



# The Chartered Institute of Transport Administration of Nigeria

## **COMMUNIQUE OF THE VIRTUAL NATIONAL ROUNDTABLE DISCUSSION OF THE CHARTERED INSTITUTE OF TRANSPORT ADMINISTRATION OF NIGERIA (CIOTA) HELD ON 4<sup>th</sup> JUNE, 2023.**

### **INTRODUCTION**

The Virtual **National Roundtable Discussion** organized by the Chartered Institute of Transport Administration (**CIOTA**) with the Topic:

### **FUEL SUBSIDY REMOVAL CONUNDRUM: NATIONAL CONSENSUS ON REMOVAL, BUT CACOPHONY ON HOW TO ACHIEVE IT.**

The Meeting was attended by stakeholders in the Nigeria's transportation sector comprising policymakers, industry practitioners, the academia, the press and members of other relevant sectors within the Nigerian economic space.

The lead discussant was **Professor ODEWWUMI SAMUEL; FInstA, from School of Transport and Logistics, Lagos State University and Chairman CIOTA Road Sector Committee.**

### **Other discussants were:**

- Professor INNOCENT OGWUDE, Chairman CIOTA-CORTRANS & Deputy Vice-Chancellor (DVC), Nigeria Maritime University, Okerenkoko, Delta State,
- COMRADE PETER ESELE, Industry Expert and former President of Trade Union Congress,
- DR. KAYODE OPEIFA, Executive Director, Centre for Sustainable Mobility and Access Development and Former Commissioner for Transportation, Lagos State, -
- HON. UMAR (SANDA) IYA, Deputy-President, CIOTA,
- DR. MRS. MERCY ILORI, Director, Transport Planning and Coordination, Federal Ministry of Transport, Abuja and
- MALLAM HASSAN ABUBAKAR, Senior Staff Development Officer, Nigerian Institute of Transport Technology (NITT) Zaria.

The President of the Institute, Prince Segun Ochuko Obayendo, **FInstTA**, presented the keynote address; there were also seven speakers with discussants and goodwill messages from Permanent Secretary, Federal Ministry of Transport, Dr Magdalene Ajani, former Corps Marshal, Federal Road Safety Corps Dr Boboye Oyeyemi, former President of Major Oil Marketers Mr. Femi Olawore, transport agencies, departments, parastatals, and the organized private sector.

**Resolutions:** Topical papers were delivered by experts in the transport and allied sectors as well as downstream and upstream oil sector in Nigeria. Based on the various standpoints, opinions and suggestions, the discussion among other things came out with the following:

- 1.** That subsidy was initiated by government in 1977 and was well intentioned to mitigate the likely consequences of volatile cost of petroleum products, facilitate equalization of product cost and enable the citizens feel the impact of government by making the product affordable to all as crude oil producing nation.
- 2.** That over the years, however, the above objectives for which the subsidy was initiated had been eroded by various factors leading to consequent negative impact on the same people whose suffering it was intended to alleviate. Worst still, the management of the subsidy regimes over the years have not been transparent enough; hence accountability and probity could not be vouched any longer.
- 3.** That there is no precise and accurate data the manager of the regime or their auditor can put on the public domain to convince the citizen of Nigeria on the quantities being released /consumed. Moreover, it is worrisome, that in this era of advancement in technology, the oil rich industry could not deploy a solution that can track products delivery in the country, leading to the alleged illegal exports and sales of the products to neighbouring nations.
- 4.** That the organized labour, civil society, other advocates and even politicians who had protested against subsidy and demand its removal over the years have to show sincerity of purpose as such protest and demands have not been consistent with the same tempo.
- 5.** That it is difficult to understand what has happened to our refineries and the pipeline infrastructure that once were used to make sure the products were moved to the various depots in all geopolitical zones of the country. Citizens are at a cross road where there is no Key Performance indicator (KPIs) or

