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The Nigerian Petroleum Subsidy Translates to Sustained Economic Growth

Osondu Chimezie Nworu

Osondu & Associates Design Architects, Nigeria

Abstract:

The on going contentious national debate on the removal of the petrol product subsidy is such a matter of national interest that requires adequate policy to avoid social crisis.

This paper will study how the fuel subsidy that was set in place to benefit and improve the social and economic welfare of the people is becoming an endemic problem.

The paper will underscore the various effects of the subsidy removal since it is likely that the government is determined to toe the line of its removal. It is certain that Nigerian sustainable economic growth cannot be achieved without the subsidy and the paper will prove the federal government wrong for taking the view that subsidy removal is an important element in the larger scheme to accelerate Nigerian's economic development. A Desktop Study (2011). Finally, solutions and reforms shall be recommended after evaluating the strengths and weaknesses of various proposals pro or against.

Key word: Fuel, Subsidy, Petroleum, Removal, Price, Refinery, NNPC, Marketer, Government. Fund

1.0 INTRODUCTION

Though from 1960s Nigerian governments had always subsidized education, electricity, health etc to promote social agenda and help maintain a dignified standard of living. The issue of fuel subsidy removal became a public debate since the civilians took power from the military in 1999. Subsidy is a sum of money granted by the state or a public body to help an industry or business keeps the price of a commodity or service low. Wikipedia.

In the Nigerian context, fuel subsidy means trillions of Naira paid to local marketers for importing petrol to sell below the cost of importation to consumers. The reason behind introduction of fuel subsidy was driven more by political consideration than well pondered economic calculation as it was only to allow Nigerians have cheap fuel, reduced transportation and commodity costs.

Fuel subsidy was not an issue when the State-owned Nigerian National Petroleum Corporation (NNPC) was marketing the petroleum products from local refineries at prices on government directives. The first fuel subsidy introduced in 1988 was meant to be a 6 month temporary measure as the refineries were undergoing rehabilitations. The refineries from rehabilitation went into comatose then importation started and persisted till 1999 when President Obasanjo came in and had to adopt the current fuel subsidy. As usual in Nigerian polity, it was not comprehensively studied nor debated therefore it lacked sustainability as there was no specific strategy to accommodate future uncertainties or any clearly defined measures to mitigate the inevitable social and economic impacts that will arise from the withdrawal of fuel subsidy when the time comes. A Desktop Study (2011).

Adequate research and sustainable plans were not laid down against a volatile issue like fuel subsidy since empirically once the consumers and businesses get used to it, it becomes difficult to remove or to change as the case had always been whenever governments change petrol prices people frown and protest. All tiers of government, as

well as institutions, political and otherwise must come to accept that sustainability is the key to good governance in the world today.

2.0 NIGERIAN OIL AND GAS INDUSTRY

The Nigerian oil and gas industry began when shell group discovered crude oil in 1956 and the sector was dominated by multinational corporations until the early 1990s when Nigerian companies came in. The oil and gas industry is structured into upstream sector, downstream sector, and Services sector. Included also in the downstream sector is the mid-stream sector covering processing, storage, marketing and transportation of crude oil, gas, gas-to Liquids and liquefied natural gas. Nigerian export crude oil is light with exceedingly low sulfur content-Bonny Light gravity (31o) API and Forcados gravity (31o).

The USA Energy Information Administration (EIA) in 2010 estimated Nigerian oil reserves to be around at about 37.2bn bbl; while a recent BP Statistical Energy Survey shows our natural gas reserves at 5.29 trillion cubic meters, 2.82% of the world's estimated reserve. KPMG Nigeria (2014). The Nigerian National Petroleum Corporation (NNPC) has the monopoly of the Nigerian petroleum sales.

2 .1 Upstream: Exploration and Production

Though this paper's goal is to cover matters relating to the downstream sector, however it is also essential to highlight the state of Nigerian upstream sector especially seen; the disincentives are exacerbated in the manner in which the NNPC imports fuel as form of a swap of a barrel of crude for an equivalent barrel of refined products. A Desktop Study (2011).

