



## **Oil Majors Divestment and Petroleum Industrial Act (PIA) on Job Security & Survival of the Nigeria Oil and Gas Industry**

by

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### **Abstract**

*Nigeria is recently experiencing intense divestment in her oil and gas sector by the oil and gas majors. These divestments have led to a worrying decrease in oil production as well as fears of job security. The governance structure of the oil and gas sector in Nigeria had been blamed by the oil majors for their decision to divest from the country. In response to this the Nigerian Government decided to overhaul the oil and gas governance structure to make it more compliant to contemporary global business practices. The response ensued in the Petroleum Industry Act (PIA) which is yet to be implemented. This paper examines the impact the divestment and the PIA on job security as well as survival of the oil and gas sector in Nigeria. The paper adopted the Ordinary Least Squares (OLS) econometric methodology for the examination. Variables adopted for the analysis were oil production and unemployment. Results indicated that divestment and the current state of the PIA implementation, which was proxied by oil production, related negatively and significantly with unemployment with an  $R^2$  of 75%. The paper majorly recommends that government should address issues that encouraged divestment and led to the reduction in oil production, including: marginal cost of production, community disturbances, institutional capacity, and legal lacunas; also, government should urgently implement the PIA to discourage divestment; and that government should not be hasty in entering agreements and conventions that seeks to discourage the country from fossil fuel exploration and expansion at least in the medium term.*

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### **1) Introduction**

Petroleum oil has for over 70 years dominated other resources in revenue earnings for some countries. Its variability in terms of usefulness and economy of production over other energy sources makes the resource most sought after. Countries that are producing this resource enjoy bountiful amount of harvest. But this resource is non-renewable. The basic characteristic of this product, therefore, is one that countries can make so much gain from as long as its wells are still producing.

Nigeria has 37,070,000,000 barrels of oil in reserve and is ranked the 10<sup>th</sup> highest oil producers in the world with 2.2% share of world's total (<https://www.worldometrics.info>).

To make for post oil economy, some oil producing countries have started to diversify their economies by investing part of their earnings from oil resources in other sectors. For instance, United Arab Emirate (UAE) has diversified to trade, tourism, and Artificial Intelligence. Qatar to trade and technology; and Saudi Arabia diversified to tourism and technology. This strategic investment by these countries is argued to be the framework that will sustain their post-oil economy. Nigeria that had started making gains from oil and gas since 1959 and with commercial reserves less than 30 years to dry out, are yet to outline a defined and discernable strategy for post-oil economy

Currently, five International Oil Companies (IOCs) operate in Nigeria, they are SPDC and TotalEnergies, Chevron and ExxonMobil as well as Eni. These five IOCs are also responsible for 45 per cent of Nigeria's oil production and 40 per cent of gas (Adekoya, 2022)

From Nigeria's total 113 Oil Mining Lease (OMLs), 57 are located onshore while 56 are located offshore. Also, 47% of the OMLs are operated by IOCs while 45% are operated by DOCs (The Guardian, 2022). The Oil and Gas sector has on the average contributed 75% of Total Revenue Earnings of Nigeria since 1971 till date. A sum total of N23,012,040,000,000 bn (twenty-three trillion, twelve billion, and forty million) only was paid to the 36 States and the FCT between 2001 and 2017; an average of N621.95bn per State from Federal Account Allocation (Ekong, 2021).

The Nigerian Federation commenced payment of oil derivation funds to oil bearing states and local governments since 2001. A total of N16,961,300,000,000 (sixteen trillion, nine hundred and sixty-one billion, three hundred million naira) only was paid as derivation fund to the 9 oil bearing states of Nigeria between 2001 and 2017; an average of N842.170,000,000 bn (eight hundred and forty-two billion, one hundred and seventy million naira) per State. Many experts are, however, of the opinion that the oil sector in Nigeria is performing sub-optimally, notwithstanding its contributions to National economy. Reported massive corruption and lack of transparency is said to characterize the sector. Going from these frames of thought, experts had long started agitating for the total restructuring of the Nigerian oil and gas sector, with privatization as the key. The agitations triggered government response in year 2000 with the launch of the reform process in the oil and gas sector. The reform agenda gave birth to the Petroleum Industry Act of 2021. The PIA is expected to restructure the management and organizational structure of the oil and gas sector in Nigeria, taking it away from public control and management by the Nigerian National Petroleum Company (NNPC) to the private management structure (Ekong, 2021).

