

Addressing crude oil theft in Bayelsa State: Human security challenges and intervention strategies

By

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Abstract

Crude oil theft has become one of the gravest threats to Nigeria's economic stability and human security, particularly in the Niger Delta region. Bayelsa State, often described as the epicenter of Nigeria's oil wealth, paradoxically suffers some of the worst consequences of this illicit activity. Beyond the staggering revenue losses to the nation, crude oil theft devastates local communities through environmental degradation, loss of livelihoods, insecurity, and deepening poverty. These dynamics raise critical questions about how systemic theft of natural resources translates into everyday human insecurity. It was against this background that this study engaged Relative Deprivation Theory to interrogate human security challenges and intervention strategies surrounding crude oil theft in Bayelsa State. The research was conducted through desk review from literatures obtained from official reports of Nigeria Extractive Industries Transparency Initiative (NEITI), Official Statements from NNPC, non-serial publications and conferences cited by other references on the subject matter. These were used to generate secondary data on the pattern of crude oil theft between 2016 - 2020, quantity stolen, the cost and benefit of crude oil theft on human security in Bayelsa state. The study revealed while no particular pattern of crude oil theft exists in Bayelsa State, study observed that geographic, socio-political, collusion, economic factors, and opportunities available were responsible for pattern of crude oil theft and its implication in Bayelsa State. Based on these findings, the study concluded that crude oil theft have no particular pattern rather geographic, socio-political, economic and opportunity available are some of the factors responsible for the pattern of crude oil theft. The study recommended that the use of technology should be adopted to monitor crude oil pipelines in Bayelsa State; relationship between multi-national oil companies (MNO) and host communities should be more cordial; special signature finger printing technologies should be used to identify crude oil from their origin, and that crude oil production should be metered from the point of production to the point of sales.

Keywords: Bunkering, Crude Oil Theft, Human Security, Relative Deprivation Theory

Introduction

All over the world the desire of every government is to provide for the well-being of her citizens. In order to achieve this; nations explore and exploit the natural resources they are endowed with to provide the necessary means to realize good standard of life. According to the International Monetary Fund (IMF) natural resources present an opportunity for financing accelerated development, IMF (2010). One important natural resource in the world today is crude oil, nations endowed with it, rely on it to generate foreign earning for development. Nigeria is endowed with crude oil which account for about 90 percent of her total foreign earnings. However, illegal activities such as crude oil theft in Bayelsa, Niger Delta of Nigeria is undermining the nation's

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opportunity to benefit from the exploitation of the product. Crude oil theft in the Niger Delta means the illegal siphoning of oil from pipelines, sealed well-heads and under-recording of quantity approved at the loading platform. It also involves the hijacking of vessels covering crude oil with the intent of selling the product for personal gain (Ayanruoh, 2013).

Most at times, the manner in which crude oil is stolen through pipelines vandalism, sabotage of oil facilities and illegal refining could lead to oil spillage leading to environmental degradation with negative consequences on human security. According to Okere (2017), Nigeria lost about 700,000bpd of crude oil translating to about ₦ 3.8 billion. According to a report presented by the Nigeria Natural Resources Chapter (NNRC) Nigeria lost about \$ 4.4 billion in 2016 and 2.8 billion in 2017 to crude oil theft. This translates to a cost of about \$ 8.9 million daily and a combined loss of \$ 7.2 billion over the 2 years period (NNRC, 2018). Furthermore, the Nigeria Extractive Industries Transparency Initiative (NEITI) stated that from 2017 – 2020, 36.46 mbpd (\$1.99 billion), 2018, \$53.28 million barrels per day valued at \$3.83 billion etc. were stolen. The upward pattern of crude oil theft continued without a break, despite all the measure both kinetic and non-kinetic put in place to curb the trend.

Crude oil theft is now a multidimensional activity that involves different shade of people both locally and internationally, it involves the oil company personnel, the security agents, politicians, the local communities, the international oil traders, militants, shippers, bankers, refiners, wealthy individuals from within and outside Nigeria, Yusuf, Ndubuisi (2013). However, the level of involvement in oil theft has grown exponentially with time to what it is now-criminality with sophistication. According to Mr. Mele Kyari, the Group Managing Director (GMD) of NNPC, the illegal pipelines taps are so sophisticated now, that in some cases, they ran for 3-4 kilometers and would have involved the use of crane and at least 40 workers to build (Mele, 2023). Whereas there is data on the amount of crude oil stolen over time, the pattern has remained unclear and its impact on human security undetermined. The paper therefore aims to study the pattern of crude oil theft and its impact on human security in Bayelsa State.

