Dear Friends:

The central theme of this issue of Resistance is oil refineries.

The country with the largest capacity for oil refinery in the world is the United States (16.510 thousand barrels a day in 1999), followed by Japan (5.110 thousand barrels a day in 1999), China (5.020 thousand barrels a day in 1999) and Germany (2240 thousand barrels a day in 1999).

But there are other countries, especially lands that have a high refinery capacity compared with their territorial area and their energy needs. This group of countries includes Singapore. In the past two of the biggest refineries were in Aruba and Curacao, both Dutch colonies. Today their refinery capacity is relatively low related to world capacity, but in continues to be an important factor in the internal economy, as well as factor regarding environmental and social impacts that this activity generates.

The first refinery in Aruba was built by Shell in 1928 (Eagle Oil Refinery). In 1932, Standard Oil of New Jersey (now Exxon) built the Lago refinery. Shell pulled out of Aruba in 1953, but it is still the seventh largest refinery in the world and employs more than 16% of the island’s population. The refinery was closed in 1985 and reopened again in 1990 by the Texan company Coastal Corporation. El Paso Energy now operates it.

It has been frequently identified that the refineries have a “environmental racism” character, and because of this many groups that work in the area of environmental justice have dedicated much time and energy to the theme of refineries.

International Secretariat
OILWATCH

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1. ENVIRONMENTAL IMPACTS OF OIL REFINERIES
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- Contamination of superficial waters

A refinery produces waste in different areas:

Processing area, cemented areas, in the storage tanks, in the system for the treatment for residual wasters and oil wastes.

Other sources of contamination are those that come from the polyduct and flow lines.

The contamination of superficial waters can be aggravated with a bad drainage system and the system of rain water collection that is used for the collection of waste from the different processes, such as oil substances that come from the separator, discharges from laboratories, cooling waters, and condensation.

Treatment systems consist of aeration of water in pools, which contain high levels of contaminants, including phenol chromates, benzeno and others. These pools can overflow and contaminate everything around them.
The operations in the refineries produce solid and liquid waste, some of it routine and some accidental, that infiltrates subsoil.

In staid of permanent filtration pools for the collection of wastes, the pools can be simple excavations in the ground with evacuation channels that lead to other bodies of water.

The refineries also produce particle emissions, volatile hydrocarbons and the combustion of oil-based fuel generates particles of sulfur dioxide, nitrate oxide, carbon dioxide and carbon monoxide. These emissions are released in the distinct phases of operation, including the catalytic unit, the heating process of hydrosulfurization, burning of gas, the storage of crude oil and refined products.

S02 in the refinery is transformed into H2S04 when it comes in contact with clouds and this produces acid rain.

Sulfur can be smelt several kilometers from the refinery.

Many of the volatile and toxic chemicals released in the air can enter into the body through breathing, or through the skin, and can produce irritation in the eyes. Other contaminants include ammonium, methanol, hexane, the gas additive MTBE and many others associated with cancer.

Those organic compounds that contain lead can be poisons, carcinogenic and affect reproductive processes.

The refinery operations also produce noise contamination. The main sources of this type of contamination are the high velocity compressors, control valves, the oil pipeline system, vapor turbines and the chimneys where the gas is burned.

The level of noise is typically between 60-110 dBA at a distance of one meter from the source of the noise. It has been registered that when a person is exposed to noise that is above 90 DBA for 8 hours non-stop, that there ear can be physically damaged, as well as stress is produced.

The majority of primary material and liquid additives of intermediary products in the process of crude refinery are volatile.

There are very weak security measures in the refinery to control temperatures, inflammable material, explosives, corrosives and products that contain highly toxic components.

In transport operation and in the storage and manipulation of oil and its derivatives, there is always the danger of fires from explosions, which constitutes a constant danger for the plant, the local population and ecosystems.
Leaks and fires make the refinery a time bomb since at any moment it could blow up. This provokes stress, fear and other psychological alternations, manifested by loss of sleep, falling off horses, little attention given to children in the home, and other psychological unbalances.

Gasoline, one of the products of the refinery, possesses great quantities of additives, including lead, which is associated with cancer.

The groups of human beings that are at risk include employees of the refinery, including those that work in the distribution, storage and sale of products; as well as the populations that live close to the refinery, service stations, storage sites, and those who drink the contaminated water.

2. VENEZUELA: TWO DEATHS IN REFINERY ACCIDENT IN VENEZUELA

(AFP) – Two workers died and another two were hurt as the result of an accident in the Refinery El Palito, in the state of Carabobo, 100 kilometers west of Caracas, the state Petróleos de Venezuela (PDVSA) informed. "Guillermo Pérez (38) and Rafael Álvarez (29), both employees in the area of maintenance of the Refinery El Palito, died from affixation when they were working on a routine activity in the Alkyls plant of the complex", said a communiqué from management of this refinery.

The two injured employees were taken to a nearby hospital and “are in stable condition” the statement said.

The manager of the refinery, Asdrubal Chávez, said in a press conference that a technical committee will establish the cause of the deaths.

"We don’t have any explosions or fires, the plant is currently operating”, he said to reporters, and added that sabotage could be a possible cause of the accident.


More information: NETWORK FOR SAFETY AND HEALTH IN THE WORKPLACE - RSST

3. NIGERIA

REP CALLS FOR PROSECUTION OF REFINERY TAM CONTRACTORS
Abuja .- Rep. Leo Ogor (Isoko, Delta State) has called for the prosecution of all those involved in the failed Turn Around Maintenance projects of the country's oil refineries estimated to have gulped $700 million.

Briefing newsmen in Abuja Thursday, Mr. Ogor lamenting that the ensuing fuel crisis has exposed the incompetence of the Nigerian nation warned that the N40 per liter price of petrol would soon be jacked up unless the fundamental issues bedeviling the sector were addressed.

Lamenting that $700 million had been poured down the drain in the turn around maintenance of the refineries, the legislator observed with disdain that the contractors and agents of the companies that executed the rehabilitation were walking freely in the society.

"Why are we in this mess? The people that are supposed to be doing their jobs are not doing their jobs those jobs were not done and these people are walking about as free men probably around the corridors of power wanting to get more jobs from the system."

Mr. Ogor asserted that the government approach to the issue through increasing prices of petroleum products to check smuggling would in itself turn again to hurt the economy warning that inflationary pressures would sooner or later upset present government projections.

"This will lead to inflation which will again lead to depreciation of the naira which will in turn lead to more smuggling and then new pressures to push up prices of the petroleum products". He affirmed that the only way out was for the government to look inwards and build more refineries warning that failure to do so would lead to escalation of prices. "I can assure you that in the next two years we will also be faced with another petrol increase because the main issue has not been addressed."

"The idea of concentrating on imports should be stopped, so we have to come out with policies on looking inwards, because if we do not look inwards we won't go anywhere."

Look at all the oil producing countries, none of them is importing petrol.

According to Mr. Ogor, the basic flaw in the oil sector was traceable to the import orientation syndrome of the society which has made the citizenry to be subjected to import as a way of life.