Major arguments for Nigeria's move towards privatizing the management of oil and gas resources in Nigeria had majorly included the following:

- (i) the creation of efficient and effective governing institutions with clear and separate roles for the petroleum industry;
- (ii) the establishment of a framework for the creation (out of existing Government-owned entities) of commercially oriented and profit driven entities that will ensure the restructuring and internationalization of the petroleum industry;
- (iii) the promotion of transparency and accountability in the petroleum industry; and
- (iv) the laying of a business environment conducive for operators in the petroleum industry.

Other specific arguments advanced variously for the Petroleum Information Act (PIA) include:

- (i) to stop oil major divestment from the country as a result of the inefficiency of existing system. Notice that firms in the industry had started divesting from Nigeria since 2010;
- (ii) to stop corruption in the sector;
- (iii) to eradicate bureaucratic bottlenecks associated with the public sector;
- (iv) to deepen technology in the oil and gas sector in Nigeria as profit maximizing private sector management will adopt best and coping industry technology to be able to compete in the market;
- (v) to generally and holistically improve on the legal framework for the management of the country's oil and gas sector;
- (vi) to address community disturbances in order to insulate oil majors from community crises; and
- (vii) to train and raise a critical mass of contemporary relevant manpower for the industry.

Surprisingly, several months after the long expected Petroleum Information Act (PIA) was signed into law, implementation had been stalled. Even when appointments had been announced by government and names sent to the country's legislature (specifically, The Senate), they are yet to screen and confirm and send the names for the Executive to commission them to start work. This uncertainty has created and raised more anxiety, with increased level of oil majors' divestment and job losses.

Divestment which synonyms include: withdrawal, disposal, disposition, market exit, is explained here to be a firm's decision to dispose part of its business. Divestment involves getting rid of a portion of a business. A firm's motive to divest may be unsatisfactory financial performance, better investment opportunities, and problems associated with managing subsidiary (Brown and Panibratov, 2016).

Since 2010, oil and gas majors in Nigeria including Shell, Petrobras and ConocoPhillips have divested their interests in various onshore oil blocks in Nigeria. Those interests have been acquired mostly by indigenous Nigerian companies, some of which are in partnership with foreign investors that act as their financial and technical partners (Dike, 2022). Seplat Petroleum Development Company Plc, which recently carried out a dual listing in Nigeria and London, acquired Oil Mining Leases ("OMLs") 4, 38 and 41 from Shell Petroleum Development Company (SPDC) of Nigeria Limited. They are also currently negotiating to buy off Mobil Producing Nigeria shares from ExxonMobil (The Cable, 2022).

Oando Energy Resources Limited acquired the interests of ConocoPhillips in OMLs 60, 61, 62, 63 and participating interests in the Okpai power plant located within OML 60. Oando also acquired ConocoPhillips' interest in Oil Prospecting License 214.

First Hydrocarbon Nigeria Limited acquired SPDC's interests in OML 26. Shoreline Energy Resources Limited acquired SPDC's interest in OML 30. In 2021, Shell, Total and AGIP signed agreements for the sale of their combined 45% participating interest in OML 18 to the Erotron Consortium, and the prolific OML 29 and the Nembe Creek trunkline to the Aiteo Group. The sales are, however, not yet completed as they await the consent of the Minister of Petroleum Resources to the assignment of the interest as required under the Petroleum Act 1969 (as amended). These three International Oil Companies (IOCs) are also in the process of divesting their interests in OML 24 to Pan Ocean and OML 25 to Crestar. The divestment of these 4 OMLs will bring the total number of oil blocks divested by Shell, Total and AGIP in the last 3 - 4 years to 12 (The Guardian, 2022).

Another indigenous firm, Aiteo, in 2015 acquired OML 29 from SPDC. Neconde had earlier acquired OML 42 also from SPDC in 2011. First E&P acquired OMLs 83 and 85 from Chevron in 2015. SPV Eroton acquired OML 18 from SPDC in 2018 and Trans-Niger Oil and Gas (TNOG) concluded her deal with SPDC from the acquisition of OML 17 from SPDC in 2021. Other indigenous players active in the acquisition process include Sahara Energy, Oando, Conoil, amongst others (The Guardian, 2022).