Statement of the Problem

Nigeria has witnessed unprecedented increase in the incident of crude oil theft in the Niger Delta Region that pose serious threat to her Human Security. Crude oil from the Niger Delta Region accounts for over 90 percent of government's total revenue in Nigeria. Despite this immense contribution of revenue to the nation, the region remains highly underdeveloped with devastating environmental conditions caused by poorly regulated oil exploration and exploitation activities. The main problem is that, the environmental degradation caused by the activities of crude oil thieves has led to the loss of livelihood of the people whose major occupation are fishing, and farming with the resultant consequence of unemployment and poverty. This has

further compounded the problems of the region with upsurge in various types of criminalities including crude oil theft thereby impinging on Human Security. The activities of illegal crude oil thieves include pipeline vandalism, oil spillages, indiscriminate burning of crude oil and illegal crude oil refining (John, 2017).

These activities have led to exacerbated environmental degradation, loss of revenue by the Federal Government of Nigeria (FGN) and health hazards thereby undermining Human Security. Not much have been said or done however, to examine the impact of crude oil theft on human security by the government and researcher. The specific ways crude oil theft have affected the residence of the Niger Delta, specifically Bayelsa state is not known. It is against this backdrop that the study aims to investigate the impact of crude oil theft on human security in Bayelsa State.

Objective of the Study

The main objective of the study examined impact of crude oil theft on human security in Bayelsa State Nigeria 2016-2022. While specific objectives

- i. Examine pattern of crude oil theft on human security between 2016 – 2020 in Bayelsa State, Nigeria
- ii. Interrogate cost of crude oil theft on human security between 2016 – 2020 in Bayelsa State, Nigeria

Literature Review

Conceptual Clarification

Oil Bunkering

Many people in Nigeria believe that the term, oil bunkering denotes a serious criminal activity against the state. However, oil bunkering activities is a legal business that can be carried out by anyone authorized by the government to do so. Oil bunkering is an international trade that is carried out in the high seas and oceans, and practiced between the oil producing countries and the other coastal countries (Boniface & Samuel, 2016). In Nigeria oil bunkering is legitimate business activity that is being licensed by the Department of Petroleum Resources (DPR) since 1979. Overtime, the process was suspended due to abuse by non-licensed operators, and it was put on hold in the year 2000 by the Federal Government on account of subsidy on petroleum products (Boniface & Samuel, 2016).

Crude Oil Theft

Under the Nigeria constitution, all the natural resources in the soil within its territory belong to the Federal Government, and any form of oil extraction outside the framework of an agreement with the Federal Government is declared illegally. Thus, anyone into the extraction of crude oil must be fully licensed to do so, and specific crimes have also been created relating to damage to oil installation or siphoning of petroleum products. The term crude oil theft and illegal oil bunkering as will be intermittently used in this study, refers

to all acts involving oil theft, which usually includes the smuggling and diversion of oil (Campbell, 2015). Normally, a small group of welders are recruited to puncture the pipelines at night, preparing the way for others to steal the crude oil which is later transported elsewhere to be refined and sold abroad (Ugwuanyi, 2013, Boris, 2015). The operation of illegal bunkering in Nigeria usually start from the taking of oil from pipeline, flow stations, and also in some instances an extra crude oil can add to legitimate cargo that is not accounted for (Asuni, 2009; Boris, 2015). Illegal oil bunkering is simple an unauthorized loading of ship that emanate from all acts, diversion and smuggling of crude oil (Boris, 2015). Crude oil theft is viewed differently by scholars. It involves the deliberate destruction of crude oil facilities in order to steal the oil for personal gain. The constitution of the Federal Republic of Nigeria under Section 44(3), states that crude oil extraction outside the framework of agreement with the Federal Government is illegal (The Constitution of the Federal Republic of Nigeria 1999 as amended).

This means that it is inappropriate for anyone to take or extract crude oil without due process of authorization from the concerned government organization. Hembé (2015), stated that in whatever form and regardless of what personality is involved, crude oil theft involve illegal acquisition and sale of crude oil either in its crude form or professionally or artisanal refined forms. Crude oil theft then involves the method or activities relating to the stealing or willful damage of crude oil facilities or installations. These activities includes breaking into crude oil pipelines or directly tapping into the wellheads and attaching a hose to siphon the oil into waiting small barges and cottonou boats which are later loaded into larger ship at the high sea. It also entails excess lifting of crude oil by licensed operators. This involves forging of loading documents like bills of lading to enable the loading and transportation of amount of crude oil beyond the licensed quantity. The stolen crude is sometimes exchanged for arms and drugs, or sold through syndicates which specializes in illegal crude sales around the world. These activities have negative effects on the economy and human security (Hemba, 2015).