This trade agreement so unfavorable and spiritual myopic is the main reason the fuel subsidy which was to benefit and yield the much expected socio-economic growth has become a snare to the government.

Recently the federal government has introduced direct-sales direct-purchase against the crude oil exchange for product matrix lets hope it shall be more favorable and efficient.

The upstream oil sector is the most important sector in the Nigerian economy; it accounts for over 90% of the country's exports and 70% of the Government revenue.

The pacts in the upstream sector are Joint Venture (JV), Production Sharing Contracts (PSCs), Service Contract (SC) and Marginal Field Concession (MFC), the first two are the most used.

Under JV, both NNPC and the major multinational oil company (MOC) Shell, ExxonMobil, ChevronTexaco, TotalFinaElf and Agip contribute to funding the oil operations in the proportion of their JV equity holdings and share profits from crude oil produced in the same ratio.

JV model is phasing out in the sector, because the government is finding it difficult to fund NNPCs share of the JV costs, the Federal Government of Nigeria then adopted Production Sharing Contracts in 1993 as the preferred petroleum arrangement.

Under PSCs arrangement, NNPC engages an MOC or any indigenous company as contractor to conduct petroleum operations on behalf of NNPC and itself. The contractor takes on the financing risk. If the exploration is successful, the contractor recovers its costs if not, the contractor bears the loss.

Seen these arrangements in the sector, then why lack of transparency, financial discrepancies, mismanagement of fund and corruption in the industry even after Nigerian joined EITI in 2003?

The Nigeria Extractive Industries Transparency Initiative (NEITI) is the Nigerian subset of a global initiative to promote due process and achieve transparency in payments to governments and their linked agencies by companies in the Extractive Industry (EI) championed by former British Prime Minister Mr. Tony Blair.

There has never been any audit reports from this organization that has not found NNPC wanting in its financial payment to the government. Typical is the second NEITI

Report covering 2005 which was released on 11 August 2009. The report identified unprecedented financial discrepancies, miss paid taxes, and system inefficiencies. Over \$800m of unresolved differences between what companies said they paid in taxes (PPT, Royalties and signature bonuses), and what the governments said it received were identified. Oladele R., Aderemi A. A., Idode P. (2013).

Nigerian government says deregulation of the downstream oil sector will improve the efficient use of economic resources “*ceteris paribus*” by subjecting decisions in the sector to the forces of demand and supply like in banking and communications sector. In reality all the government requires is a policy that can induce NNPC to engage in conscientious revenue transparency among others to achieve accountability and judicious management of the nation’s natural resources. In other words, the NNPC’s act of indulging in improper and inaccurate payment disclosure to the government is what the government should endeavor to remove not the fuel subsidy.

2.2 Downstream: Transmission and Conveyance, Distribution and Marketing, and Liquefied Natural Gas (LNG)

2.2.1 Transmission and Conveyance – involves the transportation of oil and gas through pipeline networks, tankers and ad hoc vessels to the refineries or gas stations. Nigeria has four refineries two at Port Harcourt, one at Kaduna and Warri. All the four refineries have 505,000b/d capacity of production and presently their total installed production capacities are below 10%. Contracts were awarded in vain for Turn-Around-Maintenance (TAM) of the refineries to improve production capacity and licenses have been granted for new refineries but money the marketers are making from the subsidy fund is distracting them from investing in construction of new refineries.

2.2.2 Distribution and Marketing – a subsidiary company of NNPC, the Petroleum Product Marketing Company's (PPMC) owns the right of the transporting refined petroleum products from the refineries through pipelines, coastal vessels, road trucks, rail wagon etc to their about 21 regional storage/sale depots from where the marketers lift the products and deliver to retailing stations.

The marketers are also allowed to import refined products by the NNPC who regulated the Nigerian petroleum market with the major seven marketers Mobil, NNPC Retail, Oando, Conoil, Total, AP and MRS Oil acting as agents of NNPC these capture 50 percent of the subsidies available in the industry. A Desktop Study (2011).