"The first refinery came in the sixties and that was the time that Indonesia, Malaysia also built their first refinery. Forty years after, go to Indonesia you will be amazed that their refineries are functioning effectively, they are able to build their own refineries but today instead of addressing the main issue we are talking about importation of petrol."
4. USEFUL DATA

- OIL REFINERY COMPANIES

The five oil refinery companies with the largest income in 2002 were:
Cosmo Oil Company Ltd (Japan)
Nippon Oil Corp (Japan)
Showa Shell Sekiku KK (Japan)
Toen General Sekiku KK (Japan)
Valero Energy Corp. (USA)

- TOP 25 OIL REFINING ABILITY PER CAPITA

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kuwait</td>
<td>421.11 barrels per day per 1000 people</td>
</tr>
<tr>
<td>2. Bahrain</td>
<td>379.19 barrels per day per 1000 people</td>
</tr>
<tr>
<td>3. Singapore</td>
<td>291.96 barrels per day per 1000 people</td>
</tr>
<tr>
<td>4. United Arab Emirates</td>
<td>210.45 barrels per day per 1000 people</td>
</tr>
<tr>
<td>5. Saudi Arabia</td>
<td>74.43 barrels per day per 1000 people</td>
</tr>
<tr>
<td>6. Qatar</td>
<td>72.48 barrels per day per 1000 people</td>
</tr>
<tr>
<td>7. Norway</td>
<td>68.51 barrels per day per 1000 people</td>
</tr>
<tr>
<td>8. Libya</td>
<td>63.96 barrels per day per 1000 people</td>
</tr>
<tr>
<td>9. Azerbaijan</td>
<td>56.68 barrels per day per 1000 people</td>
</tr>
<tr>
<td>10. Taiwan</td>
<td>54.11 barrels per day per 1000 people</td>
</tr>
<tr>
<td>11. Korea, South</td>
<td>53.8 barrels per day per 1000 people</td>
</tr>
<tr>
<td>12. Russia</td>
<td>45.52 barrels per day per 1000 people</td>
</tr>
<tr>
<td>13. Australia</td>
<td>43.29 barrels per day per 1000 people</td>
</tr>
<tr>
<td>14. Italy</td>
<td>39.85 barrels per day per 1000 people</td>
</tr>
<tr>
<td>15. Greece</td>
<td>38.19 barrels per day per 1000 people</td>
</tr>
<tr>
<td>16. Japan</td>
<td>37.8 barrels per day per 1000 people</td>
</tr>
<tr>
<td>17. Israel</td>
<td>36.49 barrels per day per 1000 people</td>
</tr>
<tr>
<td>18. Spain</td>
<td>32.44 barrels per day per 1000 people</td>
</tr>
<tr>
<td>19. France</td>
<td>31.79 barrels per day per 1000 people</td>
</tr>
<tr>
<td>20. Oman</td>
<td>31.33 barrels per day per 1000 people</td>
</tr>
<tr>
<td>21. Portugal</td>
<td>30.16 barrels per day per 1000 people</td>
</tr>
<tr>
<td>22. Kazakhstan</td>
<td>25.51 barrels per day per 1000 people</td>
</tr>
<tr>
<td>23. Brunei</td>
<td>24.51 barrels per day per 1000 people</td>
</tr>
<tr>
<td>24. Ukraine</td>
<td>23.76 barrels per day per 1000 people</td>
</tr>
<tr>
<td>25. Malaysia</td>
<td>22.7 barrels per day per 1000 people</td>
</tr>
</tbody>
</table>
### TOP 25 OIL REFINING ABILITY

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>6.6 million bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Japan</td>
<td>4.8 million bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>China</td>
<td>4.5 million bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Korea, South</td>
<td>2.6 million bbl/d (1/1/02)</td>
</tr>
<tr>
<td>Italy</td>
<td>2.30 million bbl/d (12/1/02E)</td>
</tr>
<tr>
<td>India</td>
<td>2.1 million bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>France</td>
<td>1.9 million bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.8 million bbl/d (1/1/02)</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1.75 million bbl/d (1/1/02)</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.7 million bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.3 million bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Spain</td>
<td>1.3 million bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1,220,000 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1.15 million bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>992,745 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Kuwait</td>
<td>889,200 bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Australia</td>
<td>846,250 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Egypt</td>
<td>726,250 bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Turkey</td>
<td>719,275 bbl/d (1/1/03E)</td>
</tr>
<tr>
<td>Thailand</td>
<td>681,750 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>514,750 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>514,500 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>South Africa</td>
<td>468,547 bbl/d (1/1/02E)</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>442,000 bbl/d (1/1/01E)</td>
</tr>
<tr>
<td>Nigeria</td>
<td>438,750 bbl/d (1/1/03E)</td>
</tr>
</tbody>
</table>

Sources: Energy Information Administration, US Department of Energy, quoted in www.nationmaster.com

Note: This data exclude USA. According with BP (June, 2003), the refinery capacity of this country is of 16,761 thousand barrels a day.

5. OIL IN THE TROPICS

5.1. VENEZUELA

NATURAL GAS CONQUERS PARIA AND THE DELTANA PLATFORM
The two projects will make possible the construction of the industrial complex Mariscal de Ayacucho, similar to that of José in the State of Anzoátegui, in which natural gas will be used coming from the off-shore exploitations as a feeding source for a series of producer plants of fertilizers and petrochemical products.

The energy promise of at least three years ago seems to finally be coming to a close, after a long process of revisions, negotiations and fallbacks. The development of natural gas reserves, a hydrocarbon that in the fast was considered a nuisance to oil companies of the national industry, has achieved popularity by the way of two large projects that will materialize in the east of the country and just in the construction phase will provide directly and indirectly about 250,000 employment opportunities.

Of the two plans, the most advanced is the Mariscal Sucre, substitute of the failed Cristóbal Colón in the decade of the 80s, and whose objective is to exploit natural gas reserves that exist in the north of the Paria peninsula and whose nucleus is represented by a liquefaction gas plant whose production will go to its main destination in the east coast of the United States.

The other, which will be carried out in the Atlantic Ocean, north of the Orinoco Delta, is not only more ambitious, but also more complex, because it means carrying out exploration and exploitation activities of natural gas at the charge of a greater number of companies, and with a large territorial extension, for which the Ministry of Energy and Mines will formulate a national oil policy with oil companies of Venezuela, and will execute the project, for which it needs to direct energy and force into the supervision and coordination among different partners.

RISE FROM SEVENTH

Up until now Venezuela holds seventh place among the countries in the world with the biggest reserves of natural gas, after Russia, Iran, Qatar, United Arab Emirates, Saudi Arabia and the United States.

In the case of Venezuela, the resources of this hydrocarbon -- the associates and non-associates of oil production – add up to approximately 227 billion cubic feet. From this quantity, 146 billion cubic feet are tested reserves and at the same time 91% of these are subject to the ups and downs of oil production.

Those who have defended the expansion of the natural gas industry in the country have taken into consideration this reality, in other words, the dependency that is currently presented in the production of this resource faced with oil activity. This, without mentioning the existing deficit in the national market and especially in the east, explains the great necessity to look for deposits with the intention of increasing the tested reserves, attacking the growing markets in the exterior and encouraging the consumption of fuel that is cleaner and cheaper within national territory.
It is important to mention that the work in Mariscal Sucre as well as in the Deltana platform are only a small part within the universe represented by global financial needs in this sector, requirements calculated to be more or less 100 million dollars, in order to carry forward the business of natural gas through the exploitation of reserves that a nation possesses in its coastal area.

