THE EVOLUTION OF MULTINATIONAL COMPANIES AND PETROLEUM EXPLORATION IN NIGERIA: A HISTORIOGRAPHIC APPROACH

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Abstract

*This work takes a cursory look at the evolution of multinational companies and petroleum exploration in Nigeria. The paper examine*d the role and activities of major multinational oil companies in crude oil and gas exploration, focusing on American and French Multinational Companies in Nigeria. *The study adopted quantitative and qualitative content analysis relying on secondary sources of data. The history of petroleum exploration and exploitation of crude oil and gas, the respective role of the major multinational oil companies and their impact on Nigeria's economy constitute the subject matter of this study. The findings revealed that the issuance of licenses to operate private petroleum refineries and the rehabilitation of government refineries will increase the Nigeria's oil refining capacity, increase domestic consumption and reduce importation of fuel. The study showed that crude oil is of different grades and exhibit features which made it tradeable in the international oil market. The research also confirmed that COVID-19 pandemic contributed to the decrease in crude oil (bonny light) price, and the current economic recession in Nigeria. The paper then concluded that the petroleum exploration and exploitation, as well as the role and activities of multinational companies have significant implications for benefits and losses from the petroleum exploration in Nigeria.*

Keywords: Evolution of Multinationals, Petroleum exploration, Domestic consumption, Economic recession, Nigeria.

1. INTRODUCTION

There is no generally accepted account of the evolution of Multinational Companies. According to Permutter (1969), the evolution of a Multinational Company is tortuous and does not occur overnight, rather it is associated with stages of evolutionary internationalisation process (Kreitner, 2000). The overall activities of Multinational Companies in developing countries revolve round licensing, market seeking, raw material seeking, cost minimising, efficiency seeking and strategic assets seeking (Shapiro, 1989; Kreitner, 2000; Ferreira & Fernando 2008). In Nigeria, the evolution of Multinational commerce came up in different stages. The first stage, was the formation of the Royal Niger Company in 1886 as raw material seeking firm during the colonial era (Pearson, 1971). The second stage of the evolution of Multinational commerce was the era of influx of market seeking firms that found their destination in Nigeria. The third was the last stage, which was a period of market competition and capital investment in the mid-nineteenth and twentieth centuries (Steyn, 2009).

There are a few published articles which specifically addressed petroleum exploration in Nigeria. Prominent among these publications are works of Steyn (2009), which addressed oil exploration in the Nigeria colonial period; Ugwukah and Ohaja (2016) addressed historiographic assessment of the petroleum industry and its impact on the Nigerian economy; Udosen, Etok and George (2009) dealt with fifty years of oil exploration in Nigeria. However, Steyn (2009) pointed out that the history of oil exploration in many of the African oil producing and exporting countries seems to be remarkably brief. Nigeria is no exception. More deficiently till date, there is no evidence of existing studies in the literature that investigated the evolution of multinational companies and petroleum exploration, which focus on major American and French multinational companies in Nigeria. Therefore, the broad objective of this article is to make a contribution to the historical evolution of the multinational companies and petroleum exploration focusing exclusively on major American and French Multinational oil companies in Nigeria. Other specific objectives are to critically examine the role and activities of major MNCs; and investigate pros and cons of petroleum exploration in Nigeria.

2. REVIEW OF LITERATURE

2.1 Meaning and Definition of Multinational

A firm is likely to become a multinational company if it exhibits the following features. If the firm has branches, offices or factories in different countries and its headquarters located in the home country, or has certain special assets which strategically gives it an edge over indigenous firm and its assets are more economically utilised in production facilities beyond domestic markets (Dunning, 1992; Kumar, 2015). Eluka, Ndubuisi-Okolo, and Anekwe, (2016), define multinational corporations as those powerful conglomerates that came into Nigeria after abolition of slave trade in search of market, raw materials and labour and consequently found Africa, especially Nigeria as veritable market for their surplus products, cheap raw materials and labour. They were the British, American and French Multinational Companies that dominated Nigerian oil economy after independence.

2. 2 Theoretical Framework

This study anchored on dependency theory from the neo-marxist perspective. The justification for the choice of this theory is that it explains reasons for the persistent poverty relationship between developed and developing countries especially countries that operate a mono-product economy like Nigeria. The Neo-Marxist framework analysis was developed by Marxism. The Marxists believe that the integration of developing countries' economies into the world capitalist system caused their underdevelopment, what the Marxists call 'dependency causes underdevelopment.