2.2.3 Liquefied Natural Gas (LNG) – Nigeria has unimaginable natural gas reserves and infrastructure to develop the sector is very scanty because of lack of investments. There is only one gas project, the Nigerian LNG (NLNG) facility on Bonny Island with its six LNG trains operating with a total annual capacity of 31bcm. It is worth noting that it's highly profitable investing in the LNG than in petroleum because companies operating in this sectors' income tax are assessed under the Companies Income Tax Act, 2004 as amended (CITA) at the rate of 30% of their chargeable profit. KPMG Nigeria (2014).

3.0 IMPOTATION OF THE PETROLUEM PRODUCTS: CAUSE AND REMEDY

It is natural to get sick and to get healed so the government is not a burden bearer but a healer that is the reason elections are held for the people to choose the best healer of their problems. The social sickness caused by the importation started during the military era as selfish and unorthodox acts were the order of the day then for instead of rehabilitating the refineries to full capacity productions and favor all other sustainable developments of the oil economy that evolve around the refineries which could have

yielded a lots of entrepreneurial opportunities for employments, the regime opted to import petrol into the country through their cohorts of business men.

The whole issue of fuel subsidy was set up to create an opportunity for a few people to make money, and it was presented in a manner that convinced everybody that it was for the poor. Sanusi L. S. (2016).

The ways the domestic fuel market functions and the effects of government interventions in the energy consumption have never been conducted for the interest of the masses but influenced by corruption, greed, and mismanagement of the stakeholders in handling the 'national cake' as the oil wealth is called.

The Government now has adopted a good policy of national interest to regulate the upstream relating it to the downstream sectors in the sense that contracts now with the MOCs or any indigenous contractors that wants to invest in the upstream sector must refine 50% of their crude oil in Nigeria.

This approach the government has chosen to apply is quite interesting and sustainable though it is yet to materialize since 2006 of the policy no refinery has been built so the FGN has to enforce it.

3. 1. Reasons of Inappropriate Pricing of Domestic Petroleum Products

The present increasing pressure on the sustainability and security on the downstream sector had come from the economic view that the subsidy does not allow the appropriate pricing of domestic petroleum products at the reduced cost of N86.50.

Even though that could be true the consumers pay indirectly through the negligence and wasteful attitude of the stakeholders and through environmental pollution especially of the gas which is 75% flared.

It is very frustrating the amount of secrecy and lack of transparency carried out by the administrators on every matters concerning subsidy in the Nigerian Oil and Gas Industry which translates into inefficiencies, corruption, abuse of natural monopoly

powers, mismanagement, smuggling, bureaucratic bottlenecks and excessive subsidizing, even the supply of local refined crude oil (gas) in the country has virtually collapsed. Ifiok Ibang (2005).

The refineries are quasi comatose only one gas project is operative for whole country, comatose also are all the subsidiary industries that could have led to the sustainable development of the sector and integrate with other economic sectors as the country has urgent need to diversify the economy

Unfortunately, Nigeria is experiencing great loss of the resource revenues which should have been used primarily to promote sustained, inclusive economic development through enabling and maintaining high levels of investment in the country. Therefore, the development of the country's natural resources should be designed to secure social and economic benefit for its people through continuing provision of the subsidy till certain concrete sustainable developments are laid down as structural developments that can warrant the removal of the subsidy. Ezeigbo C. E. (2013). Then the government should aim at improving on the benefits of the subsidy as regards to the economic growth, sustainable developments and social welfare of the people.

4. 0 ADVERSE EFFECTS OF CORRUPTION ON THE FUEL SUBSIDY

In Nigeria not even the NNPC administrators can boast to know the exact amount of the fuel subsidy borne by the government which runs over N3.7 trillion annually. The 2012 nationwide strikes have shown that the fuel subsidy is seen, by the masses to greater extent as a manna that meets their socio-economic and welfare needs that no government should deny them. The benefits of the fund can be seen in the affordability of fuel in area of businesses, farming, transportation and essential commodities.

