel oil (RFO) is forecast to decline slightly to 8,000 b/d by 2050, although increased domestic production could encourage the exploration of additional applications for the fuel.

Nigeria residual fuel oil demand by sector (1,000 b/d)



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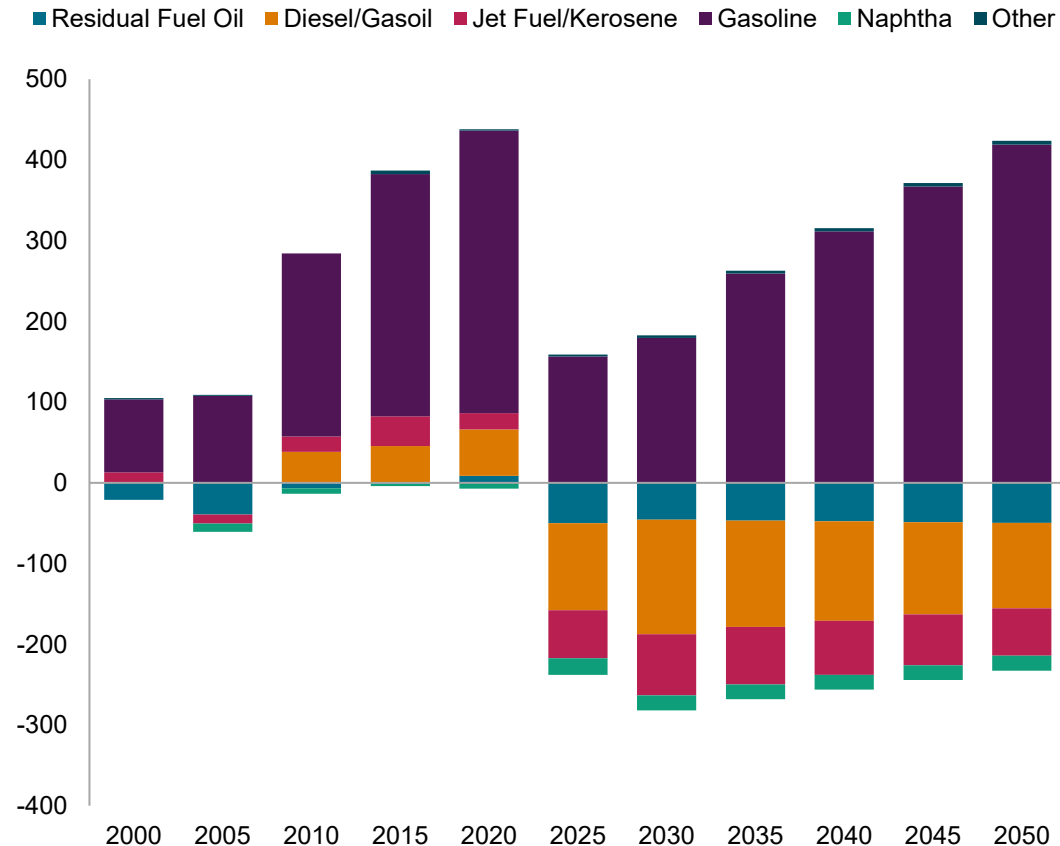
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Source: S&P Global Commodity Insights.

Refined product trade

Nigeria's refined product imports have plummeted due to the impact of the Dangote refinery

Nigeria refined product net imports (1,000 b/d)



- Due to limited domestic refinery production, Nigeria had historically been reliant on imports to meet its refined product requirements.
 - In line with the country's demand structure, gasoline accounted for the lion's share of Nigeria's fuel imports. In recent years, gasoline imports consistently exceeded the 300,000 b/d mark, making Nigeria by far the largest import market for the product in Africa.
 - The bulk of Nigeria's gasoline imports are sourced from northwestern Europe, particularly from the Amsterdam-Rotterdam-Antwerp (ARA) refining hub, while smaller quantities are also imported from Norway and France.
- Following the startup of the Dangote refinery, Nigeria is now a net exporter of diesel, jet fuel, and residual fuel oil. At the same time, production from the mega refinery has led to a sharp drop in gasoline imports.
 - In 2024, Nigeria's gasoline imports fell to about 242,000 b/d, down from 419,000 b/d just two years prior. While increased domestic production was the main cause of this decline, lower domestic demand was also a contributing factor.
- Nigeria will remain a net exporter of heavy and middle distillates throughout the long term. However, gasoline imports are expected to reach a floor in 2027 before increasing throughout the forecast period as local demand outstrips production levels.
 - In the absence of any new refining projects, Nigeria's gasoline import requirements in 2050 will match import volumes recorded in the years prior to the commissioning of the Dangote refinery.