The Neo-Marxist believes that the poverty of developing countries is attributed to their systematic exploitation of Multinational Companies through Foreign Direct Investment (FDI) and strictly preach against its linkage with international capitalism and domestic economy. What Fajana (2006) referred to as 'capitalistic class alliance.' The alliance is mainly between the MNCs' hegemony and the state bureaucratic elites, who in collaboration with foreign investors and the MNCs exploit the workers and the economies of developing countries. This is why disciples of Karl Marx believe that it is capitalism, both at national and world level that produce underdevelopment in the past and present (Rodney, 1972, Aremu, 2005). The Neo-Marxist theory is relevant to explain underdevelopment of developing countries from the exploitative point of view which include overdependence upon primary products as exports to developed countries, capital flight, implantation of inappropriate technology in developing countries among others. And to proffer solutions to unequal consequences of world capitalist system not by revolution but by government interventions through fiscal policies such as import substitution policy, protectionist policy for infant industries etcetera.

2.3 Evolution of Multinational Companies in Nigeria

The early Multinational Companies that dominated the Nigeria's economy came in the mid-nineteenth century as raw material seekers. The evolution started with the formation of the Royal Niger Company (RNC) which became the United African Company (UAC) in 1879. The UAC was

reorganised, and renamed National African Company under the leadership and management of George Taubman Goldie in 1882 (Pearson, 1971). Sequel to the Berlin West African conference of (1884-1885), Britain was allowed to take effective occupation over the Niger district (Pearson, 1971).
This great achievement compelled British Government in 1886 to grant George Goldie Taubman a charter to operate the National African Company under a new name “Royal Niger Company”. The new Royal Niger Company operated along the coastal areas of Niger and Benue rivers and further northwards.

Another historic event that was a catalyst to the evolution of Multinational Companies was the second Industrial Revolution in Britain in mid nineteenth and early twentieth centuries.
Industrial Revolution in Britain led to the invention of steam engine. With the invention of the steamship the palm oil which was the tropical native plant in Niger Delta area was in high demand by the British for use as industrial lubricant for machinery. Britain as first industrialised nation needed raw material resources such as palm oil, palm kernel oil to maintain their industrial machines and as raw materials for Soap production (Kilby, 1967).

By early twentieth century, the British and other European markets were saturated with consumer products as a result of mass production. The need for external markets beyond Europe arose and West Africa and indeed Nigeria was the best choice. This led to the era of capitalism and imperialism with influx of foreign investment in Nigeria. In 1908 the German Bitumen Corporation & British colonial Petroleum commenced operations around Okitipupa in Ondo State, and in 1938 Dutch Consortium came to Nigeria as Shell D’ Arcy and was granted crude oil exploration in Nigeria (Odubiyi, 2013). Shell D’ Arcy was the forerunner of the present Shell Petroleum Development Company (SPDC), Nigeria.

2.4 Historical Development of Petroleum Exploration in Nigeria

Ugwuka and Ahaja (2016) and Odubiyi (2013) extensively elaborated on the historiographic development of petroleum industry and crude oil exploration in Nigeria. In 1956 following the discovery of petroleum at Oloibiri in the Niger Delta, the first successful well was drilled by Shell D’ Arcy (Odubiyi, 2013). Nigeria joined the ranks of oil producers in 1958 following the country’s production rate at 5,100 barrels per day (bpd). In 1965 the EA field was discovered by Shell in shallow Water Southeast of Warri. In 1970, the end of the Biafran war coincided with the rise in the oil price, and Nigeria enjoyed instant oil boom from its oil production (Odubiyi, 2013, Eluozo, 2018). Nigeria joined the organisation of Petroleum Exporting Countries (OPEC) in 1971 and established the Nigerian National Petroleum Company (NNPC) in 1977 (Odubiyi, 2013).

Nigeria has so many gas fields, operational and those yet to commence operation. According to Odubiyi (2013), Nigeria's gas reserve is estimated at 190 trillion standard cubic feet with a great potential to link gas to power, gas to petrochemicals, and gas to fertilizer which ultimately can lead to job and wealth creation and economic growth.

