

Gulf of Guinea pirates shifting to illegal oil bunkering?

By admin On December 9, 2022 In Cargo, Insurance Marine News, Keep, Marine Liability, Political Risk, Credit & Finance

A week after the UN Security Council (UNSC) noted the changing dynamics of piracy in Gulf of Guinea (GoG), a new report has explored the factors behind the shift. A Critical Maritime Routes Programme analysis, funded by EU and implemented by the Royal United Services Institute (RUSI), found that, although piracy in the Gulf of Guinea had been on a downward trend in the past few years, illegal oil bunkering and pipeline vandalism were at an all-time high. The researchers found several indications pointing to the link between the two trends.

“Field research in the Niger Delta shows that high-level actors controlling pirate groups and oil bunkering may have reached consensus to stop allowing deep offshore piracy. A key factor remains that oil bunkering, when compared to deep offshore piracy, entails less risk and significantly higher reward or profit,” the report.

The report confirmed what was already widely assumed, that the strong presence of international and regional navies in the Gulf of Guinea had made piracy and kidnapping at sea a rather more risky business than it had been previously. Since 2021 there had been a sequence of failed attacks as kidnapping pirates more used to compliant civilians were unable to cope with people who fired back. That made the kidnap-for-ransom business model effectively unviable. The pirate groups did not break even if they failed in a kidnap attempt. They lost a lot of money, being indebted to the sponsor who paid for the fuel, bribery money and various other expenses.

Since the financial incentives have become more favourable towards illegal oil bunkering, the pirate groups have followed the money.

In July 2022 Nigeria, despite being rich in oil, fell behind Angola as Africa’s largest oil exporter. Some analysts blamed the drop on industrial-scale oil theft. Nigeria’s crude oil production decreased to an average of 940,000 barrels per day in September 2022, down to levels not seen since the 1980s.