Tycoon Plans Nigeria's Largest Oil Refinery

Carley Petesch, Associated Press

A company run by Africa's richest man received a loan toward a $9 billion project that will give Nigeria its largest oil refinery and petrochemical and fertilizer complex, reducing the country's reliance on international markets. Aliko Dangote, president of Dangote Group, signed a loan worth $3.3 billion from 12 Nigerian and international banks toward the project, which will be built in Nigeria's southwest. "At the completion of these projects we expect Nigeria to become not only self-sufficient in fertilizer and refined petroleum products but indeed to become recognized as a leading exporter of these products," Dangote said at Wednesday's signing.

Nigeria is Africa's biggest oil producer, and is a top supplier of crude to the U.S., but the West African country has to import most of its fuel because of decrepit refineries unable to meet the nation's demand for gasoline due to years of mismanagement and sabotage. The 400,000 barrels-per-day oil refinery and complex will become operational by 2016, the company said. The plant will also produce 2.8 million tons of urea for fertilizing crops and to produce polypropylene, used to make plastics, a statement said.

Dangote said the company is still seeking an additional $2.5 billion in development funds to augment the $3.5 billion of its own equity put into the project. The $3.3 billion loan deal was led by Standard Chartered and Nigeria's Guaranty Trust Bank. Dangote's estimated worth is $16.1 billion according to Forbes, which has also ranked him among Africa's richest men for the past few years. The Nigerian has made his wealth in cement, flour and sugar.

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