

Nigerian Society of Chemical Engineers

(A Division of NSE)

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Nigerian Society of Chemical Engineers Position and Recommendation to the Government on the Inflationary Impact of the USA/Israel & Iran War

The Board and Council of the Nigerian Society of Chemical Engineers (NSChE), having reviewed the disruption around the Strait of Hormuz, which has affected crude and refined product flows, resulting in higher energy costs, inflationary pressures, increased transportation costs and reduced purchasing power for citizens and businesses alike, consider the impact as an emergency cost-of-living and economic stability issue.

The Nigerian Society of Chemical Engineers, therefore recommend the immediate measures to cushion and reduce inflationary pressure on the Citizens and the Manufacturing sector from the Spike in Petrol, Diesel and Aviation Fuel Prices arising from the USA/Israel and Iran War as stated below:

1. Suspend or Waive non-essential Levies and Charges on Petroleum Products

The government should temporarily suspend or reduce port charges, regulatory fees, customs-related fees, inspection charges, and other surcharges on petrol, diesel, and aviation fuel for 90–180 days or until when normalcy returns, to lower the landed cost of these products.

2. Create a Temporary Fuel Price Stabilisation Window

The government should establish a transparent and temporary price stabilisation mechanism funded solely from windfall crude oil earnings above the budget benchmark. This intervention should be rule-based, time-bound and publicly disclosed. Just like some other countries have started doing.

3. Prioritise Diesel Price Relief for Productive Sectors

Diesel powers transportation, food distribution, manufacturing, telecoms infrastructure, hospitals, and SMEs (Small and Medium Enterprises). The government should enact strong regulations that will provide targeted relief for registered mass-transit operators, food logistics providers, and strategic productive sectors to reduce inflationary pressures.

4. Stabilise Aviation Fuel Supply

Government, through the relevant regulators, should support temporary bulk procurement arrangements, credit guarantees and reduced charges on aviation turbine kerosene in order to prevent sharp increases in airfares and disruptions to domestic aviation services.

5. Ensure Transparency in Domestic Fuel Supply and Pricing

NNPC, Dangote Refinery, importers and other refiners should publish weekly supply, stock, and pricing data under the oversight of NMDPRA in order to discourage speculative pricing and hoarding.

6. Maintain Import Flexibility and Price Control to Prevent Scarcity

Where domestic refining capacity is insufficient, the government should allow transparent and competitive importation by credible marketers to maintain adequate product supply and market stability. All imported petroleum products must meet the Nigerian standards, and pricing of the petroleum products should be controlled by NMDPRA.

7. Expand Mass Transit Support

Government should redirect resources toward mass transit systems, including buses, rail, and CNG-based transport programmes across all income categories.

Conclusion

The present fuel-price shock requires disciplined and strategic intervention rather than a return to fiscally unsustainable blanket subsidy. Government should adopt temporary, transparent, and targeted measures aimed at cushioning citizens, reducing inflationary pressures, and protecting productive sectors of the economy. These temporary and targeted relief measures are justified to prevent the fuel-price shock from cascading into food inflation, transport paralysis, business closures, and deeper poverty.

At the same time, the government must demonstrate shared sacrifice by aggressively reducing wasteful public expenditures and redirecting scarce resources toward interventions that directly improve the welfare and economic resilience of Nigerians.

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National President, June 1, 2026

Please visit our website, <https://www.nsche.org/e-library> for other NSChE policy recommendations on a) Ajaokuta Steel Project, b) National Steel Policy Framework and c) NNPC Refineries