

Text of a National Broadcast by President Olusegun Obasanjo On the Deregulation of the Oil Sector, October 8, 2003

Fellow Nigerians.

It was only after very painful consideration and reflections on the state of affairs in our dear country today, that I decided to address you all. This national broadcast, the second in the last eight days, is evidence of my deep concern over the conduct of the Nigeria Labour Congress (NLC) and the Government's resolve to ensure that the ongoing reform agenda remains on course.

Let me reiterate my unwavering commitment to the full democratisation of all aspects of our political life, including free and open dissent and constructive criticisms of the government within the limits of the law. That is, in fact, why my government has allowed sometimes protracted labour strikes not embarked upon legally and other aspects of opposition to government policies. This government has always considered labour as important and therefore consulted with it on many national and international issues. It is no wonder that in the last four years, the NLC has not organised a single strike over wage or salary issues because we have been very productive in the interest of the workers.

It is worthy to note that between 1999 when this government came in and 2003, the salary of some workers have been increased eight fold, including the recent increase in the civil service that would take effect this October.

I remain committed to these ideals of an open society. However, no government would tolerate lawlessness or the attempt by any group of

people under any guise to use illegal means to take over government or make the country ungovernable as the labour leader has promised. I will be failing in my constitutional duties to the people of Nigeria to allow that to happen.

As you are aware, my government has embarked on fundamental reforms designed to depart from the waste and unproductive exercises of the past and leave lasting legacies for the prosperity and improved welfare and well-being of all Nigerians. Since 1999, we have gradually but steadily embarked on the programme of liberalisation and deregulation of the Nigerian economy to promote efficiency and effectiveness of service delivery. Most Nigerians and certainly all organised key stakeholders in the Nigerian economy, including the Nigeria Labour Congress, have endorsed the deregulation programme of government.

It is as a fitting symbol of our administration's commitment to the welfare of workers and in an effort to cushion the effects of deregulation that the government provided 80 buses to the NLC in 2002. The transliner buses were delivered to the Congress for management without government interference. It is noteworthy that every step taken to deregulate the downstream oil sector has been dogged by, sometimes, irresponsible opposition by the Labour Congress. The result has been that we took too little steps to achieve no meaningful and satisfactory progress. We have tolerated all of these in the interest of promoting popular dialogue and informed dissent.

Let me inform Nigerians that when government first came up with the deregulation programme, it was endorsed by the NLC and other stakeholders. In fact, the NLC had requested that we call it a "liberalisation" programme. It was thus more a matter of label than of substance. If we had been successful in implementing the deregulation or liberalisation of the downstream oil sector as earlier agreed by all

stakeholders, including labour, we would not have been worrying about the periodic and unsatisfactory price-fixing which has led no where expect to frustration. The failure to fully deregulate or liberalise has also cost Nigerians billions of naira which are currently wasted on millions of man-hours in queues at the petrol stations.

The tens of billions of naira currently being lost in money that could have been used to increase capital spending in the universities, fund agriculture, repair and rehabilitate our roads, invest in education and health, improve security with extra police for security of lives and property. Realising that the investment of well over \$400 million (excluding pipelines and depots) in the last six years mostly on Turn Around Maintenance (TAM) and repairs had not improved the performance of the refineries significantly, government had decided that it was unwise to put additional money into the repair of the Kaduna and Port Harcourt refineries before privatising them.

What most Nigerians must know is that the contracts for the Turn Around Maintenance for the Kaduna and Port Harcourt refineries were awarded with 50% of the cost paid upfront before the advent of this administration in 1999. Allow me to add that two of the three refinery locations in the country today, were built by my administration as military head of state. This means that if for no other reason, I should be interested in keeping them working. Already, 18 private firms have been licensed to build refineries but they have been reluctant to go into the industry because of Government's price control in the sector.

If only 30% of these firms had been able to establish and operate private refineries, thousands of jobs would have been created and Nigeria would have been in a position to even export refined oil products. All these benefits and more have been denied to Nigerians by the stop-go approach to the deregulation or liberalisation programme, and only a few Nigerians are benefiting from the prevailing government

controlled system. In fact, the NLC 's approach has been counter-productive, and inflicted more pains on Nigerian workers. Each time there is a small increase of three naira or more, transporters have used the opportunity to jerk up transportation cost thereby making the ordinary worker poorer.