In a country where a National security adviser to the president through the central bank could embezzle 2.1 billion dollars, a minister could buy a vehicle with N240 million Naira from government purse even the former Minister of Petroleum Resources, Mrs.

Deziani Allison-Madueke among others including the State Governors like Governor Suswam of Benue State support fuel subsidy removal because it will increase their revenue allocation anyone acquainted with Nigeria corrupt nature of governance knows that this maybe a conspiracy by the high-class to have more money to embezzle. Musa J. (2012). Empirically proved, with the present Nigerian government and NNPC set-ups the fuel subsidy fund if removed shall surely not be rationally managed and invested.

In this country never had anyone involved in corruption cases including NNPC officials and the marketers responsible for the diversion of the subsidy money been jailed instead the same people are those advocating for the removal. Again, the same government that wants the removal has the free hands of demand and supply to determine market prices so as to restore efficiency in the production, refining, distribution and ultimately determine price of fuel just like in telecommunication industry. Ebuka S. (2012). It is not possible for anyone to remember when any tiers of government in Nigeria had been able to force down any petroleum product price.

4. 1. The Impunity of the Marketers

Normally whenever any government tries to enforce the Petroleum Products Pricing and Regulatory Agency price, the marketers strike and the government usually succumbs when the suffering becomes unbearable for the consumers.

At the beginning of the year 2016, an attempt by the government of Imo state to force members of the independent petroleum marketers to commence sales of petroleum motor sprint (PMS) at the official pump price of N86.50 per liter as approved by PPPRA led to artificial scarcity, closure and unavailability of fuel in the whole Imo state. The ugly trend forced commuters to be stranded as a result of all filling stations were under lock and key. Editorial (2016). After the commuters had suffered for weeks, the marketers won the battle. Instead of PPPRA prices of petrol N86.50, Diesel N125 and

kerosene N50 all filling stations in the state were selling petrol N120, Diesel N150 and kerosene N110 even after receiving the huge subsidy fund.

The FGN and IMF that want the removal of fuel subsidy at all cost and deregulation of the industry are supposed to be aware that the scenario in Imo state is and will always be a frequent occurrence in Nigeria.

The Federal Government and the marketers are making the deregulation issue a revenue problem. Nigerians are not against deregulation. We have seen deregulation in the telecom sector and Nigerians are better for it. Bakare T. (2012). Deregulation in the telecom sector came about when a patriotic Nigerian Dr Adenuga with his company Glo started offering free Sim cards that were sold up to N18, 000.00 each, thereby forcing other companies to follow suit which cannot happen in the oil sector as the marketers have cultivated the habit of gang-ups.

Nigeria cannot go back to the era of economic recovery program (SAP) in 1986 when deregulation, decontrol, free trade and the elimination of subsidies to poor nations like Nigeria were preached Anyanwu J. C. (1992) and we are all aware of the negative repercussions of SAP for the Nigerian economy, history should not repeat itself.

5. 0 THE BENEFITS OF THE ACTUAL FUEL SUBSIDY TO ALL NIGERIANS

There is no social class of Nigeria or sector of the economy that is not benefiting from the provision of the fuel subsidy. In short, the 2012 partial subsidy removal has taught Nigerians what shall happen, should the government abruptly remove the subsidy without first solving the problems that led to it.

The Nigerian economy is not buoyant, industrial sector is comatose, the FGN and almost all state governments are running on heavy debt burden fortunately there is relatively food in the country.

In Nigeria agriculture is left mainly to the impoverished rural people to boost food production so if there is food it is because the fuel subsidy regulates and keeps the cost

of transportation of persons and goods low and affordable. The adverse effect of food and transportation can be disastrous on the costs of living like house rents, medicines and school fees to mention a few however as far as there is food security no matter how bad the economic situation people do not normally care and peace reigns in the country. It is advisable and proper for the FGN to continue using subsidies as a tool for achieving social welfare since they enable easy movement of goods and services across the country promote competition within the economy by avoiding preferential treatment of certain interests or improve on core performance measures of governance including corruption. A Desktop Study (2011).

