

ABUJA-Nigeria, 10h00, Monday 23rd July 2012 – INTEGRITY Organisation Ltd. (by Guarantee) launches “Essence of Oil” research portal.

According to the Executive Director, Mr. Soji Apampa, “Nigerians have a rather short memory and soon forget details of painful experiences they have been through. Take for example the fuel subsidy saga of January 2012: the details of the occupy movement, those who died, and the reasons why ordinary people joined are fast fading. Also, when many discuss public policy issues, they sound quite pedestrian, as they often are too lazy to find the evidence to back their statements or don’t know where to start. INTEGRITY is today contributing to the remedy by launching an online repository where people can easily find details in the first instance, relating to the Essence of Oil in Nigeria.”

“We have sorted articles, papers, stories, videos and other resources about the Essence of Oil into five major categories” adds Kator Abaagu, the project manager – “History, Political Economy (conflict, power plays, economics, politics) Sustainability, Legal & Institutional and finally Change Issues relating to Oil & Gas in Nigeria in order to make it easy for people to find relevant information.” Abaagu further points out that the site utilizes a unique, state of the art timeline functionality that allows researchers surf titles, read short abstracts in order to quickly identify the right materials for their research. The site is very interactive with good quality pictures and a twitter handle, @pins2015 to boot!

On why this site should be of importance to Nigerians, Apampa says that from a series of interviews conducted with ordinary citizens, “oil to Nigerians is both life and death: a blessing and a curse depending on which side of the debate you fall.” According to Imagie Elochukwu, a marketing consultant in Abuja, “Oil is life ... we need it for our everyday activities like moving around, cooking, packaging, even cosmetics.” To Mrs. Ibe Kalu, a transporter, “oil means a lot – it means movement, it means business, it is life itself because without it we are handicapped.” Mrs. Favour Okoronkwo, a recharge card seller says, “we need oil for everything, even to generate our own electricity – it is one of life’s necessities today, we have to have it.” On the other hand, oil exploration has been responsible for destruction of lands, waters, livelihoods and the massacre of more than 2, 400 people at Odi, in the Niger Delta. Shell is at the moment refusing to pay a US\$5b fine levied on it for its Bonga oil spill – 44,000 barrels polluting 975 sqkm of ocean. The people of the region seek to assert their ownership of their oil-bearing lands and a level of self-determination failing which they would settle for control of the resource and greater benefits of at least 25% derivation instead of 13%. “Oil is life to some, death to others and every Nigerian ought to know the facts about the one thing that now affects the well-being of every single citizen regardless of location, ethnicity, religion or social class” is the opinion of Gbile Oshadipe, editor of the Scrutiny Newsletter published by INTEGRITY on the portal.

Elochukwu contends that oil is a blessing because according to him, “Nigeria would not have developed as much as it has without it but the poor management of the resource and the sector has made it a curse to Nigerians. A curse because since it was discovered its proceeds have not been wisely used but frittered away with the poor getting poorer and the rich getting richer.” Mrs Kalu feels, “a blessing must be enjoyed but Nigerians are not enjoying the oil we have because we now have to beg for the benefits that ought to have been.” She goes further to conclude, “as a result of corruption we have not been able to manage our oil.” Mr. Danjuma, a petrol station manager feels, “it is a blessing simply because, God cannot give you something good and you say it is a curse. It is our source of income; it is where we generate our revenue” but he concedes it becomes a curse when it is not being utilized very well. Agreeing with Mrs. Kalu he says, “Our government needs to be sincere and disciplined to eliminate corruption and allow Nigerians the benefits of oil.” The recharge card seller insists Nigerians should look to Libya and see, “despite the dictatorship of Muamar Ghadafi they had benefits out of their oil by comparison to us.” She would appear to have a point as in 2011 per capita GDP of Libya with Purchasing Power Parity was US\$5,787 whilst that of Nigeria was US\$2,578. It is estimated that Nigeria earned some US\$60b in 2010 but spent US\$46bn maintaining its various tiers of government before debt service and other costs leading to the conclusion that the cost of governance is also too high.

Some Nigerians seem to believe the country can survive without oil since smaller, less endowed countries without it are making tremendous progress and oil has been a major distraction for Nigeria. “To survive there must be a change in the Nigerian mentality – we must be more serious about our non-oil sector growth and develop other opportunities” says the marketing consultant. Mrs Kalu the transporter insists Nigeria can survive because “we are blessed with so many other mineral and natural resources, iron ore, bitumen, arable land and so we can survive without oil.” Mr. Danjuma asserts, “If we go back to the basics like agriculture, Nigeria will survive without oil. We survived before it was found and we can survive without it.” He concludes that Nigeria is better off without the oil. His position is supported by taxi driver, Tajudeen, who says when the oil is finished, “we will go back to our former work, farming.” To survive without oil, the recharge card seller advises Nigeria to think about solar power as a replacement to oil to generate electricity, she suggests the need to find alternative cooking fuels to kerosene and put more effort into researching these. Our problem she says, “is that the minority is looting the money and the majority is suffering – what we need is a good government in order to manage what we have.”

Perhaps the one major thing the new Petroleum Industry Bill (PIB) does well is to insist that NNPC be allowed to run on commercial terms and suggests its unbundling in important ways. The net effect of this commercialization is that fuel pump price will of necessity jump back to N145/litre, which the government unilaterally introduced January 1, 2012. Salami Isiaka, a taxi driver who makes approximately ₦4,500 a day but spends N2,500 of it on fuel, belongs to the school of thought that says we have not drilled all oil locations and we have not reached all depths where oil can be found so we will never run out but the

government must “make oil survive for us.” To bus driver Tajudeen like Isiaka, “one way government can transfer the benefits to the people is by providing petroleum products at an affordable price.” The truth however according to industry analysts is that in a matter of a mere 40years, Nigeria will run out of oil. Nigeria now has more gas than oil but sadly this resource is grossly underdeveloped and we still flare gas to the tune of US\$2.8b every single year not caring about the associated health and environmental costs. INTEGRITY suggests that these costs should be monetized and deducted from the profits of oil companies through the principle of “The Polluter Pays.” Sadly, the PIB has what amounts to zero remedy for this situation.

The perceived abundance of oil has lulled Nigerians into a false sense of security and the elite from across the country vie with each other for control of public office slots and ultimately, control of the industry. One stroke of the pen and Malabu Oil gained US\$1.1b and by virtue of relationships, a jeweler close to the Minister for Petroleum Resources became the owner of an oil bloc. On the one hand, this is also the essence of oil in Nigeria. On the other hand sits the Niger Delta question, in which Danjuma felt that “ownership and control of oil resources should vest in the oil-bearing communities” and that “there is no community in Nigeria that has nothing to offer for its own development and well being. Over reliance on oil has bred laziness amongst Nigerians and stopped us developing what we have.”

Nigeria’s dependence on oil is unsustainable. The Minister of Petroleum Resources, Diezani Alison-Madueke claims the PIB will put an end to the stealing of Nigeria’s oil although many experts fail to see how but she is silent on what the PIB will do to stop the stealing of oil proceeds by organizations under her supervision as was exposed in the KPMG forensic audits. Nigerians should get equipped for the debate to come. INTEGRITY urges civil society activists to visit <http://www.integritynigeria.org> where they can bring themselves up to speed with the necessary facts and figures. The project was funded by the Heinrich Boell Stiftung.

Press Contact: Gbile Oshadipe, gbile.oshadipe@integritynigeria.org +234 803 5530130
General Enquiries: Kator Abaagu, kator.abaagu@integritynigeria.org +234 703 2252343