The rig count of Nigeria has dropped by 55.34 per cent in the first quarter of 2021 to 19 (OPEC, 2021). The rig count, which is a major index of measuring activities in the upstream sector, was 65 in the corresponding period of 2020 before sliding to 19 in 2021. This was attributed to the delay in the passage of the country's Petroleum Industry Bill (PIB), and the COVID 19 pandemic (Akpan, 2021). The increasing divestment in the oil and gas sector by the oil majors in Nigeria has been attributed by industry experts to the following: rising costs of operations, increasing likelihood of legal action for environmental pollution, and intensifying international pressure to cut emissions and decarbonize the economy. Yet these factors are arguably caused, or at least exacerbated, by the operations of IOCs (Vanguard, 2021).

#### *The Petroleum Industry Act (PIA) 2021*

Drawing majorly from the report of Resolution Law Firm (2021), the Petroleum Industry Act (PIA) 2021 is a law designed to govern the activities of oil and gas business in Nigeria. Notice that prior to the PIA, oil and gas business was totally controlled and managed by a government agency, the NNPC, under the headship of the Minister of Petroleum Resources and through the Petroleum Act 2004.

The Petroleum Industry Act 2021 was signed into law by the President of the Federal Republic of Nigeria on August 16<sup>th</sup>, 2021 to repeal the extant Petroleum Act 2004. Specifically, the Petroleum Industry Act (PIA) was enacted to provide for the legal, governance, regulatory, and fiscal framework for the Nigerian Petroleum Industry, as well as the establishment, and development of host communities and other related matters in the upstream, midstream and downstream sectors of the petroleum industry. The PIA highlights that the ownership and control of petroleum within Nigeria and its territorial waters are vested in the Government of the Federation of Nigeria. The Minister of Petroleum Resources who heads the Petroleum Industry has the powers as vested on him by Section 3(1) to formulate, monitor, and administer government policy in the petroleum industry, amongst other functions. The PIA, however, will go further to privatize the day-to-day management of the activities of the oil and gas sector in the private sector.

Thus, the Act establishes dual regulators for the petroleum industry, The Nigerian Upstream Petroleum Regulatory Commission (the "Commission"), which is a body corporate with perpetual successions whose functions are limited to only the upstream petroleum activities as provided for in Section 4 of the Act, which provides that "the Commission is responsible for the technical and commercial regulation of the upstream petroleum operations", as well as to ensure compliance with all applicable laws and regulations governing upstream petroleum operations, among other sundry roles.

The other regulatory agency of the Act is the Nigerian Midstream and Downstream Petroleum Authority (the "Authority"). This regulatory authority is responsible for the technical and commercial regulation of the midstream and downstream petroleum operations in the petroleum industry as provided under Section 29(3) of the Act.

The Act also established the Nigerian National Petroleum Company Limited (NNPC Limited) under Section 53. The NNPC Limited is established to be an agent of the Nigerian

National Petroleum Corporation (NNPC) for the purpose of managing the winding down of assets, interest, and liabilities of the NNPC. Section 53 of the Act provides that:

*the Minister shall within six months from the commencement of this Act, cause to be incorporated under the Companies and Allied Matters Act, a limited liability company, which shall be called the Nigerian National Petroleum Company Limited.*

The ownership of NNPC Limited is vested in the Federal Government at incorporation and held by the Minister of Finance and the Ministry of Petroleum incorporated in equal portions on behalf of the Federation and the Ministry of Petroleum as stated in Section 53(3) of the Act. The Act also establishes incorporated joint companies under Section 65 of the Act. The NNPC Limited is to conduct its affairs on a commercial basis in a profitable manner without recourse to government funds and their memorandum and articles of association shall state these restrictions. The NNPC is also required to declare dividends to its shareholders and retain 20% of profit as retained earnings to grow its business like any other incorporated entity incorporated under the Companies and Allied Matters Act, as provided under Section 53(7) of the Petroleum Industry Act.