But, it could also be more, pointed out the director of Projects and Plans of the Direction of Hydrocarbons for the Ministry of Energy and Mines, Luis Vierma, who has calculated that this quantity to be executed in 40 years is still very “conservative”.

PARIA FIRST

The start of operations in Mariscal Sucre, in Paria, will mean obtaining some 700 million dollars during 25 years. Approximately 1.5 million dollars will be destined for the purchase of national goods and services.

This gas liquefaction project is a business in which the national Fisco, Venezuelan Oil, Shell, Mitsubishi and the strategic partner Ejecutivo, hope to obtain more than 14.52 million during the fourth cycle that the contract is supposed to last.

According to calculations, once operations have begun – in the agenda this is indicated to be in 2007 – the country will obtain approximately 700 million dollars a year, thanks to the exportation of 4. million metric tones to markets on the east coast of the United States and the commercialization of some 300 million cubic feet internally.

Of the 14.52 million dollars, Venezuela would make 11.03, divided in the following way: 5.24 for PDVSA, 4.44 for taxes and 1.35 for royalty payments.

The vice minister of Hydrocarbons, Bernardo Álvarez, explained that the selection process of companies that will accompany PDVSA in this initiative, took into account the following conditions with the intention of generating advantages for the State:

a) Vertical integration of the business.
b) Guarantee of access and valuation of attractive markets.
c) Participation in re-gasification terminals that already exist.
d) Assured supply to internal market.
e) More locals and local material in the contracting of goods and services.
f) Application of programs on the formation of human capital and technology transfer.
g) Development of industrial gas complex similar to the already existing José, Anzoátegui state.
h) Acceptation of legal and fiscal framework in the Republic of Venezuela.
Mariscal Sucre will be born thanks to the construction of a train of liquefaction of natural gas, fed with the reserves (some 10.3 trillion cubic feet of gas) located in the north of the Paria Peninsula, Sucre state. In this zone 34 wells will be dug distributed in 4 deposits: Río Caribe, Patao, Mejillones and Dragón. During the execution of work, approximately 1.5 million dollars will be destined to the purchase of national goods and services.

At the end of the first semester of this year the Minister of Energy and Mines (then Álvaro Silva Calderón); the president of Petróleos de Venezuela, Alí Rodríguez Araque; the executive president of Shell Gas and Power, Linda Cook, and the director of Mitsubishi Corporation, James Brumm, made the commitment, in the Salón Ayacucho at the Palace in Miraflores, to begin the necessary studies in order to establish the economic reach of the exploitation of natural gas fields not associated with the production of crude located in the north of the Paria Peninsula.

This process, which was supposed to have finished at the end of June 2003, should be finalized with the subscription of the definitive contract that the parts will take on. There is time then to clear some questions related to the future of Mariscal Sucre.

The project in the north of Paria represents an investment of an estimated 2.5 - 3 million dollars. In the property of the State 60% has been reserved, which will be reduced if Ejecutivo decides to include a new partner, in function of the actions that since months ago the Ministry of the Energy and Mines is carrying out.

Such a decision will result in a series of important consequences with respect of de-participation of the mentioned initiative. In the first place, this would not be able to consider itself as the fruit of a state company if the new partner can do it with at least 11% of this portion, which the take the participation of the Venezuelan State to 49%, the appropriate limit for, for example, accessing with greater facility capital markets. Because as it is well known, in these types of developments it could be that 70% of new money coming from international banks is necessary under the figure of direct loans or the placement of bonds.

DELTA: FIRST IN FIVE

Different from Paria, the Deltana Platform consists of various actors. But it is also a playing field, since the five areas that were initially identified and total a little more than 6,000 thousand square kilometers, compared with a total of 23,000 square kilometers.

The framework agreement for the development of existing resources in this region has already been signed by representatives of the companies and consortiums selected by Ejecutivo for three of the five blocks.

British Gas (BG) goes hand-in-hand with Chevron-Texaco in Block 2 (el Loran). While they are waiting to see who will operate in Blocks 3 and 4 (Lau Lau and
Distinct strategies have been decided for Blocks 1 and 5. In the first, the Ministry of Energy and Mines has decided to carry out a direct negotiation with the multinational British Petroleum, which maintains operations in natural gas exploitation in deposits that transcend Venezuelan and Trinidadian borders. In terms of Block 5, Bernardo Álvarez explained that “because of its complexity, which means deep wells, the development modality will be announced in the first trimester of 2003”.

The managing director of the French-Belgium company, Jean Michel Gires, calculates that for the development of an integrated vertical business – which goes from exploration activities to the commercialization of liquid gas -- it is necessary to invest approximately 4 million dollars.

TotalFinaElf maintains interest in the country in the three projects in the hydrocarbon sector. In the strategic association Sincrudos de Oriente (Sincor) in which it has injected 4.2 million dollars and whose goal is to produce 180,000 barrels daily of synthetic oil, it maintains 47% of actions. This goes hand in hand with Petróleos de Venezuela and the Norwegian state company Statoil.

80 million dollars have been designated to the Jusepín and Cotoperí fields – where right now between 38,000 and 40,000 barrels daily are being produced of light crude and whose capacity will be increased to 45,000 barrels daily in 2003. And in the natural gas field Yucal Placer, with a hoped initial production of 100 million cubic feet for 2003, 69.7% in integrated association with the Spanish Repsol and the Venezuelan Otepi and Inepetrol.

Statoil has offered to invest up to $3 million in the Deltaña Platform, contribute 10 million dollars to a oil development fund destined to finance medium and long term projects with the state company, and cooperate with Petróleos de Venezuela in order for it to become “a large offshore operator”, through the technology transfer and the formation of human resources.

The president of Statoil Venezuela, Marcel Kramer, and the manager of the development of new business in Venezuela, Gilberto Cárdenas, assure that they are ready to start as soon as they receive the word from Ejecutivo.

Peter Dramfield, representative of BG, has been optimistic in terms of the high prospective of gas in this area. Meanwhile, Alirio Moshiire, of Chevron-Texaco, commented that the aspiration of this transnational is that the gas in this zone be sold in the United States.
Marathon Oil is a company that is in clear process of expansion (in 1997 it occupied 36th place in the world classification of oil companies, and in 2001 it was in 10th place). With its base in Houston (USA) and its interests in Equatorial Guinea, it has grown notably in the last few years. At the end of 2001 (officially January 3, 2002) it acquired through 993 million dollars of Guinean shares the company CMS Energy and on the 20th of June, 2002, for another 155 million, the other small company (Globex), in both cases located in the Alba deposits, visible from Malabo, the capital of the country. In September 2002, the Guinean government approved the expansion of capacity (Phase 2A) of this field, whose work will be finished in the last months of this year. Another phase, 2B, will be available at the end of 2004. This has all converted Marathon Oil in one of the most important companies in offshore Guinea.

At the moment is disposes of 63.33% of Block (Alba), 47% of Block D, 52.4% of a condensing factory, 45% of a methanol factory (Atlantic Methanol Production) and 52.2% of a LPG factory (liquid petroleum gas that comes from refined brute oil; it is formed from 80% propane and 20% butane; this fuel is considered “clean”, and whose utilization, for example, in collective transport in big cities will notably diminish pollution levels).

