

# **OIL THEFT AND INSECURITY IN NIGERIA**

## **BULLET POINTS DELIVERED BY DR. IBE E. KACHIKWU**

TO THE **GUSAU INSTITUTE** CONFERENCE ON 'SECURITY IN THE GULF OF GUINEA' AT THE YAR'ADUA CENTRE, ABUJA ON **1 SEPTEMBER 2015**

### **POINTS:**

PREAMBLE: Nigeria, the world's 8<sup>th</sup> largest oil producer, is strategically important to the world and its economy. The country has witnessed, over the years, a significant loss in revenue from oil and gas due to a massive increase in crude oil theft, and disruption of production.

### **PROBLEMS: OIL THEFT FUELS VIOLENCE AND INSECURITY**

- IT FEEDS CORRUPTION
- IT FINANCES ILLEGAL WEAPONS PURCHASES
- IT CORRUPTS YOUTHS
- IT INCREASES UNEMPLOYMENT
- IT POLLUTES THE ENVIRONMENT AND DESTABILIZES COMMUNAL LIFE.

### **LOSSES FROM THEFT**

- BUNKERING LOSSES EST. AT 500,000 BBL/DAY
- REVENUE LOSSES EST. AT \$9 BILLION EACH YEAR.

### **METHODS OF THEFT**

- TAPPED PIPELINES CARRY CRUDE OIL TO BARGES
- BARGES OFF-LOAD CRUDE INTO TANKERS
- TANKERS SELL CRUDE TO BLACK MARKET REFINERIES
- (NOTE: OPERATIONS ARE SOPHISTICATED, OFTEN COORDINATED WITH MILITANT ATTACKS.)

### **PROPOSED SOLUTION: LOCAL HUMAN/COMMUNITY SUPPORT**

(NNPC: 5,000 PIPELINE NETWORK ACROSS NIGERIA)

### **THROUGH HIGHLY SOPHISTICATED SURVEILLANCE SYSTEMS**

- a. Airborne elements – fixed wing, surveillance aircraft provide accurate, real time targeting analysis and vectoring data, flying along the coast and rivers and locating smuggling vessels.
- b. UAVs (Unmanned Airborne Vehicles) DRONES.

- c. Command and Control Elements.
- d. Maritime and Land Security Forces. Conducting board, search and secure against targeted vessels.

**MY MAIN OBJECTIVE:**

- TO CREATE A PHYSICAL SECURITY PROGRAM THAT LIMITS LOSSES AND DAMAGE TO OIL FACILITIES THAT PROVIDES A MEANS TO COUNTER AND DEFEAT THREATS ON A SUSTAINED BASIS.
- TO CREATE A SAFE ENVIRONMENT FOR ALL OIL FIELD PERSONNEL AND THE LOCAL POPULACE.
- BRING THE FIELD BACK INTO PRODUCTION AND SECURE A CONTINUOUS PRODUCT FLOW TO NNPC AND ITS PARTNERS.
- TO REDUCE VIOLENCE, KIDNAPPINGS.
- TO SIGNIFICANTLY INCREASE OIL AND GAS OUTPUT AND UNINTERRUPTED TRANSPORTATION TO DESTINATIONS, REFINERIES, LOADING STATIONS, ETC.