But Nigeria's economy is largely dependent on the sales of crude oil ignoring other alternative sources of generating revenue as panacea for 'Dutch disease' and antidote for the so called 'resource curse' (Mbah &Shadare, 2016; Omoregie, 2018).

Currently, Government has granted and issued licenses to encourage private participation in petroleum refineries. Beneficiary companies include Niger Delta exploration and production Plc, at Ogbele in Rivers State, Amakpe in Eket, Akwa Ibom State; Resource Petroleum and Petrochemical Inc. Ibeno, Ikwa Ibom State; Kainji Resource Ltd, Oguta, Imo State, Omega Butter Refineries, Ikpokiri, Rivers State and Dangote Industries in Lagos State (DPR, 2020). There are also planned liquid fuels project in Nigeria by major operators in the oil and gas industry. These are Qua Ibo (NNPC), Zabazaba Etan (Eni), Bango Southwest Aparo (Shell), Preowei (Total) and Owowo [ExxonMobil] (DPR, 2020). These projects will increase the country's oil refining capacity, reduce importation of fuel and increase domestic consumption and lower pump price (Omoregie, 2018, Udosen *et al.,* 2009, Adam, 2013, Brelsford, 2021)

2.5 The History and the Influence of Key Oil Players in Nigeria

a. Chevron Nigeria Limited (CNL).

Chevron Nigeria Corporation, started business in 1913 and went public and changed name to Chevron Oil Nigeria Plc, following the indigenisation Decree of 1978. Mobil Oil Corporation Nigeria started operation in 1955. Chevron–Texaco restructured to form the new name MRS as the marketing oil products arm of Chevron. More precisely, Chevron Nigeria operates both in the Upstream and Downstream Oil sectors in Nigerian. The Chevron Nigeria Limited (CNL), also called the Star Deep Water Petroleum is the Upstream, which operates crude oil exploration and production and Chevron–MRS, the Downstream Marketing oil and petroleum products in Nigeria. Chevron Corporation is a Joint–Venture business agreement with

Nigeria National Petroleum Corporation (NNPC) on a stake of 60 per cent and 40 per cent sharing ratio. Chevron Nigeria limited is committed to development opportunities. Such development opportunities indicated in corporate social responsibility (CSR) demands in specific areas of operations in Nigeria.

i. Corporate Social Responsibility (CSR)

Pryor (2004) posits that only locations or areas where core businesses are carried out benefit from Chevron's CRS programmes. For instance, Chevron building classroom blocks in Maiyegun, and awarding ten (10) scholarships annually to Ajiran youths to support both their secondary and tertiary education Sponsoring establishment of the Lekki conversation centre, a centre for environmental research and education, providing safety devises and lighting on the Lagos–Epe express way in collaboration with HFP Engineering (Pryor, 2004).

ii. Local Content Compliance

On local content, the NNPC–Chevron Joint-Venture is commitment in growing Nigeria's economy by the participation of local businessmen in the upstream sector of the oil and gas industry. Chevron via NNPC ward contracts to competent Nigeria firms to provide services and supply products to CNL. The aim collaboration is to provide and promote indigenous businessmen, increase local spending, local content in purchases, and create awareness of business opportunities for Nigeria firms. Also, to allocate a marginal oil field to any indigenous oil company, and technology transfer and training of nationals from the host country. All of this are indications of high- level compliance with business objectives, aspirations and indigenous participation of Chevron in its host environment. Chevron is one of the renowned oil companies operating in Nigeria's oil industry to date.