Human Security

This is one of the outcome of the ashes of the cold war, different changes were introduced to the study of security. Human security as well as the task of protecting people. According to John (2014), security will be interpreted as; security of people not just territory. Security of individuals, not just nations, security through development, not just through arms. According to the UNDP (1994), human security is the extent to which individual well-being is protected. Therefore, defining human security as “safety from such chronic threats as hunger, disease, repression and protection from sudden and hurtful disruptions in the pattern of daily life”. Human security is explained to include threat in seven areas, which includes; economic security, food security, health security, environmental security, personal security, community security and political security

(UN, 1994). Human security demands protection from the dangers, and the empowerment of people so that they can cope with or possibly overcome the hazards (Dantala, 2014). This study shall adopt human security as threat crude oil theft resulting in economic losses to Bayelsa State and environmental that aggravate food security in Bayelsa State.

Bayelsa State: Overview

Bayelsa State occupies the southern part of Nigeria, created on 1st October 1996 out of River State derived its name from acronymns of three functional Local Government Areas at the time; Brass LGA (BALGA), Yenegoa LGA (YELGA) and Sagbama (SALGA). Bayelsa State presently is made up of 8 Local Government Areas, namely; Brass, Ekeremor, Kolokuma Opokuma, Nembe, Ogbia, Sagbama, Southern Ijaw and Yenagoa LGAs. Yenegoa serves as the Capital of the State, the state geographically is located approximately within Latitude 4°15' North at the Northern Limit and Longitude 5°22' East at the Western part and 6°45' East at the actual Eastern limit. It is bounded by Delta State to the West, Rivers State to the East, the Atlantic Ocean to the South and both Rivers and Delta State to the North (Marine & Bisong, 2024). The total population of Bayelsa State is about 2,277,900. The four main languages spoken/ethnic constitution are Izon, Nembe, Ogbia and Epie-Atissa, and other pockets of ethnic groups are Urhobo and Isoko. Like the rest of Nigeria, and English as the official language. The main occupation of the people of Bayelsa is fishing and farming. The abundant creeks, lagoons, rivers and swamp provide opportunity for commercial fishing. Over 200 species of fish can be found in the water within and around the state (National Bureau of Statistics, 2021).

Bayelsa State has the largest crude oil reserve in the Niger Delta of Nigeria, the State produces over 40% of the country's on shore crude oil and vast quantities of associated gas. It also has a large deposit of clay, sharp sand and gravels. The state experience equatorial type of climate in the southern most part and tropical rain toward the northern parts. The average monthly temperature is in the range of 25°C to 31°C. The geographical difficulties of the state and its neglect to infrastructural provision and environmental degradation caused especially through the activities of crude oil exploration and exploitation by the MNOCs have negatively impacted on development of the state and the well-being of the people. Natural resources and development, crop production in Bayelsa State is limited by the fact that much of the terrain is swampy and extensive areas of land are flooded for most of the year. In spite of this, crops grown in the state include yam, cocoyam, banana, plantain and pineapple, but consequent on ecological circumstances and environmental degradation constrain commercial production of the crops. Cash crops grown in the state include coconuts, pears, oil palm and raffia palm (Niger Delta Budget Monitoring Group, 2025).

Pattern of Crude Oil Theft in Bayelsa State

In recent time crude oil theft have taken a worrisome pattern and dimension with huge consequences on the economy and environment. According to Nigeria's Department of Petroleum Resource (DPR), there are currently about 2,800 oil wells connected to 130 flow stations in 218 oil field. Transportation of extracted crude oil is through largely vulnerable 4,441 km pipeline network (DPR 2015). To a certain extent, the location of crude oil into the difficult mangrove swamp terrain exposes them to disruption through perennial vandalism. This is mostly because criminals exploit the existing infrastructure by breaching oil pipelines and sealed wellheads, to siphon crude oil for sale in the international black market or for local unconventional artisanal refining (Onuoha, 2007).