In fact, the government started the fuel subsidy as poverty-reduce controlling strategy which is a just distribution of the oil wealth to all Nigerians otherwise enjoyed by very few wealthy people.

5. 1 Fuel Subsidy on Economic Growth

Categorically, the fuel Subsidy translates to economic growth and sustainable national developments, keeping the price of fuel low invariably means affordability of goods in general therefore allowing every economic sector especially the small scale businesses to contribute significantly to the economy.

To understand the concept better, let's talk of small scale businesses in Nigerian sustainable economic growth. Let us go to the town of Ikotun in Lagos, where Ada is sitting in her provision store. Every day except Sundays Ada arrives by 8.00 am to her shop as she unlock the metal door and steps into the shop to switch on the lights in vain since the electricity company does not extend electricity to her street by that time.

However she needs to cool the beverages and water in sachets called 'pure water' a major in her business as there is no electricity she puts on the generator.

Then at 7.00 pm Ada turns off the generator to go home and as usual by 9.00 pm when she is at home two km away from her shop, her shop premises receives electricity till about 4.00 am the next day.

As a routine at the end of each month the electricity company popularly is known as 'NEPA' though Nigerian Electricity Power Authority had folded decades ago, sends light bills to the shop premises. The tenants then give Ada her own share of the electricity bill consumed or not otherwise the 'NEPA' workers come to cut the connecting cables to the compound.

This is how business is run in Nigeria, lack of power supply during business activity hours which makes SSBs depend totally on petrol for their energy needs coupled with numerous problems such as difficulties to access finance from banks and lack of basic infrastructures for mothers like Ada to conveniently take care of their families and businesses for the Nigeria socio-economic benefit.

Since all small scale businesses are fuel dependants and employs over 90% of Nigerians, the removal of the fuel subsidies would have a very negative impact on them. The removal of fuel subsidy would also significantly affect their level of stock, sales, their operation cost and ultimately their profit level negatively. Sani I. A. (2014).

Ada's situation is common in Nigeria where everyone is forced to pay for electricity not consumed; a new tariff approved for electricity consumers across the country was almost made effective. This could have reduced further the profitability of people like Ada in the SSBs and naturally as the government is not concern of the importance of SSBs to the economic growth of the nation, so the minister in charge trying to enforce blatantly said 'no matter anyone's economic situation electricity consumed or not the 65% tariff increase was a bitter pill Nigerians must swallow'.

6. 0 IMPACT OF THE FUEL SUBSIDY REMOVAL

Without a scintilla of doubt the first impact of the fuel Subsidy removal will be absolute widespread disapproval if the government decides to go ahead with the policy of removal.

The enthusiasm and expectations that followed the president Buhari election victory of May 2015 has vanished because of the bad economic situation in the country and the people should not be exasperated more than they can bear. Though God Almighty has endowed Nigerians with the gift of long suffering the FGN should avoid a situation that can lead to Labor strikes and social unrest type Arab spring. Nigerians are no more ready to accept any justification for military intervention seen the odyssey they suffered during the military era.

The impact of the removal will be immediately felt on transportation cost which will be increased across the nation, income of all economic groups will diminish and agitation will start leading to unrest, God forbid such a situation. Farmers and the rural poor who are the main source food will have to increase the prices of their products to meet up with the cost of transportation of their products to the urban as such the prices of every commodities shall sky rocket. The urban group who pay for every thing they live on from transportation, house rents, shopping etc will be mostly affected. The middle class and the rich will be affected too seen that they are the major consumers of petrol with their vehicles and generators. Small scale businesses will adjust the prices of their sales or services since they depend on generators to run their businesses as the fuel subsidy is phased out, they have to buy fuel at a higher price and make gain. Invariably, there will be less demand for their activities as people will tend to spend less because less money will be in circulation at disfavor of SSBs growth and their income will drastically shrink. As we can see, no individual, class of the citizenry or sector of the economy that will not feel the negative impact of the subsidy removal so the FGN should think twice or categorically stop talking of removing it till adequate structured are laid down for

gradual removal. At least not until the four existing refineries get into full operation and a real war against corruption in the oil and gas industry especially on fuel subsidy payments are evident to convince Nigerians that the huge amount from the subsidy shall be faithfully invested.