Chapter 3 of the Act provides for the Petroleum Host Community Development (PHCD) under Section 234 of the Act. The objectives of the PHCD include fostering sustainable prosperity within host communities; providing direct social and economic benefits from petroleum operations to host communities; creating a framework to support the development of host communities. The Act also provides for the incorporation of host communities development trusts under Section 235 of the Act as the settler is required to incorporate Host Communities Development Trust for the benefit of host communities which the settler is responsible for and the Act provides for the timeline within which to incorporate the Trust. The sources and allocation of the host communities' development trust are also provided under Sections 240 and 244 of the Act. The funds are to be distributed by the Board of Trustees to host communities using a matrix as provided by the settler.

### *Job Security*

Job security is an assurance that an employee can keep their jobs in the foreseeable future with minimal influences from outside factors. Typically, a business can offer better employee job security in times of economic expansion and vice versa; job security is usually worse during times of recession.

From the mid-1970s until the mid-1980s, Boddewyn and Torneden did several studies on the international divestment decisions of U.S.-based companies (Boddewyn and Torneden, 1973; Torneden and Boddewyn, 1974; Torneden, 1975; Chopra, Boddewyn and Torneden, 1978; Boddewyn, 1979; Boddewyn, 1983). They found that the number of divestments, for the Fortune 500 population, was on the increase (Boddewyn and Torneden, 1973; Chopra, Boddewyn and Torneden, 1978; Boddewyn, 1979). The majority of the divestments from U.S.-based companies occurred in Europe, Canada and Mexico and of those three geographical areas, the majority was in Europe. Boddewyn (1979: 22) indicates that the ratio of divestments to investments is roughly 10% over a period of years.

Torneden's (1975) study was the most extensive of all the works on divestment. He found that there were different reasons that companies had for divesting. He went on to group them into four categories: lack of financial or management time resources to manage the international subsidiary properly, poor performance of the international subsidiary, poor performance of the company in its domestic (U.S.) market and therefore either a need to

sell the international subsidiary for funds or a need to sell the international subsidiary because poor performance both domestic and international was unacceptable, expropriation by the host government.

## 2) Objectives Of The Study

The objective of this paper, therefore, is to assess how divestment by oil and gas majors and the PIA have impacted on job security in the oil and gas sector as well as the general survival of the Nigerian oil and gas sector. Will the DOCs currently up-taking the assets or OMLs of the IOCs be able to do sustainable business as the IOCs? For instance, there are mounting agitations that the IOCs are exiting and selling their assets to DOCs without also fully transferring their liabilities, especially as it concerns communities' liabilities on the IOCs (Mother Earth, 2022).

## 3) Materials and Methods

This work will use the Ordinary Least Square method to assess the relationships existing among variables of interest. Variables to be deployed in assessing the impact of divestment and PIA on job security and the survival of the Nigerian oil and gas sector include: Oil production output ( $\emptyset$ ); and Unemployment Rate (Un).

The argument is that the oil and gas sector contributes over 80% of the revenue of Nigerian government since 1970 (Ekong, 2021). This means that the more the productivity of the sector, the better will be employment opportunities in the sector and other sectors of the Nigerian economy since resources derived from the sector are used to develop other sectors of the economy. The logic is that a decrease in employed labour force in the oil and gas sector will lead to a decrease in accruable revenue to the government which will, therefore, lead to decrease in expenditure in other sectors of the economy, thus leading to job losses across the economy. Therefore, job loss as a result of divestment and privatization through PIA will not only affect the oil and gas sector in Nigeria but the whole economy. Thus, this study will extend its scope to measure the impact of divestment and PIA on job security in the Nigerian economy.

From the above, we build the following functional model

$$Un = f(\emptyset) \quad - \quad \text{Equation 1}$$

Reducing our two functional relationships to econometric form for simulation, we have

$$Un = \alpha_1 + \alpha_2 \emptyset + \mu \quad - \quad \text{Equation 2}$$

Un = Unemployment rate

$\emptyset$  = Oil production output

$\mu$  = error or stochastic term.

## 4) Results and Discussion

The OLS regression result of this work totally supports the apriori expectations of the work. The paper's objective as indicated in the methodology was to find the relationship between oil production and unemployment in Nigeria. This will help the paper to assess the impact that divestment and the PIA exerts on job losses in the Nigerian economy. The result of the econometric analysis is presented in Table 4.1.