The difficult mangrove swamp forest terrain of the Niger Delta which is crisis crossed by network of creeks and rivers makes it difficult for security operatives to access. This has made it possible for mass crude oil theft in two principal ways with little or no security interference. The two major methods of stealing crude, the hot-taping and the cold-tapping are extremely sophisticated and are primarily used in large-scale operations during the crude oil stage. Other methods of crude oil theft include terminal and vehicular transportation theft which involves the re-appropriation of both crude and refined oil product from sabotage facilities during the process of exports transportation:

- i. **Hot-taping:** This is a process off crude oil theft in which an illegal secondary pipeline belonging to oil theft criminals is attached to a high pressure primary pipeline belonging to the multinational corporation. After this breach is successfully done, oil is diverted from the primary pipeline to the mobile oil bunkering facilities that are attached to the secondary pipeline. By gradual withdrawal of small amount of oil, the primary pipeline is able to function at almost normal pressure and can remain undetected by oil corporation officials. Although a gradual amount is withdrawn, the pressure in the pipeline is substantial enough for a transport barge to be filled with thousands of metric tons of oil within a few hours even as Hot-taping is considered to be extremely dangerous (Ralby, 2017).
- ii. **Cold-tapping:** During this process of cold-tapping, a portion of a pipeline is blown up and a secondary pipeline attached to the shut-down pipeline, (Ibid). After the primary pipeline is repaired, the existence of the secondary pipeline access to the oil flow is unknown, since the overall pipeline pressure will not fluctuate, Cold tapping is considered to be less dangerous (Ralby, 2017).
- iii. **Terminal and vehicle transportation theft:** Although, oil theft is common during the initial stage of the oil production process, theft is rampant at the port terminal where crude oil and refined oil products awaits shipment to international market and during transportation of oil products from corporation's facilities

(Vidal, 2013). In export terminals theft, administrative collusion and security forces corruption facilitates the siphoning of oil shipment reserves into criminals fuel trucks (Vidal, 2013). In turn, these fuel trucks are used to transport illegal oil products for sale in neighboring African countries, where price for oil is higher than the subsidized rate in Nigeria (Silas, 2015). Since oil corporations do not have oil meters at the source of production and are only present at export facilities, it is difficult to ascertain the initial value of oil that was produced by the multinational oil corporations.

Stakeholders involved in Crude Oil Theft in Bayelsa State

Military and security forces: The Nigeria military has maintained extensive control over the crude oil trade, since the presidency of Ibrahim Babangida appointed military officials to supervise the oil producing sector (Garuba, 2010). The military personnel and Joint-Task Force members that monitor and fight against the illegal oil trade primarily serve as armed escorts for the stolen petroleum product during large-scale operations and gather the intelligence that is necessary for avoiding government probes in the region (Ralby, 2017). In addition to providing security for the illegal trade, the Nigerian Navy is frequently active in seizing transportation vessels that are suspected of containing stolen petroleum products. However, in these operations, Nigerian security forces have often been accused of facilitating the disappearance of captured vessels and the appropriated sale of seized product to foreign markets (Garuba, 2010). Similarly, to facilitate the oil theft trade, Nigerian military officials often pursue oil bunkering allegation against fellow servicemen as means of absolving military of the oil trade and strengthening individual positions in the region (Ralby, 2017). The Nigerian governments lack of prosecution before Buhari's administration suggests that corruption is extensive and high reaching (Taylor, 2019; Mossman, 2019). As one moves up the network to the senior echelons, some members of the Nigerian armed force, oil companies and NNPC employees, top politicians and retired military officers predominate.

Militant Organizations: Militant organizations have often been used by “political godfathers” in the oil sector regions to cause disturbances in regional stability. Consequently, these disturbances give the political elite the opportunity to implement methods of oil theft under more loose supervision by the government (Wilson, 2014). Given that over 50 percent of Nigeria's total population is designated as impoverished by the world Bank, the incentives for joining local gangs and militant organizations that work under these political elite are credible (World Bank, 2019). These groups primarily serve as armed escorts for the property of the political elite or functions as the sabotage mechanism that is necessary for cold – tapping operations (Wilson, 2014). However, Buhari's attempts to remove corruption from the government has cause backlash from the variety of political elite that he has pursued with criminal prosecution.

Resident oil Company Authorities: The complexity and dangers involved with oil theft methods such as hot-tapping and cold-tapping provide that expert knowledge is necessary for successfully implementing these measures. Consequently, resident oil company authorities from the multinational oil corporations stationed in the oil sector region of Nigeria play an influential role in facilitating oil theft at the crude oil stage. In addition to providing technical expertise and managing oil withdrawal operations, oil experts offer inside knowledge on the schedule of corporate inspection operations on the pipeline. This is critical for ensuring that illegal secondary pipelines stay intact and that the location of fueling operations are not revealed to Nigerian security forces and multinational corporate authority (Ralby, 2017).