b. Mobil Oil Corporation Nigeria Limited

Mobil Oil Corporation Nigeria consists of three subsidiaries namely Mobil Producing Nigeria limited (MPN), formed in 1968 and in 1970 it began production from four wells at Idoho field (Odubiyi, 2013); Mobil Oil Plc., (Now known as 11 Plc), and Esso Exploration and production Nigeria Ltd (EEPNL). These three companies were issued separate licenses to operate different subsidiaries under ExxonMobil, parent Company. The ExxonMobil's largest facility is QIT the Qua Iboe terminal, an offshore oil field precisely located in the Bight of Biafra, the Erha/Erha North deepwater projects, and holds 30 per cent interest in Nigeria's newest producing deepwater field, Usan (DPR, 2012). Qua Iboe is Nigeria's largest export crude blend with an estimated average capacity of 400,000b/pd (DPR,2012 & Energy Report, 2020). Mobil producing Nigeria Unlimited under ExxonMobil operates Qua Ibom terminal in Akwa Ibom State with an average production capacity of more than 612,000 barrels per day as against chevron's target, thus making it the second largest producer after shell BP in Nigeria (DPR, 2012). It is headquartered in Eket and operates in Nigeria. Mobil also embark on corporate social responsibility benefit programmes in its areas of operation. Mobil Producing Nigeria provides rural electricity, access roads, cottage hospitals, portable water. Also, Mobil Producing Nigeria, provides scholarships to communities in Eket, Ibibio, Oron, Mbang, Mbu communities in Akwa Ibom State. More so, there are the EEPNL annual postgraduate scholarship awards to qualified graduates of Nigerian Universities, the NNPC/MPN/STAN National Quiz for pupils and students in sciences at early age, contract/vendor support.

c. Total Nigeria Plc

The third is the French MNCs in Nigeria, the Total Nigerian Plc., incorporated on 1st of June, 1956, responsible for Total downstream activities in Nigeria, and Total Exploration and Producing Nigerian (E&P) Ltd, which was incorporated in 1962 to deal with upstream activities in Nigeria (Udosen *et al.,* 2009).

Total Nigeria Plc is the first downstream in Nigeria, incorporated as a private company in 1956 (Odubiyi, 2013 & Annual Report, 2013). Total Nigeria is a marketing and services subsidiary. Total Nigeria Plc has remained the leader in the downstream sector of the Nigerian oil and gas industry with an extensive distribution network of over 570 service stations nationwide and a wide range of top-quality energy products services (Annual Report, 2013). Total has been a partner since 1962 in the development of oil and gas in Nigeria, carrying out upstream and downstream activities. Total Exploration and Production Nigeria Limited is in-charge of the Total upstream activities. Total is committed to sustainable development of the Nigeria's economy, infrastructure and the host communities through its corporate social responsibility objectives.

i. Corporate Social Responsibility (CSR)

Total Nigeria Plc has expanded corporate social responsibility programmes in Nigeria. Total introduced different forms of CSR related projects and programmes in order to achieve its CSR objectives. For examples, Total built and commissioned the first solar powered service station in Nigeria, launched the young dealer's scheme, which focused on empowering young

Nigerians from being service station attendants to becoming self-reliant by managing their own assigned stations. The truck drivers training school and inspection centre was established in March 28, 2011 with fully equipped facilities that enhances the quality of knowledge for drivers. Total introduced affirmative action policy and signed the diversity charter in 2004 to prevent all forms of employee discrimination while promoting equal opportunity in employment, gender balance, recruiting and training the disabled others (Total Annual Report, 2012 & 2013). Chukwumerije (2009, p.44) emphasised the importance of having legislation or a bill guiding CSR of multinationals in their hosts that “essence of law anywhere is to protect the norms, the general expectations, values and practices of any given communities, as a mechanism of preservation which apply everywhere in the world”. There are legislations and laws both at local and international levels which guide MNCs’ operations in developing countries.

ii. Corporate Structures of a Typical Downstream and Upstream of MNCs

The three subsidiaries of the ExxonMobil have a single lead country manager. The lead country manager serves as the chairman of the board and managing Director of the two upstream affiliates, Mobil producing Nigeria (MPN) and Esso Exploration and production Nigeria Limited. The MD is assisted by a committee of key executives from operating and service divisions. Whereas Mobil Oil Nigeria (MON) Plc has a separate chairman of Board of Directors/Managing Directors and is a publicly quoted company on the Nigerian Stock Exchange. On the other hand, in a typical upstream MNC structure, the Managing Director is also the Board Chairman, and the Chief Executive Officer (CEO) of the organisation. While in others, the Deputy Director or the General Manager may be a technocrat from the host country. This hierarchy may consist of executive officers in charge of important departments of an Exploration & Production Company. Sometimes they may be called AGM depending on the choice of management.

