

Oil attacks in 2016 cost Nigeria up to \$100bn: minister

Militant attacks on key oil facilities last year reduced Nigeria's output by one million barrels per day, resulting in a revenue loss of up to \$100bn (€94bn), according to the government.



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"At the highest point of this last year, we were producing 1.2-million barrels, which means we were losing literally a million barrels of oil per day," the junior oil minister Ibe Kachikwu said on Tuesday, 14 February.

"At that time also, we were basically losing an average, if you look at 2016, of over \$50bn to \$100bn of unearned income as a result of this disruption," he said in a video posted on Facebook.

The violence in the oil-producing south sent Nigeria in a tailspin, exacerbating the slump in global crude prices and pushing the west African economic powerhouse into recession in August last year.

"Jobs were out; pipelines were strewn all over the place; refineries couldn't work to capacity, and we couldn't meet our contractual international obligations. And the economy basically suffered," Kachikwu said in the clip.

"When you have that side by side with the fact that oil prices also declined by 60% over the last one and half years, you will see the massive problem that President Muhammadu Buhari has faced and had to deal with over this period."

Kachikwu announced a 20-point plan to end the unrest through investment in social and infrastructure development in the Niger delta region, where most people remain impoverished despite decades of oil extraction.

The minister said engaging local communities to find a lasting solution was vital, given claims from militant groups that oil companies have plundered what they see as "their" natural resource.

The oil rebels say they want a fairer share of Nigeria's multi-billion-dollar oil wealth for the Niger delta people as well as greater political autonomy.

Poverty in the maze of creeks is compounded by the consequences of decades of pollution from oil spills, making farmland unfit for cultivation and devastating fishing.

Recent peace efforts have curbed the frequency of attacks but Nigeria is still struggling to boost output because one of the largest export terminals remains shut, according to Bloomberg.

Source: AFP

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