Local Population: The general population that surround the variety of oil pipelines throughout Nigeria often facilitates the local creation and source of illegal refined oil products as means of alleviating their impoverished condition (Wilson, 2014). Although it is common in the Nigerian population to use small-scale oil tapping to obtain a collection of crude oil reserves, their lack of technical expertise and the refinement of acquired crude oil reserves in rudimentary bush refineries have contributed significantly to the development of population in Nigeria (Ralby, 2017). In September, 2018, the unemployment rate in Nigeria had reached up to 23 percent, consequently, in tandem with the high unemployment rate, the population of waterways and the contamination of local fish population have forced many young Nigeria to partake in the oil theft and illegal refinery activities (Vidal, 2013).

Crude Oil Theft Actors: Crude oil theft is a multidimensional activity that involves the effective collaboration between a variety of people and the maintenance of their individual functions, which are essential in committing the theft. The oil company personnel, military officers, the politicians, the local communities, international oil traders, militants, shippers, bankers, refiners, wealthy individuals from within and outside Nigeria. However, the level of involvement in oil theft in the Niger Delta region by both Nigerians and Foreigners differs (Yusuf, 2013; Ndubuisi, 2013).

Small-scale pilfering: It has been observed that oil theft actors in small-scale pilfering include the host community's youths, local gang groups, militants and security agents who collaborate with other actors due to the prevailing environment.

Large-scale crude oil theft: At the large-scale crude oil theft in the field, the actors of oil theft include; the youths of the host communities, and militants who provide the local manpower; the oil companies personnel, who provide the technology on how to open the oil well-heads and pipelines; the security agents who provide the security for the operations; and the foreign partners who provides the markets and shipment of stolen oil abroad. The actors of crude oil theft at the export terminals includes; the oil company staff, top government

personnel, foreign partners and state security agents at the export terminals (Wilson, 2014). Similarly, Asuni (2009) identified the main players involved in the illegal oil bunkering business at its various level. According to “her at the local level, the Niger Delta youths and communities leaders play the leading role. At an international level, countries from Eastern Europe, Russia, Australia, Lebanon, Netherlands, France, Senegal, Coted’ivoire, etc. are all involved” (Asuni, 2014). It also observed that diverting oil products and preventing free flow of the traffic on the waterways “could be enjoying the patronage of some retired or security military and security personnel”. The report also revealed that some vessel used in sordid deals were often seized by the Army and Navy, while their cargoes remained unaccounted for (Thisday, 2011).

Theoretical Framework

Relative Deprivation Theory

The theoretical framework for this study focuses on deprivation theory as attributed to Samuel A. Stouffer (1900–1960), based on his observation during World War II. The thrust of relative deprivation theory was has it that someone feels deprived of something to which she/he is entitled and others are the core beneficiaries. Pettigrew (2015) posit that relative deprivation is a social psychological concept par excellence which shapes emotions, cognition, and behaviour. It also links the individual with the interpersonal and inter-group levels of analysis. In the context of crude oil theft in the Niger Delta, deprivation theory implies that individuals or groups involved in oil theft may perceive themselves as being economically disadvantaged compared to those benefiting from the oil industry (Pettigrew, 2015). Deprivation Theory suggests that when individuals or communities feel deprived of resources or opportunities belonging to them, they may resort to criminal activities as a means of addressing their grievances (Mezie-Okoye, 2022). This perceived deprivation could motivate to engage in illegal activities such as crude oil theft to obtain economic gains.

Methodology

The study adopted desk review research design. The desk review was conducted from literatures obtained from official reports of Nigeria Extractive Industries Transparency Initiative (NEITI), Official Statement from NNPC, non-serial publications and conferences cited by other references on the subject matter. Content analysis was used in analyzing the data obtained. The secondary data assessed the pattern of crude oil theft, method of crude oil theft and impact of crude oil theft as related to human security in Bayelsa State, Nigeria.