2.5 Industrial Policies and Laws Guiding MNCs Operations in Developing Countries

These are industrial policies and regulations which guide MNCs operation.

a. **Local Content Policy:** The Nigerian Local Content Development Act of 2010, requires vendors or MNCs to demonstrate strict compliance with all issues relating to employment of key management positions, total workforce of Nigerians, overall percentage of work to be performed and total work volume. It also provides the need for detailed description of the role, work, scope, man–hours and responsibilities of all Nigerian companies and personnel that would be involved in executing the work to mention but a few.

b. Regulations and Guidelines for MNCs in Developing Countries

ILO, (2008), provided guidelines for MNCs concerning conduct in management relations in the following areas: Priority to human rights, employment, safety, occupation development, social justice and promotion, advancement of local nationals, wages, rights to recognise and bargain collectively, to have access to data for renegotiations, to be trained as a member of the workforce and to be given advance notice of changes in operations among other labour policies. The degree of MNCs compliance with these labour policies in their subsidiaries are still very contentious.

c. The Petroleum Industry Governance Bill (PIGB)

The Senate of the Federal Republic of Nigeria passed the second reading of Petroleum Industry Governance Bill on 25 May 2017. More so, the bill needs to pass through the House of Representatives and assented to by the President before it can become law. This bill is the first in a series of long-awaited petroleum industry laws designed to reform the Nigerian oil and gas industry (KPMG,2020). The Petroleum Industry Bill (PIB), which was introduced to the National Assembly over 16 years ago has been subsequently decided into different forms of legislation to deal with specific aspects of the industry. These are Petroleum Industry Governance Bill, Petroleum Industry Fiscal Bill and the Host Community Bill. Each bill will guide respective reforms in the industry.

d. Taxation of Multinational Companies in Developing Countries

The crux of the matter about taxation of Multinational Companies in developing countries is the fact that most MNC default in payment of taxes. MNCs make more profit than the local firms and should pay higher tax. But MNCs fail to comply with the tax laws guiding their operation in Nigeria. MNCs repatriate the excess profit (i.e., profit-shifting) that accrue from crude oil sales to their home countries at the detriment of the Nigeria's economy. But with current changes in the PIB, the Petroleum Industry Fiscal Bill will provide a new regulatory and fiscal framework that will regulate taxation of MNCs operating in Nigeria

2.6 Benefits and Losses of Petroleum Exploration in Nigeria

Nigeria is the giant of Africa and the fastest developing country in Sub-Saharan region of Africa having gained influence from endowment of crude oil and gas and exploration activities and developments in the oil sector in Nigeria. In spite of this great influence, Nigeria operates a mono-product economy because it depends on crude oil production and export.

Oil is very beneficial to mankind and society at large. Oil is important in domestic appliances, industrial purposes, for machines and other locomotive equipment cannot function without oil. Other benefits from the Nigeria's oil economy include those that relate to corporate social responsibility of the multinational companies in their host communities. These are construction of roads, electrification projects, and scholarships awards, building of schools (Eluozo, 2018).

In contrast, can these benefits equate the loss? Obviously, the analysis of the disadvantages of oil exploration in Nigeria will indicate whether the benefits worth the losses.

Environmental degradation is the major disadvantage of the oil exploration in Nigeria. Some of these losses are caused by the activities of Multinational oil companies, which are air pollution, water pollution, health pollution, land pollution, and social pollution which include culture alteration, social vices, corruption, kidnapping, destruction of government public properties, militancy, militarisation (Eluozo, 2018).

3. Research Methodology

This paper adopted a historical analysis approach in tandem with qualitative content analysis research methods relying on secondary sources of data. The secondary sources of data collection are mostly historical records, descriptive statistical data, data from Department of Petroleum Resources (DPR), Central Bank of Nigeria database, Nigeria National Petroleum Corporation (NNPC) and Reuters, Journal publications, textbooks and internet source among others. The benefit derived from using these sources of data is that it saves cost and resource materials are accessible But it takes time to gather, sort and organise resource materials for presentation and analysis. However, this research would have produced more results if there were many similar existing studies in the literature. This rareness of literature materials was a limitation to the research methodology.