6. Strategic conversation leading to meaningful outcomes with respect to refineries in recent time.
7. That as it is today, there is no more argument as to whether to remove the subsidy as majority of stakeholders already accept that the subsidy needs to be removed, but that how this is done without harsh impact on the citizens and the economy is a component that must be agreed upon as **The Project**.
8. That since the removal, there has been untold hardship on Nigerians especially, those at the low ebb of the ladder. Though the government has made some promises including increasing workers' salaries to mitigate the suffering, the safety net should target more than 50% vulnerable class of the population which includes school children, women, and rural dwellers. Others are subsistent, physically challenged, genuinely unemployed people, older citizens, farmers, small and medium business owners among others.
9. That the newly established Dangote Refinery is a welcome development, but the government should be wary of monopoly. A total deregulation will do a faster job than another price fixing regime by the NNPC Limited, the other refineries repairs, and the other new refineries should be supported to come on stream.
10. That the organized labour has already announced different threats to go on strike or protest. Government should pursue the talks and not look down on the organized labour like it was with the ASUU talk by previous regime.
13. That transportation sector is usually the worst hit when there is increase in cost of petroleum products because such change in prices automatically increases transport cost that trickles down to citizens immediately. As such, CIOTA as an Apex body of transport professionals needs to be consulted when these talks are on-going.

### **THE ROUND-TABLE THEREFORE, RECOMMENDED AS FOLLOWS:**

1. That negotiation should commence in earnest with key stakeholders and relevant experts participating and government officials should lead the negotiations instead of NNPC which is now a commercial venture that should only provide inputs and watch from the sideline.

2. Government through negotiation and all possible legal and legitimate means should not allow the organized labour to proceed on industrial strike as the consequences may be devastating on the new government and the country

3. The organized labour should embrace the negotiation engagements with an open mind realizing that there are another 40% – 50% of vulnerable Nigerians looking up to them to lead the deployment of a national safety net for all.

4. Government should invest the outcome of the removal of subsidy in the provision of public transport (mass transit), non-motorized (walking and cycling) transport and encourage multi modal transport with all modes given attention with support of government to states and incentive to encourage private sector participation.

5. Government should quickly identify and implement incentives (safety net) to mitigate the rising cost of living with an intervention like hardship allowances, but not in the fashion of the current and recent past poverty alleviation formats which were also shrouded in corruption.

5. There should be total deregulation of the Oil and Gas Sector, thereby opening the industry to organic competition.

6. Government should encourage conversion of petrol engines to alternative, more environmentally friendly, cheaper and cleaner fuels available in the country (that is the Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG) or Electric Vehicles. Government can give incentives for provision of the conversion kits to public transport buses and private cars as well as mass transit buses.

7. Government should as a matter of urgency, develop a national framework on intra and interstate mass transit system with appropriate technology and standards as necessary that will make for easy regulation.

8. Grant should be provided to support the sub-nationals (States) and Private Sector Companies that meet the standards developed as recommended.

9. CIOTA to advise the Federal Government to make use of Technology to monitor pipeline transport across the nation as this will reduce the vandalization and theft of petroleum products moving along this mode.

10. **CIOTA** must go beyond communiqué to push forward its decisions to the appropriate authorities that will implement them. The conference therefore, mandates CIOTA executives to meet with the President, FRN,

Vice President; Minister of Transport and Minister of Works to present the communiqué.

11. **CIOTA** needs to be involved in the main streaming of policy and budgetary development as it concerns transport industry in the country.
12. CIOTA should intensify efforts to work with Government in funding regulatory bodies in the Road transport Sector, in view of the enormity of available revenues that can be collected in road transport.
13. Urban transport services should be corporatized to have few owners and create efficiency in the system and not in the hands of mediocre who cannot manage them and to advise the Federal Government to make effective utilization of multi-modal transport system in the country.

### **Appreciation**

The President/Chairman of Governing Council of the Institute appreciates the discussants in this programme, the special guests, the speakers, press men and participants that took part in the roundtable discussion.

**Signed COMMUNIQUE IS SIGNED AND SEALED ON THIS 4<sup>TH</sup> JUNE 2023**

**Prince Segun Obayendo, FInstTA**

President/Chairman of Council

Chartered Institute of Transport Administration (CIOTA)

**Professor Samuel G. Odewumi, FInstTA**

Chairman, Membership and Planning Committee CIOTA

Chairman, Road Sub- committee CIOTA