Data Analysis

Pattern of Crude Oil Theft in Nigeria

The problem of crude oil theft persists despite efforts by government and oil companies to assuage the perceived cause and influencing factors of the crime (Oluwaniyi, 2011; Renoward & Lado, 2012). Crude oil

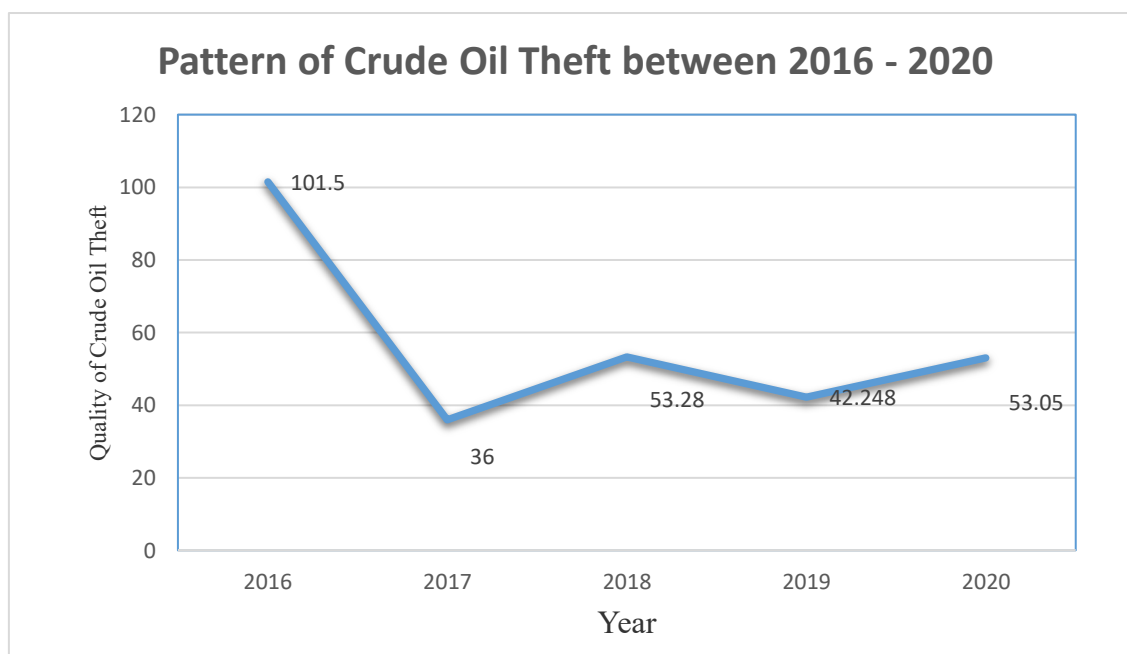
theft is neither a ubiquitous phenomenon in all the oil fields nor is it randomly distributed; rather, it clusters at specific “hot spots” and also demonstrates varying patterns over time (Ngada & Bowers, 2018). According to them there are a number of explanations for the existence of these clusters including temporal and geographic variation in socio-political and economic factors and patterns in the manifestation of opportunities for this type of theft. The swampy and mangrove terrain of the Niger Delta region couple with the network of creeks and rivers makes crude oil theft easy, through hot and cold – tapping. The offenders bore holes into any portion of the vulnerable pipeline and siphon oil into floating storages such as engine propelled wooden boats or towed barges (Katsouris & Sayne, 2013). These are either transferred further offshore into larger ocean carrier vessels or locally refined. A second method is for offenders to insert hoses into pipelines to siphon oil directly into large storage boats that can navigate in ultra – shallow waters. Thereafter, stolen products are transferred into larger carrier vessels which are anchored offshore (Kastouris & Sayne, 2013).

Crude oil theft in the Niger Delta of Nigeria currently is posing serious threat to the economy. According to experts, Nigeria loses about 600,000bpd to crude oil theft. NNPC however, admits losses of about 470,000bpd. From NNPC estimates, about \$7million worth of crude oil is lost to oil theft monthly. Between January and July 2020 Nigeria lost \$10billion to this crime and this is equivalent to ₦4.3 Trillion (at ₦ 430 official exchange rate to the dollar). The Nigeria Extractive Industries Transparency Initiative (NEITI) disclosed that Nigeria lost 619.7 million barrels of crude oil worth N 16.25 trillion or \$ 46.16 billion from 2009 to 2020 to oil thieves. According to NEITI (2022), Nigeria lost 69.9 million barrels valued at \$4.31billion to crude oil theft in 2009. In 2010, it lost \$2.29 billion, 2011, \$ 4.31 billion and 2012, \$5.52 billion.