3.1 Presentation of Data

Table 3.1.1: License Status of Private Refining Companies in Nigeria as at April, 2018

S/No.	Company	Plant Location	License	Capacity (BPSD)	License Status
1.	Niger Delta Petroleum Resources (NDPR)	Ogbelle, Rivers State	License to operate (LTO)	1000	Plant is operational
2.	Amakpe International Refinery	Eket Akwa Ibom State	Approved to construction (ATC)	12000	Process unit fabricated and awaiting shipment and installation.
3.	Resource petroleum and petrochemicals Inc.	Ibeno, Akwa Ibom State	Approved to construction (ATC)	100000	License is valid to be installed
4.	Kainji Resource Ltd	Oguta, Imo State	License to establish (LTE)	24000	Licenses issued in July 2014
5.	Omega Butter Refineries Nigeria	Ikpokiri, Rivers State	License to establish (LTE)	20000	Licenses issued in July, 2013
6.	Dangote Industries Ltd	Lekki Free Trade Zone, Lagos	Licensed to establish (LTE)	500000 Total = 650,000	Licenses issued in September, 2014

Source: (DPR, 2020); Legend: LTO, licensed to operate; ATC, approve to construct; & LTE, licensed to establish.

Table 3.1.1 shows the license status of private refining Companies in Nigeria as at April, 2018 (DPR, 2020). Amongst these private refining companies in Nigeria, only Ogbelle plant in Rivers State is operational while Amakpe International refinery and Resource Petroleum and Petrochemicals Inc. are licensed to construct whereas Kainji Resource ltd, Omega Butter refineries, Nigeria and Dangote Industries ltd are licensed to establish. The Dangote refinery would produce 650,000 barrels per day and expected to generate 9, 500 direct and 25,000 indirect jobs and will reduce volumes of refined fuel and fertilizer imports (Adam 2013). There are three major government refineries in the country, the Port Harcourt petrochemical oil refinery, Warri refinery in the Delta Region and the Kaduna refinery. Currently, these refineries are undergoing rehabilitation. The final stage of rehabilitation of the Port Harcourt refinery will be completed in 2024 (Breslford, 2021).

Table 3.1.2: Planned Liquid Fuels Project in Nigeria

Project Name	**Operator**	**Type**	**Location**	**Production capacity (000/bd**	**Estimated Start**
Qua Ibo	NNPC	Crude Oil	Onshore	90	2021
Zabazaba-Etan	ENI	Crude oil	Offshore Deepwater	120	2021
Bonga Southwest Aparo	Shell	Crude Oil	Offshore Deepwater	150	2022
Boga Southwest Aparo	Shell	Crude Oil	Offshore Deepwater	225	2022
Preowei	Total	Crude Oil	Offshore Deepwater	50	2023
Owowo	ExxonMobil	Crude Oil	Offshore Deepwater	160	2024

Sources: US Energy Report, 2020.

Nigeria relies on imports of petroleum products to meet domestic demand, imported about 442.000b/d of petroleum products in 2018. In 2020, 445 000bpd was allocated for refinery to meet domestic products supply. The planned liquid fuels project in Nigeria, will enhance refining capacity of crude oil and increase domestic consumption (Adam, 2013). Hence, an antidote to the so-called resource curse against the rich endowment of the Nigeria's economy (Omoregie, 2018 & Udosen *et. al*., 2009).

Table 3.1.3: Key Nigerian Grades and Qualities with Approximate Production Volumes and Operators

GRADE	API	S%	TAN	**QUALITY**	**OPERATOR**	**PRODUCTION**
Agbami	**48**	**0.04**	**0.05**	Light	Chevron	160
Akpo	46	0.06	0.05	Light	Total	100
Amenam blend	39	0.03	0.03	Light	Total	120
Antan	28	0.7	0.7	Medium	Sinopec	20
Bonga	29	0.45	0.45	Medium	Shell	130
Bonny light	35	0.25	0.25	Light	Shell	270
Brass blend	40	0.2	0.15	Light	Eni	100
EA blend	36	0.1	0.2	Light	Shell	25
Agina	27	0.3	0.2	Medium	Total	200
Erha	35	0.2	0.15	Medium	ExxonMobil	150
Escravos	32	0.2	0.6	Light	Chevron	160
Forcados blend	32	0.2	0.4	Medium	Shell	270
Ima crude	46	0.05		Light	Amni Int'nl	25
Okono	42	0.06	0.1	Light	Amni Intn'l	30
Okwuibome	24	0.1		Medium	Sandesara Gp	30
Qua Iboe	37.5	0.12	0.35	Light	ExxonMobil	220
Usan	31	0.25		Medium	Total	35
Yoho	41	.06	0.25	Light	ExxonMobil	40

Source: Adapted from Argus 2020 cited in Oxford Energy Comment June, 2020. Legend: Tan: (Total acid number), API: Acid? S%: Percentage Sulphur.