A once-and-for-all total deregulation would have meant a once-and-for-all increase in transport cost and the pump price for petroleum products. Without doubt, a once-and-for-all total deregulation would have resolved the problem of availability and thus bring down prices for those outside Abuja, Lagos, Port Harcourt and their environs who have always paid much more than the official posted price. Pump prices arising from the present total deregulation would, in reality, amount to a reduction in prices of majority of Nigerians.

Let me add, that before the marketers have the signal that they were fully ready for liberalisation, they sought and received government's assurance to repair all necessary infrastructure for importing and discharging products. These infrastructure were substantially repaired and made available by the 28th of September, 2003.

Fellow Nigerians, we must move forward in the interest of this country. In recent times, especially since the new administration was sworn-in in May this year, the NLC has constituted itself into an opposition political movement rather than a labour organisation to advance the interest of its members contrary to the provisions of the law establishing it. The tactical move by the NLC to mislead and recruit some opposition political parties is evidence of an attempt not only to politicise what otherwise is an economic issue, but also to promote its avowed objective of bringing down a democratically elected government.

This new alliance appears designed to attain power through undemocratic means. The leadership of the NLC has engaged in series

of subversive activities, deliberately misrepresenting government policies to the public and its members, and using every opportunity to blackmail the government and others who hold contrary opinions or views. Of more serious concern is the fact that the NLC leadership is conducting itself as a parallel government in Nigeria, and brazenly breaks the law of Nigeria regarding the conduct of strikes which stipulates a mandatory 15-day notice before embarking on any legitimate strike in the interest of the conditions of service of workers.

During the last strike in June, which a Lagos court declared illegal and a contempt of court, the NLC threatened the police and threw tear gas at policemen on legitimate duties. Even now, in its arrogance and disrespect for law and order, it continues to warn and threaten the police. It not only enlists the services of other political parties, but also the services of hoodlums and drug addicts who are used to harass, intimidate, disrupt and destroy the lives and properties of innocent Nigerians. Government has sufficient evidence that the NLC has provided cash to hoodlums to distribute subversive materials and act against the Nigerian state. This cannot be the way that a responsible labour leadership should act. Government has thus far tolerated these nefarious and criminal activities as a demonstration of goodwill and also as part of the nurturing of our nascent democracy. It seems, however, that the Government's hands of friendship, tolerance and statesmanship are being misinterpreted as indication of weakness. This must now stop.

The time has come when this government must decide whether it was elected by the people to serve the interests of all Nigerians and establish a firm foundation for growth, stability, development and democracy, or whether it would succumb to the clearly misguided and irresponsible leadership of the NLC.

What the NLC leadership must realise is that it has no mandate from

whatever source to mobilise, much less call for anti-government action, the Nigerians who are not dues-paying members of its affiliate unions. No self-respecting government would abdicate its responsibility to the people who elected it. And this government will not be distracted from the overwhelming mandate of the people of Nigeria.

Let me therefore use this opportunity to remind the NLC that there is an existing law of the Federal Republic of Nigeria requiring that labour serves a 15-day notice of intention to go on strike, and that this has not been followed in the current threats.

So far, the NLC has shown a total disdain for our traditional institutions and neither consulted with the traditional rulers nor with the major organs of our society. Before fully exploring the avenues for dialogue, it is already threatening innocent Nigerians to stay at home or be visited with mayhem. Nothing can further demonstrate the unpatriotic and sinister motives of the NLC than the contents of the communique at the end of its meeting of 4th October in which it not only sought to mobilise 'all Nigerians' and not just financial members of the NLC to join the strike, but also issued threats and warnings to several agencies, including the police, bank workers, air travellers and aviation workers.