The second phase of oil exploration and exploitation in Guinea (the first would be in the colonial period and in the intents of Elf and Hispanoil and GEPSA in the early 80s) began in 1990 with the work of Walter International. In successive years, United Meridian Corporation obtained concessions without much success. Both were small North American companies, but in 1995 UMC associated with Mobil Oil. Up until now, exploitation has centered in the Alba deposit, but in 1995 they also entered into Zafiro (to the west of Bioko Island) and Mobil Oil there produced, in 1997, 40,000 barrels/day.

Besides Mobil Oil, other large and medium companies have invested in the sector. Those who presently have an interest in the country are: Marathon Oil, Amerada Hess, Exxon Mobil, Chevron Texaco, Vanco Energy, Ocean Energy, Energy Africa y Petronas. The first six are American; Energy Africa has its central base in Johannesburg and Petronas (the last to come in) in Malaysia.

Looking at these thirteen years, from many points of view, the development of this sector has had very few repercussions in the rest of the Guinean economy. The oil sector is still isolated in an environment characterized by misery and the idleness and control of the government. The 2003 edition of Bilan du Monde, edited in Paris
by the group Le Monde, says of Guinea: "At the edge of the black gold, there is no other economic sector of interest to the Guinean authorities". Infant mortality is still higher than Sub-Saharan Africa (107.7 of infant deaths in the first year related to infants born and survived). A study done in 1995 shows that 5% of the population (around 20,000 people) controlled 80% of the national wealth. PNUD estimated in 1996 that 60% of the population (some 240,000 people) lived in absolute poverty, which implicated levels of income inferior to 365 dollars/year, in other words, less than 500 F CFA daily (125 pesetas).

Oil companies have done nothing but act as allies and accomplices with the Guinean dictatorship.

The close relations between Mobil Oil and the Guinean government began in 1995. In this relationship, Pastor Micha, the current Minister of External Relations, played an important part (at that moment he was recently named ambassador in Washington and to the United Nations). On May 18th, 1995, Micha publicly received instructions from president Obiang to sensitize American economic operators so that they invest in Guinea and so that "friendship and cooperation relations between Washington and Malabo are more strongly ". These relations received a new formulation during the trip made on the 25th of April and the first days of May by and important Guinean delegation made up by Manuel Nguema, uncle of the dictator and known torturer, and Juan Oló, Minister of Mines and Hydrocarbons and brother of the Guinean first lady, Constancia Mangue. The delegation visited Houston and Washington.

A few months later, after summer, a publicity campaign began to develop in the United States in order to improve the image of the Guinean regime. Its most relevant benchmark was the publication of one whole page in the New York Times. The preparation of this campaign was led by the lobbying firm Black, Maneforth, Stone & Kelly, who had also edited pamphlets destined at possible American investors in which they tried to give an idyllic image to Equatorial Guinea: a small paradise, free of tribal confrontation and with a stable political regime. However, between February and August 1995, the leader of the Democratic-Christian Progressive Party, Severo Moto, was jailed in Malabo. In this period he was tried twice, once by a military tribunal together with a civil group and members of the armed forces, who belonged to his party. The weakness of the accusation and the lack of guarantees in both processes were evident. It was only because of international pressure that he was not condemned to death.

In February 1996 presidential elections were held after a campaign plagued with irregularanities. The official results had Obiang winning 97.85% of the votes.

Together with this early political intervention, which was modified and more discreet than in past years, oil exploitation presented from the beginning three characteristics that, for the moment, it has not lost:
· The benefits do not go beyond the circles closest to the dictator
· Notable secrecy is produced
· Conditions are especially favorable for oil companies.

Profits from oil have been mortgaged, first in the short term and then in the long term, contracts with foreign companies have been renegotiated in order to obtain advances and management of income from hydrocarbons continues to be opaque and without any previous evaluation.

For Guineans, everything involving oil was, and continues to be, a mystery. Fernando Abaga tells it like this: “the first thing that comes to attention is when they want to study oil exploitations and everything that characterizes this activity is clandestine. The government does not communicate any information such as data regarding production or the income that it generates.”

Negotiations between the government and oil companies are carried out in a clandestine way. The contacts that the government has with oil companies, which should be public documents, are not and are not within reach of the public, and stay in the dark: one only knows that the country is an oil exporter, but nothing else.

In terms of the contracts, there are three conditions that are unfavorable for Equatorial Guinea. The first is regarding the late entry of a participation system in production, which is planned for the year 2003, and after the amortization of the effected investments of the oil companies. It is hoped that this participation system will substitute the actual one of royalties, which only ascends 10% of the exportations.

In second place, the contracts permit a rise in the residual value of the oil inversion of 30% at the end of every year, as well as the postponement of losses registered by companies during their exploration operations. This includes the costs incurred as a consequence of unsuccessful drilling, and in this way they are recuperated in the productive wells. In third place, the arbitrary exonerations that the companies are granted in favor of imports.

In April 1998 the government renegotiated a part of the contracts. “It is estimated that the conditions obtained are more favorable, since the new conditions permit that the state obtain by way of a “gradual royalty system” income that ascends 12-16% of the value of the exportations, 5% of the capital participation, as well as the introduction of a scaled participation mechanism in production, instead of rates of production. A 25% utility tax will also be applied”.

"It is evident that these new measures will improve conditions for Equatorial Guinea, that income will rise especially through the utility tax and the participation in production. However, it is still unfavorable if it is compared with the rest of the countries in the region whose utility taxes are between 48.7 and 50%.
Production in this sector passed 17,000 barrels/day at the end of 1996 to 83,000 in 1998 and 120,00 in 1999. In the period 1999-2000 concessions were obtained, or exploitations of new fields began by the companies Triton, Energy Africa, CMS and Vanco Energy. At the beginning of 2000 the Guinean authorities finalized their relation with the lobby company Black, Maneforth, Stone & Kelly (which was called Black, Kelly, Scruggs & Healey) and signed a new contract with Africa Global Partners.

In its relations with the American administration it is noteworthy to take into account the annual publication, by the State Department, of very critical reports regarding the situation of human rights in Equatorial Guinea. In March 2001 the Guinean dictator made a “private visit” to the United States in order to, without a doubt, improve the image of his regime in this country.

In June 2001 a report was published entitled “Equatorial Guinea: A Country Profile for US Businesses” in which it defines Guinea as “the most important destination for American investments in the African Sub-Sahara after Nigeria, Angola and South Africa.” Chevron Texaco, Exxon-Mobil, Triton Energy, Vanco, Ocean Energy, Oceaneering International and Africa Global Partners financed the report. The methanol factory project built on Bioko Island by Atlantic Methanol Production (now belonging to Marathon Oil) received all sorts of support from distinct American instances: 173 million dollars from the Overseas Private Investment Corporation (OPIC), "one of the highest loans conceded by this support entity to American investments overseas"; another 200 million as a guarantee of “political risk” and finally, it received the consideration of “ecological installation” granted by the EPA (Environmental Protection Agency) of the United States to companies that reduce environmental contamination.

