



***Petroleum & Natural Gas  
Senior Staff Association of Nigeria***  
(PENGASSAN)

...An affiliate of Trade Unions Congress of Nigeria (TUC)

**President:** COMRADE BABATUNDE OGUN  
**General Secretary:** COMRADE BAYO OLOWOSHILE

Tel: +234(1) 2790715  
Fax: 2790717  
E-mail: [admin@pengassan.org](mailto:admin@pengassan.org)  
[admin1@pengassan.org](mailto:admin1@pengassan.org)  
Website: <http://www.pengassan.org>

All Correspondence to:  
General Secretary  
U.M. OKORO HOUSE  
288, Ikorodu Road, Anthony, Lagos.  
P. O. Box 10433 Marina, Lagos.

**12 January, 2010**

Fuel scarcity: Oil workers task government on local refining Senior staff in the oil and gas industry have called on the Federal Government to increase local refining of the petroleum products as a way of ending the perennial scarcity that has continued to hit the country. The workers also called for the inclusion of their concerns and contributions before the passage of the Petroleum Industry Bill (PIB) pending before the National Assembly.

The workers, under the aegis of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), noted that unless the local refining capacity of the country is increased and the distribution channels are developed, fuel scarcity cannot be totally eradicated in the country.

According to the workers, they will react in an unfavourable manner if the bill is passed without adequately taking care of their interests, especially their employment future, arguing that the National Assembly has not done anything tangible to show that their concerns would be addressed. Speaking against the backdrop of the current fuel scarcity and queues that have resurfaced in most parts of the country, **PENGASSAN President, Comrade Babatunde Ogun**, said that the development of the receiving facility is a panacea to the incessant fuel scarcity.

He explained that increasing the local refining capacity will reduce the problem that the nation is encountering with the importation bottlenecks, calling the Federal Government to ensure that a time table is put in place on when to end importation of petroleum products into the country.



Ogun said, “The government has not demonstrated enough commitment to assuage the sufferings of Nigerian masses, the expansion of jetties and receiving facilities has been abandoned and the refineries are not working. “There are many options the government can adopt to ensure that Nigerians do not pay extra charges or go through unnecessary pains caused by scarcity that can be avoided. The government can adopt the Build Operate and Transfer (BOT) for the development of the jetties. Speaking on the PIB, the General Secretary of the Petroleum and Natural Gas Senior Staff Association of Nigeria (**PENGASSAN**), **Comrade Bayo Olowosile**, who noted that there are no provisions in the bill addressing the transition arrangement for the Nigerians working with the International Oil Companies (IOC) with equity participation in the Joint Venture, said that a new section should be inserted to take care of the Nigerians working with the IOC to be affected by the IJV.

He said that as a strategic and major stakeholder in the oil and gas sector, the association is surprised that its concerns and issues raised about the industry in its proposals to are yet to be addressed by the National Assembly in the PIB.

He noted that for many years, workers in this industry have sustained the country at great costs, paying supreme price to the bargain, unappreciated and unnoticed by the government which we all serve. At this momentous time in the history of the country when this far reaching decision that will determine the members of the association lives and service, he said that the workers are still being denied our official and earned status as major stakeholder in the industry.

He said that the association’s members are agitated and concerned about their future with this impending bill that they can no longer hold back.

He said, “We are aware that this Bill will be passed in another one or two weeks without even any noticeable attempt by government to address their concerns or assuage their fears.



“Therefore in the event that they react any moment before or after you passed this Bill in their bid to protect and guarantee their future, please hold us not responsible. There should be limit to human endurance.” Ogun, said that nothing will satisfy our members than a concrete and visible step to address their future which as much as we can see, has been totally compromised by this bill.

He said, “From a trade union point of view, we are concerned with job protection, best practices and improved condition of work, social responsibility and social development as key elements to improve relations with host community, improved profitability to companies as way of ensuring increased royalties to the Nigerian government, shareholding and improved package for oil, and gas sector workers “Government must engage the two trade unions in the oil and gas industry on how it and the Nigerian National Petroleum Corporation (NNPC) intend to migrate from Joint Venture to IJV, as the PIB implementation process is unclear.”

The recommendations of the union read in part, “From the effective date of this Act, all Nigerians working with any of the International Oil Companies to be affected by or with equity participation in the Incorporated Joint Venture (IJV) whether regular or contract staff:

“(a) shall be regarded as having automatically transferred their services to the Incorporated Joint venture with effect from that date, on terms and conditions no less favourable than those obtaining immediately before the effective date, unless they indicate otherwise before the expiration of three months next following the effective date, and such services will be regarded as continuous for the purpose of pensions, gratuities and severance benefits and

“(b) shall unless he/she indicate otherwise before the expiration of three months next following the effective date, continue in the service of the Incorporated Joint venture for a period not less than five years on terms and conditions, including pension, gratuity and other severance benefits, no



less favourable than those obtaining immediately before the effective date of this act and

(c) All existing pension arrangements for all categories of Nigerian staff regular and contract shall be maintained in line with the 2004 pension act.”

They stated that transition arrangement has been made for the Nigerians working with the Nigerian National Petroleum Corporation (NNPC) and some other companies as contained in Section 493 in the bill, saying that no such arrangement was made for Nigerians working in the IOCs with equity participation in the IJV/JV.

“It is important that no Nigerian shall lose his/her job as a result of this bill. Also all existing pension plans must be maintained,” they stated.

Other recommendations includes:

\*establishment of a Petroleum Equalisation Fund Management Board and that one representative each of the Nigerian Labour Congress (NLC), the Trade Union Congress of Nigeria (TUC), Petroleum and Natural Gas Senior Staff Association Of Nigeria (PENGASSAN) and National Union of Petroleum and Natural Gas Workers (NUPENG) should be on the board.

\* We demand that all boards in the PIB without any exception should have the representation of PENGASSAN and NUPENG.

\*Every company engaged in any activities requiring a licence, lease or permit in the upstream and downstream sectors of the petroleum industry shall not discriminate against Nigerians in employment, promotion, remuneration and placement of its workers, ensure that it strictly adheres to all laws ,rules and regulations concerning the use of expatriates in Nigeria, ensure that it has received in writing a certificate of no objection from all the Nigerian professional bodies charged with the supervision of the profession for which the expatriate is required before engaging the services howsoever of such expatriate and before supporting howsoever the VISA/work permit of such expatriate.



\*Such company should obtain the written consent of the National Petroleum Directorate in addition to the Certificate of No Objection (referred to in this section) from the relevant professional bodies in Nigeria before ANY expatriate is howsoever engaged to work in the downstream, mid stream and upstream sector of the oil and gas industry, ensure that expatriates carry out only the services for which they were engaged and no other; and that expatriate are only used for services which no Nigerian within and outside the organization can render.

The workers also recommended that such company applying for licence should submit a quarterly report signed on its behalf by at least two of its directors to the Nigerian Immigration Service, the Federal Ministry of labour and productivity, the Senate and House of Representative Committees in charge of Petroleum( Upstream, Down Stream and Gas ), the Joint Tax Board and the National Petroleum Directorate showing the names, current position, total emolument and all other benefits, nationality, immigration status, age, state of residence in Nigeria, marital status, educational and professional qualification(s), date when first worked in Nigeria, details of work done ,details of Nigerian understudy and their progress, and an affidavit that it has complied with all laws and regulation concerning the use of the expatriates.