Data compiled July 2025.
Source: S&P Global Commodity Insights.

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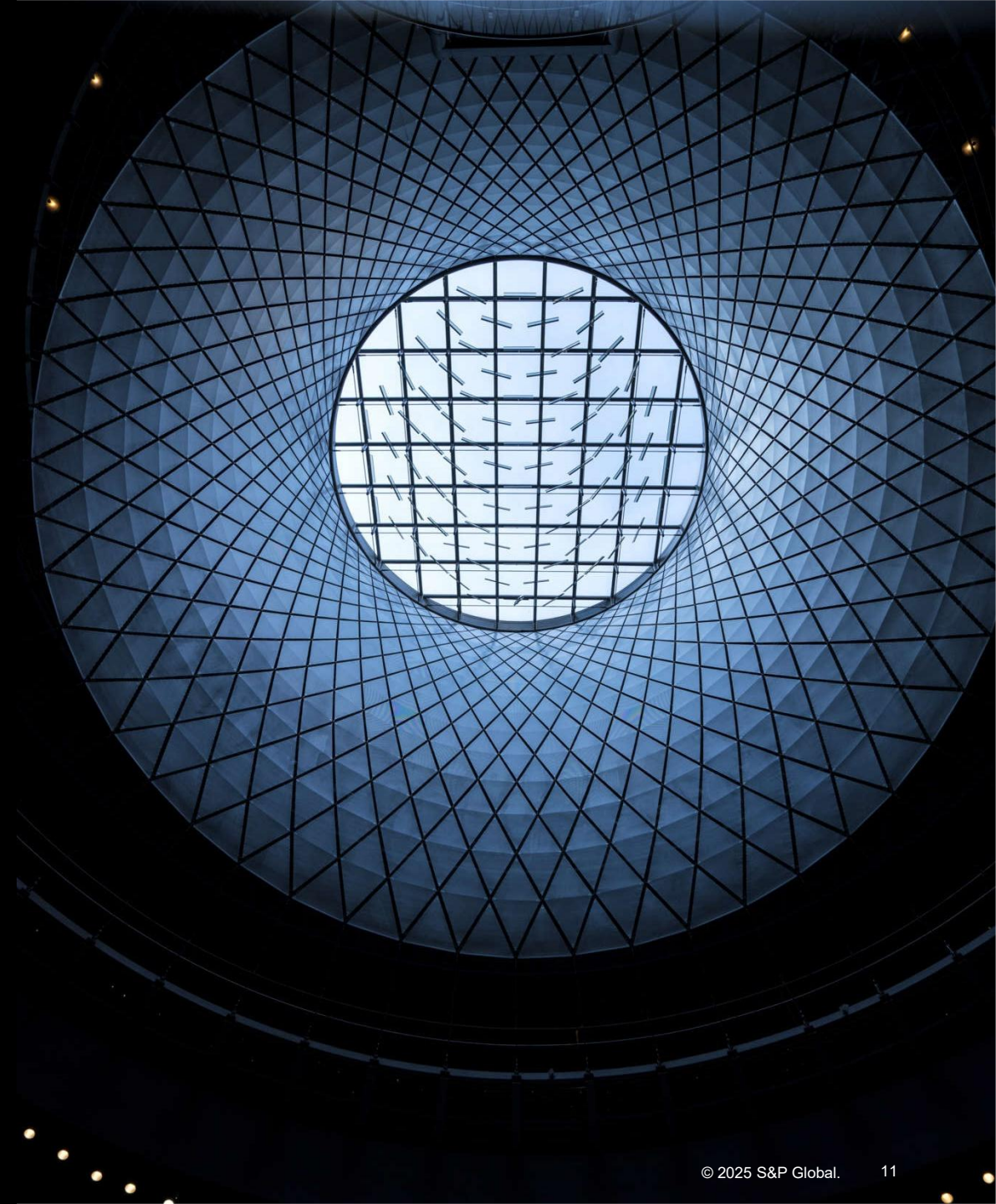
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