On the 8th and 9th of June, 2001, Reuters and the Financial Times printed declarations that were made the day before by Obiang in Bata indicating that the oil company contracts “were not satisfactory” and that “they are not positive for the country and should be modified”. The dictator announced the creation of a national oil company (then, Petroguinea, now GEpetrol) that would be in charge of “increasing the percentage in the royalties, the percentage in the participation in crude, and...the percentage in the participation in shares ”.

Although he did not explain how these negotiations would proceed, he did say that his intention was to increase the participation of the Guinean state to 50 or 51% of shares, in other words that the State would be the owner of the companies.

Up until the date, it seems that the contracts with American companies have not been modified, [and the participation of the Guinea in the production in the exploited deposits is very reduced: 3% in the Alba deposit (Marathon Oil); 5% in the Zafiro deposit (Exxon-Mobil) and 5% in Ceiba (Amerada Hess)], however, the contract with the Malaysian company Petronas, signed February 2002, recognizes that GEpetrol receive 15% of royalties.
GEpetrol was legally created in February 2001, but did not start working until 2002

Source: REBELION, SPAIN 110603 - Asodegue

5.3. SINGAPORE

Singapore is the third largest refining center in the world. Its total refining capacity is 1.2 million barrels per day. The development of the petrochemical industry in Singapore is a natural progression given Singapore's strong base in petroleum refining, which provides feedstock such as naphtha for the petrochemical industry.

Petroleum and petrochemicals were another base of Singapore's industrial and economic life. In the late 1980s, Singapore was the world's third largest oil-trading center and also the third largest center for petroleum refining. It was the second largest builder of drilling rigs, and its facilities for repairing and maintaining rigs and tankers were the most competitive in East Asia.

When oil prices began eroding in 1981 and collapsing toward the end of 1985, Singapore felt both negative and positive consequences. The collapse of oil prices dealt a severe blow to oil exploration. The impact was felt widely and immediately in everything from reduced orders for rig construction to lowered occupancy of luxury apartments as foreign petroleum workers returned home. With both of its immediate neighbors, Indonesia and Malaysia, heavily dependent on oil and gas exports for revenue, Singapore had a resulting loss of trade in both goods and services.

Singapore benefited, however, from the availability of cheaper energy, which in 1986 amounted to a savings of about S$2.5 billion (US$1.12 billion). Furthermore, Singaporean refineries invested in the equipment and technology necessary to enable them to refine a wide variety of crude oils and obtain a greater proportion of high valued products from the refining process. Petroleum refining alone made up 28 percent of Singapore's manufacturing output in 1985, although by 1988 it had dropped by half as a result of a decline in petroleum production and growth in other industries. Singapore also benefited indirectly when large oil importers such as Japan and the United States obtained higher real incomes from lower oil prices, enabling them to increase their imports from Singapore and other countries.

The petroleum, petrochemical and chemical industries are experiencing rapid growth in Asia. Singapore aims to create a competitive environment on Jurong Island to house these industries.

The Jurong Island amalgamation project is one of the key initiatives under the program M2000 to develop a world-class chemical industry cluster. The Jurong Island project is implemented based on a total approach to industry development.
The Jurong Island project will amalgamate a group of seven small islands off the southwestern coast of Singapore into a single island. The island would house the petroleum and petrochemical industries by reclaiming the channels between them and extending into additional sea space. The seven southern islands are Pulau Merlimau, Pulau Ayer Chawan, Pulau Ayer Merbau, Pulau Seraya, Pulau Sakra, Pulau Pesek and Pulau Pesek Kecil. With an existing land area totaling a little less than 1,000 hectares, the intention is to create an additional 1,790 hectares of land through reclamation. This will form a land mass of about 2,790 hectares which will be available for industries.

In the 1960s, this group of seven small islands had been identified as the ideal location for heavy industries. It became home to several large oil refineries including Esso, Mobil and Singapore Refining Company (a joint venture between Caltex, BP and Singapore Petroleum Company), located on Pulau Ayer Chawan, Pulau Pesek and Pulau Merlimau respectively. In 1984, the first petrochemical complex in Singapore was established on Pulau Ayer Merbau. Petrochemical Corporation of Singapore, a joint venture between Shell and a Japanese consortium led by Sumitomo Chemical, operates the cracker in this complex. The downstream players in the complex include The Polyolefin Company, Phillips Petroleum, Ethylene Glycols Singapore, Denka, and Kureha Chemicals.

With these pioneers in place, it became logical that the surrounding islands, when amalgamated, would be suitable for the development of a petroleum and petrochemical hub. The physical clustering of related chemical industries provides strong opportunities for industry integration and other benefits arising from economies of scale.

In 1991, the government approved the amalgamation plan at an estimated total direct development cost of S$7 billion. This was a direct response to the identification of the chemical industry as a key growth sector, contributing significantly to the Singapore economy. The idea was to reclaim the land in phases to keep pace and to meet the projected demand of the industry. The original schedule for the final phase of the reclamation was year 2030. However, with increasing demand from these industries over the past two years, the reclamation has progressed ahead of schedule. The completion of Jurong Island is now targeted for the year 2003.

Singapore is well positioned to play a key role in the growth of Asia-Pacific's petrochemical industry with an integrated hub on Jurong Island. Many multinational companies are already enjoying the benefits of locating on Jurong Island. Companies that have recently announced their intention to locate on Jurong Island include a Sumitomo led consortium (acrylics complex), Eastman Chemical (oxo-alcohols), Chevron (lube additives), Asahi (polyacetal resins), Poval Asia (polyvinyl alcohol), Denka (acetylene black, polystyrene) and Lonza (purified isophthalic acid).
OUT OF THE TROPICS

SOUTH AFRICA: THE SHELL/BP REFINERY

The SAPREF refinery, located on the coast of South Africa south of Durban, began its operations in the 1960s. Today, it is the largest crude oil refinery in South Africa, capable of processing over 185,000 barrels a day, and employing a total of 1,150 staff and contract workers. In addition to the refinery proper, there are also seven pipelines radiating out from the refinery in various directions. The Island View tank terminal, north of the refinery at Durban Harbor, is directly connected to the refinery via pipelines, and includes a number of big aboveground storage tanks as well as its own internal network of pipelines. Island View is also a servicing terminal for merchant ships which use SAPREF bunker fuel. For most of its history the SAPREF refinery and associated facilities have pretty much operated on their own, without stringent government oversight. Apartheid-era laws gave many South African companies a free hand, with little environmental accountability. Since the 1960s, there have undoubtedly been spills and accidents at these facilities, but few have been publicly documented. In the 1990s, however, some refinery accidents and pollution have been documented.

In May 1998, an explosion and fire occurred at the refinery due to a failure at the alkylation unit. The explosion was heard several kilometers away and the fire was fought for more than six hours. No injuries were reported at the time, but an estimated five tons of hydrogen fluoride (HF), a highly dangerous substance, were released. HF is used as a catalyst in the alkylation’s process, but it is highly reactive and dangerous as hydrofluoric acid. Acute exposure through inhalation causes extreme irritation of the respiratory tract that can be fatal. Ingestion causes tissue death in the esophagus and stomach and results in burning pain, nausea, vomiting, diarrhea, circulatory collapse, and death. Skin contact with the liquid or vapor causes severe burns, and contact with the eyes results in permanent eye damage or blindness. The HF released at the SAPREF refinery in May 1998 was in the form of gas. The refinery has also been a chronic polluter. In fact, by February 2000, SAPREF management admitted it had underreported sulfur dioxide emissions to the local government for the last five years by as much as 12 tons a day – or 4,380 tons or 10 million pounds a year. By September 2000, the refinery claimed to have cut its SO-2 pollution by 30 percent, down to 37 tons a day. Flares have also been frequent at the refinery, as there is no back-up power source, leading to the use of flares as a safety valve in shut downs and power failures.