From Table 3.1.3 describes the Nigeria's crude oil grades, quality, and their respective production volume and operators. The Nigeria's crude oil is characterised by high volume, quality, no market restrictions and finds customers and suppliers in most places because of the high popularity. The variety of density API is roughly between 24 API and 48 API (Argus, 2020), while the total acid number (TAN) of respective grades are also indicated in Table 3.1.3. Nigeria's bonny is the ideal oil light and sweet with sulphur content less than 1% and a low Tan count. It also contains amounts of gasoline, light naphtha, jet fuel and diesel which are of high value (Argus, 2020).

Table 3.1.5: Crude Oil Price Fluctuations (USD/pd) Production and Export (mb/d) 2019 – 2020.

	YEAR 2019				
Month	**October**	**November**	**December**		
Description					
Crude Oil price (Bonny Light).	59.1	63.56	68.56		
Domestic Production	2. 05	1.94	1.96		
Crude Oil Export	1.6	1.49	1.51		
	YEAR 2020				
Month	**August**	**September**	**October**	**November**	**December**
Description					
Crude Oil price (Bonny Light).	45.06	40.85	39.74	Nil	
Domestic Production	1.65	1.54	1.61	Nil	Nil
Crude Oil Export	1.2	1.09	1.16	Nil	Nil

Source: Adapted from CBN Database (2020), NNPC and Reuters, 2020.

In 2020, crude oil price (bonny light) indicates downward decreases 45.06mb/d, 40.85mb/d, 39.74mb/d for August, September, October of 2020 respectively. The domestic production indicates 1.65mb/d, 1.54mb/d, 1.61mb/d for August, September, October of 2020 respectively. Whereas the crude oil export indicates 1.2mb/d, 1.09mb/d, 1.16mb/d for August, September, October of 2020 respectively. However, records of crude oil price mb/d, domestic production mb/d, and crude oil export mb/d for November and December were not available. The year 2020 was COVID-19 pandemic year and cases of the spread of the pandemic were confirmed across many countries and this led to restriction of movements and lockdown of economic activities. Obviously, COVID-19 pandemic affected the crude oil export, and cause the current economic recession in Nigeria. According to the disagreement among the OPEC members to comply with the OPEC decision on new oil cut and quota as result of the global pandemic coupled with uncertainty of the international oil market contributed to the decrease in the crude oil price (Anyanechi, 2020).

3.2 Results of Findings

From analyses, it was found that:

Licensing of private participation in petroleum refineries and the ongoing rehabilitation of government owned refineries will increase refining capacity, domestic consumption and reduce importation of fuel in Nigeria.

It was also found that increase in refining capacity and reduction of import of fuel is an antidote to the so-called resource curse against the oil rich economy of Nigeria.

The result of the study showed that Nigeria's crude oil is of different grades and exhibit features which made it tradeable in the international oil market.

It was found that COVID-19 pandemic caused the downward decreases in crude oil price (bonny light), and the current economic recession in Nigeria.

4. Discussion

The result of the analyses revealed that the licensing of private participation in petroleum refineries and the current rehabilitation of Government owned refineries will increase the refining capacity of crude oil, increase domestic consumption and reduce import of fuel in Nigeria. This result is consistent with Omoregie (2018), Adam (2013), Brelsford (2021) and DPR (2020). Similarly, the result also revealed that the new refineries are antidotes to the so-called resource curse against the rich oil economy of Nigeria. This finding is in agreement with (Omoregie, 2018 & Udosen, et al., 2009). Again, result showed that Nigeria's crude oil is of different grades and exhibit features which made it tradeable in international oil market. This result is in line with views in Argus (2020). The finding showed that COVID-19 pandemic caused the downward decreases in crude oil price (bonny light), and the current economic recession in Nigeria. This finding corroborates the views in Anyanechi (2020), NNPC and Reuters, (2020).

5. Conclusion

In conclusion, the petroleum exploration and exploitation, as well as the role and activities of major multinational companies have implications for the benefits and the losses from crude oil and gas exploration in the Nigeria. However, the main motive of Multinational Companies in Nigeria is to explore and exploit crude oil and gas, and maximise profit. Hence, this article has made a contribution to literature in the historical evolution of the multinational companies and the petroleum exploration in Nigeria.

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