



ARMORGROUP NIGERIA MARITIME REPORT

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Maritime Threat

Nigeria is an acknowledged problem area attracting acts of piracy. The reason is simple. Most of the world's crude oil is transported by sea and the Delta oil producing region contributes its fair share to this trade. Additionally, Nigeria imports most of its needs by sea and that includes infrastructural support to the oil and gas industry plus other major projects. This means that supply lines are just as vulnerable as export lines to acts of maritime militant attack or piracy.

Piracy worldwide is a lucrative activity with some 90% of world trade dependent on sea lanes. It also has a severe economic impact on the shipping industry, driving up the costs of insurance premiums, security measures and diversions to avoid hot spots to the tune of some \$16bn a year. The sophistication of pirate and militant gangs easily keeps pace with defensive developments. They use fast powerful craft to achieve surprise and shock effect and compliment impressive seamanship with GPS, radar and other sophisticated equipment. In the Niger Delta region such operations are aided by the weak Nigerian naval defence force, which is challenged tactically by the pirate gangs as well as the vast Gulf of Guinea coastline, with the delta creeks, rivers, swamps and coastal islands.

Oil and gas installations offshore or on islands seem just as vulnerable to militant piracy as those deeper in the delta area. The operating environment favours the attacker, especially if he is aided by inside information and collusion to augment the other advantages listed above. Ships make good targets, attracting headlines with their foreign worker crews ripe for kidnapping to force financial and political ransom demands. Increasingly violent tactics are being employed. The disruption to business, whether re-supply or export, is also disproportionate to the resources required to mount an attack, as well as the financial pickings a well chosen target can yield.

Also vulnerable to piracy is the extended oil and gas infrastructure of pipelines, depots and pumping stations, which is extremely difficult to protect from the theft or bunkering of petroleum products. Some 90% of exports from Nigeria's \$53bn-a year industry come from the delta region, with an estimated 26% drop in production caused by the actions of militants and assorted criminal groups in the last year.



Compounding the problem is the relative lack of awareness worldwide of the scale of the problem and the lack of a concerted international response. Pirates appear to act with relative impunity and are rarely prosecuted. International law is easily exploited in favour of the pirates because governments are not robust in sharing the responsibilities and costs needed to address this increasingly serious phenomenon.

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