SAPREF has acknowledged its emissions may affect public health. “Under certain weather and operating conditions, and when combined with other pollution sources in the valley (including vehicles), we acknowledge that our SO-2 emissions could contribute to the overall impact on people with respiratory ailments.” SAPREF also acknowledged that its SO-2 emissions have exceeded World Health Standards.

“Evidence suggests that we are a contributor to those surplus,” said SAPREF officials in September 2000, “but we are committed to reducing excess to the point where they cease altogether.” But in the year 2000 certainly, that hadn’t occurred. In early January 2001,
fire broke out in the refinery’s bitumen blending area. The same day 6,000 liters of a chemical solvent spilled from a faulty valve in a SAPREF tanker truck. Later in January 2001, another fire broke out at refinery’s No. 2 Crude Distillation Unit. The same day, about 1,000 liters of bunker fuel spilled into Durban Bay.

LEAKING LEAD

Then, in March 2001, at the Island View tank terminal on Durban Harbor, a SAPREF storage tank leaked 25 tons of tetra-ethyl lead (TEL), a highly toxic substance and a known carcinogen. A rupture occurred in the tank while the lead was being pumped from a ship into a SAPREF tank at the terminal. SAPREF buys the lead from Associated Octel. The leak, however, was not discovered by SAPREF or Octel, but by other industrial workers from Engen, and then it was about eight hours after the leak had started. Once discovered, some of the lead was pumped back into the ship. Following the tank leak, a number of workers in the area were evacuated and tested for lead in their blood. Although one worker on the ship was diagnosed with elevated lead levels, none of the neighboring residents were evacuated or tested. The depots nearby residents were kept in the dark about the leak for about three days. From March 21-24, two local roads near the terminal were closed, and residents say they were never told why.

Yet SAPREF and others at the depot were obligated to do so under the National Environmental Management Act. About 300 meters away from the storage tank failure is the residential area of Flynnlands in the area of south Durban known as the Bluff. Rory O’Connor of the South Durban Community Environmental Alliance said that health tests should be done on nearby residents, and that some of the storage tanks at the terminal were decades old and needed independent inspections. “... At least the firms should tell us what they have in those tanks and what should happen in an emergency,” said local resident Willem van Loggerenberg.

Lead has been stored at the terminal since 1968. Lead, a highly toxic substance, is not naturally found in the human body. In children, lead is particularly insidious, poisoning the developing brain in very small quantities. With moderate long-term exposures but no immediate symptoms, children show reduced short term memory, delayed reaction time, reduced ability to concentrate, and diminished IQ scores. For adults too, exposure to lead can damage the peripheral nervous system, affecting memory, vision, and muscle coordination and can also weaken wrists and ankles. Absorption at high levels can damage kidneys, result in anemia and miscarriage, and decrease fertility in both men and women. Chronic low level exposures may be associated with hypertension, blood pressure problems and heart disease. In the US, occupational and safety regulations requires that workers with blood levels of 50 micrograms per deciliter be removed from the exposure. In soil, lead occurs naturally in background levels between 25 and 60 ppm.

In the US, the Environmental Protection Agency sets 400 ppm as the maximum acceptable level in soil, beyond which actions are often taken to remove the contamination.

At the Island View terminal, a number of the tanks used to store the lead were more than 20 years old. In fact, an independent engineering consultant, Project Development Africa, that
conducted a follow-up investigation of the SAPREF tank, indicated it failed because of severely rusted welding joints. SAPREF claims the tank had been routinely tested and, only two years earlier, had “no apparent indication of rust.” However, it turns out that the measurement technique SAPREF was using wasn’t the most accurate, as three other tanks which had been demolished in 1998 had also shown signs of severe, unexpected internal rusting. That’s when SAPREF sought the advice of Shell Global Solutions in the Netherlands, which reported back to SAPREF that the technique it was then using was inadequate to measure localized rust. A technique used at nuclear facilities to detect rust – known as TOFD, and used in the UK since the 1970s – should have been used by SAPREF, but wasn’t, despite the advice from Shell Global Solutions. The older method was also cheaper. The consultant concluded that SAPREF and the tank operating company, Associated Octol, “appear to have allowed themselves to be deluded” by the older testing method. But there was also evidence, according to the consultant, that other anti-rust and anti-pollution measures “may not have been fully effective and properly managed by SAPREF” at the Island View terminal.

PIPELINE LEAK

A few months after the lead leak, another SAPREF leak was discovered in early July 2001. This time, an underground pipeline supplying a petroleum fuel known as Mogas had leaked, releasing what was first thought to be about 750,000 liters of fuel into the ground. The leak – later found to be much larger, just over 1,000,000 liters14 – occurred silently and out of sight, seeping out of a 4mm hole in the line into the ground below. The fuel soaked into the ground beneath two residential areas of south Durban, Wentworth and the Bluff, with some of the material reaching groundwater below. For days following the spill – which was first detected by the local residents, not SAPREF – hydrocarbon fumes permeated the area. Families living near the corner of Tara and Angelier roads were the first to lodge complaints. SAPREF then shut the line down to reduce the risk of fire or explosion. Three days following the leak, air samples collected by Ecoserv showed very high levels of hydrocarbons, with readings next to one storm drain at 3,700 parts per million (ppm). More than a month later, benzene levels in the air were being found at 0.2 ppm inside certain houses, a level that is several times higher than World Health Organization (WHO) outdoor limits.

Several families were evacuated as other families began considering legal action.

Soon after this leak, other SAPREF pipelines were tested and found to be leaking or corroded as well. There are at least seven SAPREF pipelines running between the refinery and the Harbor View terminal, most with no above-ground markers, and some which run adjacent to residential areas and right next to some homes. Shell and BP say they have tested and repaired their structurally weak pipelines, most as recently as 1998. Yet in the last few years there have been several pipeline leaks. Some residents and activists, including Bobby Peek, proposed that Shell and BP replace their pipelines with new ones. “We know the pipelines are about 30 years old and should all be replaced,” said Peek. “The pipelines are laid in an area that was originally the south Durban wetland, which means corrosion will always be a problem.”
The companies say replacement of their lines is not necessary.

Instead, Shell and BP recommend that more tests be done on the lines, and that residents be relocated. But at least one government official, Minister Moosa of Environmental Affairs, stated that people in the communities of south Durban would not be relocated.

The July 2001 pipeline leak, reaching groundwater, was serious enough that SAPREF had to sink a series of 368 extraction wells to try to clean up the leaked fuel. SAPREF estimated they recovered 25 percent of the spill by October 2001. Still, at that time, SAPREF was planning to sink another 220 extraction wells in the area to continue the clean up. On the matter of the hydrocarbon fumes in residential areas, SAPREF reported the following in October 2001:

...24-hour air quality monitoring, by an independent company, in these homes has shown some peak levels of benzene (a known carcinogen) on occasion in some homes. ... Although these peaks were in excess of lifetime exposure for European Union and World Health Organization residential standards, they did not constitute a health risk in the short term. SAPREF also showed the result to two medical experts, one local and the other from overseas. Their advice was that it would be better for these residents to relocated temporarily as a precaution to be quite sure that there will be no risk to health in the longer term.