Scale of Crude Oil Lost to COT 2016 – 2020

S/N	Year	Crude Oil Loss	Amount Loss in \$	Price per Barrel in \$
	2016	101.05 m barrels	\$4.42 billion	\$40.76
	2017	36 m barrels	\$1.99 billion	\$52.51
	2018	53.28m barrels	\$3.83 billion	\$69.78
	2019	42.24m Barrels	\$2.77 billion	\$64.04
	2020	53.05m barrels	\$2.2 billion	\$41.47

Source: NEITI (2022).

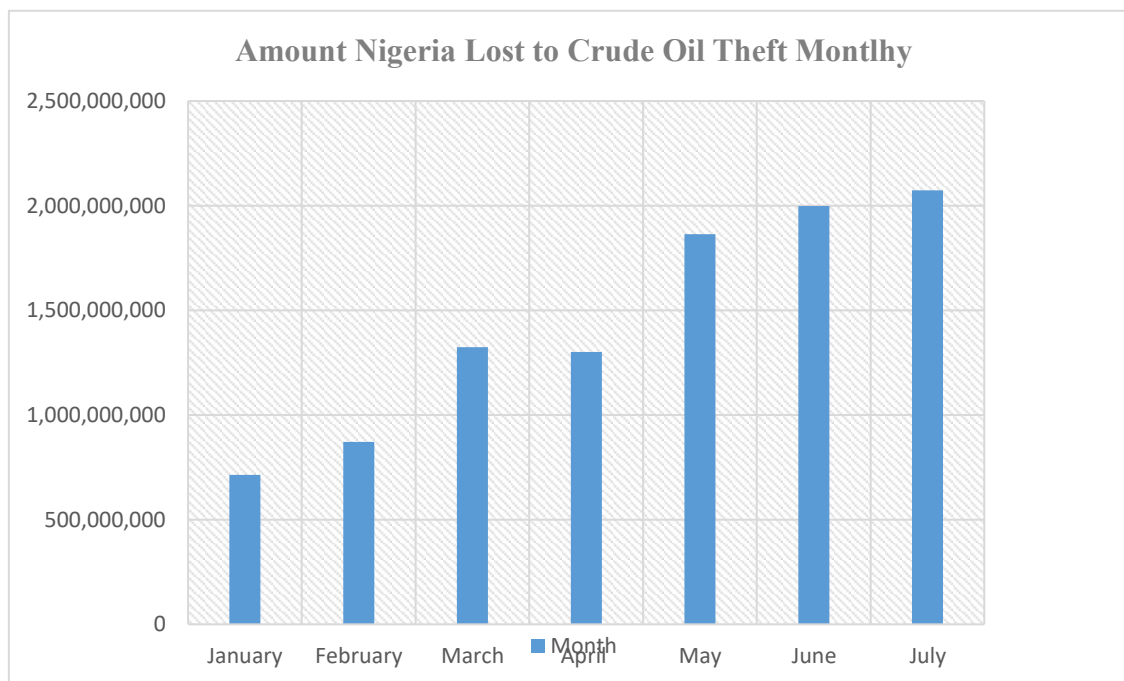


In 2016 101.05 million barrels valued of \$4.42 billion marking the highest loss was recorded. While in 2017, 36.46 million barrels valued at \$1.99 billion was lost to thieves. In 2018, 53.28 million barrels worth \$3.83 billion, also in 2019, 42.248 million barrels valued at \$ 2.77 billion and I 2020, 53.05 million barrels valued at \$2.2 billion was lost to crude oil theft

Daily and Monthly Pattern of COT in the Niger Delta (January – July, 2020)

Month	OPEC quota bpd	Total Production bpd	Crude Oil Loss bpd	Estimated Revenue Loss (\$) per Day/per Month
January	1,683,000	1,410,000	273,000	Daily loss \$23,014,8000 Monthly loss \$713,458,800
February	1,701,000	1,370,000	331,000	Daily loss \$31,097,450 Monthly loss \$870,728,600
March	1,718,000	1,340,000	378,000	Daily loss \$42,714,000 Monthly loss \$1,324,134,000
April	1,735,000	1,320,000	413,000	Daily loss \$43,365,000 Monthly loss \$1,300,950,000
May	1,753,000	1,230,000	520,000	Daily loss \$60,760,000 Monthly loss \$1,863,596,000
June	1,772,000	1,230,000	542,000	Daily loss \$63,956,000 monthly loss \$1,998,680,000
July	1,799,000	1,180,000	619,000	Daily loss \$66,866,800 monthly loss \$2,072,870,800

Source: NEITI (2022),



Pattern of Crude Oil Theft January – July 2020 in the Niger Delta

Nigeria lost an estimated \$10 billion to larger scale crude oil theft in seven months, between January and July, Nigeria, Africa's biggest oil producer, lost an average of 437,000bpd to criminals (Kabir, 2022). According to Mele Kyari, Group Managing Director of NNPC, various sector of the Nigerian society should be blamed for the complicit in the theft of millions of barrels of crude oil, stating that even make – shift pipelines and stolen fuel have been found in churches and mosques.