Unbelievably, the NLC betrayed its hidden agenda by calling on all Nigerians to boycott the on-going 8th All Africa Games holding in Abuja. These unpatriotic acts and attempts to make true the NLC leadership's all-time boast to make the country ungovernable cannot be allowed to stand. The NLC must recognise that it is not a parallel government in Nigeria. Such a position constitutes security threats for which government cannot fold its hand. I only hope that the leadership of NLC would be wise to retrace its steps and take back the Congress to the path of legality and patriotism. Deregulation or liberalisation of the downstream sector means that everyone can participate.

If the NLC decides to run its own transport company or engage in petroleum importation or refining, it is free to do so and sell to its members and whoever it pleases and at whatever price it deems fit.

For the millions of law abiding citizens of Nigeria, let me assure you of the government's readiness to ensure full protection of lives and property. The marketers, I understand, have had a very engaging dialogue with the NLC and with the men and women of good will as umpires. I will expect that this golden opportunity of dialogue will not be lost.

It is my hope that in spite of everything, the NLC can still allow reason to prevail and enter into productive dialogue with the marketers as midwifed by mediators.

I appeal to all Nigerians to remain calm and go about their normal businesses without let or hindrance. The Nigeria Police and other law-enforcement agents are ready to provide maximum protection and security. No one should attempt to disrupt the normal transportation either by land, sea or air, or try to force the closure of markets, banks and shops. Let me also assure all banks and all public and private institutions of maximum police protection and security.

No one ever said that fundamental and sustainable reforms would be easy. Incessant strikes as a way of derailing the reforms serve no one any good. Given our bitter experiences in the not too distant past, we must not do anything that would erode the values and worth of our achievements so far. A strike that would disrupt economic, social and other activities while imposing heavy costs on the ordinary Nigerian and worker in discomfort and inconvenience negate the very essence of labour movement. A strike that would cause avoidable deaths, prevent our children from getting to school, workers from earning a living, and essential services from working in the interest of all cannot be justified.

A strike that plans to rely on intimidation, blackmail, deceit, thuggery, violence and other coercive methods cannot be an expression of democratic practice. A strike that seeks to humiliate a nation in the presence of august visitors and compromise the dignity of our great country in the eyes of the international community is a direct attack on the new patriotic spirit that binds the Nigerian people. It will not be allowed. Our brothers and sisters from the rest of Africa who are participating in the 8th All Africa Games are guests within our gates. As Africans, we must protect them as we protect ourselves. The NLC obviously does not think this way. I want to assure our brothers and sisters of maximum protection and security for as long they are within our gates.

While this statement is an appeal, it is also a warning that anyone who embarks on an illegal strike or who connives, encourages and instigates others to embark on strike, intimidate other citizens, disrupt businesses or engage in acts of lawlessness and violence would have himself or herself to blame. Under no circumstances would this democratic government accommodate or tolerate undemocratic conducts that would compromise the integrity of our democratic values or derogate the liberties of our peoples. The full weight of the law would be brought to bear on such persons for the maintenance of order and discipline.

Finally, fellow Nigerians, let me assure you that our reform programmes are on course. We thank the millions of Nigerians who have signed on to the reforms and rejected the cynicism and unpatriotic conduct of the minority. To move our economy and country forward, I have promised Nigerians that it will not be business as usual. We are already implementing reforms, and invest heavily in infrastructure, agriculture, education, health, and industry. To do all of these, we must change our ways of thinking and doing business, and

the deregulation and privatisation of the downstream oil sector are important aspects of these reforms.

Although the private sector will now be the driving force of the downstream sector of the petroleum industry, government would continue to monitor and ensure quality control and to help the sector develop in an orderly manner. Government regrets some of the short-term pains especially for the minority who had been buying fuel at 34 per litre, even though we all know that majority of our people would gladly buy for N40 per litre if only it is made regularly available. I am confident that the medium to long-term benefits would more than offset those pains for the generality of Nigerians. Liberalisation and deregulation is the answer for availability of products at competitive prices as our experience in the telecommunications sector shows.

I will continue to count on your understanding and support as we build a new and prosperous Nigeria. I particularly appeal to your patriotism with hospitality, especially at this time when we are hosting all of Africa. Let us all join hands as good hosts.

Thank you and may God bless Nigeria.