Still, SAPREF had acknowledged they would not be able to entirely clean up the spill, as some of the spilled material would bind to soil and vapors would continue to escape into the surrounding air.

Within the community, some residents experiencing immediate health effects from the leaked fumes, such as coughing, burning eyes, headache, dizziness, and nausea, began to wonder about longer-term health effects as well. What about other leaks that may have occurred over the years, and the continuing assault of regular fumes from the refinery? There were some rare immune diseases in the community as well as a number of asthmatics. One 15-year-old girl in 1997 had died of lupus erythematosus, a rare autoimmune disease, and another 13-year-old girl also had the disease. A three-year-old in the community had also died of kidney cancer in 1994.

Meanwhile, back at the refinery, there had also been other incidents. In June 2001, a failure of a refinery flare resulted in the release of unburnt gases, including substantial amounts of hydrogen sulfide. In mid-August 2001, the asphalt plant at the refinery failed.

On September 3rd, 2001, a marine fuel oil pipeline leaked. About ten days later, there was another flare failure. On October 14th, 2001, an estimated 2,000 liters of bunker fuel spilled into Durban Harbor during a SAPREF ship refueling operation at the Island View terminal.

One evening in early October 2001, local residents gathered at the Dirkie Uys Primary School to discuss their predicament, raising both the short-term and longer term health issues. Scharlotte van Staden, who had been advised by SAPREF to abandon her home temporarily because of the leak, asked the help of the government “to protect us from the
polluting industries immediately.” She said the poor environmental practices of the SAPREF refinery would not be tolerated elsewhere. “But the third world is different,” said Desmond D’Sa, a south Durban community leader. “Our lives are cheap.” D’Sa, in fact, had checked out Shell’s operations in Europe. “I went to a Shell refinery in Denmark and there was no smell at all. And when we looked at the data we found that there was 85 percent less pollution from the refineries in Denmark than here.”

A few local government leaders soon got the message and began to move on SAPREF. Provincial Environment Minister Narend Singh issued a directive to the refinery in early October charging that SAPREF had failed in its duty to care for the environment. Singh listed the pipeline and tank leaks and hydrogen sulfide pollution. He called for a detailed clean-up plan from the refinery or face legal action under the National Environmental Management Act. SAPREF manager Richard Parkes, soon held a meeting with senior officials in Singh’s office and agreed to speed up the refinery’s actions in order to avoid criminal prosecution. However, some political leaders, including councilor George Mari, hearing from residents in the south Bluff and Wentworth communities, wanted an investigation of the health effects in the area as well as an evaluation of the effect of spills and pollution on community property values. Others, like councilor Duncan duBois at the Unicity council meeting in late October 2001, sounded a more angry tone: “We are dealing with the world’s largest oil company, tip-toeing around what is a major human and ecological disaster that must be condemned in the strongest terms.”

Indeed, even Lloyd’s of London, in its December 2001 Lloyd’s List International, was citing “South Africa’s decaying refineries,” singling out the SAPREF refinery for its “third leak in five months – this time from a 38-year old marine fuel oil pipeline.”

Yet SAPREF has continued to evidence problems throughout its system. On December 30, 2001, about 15,000 liters of oil spilled from a SAPREF line into Durban Harbor during the refueling of a ship. A March 2002 break in an underground pipeline inside the Island View terminal caused another 3,000 liters of oil to leak. In April 2002, SAPREF fuel lines being pressure tested at the Island View terminal revealed another corroded pipeline. During August 2002, there were SO-2 and SO-3 releases from the refinery, some due to extra flaring and a power failure. By mid-September 2002, SAPREF had pumped out of the ground about 1.03 million liters of its year-old pipeline spill on the Bluff, but some still lingered in soil and groundwater. Refinery manager Richard Parkes promised to do more. “Today we cannot turn the clock back or downplay the country’s biggest-ever petrol leak,” he said, “but we are committed to putting right what went wrong more than a year ago. We pride ourselves on running a safe, reliable refinery. We feel a deep sense of regret and we are focused on cleaning up.”

Taken from: Riding the Dragon
Chapter One: Two Different Worlds. Bobby Peek lives in Durban, South Africa; Phill Watts in London UK.

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7. STORIES OF RESISTANCE
NIGERIA: PIPELINE EXPLOSION; NNPC BLAMED FOR NEGLIGENCE

DESPATCHLINE: Amaokwe Village In Isuikwuato Local Government Area Of Abia State
FROM: Patrick B. Naagbanton & Murphy Akiri
DATE: June 25, 2003

HIGHLIGHTS
- Over 200 Persons Roasted Beyond Recognition
- Death Toll Rises
- More NNPC Pipelines still leaking in the area
- Fear Of another possible fire outbreak mounts

FRONTLINE
The tragic pipeline explosion which resulted into fire and roasted about 200 villagers on Thursday, June 19, 2003 at about 8.30 p.m. occurred at Amaokwe community in the Isuikwuato Local Government Area of Abia State from NNPC/Pipeline PE-IG-109, kilometer 126. The pipelines, which run through the community, are used by NNPC to convey refined petroleum products from Port Harcourt refinery via Enugu to some Depots in Northern Nigeria. Wilbros Nigeria Limited laid the NNPC/PPMC pipelines in 1976, while Spibat laid others in 1992.

COMMUNITY INFORMED GOVERNMENT, DPR, NNPC, POLICE BEFORE THE DISASTER

ERA's Field Monitor investigation reveals that in the early hours of Wednesday, June 4, 2003, a minor rupture occurred on the NNPC pipeline PE-IG-109 and oozing out petroleum products such as kerosene, fuel, and diesel into the nearby farmlands, river and surrounding forests.

Mr. Innocent Ugoagha, who is the head of Ugoagha family in Amaokwe community, informed ERA that as soon as the incident occurred he wrote a letter entitled, Oil spillage at Oghuighe NNPC pipeline, to the Caretaker Chairman of the Isuikwuato Local Government Council, Abia State. The letter, which was dated June 4, 2003, was copied to The Executive Governor of Abia State, Dr. Uzor Kalu and received on June 15th 2003.

On June 9, 2003, the same leader, Innocent, frustrated that nothing happened to their earlier complaints to the local and state government, wrote another letter to the Operation Controller, Department of Petroleum Resources (D.P.R.) and NNPC in Port Harcourt. The letter, which was entitled: The Degradation of my family farmland Due to Oil Spillage at Oghuighe NNPC pipeline was also widely circulated to government officials, who were supposed to respond swiftly and plug the ruptured pipelines.

An official of the government of Abia State and staff of the office of the Controller of D.P.R. in Port Harcourt in separate interviews confirmed to ERA monitor that
they received letters complaining about the earlier leakage from the pipeline. ERA is in possession of the letters written by the community people and dully received and with official stamps (acknowledging receipt), by the concerned authorities.

At the NNPC Zonal Office, in Port Harcourt, officials who spoke to ERA also confirmed receiving the letters, but regretted not acting on time.