Discussion

At the start of the year, Nigeria produced 1.41 million bpd compared to the average OPEC quota of 1.68 million bpd for January. This amount to a shortfall of about 273,000bpd. With the price of crude at \$ 85.24 in January this shortfall translates to Nigeria loosing a staggering \$23 million daily. Total production in February stood at 1.37 million bpd barrels per day against the OPEC quota of 1.7 mbpd. The shortfall for that period was 331,000 bpd, which resulted in a loss of \$ 31,097450 bpd (at \$93.95 OPEC busket Price).

By March, the price of crude had jumped to \$113 per barrel and OPEC have increase Nigeria's quota to 1.71 mbpd, however, Nigeria's production dropped to 1.34 mbpd, a daily short fall of 378,000. This means the country was also losing \$ 42.7m worth of revenue daily. In April there was a drop in oil price to \$105 per barrel however, OPEC still increased Nigeria's required production to 1.73 mbpd. But Nigeria was only able to produce daily output of 1.32mbpd. this resulted to a daily shortfall of 413,000. This shows that the country was also losing \$ 3.3m worth of revenue daily.

In May with some companies shutting down due to the high intensity of crude oil theft and pipelines vandalism, Nigeria's output further dropped to 1.23mbpd compared to the average OPEC quota of 1.75 mbpd. This also amount to a short translate to a loss of \$ 60.7 mbpd with the oil price increase to \$113 per barrel in May. During the month of June the OPEC basket price rise again to \$118 per barrel. Yet crude oil theft in Nigeria remains with total production dropping to 1.23 mbpd while OPEC's quota stands at \$1.77 million. The shortfall amount to 542,000 barrels per day resulting in \$64 million daily loss. In the month July Nigeria witnessed a sharp fall in crude oil production. Total production output stands at \$1.18 million barrels per day. This was against OPEC's \$1.79m barrels production quota for the month. The OPEC Reference Basket also fell \$9.172 to an average of \$ 108.55 per barrel. Nigeria's prduction shortfall in July thus amount to 616,000 barrels per day, resulting in a \$66.86 million daily loss.

Conclusion

The central aim of this research was to investigate the pattern of crude oil theft in Bayelsa State, Nigeria. This is considered critical to efforts aimed at curtailing the crime, while also contributing to broader knowledge on the form of this type of crude oil theft. Despite government effort to curb the menace of crude oil theft in the Niger Delta the criminal business of oil theft has been growing steadily in Nigeria. To access the oil, criminal syndicates tap into pipelines and other in frastructure in the Nigeria Niger Delta. The pipelines taps are so sophisticated that they ran for 3-4 km. As it stands Nigeria a is loosing 95 percent of oil output to criminals at oil hubs. The upward pattern of crude oil theft continued without a break, despite all the measure both kinetic and non-kinetic put in place to curb the trend.

Nigeria's fiscal performance report for January to April noted that this underperformance of oil revenue was due to significant oil production shortfalls such as shut-ins resulting from vandalism and crude oil theft. Furthermore, the Nigeria Extractive Industries Transparency Initiative (NETTI) stated that from 2017 – 2020, 36.46 mbpd (\$1.99 billion), 2018, \$53.28 million barrels per day valued at \$3.83 billion etc. were stolen.

Recommendations

It is recommended that;

- i. Use of drones and closes circuite Television technology could be intestified to monitor pipelines and well-heads during months of March-December when crude oil theft is rampant in Bayesla State. To discourage youths invovement in hot-tapping and cold-tapping method of crude oil theft. Muti-faceted approach of law enforcement, improve security measures, community engageemnt and sustainable development, initiative to provide, atlternative livelihood opportunities for affected communities should be put in place to alliviate the impact of crude oil theft.

- ii. Crude oil production should be metered from the point of production to the point of sales so as to determine the quantity of crude oil stolen and the cost. Special signature finger print technologies should be used to identify crude oil from their origin to differentiate the genuine quantity from the stolen crude oil. This will help to determine the cost of stolen crude oil.

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