

The impacts of MNCs in Nigeria!

THE OIL INDUSTRY IN NIGERIA IS LOCATED IN THE NIGER DELTA REGION, A VAST AREA OF WETLANDS ON THE DELTA OF THE NIGER RIVER, WHERE IT FLOWS INTO THE GULF OF GUINEA.



THE NIGER DELTA REGION CONTAINS IMPORTANT WETLAND AND COASTAL ECOSYSTEMS. MOST PEOPLE DEPEND ON THE NATURAL ENVIRONMENT FOR THEIR LIVELIHOOD EITHER THROUGH FARMING OR FISHING.

THE OIL BOOM IN NIGERIA TOOK OFF IN THE 1970S. IT DEPENDED ON THE EXPERTISE AND MONEY OF LARGE TRANSNATIONAL CORPORATIONS (TNCs) BASED IN EUROPE AND THE USA, INCLUDING: ROYAL DUTCH SHELL (UK, NETHERLANDS), CHEVRON (USA), EXXON-MOBIL (USA), AGIP (ITALY) AND TOTAL (FRANCE).

THE COMPANIES ERRECTED DRILLING PLATFORMS ON THE OIL AND GAS FIELDS AROUND THE NIGER DELTA.

THE PLATFORMS ARE LINKED BY PIPELINES TO EXPORT TERMINALS IN THE GULF OF GUINEA.

AT THE EXPORT TERMINAL THE CRUDE OIL IS PIPED ONTO TANKERS.

THE OIL IS SHIPPED TO EUROPE AND THE USA WHERE IT IS REFINED INTO PETROL AND OTHER OIL PRODUCTS.

THE MANAGERS OF SHELL BRING KNOWLEDGE AND EXPERTISE TO NIGERIA.

SHELL HAS SUPPORTED THE GROWTH OF NIGERIA'S ENERGY SECTOR THROUGH INVESTMENT.

SHELL HAS INVESTED HUGE AMOUNTS OF MONEY AND EXPERTISE INTO EXTRACTING OIL IN THE NIGER DELTA.

WHAT ARE THE ADVANTAGES OF OIL?

91 PER CENT OF SHELL'S CONTRACTS HAVE BEEN GIVEN TO NIGERIAN COMPANIES.

THE EXTRACTION OF OIL MAKES MAJOR CONTRIBUTIONS TO TAXES AND EXPORT REVENUE.

SHELL PROVIDES DIRECT EMPLOYMENT FOR 65000 NIGERIAN WORKERS AND A FURTHER 250000 JOBS IN RELATED INDUSTRIES.

OIL THEFT AND SABOTAGE ARE BIG PROBLEMS IN THE REGION, REDUCING PRODUCTION LEVELS AND COSTING TNCs AND THE GOVERNMENT BILLIONS OF DOLLARS EVERY YEAR.

OIL POLLUTION, WHICH OCCURS OFFSHORE FROM TANKERS, KILLS FISH IN THE SEA.

OIL SPILLS FROM LEAKING PIPELINES DAMAGE FARMLAND SO CROPS NO LONGER GROW.

GAS FLARES ARE USED TO BURN OFF GAS FROM THE OIL. APART FROM BEING WASTEFUL, THE FUMES AFFECT PEOPLES HEALTH AND CONTRIBUTE TO GLOBAL WARMING.

OIL HEATED BY THE SUN BECOMES HIGHLY FLAMMABLE AND CAN BURN OUT OF CONTROL.

OIL SPILLS HAVE CAUSED WATER POLLUTION AND SOIL DEGRADATION.

When oil was discovered in Nigeria.....

Chief Sunday Inengite remembers the day the oilmen came hunting for oil in 1953. Members of his small community were not sure what the men were after. Most thought they were on the lookout for palm oil, which had been exported from West Africa since 1832. Nigeria accounted for 7.5 per cent of this exported oil by the 1870s. But it became clear this was not the case. Inengite says, 'It wasn't until we saw what they called the oil- the black stuff- that we knew they were after something different.'

While several attempts to find oil had taken place in the early twentieth century, throughout the mid-twentieth century companies discovered numerous oil wells, many along the Niger Delta. By 1959, Royal Dutch Shell-BP had 53 wells operating in the area.

While oil quickly became a lucrative export for Nigeria, it came at a grave environmental cost. 'You see fish floating on the surface of the water, something we didn't know before,' Inengite says. 'It may be difficult to make a catch that will be enough to feed your family for one day.'

Some people believe that rather than being a blessing, oil has become a curse for Nigeria. In order to keep some control over the oil industry, the Nigeria government set up the Nigerian National Petroleum Corporation to form joint ventures with TNCs. This ensures that part of the profit from oil stays in Nigeria.