7.0 WHAT THE SCRIPTURE SAYS

“The oracle of David son of Jesse, the oracle of the man exalted by the Most High, the man anointed by the God of Jacob, Israel’s singer of songs. The Spirit of the Lord spoke through me, his word was on my tongue. The God of Israel spoke, the Rock of Israel said to me.

When one rules over men in
righteousness.

When he rules in the fear of God,
he is like the light of morning at sunrise
on a cloudless morning,
like the brightness after rain

that brings the grass from the earth.” II Samuel 23 V 1-4

8.0 APPEAL TO MAINTAIN THE FUEL SUBSIDY

This appeal to maintain the Fuel Subsidy is directed not only to President M. Buhari but to every stakeholder involved in the subsidy for this is a matter that affects all aspect of life of the people.

We all know of ex politically exposed persons and bureaucrats, ex this and ex that, who died poor after embezzling millions/billions in hard currencies, money is not everything. God is watching and no one will ever escape His wrath on the Day of Judgment. Lets have as mentor that great administrator Daniel that “was trustworthy and neither corrupt nor negligent”. Daniel. 6:4b

This country is termed a religious country, Christians and Muslims alike claim to be devoted yet when it comes to corruption no one has the strength to resist the temptation for the sake of God and the nation.

Let's show that love we claim to have for God to our countrymen too like our fathers Adegoke Adelabu, Tafawa Balewa and Zik of Africa had, they might not have claimed to be religious but their love for this country was undisputable and certain things done by many in governments today were unthinkable in their own time and such deeds in countries like USA or China can lead to life or death penalty respectively.

Nigerian problems did not emanate from the provision of subsidy but from corruption, greed, mismanagement and excesses, only the National Assembly excesses can comfortably take care of the fuel subsidy.

Imagine, the biggest problem in NASS is not the salaries or allowances but a very big item in the NASS budget called "overheads" shared among the leadership, early in Obasanjo's term the overhead budget of NASS was like N10 billion. By 2011, when I raised an alarm, it was N126 billion and 25% of the entire overhead budget of the Federal Government. Sanusi L. S. (2015).

Still they want to re-introduce the waste in buying cars, furniture, and housing renovation into overheads veritable sources of waste and corruption that had been abolished. Obasanjo O. (2016). Instead of being sober and reflective on such a fraught issue to Nigerians the members of the two arms which spoke took joy in mocking the ex president like this member of the House, Okafor C., APC, Imo, who said the former President's letter was an expression of his lost bid to extend his tenure about ten years ago. Only a biased Nigerian would say that President Obasanjo was wrong when he lamented that the lawmakers had failed to show understanding, in view of the present economic situation in the country.

9.0 CONCLUSION

In a country where members of NASS insist on the wasteful spree of trillions of Naira, funds many times the fuel subsidy that government want to phase out at all cost.

In Nigeria, some government officials have so demonized the fuel subsidy that no one can imagine that in China fuel subsidy contributes significantly to the sustainable economic growth/developments thereby becoming a tool and an opportunity to promote fuel market reforms.

In China during the periods of international high oil prices, the government subsidizes the three major oil companies but when the price of oil is below \$40 a barrel, the maximum retail price of fuel is maintained to provide protection for the domestic crude oil production. At about \$30, China increases crude oil imports to boost reserves, a new fuel pricing mechanism is then released to establish the lowest price limit and temporarily reduces domestic production, as a vast number of projects are closed down in order to reserve resources for which the oil production companies may lose some benefits, but this process is beneficial for both consumers and the national energy security. Zhao G. B. (2015).

The difference is clear the Chinese oil companies that are also required to maximize profits do sacrifice for their people but in Nigeria the marketers and members of our national assembly cannot sacrifice to ameliorate the suffering of the masses.

