

Senate probes N11.35trn spent on refineries' rehabilitation

The Senate has directed its ad-hoc committee to investigate all contracts awarded for the rehabilitation of all state-owned refineries from 2010 to 2023. This followed the adoption of a motion on the urgent need to investigate various turnaround maintenance projects of Nigerian refineries, to uncover waste and forestall further waste of scarce public resources, by Senator Karimi Sunday (APC- Kogi) at the plenary in Abuja on Tuesday, October 24, 2023. Presenting the motion, Sunday said state-owned

months and phase III in 44 months of execution. He, however, said the Port Harcourt refinery as of October 24 remained a money pit. He said by projections and representations from NNPC, the renovation work ought to be completed and operations of the refinery commenced by June 2023. Sunday said the federal government in a bid to revitalise the Warri Refinery, injected huge public funds between 2014 and 2019, adding: "Yet at the moment the Warri Refinery is inactive, this is different from the 2017 contract award to Saipem

Contracting Nigeria Limited for Tech Plant Survey of the Warri and Kaduna Refineries at 2,025, 000.32 Euros." He noted that it was disturbing that the Kaduna Refinery and Petrochemical Company (KRPC) had over the past 10 years gulped N2. 266 billion in the name of rehabilitation, yet it remained unproductive. The lawmaker said: "The Nigerian National Petroleum Company Limited (NNPC) approved a renovation deal with Daewoo Engineering and Construction Limited to renovate Kaduna refinery in February 2023. "And it is intended to restore the refinery to production of 110,000 barrels of petrol per day, at least 60



refineries in Nigeria had been a serious drainpipe of public finance, depriving citizens of the joy of being an oil-producing nation. He said from 2010 to date Nigeria was estimated to have spent N11.35 trillion on the renovation of refineries, yet unproductive, revealing that other costs in other currencies had also been spent. Sunday said the federal government spent over N6 trillion between 2010 and 2020 on fuel subsidy due to Nigeria's low refining capacity and had spent almost twice the amount on rehabilitating and turning around maintenance projects on its refineries in Port Harcourt, Kaduna, and Warri between 2010 and 2022. He said despite the moribund condition of the four refineries, the operating costs of the refineries between 2010 and 2020 was N4.8 trillion.

The lawmaker said: "The refineries are estimated to make a cumulative loss of N1.64 trillion within four years. "Concerned that the federal government of Nigeria has carried out rehabilitation projects in Port Harcourt Refinery Company (PHRC) over a period of seven years from 2013 to 2019." Sunday stated that phase I of the project was expected to be completed in 28 months after the contract, while phase II was to be completed in 24

percent capacity by early 2024. Also speaking, Senator Adams Oshiomhole (APC-Edo) said the Senate must ensure its proper oversight functions to ensure Nigerians enjoy value for their tax. He said: "We need to unravel while the refineries that were working before suddenly became moribund.

"The amount so far spent on the refineries can build brand new ones, Senators must take the issues with all seriousness it deserves." The Senate, however, urged the committee to ascertain progress on ongoing works in all refineries to forestall waste and corruption. It also urged the committee to interrogate the Ministry of Petroleum Resources, the NUPRC, NNPC, and BPE on the best approach to commercializing or ensuring the profitability of the state-owned refineries. It urged the committee to invite the NNPC, NUPRC, and LNG to explain the nation's preparation for green energy sources in line with the Paris Agreement on climate change. The Deputy Senate President, Barau Jibrin, who presided over plenary, said those found to have taken resources meant for the functioning of refineries should be brought to book. Jibrin named Senator Isah Jibrin (APC-Kogi) as the chairman of the ad-hoc committee.