Table 4.1 Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OIL_PRODUCTION	-0.005652	0.000742	-7.618773	0.0000
C	17.24390	1.635341	10.54453	0.0000
R-squared	0.753393	Mean dependent var		4.898095
Adjusted R-squared	0.740414	S.D. dependent var		1.980703
S.E. of regression	1.009160	Akaike info criterion		2.946507
Sum squared resid	19.34969	Schwarz criterion		3.045986
Log likelihood	-28.93833	Hannan-Quinn criter.		2.968097
F-statistic	58.04570	Durbin-Watson stat		1.464825
Prob(F-statistic)	0.000000			

The result of the regression analysis shows a negative and significant relationship between unemployment and oil production in Nigeria. This indicates that an increase in oil production will lead to a reduction in unemployment in Nigeria. The R-squared which indicates the predictive power of the independent variable on the dependent variable is quite high at 75%. It shows that oil production has 75% predictive power on unemployment in Nigeria. The F-statistic is significant and the Durbin-Watson is approximately 2.

The result shows that a 1% increase in oil production will lead to 11.97% decrease in unemployment.

#### *Reasons for Divestment by oil majors in Nigeria*

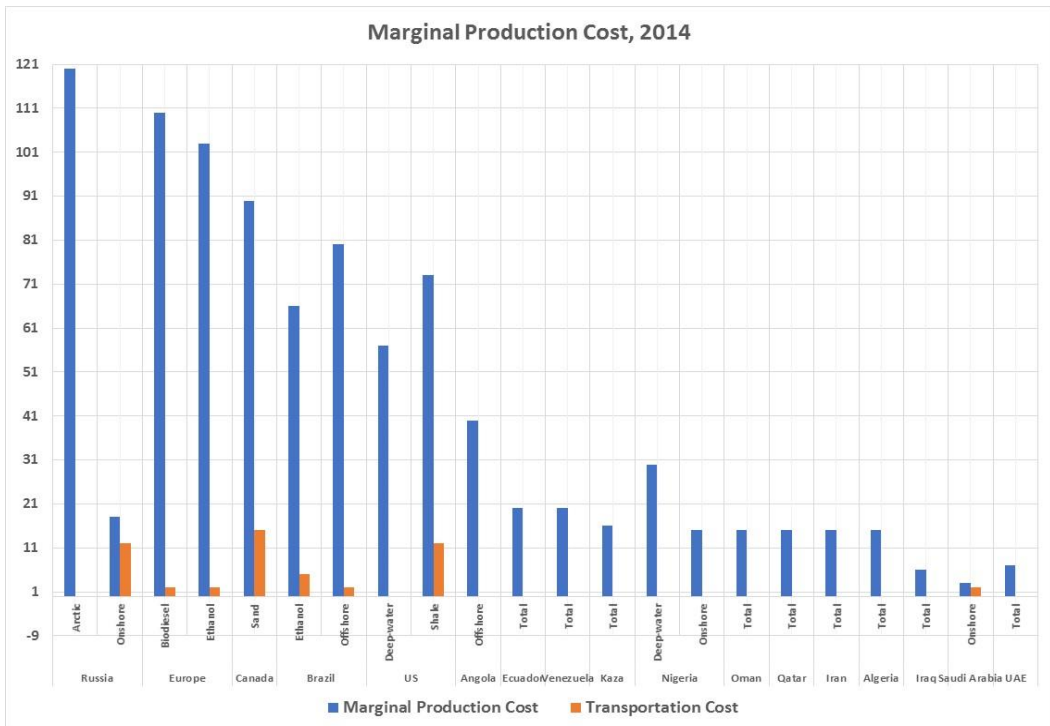
Literature from the oil sector has variously highlighted the following issues as being the cause of divestment in the oil and gas sector of Nigeria.

(i) Cost of production – From Table 4.2, we can see that the marginal cost of production of oil in Nigeria as at 2014 in \$30 for deep-water and \$15 onshore. The cost of production of the commodity in Nigeria, coupled with community problems and militancy that afflicts the oil companies, is higher than the marginal cost of production in countries like Saudi Arabia, Qatar, Iraq, Iran, Algeria, Venezuela. Profit maximizing firms' goal at all times is to make profit and they will always look for the least combinations to make profit.