The government had admitted that at least 50 per cent of the petrol consumed in our neighboring countries is the imported subsidized fuel illegally smuggled out of Nigeria; thereby admitting its inability to secure and protect our borders and the high seas. Even the NNPC cannot give accurate account of ship loads of crude oil from our shores, only God knows why this happens only in Nigeria.

There is a transmission loss as the subsidies flow from the marketers to the consumers. A frequent transmission loss occurs in which appropriately, about half of the subsidies accrue to the few actors who are licensed in the industry. At each further point in the

value chain, dissipation of the subsidy occurs before final transmission to the consumer. Same dissipation includes a “dead weight” loss of any subsidy where no one benefits. A Desktop Study (2011).

However instead of insisting of the on the fuel subsidy removal the government and the stakeholders involved should try and recover all the trillions of Naira being wasted and lost on the way including funds looted from the treasury by various past governments officials and bureaucrats if recovered, the funds would be more than enough to be used primarily to promote sustained, inclusive economic development through enabling and maintaining high levels of investment in the country. Ezeigbo C. E. (2013).

10. 0 RECOMMENDATION

1. The fuel subsidy should remain while the government explore myriads of alternative avenues available to raise funds for FGN expenditures and capital investments otherwise before removal if inevitable there should be in place a generally acceptable reform that is comprehensively planned and sustainable both politically and economically.
2. The marketers import and control the products which make it easy for them to gang-up to rip-off consumers thereby rendering the governments control of the pump price of petrol ineffective. The government can erode the marketers’ powers just like Mrs. Thatcher did against British Labor Union in 1980s. Next time the marketers strike, the government should give them the ultimatum to open pumps and if they refuse; their stations get closed and are fined a good amount for stampeding consumers’ interest. Nigerians will be happy to make shift with the NNPC stations and will support the government’s action. The country needs to embrace the use of creative and innovative solutions to solve the challenges of national interest.
3. The Federal Government must endeavor to see the refineries effectively start production not minding the marketers’ interests, corruption, sabotage or any

hindrance even if it needs borrowing; the end justifies the means as Nicolaus Machiavelli advised the Florentine Medici. After all, wisdom is proved right by all her children Luke 7: 35.

4. The minister of justice recently said that the Economic and Financial Crimes Commission, (EFCC) has so far recovered more than \$2 trillion looted from the national treasure. Malami A. (2016). If the FGN invests \$2 trillion recovered judiciously, the refineries shall start full production within six months and more will be built. The war against impunity and financial recklessness must get serious because the high rate of economic and financial crimes in Nigeria is frightening.
5. Should the FGN succeed in stopping the fuel importation; the fuel subsidy fund should be used to create indigenous industries that can provide employment generating opportunities and used for direct foreign investment.
6. Foreign investment: during the 70s oil boom while Nigeria was transporting huge iron railings for national stadium construction by plane, wasted on All African Games and FESTAC. Kuwait was sustainable in investing on 100 years sheep rearing in Australia, Saudis were investing in estates and stocks in Great Britain and USA and Libya with only 415 million dollars invested in FIAT in 1976 made over a billion dollars 10 years later. It is time the government commence sustainable foreign investments. The dividends can be re-invested locally to encourage sustainable development, create opportunities for economic growth and diversify the economy,
7. At the end of communism, the Eastern European countries were in a worst situation than Nigeria but their leaders knew that the best of any man comes out only in difficult times. They led their people out of the worst political and economic crisis of the 21st century and worked hard to integrate with others by implementing changes that bridged the income gap between them and EU countries. Nigeria like the ex communist block then, has much to gain from implementing policies that can

increase investment, support the development of human capital, and promote the legal, regulatory, and policy framework needed for sustainable national developments to function. Barbone L., Zalduendo J. (1999).

8. Let Nigerians be rest assured that whatever has a beginning has also an end, so the end of this odious importation of fuel shall surely come by one day without bringing a threat to the nation like in Algeria 1998 food riots, Bolivia food riots 1985, Jamaica fuel subsidy riots 1985, Jordan food riots 1996. A Desktop Study (2011). •'...subsidies mostly benefit the better off, but their removal would hurt the poor' (IMF 2013).
So helps us God.

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