HOW THE UNFORTUNATE INCIDENT OCCURRED

For some days, villagers and visitors had been trooping to the site of the leaking pipeline to scoop the free-flowing fuel. The story was different on Thursday, June 19, 2003 when villagers from neighboring communities rushed with plastic containers of different sizes.

Local people told ERA that the explosion occurred when a motorcyclist attempted to start his motorbike parked around the scene of the ruptured pipeline. It was gathered from community people that the spark from the motorcyclist's bike ignited a huge fire, which eventually burnt down the entire area and the villagers who were scooping the petroleum products.

When ERA Field Monitors visited the scene of the incident, the corpses have already been buried in shallow graves. The mass burial exercise was undertaken by local heath officials and officials of the Red Cross Society of Nigeria.

NNPC AND GOVERNMENT RESPONSES TO THE TRAGEDY

On Saturday, June 21, 2003, NNPC fire service visited the community, when a heavy rainfall had already doused the inferno. On that same day, Dr. Chima Nwafor, the Deputy Governor of Abia State also visited the community.

Also, on Tuesday, June 24, 2003, Dr. Uzor Kalu, the Executive Governor of Abia State visited the scene of the incident. ERA field monitor was on hand when the Governor got to the scene of the incident. Governor Kalu declared at the scene, "This is not a disaster. This is a case of a people trying to cheat government. It is unfortunate that human beings are involved. The President (Obasanjo) is angry. It is unfortunate that poverty has made our people like this. I have warned traditional rulers in the area to guard against this. But you can't blame the hungry people. May the souls of the dead rest in peace".

Although the action of those scooping petrol from ruptured pipelines is condemnable however in a land where sources of livelihoods have been destroyed, widespread poverty and neglect the temptation to fetch fuel may be totally inevitable to make ends meet. The situation is compounded by the failure of NNPC to plug the pipeline on time, 10 days after receiving letters alerting them of the spill.

The criminalisation of a people over the years remains a ready excuse to shy away from responsibilities under the guise of sabotage.

ANOTHER INFERNO IN SIGHT
As at the time of filling this report, ERA field monitors found two separate leakages in Ine and Ogboko communities all in Amachara, in the Isuikwuato Local Government Area of Abia State. Something needs to be done to avert an Amaokwe-type calamity. Clearly the NNPC/DPR have failed in their responsibility to monitor oil pipelines.

Sources: ERA FIELD REPORT #119

8. FROM THE NETWORK

8.1. INDONESIA

Natural gas release contained at Lawe-lawe terminal on East Kalimantan, Indonesia

Balikpapan, 6 May 2003 - Unocal Indonesia Company announced today that it has resumed normal operations following a temporary gas release that occurred at Lawe-Lawe Terminal near Balikpapan, East Kalimantan, at 20:00 hrs on the evening of May 5. The incident was quickly contained. The company has formed an investigation team to determine the cause of the release and is taking remedial actions to deal with the impact of the incident.

The incident has been reported to the Executive Agency for Upstream Oil and Gas Business Activities (BPMIGAS), the Regional Environmental Impact Management Agency (Bapedalda), and the local security officials involved in handling the situation.

Shortly after the gas release, several people in Girimukti village, Penajam Paser Utara regency, near the Lawe-lawe Oil and Gas terminal in the operational area of Unocal Indonesia Company complained of health problems including dizziness, nausea, and shortness of breath caused by inhaling the petroleum gas vapors.

Unocal's medical team provided immediate medical care to the local residents who experienced these health problems. A total of 28 people were treated and all but one was subsequently released. One person was kept for observation in a Balikpapan hospital as a precaution. Conditions in the local area were back to normal by 23:00 hours on May 5, with no trace of gas evident and no environmental damage.

Unocal Indonesia Company has apologized to the public, and particularly to the local community of Girimukti village, for this unfortunate incident, and is working together with local community leaders to mitigate the impact of this unexpected event.

Sources: JATAM (Jaringan Advokasi Tambang). Mining Advocacy Network. E-mail: jatam@jatam.org. http://www.jatam.org

8.2. ECUADOR: ENVIRONMENTAL JUSTICE? THE CASE OF THE ESMERALDAS REFINERY
In the majority of countries, especially in developed countries, refineries or high-risk industries are normally always strategically located in areas where large populations of immigrants live or where the poorest social stratum lives. In the case of the USA, this is normally in black or Latin neighborhoods.

The argument is that the poor are the ones that choose to live in these areas. They are unfamiliar with the structural mechanisms that work in order to invade land of traditional occupants in order for the colonization of the poor close to the new installations.

Esmeraldas is an area of important oil activity. It is here that the Esmeraldas refinery is found, the terminal for finished products, the gas terminal, the terminal for the TransEcuadorian pipeline, the Balao oil terminal and the head of the Esmeraldas-Quito-Ambato polyduct.

The traditional population mainly Afroecuadorean, are traditionally farmers and gatherers.

The most densely populated counties are those that the oil duct crosses and the city of Esmeraldas. The construction of the Balao terminal displaced fishermen and women that live along the beach. They in turn have displaced populations who live along the river. This terminal has produced severe contamination impacts in the sea.

On February 26, 1998, a fire broke out in the Esmeraldas Refinery. Petroecuador, the state company that operates the refinery, proceeded to pay indemnifications, which varied depending on the demands. These were disproportional. For example, a banana company received the same as 10 people who lost relatives. In this case, private property was more valued those human lives.

TRIAL. LA PROPICIA VS. PETROECUADOR

At the root of the fire, the Improvement Committee of the Delfina Torres Viuda de Concha neighborhood (La Propicia 1) where the refinery is located, presented a demand for permanent and accidental damages historically provoked by the Esmeraldas refinery.

This demand including repairing damages caused by the presence of the refinery, compensations for these damages and getting rid of the sources of contamination.

The Committee argues that they are in the area of influence of the refinery and having been affected by spills and accidents before and after February 26, 1998. The Committee represents 250 families that live in La Propicia and also represents all Esmeraldeñas who have suffered and who suffer from the impacts of the refinery.
They suffer from the permanent contamination of the refinery that discharges its’ waste into Teaone and Esmeraldas. There is also contamination from the emission of routine and accidental gases.

The demand for damage, including moral damage, is for 35 million dollars. These funds will be used for infrastructure such as sewage systems, water treatment, river contention, and to cover health and improvement of the neighborhood.

They also demand that the necessary measures be verified for the cancellation of sources of contamination.

The demanders have proved the environmental and social impacts and those that come from the fire, based on expert professionals, with public documents and press testimonies.

Petroecuador took all actions necessary in order to minimize the impacts of the fire.

At the end of 2002, the population of “La Propicia” won the trial against Petroecuador.


9. POEM

=========  
Nazin Hikmet  
Turkish Poet  

PLEA  

This country shaped like the head of a mare  

Coming full gallop from far off Asia  

To stretch into the Mediterranean  

THIS COUNTRY IS OURS.  

Bloody wrists, clenched teeth  
bare feet,  
Land like a precious silk carpet
THIS HELL, THIS PARADISE IS OURS.

Let the doors be shut that belong to others
Let them never open again
Do away with the enslaving of man by man

    THIS PLEA IS OURS.

To live! Like a tree alone and free
Like a forest in brotherhood

    THIS YEARNING IS OURS.