Table 4.2 Marginal Production Cost, 2014  
*Cost of producing an additional barrel of oil (USD/bbl)*

Country	Exploration Type	Marginal Production Cost	Transportation Cost
Russia	Arctic	120	
	Onshore	18	12
Europe	Biodiesel	110	2
	Ethanol	103	2
Canada	Sand	90	15
Brazil	Ethanol	66	5
	Offshore	80	2
United States	Deep-water	57	

Country	Exploration Type	Marginal Production Cost	Transportation Cost
	Shale	73	12
Angola	Offshore	40	
Ecuador	Total	20	
Venezuela	Total	20	
Kazakhstan	Total	16	
Nigeria	Deep-water	30	
	Onshore	15	
Oman	Total	15	
Qatar	Total	15	
Iran	Total	15	
Algeria	Total	15	
Iraq	Total	6	
Saudi Arabia	Onshore	3	2
United Arab Emirates	Total	7	



- (ii) Race to reduce emission level to internationally approved standards to avoid penalties
- (iii) Migration away from fossil fuel to clean energy
- (iv) Community disturbances and crises – militancy, oil theft, activities that leads to loss of man days of work.



### *Divestment and PIA Pass-through to Job Losses*

- (i) Privatization will emphasize profit, thus reducing cost, which will make employment opportunities to be so lean. Also, such profit maximizing companies would rationally opt to replace labour with capital and artificial intelligence (AI)
- (ii) Labour resource will be easily replaced by capital and technology (Artificial Intelligence)
- (iii) As major firms divest, new owners will, in the short run, reduce plant size or capacity utilization, even in the short run, to address profitability issues – this will trigger unemployment of labour and other resources in the short and medium term.
- (iv) Improper management of community relations and empowerment as enshrined in the PIA will cause more crises and communal disturbances than ever before, with consequential impact on cost of production, as highlighted by Homef (2022).

## **7) Conclusion and Recommendations**

From the result of our econometric analysis which was adopted to test the impact of divestment and PIA on job losses in the oil and gas sector and by extension the Nigerian economy it is discovered that unemployment has negative and significant relationship with oil production in Nigeria. That is, as oil production increases, unemployment will reduce. Therefore, the major recommendation is that the Nigerian government should do things to ramp up oil production, even to its approved OPEC quota, in order to provide the necessary enablers to reduce job loses or unemployment in the economy, given the fact that the oil sector earns most of the revenue that the country uses to fund the other sectors of the economy.

Majorly, deriving from the econometric analysis, it is recommended that:

- (i) Government should check the rate of divestment by oil and majors from the country by addressing the issues that makes such divestment desirable, such as cost of production, community disturbances, institutional capacity and legal lacunas that are unfavourable to international business.
- (ii) The much desired PIA that was signed into law in August 2021 should be immediately implemented, as even oil and majors have argued that the implementation of the PIA will reverse the current trend of divestment which is driving high unemployment rates in the country

From the literature review of this work, some ideas were identified that could also serve as enablers to improved oil production Nigeria. The discussed resource curse theory gave a vivid explanation of how resource rich countries can survive the resource curse. This theory suggests the diversification of the economy from the mineral or commodity resource base to other areas or product that may drive better yield, even from the value of the oil and gas resource. Countries like United Arab Emirate (UAE), Norway, Denmark and Qatar are outstanding in this regard. It is therefore recommended that Nigeria should learn from the success so reported.

The divestment theory raises expropriation by host government as a major issue that drives majors' disinvestment. With the high level of political and policy uncertainty as well as militia armed struggle that beclouds sustainable political future in developing countries, especially Nigeria, many majors may be compelled to divest and sell assets to national entities.

The political economy theory can be used to describe the decision to divest because of the intention to reduce penalties on environmental pollution and for the purpose of “clean energy” which the advanced world is majorly advocating.

The self-interest attribute of political economy theorizing afford the Nigerian government the window to tarry on issues of quick migration from the commonly affordable fossil energy to a new and incomprehensible arena of clean energy. We cannot be at par with the developed world on “clean energy” production and should be careful in entering into Agreements and Conventions that deprives us from further exploring and expanding investment in our abundant and comprehensible oil and gas resource that we have the technology to explore. Deciding to migrate away from fossil energy development to clean energy immediately by Nigeria will be similar to the decision we took in the era of coal energy resource that was used to generate electricity. As we were slowly getting competent with the technology to be self-sufficient in coal production for electricity, the developed world started condemning coal resource as the greatest source of environmental degradation while projecting oil and gas resource.

Nigeria immediately abandoned our abundant coal resource and moved with them as only followers without the technology and human capital to produce oil and gas. They produced and made most gains for themselves from our oil and gas resources. Now that our nationals have taken over and are leading the production of our oil and gas resource, they have decided to migrate from this resource, calling it “dirty energy” and destroyer of the environment as they did to coal. But interestingly, Coal Refineries have been recently retooled in Europe to provide electricity due to the high cost of gas arising from the Russian-Ukraine war.

From the privatization theory, Nigeria should draw lessons from past failed privatization programs in the country. The theory had adduced corruption intent of the privatization processes through the meddlesomeness of politicians in the privatization process. This must be eschewed from the PIA implementation process if Nigeria intends to have this one work.

The paper has drawn out the impact of divestment and the PIA implementation on job security and survival of not just the Nigeria Oil and Gas Industry but the Nigerian economy as a whole. This, the paper explained is due to the fact that the oil sector provides over 80% revenue earnings to the Nigerian government to spend on all other sectors of the economy. Therefore, any distortion or shock on the oil sector will immediately impact the whole economy. Recommendations to navigate away from the negative outcomes have also been suggested. If the recommendations are seriously considered and implemented, the paper remains optimistic that the problems of divestment in the oil and gas sector as well as the sustainable implementation of the PIA will be adequately addressed.

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**APPENDIX**

**Table 5.1 Regression Results**

Dependent Variable: UNEMPLOYMENT

Method: Least Squares

Date: 03/19/22 Time: 17:42

Sample: 2000 2020

Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OIL_PRODUCTION	-0.005652	0.000742	-7.618773	0.0000
C	17.24390	1.635341	10.54453	0.0000
R-squared	0.753393	Mean dependent var		4.898095
Adjusted R-squared	0.740414	S.D. dependent var		1.980703
S.E. of regression	1.009160	Akaike info criterion		2.946507
Sum squared resid	19.34969	Schwarz criterion		3.045986
Log likelihood	-28.93833	Hannan-Quinn criter.		2.968097
F-statistic	58.04570	Durbin-Watson stat		1.464825
Prob(F-statistic)	0.000000			

Dependent Variable: UNEMPLOYMENT

Method: Least Squares

Date: 03/19/22 Time: 17:44

Sample: 2000 2020

Included observations: 21

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG_OILP_RODUCTION	-11.96813	1.403667	-8.526331	0.0000
C	96.80204	10.78073	8.979174	0.0000
R-squared	0.792799	Mean dependent var		4.898095
Adjusted R-squared	0.781893	S.D. dependent var		1.980703
S.E. of regression	0.925026	Akaike info criterion		2.772402
Sum squared resid	16.25778	Schwarz criterion		2.871880
Log likelihood	-27.11022	Hannan-Quinn criter.		2.793991
F-statistic	72.69832	Durbin-Watson stat		1.645327
Prob(F-statistic)	0.000000			

**Table 5.2 – Unemployment and Oil Production in Nigeria (2000-2020)**

YEAR	UNEMPLOYMENT	OIL PRODUCTION	RIGS	LOG of OIL PRODUCTION
2000	3.83	2,169	7	7.6821
2001	3.82	2,261	9	7.7237
2002	3.85	2,123	11	7.6607
2003	3.84	2,279	12	7.7313
2004	3.81	2,332	7	7.7544
2005	3.77	2,631	9	7.8751
2006	3.69	2,442	9	7.8007
2007	3.62	2,353	9	7.7633
2008	3.59	2,169	9	7.6820
2009	3.75	2,212	5	7.7017
2010	3.77	2,462	7	7.8088
2011	3.77	2,528	11	7.8353
2012	3.74	2,512	14	7.8287
2013	3.7	2,362	18	7.7674
2014	4.56	2,406	14	7.7859
2015	4.31	1,939	18	7.5697
2016	7.06	1,939	9	7.5697
2017	8.39	1,658	5	7.4134
2018	8.45	1,718	10	7.4489
2019	8.53	1,786	9	7.4877
2020	9.01	1,587	17	7.3696